

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jan 24, 2017) - [Gem International Resources Inc.](#) (the "Company") (TSX VENTURE:GI) is pleased to announce that subsequent to its news release dated January 9, 2017, it has entered into an agreement (the "Amendment Agreement") with Global Gems International Limited ("Global Gems") to amend its existing arrangement for the earn-in of an interest in the Dala diamond exploration Project in the Lunda Sul Province in Angola.

As announced earlier, Global Gems holds a 45% interest in the Dala Project. The Amendment Agreement provides that the Dala Project would be enlarged to include exploration and exploitation rights for kimberlites within the Dala License including the 6 known kimberlite pipes located by previous operators. These only received very limited exploration and have not been fully evaluated. Numerous magnetic kimberlite targets remain untested at Dala and an extensive data base exists.

Under the Amendment Agreement the Company may acquire 88% of Global's 45% interest in the restructured Dala Project by paying to Global Gems the amounts of US\$300,000 on or before each of the 3rd and 4th anniversaries of TSX Venture approval and US\$400,000 on or before the 5th anniversary of such approval. The Company would also be required to incur US\$13,000,000 in exploration and development expenditures over 5 years (US\$3,000,000 for each of year 1 (which must be raised and paid by May 31, 2017) and year 2, US\$2,000,000 for year 3, and US\$2,500,000 for each of years 4 and 5). The US\$300,000 already provided to Global Gems as start-up capital would be credited against year 1 expenditures. The Company shall be entitled to a share of any revenues generated from saleable products, if any, from the property prorated to the proportion of expenditures spent to the total expenditures to be spent under the Amendment Agreement.

The Company will also be required issue to the principals of Global Gems 30,000,000 shares (10,000,000 shares on each of the 3rd, 4th and 5th anniversaries of TSX Venture approval). After completing the private placement of not less than CDN\$500,000, the Company will pay to Global Gems the amount of US\$150,000 (the "Payment"), which also will be credited against year 1 expenditures.

Accordingly, the Company intends to carry out a private placement (the "Financing") to raise proceeds of up to CDN\$500,000 from the sale of up to 10,000,000 units at a price of CDN\$0.05 per unit. Each unit will consist of one common share and one non-transferable share purchase warrant for the purchase of one further common share of the Company within two years of the date of grant at the price of \$0.15 per such common share.

The funds raised will be used for Company working capital, the Payment, and the preparation of legal documents and regulatory approval costs related to the closing of the Amending Agreement.

The Financing is subject to regulatory approval and customary resale restrictions.

A maximum allowable finder's fee for funds raised may be payable in cash, shares or warrants in accordance with the policies of the TSX Venture Exchange.

On behalf of the Board of GEM INTERNATIONAL RESOURCES INC.

Denis Hayes, CEO / Director

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

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