

Thursday, 31 August 2023

Gem Diamonds Limited Half Year 2023 Results

Gem Diamonds Limited (LSE: GEMD) ("Gem Diamonds", the "Company" or the "Group") announces its Half Year Results for the six months ended 30 June 2023 (the "Period").

FINANCIAL RESULTS:

- Revenue of US\$71.8 million (H1 2022: US\$100.0 million)
- Underlying EBITDA of US\$8.4 million (H1 2022: US\$20.9 million)
- Cash on hand of US\$7.3 million as at 30 June 2023 (US\$6.2 million attributable to Gem Diamonds)
- The Group has unutilised facilities of US\$72.9 million
- Loss per share of 0.7 US cents (H1 2022: earnings per share of 2.7 US cents)

OPERATIONAL RESULTS:

Letšeng

- Zero fatalities and one lost time injury
- Recovered 50 601 carats (H1 2022: 55 157 carats)
- Waste tonnes mined of 4.8 million tonnes (H1 2022: 6.3 million tonnes)
- Ore treated of 2.5 million tonnes (H1 2022: 3.0 million tonnes)
- Average value of US\$1 373 per carat achieved (H1 2022: US\$1 745 per carat)

Safety performance

The organisational safety culture maturity strategy, that commenced in 2021 to improve safety performance at Letšeng, has been fully executed and led to an improved safety performance during the Period. Letšeng recorded zero fatalities and one LTI during the Period (2022: three), resulting in an improved LTIFR and AIFR of 0.09 (2022: 0.13) and 0.57 (2022: 0.70), respectively.

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.

Operational performance

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.

TCFD and Climate

Following the adoption of the TCFD recommendations, the Group committed to a carbon emissions (Scope 1 and 2) reduction target of 30% by 2030. Improving energy-use efficiency and reducing the consumption of diesel and electricity remain top priorities, while appropriate alternative low-carbon and renewable energy sources are being considered.

Commenting on the results today, Clifford Elphick, Chief Executive Officer of Gem Diamonds, said:
"The downturn in the rough diamond market together with increased grid electricity interruptions which increased operating costs, negatively impacted our financial results for the Period.

Our focus remains on stabilising our plants to improve large diamond recoveries and to critically review all operational and capital expenditure."

The Company will host a live audio webcast presentation of the half year results today, 31 August 2023, at 9:30 GMT. This can be viewed on the Company's website: www.gemdiamonds.com.

The page references in this announcement refer to the Half Year Report 2023, which can be found on the Company's website: www.gemdiamonds.com.

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 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, top colour, exceptional white diamonds, making it the highest dollar per carat kimberlite diamond mine in the world.