

09 April 2020

Firestone Diamonds plc
("Firestone", the "Group" or the "Company")

Extension of Care and Maintenance Operations at Liqhobong Mine

Firestone Diamonds plc announces that a decision has been taken to extend care and maintenance operations, at its Liqhobong Mine ("the Mine") in Lesotho.

On 25 March 2020 the Company announced its decision to suspend operations at the Mine and to place it on care and maintenance for at least a 3 week period to safeguard its workforce and surrounding community from the coronavirus pandemic. This decision was aligned to the 23 March 2020 directive issued by the South African Government requiring a 21 day national lockdown, effective midnight Thursday 26 March 2020 to midnight Thursday 16 April 2020, in order to contain the spread of the coronavirus. Subsequently, the Government of Lesotho declared a state of emergency and accompanying country wide lock-down between 29 March and 21 April 2020 in an effort to combat the spread of the coronavirus.

The impact of the onset of the Coronavirus on the global diamond market has been dramatic and severe. As a result of various country lockdowns around the world (including Belgium and India) with accompanying travel bans, many diamond producers are now unable to physically sell their diamonds presently – this includes Firestone's subsidiary, Liqhobong Mining Development Company (Pty) Ltd ("LMDC").

Considerable uncertainty abounds at this stage regarding three fundamental aspects of LMDC's business, namely:

- it is uncertain when LMDC will next be able to sell its diamonds;
- the price LMDC can likely expect to achieve for its diamonds is unknown; and
- the length of time it might take for the diamond market to recover from the coronavirus pandemic, and specifically to the level where LMDC can operate sustainably is unknown.

The directors of the Company, having deliberated on the matter extensively, have concluded that the prudent course of action is not to resume operations at the Mine immediately after the aforementioned lock-downs are lifted and that it is in the best interest of all stakeholders to rather preserve the limited mine life at Liqhobong Mine and the limited cash resources of the Group for as long as possible to ensure the Mine can start up again when the market recovers, which they believe will take at least 12 months.

The Company has the full support of its two major shareholders and bondholders, Resource Capital Fund VI L.P and Pacific Road Resources Fund (comprising Pacific Road Resources Fund II L.P. and Pacific Road Resources Fund II). Discussions with its senior secured lender, ABSA Bank, remain ongoing in relation to restructuring the balance of its debt of US\$63.9 million under the US\$82.4 million senior secured term facility.

The Company will continue to closely assess developments in this regard and to update shareholders accordingly.

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Background information on Firestone

Firestone is an international diamond mining company with operations in Lesotho. Firestone commenced commercial production in July 2017 at the Lihobong Diamond Mine. Lihobong is owned 75% by Firestone and 25% by the Government of Lesotho. Lesotho is one of Africa's significant new diamond producers, hosting Gem Diamonds' Letšeng Mine, Firestone's Lihobong Mine, Namakwa Diamonds' Kao Mine and Lucapa's Mothae Mine.