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If you sell or transfer or have sold or otherwise transferred all of your Existing Shares, please send this document as soon as possible to the purchaser or the transferee or to your broker, CSDP, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee, except that such documents should not be sent in or into any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to, any of the Excluded Territories. If you sell or transfer or have sold or otherwise transferred part of your holding of Existing Shares, you should retain this document and the accompanying Form of Proxy and consult your broker, CSDP, bank or other agent through whom the sale or transfer was effected.

Gemfields Group Limited ("Gemfields") does not accept responsibility, and shall not be held liable, for any action of, or omission by, any broker, CSDP or agent including, without limitation, any failure on the part of broker or CSDP or agent of any beneficial owner of Existing Shares to notify such beneficial owner of the details set out in this document.

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This document does not constitute an admission document drawn up in accordance with the AIM Rules. In addition, this document does not constitute a prospectus for the purposes of the Prospectus Regulation together with the Prospectus Regulation Rules made by the FCA pursuant to sections 73A(1) and (4) of FSMA and has not been approved by the FCA, the London Stock Exchange, any securities commission or any other authority or regulatory body nor has it been approved for the purposes of section 21 of FSMA. It is emphasised that no application is being made for the admission for the Existing Shares or the New Shares to the Official List of the London Stock Exchange.

This document does not constitute an "offer to the public" (as such term is defined in the South African Companies Act) and is not, nor is it intended to, constitute a "registered prospectus" (as such term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and no prospectus is intended to be filed with the South Africa Companies and Intellectual Properties Commission in respect of the Proposed Rights Issue or any component thereof. Any offer of the New Shares to shareholders in South Africa pursuant to the Proposed Rights Issue shall only be made to persons or entities described in Section 96 of the South African Companies Act which lists the types of offers that are deemed not to constitute offers to the public.

Neither the Guernsey Financial Services Commission nor the States of Guernsey take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it in this document.

Advertisement – Subject to the passing of the Resolutions at the Extraordinary General Meeting, it is proposed that a Prospectus will be published in connection with the Proposed Rights Issue, which investors will be able to obtain from the Company's website, by using the following link: www.gemfieldsgroup.com/proposed-rights-issue-2025. Should the FCA and/or JSE approve the Prospectus, such approval should not be understood as an endorsement of the securities to be offered pursuant to the Proposed Rights Issue. Potential investors should read the Prospectus (when published) before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the securities.

AIM is a market designed for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration, and if appropriate, consultation with a financial adviser.

This document does not, and is not intended to, constitute or form part of any offer, or invitation for or solicitation of any offer, to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of, or issue, any security in any jurisdiction, nor shall it or any part of it form the basis of, or be relied on in connection with, any agreement or commitment whatsoever in any jurisdiction. Any decision to approve the Resolutions contained herein should be made only on the basis of the information in this document.

GEMFIELDS

GROUP LIMITED

Gemfields Group Limited

(Incorporated under The Companies (Guernsey) Law, 2008 and registered in Guernsey, with registered number 47656)

(Registered as an external company in South Africa under registration number 2009/012636/10 on 26 June 2009)

Share code on JSE:GML (on General Segment of JSE Main Board)/AIM:GEM

ISIN: GG00BG0KTL52

CIRCULAR TO SHAREHOLDERS

Authority to Allot and Issue 556,203,396 New Shares for cash in connection with the Proposed Rights Issue

Approval of Waiver of Rule 9 of the City Code on Takeovers and Mergers

and

Notice of Extraordinary General Meeting

and enclosing:

- a Form of Proxy, only for use by JSE Certificated Shareholders and JSE Dematerialised Shareholders with "own-name" registration;
- a Form of Proxy, only for use by those Shareholders whose Ordinary Shares are admitted to AIM; and
- a Notice of Extraordinary General Meeting.

Panmure Liberum Limited

*(Financial Adviser, AIM Nominated Adviser,
co-ordinator and Corporate Broker)*

Investec Bank Limited

(JSE Sponsor)

Date of Issue: Friday, 11 April 2025

This Circular is available in English only. This Circular will be made available electronically on the Company's website (www.gemfieldsgroup.com). A copy of this Circular may be inspected during office hours from the date of issue of this Circular up to and including the date of the Extraordinary General Meeting (both days inclusive) at the registered office of the Company and at the address of the JSE Sponsor set out in this Circular.

This document should be read as a whole. However, your attention is drawn to the letter from the Chair of Gemfields which is set out in Part I "*Letter from the Chair of Gemfields*" at pages 8 to 24 of this document and which recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below.

The Notice of the Extraordinary General Meeting, to be held at 123 Victoria Street, Westminster, London, SW1E 6DE, at 10.00 a.m. (London time) on 19 May 2025, is set out at the end of this document. The relevant accompanying Forms of Proxy (one for use by Shareholders with shares on the South African (JSE) register and one for use by certain Shareholders with shares on the Guernsey (AIM) register) for use in connection with the Extraordinary General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach: (1) in the case of Shareholders with shares on the Guernsey (AIM) register, the UK Registrar, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY; or (2) in the case of Shareholders with shares of the South African (JSE) register, the SA Registrar, Computershare Investor Services Proprietary Limited, Private Bag X9000, Saxonwold, 2132, South Africa, in each case by not later than 11.00 a.m. SAST on 15 May 2025 (or, in the case of an adjournment or postponement of the Extraordinary General Meeting, not later than 48 hours, excluding any part of a day that is not a working day, before the time fixed for the holding of the adjourned or postponed meeting). Completion and return of Forms of Proxy would not normally preclude Shareholders from attending and voting at the Extraordinary General Meeting should they so wish.

JSE Dematerialised Shareholders other than with "own name" registration should NOT complete a Form of Proxy but instead must either inform their CSDP or broker of their intention to attend the Extraordinary General Meeting and request their CSDP or broker to issue them with the necessary authorisation to attend the Extraordinary General Meeting in person or provide their CSDP or broker with their voting instructions should they not wish to attend the Extraordinary General Meeting in person. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of the mandate furnished to them by you.

Shareholders who hold their Existing Shares in uncertificated form in CREST may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of Extraordinary General Meeting at the end of this document. Proxies submitted via CREST must be received by the issuer's agent, Computershare Investor Services (Guernsey) Limited (Participant ID: 3RA50) by no later than 10.00 a.m. (London time) on 15 May 2025 (or, if the Extraordinary General Meeting is adjourned or postponed, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned or postponed meeting).

The Directors accept responsibility for the information contained in this document relating to the recommendation in respect of the Resolutions set out in paragraph 17 of Part I of this document.

Panmure Liberum Limited ("**Panmure Liberum**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as Financial Adviser, AIM Nominated Adviser, co-ordinator and Corporate Broker exclusively to the Company in connection with the Proposed Rights Issue and no one else in connection with the matters referred to in this document, and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, for the contents of this document or for providing any advice in relation to this document. Neither Panmure Liberum nor any of its affiliates (nor any of their respective directors, officers, employees or agents), owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Panmure Liberum in connection with this document, any statement contained herein or otherwise.

Apart from the responsibilities and liabilities, if any, which may be imposed by the FCA, FSMA or the regulatory regime established thereunder, neither Panmure Liberum nor any person affiliated with it, accepts any responsibility whatsoever and makes no representation or warranty, express or implied, in respect of the contents of this document, including its accuracy or completeness, or for any other statement made or purported to be made by any of them, or on behalf of them, in connection with the Company or any matter described in this document and nothing in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Panmure Liberum has not approved the contents of, or any part of, this document and no liability whatsoever is accepted by Panmure Liberum for the accuracy of any information or opinions contained in this document and, accordingly, Panmure Liberum and its affiliates disclaim, to the fullest extent permitted by law, all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have to any person, other than the Company, in respect of this document or any such statement.

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Forward Looking Statements

This document includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or "similar" expressions or negatives thereof which are predictions of or indicate future events and future trends. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the statements in the paragraph immediately above. All forward-looking statements contained in this document are based on information available to the Directors at the date of this document, unless some other time is specified in relation to them,

and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date. Shareholders are hereby cautioned that certain important factors could cause actual results, outcomes, performance or achievements of the Company or the industry in which it operates to differ materially from those anticipated in the forward-looking statements. These factors include, but are not limited to, those summarised in Part I "*Letter from the Chair of Gemfields*" of this document. Except as required by the FCA, the London Stock Exchange, the JSE Ltd, the AIM Rules, the Prospectus Regulation Rules, the Disclosure and Transparency Rules and the JSE Listings Requirements (to the extent applicable) or other applicable laws or regulations, the Company and the Directors undertake no obligation to release publicly any updates or revision to any forward-looking statement contained herein to reflect any change in the Company's or the Directors' expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Except as otherwise indicated, capitalised terms have the meaning ascribed to them in Part III "*Definitions*". References to time in this document are to London time, unless otherwise stated.

TABLE OF CONTENTS

| | Page |
|---|------|
| EXPECTED TIMETABLE OF EVENTS | 5 |
| DETAILS OF REGISTERED OFFICE AND ADVISERS | 6 |
| PART I LETTER FROM THE CHAIR OF GEMFIELDS | 8 |
| PART II ADDITIONAL INFORMATION | 25 |
| PART III DEFINITIONS | 46 |
| PART IV NOTICE OF GENERAL MEETING | 55 |

EXPECTED TIMETABLE OF EVENTS

Each of the times and dates in the table below is indicative only and may be subject to change.

| | |
|--|---|
| Record date for shareholders on the JSE register to receive this Circular | 4 April 2025 |
| Announcement of Gemfields's final results for the year ended 31 December 2024 | 11 April 2025 |
| Publication of declaration information pertaining to the Proposed Rights Issue and this Circular (including the Notice of Extraordinary General Meeting) on the Company website and distribution to Shareholders | 11 April 2025 |
| Last day to trade on the JSE in order to be able to vote at the Extraordinary General Meeting | 12 May 2025 |
| Record date to be eligible to vote at the Extraordinary General Meeting | 15 May 2025 |
| Latest time and date for receipt of Form of Proxy for those Shareholders whose Existing Shares are admitted to AIM | 10.00 a.m. (London time) on 15 May 2025 |
| Latest time and date for receipt of Form of Proxy by JSE Certificated Shareholders and JSE Dematerialised Shareholders with "own-name" registration | 11.00 a.m. (South African Standard Time) on 15 May 2025 |
| Extraordinary General Meeting | 10.00 a.m. (London time) on 19 May 2025 |
| Results of Extraordinary General Meeting released on RIS and SENS, including finalisation information pertaining to the Proposed Rights Issue | 19 May 2025 |
| Prospectus approved and made available on the Company's website ⁽⁴⁾ | on or around 20 May 2025 |
| Prospectus printed and posted to all Qualifying Shareholders ⁽⁴⁾ | 28 May 2025 |

(1) Unless otherwise stated, references to times in this timetable are to London time.

(2) Further details of the timetable for the Proposed Rights Issue in the United Kingdom and South Africa will be set out in the Prospectus which is expected to be published, subject to the passing of the Resolutions and approval of the FCA and the JSE, on 20 May 2025. If any of the dates relating to the Proposed Rights Issue in this expected timetable of events change to a material extent, details of the new dates will be notified to the Shareholders by an announcement on RIS and SENS.

(3) If you have any questions relating to the completion and return of the Forms of Proxy:

- Shareholders on the Register maintained by the UK Registrar, please call the UK Registrars between 8.30 a.m. and 5.30 p.m. on Monday to Friday, on 0370 707 4040 (from inside the United Kingdom) or +44 370 707 4040 (from outside the United Kingdom). Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except UK public holidays). Please note that for legal reasons, the UK Registrar cannot give you any advice on the merits of the Proposed Rights Issue nor give any financial, tax, investment or legal advice in connection with it. Calls may be monitored and recorded for security and training purposes.
- Shareholders on the Register maintained by the SA Registrar, please call the SA Registrar on between 8.00 a.m. and 4.00 p.m. (South African Standard Time) on Monday to Friday, on +27 11 370 5000 and, in South Africa only, 0861 100 634. Lines are open from 8.00 a.m. to 4.00 p.m. (South African Standard Time) Monday to Friday (except public holidays in South Africa). Please note that for legal reasons, the SA Registrar cannot give you any advice on the merits of the Proposed Rights Issue nor give any financial, tax, investment or legal advice in connection with it. Calls may be monitored and recorded for security and training purposes.

(4) Subject to the passing of the Resolutions at the Extraordinary General Meeting.

DETAILS OF REGISTERED OFFICE AND ADVISERS

Directors

Bruce Cleaver
Sean Gilbertson
David Lovett
Patrick Sacco
Kieran Daly
Kwape Mmela
Mary Reilly
Simon Scott

Independent Non-Executive Chair
Chief Executive Officer
Chief Financial Officer
Non-Executive Director
Non-Executive Director
Lead Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director

all care of:

PO Box 186
Royal Chambers
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St. Peter Port
Guernsey
GY1 4HP
Channel Islands

Company Secretary

Toby Hewitt

BSc (Hons) Geology, Dip. Law, Qualified to Practise Law in England & Wales and Victoria, Australia, Fellow of Chartered Governance Institute

care of:

1 Cathedral Piazza
London
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United Kingdom

Registered Address of the Company

Gemfields Group Limited

PO Box 186
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Financial Adviser, AIM Nominated Adviser co-ordinator and Corporate Broker

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25 Ropemaker Street
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JSE Sponsor

Investec Bank Limited

100 Grayston Drive
Sandton
2196
South Africa

Legal advisers to the Company

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EC3M 3AG
United Kingdom

**Guernsey Legal Advisers
to the Company**

Mourant Ozannes (Guernsey) LLP
Royal Chambers
St. Julian's Avenue
St. Peter Port
Guernsey
GY1 4HP
Channel Islands

**South African Legal Advisers
to the Company**

Thomson Wilks Inc
1st Floor Building 8
Pebble Beach
54 Wierda Road West
Wierda Valley
Sandton
South Africa

**Legal Advisers to the Financial Adviser,
AIM Nominated Adviser, co-ordinator
and Corporate Broker**

Fieldfisher LLP
Riverbank House
2 Swan Lake
London
EC4R 3TT
United Kingdom

Auditors and Reporting Accountants

Ernst & Young LLP
1 More London Place
London
SE1 2AF
United Kingdom

Registrars

Computershare Investor Services (Guernsey) Limited
2nd Floor, Lefebvre Place
Lefebvre Street
St Peter Port
Guernsey
GY1 2JP

Computershare Investor Services (Pty) Ltd
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
South Africa

Date of incorporation of Company

4 September 2007

**Date of registration as external
company in South Africa**

26 June 2009

**Place of incorporation of Company
and place of registration as external
company**

Incorporated in Guernsey
Registered as an external company in South Africa

PART I

LETTER FROM THE CHAIR OF GEMFIELDS

Gemfields Group Limited
PO Box 186
Royal Chambers
St Julian's Avenue
St. Peter Port
Guernsey
GY1 4HP
Channel Islands

11 April 2025

To holders of Existing Shares and for information purposes to the holders of options over Ordinary Shares

Dear Shareholder,

**Authority to Allot and Issue 556,203,396 New Shares for cash in connection
with the Proposed Rights Issue
Approval of Waiver of Rule 9 of the City Code on Takeovers and Mergers
and
Notice of Extraordinary General Meeting**

1. Introduction

Today, Gemfields Group Limited ("**Gemfields**" or the "**Company**") has announced it is seeking shareholder approval to, amongst other things, issue 556,203,396 New Shares to raise approximately USD30 million by way of a Proposed Rights Issue.

The Proposed Rights Issue will, subject to Shareholder approval, be undertaken to address a near-term working capital shortfall as a result of the cumulative impact of a number of challenges the Company encountered in the second half of 2024 and the first quarter of 2025, all of which are considered by the Directors to be transient in nature, coinciding with a period of significant planned investment.

As set out in an announcement dated 23 December 2024, the Company is carrying out a widespread and ongoing cost saving programme to reduce the cost base of the business. In combination with the Proposed Rights Issue, these initiatives are intended to secure the near-term future of Gemfields, ahead of the commissioning of a second ruby processing plant at MRM ("**PP2**"). Once fully operational, PP2 is expected to triple the processing capacity and significantly increase the mine's ruby production, leading to a material increase in product available for sale and, therefore, the opportunity to generate additional revenue.

The Company also announced on 23 December 2024 that it was assessing strategic options in respect of Fabergé, the iconic luxury-brand owned by the Group. Since the date of that announcement, the Company has engaged with a number of parties who have expressed an interest in the Fabergé business, and received a number of non-binding offers. Due to the Company's requirement for external funding in the short-term, the Board does not believe that the non-binding offers are sufficiently sound alternatives within the timeframe required to meet the Group's funding needs. To proceed with external funding in the required timeframe, the assessment of strategic options for Fabergé has paused and will only recommence following the completion of the Proposed Rights Issue.

As a result, the Board is of the view that the Proposed Rights Issue is in the best interests of the Company and its shareholders as a whole at this time in order to meet the funding needs of the Group. The Proposed Rights Issue will involve the issue of 556,203,396 New Shares, representing approximately 47.6 per cent. of Gemfields' share capital in issue as at the Latest Practicable Date.

The UK Issue Price of 4.22 pence per New Share represents:

- a 19.7 per cent. discount to the theoretical ex-Rights price based on the closing price of 5.75 pence per Share; and
- a 35.0 per cent. discount to the 30-day volume weighted average price per share of 6.50 pence per Share,

in each case on the Latest Practicable Date.

The SA Issue Price of ZAR1.06860 per New Share represents:

- a 21.5 per cent. discount to the theoretical ex-Rights price based on the closing price of ZAR1.50000 per Share; and
- a 28.8 per cent. discount to the 30-day volume weighted average price per share of ZAR1.50049 per Share,

in each case on the Latest Practicable Date.

In order to provide certainty of funding to the Company, subject to the passing of the Resolutions at the Extraordinary General Meeting, the Proposed Rights Issue will be underwritten by the Underwriters, (1) Assore International Holdings Limited ("**AIH**") and (2) Rational Expectations (Pty) Ltd ("**Rational**"), in accordance with the terms of the Rights Issue and Underwriting Agreement. Accordingly, AIH, which currently holds approximately 29.14 per cent of the issued share capital of Gemfields, and Rational, which, together with the parties it represents as set out in more detail in paragraph 16 of Part II, currently holds approximately 15.49 per cent. of the issued share capital of Gemfields, in each case at the Latest Practicable Date, have undertaken to take up their respective entitlements in full in the Proposed Rights Issue and to collectively underwrite, in the Agreed Proportions, the entirety of the Proposed Rights Issue in excess of their respective entitlements. The Proposed Rights Issue is being underwritten by the Underwriters such that the Proposed Rights Issue shall result in gross proceeds of approximately USD30 million being raised.

The Committed Shareholders, including the Underwriters, have given irrevocable undertakings to take up the Committed Shares (being, in aggregate, 299,572,845 New Shares). Further details of the irrevocable undertakings are set out at paragraph 9 of Part II of this document.

In addition, each Underwriter has entered into an individual Pre-Funding Agreement with the Company, pursuant to which: (1) AIH shall make a loan in the amount of USD8,742,000 available to the Company; and (2) Rational shall make a loan in the amount of USD4,646,000 available to the Company (each being a "**Loan**") in each case, on the date of the publication of this Circular. This will provide the Company with an immediate working capital injection pending the completion of the Proposed Rights Issue. Each Loan will act as an advance payment by the relevant Underwriter for its Rights under the Proposed Rights Issue and repayment of each such Loan shall be set-off against the amount otherwise owed by the relevant Underwriter to the Company for its Rights and the Underwritten Shares it has committed to subscribe for under the terms of the Proposed Rights Issue and the Rights Issue and Underwriting Agreement. Further details of each Pre-Funding Agreement are set out in paragraphs 11.9 and 11.10 of Part II of this document.

In the event that no Qualifying Shareholders (save for the Underwriters and the Committed Shareholders) take up their Rights, AIH would be required to subscribe for, in aggregate, 329,659,331 New Shares, representing approximately 19.1 per cent. of the voting rights of the Company's issued share capital immediately following the Proposed Rights Issue. This would mean that AIH, (when taking into account the existing 340,367,121 Ordinary Shares it holds as at the Latest Practicable Date), together with any persons acting in concert with AIH, would have a maximum shareholding of 670,026,452 Ordinary Shares, representing 38.9 per cent. of the issued share capital of the Company following completion of the Proposed Rights Issue. The maximum shareholding of Rational, together with the parties it represents as set out in more detail in paragraph 16 of Part II, in such circumstances would be 356,088,477 Ordinary Shares, representing 20.7 per cent. of the issued share capital of the Company following completion of the Proposed Rights Issue.

Given the maximum number of Ordinary Shares that could be held by AIH, and any persons acting in concert with AIH, following the Proposed Rights Issue, the Takeover Panel has been consulted and has agreed to waive the requirement for AIH and any persons acting in concert with AIH to make a general offer under Rule 9 of the Takeover Code in cash for Ordinary Shares which might otherwise arise as a result of the issue of the Proposed Rights Issue, subject to the Rule 9 Waiver Resolution (as set out in the notice convening the Extraordinary General Meeting) being passed on a poll of the Independent Shareholders. To be passed, the Rule 9 Waiver Resolution will require a simple majority of the votes cast by the Independent Shareholders to be in favour.

Further details in relation to the Proposed Rights Issue (including, without limitation, the timetable of events) will be set out in the Prospectus which is expected to be published by the Company, subject to the passing of the Resolutions and the approval of the FCA and the JSE, on or around 20 May 2025.

The Directors believe that the receipt of proceeds from the Proposed Rights Issue will strengthen the Group's financial position.

As set out in more detail in paragraphs 8 (*Rule 9 Waiver and Maximum Control Position*) and 10 (*Extraordinary General Meeting*) below, the Shareholders will be asked at the Extraordinary General Meeting to approve the following Resolutions:

- (a) an Ordinary Resolution to be passed by the Independent Shareholders on a poll to approve the Rule 9 Waiver Resolution;
- (b) a Special Resolution to grant the Directors authority to allot and issue New Shares for cash free of pre-emption rights in connection with the Proposed Rights Issue; and
- (c) an Ordinary Resolution to approve the Underwriting Issue to the Underwriters Resolution.

Please refer to the Notice of Extraordinary General Meeting for a detailed description of the Resolutions to be voted on by Shareholders at the Extraordinary General Meeting.

The Proposed Rights Issue is conditional on:

- (a) all of the Resolutions being passed by the requisite majority of Shareholders;
- (b) the publication of the Prospectus on or around 20 May 2025;
- (c) AIM Admission of the New Shares;
- (d) approval by the JSE Ltd of the listing and trading of the New Shares and the Letters of Allocation on the JSE Main Board; and
- (e) the Rights Issue and Underwriting Agreement in respect of the Proposed Rights Issue becoming unconditional in accordance with its terms and not having been terminated prior to JSE Admission.

Therefore, if all of the Resolutions are not passed by the requisite majority of Shareholders, or if any of the other conditions are not satisfied, the Proposed Rights Issue will not proceed.

AIH has agreed to vote its 29.14 per cent. shareholding in Gemfields in favour of all of the Resolutions save for the Rule 9 Waiver Resolution. Rational has agreed to vote its shareholding, together with the shareholdings of the parties it represents as set out in more detail in paragraph 16 of Part II, being in aggregate 15.49 per cent. of the issued share capital of Gemfields, in favour of all of the Resolutions save for the Rule 9 Waiver Resolution, which it is precluded from voting on.

The purpose of this Circular is to give you details of the Proposed Rights Issue to ensure Shareholders have all relevant information prior to the Extraordinary General Meeting.

Please read the contents of this Circular (including the Notice of Extraordinary General Meeting) in their entirety. Should the Resolutions be passed by Shareholders, the Prospectus will subsequently be published, setting out the full terms and conditions of the Proposed Rights Issue.

2. The Group's business

Gemfields is a world-leading responsible miner and marketer of coloured gemstones. Gemfields is the operator and 75 per cent. owner of both the Kagem emerald mine in Zambia (believed to be the world's single largest producing emerald mine) and the Montepuez ruby mine in Mozambique (one of the most significant recently-discovered ruby deposits in the world). In addition, Gemfields also holds controlling interests in various other gemstone mining and prospecting licences in Zambia, Mozambique, Ethiopia and Madagascar.

Gemfields' outright ownership of Fabergé – an iconic and prestigious brand of exceptional heritage – enables Gemfields to optimise positioning, perception and consumer awareness of coloured gemstones through Fabergé's designs, advancing the Group's "mine and market" vision.

Gemfields has developed a proprietary grading system and a pioneering auction platform to provide a consistent supply of coloured gemstones to downstream markets, a key component of Gemfields' business model that has played an important role in the growth of the global coloured gemstone sector.

The Company is incorporated in Guernsey and has a primary listing on the General Segment of the JSE Main Board and is quoted on AIM in London (as a secondary listing), with a market capitalisation at the Latest Practicable Date of approximately USD86.9 million.

3. Background to and reasons for the Proposed Rights Issue

Introduction

Since the second half of 2023, Gemfields has undertaken material capital expenditure investment programmes across its business in order to secure the future operational performance of the business and to position the Group for growth. The key investment projects have been:

- i. the 18-month construction of MRM's second processing plant, PP2, the single largest investment Gemfields has ever made with an initial capital expenditure outlay of c. USD70 million. The plant is due to go online by the end of the first half of 2025 and has been funded through USD55 million of in-country debt facilities with the remaining from existing cash reserves. There will be additional mining fleet related capital expenditure expected from December 2025 to December 2026 of c. USD15 million;
- ii. an upgraded and enlarged processing plant at Kagem (project completed July 2024) (aggregate capital investment of USD1.3 million);
- iii. increase of yellow goods and fleet at both Kagem and MRM, and replacing aged equipment (project completed December 2024) (aggregate capital investment of USD35.4 million); and
- iv. development assets to expand, and diversify risk across the business (aggregate capital investment of USD16.7 million in 2024).

The investment required to deliver these projects has required significant deployment of available working capital alongside a material increase in the Group's net debt. Additional debt facilities totalling USD66 million have been entered into since the start of 2024 and the Group's net debt position as at 31 December 2024 was USD80.5 million, compared to a net cash position of USD11.1 million as at 31 December 2023. It is expected that the Group's net debt position will exceed USD100 million at points during 2025 as it fully draws down on its debt.

Gemfields' management was aware of the careful financial path it was leading the business along through 2024 and into 2025, and was confident that it would be able to achieve all of the Group's objectives, without the need for additional funding.

Unfortunately, four simultaneous and material challenges, which management believe are transient, have been impacting the business and have resulted in the need for additional external funding in the short term.

Four simultaneous challenges are and have been materially impacting Gemfields

As stated in the Company's announcement dated 23 December 2024, Gemfields has been experiencing four significant negative impacts to its business simultaneously, at the same time as it funds a growth-focused investment cycle for the future development of the business.

These challenges are viewed by management as being transient, whilst having a direct impact on Gemfields' recent auction revenues and an expectation that they will impact future auction revenues in 2025. Whilst the civil unrest and associated supply chain and logistical interruptions in Mozambique have since materially improved, further unrest cannot be ruled out.

The principal factors that have resulted in materially lower auction revenues in the second half of 2024 and which could also impact auction revenues in 2025 are:

- i. disturbed emerald market dynamics arising from an oversupply of Zambian emeralds at discounted prices by a competing Zambian emerald producer during the second half of 2024, compounded by conflicting auction dates and giving rise to a poor Zambian emerald market outlook during the first half of 2025;
- ii. lower production of premium rough rubies at MRM;
- iii. uncertainty in the luxury-goods and gemstone market generally given economic headwinds in China and geopolitical turbulence; and
- iv. civil unrest, illegal mining, insurgency and associated supply chain and logistical interruptions in Mozambique.

Further details on the ongoing challenges and how Gemfields is addressing them follows:

The First Challenge: disturbed emerald market dynamics from the actions of a competing Zambian emerald producer

Gemfields' principal competitor for the production and marketing of Zambian emeralds has taken recent actions that, the Directors believe, have had the effect of damaging the supply and demand dynamics of the emerald market in the short to medium term. This competitor conducted three rough emerald auctions in three consecutive months (September to November 2024), the timing and pricing of which impacted Gemfields' own auctions. This is at odds with their prior approach and caused uncertainty in the emerald market.

In November 2024, this was demonstrated when an auction was promoted as "the largest emerald auction in history" and was scheduled to start the day after Gemfields' higher-quality auction closed. The effect of this was that customers were less likely to bid fair market price if there were large quantities of potentially cheap emeralds on offer the day after Gemfields' auction closed.

This has markedly impacted Gemfields' performance at its last two emerald auctions (commercial-quality in September 2024 and higher-quality in November 2024), with significantly lower bids for the mid and lower quality emeralds and ultimately resulting in Gemfields' emerald revenues materially underperforming in the second half of 2024. In its additional auction in February 2025 of higher-quality emeralds which were previously unsold in the November 2024 auction, the Company saw an improvement in both demand and pricing, although the market remains subdued.

How Gemfields is addressing the first challenge:

Gemfields has no appetite to change its fundamental approach to auctions, which focuses on generating the most value for the emeralds mined at Kagem, for the benefit of all stakeholders, including its customers.

This also maximises the value generated for the local community and Zambian government in the form of mineral royalties, corporation tax paid, dividends to the government and export taxes/levies. In 2023 this amounted to 31 per cent. of Gemfields' emerald revenue, and 19 per cent of revenue from 2008 to 2023. Gemfields repatriates auction revenues for all of its emeralds sold, ensuring the value is recognised in country and at the full sale price rather than a materially lower export price.

Gemfields remains committed to leadership and market stability in the emerald market and takes proactive steps to support the market by withholding certain lots that do not achieve satisfactory bidding. This approach helps foster a more secure and sustainable market for all stakeholders including our customers.

Kagem is ensuring its costs are carefully managed during this period of uncertainty and has paused mining in Kagem's pits, only processing its considerable stockpile of pre-mined emerald bearing-ore through its recently upgraded wash plant to produce emeralds. This mining pause was introduced from 1 January 2025 and is currently due to be in place for 6 months or until such a time that Gemfields has confidence that the recent and transient over-supply of emeralds has subsided and the market returns to a normalised state. Not mining for any period of time may limit near-term production, as there is uncertainty as to the quantity and quality that would result from processing the stockpile, but would save approximately USD1.5 million per month in operating costs. Based on recent production statistics, overall emerald production at the wash plant is broadly aligned with internal expectations, while a lower proportion of premium emeralds have been recovered.

The Second Challenge: lower production of premium rough rubies at MRM

Each coloured gemstone is unique and, although geological methods can help identify areas where both emeralds and rubies should be found, currently there can be no certainty on the quantity, quality or value of such gemstones, until they are brought to the surface and processed.

Gemfields is significantly reliant for revenue on the discovery of 'premium' rough gemstones (the largest or best quality gemstones), especially so for rubies. Tumbled rubies also make a significant contribution to revenue. Based on recent analysis, 90 per cent. of Gemfields' ruby auction revenues since 2021 has come from just 5 per cent. of the weight of gemstones mined. Unfortunately, the Group's premium ruby production across 2024 has been significantly below historic averages.

In 2024, 40,006 carats of premium rubies were recovered, against a three-year average (2021-2023) of 74,931 carats produced. This reflects both a reduction in the grade achieved but, most importantly, the quantity of top-value rubies brought to auction and therefore the Group's revenues.

How Gemfields is addressing the second challenge

There is no indication so far that the lower production of 'premium' rubies, is due to any specific driver other than the natural variability of the geological conditions where the rubies are mined, and therefore management has the expectation that the production will improve again more towards such historic averages.

The relative lack of premium production at MRM will be significantly addressed by the completion of PP2, which will triple the ruby ore processing capacity from 200 tonnes per hour to 600 tonnes per hour. The new processing plant will allow Gemfields to:

- a) process MRM's sizable stockpile of ruby ore standing at 1,476 thousand tonnes, on a 100% basis based on MRM's resources and reserves statement in the 2024 Annual Report;
- b) bring to market additional sizes and colour variations of rubies – previously not practical given limited processing capacity; and
- c) explore more of MRM's untapped licence areas, with currently only ~10 per cent. included within the life-of-mine calculation.

The plant will diversify the risk of future lower producing pockets of supply and expand the customer base as new types of rubies are brought to market.

The Third Challenge: uncertainty in the luxury-goods and gemstone market generally given economic headwinds in China and geopolitical turbulence.

Gemfields takes the cost of mining, processing, sorting and grading rough coloured gemstones in Zambia and Mozambique, before selling them in sealed-bid auctions. These typically take place four times a year for emeralds and twice a year for rubies.

Gemfields is subject to the dynamics of supply and demand with regards to pricing for its coloured gemstones but uses an intricate reserve price model to ensure the gemstones maintain a fair market price. The market demand for emeralds and rubies can vary over time and currently there are concerns over the luxury-goods industry, which is the primary market that buys the Company's 'premium' coloured gemstones.

Concerns over China's consumption of luxury-goods and other macroeconomic uncertainty raises the risk that Gemfields' future auctions could see lower demand and fewer coloured gemstones being sold for fair market prices. Lower demand could materially reduce the revenue Gemfields earns.

As announced on 22 November 2024, Gemfields' recent higher-quality emerald auction saw lesser bids for the lower-quality gemstones on offer and ultimately under-performed against internal expectations. In the additional auction in February 2025 of the higher-quality emeralds that were previously unsold at the November 2024 auction, the results indicated an improvement in both demand and pricing, although the market remains subdued.

Similarly, as announced on 12 December 2024, the mixed-quality ruby auction in December 2024 saw some softer prices and thinner bidding but represented a positive outcome under the current market conditions, reaffirming the stability of demand for Gemfields' rubies, and prices for fine-quality aligning well with the limited supply of these rare gemstones.

Additionally, Gemfields has limited visibility into its customers' levels of coloured gemstone stock, changes in the cost of cutting and polishing and the availability of credit to purchase coloured gemstones at its auctions.

How Gemfields is addressing the third challenge:

Consumption patterns for luxury-goods are typically cyclical and inter-linked with wider macroeconomic trends. Gemfields has previously seen these cycles play out, with coloured gemstones (specifically emeralds, rubies and sapphires) maintaining their underlying value during such periods of lower demand for luxury-goods.

By materially increasing the scale of production at MRM, through the construction of PP2 (the second processing plant due to complete by the end of the first half of 2025), Gemfields expects to be able to produce more higher-quality rubies which are more immune to market variability. This increased production will also open up new sizes and colours of rubies that previously were not produced at scale in order to focus on producing the highest-quality rubies. This will diversify Gemfields' customer base and expand the reach of coloured gemstones globally to new end-point consumers.

Gemfields' proprietary grading system alongside high-quality sorting and auction processes provides transparency to market participants in what they are purchasing. This can reduce the uncertainty in the value of the coloured gemstones being sold and help limit the natural variability in market pricing over time. Despite the recent market disruption, Gemfields will maintain its approach as a leader in standards and promoter of responsibly-mined coloured gemstones.

In addition, in 2025 so far, there have been signs of improved demand for jewellery. LVMH reported 3 per cent. quarterly organic growth in revenue in its 'Watches & Jewelry' business group in the fourth quarter of 2024.⁽¹⁾

The Fourth Challenge: Impact of civil unrest in Mozambique.

The fourth challenge, which has already materially improved, relates to the civil unrest and associated supply chain and logistical interruptions in Mozambique between October 2024 and mid-January 2025 because of the contested presidential election. This civil unrest related disruption resulted in higher costs to access essential goods and fuel, and a three day pause in mining and processing in December 2024 as a number of employees were temporarily relocated in reaction to an attempted invasion of the MRM Village. The civil unrest is in general no longer taking place. However, lingering challenges remain amid heightened illegal miner intrusions onto MRM's licence area and a recent increase in insurgent activities.

(1) www.lvmh.com/en/publications/lvmh-achieves-a-solid-performance-despite-an-unfavorable-global-economic-environment

How Gemfields is addressing the fourth challenge:

Gemfields worked carefully with its employees, contractors and suppliers during the period of civil unrest to limit any operational impact beyond increased costs and temporary pause of production as described above. Notwithstanding the ongoing insurgency risks and risk of any further disruption or re-escalation, MRM has operated as usual since the start of 2025.

Additional actions taken by Gemfields to reduce costs and streamline business activity

As announced on 23 December 2024, Gemfields has taken and continues to undertake actions to cut costs and streamline business activity, while prioritising construction and commissioning of PP2, which is regarded by Gemfields as a critical project to increase premium ruby production and deliver additional revenue for the Group by the end of 2025.

Gemfields is also considering the timing of emerald and ruby auctions to best match the requirements for working capital across the year.

In terms of cost cutting and operational changes, the actions include:

- i. suspending, for a period expected to be up to 6 months, all mining at Kagem (with the suspension commencing from 1 January 2025). Instead, Kagem will focus on processing ore from Kagem's significant ore stockpile utilising the recently upgraded processing plant;
- ii. halting all non-essential spend and suspending planned capital expenditure at its ruby development assets in northern Mozambique, namely Megaruma Mining Limitada ("**MML**") and Campos De Joia Limitada ("**CDJ**"). Eastern Ruby Mining ("**ERM**") will continue core developmental work but will delay the capital expenditure associated with its originally planned processing plant;
- iii. halting operations at Nairoto Resources Limitada ("**NRL**"), the gold project situated north of MRM and seeking potential buyers;
- iv. assessing strategic options in respect of Fabergé, the iconic luxury-brand owned by the Gemfields Group; and
- v. targeted rationalisation of operations and businesses across the Group.

This list of actions is not exhaustive and Gemfields will continue to adjust its actions as circumstances change.

Additionally, the Company intends to continue the assessment of strategic options for Fabergé and in light of the progress made to date (as referenced above), the Board will consider viable and deliverable options following the conclusion of the Proposed Rights Issue.

4. Use of proceeds

Subject to the passing of the Resolutions and the completion of the Proposed Rights Issue, the Company is expected to raise approximately USD30 million (in gross proceeds). The proceeds of the Proposed Rights Issue will be used for general corporate purposes, and specifically to provide working capital liquidity and ensure the business is able to continue operating and fulfil its ongoing obligations such as paying employee salaries and key operating costs, in-between auctions.

5. Current Trading and Outlook

Current Trading

Since the end of the previous reporting period to 31 December 2024, Gemfields has held an auction, in February 2025, of higher-quality emeralds that were previously unsold from the November 2024 auction, earning total auction revenues of USD4.8 million, with 77 per cent. of lots sold at an average price of USD105.49 per carat.

This excludes any weight lost during the packaging process and therefore small adjustments to the ultimately invoiced amounts. A commercial-quality emerald auction and a small mixed-quality ruby auction is expected in April 2025.

In relation to production, Gemfields has seen coloured gemstone production continue to underperform at MRM for premium rubies, whilst Kagem has seen steadier production when taking into account the pause of mining since 1 January 2025.

Recent Kagem Production

| KAGEM Monthly Summary | | Units | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Feb-25 |
|---|--------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| PRODUCTION | | | | | | | | | | |
| Gemstone production (emerald+beryl), of which | '000 carats | 2,373 | 4,224 | 3,902 | 2,951 | 4,776 | 2,452 | 1,662 | 1,417 | |
| Premium emerald | '000 carats | 8.9 | 32.0 | 18.8 | 5.7 | 9.1 | 6.5 | 3.6 | 5.2 | |
| Emerald | '000 carats | 666 | 1,364 | 1,287 | 758 | 985 | 710 | 402 | 370 | |
| Beryl-1 | '000 carats | 703 | 1,398 | 1,255 | 902 | 1,677 | 844 | 496 | 477 | |
| Beryl-2 | '000 carats | 995 | 1,429 | 1,342 | 1,285 | 2,104 | 892 | 760 | 565 | |
| Ore processed (from Jan 2025) | '000 tonnes | — | — | — | — | — | — | 21 | 20 | |
| Grade (emerald+beryl/ore processed) (from Jan 2025) | carats/tonne | — | — | — | — | — | — | 80 | 71 | |
| Ore production (reaction zone) | '000 tonnes | 28.70 | 18.58 | 25.22 | 21.94 | 23.82 | 14.18 | — | — | |
| Grade (emerald+beryl/ reaction zone) | carats/tonne | 83 | 227 | 155 | 135 | 201 | 173 | — | — | |
| Waste mined (including TMS) | '000 tonnes | 1,486 | 1,510 | 1,694 | 1,413 | 1,275 | 617 | 9 | 5 | |
| Total rock handling | '000 tonnes | 1,515 | 1,529 | 1,719 | 1,435 | 1,298 | 631 | 9 | 5 | |
| Stripping ratio | | 45 | 69 | 63 | 63 | 52 | 41 | — | — | |

Recent MRM Production

| MONTEPUENZ Monthly Summary | | Units | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Feb-25 |
|---|--------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| PRODUCTION | | | | | | | | | | |
| Gemstone total production, of which | '000 carats | 293 | 206 | 182 | 156 | 117 | 199 | 76 | 181 | |
| Premium ruby | '000 carats | 3.69 | 3.14 | 3.54 | 2.84 | 2.22 | 1.52 | 3.58 | 2.63 | |
| Tumble ruby | '000 carats | 29.19 | 14.05 | 27.82 | 29.58 | 51.93 | 42.39 | 48.46 | 41.81 | |
| Ruby | '000 carats | 0 | 0 | 0 | 0 | 1 | 0 | — | 0 | |
| Low ruby | '000 carats | 8 | 4 | 2 | 3 | 5 | 32 | 5 | 1 | |
| Corundum | '000 carats | 7 | 6 | 3 | 3 | 3 | 3 | 1 | 2 | |
| Sapphire | '000 carats | 18 | 11 | 11 | 6 | 4 | 20 | 2 | 4 | |
| Low sapphire | '000 carats | 227 | 167 | 135 | 111 | 50 | 100 | 16 | 129 | |
| Ore production (primary+secondary) | '000 tonnes | 98.4 | 90.0 | 97.9 | 83.6 | 76.9 | 63.0 | 59.8 | 69.6 | |
| Ore processed (primary+secondary) | '000 tonnes | 93.0 | 97.2 | 85.1 | 97.7 | 83.9 | 79.9 | 76.2 | 74.6 | |
| Grade (total production/ ore processed) | carats/tonne | 3.1 | 2.1 | 2.1 | 1.6 | 1.4 | 2.5 | 1.0 | 2.4 | |
| Waste mined | '000 tonnes | 693.2 | 709.9 | 746.6 | 761.9 | 703.7 | 351.9 | 283.1 | 341.6 | |
| Total rock handling | '000 tonnes | 791.6 | 799.9 | 844.5 | 845.5 | 780.6 | 414.9 | 342.9 | 411.2 | |
| Stripping ratio | | 6.0 | 6.3 | 6.2 | 7.3 | 7.5 | 4.7 | 4.7 | 4.8 | |

Outlook

Following a successful Proposed Rights Issue that addresses the short-term working capital deficits, Gemfields is expected to be in a materially stronger position both financially and strategically. The cost cutting and strategic changes taken in recent months is significantly streamlining the business, improving efficiency and materially reducing the cost base. The level of capital expenditure at the business' development assets will also be remaining low through 2025 while Gemfields establishes a clear strategy and capital allocation policy for the future. At a high level, Gemfields' cost saving programme, as described in the section 'Additional actions taken by Gemfields', is expected to reduce Gemfields' annual operating cash cost base down by USD35-40 million to approximately USD130 million, compared to 2024.

For capital expenditure, the business expects a total spend in 2025 of c. USD50 million, split between c. USD43 million at MRM, c. USD6 million at Kagem and c. USD1 million on development assets, primarily ERM. MRM's capital expenditure in 2025 largely relates to the remaining payments for the construction of the second processing plant of USD21 million, with USD10.2 million already paid this so far this year.

Gemfields expects that, following the conclusion of the Proposed Rights Issue, a number of the transient challenges set out above will have seen signs of improvement while it approaches the completion of its USD70 million investment in the second ruby processing plant at MRM, significantly transforming the production capacities of the mine.

6. Description of the Proposed Rights Issue

The Proposed Rights Issue is intended to raise net proceeds of approximately USD30 million via the issue of 556,203,396 New Shares. The Proposed Rights Issue is underwritten by the Underwriters in accordance with the terms of the Rights Issue and Underwriting Agreement.

In the UK, Panmure Liberum will be acting as Financial Adviser, co-ordinator and Corporate Broker in relation to the Proposed Rights Issue and is the Company's Nominated Adviser for the purposes of the AIM Rules for Companies. In South Africa, Investec is acting as JSE Sponsor in relation to the Proposed Rights Issue. Panmure Liberum will, subject to the terms of the Rights Issue and Underwriting Agreement, coordinate and advise the Company on the Proposed Rights Issue. A summary of the material terms of the Rights Issue and Underwriting Agreement is set out in paragraph 11.8 of Part II of this document.

Subject to the fulfilment of, amongst others, the conditions described below, it is expected that New Shares will be offered for subscription to Qualifying Shareholders (other than Qualifying South African Shareholders) at 4.22 pence per New Share, or, in the case of Qualifying South African Shareholders, ZAR1.06860 per New Share, payable in full on acceptance. The Proposed Rights Issue will be on the basis of:

10 New Shares for every 21 Existing Shares

held by and registered in the names of Qualifying Shareholders (other than Shareholders resident or with registered addresses in any of the Excluded Territories) on the relevant Record Date and so in proportion to any other number of Existing Shares each Qualifying Shareholder then holds and otherwise on the terms and conditions to be set out in the Prospectus and, in the case of Qualifying Non-CREST Shareholders or Qualifying South African Shareholders holding Existing Shares in certificated form (other than such Shareholders resident or with registered addresses in any of the Excluded Territories), the Provisional Allotment Letters or Forms of Instruction respectively.

The Proposed Rights Issue is expected to be conditional upon:

- (a) the passing of all of the Resolutions by the requisite majority of Shareholders at the Extraordinary General Meeting;
- (b) the publication of the Prospectus on or around 20 May 2025;
- (c) AIM Admission becoming effective by not later than 8.00 a.m. (London time) on 29 May 2025 (or such later date as may be agreed between the Company, Panmure Liberum and the Underwriters being a date not later than 8.00 am on 30 June 2025);

- (d) approval by the JSE of the listing and trading of the New Shares and the Letters of Allocation on the JSE Main Board and JSE Admission becoming effective by not later than 9.00 a.m. (London time) on 23 May 2025 (or such later date as may be agreed between the Company, Panmure Liberum and the Underwriters being a date not later than 8.00 am on 30 June 2025); and
- (e) the Rights Issue and Underwriting Agreement becoming unconditional in all respects, and not having been terminated in accordance with its terms prior to the AIM Admission and the JSE Admission.

The New Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Shares, including the right to receive all future dividends and other distributions declared, made or paid after the date of their issue.

The Proposed Rights Issue will result in the issue of 556,203,396 New Shares, which will form approximately 32.3 per cent. of the Shares in issue immediately following completion of the Proposed Rights Issue.

Subject to the Resolutions being approved and the Proposed Rights Issue taking place, the Rights Issue and Underwriting Agreement provides that the Underwriters will receive a commission of 2 per cent. of the gross proceeds raised from the issue of the Underwritten Shares, in the Agreed Proportions, to each respective Underwriter.

Further information on the Proposed Rights Issue, including the terms and conditions of the Proposed Rights Issue, the timetable of the Proposed Rights Issue and the procedure for acceptance and payment and the procedure in respect of Rights not taken up will be set out in the Prospectus which is expected to be published on or around 20 May 2025 on the Company's website and will be posted to Qualifying Shareholders thereafter.

7. Takeover Code

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, any person who acquires an interest in shares (as defined in the Takeover Code) which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code is normally required to make an offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with that person, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of the voting rights of the company, an offer will normally be required if such person or any person acting in concert with that person acquires a further interest in shares which increases the percentage of shares carrying voting rights in which that person is interested.

An offer under Rule 9 of the Takeover Code must be made in cash at the highest price paid by the person required to make the offer, or any person acting in concert with such person, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Following completion of the Proposed Rights Issue, AIH will be interested in shares carrying more than 30% of the voting rights of the Company but will not hold shares carrying more than 50% of the voting rights of the Company. Any increase by AIH (together with any persons acting in concert with AIH from time to time) in its aggregate interest in shares will be subject to the provisions of Rule 9.

8. Rule 9 Waiver and Maximum Control Position

Pursuant to the Takeover Code, the Panel may waive the requirement for a general offer to be made in accordance with Rule 9 of the Takeover Code if, amongst other things, the shareholders of a company who are independent of the person who would otherwise be required to make an offer, and any person acting in concert with it, pass an ordinary resolution on a poll approving such a waiver.

AIH currently has an interest in 29.14 per cent. of the issued share capital of the Company as at the Latest Practicable Date and has agreed to underwrite the Proposed Rights Issue in the Agreed Proportions in accordance with the terms of the Rights Issue and Underwriting Agreement.

If all of the Qualifying Shareholders (including the Underwriters) take up their Rights and participate in the Proposed Rights Issue, AIH and any persons acting in concert with AIH would, in aggregate, continue to be interested in 29.14 per cent. of the voting rights of the issued share capital of the Company immediately following Admission.

However, assuming that:

- (a) all Qualifying Shareholders (save for the Underwriters and the Committed Shareholders) renounce their Rights;
- (b) no Shareholders who are resident or located in any one of the Excluded Territories subscribe for any New Shares;
- (c) no other person converts any convertible securities or exercises any options or any other right to subscribe for Shares;
- (d) the Rights Issue and Underwriting Agreement becomes unconditional in all respects and is not terminated in accordance with its terms prior to Admission;
- (e) the Resolutions are passed by the Shareholders (excluding AIH, and any person acting in concert with AIH, and Rational, and any person acting in concert with Rational, in relation to the Rule 9 Waiver Resolution) at the Extraordinary General Meeting (without material amendment); and
- (f) there are no other changes to the Company's issued share capital,

AIH and any persons acting in concert with AIH could, in aggregate, potentially be interested in a maximum of 670,026,452 Shares, representing approximately 38.9 per cent. of the voting rights of the Company's issued share capital immediately following the Proposed Rights Issue.

Following completion of the Proposed Rights Issue, AIH and any persons acting in concert with AIH could, potentially, be interested in more than 30 per cent. of the voting rights but will not hold shares carrying more than 50 per cent. of the voting rights of the Company. Any increase in the aggregate interest in shares of AIH and any persons acting in concert with AIH will be subject to the provisions of Rule 9.

The Takeover Panel has been consulted and has agreed, subject to the passing of the Rule 9 Waiver Resolution by the Independent Shareholders on a poll at the Extraordinary General Meeting, to waive the obligation of AIH and any persons acting in concert with AIH to make a mandatory offer for the Ordinary Shares not already owned by it which could potentially arise following completion of the Proposed Rights Issue. Accordingly, the Company is proposing the Rule 9 Waiver Resolution to seek the approval of Independent Shareholders to the Rule 9 Waiver Resolution. AIH is not eligible to vote on the Rule 9 Waiver Resolution in respect of the Ordinary Shares held by it and any of the persons acting in concert with it. AIH has undertaken to procure (to the extent that it is legally able to do so) that any persons acting in concert with AIH who hold Ordinary Shares will not vote on the Rule 9 Waiver Resolution. For the purposes of the Takeover Code, Rational is not considered to be acting in concert with AIH in connection with the Proposed Rights Issue but is not considered independent of AIH and is therefore not an Independent Shareholder.

Under Rule 25.2 of the Takeover Code, any director who has a conflict of interest should normally be excluded from the recommendation of the board to the Independent Shareholders with respect to the proposed Rule 9 Waiver Resolution. As at the date of this document, Patrick Sacco and Kieran Daly, are both directors of the Company and also directors of AIH, and therefore have a conflict of interest by virtue of not being independent of AIH. As such, they do not have any involvement in the recommendation of the board to the Independent Shareholders, and do not form part of the Independent Directors.

Shareholders (excluding AIH and Rational) are therefore asked to vote in favour of the Rule 9 Resolution at the Extraordinary General Meeting in order for the Proposed Rights Issue to proceed.

The Independent Directors believe it is in the best interests of the Company that the Rule 9 Waiver Resolution be passed and hereby recommend that Independent Shareholders vote in favour of the Rule 9 Waiver Resolution. Panmure Liberum, as the Company's independent financial adviser, has provided formal advice to the Independent Directors that it considers the terms of the Rule 9 Waiver Resolution to be fair and reasonable and in the best interests of Shareholders and the Company as a whole. In providing this advice, Panmure Liberum has taken into account the Independent Directors' commercial assessments as well as AIH's future intentions in relation to the Company (as set out in paragraph 2.8 of Part II of this document). In accordance with the requirements of the Takeover Code: (1) AIH is not permitted to vote on the Rule 9 Waiver Resolution in respect of its aggregate holding of 340,367,121 Ordinary Shares; and (2) Rational, together with the parties it represents as set out in more detail in paragraph 16 of Part II, are not permitted to vote on the Rule 9 Waiver Resolution in respect of their aggregate holdings of 180,896,490 Ordinary Shares.

Shareholders should note that, in the event that the Rule 9 Waiver Resolution is approved by Independent Shareholders and the Proposed Rights Issue takes place, AIH will not be restricted from making a subsequent offer in the future for the Company.

Following completion of the Proposed Rights Issue, Rule 9 of the Takeover Code will continue to apply to AIH and any persons acting in concert with AIH, as its overall shareholding will not exceed 50 per cent. of the voting rights of the Company. This means AIH would be required to make a general offer to all Shareholders if it or persons acting in concert with it were to acquire further Shares in addition to those which are the subject of the Rule 9 Waiver Resolution, unless a further waiver is obtained.

Unless the Panel agrees otherwise, the Rule 9 Waiver will be invalidated if any purchases of Ordinary Shares are made by AIH or any of its concert parties in the period between the date of this document and the Extraordinary General Meeting.

Your attention is drawn to Part II (*Additional Information*) of this document which sets out certain further information and financial information that is required to be disclosed in this document pursuant to the rules contained in the Takeover Code.

9. Related Party Transactions

The entry into the Rights Issue and Underwriting Agreement with the Underwriters and the entry into each of the AIH Pre-Funding Agreement and the Rational Pre-Funding Agreement with the Underwriters are each "related party transactions" for the purposes of Rule 13 of the AIM Rules. The Independent Directors consider, having consulted with Panmure Liberum, the Company's nominated adviser for the purposes of the AIM Rules, that the terms of the related party transactions are fair and reasonable insofar as the Shareholders of the Company are concerned.

For purposes of the JSE Listings Requirements, the Rights Issue and Underwriting Agreement is not regarded as a related party transaction as the commission payable to the related parties (being the Underwriters) is not greater than the current market related rates as confirmed by the independent Non-Executive Directors of the Company, and as such falls within the exemptions contemplated under paragraph 10.6(c)(vii) of the JSE Listings Requirements pertaining to transactions that do not constitute related party transactions.

The Pre-Funding Agreements, for purposes of the JSE Listings Requirements, are not regarded as a related party transaction as each is an agreement involving the lending of money by a related party (being each Underwriter) to the Company on normal commercial terms and on an unsecured basis and as such falls within the exemption contemplated in paragraph 10.6(c)(i) of the JSE Listings Requirements pertaining to transactions that do not constitute related party transactions.

10. Extraordinary General Meeting

Part IV of this document sets out a notice convening an Extraordinary General Meeting of Gemfields to be held at 123 Victoria Street, Westminster, London, SW1E 6DE on 19 May 2025 at 10.00 a.m. (London time) to consider and, if thought fit, to approve the Resolutions. The Resolutions are set out in full in the Notice of Extraordinary General Meeting.

Gemfields has facilitated means by which all those holding Existing Shares on the Registers will be able to vote and/or appoint a proxy by electronic means, further details of which are set out in the explanatory notes in the Notice of General Meeting and in the accompanying Form of Proxy.

The Directors have taken the decision to dispatch a notice to convene the Extraordinary General Meeting prior to the announcement of the terms of the Proposed Rights Issue and the publication of the Prospectus in connection with it in order to enable the Proposed Rights Issue to be completed by the end of June 2025, whilst meeting timing constraints imposed by UK and South African legal and regulatory requirements. Accordingly, the Directors expect that, subject to FCA and JSE approval, the Prospectus in connection with the Proposed Rights Issue will be published on or around 20 May 2025.

Resolution 1

Resolution 1, the Rule 9 Waiver Resolution, will be proposed as an Ordinary Resolution.

The Rule 9 Waiver Resolution is required for the reasons which are set out in paragraph 8 of this Part I of this document. In accordance with the Takeover Code, the Rule 9 Waiver is subject to the passing of this resolution by the Independent Shareholders on a poll at the Extraordinary General Meeting. As required by the Takeover Code, the Rule 9 Waiver Resolution will be taken on a poll of the Independent Shareholders. AIH, and any persons acting in concert with AIH, and Rational, and any persons acting in concert with Rational, are not eligible to vote on the Rule 9 Waiver Resolution.

Resolution 2

Resolution 2 will be proposed as a Special Resolution.

Resolution 2 proposes that, subject to and conditional upon the passing of Resolution 1, the Directors be authorised to exercise all the powers of the Company to allot and issue shares for cash up to an aggregate nominal amount of ordinary share capital of USD5,562 and to do so free of pre-emption rights (howsoever arising, whether pursuant to article 6 of the Company's Articles or otherwise). This represents in excess of 47.6 per cent. of the total ordinary issued share capital of as at the Latest Practicable Date. The Directors intend to use the authority of Resolution 2 to allot and issue 556,203,396 New Shares for cash in connection with the Proposed Rights Issue, and for no other purpose and to allow the Directors to deal with treasury shares, fractional entitlements, record dates and legal, regulatory or practical problems in, or under the laws of, any territory or any other matter in connection with the Proposed Rights Issue. The authority will expire at the conclusion of Gemfields's annual general meeting in 2025 or, if earlier, on the date that is 15 months after the passing of this Resolution. All shareholders are eligible to vote on this Resolution without restriction.

Resolution 3

Resolution 3 will be proposed as an Ordinary Resolution.

The Underwriting Issue to the Underwriters Resolution is required to allow New Shares to be allotted and issued to, inter alia, the Underwriters in accordance with the terms of the Proposed Rights Issue and Underwriting Agreement in the event that any other Qualifying Shareholders do not take up their Rights and participate in the Proposed Rights Issue. All shareholders are eligible to vote on this Resolution without restriction.

The Directors have decided that the fairest way for the Extraordinary General Meeting to proceed would be by way of poll. This means that every eligible Shareholder present in person or by proxy has one vote for every Ordinary Share held.

Conducting a meeting by way of a poll ensures that all Shareholders are given the opportunity to participate in the decision-making of the Company and have their votes recorded even if they do not attend the meeting in person.

The Proposed Rights Issue is conditional inter alia on the passing of all of the Resolutions. If any of the Resolutions are not approved at the Extraordinary General Meeting, Gemfields will be unable to proceed with the Proposed Rights Issue.

11. Irrevocable Undertakings

AIH has irrevocably undertaken to vote in favour of the Resolutions, other than the Rule 9 Waiver Resolution which it is precluded from voting on, at the Extraordinary General Meeting. Rational has irrevocably undertaken to vote in favour of the Resolutions, other than the Rule 9 Waiver which it is precluded from voting on, and has procured that those parties that it represents (as set out in more detail in paragraph 16 of Part II) irrevocably undertake to vote in favour of such Resolutions. Similarly, each of those Independent Directors who hold Existing Shares have also entered into an irrevocable undertaking to vote in favour of all of the Resolutions at the Extraordinary General Meeting. Furthermore, certain significant shareholders of the Company have also entered into irrevocable undertakings to vote in favour of the Resolutions. Further details of the irrevocable undertakings are set out at paragraph 9 of Part II of this document.

In addition to undertaking to vote in favour of the Resolutions, the Committed Shareholders, including the Underwriters, have each given an irrevocable undertaking to take up their Rights under the Proposed Rights Issue. Further details of the irrevocable undertakings are set out at paragraph 9 of Part II of this document.

12. Additional information

Your attention is drawn to the additional information set out in this document. You are advised to read the whole of this document and not to rely solely on the information contained in this letter.

13. Overseas Shareholders

The Prospectus will contain information in relation to the Proposed Rights Issue for Overseas Shareholders who have registered addresses outside the United Kingdom or South Africa, or who are residents of or located in countries other than the United Kingdom or South Africa.

Shareholders who are resident or located in any one of the Excluded Territories will not be entitled to participate in the Proposed Rights Issue and the Prospectus will not be posted to them.

14. Independent Advice

Panmure Liberum has provided competent, independent advice to the Independent Directors, in accordance with the requirements of paragraph 4(a) of Appendix 1 to the Takeover Code, in relation to the granting of the Rule 9 Waiver.

This advice was provided by Panmure Liberum to the Independent Directors only and, in providing such advice, Panmure Liberum has taken into account the Independent Directors' commercial assessments as well as AIH's future intentions in relation to the Company (as set out in paragraph 2.8 of Part II of this document). Panmure Liberum confirms that it is independent of AIH and has no commercial relationship with it.

15. Action to be taken in respect of the Extraordinary General Meeting

AIM Shareholders

A Form of Proxy for use at the Extraordinary General Meeting by those shareholders whose Ordinary Shares are admitted to trading on AIM accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the UK Registrar, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible, but in any event so as to be received by no later than 15 May 2025 (or, if the Extraordinary General Meeting is adjourned or postponed, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned or postponed meeting).

If you hold your Existing Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of Extraordinary General Meeting at the end of this document. Proxies submitted via CREST must be received by the UK Registrar (Participant ID: 3RA50) by no later than 15 May 2025 (or, if the Extraordinary General Meeting is adjourned or postponed, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned or postponed meeting). The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in the CREST Regulations.

JSE Shareholders

a. If you are a JSE Dematerialised Shareholder other than with “own name” registration

Your CSDP or broker should contact you in the manner stipulated in the agreement concluded between you and your CSDP or broker to ascertain how you wish to cast your votes at the Extraordinary General Meeting and thereafter to cast your votes in accordance with your instructions. If you have not been contacted by your CSDP or broker, you should contact your CSDP or broker and furnish them with your voting instructions. If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the provisions contained in the agreement concluded between you and your CSDP or broker. Similarly, you should contact your CSDP or broker in the event that you wish to appoint another person to vote as your proxy at the Extraordinary General Meeting. You must NOT complete the attached Forms of Proxy.

b. If you are a JSE Certificated Shareholder or a JSE Dematerialised Shareholder with “own name” registration

A Form of Proxy for use at the Extraordinary General Meeting by those shareholders whose Ordinary Shares are admitted to the JSE accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the SA Registrar, as soon as possible, but in any event so as to be received by no later than 15 May 2025 (or, if the Extraordinary General Meeting is adjourned or postponed, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned or postponed meeting).

You are not required to take any action at present with respect to the Proposed Rights Issue.

New Shares offered under the Proposed Rights Issue will be offered to Shareholders *pro rata* to their existing shareholdings as at the relevant Record Date.

By subscribing for the New Shares to be offered under the Prospectus, a Shareholder will avoid a dilution in its percentage of their shareholding resulting from the Proposed Rights Issue.

16. Importance of vote

As explained above, the Proposed Rights Issue is conditional, *inter alia*, upon the passing of the Resolutions at the Extraordinary General Meeting.

If the Resolutions are not passed at the Extraordinary General Meeting, the Proposed Rights Issue will not take place and the proceeds of the Proposed Rights Issue will not be received by the Company.

Shareholders should note that, if the Company does not receive the proceeds of the Proposed Rights Issue, the Company would have to seek other forms of emergency funding. The Company is unable to provide any assurance that alternative financing could be secured. Failure to secure alternative forms of finance on commercially acceptable terms or at all could have a material adverse effect on the Group’s business, financial condition, prospects, capital resources, cash flows, share price, liquidity, results and/or future operations.

17. Recommendation of Directors

The Proposed Rights Issue is conditional, *inter alia*, upon the passing of all of the Resolutions at the Extraordinary General Meeting including, without limitation, the Rule 9 Waiver Resolution. Shareholders should be aware that, if all of the Resolutions are not approved at the Extraordinary General Meeting, the Proposed Rights Issue will not proceed.

The Independent Directors believe it is in the best interests of the Company that the Rule 9 Waiver Resolution be passed and hereby recommend that Independent Shareholders vote, or procure the vote, in favour of the Rule 9 Waiver Resolution. In reaching this decision, the Independent Directors have taken into account that AIH does not currently intend to change (or to seek to change) the strategic plans and operations of the Group nor to make any changes to employment and/or the locations in which the Group operates. Panmure Liberum, as the Company’s independent financial adviser, has provided formal advice to the Independent Directors that it considers the terms of these proposals to be fair and reasonable and in the best interests of Shareholders and the Company as a whole. In providing this advice, Panmure Liberum has taken into account the Independent Directors’ commercial assessments as well as AIH’s future intentions in relation to the Company (as set out in paragraph 2.8 of Part II of this document).

In accordance with the requirements of the Takeover Code, AIH is not permitted to vote on the Rule 9 Waiver Resolution in respect of its aggregate holding of 340,367,121 Ordinary Shares but has irrevocably undertaken to vote in favour of the other Resolutions.

In accordance with the requirements of the Takeover Code, Rational, together with the parties it represents as set out in more detail in paragraph 16 of Part II, are not permitted to vote on the Rule 9 Waiver Resolution in respect of their aggregate holdings of 180,896,490 Ordinary Shares but have irrevocably undertaken to vote in favour of the other Resolutions.

The Independent Directors who hold Existing Shares have irrevocably undertaken to vote in favour of all the Resolutions in respect of their own shareholdings amounting to 27,315,661 Existing Shares (representing 2.34 per cent. of the Existing Shares in issue as at the Latest Practicable Date).

Yours faithfully,

Bruce Cleaver
Chair

PART II

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 Save in relation to the information set out in clause 1.3 below, for which each of the AIH Directors and AIH UBO Directors accept responsibility, the Independent Directors, whose names are set out on page 6 of this document, collectively and individually accept responsibility for the information contained in this document (including any expressions of opinion) and that to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and that it does not omit anything likely to affect the import of that information. There are no facts that have been omitted which would make any statement false or misleading, and all reasonable enquiries to ascertain such facts have been made and this document contains all information required by law or the JSE Listings Requirements and the AIM Rules, other than the information relating to AIH and its intentions as set out in this document for which each of the AIH Directors and AIH UBO Directors accept responsibility pursuant to paragraph 1.3 below.
- 1.2 Save in relation to the recommendation of the Independent Directors as to the merits of the Rule 9 Waiver Resolution as set out in paragraph 17 of Part I of this document, the conflicted directors (being Patrick Sacco and Kieran Daly), collectively and individually accept responsibility for the information contained in this document (including any expressions of opinion) and that to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and that it does not omit anything likely to affect the import of that information.
- 1.3 For the purposes of Rule 19.2 of the Takeover Code only, each of the AIH Directors and the AIH UBO Directors accepts responsibility for the information contained in this document (including any expressions of opinion), insofar as such information and/or opinions relate to AIH and its concert parties. To the best of the knowledge and belief of each of the AIH Directors and the AIH UBO Directors (who have taken all reasonable care to ensure that such is the case), the information contained in Part II of this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Information in relation to, and intentions of, AIH

- 2.1 AIH was incorporated as a private company limited by shares registered in England and Wales with company registration number 12617478 on 21 May 2020. AIH's registered address is at 4 Walcote Place, High Street, Winchester, United Kingdom, SO23 9AP.
- 2.2 The names of the AIH Directors and their position in AIH are as follows:

| AIH Director | Position |
|----------------------------------|---|
| Kieran James Daly* | Managing Director |
| George Christian Timothy Karsten | Finance Director |
| Stephane Postifferi | Acting Managing Director (Ore & Metal Minmet SAM) |
| Patrick Eugenio Sacco* | Executive Chairman (Assore International Holdings Limited), Chairman (Assore Holdings Proprietary Limited) |
| Charles Edward Walters | CEO (Assore Holdings Proprietary Limited) |
| Rorie Edward Wilson | Managing Director (Ore & Metal International) |

* Kieran Daly and Patrick Sacco are also directors of the Company and also receive compensation for the positions as detailed in paragraphs 7.5 and 7.6 of this Part II. Such compensation is not retained by Kieran Daly and Patrick Sacco personally and is instead passed on to AIH. In addition, from 1 January 2025 in light of the working capital constraints of Gemfields, Kieran Daly and Patrick Sacco have agreed to temporarily waive their rights to such compensation, with a first review to take place in mid-2025.

- 2.3 Those Directors who are also AIH Directors (being Kieran Daly and Patrick Sacco) have the following interests in shares, or relationship with, AIH as follows:

2.3.1 Kieran Daly: N/A

2.3.2 Patrick Sacco does not directly hold any Ordinary Shares. AIH (of which Patrick Sacco is a director) holds 340,367,121 shares in the Company, which makes up 29.14 per cent. of the issued share capital of the Company. The votes attaching to the Ordinary Shares held by AIH are indirectly controlled by Assore Holdings Proprietary Limited. Patrick Sacco is the chairman of Assore Holdings Proprietary Limited but is not its sole shareholder.

- 2.4 The company secretary of AIH is Tricor Corporate Secretaries Limited, a private limited company registered in England and Wales with company registration number 07566766 whose registered office is at 5, 7th Floor, 50 Broadway, London, SW1H 0DB, United Kingdom.

- 2.5 The issued share capital of AIH as at the Latest Practicable Date comprises 1 ordinary share of GBP1 and 944 ordinary shares of USD1 each. The constitutional documents of AIH do not include the concept of authorised share capital.

- 2.6 AIH is a subsidiary within a group of companies. The ultimate beneficial owner and parent company of AIH is Oresteel Investments (Pty) Ltd. The group entities with a pre-existing interest in AIH such that they have potential direct or indirect interest of 5 per cent. or more in the share capital of the Company are:

| Name | Relationship with AIH |
|--|---|
| Assore Treasury Company (RF) Proprietary Limited | 100% parent company of AIH |
| Assore Holdings Proprietary Limited | 100% parent company of Assore Treasury Company (RF) Proprietary Limited |
| Oresteel Investments Proprietary Limited | 92.7% parent company of Assore Holdings Proprietary Limited |
| Desmond Sacco Family Trust | 44.3% holder of Oresteel Investments Proprietary Limited |
| Sumitomo Corporation | 49% holder of Oresteel Investments Proprietary Limited |
| Great Bear Ventures Limited | 6.67% holder of Oresteel Investments Proprietary Limited |

- 2.7 AIH has sufficient available cash resources to participate in, and underwrite the Proposed Rights Issue in accordance with the terms of the Rights Issue and Underwriting Agreement. The Proposed Rights Issue and the underwriting of the Proposed Rights Issue will have no material impact on the financial position, earnings, assets (save for an equivalent reduction in its available cash), liabilities, business and/or strategic plans of AIH. Similarly, the underwriting of the Proposed Rights Issue by AIH will not have any impact on the employees or management of AIH and there are no strategic plans to make any such changes. AIH's participation in, and underwriting of, the Proposed Rights Issue will be funded using its available cash resources. The Directors have made due and careful enquiry to confirm that AIH will be able to meet its obligations and commitments in terms of the Proposed Rights Issue, subject to and in accordance with the terms of the Rights Issue and Underwriting Agreement.

- 2.8 AIH is keen to ensure the long-term viability of the Company and, accordingly, has agreed to participate in, and underwrite, the Proposed Rights Issue to ensure that the Company can address its liquidity issues and achieve its stated objectives. AIH is supportive of the Company's current strategy. In furtherance of the foregoing, AIH does not currently intend:

2.8.1 to change the strategic plans of the Company nor change the location of the Company's places of business (including the location of its headquarters and headquarters functions);

2.8.2 to require the Company to redeploy any of the Company's fixed assets;

- 2.8.3 to seek any change in the Company's future business or research and development functions;
- 2.8.4 to seek any change in the general nature of the Company's business;
- 2.8.5 to require the Company to make any change to the trading of the Existing and/or New Shares on AIM or the JSE Main Board of the JSE;
- 2.8.6 to cause the Company to effect any material change with regard to: (a) the continued employment of its employees and managers and those of any subsidiary; and (b) the conditions of employment or balance of skills and functions of the employees or management of the Company and of any subsidiary;
- 2.8.7 to implement any management incentives for the benefit of the employees and managers of the Company;
- 2.8.8 that the Company will make any changes to the current employer pension contribution arrangements (including with regard to current arrangements for the funding of any scheme deficit), the accrual of benefits for existing members or the rights of admission of new members under any pension scheme.
- 2.9 The business of AIH is to hold its parent company, Assore Holdings Proprietary Limited's, international portfolio of investments in several mining and marketing/sale companies and its financial and trading prospects are good. AIH has sufficient cash resources to participate in, and underwrite in accordance with the terms of the Rights Issue and Underwriting Agreement and maintains a strong balance sheet.
- 2.10 No statements in paragraph 2.8 of this Part II constitute "post-offer undertakings" for the purposes of the Takeover Code.
- 2.11 The Independent Directors approve of the statements in paragraph 2.8 of this Part II of intentions of AIH with respect to the future operations of the Company and the repercussions of the passing of the Rule 9 Waiver Resolution on employment and the locations of the Company's place of business.

3. Directors

- 3.1 The Directors of the Company as at the date of this document and their respective roles are set out below:

| Director | Position |
|-----------------|---|
| Bruce Cleaver | Independent Non-Executive Chair |
| Sean Gilbertson | Chief Executive Officer |
| David Lovett | Chief Financial Officer |
| Patrick Sacco | Non-Executive Director |
| Kieran Daly | Non-Executive Director |
| Kwape Mmela | Lead Independent Non-Executive Director |
| Mary Reilly | Independent Non-Executive Director |
| Simon Scott | Independent Non-Executive Director |

4. Interests and dealings in Ordinary Shares

- 4.1 For the purposes of this paragraph 4, references to:

acting in concert means any such person acting in concert as such expression is defined in the Takeover Code;

arrangement includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;

close relative has the meaning given to that term in the Takeover Code;

connected advisers has the meaning given to that term in the Takeover Code;

connected persons means in relation to a director, those persons whose interests in Ordinary Shares the Director would be required to disclose pursuant to Part 22 of the Companies Act and related regulations and includes any spouse, civil partner, infants (including stepchildren), relevant trusts and any company in which a Director holds at least 20 per cent. of its voting capital;

control means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights (as defined in the Takeover Code) irrespective of whether the holding or aggregate holding gives de facto control;

dealings or dealt includes the following:

- (a) the acquisition or disposal of securities or the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attached to securities, or of general control of securities;
- (b) the taking, granting acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option, (including a traded option contract) in respect of any securities;
- (c) subscribing or agreeing to subscribe for securities;
- (d) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
- (e) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
- (f) entering into, terminating or varying the terms of any agreement to purchase or sell securities;
- (g) the redemption or purchase of, or taking or exercising an option over, any of its relevant securities by the offeree company or an offeror; and
- (h) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position;

derivative includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

interested in securities includes where a person:

- (a) owns them;
- (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attached to them or has general control of them, including as a fund manager;
- (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire them or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;
- (d) is a party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them; or
- (e) has long economic exposure, whether absolute or conditional, to changes in the price of those securities (but a person who only has a short position in securities is not treated as interested in those securities);

relevant securities include:

- (a) securities of the offeree company (being the Company) which are being offered for or which carry voting rights;
- (b) equity share capital of the offeree company and the offeror (being AIH);
- (c) securities of the offeror which carry substantially the same rights as any to be issued as consideration for the offer; and
- (d) securities of the offeree company and an offeror carrying conversion or subscription rights into any of the foregoing.

short position means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative any agreement to sell or any delivery obligation or right to require any person to purchase or take delivery.

4.2 **Interests of AIH**

As at the Latest Practicable Date, the interests, rights to subscribe and short positions in respect of relevant securities of the Company held by AIH, the AIH Directors and persons acting in concert with AIH and persons with whom AIH or any person acting in concert with AIH (as the case may be) has any arrangement were as follows:

| Name | Number of Ordinary Shares held | % of issued Ordinary Shares |
|------|-----------------------------------|--------------------------------|
| AIH | 340,367,121 | 29.14 |

It is not intended that any of the New Shares to be issued, or otherwise capable of being issued, to AIH in connection with the Proposed Rights Issue will be transferred to any other persons.

4.3 **Dealings by AIH**

As at the close of business on the Latest Practicable Date, the AIH Directors and persons acting in concert with AIH and persons with whom AIH or any person acting in concert with AIH (as the case may be) has any arrangement, had not had any dealings in the Existing Shares during the 12 months preceding the Latest Practicable Date.

4.4 Directors' interests in Ordinary Shares

The interests (all of which are beneficial unless stated otherwise) of each of the Directors (including any persons who were directors of the Company that resigned in the past 18 months), their close relatives or the related trusts of any of them and (so far as is known to the Directors or could with reasonable diligence be ascertained by them) their connected persons in the relevant securities of the Company as at the Latest Practicable Date is as follows:

| Director | Direct and indirect interests | Percentage of issued share capital |
|--|-------------------------------|------------------------------------|
| Directors | | |
| Bruce Cleaver | — | — |
| Sean Gilbertson* | 48,263,928 | 4.13 |
| David Lovett** | 1,442,000 | 0.12 |
| Patrick Sacco*** | 340,367,121 | 29.14 |
| Kieran Daly | — | — |
| Kwape Mmela**** | 8,325,334 | 0.71 |
| Mary Reilly | — | — |
| Simon Scott | — | — |
| Directors who have resigned in the last 18 months | | |
| Martin Tolcher (resigned 1 July 2024) | — | — |
| Carel Malan (resigned 1 July 2024) | — | — |
| Lumkile Modi (resigned 1 July 2024) | — | — |

* Sean Gilbertson directly owns 17,548,327 Ordinary Shares, representing 1.5 per cent. of the Company's issued share capital. He has an indirect interest over Ordinary Shares by virtue of being a beneficiary of the Brian Patrick Gilbertson Discretionary Settlement, a family trust which: (1) holds directly 28,828,371 Ordinary Shares; and (2) owns Autumn Holdings Asset Inc., which, in turn, holds a further 1,887,230 Ordinary Shares.

** 1,400,000 shares are held by David Lovett's wife.

*** Patrick Sacco does not directly hold any Ordinary Shares. This figure reflects the Ordinary Shares held by AIH of which Patrick Sacco is a director. The votes attaching to the Ordinary Shares held by AIH are indirectly controlled by Assore Holdings Proprietary Limited. Patrick Sacco is the chairman of Assore Holdings Proprietary Limited but is not its sole shareholder.

**** Kwape Mmela's interest is through Hlamogolo Capital (Pty) Ltd.

There has been no change in the interests set out in the tables above between 31 December 2024 and the Latest Practicable Date.

4.5 Directors' interests in options over Ordinary Shares

As at the Latest Practicable Date, the Directors, their close relatives or the related trusts of any of them and (so far as is known to the Directors, or could with reasonable diligence be ascertained by them) their other connected persons will have the following options over Ordinary Shares:

| Director | Share Plan | Number of Ordinary Shares under option | Date of Grant | Vesting Date | Expiry Date | Exercise Price (per share) (£) |
|-----------------|--------------------------|--|---------------|--|---|--------------------------------|
| Sean Gilbertson | Long Term Incentive Plan | 3,749,093 | August 2023 | August 2026 (plus a 2 year holding requirement), subject to performance conditions | August 2036 (if 10 years after vesting) | Nominal cost |
| David Lovett | Long Term Incentive Plan | 2,043,563 | August 2023 | August 2026 (plus a 2 year holding requirement), subject to performance conditions | August 2036 (if 10 years after vesting) | Nominal cost |

There has been no change in the interests set out in the tables above between 31 December 2024 and the Latest Practicable Date.

4.6 General

- 4.6.1 Save as disclosed in paragraph 4 of this Part II of this document, neither AIH nor any of its subsidiaries nor any of their respective directors, nor any close relatives, related trusts or connected persons, nor any person acting in concert with AIH owns or controls or is interested, directly or indirectly in, or has borrowed or lent (save for any borrowed securities which have either been on-lent or sold), has rights to subscribe for, or has any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in, any relevant securities of the Company, nor has any such person dealt therein during the 12 months prior to the Latest Practicable Date.
- 4.6.2 Save as disclosed in paragraph 4 of this Part II of this document, neither the Company, any of the Directors nor any of their close relatives or related trusts (so far as the Directors are aware having made due enquiry) nor any person acting in concert with the Company is interested, directly or indirectly, has rights to subscribe to, or has any short position in relevant securities of the Company, nor has any such person dealt therein during the 12 months prior to the Latest Practicable Date.
- 4.6.3 Neither the Company, the Directors, nor any person acting in concert with the Company has borrowed or lent any relevant securities of the Company (save for any borrowed securities which have either been redelivered or accepted for redelivery).
- 4.6.4 Neither the Company, the Directors (save as disclosed in paragraph 2.3 of this Part II), nor any person acting in concert with the Company is interested directly or indirectly in, or has rights to subscribe for, or has any short position in relevant securities of AIH or any interest or security which is convertible into, or exchangeable for, rights to subscribe for and options in respect of, and derivatives referenced to, any such relevant securities.
- 4.6.5 There is no agreement, arrangement or understanding (including any compensation arrangement) between on the one hand, AIH and, on the other hand, the Directors, the recent directors of the Company, the Shareholders or recent shareholders interested or recently interested in Ordinary Shares, having any connection with or dependence upon the outcome of the Rule 9 Waiver Resolution.
- 4.6.6 Neither AIH nor any person acting in concert with AIH has any arrangement, agreement or understanding, formal or informal, of whatever nature relating to relevant securities of the Company which may be an inducement to deal or refrain from dealing.
- 4.6.7 No incentivisation arrangements have been entered into and no proposals as to any incentivisation arrangements have reached an advanced stage between AIH and members of the Company's management who are interested in shares in the Company.
- 4.6.8 Neither the Company nor any person acting in concert with the Company has any arrangement, agreement or understanding, formal or informal, of whatever nature relating to relevant securities of the Company which may be an inducement to deal or refrain from dealing.
- 4.6.9 Save as disclosed in paragraphs 9 and 11 of this Part II, there is no arrangement relating to relevant securities of AIH or the Company which exists between AIH or any of its subsidiaries or, so far as AIH is aware, any person acting in concert with AIH or any of its subsidiaries, and any other person, nor between the Company or, so far as Company is aware, any person acting in concert with the Company and any other person.
- 4.6.10 Neither AIH Directors (save as disclosed in paragraph 2.3 of this Part II), nor any person acting in concert with AIH is interested directly or indirectly in, or has rights to subscribe for, or has any short position in relevant securities of AIH or any interest or security which is convertible into, or exchangeable for, rights to subscribe for and options in respect of, and derivatives referenced to, any such relevant securities.

- 4.6.11 There are no personal, financial or commercial relationships, arrangements or understandings between AIH and: (i) any Shareholder or any person who is, or is presumed to be, acting in concert with any Shareholder; (ii) Panmure Liberum or Investec or any person who is, or is presumed to be, acting in concert with Panmure Liberum or Investec; or (iii) any other Director (save as disclosed in paragraph 2.3 of this Part II in relation to certain of the AIH Directors) or any person acting in concert with any other Director (including any of their connected persons or related trusts).
- 4.6.12 There is no agreement, arrangement or understanding between AIH and any other person pursuant to which the beneficial ownership of any Shares which AIH will acquire pursuant to the Proposed Rights Issue are to be transferred.
- 4.6.13 No person acting in concert with AIH has borrowed or lent any relevant securities of AIH (save for any borrowed securities which have either been redelivered or accepted for redelivery).

5. Persons acting in concert with the Company

In addition to the Directors (together with their close relatives and related trusts) and members of the Group, the persons acting in concert with the Company for the purposes of the Proposed Rights Issue and which are required to be disclosed are:

| Name | Type of company | Relationship with the Company |
|-----------------|---------------------------------------|-------------------------------|
| Panmure Liberum | Private company limited by shares | Connected adviser |
| Investec | Public company with limited liability | Connected adviser |

6. Persons acting in concert with the AIH

Save for the AIH Directors (together with their close relatives and related trusts) and members of AIH's group, there are no persons acting in concert with AIH for the purposes of the Proposed Rights Issue which are required to be disclosed.

7. Directors' service contracts

- 7.1 The executive and non-executive Directors were appointed as officers of the Company with effect from the following dates:

| Director | Date of appointment | Business address |
|---|--|---------------------------------------|
| Bruce Cleaver (Independent Non-Executive Chair) | 1 July 2024 | PO Box 186 Royal Chambers |
| Sean Gilbertson (Chief Executive Officer) | 17 July 2017 (appointed CEO on 31 March 2018) | St. Julian's Avenue St. Peter Port |
| David Lovett (Chief Financial Officer) | 31 March 2018 | Guernsey GY1 4HP |
| Patrick Sacco (Non-Executive Director) | 11 October 2021 | Channel Islands |
| Kieran Daly (Non-Executive Director) | 1 July 2024 | |
| Kwape Mmela (Lead Independent Non-Executive Director) | 31 July 2017 | |
| Mary Reilly (Independent Non-Executive Director) | 3 December 2020 | |
| Simon Scott (Independent Non-Executive Director) | 1 July 2024 | |

Except as stated above, no service contracts between the Directors and the Company have been entered into or amended in the six months prior to the date of this document.

7.2 Bruce Cleaver

Bruce Cleaver entered into a letter of appointment on 10 June 2024 in relation to his appointment as the non-executive Chair of the Company effective 1 July 2024. Bruce Cleaver's appointment is terminable by either party on three month's written notice and he receives a gross annual fee of USD130,000.

7.3 Sean Gilbertson

Sean Gilbertson entered into a renewed service agreement with Gemfields Limited on 15 July 2022 in relation to his appointment as Chief Executive Officer of the Company with a commencement date of 18 July 2022 and with continuous service since 17 July 2017. Either party may terminate by giving the other not less than twelve months' written notice. Mr Gilbertson receives a gross annual salary of USD630,759 and a performance related bonus.

7.4 David Lovett

David Lovett entered into a revised service agreement with Gemfields Limited on 30 October 2021 in relation to his appointment as Chief Financial Officer of the Company with a commencement date of 1 November 2021 and continuous service since 30 September 2008. Either party may terminate by giving the other not less than six months' written notice. Mr Lovett receives a gross annual salary of USD420,546 and a performance related bonus.

7.5 Patrick Sacco

Patrick Sacco entered into a letter of appointment on 11 October 2021 in relation to his appointment as a non-executive director of the Company effective 11 October 2021. Mr Sacco's appointment is terminable by either party on three month's written notice and he receives a gross annual fee of USD65,000. All fees received by Mr Sacco are passed on to AIH.

7.6 Kieran Daly

Kieran Daly entered into a letter of appointment on 10 June 2024 in relation to his appointment as a non-executive director of the Company effective 1 July 2024. Mr Daly's appointment is terminable by either party on three month's written notice and he receives a gross annual fee of USD50,000. All fees received by Mr Daly are passed on to AIH.

7.7 Kwape Mmela

Kwape Mmela entered into a letter of appointment on 16 January 2020 in relation to his appointment as a non-executive director of the Company effective 31 July 2017. Mr Mmela's appointment is terminable by either party on three month's written notice and he receives a gross annual fee of USD75,000.

7.8 Mary Reilly

Mary Reilly entered into a letter of appointment on 30 November 2020 in relation to her appointment as a non-executive director of the Company effective 4 December 2020. Ms Reilly's appointment is terminable by either party on three month's written notice and she receives a gross annual fee of USD65,000.

7.9 Simon Scott

Simon Scott entered into a letter of appointment on 10 June 2024 in relation to his appointment as a non-executive director of the Company effective 1 July 2024. Mr Scott's appointment is terminable by either party on three month's written notice and he receives a gross annual fee of USD65,000.

8. Directors' remuneration and interest in transactions

From 1 January 2025: (i) each of Kieran Daly and Patrick Sacco have agreed to temporarily waive their rights to receive their annual fee; and (2) all of the other Non-Executive Directors have agreed to temporarily reduce their fees by 20 per cent. in light of the working capital constraints of Gemfields, with a review to take place in mid-2025.

No Director nor any director of the Group (including any person who may have resigned as a director within the last 18 months) has any material beneficial interest, directly or indirectly in the Proposed Rights Issue, save for as disclosed in paragraph 2 of Part II of this Circular, or in any transactions that were:

- effected by the Company during the current or immediately preceding financial year; or
- during an earlier financial year and remain in any respect outstanding or unperformed.

9. Irrevocable Undertakings

AIH has given an irrevocable undertaking to the Company in the Rights Issue and Underwriting Agreement to vote in favour of the Resolutions, other than the Rule 9 Waiver Resolution which it is precluded from voting on, and to procure that such action is taken by the relevant registered holders, in respect of the AIH's beneficial holdings totalling 340,367,121 Ordinary Shares, representing approximately 29.14 per cent. of the Ordinary Shares in issue, to vote in favour of such Resolutions. Rational has given an irrevocable undertaking to the Company in the Rights Issue and Underwriting Agreement to vote in favour of the Resolutions, other than the Rule 9 Waiver Resolution which it is precluded from voting on, and shall procure that such action is taken by the parties that it represents (as set out in more detail in paragraph 16 of Part II), in respect of beneficial holdings totalling 180,896,490 Ordinary Shares, representing approximately 15.49 per cent. of the Ordinary Shares in issue, to vote in favour of such Resolutions.

Each Independent Director who holds Ordinary Shares, being Sean Gilbertson, David Lovett and Kwape Mmela, have given an irrevocable undertaking to the Company to vote in favour of all of the Resolutions and to procure that such action is taken by the relevant registered holders, in respect of their and certain of their connected persons' beneficial holdings totalling an aggregate of 27,315,661 Ordinary Shares, representing approximately 2.34 per cent. of the Ordinary Shares in issue, to vote in favour of the Resolutions.

Each of Cockcroft Holdings Limited, Ophorst Van Marwijk Kooy Verogensbeheer N.V. (in respect of 28,067,686 of its Ordinary Shares) and Van Lanschot Kempen N.V. have given an irrevocable undertaking to the Company to vote in favour of all of the Resolutions and to procure that such action is taken by the relevant registered holders, in respect of their and their connected persons beneficial holdings totalling an aggregate of 116,508,703 Ordinary Shares, representing approximately 10.0 per cent. of the Ordinary Shares in issue, to vote in favour of the Resolutions.

Accordingly, Shareholders holding in aggregate 665,087,975 Ordinary Shares, representing approximately 56.94 per cent. of the Ordinary Shares in issue have irrevocably undertaken to vote in favour of the Resolutions (other than the Rule 9 Waiver Resolution), and Independent Shareholders holding in aggregate 143,824,364 Ordinary Shares, representing approximately 22.24 per cent. of the Ordinary Shares in issue which are able to vote on the Rule 9 Waiver Resolution have irrevocably undertaken to vote in favour of the Rule 9 Waiver Resolution.

Furthermore, each of the Underwriters, Sean Gilbertson, David Lovett, Ophorst Van Marwijk Kooy Verogensbeheer N.V. (in respect of 28,067,686 of its Ordinary Shares) and Van Lanschot Kempen N.V. (being the "**Committed Shareholders**"), have irrevocably undertaken to subscribe, in aggregate, for the Committed Shares, representing their Rights under the Proposed Rights Issue.

Save for the undertakings given by the Underwriters, which shall lapse in accordance with the terms of the Rights Issue and Underwriting Agreement, each Irrevocable Undertaking shall lapse and be of no further effect at 5.00 p.m. on 30 June 2025 (or such later date as the Company and each of the relevant parties may agree).

10. Material contracts of AIH

Save for the Pre-Funding Agreement entered into by AIH with the Company referred to at paragraph 11.9 of this Part II and the Rights Issue and Underwriting Agreement referred to at paragraph 11.8 of this Part II, AIH has not entered into any material contract outside the ordinary course of business within the two years immediately preceding the Latest Practicable Date.

11. Material contracts of the Company

During the two years' preceding the date of this document, the Company and/or certain of its subsidiaries have entered into the following material contracts which are, or may be, material (not being contracts entered into in the ordinary course of business) and each of which is governed by English law, unless otherwise stated:

11.1 Montepuez Ruby Mining LDA – USD25,000,000 Facility Agreement

On 17 October 2024, Montepuez Ruby Mining LDA (as borrower), entered into a USD25,000,000 secured term facility agreement with, *inter alia*, (1) ABSA Bank Mozambique, SA and ABSA Bank (Mauritius) Limited (as lenders); and (2) the Company (as guarantor). The facility has been fully drawn down. The facility is to finance MRM's capital expenditure and carries an interest rate of Secured Overnight Financing Rate ("SOFR") plus 4.25 per cent. per annum. The term is for 5 years and repayable in semi-annual instalments of equal amounts after an initial two year capital grace period. The security package includes the following: (i) corporate guarantee from the Company; (ii) promissory mortgage deed; (iii) insurance assignment agreement; and (iv) mortgage bond (once created). The agreement is governed by Mozambique law.

Whilst, as far as the Company is aware, there has been no breach of any financial covenants contained in the facility for the financial year ended 31 December 2024, based upon the Company's forecast models, MRM may become in breach of certain covenants for the six month period to 30 June 2025 and as at 31 December 2025. The Company requested a waiver of these covenants from ABSA, to which ABSA provided a non-binding letter of support on 24 March 2025 confirming that it remains committed to working closely with the Group and its stakeholders to support its financial stability and strategic objectives.

11.2 Montepuez Ruby Mining LDA – USD30,000,000 Facility Agreement

On 23 May 2024, Montepuez Ruby Mining LDA (as borrower), entered into a USD30,000,000 secured term facility agreement with, *inter alia*, (1) Banco Comercial e de Investimentos, SA (as lender); and (2) the Company (as guarantor). The facility has been fully drawn down. The facility is to finance Montepuez Ruby Mining LDA's capital expenditure and carries an interest rate of SOFR plus 3.75 per cent. per annum. The term is for 6 years and repayable in semi-annual instalments of equal amounts after an initial two year capital grace period. The security package includes the following: (i) corporate guarantee from the Company; (ii) commercial pledge of ruby stock of 120 per cent. of the outstanding loan balance from time to time; and (iii) a plant pledge. The agreement is governed by Mozambique law.

11.3 Kagem First National Bank Zambia ("FNB Zambia") overdraft – USD21 million

In February 2023, Kagem entered into a USD15.0 million unsecured overdraft facility with FNB Zambia at a 5.50 per cent. fixed interest rate, which was increased by USD6.0 million in May 2024. The current interest rate of the facility is USD SOFR plus 2.75 per cent. with the next renewal date May 2025. Gemfields Group Limited issued a corporate guarantee for the facility.

11.4 Kagem ABSA Bank Zambia Plc ("ABSA Zambia") overdraft – USD20 million

Kagem had a USD15.0 million overdraft facility with ABSA Zambia at three months USD SOFR plus 4.5 per cent. In January 2025, the facility was increased to USD20.0 million with the next renewal date being December 2025. Gemfields Group Limited issued a corporate guarantee for the facility.

11.5 Montepuez Ruby Mining LDA – ABSA Bank Mozambique, SA ("ABSA Mozambique") – USD15 million overdraft

In April 2016, MRM entered a USD15.0 million unsecured overdraft facility with ABSA Mozambique. The facility has an interest rate of USD SOFR plus 4 per cent. per annum. Gemfields Limited issued a corporate guarantee for the facility. The facility is renewed annually, most recently in March 2025.

11.6 **Montepuez Ruby Mining LDA – Banco Comercial e de Investimentos (“BCI Mozambique” or “BCI”) – USD20 million overdraft**

In June 2016, MRM entered a USD15.0 million unsecured overdraft facility with BCI, which increased to USD20 million in 2023. This is a rolling facility that renews annually, with the next renewal expected in May 2025, with an interest of three-month USD SOFR plus 3.75 per cent. per annum. The facility is secured by a blank promissory note undertaken by MRM and a corporate guarantee by Gemfields Group Limited.

11.7 **Montepuez Ruby Mining LDA – Contract with Consulmet re PP2**

On 3 August 2023, Montepuez Ruby Mining LDA entered into a contract with Consulmet (Africa) Limited (“Consulmet”) to construct an additional processing plant at MRM. The addition of the second plant will triple MRM’s processing capacity from the existing 200 tonnes per hour to 600 tonnes per hour. The contract is a ‘lump-sum turnkey contract’ based on industry standard International Federation of Consulting Engineers terms, with Montepuez Ruby Mining LDA’s payment obligations agreed in Rands and equating to approximately USD70 million. Completion of the new plant is expected in June 2025.

11.8 **Rights Issue and Underwriting Agreement**

On 11 April 2025, the Company, the Underwriters and Panmure Liberum entered into the Rights Issue and Underwriting Agreement pursuant to which Panmure Liberum has been appointed, as the Company’s co-ordinator in relation to the Proposed Rights Issue and the Underwriters have agreed to underwrite the Proposed Rights Issue.

Subject to the terms and conditions of the Rights Issue and Underwriting Agreement, the Underwriters have agreed to subscribe, in the Agreed Proportions, for the Underwritten Shares which have not been taken up by Qualifying Shareholders in the Proposed Rights Issue.

The Company has given certain customary representations, warranties and undertakings to Panmure Liberum and each of the Underwriters, including a lock-up on issues of new shares between the date hereof and the date which is 90 days from the date that dealings in the New Shares commence (save for permitted issuances in connection with the Proposed Rights Issue and existing employee share schemes). In addition, the Company has agreed to certain customary consultation and/or consent rights in favour of Panmure Liberum and each of the Underwriters in respect of entry into certain commitments and the making of certain announcements which are material in the underwriting of the New Shares, the Proposed Rights Issue and/or Admission. The Company has also given certain customary indemnities to Panmure Liberum and each of the Underwriters and to certain persons connected with them. The liabilities of the Company thereunder are unlimited as to time and amount.

Furthermore, the Company also undertakes to enter into the Relationship Agreement with Rational, pursuant to which, *inter alia*, Rational shall have the right to nominate a non-executive director to the board of the Company, subject to shareholder approval, for so long as it, and the parties it represents, hold at least 12.5 per cent. of the issued share capital of the Company.

The obligations of Panmure Liberum and each of the Underwriters under the Rights Issue and Underwriting Agreement are subject to certain customary conditions including, among others: (i) the representations and warranties given by the Company in the agreement being true and accurate and not misleading on the dates on which they are given or repeated; (ii) Admission occurring not later than 8.00 a.m. on 29 May 2025 (or such later time and/or date as the Company, Panmure Liberum and each of the Underwriters may agree being a date not later than 30 June 2025); (iii) JSE Admission occurring not later than 9.00 a.m. on 23 May 2025 (or such later time and/or date as the Company, Panmure Liberum and each of the Underwriters may agree being a date not later than 30 June 2025); and (iv) in the opinion of Panmure Liberum and each of the Underwriters there having been no material adverse change with respect to the Group at any time between the date of the agreement and Admission.

If any condition is not satisfied (unless, where permissible, extended or waived by Panmure Liberum and each of the Underwriters (acting jointly and in their absolute discretion)), or becomes incapable of being satisfied, by the required time and date then, save for certain

exceptions, the parties' obligations under the Rights Issue and Underwriting Agreement shall cease and terminate, without prejudice to any liability for any prior breach of the Rights Issue and Underwriting Agreement.

Panmure Liberum's and the Underwriters' obligations under the Rights Issue and Underwriting Agreement will become unconditional after Admission of the Nil Paid Rights has occurred.

In addition, each of Panmure Liberum and the Underwriters (acting severally) are entitled to terminate its own obligations under the Rights Issue and Underwriting Agreement prior to Admission if certain circumstances occur, including, among others, where, in the opinion of Panmure Liberum and/or either of the Underwriters there has been a material adverse change with respect to the Group or the occurrence of certain force majeure-style events which would, in the opinion of Panmure Liberum and/or either of the Underwriters, be likely to have an adverse effect on the financial or trading position or the business of the Group which is material in the context of the Group as a whole or renders the Proposed Rights Issue, the underwriting of the New Shares and/or Admission impracticable or inadvisable in any material respect. Neither Panmure Liberum nor either of the Underwriters are entitled to exercise any right of termination, and no right of termination applies, once Admission has occurred.

The Directors have made due and careful enquiry to confirm that at the date of signing the Rights Issue and Underwriting Agreement, each Underwriter can meet its obligations and commitments in terms of the Proposed Rights Issue, subject to and in accordance with the terms of the Rights Issue and Underwriting Agreement, and is in a position to meet its underwriting commitments in terms of the Rights Issue and Underwriting Agreement in conjunction with any other underwriting or similar agreements running concurrently with the present commitment.

For purposes of the JSE Listings Requirements, the Rights Issue and Underwriting Agreement is not regarded as a related party transaction as the commission payable to the related parties (the Underwriters) is not greater than the current market related rates as confirmed by the independent Non-Executive Directors of the Company, and as such falls within the exemptions contemplated in and under paragraph 10.6(c)(vii) of the JSE Listings Requirements pertaining to transactions that do not constitute related party transactions.

11.9 ***The AIH Pre-Funding Agreement***

On 11 April 2025, the Company entered into a loan agreement with AIH as lender, pursuant to which AIH shall make a loan in the amount of USD8,742,000 (the "**AIH Loan**") available to the Company.

Drawdown of the AIH Loan is subject to the publication of this Circular. Interest shall accrue on the AIH Loan at a rate of 3.5 per cent above SOFR for the period ending on the date on which the Proposed Rights Issue completes and thereafter at a rate of 5.5 per cent. above SOFR. Assuming the Proposed Rights Issue is successful, the repayment of the AIH Loan shall be set-off against an equivalent amount that AIH would otherwise owe to the Company for its Rights under the Proposed Rights Issue and its underwriting commitments under the Rights Issue and Underwriting Agreement.

The AIH Loan terminates on the earlier of (i) if the Resolutions are not passed, the date falling 5 Business Days after the Extraordinary General Meeting; (ii) the date on which the Company receives, or would, but for the operation of any set-off right exercised by AIH, have received, funds from AIH in its capacity as shareholder and/or other shareholders of the Company, in connection with the Proposed Rights Issue; (iii) the date falling 3 months after the AIH Loan is made available; (iv) the Business Day falling immediately after the scheduled date for publication of the Prospectus (being 20 May 2025), if a Prospectus has not been published by the end of that Business Day; and (v) the date falling 30 calendar days after publication of the Prospectus, if the New Shares have not been admitted to trading both on AIM and the JSE by that date.

For purposes of the JSE Listings Requirements, the AIH Pre-Funding Agreement is not regarded as a related party transaction as it is an agreement involving the lending of money by a related party (being AIH) to the Company on normal commercial terms and on an unsecured

basis and as such falls within the exemption contemplated in paragraph 10.6(c)(i) of the JSE Listings Requirements pertaining to transactions that do not constitute a related party transaction.

The terms of the AIH Pre-Funding Agreement are identical to the Rational Pre-Funding Agreement, save as to quantum and that the Rational Loan is capable of being made in Rand.

11.10 ***The Rational Pre-Funding Agreement***

On 11 April 2025, the Company entered into a loan agreement with Rational as lender, pursuant to which Rational shall make a loan in the amount of USD4,646,000 (the “**Rational Loan**”) available to the Company.

Drawdown of the Rational Loan is subject to the publication of this Circular. Interest shall accrue on the Rational Loan at a rate of 3.5 per cent above SOFR for the period ending on the date on which the Proposed Rights Issue completes and thereafter at a rate of 5.5 per cent. above SOFR. Assuming the Proposed Rights Issue is successful, the repayment of the Rational Loan shall be set-off against an equivalent amount that Rational would otherwise owe to the Company for its Rights under the Proposed Rights Issue and its underwriting commitments under the Rights Issue and Underwriting Agreement.

The Rational Loan terminates on the earlier of (i) if the Resolutions are not passed, the date falling 5 Business Days after the Extraordinary General Meeting; (ii) the date on which the Company receives, or would, but for the operation of any set-off right exercised by Rational, have received, funds from Rational in its capacity as shareholder and/or other shareholders of the Company, in connection with the Proposed Rights Issue; (iii) the date falling 3 months after the Rational Loan is made available; (iv) the Business Day falling immediately after the scheduled date for publication of the Prospectus (being 20 May 2025), if a Prospectus has not been published by the end of that Business Day; and (v) the date falling 30 calendar days after publication of the Prospectus, if the New Shares have not been admitted to trading both on AIM and the JSE by that date.

For purposes of the JSE Listings Requirements, the Rational Pre-Funding Agreement is not regarded as a related party transaction as it is an agreement involving the lending of money by a related party (being Rational) to the Company on normal commercial terms and on an unsecured basis and as such falls within the exemption contemplated in paragraph 10.6(c)(i) of the JSE Listings Requirements pertaining to transactions that do not constitute a related party transaction.

11.11 ***The Relationship Agreement***

On 11 April 2025, the Company entered into a relationship agreement with Rational to regulate the relationship between the Company and Rational.

The Relationship Agreement, which provides for the autonomous operation of the Company by the Directors independently of Rational, shall be binding on Rational until it ceases, directly or indirectly, to exercise control over at least 12.5 per cent. of the voting rights in respect of the entire issued share capital of the Company. Pursuant to the Relationship Agreement, Rational undertakes, amongst other things, that it will (and, in relation to its associates and certain managed holdings (being the entities set out in more detail in paragraph 16 of this Part II) (the “**Concert Parties**”), will procure that its Concert Parties will): (i) procure that the Group shall be managed for the benefit of the Shareholders as a whole and independently of Rational and its Concert Parties; (ii) conduct all transactions or arrangements with the Group on an arm’s length basis and on normal commercial terms; (iii) if an Independent Director (as such term is defined in the Relationship Agreement) ceases to be an Independent Director, procure that such person is replaced with a new non-executive director who is also an Independent Director; (iv) procure that any amendment to the Articles which would be inconsistent with the Relationship Agreement is not effected; and (v) ensure the Company will be managed in accordance with its Articles and the King IV Code or any other corporate governance regime adopted by the Board from time to time.

In addition, the agreement provides that Rational shall have the right to nominate a non-executive director (the “**Nominated Director**”) for appointment to the board of the Company, subject to shareholder approval, and to remove such Nominated Director, subject to Rational, and the parties it represents, collectively holding not less than 12.5 per cent. of the issued share capital of the Company. Rational shall consult with the chair of the Company’s Nomination Committee (as such term is defined in the Relationship Agreement) as to the identity, qualifications and suitability of the Nominated Director and the Nomination Committee reserves the right to request an alternative candidate if deemed necessary. If the Company’s Nominated Adviser (as such term is defined in the Relationship Agreement) considers the Nominated Director is unsuitable, Rational may nominate an alternative.

The Company undertakes to Rational that: (i) at the first annual general meeting of the Company following the date of the Relationship Agreement (the “**First AGM**”), a special resolution shall be proposed to amend the Articles such that the maximum number of directors which may be appointed to the Board shall be increased from 8 to 10 persons; and (ii) the Nominated Director be recommended by the Board and proposed to be appointed as a director of the Company at the First AGM by way of an ordinary resolution. If such resolutions are not approved, the Company shall convene an extraordinary general meeting to re-propose such resolutions. If such resolutions are still not approved, the Company shall use its best endeavours to ensure the Nominated Director is proposed to be appointed to the Board.

12. Ratings and outlook

- 12.1 As at the Latest Practicable Date, the Company does not have any public current credit rating or outlook from a ratings agency.
- 12.2 As at the Latest Practicable Date, AIH does not have any public current credit rating or outlook from a ratings agency.

13. No significant change

Save as set out in Part I of this document, there has been no significant change in the Company’s financial or trading position from 31 December 2024 (being the date of the last audited consolidated accounts of the Company) up to the Latest Practicable Date.

14. Litigation

Save as set out below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the 12 months preceding the date of this Document which may have, or have had in the recent past, significant effects on the Company’s and/or the Group’s financial position or profitability.

(A) Kagem vs Bisma Investments Limited, Pridegems Mines Limited and Others

The Group’s Zambian subsidiary, Kagem, brought proceedings in the High Court of Zambia in November 2024 against: (1) Bisma Investments Limited (“**Bisma**”); (2) Pridegems Mines Limited (“**Pridegems**”); (3) Grizzly Mining Limited (“**Grizzly**”); (4) Abdoulaye Ndiaye; and (5) Manitoba Trading DMCC, for unjust enrichment with a claim value of circa USD165 million in respect of a licence dispute. Bisma was permitted by the then Zambian Minister of Mines to acquire a mining licence (the “**Bisma Licence**”) in an area in which the mining rights were held by Kagem. The Bisma Licence was then transferred to Pridegems which, together with some of the other defendants, have carried out mining operations on the Bisma Licence. The defendants have filed a defence, denying all claims, and have raised preliminary objections based on, *inter alia*, multiplicity of actions, lack of jurisdiction and irregularity of commencement process. Kagem considers that it has reasonable prospects of success in the action if it is to be heard on the merits. However, the preliminary objections on jurisdiction and multiplicity create a plausible risk of the action being dismissed on a preliminary basis and therefore not being determined on the merits.

(B) Kagem vs Pridegems and Others

Arising out of the substantially similar set of underlying facts as the above, proceedings were initiated in 2022 in the High Court of Zambia by a Bisma shareholder which brought claims

against Pridegems and other related parties alleging fraud in the transfer of the Bisma Licence from Bisma to Pridegems. Kagem joined these proceedings on 17 March 2023 and filed its claims against the defendants in June 2023, seeking, *inter alia*, the reinstatement to Kagem of the mining rights subject to the Bisma Licence, unquantified damages and an injunction against mining at the area. Pridegems successfully raised preliminary objections based on lack of jurisdiction and abuse of court process, though their preliminary objection on res judicata was unsuccessful. Overall, however, by a ruling in September 2024, Kagem's claim was dismissed by the High Court. Kagem has appealed the ruling to the Court of Appeal which is currently pending, and the substantive dispute has therefore not yet been heard by the Court.

(C) Grizzly and Pridegems vs Kagem

In 2022, Grizzly and Pridegems brought libel proceedings in the High Court of Zambia against Kagem and Gemfields following a letter issued by Gemfields regarding the acquisition of the Bisma Licence by Pridegems and Grizzly. The claimants are seeking, *inter alia*, USD40 million in damages and an order that Pridegems validly acquired the Bisma Licence. Gemfields successfully applied to be removed as a defendant and were awarded legal costs. Fresh claims of the same nature were later brought against Gemfields and Sean Gilbertson, the CEO of Gemfields, which are currently stayed pending payment of costs and pending an appeal by Kagem of the Court's dismissal of its preliminary applications seeking to strike out the entire case. Kagem considers it has reasonable prospects of success on this appeal. No accounting provisions have been made in respect of this litigation.

(D) Grizzly, Pridegems and Abdoulaye Ndiaye vs Kagem

In December 2024, Grizzly, Pridegems and Abdoulaye Ndiaye brought proceedings in the High Court of Zambia against Kagem seeking, *inter alia*, USD300 million in damages for alleged unlawful occupancy of the Kamakanga House area, which the claimants claim is within their mining rights area, and damages for conspiracy to injure and cause harm to the claimants' business reputation. Kagem has filed a defence against all of the allegations and a counterclaim for, *inter alia*, trespass and nuisance in relation to the Kamakanga House area, and trespass of one of Kagem's mining rights areas known as Kamakanga Mine which is a separate area in close proximity to Kamakanga House area. Kagem considers that it has reasonable to high prospects of success in defending the claim against it, and reasonable prospects of success in its counterclaims. No accounting provisions have been made in respect of this litigation.

(E) Grizzly vs Kagem

In January 2025, Grizzly commenced an action in the High Court of Zambia against Kagem seeking, *inter alia*, unquantified damages for alleged trespass in relation to an area that borders with one of Kagem's mining concessions known as Kamakanga Mine. Grizzly obtained an ex-parte injunction against Kagem preventing alleged trespass upon the relevant area, which Kagem has opposed but the injunction application is yet to be determined on an inter-partes basis. Kagem has filed a defence against all of the claims. Kagem considers that it has a reasonable to high prospect of success in defending the action. No accounting provisions have been made in respect of this litigation.

(F) Bribery allegation involving former Kagem employee

A former Kagem employee is alleged to have, *inter alia*, solicited and received a bribe from one of Kagem's third party suppliers. Kagem investigated and referred the former employee to various disciplinary and other authorities. The former employee has brought civil proceedings in the Zambian High Court against Kagem and two employees for breach of privacy, breach of employment permit conditions and constructive dismissal. The claim is currently unquantified. Kagem has counterclaimed for breach of, *inter alia*, fiduciary duties. In separate criminal proceedings, the former employee also filed a criminal complaint against Kagem and two Kagem employees in relation to the claims of breach of privacy and breach of employment permit conditions. The former employee sought, but was refused, permission to prosecute the action as a private prosecution. The criminal complaint was dismissed following the refusal to allow a private prosecution. No accounting provisions have been made in respect of this litigation.

(G) Nthoro settlers

A group of 40 settlers claim to have been excluded from a resettlement process based on government-led censuses that took place in the Nthoro area in Mozambique, claiming USD1.3 million in damages against Gemfields' subsidiary in Mozambique, MRM, for expropriation of land. MRM has initiated eviction proceedings after a prior court ruling in favour of MRM. MRM considers the Nthoro's settlers' claims to be unsubstantiated. No accounting provisions have been made in respect of this litigation.

(H) Kimberly Processing Unit

The Kimberly Processing Unit (known as the "UGPK"), which values rubies before export, has notified MRM that it owes the UGPK USD1.2 million in additional processing fees for exports in 2022 and 2023. MRM disagrees with the methodology used by the UGPK to calculate the processing fees and has filed proceedings to suspend the UGPK's notice, which was rejected. MRM has appealed this decision and the outcome is pending. MRM also filed a separate set of proceedings against the notice, and the outcome is pending in those proceedings too. MRM considers that the UGPK's claim has no legal standing. MRM has been required to give and has given a bank guarantee in respect of this potential liability. No accounting provisions have been made in respect of this litigation.

(I) Zambian Revenue Authority – Transfer Pricing

In November 2024, Kagem received a Notice of Income Tax Assessment from the Zambia Revenue Authority ("ZRA") related to the assessment of the transfer pricing audit that started in 2022. The Assessment concluded that 100% of the auction and management fees charged to Kagem by its parent company should be disallowed for taxation purposes and consequently an additional taxation amount of approximately USD11 million is due to the ZRA. It is Kagem's view that the ZRA has erred in its assessment, both in terms of the law and fact, in relation to the recharging of auction and management fees. Kagem filed an objection letter on 31 January 2025. No accounting provisions have been made in respect of this matter.

(J) Mozambique Revenue Authority – Production Tax

The Mozambique Revenue Authority ("MRA") identified a discrepancy between production tax payments in their system and MRM's system from 2014 to 2018. The MRA was using the cash basis whilst MRM used the accrual basis. The MRA therefore raised additional assessments totalling USD13.8 million. Following MRM's appeal, the MRA issued a revised assessment in September 2023 for approximately USD6.1 million. MRM has appealed this revised assessment as it believes it has no liability to pay. No response has been received from the MRA to date in respect of the appeal. No accounting provisions have been made in respect of this matter.

(K) Mozambique Revenue Authority – Capital Gains Tax

In January 2018, the MRA issued MRM with an assessment of USD3.4 million for a deemed capital gains tax charge arising from the indirect change of ownership of MRM, following the acquisition of Gemfields Limited (then named 'Gemfields PLC') by Pallinghurst Resources Limited. MRM responded in February 2018, correcting the calculation, which had used incorrect exchange rates, to establish there was in fact a capital loss. Whilst MRM has not been notified of any disagreement to the revised calculation and capital loss position, there has been no correspondence since 2018 and no enforcement action to collect alleged taxes due has been taken to date. No accounting provisions have been made in respect of this matter.

(L) Mozambique Revenue Authority – Compensatory Interest

In April 2024, the MRA raised an additional assessment for 2022 to collect interest on late paid Mozambique corporate income tax of approximately USD500,000. MRM has been in discussions with the MRA and requested that this liability be waived in July 2024, to which MRM is awaiting a response. No accounting provisions have been made in respect of this matter.

(M) VAT receivables – Mozambique and Zambia

MRM and Kagem are owed VAT receivables from the Mozambican and Zambian tax authorities, respectively, in the amounts of approximately USD20.9 million due to MRM and USD14.8 million due to Kagem as at 31 December 2024. The Kagem balance has been audited by the Zambia tax authority and USD12.9 million has been admitted as a liability of the Zambia government to date. The MRM receivable needs to be audited by the Mozambique tax authority before balances are admitted and subsequently reimbursed to MRM. The VAT receivables build up because (a) the Group's mining businesses operate on a net VAT recovery basis as the mines output is largely exported, which means that VAT is not due on rough stone sales, whilst VAT cost incurred by the mines on their respective inputs are recoverable, and (b) both the Mozambique and Zambia Governments face wider macro-economic financial challenges that has led to delayed reimbursements of their VAT liabilities to both MRM and Kagem.

(N) Ordinary course disputes

In addition to the above, in the ordinary course of business, the Group is subject to various disputes and claims with a range of third parties relating to its business and mining operations, the outcome of which cannot be predicted.

15. Share capital

As the Company is incorporated in Guernsey, it is not required to, and does not have, an authorised share capital.

The issued share capital of Gemfields as at the Latest Practicable Date is set out below:

| Issued share capital | Number of shares | USD'000 |
|--|----------------------|--------------------|
| Ordinary par value shares of nominal value of USD0.00001 per share | 1,168,027,130 | 11,680.2713 |
| Total | <u>1,168,027,130</u> | <u>11,680.2713</u> |

The Ordinary Shares are admitted to listing on AIM and trading on the JSE Main Board.

The Company has no shares held in treasury.

16. Major Shareholders

As at the Latest Practicable Date, insofar as is known to the Company, the name of each person who, directly or indirectly, had an interest in the Company's issued share capital which is notifiable under Chapter 5 of the FCA's Disclosure Guidance and Transparency Rules:

| Name of Shareholder | Number of Existing Shares | Percentage of existing issued share capital |
|--|---------------------------|---|
| Assore International Holdings Limited | 340,367,121 | 29.14% |
| Rational Expectations (Pty) Ltd* | 180,896,490 | 15.49% |
| Oasis Group Holdings (Pty) Ltd** | 90,445,641 | 7.74% |
| Ophorst Van Marwijk Kooy Verogensbeheer N.V. | 80,938,721 | 6.93% |
| FIL Limited | 69,494,857 | 5.95% |
| Van Lanschot Kempen N.V. | 60,781,350 | 5.20% |
| Sean Gilbertson (CEO)*** | 48,263,928 | 4.13% |
| Diacolor International DMCC | 40,062,999 | 3.43% |

* The Rational Expectations holding includes interests held by Rational Expectations (Pty) Ltd (10.40%), Afrika Avontuur Kapitaal (Pty) Ltd (1.81%), Wimsey Capital (Pty) Ltd (1.28%), Grenpunt Kapitaal Limited (0.67%), Rozendal & Associates Holdings Limited (0.61%), Potdrie (Pty) Ltd (0.29%), ZAR Ladbroke Opportunities (Pty) Ltd (0.19%), Five Words Capital (Pty) Ltd (0.19%) and Beaucourt Holdings (Pty) Ltd (0.19%).

** The Oasis Group shareholding includes interests held by Oasis Asset Management and Oasis Crescent Capital.

*** Sean Gilbertson directly owns 17,548,327 Ordinary Shares, representing 1.5 per cent. of the Company's issued share capital. He has an indirect interest over Ordinary Shares by virtue of being a beneficiary of the Brian Patrick Gilbertson Discretionary Settlement, a family trust which: (1) holds directly 28,828,371 Ordinary Shares; and (2) owns Autumn Holdings Asset Inc., which, in turn, holds a further 1,887,230 Ordinary Shares.

17. Middle market quotations

The middle market quotations for the Company on the first business day of each of the six months preceding the date of this document and on the Latest Practicable Date as derived from the Daily Official List, were:

| Date | Price (p) |
|-----------------|-----------|
| 1 November 2024 | 10.875 |
| 2 December 2024 | 8.350 |
| 2 January 2025 | 7.000 |
| 3 February 2025 | 5.650 |
| 3 March 2025 | 6.750 |
| 1 April 2025 | 6.125 |
| 10 April 2025 | 5.875 |

18. Incorporation of relevant information by reference

18.1 The following documents (or parts of documents), which have been filed with the Takeover Panel and are available for inspection in accordance with paragraph 22 of this Part II, contain information about the Company and AIH, which is relevant to this document.

18.2 The table below sets out the sections of the relevant documents which, for the purposes of Rules 24.3(a) and 24.3(c) of the Takeover Code, are incorporated by reference into, and form part of, this document. In accordance with Rule 24.15 of the Takeover Code, only the parts of the documents identified in the table below are incorporated into, and form part of, this document.

| Source document from which information is incorporated into this document by reference | Information incorporated by reference | Page number(s) in source document |
|--|---|-----------------------------------|
| 2024 Annual Report | <i>Chair's statement</i> | 14-17 |
| | <i>Finance Review</i> | 24-31 |
| | <i>Directors' Report</i> | 106-109 |
| | <i>Consolidated Income Statement</i> | 112 |
| | <i>Consolidated Statement of Comprehensive Income</i> | 113 |
| | <i>Consolidated Statement of Financial Position</i> | 114 |
| | <i>Consolidated Statement of Cash Flows</i> | 115 |
| | <i>Consolidated Statement of Changes in Equity</i> | 116 |
| | <i>Notes to the Consolidated Financial Statements</i> | 117-172 |
| | <i>Independent Auditor's Report</i> | 173-181 |
| 2023 Annual Report | <i>Chair's statement</i> | 14-15 |
| | <i>Finance Review</i> | 30-37 |
| | <i>Directors' Report</i> | 104-107 |
| | <i>Consolidated Income Statement</i> | 126 |
| | <i>Consolidated Statement of Comprehensive Income</i> | 127 |
| | <i>Consolidated Statement of Financial Position</i> | 128 |
| | <i>Consolidated Statement of Cash Flows</i> | 129 |
| | <i>Consolidated Statement of Changes in Equity</i> | 130-131 |
| | <i>Notes to the Consolidated Financial Statements</i> | 132-193 |
| | <i>Independent Auditor's Report</i> | 194-205 |
| 2022 Annual Report | <i>Chair's statement</i> | 14-15 |
| | <i>Finance Review</i> | 30-36 |
| | <i>Directors' Report</i> | 102-105 |
| | <i>Consolidated Income Statement</i> | 126 |
| | <i>Consolidated Statement of Comprehensive Income</i> | 127 |
| | <i>Consolidated Statement of Financial Position</i> | 128 |
| | <i>Consolidated Statement of Cash Flows</i> | 129 |
| | <i>Consolidated Statement of Changes in Equity</i> | 130-131 |
| | <i>Notes to the Consolidated Financial Statements</i> | 132-195 |
| | <i>Independent Auditor's Report</i> | 196-205 |

| Source document from which information is incorporated into this document by reference | Information incorporated by reference | Page number(s) in source document |
|--|---------------------------------------|-----------------------------------|
| The unaudited accounts of AIH for the 12 months ended 30 June 2022 | | 1-29 |
| The unaudited accounts of AIH for the period ended 30 June 2021 | | 1-28 |

18.3 A copy of each of the documents incorporated by reference into this document is available, free of charge, for downloading or inspection, at the following website: www.gemfieldsgroup.com.

18.4 Save as set out above in paragraph 18.2 of Part II of this document, neither the contents of the Company’s website, nor the contents of any website accessible from hyperlinks on the Company’s website, is incorporated into, or forms part of, this document.

19. Prospectus

The terms of the Proposed Rights Issue will be published in the Prospectus which will be distributed to Shareholders as soon as is practically possible following, and subject to, the approval of the Resolutions. The salient dates pertaining to the Proposed Rights Issue will be released on SENS and RIS and will be published in the Prospectus.

20. Consents

20.1 Panmure Liberum has given and not withdrawn its written consent to the issue of this document and the inclusion herein of its name and the references to it in the form and context in which they appear.

20.2 Investec has given and not withdrawn its written consent to the issue of this document and the inclusion herein of its name and the references to it in the form and context in which they appear.

21. Availability of this document

This Circular is available in English only and will be available for a period of twelve months from the date of this document on the Company’s website www.gemfieldsgroup.com, free of charge in accordance with the requirements of Rule 26 of the AIM Rules.

22. Documents available for inspection

22.1 Copies of the following documents will be available at the Company’s website (www.gemfieldsgroup.com), and for inspection at (i) the registered offices of the Company, Royal Chambers, St Julian’s Avenue, St. Peter Port, Guernsey GY1 4HP, Channel Islands, during normal business hours of any weekday (Saturdays, Sundays and public holidays in England and Wales and Guernsey excepted) and (ii) the registered offices of the JSE Sponsor during normal business hours of any weekday (Saturdays, Sundays and public holidays in South Africa excepted) whose respective addresses are set out on page 6 (*Details of Registered Office and Advisers*) and copies can be requested electronically by making an email request to the Company Secretary at companysecretary@gemfields.com, from the date of this document up to and including the date of the Extraordinary General Meeting:

a. this document and accompanying Notice of Extraordinary General Meeting;

b. the Memorandum and the Articles;

c. the memorandum of incorporation and articles of association of AIH;

d. the irrevocable undertakings referred to in paragraph 9 of this Part II;

- e. the Rights Issue and Underwriting Agreement, the Pre-Funding Agreements and the Relationship Agreement, being the material contracts of the Company referred to in paragraph 11 of Part II, which have been entered into in connection with the Proposed Rights Issue;
 - f. the information incorporated by reference referred to in paragraph 18 of this Part II; and
 - g. the consent letters from Panmure Liberum and Investec referred to in paragraph 20 of this Part II.
- 22.2 In addition, in accordance with the JSE Listings Requirements, the following documents will be available for inspection at (i) the registered offices of the Company, Royal Chambers, St Julian's Avenue, St. Peter Port, Guernsey GY1 4HP, Channel Islands, during normal business hours of any weekday (Saturdays, Sundays and public holidays in England and Wales and Guernsey excepted) and (ii) the registered offices of the JSE Sponsor during normal business hours of any weekday (Saturdays, Sundays and public holidays in South Africa excepted) whose respective addresses are set out on page 6 (*Details of Registered Office and Advisers*) and copies can be requested electronically by making an email request to the Company Secretary at companysecretary@gemfields.com from the date of this document up to and including the date of the Extraordinary General Meeting:
- a. summaries of the Directors' service agreements and letters of appointment referred to in paragraph 7 of this Part II;
 - b. the material contracts of the Company referred to in paragraph 11 of this Part II;
 - c. sworn affidavits by two of the directors of AIH, confirming that AIH has the resources to meet its obligations in respect of the Rights Issue and Underwriting Agreement; and
 - d. sworn affidavits by two of the directors of Rational, confirming that Rational has the resources to meet its obligations in respect of the Rights Issue and Underwriting Agreement.
- 22.3 You may request a hard copy of this document and the information incorporated into this document by reference:
- 22.3.1 in the case of by those shareholders whose Ordinary Shares are admitted to AIM, by contacting the UK Registrar between 8.30 a.m. and 5.30 p.m. on Monday to Friday, on 0370 707 4040 (from inside the United Kingdom) or +44 370 707 4040 (from outside the United Kingdom). Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that the Shareholder Helpline operators cannot provide advice on the merits of the Resolutions nor give financial, tax, investment or legal advice. A hard copy of the documents incorporated by reference will not be sent unless requested; or
- 22.3.2 in the case of by those shareholders whose Ordinary Shares are admitted to the JSE, by contacting the SA Registrar between 8.00 a.m. and 4.00 p.m. (South African Standard Time) on Monday to Friday, on +27 11 370 5000 and, in South Africa only, 086 1100 634. Lines are open from 8.00 a.m. to 4.00 p.m. (South African Standard Time) Monday to Friday (except public holidays in South Africa). Calls to the Shareholder Helpline from outside South Africa will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that the Shareholder Helpline operators cannot provide advice on the merits of the Resolutions nor give financial, tax, investment or legal advice. A hard copy of the documents incorporated by reference will not be sent unless requested.

PART III

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

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|---|---|
| Admission | as the context so requires, AIM Admission and/or JSE Admission |
| Agreed Proportions | in the case of AIH: 65.30 per cent.; in the case of Rational: 34.70 per cent. |
| AIH | Assore International Holdings Limited, incorporated as a private company limited by shares registered in England and Wales with company registration number 12617478 on 21 May 2020. AIH's registered address is at 4 Walcote Place, High Street, Winchester, United Kingdom, SO23 9AP |
| AIH Directors | the directors of AIH at the date of this document whose names are set out on paragraph 2.2 of Part II of this document |
| AIH Pre-Funding Agreement | the agreement entered into between the Company and AIH dated 11 April 2025, details of which are set out in paragraph 11.9 of Part II of this document |
| AIH UBO Directors | the directors of AIH's indirect parent company, Assore Holdings Proprietary Limited, at the date of this document, being each of: (1) Desmond Sacco; (2) Patrick Sacco; (3) Charles Walters; (4) Bastiaan van Aswegen; (5) Sandra du Toit; (6) Kieran Daly; (7) Mandla Tobela; (8) Eric Mackeown; (9) Sydney Mhlarhi; and (10) Ross Davies |
| AIM | the AIM Market, the multi-lateral trading facility operated by the London Stock Exchange |
| AIM Admission | admission of the Nil Paid Rights, the Fully Paid Rights and the New Shares (as the case may be) to trading on AIM becoming effective in accordance with the AIM Rules for Companies |
| AIM Rules or AIM Rules for Companies | the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange |
| Articles | the existing articles of incorporation of the Company as at the date of this document |
| Board or Directors | the Company's directors, whose names appear on page 6 of this document |
| broker | any person registered as a broking member (equities) in terms of the JSE Listings Requirements and in accordance with the provisions of the SA Financial Markets Act |
| Business Day | a day (excluding Saturday, Sunday and public holidays) on which: (1) banks generally are open for business in the City of London for the transaction of normal banking business; (2) banks generally are open for business in South Africa for the transaction of normal banking business; and (3) banks generally are open for business in Guernsey for the transaction of normal banking business |

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| CDJ | Campos De Joia Limitada, a 100 per cent. indirect subsidiary of the Company |
| certificated or certificated form | means either: (1) Existing Shares that have not been Dematerialised in terms of the requirements of Strate, title to which is represented by the Documents of Title; or (2) in relation to a share or other security, a share or other security which is not in uncertificated form (that is, not in CREST or Strate) |
| Circular or this document | this circular to Shareholders, and all documents and annexes bound herein, dated 11 April 2025 |
| City Code or Takeover Code | the City Code on Takeovers and Mergers issued from time to time by or on behalf of the Panel on Takeovers and Mergers |
| Committed Shareholders | those Shareholders (details of which are set out in paragraph 9 of Part II of this document) who have entered into irrevocable undertakings to subscribe for their Rights under the Proposed Rights Issue |
| Committed Shares | the, in aggregate, 299,572,845 New Shares which the Committed Shareholders have irrevocably undertaken to take up pursuant to the Proposed Rights Issue |
| Companies Act | the Companies Act 2006 of England and Wales, as amended from time to time |
| Companies Law | The Companies (Guernsey) Law, 2008 (as amended) |
| Company or Gemfields | Gemfields Group Limited, a company incorporated under the Companies Law and registered in Guernsey, with registered number 47656 |
| CREST | the system for the paperless settlement of trades in securities and the holding of uncertificated securities in accordance with the CREST Regulations operated by Euroclear |
| CREST Manual | the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CREST CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996, as amended from time to time) |
| CREST Member | a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations) |
| CREST Participant | a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations) |
| CREST Regulations | the Uncertificated Securities (Guernsey) Regulations 2009 |
| CREST Sponsor | a CREST Participant admitted to CREST as a CREST Sponsor |

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| CREST Sponsored Member | a CREST Member admitted to CREST as a sponsored member |
| CSDP | Central Securities Depository Participant, being a “participant” as defined in Section 1 of the SA Financial Markets Act and appointed by individual Shareholders for the purposes of, and in regard to, dematerialisation in terms of the Financial Markets Act |
| Dematerialised or Dematerialisation | the South African process by which securities which are evidenced by a Document of Title are converted to securities that are held in collective custody by a CSDP or its nominee in a separate central securities account and are transferable by entry without a certificate or written instrument |
| Disclosure and Transparency Rules | the disclosure guidance rules and transparency rules made by the FCA under Part VI of FSMA (as set out in the FCA Handbook) as amended from time to time |
| Disclosure Period | the period commencing on the date twelve months prior to the Latest Practicable Date and ending on the Latest Practicable Date |
| Document of Title | share certificates, certified transfer deeds, balance receipts or any other documents of title to the Shares |
| ERM | Eastern Ruby Mining, a subsidiary of the Company, 80 per cent. indirectly owned by Company and 20 per cent. owned by Mr. Taibo Caetano Mucobora |
| Euroclear or Euroclear UK & International | Euroclear UK & International Limited, the operator of CREST |
| EUWA | the European Union (Withdrawal) Act 2018 |
| Excluded Territories | the United States, Australia, New Zealand, Canada, Hong Kong, Singapore and Japan and any other jurisdiction (subject to certain limited exceptions) where the Company is advised that the allotment or issue of the New Shares pursuant to the Proposed Rights Issue would or may infringe the relevant laws and regulations of such jurisdiction or would or may require the Company to obtain any governmental or other consent or to effect any registration, filing or other formality which, in the opinion of the Company, it would be unable to comply with or is unduly onerous and Excluded Territory means any one of them |
| Executive Directors | Sean Gilbertson and David Lovett |
| Existing Shares | the 1,168,027,130 Ordinary Shares in issue on the Latest Practicable Date |
| Extraordinary General Meeting or Meeting | the extraordinary general meeting of the Company convened for 10.00 a.m. (London time) at 123 Victoria Street, Westminster, London, SW1E 6DE on 19 May 2025 by the Notice of Extraordinary General Meeting and any adjournment or postponement thereof |
| Fabergé | the brand “Fabergé” which is wholly-owned and controlled by the Group |

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|---------------------------------|---|
| FCA | the Financial Conduct Authority of the United Kingdom acting in its capacity as the competent authority for the purposes of Part VI of the FSMA |
| FCA Handbook | the FCA's Handbook or Rules and Guidance, as amended from time to time |
| Financial Markets Act | the South African Financial Markets Act, No. 19 of 2012, as amended from time to time |
| Form of Instruction | the form of instruction to be posted to each Qualifying South African Shareholder who holds Existing Shares in certificated form, in respect of their Letters of Allocation, reflecting the entitlement of that Qualifying Shareholder to Nil Paid Rights if the Resolutions are approved |
| Forms of Proxy | (1) the Guernsey form of proxy, for use by those shareholders whose Ordinary Shares are admitted to AIM; and (2) the South African form of proxy, for use by those Shareholders whose Ordinary Shares are admitted to the JSE, accompanying this document for use at the Extraordinary General Meeting |
| FSMA | the Financial Services and Markets Act 2000 of England and Wales (as amended) |
| Fully Paid Rights | rights to acquire the New Shares fully paid |
| Group or Gemfields Group | Gemfields and each of its direct and indirect subsidiaries from time to time (where "subsidiary" shall have the meaning ascribed to it in the Companies Act) |
| Independent Directors | all of the Directors save for Keiran Daly and Patrick Sacco |
| Independent Shareholders | Shareholders who are eligible to vote on the Rule 9 Waiver Resolution (being all Shareholders other than AIH and Rational (including the parties that Rational represents as set out in more detail in paragraph 16 of Part II)) |
| Investec or JSE Sponsor | Investec Bank Limited, acting through its investment banking division, a public company incorporated under the laws of South Africa and the JSE Sponsor to the Company in connection with the Proposed Rights Issue |
| Irrevocable Undertakings | the undertakings, executed by the Committed Shareholders, pursuant to which they have irrevocably agreed to: (1) vote in favour of the Resolutions; and in certain cases, (2) subscribe for their Rights under the Proposed Rights Issue, details of which are set out in paragraph 9 of Part II of this document |
| ISIN | the international securities identification number |
| issued share capital | except where stated to the contrary, the issued share capital of the Company (excluding treasury shares) |
| JSE | the Johannesburg Stock Exchange, a licensed exchange operated by JSE Limited |
| JSE Admission | the admission of Letters of Allocation and the New Shares (as the case may be) to listing and trading on the General Segment of the JSE's Main Board |

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| JSE Certificated Shareholders | Shareholders who hold JSE Certificated Shares |
| JSE Certificated Shares | Ordinary Shares which have not been surrendered for Dematerialisation in terms of the requirements of Strate, and title to which is evidenced by a Document of Title |
| JSE Dematerialised Shareholders | Shareholders who hold JSE Dematerialised Shares |
| JSE Dematerialised Shares | Ordinary Shares that have been Dematerialised |
| JSE Limited | JSE Limited, a public company incorporated in accordance with the laws of South Africa and licensed to operate an exchange in terms of the Financial Markets Act |
| JSE Listings Requirements | the JSE Limited Listings Requirements in force as at the Latest Practicable Date |
| JSE Main Board | the main board of the JSE |
| Kagem | Kagem Mining Limited, a subsidiary of the Company, 75 per cent. indirectly owned by Gemfields and 25 per cent. indirectly owned by the Government of the Republic of Zambia; |
| Latest Practicable Date | 10 April 2025, being the latest practicable date prior to the date of this document |
| Letter of Allocation | a renounceable letter of allocation to be issued by the Company in electronic form conferring Nil Paid Rights on a Qualifying South African Shareholder if the Resolutions are approved |
| London Stock Exchange or LSE | London Stock Exchange plc |
| Memorandum | the memorandum of incorporation of the Company |
| MML | Megaruma Mining Limitada, a subsidiary of the Company, 75 per cent. indirectly owned by Company and 25 per cent. owned by EME Investments SA, Mozambique |
| MRM | Montepuez Ruby Mining Limitada, a subsidiary of the Company, 75 per cent. indirectly owned by Company and 25 per cent. owned by a local Mozambican minority partner, Mwiriti Limitada |
| New Shares | 556,203,396 new Ordinary Shares to be issued pursuant to the Proposed Rights Issue |
| Nil Paid Rights | in the case of Qualifying Shareholders (other than Qualifying South African Shareholders), New Shares in nil paid form provisionally allotted to such Qualifying Shareholders pursuant to the Proposed Rights Issue and, in the case of Qualifying South African Shareholders, the right to subscribe for New Shares at the SA Issue Price, as represented by Letters of Allocation automatically credited to their CSDP or broker accounts or, in the case of Qualifying South African Shareholders who hold their Shares in certificated form, the account of the SA Registrar for the benefit of such Shareholder |
| Non-CREST Shareholders | Shareholders whose Ordinary Shares are on the Company's Guernsey (AIM) register and are held in certificated form |

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| Non-Executive Directors | Bruce Cleaver; Patrick Sacco; Kieran Daly; Kwape Mmela; Mary Reilly; Simon Scott |
| Notice of Extraordinary General Meeting or Notice | the notice of the Extraordinary General Meeting set out at the end of this document |
| NRL | Nairoto Resources Limitada, a subsidiary of the Company, 75 per cent. indirectly owned by the Company and 25 per cent. owned by a Mozambican minority partner, Mwiriti Limitada |
| Ordinary Resolution | a resolution, taken in accordance with the Articles and the Companies Law, passed by a simple majority of the Shareholders, present or by proxy, at the meeting, convened with the proper notice of the meeting having been provided to the Shareholders |
| Ordinary Shares or Shares | the ordinary shares with a par value of USD0.00001 each in the capital of the Company |
| Overseas Shareholders | Shareholders or Qualifying Shareholders, as the context so requires, who have registered addresses, or who are located or resident, outside the United Kingdom or South Africa |
| Panel or Takeover Panel | means the Panel on Takeovers and Mergers of the United Kingdom |
| Panmure Liberum or Financial Adviser or AIM Nominated Adviser or co-ordinator or Corporate Broker | Panmure Liberum Limited, the financial adviser, nominated adviser, co-ordinator and corporate broker to the Company in connection with the Proposed Rights Issue and the Resolutions |
| Participant ID | the identification code or membership number used in CREST to identify a particular CREST Member or CREST Participant |
| Pre-Funding Agreements | each of the AIH Pre-Funding Agreement and the Rational Pre-Funding Agreement |
| Proposed Rights Issue | the 10 New Shares for 21 Existing Shares rights issue which Gemfields proposes to undertake, further details of which will be set out in the Prospectus |
| Prospectus | the prospectus relating to Gemfields for the purpose of the Proposed Rights Issue, which is expected to be published, subject to the passing of the Resolutions and FCA approval, on or around 20 May 2025 and which will be posted to Qualifying Shareholders and be made available on the Company's website, its registered address and at the registered address of the JSE Sponsor |
| Prospectus Regulation | the UK version of the EU Prospectus Regulation as it forms part of the domestic law of the United Kingdom by virtue of EUWA, as amended from time to time |
| Prospectus Regulation Rules | the Prospectus Regulation Rules made by the FCA as from time to time amended and includes, where appropriate, relevant provisions of the Prospectus Regulation as referred to or incorporated within the Prospectus Regulation Rules |

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| Provisional Allotment Letters | the renounceable provisional allotment letters relating to the Proposed Rights Issue, expected to be dispatched to Qualifying Non-CREST Shareholders if the Resolutions are approved |
| Qualifying CREST Shareholder | Shareholders (other than those resident in an Excluded Territory) whose Ordinary Shares are on the Company's Guernsey (AIM) register at the relevant Record Date and which are held in uncertificated form and held through CREST |
| Qualifying Non-CREST Shareholder | Shareholders (other than those resident in an Excluded Territory) whose Ordinary Shares are on the Company's Guernsey (AIM) register at the relevant Record Date and which are in certificated form |
| Qualifying Shareholder | a Qualifying Non-CREST Shareholder, Qualifying CREST Shareholder and/or Qualifying South African Shareholder, as the case may be |
| Qualifying South African Shareholder | Shareholders (other than those resident in an Excluded Territory) on the Company's South African (JSE) register as at the relevant Record Date |
| Rand or ZAR | South African rand, the lawful currency of South Africa |
| Rational | Rational Expectations (Pty) Ltd, incorporated as a private company with limited liability, registered in South Africa with registered number 1997/003025/07 and whose registered address is at Unit 203, Second Floor, Paardevlei RI, 12 Gardner Williams Avenue, Paardevl, Somerset West, Western Cape, 7130, South Africa |
| Rational Pre-Funding Agreement | the agreement entered into between the Company and Rational dated 11 April 2025, details of which are set out in paragraph 11.10 of Part II of this document |
| Record Date | the record date(s) for participation in the Proposed Rights Issue, details of which will be included in the Prospectus |
| Registers | the register of members of the Company maintained in the United Kingdom and the branch of the register maintained in South Africa |
| Registrars | the UK Registrar and/or the SA Registrar, as the context so requires |
| Regulatory Information Service | any of the services set out in the list of Primary Information Providers maintained by the FCA |
| Relationship Agreement | the agreement entered into between the Company and Rational dated 11 April 2025, details of which are set out in paragraph 11.11 of Part II of this document |
| Resolutions | the resolutions to be proposed at the Extraordinary General Meeting |
| Rights | the Nil Paid Rights and the Fully Paid Rights (as the context so requires) |

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| Rights Issue and Underwriting Agreement | the rights issue and underwriting agreement dated 11 April 2025 entered into between the Company, the Underwriters and Panmure Liberum relating to the Proposed Rights Issue and the underwriting and more fully described in paragraph 11.8 of Part II |
| RIS | the Regulatory Information Service of London Stock Exchange |
| Rule 9 | Rule 9 of the Takeover Code |
| Rule 9 Waiver | the waiver granted by the Panel, conditional on the passing of the Rule 9 Waiver Resolution by Independent Shareholders, of any requirement under Rule 9 of the Takeover Code for AIH and its concert parties (individually and collectively) to make a mandatory general offer to all Shareholders of the Company, which would otherwise arise as a result of the AIH's participation in, and underwriting of, the Proposed Rights Issue |
| Rule 9 Waiver Resolution | resolution 1 to be proposed at the Extraordinary General Meeting as set out in the Notice of Extraordinary General Meeting to approve the Rule 9 Waiver |
| SA Issue Price | the price at which New Shares will be issued to Qualifying South African Shareholders pursuant to the Proposed Rights Issue, being ZAR1.06860 per New Share |
| SA Registrar | Computershare Investor Services Proprietary Limited registration number 2004/003647/07, a private company duly incorporated in accordance with the laws of South Africa |
| SENS | the Stock Exchange News Service of the JSE |
| Shareholder Helpline | the relevant helpline telephone number listed in the paragraph 22 of Part II |
| Shareholders | holders of Existing Shares |
| South Africa | the Republic of South Africa |
| South African Companies Act | the South African Companies Act No. 71 of 2008 (as amended from time to time) |
| Special Resolution | a resolution taken in accordance with the Articles and the Companies Law, passed by a majority of not less than 75 per cent. of the votes of the Shareholders, present or by proxy, at the meeting convened with the proper notice of the meeting having been provided to the Shareholders |
| sterling or £ or GBP, or pence or p | the lawful currency of the United Kingdom from time to time |
| Strate | Strate Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, which is licensed as a registered central securities depository under the Financial Markets Act responsible for the electronic custody and settlement system for transactions that take place on the JSE |

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| UK Issue Price | the price at which New Shares will be issued to Qualifying Shareholders (other than Qualifying South African Shareholders) pursuant to the Proposed Rights Issue, being 4.22 pence per New Share |
| UK Registrar | Computershare Investor Services (Guernsey) Limited of 2nd Floor, Lefebvre Place, Lefebvre Street, St Peter Port, Guernsey, GY1 2JP |
| uncertificated or in uncertificated form | in respect of a Qualifying Shareholder other than a Qualifying South African Shareholder, describes the form of a share held by such person in CREST; and in respect of a Qualifying South African Shareholder describes the form of a share held by such person not evidenced by a certificate or written instrument, incorporated into State and entered and recorded in the Company's South African sub-register in electronic form in terms of the Financial Markets Act |
| Underwriters | each of AIH and Rational |
| Underwriting Issue to the Underwriters Resolution | resolution 3 as set out in the Notice of Extraordinary General Meeting to be proposed at the Extraordinary General Meeting in connection with the issue of New Shares to, <i>inter alia</i> , the Underwriters as contemplated by this Circular and the Rights Issue and Underwriting Agreement pursuant to the Proposed Rights Issue |
| Underwritten Shares | the New Shares being underwritten by the Underwriters, which includes all New Shares other than the New Shares for which the Underwriters have irrevocably undertaken to subscribe |
| United Kingdom or UK | the United Kingdom of Great Britain and Northern Ireland |
| United States or US | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia |
| US dollar(s) or dollar(s) or USD or US\$ or \$ or US cents | United States dollars and cents, the lawful currency of the United States |

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

In this document, unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words denoting any gender shall include all genders.

In this document, certain information relating to, *inter alia*, the current trading of the Company and the anticipated proceeds of the Proposed Rights Issue is stated in US dollars. For the purposes of this document, the following spot exchange rates as at the close of business on the Latest Practicable Date, derived from Bloomberg, have been used:

- GBP0.7726 to USD1.00; and
- ZAR25.32117 to GBP1.00.

PART IV

NOTICE OF EXTRAORDINARY GENERAL MEETING

GEMFIELDS GROUP LIMITED

(the “**Company**”)

*(Incorporated under The Companies (Guernsey) Law, 2008 and registered in Guernsey, with registered number 47656)
(Registered as an external company in South Africa under registration number 2009/012636/10 on 26 June 2009)*

Notice is hereby given that a general meeting (**Meeting**) of Gemfields Group Limited (**Company**) will be held on 19 May 2025 at 123 Victoria Street, Westminster, London, SW1E 6DE at 10.00 a.m. (London time), to consider and, if thought fit, to pass the following resolutions of which Resolutions 1 and 3 will be proposed as ordinary resolutions and Resolution 2 will be proposed as a special resolution (**Resolutions** and each a **Resolution**).

If applicable, please complete and submit a proxy form as soon as possible, but in any event by no later than 10.00 a.m. (London time) on 15 May 2025. Details of how to appoint a proxy are set out in the Shareholder Notes below.

In this Notice, defined terms shall have the same meaning as defined terms in the document of which this Notice forms part.

ORDINARY RESOLUTION

1. That, the waiver granted by the Panel on Takeovers and Mergers of any obligation that would otherwise arise on AIH (together with any of its connected persons) (as defined in the circular to the Company’s shareholders dated 11 April 2025 (the **Circular**)) (both individually and collectively), to make a general offer to shareholders of the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of the issue of up to 329,659,331 New Shares to AIH as more fully described in the Circular, be and is hereby approved.

SPECIAL RESOLUTION

2. That, in connection with the Proposed Rights Issue (as defined in the Circular) and subject to the passing of Resolution 1, the restrictions set out below and the provisions of the Companies Law, the JSE Listings Requirements, and the Articles, the Board be and is hereby authorised, until this authority lapses, to allot and issue 556,203,396 New Shares for cash free of pre-emption rights (howsoever arising, including pursuant to article 6 of the Company’s articles of incorporation or otherwise) on the basis that:
 - 2.1 the authority shall be valid until the next annual general meeting of the Company or 15 months from the date of passing of this resolution, whichever date is the earliest; and
 - 2.2 they are offered by way of a rights issue to holders of Ordinary Shares on the register of members of the Company at such record date as the Directors may determine where the Ordinary Shares are attributable to the interests of the Shareholders as are proportionate (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them on any such record date and to other holders of Ordinary Shares entitled to participate therein, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter.

The reason for proposing Resolution 2 above is to allow New Shares to be allotted and issued for cash for the specific purpose of implementing the Proposed Rights Issue. Whilst the Proposed Rights Issue is nominally a pre-emptive offer to all Shareholders, legally it is not fully pre-emptive due to the fact that it is not being made available to Shareholders based in the Excluded Territories. Accordingly, Resolution 2 also proposes that the New Shares be allotted and issued free of pre-emption rights.

ORDINARY RESOLUTION

3. That, subject to:

3.1 the passing of Resolutions 1 and 2; and

3.2 the Company becoming authorised to allot and issue further New Shares pursuant to Resolution 2 (including to the Underwriters and any of the Directors and their associates, any of the AIH Directors and their associates and/or any related or inter-related persons of the Company in accordance with the terms of the Rights Issue and Underwriting Agreement),

the allotment and issue of up to 556,203,396 New Shares to the Underwriters and any of the Directors and their associates, any of the AIH Directors, any of the directors of Rational and their respective associates and/or any related or inter-related persons of the Company in accordance with the terms of the Rights Issue and Underwriting Agreement be and are hereby approved on the basis that such New Shares are not acquired by any other Shareholder(s) pursuant to the offer of New Shares made to them pursuant to the Proposed Rights Issue, and that the allotment and issue of any such New Shares to the Underwriters and any of the Directors and their associates, any of the AIH Directors, any of the directors of Rational and their respective associates and/or any related or inter-related persons of the Company as may be required for that specific purpose and as determined by the Board, in its discretion, for the specific purpose as aforesaid, be and is hereby approved, provided always that this approval shall expire at the same time as the authority set out in Resolution 2.

The reason for proposing Resolution 3 above is to allow New Shares to be allotted and issued to, *inter alia*, the Underwriters under the Rights Issue and Underwriting Agreement in the event that other Shareholders do not participate in the Proposed Rights Issue.

By order of the Board

Toby Hewitt

Company Secretary

11 April 2025

Gemfields Group Limited

Registered office:

PO Box 186, Royal Chambers, St. Julian's Avenue, St. Peter Port, Guernsey, GY1 4HP, Channel Islands

SHAREHOLDER NOTES TO THE NOTICE OF EXTRAORDINARY GENERAL MEETING

Entitlement to attend and vote

1. Pursuant to the CREST Regulations, the Company specifies that only those Shareholders registered in the Company's register of members at 6.00 p.m. (London time) on 15 May 2025, or, if this Meeting is adjourned or postponed, at 6.00 p.m. (London time) two days prior to the adjourned or postponed meeting, shall be entitled to vote at the Meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. In accordance with the requirements of the Takeover Code, voting on Resolution 1 will be taken on a poll, on which only Independent Shareholders are entitled to vote. Resolutions 2 and 3 will also be taken on a poll.

Appointment of proxy

All shareholders OTHER THAN JSE Dematerialised Shareholders who do not have "own name" registration

3. If you are a shareholder who is entitled to vote at the Meeting, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the relevant Form of Proxy. Appointment of a proxy will not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.
4. A proxy does not need to be a shareholder of the Company but must attend the Meeting to represent you. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chair of the Meeting) and give your instructions directly to them. You are recommended to appoint the Chair of the Meeting as your proxy, in case a person who you choose to appoint is unable to attend the Meeting, in which case they would not be able to cast any votes on your behalf.
5. The notes to the proxy form explain how to direct your proxy to vote on each resolution or to withhold their vote. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
6. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
7. You may appoint more than one proxy, provided that each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to the same shares. To appoint more than one proxy, please contact the Company's registrars using the Shareholder Helpline.
8. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communication from the Company (nominated persons). Nominated persons may have a right under an agreement with the registered shareholder who holds shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

JSE Dematerialised Shareholders who do not have "own name" registration

9. Your CSDP or broker should contact you in the manner stipulated in the agreement concluded between you and your CSDP or broker to ascertain how you wish to cast your votes at the Extraordinary General Meeting and thereafter to cast your votes in accordance with your instructions. If you have not been contacted by your CSDP or broker, you should contact your

CSDP or broker and furnish them with your voting instructions. If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the provisions contained in the agreement concluded between you and your CSDP or broker. Similarly, you should contain your CSDP or broker in the event that you wish to appoint another person to vote as your proxy at the Extraordinary General Meeting. You must **NOT** complete the attached Forms of Proxy.

10. If you wish to attend the Extraordinary General Meeting, you must advise your CSDP or broker in accordance with the agreement concluded between you and your CSDP or broker, and your CSDP or broker will issue the necessary letter of representation that will enable you to attend the Extraordinary General Meeting. Without such a letter of representation, you will not be recognised as a Shareholder if attending the Extraordinary General Meeting.
11. Unless you advise your CSDP or broker, in accordance with the terms of the agreement concluded between you and your CSDP or broker, that you wish to attend the Extraordinary General Meeting and have been provided with a letter of representation from them or instructed them to send their proxy to represent you at the Extraordinary General Meeting, your CSDP or broker may assume that you do not wish to attend the Extraordinary General Meeting and act in accordance with the agreement between you and your CSDP or broker.

Appointment of proxy using the proxy form

AIM Shareholders

12. A Form of Proxy for use by those shareholders whose Ordinary Shares are admitted to AIM is enclosed. To be valid, the Form of Proxy (and any power of attorney or other authority (if any) under which it is signed) must be duly completed and signed and sent or delivered to the office of the UK Registrar to be received by the UK Registrar not less than 48 hours (excluding any part of a day that is not a working day) before the time for holding the Meeting (or any adjourned or postponed meeting).
13. In the case of a Shareholder which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be submitted with the proxy form.

JSE Shareholders OTHER THAN JSE Dematerialised Shareholders who do not have "own name" registration

14. A Form of Proxy for use by those shareholders whose Ordinary Shares are admitted to the JSE is enclosed. To be valid, the Form of Proxy (and any power of attorney or other authority (if any) under which it is signed) must be duly completed and signed and sent or delivered to the office of the SA Registrar to be received by the SA Registrar not less than 48 hours (excluding any part of a day that is not a working day) before the time for holding the Meeting (or any adjourned or postponed meeting).
15. In the case of a Shareholder which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be submitted with the proxy form.

Appointment of proxy online

16. Shareholders who would prefer to register the appointment of their proxy electronically via the internet can do so through the following website, www.investorcentre.co.uk/eproxy using the series of numbers printed under the headings Voting ID, Task ID and Shareholder Reference Number on the Proxy Form. Full details and instructions on these electronic proxy facilities are given on the respective websites.

Appointment of proxy through CREST

17. CREST Members who wish to appoint the chair of the Meeting as proxy through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) or postponement(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST Sponsored Members, and those CREST Members who have appointed a voting service provider should refer to their CREST Sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
18. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the UK Registrar, Computershare Investor Services (Guernsey) Limited (Participant ID: 3RA50), no later than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the Meeting (or any adjourned or postponed meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. Following this time, any change in instructions to a proxy appointed through CREST should be communicated to the appointee through other means.
19. CREST Members and, where applicable, their CREST Sponsor or voting service provider should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST Member concerned to take (or, if the CREST member is a CREST Member or CREST Sponsored Member or has appointed a voting service provider, to procure that his CREST Sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST Members and, where applicable, their CREST Sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
20. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

Changing proxy instructions

21. To change your proxy instructions simply submit a new proxy appointment using the methods set out in these notes. The deadlines for receipt of proxy appointments as set out above also applies in relation to any amended instructions and any amended proxy appointment received after the relevant cut-off time will be disregarded.

Termination of proxy appointments

22. Shareholders may revoke a proxy instruction delivered to the Registrar, but to do so must inform the Company in writing by sending a signed hard copy notice clearly stating their intention to revoke the proxy appointment to the UK Registrar or the SA Registrar (as applicable).
23. In the case of a Shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
24. The revocation notice must be received by the UK Registrar or the SA Registrar (as applicable) no later than 10.00 a.m. London Time and 11.00 a.m. South African Standard Time on 15 May 2025.

25. If a Shareholder attempts to revoke their proxy appointment but the revocation is received after this time, the original proxy appointment will remain valid unless the Shareholder attends the Extraordinary General Meeting and votes in person, should this be possible.

Communication

26. Except as provided above, Shareholders who have general queries about the business of the Meeting should send them in advance to the UK Registrar or the SA Registrar (as applicable) and we will respond to your query directly.

Share capital

27. As at the Latest Practicable Date (being the last practicable date prior to the publication of this notice), the Company's total issued share capital consisted of 1,168,027,130 Ordinary Shares.

Shareholders on the Company's South African (JSE) register:

SA Registrar

Hand deliveries

Computershare Investor Services (Pty) Ltd
Rosebank Towers
15 Biermann Avenue
Rosebank
2196
South Africa

Postal deliveries

Computershare Investor Services (Pty) Ltd
Private Bag X9000
Saxonwold
2132
South Africa
Email: proxy@computershare.co.za