

7 December 2012

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**Gemfields plc**

("Gemfields" or the "Company")

**Posting of Circular and Notice of General Meeting**

Pursuant to the announcement released on 21 November 2012 in relation to Gemfields' (AIM: GEM) proposed acquisition (the "Proposed Acquisition") of a 100% interest in Faberge Limited ("Fabergé"), Gemfields confirms that a circular including a notice convening a general meeting of the Company (the "Circular" and the "General Meeting" respectively) was posted to shareholders yesterday and is available for download on Gemfields' website at [www.gemfields.co.uk](http://www.gemfields.co.uk).

The General Meeting will be held on 7 January 2013 at 11:00 a.m. (UK time) at the offices of Reed Smith LLP, The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS. It should be noted that the General Meeting is after the annual general meeting convened for 11.00 a.m. on 20 December 2012 which was detailed in the announcement released on 27 November 2012.

Unless otherwise stated, defined terms in this announcement shall have the same meaning as in the Circular.

As detailed in the Circular, the Proposed Acquisition is conditional on, inter alia, (i) the waiver by Independent Shareholders of Pallinghurst Group's obligation to make a mandatory offer under Rule 9 of the Takeover Code as a result of the Proposed Acquisition, (ii) the restructuring of the Company's largest shareholder, Rox, (iii) the approval of the acquisition of Fabergé Shares from persons connected with a Director, and (iv) admission of the Consideration Shares to trading on AIM.

Further to the announcement released on 21 November 2012, Gemfields hereby provides a clarification on the members of the Pallinghurst Group and the Concert Party and their respective interests in the Company currently and immediately after the Proposed Acquisition. Sean Gilbertson and Autumn are now deemed to be members of the Pallinghurst Group and subsequently members of the Concert Party. Accordingly, the previously disclosed figures in relation to the respective interests of the Pallinghurst Group and the Concert Party should be disregarded. Full details of the updated respective interests are disclosed in the Circular and a summary of the same is set out in the table below:

<i>Name of Entity</i>	<i>Interest in Ordinary Shares in the Company on 5 December 2012<sup>1</sup></i>	<i>Interest in Company on 5 December 2012<sup>1</sup></i>	<i>Entitlement to Consideration Shares</i>	<i>Interest in Ordinary Shares in the Company immediately following Admission<sup>2</sup></i>	<i>Interest in Company immediately following Admission<sup>2</sup></i>	<i>Maximum interest in Company immediately following Admission<sup>6</sup></i>
Pallinghurst	107,433,316	33.0%	151,475,599	258,908,915	48.0%	49.3%
Pallinghurst Founder	-	-	5,391,081	5,391,081	1.0%	1.0%
Pallinghurst Resources Management	-	-	1,586,729	1,586,729	0.3%	0.3%
Investec Pallinghurst	53,491,818	16.4%	14,781,229	68,273,047	12.6%	13.0%
NGPMR	44,428,505	13.6%	28,068,738	72,497,243	13.4%	13.8%

Autumn	-	-	988,079	988,079	0.2%	0.2%
Sean Gilbertson	300,000	0.1%	-	300,000	0.1%	0.1%
<b>The Pallinghurst Group<sup>4</sup></b>	<b>107,733,316</b>	<b>33.1%</b>	<b>159,441,488</b>	<b>267,174,804</b>	<b>49.5%</b>	<b>50.6%</b>
<b>Concert Party<sup>5</sup></b>	<b>205,653,639</b>	<b>63.1%<sup>3</sup></b>	<b>202,291,455</b>	<b>407,945,094</b>	<b>75.6%</b>	<b>77.3%</b>

<sup>1</sup> Latest practicable date prior to the date of the Circular and assuming the Unbundling takes place

<sup>2</sup> Assuming 214 million Consideration Shares are issued pursuant to the Proposed Acquisition and that there are no Dissenting Shareholders

<sup>3</sup> Consists of 59.1% holding by Rox and 3.9% direct holding by Pallinghurst

<sup>4</sup> The Pallinghurst Group consists of Pallinghurst, Pallinghurst Founder, Pallinghurst Resources Management, Autumn and Sean Gilbertson

<sup>5</sup> As at 5 December 2012 the largest individual shareholder in the Company, Rox, holds 59.1% of the Company. Following Admission, the largest individual shareholder in the Company will be Pallinghurst at 48.0%. Following Admission (and because Unbundling will have occurred), the Rox Shareholders intend to make a submission to the Panel to argue that they are no longer acting in concert and should each be deemed to be acting independently of each other. The Concert Party is made up of the Pallinghurst Group (as described above), Investec Pallinghurst and NGPMR

<sup>6</sup> Assuming the number of Dissenting Shareholders which will lead to the highest percentage holding of the relevant member of the Concert Party

As a consequence of the inclusion of Sean Gilbertson and Autumn in the Pallinghurst Group and subsequently the Concert Party, the aggregate interest of the Pallinghurst Group in the Company immediately following Admission will now be 49.5% compared with 49.3% previously announced (assuming no Dissenting Shareholders). The aggregate interest of the Concert Party in the Company immediately following Admission will now be 75.6% compared to 75.3% previously announced (assuming no Dissenting Shareholders).

As presented in the table above, the maximum potential interest of the Pallinghurst Group in the Company immediately following Admission, assuming all minority Fabergé Shareholders dissent other than Pallinghurst Resources Management and Autumn is 50.6% (compared to 50.4% previously announced).

The maximum potential interest of the Concert Party in the Company immediately following Admission, assuming all minority Fabergé Shareholders dissent other than Pallinghurst Resources Management and Autumn, is 77.3% (compared to 77.2% previously announced).

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