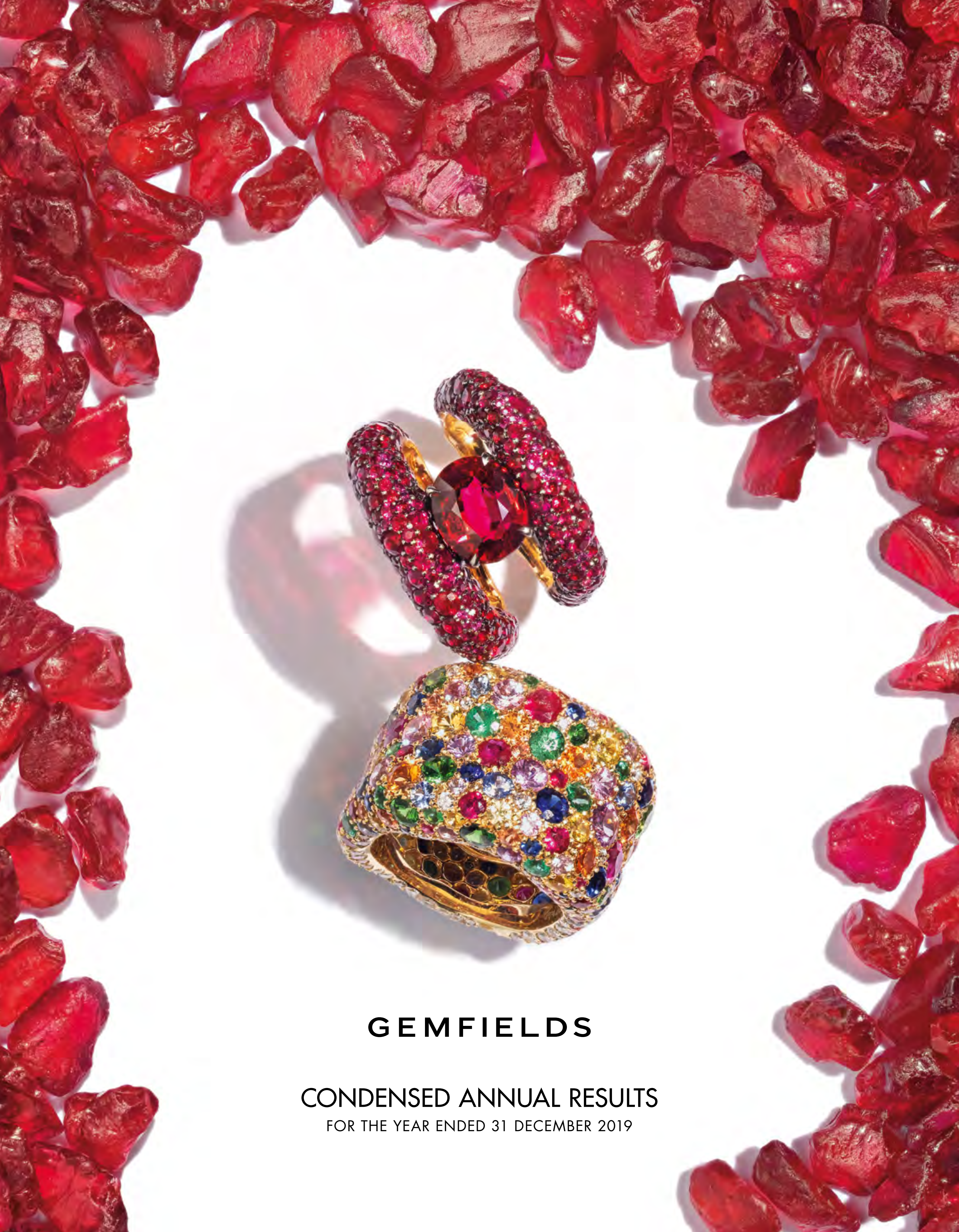


GEMFIELDS

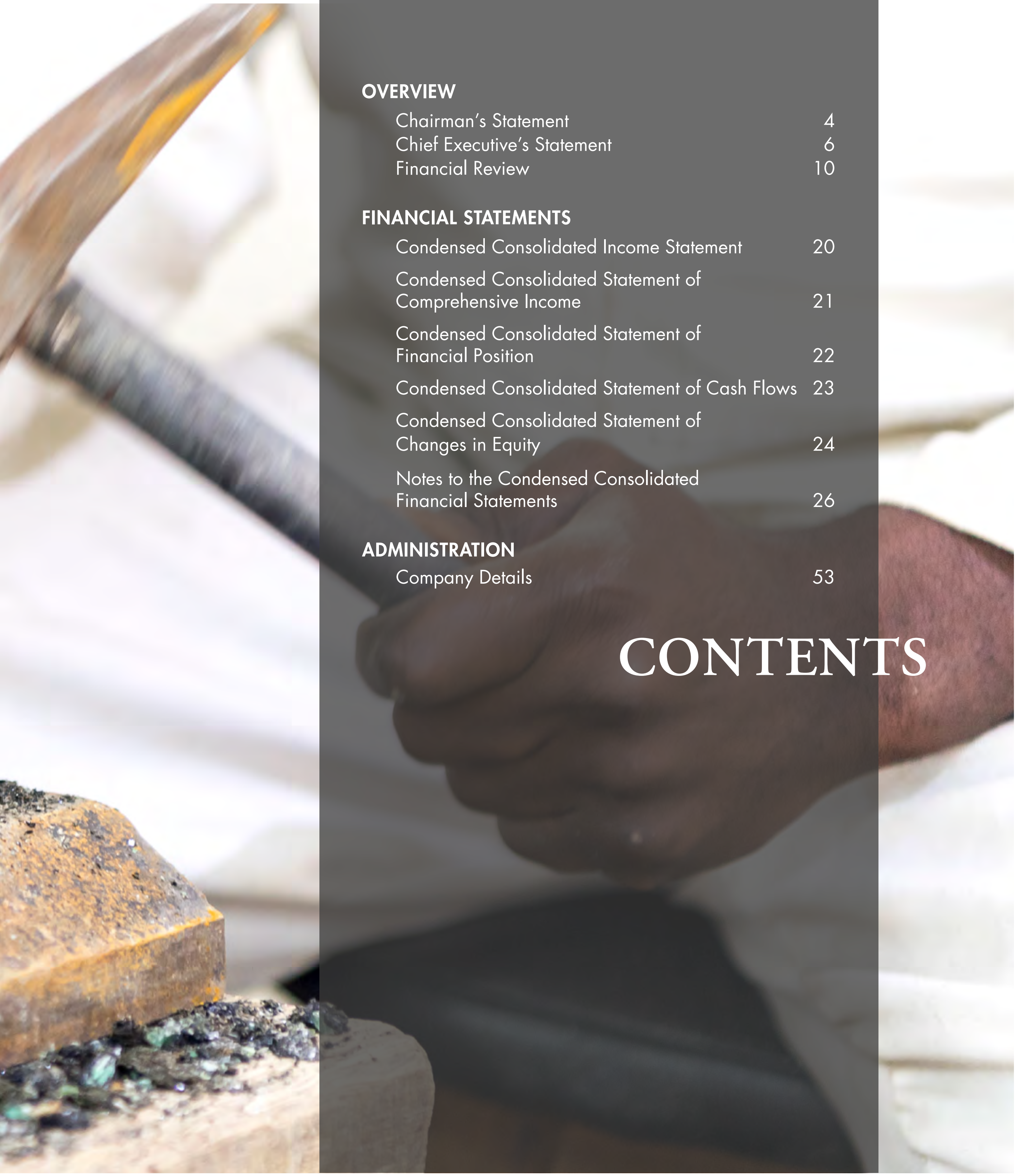
CONDENSED ANNUAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2019

COVER: *Gemfields Mozambican rubies surround Fabergé Charmeuse Ruby Ring and Emotion Multicolour Gemstone Ring*

IMAGE

HAND-REVEALING ZAMBIAN EMERALDS AT THE KAGEM MINE



CONTENTS

IMAGE

SUNLIGHT DANCING THROUGH ZAMBIAN EMERALDS FROM THE KAGEM MINE

OVERVIEW

Chairman's Statement

At the outset of this, my first Chairman's Statement, on behalf of the Board I should like to reiterate my thanks to Brian Gilbertson, one of the most highly regarded veterans of the mining industry – who stepped down as Chairman and Director on 25 November 2019 – for his significant contribution to the Company's business during his 12-year tenure. He leaves Gemfields in a position of financial strength and with a clear strategy of unlocking value for shareholders as a 'pure-play' African coloured gemstone supplier.

GGL's operations in Mozambique and Zambia generated auction revenues of USD121.5 million and USD79.0 million respectively during 2019, meaning that annual revenues from gemstone auctions have, for the first time, exceeded the USD200 million mark – an excellent achievement by the team. Gemfields' Mozambican ruby auctions continued to benefit from strong demand, competitive bidding and the setting of an all-time price-per-carat record for a lot offered at the June 2019 auction in Singapore. The focus on improving supply chain traceability saw 12 lots from the December 2019 auction becoming the first Gemfields rubies to deploy the use of Gübelin Gem Lab's Provenance Proof blockchain technology, a significant step forward in providing end consumers with comfort regarding the origin and route to market of their gemstones. Despite a difficult start to the year with impeded access to finance affecting many of GGL's customers in Jaipur, more companies placed bids at the November 2019 emerald auction than at any prior Gemfields auction, providing encouraging signs of recovery in 2019 from the difficult circumstances faced by the Company's Indian client base in recent years. That auction also saw a record overall price-per-carat for any emerald auction. In addition to loyal clients from India, Gemfields also welcomed new clients from Thailand and China who successfully participated in the May and November 2019 emerald auctions.

The financial year saw Gemfields face new challenges in both Mozambique and Zambia. Most significantly, Zambia imposed a 15% export duty on precious gemstones (excluding diamonds) from 1 January 2019. When added to the pre-existing mineral royalty tax of 6%, this fiscal change resulted in Kagem paying 21% of turnover tax on its revenues (before corporation taxes, in respect of which the 6% mineral royalty was not tax-deductible, meaning Kagem was taxed on tax already paid). Teams from both Gemfields and Kagem worked tirelessly throughout the year to address the export tax, engaging in regular dialogue with the relevant ministries and technocrats in Zambia. In December 2019, the welcome news was received that the Government of the Republic of Zambia would suspend the 15% export duty on precious gemstones with effect from 1 January 2020. The 2019 Zambian export duty has cost the group approximately USD12 million and means that Kagem (which is 25% owned by the Government of Zambia via the Industrial Development Corporation of Zambia) is unable to pay a dividend to its shareholders in respect of 2019.

Fabergé Ltd ("Fabergé") recorded revenues of USD10.5 million in 2019, down from USD13.4 million in 2018, primarily as a result of the timing of delivery of some high-ticket-price bespoke sales agreed in 2019 and scheduled for delivery by Q4 2020. Fabergé's concession at Harrods, the London department store, has seen a 15% increase in sales, buoyed by a refreshed team and the lease expiration of Fabergé's Mayfair boutique. The London and New York-based "By Appointment" sales teams have also seen sales increase by a little over 21% with encouraging growth in the key wholesale markets of Europe and the UK & Ireland, up by a combined 67%.

Martin Tolcher
Chairman

In April 2019, in keeping with the strategy of focussing on African coloured gemstones, it was agreed to sell the (circa) 7.5% shareholding in ASX-listed Jupiter Mines Limited. The sale was structured in two phases with the first phase occurring in June 2019 and the second phase completing in November 2019. Pursuant to the terms of the agreed transaction, the Group received AUD0.33 per share in total, which equated to USD30.4 million in sale proceeds and a May 2019 dividend of USD2.6 million.

The platinum group metals ("PGM") sector experienced a significant uplift during the year, mainly attributable to the change in fortunes of palladium and rhodium, two of the PGM basket's key components. In addition, the South African Rand has depreciated against the US dollar, further boosting the basket price in South African Rand terms. These factors have reinvigorated the long moribund PGM market with some of the major pure-play PGM producers seeing their market values increasing significantly during 2019. The Group's PGM investment, Sedibelo Platinum Mines Ltd ("Sedibelo") remains unlisted and, with no market price to value the Group's 6.5% stake, the decision was made to engage an independent third party to support the Group's carrying value of Sedibelo on the balance sheet. Applying the results of the independent valuation report, the GGL Board has applied a USD7.1 million fair value increase for the year bringing the value for the Group's 6.5% stake in Sedibelo to USD57.5 million as at 31 December 2019.

In June 2019, GGL entered into a joint venture agreement with Mwiriti Limitada ("Mwiriti"), its existing partner in Montepuez Ruby Mining Limitada, to advance six applications for mining concessions and six exploration licences in Mozambique which were held by Mwiriti. In the new joint venture, 75% owned by the Group, Gemfields will contribute proven exploration and project development experience together with the required financing, whilst Mwiriti will contribute the twelve greenfield licences. The licences are in close proximity to GGL's existing ruby operations, with both secondary gold incidence and primary corundum mineralisation having already been observed. Notwithstanding the principal focus on African emeralds, rubies and sapphires, the proximity of, and early indicators from, these licences compelled taking a closer look. During 2019, the disposal of a 50% interest in Kariba Minerals Limited, the owner and operator of an amethyst mine in southern Zambia, was completed in return for consideration from Zambia's ZCCM-IH of USD2.5 million. Operations in Ethiopia remain on hold until the prevailing political, social and operating conditions in the country improve and permit a safe return.

Despite the improvements made by the Company in reducing overall Board remuneration over the past 24 months, the non-binding shareholder resolution in respect of GGL's Remuneration Policy once again failed to pass by the required margin at the 2019 Annual General Meeting. As the previous Chairman stated at the time, it is disappointing that proxy advisory services don't always review the finer detail but simply follow strict box-ticking guidelines when considering their recommendations to shareholders.

Given Gemfields' depressed share price during the year, a proportion of the funds previously earmarked for a special dividend – arising principally from the sale of our 7.5% stake in Jupiter – was utilised to buy back 143 million of the GGL shares on-market at an average price of just ZAR1.50 per share, adding considerable value to remaining shareholders. Given the success of that programme, the requested shareholder approval was received in December 2019 to extend the parameters of the share buy-back to a further 20% of issued share capital. With approximately USD10.3 million remaining of the original 'Distribution Pool' (of USD24.7 million announced in April 2019), it was the clear intention to distribute this to shareholders, either by a share buy-back or dividend during 2020. However, given the global lockdown in relation to COVID-19, the Group is taking a number of cash-saving initiatives until there is certainty over the auction programme and therefore the distribution has been suspended. It remains a key ambition of the Board and management team to distribute dividends on a consistent and sustainable basis after the crisis has passed.

The Company's listing on the Alternative Investment Market ("AIM") of the London Stock Exchange in London on 14 February 2020 was an important milestone. The GGL Directors are confident that the AIM listing will increase the Company's reach to UK, European and international investors, all of whom will benefit from a more convenient entry point into the precious coloured gemstone market. The AIM listing should improve trading liquidity in time as well as strengthening public profile and broker coverage. The most recent broker reports suggest that the share price has significant upside potential.

Finally, I would like to thank my fellow Board members for their support since I became Chairman a few months ago. I am also grateful to all of Gemfields' management teams for their unrelenting hard work and determination to meet the assorted challenges presented by our exciting sector, as well as the efforts being made by all staff across the Group, especially as we grapple with the fast-changing impact of COVID-19. To alleviate the effect of the pandemic on our ability to continue as a going concern, we have commenced a programme of cash preservation. These measures should allow us to navigate the uncertainty brought about by COVID-19 and recommence selling our gemstones when the global market opens up again. Notwithstanding the present turbulence, I look forward to continuing the Gemfield's vision of becoming end consumers' preferred brand for emeralds, rubies and sapphires.

Martin Tolcher
Chairman
4 April 2020

Chief Executive's Statement

My first full year as Gemfields Group's Chief Executive has seen the persistent hard work of our circa 2,400 team members deliver record revenues for 2019. Accompanied by a consistent rise in the demand and price for precious coloured gemstones over the last decade, our company has been at the forefront of driving awareness, confidence and transparency in the sector.

Our strategy remains focussed on consolidating our position as the world's leading supplier of responsibly sourced emeralds, rubies and sapphires from Africa, with our ownership of the iconic Fabergé brand enhancing the positioning and perception of precious coloured gemstones in the minds of consumers.

MOZAMBIQUE

Montepuez Ruby Mining Limitada's ("MRM") production during the year was largely unaffected by the manifold challenges presented to the MRM team, including cyclones Idai and Kenneth and the increased presence of artisanal miners on our circa 350 km^2 licence area. A total 2.2 million carats of ruby and corundum were recovered in 2019. Given the extreme concentration of value in the higher quality gems, the premium ruby production of 81,300 carats is what really drives revenue (down from 92,200 carats in 2018). Coloured gemstone mining characteristically displays considerable volatility of both gemstone quality and ore grade. Total rock handling at MRM increased to 7.2 million tonnes for the year from 4.6 million tonnes during 2018.

The two mixed-quality ruby auctions held in Singapore during the year generated revenues of USD121.5 million with an average price per carat of USD64.32. In February 2019 we boosted our processing capability with the commissioning of an industry-leading sort house deploying state-of-the-art ultra-violet sorters. A new 30 metre diameter thickener was also commissioned during December 2019 and is expected to enhance throughput capacity throughout 2020. Total capital expenditure for the year was USD20.5 million, comprising USD13.2 million invested in expansion and exploration, USD2.7 million in existing mining and ancillary equipment replacements, and USD4.6 million associated with the Resettlement Action Plan ("RAP") which will see 105 families resettled in a new village by July 2020. All 105 homes were completed by year end and overall project delivery stood at approximately 80%.

Our Mozambican operations have observed increasing numbers of artisanal miners trespassing onto the licence area in search of shallow, ruby-bearing gravels. The associated illegal mining activity is exceptionally dangerous, and several ground collapse incidents resulted in the tragic loss of multiple lives. MRM routinely responds by providing humanitarian assistance and also conducts awareness and research programmes to warn of the dangers of illegal mining and to better understand the drivers of illegal mining activity. MRM's research revealed that many artisanal miners hailed from faraway towns and villages, including Nampula, some 400 kilometres by road from Montepuez, and were typically bound in debt to mostly foreign gemstone traders working in illegal smuggling syndicates. The influx of illegal miners into local villages damages the social fabric of the local communities due to alcohol and drug abuse, domestic and sexual violence, and environmental

Sean Gilbertson
Chief Executive Officer

problems relating, inter alia, to village water sources being used and silted for washing ruby-bearing gravels. MRM continues to raise awareness and liaise with the Mozambican authorities to encourage greater action against the financiers, facilitators and syndicates behind the illegal trade in Mozambican rubies. These parties exploit the illegal miners and keep a grossly disproportionate share of the proceeds of illegal ruby mining and smuggling.

ZAMBIA

Kagem Mining Limited ("Kagem") continued its run of robust emerald recovery throughout 2019. Production in the premium emerald category was 204,600 carats and overall production amounted to 36.3 million carats for the year at an average grade of 228 carats per tonne. Kagem's largest expense for the year was the 15% export duty imposed throughout 2019 and amounting to USD12.4 million. This reduced Kagem's cash flow dramatically and quashed capital expenditure planning for expansionary projects. As a result, Kagem's capital expenditure during the year reduced to a USD4.3 million (2018: USD11.8 million) and which was deployed in replacing mining and ancillary equipment as well as infrastructure improvements. Total rock handling at Kagem increased to 12.6 million tonnes for the year from 11.9 million tonnes during 2018.

Our four emerald auctions (two in Lusaka and two in Singapore) realised USD79 million in revenues in 2019, the second-best calendar year performance since we acquired Kagem more than a decade ago. We were very pleased to see the improving conditions for our emerald client base, who hail predominately from Jaipur in India, and which appeared to have solid foundations. That much-awaited recovery has of course now run brusquely into COVID-19.

We continued to progress the amalgamation of Mbuva-Chibolele ("Chibolele") and 10 other licences wholly owned by Gemfields into 75%-owned Kagem in order to expand the scale and scope of Kagem's operations. Significantly, this amalgamation also results in the Zambian Government (via its wholly owned Industrial Development Corporation) having a 25% shareholding in the wider Zambian emerald sector, thereby boosting Kagem's position as the flag-bearer for Zambian emeralds and the number one producer of emeralds internationally. The combined operations, including Chibolele – which continues to go from strength to strength – will also mitigate against the volatile ore grade and gemstone quality that is typical of emerald mining.

The year ended with two positive developments for our Zambian operations. Firstly, the Zambian Government announced that they would suspend the 15% export duty with effect from 1 January 2020. Secondly, Kagem's mining licence was renewed for a period of 25 years to April 2045.

During the year, updated Competent Person Reports ("CPR") for each of our Kagem and MRM assets were commissioned as part of our AIM listing process. The CPRs were prepared in accordance with the JORC code and delivered encouraging net present values (at 10% discount rates) of USD600 million and USD567 million for Kagem and MRM respectively, highlighting the upside potential of our assets.

IMAGE

THE 5,655 CARAT INKALAMU "LION" EMERALD DISCOVERED AT THE KAGEM MINE WITH FABERGÉ'S LADY LIBERTINE I, WHOSE FACE DEPICTS THE ZAMBIAN LANDSCAPE IN ROUGH AND CUT ZAMBIAN EMERALDS

FABERGÉ

Our outright ownership of Fabergé – an iconic and prestigious brand of exceptional heritage – enables us to augment consumer awareness of coloured gemstones and advances our "mine and market" vision.

During the year to 31 December 2019, Fabergé increased the number of items delivered to 1,992 (2018: 1,985) and the number of sales transactions increased to 1,050 (2018: 747). Administrative expenses improved by 3% from the previous year.

The year saw two high-end Fabergé egg objects sold to a client in the Middle East, and the company continued expanding the 'Colours of Love' collection featuring Gemfields' Mozambican rubies and Zambian emeralds.

OTHER PROJECTS

While the opportunity is at an early stage, Nairoto Resources Limitada ("NRL"), our new joint venture with Mwiriti Limitada (our partners at MRM), made good progress in setting up basic infrastructure to support exploration and sampling work in 2020 to better understand the secondary gold and primary corundum mineralisation which has been recovered in small quantities from several areas within the licence portfolio.

Should the situation in Ethiopia improve sufficiently, Web Gemstone Mining ("WGM"), in which we own 75% would need to restart bulk sampling in order to generate enough data for resource estimation, prefeasibility and license conversion. Given the current uncertainty created by the COVID-19 outbreak, we will keep this under review.

Gemfields owns 100% of Oriental Mining SARL, a company which holds assorted licences in Madagascar, including for emerald and sapphire. Should the prevailing COVID-19 turbulence permit, we would seek to commence preliminary work on identified prospects in Madagascar.

Gemfields implemented a new group-wide and cloud-based reporting system for incidents, accidents and near-misses and made good progress with re-designing its risk monitoring system.

INVESTMENTS

Sedibelo Platinum Mines Ltd ("Sedibelo"), in which the Group has a 6.5% shareholding, continues to focus on optimising operating efficiencies, minimising production costs and on cash preservation. Its safety record remains unsurpassed in the industry, with over 5.4 million fatality free shifts during the period.

Sedibelo dispatched 95,000 4E PGM ounces during the nine months to September 2019, down 16% on the comparative period. An increase in the USD 4E PGM basket price for the period helped revenues to increase by 2% to USD130 million. As a result of the upsurge in the value of palladium and rhodium, the USD 4E PGM basket price increased to USD1,219 for the first nine months of 2019 (2018: USD1,030). Our recent independent valuation report has reduced the levels of subjectivity involved in our assessment of the value of Sedibelo.

Our shareholding in ASX-listed Jupiter Mines Ltd was successfully sold during 2019 and GGL continues to seek an orderly disposal of its interest in Sedibelo at an appropriate time.

RESULTS

Overall, the Company generated EBITDA of USD80.9 million and recognised Free Cash Flow (as defined in the Financial Review) of USD31.1 million, before working capital movements. At 31 December 2019, the Company was in a net cash position of USD25.4 million before auction receivables of USD56.7 million (31 December 2018: net cash of USD9.8 million) emphasising our much-improved balance sheet.

The wider Gemfields team achieved record revenues during the year of USD216.2 million, predominantly derived from our four emerald auctions and two mixed quality ruby auctions. Wholly owned jewellery brand Fabergé generated USD10.5 million of revenues during the year.

The sale of our stake in Jupiter realised a net profit of USD4.6 million during the period. A further USD2.6 million of cash was received from Jupiter as a dividend in May 2019.

Given the suspension of the 15% export duty in Zambia, the recoverable amount of Kagem has been reassessed to USD335.8 million, resulting in an impairment reversal of USD21.6 million. An impairment provision of USD8.4 million was recognised against slow moving inventory and long outstanding receivables. Our Sedibelo investment recognised an unrealised fair value gain of USD7.1 million during the year.

Our tax charge for the year was USD28.2 million (2018: USD6.5 million), consisting of a current tax charge of USD24.6 million and a deferred tax charge of USD3.6 million.

Normalised earnings for the year, after removing impairment charges and reversals, settlement costs relating to Leigh Day and fair value movements on Jupiter and Sedibelo, would be USD25.5 million (2018: USD19.8 million) as our improved operating results were offset by significantly higher tax charges, including the 15% export duty in Zambia.

OUTLOOK

While 2019 presented its share of challenges, the diligence and drive displayed by the Gemfields team nonetheless delivered many new records and a robust financial outcome. In January we felt very excited about the year ahead.

Then came COVID-19. The ensuing turmoil, impact on financial markets and restrictions on human life are likely to represent one of the biggest challenges Gemfields has faced to date. Clearly the wellbeing of our employees and communities is our number one priority. It is difficult to imagine a faster and more severe change in broader market conditions. This will clearly have a significant effect on many of our downstream clients and on end consumers. Our clients cannot purchase our gems unless they carefully inspect them at the 5 to 7 auctions we hold each year. Gemfields cannot presently host gemstone auctions given the widespread travel restrictions. In 2019, some 93% of our revenue was derived from gemstone auctions. Once the travel restrictions are lifted it will clearly take some time for life and business to return to a relative "normal". There is of course also a risk that travel restrictions are extended or re-introduced should a second wave of virus infections take hold in key countries. Absent some miraculous recovery from COVID-19, the emerald and ruby auctions we planned in Singapore for May and June 2020 respectively will likely be deferred to the last quarter of the year, by when we hope the market would have had sufficient time to recover. Given this delay in auction revenue, we have suspended all discretionary and uncommitted spend to preserve cash. Gemfields is highly dependent on revenue from gemstone auctions and any further delay in the 2020 auctions would put severe strain on the Group's finances (as disclosed in Note 12: *Going Concern*).

We take some comfort from the fact that well-bought gemstones have for centuries been regarded as a store of value and a guard against turbulent times. This was also evidenced in the 2008 financial crisis, where gemstone pricing indices proved remarkably resilient when compared to equity indices.

I would not wish to face the challenge ahead with anyone other than the proven and spirited Gemfields team, and I look forward to the day where we can, as a team, a business and a species, collectively declare this virus beaten.

Sean Gilbertson
Chief Executive
4 April 2020

IMAGE
MOZAMBICAN RUBIES FROM MONTEPUEZ RUBY MINING

Financial Review

A summary of the key financial indicators of the Group for the year ended 31 December 2019 are shown in the table below.

in thousands of USD	2019	2018
Revenue	216,233	206,090
EBITDA[1]	80,892	58,864
Profit after tax	39,131	(60,431)
Cash flow from operating activities	36,688	5,109
Free cash flow[2] before working capital movements	31,100	26,870
Net cash/(debt)	25,391	9,817

The Group's primary financial KPIs are revenue, free cash flow and net cash/(debt).

Revenue

in thousands of USD	2019	2018
Kagem	78,965	60,319
MRM	121,524	127,115
Fabergé	10,517	13,392
Other	5,227	5,264
Total	**216,233**	206,090

1 *Earnings before interest, taxation, depreciation and amortisation.*

2 *Free cash flow is calculated as cash flow from operating activities less capital expenditure excluding any working capital movements.*

The Group achieved record revenues for the year of USD216.2 million (2018: USD206.1 million), following four rough emerald auctions – two commercial-quality ("CQ") and two higher-quality ("HQ") – and two mixed-quality rough ruby auctions. The two ruby auctions generated USD121.5 million, while the four emerald auctions made USD79.0 million for the year.

The HQ and CQ emerald auctions realised higher average prices per carat at USD78.63 and USD4.61, respectively (2018: USD65.55 and USD3.54 per carat respectively), the second-best calendar year performance since the auction system was introduced a decade ago. The recovery being experienced by auction customers, therefore, appears to have solid foundations, as was further evidenced by a record number of companies placing bids at the November auction. While November's auction saw a record overall price, each auction has a slightly different composition and, as

David Lovett
Chief Financial Officer

such, should not be directly compared. This year also saw the traditionally Indian-dominated emerald customer base expand with Thai and Chinese customers winning significant lots across all the HQ and CQ auctions.

MRM recognised auction revenues of USD121.5 million for the year from two mixed-quality auctions held in Singapore in June 2019 and December 2019 – USD50.0 million and USD71.5 million at average realised prices of the USD51.99 and USD77.12 per carat, respectively. The prior year saw total revenues of USD127.1 million as higher prices per carat were realised as more premium category rubies were offered than at the 2019 auctions. 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 an average quality-for-quality basis, however, the per carat prices demonstrated continuing strong demand and price growth.

Wholly-owned Fabergé generated revenues of USD10.5 million, underpinned by USD5.8 million from wholesale sales; retail and by appointment sales of USD4.4 million; and USD0.3 million from other channels.

Other revenue principally represents the sale of historically purchased cut and polished inventory as well as the direct sales of low-quality emeralds and beryl in India.

COSTS

Total mining and production costs (excluding mineral royalties, production taxes, export duty and impairment charges and reversals) were USD63.4 million, 12% higher than USD55.8 million in 2018, driven by expansion in mining at both MRM and Kagem and the related increases in labour, fuel, and repairs and maintenance. Labour costs of USD24.8 million and repairs and maintenance costs of USD10.5 million were impacted by inflationary pressures which necessitated pay increases across the Group and saw a rise in the cost of spare parts. With longer haulage distances at Kagem, larger fleet and inflation at both mines, fuel costs of USD13.2 million were higher than 2018. However, these were partially offset by a reduction in third-party mining costs at Chibolele as mining was brought in-house in late 2018, and cost optimisation programmes across the Group during the year.

Mineral royalties and production tax which were USD17.1 million (2018: USD16.5 million) are calculated as 10% on all ruby revenues in Mozambique and 6% on all emerald sales in Zambia. (including intercompany transfers). The higher revenues in Zambia has seen a rise in the amounts paid, which are not completely offset by the fall in Mozambique.

Following the implementation of the 15% export duty, Kagem incurred a USD12.4 million charge for the year on all revenues including intercompany sales. In December 2019, the GRZ suspended the export duty indefinitely effective 1 January 2020.

On the acquisition of Gemfields plc (now Gemfields Ltd) in 2017, the purchase price allocation resulted in an uplift to the mining assets at Kagem and MRM, representing the excess purchase consideration. The significantly larger mining assets are amortised on the unit of production basis, resulting in higher depreciation and amortisation costs of USD34.8 million (2018: USD30.6 million). Following the SRK Competent Person's Report for Kagem and MRM (effective 1 July 2019), the rate of amortisation has been amended to reflect the updated proven and probable ore reserves. Depreciation on property, plant and equipment during the year, excluding these mine assets, was USD18.8 million.

Selling, general and administrative expenses ("SG&A"), excluding impairment charges, of USD54.6 million were significantly below the USD61.7 million in the prior year, primarily reflecting the professional fees incurred in the resolution of the Leigh Day claims of USD9.2 million. The Leigh Day claims consisted of a USD7.4 million settlement figure, comprising the sum to be distributed to the claimants by Leigh Day and their legal expenses,

IMAGE

SORTING ZAMBIAN EMERALDS AT KAGEM MINE BEFORE AUCTION and USD1.8 million in legal fees paid for the Group's defence. Other key drivers of the SG&A costs are represented by labour costs of USD15.8 million; selling, marketing and advertising costs of USD13.7 million, which included the latest Gemfields media campaign; professional fees of USD8.4 million; and rent and rates of USD4.6 million. Excluding the Leigh Day exceptional costs, the overall SG&A costs were flat when compared with 2018 as higher marketing and selling costs, insurance costs and the extended corporate social responsibility activities were offset by lower labour costs.

The Group's strategy for growing demand through the education and understanding of coloured gemstones continues to necessitate spend on marketing and advertising costs.

The cost base of the Group in the current year has been impacted by fluctuations in foreign currency exchange rates in our key operating locations. The US dollar ("USD") average rate over the year has strengthened by 2% against the Mozambican metical ("MZN") and 22% against the Zambian kwacha ("ZMW") while strengthening by 4% against pound sterling ("GBP"). These fluctuations have had a favourable impact on costs in Zambia and Mozambique, and an adverse effect on costs in the United Kingdom.

Total operating costs at Fabergé were at their lowest level since the acquisition by Gemfields of USD9.6 million and were consistent with the USD9.9 million incurred in 2018, reflecting the continued benefit of the cost optimisation and focus on improved efficiencies implemented and cost reduction.

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION ("EBITDA")

EBITDA of USD80.9 million is 37% higher than the USD58.9 million achieved in 2018 reflecting the improved margins; in particular, at Kagem with stronger HQ emerald results and sales of non-auction material when compared to 2018. HQ emeralds auction generate significantly higher margins than CQ auctions due to cost of sales being based on average cost of production. This resulted in an EBITDA margin of 37% compared to 29% in 2018.

IMPAIRMENT CHARGES AND WRITE-OFFS

In 2018 the introduction of the 15% export levy in Zambia was deemed to be an impairment indicator. Consequently, as required by accounting standards, an impairment review was performed factoring in the export levy, which led to a charge of USD22.6 million being recognised at 31 December 2018.

In December 2019, the GRZ enacted into law an indefinite suspension of the 15% export duty effective from 1 January 2020. Given this suspension, the recoverable amount of Kagem has been reassessed to USD335.8 million which is well in excess of the carrying value resulting in an impairment reversal of USD21.6 million. The difference between the impairment taken in 2018 and the reversal in the current year relates to the related amortisation which would have been accounted for if the impairment had not taken place. Kagem's carrying value at 31 December 2019 is USD208.7 million, which when compared to the recoverable value of USD335.8 million demonstrates significant headroom.

The impairment charges recognised during the year amount to USD8.4 million comprising mainly slow-moving inventory at Fabergé and the mines and long-outstanding other project-related receivables.

In the prior year, the Group recognised impairment charges of USD26.6 million primarily relating to the USD22.6 million for Kagem and inventory impairments of USD2.6 million.

FAIR VALUE AND OTHER GAINS AND LOSSES

Fair value and other gains and losses arise from the transactions in respect of the Group's investment in Jupiter Mines Limited ("Jupiter"), an Australian-listed company whose main asset is a 49.9% interest in the Tshipi é Ntle manganese mine, and Sedibelo Platinum Mines Limited ("Sedibelo"), a South African platinum mine.

The fair value gains relating to Jupiter amount to USD4.6 million and arise on the remeasurement at disposal driven by exchange rate movements between the AUD/USD exchange rate and share price movements.

The Sedibelo valuation as at 31 December 2019 of USD57.5 million is USD7.1 million higher than the previous valuation of USD50.4 million, resulting in a fair value gain begin recognised. In considering the valuation of the Sedibelo stake, the directors have taken into account the impact of GGL's desire to seek an orderly disposal of its minority holding and have adopted a market-multiple valuation approach to Sedibelo's reserves and resources.

FINANCE INCOME, EXPENSES AND FOREIGN EXCHANGE DIFFERENCES

The net finance expenses (exclusive of exchange differences) were USD3.3 million compared to USD6.6 million in 2018. The prior year included interest on the USD25 million facility at Fabergé, the Kagem Barclays facility, and the overdraft facilities at MRM, which were offset by interest earning on cash balances across the Group. Interest on the Kagem and MRM facilities remains consistent; however, the Fabergé loan was repaid saving USD3.7 million of interest.

The net foreign exchange loss of USD1.2 million (2018: USD2.2 million) reflects the movement of the USD against the GBP, the MZN and the ZMW.

TAXATION

The tax charge for the year was USD28.2 million (2018: USD6.5 million), calculated on a profit before tax of USD67.4 million (2018: loss of USD53.9 million), resulting in an effective tax rate of 41.9% (2018: -12.0%). The tax charge for the year consisted of a current tax charge of USD24.6 million and a deferred tax charge of USD3.6 million. In the prior year, the negative tax rate arises as the Group incurred a tax charge on a net loss before taxation primarily as a result of impairment losses, non-deductible settlement costs and taxes withheld on dividends paid by MRM. The current income tax charge primarily consists of the MRM tax charge of USD18.0 million and the Kagem tax charge of USD5.8 million. MRM's effective tax rate during the year was 33%, the UK 1% and Kagem 55%.

The effective tax rate of 41.9% arises as a result of non-deductible Mineral Royalty Tax at Kagem and the non-recognition of tax losses including those incurred in Zambia and at Fabergé. These factors all applied upward pressure on the tax rate.

The rate, when normalised for the effect of impairments charges and reversals and fair value movements, was 51% (2018: 35%).

The deferred tax charge principally originates from the tax effect of tax losses utilised by Kagem and Gemfields UK, as well as the revaluation of the Kagem mine asset. The total deferred tax charge was partially reduced by the tax credit originating from the tax effect of mining assets and inventory recognised on the acquisition of Gemfields.

Statutory corporate tax rates in other major operational countries remained broadly similar in the year.

in thousands of USD, unless otherwise stated	2019	2018
Profit/(loss) before taxation	67,373	(53,948)
Income tax expense	28,242	6,483
Effective tax rate %	42%	(12%)
Cash tax paid	9,692	24,378

The tax paid of USD9.7 million is significantly lower than the USD28.2 million charge for the year largely due to the timing of tax payments in Mozambique, following the change in the financial year from June to December.

NET PROFIT AFTER TAXATION

The Group made a profit after tax for the year of USD39.1 million compared to a loss of USD60.4 million, as both periods were heavily impacted by the impairment adjustments on Kagem and the fair value movements on Sedibelo. In the current year, the Group recognised an impairment reversal of USD21.6 million against Kagem, fair value gains of USD7.1 million and inventory provisions of USD7.4 million compared with an impairment charge of USD22.6 million and fair value loss of USD47.6 million respectively in 2018.

On a normalised basis, i.e. after removing impairment charges and reversals, fair value gains on Sedibelo and Jupiter, Leigh Day costs and the once-off 15% export duty in Zambia, the net profit for 2019 would be USD25.5 million compared to USD19.8 million in 2018 as the improved operating profit for the year was offset by a significantly higher tax charge as discussed above.

Earnings per share for the year ended 31 December 2019 were USD0.02 compared with a loss of USD0.05 in 2018, reflecting the profit for the year compared with the large loss in 2018 as discussed above and a fall in the weighted average number of shares in issue. Normalised earnings per share for the year (excluding impairments reversals and charges, export duty and extraordinary legal claims and fees) would be a profit of USD0.02.

Headline earnings per share were USD0.01 compared with a Headline loss per share in 2018 of USD0.03.

CAPITAL EXPENDITURE

Capital expenditure, including intangibles, in the year, was USD30.8 million (2018: USD31.3 million). The majority, that is, USD20.5 million, was spent at MRM, comprising USD13.2 million invested in expansion and exploration, as well as improvements to the existing wash plant, USD2.7 million in existing mining and ancillary equipment replacements, and USD4.6 million associated with the RAP. At Kagem, USD4.3 million was invested in replacement mining and ancillary equipment, particularly yellow goods and infrastructure improvements.

The remainder, that is, USD6.0 million, was spent at Gemfields Ltd and on new projects, mainly in Ethiopia and Mozambique.

CASH FLOWS

Net cash and cash equivalents increased by USD15.2 million to USD78.2 million during the year.

The Group generated USD46.4 million from operations during the current financial year, following the higher EBITDA. From this, USD9.7 million was paid in taxes, primarily USD7.8 million at MRM and USD1.9 million at Kagem, such that net cash flow from operating activities was USD36.7 million.

Capital expenditure was USD30.8 million, as discussed above. In 2018, MRM invested in the new sort house and the RAP, while Kagem spent on replenishing its ageing fleet.

Resulting from the higher EBITDA and lower tax payments, because of a change in tax year-end for MRM, Free Cash Flow before working capital movements rose USD4.2 million to USD31.1 million – excluding the 15% export duty this would have been USD43.5 million. Working capital movements of USD25.3 million largely relate to higher auction receivables following the November emerald and December ruby auctions.

Cash flows

in thousands of USD	2019	2018
EBITDA	**80,892**	58,864
Add back: Change in inventory	**(9,255)**	18,106
Taxation (excluding mineral royalties and export duty)	**(9,692)**	(24,378)
Capital expenditure	**(30,845)**	(31,302)
VAT refunds	**–**	5,580
Free cash flow before working capital movements	**31,100**	**26,870**

During the financial year, the Group utilised USD1.9 million in investing activities with proceeds of USD30.4 million from the Jupiter sale, USD2.6 million from Jupiter dividends and USD2.3 million from the sale of Kariba Minerals offset by the capital expenditure of USD30.8 million (as discussed above) and USD7.1 million advanced to related parties.

The Group's financing activities saw the re-financing of Kagem's USD35 million Barclays facilities with new USD30.0 million facilities along with the utilisation of USD4.7 million of the MRM overdrafts, interest payments of USD4.1 million and USD14.4 million spent on the Group's share buy-back programme.

FINANCIAL POSITION

The Group's balance sheet is summarised below:

in thousands of USD	2019	2018
Non-current assets	**507,397**	509,699
Current assets	**276,756**	224,369
Total assets	**784,153**	**734,068**
Non-current liabilities	**(130,059)**	(123,377)
Current liabilities	**(75,151)**	(60,576)
Total liabilities	**(205,210)**	**(183,953)**
Net assets	**578,943**	**550,115**

Assets

in thousands of USD	2019	2018
Mining asset	**306,967**	303,315
Property, plant and equipment, and intangibles	**125,146**	114,027
Listed, unlisted and other investments	**58,955**	77,634
Inventory	**110,694**	99,237
Auction receivables	**56,654**	41,137
Cash and cash equivalents	**78,218**	62,988
Other assets, including deferred taxation	**47,519**	35,730
Total assets	**784,153**	734,068

MINING ASSETS

The mining asset primarily relates to the recognition of the fair values of Kagem and MRM at the date that GGL acquired Gemfields in July 2017 and represents the allocation of the value of the consideration paid to Gemfields shareholders. These assets are amortised on the unit-of-production basis over the life of the mine. At 31 December 2019, these were USD141.9 million at Kagem and USD151.5 million at MRM. At 31 December 2019, the previously recognised impairment on the Kagem mine asset with MML and other exploration assets made up the remainder of the USD307.0 million.

LISTED AND UNLISTED INVESTMENTS

At 31 December 2018, the Group's listed investment represented the 7.44% holding in Jupiter and was valued at its share price at the balance sheet date. During the year the Group sold the entire shareholding for USD30.4 million.

The Group holds an equity interest in Sedibelo, a producer of platinum group metals ("PGMs") with interests in the Bushveld Complex in South Africa. The Sedibelo valuation as at 31 December 2019 of USD57.5 million is after a fair value gain of USD7.1 million. In considering the valuation of the Sedibelo stake, the Directors have taken into account the impact of GGL's desire to seek an orderly disposal of its minority holding. Consequently, the most appropriate valuation methodology to apply is a market comparable analysis comparing the Enterprise Values of Sedibelo's peer group with their total average mineral resources base and production metrics and then applying this to Sedibelo's estimated mineral resources (price per 4E ounce) and production to arrive at an estimated valuation of Sedibelo.

INVENTORY

in thousands of USD	2019	2018
Rough emeralds and beryl	45,525	36,273
Rough rubies and corundum	22,259	15,877
Fabergé jewellery and watches	30,743	35,030
Cut and polished product	5,409	5,916
Spares and consumables	6,758	6,141
Total	**110,694**	**99,237**

Inventory increased by USD11.4 million to USD110.7 million driven by higher rough gemstone inventory as production exceeded sales for the year and production costs rose. Jewellery and watches inventory at Fabergé saw a fall of USD4.3 million, reflecting sales in the year and an impairment provision of USD6.2 million following a review of the net realisable value of older legacy inventory. The fall in cut and polished inventory reflected sales in the UK and RSA.

AUCTION RECEIVABLES

The auction receivables outstanding related principally to the December ruby auction and November emerald auctions. The November emerald amounts were all received by 31 January 2020 and of the December ruby auction 96% of the outstanding amounts had been received by 31 March 2020.

NET DEBT

in thousands of USD	2019	2018
Cash and cash equivalents	78,218	62,988
Current borrowings	(24,827)	(23,171)
Non-current borrowings	(28,000)	(30,000)
Net cash	**25,391**	**9,817**

Cash and cash equivalents of USD78.2 million have increased by USD15.2 million following record revenues, a higher EBITDA and the proceeds from the sale of the Jupiter investment.

The financing facilities used to support the working capital and other funding requirements of the Group, and to sustain its planned growth and expansion, are discussed below.

During 2019, Kagem renegotiated its facilities with Barclays for a five-year period. The facility consists of a USD20.0 million five-year term loan and USD10.0 million revolving credit facility which has an initial three-year term but is extendable for an additional two years upon agreement by both parties. Both facilities bear interest at three-month US LIBOR plus 5.5% per annum. The facility was fully drawn at 31 December 2019 at USD30.0 million with USD2.0 million payable in December 2020.

MRM has the following facilities:

- A USD15.0 million unsecured overdraft facility entered into with Barclays Bank Mozambique S.A. in April 2016. The facility has an interest rate of three-month US LIBOR plus 4.0% per annum. At 31 December 2019, USD12.9 million (2018: USD14.5 million) was drawn.
- A USD15.0 million overdraft facility entered into with Banco Comercial E De Investimentos, S.A. ("BCI") in June 2016. This facility is valid for 12 months and is renewable. The facility has an interest rate of three-month US LIBOR plus 3.75% per annum. At 31 December 2019, USD9.9 million (2018: USD3.7 million) was drawn.
- A USD15.0 million finance leasing facility entered into by MRM with BCI in June 2016. This is a renewable committed facility with a drawdown period of 12 months, and the amounts drawn down are repayable over a maximum period of 48 months. The committed facility has an interest rate of three-month US LIBOR plus 3.75% per annum. At 31 December 2019, the outstanding balance was USD Nil.

IMAGE

MOZAMBICAN RUBIES SURROUND FABERGÉ COLOURS OF LOVE RINGS, FEATURING ZAMBIAN EMERALDS AND MOZAMBICAN RUBIES

For an analysis of the outstanding facility liabilities at year-end, please see Note 7 of the Condensed Consolidated Financial Statements.

GOING CONCERN

Like many businesses, the potential financial impact of COVID-19 has been given significant consideration when assessing the going concern assumption. The situation unfolding across the globe is changing daily. It is clear that the pandemic will have an adverse impact on the Group's operations, customers and suppliers. The Group's production, revenue and cash position will also be affected. The critical assumption for the Group is the timing of cash inflows from its emerald and ruby auctions, combined with the ability to reduce expenditure to compensate for the delays in revenue. If the Group can recommence its auctions in final quarter of 2020 then the curtailment of non-committed and discretionary spend at all operations will be sufficient for the Group to continue as a going concern. However, as disclosed in Note 12 of the Condensed Consolidated Financial Statements, there is a risk that the auctions planned for the end of 2020 are further delayed should COVID-19 continue to prevent the hosting of gemstone auctions. In this case, without significant further cost cutting measures, the Group's cash position would move into deficit. The timing of the auctions therefore creates a material uncertainty. Despite this, and given our ability to manage discretionary and non-committed expenditure, it remains appropriate to present the financial statements on a going concern basis.

David Lovett
Chief Financial Officer
4 April 2020

IMAGE

WHEN AN EMERALD IS RECOVERED AT KAGEM, IT IS THE FIRST TIME THAT LIGHT HAS EVER PASSED THROUGH THE CRYSTAL, BRINGING IT TO LIFE AFTER HALF A BILLION YEARS IN DARKNESS

FINANCIAL STATEMENTS

ADMINISTRATION

FINANCIAL STATEMENTS
AND ADMINISTRATION

CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2019

	Notes	**2019 USD'000**	2018 USD'000
Revenue	1	216,233	206,090
Cost of sales		(124,683)	(123,546)
Gross profit		**91,550**	**82,544**
Unrealised fair value gains/(losses)	6	7,053	(59,559)
Other gains and income		8,464	17,659
Selling, general and administrative expenses		(56,773)	(63,170)
Impairment reversal/(charges)	4	21,559	(22,577)
Profit/(loss) from operations		**71,853**	**(45,103)**
Finance income		6,985	805
Finance costs		(11,465)	(9,650)
Net finance costs		**(4,480)**	**(8,845)**
Profit/(loss) before taxation		**67,373**	**(53,948)**
Taxation	3	(28,242)	(6,483)
NET PROFIT/(LOSS) AFTER TAXATION		**39,131**	**(60,431)**
Profit/(loss) for the year attributable to:			
Owners of the parent		28,369	(62,213)
Non-controlling interest		10,762	1,782
		39,131	**(60,431)**
Earnings/(loss) per share attributable to the parent:	8		
Basic – USD		**0.02**	(0.05)
Diluted – USD		**0.02**	(0.05)

The accompanying notes form part of these Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2019

	2019 USD'000	2018 USD'000
Profit/(loss) after taxation	39,131	(60,431)
Other comprehensive income/(loss):		
Items that have been/may be reclassified subsequently to profit or loss:		
Exchange gain arising on translation of foreign operations	2,445	209
Total other comprehensive income	**2,445**	**209**
TOTAL COMPREHENSIVE INCOME/(LOSS)	**41,576**	**(60,222)**
Total comprehensive income/(loss) attributable to:		
Owners of the parent	30,814	(62,004)
Non-controlling interest	10,762	1,782
	41,576	**(60,222)**

The accompanying notes form part of these Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Notes	2019 USD'000	2018 USD'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	376,913	365,014
Intangible assets	5	55,200	52,328
Unlisted equity investments	6	57,500	50,447
Listed equity investments	6	–	25,714
Other investments		1,453	1,473
Deferred tax assets	3	7,227	6,381
Other non-current assets		9,104	8,342
Total non-current assets		**507,397**	**509,699**
Current assets			
Inventory		110,694	99,237
Other investments		2	2
Trade and other receivables		87,842	62,142
Cash and cash equivalents		78,218	62,988
Total current assets		**276,756**	**224,369**
Total assets		**784,153**	**734,068**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	3	92,177	87,805
Borrowings	7	28,000	30,000
Lease liabilities		3,570	–
Provisions		6,312	5,572
Total non-current liabilities		**130,059**	**123,377**
Current liabilities			
Provisions		3,111	7,877
Current tax payable		16,282	1,370
Borrowings	7	24,827	23,171
Lease liabilities		1,081	–
Trade and other payables		29,850	28,158
Total current liabilities		**75,151**	**60,576**
Total liabilities		**205,210**	**183,953**
Net assets		**578,943**	**550,115**
EQUITY			
Share capital		12	14
Share premium		511,833	531,607
Treasury shares		(10)	(5,345)
Reserve for own shares		(23,319)	(23,319)
Cumulative translation reserve		1,485	(960)
Option reserve		6,985	5,474
Retained earnings		(2,725)	(31,276)
Attributable to equity holders of the parent		**494,261**	**476,195**
Non-controlling interest		84,682	73,920
Total equity		**578,943**	**550,115**

The Financial Statements were approved and authorised for issue by the Directors on 4 April 2020 and were signed on their behalf by:

David Lovett
Director

Sean Gilbertson
Director

The accompanying notes form part of these Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	2019 USD'000	2018 USD'000
Cash flow from operating activities		
Profit/(loss) before taxation	**67,373**	**(53,948)**
Adjustments for		
Unrealised fair value (gains)/losses	(7,137)	59,559
Realised fair value gains	(4,645)	(11,680)
Dividend income	(2,582)	(5,271)
Depreciation and amortisation	34,827	30,633
Impairment (reversals)/charges and write-offs	(19,411)	26,559
Share-based payments	1,693	4,167
Other	(17)	(49)
Finance income	(6,985)	(805)
Finance expense	11,465	9,650
Loss on sale of property, plant and equipment	(2)	–
Increase in non-current assets	(2,928)	(125)
Increase in non-current liabilities	423	461
Increase in trade and other receivables	(21,820)	(39,183)
Increase/(decrease) in inventory	(11,457)	8,631
Increase in trade and other payables	7,583	888
Cash generated from operations	**46,380**	**29,487**
Tax paid (excluding withholding tax)	(9,692)	(24,378)
Net cash generated from operating activities	**36,688**	**5,109**
Cash flows from investing activities		
Purchase of intangible assets	(3,065)	(2,311)
Purchases of property, plant and equipment	(27,780)	(28,991)
Interest received	787	659
Proceeds from Jupiter Initial Public Offering (IPO)	–	64,397
Dividends received from Jupiter	2,582	5,271
Proceeds from Jupiter disposal	30,359	7,726
Investments acquired	–	(101)
Cash advances and loans made to related parties	(7,079)	–
Proceeds from disposal of investment – Kariba Minerals Limited	2,300	–
Net cash (utilised in)/generated from investing activities	**(1,896)**	**46,650**
Cash flows from financing activities		
Dividends paid to non-controlling interest of Montepuez Ruby Mining (including withholding tax)	–	(5,850)
Cash paid in Group share buy-back programme	(14,439)	(4,691)
Proceeds from borrowings	52,826	18,110
Repayment of borrowings	(53,170)	(29,959)
Principal elements of lease payments	(696)	–
Interest paid	(4,084)	(5,046)
Release of previously restricted cash at Fabergé	–	1,023
Net cash utilised in financing activities	**(19,563)**	**(26,413)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,229	25,346
Cash and cash equivalents at the beginning of the year	62,988	37,784
Net foreign exchange gain on cash	1	(142)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	78,218	62,988

The accompanying notes form part of these Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	Share capital USD'000	Share premium USD'000	Treasury shares USD'000	Reserve for own shares USD'000	Cumulative translation reserve USD'000	Option reserve USD'000	Retained earnings/ (losses) USD'000	Total attributable to equity holders of the parent USD'000	Non-controlling interest USD'000	Total equity USD'000
Balance at 1 January 2019	**14**	**531,607**	**(5,345)**	**(23,319)**	**(960)**	**5,474**	**(31,276)**	**476,195**	**73,920**	**550,115**
Profit for the year	–	–	–	–	–	–	28,369	**28,369**	10,762	**39,131**
Other comprehensive income	–	–	–	–	2,445	–	–	**2,445**	–	**2,445**
Total comprehensive income	–	–	–	–	2,445	–	28,369	**30,814**	10,762	**41,576**
Shares bought back during the year, net of transaction costs	–	–	(14,439)	–	–	–	–	**(14,439)**	–	**(14,439)**
Shares cancelled during year	(2)	(19,774)	19,774	–	–	–	–	**(2)**	–	**(2)**
Share options recognised during the year	–	–	–	–	–	1,693	–	**1,693**	–	**1,693**
Share options lapsed/ forfeited during the year	–	–	–	–	–	(182)	182	**–**	–	**–**
Balance at 31 December 2019	**12**	**511,833**	**(10)**	**(23,319)**	**1,485**	**6,985**	**(2,725)**	**494,261**	**84,682**	**578,943**

The accompanying notes form part of these Financial Statements.

	Share capital USD'000	Share premium USD'000	Treasury shares USD'000	Reserve for own shares USD'000	Cumulative translation reserve USD'000	Option reserve USD'000	Retained earnings/ (losses) USD'000	Total attributable to equity holders of the parent USD'000	Non-controlling interest USD'000	Total equity USD'000
Balance at 1 January 2018	**14**	**531,607**	**(654)**	**(23,319)**	**(1,169)**	**2,692**	**29,552**	**538,723**	**78,388**	**617,111**
(Loss)/profit for the year	–	–	–	–	–	–	(62,213)	**(62,213)**	1,782	**(60,431)**
Other comprehensive income	–	–	–	–	209	–	–	**209**	–	**209**
Total comprehensive income	–	–	–	–	209	–	(62,213)	**(62,004)**	1,782	**(60,222)**
Shares bought back during the year, net of transaction costs	–	–	(4,691)	–	–	–	–	**(4,691)**	–	**(4,691)**
Share options recognised during the year	–	–	–	–	–	4,167	–	**4,167**	–	**4,167**
Share options lapsed/ forfeited during the year	–	–	–	–	–	(1,385)	1,385	**–**	–	**–**
Dividends declared to non-controlling interest of Montepuez Ruby Mining	–	–	–	–	–	–	–	–	(6,250)	(6,250)
Balance at 31 December 2018	**14**	**531,607**	**(5,345)**	**(23,319)**	**(960)**	**5,474**	**(31,276)**	**476,195**	**73,920**	**550,115**

The accompanying notes form part of these Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2019

1. SEGMENTAL REPORTING

The Chief Operating Decision Maker ("CODM") is the Executive Management, which measures the performance of each operating segment on a regular basis in order to allocate resources.

The Group's segmental reporting reflects the business focus of the Group. The Group has been organised into geographic and business units based on the products and services and has seven reportable segments as follows:

- Zambia (emerald and beryl mining activities);
- Mozambique (ruby and corundum mining activities);
- PGMs (the Group's investment in Sedibelo Platinum Mines Limited);
- Steel Making Materials (the Group's investment in Jupiter Mines Limited);
- Corporate (sales of cut and polished gemstones, marketing, and technical and administrative services);
- Fabergé (wholesale and retail sales of jewellery and watches); and
- Other (new projects, traded auctions, sales and marketing offices).

The reporting on these assets to management focusses on revenue, operating costs, EBITDA, key balance sheet lines and free cash flow (as defined further below).

1. SEGMENTAL REPORTING/CONTINUED

Income Statement

1 January 2019 to 31 December 2019	Zambia USD'000	Mozambique USD'000	PGMs USD'000	Steel Making Materials USD'000	Corporate USD'000	Fabergé USD'000	Other USD'000	**Total USD'000**
Rough gemstones[1]	78,965	121,524	–	–	–	–	3,595	**204,084**
Jewellery	–	–	–	–	4	10,517	–	**10,521**
Cut and polished	–	–	–	–	811	–	817	**1,628**
Revenue[2]	78,965	121,524	–	–	815	10,517	4,412	**216,233**
Mineral royalties and production taxes	(4,982)	(12,123)	–	–	–	–	–	**(17,105)**
Export duty on Zambian emeralds	(12,440)	–	–	–	–	–	–	**(12,440)**
Marketing, management and auction costs	(9,870)	(15,069)	–	–	24,939	–	–	**–**
Change in inventory and cost of sales	8,437	8,957	–	–	(1,018)	(7,307)	186	**9,255**
Mining and production costs[3]	(35,850)	(27,271)	–	–	(780)	(29)	574	**(63,356)**
Selling, general and administrative costs[4]	(5,949)	(9,580)	–	–	(27,632)	(9,655)	(116)	**(52,932)**
Other income	163	253	–	–	258	1	562	**1,237**
EBITDA	**18,474**	**66,691**	**–**	**–**	**(3,418)**	**(6,473)**	**5,618**	**80,892**
Dividend income	–	–	–	2,582	–	–	–	**2,582**
Realised fair value gains	–	–	–	4,645	–	–	–	**4,645**
Unrealised fair value gains	–	–	7,053	–	–	–	–	**7,053**
Depreciation and amortisation	(13,440)	(19,077)	–	–	(597)	(1,657)	(56)	**(34,827)**
Share-based payments	–	–	–	–	(1,693)	–	–	**(1,693)**
Impairment reversal/(charges)[5]	20,824	(250)	–	–	–	(6,210)	(1,163)	**13,201**
Profit/(loss) from operations	**25,858**	**47,364**	**7,053**	**7,227**	**(5,708)**	**(14,340)**	**4,399**	**71,853**
Net finance (expense)/income	(4,135)	(1,137)	–	–	1,193	2,486	(2,887)	**(4,480)**
Taxation	(13,305)	(15,551)	–	–	(473)	1,538	(451)	**(28,242)**
Profit/(loss) after taxation	**8,418**	**30,676**	**7,053**	**7,227**	**(4,988)**	**(10,316)**	**1,061**	**39,131**

1 *Kagem held two higher-quality emerald auctions in the year in Singapore in May and November, generating revenues of USD22.4 million and USD27.2 million, respectively. Kagem also held two commercial-quality emerald auctions in Lusaka, Zambia, in February and August 2019, realising total revenue of USD29.4 million of revenue. MRM held two mixed-quality auctions in the year, in Singapore in June and December, generating USD121.5 million.*

During 2018, Kagem held two higher-quality emerald auctions in the year, both in Singapore in May and in November, generating revenues of USD10.3 million and USD28.4 million, respectively. Kagem also held two commercial-quality emerald auctions in Lusaka, Zambia, in February and August 2018, realising USD21.6 million of revenue. MRM held two mixed-quality auctions in the year, in Singapore in June and November 2018, generating USD127.1 million.

2 *Revenues have been recognised at one point in time, as control passes to the customer.*
3 *Excluding mineral royalties and production taxes, export duty on Zambian emeralds, and inventory impairments.*
4 *Excluding share-based payments.*
5 *Including inventory impairments.*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2019

1. SEGMENTAL REPORTING/CONTINUED

Income Statement

1 January 2018 to 31 December 2018	Zambia USD'000	Mozambique USD'000	PGMs USD'000	Steel Making Materials USD'000	Corporate USD'000	Fabergé USD'000	Other USD'000	**Total USD'000**
Rough gemstones[1]	60,319	127,115	–	–	–	–	3,681	**191,115**
Jewellery	–	–	–	–	–	13,392	–	**13,392**
Cut and polished	–	–	–	–	1,116	–	467	**1,583**
Revenue[2]	60,319	127,115	–	–	1,116	13,392	4,148	**206,090**
Mineral royalties and production taxes	(3,865)	(12,641)	–	–	–	–	–	**(16,506)**
Marketing, management and auction costs	(7,539)	(15,726)	–	–	23,265	–	–	**–**
Change in inventory and cost of sales	(8,254)	3,967	–	–	(1,204)	(8,081)	(4,534)	**(18,106)**
Mining and production costs[3]	(34,216)	(21,491)	–	–	(279)	–	227	**(55,759)**
Selling, general and administrative costs[4]	(4,380)	(14,716)	–	–	(26,615)	(9,948)	(1,904)	**(57,563)**
Other income	147	11	–	–	269	60	221	**708**
EBITDA	**2,212**	**66,519**	**–**	**–**	**(3,448)**	**(4,577)**	**(1,842)**	**58,864**
Dividend income	–	–	–	5,271	–	–	–	**5,271**
Realised fair value gains	–	–	–	11,680	–	–	–	**11,680**
Unrealised fair value losses	–	–	(47,617)	(11,942)	–	–	–	**(59,559)**
Depreciation and amortisation	(14,538)	(14,453)	–	–	(285)	(1,357)	–	**(30,633)**
Share-based payments	–	–	–	–	(4,167)	–	–	**(4,167)**
Impairment (charges)[5]	(22,788)	(51)	–	–	(207)	–	(3,513)	**(26,559)**
Profit/(loss) from operations	**(35,114)**	**52,015**	**(47,617)**	**5,009**	**(8,107)**	**(5,934)**	**(5,355)**	**(45,103)**
Net finance expense	(3,708)	(756)	–	–	(145)	(3,515)	(721)	**(8,845)**
Taxation	12,845	(18,686)	–	–	(2,461)	2,516	(697)	**(6,483)**
Profit/(loss) after taxation	**(25,977)**	**32,573**	**(47,617)**	**5,009**	**(10,713)**	**(6,933)**	**(6,773)**	**(60,431)**

1 *Kagem held two higher-quality emerald auctions in the year in Singapore in May and November, generating revenues of USD22.4 million and USD27.2 million, respectively. Kagem also held two commercial-quality emerald auctions in Lusaka, Zambia, in February and August 2019, realising total revenue of USD29.4 million of revenue. MRM held two mixed-quality auctions in the year, in Singapore in June and December, generating USD121.5 million.*

During 2018, Kagem held two higher-quality emerald auctions in the year both in Singapore May and November, generating revenues of USD10.3 million and USD28.4 million, respectively. Kagem also held two commercial-quality emerald auctions in Lusaka, Zambia, in February and August 2018, realising USD21.6 million of revenue. MRM held two mixed-quality auctions in the year, in Singapore in June and November 2018, generating USD127.1 million.

2 *Revenues have been recognised at one point in time, as control passes to the customer.*
3 *Excluding mineral royalties and production taxes, export duty on Zambian emeralds, and inventory impairments.*
4 *Excluding share-based payments.*
5 *Including inventory impairments.*

1. SEGMENTAL REPORTING/CONTINUED

Statement of Financial Position

31 December 2019	Zambia USD'000	Mozambique USD'000	PGMs USD'000	Steel Making Materials USD'000	Corporate USD'000	Fabergé USD'000	Other USD'000	**Total USD'000**
Mining asset	141,909	165,058	–	–	–	–	–	**306,967**
Property, plant and equipment, and intangibles	22,289	52,132	–	–	2,782	42,070	5,873	**125,146**
Listed and unlisted investments	–	–	57,500	–	1,455	–	–	**58,955**
Operating assets	60,404	89,112	–	–	10,450	35,775	2,795	**198,536**
Cash and cash equivalents	4,925	22,272	–	–	49,100	758	1,163	**78,218**
Segment assets	**229,527**	**328,574**	**57,500**	**–**	**63,787**	**78,603**	**9,831**	**767,822**
Deferred tax asset								**7,227**
Other								**9,104**
Total assets								**784,153**
Borrowings	30,000	22,827	–	–	–	–	–	**52,827**
Operating liabilities	11,645	33,378	–	–	8,424	5,546	1,213	**60,206**
Segment liabilities	**41,645**	**56,205**	**–**	**–**	**8,424**	**5,546**	**1,213**	**113,033**
Deferred tax liability								**92,177**
Total liabilities								**205,210**
Net (debt)/cash	**(25,075)**	**(555)**	**–**	**–**	**49,100**	**758**	**1,163**	**25,391**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS **CONTINUED**

for the year ended 31 December 2019

1. SEGMENTAL REPORTING/CONTINUED

Statement of Financial Position

31 December 2018	Zambia USD'000	Mozambique USD'000	PGMs USD'000	Steel Making Materials USD'000	Corporate USD'000	Fabergé USD'000	Other USD'000	**Total USD'000**
Mining asset	127,395	175,920	–	–	–	–	–	**303,315**
Property, plant and equipment, and intangibles	24,319	41,885	–	–	760	41,308	5,755	**114,027**
Listed and unlisted investments	–	–	50,447	25,714	1,473	–	–	**77,634**
Operating assets	47,665	58,697	–	–	9,595	39,276	6,148	**161,381**
Cash and cash equivalents	13,065	6,518	–	–	41,653	857	895	**62,988**
Segment assets	**212,444**	**283,020**	**50,447**	**25,714**	**53,481**	**81,441**	**12,798**	719,345
Deferred tax asset								**6,381**
Other								**8,342**
Total assets								734,068
Borrowings	35,000	18,171	–	–	–	–	–	**53,171**
Operating liabilities	5,377	26,387	–	–	6,765	2,378	2,070	**42,977**
Segment liabilities	**40,377**	**44,558**	**–**	**–**	**6,765**	**2,378**	**2,070**	96,148
Deferred tax liability								**87,805**
Total liabilities								183,953
Net (debt)/cash	**(21,935)**	**(11,653)**	**–**	**–**	**41,653**	**857**	**895**	9,817

1. SEGMENTAL REPORTING/CONTINUED

Statement of Cash Flows

1 January 2019 to 31 December 2019	Zambia USD'000	Mozambique USD'000	PGMs USD'000	Steel Making Materials USD'000	Corporate USD'000	Fabergé USD'000	Other USD'000	**Total USD'000**
Revenue	78,965	121,524	–	–	815	10,517	4,412	**216,233**
Operating costs and cost of sales[1]	(50,621)	(39,764)	–	–	(29,172)	(16,990)	1,206	**(135,341)**
Marketing, management and auction costs	(9,870)	(15,069)	–	–	24,939	–	–	**–**
EBITDA	**18,474**	**66,691**	**–**	**–**	**(3,418)**	**(6,473)**	**5,618**	**80,892**
Add back: Change in inventory	(8,437)	(8,957)	–	–	1,018	7,307	(186)	**(9,255)**
Tax paid (excluding WHT)	(1,939)	(7,753)	–	–	–	–	–	**(9,692)**
Capital expenditure	(4,330)	(25,411)	–	–	–	–	(1,104)	**(30,845)**
Free cash flow before working capital movements	**3,768**	**24,570**	**–**	**–**	**(2,400)**	**834**	**4,328**	**31,100**
Working capital movements[2]	361	(10,698)	–	–	(6,140)	(4,271)	(4,509)	**(25,257)**
Free cash flow	**4,129**	**13,872**	**–**	**–**	**(8,540)**	**(3,437)**	**(181)**	**5,843**
Cash generated from operations	10,398	47,036	–	–	(8,540)	(3,437)	923	**46,380**
Tax paid (excluding WHT)	(1,939)	(7,753)	–	–	–	–	–	**(9,692)**
Capital expenditure	(4,330)	(25,411)	–	–	–	–	(1,104)	**(30,845)**
Free cash flow	**4,129**	**13,872**	**–**	**–**	**(8,540)**	**(3,437)**	**(181)**	**5,843**

1 *Excluding share-based payments and inventory impairments.*
2 *Includes movements relating to inventory purchases and excludes VAT refunds.*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS **CONTINUED**

for the year ended 31 December 2019

1. SEGMENTAL REPORTING/CONTINUED

Statement of Cash Flows

1 January 2018 to 31 December 2018	Zambia USD'000	Mozambique USD'000	PGMs USD'000	Steel Making Materials USD'000	Corporate USD'000	Fabergé USD'000	Other USD'000	**Total USD'000**
Revenue	60,319	127,115	–	–	1,116	13,392	4,148	**206,090**
Operating costs and cost of sales[1]	(50,568)	(44,870)	–	–	(27,829)	(17,969)	(5,990)	**(147,226)**
Marketing, management and auction costs	(7,539)	(15,726)	–	–	23,265	–	–	**–**
EBITDA	**2,212**	**66,519**	**–**	**–**	**(3,448)**	**(4,577)**	**(1,842)**	**58,864**
Add back: Change in inventory	8,254	(3,967)	–	–	1,204	8,081	4,534	**18,106**
Tax paid (excluding WHT)	(591)	(23,771)	–	–	–	–	(16)	**(24,378)**
Capital expenditure	(11,819)	(17,338)	–	–	(106)	–	(2,039)	**(31,302)**
VAT refunds	3,655	–	–	–	1,787	138	–	**5,580**
Free cash flow before working capital movements	**1,711**	**21,443**	**–**	**–**	**(563)**	**3,642**	**637**	**26,870**
Working capital movements[2]	(5,771)	(7,675)	–	–	(25,675)	(12,356)	(1,586)	**(53,063)**
Free cash flow	**(4,060)**	**13,768**	**–**	**–**	**(26,238)**	**(8,714)**	**(949)**	**(26,193)**
Cash generated from operations	8,350	54,877	–	–	(26,132)	(8,714)	1,106	**29,487**
Tax paid (excluding WHT)	(591)	(23,771)	–	–	–	–	(16)	**(24,378)**
Capital expenditure	(11,819)	(17,338)	–	–	(106)	–	(2,039)	**(31,302)**
Free cash flow	**(4,060)**	**13,768**	**–**	**–**	**(26,238)**	**(8,714)**	**(949)**	**(26,193)**

1 *Excluding share-based payments and inventory impairments.*

2 *Includes movements relating to inventory purchases and excludes VAT refunds.*

2. JUPITER DISPOSAL AND DIVIDEND INCOME

April–November 2019 conditional sale of Jupiter shares

On 15 April 2019, the Group announced that it had entered into a conditional sale and purchase agreement with AMCI Euro Holdings B.V. ("AMCI"), pursuant to which Gemfields (through its wholly owned subsidiary, Pallinghurst Consolidated (Cayman) Ltd ("PCCL") agreed to sell, and AMCI agreed to purchase, the 145,845,372 ordinary shares (the "Transaction") in ASX-listed Jupiter. This constituted GGL's entire remaining holding in Jupiter following its participation in Jupiter's IPO last year.

The Group received a total amount of AUD44.2 million in cash as consideration for the Jupiter shares. As part of the Transaction, the Group retained its right to payment of the AUD0.025 per share dividend declared by Jupiter on 19 February 2019, which was paid on 21 May 2019. It was agreed that any further dividend declared by Jupiter between 21 May 2019 and final completion of the Transaction should be passed on to AMCI from PCCL.

Completion of the Transaction took place in two stages, as follows:

1. On 3 June 2019, 72,922,686 of the Jupiter shares were sold for AUD22,120,469 ("First Tranche Sales Proceeds"); and
2. On 28 November 2019, the remaining 72,922,686 of the Jupiter shares were sold for a further AUD22,120,469 ("Second Tranche Sales Proceeds").

The transaction was conditional upon the expiry of certain IPO-related lock-in restrictions to which PCCL was subject in respect of the Jupiter shares under an escrow deed dated 29 June 2018 and entered between PCCL and Jupiter.

Realised loss on First Tranche Sales Proceeds

On 3 June 2019, the Group's 72,922,686 Jupiter shares that it had agreed to sell to AMCI had a fair market value of AUD0.350 per share, translated at the closing rate of USD/AUD1.4369 on 3 June 2019. The Group's realised loss on disposal is calculated as the difference between the agreed sale price of AUD0.303 per share against the market value of Jupiter shares on 3 June 2019, AUD0.350 per share, both translated at the USD/AUD foreign exchange rate on 3 June 2019.

The realised loss on the First Tranche of Sales Proceeds is as follows:

	Number of shares	Price per share USD	Total price USD'000
Realised loss on First Tranche Sales Proceeds			
Agreed sale price of First Tranche of Jupiter shares (3 June 2019)	72,922,686	0.21	15,390
Fair value of First Tranche of Jupiter shares (3 June 2019)	72,922,686	0.24	(17,758)
Realised fair value loss on disposal (First Tranche)			**(2,368)**

Realised gain on Second Tranche Sales Proceeds

On 28 November 2019, the Group's 72,922,686 Jupiter shares that it had agreed to sell to AMCI had a fair market value of AUD0.260 per share, translated at the closing rate of USD/AUD1.4780 on 28 November 2019. The Group's realised gain on disposal is calculated as the difference between the agreed sale price of AUD0.303 per share against the market value of Jupiter shares on 28 November 2019, AUD0.260 per share, both translated at the USD/AUD foreign exchange rate on 28 November 2019.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2019

2. JUPITER DISPOSAL AND DIVIDEND INCOME/CONTINUED

The realised gain on the Second Tranche of Sales Proceeds is as follows:

	Number of shares	Price per share USD	Total price USD'000
Realised gain on Second Tranche Sales Proceeds			
Agreed sale price on Second Tranche Sales Proceeds (28 November 2019)	72,922,686	0.21	14,968
Fair value of Second Tranche of Jupiter shares (28 November 2019)	72,922,686	0.18	(12,829)
Realised fair value gain on disposal (Second Tranche)			**2,139**

The net realised loss on disposal of both the First Tranche and Second Tranche of Sales Proceeds is as follows:

	USD'000
Realised fair value loss on disposal (First Tranche)	(2,368)
Realised fair value gain on disposal (Second Tranche)	2,139
Net realised loss on disposals	**(229)**
Other realised fair value movements in the period	4,874
Realised fair value net gain on Jupiter disposals	**(4,645)**

Other realised fair value movements in the period relate to the Group's mark-to-market fair value movements from 1 January 2019 to the dates of its disposal, i.e. 3 June 2019 and 28 November 2019 of USD4.9 million, these unrealised fair value movements have been reclassified to realised fair value movements in the Consolidated Income Statement.

May 2019 Jupiter dividend

On 19 February 2019, Jupiter announced the details of a final unfranked dividend of AUD0.025 per share. The Group, as a 7.44% shareholder in Jupiter at the time, received a dividend of AUD3.6 million on 21 May 2019. The Group entered into a foreign exchange contract to hedge the foreign exchange risk up to the day of the dividend was received – no hedge accounting has been applied to this natural hedge. The gain on this contract was as follows:

	AUD'000	USD'000
Realised foreign exchange gain on forward contract of dividend payment		
Fair value of foreign exchange contract at date of commitment (4 March 2019)	3,646	2,582
Fair value of foreign exchange contract at date of completion (21 May 2019)	(3,646)	(2,510)
Realised gain on Jupiter exchange contract	–	72

GGL disposed of its remaining Jupiter shares on 28 November 2019 and therefore held Nil Jupiter shares at 31 December 2019.

3. TAXATION

The Group's tax expense is as follows:

	2019 USD'000	2018 USD'000
Current tax		
Taxation charge for the year	24,561	20,631
Deferred tax		
Origination and reversal of temporary differences	3,681	(14,148)
Total taxation charge	**28,242**	**6,483**

The reasons for the difference between the actual taxation charge for the year and the standard rates of corporation tax in Guernsey and the United Kingdom applied to profits for the year, are as follows:

	2019 USD'000	2018 USD'000
Profit/(loss) on ordinary activities before taxation	67,373	(53,948)
Taxation on ordinary activities at the standard rate of corporation tax in Guernsey of 0% (2018: 0%)	–	–
Taxation on ordinary activities at the standard rate of corporation tax in the United Kingdom of 19% (2018:19%)[1]	9,971	–
Effects of:		
Expenses not deductible for tax purposes	3,446	3,064
Over/(under) provision from previous periods	390	(463)
Tax losses not recognised as deferred tax asset	2,143	214
Different tax rates applied in overseas jurisdictions	12,292	3,668
Total taxation charge	**28,242**	**6,483**

1 *The weighted average rate applied is 14.8% which has been arrived at by applying 0% for the period to March 2019 when the Company was Guernsey tax resident and 19% for the remainder of the year following the relocation of tax residency to the UK.*

In Guernsey, the main rate of corporation tax for the year was 0%. The main rate of corporation tax in the United Kingdom was 19%.

The Group's effective tax rate of 41.9% arises as a result of non-deductible Mineral Royalty Tax in Zambia and the non-recognition of tax losses. The increase in tax charge arising due to differences in overseas tax rates, from 2018, arose as a result of the relocation of tax residency of the company from Guernsey to the UK in March 2019, and as a result of increased profits at Kagem and in the UK.

Different tax rates applied in overseas jurisdictions reflect the different tax rates applicable in the various jurisdictions in which the Group operates. The main rates of corporation tax in Zambia and Mozambique were 30% and 32%, respectively.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS **CONTINUED**

for the year ended 31 December 2019

3. TAXATION/CONTINUED

Deferred tax

Details of the deferred tax liabilities and assets, amounts recognised in the Consolidated Income Statement, and amounts recognised in other comprehensive income are as follows:

	2019 USD'000	2018 USD'000
Recognised deferred tax assets		
Other temporary differences	3,290	2,653
Tax losses	6,052	9,898
Property, plant and equipment	1,886	629
Foreign exchange movement	155	–
Total deferred tax assets	**11,383**	**13,180**
Deferred tax assets netted against deferred tax liabilities	(4,156)	(6,799)
Total deferred tax assets	**7,227**	**6,381**

	2019 USD'000	2018 USD'000
Recognised deferred tax liabilities		
Evaluated mining property – Kagem and MRM	(91,110)	(89,620)
Inventory valuation – Kagem and MRM	(4,957)	(4,662)
Intangibles – Fabergé	(266)	(322)
Total deferred tax liabilities	**(96,333)**	**(94,604)**
Deferred tax assets netted against deferred tax liabilities	4,156	6,799
Total deferred tax liabilities	**(92,177)**	**(87,805)**

The movement on the deferred tax account is provided below.

	2019 USD'000	2018 USD'000
At 1 January	**(81,424)**	**(95,572)**
Other temporary differences	637	892
Tax losses	(3,846)	3,127
Property, plant and equipment	1,257	91
Evaluated mining property – Kagem and MRM	(1,785)	8,833
Inventory valuation – Kagem and MRM	–	1,149
Intangibles – Fabergé	56	56
Recognised in the Consolidated Income Statement	(3,681)	14,148
Foreign exchange movement	155	–
At 31 December	**(84,950)**	**(81,424)**

Deferred tax assets are only recognised in relation to tax losses and other temporary differences where it is considered probable that the losses will be utilised in the foreseeable future, and therefore the asset is recoverable.

Therefore, as there is uncertainty over the above, no deferred tax has been recognised in relation to unused tax losses in the amount of USD98.0 million (2018: USD89.2 million), of which USD82.7 million was acquired through business combinations during the year ended 31 December 2017.

4. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings USD'000	Plant, machinery and motor vehicles USD'000	Fixtures, fittings and equipment USD'000	Evaluated mining properties USD'000	Deferred stripping costs USD'000	Total USD'000
Cost						
At 1 January 2018	11,709	21,577	5,626	348,923	11,623	399,458
Additions	12,912	17,869	333	355	–	31,469
Disposals	–	(2,691)	–	–	–	(2,691)
Foreign exchange differences	–	–	(84)	–	–	(84)
At 31 December 2018	24,621	36,755	5,875	349,278	11,623	428,152
Additions	8,132	16,999	869	–	–	**26,000**
Disposals and reversals	–	(1,250)	–	(860)	–	**(2,110)**
Foreign exchange differences	18	–	162	–	–	**180**
At 31 December 2019	**32,771**	**52,504**	**6,906**	**348,418**	**11,623**	**452,222**
Accumulated depreciation						
At 1 January 2018	307	4,056	657	15,949	468	21,437
Provided during the year	809	10,136	2,546	7,437	1,134	22,062
Disposals	–	(2,691)	–	–	–	(2,691)
Impairments	–	–	–	22,577	–	22,577
Foreign exchange differences	–	–	(247)	–	–	(247)
At 31 December 2018	1,116	11,501	2,956	45,963	1,602	63,138
Provided during the year	2,987	12,664	1,633	17,038	312	**34,634**
Disposals	–	(1,120)	–	–	–	**(1,120)**
Impairment reversals	–	–	–	(21,559)	–	**(21,559)**
Foreign exchange differences	18	–	198	–	–	**216**
At 31 December 2019	**4,121**	**23,045**	**4,787**	**41,442**	**1,914**	**75,309**
Carrying value						
At 31 December 2018	23,505	25,254	2,919	303,315	10,021	365,014
At 31 December 2019	**28,650**	**29,459**	**2,119**	**306,976**	**9,709**	**376,913**

Evaluated mining properties relate to the mining licences held mainly at Kagem and MRM, including Group fair value adjustments from the 2017 acquisition.

Deferred stripping costs relate to Kagem.

Included within land and buildings are right-of-use assets with a cost of USD5.4 million and associated accumulated depreciation of USD1.0 million which have been recognised for the first time upon adoption of IFRS 16. There has been no impairment on these right-of-use assets. These assets relate to property rented in various countries throughout the Group of various lease lengths. Refer to Note 11 for details on the initial adoption of IFRS 16.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2019

4. PROPERTY, PLANT AND EQUIPMENT/CONTINUED

Impairment review of Kagem Mining Limited

The 15% export duty on precious metals and gemstones introduced by the GRZ from 1 January 2019 was expected to have a significantly adverse impact on the cash flow generation of Kagem to the extent that revenues were reduced directly by the tax and was therefore considered an impairment indicator. As a result, an impairment review in accordance with IAS 36 was performed at 31 December 2018 where the recoverable amount of the CGU was determined to be lower than its carrying value leading to an impairment charge of USD22.6 million being recognised. The impairment charge reduced the carrying value to USD184.2 million. The recoverable amount was determined based on the value-in-use calculations, using the cash flows expected to be generated from existing operations, up to the date when the reserves and resources are available using annual ore extraction rates.

In December 2019, the GRZ issued a Statutory Instrument ("SI") which enacted into law the suspension of the export duty indefinitely from 1 January 2020. In light of this indefinite suspension, Kagem's recoverable amount has been reassessed as USD335.8 million, which is higher than its carrying value of USD187.1 million. Consequently, an impairment reversal of USD21.6 million has been recognised taking the CGU's carrying value to USD208.7 million. The impairment reversal takes into account depreciation during the year and therefore is not equivalent to the impairment charge previously recognised. The recoverable amount of USD335.8 million has been determined based on the 'value-in-use' calculations using the cash flows expected to be generated from existing operations, up to the date when the reserves and resources are available using annual ore extraction rates and similar assumptions to the calculations performed at 31 December 2018.

The key assumptions used in the recoverable amount calculations for both 2018 and 2019 are:

- Recoverable amount of reserves and resources – economically recoverable reserves and resources are based on management's expectations and the technical studies and exploration and evaluation work undertaken by in-house and third-party specialists.
- Commodity prices – rough emerald and beryl prices have been determined using the Group's historic achieved prices over a period of 10 years and 30 auctions. Rough emerald and beryl prices are not traded on a public exchange and most transactions occur in private auctions and therefore historic trends of prices and product mix are the most appropriate and reasonable basis. A 10% fall in prices would reduce the recoverable amount by USD51.7 million, leaving the impairment reversal unchanged.
- Composition of auctions – the quality of production and product mix typically dictate the composition of the high-quality auctions. The composition of the auction includes premium emerald and emerald stones that enhance the auction parcels and schedules and is dependent on: (i) production; (ii) management strategy, i.e. building inventory or cash generation; and (iii) market intelligence. Any variations in this composition are at the discretion of management, and given the continued improvement in the quality of production and the market strength, it is anticipated that over the near to medium term the proportion of emerald production taken to high-quality auctions will increase. A 10% reduction in the quantity of emerald stones sent to high quality auction would reduce the recoverable amount by USD36.7 million, leaving the impairment reversal unchanged.
- Operating costs – variable operating costs have been included in the impairment test as a function of the related production volumes. Fixed costs at the mines, washing plant and sort house are largely constant but reflect material changes in activity levels.
- Discount rate – a real discount rate of 10.70% was used in the recoverable amount calculations, which represents the pre-tax rate that reflects the Group's current market assessments of the time value of money and the risks specific to the CGU. The Group applied a real discount rate of 10.4% in the 2018 impairment review.
- Timing of capital expenditure – management have estimated the timing of capital expenditure on the development projects based on the Group's current and future financing plans and the results of technical studies completed to date.

The calculation of value-in-use of the Group's CGUs for the impairment review at 31 December 2019 provided a range of outcomes as the calculation is particularly sensitive to changes in rough emerald and beryl, composition of the high-quality auctions and the discount rate used, amongst other changes. Any changes to the assumptions adopted in the calculation of the value-in-use to sell, individually or in aggregate, would result in a different valuation being determined. Sensitivity to these key inputs has been detailed above.

If the real discount rate is increased to 11.5% the recoverable amount would be USD34.7 million lower, however the impairment reversal would remain unchanged.

5. INTANGIBLE ASSETS

	Software USD'000	Indefinite life intangible assets USD'000	Finite life intangible assets USD'000	Unevaluated mining properties USD'000	Total USD'000
Cost					
At 1 January 2018	166	39,942	496	8,896	49,500
Additions	131	–	–	3,325	3,456
Foreign exchange differences	(4)	–	–	–	(4)
At 31 December 2018	293	39,942	496	12,221	52,952
Additions	265	–	–	2,800	3,065
Foreign exchange differences	–	–	–	–	–
At 31 December 2019	**558**	**39,942**	**496**	**15,021**	**56,017**
Accumulated amortisation					
At 1 January 2018	50	–	138	–	188
Charge in the year	110	–	330	–	440
Foreign exchange differences	(4)	–	–	–	(4)
At 31 December 2018	156	–	468	–	624
Charge in the year	193	–	–	–	**193**
At 31 December 2019	**349**	**–**	**468**	**–**	**817**
Carrying value					
At 31 December 2018	137	39,942	28	12,221	52,328
At 31 December 2019	**209**	**39,942**	**28**	**15,021**	**55,200**

Indefinite life intangibles assets consist of intangibles relating to the Fabergé brand and trademarks.

Unevaluated mining properties consist of intangibles relating to the mining and prospecting licences (evaluation and exploration assets) held in the newer projects, mainly in Mozambique and Ethiopia.

Fabergé Limited cash generating unit valuation ("Fabergé"), the 100% ownership of Fabergé, a retailer of premium personal luxury goods ("PLGs')

As at 31 December 2018, as disclosed in the 2018 Financial Statements, it was considered that the Fabergé value-in-use based on a discounted cash flow was the most appropriate valuation method. The Group has now applied a Market Approach – Revenue Multiple method for the valuation of Fabergé at 31 December 2019 given the reduction of sales revenue from USD13.4 million in 2018 to USD10.5 million in 2019 and considering the typical method of valuing luxury goods businesses. The primary source in determining the valuation of Fabergé at 31 December 2019 is an independent valuation report, prepared by an independent third party as at 31 December 2019. The report includes a Fair Value less Cost of Disposal valuation ("FVLCD") using the revenue multiple method and includes a range of valuations. The report concluded that the only practical market-based approach to value Fabergé is by reference to enterprise value to revenue multiples ("EV/Revenue") exhibited by comparable companies ("CoCos") and comparable transactions ("CoTrans"). For both elements of the valuation the report considered a peer group of well-established, globally recognised PLG companies with a focus on those operating jewellery or timepieces brands.

The Group believes that a revenue multiple based on comparable companies is the most appropriate method of valuing the Fabergé CGU.

The key judgements, assumptions and inputs are discussed in more detail below.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS **CONTINUED**

for the year ended 31 December 2019

5. INTANGIBLE ASSETS/CONTINUED

Basis of revenue

For both the CoCos and the CoTrans elements of the valuation the independent valuation report used three Fabergé revenue metrics of:

1. 2019 sales orders agreed of USD12.3 million (12 months to 31 December 2019);
2. The three year 2017–2019 average annual agreed sales of USD12.2 million; and
3. Average rolling 12-month agreed sales in the second half of 2019 of USD12.2 million.

Based on the Fabergé business, the three year 2017–2019 average annual agreed sales metric of USD12.2 million is considered to be the most reliable basis of the revenue multiple for FVLCD since this spans the largest time period, is within a narrow range of revenue bases under review yet still presents a more representative estimate of future sales.

Peer Group

The peer group of globally recognised, luxury personal goods companies selected to establish a comparable EV/Revenue multiple range considered the following:

- Fabergé's greater heritage and premium brand perception compared to many brands within the peer group;
- Fabergé's comparatively small size and less diversified brand and product portfolio;
- Fabergé's higher growth potential compared to the larger and more mature companies in the peer group; and
- Fabergé's last fiscal year revenue and EBITDA margin growth is negative.

Taking these factors into account, the report considers it reasonable to apply a discount to the peer group average multiples and selected an EV/Revenue multiple range of 3.5x-4.0x (mid-point: 3.75x).

Control Premium

Multiples derived for comparable quoted companies are generally based on share prices reflective of the trades of small parcels or shares. As such, they generally reflect a minority discount. The report has therefore applied a control premium range of 25%–35% in order to arrive at an adjusted enterprise value for the Fabergé CGU.

Discount for Lack of Marketability ("DLOM")

On the basis that a revenue multiple derived from the CoCos reflect trades of liquid parcels or shares, whereas the Fabergé CGU is a private entity, the report considered appropriate to apply a DLOM.

The report applies a DLOM range of 5%-10% taking into consideration the following factors:

- Gemfields Group Limited ("GGL") has received several offers for Fabergé;
- Given the well-established and globally recognised heritage of the Fabergé brand, it may be considered a "trophy asset" by potential investors; and
- Quantitative analysis using the Ghaidarov Average-Strike Put Option model.

Illustrative Costs of Disposal

Given the several acquisition offers received by GGL for Fabergé since it was acquired in 2013, and the high-profile nature of the Fabergé brand, the independent third party consider it likely that any potential sale of the business would involve relatively minimal marketing process and related costs.

As such, the report considered an appropriate illustrative cost of disposal of 1% of enterprise value, which is the mid-point of disposal costs of between 0.5% and 1.5% of similar transactions observed.

5. INTANGIBLE ASSETS/CONTINUED

Surplus Inventory

Within inventory of USD30.7 million at 31 December 2019, Fabergé carries a high level of 'showpiece' assets which can be summarised as art-jewellery and exceptional gemstones, showcasing the highest possible level of design, craftmanship and quality associated with the brand, which are not required for the operations of the CGU and can be considered as surplus assets. This surplus amount aggregates to USD23.4 million with the remainder regarded as operational inventory, required to support annual sales.

This surplus inventory amount is added back to the calculated enterprise value after adjustment for control premium and DLOM in order to arrive at the total enterprise value of the Fabergé CGU.

Valuation Results

Using the revenue multiple of the three year 2017-2019 average annual agreed sales and an average of the CoCos EV/Revenue valuation results, the Directors conclude that the Fabergé CGU is not impaired with a CGU valuation of USD77.9 million.

It is noted that the carrying value of the CGU of USD75.1 million sits within a range of values of EV/Revenue multiple valuations from CoCo and CoTrans as illustrated in the analysis below. The ranges indicate that the Faberge CGU is not impaired at 31 December 2019.

Summary of results – mid-point values

	USD millions
FVLCD (at an EV level, including surplus inventory)	
CoCos EV/Rev – FY19 – full year (sales agreed)	78.3
CoCos EV/Rev – FY17–19 – average sales agreed	77.9
CoCos EV/Rev – Trailing USD6 million average of rolling USD12 million sales agreed	78.1
CoTrans EV/Rev – FY19 – full year (sales agreed)	74.8
CoTrans EV/Rev – FY17–19 – average sales agreed	74.4
CoTrans EV/Rev – Trailing USD6 million average of rolling USD12 million sales agreed	74.6
Average	**76.3**
Headroom/(impairment)	
CoCos EV/Rev – FY19 – full year (sales agreed)	3.1
CoCos EV/Rev – FY17–19 – average sales agreed	2.7
CoCos EV/Rev – Trailing USD6 million average of rolling USD12 million sales agreed	2.9
CoTrans EV/Rev – FY19 – full year (sales agreed)	(0.4)
CoTrans EV/Rev – FY17–19 – average sales agreed	(0.8)
CoTrans EV/Rev – Trailing USD6 million average of rolling USD12 million sales agreed	(0.6)
Average	**1.2**

If the valuation was sensitised for a 10% fall in revenue at the mid-point revenue multiple of 3.75x, the FVLCD to dispose would be USD72.1 million with the full range being from USD65.9 million to USD79.2 million.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2019

6. INVESTMENTS

Information on each of the Group's investments is provided below. This disclosure is intended to ensure that users of the Financial Statements understand how each investment has been valued, and the risks associated with each investment valuation. In addition, the disclosure meets certain requirements related to the Group's JSE listing.

The reconciliation of the investment valuations from 1 January 2019 to 31 December 2019 is as follows:

	Balance at 1 January 2019 USD'000	Unrealised fair value losses USD'000	Realised fair value gains USD'000	Disposals USD'000	Balance at 31 December 2019 USD'000
Listed equity investments					
Jupiter[1]	25,714	–	4,645	(30,359)	–
	25,714	–	4,645	(30,359)	–
Unlisted equity investments					
Sedibelo Platinum Mines[2]	50,447	7,053	–	–	57,500
	50,447	7,053	–	–	57,500
Total	**76,161**	**7,053**	**4,645**	**(30,359)**	**57,500**

1 The net realised fair value gain of USD4.6 million comprises a realised fair value gain on Jupiter of USD4.87 million (inclusive of a realised foreign exchange loss of USD1.0 million) and a realised loss on disposal of USD0.23 million (see Note 2: Jupiter disposal and dividend income, for further breakdown). All 'realised' fair value losses during the period have been reclassified as 'realised' fair value gains. The Group received a total amount of AUD44.2 million (or USD30.4 million) in cash as consideration for the Jupiter Shares it owned.

2 The unrealised fair value gain on Sedibelo of USD7.1 million does not include any foreign exchange, as the valuation is denominated in USD.

The reconciliation of the investment valuations from 1 January 2018 to 31 December 2018 is as follows:

	Balance at 1 January 2018 USD'000	Transfer from unlisted USD'000	Unrealised fair value losses USD'000	Realised gains USD'000	Disposals USD'000	Transfer to listed USD'000	Balance at 31 December 2018 USD'000
Listed equity investments							
Jupiter[1]	–	37,656	(11,942)	–	–	–	25,714
	–	37,656	(11,942)	–	–	–	25,714
Unlisted equity investments							
Jupiter[1]	98,100	–	–	11,680	(72,124)	(37,656)	–
Sedibelo Platinum Mines[2]	98,064	–	(47,617)	–	–	–	50,447
	196,164	–	(47,617)	11,680	(72,124)	(37,656)	50,447
Total	196,164	37,656	(59,559)	11,680	(72,124)	(37,656)	76,161

1 The unrealised fair value loss on Jupiter of USD11.9 million included an unrealised foreign exchange loss of USD3.6 million. The realised gain on Jupiter of USD11.7 million did not include any foreign exchange, as the cash receipts were denominated in USD. The cash receipt from the Jupiter IPO of AUD83.1 million (or USD64.4 million), net of associated selling costs, was converted to USD on the same day, resulting in no foreign exchange gain/(losses) being realised. The Company disposed of 5.81% of its shares to Jupiter at USD0.35 per share in the March 2018 Jupiter buy-back, with the Company receiving USD7.7 million. The Company disposed of 212,028,012 of its shares to Jupiter at a price of AUD0.40 per share or USD0.31 per share converted at the foreign exchange rate on 18 April 2018, the date the Jupiter IPO was completed, with the Company receiving USD64.4 million. See Note 2: Jupiter disposal and dividend income, for more detail on the Jupiter share buy-back and IPO.

2 The unrealised fair value loss on Sedibelo of USD47.6 million did not include any foreign exchange, as the valuation is denominated in USD.

6. INVESTMENTS/CONTINUED

Jupiter Mines Limited ("Jupiter") – equity (up to 28 November 2019)

Nature of investment	The Group held an equity interest in Jupiter up to 28 November 2019. Jupiter is based in Perth, Western Australia, and its main asset is a 49.9% interest in the Tshipi manganese joint venture in South Africa. The Group completed its transaction to sell its remaining stake in Jupiter to a third party at an agreed price of AUD0.21 per share on 28 November 2019. As the Group disposed of its remaining Jupiter shares on 28 November 2019, the Group held a balance of Nil Jupiter shares at 31 December 2019.
Last date of valuation	28 November 2019
Fair value methodology	Market Approach – Listed Share Price The Group's interest in Jupiter was last valued on 28 November 2019 at the mid-price of AUD0.26 per share, translated at the closing rate of USD/AUD1.4780 on 28 November 2019.

Sedibelo Platinum Mines Limited ("Sedibelo Platinum Mines" or "Sedibelo" or "SPM") – equity

Nature of investment	The Group holds an equity interest in SPM, a producer of Platinum Group Metals ("PGMs") with interests in the Bushveld Complex in South Africa.
Date of valuation	31 December 2019
Fair value methodology	Market Approach – Market Comparables estimate The Directors have, based on the approach below, estimated that the value of SPM is USD879 million; the Group's indirect 6.54% interest has therefore been valued at USD57.5 million. As at 31 December 2018, as disclosed in the 2018 Financial Statements, the Directors considered that a valuation of SPM based on a Market Approach was most appropriate. The Directors have again applied the Market Approach for their valuation of SPM at 31 December 2019. The primary source in determining the valuation of SPM at 31 December 2019 is an independent valuation report, prepared by an independent third party as at 31 December 2019. The independent valuation report includes a valuation using the Market Approach and includes a range of valuations. The independent valuation report concluded that the only practical market-based approach is to value the Group's investment in SPM by reference to the key market multiples exhibited by reference to the pricing of publicly listed PGM companies. The independent valuation report considered a peer group comprising Anglo Platinum, Impala Platinum, Northam Platinum and Royal Bafokeng Platinum. When comparing the valuation of SPM's peer group, the independent valuation report considered the most suitable measures to be Enterprise Value per resource ounce and production per ounce. Secondary measures of enterprise value per reserve ounce and revenue were also considered.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2019

6. INVESTMENTS/CONTINUED

Sedibelo Platinum Mines Limited ("Sedibelo Platinum Mines" or "Sedibelo" or "SPM") – equity (continued)

Fair value methodology

The independent third party used the available information reported by SPM in its September 2019 MD&A reporting and from SPM's most recent mineral resources and reserves report (as at December 2016), and have determined that the attributable PGM resource of the SPM at 31 December 2019 would most likely be c.92-93 million ounces. The independent valuation report worked on the assumption that production at SPM will remain in the 130–150k ounces per annum range in the near term but note that operations at SPM have the flexibility to increase this rate should PGM prices demonstrate a sustained price improvement.

The average multiple of Enterprise Values across SPM's peer group over their (i) mineral resources and (ii) production, suggests respective averages of USD26 per 4E ounce and USD 4,855 per 4E ounce. Each multiple arrives at an implied valuation of SPM within a range of USD631 million – USD2,418 million, with a mid-point of USD1,525 million. The Group's indirect 6.54% interest would be valued in a range of USD41 million and USD158 million, with a mid-point of USD 100 million, on this basis. If the Directors were to apply the same 30% 'illiquidity discount' that they applied in the 2018 Financial Statements, then this would decrease the Group's (6.54% interest) valuation of SPM from USD100 million to USD70 million.

The independent third party concluded that the majority of the PGM peer group is significantly larger on all operational and performance metrics than SPM. The independent third party reviewed African gold companies to assess how smaller operators are valued in the market relative to their larger peer group. This being in their opinion the best market guide to how PGM companies would rate if the population in the sample were higher, and therefore provides an indication as to a suitable market based discount to apply to the large PGM peer multiples for the purposes of valuing SPM.

The independent third party selected two peer groups of African gold companies. The peer group of 'large' gold companies consisted of AngloGold Ashanti, Endeavour Mining, Perseus and Semafo whilst the peer group of 'junior' gold companies consisted of Golden Star, Roxgold, Hummingbird, Shanta Gold and Caledonia Mining. The independent third party excluded outliers AngloGold and Roxgold, which have specific characteristics which influence their rating. The independent third party concluded that junior gold companies presently trade at between c.45–70% discount on mineral resources and production basis compared to the peer group of large gold companies.

The independent valuation report concluded that it is reasonable to use the following multiples to value SPM; USD10–12 per 4E ounce for mineral resources and USD2,000–2,500 per 4E ounce for production. The multiples lead to a range of values for SPM (100% basis) on an Enterprise Value basis of; USD920 million – USD1,116 million on a mineral resource basis and USD260 million to USD375 million on a production basis.

After allowance of SPM's net debt of USD10–15 million at 31 December 2019 the independent valuation report arrived at a value range of SPM (100% basis) to be in a range of USD750 million to USD1,000 million. The independent valuation report assessed the value of the Group's 6.54% investment being in the range of USD50 million – USD65 million, with a mid-point valuation of USD57.5 million. The Directors concur with the independent third-party mid-point valuation of SPM as at 31 December 2019.

6. INVESTMENTS/CONTINUED

Sedibelo Platinum Mines Limited ("Sedibelo Platinum Mines" or "Sedibelo" or "SPM") – equity (continued)

Fair value methodology	For the purposes of the disclosures required by IFRS 13, if SPM's mineral resources decreased by 25% (i.e. from c.92-93 million ounces to c.69-70 million ounces), with all other indicators and evidence unchanged, the independent valuation report's assessment of the valuation would to be in the range of USD35–50 million, with a mid-point of USD42.5 million. The related fair value decrease of USD15 million would be recognised in profit and loss. If SPM's mineral resources increased by 25% (i.e. from c.92-93 million ounces to c.115-116 million ounces), with all other indicators and evidence unchanged, the independent valuation report's assessment of the valuation would to be in the range of USD60–80 million, with a mid-point of USD70 million. The related fair value increase of USD12.5 million would be recognised in profit and loss.

Fair value hierarchy

IFRS 13 requires disclosure of fair value measurements under the following hierarchy:

Level	Fair value input description
Level 1	Listed prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Inputs other than listed prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
Level 3	Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The investment in Jupiter up to the Group's divestment on 28 November 2019 was deemed to be Level 1 under the fair value hierarchy.

The investment in Sedibelo, measured at fair value through profit or loss, has been deemed to be Level 3 under the fair value hierarchy, based on the valuation method used.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2019

7. BORROWINGS

		Interest rate	Maturity	2019 USD'000	2018 USD'000
Non-current interest-bearing loans and borrowings					
Barclays Zambia	USD20 million term loan	USD LIBOR + 5.50%	2020–2024	18,000	20,000
Barclays Zambia	USD10 million revolving credit facility	USD LIBOR + 5.50%	2022	10,000	–
Barclays Mauritius	USD15 million revolving credit facility	USD LIBOR + 5.50%	2020	–	10,000
				28,000	30,000

		Interest rate	Maturity	2019 USD'000	2018 USD'000
Current interest-bearing loans and borrowings					
Barclays Zambia	USD20 million term loan	USD LIBOR + 5.50%	2020	2,000	–
Barclays Mozambique	USD15 million overdraft facility	USD LIBOR + 4.00%	2019	12,875	14,459
Barclays Mauritius	USD15 million revolving credit facility	USD LIBOR + 5.50%	2020	–	5,000
BCI[1]	USD15 million overdraft facility	USD LIBOR + 3.75%	2019	9,952	3,712
				24,827	23,171
				52,827	**53,171**

1 *BCI – Banco Comercial E De Investimentos, S.A.*

Cash and non-cash movements in Borrowings and leases are shown below:

	Borrowings 2019 USD'000s	Borrowings 2018 USD'000s	Leases 2019 USD'000s	Leases 2018 USD'000s	**Total 2019 USD'000**	Total 2018 USD'000
IFRS 16 adjustment	–	–	2,627	–	2,627	–
At 1 January	**53,171**	**63,470**	–	–	**53,171**	**63,470**
Additions to leases	–	–	2,764	–	2,764	–
Cashflows						
Cashflows in	52,826	–		–	52,826	–
Cashflows out	(53,170)	(11,849)	(998)	–	(54,168)	(11,849)
Non-cash flows						
Settled with restricted cash	–	(600)		–	–	(600)
Finance costs	–	2,150	302	–	302	2,150
Exchange differences	–	–	(44)	–	(44)	–
At 31 December	**52,827**	53,171	**4,651**	–	**57,478**	53,171

7. BORROWINGS/CONTINUED

Barclays Zambia

In August 2019, Kagem entered into a USD20 million term loan facility with Barclays Bank Zambia plc. The facility bears interest at a rate of three-month US LIBOR plus 5.50%. The facility is repayable over 60 months after the date of the first drawdown of the facility. As at 31 December 2019, USD20 million was fully drawn, with USD2.0 million being repayable in December 2020. The facility replaced the previous USD20 million revolving credit facility which was due to expire in February 2020.

Kagem also entered into a USD10 million revolving credit facility with Barclays Bank Zambia plc which bears interest at a rate of three-month US LIBOR plus 5.50% and is repayable after 36 months after the date of the first drawdown of the facility (there is an option to extend the facility for a further 24 months upon agreement by both parties). As at 31 December 2019, USD10 million was fully drawn.

At 31 December 2019, Kagem had USD30 million outstanding with Barclays Bank Zambia plc, with security comprising a fixed and floating charge over all of Kagem's net assets, equivalent to the total amount outstanding under the facility and a corporate guarantee from Gemfields Group Ltd.

The facilities are subject to the following financial covenants for which the first measurement period is 31 December 2020:

- Senior Debt Service Cover Ratio shall not fall below 1.2 times.
- Interest Service Cover Ratio shall not fall below 2.5 times.
- Senior Net Debt/EBITDA shall not exceed 2.5 times.

Barclays Mauritius

In August 2019, Kagem settled the USD15 million outstanding Barclays Bank Mauritius Limited and refinanced this with Barclays Bank Zambia plc as discussed above. The facility attracted interest at USD LIBOR plus 5.50% and was due for repayment in February 2020. As at 31 December 2018, USD15 million was fully drawn. At 31 December 2019 Kagem did not owe any amounts to Barclays Mauritius.

Barclays Mozambique

In April 2016, MRM entered into a USD15 million unsecured overdraft facility with Barclays Bank Mozambique S.A. The facility has an interest rate of three-month US LIBOR plus 4% per annum. The outstanding balance as at 31 December 2019 was USD12.9 million (2018: USD14.5 million). Gemfields Ltd issued a corporate guarantee for the facility.

The proceeds of the facilities from Barclays Bank Mozambique S.A. and BCI will facilitate MRM in financing its capital expenditure requirements for the Montepuez ruby deposit in Mozambique and provide additional working capital.

Banco Comercial E De Investimentos ("BCI")

(i) In June 2016, MRM entered into a USD15 million unsecured overdraft facility with BCI. This is a rolling facility which renews annually, provided that terms and conditions are met, and attracts interest of three-month USD LIBOR plus 3.75% per annum. At 31 December 2019, USD9.9 million (2018: USD18.2 million) was outstanding. The facility is secured by a blank promissory note undertaken by MRM and a corporate guarantee by Gemfields Mauritius Limited, a 100% subsidiary of the Group.

(ii) In June 2016, MRM entered into a USD15 million financing leasing facility with BCI. This is a renewable facility with a drawdown period of 12 months, and the amounts drawn down were repayable over a maximum period of 48 months. The facility had an interest rate of three month USD LIBOR plus 3.75% per annum. As at 31 December 2019, USD Nil million was outstanding.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2019

8. PER SHARE INFORMATION

Earnings/(Loss) Per Share ("EPS" or "LPS") and Net Asset Value ("NAV") are key performance measures for the Group. EPS/(LPS) is based on profit/(loss) for the year divided by the weighted average number of ordinary shares in issue during the year. NAV per share is based on net assets divided by the number of ordinary shares in issue at 31 December 2019.

Headline Earnings/(Loss) Per Share ("HEPS" or "HLPS") is similar to EPS/(LPS), except that attributable profit specifically excludes certain items, as set out in Circular 1/2019 "Headline Earnings" ("Circular 1/2019") issued by the South African Institute of Chartered Accountants ("SAICA") during the period.

Earnings per share

The Group's EPS/(LPS) is as follows:

	2019	2018
Profit/(loss) for the year attributable to owners of the parent – USD'000	28,369	(62,213)
Weighted average number of shares in issue[1]	1,264,903,398	1,316,580,827
Earnings/(loss) per share – USD	**0.02**	**(0.05)**

1 *At 31 December 2019, the Company had a see-through interest in itself of 96,375,146 shares or 7.60%. These shares have been removed in the calculation of weighted average number of shares in issue.*
At 31 December 2018, the Company had a see-through interest in itself of 117,342,899 shares or 8.20%. These shares have been removed in the calculation of weighted average number of shares in issue.

There are no dilutive shares, as the average share price during the period was below the strike price of all exercisable share options. Therefore, EPS is equal to Diluted EPS.

Headline earnings per share

The Group's HEPS/(HLPS) is as follows:

	2019	2018
Profit/(loss) for the year attributable to owners of the parent – USD'000	28,369	(62,213)
Adjusted for:		
Impairment (reversal)/charges and write-offs	(21,559)	26,559
Tax impact	6,468	(6,773)
	13,278	(42,427)
Weighted average number of shares in issue[1]	*1,264,903,398*	*1,316,580,827*
Headline earnings/(loss) per share – USD	**0.01**	**(0.03)**

1 *At 31 December 2019, the Company had a see-through interest in itself of 96,375,146 shares or 7.60%. These shares have been removed in the calculation of shares in issue.*
At 31 December 2018, the Company had a see-through interest in itself of 117,342,899 shares or 8.20%. These shares have been removed in the calculation of shares in issue.

8. PER SHARE INFORMATION/CONTINUED

NAV per share
The Group's USD NAV per share is as follows:

	2019	2018
Net assets – USD'000	494,261	476,195
Number of shares in issue[1]	1,171,075,099	1,314,342,654
NAV per share – USD	**0.42**	**0.36**

1 *At 31 December 2019, the Company had a see-through interest in itself of 96,375,146 shares or 7.60%. These shares have been removed in the calculation of shares in issue. At 31 December 2018, the Company had a see-through interest in itself of 117,342,899 shares or 8.20%. These shares have been removed in the calculation of shares in issue.*

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Tangible NAV per share
The Group's USD tangible NAV per share is as follows:

	2019	2018
Net assets – USD'000	494,261	476,195
Adjusted for:		
Intangible assets	(55,200)	(52,328)
	439,061	423,867
Number of shares in issue[1]	*1,171,075,099*	*1,314,342,654*
Tangible NAV per share – USD	**0.37**	**0.32**

1 *At 31 December 2019, the Company had a see-through interest in itself of 96,375,146 shares or 7.60%. These shares have been removed in the calculation of shares in issue At 31 December 2018, the Company had a see-through interest in itself of 117,342,899 shares or 8.20%. These shares have been removed in the calculation of shares in issue.*

9. COMMITMENTS AND CONTINGENCIES

During the course of internal control and governance processes led by the Group in 2018, indications of small value payments seemingly not made in accordance with the Group's policies and procedures were identified in one of the Group's subsidiaries, Gemfields India.

The Board regards payments made outside of the Group's policies as a principal risk and takes breaches of the policies seriously. As a result, the Company appointed an experienced UK-based legal firm to undertake an investigation of the payment practices in Gemfields India. As part of this investigation, a number of lower value payments (typically a few hundred US dollars) were identified as falling outside of Group policy. The payments were made over a period of time and, even in aggregate, represent an immaterial amount from a Group materiality perspective. At the time of approving the 31 December 2018 financial statements, it was not possible to be sufficiently certain of the prospect or quantum of any liability that may or may not arise in relation to this matter in respect of any breach in legislation. However, having taken detailed legal advice, the Directors believed that any such liability may have been below the materiality threshold and therefore no provision was made in the financial statements at 31 December 2018.

Following identification of this matter, the Board has implemented a number of measures to further enhance its controls and processes. These include appointing a Head of Internal Audit, refreshing relevant training across the Group, restructuring management in the affected entity and re-emphasising and reviewing relevant policies and procedures, including reporting and whistle-blowing facilities.

At 31 December 2019, following further legal advice and review of the enhanced control environment across the Group, any liability relating to this matter is now considered to be remote and immaterial.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2019

10. BASIS OF PREPARATION

The Group's Financial Statements for the year ending 31 December 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the financial reporting guides issued by the Accounting Practices Committee of the South African Institute of Chartered Accountants ("SAICA Reporting Guides") and the financial reporting pronouncements issued by the Financial Reporting Standards Council of South Africa ("FRSC Pronouncements").

The Financial Statements also comply with the JSE Listings Requirements, AIM Rules for Companies, the Bermuda Stock Exchange ("BSX") Listing Regulations and The Companies (Guernsey) Law, 2008 and show a true and fair view. The Financial Statements have been audited by the Company's auditors, BDO LLP; their audit opinion was unqualified and did not draw attention to any emphasis of matter. The audit opinion is available for inspection at the Company's registered office: PO Box 186, Royal Chambers, St. Julian's Avenue, St. Peter Port, Guernsey, GY1 4HP. The Financial Statements will be mailed to shareholders during April 2020 and made available on the Company's website, www.gemfieldsgroup.com.

This preliminary announcement includes condensed consolidated financial statements ("Condensed Financial Statements"). The Condensed Financial Statements have been prepared in accordance with IAS34 *Interim Financial Reporting* and do not contain sufficient information to fully comply with IFRS. The Condensed Financial Statements comply with the SAICA Reporting Guides and the FRSC Pronouncements, the JSE Listings Requirements and the BSX Listing Regulations and show a true and fair view.

These condensed audited consolidated financial statements for the year ended 31 December 2019 have been extracted from the audited annual financial statements but are not themselves audited. The audit report does not necessarily cover all the information included in this announcement. The auditor's report on those financial statements was not qualified but included a material uncertainty over the going concern assumption and a reference to the Directors' disclosures on going concern. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the Company's registered office. The Directors take full responsibility for the preparation of these condensed audited consolidated results and confirm that the financial information has been correctly extracted from the underlying audited results for the year ended 31 December 2019.

The Group has adopted IFRS 16 *Leases* ("IFRS 16") during the year, effective from 1 January 2019. Refer to the Accounting Policies note below for further information.

11. ACCOUNTING POLICIES

The Group's accounting policies were last described in full in the Group's financial statements for the year ended 31 December 2018.

A number of new and amended standards became mandatory and are effective for annual periods beginning on or after 1 January 2019, of which only IFRS 16 Leases had an impact on the financial statements and the effect is disclosed below.

IFRS 16 *Leases*

The Group has adopted IFRS16 from 1 January 2019 using the modified retrospective approach. Accordingly, the information for 2018 is not restated because it remains as previously reported under IAS 17 and related interpretations. On initial application, the Group elected to record right-of-use assets based on the corresponding lease liability. A right-of-use asset and lease obligation of USD2.6 million were recorded as of 1 January 2019, with no net impact on retained earnings. The lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 7.83%.

11. ACCOUNTING POLICIES/CONTINUED

IFRS 16 *Leases* (continued)

From 1 January 2019 leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Full details on IFRS 16 leases and the adoption of this standard and its effects are detailed in the 2019 Annual Report.

The remaining new standards, amendments to standards and interpretations being IFRIC Interpretation 23, Amendments to IFRS9, Amendments to IAS28, Amendments to IAS19, and the Annual Improvements to IFRS Standards 2015–17 Cycle that are mandatory for 31 December 2019 reporting periods, have not had a material impact on the Group's financial statements.

There are a number of new and amended standards and interpretations that are not mandatory for the 31 December 2019 reporting period and have not been early-adopted by the Group. These will be adopted in the period when they became mandatory unless otherwise indicated.

12. GOING CONCERN

The financial performance and position of the Group, its cash flows and available debt facilities are described in the Financial Review on pages 10 to 17.

The Group manages liquidity risk by maintaining adequate committed borrowing facilities and working capital funds. The Board monitors the net debt level of the Group taking into consideration the expected outlook of the Group's financial position, cash flows and future capital commitments. The Group adopts a prudent approach in managing its liquidity risk, reflecting the volatility in gemstone mining and prices.

In 2019, the Group completed the disposal of its stake in Jupiter which along with the strong performance of the mining operations has resulted in a significantly strengthened balance sheet with net cash of USD25.4 million and cash and cash equivalents of USD78.2 million. However, the COVID-19 outbreak is expected to have an adverse impact on the Group's operations, customers and suppliers and consequently the Group's production, revenue and cash position in the near term. The Board has reviewed various scenarios and the resulting implications on the ability of the Group to continue as a going concern for the foreseeable future. These scenarios include delaying the Group's emerald and ruby auctions, reducing the revenue generated from these auctions, temporarily placing the mines under care and maintenance, and suspending all non-committed and discretionary expenditure across the Group.

The most important factor behind the Group's successful survival over the period of uncertainty with COVID-19 is the ability to hold successful emerald and ruby auctions and generate revenue without negatively impacting long-term prices. Following wide-ranging consultation with the Group's emerald and ruby customers hailing from India, Thailand, China, Hong Kong and USA, it was determined that the majority of them expected a recovery in the second half of the year, meaning auctions could reasonably be held from July onwards. However, after careful consideration in a bid to ensure that market prices are preserved and customers are given ample time to recover (i.e. not holding auctions too soon into their recovery, potentially impacting prices), the Directors concluded it would be most appropriate to postpone auctions until the fourth quarter of the year. Therefore, the most reasonable auction plan would be to have three auctions in the last quarter of 2020 – one high quality ("HQ") and one commercial quality ("CQ") emerald auction and one mixed quality ruby auction. It is expected that the normal six auction a year schedule would recommence in 2021. The Board believes that this schedule represents a reasonable timetable that would allow the Group to maximise revenues and preserve prices.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2019

12. GOING CONCERN/CONTINUED

The updated auction schedule will see the Group generating materially less revenue compared with the pre-COVID-19 expectation. In order to mitigate this fall in revenues, the Group will take significant cost-cutting measures which may include, but are not limited to, the following areas of non-committed and discretionary spend:

- Delay the second wash plant and other capital expenditure at MRM
- Delay capital expenditure at Kagem
- Suspension of international travel across the Group
- Suspension of the Group's share buy-back programme
- Reduction in costs relating to exploration and development assets
- Reduction in advertising and marketing costs across the Group

In addition, the Kagem mine in Zambia will temporarily suspend all critical operations and enter a one month period of care and maintenance as the company looks to safeguard the health of employees, who whilst on the mine are not able to observe appropriate social distancing and other preventative measures. This month of care and maintenance will also reduce variable costs such as fuel, blasting, repairs and maintenance, processing costs and travel.

One of the issues also considered by the Board, although not directly modelled or considered in the base case going concern assessment, was the temporary suspension of operations at MRM for three months and extending the Kagem shut down for a similar period.[1] This scenario would not present the Group with any significant financial challenges and will in fact provide increased cash headroom – albeit at the expense of generating additional on-hand inventory in the short term. Whilst the mines are under care and maintenance cash savings would be expected across all the variable costs mentioned above. A three-month shut down should not affect the auctions planned for the end of 2020 as the Group already holds sufficient inventory to cover the auctions noted above. Furthermore, both Kagem and MRM have significant ore stockpiles that can be processed in advance of the mines returning to full operational activity. The future production plans are therefore not entirely reliant upon the resumption of mining operations.

As a result of the above analysis, the Board believes that the Group has sufficient cash to meet its obligations. Consequently, the Directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

Notwithstanding this, the Board have also considered, in line with the above actions, how long the business could operate without an auction (essentially a reverse stress test) and note that if the first auction was delayed beyond October 2020, without other or additional measures, would result in a cash deficit and/or breaches of covenants against existing borrowing facilities. The Group would look to remedy any potential deficit through either obtaining additional loan funding, raising equity or through even more fundamental operational curtailments and would seek to resolve any covenant breaches through negotiation with the lenders. However, the impact of COVID-19 on the global economy is such that there is uncertainty over the ability to arrange this additional financing and around the ability to renegotiate any future potential covenant breaches.

These conditions and events indicate the existence of material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and the Group may therefore be unable to realise their assets and discharge their liabilities in the ordinary course of business.

These financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

The situation is at varying stages of fluidity in each key jurisdiction such that the scenarios disclosed represent what the Board to believe to be most likely outcomes given the facts and circumstances at this time. Should changes arise the Group will react and respond accordingly.

1 *A shut down period in excess of three months was not modelled by management as this was not considered by the board to be reasonably possible based on current facts and circumstances.*

13. EVENTS OCCURRING AFTER THE END OF THE PERIOD

Emerald auction held in Lusaka, Zambia, from 18 to 21 February 2020

Post the year-end, a predominantly commercial-quality auction was held in Lusaka in February 2020. Revenues of USD11.5 million were achieved, which were in line with prior auctions of commercial quality emeralds illustrating a stable underlying market. The auction takes Kagem's total auction revenue since July 2009 to USD647 million.

Listing on AIM

On 14 February 2020, the Group announced its admission to the AIM market of the London Stock Exchange. The rationale for the listing on AIM is to allow Gemfields access to greater liquidity and international investors. It will also allow UK investors access to growing market and the opportunity to invest in a Company that is the world-leader in the mining, grading, marketing and selling of precious coloured gemstones.

At the time of Admission, the Company's total issued share capital consisted of 1,267,450,245 Ordinary Shares with a nominal value of USD0.00001 each, of which 96,381,488 Ordinary Shares were by the Company and had no voting rights. Therefore, the total issued number of Ordinary Shares with voting rights is 1,171,068,757. finnCap is acting as Nominated Adviser and Broker to the Company.

Artisanal miners

In February 2020, MRM 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.

MRM 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS **CONTINUED**

for the year ended 31 December 2019

13. EVENTS OCCURRING AFTER THE END OF THE PERIOD/CONTINUED

Impact of COVID-19, or the novel coronavirus

The sudden outbreak of the virus has the potential to create short-term uncertainty in global markets and to disrupt the timing of the Group's auctions in Singapore, which is expected to negatively affect demand and price and ultimately Group's revenue and cash generation. In addition, it will likely also impact the availability and cost of imported goods required for mining operations. As a result, after consultation with a wide range of the Group's customer base, it has been decided that the Group's auction will be postponed to the last quarter if year. As a consequence, the Group has sought to preserve cash by suspending all non-committed and discretionary expenditure across the Group. Following these actions, the Group is expected to have sufficient cash balances and ability to mitigate the short to medium term impact (see Note 12: *Going Concern*). The risk is monitored and mitigated in conjunction with the Group's principal risks.

Change to issued share capital

On 4 March 2020, the Company announced that it had completed the cancellation and de-listing from trading of a total number of 98,381,488 ordinary shares. The cancelled shares represented approximately 7.60% of the previous total issued share capital of the Company (being 1,267,450,245 ordinary shares), and comprised of: (i) 96,276,146 ordinary shares held by the Company in itself, through a wholly owned subsidiary; and (ii) 105,342 ordinary shares repurchased on-market by the Company.

Following the cancellation and de-listing of the cancelled shares, the Company has 1,171,068,757 ordinary shares in issue, all of which carry equal voting rights.

Approval of Consolidated Financial Statements

The Consolidated Financial Statements were approved by the Directors and authorised for issue on 4 April 2020.

COMPANY DETAILS

Executive Directors
Sean Gilbertson
David Lovett

Non-Executive Directors
Martin Tolcher[1]
Dr Christo Wiese
Lumkile Mondi
Kwape Mmela
Carel Malan[2]

The following persons were Directors during the period:

Brian Gilbertson[3]
Erich Clarke[4]

1 Martin Tolcher became Non-Executive Chairman effective 25 November 2019.
2 Appointed 9 January 2019.
3 Resigned 25 November 2019.
4 Resigned 7 January 2019.

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