

9 June, 2017

GEM DIAMONDS LIMITED
("Gem Diamonds" or 'the Company')

Pursuant to LR 9.6.2.R: Resolutions passed at the Company's Annual General Meeting held at the Grosvenor Hotel, 101 Buckingham Palace Road, London, SW1W 0SJ, on the 6th June 2017 at 09.30am, were as follows: -

Passed as Ordinary Resolutions

"2 Directors' Remuneration Policy

THAT the Directors' Remuneration Policy, as included on pages 86 to 93 of the Annual Report for the year ended 31 December 2016, be approved.

3 The Annual Report on Remuneration

THAT the Annual Report on Remuneration, including the Remuneration Committee Chair's statement but excluding the Directors' Remuneration Policy, as included in the Annual Report for the year ended 31 December 2016, be approved.

12 Approval of the Gem Diamonds Limited Employee Share Option Plan 2017 (ESOP)

THAT the ESOP be approved and authority be given to the Directors to establish similar overseas plans, modified to take account of local tax, exchange control or securities law, provided that any shares made available under such further plans are treated as counting against any limits on individual or overall participation in the ESOP.

13 Authority to allot shares

THAT, in substitution for any existing authority to allot relevant equity securities, which is hereby revoked, but without prejudice to any allotment of securities made pursuant thereto, the Directors be and are hereby generally and unconditionally authorised for the purposes of Article 3.1 of the Company's Articles of Association to exercise all the powers of the Company to allot shares or to grant rights to subscribe for, or convert any security into, shares up to an aggregate nominal amount of US\$461 306 (representing an amount equal to 33.33% of the Company's issued share capital as at 6 April 2017) (the Allotment Amount) during the period commencing on the date of the passing of this ordinary resolution and expiring at the conclusion of the next Annual General Meeting of the Company, or, if earlier, at the close of business on 30 June 2018 (the Allotment Period) save that the Directors may, before the expiry of such Allotment Period, make offers or enter into agreements which would or might require relevant equity securities to be allotted after such expiry and, notwithstanding such expiry, the Directors may allot relevant equity securities in pursuance of such offers or agreements.

Passed as Special Resolutions

14 Disapplication of pre-emption rights

THAT, subject to the passing of resolution 13, in substitution for any existing authority to disapply pre-emption

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TORTOLA BVI

LONDON ADDRESS 2 EATON GATE LONDON SW1W 9BJ UNITED KINGDOM
T +44 203 043 0280 F +44 203 043 0281 www.gemdiamonds.com

Reg No: 669758

rights, which is hereby revoked, but without prejudice to any allotment or issue of securities made pursuant thereto, the Directors be and are hereby authorised to allot and issue equity securities for cash pursuant to the authority conferred by resolution 13 without first having offered such equity securities to existing shareholders and depositary holders, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of US\$69 203 (representing an amount equal to 5% of the Company's issued share capital as at 6 April 2017) (the Non-Pre-emptive Amount) for a period commencing on the date of the passing of this special resolution and expiring at the conclusion of the Company's next Annual General Meeting, or, if earlier, at the close of business on 30 June 2018 save that the Directors may, before the expiry of such period, make offers and enter into agreements which would or might require such equity securities to be allotted after such expiry and, notwithstanding such expiry; the Directors may allot such equity securities in pursuance of any such offers or agreements.

15 Purchase of own shares

THAT the Company be and is hereby generally and unconditionally authorised for the purposes of Article 10.1 of the Company's Articles of Association to purchase, redeem or otherwise acquire ordinary shares in the Company in such manner and upon such terms as the Directors may determine during the period commencing on the date of the passing of this special resolution and expiring at the conclusion of the next Annual General Meeting of the Company held in 2018 or, if earlier, at the close of business on 30 June 2018, unless revoked, renewed or varied during that period, provided that:

- 15.1 the maximum aggregate number of ordinary shares authorised to be purchased is 13840 576, (representing an amount equal to 10% of the Company's issued share capital as at 6 April 2017);
- 15.2 the minimum price which may be paid for an ordinary share is US\$0.01 per share;
- 15.3 the maximum price which may be paid for a share is the higher of (i) 105% of the average of the closing price of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List during the five business days immediately prior to the date of purchase; and (ii) an amount equal to the higher of the price of the last independent trade of a share and the highest current independent bid as stipulated by Commission-adopted Regulatory Technical Standards pursuant to article 5(6) of the Market Abuse Regulation; and
- 15.4 this authority shall allow the Company to purchase shares after the expiry of this authority under any agreement made before the expiry of this authority, as if the authority hereby conferred had not expired."

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