

15 November 2023

**GEM DIAMONDS LIMITED**

**("Gem Diamonds" or "the Company")**

**Letšeng Load and Haul Contract**

Gem Diamonds Limited (LSE: GEMD), is pleased to announce that its 70% owned subsidiary, Letšeng Diamonds (Proprietary) Limited ("Letšeng"), has reached agreement with Matekane Mining Investment Company (Proprietary) Limited ("MMIC") in respect of its load and haul contract with Letšeng ("Load and Haul Contract"). MMIC is the provider of load and haul services to the Letšeng mine. As previously disclosed, Letšeng had been considering its options in respect of the contract following the election of Mr Sam Matekane (the ultimate owner of MMIC) as Prime Minister of Lesotho in October 2022, who is therefore designated a Politically Exposed Person.

Having carefully considered all options, Letšeng has reached agreement with MMIC to terminate the Load and Haul Contract with effect from 1 December 2023, eleven months ahead of its scheduled contractual end date, and will instead insource the load and haul activities. To this end, Letšeng will acquire the mining equipment at Letšeng from MMIC that is currently used exclusively for Letšeng, and will offer employment to MMIC employees who are currently working exclusively for Letšeng, in line with operational requirements. This will enable Letšeng to continue seamlessly with its mining activities.

The consideration has been based on independent third party valuation experts and will be funded via a combination of asset-based financing and available cash. This transaction is expected to lead to further efficiencies and operational cost reductions at Letšeng.

**Commenting on the acquisition, Clifford Elphick, Gem Diamonds' Chief Executive Officer, said:**

*"This transaction brings a long standing and successful business relationship we've enjoyed with MMIC, since 2005, to an end. The transaction resolves important issues relating to governance and conflicts; and will lead to operational efficiencies and cost reductions being achieved."*

The Gem Diamonds Limited LEI number is 213800RC2PGGMZQG8L67.

**For further information:**

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**About Gem Diamonds:**

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