

1 April 2020

GEM DIAMONDS LIMITED

(“Gem Diamonds” or “the Company”)

Flexible tender sales process for selected Letšeng large diamonds

Gem Diamonds Limited (LSE: GEMD) announces that the first round of the Letšeng flexible tender sales process concluded on 26 March 2020 and raised US\$12.1 million for a selection of Letšeng’s large, high quality diamonds.

The previously announced flexible tender sales process was put in place as a result of the March large diamond tender being cancelled due to the travel and other Covid19 restrictions imposed by the Belgian government and the governments of the Company's clients. The flexible tender sales process will continue during the period of these restrictions.

For a full description of the steps taken regarding the prevention of the Covid19 disease see the Company’s website at www.gemdiamonds.com

Clifford Elphick, CEO of the Company, commented:

“The results of the initial round of the flexible tender sales process for a selection of Letšeng’s large diamonds demonstrates the continued demand for these high quality diamonds. The US\$12.1m raised from the sale maintains revenue and cashflow during the current challenges of the Covid19 global pandemic”.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

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. 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