

22 August 2023

GEM DIAMONDS LIMITED

H1 2023 Trading Update

Gem Diamonds Limited (LSE: GEMD) (“**Gem Diamonds**” or the “**Company**” or the “**Group**”) provides the following Trading Update detailing the Group’s operational and sales performance from 1 January 2023 to 30 June 2023 (“**H1 2023**” or the “**Period**”).

Highlights:

- The highest price achieved during the Period was US\$282 889 per carat for a 6.63 carat pink diamond, the third highest dollar per carat achieved for a Letšeng rough diamond.
- The highest price achieved during the Period for a white diamond was US\$34 441 per carat for a 58.07 carat Type IIa diamond.
- 12 diamonds sold for more than US\$1.0 million each, generating revenue of US\$21.0 million during the Period.
- Two diamonds greater than 100 carats were recovered during the Period, one of which was sold in the Period and the other will be sold in Q3 2023.

1. Letšeng Diamonds production summary:

	H1 2023	H2 2022	% Change
Waste tonnes stripped	4 846 680	3 864 465	25%
Ore tonnes treated	2 467 250	2 488 912	(1%)
Satellite pipe contribution (tonnes)	1 269 987	1 659 562	(23%)
Carats recovered	50 601	51 548	(2%)
Grade recovered (cpht)	2.05	2.07	(1%)
Carats sold	52 163	50 423	3%
Total value (US\$ millions)	71.6	88.9	(19%)
Achieved US\$/carat	1 373	1 765	(22%)

2. Letšeng full year guidance:

During the Period increasing grid electricity interruptions caused a reduction in volumes of ore processed. In addition, higher than expected internal basalt dilution in certain domains of ore that was treated impacted throughput.

To mitigate the impact of internal basalt dilution, improve plant stability and large diamond recoveries, in the latter part of Q2 2023, an operational decision to open crusher gaps and to slow throughput in the processing plant was implemented. As a result, full year guidance for tonnes treated has been revised down to 4.9m – 5.1m tonnes. Initial results of these actions on plant stability and recoveries have been positive.

Carats recovered and sold remain within original guidance due to improved grade performance. The lower tonnes treated has however impacted unit costs. Direct cash costs per tonne treated have been revised to LSL285 – 305 per tonne treated and operating costs have been revised to LSL380 – 395 per tonne treated.

3. Diamond market:

The global rough diamond market has experienced a downturn in 2023. A decrease in the number of large, high-value diamonds recovered, combined with market pressure has negatively impacted the average dollar per carat and revenue achieved during the Period.

FOR FURTHER INFORMATION:

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

The Gem Diamonds Limited LEI number is 213800RC2PGGMZQG8L67.

ABOUT GEM DIAMONDS:

Gem Diamonds is a leading global diamond producer of large high value diamonds. The Company owns 70% of the Letšeng mine in Lesotho and is currently in the process of selling its 100% share of the Ghaghoo mine in Botswana. The Letšeng mine is famous for the production of large, exceptional white diamonds, making it the highest dollar per carat kimberlite diamond mine in the world. www.gemdiamonds.com