



GEMFIELDS

A world-leading miner of coloured gemstones

ANNUAL REPORT 2024



Gemfields Group Limited

Incorporated in Guernsey. Guernsey registration number: 47656

South African external company registration number: 2009/012636/10

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

ISIN: GG00BG0KTL52 | LEI: 21380017GAVXTCYS5R31

Gemfields is a *world-leading* responsible miner and marketer of *coloured gemstones.*

WHAT'S INSIDE

1

OVERVIEW

Year in Review	4
Gemfields at a Glance	6
Map of Operations	8

2

STRATEGIC REPORT

Investment Case	12
Chair's Statement and Q&A	14
CEO's Statement	18
Business Model	20
Strategy in Action	22
Finance Review	24
Operations Review	32
Gemstone Resources and Reserves Summary	48
Risks and Uncertainties	58
Corporate Responsibility	66
Gemfields Foundation	74
ESG Disclosures	75
TCFD/IFRS Foundation Reporting	78

3

GOVERNANCE

Board of Directors	86
Chair's Introduction	90
Corporate Governance Report	91
Nomination Committee Report	95
Audit Committee Report	96
Remuneration Committee Report	98
Directors' Report	106

4

FINANCIAL STATEMENTS

Consolidated Income Statement	112
Consolidated Statement of Comprehensive Income	113
Consolidated Statement of Financial Position	114
Consolidated Statement of Cash Flows	115
Consolidated Statement of Changes in Equity	116
Notes to the Consolidated Financial Statements	117
Independent Auditor's Report	173
Shareholder Information	182
Company Details	184



More details are available on
Gemfields Group Limited's website at:
www.gemfieldsgroup.com

1

Image courtesy of Fenton & Co.
featuring Gemfields Zambian emeralds

Overview

Gemfields is a world-leading responsible miner and marketer of coloured gemstones.

Year in Review	4
Gemfields at a Glance	6
Map of Operations	8

Year in Review

REVENUE (USD)

213m



OPERATING EXPENSES¹ (USD)

(172)m



EBITDA² (USD)

41m



ADJUSTED EARNINGS PER SHARE (USD)

(1.8) cents



FREE CASH FLOW (USD)

(58)m



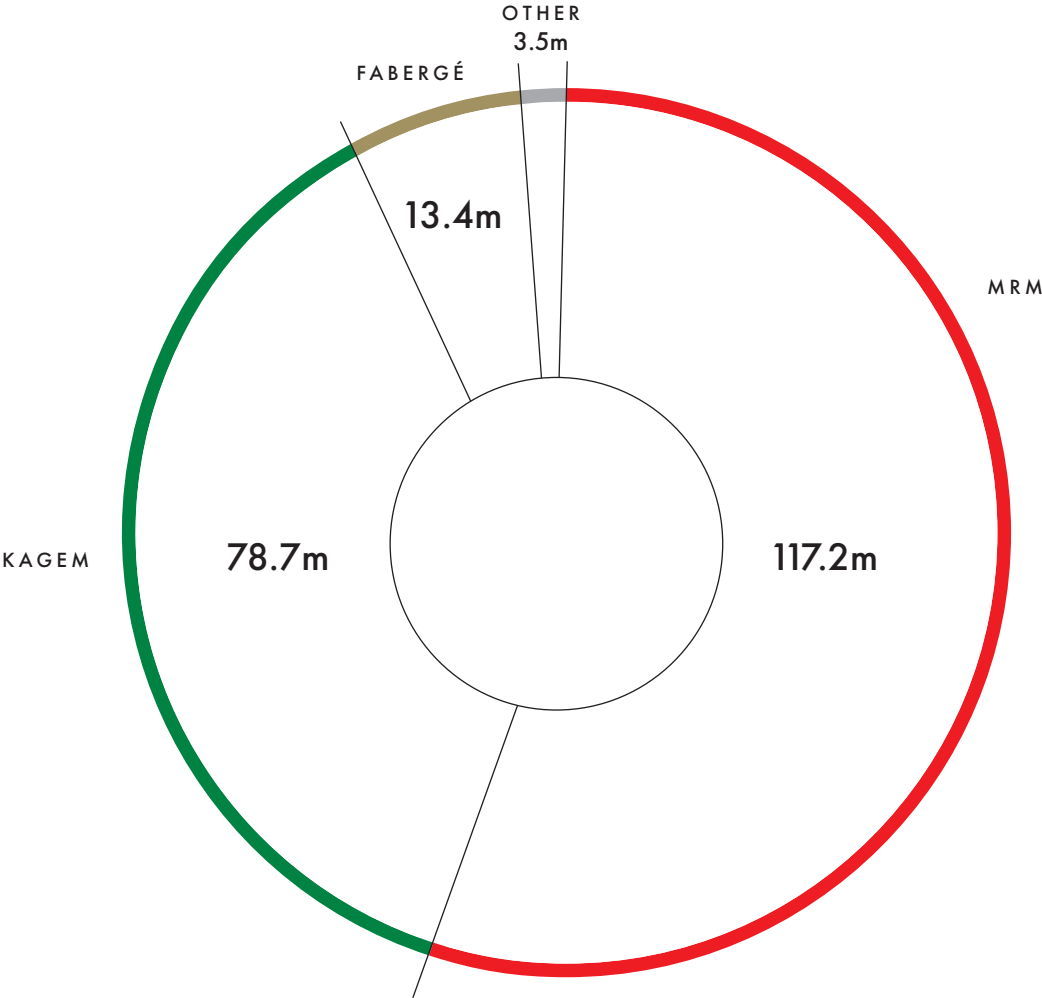
NET DEBT (USD)

(80)m



1 Operating expenses – Operating costs and cost of sales per cash flow statement.
2 EBITDA, adjusted to exclude one-off impairments and fair value gains or losses.

BREAKDOWN OF REVENUE (USD)



Production highlights

PREMIUM CARATS

MRM rubies	Kagem emeralds
40,006	159,351
2023: 62,392	2023: 156,660

ROCK HANDLING (TONNES)

MRM	Kagem
7,970,418	17,264,050
2023: 7,965,771	2023: 13,884,699

Operational highlights

EMPLOYEES & CONTRACTORS

MRM	Kagem
1,624	1,589
2023: 1,558	2023: 1,524

LOST TIME INJURIES

MRM	Kagem
3	0
2023: 7	2023: 0

Gemfields at a glance

Who we are.

Gemfields is a world-leading responsible miner and marketer of coloured gemstones.

Gemfields Group Limited (“Gemfields”, the “Company”, “GGL” or the “Group”) is the operator and 75% owner of both the Kagem emerald mine (“Kagem”) in Zambia (believed to be the world’s single largest producing emerald mine) and the Montepuez ruby mine (“MRM”) in Mozambique (one of the most significant recently discovered ruby deposits in the world). In addition, Gemfields 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, advancing the wider 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, and has played an important role in the growth of the global coloured gemstone sector.

Gemfields has a primary listing on the Johannesburg Stock Exchange in South Africa and is quoted on AIM in London.

OUR MISSION


Gemfields’ mission is to be the global leader in African emeralds, rubies and sapphires, promoting transparency, trust and responsible mining, while creating a positive impact for our host communities and countries.

OUR STRATEGIC OBJECTIVE

Gemfields’ strategic objective is to be the standard for African emeralds, rubies and sapphires.

STRATEGIC PILLARS

- Responsible Mining
- Consistent Supply
- African Partner of Choice
- Mine and Market

 More details on Gemfields’ business, mission, strategy and values can be found on **pages 22 to 23**

RECENT ANNOUNCEMENT

PROPOSED RIGHTS ISSUE

On 11 April 2025, Gemfields announced it will be seeking shareholder approval to, amongst other things, issue 556,203,396 New Shares to raise approximately USD 30 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.

The separate announcement will be available at www.gemfieldsgroup.com, following regulatory approval.

OPERATIONS

MRM

Mining of rough rubies



KAGEM


Mining of rough emeralds



FABERGÉ

Luxury jewellery brand



 Read more on [page 32](#)

OVERVIEW

1

MOZAMBIQUE

- **Type of operation**
Shallow open-pit mining and exploration
- **Source of revenue**
Auction and direct sales
- **Customer profile**
Ruby cutters, mainly found in Thailand

2

ZAMBIA

- **Type of operation**
Deep open-pit mining and exploration
- **Source of revenue**
Auction and direct sales
- **Customer profile**
Emerald cutters, mainly found in India

3

WORLDWIDE


- **Type of operation**
Design and sale of jewellery
- **Source of revenue**
Online, concession and wholesale
- **Customer profile**
Individuals, globally located, purchased as gifts and heirlooms

REVENUE (USD)

117.2m

78.7m

13.4m

 Read more on [page 24](#)

OWNERSHIP

75%

75%

100%

Map of Operations

OFFICES

- 1

GEMFIELDS GROUP LIMITED
Guernsey, Channel Islands, Registered Office
- 2

GEMFIELDS LIMITED
London, United Kingdom, Head Office
- 3

GEMFIELDS LIMITED
Bangkok, Thailand, Representative Office
- 4

GEMFIELDS INDIA PVT LIMITED
Jaipur, India, Office
- 5

GEMFIELDS SOUTH AFRICA (PTY) LIMITED
Johannesburg, South Africa, Office
- 6

GEMFIELDS MAURITIUS LIMITED
Port Louis, Mauritius, Office

MINES/EXPLORATION

- 7

KAGEM MINING LIMITED
Kitwe, Zambia, Mine (emerald)
- 8

MONTEPUEZ RUBY MINING LIMITADA (MRM)
Montepuez, Mozambique, Mine (ruby)
- 9

MEGARUMA MINING LIMITADA (MML)
Montepuez, Mozambique, Development Asset (ruby)
- 10

EASTERN RUBY MINING LIMITADA (ERM)
Cabo Delgado, Mozambique, Development Asset (ruby)
- 11

CAMPOS DE JOIA LIMITADA (CDJ)
Cabo Delgado, Mozambique, Development Asset (ruby)
- 12

NAIROTO RESOURCES LIMITADA (NRL)
Mozambique, Development Asset (gold)
- 13

WEB GEMSTONE MINING PLC (WGM)
Yabelo, Ethiopia, Development Asset (emerald)
- 14

ORIENTAL MINING SARL
Madagascar, Development Asset (gemstones)

INVESTMENTS

- 15

SEDIBELO RESOURCES LIMITED
Guernsey, Channel Islands, Investment
- 16

SEDIBELO RESOURCES LIMITED
Bushveld Complex, South Africa,
Mine (platinum group metals)

FABERGÉ

- 17

FABERGÉ (UK) LIMITED
London, United Kingdom, Head Office
- 18

FABERGÉ DUBAI
Dubai, United Arab Emirates, Retail Outlet
- 19

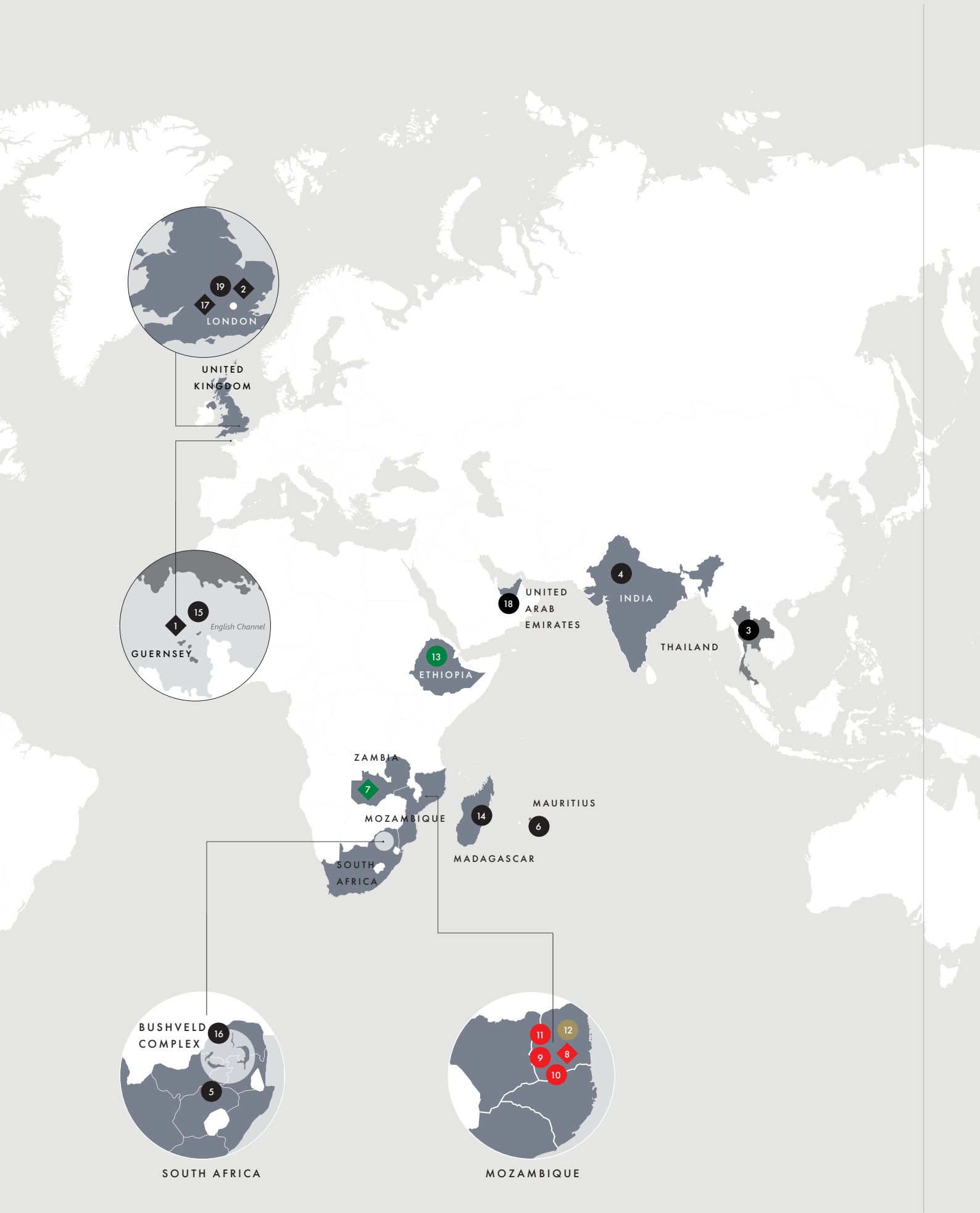
FABERGÉ LONDON
(OPENED IN NOVEMBER 2024)
London, United Kingdom, Retail Outlet
- 20

FABERGÉ INC
Las Vegas, USA, By Appointment

KEY

- ◆

KEY ASSETS
- EMERALD
- RUBY
- GOLD



2



Strategic Report

Ready for the next phrase of growth

Investment Case	12
Chair’s Statement and Q&A	14
CEO’s Statement	18
Business Model	20
Strategy in Action	22
Finance Review	24
Operations Review	32
Gemstone Resources and Reserves Summary	48
Risks and Uncertainties	58
Corporate Responsibility	66
Gemfields Foundation	74
ESG Disclosures	75
TCFD/IFRS Foundation Reporting	78

Investment Case

Gemfields is a unique investment proposition that offers investors exposure to a global leader in a niche field. Committed to transparency, Gemfields is providing investors with the information to make informed decisions in a previously opaque industry. There are no other freely investable coloured gemstone companies of our scale.



Unparalleled Scale

Gemfields is the operator and 75% owner of both the Montepuez ruby mine in Mozambique and Kagem emerald mine in Zambia that produce approximately **50% of the global supply of rubies** and approximately **25% of the global supply of rough emeralds, respectively.**

World-Class Operation

Gemfields' commitment to strong governance puts the business in the **best position to be the supplier of choice for luxury brands** that value corporate responsibility credentials. We actively welcome supply chain audits from luxury brands, in a previously opaque and unsophisticated market.



Near-term *Value Generation*

Gemfields' **considerable capital investment** across 2024 and 2025 so far prepares the Group for its **next stage of growth** while addressing a key recent weakness.

The completion of MRM's USD70 million second processing plant is only 3 months away (by end June 2025). By tripling MRM's processing capacity, the project is expected to bring **new revenues** to the Group and improve the recent weakness in MRM's premium ruby production.

Asset Rationalisation and Cost Reductions

Following lower than expected auction results in the second half of 2024, Gemfields has enacted a strategy to **simplify the business and remove costs**.

Capital investment is paused or halted on a number of development assets, and detailed cost cutting exercises are ongoing across all businesses within the Gemfields Group to conserve cash and reposition the business for a **long-term improvement in efficiency**.

Untapped Resources

Gemfields' vast-scale licence areas provides the Group with considerable potential for further exploration.

MRM's has a vast 349km² licence area (6x the size of Manhattan Island) with only approximately 0.8% of the DUAT licence area (256km²) mined to date.

At Kagem, with a life-of-mine of 21 years, **emerald production is projected to continue into the 2040s** without requiring any additional resource upgrades.

Viable Alternative Investment to Diamonds

Lab-grown or synthetic emeralds and rubies have been in existence since the late 1800s, with their prices vastly disconnected from the **long-term value in natural coloured gemstones**. Natural coloured gemstones are commonly treated and provide an affordable alternative for consumers, diminishing the **need for a synthetic equivalent**.

 More details on Gemfields' Proposed Rights Issue announced on 11 April 2025 can be found on page 7

Chair's Statement and Q&A

Addressing challenges with confidence and *clarity*

Today, Gemfields Group Limited has announced it will be seeking shareholder approval to, amongst other things, issue 556,203,396 New Shares to raise approximately USD30 million by way of a Rights Issue.

The Proposed Rights Issue will, subject to regulatory and 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.

BRUCE CLEAVER
Non-Executive Chair



“

Demand for rubies is *strong*, with 95% of the offered lots sold during December's mixed quality auction.

— BRUCE CLEAVER

Non-Executive Chair

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 Gemfields 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 time frame required to meet the Group's funding needs. To proceed with external funding in the required time frame, this assessment of strategic options for Fabergé is 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.

Q WHAT WERE THE MOST NOTABLE DEVELOPMENTS FOR GEMFIELDS IN 2024?

A 2024 proved to be a challenging year for Gemfields. The Company had taken the decision to undertake significant capital expenditure, commencing in mid-2023, at both of its key mining assets and has subsequently faced higher costs and reduced revenues, necessitating extensive cost cutting measures at the year end.

Production fell below expectations, particularly for the highest grade and price-robust gemstones, while costs rose as mining inflation impacted the price of our key input, fuel. Political uncertainty introduced volatility at an operational level and has carried into 2025, with the Zambia government's reintroduction of a 15% export duty on precious gemstones in January 2025 which was subsequently reversed a month later, and civil unrest until mid-January 2025, that followed a contested presidential election in Mozambique.

Despite this backdrop, operational improvements were evident, with Kagem receiving awards for 7.5 million LTI-free hours and MRM starting work in earnest towards Initiative for Responsible Mining Assurance ("IRMA") verification. The year closed with tighter cost cutting measures in place in order to facilitate the completion of "PP2", the second processing plant at Montepuez Ruby Mining, which is considered business-critical and transformative for the longer-term performance of the Group.

Q WHAT IS THE OUTLOOK FOR THE COLOURED GEMSTONE INDUSTRY?

A The coloured gemstone industry remains buoyant, with record-level pricing remaining evident on the highest quality rubies and emeralds. However, emerald market dynamics have been disturbed, with an oversupply of Zambian emeralds at discounted prices during the second half of 2024. Consequently, bidding was weaker at both our September 2024 commercial-quality and November higher-quality auctions, with 61% and 70% of the available lots sold and the Company withholding those that didn't achieve our minimum reserve prices in order to maintain pricing discipline and a stable downstream market. The Company announced a temporary suspension of mining at Kagem at the end of the year, expecting to concentrate solely on processing stockpiles for emerald production for a period of around six months.

Demand for rubies is strong, with 95% of the offered lots sold during December's mixed quality auction, however supply in the premium category is below long-term averages. This production variability is inherent in a natural product forged in very specific geological conditions and the Company has seen such periods of production occur previously. Key production areas remained water-bogged after a heavier-and-longer-than-usual 2023-24 rainy season, and the team is constrained by the processing rate of our existing processing plant, particularly for low-grade recovery. This will only be remedied by the end of June 2025 when our new processing plant, expected to triple our throughput capacity, is due to come online.

The Group has taken the decision to halt non-essential spend and suspend planned capital expenditure at ruby development assets in northern Mozambique. Consequently, our focus shifts to the completion of PP2 and, all being well, a welcome boost in quantities of all grades of ruby production, leading to new revenues by the end of 2025.

Q WHAT HAS DRIVEN GEMFIELDS' SHARE PRICE IN 2024?

A Gemfields' share price depleted in 2024 as a direct consequence of political and civil instability in Mozambique and H2's weaker than anticipated auction results.

CHAIR'S STATEMENT AND Q&A CONTINUED

“

Gemfields will strive to be in a stronger position by the end of 2025 than when it first encountered challenges in 2024.

— BRUCE CLEAVER

Non-Executive Chair

Mozambique's contested presidential election, which took place in October 2024, gave rise to civil unrest across the country with Gemfields' share price significantly falling as the risk of operating in the country increased. Groups associated with the illegal mining and trading of rubies took advantage of this in the northernmost province of Cabo Delgado, attacking civil buildings and organising incursions to the MRM concession area. MRM's operations were halted on 24 December 2024 as a consequence of an attempted invasion of MRM Village, but remarkably operations were able to resume within 96 hours.

Despite the civil unrest and logistical issues, construction of our new expansionary processing plant at MRM ("PP2", which takes us from 200tph to 600tph of ore processing throughput in total) is still on track for completion by the end of June 2025.

The new Mozambican president was inaugurated on 15 January 2025 and seems driven to improve the country's situation and future, and the unrest appears to have eased off.

Management is confident that activity taken now - such as the introduction of PP2 - works towards smoothing out volatility of production, and the preparedness and experience of our operational teams is unquestionably a strength. Consequently, we remain excited by the growth potential from the second half of 2025 and beyond, and maintain our ambition to scale as market leaders.

Q WHAT IS YOUR VISION FOR GEMFIELDS AND WHAT ARE THE NEXT STEPS TO TAKE TOWARDS ACHIEVING THAT?

A There are many similarities between Gemfields today and De Beers of thirty years ago. I see considerable growth potential, a knowledgeable and agile management team and world-class assets. As such, in my role as Chair, I hope to impart some of the lessons learned in scaling De Beers and marry this with the realities of operating in today's marketplace.

At the close of 2024, we found ourselves taking some difficult decisions to protect cashflow and streamline the portfolio to better reflect our core competencies, as well as explore external funding options. The Group announced a strategic update, which set out the measures being taken to cut costs.

These include the suspension of mining at Kagem; halting all non-essential spend and suspending planned capital expenditure at ruby development assets in northern Mozambique; halting operations at Nairoto; and targeted rationalisation of operations and businesses across the Group.

As well as announcing an intention to assess strategic options in respect of Fabergé, management has since taken steps towards finding a buyer for the luxury jewellery house and will pursue this further in 2025, following the completion of the Proposed Rights Issue. It is a difficult decision to pursue a Rights Issue, but the Board deems it as in the best interests of the Company and its shareholders as a whole at this time in order to meet the short-term funding needs of the Group.

Management considers the constraints experienced through H2 2024 and into H1 2025 to be transient, and will adjust our auctions schedule in 2025 to best fit the Group's working capital requirements. We anticipate a return to more normal market conditions for emerald, and increased ruby production with the introduction of PP2 in the second half of the year.

Q WHAT INSIGHTS HAVE YOU GAINED SINCE JOINING THE COMPANY?

A Since July 2024, I have been fortunate to visit Gemfields' key assets and attend gemstone auctions. This has enabled me to gain a first-hand experience of how the Group operates, which I believe is essential in order to inform Board discussions and steer tangible benefit for all shareholders.

The challenges that the Group have encountered simultaneously has required considerable change and adaptability across the Company. Pursuing a Rights Issue is also a difficult decision that the Board has not taken lightly, but is necessary to secure the Group's near-term future ahead of the growth we expect from the second half of 2025.

I have been reminded that difficult times can bring together a Company and with a connected management team and effective Board, Gemfields will strive to be in a stronger position by the end of 2025 than when it first encountered challenges in 2024.



CEO's Statement

Taking a *dynamic approach* to transient challenges

2024 witnessed our 50th Zambian emerald auction, the 10-year anniversary of our first ever Mozambican ruby auction and a new chapter of capital projects in Gemfields' growth trajectory as a world-leading responsible miner of coloured gemstones.

After 15 years as a member of Gemfields' Board and nearly 5 years as Chair, Martin Tolcher was succeeded by Bruce Cleaver, who began his appointment as Chair and Independent Non-Executive Director on 1 July 2024 and brings considerable experience of mining and marketing gemstones from his former role as Chief Executive Officer and Co-Chair of De Beers Group, the world's leading diamond company. Further changes to the board included the appointment of Simon Scott as Independent Non-Executive Director, and who also joined the Audit Committee and the Nomination Committee and chairs the Risk Council after a career in mining and finance, including as Chief Financial Officer of Lonmin plc, the LSE listed platinum miner. Simon is a non-executive director of First Quantum Minerals Ltd and Sylvania Platinum Ltd. Furthermore, Kieran Daly joined the Gemfields Board as Non-Executive Director. Kieran is Managing Director of Assore International Holdings (which holds a 29.14% interest in Gemfields Group Limited) and holds board-level roles in other mining companies including Atlantic Lithium Ltd. The changes at Board level are indicative of the Group's ambition of being the global leader in African emeralds, rubies and sapphires.

SEAN GILBERTSON
Chief Executive Officer





Only 18 years ago, coloured gemstone supply came almost exclusively from informal and small-scale mine sites that were often unsafe, sometimes linked to criminal activity and carried many reputational risks for large jewellery brands. Gemfields has led the way in formalising the sector and growing demand for coloured gemstones and, after the difficulties imposed by the pandemic in 2020 and 2021, experienced several successive years of strong revenue growth and record prices at auction. In 2023, the Group committed to significant capital expenditure at both of its key mining assets to carry this sales momentum into future growth.

Market conditions through 2024 were more challenging than we could have anticipated. Revenues at both emerald and ruby auctions were materially lower than the Group experienced in recent years due to three principal factors:

- a) disturbed emerald market dynamics arising from the 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 so giving rise to a poor Zambian emerald market outlook for the first half of 2025;
- b) lower-than-expected production of premium rubies at MRM; and
- c) a weaker luxury and gemstone market generally, given economic difficulties in China and widespread geopolitical turbulence.

Furthermore, the Group faced significant operational challenges in relation to civil unrest and associated supply chain interruptions in Mozambique as a result of the contested general election in October 2024. Our increased risk profile was reflected in a significant reduction in our share price. In line with the Company's commitment to the safety and security of its personnel, mining operations at MRM were temporarily paused towards the end of the year following an attempt to invade MRM's residential area.

Gemfields' flagging share price has been a source of frustration for management through the year, compounded by the significant challenges we encountered as the year progressed.

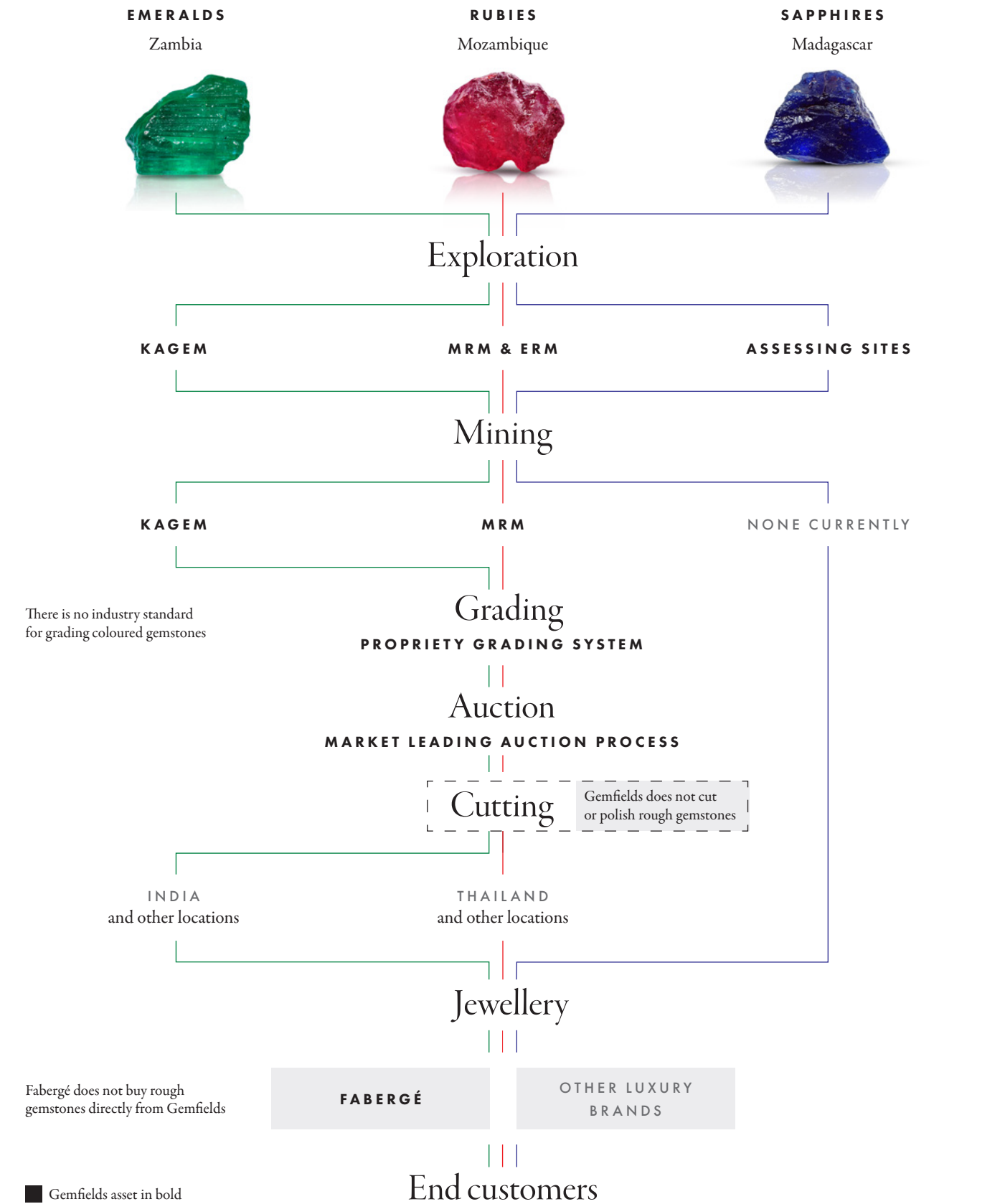
Risk and volatility are characteristic of our sphere of activity but we continue to strive to mitigate these, bolstering governance and transparency, as well as returning value to shareholders when we are able to. Management remains firmly of the opinion that there is considerable scope for exciting growth in our business from late 2025 and beyond, recognising that our gemstone production isn't presently where we'd like it to be.

Management views the present challenges as transient. While our planning of Gemfields' growth programme did not envisage the requirement of additional funds from shareholders, the scope and scale of the difficulties we have encountered contemporaneously has unfortunately necessitated a change in approach.

In order to navigate this turbulent period and complete the construction of the second processing plant at MRM, a project we consider to be pivotal to the Group's future, management undertook an extensive programme of cost cutting across the Group, as announced in a strategic update towards the end of 2024, including the suspension of mining at Kagem in light of the poor emerald market. We also confirmed we would consider options outside of the Group for our wholly owned luxury jeweller Fabergé as a means of addressing a forecast near-term working capital shortfall. This work did not yield the certainty of funds necessary within the desired time period and therefore, as announced today, 11 April 2025, subject to regulatory and shareholder approvals, the Board has recommended a Proposed Rights Issue to address the short-term funding requirements of the Group.

I remain of the opinion that Gemfields' mining operations are world-class assets and that the Group's strategic goals remain wholly relevant. Once fully operational, MRM's second processing plant is expected to triple the processing rate and therefore add considerably to the mine's ruby production and revenues. The coloured gemstone market is expected to recover and continue its medium to long-term upward trajectory. I am confident that there is an exciting growth phase for Gemfields on the other side of this near-term funding shortfall, and I am thankful to our shareholders and our experienced operational teams for leaning into the challenges we are facing together.

Business Model



CORE VALUES

TRANSPARENCY

In an industry famed for ‘grey areas’ and complexity, Gemfields strives to shine a light and transform the sector for the better.

Transparency for Gemfields means providing complete visibility across our business and processes. We do not accept corruption or distortion. We work with industry partners to standardise strong, transparent practices and hold the industry accountable, so consumers can make informed decisions when it comes to their gemstone purchase.



LEGITIMACY

We aim to go over and above accepted practices, operating in a way that not only meets international and national laws, but also challenges the sector.

We have set new benchmarks for corporate responsibility, responsible mining and creating a positive impact for stakeholders, including local communities and our international team. We have zero tolerance for corruption and bribery, and uphold policies and processes to guide internal decision making.



INTEGRITY

We are committed to embedding tangible operational actions, at our mines and beyond, as well as supporting the sales and marketing of our products.

Our internal policies help guide our moral principles and aid honest decision making. Our proprietary grading system provides our partners with trusted evaluation and declaration of treatment. Our community projects give back to our neighbours.



Strategy in Action

1

Responsible Mining

Luxury brands and end customers purchasing luxury goods increasingly demand that high standards are met in the supply of the products they buy.

STRATEGY IN ACTION:

- Responsible mining for Gemfields means implementing industry-leading policies and practices across operations, transparency in our auction sales process, an active role in working groups to modernise the sector, projects to improve health, education and livelihoods for the communities around our mines and conservation efforts to protect Africa's great wildlife and biodiversity.
- As a listed company on the Johannesburg Stock Exchange in South Africa and quoted on AIM in the UK, Gemfields has a responsibility to its shareholders, listing venues, regulators, auditors and advisors to follow strong standards of governance. Gemfields sees membership with industry bodies such as the Initiative for Responsible Mining Assurance ("IRMA") as important milestones and is increasingly being audited or reviewed by luxury brands that use Gemfields gemstones in their products.

2

Consistent Supply

Delivering consistent and reliable supply creates a powerful flywheel effect, generating more demand for coloured gemstones, leading to increased competition when sold at auction.

STRATEGY IN ACTION:

- Gemfields operates two world-class mines at scale, Kagem and MRM, that can produce a range of sizes, colours and qualities of emeralds and rubies respectively. By combining the level of production with our unique and proprietary grading system, customers can be confident that they have access to similarly graded rough coloured gemstones consistently over time.
- 2024 saw poor production of premium rubies at MRM with 40,006 carats of premium rubies recovered, against a three-year average (2021-2023) of 74,931 carats produced. The relative lack of premium production will be significantly addressed by the completion of PP2, which will triple the ruby processing capacity from 200 tonnes per hour to 600 tonnes per hour.



3

African Partner of Choice

Gemfields partners with governments and local parties to unlock the true economic value of their natural resources, benefitting society and local communities.

STRATEGY IN ACTION:

- Gemfields believes it is vital to have a strong relationship with local governments and the communities in which it operates. Countries of origin receive full tax payments based on the transparently reported revenues at full gemstone value, with both Kagem and MRM 25% owned by the local government or local partners.
- Gemfields developed the 'G-Factor for Natural Resources', a measure promoting greater transparency regarding the level of natural resource wealth shared with the governments of host countries. Since operations began to 31 Dec 2024, 24% and 19% of revenue at MRM and Kagem was paid to the governments of Mozambique and Zambia respectively in mineral royalties, corporation tax, dividends and export taxes/levies.

25%

OF KAGEM AND MRM OWNED BY LOCAL GOVERNMENT OR LOCAL PARTNERS


4

Mine and Market

Allows Gemfields to have a finger-to-the-pulse of the luxury goods market and turbocharge marketing efforts for coloured gemstones.

STRATEGY IN ACTION:

- Fabergé enables Gemfields to optimise positioning, perception and consumer awareness of coloured gemstones, and influencing the overall demand for the rough gemstones and the value of the production mined by the Group.
- The coloured gemstone market is not vertically integrated because of the wide range of different skills required at each stage as an emerald, ruby or sapphire travels from the ground to end customers in the form of luxury jewellery or products. By not participating in cutting or polishing, Gemfields limits its mining capital cycle while maintaining the marketing benefits of such a connection.

 Details on Gemfields' assessment of strategic options for Fabergé can be found on pages 19 and 44.



Finance Review

Navigating a challenging market amid heavy investment

The Group's primary financial key performance indicators ("KPIs") are revenue, EBITDA, free cash flow before working capital movements and net cash. These KPIs for the year ended 31 December 2024 can be seen in the following table against the previous year.

REVENUE

USD 212.9m

2023: USD 262.0m

DAVID LOVETT
Chief Financial Officer





IN THOUSANDS OF USD	2024	2023
Revenue	212,852	262,019
EBITDA ¹	40,843	83,081
Loss after tax	(100,796)	(2,829)
Net cash generated from operating activities	12,029	35,232
Free cash flow ² before working capital movements	(57,757)	(29,124)
Net (debt)/cash ³	(80,431)	11,147

1 Earnings before interest, taxation, depreciation and amortisation, adjusted to exclude one-off impairments made to the Group's non-current assets and inventory, fair value gains or losses on the Group's non-core equity investments, share-based payments, other impairments and provisions.

2 Free cash flow before working capital movements is calculated as cash flow from operations less taxation paid, sustaining and expansionary capital expenditure and foreign exchange gains and losses. A full breakdown can be seen in Note 3: *Segmental Reporting* to the Consolidated Financial Statements.

3 Net (debt)/cash is calculated as cash and cash equivalents less total borrowings.

OVERVIEW

In 2024, the Group achieved total revenue of USD 212.9 million, primarily driven by the seven rough emerald and ruby auctions held throughout the year, with auction viewings hosted in Bangkok and Jaipur. This represents a 19% decrease from the previous year.

Premium ruby production at MRM has lagged behind expectations. Once fully operational, PP2 is expected to triple MRM's processing capacity and significantly increase ruby production. It should be noted, however, that premium ruby production is unlikely to see a three-fold increase. Whilst emerald production has improved, Kagem faced significant supply-side pressures due to the increased volume of emeralds sold by a competitor.

Revenues continue to be challenged by persistent tensions, trade uncertainties, and tighter financial conditions, while China grapples with soft market conditions and low demand. To address these challenges, the Group is implementing an ongoing cost-saving programme to reduce its cost base across the business.

The 'up and down' nature of gemstone mining, as shown by Kagem and MRM's history of published production data, offers some reassurance that medium to long term prospects remain robust. Despite softer market conditions, the auctions have shown that both demand and the willingness to pay premium prices for fine-quality gemstones remain strong, with MRM achieving an average selling price of above USD 300 per carat at both the June 2024 and December 2024 auctions.

FINANCE REVIEW CONTINUED

REVENUE

IN THOUSANDS OF USD	2024	2023
Kagem	78,704	89,925
MRM	117,191	151,379
Fabergé	13,421	15,653
Other	3,536	5,062
Total	212,852	262,019

Auction revenue accounts for 92% of total Group revenue.

Kagem's commercial-quality rough emerald auctions in March and September 2024 generated USD 17.0 million and USD 10.8 million, respectively. These were followed by higher-quality rough emerald auctions in May and November 2024, generating a further USD 34.9 million and USD 16.0 million respectively. Kagem's total auction revenue was USD 78.7 million for 2024. This was a 12% decrease from the prior year, driven by lower average sales prices per carat achieved, combined with a reduction in carats sold, in the second half of the year.

MRM's mixed-quality rough ruby auctions held in June and December 2024 generated USD 68.7 million and USD 46.2 million, respectively. MRM also held a small commercial-quality ruby auction in September 2024 that generated USD 2.3 million. In total, the revenue generated from ruby auctions was USD 117.2 million. This was 23% lower than the prior year, driven by a lower quantity of carats sold.

Gemfields' auction processes were fully monitored by the Ministry of Mines and Minerals Development of Zambia and the Zambia Revenue Authority for the emerald auctions, and by the Ministry of Mineral Resources and Energy and the Mozambique Tax Authority for the ruby auctions, as in previous years.

Fabergé generated revenues of USD 13.4 million in 2024, 15% below the USD 15.7 million achieved in the prior year, due to a softer luxury market, the closure of the boutique in Harrods and the one-off sale of legacy jewellery in 2023.

Other revenue represents the direct sales of low-quality emeralds and beryl in India and the sale of historically purchased cut and polished gemstone inventory in the UK and South Africa.

COSTS

Total costs for the year ended 31 December 2024 were higher than the prior year as geopolitical tensions and inflation continued to exert a significant impact on the world economy. The primary mining related cost, fuel, saw an increase of more than 20%, largely due to increased mining activity, evidenced by a 24% increase in Kagem's total rock handling.

IN THOUSANDS OF USD	2024	2023
Mining and production costs	(106,387)	(98,490)
Mineral royalties and production taxes	(16,620)	(20,703)
Change in inventory and cost of goods sold	(4,880)	(13,346)
Mining and production costs capitalised to intangible assets	13,545	8,140
Selling, general and administrative costs	(58,128)	(55,044)
Total	(172,470)	(179,443)

Mining and production costs (excluding mineral royalties, production taxes, depreciation and amortisation and inventory write-downs) for the Group increased to USD 106.4 million (2023: USD 98.5 million) mainly due to an increase in fuel costs because of increased total rock handling at Kagem, along with higher labour, contractor, and exploration costs at development assets. Mineral royalties and production taxes, which are calculated as 6% and 10% of emerald and ruby auction revenues, respectively, were USD 4.9 million for Kagem (2023: USD 5.6 million) and USD 11.7 million for MRM (2023: USD 15.1 million). The change in inventory and cost of goods sold for the year was an expense of USD 4.9 million compared to an expense of USD 13.3 million for the prior year, representing mining and production costs that are capitalised to inventory offset by cost of goods sold.

Mining and production costs capitalised to intangible assets in relation to the Group's development projects were USD 13.5 million for the year, as opposed to USD 8.1 million capitalised in 2023, due to an increase in activities. However, we will see this fall in 2025 due to the suspension of operations at some projects.

Selling, general and administrative expenses ("SG&A"), excluding share-based payments, depreciation and amortisation, impairments and other asset write-downs, increased by USD 3.1 million during the year reaching USD 58.1 million (2023: USD 55.0 million), mainly comprising marketing and advertising expenditure, legal costs, professional fees, and travel costs. The increase is mainly attributable to the new management fee paid to Mwiriti, the Group's partner in Mozambique, and the reversal of a provision in the prior year that reduces the comparative value.

Looking forward, and as announced by the Group on 23 December 2024, Gemfields has enacted Group-wide actions to cut costs and streamline the business. These actions include:

- Suspending, for a period expected to be up to 6 months, all mining at Kagem. Instead, Kagem will focus on processing ore from the significant ore stockpile;
- halting all non-essential spend and suspending planned capital expenditure at its ruby development assets in northern Mozambique, namely Megaruma Mining Limitada and Campos De Joia Limitada. Eastern Ruby Mining will continue core developmental work;
- halting operations at Nairoto Resources Limitada, the gold project situated north of MRM; and
- targeted rationalisation of operations and businesses across the Group.

EBITDA/EBITDA MARGIN

EBITDA for the Group decreased by 51% to USD 40.8 million (2023: USD 83.1 million), primarily due to the elevated costs and reduced revenues. This resulted in an EBITDA margin drop from 32% to 19%. Kagem and MRM have EBITDA margins of 23% and 21% respectively with Fabergé at -18%.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation remained relatively flat in 2024, totaling USD 36.7 million (2023: USD 36.9 million). It is anticipated that the depreciation charge will rise once the second processing plant at MRM becomes operational in the second half of 2025.

IMPAIRMENT REVIEW

Non-current asset impairment charges include a USD 47.4 million impairment of evaluated mining properties at Kagem, a USD 1.9 million impairment of property, plant and equipment at MML and Nairoto and a USD 42.0 million impairment of unevaluated mining properties at MML and Nairoto, resulting in total non-current asset impairment charges of USD 91.3 million. A turbulent emerald market in the second half of 2024, driven by a slowdown in the wider luxury goods market and an oversupply of Zambian emeralds, led to weaker-than-expected performance in the September commercial-quality and November higher-quality auctions, which, combined with the decision to suspend mining operations at Kagem from 1 January 2025 for up to six months, resulted in the impairment of Kagem. The impairment of development assets at MML and Nairoto is due to the cessation of spending in the near future. Full details can be found in Note 10: *Property, plant and equipment* and Note 11: *Intangible assets* to the Consolidated Financial Statements.

Cost of sales includes impairments of consumable inventory totaling USD 0.6 million at Kagem and USD 1.9 million at MRM. Additionally, recorded within selling, general and administrative expenses during the year are a USD 2.0 million impairment of the investment in Gemdustry, write off of receivables in Fabergé and Gemdustry of USD 2.3 million and USD 0.4 million respectively, write down of other assets at MRM and Fabergé of USD 1.1 million and USD 0.4 million respectively and a net write off of amounts owed to Mwiriti of USD 2.0 million.

FAIR VALUE GAINS AND LOSSES

Fair value gains and losses arise on the Group's unlisted equity investment relating to its stake of 6.54% in Sedibelo Resources Limited (previously Sedibelo Platinum Mines Limited) ("Sedibelo" or "SPM"), a producer of platinum group metals ("PGMs") with interests in the Bushveld Complex in South Africa.

For the year ended 31 December 2024, due to absence of positive developments at Sedibelo's operations and ongoing volatility in PGM prices, the Directors deemed it appropriate to reduce the fair value of Sedibelo to nil. Despite the subsequent publicly announced capital raise, there was no evidence of significant improvements in the underlying assets. As a result, an unrealised fair value loss of USD 4.0 million was recognised (2023: USD 28.0 million). Full details can be found in Note 12: *Unlisted equity investments* to the Consolidated Financial Statements.

(LOSS)/PROFIT FROM OPERATIONS

Loss from operations for 2024 was USD 98.0 million (2023: USD 17.4 million profit). (Loss)/profit from operations at Kagem and MRM were a loss USD 47.4 million (2023: USD 5.1 million loss) and a profit of USD 6.7 million (2023: USD 61.7 million profit) respectively, with Fabergé showing a loss of USD 5.7 million (2023: USD 3.8 million loss).

FINANCE INCOME AND COSTS

Net finance costs for the year were USD 5.7 million, compared to USD 0.8 million in 2023. Finance costs mainly comprised USD 5.2 million interest on bank loans and borrowings at Kagem and MRM (2023: USD 2.2 million) and other finance costs, including bank charges and interest from lease liabilities, of USD 1.4 million (2023: USD 0.8 million). The finance costs are offset by interest earned on positive cash balances and interest income from a related-party loan provided by MRM, totaling USD 0.9 million.

FINANCE REVIEW CONTINUED

TAXATION

IN THOUSANDS OF USD, UNLESS OTHERWISE STATED	2024	2023
(Loss)/profit before taxation	(103,621)	16,569
Income tax credit/(charge)	2,825	(19,398)
Effective tax rate %	2.7%	117.1%
Cash tax paid	18,535	57,252

The Group calculated the income tax expense for the year using the tax rate that would be applicable to the expected total annual earnings.

The tax credit of USD 2.8 million (2023: charge of USD 19.4 million) represents an effective tax rate of 2.7% (2023: 117.1%). The Group's effective tax rate is lower than the UK statutory rate because of the impact of (a) the different tax rates applied in overseas jurisdictions, (b) non-deductible expenses, and (c) tax losses not recognised as deferred tax assets.

Tax paid during 2024 is primarily driven by MRM and Kagem at USD 16.7 million and USD 1.9 million, respectively, partially offset by a small refund at Corporate. The decrease in cash tax paid from USD 57.3 million to USD 18.5 million was driven by the higher payments in the prior year due to advance tax payments made on the back of the strong 2022 results of MRM, as well as the settlement of the final 2022 tax liabilities of Kagem and MRM.

(LOSS)/PROFIT AFTER TAXATION

The Group made a loss after tax of USD 100.8 million in 2024, an increase of USD 98.0 million compared to the prior year loss of USD 2.8 million, primarily due to a USD 47.4 impairment made to the mining asset in Kagem and a USD 42.0 million impairment made to the Group's exploration and evaluation activities in Mozambique, MML and Nairoto, as well as a drop in sales.

EARNINGS PER SHARE

Basic loss per share for the year was 7.0 USD cents, compared to a loss per share of 0.8 USD cents for 2023, reflecting a larger loss made for the year. The weighted average number of shares in issue was 1,167,028,719 (2023: 1,206,076,930).

Headline earnings per share is similar to earnings per share except that attributable profit specifically excludes certain items, as set out in Circular 1/2023 "Headline Earnings" issued by the South African Institute of Chartered Accountants. In 2024, headline loss per share was 2.1 USD cents (2023: 0.9 USD cents).

Adjusted earnings per share (AEPS) is defined as headline earnings per share adjusted for the unrealised fair value losses from Sedibelo. In 2024, adjusted loss per share was 1.8 USD cents (2023: 1.5 USD cents earnings per share).

CASH FLOWS

In 2024, the Group generated cash of USD 30.6 million from operating activities, paid USD 18.5 million in taxes, spent USD 84.8 million on investing activities and generated USD 42.2 million through financing activities, driven by the USD 60.8 million net utilisation of borrowings offset by USD 10.0 million of dividends paid to the shareholders of GGL. Free cash flow before working capital movements was a negative USD 57.8 million in the year (2023: negative USD 29.1 million), and cash and cash equivalents sat at USD 20.8 million at 31 December 2024 (31 December 2023: USD 51.6 million). As at 31 December 2024, net debt amounted to USD 80.4 million (31 December 2023: net cash of USD 11.1 million), excluding auction receivables of USD 33.9 million (31 December 2023: USD 38.5 million).

IN THOUSANDS OF USD	2024	2023
EBITDA	40,843	83,081
Change in inventory and COGS ¹	4,880	13,346
Costs capitalised to intangible assets ¹	(13,545)	(8,140)
Capital expenditure ²	(71,400)	(60,159)
Tax paid (excluding royalties)	(18,535)	(57,252)
Free cash flow before working capital movements	(57,757)	(29,124)
Working capital movements ¹	(18,603)	(6,775)
Free cash flow	(76,360)	(35,899)

1 Change in inventory and cost of goods sold ("COGS") and costs capitalised to intangible assets are added back to EBITDA to calculate free cash flow before working capital movements, and subsequently included within working capital movements in the calculation of free cash flow.

2 Excluding costs capitalised to intangibles assets which are shown separately.

Capital expenditure for the year increased to USD 84.9 million, including the USD 13.5 million costs capitalised to intangible assets for development assets. This amount mainly comprised contractual payments of approximately USD 34.4 million, based on the original amount in ZAR, for the construction of the second processing plant at MRM ("PP2"). MRM spent an additional USD 24.6 million on new equipment, security upgrades, service trucks, and camp accommodation. Kagem's USD 8.2 million was predominantly spent on the wash plant enhancement, plant and machinery, staff accommodation and mining surface rights. At the development assets, the spend comprised machinery, camp and security equipment procurement at Nairoto, MML, ERM and CDJ.

Capital expenditure for 2025 will remain elevated as the Group progresses with the second processing plant at MRM, however capital expenditure at the development assets will decrease significantly. The addition of the second plant at MRM will triple the processing capacity from the existing 200 tonnes per hour ("tph") to 600 tph, allowing MRM to process its sizeable stockpile, bring to market additional size and colour variations of rubies, and assess and expand into additional mining areas. The contract with Consulmet (Africa) Limited was agreed in South African Rands, equivalent to approximately USD 70 million. The initial 20% of this cost was paid in 2023, with a further 50% paid in 2024. An additional 10% has been paid in January 2025, and 5% in February 2025. The remaining 15% of the cost is expected to be paid upon the achievement of specific milestones, by Q3 2025.

Total cash utilised in investing activities was USD 84.8 million (2023: USD 74.5 million), split mainly between USD 84.9 million spent on capital goods as explained above (2023: USD 68.3 million) and USD 1.4 million of cash advances made to Mwiriti, the Group's partner in Mozambique, which will be offset by management fees payable to Mwiriti on future auctions from MRM (2023: USD 8.1 million). A dividend was declared by MRM during the year, of which USD 8.1 million was payable to Mwiriti. This dividend was settled against the receivable outstanding with Mwiriti in respect of prior cash advances and therefore no cash outflow arose upon its settlement. The total cash utilised is offset by USD 1.2 million (2023: USD 0.5 million) which has been generated from the disposal of property, plant and equipment, and interest received of USD 0.6 million (2023: USD 1.8 million).

The Group's financing activities saw an inflow of USD 42.2 million (2023: outflow of USD 25.6 million), mainly driven by the USD 60.8 million net utilisation of borrowings, offset by USD 10.0 million of dividends paid to shareholders of GGL and USD 6.6 million of interest paid.

In 2023, Kagem entered into a revolving USD 15.0 million overdraft facility with ABSA Zambia. As at 31 December 2024 the outstanding balance was USD 13.3 million (31 December 2023: 7.3 million). The facility was increased in January 2025 to USD 20.0 million.

In February 2023, Kagem entered into a USD 15.0 million overdraft facility with FNB Zambia Ltd, which was increased by USD 6.0 million in May 2024. As at 31 December 2024, the outstanding balance under this facility was USD 5.5 million (31 December 2023: 12.8 million).

As at 31 December 2024, MRM had a USD 22.7 million (31 December 2023: USD 9.0 million) outstanding balance on its overdraft facilities with BCI. MRM was granted a temporary limit increase on its existing USD 20.0 million overdraft facility in 2024 due to extended internal processing times by BCI and a USD shortage in the country, which delayed utilisation of the secured PP2 term loan. Furthermore, as at 31 December 2024, MRM

had USD a 14.8 million (31 December 2023: USD 11.3 million) outstanding balance on its ABSA overdraft facility. In 2024, two term loans from BCI and ABSA were also secured to finance PP2. The outstanding balances are USD 20.0 million and USD 25.0 million respectively, with the first repayments due in January 2027.

FINANCIAL POSITION

The Group's balance sheet is summarised below:

ASSETS

IN THOUSANDS OF USD	2024	2023
Property, plant and equipment	338,697	356,589
Intangible assets	40,322	65,967
Unlisted equity investment	–	4,000
Deferred tax assets	46	6,064
Other non-current assets	12,682	23,653
Total non-current assets	391,747	456,273
Inventory	114,028	109,657
Cash and cash equivalents	20,844	51,621
Trade and other receivables	76,716	78,967
Current tax receivable	7,899	1,373
Total current assets	219,487	241,618
Total assets	611,234	697,891

As at 31 December 2024, the Group's non-current assets mainly comprise property, plant and equipment ("PPE") of USD 338.7 million (31 December 2023: USD 356.6 million), intangible assets of USD 40.3 million (31 December 2023: USD 66.0 million), deferred tax assets of USD 0.05 million (31 December 2023: USD 6.1 million) and other non-current assets of USD 12.7 million (31 December 2023: USD 23.7 million). Other non-current assets primarily consist of long-term VAT receivables of USD 12.2 million (31 December 2023: USD 18.1 million) and deposits paid.

PPE predominantly relates to mining assets (evaluated mining properties) of USD 201.3 million (31 December 2023: USD 262.4 million), primarily reflecting the recognition of the fair values of Kagem and MRM at the date that GGL acquired Gemfields Limited in July 2017. These assets are amortised on the unit-of-production basis over the life of the mine. The Kagem mine asset was impaired by USD 47.4 million during the year, bringing its carrying value in line with its recoverable value. Intangible assets of USD 40.3 million mainly consist of USD 28.5 million (31 December 2023: USD 28.5 million) representing the Fabergé trademarks and brand, and USD 11.1 million (31 December 2023: USD 37.0 million) related to unevaluated mining assets across the Group. An impairment of USD 42.0 million was recognised on unevaluated mining properties of MML and Nairobi in 2024 due to the cessation of spending on the projects in the near future.

FINANCE REVIEW CONTINUED

The Group's current assets mainly comprise inventory of USD 114.0 million (31 December 2023: USD 109.7 million), trade and other receivables of USD 76.7 million (31 December 2023: USD 79.0 million) and cash and cash equivalents of USD 20.8 million (31 December 2023: USD 51.6 million). USD 33.9 million of trade and other receivables arose from auction receivables (31 December 2023: USD 38.5 million).

As at 31 December 2024, the outstanding auction receivables of USD 33.9 million primarily consist of USD 32.6 million from the mixed-quality rough ruby auction held in December 2024 and USD 1.3 million from the higher-quality rough emerald auction held in November 2024. As at the issuance date of this report, all outstanding auction receivables had been collected.

Inventory increased by USD 4.3 million, from USD 109.7 million to USD 114.0 million. This increase was primarily due to a rise in rough emeralds at Kagem, driven by higher production and associated costs, as well as an increase in mining-related spares, offset by a reduction in rough rubies.

IN THOUSANDS OF USD	2024	2023
Rough inventory – emeralds and beryl	49,235	38,832
Rough inventory – rubies and corundum	19,806	28,190
Fabergé inventory	25,554	26,181
Cut and polished gemstones	3,213	3,504
Spares and consumables	16,220	12,950
Total inventory	114,028	109,657

Trade and other receivables, excluding the auction receivables of USD 33.9 million, primarily consist of USD 3.1 million of non-auction trade receivables (31 December 2023: USD 5.5 million), USD 25.9 million of short-term VAT receivables (31 December 2023: USD 14.3 million) predominantly from MRM and Kagem, related-party receivables of USD 1.4 million (31 December 2023: USD 8.1 million) held with Mwiriti, USD 6.5 million of prepayments (31 December 2023: USD 8.4 million) and the remainder mainly comprising deposits paid. Total short-term and long-term VAT receivables of USD 38.1 million (31 December 2023: USD 32.4 million) is mainly the consequence of delayed processing and repayment of claims by the relevant overseas tax authorities.

The current tax receivable is USD 7.9 million (31 December 2023: USD 1.4 million), which is primarily due to payments on account made by MRM. The Group calculated the income tax credit and tax recoverable for the year using the tax rate that would be applicable to the expected total annual earnings.

LIABILITIES

IN THOUSANDS OF USD	2024	2023
Deferred tax liability	50,753	70,877
Non-current borrowings	45,000	–
Non-current lease liabilities	3,231	755
Provisions	3,578	3,442
Other non-current payables	4,175	8,034
Total non-current liabilities	106,737	83,108
Trade and other payables	41,580	47,930
Current borrowings	56,275	40,474
Current lease liabilities	1,017	415
Provisions	2,848	2,471
Total current liabilities	101,720	91,290
Total liabilities	208,457	174,398

The deferred tax liabilities arise from the evaluated mining property and inventory at Kagem and MRM recognised on the IFRS 3 Business combinations fair value uplift on the acquisition of Gemfields Limited by the former Pallinghurst Resources Limited (now Gemfields Group Limited) in 2017.

Trade and other payables have decreased by USD 6.3 million to USD 41.6 million as at 31 December 2024. This is mainly attributable to a decrease in accruals across the Group and other taxes payable at MRM.

Total provisions of USD 6.4 million (31 December 2023: USD 5.9 million) predominantly include USD 3.2 million (31 December 2023: USD 2.7 million) of environmental provisions for the rehabilitation and restoration of mined areas at Kagem and MRM, USD 1.0 million (31 December 2023: USD 1.2 million) of resettlement action plan provisions and USD 2.2 million (31 December 2023: USD 2.0 million) of other provisions for future legal claims and fees, including the OGM scheme, and employee end-of-contract benefits.

BORROWINGS AND NET CASH

IN THOUSANDS OF USD	2024	2023
Cash and cash equivalents	20,844	51,621
Borrowings	(101,275)	(40,474)
Net (debt)/cash	(80,431)	11,147

The decrease in net cash in the year mainly reflects the cash outflows from capital expenditure investment in the second processing plant at MRM, the dividend paid to GGL shareholders, and tax paid during 2024. At 31 December 2024, the Group held USD 101.3 million in borrowings, an increase of USD 60.8 million from 31 December 2023, due to the utilised borrowings explained in the “Cash Flows” section. In 2024, MRM secured two additional debt facilities to finance the construction of the second processing plant.

GOING CONCERN

The 2024 Consolidated Financial Statements have been prepared on a going concern basis, the determination of which includes the assumption that the USD 30 million gross proceeds from the Proposed Rights Issue (which is fully underwritten) will be received before the end of H1 2025. As a result of the lower-than-expected auction results in the second half of 2024 and heavy investment in PP2, the Board has taken swift action to maintain sufficient working capital by implementing cost-cutting measures, and initiating a fully underwritten rights issue, including an advance relating to the underwriter’s proportion of the rights issue expected in Q2 2025.

The going concern assessment depends on the timing and size of emerald and ruby auctions in 2025 and 2026. While there are material uncertainties, due to the need for shareholder approval of the Proposed Rights Issue and the potential breach of covenants, the Group’s base case model through September 2026 indicates sufficient cash headroom to meet its liabilities as they fall due. The Directors expect shareholder approval for the Proposed Rights Issue, but since it has not yet been obtained, they consider securing it a material uncertainty. The base case suggests a potential breach of the MRM ABSA term loan covenants as of 30 June and 31 December 2025, though a waiver is expected based on assurances in a letter of intent from the lender. Full details can be found in the going concern assessment in Note 1: *Basis of preparation*.

CAPITAL ALLOCATION PRIORITIES AND DIVIDEND POLICY

The Group defines its capital allocation priorities as managing debt, organic and inorganic investments and capital returns, in no specific order and assessed on an ongoing basis.

As approved by the Board on 23 March 2023, Gemfields’ dividend policy aims to provide regular returns of capital when the business performance and market conditions allow, at the Board’s discretion and following assessment of Gemfields’ capital allocation priorities.

Both capital allocation priorities and dividend policy will be under review later in 2025, following the completion of the Proposed Rights Issue.

Further to the Board’s declaration on 25 March 2024, a final dividend for the year ended 31 December 2023 of USD 10.0 million, being a gross dividend of 0.85712 USD cents per ordinary share, was paid to GGL shareholders on 24 June 2024.

SUMMARY AND OUTLOOK

Gemfields delivered strong auction results, driven by robust pricing, in the first half of 2024. However, auction results in the second half fell short of expectations due to three principal factors:

- disturbed emerald market;
- reduced premium ruby production; and
- weaker global luxury demand.

Whilst Gemfields views these challenges as transient, the Group is cutting costs, suspending certain mining activities, and halting non-essential spending. Operating costs are expected to reduce significantly in 2025, and the auction schedule may defer from historical norms to ensure sufficient working capital levels are maintained.

Despite country-specific issues, the PP2 project at MRM remains on track and will elevate ruby production to unprecedented levels in the coloured gemstone industry. Capital expenditure on development assets will remain low through 2025 while the Group establishes its future strategy and capital allocation policy. Gemfields will continue to prioritise cost management and operational efficiency throughout 2025.

Today, 11 April 2025, Gemfields have announced its intention to seek shareholder approval for a Proposed Rights Issue to raise approximately USD 30 million by issuing 556,203,396 New Shares. This move aims to address the near-term working capital shortfall resulting from the aforementioned challenges, which are considered temporary and coincided with a period of significant planned investment.

Following the completion of the Proposed Rights Issue, the Group is expected to be in a materially stronger position both financially and strategically, alongside the other cost-cutting measures implemented. The assessment of strategic options for Fabergé will proceed after the completion of the Proposed Rights Issue.

DAVID LOVETT
Chief Financial Officer

Operations Review

MRM (Mozambique)

MRM is accessing the Montepuez ruby deposit, which is in north-east Mozambique within the Cabo Delgado province, with a licence that covers an area of 349 square kilometres. MRM is the largest known producing ruby mine in the world, supplying approximately 50% of the global supply of rubies.



AREA COVERAGE (KM²)

349

APPROX. GLOBAL RUBY SUPPLY

50%

GEMFIELDS OWNERSHIP

75%



KARTIKEYA PARIKSHYA
Managing Director, Mozambique

“MRM had a challenging 2024, with the production of premium ruby being considerably below historical averages. This constrained the revenue achievable across the year. The ruby market remains steady with strong prices for the higher-quality rubies, despite ongoing economic challenges in China and geopolitical turbulence worldwide across 2024.

The operations saw considerable disruption from October 2024 to mid-January 2025 as a result of the civil unrest following the contested presidential election, with associated supply chain and logistical interruptions. From the unrest arose a large increase in illegal miner intrusions at MRM, and an attempted but unsuccessful invasion of the MRM Village at the end of the year. Since the inauguration of President Daniel Chapo, the overall situation in the country has calmed, while there is continued insurgent activity in Cabo Delgado.

The completion of the PP2 by the end of H1 2025, tripling MRM’s processing capacity, will be a key landmark in the transformation of the mine. It will allow MRM to process its sizable stockpile of ruby ore, bringing to market additional sizes and colour variations of rubies and explore more of MRM’s untapped licence area.”

LOCATION	Cabo Delgado province, Mozambique
INCEPTION BY GEMFIELDS	November 2011
OWNERSHIP STRUCTURE	75% Gemfields 25% Mwiriti Limitada (local partner)
GEMSTONES	Ruby and corundum
MINING METHOD	Shallow open-pit (typically 2-5 metres)
CURRENT LIFE OF MINE	5 years to 2029 ¹

1 Incorporates the second processing plant at MRM under construction, running at full capacity from the second half of 2025. Management is confident that through further exploration, the life-of-mine will be extended in future reports.

2011
Inception by Gemfields in November 2011



OPERATIONS REVIEW CONTINUED



CASE STUDY

Second processing plant (“PP2”)

- **Timing:** Construction completion by the end of June 2025.
- **Objective:** Unlock MRM’s processing bottleneck, by tripling processing capacity from 200 tonnes per hour to 600 tonnes per hour.
- **Rationale:** Allowing MRM to process its sizeable stockpile, bring to market additional size and colour variations of rubies and explore and expand into its substantially untapped licence area.
- **Capital expenditure value:** USD 70 million – Approximately USD 50 million paid to end of 2024.

As previously announced, Gemfields entered into a lumpsum turnkey (“LSTK”) contract with Consulmet (Africa) Limited (“Consulmet”) to construct an additional processing plant at MRM’s ruby mine in Mozambique. The contract was signed on 7 August 2023, with construction beginning in September 2023. The contract is a LSTK contract based on industry standard International Federation of Consulting Engineers (“FIDIC”) terms, with MRM’s payment obligations agreed in South African Rand, and equating to approximately USD 70 million (at foreign exchange rates at signing and excluding VAT and government levies).

20% of this capital cost was paid in 2023, 20% paid in the first half of 2024, 30% paid in the second half of the year. 15% has been paid in H1 2025 so far, with the remainder due to be paid by the end of Q3 2025. In total, as at March 2025, 85% has been paid at a total cost of USD 60 million.

To fund the capital expenditure, a loan agreement with BCI for USD 30 million was signed in May 2024, with USD 25 million from ABSA signed in October 2024. MRM expects an expansion of its mining fleet and capacity starting from 2026 to match the increased processing power from PP2, as the business manages its cash in 2025.

An order for new, heavy earthmoving equipment (“HEMM”) was placed in March 2024, for supporting PP2’s construction, which was delivered in January 2025.

The first revenues generated from ore processed by PP2 is expected in the second half of 2025.

MRM’s first priority is its employees and contractors’ health and safety, with a commitment to safe and responsible mining that goes beyond its organisational and legal obligation. In April 2024, a set of “Golden Rules” to abide by, were launched as part of MRM’s Zero-Harm Commitment.

MRM received ISO certifications for 9001:2015, 14001:2015 and 45001:18 during the year.

MRM had three Lost Time Injuries (“LTI”) in the year, all occurring to contractors. Each LTI is reviewed and investigated to take learnings and actions taken for prevention.

MINING AND PROCESSING


The mining operations at MRM comprise of several shallow open-cast pits split between three main operating areas: the Mugloto Block, the Maninge Nice Block and the Glass Block. Since it is a shallow alluvial deposit, drilling and blasting are not required in the mining process. Mining is carried out as a mechanised open-pit operation utilising excavators, loaders, articulated dump trucks and associated ancillary equipment. Loaded trucks haul ore to stockpiles adjacent to the processing plant while the majority of waste is backfilled into mined-out areas, which are then revegetated, thereby returning the area to its natural aesthetic.

84% of ore production occurred in Mugloto pit, with 15% in Maninge Nice Secondary and 1% in Maninge Nice Primary.

MRM has a considerable stockpile of unprocessed ruby-bearing ore, estimated to be 1.48 million tonnes, which would take 14 to 16 months to exhaust if processed alone at the current processing rate.

The 2023-2024 rainy season (November to April) saw a considerable increase in rainfall than in previous years, with 1,114 millimetres of rain, up 20% on the previous season. This reduced MRM’s ore production in the first months of 2024. At the start of the 2024-2025 rainy season, Cyclone Chido passed south of MRM, although there was considerable rainfall and heavy winds, MRM saw limited disruption.

Mining operations were paused from 24 December to 27 December 2024 following an attempted invasion of the MRM Village from illegal miners, with a phased return to full operations in the following days before the end of the 2024.

 Details on MRM’s geology and exploration can be found in the Summary Resources and Reserves Statement available from pages 48 to 57

MINING AND PROCESSING

	2024	2023	% CHANGE
Total rock handling – <i>in thousand tonnes</i>	7,970	7,966	–
Waste mined – <i>in thousand tonnes</i>	7,045	6,922	2%
Ore production (primary and secondary) – <i>in thousand tonnes</i>	926	1,044	(11%)
Ore processed (primary and secondary) – <i>in thousand tonnes</i>	1,072	1,109	(3%)
Stripping ratio	6.5	5.9	10%

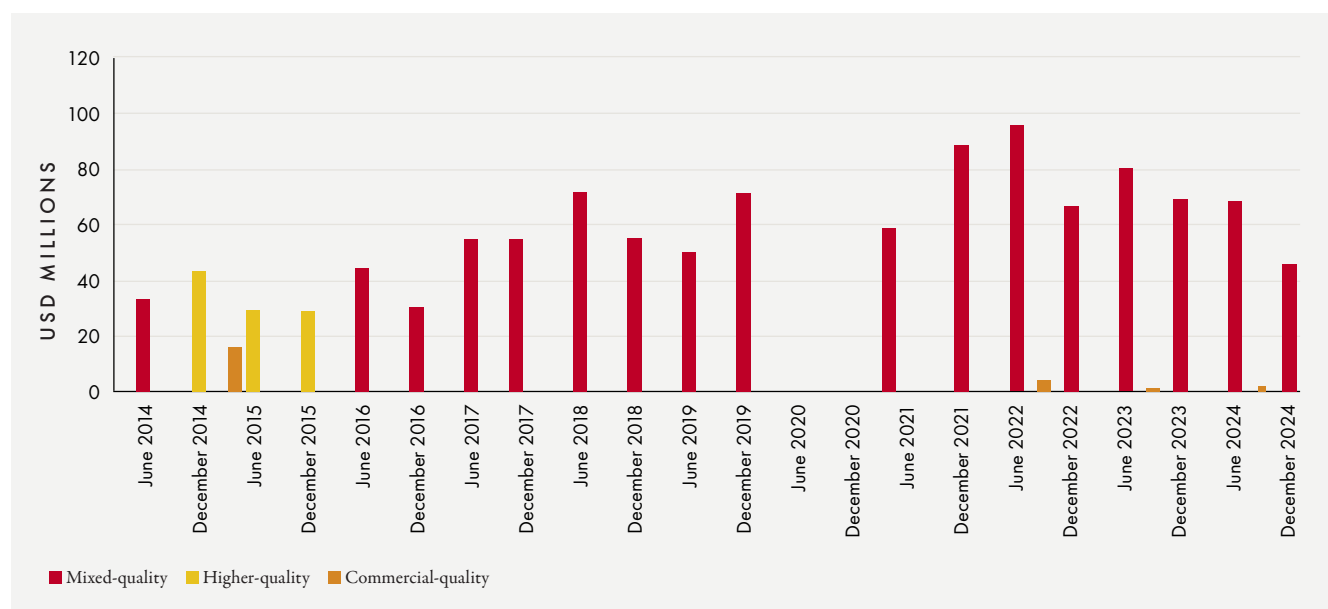
GEMSTONE PRODUCTION

	2024	2023	% CHANGE
Premium ruby – <i>in carats</i>	40,006	62,392	(36%)
Total ruby and corundum – <i>in million carats</i>	1,561,443	1,279,087	22%
Grade (ruby and corundum/ore processed) – <i>in carats/tonnes</i>	1.46	1.15	26%

From June to December 2024 there was a considerable increase in low sapphire carats recovered, with a eight-fold increase in the average month production compared with January to May 2024 (average 129 thousand carats vs 14 thousand carats), materially improving the overall grade reported. Low sapphire is the lowest quality produced at MRM and therefore generates limited revenue.

REVENUE

All Ruby and Corundum auctions held by MRM since incorporation



OPERATIONS REVIEW CONTINUED

AUCTIONS HELD IN 2024

AUCTION RESULTS (MIXED QUALITY)	JUN '24 AUCTION (7 SEQUENTIAL MINI-AUCTIONS)	SEP '24 AUCTION	DEC '24 AUCTION (7 SEQUENTIAL MINI-AUCTIONS)
Dates	3 – 18 Jun 2024	2 – 4 Sep 2024	25 Nov – 11 Dec 2024
Location	Bangkok / Online	Bangkok / Online	Bangkok / Online
Type	Rough Ruby (Higher, Medium and Commercial Quality), no Low Ruby or Corundum	Commercial Quality	Rough Ruby (Higher, Medium and Commercial Quality), no Low Ruby or Corundum
Carats offered	217,044	5,652,000	167,865
Carats sold	216,600	5,652,000	143,613
No. of companies placing bids	52	–	46
No. of lots offered	97	10	102
No. of lots sold	94	10	97
Percentage of lots sold	97%	100%	95%
Percentage of lots sold by weight	99.8%	100%	86%
Total sales realised at auction	USD 68.7 million	USD 2.3 million	USD 46.2 million
Average per carat sales value	USD 316.95/carats	USD 0.41/carats	USD 321.94/carats

In 2024, MRM held two mixed-quality auctions and one commercial-quality auction generating a total of USD 117.2 million. The 25 auctions of MRM rubies held since June 2014 have generated USD 1.17 billion in total revenue.

The auction lots were made available for in-person and private viewings by customers in Bangkok, Thailand. Following the viewings, the auctions took place via an online auction platform specifically adapted for Gemfields, which permitted customers from multiple jurisdictions to participate in a sealed-bid process.

The proceeds of these auctions are fully repatriated to MRM in Mozambique, with all royalties due to the Government of the Republic of Mozambique being paid on the full sales price achieved at the auction.



CASE STUDY

Solar plant project

The construction of a solar plant continues to be MRM's long-term intention with negotiations ongoing. Under a Power Purchase Agreement, a third party would construct and operate a 12.47 Megawatt peak ("MWp") solar power plant and 31 Megawatt hour ("MWh") battery energy storage system on site, and provide MRM with cheaper and less carbon emitting electricity for PP2 than using diesel generators only. At current estimates based on implied completion date in 2027, nearly 200 thousand tonnes of CO₂ would be avoided from being emitted over a 15-year period.

PROTECTION SERVICES

The civil unrest seen between October 2024 to mid-January 2025, following a contested presidential election, has resulted in a significant increase in both the number and the aggression of illegal miners encroaching on MRM's licence areas. Those encroaching are primarily looking to access pits with more freely available and typically less valuable primary rubies that lie in the gravel, rather than requiring mining. Gemfields and MRM continue to focus on strategies and governmental engagement to target the reduction the risks posed by illegal miners.

Groups associated with illegal mining looked to take advantage of the civil unrest in the country and on 23 December set fire to a number of MRM built or supported community buildings in and around Namanhumbir, the village immediately adjacent to MRM's principal residential infrastructure ("MRM Village").

On 24 December 2024, more than 200 persons staged an attempt to invade the MRM Village. Security forces comprising both the Mozambican police and military protected the MRM Village using a staged escalation of force.

As the Group's priority is the safety and security of its personnel, a number of people were temporarily relocated to offsite locations given the increased risk profile while maintaining a sizable presence of about 500 persons across MRM employees, contractors and security components. The temporarily relocated personnel began a phased return on 26 December 2024, with paused operations recommencing on 27 December 2024.

As the civil unrest principally concluded following the inauguration of new Mozambiquan President Daniel Chapo, the insurgency in Cabo Delgado province in northern Mozambique showed increased activity and cause for concern. Although this continues to have had no direct impact on MRM, significant security personnel including state forces remain on site with 24-hour camera and drone surveillance.

HUMAN RESOURCES

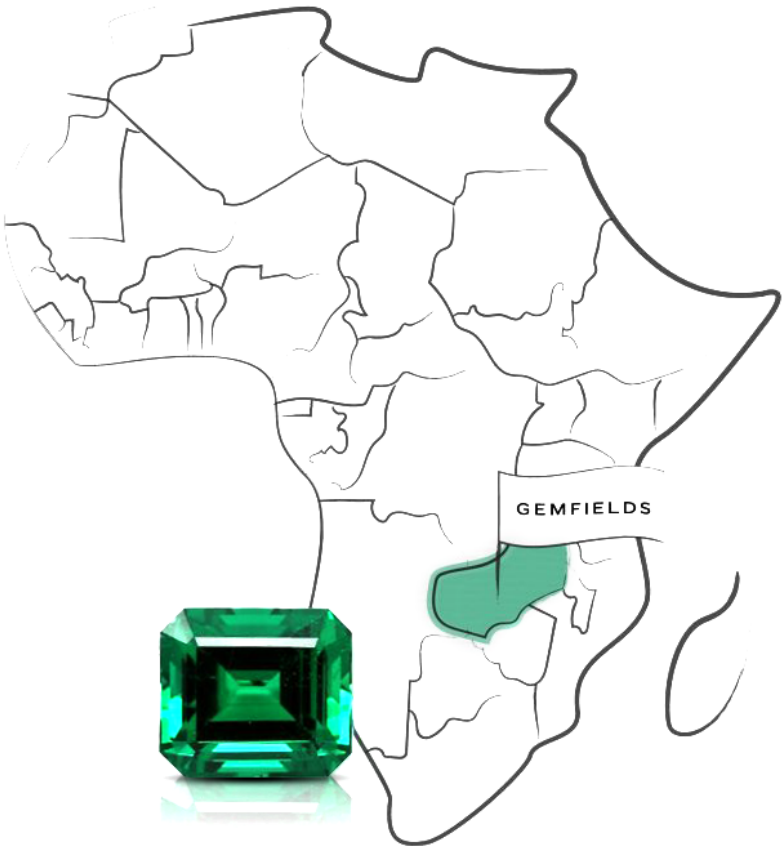
As at 31 December 2024, 1,624 people including 106 females were employed by MRM of whom 94% are local to Mozambique, with 869 directly employed and 755 employed as contractors.



Operations Review

Kagem (Zambia)

Kagem Mining Limited (“Kagem”), which operates the world’s single largest producing emerald mine, accounts for approximately 25% of global emerald production. Kagem holds an asset portfolio of ten mining licences in Zambia, with the primary operating pits being Chama (strike length of over 2.3 kilometres), Chibolele (strike length of 550 metres) and Fibolele (strike length of 630 metres).



AREA COVERAGE (KM²)

42

APPROX. GLOBAL EMERALD SUPPLY

25%

GEMFIELDS OWNERSHIP

75%



CV SURESH
Managing Director, Zambia

“Kagem had a good operational performance in 2024, with strong increase in ore and emerald production, but encountered a weaker emerald market in the second half of the year amid an oversupply of emeralds in to market. This resulted in lower prices being paid for rough emeralds and a larger proportion of lots going unsold at our auctions, as we maintained our focus on selling at what we deem as fair market prices.

At the mine, the washing plant was significantly upgraded, increasing its processing capacity from 50 tonnes per hour to 75 tonnes per hour. This increased the number of picking belts while improving the conditions for employees and their ability to identify emeralds.

At the end of 2024, the difficult decision was taken to announce a pause of mining at Kagem from 1 January 2025 and only process existing ore from Kagem’s significant ore stockpiles, utilising the upgraded washing plant. This decision reflected the uncertainty in the emerald market and enable Kagem to conserve cash. To date, the washing plant is operating broadly as expected, producing a lower proportion of higher-quality or premium emeralds than if mining. Kagem’s management and Board will continue to assess the situation across 2025.

On 1 January 2025, a 15% export duty on Zambian emeralds was re-introduced, directly impacting those mined at Kagem. With our sincere thanks to His Excellency, Mr Hakainde Hichilema’s government for their prompt and impressive action, this 15% export duty was suspended on 18 February 2025, allowing Kagem to restart emerald exports.”

LOCATION	Copperbelt Province, Zambia
ACQUISITION BY GEMFIELDS	June 2008
OWNERSHIP STRUCTURE	75% Gemfields 25% Government of Zambia (through Industrial Development Corporation – IDC)
GEMSTONES	Emerald and beryl
MINING METHOD	Deep open-pit (up to 160 metres)
CURRENT LIFE OF MINE	21 years to 2045

25
Tonnes per hour increase in processing capacity



OPERATIONS REVIEW CONTINUED

HEALTH AND SAFETY

Kagem's first priority is the health and safety of its employees and contractors. Its commitment to safe and responsible mining goes beyond its organisational and legal obligation. It continues to champion a "Zero-Harm" culture – a culture free of injury and damage to the environment in its mining operations. This is extended to business partners (suppliers, contractors and visitors).

Kagem has had no Lost Time Injuries ("LTI") for over three years, since January 2022. Malaria remains a challenge with a larger number of cases in the first half of the year following heavy rains at the end of 2023, the focus is prevention and effective treatment.


MINING AND PROCESSING

The mining operations at Kagem is comprised of three principal deep open-cast pits. The largest and deepest, Chama, has historically produced the majority of Kagem's emeralds. Chibolele and Fibolele are considerable in size but less developed. To expose the emerald-bearing zones, blasting and waste removal occurs. The emerald-bearing zones are then checked through by hand to recover the largest and most valuable emeralds and transferred to the sorting house for sorting and grading. The remaining ore is mined and transported to the washing plant to recover further gemstones.

MINING

Kagem's increase in rock handling and waste mined primarily relates to the planned pushbacks within the Chama pit to access F10 and Junction production points, and average shorter distances involved in hauling waste materials. 74% of ore mining occurred in Chama pit, with 20% in Chibolele and 6% in Fibolele. The total rock handling in 2024 represented a significant improvement on the all-time record achieved last year.

As at 31 December 2024, Kagem had a considerable stockpile of unprocessed emerald-bearing ore, estimated to be 782 thousand tonnes. This would take approximately three years to exhaust if processed alone at the current processing rate. Following Kagem's pause in mining from 1 January 2025, the stockpile is being utilised to generate emerald production.

 Details on Kagem's geology and exploration can be found in the Summary Resources and Reserves Statement available from pages 48 to 57.

PROCESSING

Of the total production for the period, 65% has come directly from the pit and 35% from run-of-mine material processed at the washing plant. This is significantly higher proportion directly from the pit than the typical 40/60 split, due to the reconstruction of the washing plant until July 2024 limiting its availability.

169.4 thousand tonnes of ore was processed in 2024, at a rate of 44 tonnes per hour (2023: 177.6 thousand tonnes at 40 tonnes per hour). From this, 14.1 million carats of emerald and beryl were realised (2023: 14.2 million).

	2024	2023	% CHANGE
Mining / Processing			
Total rock handling – in thousand tonnes	17,264	13,885	24%
Waste mined – in thousand tonnes	16,948	13,637	24%
Ore production (primary and secondary) – in thousand tonnes	316	248	27%
Stripping ratio	48	47	1%

GEMSTONE PRODUCTION

	2024	2023	% CHANGE
Gemstone Production			
Premium emeralds – in carats	159,351	156,660	2%
Total emerald and beryl – in carats	40,256,031	30,152,740	34%
Grade (emerald and beryl/reaction zone) – in carats/tonnes	127.49	121.58	5%

The increase in ore production directly correlates to the higher total level of emerald and beryl production. Premium emeralds however did not benefit from such an increase, demonstrating the uneven nature of emerald production and partially due to the processing of more 'low mix material' during the washing plant upgrade project in the first half of the 2024.



CASE STUDY

Upgraded Washing Plant

Work commenced in July 2023 to improve and upgrade Kagem's washing plant, to upscale the production efficiency from a targeted 50 to 75 tonnes per hour. This was a considerable project and replaced and increased the number of picking belts from which emeralds are collected, alongside improved and rebuilt washing and crushing machinery.

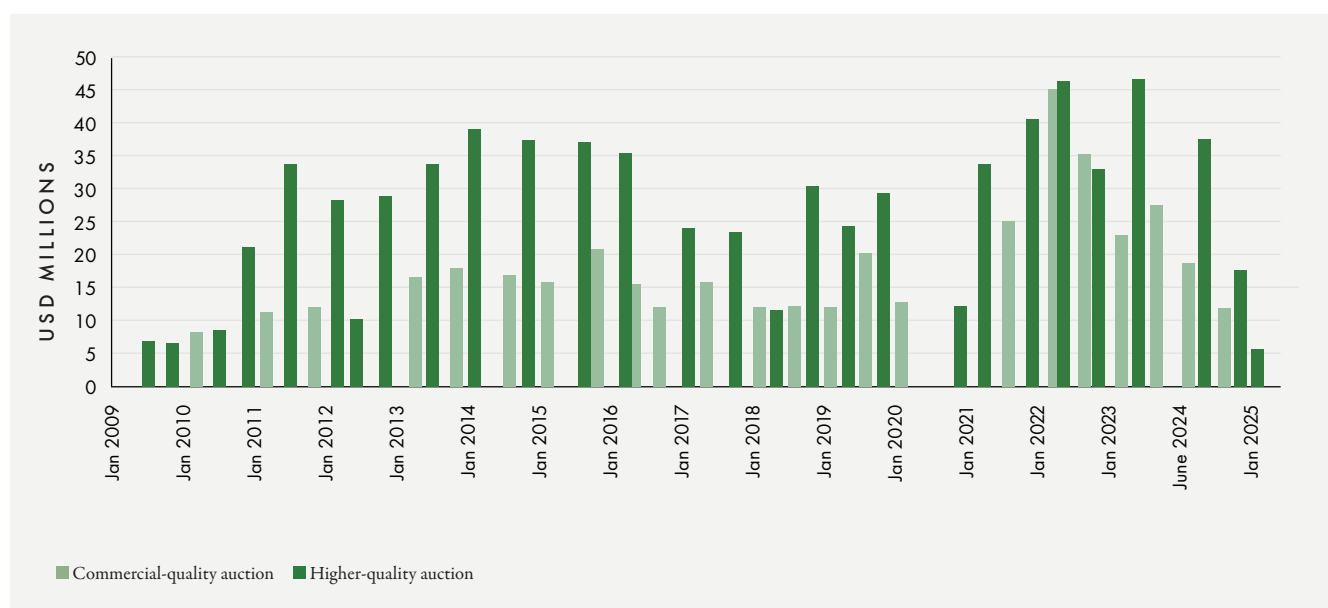
With construction continuing into 2024, the project saw the plant operating at half capacity from January to May and an almost full month out of operation in June 2024. After construction completed there was a phased launch in July 2024.

Though the washing capacity has increased, the feed rate itself is selected by Kagem's geologists to generate the best emerald recovery.

With no mining expected in H1 2025, the upgraded washing plant is the only source of emerald recovery. A third shift began in January 2025 to increase operational hours. Currently a good level of emeralds are being produced and in-line with Kagem management's expectations, but a lower level of premium emeralds have been recovered so far.

REVENUE

All Emerald and Beryl auctions held by Kagem since acquisition



OPERATIONS REVIEW CONTINUED

AUCTIONS HELD IN 2024

AUCTION RESULTS	MAR '24 AUCTION	MAY '24 AUCTION	SEP '24 AUCTION	NOV '24 AUCTION
Dates	5 - 22 Mar 2024	13 - 30 May 2024	27 Aug – 13 Sep 2024	4 – 11 Nov 2024
Location	Jaipur / Online	Bangkok / Online	Jaipur / Online	Bangkok / Online
Type	Commercial quality	Higher quality	Commercial quality	Higher quality
Carats offered	4,171,375	240,000	3,978,450	200,460
Carats sold	3,854,950	208,990	2,423,550	141,048
No. of companies placing bids	50	60	39	56
No. of lots offered	43	46	46	43
No. of lots sold	40	43	28	30
Percentage of lots sold	93%	93%	61%	70%
Percentage of lots sold by weight	92%	87%	61%	70%
Total sales realised at auction	USD 17.1 million	USD 35.0 million	USD 10.8 million	USD 16.1 million
Average per carat sales value	USD 4.45/carat	USD 167.51/carat	USD 4.47/carat	USD 113.96/carat

In 2024, Kagem held two higher-quality auctions and two commercial-quality auction generating a total of USD 79.1 million (before weight losses). The November 2024 auction marked Kagem's 50th auction of emeralds and beryl, a significant landmark since the first in July 2009. These 50 auctions of emeralds from Kagem have generated USD 1.07 billion in total revenue.

The auction lots were made available for in-person and private viewings by customers in Bangkok, Thailand for higher-quality auctions and in Jaipur, India for commercial-quality auctions. Following the viewings, the auctions took place via an online auction platform specifically adapted for Gemfields, which permitted customers from multiple jurisdictions to participate in a sealed-bid process.

The proceeds of these auctions are fully repatriated to Kagem in Zambia, with all royalties due to the Government of the Republic of Zambia being paid on the full sales price achieved at the auction.

AUCTIONS HELD IN 2025 SO FAR

Between 19 and 21 February 2025, an auction of previously unsold higher-quality emeralds occurred. Out of the 13 lots unsold at the November 2024 auction, 10 were successfully sold at this auction generating auction revenues of USD 4.8 million with average sales price of USD 105.49 per carat. Kagem noted that the lots received notably higher bids at this auction, though market sentiment remains subdued.

PROTECTION SERVICES

During the period, patrolling and surveillance within the licence area remained a key focus with an aim to reduce the incursions of illegal miners and theft cases.

HUMAN RESOURCES

As at 31 December 2024, 1,589 people were employed by Kagem of whom 94% are local to Zambia, with 1,100 directly employed and 489 employed as contractors.

Fabergé

Fabergé is one of the world's most renowned names in luxury, underscored by a well-documented, rich, illustrious heritage. As a wholly owned subsidiary of Gemfields, Fabergé provides direct access to the end consumer of coloured gemstones through directly operated boutiques and international wholesale partners and boosts the international presence and perception of coloured gemstones through its consumer-focused marketing campaigns.



MONO-BRANDED
FABERGÉ BOUTIQUES

2

POINTS OF SALE

162

GEMFIELDS OWNERSHIP

100%

OPERATIONS REVIEW CONTINUED



ANTONY LINDSAY
CEO, Fabergé

“Fabergé continues on its path to be financially self-sufficient within the Gemfields Group, with no funding required in 2024. As an iconic brand, Fabergé provides Gemfields with a live touch-point within the luxury-goods market and as a marketing turbocharger for coloured gemstones. The Group announced that it was assessing all strategic options for Fabergé’s future on 23 December 2024, which has now paused, until the completion of the Proposed Rights Issue.

Across the year, Fabergé was not immune to the weaker luxury-goods market with sales more challenging particularly for the lower-price point pieces. With the November 2024 opening of Fabergé’s new boutique in the Piccadilly Arcade in London, this provides a valuable in-person mono-brand point of sales to engage with our clients.

In 2024, Fabergé developed and delivered a number of bespoke egg objects, including the remarkable Malaika egg which featured a 5 carat Gemfields-mined Mozambican ruby centrepiece that was sold in August 2024. Fabergé was honoured to have two timepieces nominated for awards at the 2024 ‘Grand Prix d’Horolerie de Genève’, recognising the innovative designs that Fabergé continues to develop such as the Colours of Love Eggsistence watch collection launched in September 2024.

Fabergé continues to work in unique partnerships with prestigious brands to create high-profile collections, such as Fabergé x 007 partnership, the Fabergé x Beetlejuice Beetlejuice jewellery collection and Fabergé x Game of Thrones. These partnerships generate a considerable amount of media attention and help attract new customers who may not have been aware of Fabergé previously.”

LOCATION	London Headquartered
ACQUIRED BY GEMFIELDS	2013
OWNERSHIP STRUCTURE	100% Gemfields
BUSINESS	Iconic luxury-goods brand



POINTS OF SALE

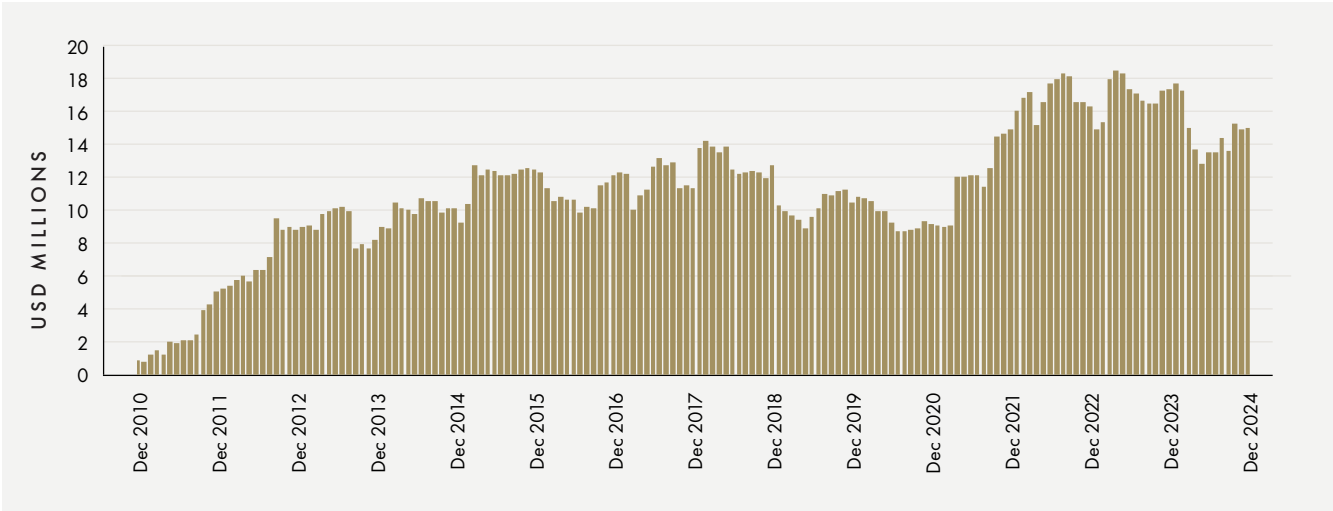
In November 2024, Fabergé opened a new own-operated retail location, a boutique in the Piccadilly Arcade, St James’s, London, UK. The boutique will be further developed in early 2025, to increase the available space for hosting clients. This followed Fabergé’s exit of the concession in Harrods, London, earlier in the year. Fabergé continues to operate a mono-brand boutique located in the world-famous Dubai Mall, Dubai, UAE.

Fabergé products were also available in 42 countries through its network of retail partners. In addition, Fabergé products are listed for purchase online via Faberge.com and a host of leading, third-party online marketplaces.

The total number of Fabergé points of sale increased from 145 to 162 across the year.

REVENUE

Fabergé Sales Orders Agreed (Rolling 12 Months)



Fabergé achieved revenues of USD13.4 million in 2024 (2023: USD15.7 million). Although the revenue in 2024 is lower than the previous year, if stripping out a one-off sale of aged inventory in early 2023, revenues are up by 2%. The exit of the concession in Harrods and number of months before opening the new boutique in London also impacted revenues in 2024.

HUMAN RESOURCES

As at 31 December 2024, 38 people were employed by Fabergé of whom 79% are based in London.



OPERATIONS REVIEW CONTINUED

Developmental Assets

Rubies

(Mozambique)

Gemfields has interests in various mining and development licences surrounding the main ruby producing MRM licence.



KARTIKEYA PARIKSHYA
Managing Director, Mozambique

“2024’s focus has been on developing Eastern Ruby Mining (“ERM”) and putting down the groundwork towards a second revenue generating ruby mine in Mozambique in the Gemfields Group. The Group’s near-term constraints on capital expenditure has resulted in a delay for the plans previously scheduled for 2025 both at ERM and other development assets in Mozambique.

Core developmental work at ERM will continue, while a strong presence and on-site security remains at the other developmental assets, as financial investment into Mozambique is focused on MRM in 2025.”

LOCATION	Cabo Delgado province, Mozambique
GEMSTONES	Ruby and corundum
MINING METHOD	Shallow open-pit (typically 2-5 metres)

ENTITY	LICENCE	OWNERSHIP	LICENCE VALIDITY	LICENCE SIZE
ERM	8277C – Mining licence	80% Gemfields 20% Taibo Mucobora	17 years to Nov 2041	116km ²
CDJ	7427C – Mining licence		18 years to Jun 2042	
NCDJ1, 2, 3	6114L, 9059L, 9060L – Prospecting licence	100% Gemfields	Under renewal (since Feb 2024)	457km ²
MML	7057C – Mining licence	75% Gemfields	15 years to Dec 2039	155km ²
NMML	7049C – Mining licence	25% EME Investments SA, Mozambique	15 years to Sep 2039	191km ²

Gold (Mozambique)

NAIROTO RESOURCES LIMITADA ("NRL")

Nairoto is a joint venture between Gemfields Ltd (75%) and Mwiriti Lda (25%), the Group's existing partner in MRM. The company became fully functional in January 2020. NRL is the beneficial owner of 12 licences (6 Mining and 6 Exploration) located about 30 kilometres to the north of the MRM concession, covering an area of 1,958 square kilometres. The licences hold exploration potential for gold (both primary and secondary), ruby and allied minerals.

On 23 December 2024, Gemfields announced that it would be halting operations at NRL and would seek potential investors for the project. Security and a small number of core employees remain on site as potential bidders assess the project.

Despite the promising results from the early stage maiden Inferred Mineral Resource reported in an Independent Technical Report ("ITR") from SRK Exploration Limited ("SRK EX") on Target Location 5 ("TL5"), released in June 2024, the operating expenses and capital expenditure that would be required to become a gold-producing mine is low on Gemfields' priority list for capital allocation as a non-core asset, resulting in the halt of operations.

The full ITR is available online at: www.gemfieldsgroup.com/assets/cprs-mineral-resources-and-mineral-reserves/. SRK EX is in process of updating, and potentially improving and upgrading the resource base by incorporating the exploration data generated during the second phase auger drillhole drilling and diamond drilling carried out in 2024.

Sapphires (Madagascar)

ORIENTAL MINING SARL

Oriental Mining SARL, a 100% subsidiary of Gemfields, holds a number of concessions for a range of minerals, including emerald and sapphire.

During 2024, a number of interesting small prospective acquisition targets and exploration opportunities were assessed. Gemfields' plans to establish its physical presence in Madagascar are currently on hold as the Group conserves cash to complete the second processing plant at MRM, in Mozambique.

Emeralds (Ethiopia)

WEB GEMSTONE MINING PLC ("WGM")

Gemfields owns 75% of Web Gemstone Mining plc ("WGM"), a company that holds a 148.6 square kilometre emerald exploration licence in southern Ethiopia.

Gemfields is assessing its options that relate to its licences in Ethiopia, including the potential disposal as part of the Group's focus on simplifying its asset portfolio, with no near-term ambitions to return to the region or restart operations due to on-going regional instability.

Gemstone Resources and Reserves Summary

This section is a condensed overview of GGL's Gemstone Resources and Gemstone Reserves Report 2024, which contains a comprehensive review of the Gemstone Resources and Gemstone Reserves for Kagem and MRM as at 31 December 2024 and details the location, geology, mining, processing and operational statistics at Kagem and MRM. The complete Gemstone Resources and Gemstone Reserves Report effective at 31 December 2024 and the Competent Person's Report ("CPR") for Kagem and MRM for 2019, from which the 2024 Report was compiled, are available online at www.gemfieldsgroup.com.

GGL's attributable Gemstone Resources and Gemstone Reserves are reported according to, and in compliance with The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (the SAMREC Code or SAMREC), 2016 edition, with special reference to sections 60 to 72 of SAMREC related to the reporting of results for diamond and other gemstone properties.

At the Effective Date of 31 December 2024, GGL had total attributable mineral resources of 1,088 million carats ("Mct") of combined emerald and beryl at an average value of USD2.06/ct, which is below previous years due to lower prices experienced in the second half of 2024, and 491 Mct of ruby and corundum at an average value of USD22.98/ct (average 2014–2024).

All Gemstone Resources are inclusive of the Gemstone Reserves.

COMPETENT PERSONS AND CONSENT

The Competent Persons ("CPs") in terms of SAMREC who take responsibility for the reporting of Gemstone Resources and Gemstone Reserves for Kagem and MRM in this report are respectively:

- Hemant Azad, Head of Geology, Kagem, PE & MSc (Geology), FAusIMM and MAIG, is the Competent Person responsible for reporting of Gemstone Resources and Gemstone Reserves at Kagem in this report. Hemant was Head of Geology with Montepuez Ruby Mining Limitada until October 2021 before transferring to Kagem. He has more than ten years' relevant experience in this style of mineralisation.

The Competent Person's address is Kagem Mining Ltd, PO Box 21657, Plot 6374, Corner Dr. Aggrey and Kariba Roads, Light Industrial Area, Kitwe, Zambia.

- Murlidhar Gautam, Head of Geology, MRM, MTech (Applied Geology), MAusIMM, is the Competent Person responsible for reporting Gemstone Resources and Gemstone Reserves at MRM in this report. Murlidhar Gautam has over 22 years' experience in exploration and mining various commodities, including diamond, emerald, copper, bauxite and ruby. He has relevant experience in this style of mineralisation.

The Competent Person's address is Montepuez Ruby Mining Lda, Avenida Eduardo Mondlane, No. 178, Edifício Cruz Vermelha, Cidade De Pemba, Cabo Delgado, Mozambique.

The address of the Australasian Institute of Mining and Metallurgy is Ground/204 Lygon St, Carlton VIC 3053, Australia.

The CPs have confirmed to GGL in writing that the contents of this report are consistent with the CPR for Kagem and MRM and operational records for the period 1 July 2019 to 31 December 2024 and comply with the requirements of Section 12 of the JSE Listings Requirements and the SAMREC Code.

The CPs further consent to the disclosure of the 2024 Gemstone Resource and Gemstone Reserve Statement in the form and context in which it is presented.

This report contains statements of a forward-looking nature, which involve various uncertainties that may cause the actual results to differ materially from those presented.

Rounding of figures in this report may result in minor computational discrepancies. Where these occur, the CPs do not consider them to be material.

ABRIDGED REVIEW PER OPERATION

Kagem

Kagem is located in the Ndola Rural Emerald Restricted Area (“NRERA”) within the Kafubu area of the Zambian Copperbelt Province. Kagem operates in terms of a large-scale gemstone licence 14105HQ LSGI over an area of 42.4 square kilometres issued on 27 April 2010. The licence was renewed on 10 December 2019 for a further 25 years to 26 April 2045. A large-scale mining licence 8749HQ LML for the Chibolele mine was renewed on 30 August 2019 for 25 years and transferred to Kagem on 1 October 2019.

The emerald deposits are hosted by talc-magnetite schists (“TMS”) of the Muva Supergroup. The Gemstone Resources are reported within an optimised pit shell using the same input parameters as those in the mining study, but with a 30% mark-up on the anticipated prices to reflect an optimistic view. All grades quoted reflect beryl and emerald, expressed as carats per tonne.

Conventional open-pit mining using drill-blast-load-haul methods is done with Kagem-owned in-house fleet and contractor provided labour.

Open-pit optimisations determined the economic pit shells, which were used for mine design and production scheduling.

The steeply dipping reaction zones (“RZs”) are mined using manual intensive methods with the assistance of hydraulic excavators under close supervision during daylight hours. All large and higher-quality coloured gemstones are hand-sorted at the mining face and are placed in a drop-safe-type container that is tagged and closed with security-controlled locks. The remaining RZ material is loaded into trucks and transported directly to the processing facility.

The processing/wash plant (capacity 330 ktpa ore) processes RZ material mined directly from the open pit through a simple series of comminution, screening, washing and sorting facilities.


The wash plant products, together with the higher-quality product recovered directly from the mine, are essentially hand-sorted in a secure sort house facility where gemstones are upgraded using manual methods to produce emerald (subdivided into premium emerald and emerald) and beryl (subdivided into beryl-1, beryl-2, specimen and fines categories).

The life-of-mine (“LoM”) plan provides for plant feed of 146 thousand tonnes per annum (“ktpa”) with an average feed grade of 194 ct/t through to 2044. Kagem forecasts to recover 977 Mct (or 733 Mct on a 75% attributable basis) over the LoM.

For the year ended 31 December 2024, Kagem recovered 40.3 Mct of emeralds and beryl from 316 thousand tonnes (“kt”) of RZ ore at an average grade of 127 ct/t.

The cash rock handling unit cost for 2024 was USD3.42/t ore (2023: USD4.10/t).

The auctions in 2024 realised USD50.9 million from the sale of 0.350 Mct of higher-quality emeralds and USD27.8 million from the sale of 6.27 Mct commercial-grade quality emeralds.

 Further details on Kagem’s performance in 2024 are available with in the Operational Review on pages 38 to 42. Kagem’s approach to corporate responsibility is available on pages 66 to 73.



GEMSTONE RESOURCES AND RESERVES SUMMARY CONTINUED

KAGEM GEMSTONE RESOURCES AND GEMSTONE RESERVES ESTIMATES

The Kagem Gemstone Resources and Gemstone Reserves estimate (75% basis) for 31 December 2024 is set out below. Resources are reported at a bottom screen cut-off of 3 mm and are inclusive of the Gemstone Reserves. No Inferred Gemstone Resources are included in the LoM plans, which support the Gemstone Reserve declaration.

Kagem Attributable Gemstone Resource and Gemstone Reserve Estimate at 31 December 2024

GEMSTONE RESOURCE ATTRIBUTABLE TO GGL	TONNAGE (kt)	B+E GRADE (ct/t)	CONTAINED B+E (Mct)	GEMSTONE RESERVES ATTRIBUTABLE TO GGL	TONNAGE (kt)	B+E GRADE (ct/t)	CONTAINED B+E (Mct)
Chama				Chama			
Measured	70	282	20	Proved	56	187	11
Indicated	3,228	270	872	Probable	2,583	218	563
Total Measured + Indicated	3,299	270	891	Total Gemstone Reserve	2,639	217	574
Inferred	–	–	–				
Fibolele				Fibolele			
Measured	–	–	–	Proved	–	–	–
Indicated	76	160	12	Probable	61	139	9
Total Measured + Indicated	76	160	12	Total Gemstone Reserve	61	139	9
Inferred	900	160	144				
Libwente							
Measured	–	–	–				
Indicated	–	–	–				
Total Measured + Indicated	–	–	–				
Inferred	150	46	7				
Stockpiles				Stockpiles			
Measured	586	139	81	Proved	586	139	81
Indicated	–	–	–	Probable	–	–	–
Total Measured + Indicated	586	139	81	Total Gemstone Reserve	586	139	81
Inferred	–	–	–				
Chibolele				Chibolele			
Measured	350	160	56	Proved	280	128	36
Indicated	259	180	47	Probable	207	160	33
Total Measured + Indicated	608	169	103	Total Gemstone Reserve	487	142	69
Inferred	413	200	83				
Total M+I Gemstone Resources	4,570	238	1,088	Total Gemstone Reserves	3,773	194	733
Total Inf Gemstone Resources	1,463	160	233				

GEMSTONE RESOURCE GRADE AND VALUE	RECOVERED GRADE IN 2024 (ct/t)				2024 PARCEL VALUE (USD/ct)
	CHAMA	FIBOLELE	CHIBOLELE	LIBWENTE	
Premium Emerald	0.66	0.21	0.03	–	249.74
Emerald	38.20	21.96	11.60	–	4.67
Beryl-1	47.17	18.46	25.58	–	0.14
Beryl-2	53.44	32.28	56.50	–	0.01

Note: The 'Emerald' category is sold via three sales channels: Higher-quality auctions, commercial-quality auctions, and Direct Sales. This price is the weighted average of (a) auction revenue per carat for 'Emerald' lots at higher-quality auctions, (b) auction revenue per carat for 'Emerald' lots at commercial-quality auctions, and (c) Export prices per carat for Direct Sale 'Emerald' grades. For Beryl-1 the weighted average is based on the Direct Sale export prices per carat for Beryl-1 (<16mm) and Beryl-1 (>16mm). Kagem assumes an allowance of three months between a stone coming out of the ground and becoming available for auction (cleaning, grading, quality control, shipping, viewing, etc.), hence e auction revenue figures for the 12-month period from October 2023 to September 2024 were used.

The comparative Kagem Gemstone Resource and Gemstone Reserve estimate attributable to GGL (75% basis) at 31 December 2023 is set out on the following page. The key differences between the 2023 and 2024 attributable Gemstone Resource and Gemstone Reserve estimates are explained as follows:

Gemstone Resources:

- For Chama, the base data used was mining and production data. From July 2019 to December 2024, 890Kt of RZ has been mined, with 151 million carats produced, which caters confidence of the ore mineralisation pattern over the life of mine and gave reference for the upgrade of the resources in previous years.
- For Chibolele, the base data used was actual bulk sampling mining and production, where 341Kt of RZ has been mined, with 40 million carats produced carats from Dec 2017 to Dec 2024. This caters confidence of the ore mineralisation pattern over the life of mine and gave reference for the upgrade of the resources in previous years.
- For 2024, no Resource upgrades were made, with the year-on-year movement representing ore depletion in Chama, Chibolele and Fibolele and addition of Measured Gemstone Resources in surface stockpiles for Chama and Chibolele.

Gemstone Reserves:

- No increase in the Proved Gemstone Reserves in Chama.
- Maiden declaration of Proved and Probable Gemstone Reserves at Chama and Chibolele. Previous drilling confirmed the geological understanding, and the Measured Resources converted into Proved Reserves; and
- Ore depletion in Chama, Chibolele and Fibolele and addition in Chama and Chibolele of Proved Gemstone Resources in surface stockpiles.



GEMSTONE RESOURCES AND RESERVES SUMMARY CONTINUED

Kagem Attributable Gemstone Resource and Gemstone Reserve Estimate at 31 December 2023

GEMSTONE RESOURCE ATTRIBUTABLE TO GGL	TONNAGE (kt)	B+E GRADE (ct/t)	CONTAINED B+E (Mct)	GEMSTONE RESERVES ATTRIBUTABLE TO GGL	TONNAGE (kt)	B+E GRADE (ct/t)	CONTAINED B+E (Mct)
Chama				Chama			
Measured	216	282	61	Proved	173	187	32
Indicated	3,257	270	879	Probable	2,606	218	568
Total Measured + Indicated	3,473	271	940	Total Gemstone Reserve	2,778	216	600
Inferred	–	–	–				
Fibolele				Fibolele			
Measured	–	–	–	Proved	–	–	–
Indicated	92	160	14	Probable	69	139	10
Total Measured + Indicated	92	160	14	Total Gemstone Reserve	69	139	10
Inferred	900	160	144				
Libwente							
Measured	–	–	–				
Indicated	–	–	–				
Total Measured + Indicated	–	–	–				
Inferred	150	46	7				
Stockpiles				Stockpiles			
Measured	469	139	65	Proved	469	139	65
Indicated	–	–	–	Probable	–	–	–
Total Measured + Indicated	469	139	65	Total Gemstone Reserve	469	139	65
Inferred	–	–	–				
Chibolele				Chibolele			
Measured	397	160	63	Proved	317	128	41
Indicated	259	180	47	Probable	207	160	33
Total Measured + Indicated	656	157	110	Total Gemstone Reserve	524	141	74
Inferred	413	200	83				
Total M+I Gemstone Resources	4,690	241	1,130	Total Gemstone Reserves	3,841	195	749
Total Inf Gemstone Resources	1,463	160	234				

GEMSTONE RESOURCE GRADE AND VALUE	RECOVERED GRADE IN 2023 (ct/t)				2023 ROM PARCEL VALUE (USD/ct)
	CHAMA	FIBOLELE	CHIBOLELE	LIBWENTE	
Premium Emerald	0.88	–	0.89	–	231.81
Emerald	39.14	–	124.80	–	8.28
Beryl-1	50.50	–	245.60	–	0.14
Beryl-2	47.35	–	478.25	–	0.01

Note: The 'Emerald' category is sold via three sales channels: Higher-quality auctions, commercial-quality auctions, and Direct Sales. This price is the weighted average of (a) auction revenue per carat for 'Emerald' lots at higher-quality auctions, (b) auction revenue per carat for 'Emerald' lots at commercial-quality auctions, and (c) Export prices per carat for Direct Sale 'Emerald' grades. For Beryl-1 the weighted average is based on the Direct Sale export prices per carat for Beryl-1 (<16mm) and Beryl-1 (>16mm). Kagem assumes an allowance of three months between a stone coming out of the ground and becoming available for auction (cleaning, grading, quality control, shipping, viewing, etc.), hence e auction revenue figures for the 12-month period from October 2022 to September 2023 were used.

MRM

MRM is located in Cabo Delgado province in northeastern Mozambique, approximately 170 kilometres west of Pemba. MRM is the world's single-largest producing ruby mine. The single mining licence 4703C Ref. 1588/CM/INAMI/2015 (combining the two initial licences 4702 and 4703) covering an area of 34,996 ha was issued by the Government of Mozambique to MRM in December 2015, valid until 11 November 2036.


The Montepuez ruby deposit is hosted by the Montepuez Complex, a strongly ductile-deformed, wedge-shaped, metamorphic terrane.

Ruby and corundum mineralisation is found in two styles: primary amphibolite, and a secondary gravel bed. The main source of rubies and corundum is secondary mineralisation, although mining has also occurred from the primary mineralisation. The gravel bed horizon is generally less than two metres thick, with an average thickness of 0.45 metres.

Grade control is constrained to visual inspection and mining of the mineralised zones is only undertaken during daylight hours. Geologists on site direct the mechanical loader from within the pit area to ensure that the gravel bed is mined correctly. An owner-operated fleet undertakes all material movement.

A processing plant including a scrubber, rated at 200 tph of RoM feed, and a dense medium separation plant ("DMS"), rated at 83 tph of washed –25 mm+1.6 mm material, was commissioned in December 2016. A new thickener was installed in 2019-20 to meet the operating capacity. The wash plant flowsheet incorporates wet scrubber screening to remove –1.6 mm solids, followed by a log washer to break up clay balls and a double deck wet screen to remove +25 mm stone fraction and –1.6 mm fines.

An additional processing plant is currently being constructed at MRM. This will increase the processing capacity from 200 tonnes per hour to 600 tonnes per hour. The project is expected to be completed by the end of H1 2025.


 More details on MRM's second processing plant are available on pages 33 and 34.

After washing and separation in the plant, the resulting gravity concentrate is sorted by hand in the high-security area under strict supervision incorporating automatic colour sorting machines.

The current life-of-mine ("LoM") plan production requires a ramp-up from 7.9 Mtpa total ore and waste to 15 Mtpa by 2026, with ore mining increasing to 3.6 Mtpa by 2026, and is projected to extend to 2029 (LoM of 5 years). The future LoM plan expects to achieve an overall stripping ratio of 3.3 over the LoM.

For the year ended 31 December 2024, MRM recovered 1.56 Mct from 1,072 kt ore at an average grade of 1.4 ct/t. The rock handling cash unit cost was USD7.24/t in 2024 (2023: USD5.90/t).

The auctions in 2024 realised USD117.2 million from the sale of 6.03 Mct of mixed- and commercial-quality rubies.

 Further details on MRM's performance in 2024 are available within the Operational Review on pages 32 to 37. MRM's approach to corporate responsibility is available on pages 66 to 73.



GEMSTONE RESOURCES AND RESERVES SUMMARY CONTINUED

MRM GEMSTONE RESOURCES AND GEMSTONE RESERVES ESTIMATES

The MRM Gemstone Resources and Gemstone Reserves estimate attributable to GGL (75% basis) at 31 December 2024 is set out below. Gemstone Resource grades are quoted with a bottom cut-off stone size of 1.6 mm and are inclusive of Gemstone Reserves. The stockpile grades are derived from the reported grades for the respective source materials. No Inferred Gemstone Resources are included in the LoM plans, which supports the Gemstone Reserve declaration.

MRM Attributable Gemstone Resource and Gemstone Reserve Estimate at 31 December 2024

GEMSTONE RESOURCE ATTRIBUTABLE TO GGL	TONNAGE (kt)	RECOVERED GRADE (ct/t)	CONTAINED (Mct)	GEMSTONE RESERVES ATTRIBUTABLE TO GGL	TONNAGE (kt)	RECOVERED GRADE (ct/t)	CONTAINED (Mct)
Maninge Nice				Maninge Nice			
Indicated – Primary	842	99.4	83.7	Probable – Primary	830	99.4	82.5
Indicated – Secondary	111	107.3	12.0	Probable – Secondary	111	106.7	11.9
Total Indicated	953	100.4	95.7	Total Probable Reserve	942	100.3	94.4
Inferred – Primary	180	97.9	17.6				
Inferred – Secondary	9,994	12.7	127.0				
Inferred – Total	10,174	14.2	144.7				
Mugloto				Mugloto			
Indicated – Primary	–	–	–	Probable – Primary	–	–	–
Indicated – Secondary	6,053	3.2	19.1	Probable – Secondary	5,960	3.0	18.1
Total Indicated	6,053	3.2	19.1	Total Probable Reserve	5,960	3.0	18.1
Inferred – Secondary	13,788	14.8	203.6				
Glass				Glass			
Indicated – Secondary	5,073	2.4	12.1	Probable – Secondary	5,066	2.2	11.2
Total Indicated	5,073	2.4	12.1	Total Probable Reserve	5,066	2.2	11.2
Inferred – Secondary	5,670	0.9	5.1				
Stockpiles				Stockpiles			
Indicated – Primary	12	100.1	1.2	Probable – Primary	12	100.1	1.2
Indicated – Secondary ¹	1,094	1.8	1.9	Probable – Secondary ¹	1,094	1.8	1.9
Total Indicated	1,107	2.9	3.2	Total Probable Reserve	1,107	2.9	3.2
Total Indicated Gemstone Resources	13,185	9.9	130.0	Total Probable Gemstone Reserves	13,075	9.7	126.8
Natete							
Inferred – Secondary	18,140	0.3	5.3				
Nathopo							
Inferred – Secondary	3,915	0.5	2.0				
Total Inf Gemstone Resources	51,687	7.0	360.6				

1 Combination of material from Maninge Nice, Mugloto and Glass.

GEMSTONE GRADE AND VALUE	RECOVERED GRADE (ct/t)			AVERAGE PARCEL VALUE (2014–2024) ¹ (USD/ct)	AVERAGE PARCEL VALUE 2024 (USD/ct)
	MANINGE NICE	MUGLOTO	GLASS (1)		
Premium Ruby	0.042	0.037	0.031	1,227.83	1,403.16
Ruby	0.287	0.268	0.253	58.40	110.30
Low Ruby	0.073	0.059	0.159	3.35	–
Corundum	0.080	0.030	0.055	1.10	3.95
Sapphire	0.045	0.080	0.108	0.40	1.66
Low Sapphire	0.310	0.931	0.738	0.08	0.05
–4.6mm	–	–	–	10.55	–
Reject with some Low Sapphire	n/r	n/r	n/r	0.05	–
Weighted Average Value (USD/ct)				22.98	19.41

1 Average parcel value for 2014 to 2024 applied.

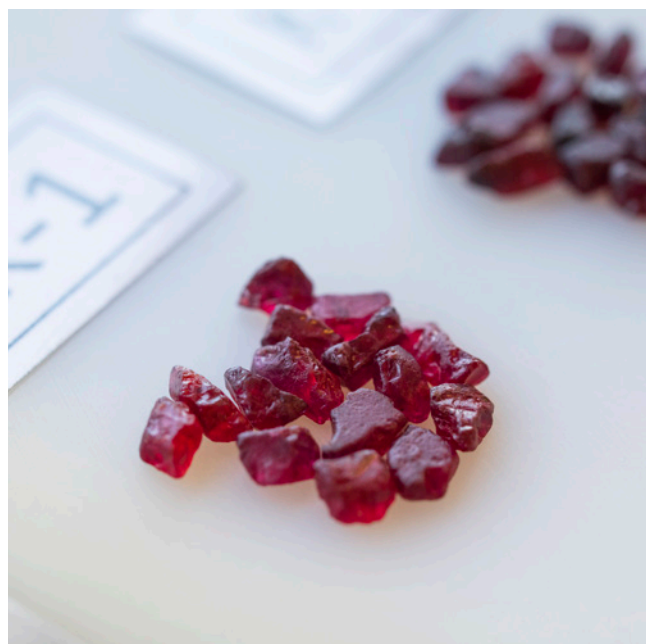
The comparative MRM Gemstone Resource and Gemstone Reserve statement attributable to GGL (75% basis) at 31 December 2023 is set out on the following page. The key differences between the 2023 and 2024 Gemstone Resource and Gemstone Reserve estimates are explained as follows:

Gemstone Resources:

- The primary and secondary resources and reserves at Maninge Nice have decreased due to mining depletion. However, the grade of the secondary resources has increased because of the extraction of comparatively lower-grade ore from Maninge Nice Pit 5;
- A reduction in tonnage and contained gemstones in the Indicated Gemstone Resources at Mugloto due to mining depletion. The grade has slightly increased due to the mining of lower-grade areas;
- There are no changes in tonnage, grade, or contained gemstones for the Inferred Gemstone Resources in the Maninge Nice, Glass, Nakete, and Nathepo areas. However, there is a slight change in the inferred resource for the Mugloto area (specifically the Mugloto East domain) due to mining depletion;
- The tonnage, grade, and contained carats of the Glass Indicated Resources remain unchanged; and
- There has been an overall increase in the tonnage of secondary stockpiles of indicated resources following a detailed stock balancing exercise conducted in 2024, while the stockpile of indicated primary resources has decreased.

Gemstone Reserves:

- Reduction in tonnage and contained gemstones in Probable Gemstone Reserves of Mugloto and Maninge Nice, due to mining depletion;
- The grade at Mugloto and Maninge Nice has increased due to the mining of comparatively lower-grade secondary material from Mugloto Pit 9 and Maninge Nice Pit 5;
- The tonnage, grade, and contained carats of the Glass Probable Reserves remain unchanged; and
- There has been an increase in the secondary stockpiles of probable primary and secondary reserve tonnages following a detailed stockpile balancing exercise conducted in 2024, while the stockpile of primary probable reserve tonnages decreased.



GEMSTONE RESOURCES AND RESERVES SUMMARY CONTINUED

MRM Attributable Gemstone Resource and Gemstone Reserve Estimate at 31 December 2023

GEMSTONE RESOURCE ATTRIBUTABLE TO GGL	TONNAGE (kt)	RECOVERED GRADE (ct/t)	CONTAINED (Mct)	GEMSTONE RESERVES ATTRIBUTABLE TO GGL	TONNAGE (kt)	RECOVERED GRADE (ct/t)	CONTAINED (Mct)
Maninge Nice				Maninge Nice			
Indicated – Primary	849	99.4	84.4	Probable – Primary	837	99.4	83.2
Indicated – Secondary	215	56.0	12.0	Probable – Secondary	215	55.6	12.0
Total Indicated	1,064	90.6	96.4	Total Probable Reserve	1,052	90.4	95.2
Inferred – Primary	180	97.9	17.6				
Inferred – Secondary	9,994	12.7	127.0				
Inferred – Total	10,174	14.2	144.7				
Mugloto				Mugloto			
Indicated – Primary	–	–	–	Probable – Primary	–	–	–
Indicated – Secondary	6,624	3.0	19.9	Probable – Secondary	6,531	2.89	18.9
Total Indicated	6,624	3.0	19.9	Total Probable Reserve	6,531	2.89	18.9
Inferred – Secondary	13,800	14.8	203.6				
Glass				Glass			
Indicated – Secondary	5,073	2.4	12.1	Probable – Secondary	5,066	2.2	11.2
Total Indicated	5,073	2.4	12.1	Total Probable Reserve	5,066	2.2	11.2
Inferred – Secondary	5,670	0.9	5.1				
Stockpiles				Stockpiles			
Indicated – Primary	28	112.8	3.2	Probable – Primary	28	112.8	3.2
Indicated – Secondary ¹	460	10.7	4.9	Probable – Secondary ¹	460	10.7	4.9
Total Indicated	488	16.6	8.1	Total Probable Reserve	488	16.6	8.1
Total Indicated Gemstone Resources	13,249	10.3	136.5	Total Probable Gemstone Reserves	13,138	10.1	133.3
Natete							
Inferred – Secondary	18,140	0.3	5.3				
Nathopo							
Inferred – Secondary	3,915	0.5	2.0				
Total Inf Gemstone Resources	51,699	7.0	360.6				

1 Combination of material from Maninge Nice, Mugloto and Glass.

GEMSTONE GRADE AND VALUE	RECOVERED GRADE (ct/t)			AVERAGE PARCEL VALUE (2014–2023) ¹ (USD/ct)	AVERAGE PARCEL VALUE 2023 (USD/ct)
	MANINGE NICE	MUGLOTO	GLASS (1)		
Premium Ruby	0.011	0.058	0.016	1,210.94	1,503.78
Ruby	0.504	0.445	0.161	55.38	89.63
Low Ruby	6.656	0.075	0.332	3.35	1.77
Corundum	0.341	0.033	0.394	0.96	–
Sapphire	1.295	0.034	0.077	0.24	–
Low Sapphire	10.331	0.344	1.696	0.08	–
–4.6mm	–	–	–	10.55	–
Reject with some Low Sapphire	n/r	n/r	n/r	0.05	–
Weighted Average Value (USD/ct)				23.46	107.22

1 Average parcel value for 2014 to 2023 applied.

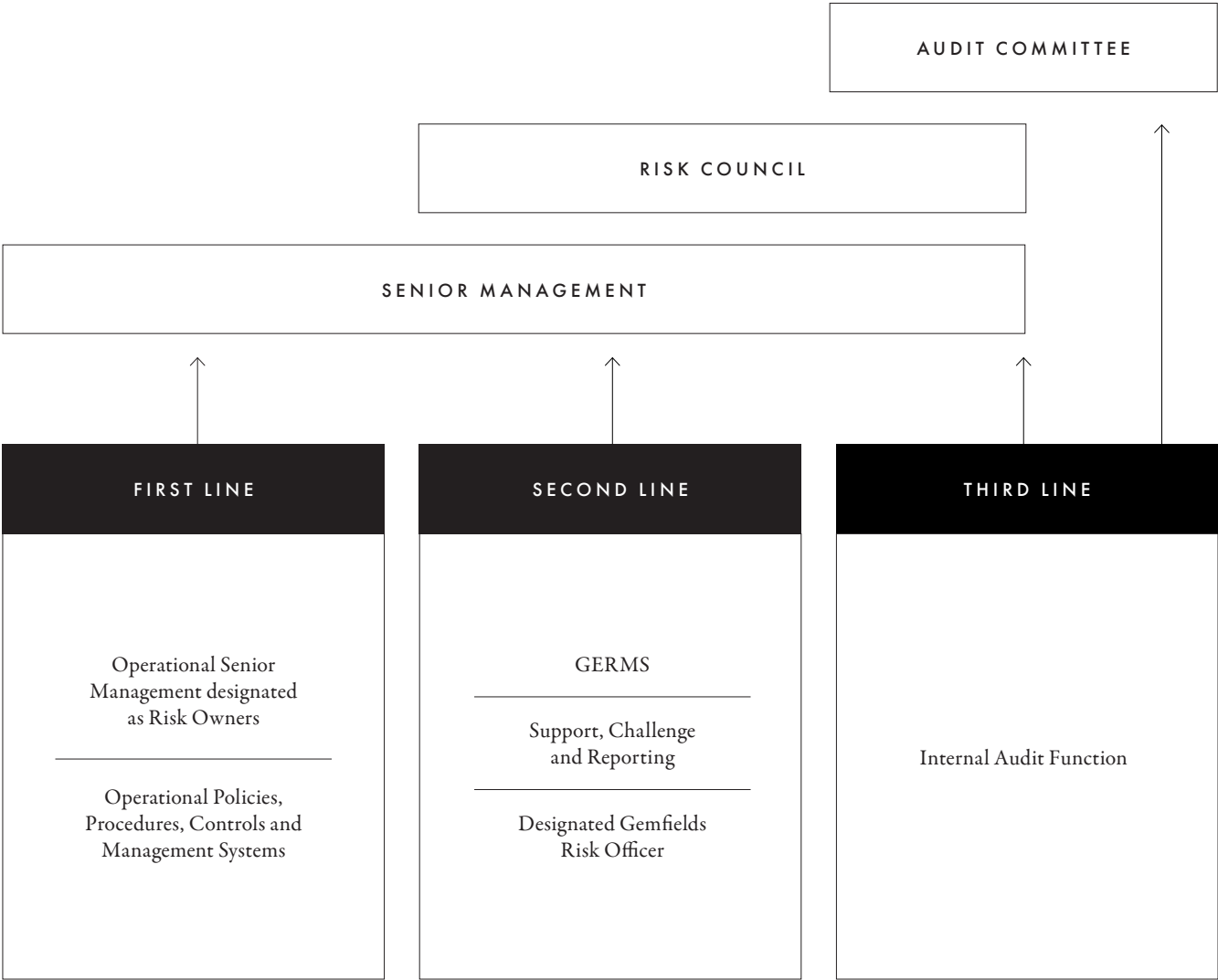


Risks and Uncertainties

Gemfields accepts that the sector in which it operates is one that contains a considerable variety of risks. Having a good understanding of the risks, and ensuring that we have sufficient levels of operational control in place to manage or capitalise from these risks, is critical to our continued growth and success. We have a well-established, integrated and functioning enterprise risk management system that has been developed internally over a period of time and is fully managed within the business without any external support. The following sections provide information on the risk framework and risk governance.

RISK MANAGEMENT FRAMEWORK

The Gemfields Board is the ultimate body responsible for the oversight of risk across the Group. This oversight is primarily provided at the strategic level. Risk management is operationalised through the management line using a ‘three lines’ model and as such a variety of assigned roles is provided to management and the business units to manage risks arising in each area of the Group. Information and considerations of risk flow between the three lines is outlined below.



FIRST LINE

Specific risks are assigned to the Group's operational senior management who is responsible for managing the risks through the introduction and maintenance of a range of operational controls, policies, procedures and management systems, within operational sites and functional areas.

SECOND LINE

The Group Head of Risk and Assurance has been designated as risk officer and facilitates the Gemfields Enterprise Risk Management System ("GERMS"). Risks are assigned to local risk owners (first line). The second line primarily supports the risk management efforts of the first line while also challenging risk ratings and mitigation measures. Corporate reporting on risks is a feature of the second line, and the Group's Risk and Ethics Council sits within the second line.

THIRD LINE

A Group-level internal audit function provides independent assurance on the effectiveness of governance, risk management and internal controls, including the first two lines of defence. The internal audit function is independent and reports functionally to the Chair of the Audit Committee. The diagram below demonstrates how the three lines interact with the relevant governance structures within the Company.

APPETITE STATEMENT

The Gemfields Risk Appetite Statement as approved by the Board is as follows:

Gemfields operates in a sector and locations that are inherently high risk. In particular, we are exposed to key macro-level risks such as the global economic outlook and political instability. More directly, risks such as geology, financing the expansion of operations and exploration sites, social licence to operate, safety, climate change, environmental compliance, security, and the demand for rough gemstones and jewellery are important factors affecting the Group's operations. We aim to balance a high inherent risk appetite against a low appetite for risks which will materially impact the business such as bribery, corruption or human rights risk. We will support this inherently high-risk appetite with a pragmatic level of investment, and policies and controls that are suitable for a business of our size. These policies and controls will facilitate growth and decisionmaking, support the entrepreneurial culture we value and help us drive an acceptable return on investment.



STRATEGIC RISK CATEGORY PROFILE

The performance of the Group's investments, primarily the extraction and sale of coloured gemstones, is fundamental to the Group's long-term commercial prospects. Before investing in the Group, prospective investors should consider the Group's strategic risk categories, which are described below. These have been considered by the Board as those most significant to the Group's strategy and long-term performance. The table below provides a description of each strategic risk category and the mitigations in place. The Board's rating of each strategic risk category, considered over a forward-looking period of six months to one year, is shown as a red, amber, or green rating to signify whether the risk is considered high, medium or low respectively. The movement of the Board's view of risk compared to the Board's view of the same principal risk in the previous period is also shown.

ONGOING INSURGENCY IN CABO DELGADO, MOZAMBIQUE

While military presence in northern Mozambique has increased stability in Cabo Delgado province, sporadic insurgent activity persists, though on a smaller scale than in 2023. Gemfields' Mozambican operations remain largely unaffected by the insurgency although security controls at the operations remains at a heightened level. Risks associated with the insurgency are not limited to a single strategic risk category. These risks primarily relate to 'Health, Safety and People Protection', 'Illegal Miners and Trespassers' and 'Security, Infrastructure and Asset Protection' but are not exclusive to these.

RISKS AND UNCERTAINTIES CONTINUED



STRATEGIC RISK CATEGORY	RISK DESCRIPTION	RISK MITIGATION
Communication, Reputation, Ethics¹ Risk rating: 	<p>Gemfields is publicly listed and has a distinctive and well-known brand identity. It is a high-profile operator in the industry both as a mining company and as owner of the jewellery brand Fabergé. The Company must uphold this identity while actively championing and communicating responsibly sourced coloured gemstones, low-impact mining and supply chain transparency in line with the Company's values. The Group's exposure to unethical practices such as bribery, corruption and security-related risk is high in its countries of operation. The Group's failure to be aware of such risks and manage these could erode reputation or contribute to legal or financial penalties, even if entirely unfounded and unproven.</p>	<ul style="list-style-type: none"> — Well-established head office functions such as communications, legal, risk and assurance, HR and teams at site level; — Extensive suite of policies and standard operating procedures established for the Group and replicated at site level; — Independent systems in place to handle ethics issues including internal whistle-blowing, internal and external grievances and incident, accident and near-miss reporting; — A strong tone from the top, instilling a culture of transparency and accountability to meeting internal policies and procedures and external regulations and laws; — Appointment of marketing and communications agencies to promote the Company; and — At our principal operations in Mozambique and Zambia, various industry brand partners conducted several audits and assessments, validating Gemfields' commitment and actions to champion responsibly sourced coloured gemstones.
Community and Social Risk rating: 	<p>The Group's operating mining sites in Africa require the continuous management of stakeholder relations to maintain a social licence to operate. Acceptance and support of a wide range of local community stakeholders most significantly includes the communities in and around operations. Failure to engage with stakeholders and create opportunities for long-term sustainable development around our operations may contribute to or exacerbate negative sentiment, tensions or at worst lead to strikes, disruptions or incursions to our operations. Long-term, these failures may undermine our ability to operate unhindered, regardless of the legal rights we may have.</p>	<ul style="list-style-type: none"> — Local community teams at site, specifically responsible for stakeholder relations, engagement and sustainable development projects; — Head office functions specialising in corporate responsibility, risk management, health, safety and policy; — Policies replicated with site-specific procedures that focus on community and sustainable development; — Grievance management systems to record and remedy community complaints, grievances and allegations; — Annual use of operational budget for investment in community projects; and — Emergency response and relief to community at times of crisis or weather-related disaster.

Change in risk rating key:



↑ Increasing ↓ Decreasing — No change

Level of risk:

● High risk ● Low risk ● Medium risk

STRATEGIC RISK CATEGORY	RISK DESCRIPTION	RISK MITIGATION
Environmental, Climate, Weather Risk rating: 	<p>The Group's operations cause impacts to, and are impacted by, the environment. Environmental, climate and weather-related risks arise in different ways both outside and inside the Group's control. Risks affecting the company include climaterelated extreme weather events (such as hurricanes or cyclones), unseasonal or extreme levels of rainfall and higher than average humidity and heat. Risks caused by the company's operation include water and waste management, greenhouse gas emissions, land-use changes and biodiversity impacts. The Company can be subject to compliance fines for failing to plan and operate in accordance with prevailing environmental laws. Failure to plan strategically for changing environmental laws may increase the Group's operating costs.</p>	<ul style="list-style-type: none"> — Contingency plans to respond to extreme weather emergencies; — Physical preparation and protection of site assets and mine plans in accordance with geology and effects of corrosion, groundwater and slippages; — Consideration for the realistic use of renewable energy and fuel-efficient measures at operations to reduce operating costs and use of fossil fuels; — External reporting to be transparent in the disclosure of greenhouse gas emissions; — Safety, health and environmental teams responsible for site operational environmental compliance, management plans and execution of projects; and — Introduction of integrated safety, health and environmental management systems.
Financial, Economic, Markets, Business² Risk rating: 	<p>The demand for gemstones may fall during times of economic uncertainty or hardship. Changes in the macro-economic environment may also result in creditors delaying or failing to pay the Company on time. Reduced sales resulting from an economic downturn can have an adverse effect on the profitability and cash flow of the business as experienced during the pandemic. The Company may need to go to the market to raise capital funds or debt, which may not be available on favourable terms. Failure to address falls in revenue or to stem the costs of production will result in the Group experiencing significant losses and the Group may be forced to curtail or suspend some or all of its capital projects and/or operations.</p> <p>The ongoing conflicts between Russia and Ukraine, and in the Middle East may have the undesired impact of increasing input costs like fuel and spares and may also have an adverse impact on the prices of our goods.</p>	<ul style="list-style-type: none"> — Proprietary grading system developed as a transparent and reliable system for the market to value gemstones; — Long-developed relationships with authorised auction partners; — Partnerships with luxury brands to market coloured gemstones to end consumers; — Active financial management and consideration by management of different financing options; — Ability to run sequential online mini auctions that offer an alternative sales platform to physical in situ auctions; and — Resilient financial modelling and risk processes to allow flexibility and ability to action any cash conversation or mitigate global economic woes.

RISKS AND UNCERTAINTIES CONTINUED

STRATEGIC RISK CATEGORY	RISK DESCRIPTION	RISK MITIGATION
Health, Safety and People Protection Risk rating: 	<p>A company operating in the resource extraction sector is exposed to a range of health and safety risks, and the protection of employees is an inherent feature of the mining industry. Employees are operating in often hazardous operational environments and at development sites that are more remote. They are also exposed to other safety and security risks. Failure to maintain adequate health, safety and security standards may result in a significant incident, a deterioration in safety performance and at worst the injury or death of employees.</p> <p>Lost time disruption to the mining operations can affect the ability of the Company to continue to produce efficiently.</p>	<ul style="list-style-type: none"> — Locally developed teams at site specifically responsible for HSE risk management and training; — Our principal operations in Mozambique and Zambia are staffed (internally and externally) by highly skilled and sophisticated Protection Services teams that provide high-quality security and protection services; — Development of integrated HSE management systems to meet international standards; — HSE measures, training and compliance against policies and procedures continuously reviewed and implemented with management support; — Internal system for reporting of incidents, accidents and near-misses; and — Security measures and systems are constantly reviewed and revised in order to minimise the risk.
Illegal Miners and Trespassers Risk rating: 	<p>Theft, as a result of both internal collusion and illegal mining, is an inherent risk factor in the gemstone industry. Organised criminals can exploit situations of poverty, creating indebted servitude. Artisanal miners can gain easy access to sites where physical barriers on large concessions are not viable and they operate without licences to illegally extract gemstones which would otherwise be retrieved and sold by the Company.</p> <p>This situation presents the opportunity for gemstones finding their way out of the country illegitimately and onto the black market. Failure to protect the site from this loss of gemstones from the licence area consequently impacts the profitability of the Company. Furthermore, the presence of illegal miners and security forces who protect the assets can contribute to security risks arising from the conflict of interest between illegal miners and the Company.</p>	<ul style="list-style-type: none"> — Security measures and systems are constantly reviewed and revised in order to minimise the risk; — Multi-layered security approach across our operations with a mix of internal and external providers working with the local police and security forces in each geography, technology and system; — Security measures constantly reviewed and implemented in order to minimise the risk; — Engaging local authorities, communities and security and police forces in seeking to protect the Company's employees, equipment and mining assets; and — Community relations and grievance management systems in place to record and remedy community relations issues.

Change in risk rating key:

↑ Increasing ↓ Decreasing — No change

Level of risk:

● High risk ● Low risk ● Medium risk

STRATEGIC RISK CATEGORY	RISK DESCRIPTION	RISK MITIGATION
IT, Digital and Data Risk rating: 	<p>The Group has complex communications infrastructure and IT systems between head office and the sites. Due to the locations in which the Group operates, these systems can be subject to attempted breaches, deliberate damage, outages and delays. The Group also has a proprietary database and IT system that is used as a combination of customer relationship management, online sales, inventory management, incident reporting system, employee data management and a depository for key company documents. Failure to protect the company from breaches of the security and communications systems can result in the loss of data and communications or simply weaken the security system requiring improvements to be made.</p>	<ul style="list-style-type: none"> — Well-established and experienced head office IT team; — Site-level IT functions responsible for implementation and management of IT risk at site level; — IT policies and standard operating procedures; — Multifaceted IT security system that undergoes continuous assessment and improvement; and — Adoption of cyber security standards and systems.
Legal, Legislative, Regulatory, Governance Risk rating: 	<p>Emerging markets are generally subject to greater risk and may be affected by legal and legislative changes. These may result in changes in legal requirements, mineral royalty rates, taxation policies or restrictions on the export of currency or gemstones, which may have a material adverse impact on the Company's operations or future development. Failure to prepare for renewal or continuance of appropriate surface and/or subsurface use contracts, licences, permits, regulatory approvals or consents may result in delays to the Group's operations, or in extreme circumstances, may require withdrawal.</p> <p>In addition, in the ordinary course of business, particularly given the industry the Group operates in, it will always be susceptible to legal actions and complaints on a wide range of issues.</p>	<ul style="list-style-type: none"> — Team highly experienced in operating in Africa; — Active and open engagement with the relevant Government bodies and ministries; — Regular reviews of commercial arrangements and regulatory requirements; — Internal controls, policies and procedures to ensure we can meet regulatory changes; and — External advice sought to supplement the skills and experience of our internal teams.

RISKS AND UNCERTAINTIES CONTINUED

STRATEGIC RISK CATEGORY	RISK DESCRIPTION	RISK MITIGATION
Mining, Geology and Processing³ Risk rating: 	<p>The Group's exploration and mining operations are dependent upon the grant, renewal or continuance in force of appropriate surface and/or subsurface use contracts, licences, permits, regulatory approvals and consents, which may only be valid for a defined period and may be subject to limitations. Geology of gemstone occurrences is relatively more complex, rendering it less predictable. It is not possible, for example, to predict the quality and quantity of gems in the host rock. Processing of ore can therefore be significantly affected, and the production of high-value gemstones can fluctuate, which has an effect on what can be sold at auction and therefore on revenue. Failure to retain data, knowledge and expertise regarding gemstone geology or adequately extract and process the ore will affect the Group's success.</p>	<ul style="list-style-type: none"> — A Group portfolio of projects and licence areas that carry a range of differing technical and commercial opportunities; — Assessment of a wide range of potential growth opportunities, from both the internal portfolio and external opportunities; — Retention of a vast body of historical data on gemstone mining to increase confidence levels in production; and — Team of highly qualified geologists and mine engineers at each site.
Organisation, Culture, Training, Succession, Employment Risk rating: 	<p>The Group's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Group must retain employees and attract additional highly qualified management and technical personnel. In addition, it must continue to put in place practices and systems for managing its people to encourage retention and lower employee turnover. Embedding a consistent culture across the Group ensures that all employees in the Company contribute to long-term success. Failure to continuously monitor and communicate with its people and improve the practices and systems in place for its people may result in loss of key personnel and knowledge for the Company.</p>	<ul style="list-style-type: none"> — Well-established head office HR function; — Site-level HR functions responsible for employment, culture, training at local level; — Use of recruitment companies to search for and engage high-quality talent; — Policies and standard operating procedures for employment contracts and protections including full unionisation where appropriate; — Employee relations and engagement with unions for negotiations of remuneration and benefits; and — Succession and retention plans for key positions.
Political, Government⁴ Risk rating: 	<p>Political instability, including changes in Government, may also result in a major disruption to the functions at state, provincial or district level Government. This can directly affect the Group's operations but also can result in civil unrest, labour disputes or the withdrawal or variation of existing agreements, mining licences and permits as resource management can be politicised. Resource nationalisation is a possibility in our countries of operation and pressure to hand back licences or parts of licences to the state is a risk that is monitored. Failure to engage with relevant Government departments can affect the Company's prospects in a range of ways and directly adversely affect operations.</p>	<ul style="list-style-type: none"> — Team highly experienced in operating in Africa; — Active and open engagement with the relevant Government bodies and ministries; and — Internal controls, policies and procedures to ensure we can meet regulatory changes.

Change in risk rating key:

↑ Increasing ↓ Decreasing — No change

Level of risk:

● High risk ● Low risk ● Medium risk

STRATEGIC RISK CATEGORY	RISK DESCRIPTION	RISK MITIGATION
Security, Infrastructure and Asset Protection Risk rating: —	Resource and asset protection is a significant challenge in remote areas. Protecting the Company is a constant activity for internal security with the support of third-party contractors and the police who investigate acts committed against the Company by both external and internal parties. Plant, equipment and consumables are all easily stolen or at risk of loss. Infrastructure may be deliberately damaged and sites can attract trespassers who enter the licence area. Failure to protect the site internally and externally with measures to protect assets or people can result in increased costs associated with replacement and repairs	<ul style="list-style-type: none"> — Security measures and systems are constantly reviewed and revised in order to minimise the risk; — Engaging local authorities, communities and security and police forces in seeking to protect the Company's equipment and mining assets; — Multi-layered security approach across our operations with a mix of internal and external providers working with the local police and security forces in each geography, technology and system; — Security measures constantly reviewed and implemented; and — Internal system for reporting of incidents, accidents and near-misses including security incidents.

- Gemfields actively engages with external stakeholders through a transparent approach, implementing wide-ranging improvement projects based on third-party industry audits. These initiatives enhance downstream confidence and reinforce Gemfields' position as the industry partner of choice.
- Gemfields is currently navigating a tight cash flow position due to inter alia, (1) lower-than-expected high-quality ruby production, (2) softer emerald market conditions, and (3) significant project expansion investments in Mozambique.
- High-quality ruby production from MRM throughout 2024 has been below expectations. Additionally, the suspension of mining activities at Kagem for the first half of 2025 (to preserve cash) will reduce expected emerald output from Zambia.
- Political instability in Mozambique affected MRM operations at the end of 2024, though signs of improvement have emerged in 2025. In Zambia, the government imposed a 15% export duty on precious minerals at the end of 2024 without industry consultation; however, this was later suspended.

OPERATIONAL RISK PROFILE OF THE GROUP

GERMS is the operational level management system for risk that sits within the second line yet is used and applied through all three lines. The system was developed by the Company and is hosted in G-TRAC (Gemfields' internal knowledge base system), granting access to those participating in the process, as well as any other staff members. Risk owners are assigned risks in GERMS and are responsible for continuously reviewing and updating their risks, controls and actions on a continuous basis as the risk landscape changes. These risks are reviewed by their line managers and local-entity Board members for their review and approval. GERMS aims to achieve an integrated view of all risks faced by the Group, assigning, inter alia, projects, events, incidents, accidents, near-misses, grievances, trainings and press/media releases to individual risks, thereby providing a realistic view of the operational risks at any given time. These risks are deliberated during the quarterly Risk Council meetings.

The diagram to the right is a summary of the operational risk profile of the Group, allocating the circa 500 specific risk ratings according to the combined likelihood and impact scores (which are rated 1–5 in ascending order of likelihood and impact, and then multiplied). By way of example, the diagram shows that at the end of the year there were 26 specific risks rated as very high (a total combined risk score of between 20 and 25), of which three have been rated as the very highest (a total combined risk score of 25). In contrast, 21 risks were rated with the lowest likelihood of occurring and lowest impact on the business (a total combined risk score of 1).

In total there are 68 risk types within GERMS, under the 12 strategic risk categories. These 68 risk types can then be applied to any of the Gemfields Group companies to create specific risks particular to those companies. The risk likelihood and impact scores of specific risks are reviewed by each risk owner on a continuous basis. By the end of the period, there were 517 specific risks across the Group and the GERMS system therefore also represents a consolidated risk register for the Group.

	LOW LIKELIHOOD				HIGH LIKELIHOOD			
HIGH LIKELIHOOD	2	0	4	14	6			
	2	4	17	38	16			
	6	28	60	68	9			
	5	36	58	60	4			
LOW LIKELIHOOD	26	16	12	16	10			
	LOW LIKELIHOOD				HIGH LIKELIHOOD			

Corporate Responsibility



*Delivering
positive impact
in Africa*

APPROACH TO CORPORATE RESPONSIBILITY

Gemfields is focused on delivering positive impact in Africa through gemstones, by seeking to improve the coloured gemstone supply chain and, in doing so, return more value to the host nations it operates in, primarily Zambia and Mozambique.

ESG AND ETHICS COMMITTEE ROLES AND RESPONSIBILITIES

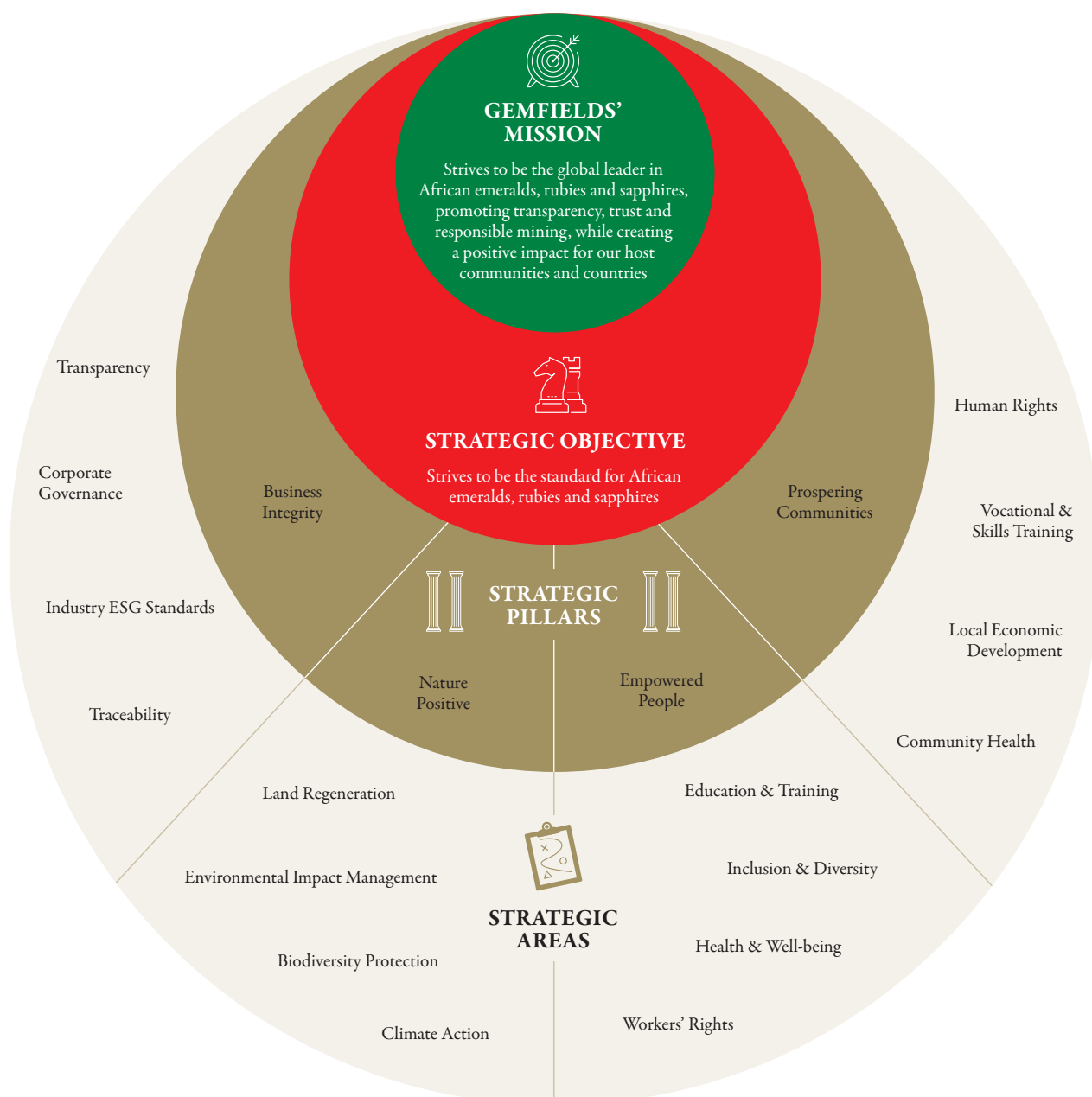
The committee comprises senior management from across the Group, with meetings held on a quarterly basis throughout 2024. Toby Hewitt, Group General Counsel and Company Secretary, is Chair of the committee. Both members of Group-level Corporate Responsibility ("CR") team are based in London with considerable travel to operations at Kagem and MRM to work with local CR teams in Africa and elsewhere.

ESG STRATEGY FRAMEWORK

Gemfields' ESG Strategy Framework, as approved by the Gemfields' Board in 2023, is set out below.

The Framework established four Pillars and 16 Strategic Areas. Gemfields and the CR Team, along with Management and HODs in London, Mozambique and Zambia uses these to define and establish a series of targets and KPIs (34 in total for 2024) to demonstrate adherence to the strategy. These are reviewed and monitored throughout the year and results are detailed in the Corporate Responsibility in Action section, alongside one highlighted KPI per each Pillar.

OUR RESPONSIBILITY AND SUSTAINABILITY FRAMEWORK



CORPORATE RESPONSIBILITY CONTINUED

Business Integrity

Aligning all operations
with suitable
industry standards

TARGET

Human Rights
monitoring and reporting.

KPI

Feasibility study on external
human rights reporting.

RESULT

Report completed and
authorised by the ESG
and Ethics Committee.





CORPORATE GOVERNANCE

In striving to comply with all applicable laws, regulations, and listing rules relating to integrity, Gemfields identified no material non-compliance in 2024. An annual statement is published on the Group's website to detail its compliance with the King IV Corporate Governance Code.

TRANSPARENCY

Gemfields' developed 'G-Factor of Natural Resources' continues to be a critical part of Gemfields' approach to transparency, beyond its approach to general reporting as a listed and quoted company. The 2024 G-Factor scores will be released in H1 2025 and shared with multiple stakeholders including the Governments of both Zambia and Mozambique.



TRACEABILITY

All of the emeralds and rubies sold through Gemfields' rough gemstone auctions can be fully traced from the customer back to the mine, with all gemstones added to an internet blockchain provided by Provenance Proof.

In 2024 Gemfields continued active participation in the Coloured Gemstone Working Group, a multi-stakeholder group established in 2015 uniting leading luxury brands and mining companies with a common interest in catalysing positive change in the coloured gemstones and jewellery industry. Advancing traceability solutions is one of the key pillars of the group's work.

INDUSTRY ESG STANDARDS

Work towards aligning Gemfields' mining projects with the Initiative for Responsible Mining Assurance ("IRMA") continues. The Group are aligning with IRMA, starting at MRM, before absorbing learnings for scaling to Kagem over time. The project has three main focus areas:

1. Improving risk-control through Management Systems
2. Streamlining due diligence processes and costs
3. Promoting community participation and transparency


In 2024, the focus was on establishing new systems and compiling evidence at MRM. In 2025, further work continues towards embedding management and enhanced monitoring systems, with an external audit to follow in due course.

CORPORATE RESPONSIBILITY CONTINUED

Nature Positive

Recognising our impact
on the environment

Managing operations to minimise our adverse impacts and enable the healthy functioning of surrounding ecosystems.

<p>TARGET – MRM</p> <p>Reduce diesel consumption in mining operations by increasing efficiencies in the operational use of vehicles at MRM.</p>	<p>KPI</p> <p>5% reduction in diesel used by unit rock handling vehicle fleet compared to 2023 by intensity (litres/tonne of rock handled).</p>	<p>RESULT</p> <p>In 2024, MRM achieved 5.04% reduction of diesel emissions compared to 2023 by intensity, achieving the KPI target. Total Diesel Emissions in Kt KGCO₂ 2024: 14.96 (2023: 15.76).</p>
<p>CLIMATE ACTION</p> <p>In line with Gemfields support of the TCFD/IFSR Foundation priorities to improve reporting of climate-related financial information, as well as criteria embedded with the IRMA Standard, the Group has developed a formal Emissions Policy, Emissions Strategy and is developing an Emissions Annual Plan template for 2025-2030. Individual plans are being developed at both MRM and Kagem.</p> <p> See data on Gemfields' ESG Disclosures with GHG emission disclosure on pages 75 to 77</p> <p>LAND REGENERATION</p> <p>Gemfields land regeneration efforts focus on reclaiming mined-out areas and returning them to their natural habitat, via the rehabilitation and the planting of trees. At MRM, by the end of 2024, 69% of mined-out areas have been reclaimed, ahead of the internal target of 50%. At Kagem, over 20,000 trees have been planted in disturbed land areas.</p>	<p>BIODIVERSITY PROTECTION</p> <p>Both mines commission biodiversity surveys annually and implement the resulting action plans, with MRM's survey focusing on the identification of rare species. Kagem focused on raising awareness of the negative impact of illegal charcoal production by , with 5 awareness campaigns completed in the year.</p> <p>Both Kagem and MRM have established relationships and work to support local conservation NGOs focusing on wildlife conservation and biodiversity. Kagem has made a 5-year pledge to the Zambian Carnivore Program, which was last renewed in 2023, and MRM supports Quirimbas National Park.</p>	<p>ENVIRONMENTAL IMPACT MANAGEMENT</p> <p>MRM prepared the methodologies and equipment to monitor dust, noise and rainfall, to better adherence to statutory requirements in 2024, with the installation expected in 2025.</p> <p>Gemfields' annual expectation of environmental non-compliances at its mining and exploration operations is set at zero. Both MRM and Kagem saw no environmental non-compliances in 2024.</p> <div><p>5%</p><p>Reduction of diesel emissions by intensity</p></div>

Empowered People

Promoting a safe, inclusive and supportive workplace

Striving to ensure all our people are treated with respect and have the support and tools they need to be safe and healthy in the workplace and contribute actively to the business.

TARGET – K A G E M

Implement an annual training plan to provide education and training for all workers.

K P I

Implement the approved training plan which goes 20% above statutory requirements.

R E S U L T

Training plan was implemented, and trainings 20% above statutory requirement were conducted.

INCLUSION & DIVERSITY

Gemfields is an inclusive employer, while acknowledging that those involved in its mining operations are primarily male and more can be done to break down barriers to attract women to work at MRM and Kagem (currently 7% and 4% female respectively).

As at 31 December 2024, 94% of employees at both MRM and Kagem are local to their respective countries, Mozambique and Zambia.

HEALTH & WELLBEING

MRM materially developed its health infrastructure in the year, with the existing clinic upgraded as an occupational health centre. Kagem focused on improving the knowledge of physical and mental health, delivering on-site campaigns for a range of diseases, with an event held in August 2024 attended by 521 employees.

EDUCATION & TRAINING

Upskilling the locally-based employees, providing educational opportunities for community members and developing skills helpful to the local community is key to improving society as a whole around MRM and Kagem. In Mozambique, 46 community members were trained while an additional 13 will complete their training by mid-2025. At Kagem an annual training plan was implemented to provide career development for all employees.

WORKER’S RIGHTS

Ensuring employees enjoy their right to a safe, harassment-free, inclusive and collegiate workplace culture is critical to Gemfields’ success and all group employees are inducted in all relevant workplace culture policies and procedures. At MRM 67% of the direct employees are unionised and no legal industrial action was taken in year. 98% of Kagem’s direct employees are unionised and with no participation by workers in any industrial action in 2024.

94%
Of employees are nationals of their respective countries

CORPORATE RESPONSIBILITY CONTINUED

Prospering Communities

Supporting local
economic development

Supporting our communities to improve their lives, and to build their capacity for enduring economic development.

TARGET – **MRM**

Improved trust and confidence within local communities through a fully operational and efficient Operational Greivance Mechanism (“OGM”).

KPI

OGM 2.0 will be functioning normally by the end of the year.

RESULT

OGM 2.0 has been functioning normally since August 2024. In late December 2024, community buildings in the villages near MRM were attacked and set on fire. The OGM building and various equipment was destroyed or looted. The OGM is currently functioning from a temporary location with a new space expected imminently.



TARGET – KAGEM	KPI	RESULT
Functional and accessible OGM accepted and used by local communities.	Resolution of all OGM claims received in 2024 by year-end.	<p>149 cases were received by the OGM in 2024. 144 were closed, leaving five active cases as at 31 December 2024.</p> <p>Two cases were referred to the Ombudsboddy for further investigation and mediation. One case is being handled by Kagem’s HR department after an investigation by Anuera (a third-party risk management and advisory organisation that works closely with Gemfields). The remaining two cases were closed in January 2025.</p>

LOCAL ECONOMIC DEVELOPMENT

Supporting local economic development, and leaving a lasting positive legacy, is a key part of Gemfields’ approach to Corporate Responsibility. MRM focused on income generation for members of the local community, with demonstration farming plots arranged to educate and maximise yields. Unfortunately, alongside the civil unrest in Mozambique in late 2024, a significant amount of seed, fertilizers and other assets that were due to be delivered to local communities were looted. Kagem delivered training to community members on organic farming and climate-smart agricultural techniques to all six Kagem-supported farming co-operatives.

VOCATIONAL & SKILLS TRAINING

By providing vocational education and skill training opportunities, Gemfields looks to incentivise local community members away from illegal mining. In Montepuez, the Wikhupuri classroom for 20 computers was built by MRM, but was lightly vandalized during the civil unrest in late 2024. In Zambia, the construction of the Chapula Polytechnic (formerly referred to as a Vocational Training Centre but upgraded by the Zambian Government in June 2024) commenced, with expected completion in 2025. The construction is also providing local employment with 69 out of 71 employees involved are Zambian.

HUMAN RIGHTS

In 2024, MRM restored the full functionality of its OGM, covering claims reception, investigation, mediation, remediation, and the implementation of remediation agreements within the 45-day period as outlined in the protocol. MRM also successfully concluded the symbolic payments, effectively closing OGM 1.0 and addressing historical cases. This transition marked the launch of OGM 2.0 in late 2023, and has been operating smoothly since August 2024.

Kagem’s OGM has not received any human rights grievances since its implementation and most of the contacts have been employment requests, requests for new community initiatives and requests concerning on-going projects. A total of 2,112 contacts have been received through the OGM to date.

COMMUNITY HEALTH

Beyond the support of employees and contractors at MRM and Kagem, Gemfields provides access to and the availability of health services for local communities. In 2024, MRM were able to provide the local communities access to MRM’s Mobile Health Clinics for 198 days. Kagem has been working towards the planned construction of a Lumpuma Health Clinic in 2025. Engagement with the local community and governmental officials are ongoing to progress the project.

Gemfields Foundation

Helping alleviate the effects of poverty in sub-Saharan Africa

Gemfields Foundation is the charitable arm of Gemfields, working independently to help alleviate the effects of poverty in sub-Saharan Africa.

In 2024, the Foundation's activity was modest, with a focus on attracting donations.

During the course of the year, one of Gemfields' Authorised Auction Partners visited Kagem emerald mine and donated USD25,000 to the Foundation for the provision of a sports facility. The team identified that a football field with running track would be best utilised by the students and local community, a site has been identified and work will begin in early 2025.

Fabergé pledged USD100,000 of the sale price of the Malaika Egg – an object celebrating Mozambican rubies – to Gemfields Foundation, restricted to funding projects in Mozambique, which it is providing to the charity in quarterly instalments. Several other private donations were generously made during the course of the year, providing unrestricted funds for future use.

The Foundation spent USD1,300 on the provision of food for children's meals and kitchen materials in Madagascar, following receipt of funding from a private donor and Gemfields' London-based staff. The Foundation also installed a playground at EPP Antanibe in Madagascar, funded by Gemfields' London-based staff, which has sparked an increase in class attendance rates at the school.

In 2025, the Foundation intends to find greater balance in fund raising and project realisation, as well as striving to identify on-going sources of funding.



ESG Disclosures

INTRODUCTION

Gemfields aims to follow responsible practices and demonstrate its commitment to Environmental, Social and Governance (“ESG”) issues by adhering to principles and standards that advance social and environmental goals and protect human rights.

GHG EMISSIONS – METRIC TONNES OF CARBON DIOXIDE EQUIVALENT (“TCO₂E”)

	2024	2023	2022 ¹
Gemfields London			
Scope 1 (Gas)	21	19	27
Scope 2 (Electricity)	27	30	22
Scope 3 (Business Travel)	744	708	503
Total	792	757	552
Kagem			
Scope 1	40,485	28,554	27,209
Scope 2	403	394	387
Scope 3 (Business Travel)	693 ¹	693	N/A
Scope 3 (Diesel consumption by 3rd parties)	83	149	81
Total	41,664	29,790	27,678²
MRM			
Scope 1	16,998	17,016	14,885
Scope 2	556	432	400
Scope 3 (Business Travel)	1,560	1,330	N/A
Scope 3 (Diesel consumption by 3rd parties)	2,467	46	–
Total	21,581	18,824	15,285
Other Mozambique			
Scope 1	1,629	1,537	1,381
Scope 3 (Business Travel)	65	61	N/A
Total	1,694	1,598	1,381
Group Total	65,730	50,970	44,895

1 Scope 3 (Business Travel) for Kagem in 2024 was not provided by third-parties on a consistent or timely manner, and was therefore includes 2023's figure as a proxy.

2 Scope 3 (Business Travel) was not disclosed or consistent on the same basis as in 2023 and 2024, and was therefore not included for all operations.

GHG EMISSIONS INTENSITY

INTENSITY TCO ₂ E/T ROCK HANDLED	2024	2023	2022
Kagem	0.002	0.002	0.002
MRM	0.003	0.002	0.002
Other Mozambique	0.005	0.003	0.003
Group Total	0.003	0.002	0.002

ESG DISCLOSURES CONTINUED

ENERGY MIX

	2024 (KWH)	%	2023 (KWH)	%
Kagem				
Solar energy consumption	112,666	2.8	63,422	1.7
Total power consumed through ZESCO	1,778,298	43.9	3,477,299	95.1
Total power consumed through diesel generators	2,157,956	53.3	113,987	3.1
Total power produced and consumed	4,048,920		3,654,708	
MRM				
Solar energy consumption	37,944	0.5	1,440	0.0
Total power consumed through EDM	5,100,755	67.2	3,964,465	57.5
Total power consumed through diesel generators	2,452,343	32.3	2,937,243	42.5
Total power produced and consumed	7,591,042		6,903,148	

The majority of grid supply from ZESCO and EDM is hydroelectric power.

WATER USAGE

FRESHWATER CONSUMPTION '000 M ³		2024	2023	2022
Kagem	Surface water	44.2	53.9	46.6
MRM	Groundwater	422.3	459.4	558.6
Total		466.5	513.3	605.2

No water stress was experienced at MRM and Kagem in 2024 (2023: None).

FRESHWATER CONSUMPTION M ³ /ROCK HANDLED		2024	2023	2022
Kagem water intensity		0.003	0.004	0.004
MRM water intensity		0.053	0.058	0.080
Total water intensity		0.018	0.023	0.030

UK STREAMLINED ENERGY AND CARBON REPORTING ("SECR")

GEMFIELDS GROUP ENERGY USAGE DISCLOSURE TABLE (2020 – 2024)		UNIT	2024	2023	2022	2021	2020	TOTAL
Gemfields Limited (UK)								
Electricity	MWh		132	143	113	54	68	510
Natural Gas	MWh		97	90	125	98	78	488
Kagem								
Diesel	MWh		141,286	110,095	99,404	74,325	24,488	449,598
Electricity ¹	MWh		1,778	3,477	3,418	2,787	1,925	13,386
Petrol	MWh		-	6.8	7.8	4.4	7.6	26.6
MRM								
Diesel	MWh		64,435	62,079	54,574	42,698	19,465	243,251
Electricity ¹	MWh		5,101	3,964	3,673	3,607	2,205	18,550
Charcoal	MWh		102	703	877	937	589	3,208
Other Mozambique sites								
Diesel	MWh		5,683	5,828	5,281	2,148	2,008	20,948
Charcoal	MWh		82.0	75.3	16.7	6.7	–	181
Total (Global)	MWh		218,695	186,462	167,490	126,666	50,834	750,145

1 Electricity usage data included in the table above relates to power consumed by Kagem from ZESCO and MRM from EDM.

METHODOLOGY

In accordance with the UK Streamlined Energy and Carbon Reporting ("SECR") framework, we have calculated our energy consumption for the UK and on a global basis. The reporting methodology and conversion factors used are the Greenhouse Gas Protocol and the UK Government's Greenhouse Gas reporting conversion factors for 2024 and prior years.

ACTIVITIES TAKEN ON ENERGY EFFICIENCY IN 2024

Activities to reduce fossil fuel consumption and improve energy efficiency in 2024 can be found within the Corporate Responsibility section of this report, available from page 70 under 'Climate Action'.

TCFD/IFRS Foundation Reporting

The Task Force on Climate-related Financial Disclosures (“TCFD”) aimed to improve and increase reporting of climate-related financial information to allow the market to better understand the impacts of climate change. It fulfilled its remit and as of October 2023 had been disbanded by the Financial Stability Board (“FSB”) that created TCFD in 2015. The FSB have asked the IFRS Foundation to take over the monitoring of the progress of companies’ climate-related disclosures.

TCFD has been used to inform the structure and focus of the Group’s reporting and disclosure on climate-related risks. Gemfields will adapt its disclosure and approach as TCFD is incorporated into the International Sustainability Standards Board’s (“ISSB”) IFRS Sustainability Disclosure Standards.

In 2023, the Gemfields Group identified key climate-related risks and commenced work to form a climate strategy and gather relevant historical emission data to incorporate emission analysis into financial planning.

In 2024, in line with the criteria embedded within the IRMA Standard, Gemfields has developed an emissions policy, ratified by the ESG and Ethics Committee, an emissions strategy and emissions annual plan template for 2025-2030. Work then commenced on specific emissions annual plans for both MRM and Kagem.

The purpose of these documents was to define and align on how we measure Green House Gas emissions across the Group and to unpack what steps can be taken to manage the overall intensity of our emissions; measured as CO₂e/tonnes rock handled.

For the short term (2025) efforts will be focused on analysis of existing data. The practical outworkings of any analysis in 2025 would help to inform work between 2026-2030.

In respect of the TCFD’s key recommendations, the table below outlines an updated response for this period to each aspect, with signposts to where other relevant information can be found elsewhere in the report.

TCFD THEME	TCFD RECOMMENDATION	GEMFIELDS GROUP RESPONSE
Governance	a) Describe the Board’s oversight of climate-related risks and opportunities.	<p>Climate change risk and opportunity is delegated from the Gemfields Board to the Risk Council which is a sub-committee of the Audit Committee. The Risk Council is chaired by an Independent Non-Executive Director. The CEO and CFO are permanent members of this Council, together with other senior management. The Board is duly updated by the Chair of the Risk Council on matters of a material nature that are raised within the Risk Council across climate change and the Group’s actions relating to it. The CEO, CFO and Group General Counsel may also provide management’s comments to the Board for further discussion.</p> <p>The Risk Council meets on a quarterly basis with a set agenda item to address any changes or updates to material risks for the Group. Material risks include those set as a principal risk within the Risks and Uncertainties section of this report. The relevant risk for climate-related risks and opportunities is ‘Environmental, Climate, Weather’ with further details available on page 61.</p> <p>It should be noted that this strategic risk is the lowest rated of all 12 strategic risk categories recognised within the Group’s principal risks and it is not perceived to have a material impact on Gemfields as a business within the next 3-6 months.</p>

TCFD THEME	TCFD RECOMMENDATION	GEMFIELDS GROUP RESPONSE
Governance	b) Describe management's role in assessing and managing climate-related risks and opportunities.	<p>Management takes a role in assessing climate-related risks by reviewing the operational risk register scores for environmental and climate risks. These risks are assigned to relevant risk owners and, as part of the GERMS, are monitored on a periodic basis, within the Risk Council cycle, in particular.</p> <p>Management is tasked with considering the types of projects that contribute to the Group's own GHG emissions mitigation activities, as well as carrying out assessments of the physical resilience of the Group's presence in countries that can be affected by climate-related risk (such as the increased likelihood of extreme weather events).</p> <p>Beyond the Group's reporting to the Risk Council, a Group ESG and Ethics Committee, made up of senior management across the business, meets quarterly. These meetings are used to collaborate and assess the performance of ongoing activities that relate to all ESG matters, including the Group's action on climate change. Should there be any relevant and material matters raised at the ESG and Ethics Committee, these are then escalated and reported to the Risk Council.</p>
Strategy	a) Describe the climate related risks and opportunities the organisation has identified over the short, medium and long term.	<p>Gemfields has established definitions of each time horizon, with short term being three years from previous annual reporting period (now 2024-2026), medium term ten years beyond short term (now 2027-2037) and long term from the completion of medium term out to 2050. These time horizons have been established to align with international climate commitments such as the Paris Agreement and Science Based Targets initiative (SBTi) and will roll on, each year. Although both Kagem and MRM have established life-of-mines plans, the time horizons set above have not been adjusted to be aligned. This is because life-of-mines change depending on the speed of mining and exploration, rather than being related to climate change risk and opportunities, and there is an expectation of upgrades in the future at both mines.</p> <p>Gemfields has completed an internal assessment of the risks and opportunities that the Group may face in each time horizon within two categories:</p> <ul style="list-style-type: none"> — 1) Climate-related risks as defined in the Group's Risks and Uncertainties report available on pages 58 to 65. — 2) Potential other climate-related risks that could be considered as having an impact on Gemfields. <p>1) The climate-related risks that were identified within the Group's Risks and Uncertainties report are within the 'Environmental, Climate, Weather' principal risk as shown on page 61. A number of climate-related risks that could impact the Group have been identified, which include:</p> <ul style="list-style-type: none"> — Extreme weather events (such as hurricanes or cyclones) — Unseasonal or extreme levels of rainfall — Higher than average humidity and heat

TCFD/IFRS FOUNDATION REPORTING CONTINUED

TCFD THEME

TCFD RECOMMENDATION

GEMFIELDS GROUP RESPONSE

Strategy

2) The potential other climate-related risks that could be considered as having an impact on Gemfields are:

— Water scarcity

— Increased energy costs

— Regulatory changes

— Reputation and social licence to operate

Each of the risks listed above that relate to weather across both categories could be seen as opportunities should climate change result in more favourable weather conditions for our operations. An example would be reduced rainfall or shorter rainy seasons, simplifying the mining operations during that period, as long as it does not result in water scarcity issues or other forms of disruption.

Here is a materiality table setting out the Group’s view on the likelihood and level of impact in which each risk and opportunity could result:

Climate related Risks	Short Term (2024–2026)		Medium Term (2027–2037)		Long Term (2038–2050)	
	Likelihood	Impact	Likelihood	Impact	Likelihood	Impact
Extreme weather events (such as hurricanes or cyclones)	Low	Low	Low	Medium	Medium	Medium
Unseasonal or extreme levels of rainfall	Low	Low	Low	Medium	Medium	Medium
Higher than average humidity and heat	Low	Low	Low	Medium	Medium	Medium
Water scarcity	Low	Low	Medium	Medium	High	Medium
Increased energy costs	Medium	High	High	High	High	High
Regulatory changes	Medium	High	High	High	High	High
Reputation and social licence to operate	Medium	High	High	High	High	High

Legend

Low

Medium

High

The possible financial impacts that may relate to these climate related risks are challenging to quantify, particularly for ‘Regulatory changes’ and ‘Reputation and social licence to operate’. Both are ongoingly mitigated against, beyond items related to the climate.

With ‘Increased energy costs’, it is noticeable how energy prices globally rose between 2022 and 2024. There are a number of factors behind this and climate change’s cost cannot be isolated.

Both ‘Energy costs’ and ‘Regulatory changes’ could result in higher costs for the Group, should the transition to greener energy be sped up. Should access to fossil fuels be restricted (and therefore their cost rise) before technology is available that can help replace fossil fuel consuming equipment, this could increase operating costs at both Kagem and MRM. The Group is actively exploring all options to move away from fossil fuel consuming equipment where possible.

TCFD THEME	TCFD RECOMMENDATION	GEMFIELDS GROUP RESPONSE
Strategy	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	<p>Climate change is referenced in the Group's risk appetite statement and is recorded together with environmental risk as one of the Group's principal risks (see page 58), Risks and Uncertainties, for full details of the Group's principal risks). However, the Group's Board of Directors currently rate environmental and climate-related risk as a low risk to the Group, primarily due to the time frame in which the Board is considering the status of these principal risks (between six months and one year).</p> <p>The Group recognises that, increasingly, investors and other stakeholders are interested in the Group's longer-term approach to climate risk and the impact that it may have on the Group's physical and financial resilience.</p> <p>The largest direct impact on business, strategy and financial planning that the Group faces is being prepared to continue operating in periods of extreme rainfall. Flooding in our pits can be an operational hazard as well as reduce the ability to successfully produce coloured gemstones. In Kagem, preparation begins before the rainy season to allow water to collect away from production points and to pump out excess water. Limited amounts of capital expenditure were used to add a second water pump in 2023 and this is considered alongside all other aspects of mining operations on an ongoing basis. In 2024, the additional water pump and more careful planning helped avoid significant pit flooding.</p> <p>In Mozambique, increased rainfall can attract more illegal miners to our licences, as it is easier to wash the gravel to expose rubies and corundum. The Group actively engages with the local community on illegal mining issues and aims to provide locals with employment.</p> <p>Gemfields' emission-related strategy is focused on three areas:</p> <ol style="list-style-type: none"> 1) Reduce <ul style="list-style-type: none"> — Optimize blasting techniques to reduce fuel use and emissions. — Implement energy management systems to optimize energy use and reduce peak demand. — Work with suppliers to improve energy efficiency and reduce emissions in the production and transportation of raw materials. 2) Replace <ul style="list-style-type: none"> — Replace diesel-powered trucks and equipment with electric alternatives. — Purchase electricity from renewable sources such as wind, solar, or hydroelectric power through power purchase agreements (PPAs). — Encourage the use of renewable energy across the supply chain. 3) Re-orient <ul style="list-style-type: none"> — Water Management Systems. — Climate-Resilient Infrastructure. — Enhanced Monitoring and Early Warning Systems. — Emergency Response and Contingency Planning.

TCFD/IFRS FOUNDATION REPORTING CONTINUED

TCFD THEME	TCFD RECOMMENDATION	GEMFIELDS GROUP RESPONSE
Strategy	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario.	<p>Gemfields has ambitions to undertake a climate scenario analysis by identifying relevant climate-related scenarios, including one consistent with a 2 °C or lower scenario. Any analysis would incorporate how resilient Gemfields' strategy is to the different climate scenarios, and how the strategy may be adapted accordingly based on the outcomes from the analysis, while considering the Group's life-of-mine plans.</p> <p>Relevant sources may be used to inform the Group's strategy under different climate-related scenarios, including: the IPCC Assessment Report 5 (IPCC, 2014)¹, the 2011 World Bank Climate Change Scenario report for Mozambique (obtained from the World Bank Climate Change Knowledge Portal https://climateknowledgeportal.worldbank.org/) and the 2020 First Biennial Update report for Zambia (https://unfccc.int/documents/267111).</p>
	a) Describe the organisation's processes for identifying and assessing climate-related risks.	<p>A description of the Group's approach to identifying and assessing all risks, including climate-related, can be found in 'Risks and Uncertainties' on pages 58 to 65 of this report.</p> <p>The Group's Board and management has identified and assessed climate risk at the strategic and operational level. The Group's Head of Risk and Assurance completed an assessment of climate-related risks in 2023, using the internal GERMS as set out in the response to Strategy (a) part of this section.</p>
Risk Management	b) Describe the organisation's processes for managing climate-related risks.	<p>Due to the physical nature and location of the Group's mining operations, there are relatively few options available (other than off-sets) to manage or strategically adapt to climate change, other than for more minor environment-related actions.</p> <p>Under the Group's new ESG strategy framework, under the pillar 'Nature Positive', it has described how steps have been taken at both Kagem and MRM to investigate ways to reduce our dependence on fossil fuels used in our operations, such as diesel, primarily focused on the establishment of a solar power plant at MRM. This is investigated because of the direct connection between fossil fuels and the negative impacts that can result from climate change. More details can see seen on page 70.</p> <p>Currently the technology is not available for alternatives to diesel for the yellow-goods equipment used on site in Kagem and MRM. As previously stated, the business prepares for strong rainfall each year through the rainy season to limit disruption. However, some extreme weather cannot be mitigated, such as flash floods or cyclones.</p>
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	<p>Climate change is one of the master operational risks assessed by the relevant operational risk owners on a periodic basis within the GERMS. Climate risk is reviewed over the same time horizon as other operational risks for the purposes of operational risk management. It is recognised that the timeframe is most likely too short to provide a meaningful risk-based assessment of identification or consideration of risks due to the long-term, chronic implications of the different climate change scenarios, with the recent assessment completed in 2023 a first step to consider longer-term risks.</p>

TCFD THEME	TCFD RECOMMENDATION	GEMFIELDS GROUP RESPONSE
Metrics and Targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>The Group captures and reports Greenhouse Gas (“GHG”) data on an absolute and intensity basis, and these are reported within this Annual Report on page 75.</p> <p>In addition, the Group reports GHG emissions by different entity and source. The Group also reports on water usage because of its importance at both processing plants at Kagem and MRM. Finally, the Group reports alongside the UK Streamlined Energy and Carbon Reporting requirements on page 77, which sets out the energy used across the mines.</p> <p>Internally, the Group actively assesses fuel usage to improve efficiency and reduce emissions where possible. Projects are live to reduce fuel usage, in particular the establishment of a solar power plant discussed on page 36. The Group also assesses fleet usage, including how this changes during periods of extreme weather and any impact it may have.</p>
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks.	<p>The Group’s GHG emissions data for Scope 1, Scope 2 and Scope 3 can be found on page 75.</p> <p>The Scope 3 business travel emissions data primarily involves expatriates returning to and from the mine during the off-periods and is expected to be the most material source of emissions. Initial data was collected in 2023 from suppliers to expand the scope of Scope 3 emissions, further collection in 2024.</p> <p>2020 was not a representative year for GHG emissions as Kagem and MRM were closed for the majority of the year due to the Covid-19 pandemic.</p>
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<p>Gemfields has an ambition to determine targets aligned with TCFD recommendations, primarily focusing on greenhouse gas emissions and a broader emissions strategy. Any Group-level targets are expected to be based on CO₂ equivalent per tonnes of rock handling, as the diesel used by our yellow-goods equipment is the largest contributor to the Group’s direct emissions.</p> <p>The setting of targets is subject to relevant detailed studies being completed (climate change scenarios under short-, medium- and long-term time frames, identification, assessment and management of risk in different contexts, the financial investments and implications required). For now, the GHG report provides a breakdown of the Group’s contribution to climate risk via its own emissions with an ambition to incorporate emission analysis within future budgeting.</p> <p>The Group’s current focus for setting targets to manage climate-related risks and opportunities is incorporated within the ESG KPIs the Group has established from 2023 onwards. In total, 34 KPIs/targets were set in 2024 across a broad range of ESG areas, with two specifically linked to GHG emissions and our mitigation of or adaptation to climate change. The set of KPIs that the Group will assess in 2025 is being currently developed and will be refined to ensure their ongoing relevance.</p>

3

Governance

A commitment to robust corporate governance

Board of Directors	86
Chair's Introduction	90
Corporate Governance Report	91
Nomination Committee Report	95
Audit Committee Report	96
Remuneration Committee Report	98
Directors' Report	106

Board of Directors



Bruce Cleaver (59)

NON-EXECUTIVE CHAIR

SKILLS AND EXPERIENCE:

Bruce Cleaver was Chief Executive of De Beers group, the world's largest diamond business, from 2016 to early 2023, and thereafter he was the Chair of De Beers for a further year. During his time as CEO, Mr Cleaver was also a member of the Anglo American plc Group Management Committee.

In this time, De Beers was transformed into a consumer facing, technology-led vertically-integrated business, with a strong focus on safety, sustainability and innovation. During his appointment as CEO, De Beers significantly improved its safety record, brought a number of new mines on stream, made sustainability a core part of the business, launched Lightbox as a response to lab grown diamonds, and created the first fully distributed diamond blockchain.

Mr Cleaver was a director of De Beers from 2008 onwards, responsible at different times for exploration, strategy, corporate affairs and commercial matters. Prior to this, he was a corporate partner at Webber Wentzel, Africa's largest law firm, and worked in corporate finance for 4 years.

Mr Cleaver is a British and South African citizen.

COMMITTEE MEMBERSHIP:

N



Sean Gilbertson (52)

CHIEF EXECUTIVE OFFICER - EXECUTIVE DIRECTOR

SKILLS AND EXPERIENCE:

Sean Gilbertson was a co-founder of the Pallinghurst Group in 2005 and held responsibility for its coloured gemstone strategy from 2006 to 2017. After the unbundling of the group in 2017-2018, Mr Gilbertson was appointed CEO of Gemfields Group Ltd and is CEO of Gemfields Ltd, Kagem Mining Ltd, and Chairman of Fabergé Ltd, on whose boards he has served for over a decade.

In 1998, Mr Gilbertson co-founded globalCOAL, a company that played a central role in the commoditisation of the thermal coal industry, and was appointed CEO in 2001, when the business was acquired by industry players, including Anglo American plc, BHP Billiton plc, Glencore International AG and Rio Tinto plc. He was co-founder of the pioneering Spectron eMetals trading platform for category I and II members of the London Metals Exchange.

Mr Gilbertson graduated as a mining engineer from Wits University in South Africa, having spent time in the country's deep-level gold and platinum mines. He was a project financier for Deutsche Bank in Frankfurt and London, specialising in independent power projects and public-private partnerships.

Mr Gilbertson is a British and South African citizen.

COMMITTEE MEMBERSHIP:

—



David Lovett (42)

CHIEF FINANCIAL OFFICER – EXECUTIVE DIRECTOR

SKILLS AND EXPERIENCE:

David Lovett joined Gemfields as Group Financial Controller in 2008, taking the role of CFO in 2017. He has acted as a senior financial manager across a number of Gemfields' operating subsidiaries during his 16-year tenure and has a thorough understanding of the Group's activities. Mr Lovett oversaw the acquisition of Fabergé in 2013, the transition from Pallinghurst to Gemfields Group in 2017-2018, and the listing of Gemfields Group Ltd on the London Stock Exchange's Alternative Investment Market (AIM) in 2020. He leads the financial reporting for the company's listings across the JSE and AIM, as well as overseeing Group IT and HR functions. Mr Lovett is a director of Gemfields, MRM and Fabergé, as well as various subsidiary companies within the Group.

Mr Lovett worked across advisory and tax services at Grant Thornton in the UK, becoming a chartered accountant with the Institute of Chartered Accountants in England and Wales (ICAEW). He graduated from Birmingham University's Business School with a Bachelor of Commerce in Economics and Marketing.

Mr Lovett is a British citizen.

COMMITTEE MEMBERSHIP:

—

Committee Membership:

- Ⓐ Audit Committee Member
- Ⓡ Remuneration Committee Member
- Ⓝ Nomination Committee Member
- Ⓡi Risk Council Member
- Committee Chair



Kwape Mmela (54)

LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

SKILLS AND EXPERIENCE:

Dr Kwape Mmela joined Gemfields' board (formerly Pallinghurst Group) in 2017. He is the founder and chairman of ShepherdTree Holdings Ltd and Hlamogolo Capital (Pty) Ltd, which are his family investment vehicles.

With over 20 years of experience in South Africa's public and private sectors, Dr. Mmela contributed to drafting the celebrated South Africa's post-apartheid Constitution and then worked with the Land Claims Commission to address the historical black land dispossessions in the country. He served nearly a decade as a director at Sedibelo Platinum Mines Ltd and founded Moepi Group (Pty) Ltd, which later became Sedibelo's Black Economic Empowerment partner.

A member of the Institute of Directors South Africa, Dr Mmela is also actively involved with various non-profit organisations across the SADC region.

Dr Mmela is a South African citizen.

COMMITTEE MEMBERSHIP:

- Ⓐ
- Ⓝ
- Ⓡ

BOARD OF DIRECTORS CONTINUED



Mary Reilly⁽⁷¹⁾

INDEPENDENT NON-EXECUTIVE DIRECTOR

SKILLS AND EXPERIENCE:

Mary Reilly has over 30 years' international experience as a chartered accountant and a partner in Deloitte, working across multiple sectors and disciplines including luxury retail, manufacturing, business services, financial services, corporate governance and the public sector. Since retiring from Deloitte, Ms Reilly has held a portfolio of non-executive directorships, where she has chaired several Audit and Risk Committees.

Ms Reilly's current portfolio includes appointments as non-executive director for Mitie plc, a prominent facilities management and professional services company, and non-executive director for Essentra plc, a global FTSE 250 company and a leading provider of essential components and solutions. Among her charitable interests, Ms Reilly is a Trustee of the People's Dispensary for Sick Animals ("PDSA").

Ms Reilly's past appointments include chairing the London Development Agency, the CBI London Regional Council, and the Finance and Audit Committee of London 2012, the organisation that brought the Olympics to London.

Ms Reilly became Chair of Gemfields' Audit Committee from 1 April 2024, replacing Carel Malan.

Ms Reilly is a British and Irish citizen.

COMMITTEE MEMBERSHIP:



Simon Scott⁽⁶⁷⁾

INDEPENDENT NON-EXECUTIVE DIRECTOR

SKILLS AND EXPERIENCE:

Simon Scott has over 25 years of experience in the mining industry, most recently serving on the board of AngloGold Ashanti Holdings plc, a global gold mining company (2019 – 2024). He is currently a non-executive director of First Quantum Minerals Ltd, a global miner of copper, nickel and gold that is listed on the Toronto Stock Exchange, and a non-executive director of Sylvania Platinum Ltd, a platinum-group metal producing company that is listed on the London Stock Exchange's Alternative Investment Market.

From 2010 – 2016, Mr Scott was CFO of Lonmin plc, a London Stock Exchange listed mining company, also acting as CEO between 2012 and 2013. Beforehand, he was CFO of Aveng Limited, a Johannesburg Stock Exchange listed construction company that provides products and services to the mining industry. Mr Scott held a variety of senior management positions in Anglo American Platinum Ltd, including as acting CFO, and served as CFO Southern Africa for JP Morgan Chase.

Mr Scott is a chartered accountant and holds degrees in both accounting and commerce from the University of the Witwatersrand in South Africa.

Mr Scott is a British and South African citizen.

COMMITTEE MEMBERSHIP:





Patrick Sacco (47)

NON-EXECUTIVE DIRECTOR

SKILLS AND EXPERIENCE:

In 2003, Patrick Sacco joined the Assore group in Ore and Metal Co Ltd (a wholly owned subsidiary of Assore Holdings Ltd, AHL), serving as its chairman from 2019 – 2023. He was appointed as a director of Assmang Ltd, a joint venture between AHL and African Rainbow Minerals in 2008.

Mr Sacco became a director of AHL in 2016, then deputy CEO in 2019 before being appointed as its chairman in 2023. In 2016, Mr Sacco was also appointed as director of Oresteel Propriety Ltd, the ultimate holding company of AHL.

In 2020, Mr Sacco moved to the UK as managing director of Assore International Holdings Ltd (AIHL), a new wholly owned subsidiary of AHL, to build a marketing and investment subsidiary. He was appointed as AIHL's executive chairman in 2023.

Mr Sacco served on the supervisory board of the International Manganese Institute (IMnI) from 2012 – 2016, and on its executive board from 2016 until he was elected as chairman in 2021 until 2024. Mr Sacco also served on the board of the REACH Manganese Administration (MARA) consortium between 2016 – 2021 when he was elected to chairman until 2024.

Mr Sacco is a South African citizen.

COMMITTEE MEMBERSHIP:

(R)

Committee Membership:

- (A) Audit Committee Member
- (N) Nomination Committee Member
- Committee Chair
- (R) Remuneration Committee Member
- (Ri) Risk Council Member



Kieran Daly (55)

NON-EXECUTIVE DIRECTOR

SKILLS AND EXPERIENCE:

Kieran Daly specialised in investment banking and equity research for more than 10 years at UBS, Macquarie and Investec prior to joining the Assore group in 2018. He holds the position of Executive: Growth and Strategic Development, as well as Managing Director of Assore International Holdings Ltd, and director of Assore Holdings Ltd.

Mr Daly became a Permanent Alternate to Mr Sacco during November 2021, before becoming a full member of Gemfields' Board of Directors in July 2024. He is also a non-executive director of AIM/ASX-listed Atlantic Lithium Ltd and TSX-listed Marimaca Copper Corp.

The first 15 years of Mr Daly's mining career was at Anglo American plc's Coal Division (Anglo Coal) in a number of international roles including operations, sales and marketing, strategy and business development. Among his key achievements are leading and developing Anglo Coal's marketing efforts in Asia, and marketing to steel industry customers globally, as well as taking the position of Global Head of Strategy in 2007.

Mr Daly holds a BSc Mining Engineering from Camborne School of Mines and an MBA from Wits Business School.

Mr Daly is an Irish citizen.

COMMITTEE MEMBERSHIP:

—

Chair's Introduction



DEAR SHAREHOLDERS,

Strong corporate governance is fundamental for ensuring our Group's values of transparency, legitimacy and integrity flows throughout our operations. It provides a structure that empowers the Board to oversee management, safeguard shareholder and stakeholder interests, and foster value creation. This commitment to robust corporate governance underpins our efforts to maintain the highest standards of integrity and responsible business practices.

BOARD COMPOSITION

A Board should represent a diverse range of expertise, backgrounds and experience, providing impartial oversight in accordance with its Charter.

As part of the Group's commitment to good governance, 2024 saw a number of key Board changes with Martin Tolcher (Chairman), Lumkile Mondi (Lead Independent Director) and Carel Malan (Non-Executive Director) leaving the Board as of 30th June 2024. Martin and Lumkile departed the Board following longstanding tenures and having informed shareholders that they had entered their respective final terms in office. Carel departed to focus on his role at Ore & Metal Company Ltd, a 100% subsidiary of Assore Holdings.

Martin, Lumkile and Carel have all provided invaluable contributions to the Company and I would like to sincerely thank them for that.

"A commitment to robust corporate governance underpins our efforts for responsible business practices."

Following a broad search instigated by the Nomination Committee, I was pleased to join the Board of the Company on 1 July 2024 as Chairman, alongside Kieran Daly and Simon Scott as Non-Executive Directors. Simon sits as an independent Non-Executive Director.

REMUNERATION

Incentivising our Executive Directors and key employees remains the focus of the Remuneration Committee. In the light of the working capital challenges which the Group has encountered during the reporting period, the Board and a number of senior leadership team volunteered to take temporary pay reductions to support the cost savings efforts being made across the business. I, along with the Remuneration Committee, deeply appreciate this sign of solidarity.

The Group will consider re-initiating its LTIP scheme in 2025 with an award following the completion of the Proposed Rights Issue, to ensure the management team, who in many cases have unique skills and experience, are incentivised to maintain with the business over the long-term and achieve targets set to benefit shareholders.

LOOKING AHEAD

The Board will continue to strive to maintain best practices in corporate governance whilst setting an example for the rest of the Group.

In the light of the recent difficulties facing the Group, a Board strategy review session is being planned for H2 2025.

Corporate Governance Report

APPROACH TO CORPORATE GOVERNANCE

This Corporate Governance Report explains how the Group adheres to the mandatory requirements relating to corporate governance through the Group's position as a listed company on both the JSE and on AIM. Beyond the JSE Listings Requirements and the AIM Rules for Companies, the Group adheres to the principles of King IV on an apply-and-explain basis. A register of how the Group complies with the principles of King IV (the King IV Register) is maintained on the Company's website, www.gemfieldsgroup.com.

This details how compliance with each separate principle has been achieved and is updated on an annual basis. The Board is satisfied that the Group predominantly complies with the principles and recommendations of King IV. The Board is also satisfied that the Company complies with The Companies (Guernsey) Law, 2008 and the Company's Articles of Association.

BOARD RESPONSIBILITIES

The Board's responsibilities include providing strategic direction and overseeing the performance of the Group, including evaluating potential acquisitions and divestments. The Board is also responsible for determining policies and procedures that seek to ensure the integrity of the Group's risk management and internal controls, for implementing and maintaining the Group's communication strategy, and for ensuring the integrity and effectiveness of the Group's governance processes.

BOARD COMPOSITION

King IV recommends that a Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively. There are eight Directors on the Board, of whom six are Non-Executive Directors. Four of the Non-Executive Directors are independent.

As Chair until 1 July 2024, Mr Tolcher served on the Board for a tenure of more than ten years. In 2023 he notified shareholders that he would not seek another term as Chair and following the conclusion of a broad search for a replacement, he duly resigned on 30 June 2024.

Mr Cleaver joined the Board as Chair on 1 July 2024. As Mr Cleaver has no significant interests in the Group and his remuneration is in line with the market level of remuneration for a non-executive chair for a company such as Gemfields, the Board has concluded that he is classified as an independent Non-Executive Director and should remain so for the foreseeable future. The other members of the Board believe that the Chair's wealth of knowledge and experience means that he is best placed to provide overall leadership to the Board. Mr Cleaver also became Chair of the Nomination Committee, due to Mr Mond's resignation from the Board and from the Chair of that Committee effective 30 June 2024.

From 1 April 2024, Mr Malan was not considered as independent, due to his new permanent role at Ore & Metal Company Limited, a subsidiary of Assore Holdings. He resigned from the Board on 30 June 2024 in order to focus on that role. Mr Malan resigned his role as Chair of the Audit Committee on 31 March 2024 due to the change of his classification to a non-independent. From the 1 April 2024, Ms Reilly assumed the Chair of the Audit Committee.

As from 1 July 2024, Mr Mmela and Mr Scott were appointed to the Audit Committee, in addition to Ms Reilly, ensuring that there were three independent Non-Executive Directors on the Committee.

Mr Daly, who joined the Board on 1 July 2024 as a full member having previously serving as Mr Sacco's Alternate is not deemed independent in the context of King IV, together with Mr Sacco, as a result of representing the Group's largest shareholder, Assore International Holdings, which has a shareholding of 29.14% as at 31 December 2024.

Mr Scott joined the Board on 1 July 2024, and has been also deemed as independent due to having no significant interests in the Group. Mr Scott joined the Audit Committee and became Chair of the Risk Council at the same time.

On 1 July 2024, alongside the other Board changes, Mr Mmela became the Company's Lead Independent Non-Executive Director ("LID"), following the resignation of Mr Mond. His main responsibilities are to chair any meeting in which the Chair is not able to participate and to give stakeholders a point of contact separate from the Executive Directors.

A review of the independence of the Non-Executive Directors will continue to be undertaken each year by the Board.

The roles of the Chair and the Chief Executive Officer are formalised and clearly defined. This creates a balance of power and authority and means that no individual is able to exercise unrestricted power. King IV recommends that the Board should be led by an independent Non-Executive Chair who should not be the Chief Executive Officer of the Company. The offices of Chair and Chief Executive Officer are separate.

CORPORATE GOVERNANCE REPORT CONTINUED

DIVERSITY POLICY

When considering the balance of the Board, or the nomination of new members, or the appointment of Executive Directors, the range of skills, knowledge, experience and diversity of the existing incumbents is taken into account, including gender and race. The Company seeks to promote diversity at Board level, although it does not set targets in respect of race, age, sexual orientation or gender when making appointments to the Board. The key factors considered are those that will result in the appointment of the best-qualified individuals who can best serve the interests of all the stakeholders of the Company.

The Nomination Committee helps to ensure that the Board has the right balance necessary to carry out its responsibilities in keeping with robust standards of governance.

EXECUTIVE DIRECTORS

The Executive Directors, Mr Sean Gilbertson (CEO) and Mr David Lovett (CFO), are responsible for the implementation of the Group's strategy and for management of the Group. The Executive Directors often act as Directors of the Group's subsidiaries. For example, Mr Gilbertson and Mr Lovett are Executive Directors of Gemfields and Fabergé and a number of other subsidiaries in the Group. The Executive Directors attend each of the Company's Board meetings.

BOARD MEETINGS

Board meetings are scheduled on a quarterly basis each year in order to consider the Group's strategy, performance, operations and other issues. Additional Board meetings may be convened on an ad hoc basis. Directors endeavour to be present at Board meetings and to participate fully, frankly and constructively. Matters are decided at Board meetings by a majority of votes. In the case of an equality of votes, the Chair has a second or casting vote. Four quarterly Board meetings were held during 2024, as well as an additional Board meeting in October 2024, to discuss the Group's strategic and financial options amid the weaker than expected revenue outlook.

Attendance at board meetings

Below is a list of the Directors and their attendance record in respect of the scheduled meetings of the Board and, where they were members thereof, its committees during 2024:

	BOARD	AUDIT	REMUNERATION	NOMINATION
Mr Bruce Cleaver (from 1 July 2024)	3/3 ¹	2/2 ²	2/2 ²	1/1
Mr Sean Gilbertson	5/5	n/a	n/a	n/a
Mr David Lovett	5/5	3/3 ³	n/a	n/a
Mr Kwape Mmela	5/5	2/2 ¹	4/4	7/7
Ms Mary Reilly	5/5	3/3	4/4	n/a
Mr Simon Scott (from 1 July 2024)	3/3 ¹	2/2 ¹	n/a	1/1 ¹
Mr Patrick Sacco	5/5	n/a	4/4	n/a
Mr Kieran Daly (from 1 July 2024)	3/3 ¹	n/a	n/a	n/a
The following members left the Board on 30 June 2024				
Mr Martin Tolcher	2/2	n/a	n/a	3/3 ²
Mr Lumkile Mondli	2/2	1/1	2/2	6/6
Mr Carel Malan	2/2	1/1	n/a	6/6

¹ Joined committee on 1 July 2024.

² Invited as observer.

³ Invited as contributor.


Attendances set out above include attendance in person or by remote access.

Board committees

The Board has established certain committees to assist in discharging its responsibilities. Reports from the Audit Committee, Remuneration Committee and Nomination Committee are included in this Annual Report.

The Company does not currently have a Social and Ethics Committee as historically the nature and size of the Company has made such a committee unnecessary but instead has established the Risk Council, which was chaired by Ms Mary Reilly until 1 July 2024, from when Mr Scott became Chair. Its principal purpose is to monitor current and emerging strategic, operations and ethical risks and challenges facing the Group. It has its own terms of reference, and its members are made up of a cross-section of senior Group employees. The Risk Council meets quarterly, and it reports to the Audit Committee. When the Audit Committee does not meet, the Risk Council reports to the Board.

Separately, and recognising that the importance of environmental, social and governance (“ESG”) matters to the Group, an ESG and Ethics Committee (“ESG Committee”) was established in 2022, comprising senior management from around the Group and chaired by Mr Toby Hewitt, Group Legal and Corporate Affairs Director. Meetings are held quarterly.

 Please refer to the Corporate Responsibility and ESG Disclosure on pages 66 to 83 for further information on the Group's ESG strategy and approach.

In November 2024, the Group established a Disclosure Committee, chaired by Ian Hughes, Head of Investor Relations and Corporate Development, with the CEO, CFO, Company Secretary and Adrian Banks, Managing Director of Product & Sales. The terms of reference for the committee set out the circumstances in when the Committee would meet, primarily to assess and agree the disclosure of price sensitive information, alongside the guidance of the Company's Nominated Adviser (“NOMAD”), Panmure Liberum and JSE Sponsor, Investec.

In March 2025, an independent committee was established, consisting of all Board members except the shareholder representatives from Assore International Holding, Mr Sacco and Mr Daly. This was to establish the terms of sharing certain information between the Board, in light of the discussions with Assore to underwrite a Proposed Rights Issue, which was announced on the same date as the publication of this Annual Report (11 April 2025).

CHIEF INFORMATION OFFICER

King IV recommends that the Board should govern technology in a way that supports the Company in setting and achieving its strategic objectives. The Board is collectively responsible for information technology (“IT”) governance. Mr Dewald Blom is the Group's Chief Information Officer, having been appointed on 6 December 2018.

ROTATION OF DIRECTORS

The Company's Articles of Incorporation specify that one-third of the Non-Executive Directors shall retire from office at each AGM, by rotation. Any Director appointed since the previous AGM also retires from their office. However, a retiring Director can be re-elected at the same AGM and, if re-elected, is deemed not to have vacated their office.

Mr Cleaver, Mr Daly and Mr Scott were all appointed to the Board since the Company's last AGM and shall therefore retire from office to seek re-election at the 2025 AGM.

COMPANY SECRETARY

Following Board approval, Mr Toby Hewitt, Group Legal and Corporate Affairs Director, was appointed as Company Secretary on 27 September 2018. Mr Hewitt is supported by Mourant Governance Services (Guernsey) Limited (“Mourant”) and the Company's in-house legal and company secretarial team. The Company Secretary and the Board also engage external legal counsel and other advisors as necessary.

The Company Secretary presents the Board with a governance update at each scheduled meeting. The update usually includes corporate, legal and ESG issues, such as compliance with the UK Bribery Act, the JSE Listings Requirements and the AIM Rules for Companies. Other issues are raised as appropriate. The Company Secretary also considers non-binding codes, rules and standards, assesses the impact thereof, and recommends a suitable course of action to the Board. The Board takes responsibility for deciding whether to follow the recommendations of the Company Secretary and for ensuring compliance with applicable laws.

The Board is required to consider and satisfy itself on an annual basis of the competence, qualifications and experience of the Company Secretary (as a consequence of the Company's JSE listing). The Board believes that it is best served by employing Mr Toby Hewitt as Company Secretary, who has access to support from Mourant and external legal counsel and other advisors, as necessary. The Board is satisfied that the Company Secretary has the requisite competence, qualifications and experience to carry out the required responsibilities.

RISK MANAGEMENT

The Directors are responsible for the Group's system of internal controls, which is designed to provide reasonable assurance against material misstatement and loss. The Group's system of internal controls is also designed to provide assurance on the maintenance of proper accounting records, and on the completeness and accuracy of financial information used by the Board for decision-making and provision to shareholders. The internal control system includes the following elements:

- Risk Registers, which are monitored and updated on an ongoing basis;
- An organisational structure and division of responsibilities; and
- Policies, procedures and systems for monitoring controls.

As mentioned earlier, the Risk Council is a subcommittee of the Audit Committee and was established in December 2019.

CORPORATE GOVERNANCE REPORT CONTINUED

INVESTMENT VALUATIONS

The Directors are collectively responsible for the estimation of the fair value of the Group's investments in each reporting period. The valuation of each investment as determined by the Directors has been prepared using a methodology and approach which is reasonable and compliant with the concept of fair value under IFRS.

CORPORATE RESPONSIBILITY AND ESG

The Directors recognise the importance of corporate responsibility. The Company has an integrated corporate responsibility and ESG strategy framework, with initiatives across the Group. Where possible, the Board also uses its influence on the Group's subsidiaries to ensure that independent assurance is provided on their corporate responsibility and ESG reporting. However, a wholly separate public corporate responsibility report is not produced by the Group or by the Group's subsidiaries.

SHAREHOLDER COMMUNICATION WITH THE BOARD

Shareholders are able to communicate with the Board either by attending the AGM in person or by submitting proxy voting forms. The Directors regularly meet with analysts, shareholders and the media. Gemfields also communicates with its shareholders regarding the Group's financial performance and strategy through the Stock Exchange News Service ("SENS"), the London Stock Exchange Regulatory News Service ("RNS") and via the website, www.gemfieldsgroup.com. The Board communicates with other stakeholders as appropriate. The Company communicates with smaller shareholders located in South Africa who lack access to electronic media by way of publishing financial results in a main South African daily newspaper as required by the JSE Listings Requirements.

INTERNAL AUDIT

King IV recommends that all companies implement an internal audit function that is insourced to some degree. Gemfields' Internal Audit function is the responsibility of the Head of Risk and Assurance and reports functionally to the Chair of the Audit Committee, thereby ensuring its independence. The Internal Audit Function is assisted by external advisers as is necessary. The Audit Committee is satisfied that the Group's internal financial controls and the arrangements for internal audit were working effectively during the period and were predominantly adequate and fit for purpose.

DEALING IN SECURITIES

GGL has a defined policy for the conduct of Directors and employees in relation to dealing in the Company's shares. The JSE Listings Requirements and the UK Market Abuse Regime ("MAR") define closed periods, which are around the time of the annual results or interim results, or around the release of any other major announcements, or during price-sensitive negotiations, acquisitions or disposals, or pending the release of any other price-sensitive information. Directors (and their close family members), as well as employees who are classified as insiders, are prohibited from trading in the Company's shares during these prohibited periods. Directors and employees can trade in the Company's shares outside of these periods after first obtaining the necessary approval in writing in accordance with the Company's share dealing policy. Any dealings in the Company's shares by Directors, persons discharging managerial responsibilities ("PDMRs") or their closely associated persons are announced via SENS and RNS, published on the Company's website and notified to the UK's Financial Conduct Authority ("FCA").

BRUCE CLEAVER

Chair of Board of Directors, Gemfields Group Limited
10 April 2025

Nomination Committee Report



“A reconfiguration of the Board was the focus of the Committee in H1 2024, concluding with the appointment of three new Board members from 1 July 2024.”

ROLE OF THE NOMINATION COMMITTEE

The Committee assists the Board with its oversight responsibilities in accordance with its terms of reference, including in relation to the following areas:

- Reviewing the structure, size and composition of the Board on an ongoing basis, recommending any changes to the Board as necessary;
- Considering diversity, including gender and race, when assessing suitable candidates for appointment to the Board;
- Overseeing the reappointment process in respect of all Directors at the point of their retirement by rotation in accordance with provisions in the Company’s Articles of Incorporation; and
- Reviewing the succession planning for Directors, including the identification, mentorship and development of future candidates.

COMPOSITION OF THE COMMITTEE

The Committee comprises three independent Non-Executive Directors, who have the requisite skills and experience to fulfil the Committee’s duties:

COMPOSITION DURING 2024	MEETING ATTENDANCE
Chair: Bruce Cleaver (from 1 July 2024)	1/1
Kwape Mmela	7/7
Simon Scott (from 1 July 2024)	1/1
<i>Lumkile Mondi (until 30 June 2024)</i>	<i>6/6</i>
<i>Carel Malan (until 30 June 2024)</i>	<i>6/6</i>

¹ Martin Tolcher attended three meetings as a contributor in 2024, before his resignation from the Board effective 30 June 2024.

The Nomination Committee is pleased to present its report for the year ended 31 December 2024, as recommended by King IV.

The Committee is constituted by independent Non-Executive Directors and is accountable to the Board in the carrying out of its duties as required by King IV and its terms of reference.

The Nomination Committee meets as often as required, but not less than twice per year. Seven formal meetings were held during 2024, with the majority considering the reconfiguration of the Board in the light of the impending resignations of Messrs. Tolcher, Mondi and Malan. The Committee additionally deliberated on matters, as necessary, on an ad hoc basis.

DUTIES CARRIED OUT IN 2024

- Conducting and overseeing extensive search activities in relation to the replacement of Chair of the Board (Mr Tolcher), Lead Independent Non-Executive Director (Mr Mondi) and a Non-Executive Director (Mr Malan), (Mr Malan communicated his intention to step down from the Board following his appointment in a permanent external role with the Assore Group from 1 April 2024);
- Delivered recommendations on new appointees to the Board;
- Reviewed Director independence and the composition of Board Committees;
- Reviewed the Nomination Committee Report included in the Company’s previous Annual Report;
- Confirmed that the reappointment process that was undertaken for the Company’s 2024 AGM was in line with the provisions in the Company’s Articles of Incorporation; and
- Considered its programme of activities going forward.

CONCLUSION

The Committee is satisfied that it considered and discharged its responsibilities in accordance with its mandate and its terms of reference during 2024. Accordingly, this report was recommended by the Nomination Committee to, and was approved by, the Board on 26 March 2025.

BRUCE CLEAVER

Chair of the Nomination Committee
10 April 2025

Audit Committee Report



“The Audit Committee’s role is to provide oversight of the company’s financial reporting, risk management and internal controls, working to ensure transparency for our shareholders and stakeholders.”

ROLE OF THE AUDIT COMMITTEE

The Committee’s mandate in accordance with its terms of reference includes the following areas:

- Monitoring the accuracy and integrity of the Group’s financial and other reporting;
- Monitoring the effectiveness of risk management processes and internal controls;
- Recommending the appointment of external auditors to shareholders on an annual basis;
- Reviewing the independence of the external auditor;
- Reviewing the scope, results and cost-effectiveness of independent accounting and valuation services;
- Supervises the Group’s Internal Audit function; and
- Reviewing the expertise and experience of the Chief Financial Officer.

COMPOSITION OF THE COMMITTEE

The Committee comprises three independent Non-Executive Directors, who have the requisite skills and experience to fulfil the Committee’s duties:

COMPOSITION DURING 2024	MEETING ATTENDANCE
Chair: Mary Reilly (from 1 April 2024)	3/3
Kwape Mmela (from 1 July 2024)	2/2
Simon Scott (from 1 July 2024)	2/2
Carel Malan (until 31 March 2024)	1/1
Lumkile Mondli (until 30 June 2024)	1/1

1 Bruce Cleaver attended two meetings in 2024 as an invited observer, following his appointment to the Board, effective 1 July 2024.
2 David Lovett (CFO) attended three meetings in 2024 as an invited contributor.

The Audit Committee is pleased to present its report for the year ended 31 December 2024, as recommended by King IV.

The Committee is constituted by the Board, has an independent role, and is accountable to both the Board and shareholders.

MEETINGS

The Audit Committee meets as often as required, but not less than twice per year to review the Group’s Annual and Interim Results. Three formal meetings were held during 2024. The CFO may attend meetings by invitation, with the Chair of the Committee typically meeting separately with both the CFO and the external auditor before Committee meetings. The Committee may meet with the external auditor either formally or informally throughout the year. The audit partner has access to the Committee via the Chair. The Chair of the Committee decides whether to convene any ad hoc meetings and who should be invited to such meetings.

INTERNAL AUDIT

King IV recommends that all companies implement an internal audit function that is insourced to some degree. The Gemfields Internal Audit function is the responsibility of the Head of Risk and Assurance and reports functionally to the Chair of the Audit Committee, thereby ensuring its independence. The Internal Audit function is assisted by external advisers as necessary. The Audit Committee is satisfied that the Group’s internal financial controls and the arrangements for internal audit were working effectively during the period and were predominantly adequate and fit for purpose.

DUTIES CARRIED OUT IN 2024

In 2024, the Committee performed the following statutory duties:

- Considered the qualifications, independence and objectivity of EY and ensured its independence has not been compromised for any reason;
- Reviewed the performance of the external auditor;
- Considered the appropriateness of the Group's going-concern assessment; and
- Approved the fees paid to EY during 2024, which were for both audit and non-audit services.

In addition, the Committee performed the following duties in line with its mandate:

- Reviewed the Group Annual and Interim Consolidated Financial Statements for compliance with the IFRS, the JSE Listings Requirements, the AIM Rules for Companies and The Companies (Guernsey) Law, 2008;
- Reviewed the Group's working capital model and assessed mitigating actions as described in the Group's Strategic Update announcement published on 23 December 2024;
- Reviewed significant judgements and unadjusted differences resulting from the audit and interim review;
- Reviewed and recommended to the Board for approval the valuation of the Group's investments;
- Ensured that the Group's accounting policies are suitable and considered the adoption of new and amended accounting standards;
- Considered the performance of the Group's accounting function;
- Considered paragraph 3.84(k) of the JSE Listings Requirements, which require the CEO and CFO to prepare a responsibility statement – in particular, the requirement for the Executive Directors to confirm the adequacy of internal financial controls, disclose any deficiencies in design and operational effectiveness of the Audit Committee, and confirm that the annual Consolidated Financial Statements are true and fair in respect of the financial position, financial performance and cash flows of the Company in terms of IFRS;
- Reviewed the performance of the CFO, and was satisfied that the CFO continues to possess the appropriate expertise and experience to carry out his responsibilities as CFO; and
- Reviewed the Audit Committee Report included in the Company's previous Annual Report.

EXTERNAL AUDIT

The Committee is satisfied that Ernst & Young LLP ("EY"), as external auditor to the Company, is entirely independent of the Group. The Committee is satisfied with the policies and controls in place that address the provision of non-audit services received from EY. The Committee was satisfied with the performance of EY as appointed external auditor to the Company in the 12-month period to 31 December 2024.

RISK COUNCIL

The Risk Council is a subcommittee of the Audit Committee set up to monitor current and emerging strategic operational and ethical risks facing the Group, according to its own terms of reference. Its members are made up of a cross-section of senior employees, and the Council has been chaired by Simon Scott from 1 July 2024. The Risk Council meets quarterly and reports to the Audit Committee. When the Audit Committee does not meet, the Risk Council reports to the Board. The Risk Council's primary focus is the monitoring of the Company's Enterprise Risk Management Framework and ongoing assessment and mitigation of group-wide risks, as detailed in the Risks and Uncertainties section of this report.

DISCLOSURE COMMITTEE

A Disclosure Committee was established in November 2024 to review, assess and agree any disclosure of potentially price sensitive information alongside the guidance of the Company's Nominated Adviser ("NOMAD"), Panmure Liberum and its JSE Sponsor, Investec. The committee is chaired by Ian Hughes, Head of Investor Relations and Corporate Development, with the CEO, CFO, Company Secretary and Adrian Banks, Managing Director of Product & Sales as members.

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

The Committee has reviewed this Annual Report and the Consolidated Financial Statements and has concluded that they comply in all material respects with the IFRS, the JSE Listings Requirements, the AIM Rules for Companies and The Companies (Guernsey) Law, 2008. The Committee has therefore recommended the approval of the Annual Report to the Board.

CONCLUSION

The Committee is satisfied that it has considered and discharged its responsibilities in accordance with its mandate and its terms of reference during 2024. Accordingly, this report was recommended by the Audit Committee to, and was approved by, the Board on 10 April 2025.

MARY REILLY

Chair of the Audit Committee
10 April 2025

Remuneration Committee Report



“Incentivising executive management and ensuring balanced remuneration for non-executive directors are the key priorities of the Remuneration Committee.”

ROLE OF THE REMUNERATION COMMITTEE

The Committee’s mandate in accordance with its terms of reference includes the following areas:

- Determining levels of remuneration for each member of the Board;
- Determining levels of remuneration for senior members of management; and
- Monitoring and maintaining the Company’s Remuneration Policy.

COMPOSITION OF THE COMMITTEE

The Committee comprises three Non-Executive Directors, the majority of whom are independent, and who have the requisite skills and experience to fulfil the Committee’s duties:

COMPOSITION DURING 2024	MEETING ATTENDANCE
Chair: Kwape Mmela	4/4
Mary Reilly	4/4
Partick Sacco	4/4
Lumkile Mondli (until 30 June 2024)	2/2

1 Bruce Cleaver attended two meetings in 2024 as an invited observer, following his appointment to the Board effective 1 July 2024.

The Remuneration Committee is pleased to present its report for the year ended 31 December 2024, as recommended by King IV.

The Committee is constituted by the Board, has an independent role, and is accountable to both the Board and shareholders.

MEETINGS

The Committee meets as often as is required, but not less than twice a year. Four formal meetings were held during 2024, although the Committee deliberated on matters, as necessary, on an ad hoc basis. Members of the Remuneration Committee do not participate when the level of their personal remuneration is considered.

GEMFIELDS GROUP LIMITED
REMUNERATION POLICY

Elements of Executive Director Remuneration

Executive Director remuneration is broken down into two key elements: fixed compensation and performance-related awards. This comprises the fixed base salary, fixed cash payment in lieu of pension and the variable employee benefits. The performance-related awards include the discretionary cash bonus and long-term incentives.

Elements of Non-Executive Director remuneration

Board remuneration comprises fixed cash fees for, respectively, the role of Chair and each Non-Executive Director. Additional cash fees are paid for the role of Lead Independent Director, and for the chairing and membership of sub-committees of the Board.

ELECTED REDUCTION OF REMUNERATION

In light of the working capital challenges of the Group, the Chair, Non-Executive Directors, Executive Directors and a number of the senior management team volunteered temporarily to reduce their gross annual fees and salary (as applicable) from 1 January 2025, with a first review to take place in mid-2025. The temporary salary reduction volunteered by executive directors, senior management and independent Non-Executive Directors is 20%, while the non-independent Non-Executive Directors volunteered to receive no fees. All other terms and conditions of employment remain unchanged, and any salary linked benefits such as cash in lieu of a pension payment and any LTIP grant, will be made based on the non-reduced gross basic salary. Furthermore, any entitlements under income protection and life assurance schemes for 2025 will be calculated using non-reduced gross basic salaries. The Remuneration Committee is greatly thankful to all of those whom made this gesture.

DUTIES CARRIED OUT IN 2024

The Committee performed the following additional duties in line with its mandate:

- Seeking and assessing internal feedback on the Company's Long Term Incentive Plan ("LTIP") introduced in 2023; and
- Assessing the mechanics of the Executive Directors' cash bonus calculation.

AGM VOTING

The Board, with input from the Remuneration Committee, requested shareholders to endorse both the Company's Remuneration Policy and Remuneration Implementation Report, as set out in the 2023 Annual Report which was published on 22 March 2024. Both non-binding advisory votes were passed with support of over 75% of shareholders at the Company's Annual General Meeting (AGM) on 25 June 2024.

The Remuneration Policy and Remuneration Implementation Report will again be put to shareholders, as non-binding advisory votes, at the Company's next AGM to be held on 25 June 2025.

KWAPE MMELA

Chair of the Remuneration Committee
10 April 2025

REMUNERATION COMMITTEE REPORT CONTINUED

Remuneration Policy

EXECUTIVE DIRECTOR REMUNERATION

	COMPONENT	OBJECTIVE	LINK TO BUSINESS STRATEGY	POLICY
Element 1: Guaranteed pay and benefits	Base compensation Akin to a salary, base compensation is received monthly, based on an annual figure decided by the Remuneration Committee.	To engage the best talent at Executive Director level.	Ensures market competitiveness, helps to attract and retain key talent, and provides fair reward for individuals.	Executive Director base compensation was initially determined by former holders of the equivalent office within Gemfields plc, and at prevailing market rates. Future reviews will be based on skill, experience, responsibilities and market rates, with particular emphasis on shareholder engagement.
	Insurance benefits Executive Directors receive medical and dental insurance for themselves and their families, and individual life assurance and travel insurance.	The benefits package is comparable with others on the market, the aim being to attract and retain the best talent, as well as looking after the well being of our Executive Directors.	The Company recognises the need for a holistic approach to an Executive Director's guaranteed pay package.	Insurances are comparable with those offered to the wider employee base within the Group and are reviewed annually.
Element 2: Short- and long-term incentives	Annual bonus At the end of each calendar year, Executive Directors may receive a cash bonus dependent on the relative success of the business, the Executive Directors' work over the previous year, and based on the value of their base compensation.	To encourage performance over each one-year operating cycle.	Rewards Executive Directors for a measurable contribution to the Company.	A balanced scorecard approach has been adopted from 1 January 2022. Performance across the various metrics is compared against previous years' performance. Outside exceptional circumstances, the maximum annual cash bonus will remain capped at 100% of base remuneration.
	LTIP scheme LTIP annual awards of performance shares vesting after three years subject to continued employment and the Company meeting objective three-year performance conditions (based on Earnings Per Share and Total Shareholder Return). Awards to Executive Directors are subject to a two-year post-vesting holding period.	To retain, motivate and attract key individuals and align them with long-term company performance.	Aligns Executive Director interests with those of shareholders, with growth in the share price, and with key group targets reflected in performance targets. Rewards Executive Directors for delivering tangible successes.	Normal maximum annual award for Executive Directors at 150% of salary, maximum in exceptional circumstances, such as for recruitment, 300% of salary. An award is expected to be made in 2025. No awards were made in 2024.

	COMPONENT	OBJECTIVE	LINK TO BUSINESS STRATEGY	POLICY
Element 2: Short- and long-term incentives <i>continued</i>	Share options At instatement, Executive Directors were granted share options, which they could exercise at set dates over the subsequent four years.	The incentive is twofold: retention of key talent, and incentivising delivery of excellent performance in the long term.	Aligns Executive Director interests with those of shareholders, and with growth in the share price year on year. Motivates long-term performance. Rewards Executive Directors for their tangible successes.	Share options are exercisable in set tranches per year, and at a predetermined date. The Company does not expect to make further awards of this type to Executive Directors and this incentive is intended to be replaced by the LTIP.

Annual Bonus

Since 1 January 2021, Gemfields has applied a balanced scorecard structure. The Company reviewed the workings of the annual cash bonus scheme after its first year of operation in order to assess its functioning and suitability, concluding that the structure had worked effectively.

The central methodology for this structure is an assessment of performance improvement across 11 Key Performance Indicators ("KPIs") against performance in the previous year and performance over the previous three years. These KPIs are, in order of weighting:

1. Free Cash Flow – 17.5%;
2. Revenue – 15%;
3. Total Cash Operating Cost – 15%;
4. HSEC (Health, Safety, Environment, Community) – 12.5%;
5. Total Premium Carats Produced – 12.5%;
6. Total Rock Handling – 7.5%;
7. Fabergé Cash Consumption from the Gemfields Group – 5%;
8. Balance Sheet (net cash/net debt, treasury, financing, tax) – 5%;
9. Strategy/Business Development/Development Projects/Organic Growth – 5%;
10. Leadership/Organisational/People Development/Staff Turnover – 2.5%; and
11. Financial and Shareholder Reporting/Auditors/Accounting/Controls – 2.5%.

Performance against each KPI was scored in a matrix against previous performance which the Committee then assessed.

All bonus payments are at the discretion of the Remuneration Committee. Under the structure, the Committee has an overriding discretion to adjust bonus payments from formulaic outcomes in light of the Committee's overall assessment of performance, with the ability to apply a safety deductor should there be any serious HSEC matters during the relevant reporting period.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The fees for the Chair and Non-Executive Directors and additional committee memberships were unchanged in 2024. Absent the voluntary temporary reduction previously set out, the Chair receives a fee of USD 130,000 per annum while Non-Executive Directors without any committee memberships and who do not chair committees or councils will receive a fee of USD 50,000.

Non-Executive Directors who are members of up to two committees/councils, and have one chair of a committee/council, will receive USD 65,000 per annum. The Lead Independent Non-Executive Director role is equivalent to one committee membership. Non-Executive Directors with additional roles beyond the foregoing will receive an additional USD 7,500 per annum per additional chair of a committee or council and USD 5,000 per annum per additional committee or council membership.

Correction to the 2022 and 2023 Remuneration Reports: The 2022 and 2023 Remuneration Reports stated the Lead Independent Director received USD 10,000 per annum for his lead independent director role and USD 15,000 per annum for his committee/council memberships. This should have read that the Lead Independent Director received USD 5,000 for his Lead Independent Director role and USD 20,000 for his committee/council memberships for that year, with no impact on the total remuneration paid to all Directors in both years.

REMUNERATION COMMITTEE REPORT CONTINUED

EVALUATION OF WHETHER THE REMUNERATION POLICY MEETS ITS OBJECTIVES

When developing the Remuneration Policy, the Remuneration Committee focused on three key areas.

1. The elements of Director remuneration are a good foundation for both the short- and long-term success of the Company.
2. The fixed remunerative elements (base compensation, benefits and Non-Executive Director fees) are competitively set to both attract and retain the key talent required by the Company.
3. The performance-related elements of variable remuneration (annual cash bonuses and LTIP) ensure that the interests of the shareholders are at the forefront of the minds of Executive Directors, all of whom would stand to benefit by short- and long-term growth of the Company's business and the share price.

SHAREHOLDER ENGAGEMENT

Shareholder engagement has been key to developing and revising the Remuneration Policy and applying it to Executive Director remuneration. Shareholder advisory votes are a key means of shareholder feedback from which the Committee can tailor both practical remuneration and the Remuneration Policy. Consequently, the Company commits to engaging shareholders about remuneration each financial year. As no material changes were made in 2024, there was no new shareholder engagement.

Should any shareholder advisory vote conclude in a result of less than 75% in favour of the remuneration matter under vote, the Committee will re-examine the matter. Where possible, the Committee will engage in direct discussion with shareholders in order to understand the motivation behind such a vote – that is, to better understand their concerns. However, some shares are held anonymously, thus creating an obstacle to shareholder engagement. The Committee will also consider communicating with shareholders individually, also via the Company's website and via SENS and RNS, encouraging shareholders to come forward should they believe their view is yet to be represented.

King IV standard

The Committee is satisfied that the Remuneration Policy complies with the King IV Code and that the robust principles of governance encouraged by King IV have been implemented.

Remuneration Policy availability

GGL's Remuneration Policy is available online at www.gemfieldsgroup.com within the 2024 Annual Report.

Remuneration Implementation Report

FIXED COMPENSATION

In 2024, the salary of the CEO was USD 630,759 and the salary of the CFO USD 420,546.

PERFORMANCE-RELATED AWARDS

Annual Cash Bonus

In respect of 2024, no cash bonuses were paid to the Executive Directors in light of the working capital challenges encountered from H1 2024 and into 2025 as described in elsewhere in this Annual Report.

Long Term Incentive Plan ("LTIP")

In 2024, no new LTIPs were granted to Executive Directors, PDMRs or other key members of management, although internal feedback from its beneficiaries was sought as to whether the LTIP was in fact an aid to their long-term retention.

The table below illustrates the number of options issued and forfeited/lapsed during the year in respect of the Executive Directors.

LTIP	OPTIONS HELD AT 1 JANUARY 2024	ISSUED DATE	EXERCISE PRICE	OPTIONS GRANTED DURING THE YEAR	OPTIONS FORFEITED/ LAPSED DURING THE YEAR	OPTIONS EXERCISED DURING THE YEAR	OPTIONS HELD AT 31 DECEMBER 2024
Sean Gilbertson	5,578,045	September 2017	ZAR3.45	–	5,578,045	–	–
Sean Gilbertson	3,749,093	August 2023	Nominal – Performance Shares under the new LTIP	–	–	–	3,749,093
David Lovett	2,043,563	August 2023	Nominal – Performance Shares under the new LTIP	–	–	–	2,043,563

SHARE OPTIONS FOR EMPLOYEES OF THE WIDER GROUP

2018 Share Option Scheme (No further awards)

In 2018, the Group established an employee share option scheme for the employees of the wider Group within the parameters of the scheme approved by shareholders on 26 June 2017. In the same manner that the Company previously used share options as a long-term incentive for its Executive Directors, the Board extended this benefit to a wider number of its employees.

Under the terms of the plan, the Company was able to issue a maximum of 167,341,278 options but the Company does not intend to issue any new share options under the plan, following the implementation of an LTIP scheme from 2023.

All share options vest over a four-year period in tranches of 20%. One-fifth of the options granted vested immediately, with the remaining 80% vesting equally annually on the grant date over the following four years, during which the grantee had to remain in employment in order to benefit. Three-fifths of awards lapsed on the fifth anniversary of grant, with the balance lapsing in equal tranches on the sixth and seventh anniversaries of tranche.

LTIP scheme for wider Group

As previously stated, in 2024, there were no new performance shares issued under the LTIP to members of the wider Group.

REMUNERATION COMMITTEE REPORT CONTINUED

Summary of options for employees of the wider Group

At 31 December 2024, the following share options (under both the old and new schemes) had been granted, including to Executive Directors, and were outstanding in respect of the ordinary shares:

ISSUE DATE	EXERCISE PRICE	OUTSTANDING AT 1 JANUARY 2024	GRANTED	FORFEITED/ LAPSED	EXERCISED	OUTSTANDING AT 31 DECEMBER 2024
September 2017	ZAR 3.45	5,578,045	–	(5,578,045)	–	–
January 2018	ZAR 2.97	1,227,737	–	(378,180)	–	849,557
July 2018	ZAR 2.30	3,075,950	–	(1,171,000)	(1,332,000)	572,950
March 2019	ZAR 1.91	90,000	–	(30,000)	–	60,000
August 2023	Nominal – LTIP Performance Shares	11,823,851	–	–	–	11,823,851
Total		21,755,583	–	(7,157,225)	(1,332,000)	13,306,358

To provide information to shareholders in relation to the level of dilution arising from the existing awards, the Company sets out the following summary points.

As at 31 December 2024, 13,306,358 share options were outstanding, representing c. 1.14% of the Company's shares in issue;

- 849,557 share options (100% of the outstanding awards) with an exercise price of ZAR 2.97, lapsed in January 2025.
- 60,000 share options (100% of the outstanding awards) with an exercise price of ZAR 1.91, lapse in March 2025.
- 572,950 share options (100% of the outstanding awards) with an exercise price of ZAR 2.30, lapse in July 2025.

All remaining outstanding awards relate to the 2023 LTIP scheme which will be assessed against the performance criteria in 2026.

DIRECTORS' REMUNERATION TABLE (NOT INCLUDING LTIP AWARDS)

The fees payable to Executive Directors for the year ended 31 December 2024 are as follows:

1 JANUARY 2024 TO 31 DECEMBER 2024	BASE COMPENSATION USD'000	BENEFITS USD'000	PENSION (CONTRIBUTIONS/ CASH IN LIEU) USD'000	BONUS USD'000	TOTAL USD'000
Sean Gilbertson	631	18	32	–	681
David Lovett	421	12	21	–	454
Total	1,051	30	53	–	1,134

The fees payable to Non-Executive Directors for the year ended 31 December 2024 are as follows:

1 JANUARY 2024 TO 31 DECEMBER 2024	GROUP DIRECTOR FEES USD'000	BOARD COMMITTEES USD'000	LEAD INDEPENDENT DIRECTOR USD'000	TOTAL USD'000
Bruce Cleaver (from 1 July)	65.0	–	–	65.0
Martin Tolcher (to 30 June)	65.0	–	–	65.0
Kwape Mmela (Lead NED from 1 July)	50.0	17.5	2.5	70.0
Lumkile Mondli (to 30 June)	25.0	10.0	2.5	37.5
Kieran Daly (from 1 July)	25.0	–	–	25.0
Carel Malan (to 30 June)	25.0	7.5	–	32.5
Mary Reilly	50.0	15.0	–	65.0
Patrick Sacco	50.0	15.0	–	65.0
Simon Scott (from 1 July)	25.0	7.5	–	32.5
Total	380.0	72.5	5.0	457.5

Remuneration in 2025

BENCHMARKING

No new benchmarking for Executive or Non-Executive remuneration occurred in 2024, following the benchmarking report completed in early 2023.

SALARIES

There was no change to base salary for the CEO or CFO for 2025, in light of the Group's working capital challenges. As previously stated, both the CEO and CFO volunteered reduce their base salary temporarily by 20% from 1 January 2025. The reduction will be reviewed again from mid-2025.

ANNUAL BONUS

Annual cash bonus scheme is expected to operate in 2025 based on a balanced scorecard previously described, and with a normal maximum amount set at 100% of salary, subject to the working capital situation of the Company in early 2026.

NON-EXECUTIVE DIRECTOR REMUNERATION

There will be no changes to the base level of structure of Chair or Non-Executive Director remuneration for 2025, beyond the voluntary reductions previously described.

APPROVAL OF THE REMUNERATION COMMITTEE REPORT FOR 2024

All decisions undertaken in the 2024 financial year were compliant with the Remuneration Policy as determined by the Committee. Accordingly, this report was recommended by the Committee and approved by the Board on 26 March 2025.

KWAPE MMELA

Chair of the Remuneration Committee
10 April 2025

Directors' Report

The Directors are pleased to present the Group's Annual Report and Consolidated Financial Statements for the year ended 31 December 2024.

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

Gemfields Group Limited is an operating mining group and has prepared its financial statements as an operating mining group. The Company is listed on the Mining sector of the JSE Main Board and quoted on the AIM in London.

Gemfields was incorporated in Guernsey on 4 September 2007 as Pallinghurst Resources (Guernsey) Limited and was listed on the BSX on 26 September 2007. The Group subsequently listed on the JSE (as a primary listing) on 20 August 2008, followed by a dual listing on AIM (as a secondary listing) on 14 February 2020. The Company changed its name from Pallinghurst Resources Limited to Gemfields Group Limited on 26 June 2018. The Company de-listed from trading on the BSX effective from 1 July 2020.

The Directors, and their respective designations and appointment dates, are detailed in the table below.

COMPOSITION OF THE BOARD

DIRECTOR	DESIGNATION	APPOINTMENT DATE
Mr Bruce Cleaver	Independent Non-Executive Director – Chair	1 July 2024
Mr Sean Gilbertson	Executive Director – Chief Executive Officer	17 July 2017 (appointed CEO on 31 March 2018)
Mr David Lovett	Executive Director – Chief Financial Officer	31 March 2018
Dr Kwape Mmela	Lead Independent Non-Executive Director	31 July 2017
Ms Mary Reilly	Independent Non-Executive Director	4 December 2020
Mr Simon Scott	Independent Non-Executive Director	1 July 2024
Mr Patrick Sacco	Non-Executive Director	11 October 2021
Mr Kieran Daly	Non-Executive Director	1 July 2024

DIRECTORS THAT LEFT THE BOARD IN 2024 (ALL ON 30 JUNE 2024)

Mr Martin Tolcher	Independent Non-Executive Director – Chair	25 November 2008 (appointed Chair on 25 November 2019)
Mr Lumkile Mondli	Lead Independent Non-Executive Director	29 October 2015
Mr Carel Malan	Independent Non-Executive Director	9 January 2019 (no longer deemed as Independent from 1 April 2024)

CORPORATE GOVERNANCE

The Group subscribes to the King Code of Governance Principles and the King Report on Governance ("King IV"). The Company publishes an annual statement on its compliance with King IV on an apply-and-explain basis. The Directors carried out an assessment of the principles and recommendations of King IV during the year and fully support its implementation across the Group.

FINANCIAL RESULTS

The results for the year are shown in the Consolidated Statement of Comprehensive Income.

RETIREMENT AND RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Incorporation, Bruce Cleaver, Kieran Daly and Simon Scott will offer themselves for election at the Annual General Meeting ("AGM") to be held on 25 June 2025, following their appointment to the Board on 1 July 2024.

DIRECTORS WHO RETIRED DURING THE YEAR

The following directors retired or resigned during the 12-month period to 31 December 2024.

FORMER DIRECTOR	FORMER DESIGNATION	DATE LEFT THE BOARD
Mr Martin Tolcher	Independent Non-Executive Director – Chair	30 June 2024
Mr Lumkile Mondli	Lead Independent Non-Executive Director	30 June 2024
Mr Carel Malan	Independent Non-Executive Director	30 June 2024

SHAREHOLDER MEETINGS

The Company's Annual General Meeting ("AGM") was held on 25 June 2024. The following resolutions were passed:

Ordinary resolutions:

1. The adoption of the Company's Annual Report and Consolidated Financial Statements for the year ended 31 December 2023.
2. The re-election Mary Reilly, who retired by rotation, as a Director of the Company.
3. The re-election Kwape Mmela, who retired by rotation, as a Director of the Company.
4. The re-election Mary Reilly to the Company's Audit Committee.
5. The re-election Lumkile Mondli to the Company's Audit Committee.
6. The appointment of Ernst & Young LLP as the Company's auditor (until the conclusion of the 2025 Annual General Meeting) and to authorise the Directors to fix their remuneration.

Non-binding advisory votes:

1. The endorsement of the Company's Remuneration.
2. The endorsement of the Company's Remuneration Implementation Report.

The following resolutions were not passed:

Special resolution:

1. General authority to issue shares for cash and waiver of pre-emption.

As over 25% of shareholders voted against Special Resolution 1, the Company does not have the general authority to issue shares for cash and waiver of pre-emption.

The Group's next AGM is scheduled for 25 June 2025. Full details will be set out in the Notice of Annual General Meeting and will be distributed to shareholders accordingly by the end of April 2025. The Directors consider that passing the resolutions to be proposed at the AGM will be in the best interests of the Company and shareholders as a whole, and unanimously recommend that shareholders vote in favour of each of them, as they intend to do in respect of their own holdings.

The Group is scheduled to host an EGM on 19 May 2025 to vote on the Proposed Rights Issue.

INDEPENDENT AUDITOR

Ernst & Young LLP ("EY") continue as the Company's independent statutory auditor and was reappointed by shareholders until the conclusion of the 2025 Annual General Meeting ("AGM") and to authorise the Directors to fix their remuneration, at the Group's 2024 AGM, with 99.99% of votes for.

The Audit Committee has recommended to the Board that EY should be re-appointed as the Company auditor for the year commencing after the completion of the Group's 2025 AGM. The Board agreed with this recommendation and, accordingly, an ordinary resolution will be included within the forthcoming AGM for the reappointment of EY as independent auditors, and to authorise the Directors to fix their level of remuneration.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company holds Directors' and Officers' liability insurance. The level of cover and cost of the insurance are reviewed on an annual basis.

DIRECTORS' REPORT CONTINUED

GOING CONCERN

As a result of the assessment made, the Directors believe that the Group has sufficient cash to meet its obligations as they fall due and, consequently, the Consolidated Financial Statements have been prepared on the going-concern basis. The Directors have identified two material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

More details on Going Concern can be found in the Finance Review on page 31 and in the Notes to the Financial Statements on pages 118 to 122.

OMISSION OF COMPANY-ONLY FINANCIAL INFORMATION FROM THE CONSOLIDATED FINANCIAL STATEMENTS

The Financial Statements are presented on a consolidated basis as required by the International Financial Reporting Standards ("IFRS"). The Directors believe that the Group's results as presented provide all material and relevant information for users of the Consolidated Financial Statements and are satisfied that the provision of Company-only financial information would not contain any significant additional information that would be of interest. Accordingly, Company-only financial information has been omitted from the Consolidated Financial Statements, as permitted by Section 244(5) of The Companies (Guernsey) Law, 2008, and Sections 8.19(b) and 8.62(i) of the JSE Listings Requirements.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors are responsible for the preparation, fair presentation and integrity of the Annual Report and Consolidated Financial Statements, in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), UK Adopted International Accounting Standards, and the financial reporting pronouncements issued by the Financial Reporting Standards Council of South Africa (the "FRSC Pronouncements"), the JSE Listings Requirements, the AIM Rules for Companies and The Companies (Guernsey) Law, 2008.

The Directors are responsible for the following:

- Maintaining adequate accounting records and an effective system of risk management;
- The consistent selection and application of appropriate accounting policies;
- Making reasonable accounting judgements and estimates;
- Safeguarding shareholders' investments and the assets of the Group;
- The presentation of information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- The provision of additional disclosures when compliance with the specific requirements of the IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Preparing the Consolidated Financial Statements on a going-concern basis unless it is inappropriate to presume that the Group will continue in business.

The Independent Auditor's Report is set out in the Consolidated Financial Statements section of this document. The auditors have unrestricted access to all accounting records and to the Audit Committee.

Having considered the Group's current financial position, risks and opportunities, the Directors consider it appropriate that the Consolidated Financial Statements be prepared on a going-concern basis.

JSE-REQUIRED ATTESTATION STATEMENT

Each of the Directors, whose names are stated below, hereby confirm that:

- a) the Consolidated Financial Statements, set out on pages 111 to 172, are true and fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Consolidated Financial Statements false or misleading;
- c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- d) the internal financial controls are adequate and effective and can be relied upon in compiling the Consolidated Financial Statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- e) where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- f) we are not aware of any fraud involving directors.

AUDITOR CONFIRMATION

Each of the Directors, at the date of approval of the Consolidated Financial Statements, confirms that:

- 1. So far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- 2. Each Director has taken all steps he ought to have taken to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 249(2) of The Companies (Guernsey) Law, 2008.

APPROVAL OF ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

The Annual Report and Consolidated Financial Statements for the year ended 31 December 2024 were approved by the Directors on 10 April 2025 and will be presented to shareholders at the AGM on 25 June 2025. The Consolidated Financial Statements are signed on the Directors' behalf by:

DAVID LOVETT

Chief Financial Officer

10 April 2025

SEAN GILBERTSON

Chief Executive Officer

10 April 2025



Image courtesy of Rachel Quinn featuring
Gemfields Mozambican rubies and Zambian emeralds

Financial Statements

Consolidated Income Statement	112
Consolidated Statement of Comprehensive Income	113
Consolidated Statement of Financial Position	114
Consolidated Statement of Cash Flows	115
Consolidated Statement of Changes in Equity	116
Notes to the Consolidated Financial Statements	117
Independent Auditor's Report	173
Shareholder Information	182
Company Details	184

Consolidated Income Statement

for the year ended 31 December 2024

	NOTES	2024 USD'000	2023 USD'000
Revenue	3	212,852	262,019
Cost of sales	4	(152,000)	(160,651)
Gross profit		60,852	101,368
Unrealised fair value losses on unlisted equity instruments	12	(4,000)	(28,000)
Selling, general and administrative expenses	5	(63,979)	(56,486)
Impairment charges	10,11	(91,287)	–
Other income		461	505
(Loss)/profit from operations	3	(97,953)	17,387
Finance income	8	901	2,204
Finance costs	8	(6,569)	(3,022)
(Loss)/profit before taxation		(103,621)	16,569
Taxation	9	2,825	(19,398)
NET LOSS AFTER TAXATION		(100,796)	(2,829)
(Loss)/profit for the year attributable to:			
Owners of the Parent		(82,143)	(10,090)
Non-controlling interest		(18,653)	7,261
		(100,796)	(2,829)
Loss per share attributable to the Parent:			
Basic – USD cents	21	(7.0)	(0.8)
Diluted – USD cents	21	(7.0)	(0.8)

The accompanying notes form part of these Financial Statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

	2024 USD'000	2023 USD'000
Loss after taxation	(100,796)	(2,829)
Other comprehensive (loss)/income:		
Items that have been/may be reclassified subsequently to profit or loss:		
Exchange (loss)/gain arising on translation of foreign operations	(720)	424
Total other comprehensive (loss)/income	(720)	424
TOTAL COMPREHENSIVE LOSS	(101,516)	(2,405)
Total loss/(profit) attributable to:		
Owners of the Parent	(82,874)	(9,638)
Non-controlling interest	(18,642)	7,233
	(101,516)	(2,405)

The accompanying notes form part of these Financial Statements.

Consolidated Statement of Financial Position

as at 31 December 2024

	NOTES	2024 USD'000	2023 USD'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	338,697	356,589
Intangible assets	11	40,322	65,967
Unlisted equity investments	12	–	4,000
Deferred tax assets	9	46	6,064
Other non-current assets	14	12,682	23,653
Total non-current assets		391,747	456,273
Current assets			
Inventory	13	114,028	109,657
Trade and other receivables	14	76,716	78,967
Current tax receivable		7,899	1,373
Cash and cash equivalents		20,844	51,621
Total current assets		219,487	241,618
Total assets		611,234	697,891
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	9	50,753	70,877
Borrowings	16	45,000	–
Lease liabilities	18	3,231	755
Provisions	17	3,578	3,442
Other non-current payables	15	4,175	8,034
Total non-current liabilities		106,737	83,108
Current liabilities			
Trade and other payables	15	41,580	47,930
Borrowings	16	56,275	40,474
Lease liabilities	18	1,017	415
Provisions	17	2,848	2,471
Total current liabilities		101,720	91,290
Total liabilities		208,457	174,398
Net assets		402,777	523,493
EQUITY			
Share capital	19	12	12
Share premium	19	486,939	486,688
Cumulative translation reserve		2,950	3,681
Option reserve	20	4,006	4,295
Retained deficit		(148,184)	(56,504)
Attributable to equity holders of the Parent		345,723	438,172
Non-controlling interest	22	57,054	85,321
Total equity		402,777	523,493

The Financial Statements were approved and authorised for issue by the Directors on 10 April 2025 and were signed on their behalf by:

DAVID LOVETT
Director

SEAN GILBERTSON
Director

The accompanying notes form part of these Financial Statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

	NOTES	2024 USD'000	2023 USD'000
Cash flow from operating activities			
(Loss)/profit for the year before taxation		(103,621)	16,569
<i>Adjustments for:</i>			
Unrealised fair value losses	12	4,000	28,000
Depreciation and amortisation	3	36,689	36,931
Impairment of evaluated mining properties	3	47,400	–
Impairment of development projects	3	43,887	–
Write down of inventory and other assets	3	3,985	729
Share-based payments	5	174	96
Net finance expenses	8	5,668	818
Write off of trade and other receivables	3	2,661	–
Net foreign exchange losses	5	3,444	2,832
Profit on sale of fixed assets		(759)	(535)
<i>Change in operating assets and liabilities:</i>			
Decrease in trade and other receivables		835	12,053
(Decrease)/increase in trade and other payables		(7,341)	5,070
(Increase)/decrease in inventory		(7,512)	851
Increase/(decrease) in provisions		1,054	(10,930)
Cash generated from operations		30,564	92,484
Tax paid		(18,535)	(57,252)
Net cash generated from operating activities		12,029	35,232
Cash flows from investing activities			
Purchase of intangible assets		(16,318)	(10,368)
Purchase of property, plant and equipment		(68,627)	(57,931)
Disposal of property, plant and equipment		1,201	535
Interest received		598	1,832
Cash advances and loans made to related parties	14	(1,690)	(8,100)
Increase in investment in an associate		–	(499)
Net cash utilised in investing activities		(84,836)	(74,531)
Cash flows from financing activities			
Cash paid in Group share buy-back programme		–	(9,870)
Issue of shares		251	2,075
Proceeds from borrowings	16	170,764	40,474
Repayments of borrowings	16	(109,963)	(14,007)
Payment of principal portion of lease liabilities	18	(755)	(1,432)
Interest paid		(6,602)	(2,870)
Dividends paid to shareholders of the Parent company		(10,000)	(35,000)
Dividends paid to non-controlling interest in Kagem		(1,500)	(5,000)
Net cash generated from/(utilised in) financing activities		42,195	(25,630)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(30,612)	(64,929)
Cash and cash equivalents at the beginning of the year		51,621	118,526
Net foreign exchange loss on cash		(165)	(1,976)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		20,844	51,621

The accompanying notes form part of these Financial Statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	SHARE CAPITAL USD'000	SHARE PREMIUM USD'000	CUMULATIVE TRANSLATION RESERVE USD'000	OPTION RESERVE USD'000	RETAINED (LOSSES)/ EARNINGS USD'000	TOTAL ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT USD'000	NON- CONTROLLING INTEREST USD'000	TOTAL EQUITY USD'000
Balance at 1 January 2024	12	486,688	3,681	4,295	(56,504)	438,172	85,321	523,493
Loss for the year	–	–	–	–	(82,143)	(82,143)	(18,653)	(100,796)
Other comprehensive (loss)/income	–	–	(731)	–	–	(731)	11	(720)
Total comprehensive loss	–	–	(731)	–	(82,143)	(82,874)	(18,642)	(101,516)
Share options recognised during the year	–	–	–	174	–	174	–	174
Share options exercised during the year	–	251	–	(123)	123	251	–	251
Share options lapsed/ forfeited during the year	–	–	–	(340)	340	–	–	–
Dividends declared	–	–	–	–	(10,000)	(10,000)	(9,625)	(19,625)
Total contributions to owners	–	251	–	(289)	(9,537)	(9,575)	(9,625)	(19,200)
Balance at 31 December 2024	12	486,939	2,950	4,006	(148,184)	345,723	57,054	402,777

	SHARE CAPITAL USD'000	SHARE PREMIUM USD'000	CUMULATIVE TRANSLATION RESERVE USD'000	OPTION RESERVE USD'000	RETAINED (LOSSES)/ EARNINGS USD'000	TOTAL ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT USD'000	NON- CONTROLLING INTEREST USD'000	TOTAL EQUITY USD'000
Balance at 1 January 2023	12	494,483	3,229	4,911	(12,126)	490,509	90,588	581,097
(Loss)/profit for the year	–	–	–	–	(10,090)	(10,090)	7,261	(2,829)
Other comprehensive income/(loss)	–	–	452	–	–	452	(28)	424
Total comprehensive income/(loss)	–	–	452	–	(10,090)	(9,638)	7,233	(2,405)
Share options recognised during the year	–	–	–	96	–	96	–	96
Share options exercised during the year	–	2,075	–	(597)	597	2,075	–	2,075
Share options lapsed/ forfeited during the year	–	–	–	(115)	115	–	–	–
Share buy-back	–	(9,870)	–	–	–	(9,870)	–	(9,870)
Dividends declared	–	–	–	–	(35,000)	(35,000)	(12,500)	(47,500)
Total contributions to owners	–	(7,795)	–	(616)	(34,288)	(42,699)	(12,500)	(55,199)
Balance at 31 December 2023	12	486,688	3,681	4,295	(56,504)	438,172	85,321	523,493

The accompanying notes form part of these Financial Statements.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

1. BASIS OF PREPARATION

Gemfields Group Limited (or “GGL” or “the Company” or “the Parent”) is incorporated in Guernsey under The Companies (Guernsey) Law, 2008. The Company’s registered office address is PO Box 186, Royal Chambers, St Julian’s Avenue, St Peter Port, Guernsey, GY1 4HP, Channel Islands. The Company is listed on the Johannesburg Stock Exchange (“JSE”) and the Alternative Investment Market (“AIM”) of the London Stock Exchange. The nature of the operations and principal activities of the Company and its subsidiaries (together “the Group”) are set out in the Operations Review on pages 32 to 47.

The Company’s accounting policies are the same as those of the Group. Company-only financial information has been omitted from these Consolidated Financial Statements, as permitted by The Companies (Guernsey) Law, 2008, Section 244(5), sections 3.19(b) and 8.62(i) of the JSE Listings Requirements.

Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board, UK Adopted International Accounting Standards, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, and the financial reporting pronouncements issued by the Financial Reporting Standards Council of South Africa (the “FRSC Pronouncements”). IFRS as adopted by the UK differs in certain respects from IFRS as issued by the IASB. However, the differences have no impact on the Group’s Consolidated Financial Statements for the years presented. The Consolidated Financial Statements also comply with the JSE Listings Requirements, the AIM Rules for Companies and The Companies (Guernsey) Law, 2008 and show a true and fair view.

The material accounting policies applied in preparing these Consolidated Financial Statements are set out in Note 2: *Accounting Policies*. These policies have been consistently applied throughout the period.

The Consolidated Financial Statements have been prepared under the historical cost convention except as where stated.

Foreign currency

The Consolidated Financial Statements are presented in United States Dollars (“USD”), rounded to the nearest thousand (USD’000), except where otherwise indicated. This means that these financial statements can be compared with those of similar companies.

Basis of consolidation

The Consolidated Financial Statements incorporate the financial information of Gemfields Group Limited as well as its subsidiary undertakings made up to 31 December each year. The results of subsidiaries acquired or disposed of during the year are included in the profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other Group entities and within these Consolidated Financial Statements.

All significant intercompany transactions and balances between Group entities are eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

1. BASIS OF PREPARATION (CONTINUED)

New and amended standards which are effective for these Consolidated Financial Statements

Certain new and amended accounting standards and interpretations have been applied by the Group for the first time for the annual reporting period commencing on 1 January 2024. These have not had any material impact on the disclosures or on the amounts reported in these Consolidated Financial Statements, nor are they expected to significantly affect future periods.

- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

New and amended standards which are not yet effective for these Consolidated Financial Statements

The following new and amended accounting standards and interpretations have been published that are not mandatory for the year ended 31 December 2024, nor have they been adopted early by the Group. There are no other standards, amendments or interpretations in issue but not yet adopted that the Directors anticipate will have a material impact on the Group's Consolidated Financial Statements in the current or future reporting periods.

- Amendments to IAS 21 – Lack of exchangeability
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

Climate change

Management has considered the impact of climate change on Group's business models, cash flows, financial position and financial performance, and does not think the effect of climate-related matters is material. The Group does not have any assets or liabilities for which measurement is directly linked to climate change performance. Further information on the impact of climate-related risks and opportunities on the Group's business activities, strategy and financial planning can be found on page 61 in the 'Risks and Uncertainties' section of this Annual Report.

Going Concern

The Group's business activities, together with the factors likely to impact its future growth and operating performance, are set out in the Operational Review within Section 2.2. The financial performance and position of the Group, its cash flows and available debt facilities are described in the Finance Review on pages 24 to 31. Performance by segment can be seen in Note 3: *Segmental Reporting* to the Consolidated Financial Statements.

In order to fund the construction of the second processing plant (PP2), MRM entered into a USD 25.0 million term loan with ABSA Mozambique and a USD 30.0 million term loan with BCI Mozambique. As at 31 December 2024, the outstanding balance under these term loans is USD 45.0 million. The term loans are repayable in equal instalments, with the first repayment due in January 2027. These term loans are subject to financial covenants, with the ABSA facility being subject to the following: (i) debt service cover ratio must be greater than 1.1, (ii) net debt to EBITDA ratio must not be greater than 3 and (iii) interest cover ratio must be greater than 3. The Group was in compliance with these covenants during the reporting period. In respect of BCI's term loan, although this is subject to covenants, these only restrict the Group's ability to pay dividends (further details in "Debt overview" section below). The Group anticipates potential difficulties in complying with certain covenants in respect of the ABSA term loan over the next twelve months, mainly due to lower cash flows following weaker auction results in 2024 coupled with high capital expenditure in 2024 and 2025. Although, based on a letter of intent from ABSA, management has no reason to believe waivers would not be provided should the need arise, however this is not within management's control.

In order to determine the appropriate basis of preparation for the financial statements for the year ended 31 December 2024, the Directors must consider whether the Group can continue in operational existence for the going concern period up to September 2026, taking into account the current levels of liquidity and expected performance of the business.

1. BASIS OF PREPARATION (CONTINUED)

Going Concern (continued)

The Group manages liquidity risk by maintaining a combination of committed borrowing facilities, annually renewable working capital facilities and cash balances. The Board monitors the net debt level of the Group taking into consideration the expected outlook of the Group's financial position, cash flows and future capital commitments. The Group monitors its liquidity risk, reflecting the volatility in gemstone mining and prices. As detailed in the Chair's Statement on pages 14 to 16, following the lower-than-expected auction results in the second half of 2024 and significant investment in PP2, the Board has taken swift action to maintain a sufficient working capital balance by implementing cost cutting measures (as described below) and initiating a rights issue ("Proposed Rights Issue") that is fully underwritten. The Proposed Rights Issue is expected to generate approximately USD 30.0 million in gross proceeds, including an advance relating to the underwriters' proportion of the rights issue to be received in April 2025. As the Proposed Rights Issue, subject to shareholder approval, is underwritten, the going concern assessment considers the net proceeds in all the scenarios modelled.

The Group's overdrafts are renewed annually subject to standard credit checks, and the Directors have no reason to believe that the renewal will not continue in the future, as it has since inception of the facilities.

Gemfields enacted group-wide actions to reduce costs and streamline business activities, while maintaining focus on the second processing plant at MRM. These actions include:

- Suspending, for a period expected to be up to six months, all mining at Kagem. Instead, Kagem will focus on processing ore from Kagem's significant ore stockpile utilising the recently upgraded processing plant.
- 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"). Core developmental work at Eastern Ruby Mining ("ERM") will continue, however the capital expenditure associated with its originally planned processing plant will be delayed.
- Halting operations at Nairoto Resources Limitada ("NRL" or "Nairoto"), the gold project situated north of MRM and seeking potential buyers.
- Assessing strategic options in respect of Fabergé, the iconic luxury-brand owned by the Gemfields Group.
- Targeted rationalisation of operations and businesses across the Group.

Gemfields continues to closely monitor its working capital as it navigates the prevailing challenges. Management remains prepared to take additional cost reduction measures.

As described above, the Group has announced its intention to raise approximately USD 30.0 million in gross proceeds by way of the Proposed Rights Issue, which is fully underwritten by Assore International Holdings Limited ("AIH") and Rational Expectations (Pty) Ltd ("Rational"). The receipt of the USD 30.0 million is conditional on the passing of the resolutions at the general meeting (scheduled for 19 May 2025) by the requisite majority, without any amendment. The underwriting agreements contain other conditions; however, their fulfilment is considered standard and remains within management's control. If the conditions are not satisfied, then the Proposed Rights Issue will not take place.

Assessment without Proposed Rights Issue

If the Proposed Rights Issue were not to take place, the Group would continue to operate under the existing conditions and liquidity would reach its minimum required levels by May 2025. In this scenario, the Group may have insufficient funds to continue trading.

The Directors believe that the key condition relates to the shareholders' vote, given the customary nature of the other conditions to the Proposed Rights Issue and the existence of the underwriting agreements with AIH and Rational. The Directors have a reasonable expectation that shareholder approval for the Proposed Rights Issue will be obtained.

Assessment with Proposed Rights Issue

Having undertaken a rigorous assessment of the Group's financial forecasts, considering the anticipated proceeds from the Proposed Rights Issue, the Group has modelled a base case and other severe but plausible downside scenarios. Based on this analysis, the Board has concluded that it is appropriate to adopt the going concern basis for the preparation of the accounts. These scenarios are discussed in the section "Scenario analysis – risk assessment" below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

1. BASIS OF PREPARATION (CONTINUED)

*Going Concern (continued)***Financial overview**

In 2024 the Group generated revenues of USD 212.9 million (USD 195.9 million in auction revenues, USD 3.0 million in direct sales, USD 13.4 million in Fabergé sales, and USD 0.6 million in cut and polished sales). The Directors remain positive in relation to the market demand for gemstones despite some evidence of oversupply in the emerald market. The Group's gross cash position was USD 20.8 million at 31 December 2024 with USD 33.9 million in auction receivables (USD 1.3 million from Kagem and USD 32.6 million from MRM). All auction receivables had been fully collected by the date of these Consolidated Financial Statements. As at 31 December 2024, the Group had outstanding debt of USD 101.3 million (MRM USD 82.5 million and Kagem USD 18.8 million), with available overdraft facilities of USD 24.7 million.

In August 2023, MRM entered into a contract with Consulmet (Africa) Limited ("Consulmet") to construct a second processing plant for approximately USD 70.0 million. As at 31 December 2024, approximately 70% of the total cost had been paid, with an additional 15% paid in January and February 2025. Construction of the plant is regarded as a critical project that presently remains materially on budget and on schedule for completion by the end of H1 2025. The new plant will increase premium ruby production and deliver additional revenue for the Group.

Debt overview

The Group's debt consists of the following credit facilities and term loans:

In 2023 Kagem entered into a USD 15.0 million overdraft facility with ABSA Zambia at an interest rate of three-month USD SOFR + 4.5% per annum. As at 31 December 2024, the outstanding balance under this facility was USD 13.3 million. The facility was renewed in January 2025, with the overdraft facility increased to USD 20.0 million at the same interest rate, with the next renewal due in December 2025. The covenant on this facility will be first measured as at 31 December 2025, requiring the current ratio (current assets to current liabilities, excluding any intercompany balances) to be at least 1.2x.

In addition, in February 2023, Kagem entered into a USD 15.0 million overdraft facility with FNB Zambia Ltd at a 5.5% fixed interest rate. The facility was increased in May 2024 by USD 6.0 million at an interest rate of USD SOFR + 2.75% per annum. As at 31 December 2024, the outstanding balance under this facility was USD 5.5 million and the facility is scheduled for renewal in May 2025 according to normal banking procedures. This overdraft facility does not have any covenants.

Furthermore, in 2016, MRM entered into unsecured overdraft facilities with ABSA Mozambique SA (USD 15.0 million) and BCI (USD 15.0 million, increased to USD 20.0 million on 5 July 2023). The outstanding overdraft balance as at 31 December 2024 was USD 37.5 million, consisting of USD 14.8 million at ABSA and USD 22.7 million at BCI (corresponding to USD 17.3 million from the USD overdraft facility and USD 5.4 million related to the additional MZN facility described below). In the first half of 2024, due to extended internal processing times by BCI of the term loan and a shortage of USD currency in Mozambique, BCI provided a temporary solution by increasing the overdraft facility to USD 30.0 million, by providing an additional MZN 650.0 million overdraft facility (approximately USD 10 million), which was later adjusted to MZN 632.5 million in November 2024, compared to BCI's usual overdraft limit of USD 20.0 million. As at 31 December 2024, the 632.5 million MZN facility remained in place and was unwound in March 2025.

The BCI overdraft has similar covenants as the BCI term loan, which include: (i) the net debt to EBITDA ratio must be less than 1.5, (ii) the ratio of equity plus reserves to total assets must be greater than 40%, (iii) leverage (total debt / total assets) must be under 3, and (iv) the interest coverage ratio must be under 4. The BCI term loan does not include the interest coverage ratio covenant. Although the Group was not in compliance with the net debt to EBITDA covenant during the reporting period, the only impact would be the restriction of dividend payments for MRM. There are no further covenants attached to MRM's overdrafts except that the overdrafts should be cleared to nil at least once a year during the renewal period.

The Group's overdrafts are renewed annually subject to standard credit checks. The going concern scenarios assume all overdrafts are available during the going concern period. Although renewal of these facilities is outside of management's control, the Directors have no reason to believe that the renewal will not continue in the future, as it has since inception of the facilities.

1. BASIS OF PREPARATION (CONTINUED)

*Going Concern (continued)***Scenario analysis – risk assessment**

Several scenarios were modelled in the Directors' going concern assessment period up to 30 September 2026, including: (i) a base case scenario, (ii) a 10% reduction in Group revenues and 5% increase in operating costs at Kagem and MRM across the going concern period to 30 September 2026; (iii) insurgency scenario assuming two insurgency months in May of 2025 and 2026 and (iv) a reverse stress test.

Under the base case, the Proposed Rights Issue is modelled as being approved with gross proceeds of USD 30.0 million being obtained in Q2 2025, MRM and Kagem continue with seven auctions scheduled per year in 2025 and 2026. Group revenues also include direct sales, cut and polished sales, jewellery sales and the inaugural ruby sale by the ERM development asset in 2026. The cash flow forecast reflects the most recent market conditions in terms of pricing as well as the expected operational performance of both mines, considering the temporary suspension of mining at Kagem and the expected production from PP2 at MRM. Capital expenditures mainly consist of investments in mining and processing equipment and development of infrastructure. All existing term loans and overdraft facilities are modelled to remain available in 2025 and 2026. Existing overdrafts are modelled as renewing annually and complying with the annual clearance requirement.

The base case forecast indicates that the Group has sufficient cash headroom after settling all its liabilities as they fall due throughout the going concern assessment period to September 2026. The going concern assessment is dependent upon the timing and size of the emerald and ruby auctions held in 2025 and 2026. Under the base case, there is potential for a breach of MRM ABSA term loan covenants as at 30 June and 31 December 2025. Considering the long-standing relationship between ABSA and the Group, and the assurances received in a letter of intent from ABSA bank, the Directors have no reason to believe that a waiver would not be forthcoming in this eventuality. However, it is also acknowledged that this is outside of management's control. In the event that ABSA chose to withhold a waiver and recall the term loan in July 2025, under the base case scenario, the Company would need to apply the mitigating actions listed in the adverse cases below in order to remain solvent.

In relation to the downside cases:

(i) Reduction in revenues and increase in costs scenario

The reduced revenue and increased costs scenario is designed to reflect the risks of:

- Changing levels of demand resulting in deferrals in the planned auction schedule.
- Any significant downside trends in the grade that would have an impact on revenues.
- Potential implications on the Group's operations in respect of the conflict in Ukraine and the Middle East, in particular on the operating cash base at the mines. Trade disruptions together with high commodity prices have already affected the cost base across both mines.

In this scenario where operating expenses are projected to increase by 5% at both mines and Group revenues are projected to decrease by 10%, the Group is able to continue operations during the going concern period with sufficient levels of headroom by applying cash saving actions which are within Management's control. The list is not exhaustive and remains dynamic:

- Reduction of budgeted investment in development assets (ERM).
- Suspension of planned investment in expansion at Kagem and MRM, not including payments for the second processing plant.
- Reduction in budgeted advertising and marketing expenditure across the Group.
- Professional and consulting fees reduction at corporate level.
- Fabergé costs reduction, including reduced inventory purchases.

By applying the above measures, the Group would have cash savings of approximately USD 33.0 million in the going concern period to September 2026, and these could be implemented reasonably quickly, without curtailing production capability at MRM or Kagem. Under this scenario, the ABSA term loan could be settled in the event of an un-waived breach of covenants, and considering the cash savings the Group would still have liquidity throughout the going concern period, although nearing minimum cash requirement levels.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

1. BASIS OF PREPARATION (CONTINUED)

*Going Concern (continued)**(ii) Insurgency scenario*

Given the proximity of insurgent activities to the MRM mine site and recent civil unrest in Mozambique, the Directors acknowledge the risk of an insurgent event affecting operations. Recent and historical events have only resulted in short term disruption in MRM's operations, as such, an insurgency scenario was modelled that sees MRM evacuated and production cease for two months in the going concern period due to insurgent activities. In the insurgency scenario case, the Directors have assumed the following:

- Operations at MRM cease for two months, May 2025 and May 2026, referred to as "insurgency months".
- MRM auction revenues are reduced by 9% compared to the base case in FY25 and FY26 reflecting 1/12th reduction in production.
- Unavoidable costs in insurgency months include total labour cost, security cost, fuel and camp costs for security and other fixed costs.
- Higher security costs: 20% increase in security costs in insurgency months.
- Suspension of MRM's capital expenditure in insurgency months.

Considering the above and after applying the relevant cash saving actions, in the event that the Group is unable to execute normal operations at MRM due to the insurgency, the Group would still have sufficient liquidity to continue its operations over the going concern assessment period. Under this scenario, the ABSA term loan could be settled in the event of an un-waived breach of covenants, and considering the cash savings the Group would still have liquidity throughout the going concern period.

(iii) Reverse stress test

The reverse stress test indicated that a reduction of 24% total Group revenue in 2025 from actuals achieved in the 12 months up to 31 December 2024, would result in the liquidity balance decreasing to minimal required levels in November 2025 after mitigating actions. Consequently, should total Group revenues fall below USD 162.0 million in 2025, the Group would need to obtain appropriate new sources of capital to prevent the Company and other material companies in the Group from the risk of entering into administration or liquidation. The Directors consider the reverse stress test to be implausible considering the significant drop in revenue required and already depressed emerald pricing factored into the going concern model.

Summary

Considering the analysis above, the Directors concluded that there are two material uncertainties present at the date of signing these Consolidated Financial Statements.

The first material uncertainty relates to shareholder approval for the Proposed Rights Issue. While the Directors have a reasonable expectation that shareholder approval for the Proposed Rights Issue will be obtained, given such approval has not yet been obtained, they have identified the securing of such approval as a material uncertainty which could cast significant doubt on the Group's ability to continue as a going concern.

The second material uncertainty relates to the impact of potential breaches of debt covenants in June and December 2025, combined with the risk of overdraft facilities becoming unavailable in an uncertain trading environment in the downside scenario case of reduced revenues and increased costs. Although the Group has the ability to repay the term loan at the date of covenant breaches provided the mitigating actions are implemented, in a scenario where there is also a deterioration in the trading environment and as a result, overdraft facilities are withdrawn, the Group may have insufficient funds to continue trading. To ameliorate this possibility, the measures available to implement include, but are not limited to:

- Entering into a subordinated borrowing facility. Based on the Board's investigations to date, if available at all, such a facility is likely to be available on unattractive terms;
- Extending the group-wide cost cutting exercise. Whilst this may limit the outflow of working capital, these measures are likely to be detrimental to the longer-term viability of the Group;
- Disposal of core and non-core assets; and
- Seeking to bring forward revenues via more frequent auctions and direct sales.

The Directors have a reasonable expectation that the Group's shareholders will approve the Proposed Rights Issue and that funds will be received during Q2 2025. Furthermore, based on the Group's long-standing relationship with the banks, and having received a letter of intent relating to potential breaches as at 30 June and 31 December 2025, the Directors expect that support for the Company would be retained. Accordingly, the Directors have continued to adopt the going concern basis in preparing the annual report and accounts but note that material uncertainties exist that cast significant doubt upon the Group's ability to continue as a going concern. The financial statements do not contain the adjustments that would result if the Company or Group was unable to continue as a going concern.

2. ACCOUNTING POLICIES

2.1 *Critical accounting judgements, estimates and assumptions*

In preparing these Consolidated Financial Statements in conformity with IFRS, the Directors are required to make necessary judgements, estimates and assumptions about the carrying amounts of assets and liabilities where information is not readily available from other sources. Judgements are based on the Directors' best knowledge of the relevant facts and circumstances, having regard to prior experience. Estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may, however, differ from these judgements and estimates.

The estimates and underlying assumptions applied are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgements, key assumptions and sources of estimation uncertainty concerning the future that arise mainly from the nature of the Group's mining operations and which the Directors believe are likely to have the greatest effect on the amounts recognised in the Consolidated Financial Statements. The qualitative disclosures regarding these sources of estimation uncertainty are presented because the Directors consider these to be relevant and useful in understanding the Consolidated Financial Statements of the Group.

2.1.1 *Critical accounting judgements*

Revenue recognition

The critical accounting judgement surrounding revenue recognition relates to the identification of the specific performance obligations arising on sales of rough gemstones, from which the Group's revenue is predominantly derived. Revenue is recognised at the point at which such specified performance obligations are determined to have been met.

Rough gemstone sales are transacted through a competitive auction process and the performance obligation is determined to be satisfied at the point at which an auction is awarded to a buyer. Each individual customer enters into a sale agreement with the Group once a winning bid is awarded. The transaction price is determined as the winning bid price per parcel sold. Once the sales contract has been agreed upon by both parties, gemstones are placed with a custody agent who is legally bound by the sale agreement to deliver the goods to the buyer once they are paid for. If the customer does not pay the auction price by the specified due date, the Group has the right to sue the customer for payment, but may also choose to sell the gems to another party. The Group determines control to have passed to a buyer at the point at which an auction is awarded and goods have been invoiced at an amount agreed between the parties. In particular, in line with the terms and conditions of the Group's auction contracts, the Group considers the ability of the customer to prevent the Group from accessing the gemstones after the auction date and the ability of the Group to sue for payment in the event payment is not made by the due date to be the most substantive rights under the contract. The ability of the Group to sell the gemstones to another party, which arises only if payment is not made by the due date, is considered a right that primarily protects the Group's credit risk and does not give the Group ongoing control of the goods.

The Group also generates revenues from the sales of cut and polished gemstones and retail, wholesale and web sales, the accounting policies for which are detailed in the Material Accounting Policies section below. Refer to Note 3: *Segmental reporting* for further details of revenue by segments.

2.1.2 *Key sources of estimation uncertainty*

Estimation of cash flows included in going-concern assessment

In forming its opinion on going concern, the Board prepares a working capital forecast based upon its assumptions related to the future trading performance of the Group, as well as taking into account available borrowing facilities in line with the capital management policies referred to in Note 16: *Borrowings*. The Board also prepares a number of alternative scenarios, modelling the business variables and key risks and uncertainties. Full details of the going-concern assessment are set out in Note 1: *Basis of Preparation*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. ACCOUNTING POLICIES (CONTINUED)

2.1 *Critical accounting judgements, estimates and assumptions (continued)**Determination of the recoverable value of the Group's cash-generating units*

Recoverable value (of a cash-generating unit ("CGU")) is determined as the higher of fair value less costs to sell and value-in-use, which is calculated on the basis of discounted future cash flows. The determination of recoverable value therefore requires management to make estimates and assumptions about a number of key factors that are subject to risk and uncertainty. These factors include expected production and sales volumes, gemstone prices (considering current and historical prices, price trends and related factors), reserves, operating costs, closure and rehabilitation costs, the life of mine, future capital expenditure, economic and regulatory climates and the applicable discount rate.

The Directors consider the critical estimates in determining these recoverable values to be the future estimates of rough emerald and beryl prices and ruby and corundum prices, as well as the discount rate applied to the calculations. Any changes to the assumptions adopted in the calculation of the recoverable amount, individually or in aggregate, would result in a different valuation being determined.

There is inherent judgement in the estimation of rough emerald and rough ruby prices as they are not traded on a public exchange, with most transactions occurring in private auctions. The Group therefore determines future prices based on the historic price and product mix trends for each commodity.

Further details on the key estimates relating to the valuation of the Group's CGUs and details of the impairment assessment completed at 31 December 2024 are disclosed in Note 10: *Property, plant and equipment*.

Determination of ore reserves and mineral resources

The estimation of ore reserves primarily impacts the depreciation charge of evaluated mining assets, referred to in Note 10: *Property, plant and equipment*, which are depreciated based on the quantity of ore reserves at the respective mining operation. Reserve volumes are also used in calculating whether an impairment charge should be recorded where an impairment indicator exists.

The Group estimates its ore reserves and mineral resources based on information, compiled by appropriately qualified persons, relating to geological and technical data on the size, depth, shape and grade of the ore body and related to suitable production techniques and recovery rates. The estimate of recoverable reserves is based on factors such as gemstone prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body.

There are numerous uncertainties inherent in estimating ore reserves and mineral resources. Consequently, assumptions that are valid at the time of estimation may change significantly if and when new information becomes available.

The Gemstone Resources and Gemstone Reserves Report 2019, which contains a thorough review of the gemstone resources and gemstone reserves at 31 December 2019, and details the location, geology, mining, processing, operating statistics, and changes at the applicable mining operations and projects, is available online at www.gemfieldsgroup.com. This report was completed by a third party and the Competent Person's Reports can also be found at www.gemfieldsgroup.com. In 2024 and 2023, internal competent persons conducted a review of the detailed 2019 report. The condensed version of the 2019 report, updated for 2024 and 2023 activity, can be found on page 50 of this report for Kagem and on page 54 for MRM.

Valuation of the Fabergé cash-generating unit, including the Fabergé trademarks and brand

The Fabergé trademarks and brand are a significant asset in the Consolidated Statement of Financial Position. The Directors have determined that the asset has an indefinite useful life, as it is probable that the future economic benefits that are attributable to the asset will flow to the entity indefinitely, and therefore, in accordance with IAS 36 Impairment of Assets, the asset is considered for impairment on an annual basis.

Trademarks are inherently complex to value, with several alternative valuation methodologies considered under IAS 36 Impairment of Assets. For the year ended 31 December 2024 and consistent with the prior year, the Directors applied a Market Approach – Revenue Multiple method to the valuation of the Fabergé. The key estimate applied in the valuation is the basis of the determined future revenues for the CGU. The estimate considers historic realised sales data over a 12-month look-back period, management's forecast revenues for next 12 months based on the latest Board-approved budget. Additionally, IFRS revenues over a three-year look-back period are used for sensitivity analysis.

While the Directors remain optimistic regarding the performance of the CGU, future revenues of the CGU remain uncertain. This therefore directly impacts the estimation uncertainty surrounding the valuation of the Fabergé CGU at 31 December 2024.

Changes to the assumptions adopted in the calculation of the fair value of the CGU, individually or in aggregate, could result in a different valuation being determined. Refer to Note 11: *Intangible assets* for further details of the key estimates relating to the valuation and details of the impairment assessment completed at 31 December 2024.

2. ACCOUNTING POLICIES (CONTINUED)

2.1 *Critical accounting judgements, estimates and assumptions (continued)*

Inventory valuation

The Group reviews the net realisable value of, and demand for, its inventory on a bi-annual basis in order to provide assurance that recorded inventory is stated at the lower of cost or net realisable value. Factors that could impact estimated demand and selling prices include competitor auctions and economic trends. The Directors use their experience, market data and trend analysis when undertaking these reviews. Refer to Note 13: *Inventory* for further details.

Inherent uncertainties in interpreting tax legislation

The Group is subject to uncertainties relating to the determination of its tax liabilities and the timing of the recovery of tax refunds. Mozambican and Zambian tax legislation and practice are in a state of continuous development and, therefore, are subject to varying interpretations and changes which may be applied retrospectively. The Directors' interpretation of tax legislation as applied to the transactions and activities of the Group may not coincide with that of the tax authorities. As a result, the tax authorities may challenge transactions and the Group may be assessed with additional taxes, penalties and fines or be refused refunds, which could have a material, adverse effect on the Group's financial performance or position.

Historical tax years relating to various companies within the Group remain open for inspection during a future tax audit. Consequently, the tax figures recorded in the Consolidated Financial Statements for these years may be subject to change.

The Directors believe that the Group is in substantial compliance with the tax laws promulgated in all the jurisdictions in which it operates, and with any contractual terms entered into that relate to tax which affect its operations, and that, consequently, no additional, material tax liabilities will arise. However, due to the reasons set out above, the risk remains that the relevant tax authorities may take a different position with regard to the interpretation of contractual provisions or tax law (inclusive of corporate income taxes, value-added tax and subsoil-use legislation). The resulting effect of any positions taken by the tax authorities that differ from those of the Directors is that additional tax liabilities may arise, or that the timing of refunds due may take longer than expected or may be refused.

Due to the range of uncertainties described above, the Directors have made their best efforts to estimate the financial effect of potential additional tax liabilities, if any, together with any associated penalties and charges, for which the Group may be liable, but cannot include every eventuality.

2.2 *Material accounting policies*

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purposes of the Group's Consolidated Financial Statements, the results and financial position of each Group company are expressed in USD, which is the functional currency of the Company and the presentational currency for the Consolidated Financial Statements.

Transactions entered into by Group companies are recorded in their functional currencies at the exchange rate on the day of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised in the Income Statement. On consolidation, all assets and liabilities of overseas operations are translated into USD at the rate ruling at the reporting date.

Where the functional currency of a subsidiary is not USD, the exchange differences that arise on translating i) the closing net assets at the closing rate at the balance sheet date, and ii) the income statement results at average exchange rates (unless these average rates are not reasonable approximations of the cumulative effect of the prevailing rate transaction dates, in which case actual rates are used) are recognised directly in equity in the cumulative translation reserve.

Exchange differences recognised in the Income Statement of the Group's subsidiaries' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to the cumulative translation reserve on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. ACCOUNTING POLICIES (CONTINUED)

2.2 *Material accounting policies (continued)*

The key exchange rates impacting these Consolidated Financial Statements are detailed in the table below.

	2024		2023	
	SPOT	AVERAGE	SPOT	AVERAGE
Mozambican metical (MZN)	63.20	63.20	63.20	63.20
Zambian kwacha (ZMW)	27.74	26.07	25.76	20.43
UK pound sterling (GBP)	0.80	0.78	0.79	0.80
South African rand (ZAR)	18.74	18.33	18.28	18.43

Subsidiaries

The Group is deemed to control an investee if it has all of the following:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the Group's returns.

If these three criteria are not met, then the investee is determined to not be a subsidiary of the Group and its results will not be consolidated into these financial statements.

Subsidiaries are consolidated into the Group's financial statements on a line-by-line basis. They are deconsolidated from the date on which control ceases.

IFRS 3 Business Combinations gives the choice, on a transaction-by-transaction basis, to initially recognise any non-controlling interest in the acquiree that is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at either acquisition date fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other components of non-controlling interest such as outstanding share options are generally measured at fair value.

The total comprehensive income of non-wholly-owned subsidiaries is attributed to owners of the Parent and to the non-controlling interests in proportion to their relative ownership interests.

Revenue

The Group recognises revenue at the point at which performance obligations related to the sale are determined to have been met. The Group recognises revenue under the following categories:

- i) Rough gemstones – the performance obligation is met at the point at which the auction is awarded to the customer. Refer to the *Critical Accounting Judgements* section above for further details.
- ii) Cut and polished gemstones – the performance obligation is met through the supply of goods to the customer and control is determined to have passed at the point of delivery.
- iii) Retail, wholesale and web sales – the performance obligation is met through the supply of goods to the customer and control is determined to have passed at the point of delivery.

The transaction price is determined as per the individual contracts or agreements, including final winning bids. There is no variable consideration included in the Group's contracts, and payment terms within the Group are usually less than 120 days.

Investment income and expenses

Unrealised fair value gains and losses – these amounts are movements in the carrying value of investments during the period. Foreign exchange gains and losses on investments are included within these fair value gains and losses.

Realised gains and losses – these amounts may arise on divestments, acquisitions, equity-for-equity swaps, loan conversions and similar transactions. The gains/losses usually represent the difference between the fair value of the consideration received and the fair value of the assets disposed of as part of the transaction. Realised is used to describe gains or losses on transactions where assets are either realised in return for cash or cash equivalents, or for other assets such as new equity interests or similar.

Mineral royalties and production taxes

The Group recognises mineral royalties and production taxes following the sale of rough gemstones at auction. Mineral royalties and production taxes are based on the fixed percentage of the final sales price achieved at auction applicable at the time.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 *Material accounting policies (continued)*

Taxation

Taxation for the year comprises current and deferred tax. Current and deferred tax is charged or credited to the Consolidated Income Statement, except to the extent that it relates to items recognised directly in equity, in which case the taxation effect is recognised in equity.

Current taxation

The current tax expense or credit is the amount of taxes estimated to be payable or recoverable in respect of the taxable profit or loss for a period, as well as adjustments to estimates in respect of previous periods. It is calculated on the basis of the tax laws and rates enacted or substantively enacted at the balance sheet date in countries where the Group operates and generates taxable income.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base, except for differences arising on:

- The initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the temporary differences can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax assets/(liabilities) are recovered/(settled) and taking account of the expected manner of recovery/(settlement) of the associated asset/(liability).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities, and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable Group company; or
- Different Group companies which intend either to settle current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

The Group has applied the exemption in IAS 12 Income Taxes to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Property, plant and equipment

Property, plant and equipment is stated at historic cost less accumulated depreciation and accumulated impairment losses. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Evaluated mining properties are amortised on the basis of ore mined in the year set against the total probable ore reserves, as detailed in the section below. Depreciation is provided on all other items of property, plant and equipment to write off the carrying value of items over their expected useful economic lives and is recognised within cost of sales or selling, general and administrative expenses depending on their nature. It is applied at the following rates:

Tangible asset	Depreciation rate
Buildings	5% per annum straight-line
Plant, machinery and motor vehicles	20–25% per annum straight-line
Fixtures, fittings and equipment	20–33% per annum straight-line
Evaluated mining properties	Unit of production based on the estimated reserves

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Material accounting policies (continued)

Useful lives are based on management's estimates of the period over which an asset is expected to be available for use by the Group, or the amount of production expected to be obtained from the asset by the Group. The useful lives and residual values (where applicable) of the tangible assets are reviewed annually.

The carrying value of property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Any reversal of the impairment is determined using the depreciated historic cost of the specific asset.

Mining assets – evaluated mining properties

Following the determination of the commercial and technical viability of a mining project the relevant expenditure, including licence acquisition costs, is transferred from unevaluated mining properties within intangible assets to evaluated mining properties within property, plant and equipment. Exploration expenditure transferred to property, plant and equipment is subsequently depreciated using a unit-of-production method. The Group calculates depreciation based on the ratio of ore mined during the period to the total brought-forward ore reserve, based on the proven and probable estimated reserves. Expenditure deemed to be unsuccessful is written off to the Consolidated Income Statement.

Deferred stripping costs

Stripping costs incurred in the development of a mine or pit before production commences are capitalised as part of the cost of constructing the mine or pit and subsequently amortised over the life of the mine on a unit-of-production basis.

Production stripping costs related to accessing an identifiable component of the ore body to realise benefits in the form of improved access to the ore to be mined in the future are capitalised as a separate asset (deferred stripping asset) within property, plant and equipment.

Deferred stripping assets are amortised over the identified component of the ore body that becomes more accessible as a result of the stripping activity. Specifically, the calculation of amortisation for deferred stripping costs is the ratio of ore mined within the reaction zone (the ore body that becomes more accessible as a result of the stripping activity) to the total ore estimated and identified within the reaction zone exposed by the stripping activity. The judgements made are supported by technical data.

Where stripping is undertaken alongside ongoing, continuous mining, the related costs are expensed to the Consolidated Income Statement as mining and production costs during the period in which the costs have been incurred.

Intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic life. Amortisation is recognised within cost of sales.

Trademarks, which have an indefinite useful economic life, are initially recognised at fair value and reviewed for impairment annually. An intangible asset is deemed to have an indefinite life when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate cash flows for the Group.

An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably. The amounts attributed to such intangibles are arrived at using appropriate valuation techniques.

The useful economic lives of significant intangibles recognised by the Group are as follows:

Intangible asset	Useful economic life
Trademarks and Fabergé brand	Indefinite
Software	3 years
Fabergé customer list	6 years

The useful lives and residual values (where applicable) of the intangible assets are reviewed annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 *Material accounting policies (continued)*

Unevaluated mining properties

The Group follows an accounting policy for exploration and appraisal assets that is based on the successful-efforts accounting method.

Initial exploration and evaluation expenditure incurred in relation to project areas to which the Group's licences and rights relate are capitalised on a project-by-project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses, but not general overheads. Where a licence is relinquished or a project is abandoned, or it is considered to be of no further commercial value to the Group, the related costs are written off to the Consolidated Income Statement.

If a mining development project is successful, the related expenditures are transferred to property, plant and equipment, at which point they are assessed for impairment. Subsequently, costs are amortised over the estimated life of the commercial ore reserves using a unit-of-production method. The calculation is based on proved and probable ore reserves attributable to the specific asset.

Impairment

Impairment tests on intangible assets with indefinite useful economic lives are undertaken on an annual basis.

Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may be different from their recoverable amount. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value-in-use and fair value less costs to sell), the asset is written down. Where the carrying value of an asset is below its recoverable amount, any historic impairment charged in respect of the asset is reversed accordingly.

Investments

If an equity interest held by the Group is under 20%, it is recognised in the Consolidated Statement of Financial Position as an investment and accounted for at fair value in accordance with IFRS 13 through the provisions under IFRS 9.

All equity investments with a holding of less than 20% are initially recognised at their fair value, with any subsequent changes in the assessed fair value being recognised in the Consolidated Income Statement as unrealised fair value gains or losses.

Dividends are recognised when the entity's right to receive payment is established, it is probable the economic benefits will flow to the entity and the amount can be measured reliably. Dividends are recognised in other income in the Consolidated Income Statement.

Unlisted equity investments

A number of different valuation methods can be used when assessing the fair value of the Group's unlisted equity investments. Appropriate methods include the discounted cash flow or earnings of the underlying investment, a market-based approach applying comparable company valuation multiples or valuing the investment in line with the price of a recent third-party, arm's-length transaction. Discounts for illiquidity may be applied to valuations where appropriate, in accordance with the relevant accounting standards. The Group engages the services of independent third-party valuation experts to assist with the valuation of its unlisted equity investments where the valuations are particularly complicated or subjective.

Inventory

Inventory relating to rough gemstones has been valued at the lower of cost, determined on the weighted-average basis, and net realisable value. Cost includes direct production costs, depreciation of mining equipment and amortisation of the mining asset, and deferred stripping costs. Net realisable value of rough gemstones is the estimated market value, split by grade and based on past auctions, less estimated costs to sell. Due to the nature of the Group's operations, in the event that mining operations become temporarily suspended for a prolonged period of time, certain direct production costs will still be incurred by the Group. In such an event, production costs are not capitalised to inventory during the period of non-operation but are expensed directly to the Consolidated Income Statement as and when incurred.

During the process of extracting emeralds and rubies, beryl and corundum are also produced. This production is treated as a by-product and is measured at net realisable value. The net realisable value is accounted for as a contribution to the costs of producing emeralds and rubies in the equivalent period. Upon sale of the by-products, the sale is recognised as revenue, with any profit over its previous carrying value being recognised within gross profit in the period of sale.

Cut and polished gemstones, retail inventory and Fabergé inventory are initially recognised at cost, and, subsequently, at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is based on expected sales price, less estimated costs to sell.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. ACCOUNTING POLICIES (CONTINUED)

*2.2 Material accounting policies (continued)***Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provision for decommissioning and restoration

A provision for decommissioning and restoration costs is recognised at the commencement of mining. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements and based on management's best estimate of the future potential costs. The estimated future cash flows are then discounted to their present value using a risk-free discount rate, which is based on the Group's current market assessment of the time value of money relevant to the country of operation of the associated cash-generating unit.

A corresponding evaluated mining property asset is also recorded within property, plant and equipment at an amount equivalent to the provision and is subsequently depreciated as part of the associated evaluated mining property. Any change in the present value of the estimated future expenditure is reflected and adjusted against the provision and evaluated mining property, unless the asset to which the provision relates has been impaired, in which case the reversal of the provision is taken through the Consolidated Income Statement.

Share-based payments

The Company may issue equity-settled share-based payments in the form of share options to certain Directors. Equity-settled share-based payments are measured at fair value at the date of grant, using a Black-Scholes valuation model and Monte Carlo simulation. The fair value determined at the date of grant is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest, with the corresponding credit being recorded in the option reserve.

At the end of each reporting period the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement with a corresponding adjustment to the option reserve.

Financial Instruments*Financial assets*

Financial assets are initially recognised at fair value, usually being the transaction price. In the case of financial assets not at fair value through profit or loss, directly attributable transaction costs are also included. The subsequent measurement of financial assets depends on their classification. The group classifies its financial assets in the following categories:

- Financial assets measured at amortised cost; and
- Financial assets measured at fair value through profit and loss.

Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of financial assets at initial recognition. The Group's policy with regard to credit risk management is set out in Note 23: *Financial instruments*.

*Measurement**i) Financial assets measured at amortised cost*

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less any provision for impairment.

ii) Financial assets measured at fair value through profit and loss

Financial assets are recognised in this category when the asset does not meet the criteria to be measured at amortised cost or at fair value through other comprehensive income. Such assets are carried on the balance sheet at fair value with gains or losses recognised in the income statement. This classification is only relevant for the Group's investments, as discussed in the Investments section above.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Material accounting policies (continued)

Impairment

Credit risk arises from the Group's financial assets which are carried at amortised cost, including cash and cash equivalents and outstanding receivables with auction and retail customers. The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired based on the credit loss model set out in IFRS 9 Financial Instruments.

i) Impairment – trade receivables

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default in order to determine the lifetime expected credit loss for the trade receivables.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and a failure to make contractual payments for a period of greater than 120 days past due. Impairment losses are presented as net impairment losses within operating profit/(loss).

ii) Impairment – loans and other receivables

Impairment provisions for other receivables and loans are recognised based on the IFRS 9 credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. Credit risk is assessed on an asset-by-asset basis. A key indicator that there has been a significant increase in credit risk is a failure to make contractual payments for a period of greater than 120 days past due. For financial assets where credit risk has not increased significantly since initial recognition, 12-month expected credit losses ("ECLs") along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime ECLs along with the gross interest income are recognised.

iii) Impairment – related party receivables

The Group also applies the IFRS 9 credit loss model to its related party loans. Both the 12-month ECL model and the lifetime ECL model require the Group to assess the probability of counterparty default and the expected loss given default.

The expected loss rates are based on management's assessment and understanding of the credit risk attached to the related party receivable and the expected repayment profile of that receivable, including the terms of any underlying loan contracts in place and management's assessment as to the sufficiency of the cash and liquid assets of the related party to repay the receivable when it falls due. The expected loss is multiplied by the assessed probability of non-payment to determine the expected credit loss.

Related party receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, failure of the related party to make contractual payments under the terms of the loan agreement, or a significant change in the operations of the related party.

Trade and other receivables

The Group holds trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less any provision for impairment. Trade receivables are measured at their transaction price, i.e. the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. All amounts due from trade receivables have expected terms of less than six months and are therefore classified as current.

Prepayments for goods or services are not financial assets because they are associated with the receipt of goods or services and do not give rise to a present right to receive cash or any other financial asset.

Cash and cash equivalents

Cash and cash equivalents represent cash balances held at bank and on-demand deposits. Cash and cash equivalents are measured at amortised cost.

Financial liabilities

Financial liabilities include the following items:

Trade and other payables

Trade payables and other short-term monetary liabilities are initially measured at fair value and subsequently recognised at amortised cost using the effective interest rate method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Material accounting policies (continued)

The initial measurement of a trade payable will be discounted to present value where the time value of money is deemed to be significant. Generally, on initial recognition, the transaction price giving rise to the liability to be settled in cash is regarded as the fair value.

Borrowings

Interest-bearing borrowings are financial liabilities with fixed or determinable payments. Interest-bearing borrowings are initially recognised at fair value, net of directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial assets and financial liabilities

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or it is cancelled. Any gain or loss on derecognition is taken to the Consolidated Income Statement.

Leases

On inception of a contract the Group assesses whether it contains a lease. The contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the use of an identified asset is determined based on whether the Group has the right to obtain all the economic benefits from the use of the asset throughout the period of use and if the Group has the right to direct the use of the asset.

Lease obligations are recognised as a liability with a corresponding right-of-use asset at the commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest method.

The corresponding right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of costs required to remove or restore the underlying asset, less any lease incentives received. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term, on a straight-line basis.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets with an annual cost of USD 5,000 or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3. SEGMENTAL REPORTING

The Executive Management team, which includes the Chief Executive Officer and the Chief Financial Officer, has been determined collectively as the Chief Operating Decision Maker for the Group. The information reported to the Group's Executive Management team for the purposes of resource allocation and assessment of segment performance is split between the Group's operations based on their differing products and services, and geographical locations.

The strategy of the Group is to be the world-leading responsible miner and marketer of coloured gemstones through its ownership and operation of the Kagem emerald mine in Zambia, and the MRM ruby mine in Mozambique. The Group also invests in certain exploration and evaluation opportunities within Africa that have been identified by Executive Management to have the potential to further the Group's strategy and widen its asset portfolio. Additionally, the Group participates in the downstream gemstone market through its ownership of Fabergé, which provides the Group with direct access to the end customer of coloured gemstones as well as opportunities to promote and boost the perception of coloured gemstones in the market.

3. SEGMENTAL REPORTING (CONTINUED)

Accordingly, the Group has been organised into six operating and reportable segments, reflecting its business focus:

- Kagem Mining Limited (“Kagem”) – the Group’s emerald and beryl mine, in Zambia, Africa;
- Montepuez Ruby Mining Limitada (“MRM”) – the Group’s ruby and corundum mine, in Mozambique, Africa;
- Development assets – comprising the Group’s exploration and evaluation assets accounted for under IFRS 6, in respect of exploration activities in Africa, including Megaruma Mining Limitada (“MML”), Eastern Ruby Mining Limitada (“ERM”), Campos de Joia Limitada (“CDJ”), Nairoto Resources Lda (“Nairoto” or “NRL”), and the Group’s projects in Ethiopia and Madagascar;
- Fabergé – the Group’s wholesale and retail sales of jewellery and watches;
- Corporate – comprising sales of cut and polished gemstones, marketing, and technical and administrative services based in the UK, and the Group’s investment in Sedibelo; and
- Other – includes sales and marketing offices.

The reporting on these segments to Executive Management focuses on revenue, operating costs, earnings before interest, tax, depreciation and amortisation (“EBITDA”), key balance sheet lines and free cash flow (as defined further below).

Income Statement

1 JANUARY 2024 TO 31 DECEMBER 2024	KAGEM USD'000	MRM USD'000	DEVELOPMENT ASSETS USD'000	FABERGÉ USD'000	CORPORATE USD'000	OTHER USD'000	TOTAL USD'000
Rough gemstones ¹	78,704	117,191	–	–	–	2,979	198,874
Jewellery	–	–	–	13,421	–	–	13,421
Cut and polished	–	–	–	–	31	526	557
Revenue²	78,704	117,191	–	13,421	31	3,505	212,852
Mining and production costs ³	(51,186)	(42,574)	(12,627)	–	–	–	(106,387)
Mineral royalties and production taxes	(4,900)	(11,720)	–	–	–	–	(16,620)
Marketing, management and auction (costs)/income	(9,838)	(14,649)	–	–	23,315	1,172	–
Change in inventory and cost of goods sold	13,254	(8,366)	–	(6,492)	(25)	(3,251)	(4,880)
Mining and production costs capitalised to intangible assets	–	–	13,545	–	–	–	13,545
Selling, general and administrative expenses ⁴	(7,852)	(15,153)	(2,552)	(9,334)	(19,215)	(4,022)	(58,128)
Other income	83	72	28	22	43	213	461
EBITDA⁵	18,265	24,801	(1,606)	(2,383)	4,149	(2,383)	40,843
Unrealised fair value losses	–	–	–	–	(4,000)	–	(4,000)
Share-based payments	–	–	–	–	(174)	–	(174)
Depreciation and amortisation	(17,591)	(15,195)	(2,386)	(579)	(733)	(205)	(36,689)
Impairment charges ⁶	(48,026)	(2,900)	(38,887)	(2,736)	(3,000)	(2,384)	(97,933)
(Loss)/profit from operations	(47,352)	6,706	(42,879)	(5,698)	(3,758)	(4,972)	(97,953)
Finance income	–	634	–	1	180	86	901
Finance costs	(2,349)	(3,360)	(132)	(273)	(401)	(54)	(6,569)
Taxation credit/(charge)	14,297	(3,327)	–	(5,306)	(731)	(2,108)	2,825
(Loss)/profit after taxation	(35,404)	653	(43,011)	(11,276)	(4,710)	(7,048)	(100,796)

1 In June and December 2024, two mixed-quality rough ruby auctions were held generating USD 114.9 million. In March and September 2024, two commercial-quality rough emerald auctions were held and in May and November 2024, two higher-quality rough emerald auctions were held, generating USD 78.7 million for the year. Additionally, in September 2024, a low-quality ruby auction was held that generated revenue of USD 2.3 million.

2 Revenues have been recognised at one point in time, when control passes to the customer. No third-party customer accounted for more than 10% of the Group’s sales during 2024.

3 Excluding mineral royalties and production taxes, which have been presented separately, and inventory provisions, which are not included in Group’s EBITDA.

4 Excluding share-based payments of USD 0.2 million, depreciation and amortisation of USD 1.5 million and receivable and other asset write downs of USD 4.2 million (see Note 5) that are not included in Group’s EBITDA.

5 Earnings before interest, taxation, depreciation and amortisation, adjusted to exclude one-off impairments made to the Group’s non-current assets and inventory, fair value gains or losses on the Group’s non-core equity investments, share based payments, other impairments and provisions.

6 Impairment charges recognised on the face of the Consolidated Income Statement total USD 91.3 million, which consists of a USD 47.4 million impairment of evaluated mining properties at Kagem (see Note 10), USD 1.9 million impairment of PPE at MML and Nairoto (see Note 10) and a USD 42.0 million impairment of unevaluated mining properties at MML and Nairoto (see Note 11). Additionally, cost of sales includes impairments of consumable inventory totalling USD 0.6 million at Kagem and USD 1.9 million at MRM (see Note 4). Recorded in selling, general, and administrative expenses is a USD 2.0 million impairment of an investment within Gemdustry, USD 1.1 million write down of other assets in MRM, USD 2.3 million write-off of trade receivables and USD 0.4 million write-off of other assets in Fabergé, USD 0.4 million write off of other receivables in Gemdustry and a net USD 2.0 million reversal of Mwiriti balances (see Note 14).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. SEGMENTAL REPORTING (CONTINUED)

Income Statement (continued)

1 JANUARY 2023 TO 31 DECEMBER 2023	KAGEM USD'000	MRM USD'000	DEVELOPMENT ASSETS USD'000	FABERGÉ USD'000	CORPORATE USD'000	OTHER USD'000	TOTAL USD'000
Rough gemstones ¹	89,925	151,379	–	–	–	3,834	245,138
Jewellery	–	–	–	15,653	11	–	15,664
Cut and polished	–	–	–	–	905	312	1,217
Revenue²	89,925	151,379	–	15,653	916	4,146	262,019
Mining and production costs ³	(49,392)	(41,187)	(7,911)	–	–	–	(98,490)
Mineral royalties and production taxes	(5,565)	(15,138)	–	–	–	–	(20,703)
Marketing, management and auction (costs)/income	(11,240)	(16,284)	–	–	27,524	–	–
Change in inventory and cost of goods sold	(3,240)	4,030	–	(9,685)	(917)	(3,534)	(13,346)
Mining and production costs capitalised to intangible assets	–	–	8,140	–	–	–	8,140
Selling, general and administrative expenses ⁴	(7,626)	(5,836)	(1,914)	(9,800)	(26,482)	(3,386)	(55,044)
Other income	76	76	36	172	34	111	505
EBITDA⁵	12,938	77,040	(1,649)	(3,660)	1,075	(2,663)	83,081
Unrealised fair value losses	–	–	–	–	(28,000)	–	(28,000)
Other fair value gains	–	–	–	–	–	62	62
Share-based payments	–	–	–	–	(96)	–	(96)
Depreciation and amortisation	(17,364)	(16,439)	(1,304)	(487)	(773)	(564)	(36,931)
Impairment (charges)/reversals ⁶	(673)	1,132	–	330	(1,518)	–	(729)
(Loss)/profit from operations	(5,099)	61,733	(2,953)	(3,817)	(29,312)	(3,165)	17,387
Finance income	–	922	–	1	1,019	262	2,204
Finance costs	(1,519)	(1,236)	(26)	(117)	(114)	(10)	(3,022)
Taxation credit/(charge)	2,666	(20,091)	37	738	(1,104)	(1,644)	(19,398)
(Loss)/profit after taxation	(3,952)	41,328	(2,942)	(3,195)	(29,511)	(4,557)	(2,829)

1 In June and December 2023, two mixed-quality rough ruby auctions were held generating USD 149.9 million. In March and September 2023, two commercial-quality rough emerald auctions were held and in June 2023, one higher-quality rough emerald auctions was held, generating USD 89.9 million for the year. Additionally, in September 2023, a low-quality ruby auction was held that generated revenues of USD 1.5 million.

2 Revenues have been recognised at one point in time, when control passes to the customer. No third-party customer accounted for more than 10% of the Group's sales during 2023.

3 Excluding mineral royalties and production taxes, which have been presented separately, and inventory provisions, which are not included in Group's EBITDA.

4 Excluding share-based payments of USD 0.1 million, other fair value gains of USD 0.1 million, depreciation and amortisation of USD 1.8 million and reversal of other asset write down of USD 0.4 million (see Note 5) that are not included in Group's EBITDA.

5 Earnings before interest, taxation, depreciation and amortisation, adjusted to exclude one-off impairments made to the Group's non-current assets and inventory, fair value gains or losses on the Group's non-core equity investments, share based payments, other impairments and provisions.

6 Impairment (charges)/reversals include a USD 0.7 million charge to slow-moving consumable inventory at Kagem, a USD 0.7 million reversal on inventory impairment at MRM, a USD 0.3 million inventory provision reversal at Fabergé, and a USD 1.5 million inventory impairment related to Gemfields Limited legacy inventory, all of which are recorded within cost of sales. Additionally, a USD 0.4 million reversal of other asset write down at MRM is recorded within selling, general, and administrative expenses.

3. SEGMENTAL REPORTING (CONTINUED)

Change in inventory and cost of goods sold

1 JANUARY 2024 TO 31 DECEMBER 2024	KAGEM USD'000	MRM USD'000	DEVELOPMENT ASSETS USD'000	FABERGÉ USD'000	CORPORATE USD'000	OTHER USD'000	TOTAL USD'000
Change in inventory and cost of goods sold	13,254	(8,366)	–	(6,492)	(25)	(3,251)	(4,880)
<i>Split between:</i>							
Mining and production costs capitalised to inventory ^{1,2}	45,319	33,773	–	–	–	–	79,092
Depreciation capitalised ¹	17,591	15,195	–	–	–	–	32,786
Cost of goods sold in the period	(49,656)	(57,334)	–	(6,492)	(25)	(3,251)	(116,758)
	13,254	(8,366)	–	(6,492)	(25)	(3,251)	(4,880)

1 The Group values its rough emerald and ruby inventories based on their weighted average cost of production. Therefore, direct costs of production are capitalised to inventory when incurred, with the average cost accumulated per carat released back to the income statement when the gemstones are sold. See Note 2: *Accounting Policies* for further detail.

2 Mining and production costs capitalised to inventory exclude security costs, which are not determined to be direct costs of production.

1 JANUARY 2023 TO 31 DECEMBER 2023	KAGEM USD'000	MRM USD'000	DEVELOPMENT ASSETS USD'000	FABERGÉ USD'000	CORPORATE USD'000	OTHER USD'000	TOTAL USD'000
Change in inventory and cost of goods sold	(3,240)	4,030	–	(9,685)	(917)	(3,534)	(13,346)
<i>Split between:</i>							
Mining and production costs capitalised to inventory ^{1,2}	43,624	31,525	–	–	–	–	75,149
Depreciation capitalised ¹	17,364	16,439	–	–	–	–	33,803
Cost of goods sold in the period	(64,228)	(43,934)	–	(9,685)	(917)	(3,534)	(122,298)
	(3,240)	4,030	–	(9,685)	(917)	(3,534)	(13,346)

1 The Group values its rough emerald and ruby inventories based on their weighted average cost of production. Therefore, direct costs of production are capitalised to inventory when incurred, with the average cost accumulated per carat released back to the income statement when the gemstones are sold. See Note 2: *Accounting Policies* for further detail.

2 Mining and production costs capitalised to inventory exclude security costs, which are not determined to be direct costs of production.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. SEGMENTAL REPORTING (CONTINUED)

Statement of Financial Position

31 DECEMBER 2024	KAGEM USD'000	MRM USD'000	DEVELOPMENT ASSETS USD'000	FABERGÉ USD'000	CORPORATE USD'000	OTHER USD'000	TOTAL USD'000
Mining asset ¹	64,968	136,337	–	–	–	–	201,305
Property, plant and equipment, and intangibles	32,935	92,470	17,818	29,948	2,592	1,951	177,714
Operating assets ²	74,022	97,536	5,113	25,765	7,649	1,240	211,325
Cash and cash equivalents	192	15,052	470	964	2,506	1,660	20,844
Deferred tax asset	–	–	–	–	46	–	46
Segment assets	172,117	341,395	23,401	56,677	12,793	4,851	611,234
Borrowings	18,741	82,534	–	–	–	–	101,275
Operating liabilities ³	18,503	22,240	2,084	6,223	6,605	774	56,429
Deferred tax liability	18,115	32,478	–	105	–	55	50,753
Segment liabilities	55,359	137,252	2,084	6,328	6,605	829	208,457
Net cash/(debt)	(18,549)	(67,482)	470	964	2,506	1,660	(80,431)

1 Mining asset consists of evaluated mining properties.

2 Operating assets include inventory, current and non-current trade and other receivables, VAT receivables and current tax assets.

3 Operating liabilities include current and non-current trade and other payables, lease liabilities, provisions and current tax liabilities.

31 DECEMBER 2023	KAGEM USD'000	MRM USD'000	DEVELOPMENT ASSETS USD'000	FABERGÉ USD'000	CORPORATE USD'000	OTHER USD'000	TOTAL USD'000
Mining asset ¹	119,977	142,425	–	–	–	–	262,402
Property, plant and equipment, and intangibles	34,092	48,012	46,877	28,947	776	1,450	160,154
Unlisted equity investments	–	–	–	–	4,000	–	4,000
Operating assets ²	61,165	105,094	3,923	29,660	10,737	3,071	213,650
Cash and cash equivalents	4,145	17,298	2,493	2,825	13,618	11,242	51,621
Deferred tax asset	–	–	–	5,201	794	69	6,064
Segment assets	219,379	312,829	53,293	66,633	29,925	15,832	697,891
Borrowings	20,099	20,375	–	–	–	–	40,474
Operating liabilities ³	15,817	25,316	6,979	4,279	9,296	1,360	63,047
Deferred tax liability	34,644	36,233	–	–	–	–	70,877
Segment liabilities	70,560	81,924	6,979	4,279	9,296	1,360	174,398
Net cash/(debt)	(15,954)	(3,077)	2,493	2,825	13,618	11,242	11,147

1 Mining asset includes evaluated mining properties and deferred stripping costs.

2 Operating assets include inventory, current and non-current trade and other receivables, VAT receivables and current tax assets.

3 Operating liabilities include current and non-current trade and other payables, lease liabilities, provisions and current tax liabilities.

3. SEGMENTAL REPORTING (CONTINUED)

Statement of Cash Flows

1 JANUARY 2024 TO 31 DECEMBER 2024	KAGEM USD'000	MRM USD'000	DEVELOPMENT ASSETS USD'000	FABERGÉ USD'000	CORPORATE USD'000	OTHER USD'000	TOTAL USD'000
Revenue	78,704	117,191	–	13,421	31	3,505	212,852
Operating costs and cost of sales ¹	(50,601)	(77,741)	(1,606)	(15,804)	(19,197)	(7,060)	(172,009)
Marketing, management and auction costs	(9,838)	(14,649)	–	–	23,315	1,172	–
EBITDA	18,265	24,801	(1,606)	(2,383)	4,149	(2,383)	40,843
Add back: Change in inventory and purchases	(13,254)	8,366	–	6,492	25	3,251	4,880
Add back: Costs capitalised to intangible assets	–	–	(13,545)	–	–	–	(13,545)
Tax (paid)/refunded	(1,919)	(16,665)	(1)	–	69	(19)	(18,535)
Capital expenditure	(8,198)	(59,029)	(3,137)	(472)	(46)	(518)	(71,400)
Free cash flow before working capital movements	(5,106)	(42,527)	(18,289)	3,637	4,197	331	(57,757)
Working capital movements ²	498	1,968	(57)	(4,836)	(7,652)	(8,524)	(18,603)
Free cash flow³	(4,608)	(40,559)	(18,346)	(1,199)	(3,455)	(8,193)	(76,360)
Cash generated from operations	7,857	35,929	(1,526)	(814)	(3,242)	(7,640)	30,564
Tax (paid)/refunded	(1,919)	(16,665)	(1)	–	69	(19)	(18,535)
Capital expenditure ⁴	(8,198)	(59,029)	(16,682)	(472)	(46)	(518)	(84,945)
Foreign exchange	(2,348)	(794)	(137)	87	(236)	(16)	(3,444)
Free cash flow	(4,608)	(40,559)	(18,346)	(1,199)	(3,455)	(8,193)	(76,360)

1 Excluding share-based payments, other fair value losses, inventory provisions and impairment charges/reversals.

2 Includes movements relating to inventory purchases.

3 Free cash flow is a non-IFRS performance measure used as a KPI by the Group and is calculated as cash flow from operations less taxation paid, sustaining and expansionary capital expenditure and foreign exchange gains and losses.

4 Includes costs capitalised to intangible assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. SEGMENTAL REPORTING (CONTINUED)

Statement of Cash Flows (continued)

1 JANUARY 2023 TO 31 DECEMBER 2023	KAGEM USD'000	MRM USD'000	DEVELOPMENT ASSETS USD'000	FABERGÉ USD'000	CORPORATE USD'000	OTHER USD'000	TOTAL USD'000
Revenue	89,925	151,379	–	15,653	916	4,146	262,019
Operating costs and cost of sales ¹	(65,747)	(58,055)	(1,649)	(19,313)	(27,365)	(6,809)	(178,938)
Marketing, management and auction costs	(11,240)	(16,284)	–	–	27,524	–	–
EBITDA	12,938	77,040	(1,649)	(3,660)	1,075	(2,663)	83,081
Add back: Change in inventory and purchases	3,240	(4,030)	–	9,685	917	3,534	13,346
Add back: Costs capitalised to intangible assets	–	–	(8,140)	–	–	–	(8,140)
Tax paid	(16,647)	(38,956)	–	–	(1,613)	(36)	(57,252)
Capital expenditure	(26,580)	(25,885)	(7,102)	(135)	(46)	(411)	(60,159)
Free cash flow before working capital movements	(27,049)	8,169	(16,891)	5,890	333	424	(29,124)
Working capital movements ²	(2,439)	(6,082)	(1,092)	(5,358)	2,619	5,577	(6,775)
Free cash flow³	(29,488)	2,087	(17,983)	532	2,952	6,001	(35,899)
Cash generated from operations	15,437	67,330	(2,715)	1,108	4,847	6,477	92,484
Tax paid	(16,647)	(38,956)	–	–	(1,613)	(36)	(57,252)
Capital expenditure ⁴	(26,580)	(25,885)	(15,242)	(135)	(46)	(411)	(68,299)
Foreign exchange	(1,698)	(402)	(26)	(441)	(236)	(29)	(2,832)
Free cash flow	(29,488)	2,087	(17,983)	532	2,952	6,001	(35,899)

1 Excluding share-based payments, other fair value losses, inventory provisions and impairment charges/reversals.

2 Includes movements relating to inventory purchases.

3 Free cash flow is a non-IFRS performance measure used as a KPI by the Group and is calculated as cash flow from operations less taxation paid, sustaining and expansionary capital expenditure and foreign exchange gains and losses.

4 Includes costs capitalised to intangible assets.

4. COST OF SALES

	2024 USD'000	2023 USD'000
Mining and production costs		
Labour and related costs	34,142	33,912
Mineral royalties and production taxes	16,620	20,703
Fuel costs	27,084	22,631
Repairs and maintenance costs	16,991	16,353
Security costs	11,215	10,371
Camp costs	6,606	6,033
Blasting costs	3,218	3,376
Other mining and production costs ¹	9,617	6,959
Total mining and production costs	125,493	120,338
Change in inventory and cost of goods sold ²	4,880	13,346
Mining and production costs capitalised to intangible assets ³	(13,545)	(8,140)
Depreciation and amortisation	35,172	35,107
Total cost of sales	152,000	160,651

1 In 2024, other mining and production costs includes impairments of consumable inventory totalling USD 0.6 million at Kagem and USD 1.9 million at MRM (2023: USD 0.7 million charge to slow-moving consumable inventory at Kagem, USD 0.7 million reversal of inventory impairment at MRM, a USD 0.3 million inventory provision reversal at Fabergé, and a USD 1.5 million inventory impairment related to Gemfields Limited legacy inventory).

2 Refer to Note 3: *Change in inventory and cost of goods sold* for the split of this balance at year end.

3 Mining and production costs incurred at the Group's development projects are capitalised to unevaluated mining properties in intangible assets in line with the Group's IFRS 6 Exploration for and Evaluation of Mineral Properties accounting policy.

5. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2024 USD'000	2023 USD'000
Labour and related costs	19,818	21,796
Selling, marketing and advertising	12,293	11,778
Professional, legal and other expenses	6,303	4,827
Insurance costs	4,134	3,225
Rent and rates	1,234	1,948
Travel and accommodation	1,957	2,602
Depreciation and amortisation	1,517	1,824
Auditor's remuneration	1,152	1,254
Share-based payments	174	96
Net foreign exchange losses	3,444	2,832
Other selling, general and administrative expenses ¹	11,953	4,304
Total selling, general and administrative expenses	63,979	56,486

¹ Included in other selling, general, and administrative expenses is a USD 2.0 million impairment of an investment within Gemdustry, USD 1.1 million write down of other assets in MRM, USD 2.3 million write-off of trade receivables and USD 0.4 million write-off of other assets in Fabergé, USD 0.4 million write off of other receivables in Gemdustry and a net USD 2.0 million reversal of Mwiriti balances (2023: reversal of legal provisions of USD 3.1 million and USD 0.4 million of reversal of other asset write down).

6. AUDITOR'S REMUNERATION

	2024 USD'000	2023 USD'000
Fees payable to the Company's auditor for the audit of the Parent Company and Consolidated Financial Statements	787	743
<i>Fees payable to the Company's auditor for other services:</i>		
Review of the Interim Financial Statements	109	100
Audit of the UK statutory entities	90	90
Statutory audit work completed for the overseas entities	207	211
	1,193	1,444

The Group has a policy in place for the award of non-audit work to the auditor which requires audit committee approval (refer to the Audit Committee Report on pages 96 to 97).

7. EMPLOYEES AND DIRECTORS

The average number of employees during the year was:

	2024	2023
Directors	8	8
Administration staff	436	432
Fabergé staff	39	39
Mining staff	3,300	2,995
	3,783	3,474

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

8. FINANCE INCOME AND COSTS

	2024 USD'000	2023 USD'000
Interest received	901	2,204
Finance income	901	2,204
Interest on bank loans and borrowings	(5,158)	(2,204)
Interest charge on lease liabilities	(459)	(152)
Other finance costs	(952)	(666)
Finance costs	(6,569)	(3,022)
Net finance costs	(5,668)	(818)

9. TAXATION

The Group's tax (credit)/charge is as follows:

	2024 USD'000	2023 USD'000
Current tax		
Taxation charge for the year	11,281	25,059
Deferred tax		
Origination and reversal of temporary differences	(14,106)	(5,661)
Total taxation (credit)/charge	(2,825)	19,398

The Company is incorporated in Guernsey, but qualified as a United Kingdom tax resident. Therefore, the United Kingdom corporation tax of 25% (2023: 25%) is used in the tax reconciliation for the Group.

The reconciliation of the effective tax rate is explained below:

	2024 USD'000	2023 USD'000
(Loss)/profit on ordinary activities before taxation	(103,621)	16,569
Tax at the United Kingdom tax rate of 25% (2023: 25%)	(25,905)	4,142
<i>Effects of:</i>		
Different tax rates applied in overseas jurisdictions	215	7,936
Expenses not deductible for tax purposes	16,329	8,104
Adjustment in respect of prior periods	129	(1,526)
Previously unrecognised tax losses used to reduce deferred tax expense	(526)	(12)
Tax losses not recognised as a deferred tax asset	1,696	1,184
Effects of rate change	–	(430)
Tax losses no longer recognised	5,237	–
Total taxation (credit)/charge	(2,825)	19,398

9. TAXATION (CONTINUED)

Different tax rates applied in overseas jurisdictions reflect the different tax rates applicable in the various jurisdictions in which the Group operates. The main rates of corporation tax in Zambia and Mozambique for the year were 30% and 32%, respectively.

The Group's effective tax rate of 2.7% (2023: 117.1%) predominately arises because of the different tax rates applied in overseas jurisdictions, non-deductible expenses and tax losses not recognised.

Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

In the spring budget 2021, the United Kingdom Government announced that from 1 April 2023, the corporation tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021. Deferred tax at the reporting date was measured using this enacted tax rate and reflected in these Consolidated Financial Statements.

Details of the deferred tax liabilities and assets and amounts recognised in the Consolidated Income Statement are as follows:

	31 DECEMBER 2024 USD'000	31 DECEMBER 2023 USD'000
<i>Recognised deferred tax assets</i>		
Tax losses	–	6,008
Property, plant and equipment	4,805	4,178
Other temporary differences	7,865	5,746
Total deferred tax assets	12,670	15,932
Deferred tax assets netted against deferred tax liabilities	(12,624)	(9,868)
Net deferred tax assets	46	6,064
	31 DECEMBER 2024 USD'000	31 DECEMBER 2023 USD'000
<i>Recognised deferred tax liabilities</i>		
Property, plant and equipment	(162)	–
Other temporary differences	(987)	–
Evaluated mining property – Kagem and MRM	(57,827)	(76,448)
Inventory valuation – Kagem and MRM	(4,401)	(4,297)
Total deferred tax liabilities	(63,377)	(80,745)
Deferred tax assets netted against deferred tax liabilities	12,624	9,868
Net deferred tax liabilities	(50,753)	(70,877)

Deferred tax assets and deferred tax liabilities relating to the same tax authorities have been disclosed as a net asset or liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

9. TAXATION (CONTINUED)

The movement on the deferred tax account is provided below.

	2024 USD'000	2023 USD'000
At 1 January	(64,813)	(70,473)
<i>Adjusted for:</i>		
Utilisation of tax losses	–	(182)
Tax losses no longer recognised	(6,008)	–
Property, plant and equipment	465	(132)
Evaluated mining property – Kagem and MRM	18,621	4,301
Inventory valuation – Kagem and MRM	(104)	1,065
Unrealised foreign exchange movements	269	908
Other temporary differences	863	(299)
Recognised in the Consolidated Income Statement	14,106	5,661
Realised foreign exchange movement	–	(1)
At 31 December	(50,707)	(64,813)

The net deferred tax liability decreased in the year by USD 14.1 million principally due to a net reduction of USD 18.5 million in mining assets and inventory because of amortisation and impairments, offset by other movements. The deferred tax liability in relation to evaluated mining property and inventory arose on the IFRS 3 Business Combinations fair value uplift on acquisition of Gemfields Limited by the former Pallinghurst Resources Limited (now Gemfields Group Limited) in 2017. The liability recognised will be unwound over the production profile of the mining assets.

Deferred tax assets are only recognised in relation to tax losses and other temporary differences that would give rise to deferred tax assets where it is considered probable that the losses will be utilised in the foreseeable future and therefore that the asset is recoverable.

During the current year, management reassessed the recoverability of a deferred tax asset of USD 6.0 million in respect of trading losses arising in the UK. As it is no longer deemed probable that these trading losses will be utilised in the foreseeable future, the deferred tax asset has been derecognised. This resulted in a tax expense of USD 6.0 million being recognised in the Consolidated Income Statement for 2024.

Due to uncertainty over the timing of the future utilisation of certain of the taxation losses, no deferred tax has been recognised in relation to unused tax losses in the amount of USD 93.2 million (2023: USD 62.0 million).

10. PROPERTY, PLANT AND EQUIPMENT

	LAND AND BUILDINGS USD'000	PLANT, MACHINERY AND VEHICLES USD'000	FIXTURES, FITTINGS AND OFFICE EQUIPMENT USD'000	EVALUATED MINING PROPERTIES USD'000	ASSETS UNDER CONSTRUCTION USD'000	DEFERRED STRIPPING COSTS USD'000	TOTAL USD'000
Cost							
At 1 January 2023	39,267	76,978	10,093	351,210	–	11,623	489,171
Additions	4,969	34,524	1,193	116	15,478	–	56,280
Disposals	(956)	(1,719)	(78)	–	–	–	(2,753)
Foreign exchange differences	48	–	443	–	–	–	491
At 31 December 2023	43,328	109,783	11,651	351,326	15,478	11,623	543,189
Additions	10,885	16,587	2,392	608	38,161	–	68,633
Disposals	(964)	(7,816)	(106)	–	–	–	(8,886)
Foreign exchange differences	–	–	(271)	–	–	–	(271)
At 31 December 2024	53,249	118,554	13,666	351,934	53,639	11,623	602,665
Accumulated depreciation							
At 1 January 2023	14,253	48,450	7,637	75,276	–	6,790	152,406
Provided during the year	4,094	12,967	927	13,648	–	4,833	36,469
Disposals	(955)	(1,719)	(76)	–	–	–	(2,750)
Foreign exchange differences	48	–	427	–	–	–	475
At 31 December 2023	17,440	59,698	8,915	88,924	–	11,623	186,600
Provided during the year	4,446	16,983	935	14,305	–	–	36,669
Disposals	(908)	(7,403)	(73)	–	–	–	(8,384)
Impairments	1,660	–	200	47,400	–	–	49,260
Foreign exchange differences	(3)	–	(174)	–	–	–	(177)
At 31 December 2024	22,635	69,278	9,803	150,629	–	11,623	263,968
Carrying value							
At 31 December 2023	25,888	50,085	2,736	262,402	15,478	–	356,589
At 31 December 2024	30,614	49,276	3,863	201,305	53,639	–	338,697

Evaluated mining properties relate to mining licences held mainly at Kagem and MRM and the Group fair value adjustments from the 2017 acquisition.

Assets under construction primarily pertains to the advance payments made and expenses incurred for second processing plant at MRM.

Included within land and buildings are right-of-use assets with a cost of USD 8.4 million (31 December 2023: USD 5.4 million) and associated accumulated depreciation of USD 4.5 million (31 December 2023: USD 4.2 million). Right-of-use assets mostly relate to property leases held in the Group's various operating locations. Refer to Note 18: *Leases* for further details.

An impairment of USD 1.7 million related to land and buildings and USD 0.2 million related to fixtures, fittings and office equipment, totalling USD 1.9 million, was recognised in relation to the impairment of development projects, Nairoto and MML. For further details, please refer to Note 11: *Intangible assets*.

FY24 Impairment review of Kagem and MRM

At 31 December 2024 the Group's market capitalisation based on the share price of ZAR 1.54 was USD 96.0 million. This is USD 408.0 million below the Group's net asset value (consistent with the previous years), which under IAS 36 represents an impairment indicator. Whilst the Gemfields Group is not considered a cash-generating unit ("CGU"), the existence of this impairment indicator implies that an impairment indicator may also exist at one or more of the Group's CGUs. As a result, an impairment review has been performed on the mining CGUs. The recoverable value of these assets was determined using a fair value less cost of disposal ("FVLCD") methodology, applying discounted cash flows techniques. This falls under Level 3 of the fair value hierarchy prescribed by IFRS 13 Fair Value Measurement, meaning that the valuation cannot be based on observable market data. The cash flows included in the fair value models were estimated in real terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

*FY24 Impairment review of Kagem and MRM (continued)***KAGEM**

A turbulent emerald market was experienced in the second half of 2024 caused by a slowdown in the wider luxury goods market resulting from economic and political factors and an oversupply of Zambian emeralds into the market. This resulted in the September commercial-quality and November higher-quality rough emerald auctions performing below expectations, with weak bidding compared to Kagem's usual auctions. This decline in performance, combined with the ongoing market uncertainty, resulted in management making the decision to suspend mining operations at Kagem from 1 January 2025 for a period of up to six-months. These factors represent an additional impairment indicator under IAS 36.

The recoverable amount of Kagem was assessed at USD 132.4 million at 31 December 2024 and an impairment of USD 47.4 million was recorded to bring the carrying value of USD 179.8 million into line with the recoverable amount. The impairment has been allocated in full to the evaluated mining asset held within property, plant and equipment.

USD '000	IMPAIRMENT
Before tax	47,400
Tax	(14,220)
Non-controlling interest	(8,295)
Net impairment	24,885
<i>Allocated to:</i>	
Property, plant and equipment	47,400

Changes in 2024

The reduction in the recoverable amount was primarily driven by the use of lower prices than in previous forecasts, due to the aforementioned factors that disrupted the emerald market in the second half of 2024. Although management believes these to be transient market dynamics and not reflective of a medium or long-term structural change in supply or market demand, it was decided the price forecast for 2025 should be based on the average second-high bid-price from the September commercial-quality and November higher-quality auctions to reflect the current market uncertainty. Under normal circumstances, the pricing assumption is based on historic achieved prices over the past three higher-quality and three commercial-quality auctions. From 2026, the price forecast was reverted to be based on this three-auction historical average, however due to the inclusion of the September commercial-quality and November higher-quality auctions, the long-term pricing assumption was also reduced when compared to 2023. The model was also updated for an increase in the discount rate to 14.63% (2023: 14.5%).

MRM

There were no impairment indicators specific to the MRM CGU noted by management. The auction results achieved by MRM during the year were:

- Two mixed-quality ruby auctions that generated total revenues of USD 114.9 million at an average price of USD 318.94 per carat.
- A commercial-quality auction that generated USD 2.3 million at an average price of USD 0.41 per carat.

The insurgency in Cabo Delgado province however remains a concern. Although a direct threat from the insurgents is currently deemed unlikely, MRM is conscious of the possibility of opportunists mounting an attack on MRM's assets. MRM and Gemfields are working in close coordination with relevant government and third-party agencies to track the developments in the region, including in relation to intelligence assessments which are being kept continually updated. An evacuation plan is in place in case a worst-case scenario should arise. Furthermore, a number of measures are in place to curb the risk of an attack. At present, we have not identified an impairment should there be a temporary evacuation of the mine.

As at 31 December 2024, MRM's base case recoverable amount is calculated at USD 320.4 million which exceeds its carrying value of USD 254.6 million.

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

*FY24 Impairment review of Kagem and MRM (continued)***Sensitivity analysis**

The calculation of the recoverable amount of the Group's CGUs (using a discounted cash flow model) is particularly sensitive to changes in auction prices, composition of the higher-quality emerald auctions, plant processing capacity at MRM and the discount rate used, amongst other factors. Any changes to the assumptions adopted in the calculation of the discounted cash flows, individually or in aggregate, would result in a different valuation being determined. Key assumptions used in the MRM and Kagem analysis are summarised in the table below.

Management performed sensitivity analysis for both CGU's to assess the impact of changes in the key assumptions, including long-term price, ore grade, operational expenses and the discount rate. This analysis considers the impact of reasonable and plausible changes in these assumptions over the remaining life of the mines, while keeping all other inputs constant. Analyses as follows:

- A decrease in future rough emerald and ruby prices of 5% over the remaining life of the mines does not indicate an impairment of MRM. For Kagem, this would result in a change in the impairment charge by USD 20.3 million. Gemfields uses a conservative approach to forecast prices, and therefore it is considered a remote possibility that prices will fall below the projected levels for the remaining life of the mine.
- A reduction in grade by 5% over the remaining life of the mines does not indicate an impairment of MRM. For Kagem, this would result in a change in the impairment charge by USD 25.9 million.
- A 5% surge in operational costs over the course of the mines' remaining operational life does not indicate an impairment of MRM. For Kagem, this would result in a change in the impairment charge by USD 18.9 million.
- As an additional down-side sensitivity, an increase in the discount rate of 1% was performed over the life of mines. MRM continued to demonstrate a positive headroom in its model within this scenario. For Kagem, this would result in a change in the impairment charge by USD 9.6 million.

Typically, changes in any one of the aforementioned assumptions would be accompanied by a change in another assumption which may have an offsetting impact. Action is usually taken to respond to adverse changes in assumptions to mitigate the impact of such change.

As required by IAS 36, the amount by which the value assigned to a key assumption must change for headroom to be reduced to nil has been identified as:

- Kagem's recoverable amount would be USD 179.8 million with no headroom to carrying value when a price increase of 20.41% is applied for a period of five years (at a 14.63% base case discount rate); or when a discount rate of 10.88% is applied to the base case cashflows.
- MRM's recoverable amount would be USD 254.6 million with no headroom to carrying value when a price reduction of 14.76% is applied for a period of five years (at a 14.28% base case discount rate); or when a discount rate of 22.05% is applied to the base case cashflows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Key assumptions used in the recoverable amount calculations:

ASSUMPTION	KAGEM	MRM
Recoverable amount of reserves and resources	Economically recoverable reserves and resources are based on management's expectations and the technical studies and exploration and evaluation work undertaken by in-house and third-party specialists.	Economically recoverable reserves and resources are based on management's expectations and the technical studies and exploration and evaluation work undertaken by in-house and third-party specialists.
Commodity prices	Rough emerald and beryl prices have been determined using the Group's historic achieved prices over the past three HQ and three CQ auctions. Rough emerald and beryl prices are not traded on a public exchange and most transactions occur in private auctions. Therefore historic trends of prices and product mix are the most appropriate and reasonable basis.	Rough ruby and corundum prices have been determined using the Group's historic achieved prices over the past three MQ and CQ auctions. Rough ruby and corundum prices are not traded on a public exchange and most transactions occur in private auctions. Therefore historic trends of prices and product mix are the most appropriate and reasonable basis.
Composition of auctions	The quality of production and product mix typically dictate the composition of the higher-quality auctions. The composition of the auction includes premium emeralds and emerald stones that enhance the auction parcels and schedules and is dependent on (i) production; (ii) management strategy, i.e. building inventory or cash generation; and (iii) market intelligence. Any variations in this composition are at the discretion of management.	The quantity of ruby production that is assumed to be sold at mixed quality auctions is based on available production from two to three months before the auction date; this allows for time taken for grading and referencing. The composition of the auction is dependent on (i) production; (ii) management strategy i.e. building inventory or cash generation; and (iii) market intelligence.
Operating costs	Variable operating costs have been included in the impairment test as a function of the related production volumes. Fixed costs at the mines, washing plant and sort house are largely constant but reflect material changes in activity levels.	Variable operating costs have been included in the impairment test as a function of the related production volumes. Fixed costs at the mines, washing plant and sort house are largely constant but reflect material changes in activity levels.
Timing of capital expenditure	The Directors have estimated the timing of capital expenditure at Kagem based on the Group's current and future financing plans and the results of technical studies completed to date.	The Directors have estimated the timing of capital expenditure at MRM based on the Group's current and future financing plans and the results of technical studies completed to date. Included in the MRM cashflows is the capital investment in second processing plant. The mine plan has been updated based on forecasted production volumes for both processing plants, expected to generate additional revenues. It will also be extended with the new processing capacity from ongoing bulk sampling.
Discount rate	A real discount rate of 14.63% was used in the recoverable amount calculations. This represents the pre-tax rate that reflects the Group's current market assessments of the time value of money and the risks specific to the cash-generating unit.	A real discount rate of 14.28% was used in the recoverable amount calculations. This represents the pre-tax rate that reflects the Group's current market assessments of the time value of money and the risks specific to the cash-generating unit.

11. INTANGIBLE ASSETS

	SOFTWARE USD'000	BRAND AND TRADEMARKS USD'000	UNEVALUATED MINING PROPERTIES USD'000	TOTAL USD'000
Cost				
At 1 January 2023	910	39,942	32,100	72,952
Additions	647	–	9,643	10,290
At 31 December 2023	1,557	39,942	41,743	83,242
Additions	132	–	16,270	16,402
Transfers	155	–	(155)	–
At 31 December 2024	1,844	39,942	57,858	99,644
Accumulated amortisation				
At 1 January 2023	570	11,472	4,771	16,813
Charge for the year	462	–	–	462
At 31 December 2023	1,032	11,472	4,771	17,275
Charge for the year	20	–	–	20
Impairments	–	–	42,027	42,027
At 31 December 2024	1,052	11,472	46,798	59,322
Carrying value				
At 31 December 2023	525	28,470	36,972	65,967
At 31 December 2024	792	28,470	11,060	40,322

Unevaluated mining properties

Unevaluated mining properties consist of intangibles relating to the mining and prospecting licences (evaluation and exploration assets) held mainly in the development projects in Mozambique. Assets are capitalised to unevaluated mining properties in accordance with the Group's exploration and evaluation accounting policy, which is disclosed in Note 2: *Accounting policies*.

Unevaluated mining properties are reviewed regularly for indicators of impairment and are tested for impairment where these indicators exist, in line with the Group accounting policy. For 2024, indicators of impairment were identified in relation to Group's exploration and evaluation assets in Africa, namely Megaruma Mining Limitada ("MML") and Nairoto Resources Lda ("Nairoto"). The Group has suspended any significant spending on these projects in the near future, and it was announced in December 2024 that Gemfields is seeking potential buyers for the Nairoto project, however there has been limited interest to date. Accordingly, an impairment review of the associated CGU's was completed. The review concluded that uncertainty surrounding future spending at the projects suggests that the carrying value of the assets held at MML and Nairoto may not be recovered. In addition, there is no evidence to suggest that the carrying amount of Nairoto will be recovered from a potential sale given the lack of interest. As such, unevaluated mining properties for MML and Nairoto have been written down to nil value at 31 December 2024 with an impairment charge of USD 42.0 million recognised within the Consolidated Income Statement.

A full review of the Group's development projects can be found on pages 46 to 47 in the Operational Review.

Brand and trademarks

Brand and trademarks, forming indefinite life intangible assets, consist of intangibles relating to the Fabergé brand and trademarks.

Fabergé Limited cash-generating unit – valuation and impairment assessment

In accordance with IAS 36 Impairment of Assets, the Group assesses the carrying value of its Fabergé CGU for impairment on an annual basis. This assessment comprises both the carrying value of the Fabergé CGU and the Fabergé brand and trademark, which serve as the primary driver of cash generation. The Fabergé CGU is the Group's luxury downstream retail business, whose principal activity is the retail of premium personal luxury goods ("PLGs"). The carrying value of the CGU at 31 December 2024 was USD 51.0 million (31 December 2023: USD 56.7 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

11. INTANGIBLE ASSETS (CONTINUED)

Fabergé Limited cash-generating unit – valuation and impairment assessment (continued)

The Group applies a Market Approach – Revenue Multiple method to the valuation of its recoverable amount at each reporting date which forms the primary source in determining the fair value (based on a fair value less cost of disposal (“FVL COD”)) of Fabergé. In the prior period a valuation report was prepared by an independent expert. In 2024 the report was prepared internally on the same basis as that prepared in prior periods, including 31 December 2023. The methodology applied uses a market-based approach based on enterprise value to revenue multiples (“EV/Revenue”) exhibited by comparable companies (“CoCos”). The Group believes that a revenue multiple based on comparable companies remains the most appropriate method of valuing the Fabergé CGU. This approach is determined to be Level 3 in the fair value hierarchy. The key judgements, assumptions and inputs used in the valuation are summarised below.

Basis of revenue

For 31 December 2024, the following metrics were used:

- Agreed sales over the past 12 months to December 2024;
- A forward-looking approach using management’s latest Board-approved budgeted sales for 2025.

Peer group

The peer group of globally recognised PLG companies selected to establish a comparable EV/Revenue multiple range considered the following:

- Fabergé’s greater heritage and premium brand perception compared to many brands within the peer group;
- Fabergé’s comparatively small size and less diversified brand and product portfolio;
- Fabergé’s higher growth potential compared to the larger and more mature companies in the peer group; and
- Fabergé’s EBITDA margin, which has historically been negative.

Taking these factors into account the report considered it reasonable to apply a discount to the peer group average multiples of 25% (December 2023: 25%). After deducting this, the selected EV/Revenue multiple range was 2.30x–2.41x. This is broadly in line with the range applied at 31 December 2023 of 2.15x–2.65x.

Control premium

Multiples derived for comparable quoted companies are generally based on share prices reflective of the trades of small parcels or shares. As such, they generally reflect a minority discount. A control premium range of 25%–35% was therefore applied to arrive at an adjusted enterprise value for the Fabergé CGU, consistent with the 31 December 2023 valuation.

Discount for Lack of Marketability (“DLOM”)

On the basis that a revenue multiple derived from the CoCos reflects trades of liquid parcels or shares, whereas the Fabergé CGU is a private entity, the report considered it appropriate to apply a DLOM. The report applies a DLOM range of 5%–10% taking into consideration the following factors:

- The Group has received several purchase offers for Fabergé;
- Given the well-established and globally recognised heritage of the Fabergé brand, it may be considered a “trophy asset” by potential investors; and
- Quantitative analysis using the Ghaidarov Average-Strike Put Option model.

The range is consistent with the December 2023 valuation.

Illustrative costs of disposal

Consistent with December 2023, the report considered an appropriate illustrative cost of disposal of 1% of enterprise value, which is the mid-point of disposal costs of between 0.5% and 1.5% of similar transactions observed.

Surplus inventory

Within inventory of USD 25.6 million at 31 December 2024 (31 December 2023: USD 26.1 million), Fabergé carries a high level of ‘showpiece’ assets which can be summarised as art-jewellery and exceptional gemstones, showcasing the highest possible level of design, craftsmanship and quality associated with the brand. These assets are not required for the operations of the CGU and can be considered as surplus assets. This surplus amount aggregates to USD 15.0 million (31 December 2023: USD 16.5 million) with the remainder regarded as operational inventory required to support annual sales. This surplus inventory amount is added back to the calculated enterprise value after adjustment for control premium and DLOM to arrive at the total enterprise value of the Fabergé CGU.

11. INTANGIBLE ASSETS (CONTINUED)

Valuation results

At 31 December 2024 and 31 December 2023, based on the valuation approach outlined above, the range of enterprise values calculated supports the carrying value of the Fabergé CGU, with no indicators of impairment being identified.

Management has conducted sensitivity analysis on the revenue inputs. This includes using IFRS revenue recognition principles when the customer has control, as opposed to relying solely on agreed sales. Additionally, management has factored in a sensitivity analysis for a 10% reduction in sales, considering that revenues include one-off item sales. While Fabergé typically sells such items annually, their values can fluctuate significantly from period to period, rendering the revenue stream unpredictable.

Taking account of these additional factors and the overall sensitivity of the valuation to the revenue, which remains uncertain at this point, management considers that the carrying value of the CGU is not materially different from the assessed fair value at the balance sheet date. Therefore, neither a further impairment nor a reversal of the existing impairment is required. Management believes that any reasonably possible change in key assumptions would not result in further impairment or a reversal of the existing impairment since management believes that such changes would be primarily driven by the performance of Fabergé.

12. UNLISTED EQUITY INVESTMENTS

The Group's unlisted equity investment relates to its 6.54% holding in Sedibelo Resources Limited (previously Sedibelo Platinum Mines Limited) ("Sedibelo" or "SPM"), a producer of platinum group metals ("PGMs") with interests in the Bushveld Complex in South Africa. The reconciliation of the valuation of the investment held in the current and prior year is shown in the table below.

	31 DECEMBER 2024 USD'000	31 DECEMBER 2023 USD'000
Balance at 1 January	4,000	32,000
Unrealised fair value losses	(4,000)	(28,000)
Balance at 31 December	–	4,000

In the prior year, the Group disclosed that Sedibelo faced significant setbacks, including unplanned production disruptions due to safety incidents, community unrest, and excessive rainfall, as well as the suspension of operations in the West pit and half in the East pit and Underground development projects. These issues, combined with layoffs, a breach of a loan covenant, and the abandonment of its IPO, raised serious doubts about Sedibelo's future performance and ability to sustain production. After engaging an external valuer for the 2023 year-end assessment, a USD 28.0 million write-down was recognised, leaving only USD 4.0 million as the value of the investment. In the first half of 2024, following no positive news from Sedibelo and ongoing volatility in PGM prices driven by geopolitical and economic factors, management decided to write down the value of the investment to nil. After the reporting date, it was publicly announced that Sedibelo completed a capital raise, in which the Group did not participate; however, there is no evidence of significant developments or improvements in respect of the underlying operational assets that would drive an increase in the valuation of the investment. Therefore, as at 31 December 2024 the value of the Group's investment in Sedibelo remains at nil.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

13. INVENTORY

	31 DECEMBER 2024 USD'000	31 DECEMBER 2023 USD'000
Rough inventory – emeralds and beryl	49,235	38,832
Rough inventory – rubies and corundum	19,806	28,190
Fabergé inventory	25,554	26,181
Cut and polished gemstones	3,213	3,504
Spares and consumables	16,220	12,950
	114,028	109,657

The total provision held against inventory at 31 December 2024 was USD 7.3 million (2023: USD 5.5 million).

At 31 December 2024, USD 3.9 million of the rough inventory was carried at net realisable value (2023: USD 2.3 million) and principally relates to beryl, corundum and some specific low-quality gemstones which are typically sold outside of the normal auction programme.

14. TRADE AND OTHER RECEIVABLES

	31 DECEMBER 2024			31 DECEMBER 2023		
	CURRENT USD'000	NON- CURRENT USD'000	TOTAL USD'000	CURRENT USD'000	NON- CURRENT USD'000	TOTAL USD'000
Trade receivables	36,973	–	36,973	44,022	–	44,022
Related-party receivables	1,395	–	1,395	8,067	3,000	11,067
Other receivables	4,796	89	4,885	3,719	46	3,765
Financial assets held at amortised cost	43,164	89	43,253	55,808	3,046	58,854
VAT receivable ¹	25,892	12,211	38,103	14,288	18,077	32,365
Prepayments	6,497	–	6,497	8,353	–	8,353
Investments accounted for using the equity method	–	–	–	–	2,009	2,009
Other assets	1,163	382	1,545	518	521	1,039
Total trade and other receivables	76,716	12,682	89,398	78,967	23,653	102,620

¹ The non-current VAT receivable relates to amounts owed to MRM and Kagem, whose collection is expected more than 12 months from the balance sheet date.

Trade receivables

Trade receivables of USD 37.0 million at 31 December 2024 (31 December 2023: USD 44.0 million) primarily relate to Kagem auction receivables of USD 1.3 million and MRM auction receivables of USD 32.6 million outstanding from the higher-quality emerald and mixed-quality ruby auctions held in November and December 2024 respectively. Additionally, amounts were due to Fabergé at 31 December 2024 of USD 2.6 million (31 December 2023: USD 5.5 million). At the date of issuance of these financial statements, all auction receivables had been fully collected.

The Group assesses the recoverability of its auction receivables based on the simplified approach within IFRS 9, which uses a provision matrix to determine the lifetime expected credit losses. Auction receivables are written off where there is no reasonable expectation of recovery, which includes, amongst other specified criteria, a failure to make contractual payments for a period of greater than 120 days past due. No impairment provision was recorded against auction receivables at 31 December 2024.

The majority of the Group's non-auction receivables are held by Fabergé. Fabergé's business is based on long-standing relationships with a selection of key wholesale and retail customers, with whom emphasis is placed on building partnerships. There is no material history of default with these customers. These receivables are assessed for impairment under IFRS 9 on a customer-by-customer basis, taking into consideration the customer's past payment history, Fabergé's relationship with the customer and any other customer-specific factors determined to be appropriate to the assessment. Based on the detailed assessment completed, despite the low credit risk of these customers, a USD 0.1 million provision was recorded against Fabergé's trade receivables at 31 December 2024 (31 December 2023: USD 0.2 million).

Refer to Note 23: *Financial instruments* for further discussion on credit risk.

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

Related party receivable

At 31 December 2024, the Group had a USD 1.4 million (31 December 2023: USD 11.1 million) related party receivable due from Mwiriti Ltda ("Mwiriti"), the Group's partner in MRM and Nairoto.

The total amount of USD 1.4 million (31 December 2023: USD 8.1 million) relates to MRM and will be recovered from future dividends to be paid by MRM. During the year, a dividend was declared by MRM, of which USD 8.1 million was payable to Mwiriti. This dividend was settled against the receivable outstanding with Mwiriti in respect of prior cash advances and therefore no cash outflow arose upon its settlement. The outstanding amount of USD 1.4 million which is inclusive of interest at the rate of three-month SOFR + 4% will be offset by management fees payable to Mwiriti on future auctions. Please see Note 26: *Related party transactions* for further details.

In the prior year, a USD 3.0 million receivable relating to Nairoto was held within non-current assets. The balance represented an advance payment made to Mwiriti which has no fixed terms of repayment. Nairoto was set up with the objective of developing 12 gold-mining licences in Northern Mozambique. However, in 2024, Gemfields announced that it would cease operations at Nairoto and seek potential buyers for the project. As a result, as at 31 December 2024 the balance was written down to nil. Additionally, the Group held an outstanding non-current payable of USD 5.0 million to Mwiriti in respect of the Nairoto project as at 31 December 2023. This balance was also written down to nil as at 31 December 2024 due to the same reason.

Other receivables and assets

The Group's other receivables primarily relate to deposits held with third parties. As at 31 December 2024, the Group held no provision against its loans and other receivables, compared to a provision of USD 2.1 million as at 31 December 2023, due to the dissolution of the parent entities of the Sri Lankan subsidiaries.

VAT receivables, prepayments and other receivables are not financial assets. If collection of amounts is expected in one year or less, they are classified as current assets.

15. TRADE AND OTHER PAYABLES

	31 DECEMBER 2024			31 DECEMBER 2023		
	CURRENT USD'000	NON-CURRENT USD'000	TOTAL USD'000	CURRENT USD'000	NON-CURRENT USD'000	TOTAL USD'000
Trade payables	13,728	–	13,728	13,509	–	13,509
Accrued expenses	5,310	–	5,310	7,018	–	7,018
Payroll and employee-related payables	6,553	–	6,553	7,345	–	7,345
Related party payables	–	–	–	–	5,000	5,000
Other taxes, including mineral royalty and production taxes	5,870	–	5,870	8,511	–	8,511
Other payables	10,119	4,175	14,294	11,547	3,034	14,581
Total trade and other payables	41,580	4,175	45,755	47,930	8,034	55,964

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature.

The related party payable of USD 5.0 million included in non-current payables in the prior year was due to the Group's partner in Nairoto, Mwiriti Ltda, in relation to operating and capital expenses incurred on behalf of Nairoto before control of the 12 mining licences passed to the Group. Please refer to Note 14: *Trade and other receivables* for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

16. BORROWINGS

	INTEREST RATE	MATURITY	31 DECEMBER 2024 USD '000
Non-current interest-bearing loans and borrowings			
BCI Mozambique	USD 30 million term loan	USD SOFR + 3.75%	2030
ABSA Mozambique	USD 25 million term loan	USD SOFR + 4.25%	2029
Total non-current borrowings			45,000

	INTEREST RATE	MATURITY	31 DECEMBER 2024 USD '000
Current interest-bearing loans and borrowings			
FNB Zambia	USD 21 million overdraft facility	USD SOFR + 2.75%	2025
ABSA Zambia	USD 15 million overdraft facility	Three-month USD SOFR + 4.50%	2025
ABSA Mozambique	USD 15 million overdraft facility	Three-month USD SOFR + 4.00%	2025
BCI Mozambique	USD 20 million overdraft facility	Three-month USD SOFR + 3.75%	2025
BCI Mozambique	MZN 632.5 million temporary overdraft facility	13.75%	2025
Total current borrowings			56,275

Total borrowings	101,275
-------------------------	----------------

	INTEREST RATE	MATURITY	31 DECEMBER 2023 USD '000
Current interest-bearing loans and borrowings			
FNB Zambia	USD 15 million overdraft facility	5.50%	2024
ABSA Zambia	USD 15 million overdraft facility	Three-month USD SOFR + 4.50%	2024
ABSA Mozambique	USD 15 million overdraft facility	Three-month USD SOFR + 4.00%	2024
BCI Mozambique	USD 20 million overdraft facility	Three-month USD SOFR + 3.75%	2024
Total borrowings			40,474

Cash and non-cash movements in borrowings are shown below:

	AT 1 JANUARY 2024 USD '000	CASH MOVEMENTS			NON-CASH MOVEMENTS		AT 31 DECEMBER 2024 USD '000
		CASH INFLOWS USD '000	REPAYMENT OF BORROWINGS USD '000	INTEREST PAID USD '000	MOVEMENT BETWEEN CURRENT AND NON-CURRENT USD '000	INTEREST CHARGE USD '000	
Current borrowings	40,474	125,764	(109,963)	(5,922)	—	5,922	56,275
Non-current borrowings ¹	—	45,000	—	—	—	—	45,000
	40,474	170,764	(109,963)	(5,922)	—	5,922	101,275

¹ Non-current borrowings are utilised entirely for the construction of the second processing plant in Mozambique. During 2024, interest of USD 1.0 million has been incurred on the loans, of which USD 0.6 million has been paid. The interest incurred of USD 1.0 million has been capitalised as part of the cost of the second processing plant, in line with IAS 23 Borrowing Costs.

	AT 1 JANUARY 2023 USD '000	CASH MOVEMENTS			NON-CASH MOVEMENTS		AT 31 DECEMBER 2023 USD '000
		CASH INFLOWS USD '000	REPAYMENT OF BORROWINGS USD '000	INTEREST PAID USD '000	MOVEMENT BETWEEN CURRENT AND NON-CURRENT USD '000	INTEREST CHARGE USD '000	
Current borrowings	14,007	40,474	(14,007)	(2,204)	—	2,204	40,474
	14,007	40,474	(14,007)	(2,204)	—	2,204	40,474

16. BORROWINGS (CONTINUED)

*Non-current borrowings**Banco Comercial e de Investimentos ("BCI Mozambique")*

In May 2024, MRM entered into a USD 30.0 million term loan agreement with BCI Mozambique at an interest rate of USD SOFR + 3.75% per annum to fund the construction of the second processing plant. As at 31 December 2024, the outstanding balance under this facility is USD 20.0 million. The loan is repayable in equal instalments, with the first repayment due in January 2027. The term loan facility is subject to the following covenants, only when a dividend is paid: (i) the net debt to EBITDA ratio must be less than 1.5, (ii) the ratio of equity plus reserves to total assets must be greater than 40%, (iii) leverage (total debt / total assets) must be under 3 and (iv) the interest coverage ratio must be under 4. Gemfields Group Limited acts as the guarantor for this facility.

ABSA Bank Mozambique, SA ("ABSA Mozambique")

In October 2024, MRM entered into a USD 25.0 million term loan with ABSA Mozambique at an interest rate of USD SOFR + 4.25% per annum to fund the construction of the second processing plant. As at 31 December 2024, the outstanding balance under this facility is USD 25.0 million. The loan is repayable in equal instalments, with the first repayment due in January 2027. The term loan facility is subject to the following covenants: (i) debt service cover ratio must be greater than 1.1, (ii) net debt to EBITDA ratio must not be greater than 3 and (iii) interest cover ratio must be greater than 3. ABSA covenants were in compliance during the reporting period. Gemfields Group Limited acts as the guarantor for this facility.

The Group anticipates potential difficulties in complying with certain covenants in respect of the ABSA term loan over the next twelve months, mainly due to lower cash flows following weaker auction results in 2024 coupled with high capital expenditure in 2024 and 2025. Although, based on a letter of intent from ABSA, management has no reason to believe waivers would not be provided should the need arise, however this is not within management's control.

*Current borrowings**First National Bank Zambia Limited ("FNB Zambia")*

In February 2023, Kagem entered into a USD 15.0 million unsecured overdraft facility with FNB Zambia Ltd at a 5.50% fixed interest rate. The facility was increased in 2024 by USD 6.0 million at an interest rate of USD SOFR + 2.75% per annum. As at 31 December 2024, the outstanding balance under this facility was USD 5.5 million and the facility is scheduled for renewal in May 2025. The facility does not have any covenants. Gemfields Group Limited issued a corporate guarantee for the facility.

ABSA Bank Zambia Plc ("ABSA Zambia")

In 2023, Kagem entered into a USD 15.0 million overdraft facility with ABSA Zambia at an interest rate of three-month USD SOFR + 4.5% per annum. As at 31 December 2024, the outstanding balance under this facility was USD 13.3 million. The facility was renewed in January 2025, with the overdraft facility increased to USD 20.0 million at the same interest rate, with the next renewal due in December 2025. The covenant on this facility will be first measured as at 31 December 2025, requiring the current ratio (current assets to current liabilities, excluding any intercompany balances) to be at least 1.2x. Gemfields Group Limited issued a corporate guarantee for the facility.

ABSA Bank Mozambique, SA ("ABSA Mozambique")

In April 2016, MRM entered into a USD 15.0 million unsecured overdraft facility with ABSA Mozambique SA (formerly Barclays Bank Mozambique SA). The facility has an interest rate of three-month USD SOFR + 4% per annum. MRM had an outstanding balance under this facility of USD 14.8 million at 31 December 2024. Gemfields Limited issued a corporate guarantee for the facility. The facility is renewed annually, most recently in March 2025.

Banco Comercial e de Investimentos ("BCI Mozambique")

In June 2016, MRM entered a USD 15.0 million unsecured overdraft facility with BCI, which increased to USD 20 million in 2023. This is a rolling facility that renews annually, provided that terms and conditions are met, and attracts interest of three-month USD SOFR + 3.75% per annum. MRM had an outstanding balance of USD 17.3 million under this facility at 31 December 2024. The overdraft has the same covenants as the term loan. The facility is secured by a blank promissory note undertaken by MRM and a corporate guarantee by Gemfields Group Limited. In the first half of 2024, due to extended internal processing times by BCI for the term loan and a shortage of USD currency in Mozambique, BCI implemented a temporary solution by providing an additional MZN 650.0 million overdraft facility (approximately USD 10 million), which was later adjusted to MZN 632.5 million in November 2024. As at 31 December 2024, the additional MZN 632.5 million facility was in place, with an outstanding amount of USD 5.4 million, but it was unwound in March 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

17. PROVISIONS

	ENVIRONMENTAL RESTORATION PROVISION USD'000	RESETTLEMENT PLAN USD'000	OTHER PROVISIONS USD'000	TOTAL USD'000
At 1 January 2023	2,284	1,409	13,707	17,400
Additions during the year	4	–	393	397
Utilised during the year	–	(170)	(6,191)	(6,361)
Change in estimates	383	–	(5,906)	(5,523)
At 31 December 2023	2,671	1,239	2,003	5,913
Additions during the year	998	–	–	998
Utilised during the year	–	(253)	(463)	(716)
Change in estimates	(452)	–	683	231
At 31 December 2024	3,217	986	2,223	6,426
<i>Of which:</i>				
Non-current	3,217	–	361	3,578
Current	–	986	1,862	2,848

Environmental restoration

The Group has an obligation to undertake restoration, rehabilitation and environmental work when environmental disturbance is caused by the development or ongoing production of a mining property. A provision is recognised for the present value of such costs, based on management's best estimate of the legal and constructive obligations incurred. These estimates reflect industry best practice and currently applicable legislation. Significant changes in legislation could result in changes in provisions recognised. It is anticipated that the majority of these costs will be incurred over a period of 20 years from the balance sheet date.

Resettlement Action Plan ("RAP")

The Group has an obligation to compensate the households and other land users who are physically or economically displaced by the proposed mining in its concession area, in accordance with local legislative requirements. A provision is recognised for the present value of such costs, based on management's best estimate of the obligations incurred. The RAP has been completed and was inaugurated in August 2022.

Other provisions

Other provisions primarily consist of future legal claims and related legal expenses, including the operational grievance mechanism ("OGM"), and end-of-contract gratuity benefits for mining staff. End-of-contract benefits are payable in more than one year's time for some of the Group's employees who are on fixed-term contracts and are calculated based on the legal and contractual benefits. Provisions for future legal claims relate to the estimated costs that the Group expects to incur relating to past events and are recorded where it has been determined that it is probable that an outflow of resources will be required to settle the claim, or where it is uncertain whether any action by a third party would be successful. Provisions are assessed on a case-by-case basis. All amounts classified as non-current are expected to be settled within five years from the balance sheet date.

MRM established the OGM in February 2021 to further its ongoing commitment to transparency and support for the local communities, and under the voluntary settlement agreement arising from the Leigh Day litigation. The original OGM ended in July 2023 and a new arrangement was launched, referred to as OGM "2.0". Through this process, all cases relating to alleged incidents related to before 1 January 2019 were closed via a rapid close mechanism, and collective remedies for outstanding claimants were completed. This change in the OGM mechanism resulted in a decrease in the provision recognised in prior period. Management considered three key criteria in valuing the potential remedy at 31 December 2024: the number of claims received by the OGM 2.0 since it was launched in summer 2023, the likelihood of success of each claim and the expected remedy assessed by mediation and likelihood of pay-outs based on the OGM team's experience. Applying judgement to the analysis of this information, management arrived at what it considers to be a range of reasonable outcomes for the estimate of the future economic outflow. The provision recorded at 31 December 2024 reflects management's best estimate of the potential liability at the balance sheet date, which is within this sensitised range. The sensitivities do not necessarily cover all possible eventualities. It is expected that the liability will be settled within two years from the balance sheet date. The Group continues to monitor the scheme closely.

18. LEASES

The balance sheet contains the following amounts related to leases:

18.1 *Right-of-use assets*

	2024 USD'000	2023 USD'000
At 1 January		
Cost	5,427	6,246
Accumulated depreciation	(4,188)	(3,943)
Carrying value at 1 January	1,239	2,303
Additions	3,909	118
Disposal of assets – cost	(964)	(937)
Depreciation	(1,237)	(1,182)
Disposals of assets – accumulated depreciation	910	937
Carrying value at 31 December	3,857	1,239
At 31 December		
Cost	8,372	5,427
Accumulated depreciation	(4,515)	(4,188)
Carrying value at 31 December	3,857	1,239

Right-of-use assets held as at 31 December 2024 predominantly related to property leases in the Group's various operating locations and are presented within the land and buildings asset category in property, plant and equipment. Please refer to Note 10: *Property, plant and equipment*.

18.2 *Lease liabilities*

	2024 USD'000	2023 USD'000
At 1 January	1,170	2,332
Additions	3,909	118
Disposals	(54)	–
Cash payments of principal and interest	(1,214)	(1,432)
Other non-cash movements	(22)	–
Interest charged to finance costs	459	152
At 31 December	4,248	1,170
Of which:		
Current	1,017	415
Non-current	3,231	755
	4,248	1,170

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

19. SHARE CAPITAL

Shares issued are recognised at the fair value of consideration received, with the excess over the nominal value of the shares credited to share premium. Costs directly attributable to a share issue are deducted from share premium rather than being included in profit or loss. When shares are cancelled, the excess over the nominal value of the shares is debited to share premium.

The Company has issued Ordinary Shares, which entitle the holder to a vote in shareholder meetings and to receive dividends.

As per the Company's Memorandum of Incorporation and subject to the JSE Listings Requirements and the AIM Rules for Companies, for the Company to issue additional shares for cash, the Company must obtain shareholder approval via a Special Resolution. As at the balance sheet date, the Company does not have the authority to issue additional shares for cash and therefore the Company's authorised share capital is displayed below.

Issued and fully paid share capital:

	NUMBER OF SHARES	SHARE CAPITAL USD'000	SHARE PREMIUM USD'000
Ordinary Shares (listed)			
Ordinary Shares of USD 0.00001 each			
Balance at 1 January 2023	1,211,014,532	12	494,483
Share options exercised in the period	14,104,499	–	2,075
Shares cancelled resulting from share buy-back programme	(58,423,901)	–	(9,870)
Balance at 31 December 2023	1,166,695,130	12	486,688
Share options exercised in the period	1,332,000	–	251
Balance at 31 December 2024	1,168,027,130	12	486,939

20. SHARE-BASED PAYMENTS

The Group's Share Option Plan was approved by shareholders on 26 June 2017. Under the terms of the plan, the Company can issue a maximum of 167,341,278 options but the Company does not intend to issue any new share options under the plan, following the implementation of the new Long Term Incentive Plan ("LTIP") granted in 2023.

At 31 December 2024, the following share options had been granted and were outstanding in respect of the Ordinary Shares:

ISSUE DATE	EXERCISE PRICE	NUMBER OF OPTIONS					FINAL VESTING DATE
		OUTSTANDING AT 1 JANUARY 2024	GRANTED	FORFEITED/ LAPSED	EXERCISED	OUTSTANDING AT 31 DECEMBER 2024	
September 2017	ZAR 3.45	5,578,045	–	(5,578,045)	–	–	September 2021
January 2018	ZAR 2.97	1,227,737	–	(378,180)	–	849,557	January 2022
July 2018	ZAR 2.30	3,075,950	–	(1,171,000)	(1,332,000)	572,950	July 2022
March 2019	ZAR 1.90	90,000	–	(30,000)	–	60,000	March 2023
August 2023	Nominal	11,823,851	–	–	–	11,823,851	August 2026
Total		21,795,583	–	(7,157,225)	(1,332,000)	13,306,358	

Share options granted before 2023 vest over a four-year period in tranches of 20%. One-fifth of the options granted vest immediately with the remaining 80% vesting annually on the grant date over the following four years, during which time the grantee has to remain in employment. Three-fifths of awards lapse on the fifth anniversary of grant with the balance lapsing in equal tranches on the sixth and seventh anniversaries of grant and so have a three-year exercise window before lapsing.

On 25 August 2023, shareholders were advised that the Company had awarded a total of 11,823,851 performance shares in the form of nominal cost options ("Performance Shares") under the LTIP to the two Executive Directors and a small number of senior employees including 'Persons Discharging Managerial Responsibilities'. The vesting of all the Performance Shares is conditional on meeting performance conditions measured over a three-year period as detailed in the Remuneration Committee Report on pages 98 to 105. The awards will vest on the third anniversary of grant and are subject to a two-year post vesting holding period and to conventional malus and clawback provisions.

20. SHARE-BASED PAYMENTS (CONTINUED)

Of the options granted to date, 13,306,358 options were exercisable at 31 December 2024 (31 December 2023: 9,931,732). During the year, 1,332,000 share options were exercised at an average exercise price of ZAR 2.44. In 2023, 14,104,499 share options were exercised at an average exercise price of ZAR 3.57.

A total of 7,157,225 (2023: 3,357,389) share options lapsed during the year that had a weighted average share price of ZAR 3.23, resulting in a USD 0.3 million transfer from the option reserve to retained earnings in 2024.

As at 31 December 2024, all share option schemes approved in June 2017 and granted between 2017 and 2019 have vested. The total expense recognised during the year arising from the vesting of equity-settled share-based payment transactions was USD 0.2 million (2023: USD 0.1 million). The total option reserve in equity at 31 December 2024 was USD 4.0 million (31 December 2023: USD 4.3 million).

The weighted average exercise price for outstanding and exercisable options at 31 December 2024 was ZAR 2.67 (31 December 2023: ZAR 3.03). The Parent Company's closing share price at 31 December 2024 was ZAR 1.54 (31 December 2023: ZAR 3.14). The lowest and highest closing prices during the year were ZAR 1.52 (2023: ZAR 2.90) and ZAR 3.28 (2023: ZAR 4.25), respectively.

The weighted average remaining contractual life for the share options outstanding at 31 December 2024 was 2.6 years (2023: 3.5 years).

The fair values of the options are calculated using the Black–Scholes method, except for the August 2023 LTIP, which was determined using both the Black–Scholes and Monte Carlo simulation methods. The assumptions applied to each share option scheme are detailed in the table below:

	ISSUE DATE SEPTEMBER 2017	ISSUE DATE JANUARY 2018	ISSUE DATE JULY 2018	ISSUE DATE MARCH 2019	ISSUE DATE AUGUST 2023
Exercise price	ZAR 3.45	ZAR 2.97	ZAR 2.30	ZAR 1.90	Nominal
Share price at date of grant	ZAR 2.91	ZAR 3.00	ZAR 2.38	ZAR 1.85	GBP 0.16
Expected volatility	39.70%	45.83%	47.54%	50.75%	41.12%
Option life	4.5 years	1–4 years ¹	1–4 years ¹	1–4 years ¹	None–2 years ²
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk-free interest rate	7.73%	6.67%–7.65%	6.82%–7.95%	6.69%–7.57%	4.90%
Fair value of options	ZAR 1.12	ZAR 0.64–1.37	ZAR 0.55–1.14	ZAR 0.40–0.87	GBP 0.065–0.151

¹ As the first option tranche vests immediately and the gain to the employee is low, the valuation assumes the options are held for one year prior to exercise.

² The net-of-tax number of shares acquired on the vesting of awards is subject to a two-year holding period. It was assumed that 47% of shares under award will be sold immediately on vesting to fund withholding taxes and social security, with the balance remaining subject to the holding period.

For share option schemes granted before 2023, the risk-free interest rates have been based on the yields offered from South African government bonds with maturities that range from one to four years as per the vesting profile of the options. South African government bonds are considered an appropriate risk-free rate as these are assumed to be the lowest-risk investment underpinning the market. In addition, as the Parent Company has a primary listing on the JSE where securities are quoted in South African Rand, the Directors believe that a local currency-based risk-free rate is the most appropriate input when valuing options with the Black–Scholes model.

For the August 2023 LTIP, the risk-free rate has been based on the implied yield of zero-coupon UK government bonds with a remaining term equal to the remaining performance period of the awards from the date of grant.

The expected volatility was based on the historic volatility data of the Parent Company's shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

21. PER SHARE INFORMATION

Earnings/(Loss) Per Share (“EPS” or “LPS”) and Net Asset Value (“NAV”) are key performance measures for the Group. EPS/(LPS) is based on profit/(loss) for the year divided by the weighted average number of ordinary shares in issue during the year.

Headline Earnings/(Loss) Per Share (“HEPS” or “HLPS”) is similar to EPS/(LPS) except that attributable profit specifically excludes certain items, as set out in Circular 1/2023 “Headline Earnings” (“Circular 1/2023”) issued by the South African Institute of Chartered Accountants.

Adjusted Earnings Per Share (“AEPS”) is similar to HEPS except that attributable profit specifically excludes unrealised fair value losses/(gains) on unlisted equity investments (Sedibelo). This measure is used within Gemfields Group Limited 2023 Long Term Incentive Plan (“LTIP”) as Sedibelo’s performance is outside of Management’s control.

NAV per share is based on net assets divided by the number of ordinary shares in issue at the reporting date. NAV per share is a non-IFRS performance measure used by management to assess the performance of the Group.

Earnings per share

The Group’s EPS is as follows:

	2024	2023
Loss for the year attributable to owners of the Parent – USD’000	(82,143)	(10,090)
<i>Weighted average number of shares in issue</i>	1,167,028,719	1,206,076,930
Loss per share – USD cents	(7.0)	(0.8)
<i>Weighted average number of dilutive shares</i>	–	2,584,574
<i>Weighted average number of shares in issue after dilutive shares</i>	1,167,028,719	1,208,661,504
Diluted loss per share – USD cents	(7.0)	(0.8)

As at 31 December 2024, 13,306,358 outstanding equity instruments were excluded from the calculation of the weighted average dilutive shares because their effect would have been anti-dilutive.

At 31 December 2024, the weighted average number of dilutive shares was nil (31 December 2023: 2,584,574). In the prior year, the dilutive shares arose from September 2017, January 2018, July 2018 and March 2019 schemes, from which 5,578,045, 1,227,737, 3,035,950 and 90,000 shares were exercisable at prices of ZAR 3.45, ZAR 2.97, ZAR 2.30 and ZAR 1.90. The average share price for 2024 was ZAR 2.44 (2023: ZAR 3.57).

Headline earnings per share

The Group’s HEPS is as follows:

	2024	2023
Loss for the year attributable to owners of the Parent – USD’000	(82,143)	(10,090)
<i>Adjusted for:</i>		
Gain from disposal of fixed assets, attributable to owners of the Parent	(572)	(401)
Impairment charges related to tangible and intangible assets, attributable to owners of the Parent	68,465	–
Tax impact	(10,665)	–
	(24,915)	(10,491)
<i>Weighted average number of shares in issue</i>	1,167,028,719	1,206,076,930
Loss per share – USD cents	(2.1)	(0.9)

21. PER SHARE INFORMATION (CONTINUED)

Adjusted earnings per share

The Group's AEPS is as follows:

	2024	2023
Loss for the year attributable to owners of the Parent – USD'000	(82,143)	(10,090)
<i>Adjusted for:</i>		
Unrealised fair value losses from Sedibelo	4,000	28,000
Gain from disposal of fixed assets, attributable to owners of the Parent	(572)	(401)
Impairment charges related to tangible and intangible assets, attributable to owners of the parent	68,465	–
Tax impact	(10,665)	–
	(20,915)	17,509
<i>Weighted average number of shares in issue</i>	1,167,028,719	1,206,076,930
Adjusted (loss)/earnings per share – USD cents	(1.8)	1.5

NAV per share

The Group's USD NAV per share is as follows:

	31 DECEMBER 2024	31 DECEMBER 2023
Net assets attributable to equity holders of the Company – USD'000	345,723	438,172
<i>Number of shares in issue</i>	1,168,027,130	1,166,695,130
NAV per share – USD cents	29.6	37.6

Tangible NAV per share

The Group's USD tangible NAV per share is as follows:

	31 DECEMBER 2024	31 DECEMBER 2023
Net assets attributable to equity holders of the Company – USD'000	345,723	438,172
<i>Adjusted for:</i>		
Intangible assets attributable to equity holders of the Company	(38,362)	(57,117)
	307,361	381,055
<i>Number of shares in issue</i>	1,168,027,130	1,166,695,130
Tangible NAV per share – USD cents	26.3	32.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

22. NON-CONTROLLING INTERESTS

Non-controlling interests in the Group that are material relate to the following subsidiaries:

- Kagem, a company incorporated in Zambia whose principal operation is rough emerald mining, exploration and processing. The Government of the Republic of Zambia (through the Industrial Development Corporation) holds a 25% non-controlling interest;
- MRM, a company incorporated in Mozambique whose principal operation is rough ruby mining, exploration and processing. Mwiriti Limitada, a private company incorporated in Mozambique, holds a 25% non-controlling interest;
- Development assets, comprising the Group's exploration and evaluation activities in Africa, including Megaruma Mining Limitada ("MML"), Eastern Ruby Mining Limitada ("ERM"), Nairoto Resources Lda ("Nairoto"), and the Group's development project in Ethiopia, Web Gemstone Mining Plc. The non-controlling interests of these entities are listed in Note 25: *Subsidiaries*; and
- Other, includes all the other subsidiaries with non-controlling interests which are listed in Note 25: *Subsidiaries* and which are not material.

	2024 KAGEM USD'000	2024 MRM USD'000	2024 DEVELOPMENT ASSETS USD'000	2024 OTHER ³ USD'000	2024 TOTAL USD'000
Amount attributable to all shareholders:					
(Loss)/profit after tax	(35,404)	653	(43,011)	7,098	(70,664)
Cash generated from operations	7,857	35,929	(1,526)	–	42,260
Non-current assets	97,903	228,807	17,818	–	344,528
Current assets	74,214	112,588	5,583	–	192,385
Total assets	172,117	341,395	23,401	–	536,913
Non-current liabilities	(21,033)	(82,395)	–	–	(103,428)
Current liabilities	(34,326)	(54,857)	(2,084)	–	(91,267)
Total liabilities	(55,359)	(137,252)	(2,084)	–	(194,695)
Net assets	116,758	204,143	21,317	–	342,218
Amounts attributable to non-controlling interest:					
(Loss)/profit after tax	(9,627)	(173)	(10,627)	1,774	(18,653)
Dividends declared ^{1,2}	(1,500)	(8,125)	–	–	(9,625)
Net assets	3,680	67,627	(14,253)	–	57,054

1 In 2024, Kagem declared a dividend, of which USD 1.5 million was due to the Group's non-controlling interest in Kagem, the Government of Zambia through the Industrial Development Corporation ("IDC").

2 In 2024, MRM declared a dividend, of which USD 8.1 million was due to the Group's non-controlling interest in MRM, Mwiriti. This dividend was settled against the receivable outstanding with Mwiriti in respect of prior cash advances.

3 The parent companies of the Sri Lankan subsidiaries categorised under 'Other' were dissolved in April 2024, with no material impact to consolidation due to intercompany eliminations.

22. NON-CONTROLLING INTERESTS (CONTINUED)

	2023 KAGEM USD'000	2023 MRM USD'000	2023 DEVELOPMENT ASSETS USD'000	2023 OTHER USD'000	2023 TOTAL USD'000
Amount attributable to all shareholders:					
(Loss)/profit after tax	(3,952)	41,328	(2,942)	(9)	34,425
Cash generated from operations	15,437	67,330	(2,715)	–	80,052
Non-current assets	154,069	190,437	46,877	14	391,397
Current assets	65,310	122,392	6,416	2	194,120
Total assets	219,379	312,829	53,293	16	585,517
Non-current liabilities	(38,438)	(39,018)	(5,000)	–	(82,456)
Current liabilities	(32,122)	(42,906)	(1,979)	(29)	(77,036)
Total liabilities	(70,560)	(81,924)	(6,979)	(29)	(159,492)
Net assets	148,819	230,905	46,314	(13)	426,025
Amounts attributable to non-controlling interest:					
(Loss)/profit after tax	(2,387)	10,332	(681)	(3)	7,261
Dividends declared ^{1,2}	(5,000)	(7,500)	–	–	(12,500)
Net assets	14,807	75,926	(3,637)	(1,775)	85,321

1 In 2023, Kagem declared a dividend, of which USD 5.0 million was due to the Group's non-controlling interest in Kagem, the Government of Zambia through the Industrial Development Corporation ("IDC").

2 In 2023, MRM declared a dividend, of which USD 7.5 million was due to the Group's non-controlling interest in MRM, Mwiriti. This dividend was settled against the receivable outstanding with Mwiriti in respect of prior cash advances.

23. FINANCIAL INSTRUMENTS

The principal financial instruments used by the Group are as follows:

Financial assets

	31 DECEMBER 2024 USD'000	31 DECEMBER 2023 USD'000
Financial assets measured at fair value through profit and loss:		
Unlisted equity investments – Sedibelo	–	4,000
Investments accounted for using the equity method	–	2,009
Total financial assets at fair value through profit and loss	–	6,009
Financial assets measured at amortised cost:		
Trade and other receivables ¹	43,253	58,854
Cash and cash equivalents	20,844	51,621
Total financial assets measured at amortised cost	64,097	110,475
Total financial assets	64,097	116,484

1 Trade and other receivables excludes prepayments and VAT.

The Sedibelo investment is classified as Level 3 in the fair value hierarchy (31 December 2023: Level 3), the inputs for which are not based on observable market data. Refer to Note 12: *Unlisted equity investments* for further information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

23. FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities

	31 DECEMBER 2024 USD'000	31 DECEMBER 2023 USD'000
Financial liabilities measured at amortised cost:		
Trade and other payables	45,755	55,964
Borrowings	101,275	40,474
Lease liabilities	4,248	1,170
Total financial liabilities	151,278	97,608

Fair value of financial assets and liabilities

At 31 December 2024 and 2023, the carrying value of the Group's financial assets and financial liabilities carried at amortised cost approximated their fair values. Refer to Note 14: *Trade and other receivables* for detailed disclosure of the impairment assessment completed on the Group's financial assets measured at amortised cost at 31 December 2024.

Capital structure

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to provide sustainable returns for shareholders. For the purpose of the Group's capital management, capital comprises equity shares.

The Group defines its capital allocation priorities as managing debt, organic and inorganic investments and capital returns, in no specific order and assessed on an ongoing basis. As approved by the Board on 23 March 2023, Gemfields' dividend policy aims to provide regular returns of capital when the business' performance and market conditions allow, at the Board's discretion and following assessment of Gemfields' capital allocation priorities. In line with the Group's dividend policy, a final dividend of USD 10 million was paid to shareholders from 2023 results, with a gross dividend of USD cents 0.85712 per ordinary share distributed on 24 May 2024. The Directors monitor the Group's gearing ratio on an ongoing basis.

An analysis of the carrying value of Group's financial liabilities carried at amortised cost compared to their contractual cashflows is detailed in the liquidity section of this note.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and contractual cash flows of debt investments (loans) carried at amortised cost. The Group is also exposed to credit risk related to its customers and outstanding receivables with them. Credit risk arises when a failure by a counterparty to discharge their obligations could reduce the amount of future cash inflows from the related financial asset on hand at the reporting date.

i) Risk management

Credit risk is managed on a Group basis.

The Group holds materially all of its cash balances with four counterparties: Barclays Bank plc ("Barclays"), ABSA Bank (formerly Barclays in Mozambique and Zambia), Investec Bank plc ("Investec"), and Banco Comercial e de Investimentos S.A. ("BCI"). Bankruptcy or insolvency of any of these counterparties could have a significant adverse impact on the Group. The Group's subsidiaries may also hold immaterial cash balances with various other banks. The failure of one of these counterparties would be unlikely to have a significant impact on the Group. The Directors monitor the Group's range of counterparties to ensure that the Group's credit/counterparty risk is at an appropriate level.

23. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

The Group's exposure to counterparty risk at 31 December 2024 is set out below:

COUNTERPARTY	LOCATION	CREDIT RATING (FITCH)	31 DECEMBER 2024 USD'000	31 DECEMBER 2023 USD'000
ABSA	Mozambique	BB minus	1,946	11,366
Barclays	United Kingdom	A plus	1,705	9,361
ABSA	Mauritius	BB minus	16	8,350
Investec	United Kingdom	BB minus	1,304	6,065
BCI	Mozambique	n/r	13,402	5,657
FNB	Zambia	A plus	171	3,797
BIM	Mozambique	CCC plus	116	2,713
Axis bank	India	BB plus	408	881
Nedbank	South Africa	BB minus	306	899
Citibank	Zambia	n/r	11	329
ABSA	Zambia	BB minus	86	99
HSBC	United Kingdom	AA minus	56	68
Other counterparties	Various	n/a	1,317	2,036
Total			20,844	51,621

The Group's trade receivables are predominantly derived from auction customers who are specifically invited to each auction and the credit quality of whom is thoroughly assessed prior to invitation, considering financial position, past experience and other factors. No stock is transferred to the auction customers until full payment for the goods has been received. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. At the date of these financial statements, the Group had collected all auction receivables that were outstanding at 31 December 2024.

The credit quality of the Group's trade receivables can be assessed by reference to external credit ratings (where available) or to historical information about default rates. The trade receivables balance outstanding at the balance sheet date by counterparty credit risk is assessed as shown in the table below:

	31 DECEMBER 2024 USD'000	31 DECEMBER 2023 USD'000
Group 1 – direct customers, predominantly retail and web sales from Fabergé	261	803
Group 2 – new counterparties, with a less than six-month relationship with the Group	146	138
Group 3 – existing counterparties, no past history of default	36,566	43,065
Group 4 – existing counterparties, past default but all amounts have been recovered	–	16
Total trade receivables	36,973	44,022

ii) Impairment of financial assets

The Group applies the IFRS 9 simplified approach to measuring credit losses for trade receivables, using a lifetime expected credit loss provision. Based on the assessment completed, USD 0.1 million provision was recorded against trade receivables at 31 December 2024 (31 December 2023: USD 0.2 million).

The Group's other receivables primarily relate to third-party and related-party loans. These financial assets have been assessed for credit loss individually, considering financial position, past experience and other factors. As at 31 December 2024, the Group held no provision against its loans and other receivables, compared to a provision of USD 2.1 million as at 31 December 2023, due to the dissolution of the parent entities of the Sri Lankan subsidiaries. Additionally a receivable relating to Nairobi was impaired in the year, with further details in Note 14. There are no other financial assets that are impaired and, accordingly, no additional analysis has been provided.

Refer to Note 14: *Trade and other receivables* for details of the IFRS 9 assessment completed at 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

23. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It represents the risk that the Group will encounter difficulty in meeting its financial obligations.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim the Group seeks to maintain cash balances and agreed bank facilities at levels considered appropriate to meet ongoing obligations.

The Group maintains an integrated business performance and cash flow forecasting model, incorporating financial position information, which is updated monthly.

The Group performance against budget and associated cash flow forecast is evaluated on a monthly basis. The Directors receive rolling 12-month cash flow projections monthly, as well as information regarding cash balances and Group performance against budget. See going concern assessment in Note 1 for further details on projections.

The following table illustrates the contractual maturity analysis of the Group's financial liabilities, including the liabilities that must be settled gross, based, where relevant, on interest rates and exchange rates prevailing at the reporting date.

31 DECEMBER 2024	REPAYABLE WITHIN ONE MONTH USD'000	REPAYABLE WITHIN ONE TO SIX MONTHS USD'000	REPAYABLE WITHIN SIX TO TWELVE MONTHS USD'000	REPAYABLE WITHIN ONE TO FIVE YEARS USD'000	REPAYABLE AFTER FIVE YEARS USD'000	TOTAL CONTRACTUAL CASH FLOWS USD'000	CARRYING VALUE AT 31 DECEMBER 2024 USD'000
Trade and other payables	30,965	2,102	3,196	9,492	–	45,755	45,755
Leases	36	751	719	3,276	81	4,863	4,248
Borrowings and interest	525	28,900	30,033	31,259	25,143	115,860	101,275
Total	31,526	31,753	33,948	44,027	25,224	166,478	151,278

31 DECEMBER 2023	REPAYABLE WITHIN ONE MONTH USD'000	REPAYABLE WITHIN ONE TO SIX MONTHS USD'000	REPAYABLE WITHIN SIX TO TWELVE MONTHS USD'000	REPAYABLE WITHIN ONE TO FIVE YEARS USD'000	REPAYABLE AFTER FIVE YEARS USD'000	TOTAL CONTRACTUAL CASH FLOWS USD'000	CARRYING VALUE AT 31 DECEMBER 2023 USD'000
Trade and other payables	19,776	21,194	6,960	8,034	–	55,964	55,964
Leases	24	291	155	604	252	1,326	1,170
Borrowings and interest	–	40,474	–	–	–	40,474	40,474
Total	19,800	61,959	7,115	8,638	252	97,764	97,608

Market risk

The significant market risks affecting the Group are currency risk, interest rate risk, price risk and commodity risk. These risks relate to the Group's underlying mining operations and its investment in Sedibelo, which is held at fair value.

Currency risk

The Group's operations are exposed to currency risk on foreign currency sales, purchases and expenses. As the majority of revenues are denominated in USD and the USD plays a dominant role in the Group's business, funds borrowed and held in USD provide a natural hedge against currency fluctuations. Operating costs and costs of locally sourced equipment are influenced by fluctuations in local currencies, primarily the Zambian kwacha ("ZMW") and Mozambican metical ("MZN").

A key tenet of the Group's treasury policy is that materially all of the Group's cash is held in USD, other than amounts allocated for a specific foreign currency investment or for specific material expenses which are usually held in the relevant currency. The Group's cash balance is therefore not subject to material foreign exchange risk in most circumstances.

23. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Cash balances are translated into a currency other than the USD only when an outflow of cash is imminent or if required for legal or similar reasons. The Group may occasionally hold balances in currencies other than the USD for a material investment which is considered likely but is not yet certain. This gives rise to potential foreign exchange risk if the investment does not occur and the balance is translated back into USD at a different exchange rate. Alternatively, for specific material cash outflows, the Group may choose to enter into an appropriate hedging strategy, such as a forward contract or option, to minimise the Group's foreign exchange exposure. The Group did not enter into any hedging strategies during the current or prior year.

The Group also undertakes transactions and holds assets and liabilities in currencies other than the USD. The Group may enter into equity or loan investments in currencies other than the USD, including GBP and ZAR. These balances are translated at the end of each reporting period and the related foreign exchange gain or loss is included in the Consolidated Income Statement. The Directors consider the denomination of each investment as part of the initial decision as to whether to invest in an asset.

Sensitivity analysis has been performed based on the sensitivity of the Group's net financial assets to movements in foreign exchange rates, assuming a movement of 10% against the USD.

AT 31 DECEMBER 2024	USD USD'000	GBP USD'000	ZMW USD'000	MZN USD'000	OTHER USD'000	TOTAL USD'000
Cash and cash equivalents	15,845	994	19	2,065	1,921	20,844
Trade and other receivables	38,790	543	278	2,785	857	43,253
Borrowings	(101,275)	–	–	–	–	(101,275)
Trade and other payables	(17,576)	(4,236)	(4,028)	(15,325)	(4,590)	(45,755)
Lease liabilities	(649)	(2,833)	–	(101)	(665)	(4,248)
Net financial liabilities	(64,865)	(5,532)	(3,731)	(10,576)	(2,477)	(87,181)
<i>Sensitivity analysis</i>						
Impact on the Income Statement, assuming a 10% movement against the USD	n/a	(553)	(373)	(1,058)	(248)	(2,232)

AT 31 DECEMBER 2023	USD USD'000	GBP USD'000	ZMW USD'000	MZN USD'000	OTHER USD'000	TOTAL USD'000
Equity investments	4,000	–	–	–	–	4,000
Investments accounted for using the equity method	2,009	–	–	–	–	2,009
Cash and cash equivalents	36,899	2,920	173	8,153	3,476	51,621
Trade and other receivables	54,102	320	236	1,271	2,925	58,854
Borrowings	(40,474)	–	–	–	–	(40,474)
Trade and other payables	(30,754)	(6,796)	(1,279)	(15,810)	(1,325)	(55,964)
Lease liabilities	(510)	(151)	(203)	–	(306)	(1,170)
Net financial assets/(liabilities)	25,272	(3,707)	(1,073)	(6,386)	4,770	18,876
<i>Sensitivity analysis</i>						
Impact on the Income Statement, assuming a 10% movement against the USD	n/a	(371)	(107)	(639)	477	(640)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its cash balances. The Group's policy is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments which are for a maximum of one year but are usually for shorter time periods. This maintains the Group's liquidity levels whilst also securing a return for shareholders on uninvested cash. During 2024 and 2023 all uninvested cash was accessible either on demand, or shortly afterwards. In addition, the Group may make interest-bearing loans to its investments.

An analysis of the expected maturity of the Group's financial assets and liabilities exposed to variable interest rates at the balance sheet date is shown below. Expected maturities are usually based on contractual maturities. The sensitivity analysis completed has considered a 1.0% increase or decrease (2023: 1.0% increase or decrease) in interest rates to be reasonably possible based on the current interest rate environment. The Directors consider the impact of changes in interest rates on the Group to be immaterial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

23. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

31 DECEMBER 2024	REPAYABLE WITHIN ONE MONTH USD'000	REPAYABLE WITHIN ONE TO SIX MONTHS USD'000	REPAYABLE WITHIN SIX TO TWELVE MONTHS USD'000	REPAYABLE WITHIN ONE TO FIVE YEARS USD'000	REPAYABLE AFTER FIVE YEARS USD'000	TOTAL USD'000
Cash and cash equivalents	20,844	–	–	–	–	20,844
Borrowings	(525)	(28,900)	(30,033)	(31,259)	(25,143)	(115,860)
Net financial assets/(liabilities) subject to interest rate risk	20,319	(28,900)	(30,033)	(31,259)	(25,143)	(95,016)
<i>Sensitivity analysis</i>						
Impact on profit or loss, assuming a 1.0% movement in interest rate	203	(289)	(300)	(313)	(251)	(950)
31 DECEMBER 2023	REPAYABLE WITHIN ONE MONTH USD'000	REPAYABLE WITHIN ONE TO SIX MONTHS USD'000	REPAYABLE WITHIN SIX TO TWELVE MONTHS USD'000	REPAYABLE WITHIN ONE TO FIVE YEARS USD'000	REPAYABLE AFTER FIVE YEARS USD'000	TOTAL USD'000
Cash and cash equivalents	51,621	–	–	–	–	51,621
Borrowings	–	(40,474)	–	–	–	(40,474)
Net financial assets/(liabilities) subject to interest rate risk	51,621	(40,474)	–	–	–	(11,147)
<i>Sensitivity analysis</i>						
Impact on profit or loss, assuming a 1.0% movement in interest rate	516	(405)	–	–	–	111

Price risk

Price risk is the risk that the price for equity investments fluctuates with a corresponding impact on the Consolidated Income Statement. The Directors believe that disclosure of a 25% decrease or increase in the fair values of the Group's investments is reasonably possible and presents relevant information to shareholders. The Executive Directors usually participate in management of each investment and monitor the associated risks on an ongoing basis, reporting to the Board as necessary. A 25% change in the fair value of investments would have the following impact on the Consolidated Income Statement:

	31 DECEMBER 2024		31 DECEMBER 2023	
	CARRYING VALUE USD'000	IMPACT OF A 25% CHANGE IN FAIR VALUE USD'000	CARRYING VALUE USD'000	IMPACT OF A 25% CHANGE IN FAIR VALUE USD'000
Unlisted equity investment – Sedibelo	–	–	4,000	1,000
Total	–	–	4,000	1,000

Commodity risk

The Group holds coloured gemstones on its balance sheet in the form of inventory. A decrease in the price of coloured gemstones, specifically rubies and emeralds, may have a material impact on the Company's profitability. For the Group's other major investment, Sedibelo, commodity prices can have a significant impact on the fair value valuation of the investment and can impact upon the viability of the assets that the Group has invested in or may invest in. The commodities of most relevance to the Group currently are coloured gemstones and PGMs.

23. FINANCIAL INSTRUMENTS (CONTINUED)

Sensitivity analyses representative of the position throughout the year

The sensitivity analyses presented above are based on the financial instruments held at year-end. The sensitivity analyses presented for 31 December 2024 are considered likely to be representative of the financial instruments held and of risks to the balance sheet in the immediate future. Furthermore, if the Group divested an investment, its exposure to market risks would change. As there is uncertainty as to how the Group's risk profile will change in the future, no further representative sensitivity analyses have been disclosed, as the Directors do not believe that this would be useful. Users of the Consolidated Financial Statements should refer to the Risk and Uncertainties section of this Annual Report for further information on the risks that the enlarged Group is exposed to.

24. COMMITMENTS AND CONTINGENCIES

At 31 December 2024, the Group had the following capital commitments:

- USD 4.5 million (31 December 2023: USD 1.1 million) mainly for the purchase of mining equipment and the construction of new staff buildings at the mine site at MRM.
- USD 2.3 million (31 December 2023: USD 4.7 million) at Kagem for the purchase of light duty vehicles, construction of staff buildings and enhancement of operation assets.
- USD 0.1 million (31 December 2023: USD 0.8 million) for the purchase of vehicles at ERM.
- USD 0.5 million (31 December 2023: USD 0.3 million) for the purchase of mining equipment and contract cancellation fees at CDJ.
- USD Nil (31 December 2023: USD 0.1 million) at MML.

In August 2023, MRM, in which the Group holds a 75% interest, entered into a contract with Consulmet (Africa) Limited ("Consulmet") to construct an additional processing plant at MRM's ruby mine in Mozambique. The contract is a 'lump-sum turnkey contract' based on industry standard International Federation of Consulting Engineers ("FIDIC") terms, with MRM's payment obligations agreed in South African Rands and equating to approximately USD 70 million (at recent foreign exchange rates and excluding VAT and government levies). The first instalment of 20% was paid on 14 August 2023, with an additional 50% paid across February, April, July, September and November 2024. After the year end, a further 15% was paid in January and February 2025. The remaining 15% of the total cost is expected to be paid upon the achievement of specific milestones, by Q3 2025.

MRM and Kagem have also provided USD 2.5 million and USD 1.6 million, respectively, in bank guarantees to support operational requirements related to compliance, management, and mine closure plans.

In April 2024, MRM signed a heads of terms agreement to enter into a solar plant project, aimed at providing lower-cost green energy to the second processing plant currently under construction in Mozambique. Under the agreement, MRM is required to pay up to USD 0.9 million early termination fees, which is contingent on a break clause being triggered. At the reporting date, the break clause had not been triggered, nor is it the intention of management to trigger the clause in the future.

The Group does not have any other significant contingencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

25. SUBSIDIARIES

The Group's subsidiaries are set out below. All interests are held directly or indirectly by the Group and are consolidated within these Consolidated Financial Statements.

NAME	COUNTRY OF INCORPORATION	GROUP % INTEREST AT 31 DECEMBER 2024	GROUP % INTEREST AT 31 DECEMBER 2023
Campos de Joia, Limitada	Mozambique	100%	100%
Clearwater Resources (Private) Limited ¹	Zimbabwe	100%	100%
Eastern Ruby Mining Limitada	Mozambique	80%	80%
Fabergé (UK) Limited	United Kingdom	100%	100%
Fabergé Hospitality Limited	British Virgin Islands	100%	100%
Fabergé Inc.	United States of America	100%	100%
Fabergé Limited	Cayman Islands	100%	100%
Fabergé Suisse SA	Switzerland	100%	100%
F1842 Fine Jewellery Trading LLC	United Arab Emirates	100%	100%
Florescer Farming S.A.	Mozambique	97.9%	97.9%
Forest HoldCo Limited ²	United Kingdom	–	100%
G-Chime Solutions Limited	United Kingdom	100%	100%
Gemdustry Limited	United Kingdom	100%	100%
Gemfields BVI Limited	British Virgin Islands	100%	100%
Gemfields Canada Inc.	Canada	100%	100%
Gemfields CdJ Mauritius	Mauritius	100%	100%
Gemfields DMCC	United Arab Emirates	100%	100%
Gemfields Holdings Zambia Limited	Zambia	100%	100%
Gemfields India Pvt Limited	India	100%	100%
Gemfields Mauritius Limited	Mauritius	100%	100%
Gemfields Mining Limited	Zambia	100%	100%
Gemfields Limited	United Kingdom	100%	100%
Gemfields Madagascar Holding Limited	Mauritius	100%	100%
Gemfields Resources (Guernsey) GP Ltd	Guernsey	100%	100%
Gemfields Services Limited	United Kingdom	100%	100%
Gemfields Singapore Pte Limited	Singapore	100%	100%
Gemfields South Africa (Pty) Limited	South Africa	100%	100%
Gemholds Ethiopia Limited	United Kingdom	100%	100%
Gemhouse Mining Zambia Limited	Zambia	100%	100%
Graphon Investments (Pvt) Limited ³	Sri Lanka	–	75%
Graphon Mining Resources (Pvt) Limited ³	Sri Lanka	–	75%
G-Trac Knowledgebase Systems Limited	United Kingdom	100%	100%
Hagura Mining Limited	United Kingdom	100%	100%
Island HoldCo Limited ²	United Kingdom	–	100%
Kagem Mining Limited	Zambia	75%	75%
Kagem Lapidaries Limited	Zambia	100%	100%
Megaruma Mining Limitada	Mozambique	75%	75%
Montepuez Ruby Mining Limitada	Mozambique	75%	75%

25. SUBSIDIARIES (CONTINUED)

NAME	COUNTRY OF INCORPORATION	GROUP % INTEREST AT 31 DECEMBER 2024	GROUP % INTEREST AT 31 DECEMBER 2023
Nairoto Mining 01, Limitada	Mozambique	75%	75%
Nairoto Mining 02, Limitada	Mozambique	75%	75%
Nairoto Mining 03, Limitada	Mozambique	75%	75%
Nairoto Mining 04, Limitada	Mozambique	75%	75%
Nairoto Mining 05, Limitada	Mozambique	75%	75%
Nairoto Mining 06, Limitada	Mozambique	75%	75%
Nairoto Mining 07, Limitada	Mozambique	75%	75%
Nairoto Mining 08, Limitada	Mozambique	75%	75%
Nairoto Mining 09, Limitada	Mozambique	75%	75%
Nairoto Mining 11, Limitada	Mozambique	75%	75%
Nairoto Mining 16, Limitada	Mozambique	75%	75%
Nairoto Mining 18, Limitada	Mozambique	75%	75%
Nairoto Resources Holdings	Mauritius	100%	100%
Nairoto Resources Limitada	Mozambique	75%	75%
Novo Campos de Joia 1, Limitada	Mozambique	100%	100%
Novo Campos de Joia 2, Limitada	Mozambique	100%	100%
Novo Campos de Joia 3, Limitada	Mozambique	100%	100%
Novo Megaruma Mining Ltda	Mozambique	100%	100%
Oriental Mining SARL	Madagascar	100%	100%
Peninsula HoldCo Limited ²	United Kingdom	–	100%
Ratnapura Lanka Gemstones (Pvt) Limited ³	Sri Lanka	–	75%
Shakgem Gemstone Mining Plc	Ethiopia	90%	90%
Singha Heavy Equipment (Pvt) Limited ³	Sri Lanka	–	75%
Singha Industrial Investments (Pvt) Limited ³	Sri Lanka	–	75%
The Gemfields Resources Fund L.P.	Cayman Islands	100%	100%
Web Gemstone Mining plc	Ethiopia	75%	75%

1 The company was dissolved after the year end on 8 January 2025.

2 The company was dissolved on 9 April 2024.

3 The parent company was dissolved on 9 April 2024, and therefore the Group held no interest in this company as at 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

26. RELATED PARTY TRANSACTIONS

The Group's subsidiaries, as set out in Note 25: *Subsidiaries*, are determined to be related parties of the Group.

The Group also holds a related party receivable of USD 1.4 million with Mwiriti Ltda, the Group's partner in MRM and Nairobi. Please refer to Note 14: *Trade and other receivables* for further details.

A management services agreement between Mwiriti and MRM was signed in May 2024, under which MRM will pay Mwiriti a management fee equivalent to 2% of MRM's auction revenue, capped at USD 3.0 million per annum. Any management fees payable under this agreement will be offset against any amounts due from Mwiriti to MRM. During 2024, USD 2.3 million was paid to Mwiriti under the agreement.

During the year a number of the Group's Directors made purchases of jewellery and watches from Fabergé amounting to USD 56,510 (2023: USD 8,159). All purchases were made in accordance with the Group's employee purchase policy. As at 31 December 2024, there is no outstanding receivable balance resulting from these purchases.

In 2018 the Group established Gemfields Foundation (the "Foundation"), a UK-registered charitable company whose purpose is to address poverty in developing countries and support conservation projects. The Foundation is determined to be independent of the Group and does not meet the definition of a subsidiary outlined in the Group's accounting policies. Therefore, its results are not consolidated into these Consolidated Financial Statements.

The Foundation is part-funded by Gemfields Limited and accepts donations from external bodies or individuals, with the funds received used to invest in community and conservation projects in Africa. 2021 saw the official launch of the charity. During 2024, the Group made donations of USD 4,000 (2023: USD 10,000). At 31 December 2024, no amount was due to the Foundation from Gemfields Limited (31 December 2023: Nil).

The Directors are the Key Management Personnel of the Group. The amounts paid to the Executive Directors for services during 2024 are set out below:

1 JANUARY 2024 TO 31 DECEMBER 2024	BASE COMPENSATION USD'000	BENEFITS USD'000	BONUS USD'000	PENSION USD'000	TOTAL USD'000	EMPLOYER'S NATIONAL INSURANCE USD'000	TOTAL INCLUDING EMPLOYER'S NATIONAL INSURANCE USD'000
Sean Gilbertson ¹	631	18	–	32	681	88	769
David Lovett ¹	421	12	–	21	454	59	513
Total	1,052	30	–	53	1,135	147	1,282

1 During the year, a share-based expense of USD 85k was recognised in relation to the August 2023 LTIP scheme granted to Sean Gilbertson and David Lovett. These performance shares vest over a three-year period and the total expense is recognised over the vesting period.

1 JANUARY 2023 TO 31 DECEMBER 2023	BASE COMPENSATION USD'000	BENEFITS USD'000	BONUS USD'000	PENSION USD'000	TOTAL USD'000	EMPLOYER'S NATIONAL INSURANCE USD'000	TOTAL INCLUDING EMPLOYER'S NATIONAL INSURANCE USD'000
Sean Gilbertson ^{1,2}	610	11	397	30	1,048	136	1,184
David Lovett ²	399	8	259	20	686	87	773
Total	1,009	19	656	50	1,734	223	1,957

1 On 27 June 2023, Sean Gilbertson exercised 5,578,042 share options at an exercise price of ZAR 3.45 per ordinary share of USD 0.00001 each in the company ("Ordinary Share"). Mr Gilbertson exercised these share options on a 'retain' basis, meaning that Mr Gilbertson paid the exercise cost of ZAR 19,244,245 to the Company and retained all 5,578,042 Ordinary Shares. Following the above transaction, Mr Gilbertson owns 17,548,327 Ordinary Shares, representing 1.5 per cent of the Company's issued shares.

2 During the year, a share-based expense of USD 29k was recognised in relation to the August 2023 LTIP scheme granted to Sean Gilbertson and David Lovett. These performance shares vest over a three-year period and the total expense is recognised over the vesting period.

26. RELATED PARTY TRANSACTIONS (CONTINUED)

The amounts paid to the Non-Executive Directors for services during 2024 and 2023 are set out below:

1 JANUARY 2024 TO 31 DECEMBER 2024	GROUP DIRECTOR FEES USD'000	BOARD COMMITTEES USD'000	LEAD INDEPENDENT DIRECTOR USD'000	TOTAL USD'000
Martin Tolcher ¹	65	–	–	65
Lumkile Mondli ¹	25	10	3	38
Kwape Mmela	50	18	3	71
Carel Malan ¹	25	8	–	33
Mary Reilly	50	15	–	65
Patrick Sacco	50	15	–	65
Bruce Cleaver ²	65	–	–	65
Simon Scott ²	25	8	–	33
Kieran Daly ²	25	–	–	25
Total	380	74	6	460

1 Resigned 1 July 2024.

2 Appointed 1 July 2024.

1 JANUARY 2023 TO 31 DECEMBER 2023	GROUP DIRECTOR FEES USD'000	BOARD COMMITTEES USD'000	LEAD INDEPENDENT DIRECTOR USD'000	TOTAL USD'000
Martin Tolcher	130	–	–	130
Lumkile Mondli	50	20	5	75
Kwape Mmela	50	15	–	65
Carel Malan	50	15	–	65
Mary Reilly	50	15	–	65
Patrick Sacco	50	11	–	61
Total	380	76	5	461

The interests in the Parent Company equity shares held by the Directors are set out below:

	2024		2023	
	NUMBER OF SHARES	INTEREST	NUMBER OF SHARES	INTEREST
Patrick Sacco ¹	340,367,121	29.14%	340,367,121	29.17%
Sean Gilbertson ^{2,3}	48,263,928	4.13%	48,263,928	4.14%
Kwape Mmela	8,325,334	0.71%	8,325,334	0.71%
David Lovett	1,442,000	0.12%	1,442,000	0.12%
Total	398,398,383	34.11%	398,398,383	34.14%

1 Patrick Sacco is the executive chairman of, and holds an indirect interest in, Assore International Holdings Limited, which in turn holds 340,367,121 ordinary shares in the Company.

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

3 Gigajoule Ltd, a company wholly owned by Sean Gilbertson, may become entitled to 103,147 Ordinary Shares if a loan granted to a third party by Gigajoule Ltd is not repaid.

The Company had 1,168,027,130 shares in issue at 31 December 2024 (31 December 2023: 1,166,695,130). The number of shares in issue at the date of issuance of this Annual Report is unchanged from 31 December 2024 and the shareholding structure had not changed to the best of management's knowledge.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

27. EVENTS OCCURRING AFTER THE END OF THE PERIOD

Approval of Consolidated Financial Statements

The Consolidated Financial Statements were approved by the Directors and authorised for issue on 10 April 2025.

Proposed Rights Issue

On 11 April 2025, Gemfields has announced its plan to issue 556,203,396 New Shares to raise approximately USD 30 million in gross proceeds by way of a Proposed Rights Issue, which is subject to regulatory and shareholder approvals, with a general meeting scheduled for 19 May 2025.

The Proposed Rights Issue is fully underwritten by AIH and Rational. The Group also entered into separate agreements with the underwriters in respect of an advance for the underwriters' pro-rata portion of the rights issue expected to be received in Q2 2025.

Independent Auditor's Report

to the members of Gemfields Group Limited

OPINION

We have audited the financial statements of Gemfields Group Limited and its subsidiaries (the "Group") for the year ended 31 December 2024 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows and the related notes 1 to 27, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and IFRS Accounting Standards as issued by the International Accounting Standards Board, UK- adopted international accounting standards, and the financial reporting pronouncements issued by the Financial Reporting Standards Council of South Africa.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, UK- adopted international accounting standards, and the financial reporting pronouncements issued by the Financial Reporting Standards Council of South Africa; and
- have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1 in the financial statements which indicates that the ability of the Group to continue as a going concern is subject to material uncertainties which could cast significant doubt on the Group's ability to continue as a going concern. These relate to:

- The completion of the Proposed Rights Issue, which is dependent on approval from the Group's shareholders. Shareholder approval is expected to take place on 19 May 2025. Although the Directors have a reasonable expectation that the approval will be obtained as the Proposed Rights Issue is fully underwritten, the result of the vote is outside of management's control. Without the required approval from their shareholders and resultant liquidity from the transaction, the Group would not have sufficient funds to continue trading during the going concern period. We consider this to be a material uncertainty.
- The impact of a forecasted breach of covenants in Montepuez Ruby Mining's ("MRM") term loan from ABSA of USD 25 million in both June and December 2025, combined with the risk of overdraft facilities becoming unavailable in an uncertain trading environment in the downside scenario case of reduced revenues and increased costs. Although the Group has the ability to repay the term loan at the date of breaching (should the lenders demand immediate repayment), in a scenario where there is also a deterioration in the trading environment and as a result, overdraft facilities are withdrawn, the Group may have insufficient funds to continue trading. We consider this to be a material uncertainty.

Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT CONTINUED

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- The audit engagement partner increased her time directing and supervising the audit procedures in respect of going concern and utilised EY Corporate Finance specialists to assist her assessment of the going concern model and related assumptions.
- We obtained management's going concern assessment, including the cash flow forecasts and covenant calculations covering the going concern assessment period and management's severe but plausible downside scenarios as well as reverse stress test, and assessed whether the scenarios are sufficient and suitable to allow management to form their view on going concern. As part of this procedure, we have obtained an understanding of management's process and controls, and tested the model for arithmetical accuracy.
- We assessed the appropriateness of the duration of the going concern assessment period to 30 September 2026 and considered whether there are any known events or conditions that could occur beyond the period which may create a material uncertainty over going concern.
- We challenged the appropriateness of key assumptions in management's going concern forecasts by agreeing them to supporting evidence, including macroeconomic information, recent performance and historical pricing data. We also assessed the existence and impact of any contradictory evidence.
- We assessed the accuracy of management's forecasts by assessing historical performance against budget, post year-end performance and any other evidence obtained through the audit.
- We read the terms and conditions of the term loans and overdraft facilities including the definitions of all covenants and checked to ensure that the forecast covenant calculations in the assessment period were in line with the terms of the agreements.
- With the assistance of our EY Corporate Finance specialists, we assessed the likelihood and impact of renewals of overdraft facilities for both MRM and Kagem, as well as any new overdraft facilities or term loans entered into and understood the impacts of any conditions attached, including assessing the impact on any financial covenants. We discussed directly with bank representatives the Group's compliance with covenants and the terms and conditions for renewing existing overdraft facilities and the actions the bank would be likely to adopt resulting from the potential breach of covenant in June and December 2025. We also read and assessed the content of the letter of intent provided by ABSA.
- In respect of the Proposed Rights Issue included in the going concern model, we inspected the signed underwriting agreement and assessed whether the going concern model appropriately factors in its terms and conditions, including amounts, timing of cashflows and restrictions.
- We assessed and challenged management's consideration of downside scenarios, considering whether further sensitivities were required and whether these appropriately cover the principal risks impacting the Group.
- We evaluated the appropriateness of management's reverse stress test scenario and assessed the likelihood of such conditions arising during the going concern assessment period.
- We have further performed our own sensitivities to factor any downside from uncertainties in production, including but not limited to the premium emerald production in Kagem, following the suspension of mining activities.
- We obtained an update from our local EY team on the risk of insurgency and civil unrest in Mozambique in order to understand the impact on operations. Our procedures also included discussions with local management, and consideration of the Foreign, Commonwealth & Development Office (FCDO) advice published by the UK government.
- We assessed the reasonableness of mitigating actions and their estimated amounts through evaluating whether these are within management's control and assessed this through our understanding of the business and the presence of any contrary evidence.
- We considered events beyond the period of assessment and whether such events should be considered by management in their going concern assessment, including their impact on conclusions reached.
- We read the disclosures in the Annual Report and Accounts in relation to going concern, including the material uncertainty, with a view to assessing whether they appropriately disclose the risks, the impact on the Group's operations and results and the availability of mitigating actions to be taken and to ensure they were fair, balanced and understandable.

Going concern has also been determined to be a key audit matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

OVERVIEW OF OUR AUDIT APPROACH

AUDIT SCOPE	<ul style="list-style-type: none"> • We performed an audit of the complete financial information of two components and audit procedures on specific balances for a further five components. • The components where we performed full or specific audit procedures accounted for 86% of the loss before tax, 98% of revenue and 98% of total assets. • We tested 100% of the non-recurring items excluded from our Adjusted loss before tax (see definition below).
KEY AUDIT MATTERS	<ul style="list-style-type: none"> • Risk of improper revenue recognition due to cut-off. • Risk related to the going concern assumption. • Risk of impairment of mining assets.
MATERIALITY	<ul style="list-style-type: none"> • Overall group materiality was set at USD 2.6 million which represents 5% of the three-year average of profit/loss before tax adjusted for material non-recurring items (Adjusted profit/loss before tax). In 2024, we have excluded from the materiality basis the loss on unrealised fair value of Sedibelo and impairment losses in respect of the Group's mining and development assets.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Tailoring the scope

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial reporting framework, the group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We then identified seven components as individually relevant to the Group due to significant risks and areas of higher assessed risk of material misstatement, including higher risk estimates, of the Group financial statements being associated with the components. Three of these seven are individually relevant due to materiality or financial size of the component relative to the Group.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the group significant financial statement account balance.

We then considered whether the remaining group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the group financial statements. We selected four components of the group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the 15 components selected, we designed and performed audit procedures on the entire financial information of two components ("full scope components"): MRM in Mozambique, and Kagem in Zambia. For five components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope components"). For the remaining eight components, we performed specified audit procedures to obtain evidence for one or more relevant assertions.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group audit engagement team, or by component auditors operating under our instruction.

The Group audit team continued to follow a programme of planned visits that has been designed to ensure that the Auditor visits the key operating locations. The audit engagement partner visited Zambia this year and Mozambique in the prior year, each time accompanied by another member of the group audit team. During the current year's audit cycle, this visit involved discussion and oversight of the component team audit approach, consideration of significant accounting and auditing issues arising from their work, meetings with local management and visits to the operations. The primary team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process.

This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact Gemfields Group Limited. The Group has explained its assessment of the impact of climate change on page 61 of the Annual Report. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in Note 1, Basis of Preparation, how they have reflected the impact of climate change in their financial statements. Considering the timing of operations, we understand that all the potential impacts that climate change could have on the operations are not yet known or cannot be estimated with certainty. Therefore, certain sensitivities have been included in relevant areas such as impairment, where disclosures on prices and discount rate could reflect potential indirect impacts of climate change.


Our audit effort in considering the impact of climate change on the financial statements was focused on the adequacy of the Group's disclosures in the financial statements and its conclusion that no significant issues have been identified that would materially impact the carrying amounts of non-current assets and liabilities. As part of this evaluation, we performed our own risk assessment to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.


Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

RISK	OUR RESPONSE TO THE RISK	KEY OBSERVATIONS COMMUNICATED TO THE AUDIT COMMITTEE
<p>Risk of improper revenue recognition due to cut-off</p> <p> Refer to the Audit Committee Report (page 96); Accounting policies (page 126); and Note 3 of the Consolidated Financial Statements (page 133)</p> <p>Total revenue as of 31 December 2024 is USD 212.9 million (2023: USD 262.0 million).</p> <p>One of the key areas of IFRS 15 relates to the assessment of when performance obligations are met. We note that 93.5% of the revenue recognised at 31 December 2024 relates to revenue of rough gemstones from auctions.</p> <p>Gemfields' accounting policy determines that revenue is recognised when the auction is awarded, on the basis that management believes that at this point control is transferred from the Group to the customer. The assessment is based on the analysis of paragraphs 33 and 38 of IFRS 15.</p> <p>The risk is that revenue, including auctions and sales of jewellery, may be recognised before the control has passed to the customer.</p>	<p>Our procedures in respect of revenue recognition included:</p> <ul style="list-style-type: none"> • We updated our understanding of the revenue transactions, including auction revenue and Fabergé sales, by performing a walkthrough of the process. • We obtained and reviewed management's paper on revenue recognition to validate whether the revenue recognition policy is consistent with the prior year. remains appropriate. • We read the terms and conditions ('T&Cs') for both emerald and ruby auctions, validating that both are consistent and assessed key considerations on transfer of control, as the key milestone to record revenue. We reviewed the T&Cs provided by management and assessed whether they are consistent with the requirements of IFRS 15 'Revenue from contracts with customers'. • In respect of auction revenue, we tested 100% of auction invoices and agreed key inputs. In respect of Fabergé revenue, we tested invoices on a sample basis, agreeing key inputs to recorded revenue. • As part of our revenue recognition testing, we used data analytics techniques. This comprises analysing the correlation of journal entries posted to revenue with journals posted to cash receipts and tracing cash receipts to bank statements on a sample basis. This procedure is to identify any revenue transactions that do not have a cash settlement and therefore could be potentially inappropriately recognised. • We performed cut-off procedures for both auction revenue and Fabergé sales through vouching transactions before and post year-end. Furthermore, we assessed the recoverability of outstanding auction receivables and searched for evidence that would suggest that revenue should not have been recognised. • We reviewed the disclosures included in both the annual report and financial statements. <p>We performed audit procedures on two full scope and one specific scope components, which covered 97% of the risk amount. We also performed additional procedures on one specified procedures component.</p>	<p>Based on our procedures performed, we concluded that revenue is appropriately recorded at 31 December 2024.</p> <p>We concluded that disclosures included in the financial statements are appropriate in accordance with IFRS 15.</p>

INDEPENDENT AUDITOR'S REPORT CONTINUED

RISK	OUR RESPONSE TO THE RISK	KEY OBSERVATIONS COMMUNICATED TO THE AUDIT COMMITTEE
<p>Risk of impairment of mining assets</p> <p>At 31 December 2024, the Group Property, Plant & Equipment balance is USD 338.7 million (2023: USD 356.6 million), including USD 228.7 million and USD 95.9 million assets for MRM and Kagem, respectively.</p> <p> Refer to Accounting policies (page 127); and Note 10 of the Consolidated Financial Statements (page 143)</p> <p>The impairment assessment of mining assets is a forecast-based estimate. The risk is that potential impairments are not identified on a timely basis.</p> <p>Auditing the impairment of the mining assets is subjective due to the significant amount of judgement involved in determining whether the assumptions used are reasonable. Management has involved specialists in estimating discount rates and reserves and resources. Key assumptions in the impairment models include changes in discount rates, forecast pricing for products sold, operating and capital costs and future production. In performing our audit, we were mindful of the risk of management override in assessing whether or not impairment indicators exist.</p> <p>We have continued to separately assess both the impairment of MRM and Kagem.</p> <p>Based on the determined recoverable amounts, management recorded an impairment of Kagem's mining assets of USD 47.4 million. No impairment was identified in respect of MRM's mining assets.</p>	<p>Our procedures in respect of the risk of impairment of mining assets included:</p> <ul style="list-style-type: none"> • We reviewed and evaluated management's assessment of impairment triggers. • We obtained an understanding of the methodology behind the fair value less cost of disposal models, assessed its consistency with IAS 36 'Impairment of assets', and we verified their mathematical accuracy and completeness. • We challenged the appropriateness of the extent to which the cashflows have been risked and considered the sensitivity of the impairment assessment to further risking. We note that inferred resources are not included in management's models. • Assisted by our EY geologist specialists, we agreed the related production profiles to the estimated reserves and resources report and corresponding current mine plans for each mine and considered their consistency with our understanding of future plans at the mines obtained through discussions with management. • We assessed key inputs of the models, including forecast pricing for products sold, operating and capital costs and future production (in line with the estimation of reserves and resources), assessing consistency with current revenue, reserves and resources and forecast mine production. • We assessed the competence, independence and objectivity of management's specialists involved in the estimation of key inputs such as discount rates and reserves and resources. • Assisted by our EY Valuation specialists, we assessed and challenged management's assessment of discount rates used in the impairment models. Our assessment of discount rates also included consideration of country and asset specific risk and challenging management to ensure that these had been appropriately captured in either the discount rate or underlying cash flow forecasts. • We evaluated the appropriateness of disclosures (including sensitivities and disclosure made in respect of the impairment charge) made in the annual report and accounts. <p>We performed full scope audit procedures over this risk area in two components, which covered 100% of the risk amount.</p>	<p>Based on the procedures performed, we concluded that the impairment model for MRM supports the carrying value of the mining assets at 31 December 2024. Furthermore, we concluded that the impairment charge of USD 47.4 million at Kagem as of 31 December 2024 is appropriate.</p> <p>We also concluded that disclosures, including sensitivities, made in the financial statements are appropriate, in accordance with IAS 36 'Impairment of assets'.</p>

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be USD 2.6 million (2023: USD 4.5 million), which is 5% (2023: 5%) of adjusted profit before tax using the average of the last three years. This is consistent with our approach in the prior year. We consider the adoption of this approach for materiality is appropriate in light of the particular facts and circumstances of the Group loss in 2024 and operating near break-even levels in prior year as a result of the production difficulties.

Adjusted profit before taxation excludes certain items that do not represent the Group's normal course of business and are non-recurring in nature. In 2024, we have excluded from the materiality basis the loss on unrealised fair value of Sedibelo and impairment losses in respect of the Group's mining and development assets.

Our materiality has decreased by 42% compared to prior year (2023: USD 4.5 million), due to the impact of current year's results of the Group on the 3-year average.

During the course of our audit, we reassessed initial materiality which did not result in a significant change at year-end.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2023: 50%) of our planning materiality, namely USD 1.9 million (2023: USD 2.2 million). In the current year, we set performance materiality at 75% as, based on our previous experience auditing Gemfields, we expect a lower likelihood and magnitude of misstatements.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was USD 300 thousand to USD 1.1 million (2023: USD 337 thousand to USD 1.2 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of USD 130 thousand (2023: USD 225 thousand), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

INDEPENDENT AUDITOR'S REPORT CONTINUED

OTHER INFORMATION

The other information comprises the information included in the annual report set out on pages 1 to 109 and 182 to 185, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company; or
- the financial statements are not in agreement with the company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 108, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (IFRS, The Companies (Guernsey) Law, 2008, The King IV Report for Corporate Governance for South Africa 2016), the relevant tax regulations in the jurisdictions where the Group operates, Health & Safety and human rights regulations and the Bribery Act;
- We understood how the Group is complying with those frameworks by through enquiries of management, including the finance and legal teams, and by identifying the Group's policies and procedures regarding compliance with laws and regulations. We also identified those members of management who have the primary responsibility for ensuring compliance with laws and regulations, and for reporting any known instance of non-compliance to those charged with governance. We corroborated our enquiries through our review of board minutes and papers provided to the board and the Audit Committee, as well as considerations of our audit procedures across the Group to either corroborate or provide contrary evidence which was then followed up;
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it is considered there was a susceptibility of fraud. We also considered performance targets and their propensity to influence on efforts made by management to manage earnings. We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included test of manual journals;
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of Group management and those charged with governance, legal counsel and internal audit; review of material capitalised expenses, journal entry testing using forensic analytic tools, with a focus on manual journals and those indicating large or unusual journals based on our understanding of the business; and challenging the assumptions and judgements made by management in respect of significant accounting estimates. Where observations are raised about management's process or controls surrounding compliance with laws and regulations by us or others, we consider the potential effect of those observations;
- If any instances of non-compliance with laws and regulations were identified, these were communicated to the relevant local EY teams, and, supported by forensic specialists, both the primary and component teams performed the relevant audit procedures including discussions with legal specialists, internal audit, reviewing supporting evidence and assessing any contradictory evidence to evaluate whether any instance of non-compliance could have an impact on the Group financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
London
10 April 2025

Shareholder Information

as at 31 December 2024

SIZE OF SHAREHOLDING	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1–1,000 shares	2,987	63.12	372,146	0.03
1,001–10,000 shares	922	19.48	3,978,319	0.34
10,001–100,000 shares	589	12.45	20,053,740	1.72
100,001–1,000,000 shares	160	3.38	50,053,856	4.29
1,000,001–10,000,000 shares	55	1.16	165,021,891	14.13
10,000,001 shares and over	19	0.40	928,547,178	79.50
	4,732	100	1,168,027,130	100

CATEGORY OF SHAREHOLDER				
Banks/Brokers	171	3.61	756,571,663	64.77
Close Corporations	20	0.42	1,568,304	0.13
Endowment Funds	2	0.04	131,325	0.01
Individuals	4,311	91.10	70,004,471	5.99
Investment Companies	3	0.06	387,358	0.03
Mutual Funds	9	0.19	72,179,820	6.18
Nominees and Trusts	21	0.44	543,039	0.05
Other Corporations	24	0.51	1,865,275	0.16
Private Companies	66	1.39	183,004,696	15.67
Public Companies	10	0.21	37,634,825	3.22
Retirement Funds	11	0.23	37,118,883	3.18
Trusts	84	1.78	7,017,471	0.60
	4,732	100	1,168,027,130	100

PUBLIC/NON-PUBLIC SHAREHOLDERS				
Public Shareholders	4,719	99.73	769,476,259	65.88
Non-public Shareholders	13	0.27	398,550,871	34.12
Holdings of Directors ^{1,2}	10	0.21	398,398,383	34.11
Prescribed Officers ³	3	0.06	152,488	0.01
	4,732	100	1,168,027,130	100

1 Assore International Holdings Ltd is categorized as part of Holdings of Directors, following the financial reporting disclosure amendments to the JSE Listing Requirements.

2 The "Holdings of Directors" also include the extended family members of the directors as prescribed by the amended JSE Listing Requirements.

3 Prescribed Officers or Key Management are include in the Non-Public Shareholders in respect to the amended JSE Listings Requirements.

SHAREHOLDER HOLDING 5% OR MORE	NUMBER OF SHARES	%
Assore International Holdings Ltd	340,367,121	29.14
Rational Expectations (Pty) Ltd. ¹	161,436,484	13.82
Oasis Group Holdings (Pty) Ltd. ²	90,445,641	7.74
Ophorst Van Marwijk Kooy Vermogensbeheer NV	80,938,721	6.93
FIL Limited	69,494,857	5.95
Van Lanschot N.V.	60,781,350	5.20
	803,464,174	68.79

¹ The Rational Expectations shareholding includes interests held by Rational Expectations and its related entities.

² The Oasis Group shareholding includes interests held by Oasis Asset Management and Oasis Crescent Capital.

INVESTOR CALENDAR

DATES	EVENT
31 January 2025	Release of Operational Update up to 31 December 2024
11 April 2025	Release of Gemfields' Annual Report for the year ended 31 December 2024
11 April 2025	Announcement of Proposed Rights Issue
19 May 2025	Gemfields Group Limited Extraordinary General Meeting
25 June 2025	Gemfields Group Limited Annual General Meeting
By 31 July 2025	Release of Operational Update up to 30 June 2025
September 2025	Release of Gemfields' Interim Results for the six months ended 30 June 2025

Company Details

Gemfields Group Limited
Incorporated in Guernsey. Guernsey registration number: 47656
South African external company registration number: 2009/012636/10
Share code on JSE:GML (General Segment of JSE Main Board) / AIM:GEM
ISIN: GG00BG0KTL52 | LEI: 21380017GAVXTCYS5R31

Executive Directors	Non-Executive Directors
Sean Gilbertson	Bruce Cleaver (Chair)
David Lovett	Kieran Daly
	Kwape Mmela
	Mary Reilly
	Patrick Sacco
	Simon Scott

Registered Office	Company Secretary	London Office
Gemfields Group Limited	Mr Toby Hewitt	1 Cathedral Piazza
PO Box 186	1 Cathedral Piazza	London
Royal Chambers	London	SW1E 5BP
St Julian's Avenue	SW1E 5BP	United Kingdom
St Peter Port	United Kingdom	
Guernsey		
GY1 4HP		
Channel Islands		

Legal Advisor (Guernsey)	Legal Advisor (South Africa)	Administration Services (Guernsey)
Mourant	White & Case LLP	Mourant Governance Services
Royal Chambers	Katherine Towers	(Guernsey) Limited
St Julian's Avenue	1st Floor	PO Box 186
St Peter Port	1 Park Lane, Wierda Valley	Royal Chambers
Guernsey	Sandton, 2196	St. Julian's Avenue
GY1 4HP	Johannesburg	St Peter Port
Channel Islands	South Africa	Guernsey
		GY1 4HP
		Channel Islands

JSE Sponsor Investec Bank Limited 100 Grayston Drive Sandton, 2196 South Africa	AIM Nominated Advisor and Broker Panmure Liberum Limited 25 Ropemaker Street London EC2Y 9LY United Kingdom	
Registrar Computershare Investor Services (Guernsey) Limited 13 Castle Street St Helier Jersey JE1 1ES Channel Islands	South African Transfer Secretary Computershare Investor Services (Pty) Limited Rosebank Towers 15 Biermann Avenue Rosebank, 2196 South Africa	Auditor Ernst & Young LLP 1 More London Place London SE1 2AF United Kingdom

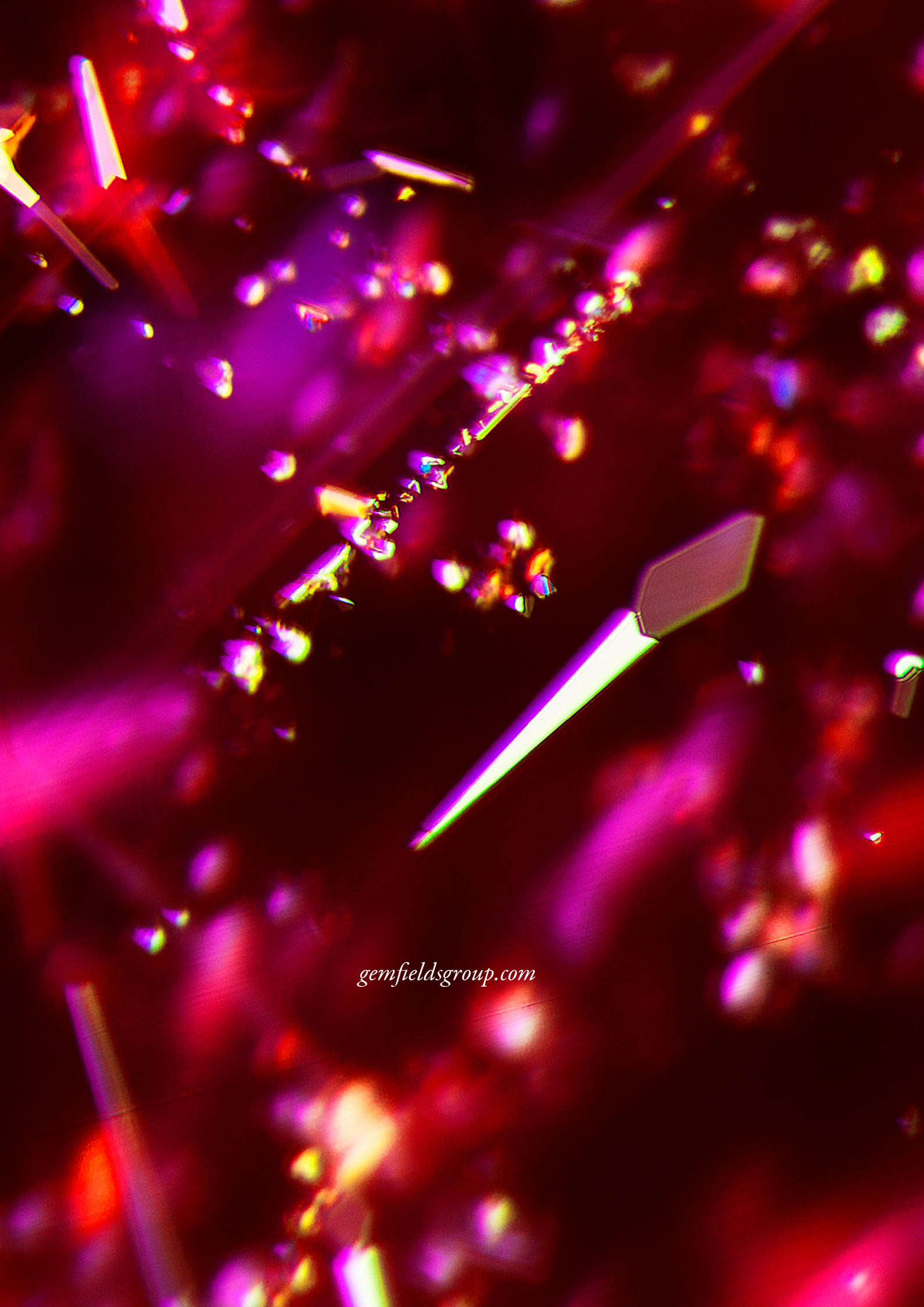


Printed by a Carbon Neutral Operation (certified: CarbonQuota) under the PAS2060 standard.

Printed on material from well-managed, FSC™ certified forests and other controlled sources. This publication was printed by an FSC™ certified printer that holds an ISO 14001 certification.

100% of the inks used are HP Indigo ElectroInk which complies with RoHS legislation and meets the chemical requirements of the Nordic Ecolabel (Nordic Swan) for printing companies, 95% of press chemicals are recycled for further use and, on average 99% of any waste associated with this production will be recycled and the remaining 1% used to generate energy.

The paper is Carbon Balanced with World Land Trust, an international conservation charity, who offset carbon emissions through the purchase and preservation of high conservation value land. Through protecting standing forests, under threat of clearance, carbon is locked-in, that would otherwise be released.



gemfieldsgroup.com