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**For immediate release**

8 August 2017

**OFFER**

**for**

**GEMFIELDS PLC**

**by**

**PALLINGHURST RESOURCES LIMITED**

### **Posting of Compulsory Acquisition Notices**

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 plc (“**Gemfields**”) (other than the Gemfields Shares already held by the Pallinghurst Group), to be implemented by means of a takeover offer 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. On 13 June 2017, Pallinghurst posted to Gemfields Shareholders an offer document containing the full terms and conditions of the Offer (the “**Offer Document**”). The Offer became wholly unconditional on 26 June 2017.

On 1 August 2017, the Company announced that the Offer had been closed to acceptances and that it had received valid acceptances to the Offer, representing not less than 90% in value of the Gemfields Shares to which the Offer relates and 90% of the voting rights attaching to such shares, pursuant to section 979(2) of the Companies Act 2006 (the “**CA 2006**”).

### **Compulsory Acquisition**

Further to its announcement on 1 August 2017 regarding its intention to implement the compulsory acquisition procedure under Chapter 3 of Part 28 of the CA 2006, Pallinghurst announces the despatch today of formal compulsory acquisition notices under Sections 979 and 980 of the CA 2006 (the “**Compulsory Acquisition Notices**”) to Gemfields Shareholders who have not yet accepted the Offer. These notices set out Pallinghurst’s intention to apply the provisions of Section 979 of the Act to acquire compulsorily any remaining Gemfields Shares in respect of which the Offer has not been accepted on the same terms as the Offer. The transfer of Gemfields Shares in accordance with the Compulsory Acquisition Notices will take place on 19 September 2017, being six weeks from the date of the Compulsory Acquisition Notices.

On the expiry of six weeks from the date of the Compulsory Acquisition Notices, being 19 September 2017, the Gemfields Shares held by those Gemfields Shareholders who have not accepted the Offer will be acquired compulsorily by Pallinghurst on the same terms as the Offer. The consideration to which those Gemfields Shareholders will be entitled will be held by Gemfields as trustee on behalf of those Gemfields Shareholders who have not accepted the Offer and they will be requested to claim their consideration by writing to Gemfields at the end of the six-week period.

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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.*

***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 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.*

*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.*