

19 April 2018

GEM DIAMONDS LIMITED
("Gem Diamonds" or "the Company")

Renewal of Letšeng mining lease update

Gem Diamonds Limited (LSE: GEMD) is pleased to announce that at the Lesotho Mining Roundtable event held on 18 April, as part of The Commonwealth Heads of Government Meeting (CHOGM) currently being held in London, The Honourable Prime Minister of Lesotho and the Honourable Minister of Mining announced their intention to renew the Letšeng mining lease until 2034. The mining lease may be further extended if necessary in relation to any underground development of the mine thereafter.

The full terms of the renewed mining lease are subject to a statutory negotiation process with the Lesotho Mining Board and, when agreed, will be contained in a new mining lease agreement. A further announcement will be made once the statutory negotiations have been concluded and a new Letseng mining lease has been issued.

Gem Diamonds' CEO, Clifford Elphick commented:

"The Lesotho Government's announcement that they intend to renew the Letšeng mining lease until 2034 is welcomed as a demonstration of the positive partnership which exists between Gem Diamonds and the Government. I would like to thank the Government of Lesotho for their ongoing support which will allow Gem Diamonds to continue to extract some of the world's largest and most valuable diamonds from this remarkable resource."

The Gem Diamonds Limited LEI number is 213800RC2PGGMZQG8L67.

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About Gem Diamonds:

Gem Diamonds is a leading global diamond producer of high value diamonds. The Company owns 70% of the Letšeng mine in Lesotho and 100% of the Ghaghoo mine in Botswana. The Letšeng mine is famous for the production of large, top colour, exceptional white diamonds, making it the highest dollar per carat kimberlite diamond mine in the world. www.gemdiamonds.com