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For immediate release

13 June 2017

OFFER

for

GEMFIELDS PLC

by

PALLINGHURST RESOURCES LIMITED

Posting of the Offer Document

On 19 May 2017 the Board of Pallinghurst Resources Limited (“**Pallinghurst**”) announced the terms of an offer to be made by Pallinghurst through which Pallinghurst would offer to acquire the entire issued and to be issued share capital of Gemfields (other than the 258,908,915 Gemfields Shares already held by Pallinghurst Group, representing 47.09% of Gemfields’ existing issued share capital), to be implemented by means of a takeover within the meaning of Part 28 of the Companies Act 2006 (the “**Offer**”). Under the terms of the Offer, each Gemfields Shareholder will be entitled to receive 1.91 Pallinghurst Shares for each Gemfields Share.

Pallinghurst announces that the Offer Document and Form of Acceptance, which contain the terms and conditions of the Offer and the procedure for acceptance of the Offer, are today being posted to the shareholders of Gemfields.

The first closing date for the Offer is 1:00 p.m. (London time) on 4 July 2017.

To accept the Offer in respect of the Gemfields Shares held in certificated form, the completed and signed Form of Acceptance should be returned and received, in accordance with the instructions printed thereon, by the Receiving Agent as soon as possible and, in any event, by no later than 1:00 p.m. on 4 July 2017.

To accept the Offer in respect of Gemfields held in uncertificated form (that is, in CREST), electronic acceptances should be made and settled, in accordance with the instructions set out in the Offer Document, as soon as possible and, in any event, by no later than 1:00 p.m. on 4 July 2017.

The Offer Document and the Prospectus, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, will be available on Pallinghurst’s website at www.pallinghurst.com/gemfields-offer by no later than 12 noon on the Business Day following the date of this announcement. Copies of the Offer Document, the Prospectus and certain other documents will also be available for inspection during normal business hours on Business Days at the offices of Pallinghurst at 11 New Street, St Peter Port, Guernsey, GY1 2PF, Channel Islands.

Terms used in this announcement have the meanings given to them in the Offer Document, unless stated otherwise.

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Important Notices

UBS Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK together with UBS South Africa (Pty) Ltd which is supervised by the South African Financial Services Board (collectively “UBS”). UBS is acting as financial adviser for Pallinghurst and no one else in connection with the Offer and will not be responsible to anyone other than Pallinghurst for providing the protections afforded to customers of UBS nor for giving advice in relation to the Offer or any other matters referred to in this announcement.

The Guernsey Financial Services Commission (“GFSC”) and the States of Guernsey have not reviewed this announcement and take no responsibility for the correctness of any statements made or opinions expressed with regard to Pallinghurst.

Further information

This announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Offer or otherwise, nor shall there be any purchase, sale or exchange of securities or such solicitation in any jurisdiction in which such offer, solicitation or sale or exchange would be unlawful prior to the registration or qualification under the laws of such jurisdiction. The Offer will be made solely by means of the Offer Document or any document by which the Offer is made which will contain the full terms and conditions of the Offer, including details of how to vote in respect of the acquisition.

This announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and service of this announcement shall not give rise to any implication that there has been no change in the facts set out in this announcement since such date.

Overseas Shareholders

Gemfields Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

Unless otherwise determined by Pallinghurst or required by the Takeover Code and permitted by applicable law and regulation, the Offer is not being made, and will not be made, directly or indirectly, in or into, by use of the mails of, or by any means or instrumentality of inter-state or foreign commerce of, or any facility of a national, state or other securities exchange of, or from or within, a Restricted Jurisdiction, or any other overseas jurisdiction in respect of which such action would not be lawful. Accordingly, unless otherwise determined by Pallinghurst or required by the Takeover Code and permitted by applicable law and regulation, copies of this document, the accompanying Forms of Acceptance and any other formal documentation relating to the Offer will not be, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction. Any person (including, without limitation, any agent, nominee, custodian or trustee) who has a contractual or legal obligation, or may otherwise intend, to forward this document, and/or any related document, to a jurisdiction outside the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction and must not mail, send or otherwise forward or distribute them in, into or from a Restricted Jurisdiction. Doing so may render any purported acceptances of the Offer invalid.

The release, publication or distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

This document has been prepared for the purposes of complying with the laws of England and Wales and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Statements made in this document

The statements in this document are not to be construed as legal, business, financial or tax advice. If you are in doubt about the content of this document, you should contact your own legal, financial or tax adviser for legal, financial or tax advice. The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and despatch of this document shall not give rise to any implication that there has been no change in the facts set forth in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of Gemfields or Pallinghurst unless otherwise stated. No person is authorised to make any representations on behalf of Pallinghurst which are inconsistent with the statements contained in this document and any such representations, if made must not be relied on as having been so authorised.

Consideration Shares

The Consideration Shares will be admitted to trading on the JSE. No application will be sought for admission of the Consideration Shares to the Official List of the UK Listing Authority or to trading on the London Stock Exchange.

The Consideration Shares are not being offered to the public by means of this document. This document is an advertisement and does not constitute a prospectus or prospectus equivalent document. Investors should not acquire any Consideration Shares except on the basis of the Prospectus published by Pallinghurst on the date of this document which contains information about Pallinghurst, the Pallinghurst Group and the Consideration Shares and is available on Pallinghurst's website at www.pallinghurst.com/gemfields-offer.

Forward-looking statements

This document (including information incorporated by reference in this document) contains statements that are or may be forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of the Pallinghurst Group about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Actual results may differ materially from those expressed in the forward-looking statements depending on a number of factors, including the satisfaction of the Conditions, future market conditions, the behaviour of other market participants, an adverse change in the economic climate and the extent to which Gemfields' business is successfully integrated within the Pallinghurst Group, among others. Risks relating to Gemfields and the Pallinghurst Group are included in their respective annual and quarterly reports. Many of these risks and uncertainties relate to factors that are beyond the relevant companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants and, therefore, undue reliance should not be placed on such statements.

The forward-looking statements contained in this document include statements relating to the expected effects of the Offer on the Pallinghurst Group, the expected timing and scope of the Offer and other statements other than historical facts. All statements other than statements of historical facts included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "should", "could", "would", "may", "anticipates", "estimates", "synergy", "cost-saving", "projects", "goal", "strategy", "budget", "forecast" or "might", or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future

capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the Pallinghurst Group's or Gemfields' operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on the Pallinghurst Group's or Gemfields' business.

All subsequent oral or written forward-looking statements attributable to the Pallinghurst Group or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. The forward-looking statements contained in this document are made as of the date hereof and Pallinghurst assumes no obligation, and does not intend, publicly to update or revise these forward-looking statements, whether as a result of future events, new information or otherwise, except as required pursuant to applicable law.

Dealing disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3:30 pm (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3:30 pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3:30 pm (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication of this document

A copy of this document together with those documents listed in paragraph 13 of Appendix 3 of this document, and all information incorporated into this document by reference to another source will be available free of charge, subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions, on Pallinghurst's website at www.pallinghurst.com/gemfields-offer by no later than 12:00 noon (London time) on the Business Day following the date of publication of this document.

You may request a hard copy of this document (and any information incorporated into it by reference) by calling Computershare Investor Services PLC between 8:30 am and 5:30 pm (London time) Monday to Friday (except UK public holidays) on 0370 707 1826 from within the United Kingdom or on +44 370 707 1826 if calling from outside the United Kingdom. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be sent in hard copy form.

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.