18 April 2017

GEM DIAMONDS LIMITED

("Gem Diamonds" or the "Company")

Appointment of Chairman

Gem Diamonds (LSE: GEMD) is pleased to announce the appointment of Mr Harry Kenyon-Slaney as an independent Non-Executive Director and Chairman of the Company to succeed Mr Roger Davis who will be stepping down at the Annual General Meeting. Mr Kenyon-Slaney's appointment will take effect after the Annual General Meeting of the Company being held on 6 June 2017.

Mr Kenyon -Slaney is currently a senior advisor to McKinsey & Co and has over 33 years of experience in the mining industry, principally with Rio Tinto. He is a geologist by training and his experience spans operations, marketing, projects, finance and business development and he has worked in South Africa, Australia and the UK. Mr Kenyon-Slaney is also a Partner at Audley Capital Advisors LLP a member of the board of directors of Bridon Bekaert Ropes Group, and a non-executive director of several private companies. Mr Kenyon-Slaney has a degree in geology from Southampton University and has completed the International Executive Programme at INSEAD, France.

Until 2015, Mr Kenyon-Slaney was a member of the Group Executive committee of Rio Tinto where he held the roles of CEO of Energy, and before that CEO of Diamonds and Minerals. Prior to this, he variously led Rio Tinto's global titanium dioxide business, was CEO of Rio Tinto's listed subsidiary, Energy Resources of Australia Ltd, was GM Operations at Palabora Mining Company in South Africa and held senior marketing roles in copper, uranium and industrial minerals. He began his career as an underground geologist with Anglo American on the gold mines in South Africa.

Mr Kenyon-Slaney's expertise includes full P&L leadership of large and complex global mining and processing businesses, extensive Board level interaction and contribution to Group strategy during challenging markets, leadership of multiple transformation and turnaround programmes, regular engagement with institutional investors, major customers and government stakeholders, and Group accountability for India and various countries in Southern Africa, including South Africa.

Chairman Roger Davis commented: "I am delighted to be handing the chairmanship on to Harry Kenyon-Slaney whose experience, knowledge and contacts in the diamond mining world are perfectly suited to lead Gem Diamonds forward to what I am sure will be an exciting future. It has been a great privilege to be Chairman of Gem Diamonds and I wish him and the whole company every success in the future."

Mike Salamon, Senior Independent Director of Gem Diamonds, said: "The Board and management are very grateful to Roger Davis for his guidance and leadership as Gem

Diamonds' Chairman, and we wish him all the best for the future. We are confident that Harry Kenyon-Slaney will be a great asset to the Group given his background and experience."

No other information in connection with Mr Kenyon-Slaney's appointment is required to be disclosed pursuant to LR 9.6.13R

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

This announcement has been released by Gem Diamonds Investor Relations.

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. Since Gem Diamonds' acquisition of Letšeng in 2006, the mine has produced four of the 20 largest white gem quality diamonds ever recorded. The Ghaghoo mine in Botswana has been placed on care and maintenance until market conditions allow for recommencement of production. www.gemdiamonds.com