

# GEMFIELDS

## GEMFIELDS community activity at a glance



London, 22 March 2018

### Montepuez Ruby Mining, Mozambique

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#### Community highlights:

- Taxation and royalties paid to government:
  - As of 30 June 2017, US\$70 million has been contributed to the Government in the form of corporation taxes and production royalties.
  - A total of eight ruby auctions to 30 June 2017 have generated a total revenue of US\$280 million, which means 26% of revenue has been contributed to government.
  - Largest generator of foreign currency in the province of Cabo Delgado, and has been the biggest tax-payer in the province for two years in a row – 2015 and 2016.
  - Second biggest mining exporter in 2015 and the biggest overall exporter in 2016.
- Employment:
  - Employment to 1,110 people, both direct and via contractors, 95% of whom are Mozambican nationals. Salaries of these workers is above national and industry average, there is 100% unionisation.
- Community investment:
  - Invested \$1.1million directly into the community since 2012.
  - Establishment of 9 farming associations (two of which are dedicated to empowering women and in total represents 290 partner farmers), teaching techniques that have increased yields by 200%.

- Building of school infrastructure for 4 primary schools (3 of which are new), providing 1,000 primary school-aged children with education.
- Establishment of a mobile health clinic that serves 10,000 people across 6 villages, from which 25,000 patients have received health care.
- Disaster relief response to aid the local community, for example flood or storm damage, or pest problems affecting farmers' crops.
- Significant infrastructure such as road, electricity and telecommunications networks.
- Mozambique's wildlife conservation efforts have received significant funding, including promoting community livelihoods through wildlife conservation.
- Set to roll-out a skills-development centre to equip 600 community members with new skills and jobs to build a resettlement village for 105 families.

## Kagem Mining, Zambia

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### Community highlights:

- Taxation and royalties paid to government:
  - As of 30 June 2017, US\$91 million has been contributed to the Zambian government in the form of corporation taxes and production royalties.
  - A total of 25 emerald auctions to 30 June 2017 have generated a total revenue of US\$474 million, which means 19% of revenue has been contributed to government. Given \$297m has been spent in establishing, developing and operating Kagem, this represents 51% of profits.
- Employment:
  - Since Gemfields began operation of Kagem in 2007, the mine has continuously added employment (direct or via contractors), growing from 392 employees in 2008 to 923 in 2017.
  - In 2015, Kagem pledged US\$345,000 worth of scholarships for students in the schools of engineering and mining at the University of Zambia and Copperbelt University to develop more coloured gemstone industry-oriented graduates that are up-to-date with technical and theoretical knowledge and mining requirements of the day. To date, 4 beneficiaries have been identified - 2 from each campus.
- Community investment:
  - Since 2012, Kagem has invested US\$2 million directly into the community.
  - Establishment of 3 schools (one of which, a secondary school is outperforming most schools in the region in terms of exam performance).

- Creation of two farming associations (which supply the mine with fresh vegetables).
- The upgrade of a rural health facility to become a health centre, equipping it to service a local population of 10,000 people.
- Infrastructure including the provision of a ZESCO power line and grading of the roads.
- Kagem also contributes to Zambia's wildlife conservation efforts. Since 2016, Kagem has provided funds to the Zambia Carnivore Programme (ZCP). To date it has received US\$25,000 of conservation funding with a further commitment of US\$50,000 over the coming year.

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## CONTACT

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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 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 active exploratory 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 our mines. We believe 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 quality 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 can be found in pieces by world renowned luxury houses and cutting-edge designers alike.

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