

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 loss after tax¹ will be USD 60.4 million for the year ended 31 December 2018 compared to a net profit after tax of USD 45.1 million for the year ended 31 December 2017. In ZAR terms, the net loss after tax is expected to be ZAR 801 million (ZAR 600 million net profit after tax for the comparative year).

The loss per share is expected to be USDc 5.0 for the year ended 31 December 2018 compared to earnings per share of USDc 4.0 for the comparative year. In ZAR terms, the loss per share is expected to be ZAR 0.63 (ZAR 0.49 earnings per share for the comparative period).

Gemfields' two key operating assets, MRM and Kagem, generated revenues of USD 127.1 million and USD 60.3 million respectively during the year to 31 December 2018 and Fabergé recorded revenues of USD 13.4 million. Considering the newly implemented 15% export duty on emeralds and beryl in Zambia, an impairment charge of USD 22.6 million has been recognised against our Kagem asset for the year. During the period the Company sold approximately 60% of its shares in Jupiter Mines Ltd ("Jupiter") as part of Jupiter's relisting on the ASX as well as participating in another Jupiter share buy-back. Gemfields realised profits of USD 11.7 million from these two transactions and additionally received a dividend payment of USD 5.2 million. Gemfields' remaining stake in Jupiter resulted in an unrealised fair value loss of USD 11.9 million for the year due to a decline in the Jupiter share price. A review of our shareholding in Sedibelo Platinum Mines Ltd ("Sedibelo") has resulted in a fair value loss of USD 47.6 million for the period.

Excluding the impairment charges at Kagem and other Gemfields subsidiary companies (and including the fair value losses in Jupiter and Sedibelo), the headline loss per share is expected to be USDc 3.0 for the year ended 31 December 2018 compared to headline loss per share of USDc 6.0 for the year ended 31 December 2017. In ZAR terms, headline loss per share is expected to be ZAR 0.43 (ZAR 0.75 headline loss per share for the comparative period), an increase of 43% to the comparative period.

Excluding the impairment charges at Kagem and other Gemfields subsidiary companies as well as the unrealised fair value losses in Jupiter and Sedibelo, the earnings for the year are expected to be USD 17.1 million (USD 5.3 million loss for the comparative period). In ZAR terms earnings for the year are expected to be ZAR 227.1 million (ZAR70.5 million loss for the comparative period).

For part of the comparative earnings period, the results were significantly impacted by the Company's acquisition of Gemfields plc (now Gemfields Ltd) and the resulting conversion of the Company from an investment entity to an operating mining company, effective 1 August 2017.

1 Net profit after tax is reported on a 100% basis for the current period i.e. inclusive of the minority interest.

2 Per Share metrics and earnings are based on parent only figures i.e. exclusive of the minority interest.

The financial information on which this trading statement is based has not been reviewed or reported on by Gemfields' auditors. The Company's financial results for the year ended 31 December 2018 are expected to be released on SENS on 25 March 2019.

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

22 March 2019

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