

GEMFIELDS

GEMFIELDS GROUP LIMITED

(formerly Pallinghurst Resources Limited)

(Incorporated in Guernsey)

(Guernsey registration Number: 47656)

(South African external company registration number 2009/012636/10)

Share code on the BSX: GML.BH ISIN: GG00BG0KTL52

Share code on the JSE: GML

("Gemfields" or the "Company")

Gemfields Trading Statement

Gemfields is reasonably certain that its net profit after tax will be USD 16 million for the 6 month period to 30 June 2018 compared to a net loss after tax of USD 81 million for the comparative period of 6 months to 30 June 2017. In ZAR terms, net profit after tax will be ZAR 197 million (ZAR1.1 billion net loss after tax for the comparative period).

Earnings and headline earnings per share are expected to be USDc 1.0 for the 6 month period to 30 June 2018 compared to loss and headline loss per share of USDc 10.6 for the comparative period. In ZAR terms, earnings and headline earnings per share will be ZAR 0.15 (ZAR 1.39 loss and headline loss per share for the comparative period).

The Company's weighted average shares in issue during the 6 months ending 30 June 2018 was 1,318,856,096 (768,936,425 at 30 June 2017).

Gemfields' two key operating assets, Kagem and MRM, generated revenues of USD 20.3 million and USD 71.8 million respectively during the 6 month period to 30 June 2018 and Fabergé recorded revenues of USD 7.0 million. During the period the Company sold approximately 60% of its shares in Jupiter Mines Ltd as part of Jupiter's relisting on the ASX as well as participating in another Jupiter buy-back. Gemfields realised profits of USD 11.7 million from these two transactions. Gemfields' remaining stake in Jupiter resulted in an unrealised fair value gain of USD 4 million for the period. Gemfields' investment in SPM is maintained at the same valuation as at 31 December 2017. For the comparative earnings period i.e. 1 January 2017 – 30 June 2017, Gemfields operated as an investment entity.

The financial information upon which this trading statement is based is under review by Gemfields' auditors. The Company's financial results for the period ending 30 June 2018 are expected to be released on SENS on 28 September 2018.

Guernsey
21 September 2018

Sponsor
Investec Bank Limited