

# GEMFIELDS

## Gemfields Record Ruby Auction Result in Singapore



London, 11 June 2018

Gemfields is pleased to announce the results of an auction of rough rubies held in Singapore from 5 – 9 June 2018. The rough rubies were extracted from the licence held and operated by Montepuez Ruby Mining Limitada (“MRM”), which is 75% owned by Gemfields and 25% by local partner Mwiriti Limitada.

### Highlights – Ruby Auction

- Auction revenues of USD 71.8 million, an all-time Gemfields auction record;
- Of the 86 lots offered, 82 were sold (95%);
- Average price of USD 122 per carat, a new record for Gemfields’ mixed quality ruby auctions;
- 588,656 carats sold out of the 629,893 carats offered (93%); and
- The ten Gemfields auctions of MRM rubies held since June 2014 have generated USD 407 million in aggregate revenues.

Gemfields’ tenth auction of rough rubies from Montepuez saw 51 companies placing bids. The auction offered high, medium and commercial grade rough rubies exclusively in untreated form.

The consistency of supply and the reliability of the Gemfields’ grading system continues to be well received by buyers given that it reduces risk, improves manufacturing efficiencies and aids their ability to meet demand for larger orders.

The auction generated total revenues of USD 71.8 million at an average realised price of USD 122 per carat. The proceeds of this auction will be fully repatriated to MRM in Mozambique, with the production tax due to the Government of Mozambique being paid on the full sales price achieved at the auction.

The specific auction mix and quality composition 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.

On a quality-for-quality basis however, the per carat prices demonstrated particularly strong demand.

The auction results, which saw 82 of the 86 lots offered being sold, provided a high level of comfort in respect of Gemfields' understanding of the current market demand profile, which was further supported by customer feedback received during the auction.

The results of the five most recent MRM auctions are summarised in the table below:

AUCTION RESULTS (RUBY & CORUNDUM)	Jun '16 AUCTION	Dec '16 AUCTION	Jun '17 AUCTION	Nov '17 AUCTION	Jun '18 AUCTION
Dates	13-19 Jun 2016	12-16 Dec 2016	10-14 Jun 2017	6-10 Nov 2017	5-9 Jun 2018
Location	Singapore	Singapore	Singapore	Singapore	Singapore
Type	Rough Ruby & Corundum (Higher, Medium and Commercial Quality)	Rough Ruby & Corundum (Higher, Medium and Commercial Quality)	Rough Ruby (Higher, Medium and Commercial Quality), no Corundum	Rough Ruby (Higher, Medium and Commercial Quality), no Corundum	Rough Ruby (Higher, Medium and Commercial Quality), no Corundum
Carats offered	1,601,145	1,372,145	1,048,687	682,508	629,893
Carats sold	1,516,459	1,094,673 <sup>(a)</sup>	895,849	605,229	588,656
No. of lots offered	75	71 <sup>(a)</sup>	83	76	86
No. of lots sold	71	59 <sup>(a)</sup>	78	71	82
Percentage of lots sold	95%	83%	94%	93%	95%
Percentage of lots sold by weight	95%	80%	85%	89%	93%
Total sales realised at auction	USD 44.3 million	USD 30.5 million	USD 54.8 million	USD 55.0 million	USD 71.8 million
Average per carat sales value	USD 29.21/carats	USD 27.88/carats	USD 61.13/carats	USD 90.81/carats	USD 122 /carats

Sean Gilbertson, CEO of Gemfields, commented: *“The health of market demand for Mozambican rubies mined by MRM and marketed by Gemfields is amply demonstrated by these record-breaking auction results. We thank our customers for their support and assure them in turn of our support in marketing and promoting Mozambican rubies and Zambian emeralds.*

*MRM has been the largest tax payer in Mozambique’s Cabo Delgado province for the last three years, and this auction puts us on track to repeat that achievement in the 2018 calendar year, and to expand our community and conservation initiatives.*

*As always, we thank our Mozambican partners, Mwiriti Limitada, and our host government – the Republic of Mozambique - for their vision and support in building and internationalising the Mozambican gemstone sector by promoting transparent and globally-competitive practices. Special gratitude goes to the teams at MRM and Gemfields for their passion and hard work – this auction outcome would not have been possible without them.”*

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## **ABOUT GEMFIELDS**

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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 Montepuez ruby mine in Mozambique (one of the most significant recently discovered ruby deposits in the world), as well as bulk sampling licences in Ethiopia, amongst others.

Gemfields aims to operate in a way that contributes positively to national economies, taking a leading role in modernising the coloured gemstone sector and building lasting, sustainable livelihoods for the communities

around the mines. Gemfields believes that coloured gemstones should be mined and marketed by championing three key values - legitimacy, transparency and integrity.

Gemfields has developed a proprietary grading system and a pioneering auction and trading platform to provide a consistent supply of coloured gemstones to the global jewellery market. These key components of the company's business model, along with outright ownership of Fabergé (an iconic and prestigious brand of exceptional heritage), play an important role in the appropriate distribution and associated resurgence of the global coloured gemstone sector.

Gemfields' responsibly sourced gemstones are the preferred choice for show pieces created by many world-renowned luxury houses and cutting-edge designers.

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