

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")

Lusaka Emerald Auction Results

Gemfields is pleased to announce the result of an auction of predominantly commercial quality rough emerald held in Lusaka, Zambia from 18–20 February 2019. The emeralds were extracted by Kagem Mining Ltd in Zambia ("Kagem", which is 75% owned by Gemfields and 25% by the Industrial Development Corporation of Zambia). The proceeds of this auction will be fully repatriated to Kagem in Zambia, with all royalties due to the Government of the Republic of Zambia being paid on the full sales prices achieved at the auction.

Highlights – Emerald Auction

- Auction revenues of USD 10.8 million
- Of the 23 lots offered, 16 were sold (70%)
- Average price of USD 4.39 per carat
- 59% of the carats offered were sold
- The 31 auctions of Kagem gemstones held since July 2009 have generated USD 567 million in total revenues

The auction saw 24 companies placing bids, generating total revenues of USD 10.8 million with an overall average value of USD 4.39 per carat. The auction saw 59% of the offered carats being sold (or 70% of the number of lots offered).

Gemfields' 31 auctions of emeralds and beryl mined at Kagem since July 2009 have generated USD 567 million in total revenues. The results of the five most recent commercial quality Kagem auctions are summarised in the table below:

AUCTION RESULTS (COMMERCIAL QUALITY)	Sep '16 AUCTION	May '17 AUCTION	Feb '18 AUCTION	Jul-Aug '18 AUCTION	Feb '19 AUCTION
Dates	26-29 Sep 2016	15-18 May 2017	19-22 Feb 2018	30 Jul – 2 Aug 2018	18-20 Feb 2019
Location	Jaipur, India	Jaipur, India	Jaipur, India	Lusaka, Zambia	Lusaka, Zambia
Type	Commercial Quality	Commercial Quality	Commercial Quality	Commercial Quality	Commercial Quality
Carats offered	4.05 million	3.10 million	3.73 million	2.89 million	4.15 million
Carats sold	3.27 million	3.10 million	3.55 million	2.59 million	2.46 million
No. of companies placing bids	30	33	31	22	24
Average no. of bids per lot	7	9	5	6	5
No. of lots offered	19	23	21	21	23
No. of lots sold	15	23	19	17	16
Percentage of lots sold	79%	100%	90%	81%	70%
Percentage of lots sold by weight	81%	100%	95%	90%	59%
Total sales realised at auction	USD 10.7 million	USD 14.5 million	USD 10.8 million	USD 10.9 million	USD 10.8 million
Average per carat sales value	USD 3.28/carat	USD 4.68/carat	USD 3.05/carat	USD 4.21/carat	USD 4.39/carat

The specific auction mix and the exact quality of the lots offered at each auction vary in characteristics such as size, colour and clarity on account of variations in mined production and market demand. Therefore the results of each auction are not always directly comparable.

Adrian Banks, Gemfields' Managing Director of Product & Sales, commented:

"While the overall revenue and price per carat realised at our most recent auction in Lusaka has remained stable, it is clear that our client base - who hail predominantly from Jaipur in India - are still navigating challenging conditions in their home market. The Indian market is particularly important when it comes to commercial quality emeralds. In addition, it is clear that a fierce shareholder dispute at the principal alternative source of supply of Zambian emeralds, GemCanton, is resulting in Zambian emeralds entering the market at artificially low prices. Given our long-term vision and our understanding of the true value of Zambian emeralds, we have elected to retain auction lots that we believe command higher prices than those presently offered by the market".

Additional information on Gemfields

Gemfields is a world leading supplier of responsibly sourced coloured gemstones. Gemfields is the operator and 75% owner of both the Kagem emerald mine in Zambia (believed to be the world's single largest producing emerald mine) and the Montepuez ruby mine in Mozambique (one of the most significant recently discovered ruby deposits in the world). In addition, Gemfields also holds controlling interests in various other gemstone mining and prospecting licenses 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 and trading 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.

Further information on Gemfields Group Limited can be found at www.gemfieldsgroup.com.

For any press enquiries please contact us on investor.relations@gemfields.com.

Guernsey
21 February 2019

Sponsor
Investec Bank Limited