

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 LEI: 21380017GAVXTCYS5R31

("Gemfields" or the "Company")

Artisanal miner incursion at Montepuez

The Company announces that the “Maninge Nice 3” mining pit belonging to Montepuez Ruby Mining Limitada (“MRM”, in which Gemfields holds a 75% interest) has experienced a coordinated incursion by approximately 800 artisanal miners, vastly outnumbering the MRM security personnel and Mozambican police present at that location at the time. These artisanal miners were seeking ruby-bearing gravels and, despite repeated warnings from MRM personnel, commenced undercutting the outer edge of the mining pit. This led to several ground collapse incidents in which 11 artisanal miners died. MRM personnel provided humanitarian assistance where possible.

In addition to notifying the authorities, Gemfields invited members of the Mozambican press and media to visit MRM and its surrounding villages to provide first-hand coverage of the activity and to report on the strikingly coordinated nature of the influx and its possible causes. In a subsequent press conference held by the Inspector General of the Ministry of Minerals, Resources and Energy (MIREM), the involvement of organised networks in ruby smuggling was noted. Mozambican newspaper articles have since cited artisanal miners who claim to have made payments to factions within the Mozambican police in order to gain access to MRM.

Greater presence of the media and of Mozambican authorities at the mine and in surrounding areas and villages has resulted in MRM’s mining pits, including Maninge Nice 3, presently being clear of artisanal miners and as such day-to-day operations remain unaffected.

The Company continues to work closely with Mozambican authorities to raise awareness among local communities of the dangers of artisanal mining and to assist in tackling ruby smuggling and reduce the risk to, and exploitation of, vulnerable groups by well-organised syndicates.

MRM has a series of different mining pits which are variously activated depending on operating conditions and the ore types required. MRM has not been mining Maninge Nice 3 for some months. The pit, which generally contains smaller, flatter, pink-coloured rubies of lower value, accounts for less than 10% of the total ruby value sold by MRM to date.

More information about the functioning of ruby smuggling networks and prior instances of illegal mining can be found at www.gemfieldsgroup.com (including in the statement dated 3 May 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

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London

13 February 2020

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