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("Gemfields" or the "Company")

Update on Gemfields' Auction Programme

LONDON, 10 NOVEMBER 2020

Gemfields Group Limited ("Gemfields") hereby provides an update regarding its auction programme.

Gemfields' typical auction schedule consists of five to six auctions per year: two of mixed-quality rubies and three to four of emeralds (split between higher quality and commercial quality). In 2019, Gemfields' six auctions accounted for 93% of total group revenue (approximately USD 200 million out of some USD 216 million) with USD 120 million of revenue derived from two ruby auctions and USD 80 million derived from four emerald auctions. The average number of lots offered at Gemfields' emerald and ruby auctions to date is 24 and 72 respectively.

Gemfields' 2020 auction schedule has been severely impacted by the many travel, quarantine and congregating restrictions put in place to mitigate Covid-19 contagion. Gemfields has only been able to host one regular-format auction thus far in 2020, yielding USD 11.5 million from the sale of commercial quality emeralds in February 2020 in Lusaka. Five further regular-format auctions scheduled for May, June, August and two in December of 2020 have all been cancelled. As such no ruby auction revenue is expected in 2020.

Due to the ongoing uncertainty surrounding the Covid-19 pandemic, Gemfields remains unable to provide reliable guidance as to when it might return to its regular auction format and schedule.

However, as advised in the interim results to 30 June 2020 (released on 18 September 2020), Gemfields has progressed with a series of five small and sequential emerald auctions in November and December 2020 to address market demand for specific grades (and to supplement its long-standing direct sales programme for the lowest qualities produced by Kagem). These mini-auctions are comprised of a selection of grades that are typically offered at Kagem's auctions of higher quality emeralds.

Selected lots have been made available for in-person and private viewings by customers in Tel Gemfields Group Limited, Royal Chambers, St Julian's Avenue, St Peter Port, GY1 4HP, Guernsey
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Aviv, Singapore and Jaipur. Subsequent to the conclusion of the viewings, the auctions take place via an online auction platform specifically adapted for Gemfields and permitting customers from multiple jurisdictions to participate in a sealed-bid process.

The first mini-auction was successfully completed on 6 November 2020 with all four of the offered lots being sold. The remaining four mini-auctions will complete on 12 November, 27 November, 4 December and 11 December 2020. Gemfields expects to announce the final and aggregated results of the five mini-auctions on Friday 11 December 2020.

Gemfields has previously advised that it holds sufficient rough gemstone inventory to be able to host one auction of each of (i) mixed quality rubies (ii) higher quality emeralds and (iii) commercial quality emeralds. Given their reduced size, sales from the five mini-auctions are not expected to materially affect Gemfields' ability to host three larger auctions using available inventory. Subject to market conditions and Covid-19 developments, it is presently envisaged that two larger auctions - one each of mixed quality rubies and higher quality emeralds – will take place in the first quarter of 2021.

Principal operations at both the Kagem emerald mine and the Montepuez ruby mine have been suspended since March and April 2020 respectively. It is hoped that mining operations will resume by March 2021, subject to market conditions and Covid-19 developments.

Adrian Banks, Gemfields' Managing Director Product and Sales said:

“The first in our series of five sequential online mini-auctions saw all four of the offered lots successfully sold. Prices were robust and in some cases comfortably exceeded bids received in pre-Covid-19 auctions. The fact that operations at the world’s largest mines for emerald and ruby have been suspended since March and April 2020, and may remain suspended until March 2021, is clearly also on people’s minds.

While these mini-auctions are not significant in the context of Kagem’s 2019 revenues, they are important in our ongoing probing of the market, in assessing logistics in the Covid-19 era and in testing variations in our usual auction format, including online auctions.

We were very pleased with the performance of the new online bidding platform specially adapted for Gemfields by BidGemmer. We thank the BidGemmer team for their unrelenting work in the run-up to what we believe is the world’s first ever instance of rough emeralds being sold via online auction.”

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GEMFIELDS
GROUP LIMITED

Further information on Gemfields Group Limited can be found at:

GEMFIELDSGROUP.COM

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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.