5 July 2017

GEM DIAMONDS LIMITED

("Gem Diamonds" or the "Company")

Notifications of transactions by PDMRs

Awards of Performance Shares (in the form of options over ordinary shares with a nominal value exercise price of US$0.01 per share) were made on 4 July 2017 to Directors/PDMRs of the Company under the Company’s Employee Share Option Plan ("ESOP"), as detailed below.

<table>
<thead>
<tr>
<th>Name of Director / PDMR</th>
<th>Number of Performance Shares awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clifford Elphick</td>
<td>230,000</td>
</tr>
<tr>
<td>Michael Michael</td>
<td>170,000</td>
</tr>
<tr>
<td>Glenn Turner</td>
<td>170,000</td>
</tr>
</tbody>
</table>

The following disclosure is made in accordance with Article 19(3) of the EU Market Abuse Regulation.

1. Details of PDMR / person closely associated (PCA)
   a) Name Clifford Elphick

2. Reason for the notification
   a) Position / status Chief Executive Officer
   b) Initial notification / amendment Initial notification

3. Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor
   a) Full name of the entity Gem Diamonds Limited
   b) LEI 213800RC2PGGMZQG8L67

4. Details of the transaction(s)
   a) Description of the financial instrument
      Identification Code Gem Diamonds Limited Ordinary Shares of USD 0.01 each ("Shares") VGG379591065
   b) Nature of the transaction Award of options over Shares with an exercise price of USD 0.01 per Share under the terms of the Gem Diamonds Limited Employee Share Option Plan, for nil-consideration.
   c) Currency GBP - British Pound
d) Price(s) and volume(s)

<table>
<thead>
<tr>
<th>Price(s)</th>
<th>Volume(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td>230,000</td>
</tr>
</tbody>
</table>

e) Aggregated information

<table>
<thead>
<tr>
<th>Aggregated volume</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>230,000</td>
<td>Nil</td>
</tr>
</tbody>
</table>

f) Date of the transaction

4 July 2017

g) Place of the transaction

Outside a trading venue

1. Details of PDMR / person closely associated (PCA)

a) Name

Michael Michael

2. Reason for the notification

a) Position / status

Chief Financial Officer

b) Initial notification / amendment

Initial notification

3. Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor

a) Full name of the entity

Gem Diamonds Limited

b) LEI

213800RC2PGGMZQG8L67

4. Details of the transaction(s)

a) Description of the financial instrument

Gem Diamonds Limited Ordinary Shares of USD 0.01 each

Identification Code

VGG379591065

b) Nature of the transaction

Award of options over Shares with an exercise price of USD 0.01 per Share under the terms of the Gem Diamonds Limited Employee Share Option Plan, for nil consideration.

c) Currency

GBP - British Pound

d) Price(s) and volume(s)

<table>
<thead>
<tr>
<th>Price(s)</th>
<th>Volume(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td>170,000</td>
</tr>
</tbody>
</table>

e) Aggregated information

<table>
<thead>
<tr>
<th>Aggregated volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>170,000</td>
</tr>
<tr>
<td>f)</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>g)</td>
</tr>
</tbody>
</table>

1. **Details of PDMR / person closely associated (PCA)**
   
   a) Name | Glenn Turner |

2. **Reason for the notification**
   
   a) Position / status | Chief Legal and Commercial Officer and Company Secretary |
   
   b) Initial notification / amendment | Initial notification |

3. **Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor**
   
   a) Full name of the entity | Gem Diamonds Limited |
   
   b) LEI | 213800RC2PGGMZQG8L67 |

4. **Details of the transaction(s)**
   
   a) Description of the financial instrument | Gem Diamonds Limited Ordinary Shares of USD 0.01 each (“Shares”)
   
   Identification Code | VGG379591065 |
   
   b) Nature of the transaction | Award of options over Shares with an exercise price of USD 0.01 per Share under the terms of the Gem Diamonds Limited Employee Share Option Plan, for nil consideration. |
   
   c) Currency | GBP - British Pound |
   
   d) Price(s) and volume(s) | Price(s) | Volume(s) |
   | Nil | 170,000 |
   
   e) Aggregated information | Aggregated volume | 170,000 |
   | Price | Nil |
   
   f) Date of the transaction | 4 July 2017 |
   
   g) Place of the transaction | Outside a trading venue |
The Gem Diamonds Limited LEI number is 213800RC2PGGMZQG8L67.

For further information:

Gem Diamonds Limited
Susan Wallace, Company Secretarial department
Tel: +44 (0) 203 043 0280
ir@gemdiamonds.com

Celicourt Communications
Joanna Boon/Mark Antelme
Tel: +44 (0) 207 520 9261

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 100% 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. Since Gem Diamonds' acquisition of Letšeng in 2006, the mine has produced four of the 20 largest white gem quality diamonds ever recorded. The Ghaghoo mine in Botswana has been placed on care and maintenance until market conditions allow for recommencement of production. www.gemdiamonds.com