

# GEMFIELDS

## GEMFIELDS GROUP LIMITED

(Incorporated in Guernsey)

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("Gemfields" or the "Company")

## Singapore Emerald Auction Results

Gemfields is pleased to announce the results of an auction of higher quality rough emeralds held in Singapore from 18-21 November 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 27.2 million
- Average price of USD 85.26 per carat, an all-time record
- Of the 38 lots offered, 33 were sold (87%)
- 88% of the carats offered were sold
- The 34 Kagem auctions held since July 2009 have generated USD 635 million in total revenues

The auction saw 48 companies placing bids and generating total revenues of USD 27.2 million with an overall average value of USD 85.26 per carat. The auction saw 88% of the offered carats being sold (or 87% of the number of lots offered).

Gemfields' 34 auctions of emeralds and beryl mined at Kagem since July 2009 have generated USD 635 million in total revenues. The results of the five most recent higher quality Kagem auctions are summarised in the table below (and earlier results are available at [www.gemfieldsgroup.com](http://www.gemfieldsgroup.com)):

AUCTION RESULTS (HIGHER QUALITY)	Oct '17 AUCTION	May '18 AUCTION	Nov '18 AUCTION	May '19 AUCTION	Nov '19 AUCTION
Dates	2-5 Oct 2017	15-18 May 2018	14-17 Nov 2018	14-17 May 2019	18-21 Nov 2019
Location	Lusaka	Lusaka	Singapore	Singapore	Singapore
Type	Higher Quality	Higher Quality	Higher Quality	Higher Quality	Higher Quality
Carats offered	0.32 million	0.31 million	0.57 million	0.43 million	0.36 million
Carats sold	0.32 million	0.17 million	0.42 million	0.31 million	0.32 million
No. of companies placing bids	36	31	40	45	48
Average no. of bids per lot	11	8	8	8	9
No. of lots offered	18	17	26	35	38
No. of lots sold	18	10	20	28	33
Percentage of lots sold	100%	59%	77%	80%	87%
Percentage of lots sold by weight	100%	56%	74%	72%	88%
Total sales realised at auction	USD 21.5 million	USD 10.3 million	USD 28.4 million	USD 22.4 million	USD 27.2 million
Average per carat sales value	USD 66.21/carat	USD 59.55/carat	USD 68.03/carat	USD 71.85/carat	USD 85.26/carat

The specific auction mix and 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:

*"Kagem has realised USD 79 million of auction revenues in 2019, the second-best calendar year performance since the auction system was introduced a decade ago. The recovery being experienced by our auction customers therefore appears to have solid foundations, as is further evidenced by the 48 companies placing bids, a record for any Gemfields emerald auction. While the auction's overall price-per-carat was also a record, each auction has a slightly different composition and should not be directly compared.*

*Despite the robust mining and sales performance, the Kagem team's sterling efforts are unlikely to be rewarded given that the auction revenues of USD 79 million are poised to suffer both 15% export duty and 6% mineral royalty tax, totalling USD 17 million. The 6% mineral royalty tax itself is then again taxed at the corporation tax rate of 30%, as are Kagem's profits. The effective tax rate is therefore crippling for any business.*

*In addition to our stalwart clients from India, we also congratulate Caibaocheng of China and Gemstar of Israel, each of whom won three lots of fine quality Zambian emeralds."*

#### **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](http://www.gemfieldsgroup.com)

To join our press release mailing list, click here: [gemfields@gemfields.com](mailto:gemfields@gemfields.com)

For any press enquiries please contact us on [investor.relations@gemfields.com](mailto:investor.relations@gemfields.com)

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