

GEMFIELDS

GEMFIELDS GROUP 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")

Share buy-back and intended special dividend

On 15 April 2019, GGL announced the conditional sale of its stake in Jupiter Mines Limited ("Jupiter"), together with its intention to announce, in June 2019, a special dividend together with the associated timetable. The proposed special dividend of USD 24,685,829 (the "Distribution Pool") would represent a distribution of USD 0.0175 per share.

Pursuant to that announcement, the "First Tranche Sales Proceeds" (being 50% of Gemfields' shares in Jupiter) have been received and the second tranche is expected to complete on schedule in early November 2019.

The 30-day volume weighted average price per Gemfields share has fallen by approximately 11% from ZAR 1.77 on the day of the 15 April 2019 announcement to ZAR 1.58 at the close of trading on 26 June 2019 and has recently traded as low as ZAR 1.27 (on 7 June 2019). During the last 12 months, the GGL share price has fallen approximately 40%. In addition, shareholder feedback has indicated a preference that greater emphasis be placed on a share buy-back, particularly given the discount to the Company's net asset value.

As announced on 10 June 2019, the Company initiated a share buy-back given that the Board and management believe that the recent trading range of the Gemfields share price undervalues the Company and signifies an opportunity to purchase shares at a discount to intrinsic value.

In light of the share price developments and shareholder feedback, the Board has accordingly re-considered the most suitable deployment of the Distribution Pool and believes a proportion of the Distribution Pool should be used to fund a larger share buyback, with the balance of the Distribution Pool paid out as a special dividend on completion of the share buyback. As such, the full Distribution Pool would still be passed to shareholders.

The present share buyback has been implemented in accordance with the general authority received by way of shareholders' resolutions passed at the Annual General Meeting held on 10 May 2019 (the "AGM"). That authority caps the number of shares that may be repurchased to approximately 143 million shares, being 10% of the Company's shares in issue at the date of the AGM.

The Company will cancel the shares bought back on a rolling basis, therefore reducing the share capital of the Company and increasing the percentage holding of remaining shareholders accordingly. Gemfields will update its website with the revised shares-in-issue figure on an on-going basis.

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
27 June 2019

Sponsor
Investec Bank Limited