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("Gemfields" or the "Group" or the "Company")

Zambia re-introduces 15% export duty on emeralds

LONDON, 8 JANUARY 2025

Gemfields has become aware that a new statutory instrument in Zambia dated 30 December 2024 and which came into effect on 1 January 2025 (S.I. No. 88 of 2024, the Customs and Excise (Precious Stones) (Export Duty) (Suspension) (Revocation) Order, 2024) has revoked the 2019 suspension of a 15% export duty on precious gemstones. This directly impacts the Zambian emeralds mined by Kagem Mining Limited ("Kagem") which is 75% owned by Gemfields and 25% owned by the Zambian Government's Industrial Development Corporation.

This 15% export duty now applies on top of the existing 6% mineral royalty tax and meaning that Kagem faces an effective tax on revenues of 21% (in addition to corporation tax of 30%). Brazil, Colombia and Zambia are the world's three largest emerald exporters. Brazil's aggregate tax on revenues is 2% (in the form of mineral royalty) and Colombia's aggregate tax on revenues is 2.5% (being a 1.5% mineral royalty and a 1% national emerald fund contribution) in addition to corporation taxes of 34% and 33% respectively.

In 2023, when no export duty was in place, Kagem paid an effective 31% of its revenues to the Government of the Republic of Zambia in the form of mineral royalty, corporation tax and dividends.

The 15% export duty was originally introduced at the start of 2019 by the previous Zambian government and after considerable effort by the Zambian emerald sector, the export duty was suspended at the end of 2019 and ceased to apply from 1 January 2020.

Gemfields notes that there was no notice or prior consultation regarding the re-introduction of the 15% export duty. Gemfields understands that several additional measures have also been introduced in other areas of the Zambian economy to enhance Zambian Government revenues in 2025.

The Company will engage with the Zambian Government to seek the re-introduction of the suspension of this export duty or to remove it from the legislation given the impact on sector sustainability and investment attractiveness.

The Company will keep the market informed of further developments.

-ENDS-

Further information on Gemfields Group Limited can be found at:
GEMFIELDSGROUP.COM

To join our investor mailing list, please contact us on:
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ADDITIONAL INFORMATION ON GEMFIELDS

Gemfields is a world-leading responsible miner and marketer of coloured gemstones. Gemfields is the operator and 75% owner of both the Kagem emerald mine in Zambia (believed to be the world's single largest producing emerald mine) and the Montepuez ruby mine in Mozambique (one of the most significant recently discovered ruby deposits in the world). In addition, Gemfields also holds controlling interests in various other gemstone mining and prospecting licences in Zambia, Mozambique, Ethiopia and Madagascar.

Gemfields' outright ownership of Fabergé - an iconic and prestigious brand of exceptional heritage - enables Gemfields to optimise positioning, perception and consumer awareness of coloured gemstones through Fabergé designs, advancing the wider group's "mine and market" vision.

Gemfields has developed a proprietary grading system and a pioneering auction platform to provide a consistent supply of coloured gemstones to downstream markets, a key component of Gemfields' business model that has played an important role in the growth of the global coloured gemstone sector.

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KAGEM MINING

LINKEDIN

MONTEPUEZ RUBY MINING LINKEDIN

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