

22 January, 2018

GEM DIAMONDS LIMITED

("Gem Diamonds" or "the Company")

Recovery of high quality 149 carat diamond

Gem Diamonds Limited (LSE: GEMD) is pleased to announce the recovery of an exceptional quality 149 carat, D colour Type IIa diamond, with excellent shape, from the Letšeng mine in Lesotho, the highest dollar per carat kimberlite diamond mine in the world.

This is the fourth high quality diamond of over 100 carats recovered so far this year, and follows closely upon the recovery of the exceptional 910 carat diamond announced on 15 January, 2018.

A photograph of the 149 carat diamond can be found on the Company's website, www.gemdiamonds.com

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