16 March 2016

Firestone Diamonds plc
("Firestone", the "Group" or the "Company") (AIM: FDI)

Unaudited Interim Results for the six months to 31 December 2015

Firestone Diamonds plc, the AIM-quoted diamond development company, is pleased to announce its unaudited interim results for the six months ended 31 December 2015 ("H1 2016" or the "period").

HIGHLIGHTS FOR THE PERIOD

LIQHOBONG DIAMOND MINE ("Liqhobong", the "Project" or the "Mine")

- Project 61% complete as at end of December 2015
- Remains on track for initial production in Q4 2016
  - All critical path civils and earthworks completed and the focus is now on the erection of the main plant
- Revised capital budget of ZAR2.1 billion, remains within the original project budget of US$185.4 million
- Total Project staff compliment of 952 employees and contractors, of which 82% are Lesotho citizens
- Grid power project completed within budget and ahead of schedule in October 2015. Liqhobong now connected to grid power
- Zero lost time injury record maintained, with over 1.8 million man hours worked as at the end of December 2015
- Completed updated life of mine plan ("Mine Plan") and Diamond Resource and Reserve
  - Diamond Resource and Reserve updated based on new geological model, increased bottom cut-off ("BCO") and exclusion of boart carats
  - New Mine Plan confirmed enhanced Project economics

FINANCIAL

- Loss for the period of US$4.6 million (H1 2015: US$4.4 million)
- Loss per share of 1.5 cents (H1 2015: 1.4 cents)
- Loss before finance charges and income tax decreased by US$0.2 million to US$2.1 million (H1 2015: US$2.3 million)

- Scheduled draw down on both the ABSA Debt Facility of US$32.4 million and Eurobonds of US$20.0 million from Pacific Road Resources Funds and Resource Capital Fund VI L.P.
- Standby facility of US$15.0 million available to the Project
- Cash balances of US$18.1 million, consisting of cash on hand of US$14.2 million and deposits paid on hedge transactions of US$3.9 million
- Company remains fully funded to completion of the Project, production ramp up and the first sale of diamonds

POST PERIOD HIGHLIGHTS

- Project 68% complete as at end of February 2016
- Zero lost time injury record maintained, with over 2.0 million man hours worked as at the end of February 2016

Stuart Brown, Chief Executive Officer of Firestone, commented:
"I am pleased to report on an extremely successful period for Firestone. The six months to 31 December 2015 saw substantial development at Liqhobong and importantly, we have continued this into 2016. Accordingly, the Project remains on budget and on target to achieve first production during Q4 2016.

In October 2015 we were pleased to announce the completion of a new Mine Plan and Project economics, the culmination of over a year's work, which further de-risked the Project and enhanced its economics. In addition, during October we also completed the grid power project, connecting Liqhobong to the grid, allowing for a consistent supply of electricity at site for the remainder of construction and through to production.

2016 will be an exciting year for the Company and I, together with the team, look forward to keeping shareholders updated as we complete construction and make our way to our goal of initial production in Q4 and to becoming a leading mid-tier diamond miner, recovering one million carats per annum."

ANALYST CONFERENCE CALL
Firestone will be hosting an analyst conference call today, 16 March 2016, at 09:30 GMT. Participants may access the call by dialling one of the following numbers below approximately 10 minutes prior to the start of the call:

From UK (toll free): 0808 237 0030

From the rest of the world: +44 (0)20 3139 4830

Participant PIN code: 25188140#

Each month the Company updates its media gallery to include images to illustrate the Project's progress and these can be found on Firestone's website: www.firestonediamonds.com/media.

For further information, please visit the Company's website or contact:

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Background information on Firestone

Firestone is an international diamond development company with operations focused on Lesotho. Firestone is currently in the process of developing the Liqhobong Mine Development Project in Lesotho to become a one million carat per annum producer.

Lesotho is emerging as one of Africa's significant new diamond producers, and hosts Gem Diamonds' Letseng Mine, Firestone's Liqhobong Mine, as well as Namakwa Diamonds' Kao Mine.

For more information please visit: www.firestonediamonds.com.

CHIEF EXECUTIVE'S REVIEW

During the first half of the financial year the Group continued to make significant progress in developing the Liqhobong Diamond Mine, located in the Kingdom of Lesotho. I am pleased to report that as at 31 December 2015 the Project was 61% complete and remains on track to achieve initial production during Q4 2016. Once full production is achieved during 2017, the Mine will enable Firestone to achieve its goal of becoming a leading global mid-tier diamond producer, recovering one million carats per annum.

Although delays were experienced at the beginning of the Project, these delays are now largely behind the Company and the late arrival of the 2015 summer rains has allowed the Project to make good progress and importantly, we were able to replenish all of the water storage capacity thus mitigating one of the critical early start up risks.

All significant civils and earthworks that are on the critical path have now been completed and the site has been handed over to the Structural, Mechanical, Plate and Pipework ("SMPP") contractors for the erection of the main plant. As part of the Project team's plans to accelerate construction and recover time lost at the beginning of the Project, fabrication of SMPP started well ahead of the original planned timeline to ensure that the erection of the SMPP did not experience delays resulting from the manufacturing process. As a result, both the erection and fabrication processes are ahead of schedule with fabrication progress at 98.7% versus the 96.2% revised baseline and erection progress at 22.6% versus the 21.3% revised baseline as at the end of February 2016. With the SMPP contractors on site the workforce at Liqhobong has peaked at 952 employees and contractors, of which 82% are Lesotho citizens.

As mentioned, the Project was 61% complete at the end of December 2015 and it is in line with the revised construction schedule. The Project also remains within the original US$185.4 million budget due to the depreciation of the South African Rand against the US Dollar. At the same date, ZAR1.3 billion (US$116 million) or 63% had been spent on the Project against a revised capital budget of ZAR2.1 billion. A total of ZAR1.67 billion in orders out of the total revised budgeted ZAR1.77 billion Engineering, Procurement, Construct and Manage ("EPCM") contracts had been placed at the end of December, representing 94% of the total EPCM budget. This was done to remove cost escalation risk.

As at the end of February 2016, the Project was 68% complete. The Project is being managed carefully against the revised construction timeline and is currently on track to achieve initial production during Q4 2016.

Pleasingly, the grid power project was completed ahead of time and on budget, with connection to the Lesotho National Power Grid achieved in October 2015. This was a significant milestone for Liqhobong as it ensured that the electricity connection to the site is stable and ready for the installation of all electrical works, whilst achieving savings against diesel power generation during the construction of the Mine.

The Company was also pleased to announce in October 2015 an updated Mine Plan, which was the culmination of over a year's work by the Project team. The new Mine Plan, which took into account revised Diamond Resource and Reserves, updated for a new geological model, increased bottom cut-off and the exclusion of boart carats, together with the revised base case life of mine average of US$165 per carat (escalated at 3.0% per annum), reconfirmed the Project's strong base case economics.

During the period, the Project team commenced preparation of operational readiness ahead of production commencing in the fourth quarter of 2016. This includes procurement of critical plant spares, recruitment of staff, negotiating various operational agreements and implementing the necessary systems, policies and procedures in order to facilitate the smooth start up of the mining and processing operations during commissioning.

Following a concerted effort, we are pleased to report that Firestone has made significant progress in obtaining the majority of the work permits required for the SMPP contractors, currently fully established on site. Firestone maintains a positive working relationship with all the relevant departments of the Government of the Kingdom of Lesotho.

As previously announced, the BK11 Mine ("BK11") remains on care and maintenance following its conditional disposal to Tango Mining Limited ("Tango"), to be completed by no later than 8 April 2016.

The Group's finances continue to be well managed. Project costs remain within the US$185.4 million Project budget and the Group remains fully funded through to completion of the Project, production ramp up and the first sale of diamonds.

The health and safety performance for the Group remains exemplary with over 1.8 million lost time injury free hours having been worked since the start of the Project in 2014 to the end of December 2015. The Project team continues to strive towards maintaining a zero harm policy towards both people and the environment and as at the end of February 2016 zero lost time injury record has been maintained, with over 2.0 million man hours worked. Our Environmental performance remains satisfactory with no major incidents to record or report.

The Group is committed to working with, and maintaining good relations with, the local community. This is facilitated through the Community Liaison Officer.

Finally, I would like to thank my fellow management and the Project teams for their continued dedication during the past six months. The Project is ever closer to commencing production and becoming a mid-tier producer, recovering one million carats per annum.

Stuart Brown
Chief Executive Officer
15 March 2016

FINANCIAL REVIEW

Income Statement

As expected, the Group's loss for the six month period ended 31 December 2015 of US$4.6 million was in line with the prior year loss of US$4.4 million.

The loss before finance charges and income tax of US$2.1 million, however, compares favourably with the prior year's loss of US$2.3 million for the same period.

Finance costs of US$2.3 million include foreign exchange translation losses of US$2.2 million, which result from US Dollar denominated borrowings being translated into Lesotho Maloti during the period at stronger rates than at the end of the reporting period.

Balance Sheet

The Group's total assets increased by US$5.5 million to US$167.3 million during the Period (FY 2015: US$161.8 million) as a result of the continued expenditure on the Project. Property, plant and equipment, which includes capitalised Project cost, increased by US$15.0 million to US$136.3 million (FY 2015: US$121.3 million). Working capital, including cash balances used to fund the Project decreased by US$8.6 million to US$22.7 million (FY 2015: US$31.3 million).

Non-current assets held for sale decreased as a result of the continued depreciation of the Botswana Pula against the US Dollar to US$8.3 million (FY 2015: US$9.2 million).

Total liabilities increased by US$29.2 million to US$56.4 million (FY 2015: US$27.2 million). The increase in total liabilities is mainly as a result of the utilisation of debt facilities, which are reported in the balance sheet at US$34.2 million net of all transaction related costs which will be expensed to profit and loss over the life of the loans. This increase was offset by a reduction in trade and other payables of US$3.8 million to US$14.0 million (FY 2015 US$17.8 million) as a result of the weakening of the Lesotho Maloti and South African Rand against the US Dollar.

Equity for the Group decreased by US$23.7 million to US$110.9 million during the period (FY 2015: US$134.6 million). The decrease resulted from the loss of US$4.6 million, translation and hedge losses of US$26.5 million and US$0.4 million respectively, being offset by an increase in the warrant reserve of US$7.6 million and share capital and share premium of US$0.2 million, both related to the Eurobond. Translation losses arise when the accounts of Group companies which operate in currencies other than the Group's reporting currency, the US Dollar, are translated at the end of each reporting period. Translation losses for the period were caused by a significant weakening of the Lesotho Maloti, Botswana Pula and South African Rand, currencies in which a majority of the Group's assets are denominated, which therefore resulted in lower values in US Dollar terms.

Cash Flow

The Group began the Period with cash of US$17.6 million (H1 2015: US$107 million). During the period, the Group spent US$56.5 million, raised cash through debt facilities and a reduction in working capital of US$52.4 million and US$2.8 million respectively, and incurred translation losses on opening cash of US$2.1 million resulting in closing cash of US$14.2 million (excluding hedge deposits of US$3.9 million).

During the period, US$46.0 million was spent on the Project and US$9.8 million on finance related costs in respect of the ABSA project debt facility ("ABSA Facility"), which includes a US$8.2 million premium paid to the Export Credit Insurance Company of South Africa for political risk insurance, and the issue of the Eurobonds. Operating costs of US$0.8 million for the period include US$0.5 million on continuing activities and US$0.3 million on discontinued activities associated with the BK11 mine.

The Group received US$52.4 million in cash, US$32.4 million from drawdown against the ABSA Facility, US$20.0 million from issuing Eurobonds, and US$2.8 million from a decrease in working capital, mainly as a result of a reduction in other receivables.

Foreign exchange translation losses of US$2.1 million on opening cash balances resulted from the strengthening of the US Dollar against both the Pound Sterling and South African Rand during the period.

The Group ended the period with cash balances of US$14.2 million, excluding hedge deposits of US$3.9 million.

Consolidated Statement of Comprehensive Income
For the six months ended 31 December 2015
(Unaudited)

	Note	6 months ended 31.12.2015 Unaudited US$'000	6 months ended 31.12.2014 Unaudited US$'000	Year ended 30.06.2015 Audited US$'000
Total administrative expenses		(2,198)	(2,331)	(4,938)
Other administrative expenses		(133)	(367)	(525)
Share-based payments		(379)	(396)	(827)
Corporate expenses		(1,686)	(1,568)	(3,586)
Other income		66	-	-
Loss before finance charges and income tax		**(2,132)**	**(2,331)**	**(4,938)**
Finance income		27	301	76
Finance costs		(2,260)	(2,112)	(2,290)
Loss from continuing operations		**(4,365)**	**(4,142)**	**(7,152)**
Loss from discontinued operations		(258)	(307)	(3,234)
Loss from operations before tax		**(4,623)**	**(4,449)**	**(10,386)**
Income tax credit		63	-	-
Loss after tax for the period		**(4,560)**	**(4,449)**	**(10,386)**
Loss after tax for the period attributable to:				
Owners of the parent		(4,683)	(4,444)	(10,304)
Non-controlling interest		123	(5)	(82)
Loss after tax for the period		**(4,560)**	**(4,449)**	**(10,386)**
Other comprehensive loss:				
Items that may be reclassified subsequently to profit and loss				
Exchange differences on translating foreign operations net of tax		(26,507)	(8,130)	(14,588)
Loss on foreign exchanges hedges		(429)	(2,584)	(2,438)
Other comprehensive loss		**(26,936)**	**(10,714)**	**(17,026)**
Total comprehensive loss for the period		**(31,496)**	**(15,163)**	**(27,412)**
Total comprehensive loss for the period attributable to:				
Owners of the parent		(25,369)	(12,893)	(23,702)
Non-controlling interests		(6,127)	(2,270)	(3,710)
Total comprehensive loss for the period		**(31,496)**	**(15,163)**	**(27,412)**
Basic and diluted loss per share from continuing operations (cents)	5	(1.4)	(1.3)	(2.3)
Basic and diluted loss per share from discontinued operations (cents)	5	(0.1)	(0.1)	(1.0)
Total Basic and diluted loss per share		**(1.5)**	**(1.4)**	**(3.3)**

Consolidated Statement of Financial Position
As at 31 December 2015
(Unaudited)

	Note	31.12.2015 Unaudited US$'000	31.12.2014 Unaudited US$'000	30.06.2015 Audited US$'000
ASSETS				
Non-current assets				
Property, plant and equipment	2	136,296	93,312	121,266
Total non-current assets		**136,296**	**93,312**	**121,266**
Current assets				
Inventories		62	68	67
Trade and other receivables		8,447	7,693	13,605
Cash and cash equivalents	3	14,225	47,327	17,628
Total current assets		**22,734**	**55,088**	**31,300**
Non-current assets held for sale		**8,286**	**12,898**	**9,230**
Total assets		**167,316**	**161,298**	**161,796**
EQUITY				
Share capital	4	163,447	163,441	163,441
Share premium		163,758	163,600	163,600
Reserves		(51,784)	(34,131)	(39,183)
Accumulated losses		(138,933)	(129,106)	(134,250)
Total equity attributable to equity holders of the parent		**136,488**	**163,804**	**153,608**
Non-controlling interests		(25,606)	(17,488)	(18,975)
Total equity		**110,882**	**146,316**	**134,633**
LIABILITIES				
Non-current liabilities				
Borrowings	6	34,227	-	-
Deferred tax		2,697	3,682	3,480
Provisions		1,657	1,331	1,746
Total non-current liabilities		**38,581**	**5,013**	**5,226**
Current liabilities				
Other financial liabilities	7	2,302	-	2,438
Trade and other payables		14,011	7,987	17,777
Provisions		117	38	192
Total current liabilities		**16,430**	**8,025**	**20,407**
Liabilities of a disposal group		**1,423**	**1,944**	**1,530**
Total liabilities		**56,434**	**14,982**	**27,163**
Total equity and liabilities		**167,316**	**161,298**	**161,796**

Consolidated Statement of Changes in Equity
For the six months ended 31 December 2015
(Unaudited)

	Share capital	Share premium	Warrant reserve	Merger reserve	Hedging Reserve	Share-based payment reserve	Translation reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 31 December 2014 (Unaudited)	**163,441**	**163,600**	**-**	**(1,614)**	**(1,938)**	**3,645**	**(34,224)**	**(129,106)**	**163,804**	**(17,488)**	**146,316**
Loss for the period	-	-	-	-	-	-	-	(5,859)	(5,859)	(79)	(5,938)
Foreign currency translation differences	-	-	-	-	-	-	(5,060)	-	(5,060)	(1,399)	(6,459)
Loss on foreign exchanges hedges	-	-	-	-	110	-	-	-	110	37	147
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**110**	**-**	**(5,060)**	**(5,859)**	**(10,809)**	**(1,441)**	**(12,250)**
Contributions by and distributions to owners											
Minority Investment in subsidiary	-	-	-	-	-	-	-	-	-	(46)	(46)
Share-based payment transactions	-	-	-	-	-	613	-	-	613	-	613
Share-based payment lapse/reversals	-	-	-	-	-	(715)	-	715	-	-	-
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**-**	**(102)**	**-**	**715**	**613**	**(46)**	**567**
Balance at 30 June 2015 (Audited)	**163,441**	**163,600**	**-**	**(1,614)**	**(1,828)**	**3,543**	**(39,284)**	**(134,250)**	**153,608**	**(18,975)**	**134,633**
Loss for the period	-	-	-	-	-	-	-	(4,683)	(4,683)	123	(4,560)
Foreign currency translation differences	-	-	-	-	-	-	(20,351)	-	(20,351)	(6,156)	(26,507)
Loss on foreign exchanges hedges	-	-	-	-	(335)	-	-	-	(335)	(94)	(429)
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**(335)**	**-**	**(20,351)**	**(4,683)**	**(25,369)**	**(6,127)**	**(31,496)**
Contributions by and distributions to owners											
Issue of ordinary shares	6	158	-	-	-	-	-	-	164	-	164
Issue of Warrants	-	-	7,609	-	-	-	-	-	7,609	-	7,609
Minority Investment in subsidiary	-	-	-	-	-	-	-	-	-	(504)	(504)
Share-based payment transactions	-	-	-	-	-	476	-	-	476	-	476
Total contributions by and distributions to owners	**6**	**158**	**7,609**	**-**	**-**	**476**	**-**	**-**	**8,249**	**(504)**	**7,745**
Balance at 31 December 2015 (Unaudited)	**163,447**	**163,758**	**7,609**	**(1,614)**	**(2,163)**	**4,019**	**(59,635)**	**(138,933)**	**136,488**	**(25,606)**	**110,882**

Consolidated Statement of Cash Flows
For the six months ended 31 December 2015
(Unaudited)

	Note	6 months ended 31.12.2015 Unaudited US$'000	6 months ended 31.12.2014 Unaudited US$'000	Year ended 30.06.2015 Audited US$'000
Cash flows from operating activities				
Loss from continuing activities before income tax		(4,365)	(4,142)	(7,152)
Adjustments for:				
Depreciation, amortisation and impairment		16	107	35
Effect of foreign exchange movements		3,479	360	(396)
Equity-settled share-based payments		379	396	827
Changes in provisions		(65)	-	43
Loss on sale of non-current assets		-	4	17
Finance cost		79	-	2,290
Finance income		(27)	(301)	(76)
Cash used in operating activities before working capital changes		**(504)**	**(3,576)**	**(4,412)**
Decrease in inventories		-	99	95
(Increase)/decrease in trade and other receivables		2,733	(7,413)	(14,142)
Increase/(decrease) in trade and other payables		65	1,114	14,542
Net cash from/(used in) continuing operating activities		**2,294**	**(9,776)**	**(3,917)**
Net cash used in discontinued operating activities		**(268)**	**(190)**	**(373)**
Net cash from/(used in) operating activities		**2,026**	**(9,966)**	**(4,290)**
Cash flows from investing activities				
Additions to property, plant and equipment		(45,969)	(48,587)	(83,122)
Proceeds on disposal of investments		-	-	214
Proceeds on sale of non-current assets		-	3	29
Net cash used in continuing investing activities		**(45,969)**	**(48,584)**	**(82,879)**
Cash flows from financing activities				
Minority investment in subsidiary		-	-	1,861
Proceeds from borrowings		52,400	-	-
Transaction cost paid on long term borrowings		(9,702)	-	-
Finance cost		(79)	-	(2,290)
Finance income		27	301	76
Net cash from/(used in) continuing financing activities		**42,646**	**301**	**(353)**
Net cash used in discontinued financing activities		**-**	**-**	**-**
Net cash from/(used in) financing activities		**42,646**	**301**	**(353)**
Net decrease in cash and cash equivalents		**(1,297)**	**(58,249)**	**(87,522)**
Cash and cash equivalents at beginning of period		**17,628**	**107,003**	**107,003**
Exchange rate movement in cash and cash equivalents at beginning of period		(2,106)	(1,427)	(1,853)
Cash and cash equivalents at end of period	3	**14,225**	**47,327**	**17,628**

Notes to the condensed Group interim financial statements
For the six months ended 31 December 2015
(Unaudited)

1. Accounting Policies

Basis of preparation

Firestone Diamonds plc (the "Company") is a company domiciled in the United Kingdom and is quoted on the AIM market of the London Stock Exchange plc. The condensed consolidated interim financial statements of the Company for the six months ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in diamond mining and exploration in southern Africa. The audited consolidated financial statements of the Group for the year ended 30 June 2015 are available upon request from the Company's registered office at The Triangle, 5-17 Hammersmith Grove, London W6 0LG or at www.firestonediamonds.com.

Statement of compliance

These condensed interim financial statements of the Group for the six months ended 31 December 2015 have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards as adopted by the European Union (IFRSs) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The same accounting policies, presentation and methods of computation are followed in these financial statements as were applied in the Group's latest audited financial statements for the year ended 30 June 2015.

These condensed interim financial statements have not been audited, do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group's consolidated annual financial statements for the year ended 30 June 2015. The auditors' opinion on those statutory Annual Report and Accounts was unqualified. The auditor's report did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006.

The comparative figures presented are for the six months ended 31 December 2014 and the year ended 30 June 2015.

Hedging Instruments

The Group's activities expose it to the financial risks of changes in foreign exchange rates. The Group uses derivatives (forward exchange contracts) to offset changes in cash flow of highly probable forecast transactions. These derivatives are designated as cash flow hedges by the Group.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently re-measured to fair value at each reporting date.

The Group formally assesses on an ongoing basis whether the changes in cash flow of the derivatives are highly effective in offsetting changes in the cash flow of the hedged item. If these changes are deemed to be effective the changes in cash flow of the hedge instrument is recognised in equity. Amounts recognised in equity are transferred to the initial cost of the asset in the period during which the hedge instrument matures. Any ineffective element of a cash flow hedge, which has been designated for hedge accounting, is recognised through profit and loss.

Valuation of hedges

The fair value of open forward foreign exchange contracts were measured using the current market exchange rate that would have been obtained if the forward foreign exchange contract was entered into on the last day of the financial year for the remaining period of the forward foreign exchange contract.

Going concern

The Group currently has two mines, Liqhobong in Lesotho where construction of the development Project is progressing well with initial production scheduled to commence during the fourth quarter of 2016, and the BK11 mine in Botswana, which remains on care and maintenance following its conditional disposal to Tango Mining Limited.

Funding for the Project was made available by an equity raise of US$110.0 million, a Eurobond facility of US$30.0 million and the ABSA project debt facility of US$82.4 million. A further US$15.0 million standby facility remains in place to fund any potential cost over-runs or delays in respect of the Project. As at 31 December 2015 the Project was 61% physically complete and at the same date, 63% or ZAR1.3 billion of the total project budget of ZAR2.1 billion was spent. Initial production is expected in the fourth quarter of 2016 and once fully operational, the main treatment plant will be capable of processing up to 300,000 tonnes per month.

The Directors have prepared cash flow forecasts for the Group based on certain assumptions, and the Directors are aware that various uncertainties might affect the validity of their forecasts. These uncertainties include currency risk, project risk and the risk of change in general market conditions. The Directors are monitoring the working capital requirements of the Group on a regular basis to ensure that action will be taken at the appropriate time to ensure that they have the necessary capacity to deliver plans for completing construction of the Project.

The Directors are confident that the existing cash resources and debt facilities are sufficient to complete the Project and to maintain other Group working costs through to production ramp up and the first sale of diamonds. Accordingly, the Directors continue to adopt the going concern basis of preparation for the financial statements.

2. Property, Plant and Equipment

	Mining property US$'000	Plant and equipment US$'000	Motor vehicles and other assets US$'000	Total US$'000
Cost				
At 31 December 2014	50,002	54,946	1,104	106,052
Additions	33,403	11	43	33,457
Disposals	-	-	(70)	(70)
Reclassification	56,437	(56,437)	-	-
Exchange difference	(9,328)	3,155	(40)	(6,213)
At 30 June 2015	130,514	1,675	1,037	133,226
Additions	46,112	-	64	46,176
Exchange difference	(32,931)	(348)	(169)	(33,448)
At 31 December 2015	**143,695**	**1,327**	**932**	**145,954**
Accumulated depreciation				
At 31 December 2014	8,996	3,096	648	12,740
Charge for the period	(18)	(31)	(22)	(71)
Disposals	-	-	(29)	(29)
Reclassification	2,179	(2,179)	-	-
Exchange difference	(793)	133	(20)	(680)
At 30 June 2015	10,364	1,019	577	11,960
Charge for the period	-	-	16	16
Exchange difference	(2,146)	(172)	-	(2,318)
At 31 December 2015	**8,218**	**847**	**593**	**9,658**
Net book value at 31 December 2015	**135,477**	**480**	**339**	**136,296**
Net book value at 30 June 2015	120,150	656	460	121,266
Net book value at 31 December 2014	41,006	51,850	456	93,312

3. Cash and cash equivalents

	31.12.2015 Unaudited US$'000	31.12.2014 Unaudited US$'000	30.06.2015 Audited US$'000
Cash and cash equivalents	14,225	47,327	17,628
	14,225	**47,327**	**17,628**

Net cash and cash equivalents were represented by the following currencies:

	31.12.2015 Unaudited US$'000	31.12.2014 Unaudited US$'000	30.06.2015 Audited US$'000
United States Dollar	9,094	14,770	7,812
Pound Sterling	2,052	18,852	5,296
Lesotho Maloti	2,916	13,451	4,035
South African Rand	78	98	387
Botswana Pula	85	156	98
Total Cash and Cash Equivalents	**14,225**	**47,327**	**17,628**

The following significant exchange rates applied against the US Dollar during the period:

	6 months ended 31.12.2015 Unaudited		6 months ended 31.12.2014 Unaudited		Year ended 30.06.2015 Audited	
	Average rate	Balance sheet rate	Average rate	Balance sheet rate	Average rate	Balance sheet rate
South African Rand	13.5952	15.5293	10.9827	11.6017	11.4405	12.2773
Lesotho Maloti	13.5952	15.5293	10.9827	11.6017	11.4405	12.2773
Botswana Pula	10.3074	11.0738	8.9823	9.4197	9.3042	9.8260
Pound Sterling	1.5335	1.4804	1.6258	1.5535	1.5733	1.5721

4. Share capital

	Number of shares			Nominal value of shares		
	31.12.2015 Unaudited '000	31.12.2014 Unaudited '000	30.06.2015 Audited '000	31.12.2015 Unaudited US$'000	31.12.2014 Unaudited US$'000	30.06.2015 Audited US$'000
Allotted, called up and fully paid						
Ordinary shares						
Opening balance	308,993	308,993	308,993	3,474	3,474	3,474
Issued during the period	443	-	-	6	-	-
Closing balance	309,436	308,993	308,993	3,480	3,474	3,474
Deferred shares type A	7,079,649	7,079,649	7,079,649	113,345	113,345	113,345
Deferred shares type B	308,993	308,993	308,993	46,622	46,622	46,622
TOTAL	7,698,078	7,697,635	7,697,635	163,447	163,441	163,441

During the period, the Group issued 442,692 new ordinary shares of 1 pence each in settlement of the quarterly interest due of US$164,445 on the Eurobond debt facility.

5. Loss per share

The calculation of the basic loss per share from continuing operations is based upon the net loss after tax from continuing operations attributable to ordinary shareholders of US$4.4 million (H1 2015: US$4.1 million) and, taking into account the share consolidation, a weighted average number of shares in issue for the period of 309,077,713 (H1 2015: 308,992,814). The calculation of the basic loss per share from discontinued operations is based upon the net loss after tax from discontinued operations attributable to ordinary shareholders of US$0.3 million (H1 2015: US$0.3 million) and a weighted average number of shares in issue for the period of 309,077,713 (H1 2015: 308,992,814).

The diluted loss per share in H1 2016 and H1 2015 is the same as the basic loss per share as the potential ordinary shares to be issued have no dilutive effect.

6. Borrowings

	31.12.2015 Unaudited US$'000	31.12.2014 Unaudited US$'000	30.06.2015 Audited US$'000
Series A Eurobonds			
Bond funds received	20,000	-	-
Finance cost to be amortised	(8,497)	-	-
Series A Eurobonds at amortised cost	**11,503**	**-**	**-**
ABSA Debt Facility			
Facility funds received	32,400	-	-
Finance cost to be amortised	(9,676)	-	-
ABSA Debt Facility at amortised cost	**22,724**	**-**	**-**
Borrowings at amortised cost	**34,227**	**-**	**-**

The Eurobonds carry a coupon rate of 8% per annum payable quarterly. The interest can be settled in cash or through the issue of ordinary shares. The Eurobonds are repayable on the final maturity date, which is 20 August 2022.

The ABSA Debt Facility carries a variable interest rate. The effective interest rate is, in aggregate, approximately 10%. The facility is repayable in 18 quarterly instalments commencing 30 March 2017.

7. Other financial liabilities

	31.12.2015 Unaudited US$'000	31.12.2014 Unaudited US$'000	30.06.2015 Audited US$'000
Cash flow hedges	**2,302**	**-**	**2,438**

During the period, the Group designated forward foreign currency exchange contracts as cash flow hedges. The risk being hedged is the volatility in the Lesotho Maloti against the US Dollar, the currency in which the Project costs are denominated.

Timing profile of the nominal amount of the hedging instruments

	Less than 6 months US$'000	6-12 months US$'000	1-2 years US$'000	2-5 years US$'000	5-10 years US$'000
Cash flow hedges	**16,131**	**902**	**-**	**-**	**-**

Hedge effectiveness

	Effective hedge loss US$'000	Ineffective hedge loss US$'000	Through other comprehensive income US$'000	Amount reclassified to fixed assets US$'000
Cash flow hedges	**856**	**-**	**429**	**429**

The above table presents both the realised and unrealised foreign exchange losses on forward foreign currency exchange contracts for the six month period. The effective portion of the realised foreign exchange losses on matured contracts was reclassified as part of the cost of the Project, the hedged item. The effective portion of the unrealised foreign exchange losses on contracts that are still to mature was recognised in other comprehensive income.

The average rate of the realised forward exchange contracts was ZAR11.24:US$1 and all matured forward exchange contracts were effective. The average rate of the unrealised forward exchange contracts is ZAR13.50:US$1 and all forward exchange contracts that have not as yet matured are effective.

8. Commitments and contingent liabilities

Capital Commitments

As at 31 December 2015, the Group had contracted capital commitments of US$26.6 million (H1 2015: US$79.9 million) relating to the Project. The total budget for the Project is US$185.4 million.