

11 May 2022

GEM DIAMONDS LIMITED

("Gem Diamonds" or "the Company")

Sale of Gem Diamonds Botswana Proprietary Limited

In 2021, Gem Diamonds Limited (LSE: GEMD), entered into a binding share sale agreement (the "Agreement") with Okwa Diamonds (Pty) Ltd ("Okwa Diamonds") for the sale of 100% of the share capital of Gem Diamonds Botswana Proprietary Limited ("GDB"), the owner of the Ghaghoo diamond mine in Botswana.

Okwa Diamonds, an SPV company registered in Botswana, is owned by Vast Resources PLC, a mining and resource development company quoted on AIM ("Vast"), and by Botswana Diamonds PLC, a diamond exploration and project development company quoted on AIM and the Botswana Stock Exchange ("Botswana Diamonds").

The Agreement was subject to the fulfilment of certain suspensive conditions, including obtaining competition authority and regulatory approvals within Botswana. In October and December 2021, the competition and regulatory conditions were fulfilled, and the required approvals were obtained from the Botswana Competition Authority and the Department of Mines.

The long-stop date for completion of the sale was extended to 10 May 2022 for Botswana Diamonds to secure a funding partner to replace Vast for the acquisition of GDB. Botswana Diamonds has not been able to meet this deadline and the Agreement therefore lapsed on 10 May 2022, in accordance with its terms. Gem Diamonds is considering its options for the Ghaghoo diamond mine which may include re-engaging with Botswana Diamonds on substantially the same terms as contained in the Agreement in the event Botswana Diamonds is able to successfully conclude its funding arrangements. We have been reassured by Botswana Diamonds that they remain committed to securing a funding partner and to completing a transaction and Gem Diamonds will continue to engage with Botswana Diamonds in this regard.

The Gem Diamonds Limited LEI number is 213800RC2PGGMZQG8L67.

For further information:

Gem Diamonds

Susan Wallace, Company Secretarial department
ir@gemdiamonds.com

Celicourt Communications

Mark Antelme / Felicity Winkles

Tel: +44 (0) 208 434 2643

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