

19 March 2020

**GEM DIAMONDS LIMITED**

("Gem Diamonds" or "the Company")

**Result of the Letseng small diamond tender**

Gem Diamonds Limited (LSE: GEMD) announces the result of the Letseng small diamond tender which closed in Antwerp yesterday.

The tender realised US\$ 7.8 million which is 18% below the like for like prices reached at the last small diamond tender held in November last year before the Covid19 economic crisis.

Due to the travel and other restrictions imposed by the Belgian government and the governments of the Company's clients, the Letseng large diamond tender, which commenced on 16 March and was due to have closed next week on 25 March, has been cancelled and, in its place, a flexible direct sale process has been put in place for these large and high quality diamonds which have seen significant demand during the tender viewings held to date. This sales process will include direct sales and also partnership arrangements. Any diamonds which are not sold under the flexible sales process will be held over for sale at a later date.

The Company also repeats its earlier statement that its Letseng mine remains in full production and that there are a number of precautionary processes in place at the mine site, and throughout the Company's operations, to prevent the outbreak of the Covid19 disease. There have been no reported instances of any Covid19 positive cases at any of the Company's operations. For a full description of the steps taken regarding the prevention of the Covid19 disease see the Company's website at [www.gemdiamonds.com](http://www.gemdiamonds.com)

**Clifford Elphick, CEO of the Company, commented**

*"The results of the Letseng small diamond tender are resilient given the difficult circumstances under which the tender was held caused by the ongoing Covid19 situation. We look forward to proceeding with the flexible sales processes in respect of the Letseng large diamond parcel which contains many high quality diamonds."*

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 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](http://www.gemdiamonds.com)