

12 June 2017

GEM DIAMONDS LIMITED

("Gem Diamonds" or "the Company")

Recovery of a high quality 104.73 carat diamond and a 151.52 carat yellow diamond

Gem Diamonds Limited (LSE: GEMD) is pleased to announce the recovery of a high-quality 104.73 carat, D-colour Type IIa diamond and a 151.52 carat Type I yellow diamond from the Letšeng mine in Lesotho.

Today's announcement follows the recent Letšeng recoveries announced in May of an exceptional 80.58 carat D-colour Type IIa diamond and a 98.42 carat D-colour Type IIa diamond, as well as the recovery of a 114 carat D colour Type IIa diamond in April.

The Letšeng mine is well-known for the production of large, top colour, exceptional white diamonds, making it the highest dollar per carat kimberlite diamond mine in the world.

A photograph of this latest high-quality 104.73 carat diamond can be found on the Gem Diamonds website.

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