

# Firestone Diamonds PLC

(Incorporated and registered in England and Wales with company number 3589905)

## Chairman's Letter and Notice of Annual General Meeting

To be held on 14 December 2012 at 2.30p.m.  
at the offices of Tavistock Communications,  
131 Finsbury Pavement,  
London EC2A 1NT

This document is important and  
requires your immediate attention

**If you are in any doubt about the contents of this document or as to what action you should take, you should seek advice from your stockbroker, solicitor, accountant or other appropriate professional adviser.**

If you have sold or otherwise transferred all of your shares in Firestone Diamonds PLC, please pass this document, together with the accompanying documents, to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Firestone Diamonds PLC  
Registered in England and Wales  
Company number 3589905

Registered Office:  
The Triangle  
5-17 Hammersmith Grove  
London W6 0LG

22 November 2012

Dear Shareholder

### **Notice of Annual General Meeting 2012**

On behalf of the Board of Directors (the "**Board**" or the "**Directors**") of Firestone Diamonds PLC (the "**Company**"), I am delighted to invite you to attend our 2012 Annual General Meeting (the "**AGM**") which will be held at the offices of Tavistock Communications, 131 Finsbury Pavement, London EC2A 1NT at 2.30p.m. on 14 December 2012. The formal notice of AGM is set out on page 2 of this document.

An explanation of the business to be conducted at the AGM is included on page 3. On pages 4 to 5 you will find additional important information in relation to shareholder services.

### **Voting at the AGM**

If you are unable to attend the AGM in person, your vote is still important and I would encourage you to complete, sign and return the enclosed form of proxy ("**Form of Proxy**") to register your vote. To be valid, the Form of Proxy needs to have been received by the Company's registrars, Capita Registrars by 2.30p.m. on 12 December 2012. Any proxy you appoint may attend, speak and vote at the AGM on your behalf.

Shareholders attending the meeting in person or by proxy will have the opportunity to ask questions on the AGM resolutions and any other topic of relevance to our business. We hope that you will make use of the opportunity to raise questions on the topics to be discussed. You are, of course, invited to write to me at any time if you have any questions.

### **Action to be taken**

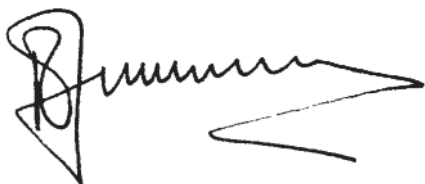
Please complete the Form of Proxy whether or not you intend to be present at the AGM in accordance with the instructions printed on the form. Please return the Form of Proxy to the Company's registrars, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to reach Capita Registrars no later than 2.30p.m. on 12 December 2012. Completion and return of the Form of Proxy will not prevent you from attending and voting in person at the meeting, should you wish to do so.

### **Recommendation**

The Directors consider that the resolutions to be voted on at the AGM are in the best interests of the Company and of its shareholders as a whole. The Directors unanimously recommend shareholders to vote in favour of these resolutions at the AGM, as the Directors themselves intend to do in respect of their own beneficial shareholdings except as regards their own re-appointment to the Board.

I look forward to meeting as many of you as possible at the AGM.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lucio Genovese', with a stylized flourish at the end.

**Lucio Genovese**  
Chairman

## **FIRESTONE DIAMONDS PLC**

### **Notice of Annual General Meeting**

Notice is hereby given that the Annual General Meeting of Firestone Diamonds PLC (the "**Company**") will be held at the offices of Tavistock Communications, 131 Finsbury Pavement, London, EC2A 1NT on 14 December 2012 at 2.30p.m. for the following purposes:

#### **Ordinary Business**

To consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive the Company's annual accounts for the financial year ended 30 June 2012, together with the directors' report and the auditors' report on those accounts.
2. To reappoint PKF (UK) LLP as auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next general meeting of the Company at which the Company's accounts are laid.
3. To authorise the directors of the Company (the "**Directors**") to determine the auditors' remuneration.
4. To re-appoint Mr Raffaele (Lucio) Genovese as a Director.
5. To re-appoint Mr Abraham Jonker as a Director.
6. To re-appoint Mr Paul Sobie as a Director.
7. To re-appoint Mr Julian Treger as a Director.
8. To re-appoint Mr Timothy Wilkes as a Director.
9. To re-appoint Mr Michael Wittet as a Director.

#### **Special Business**

To consider and, if thought fit, pass the following resolutions of which resolution 10 will be proposed as an ordinary resolution and resolution 11 will be proposed as a special resolution:

10. That the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**Act**") (and in substitution for any existing authority granted to them) to exercise all of the powers of the Company to allot ordinary shares in the Company or grant rights to subscribe for or convert any security into ordinary shares in the Company ("**Rights**"):
  - 10.1 up to an aggregate nominal amount of £150,000 in relation to the grant of options pursuant to the Company's Unapproved Share Option Scheme; and
  - 10.2 up to an aggregate nominal amount equal to £1,823,205.88 (other than pursuant to sub-paragraph 10.1 above),

provided that this authority shall expire on the earlier of the next annual general meeting of the Company or 31 December 2013 save that the Company may, before such expiry, make an offer or agreement which would or might require ordinary shares to be allotted or Rights to be granted after the expiry of such period and the Directors may allot shares or grant Rights pursuant to such an offer or agreement as if the authority conferred hereby had not expired.
11. That, conditional on resolution 10 being duly passed (and in substitution for any existing powers granted to them), the Directors be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of that Act) of the Company for cash pursuant to the authority conferred by resolution 10 above as if section 561(1) of that Act did not apply to such allotment, provided that this power shall be limited to the allotment of equity securities:
  - 11.1 in connection with or pursuant to a rights issue, open offer or any other pre-emptive offer in favour of holders of ordinary shares, where the equity securities attributable to the interests of all holders of ordinary shares are proportionate as nearly as may be practicable to the respective number of ordinary shares held or deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange;
  - 11.2 up to an aggregate nominal amount of £150,000 in relation to the grant of options pursuant to the Company's Unapproved Share Option Scheme; and
  - 11.3 up to an aggregate nominal amount of £273,426.19 (other than pursuant to sub-paragraphs 11.1 and 11.2 above),

provided that this power shall expire on the earlier of the next annual general meeting of the Company or 31 December 2013 but so that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

#### **By Order of the Board**

Prism Cosec Limited  
Company Secretary  
22 November 2012

#### **Registered office:**

The Triangle  
5-17 Hammersmith Grove  
London W6 0LG

## EXPLANATORY NOTES TO THE RESOLUTIONS

Resolutions 1 to 10 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolution 11 is proposed as a special resolution. This means that for this resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### **Resolution 1: Receipt of the audited financial statements and the Directors' Report**

The Company is required to present the audited accounts for the financial year ended 30 June 2012 and the directors' report and the auditor's report thereon to the meeting. These are contained in the Company's Annual Report and Accounts 2012.

### **Resolutions 2 and 3: Auditors' Re-appointment and Remuneration**

Shareholders will be asked to confirm the re-appointment of PKF (UK) LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which the Company's accounts are laid. Shareholders will also be asked to grant authority to the Directors to determine the auditors' remuneration.

### **Resolutions 4 to 9: Election of Directors**

Due to an administrative error the Notice of Annual General Meeting for the 2011 AGM did not include resolutions relating to the re-appointment of directors who had been appointed during the year as provided for in the Company's articles of association. As a result, the relevant directors, Paul Sobie and Tim Wilkes, were re-appointed by the Board until the 2012 AGM and therefore resolutions for their re-appointment are proposed as resolutions 6 and 8 respectively.

During the year Lucio Genovese, Abraham Jonker, Julian Treger and Michael Wittet were all appointed as new directors to the Board. Under the articles of association they are required to retire and stand for appointment by the shareholders.

Biographies of all the Directors may be found on page 21 of the Company's Annual Report and Accounts 2012.

### **Resolution 10: Authority to Allot Relevant Securities**

Resolution 10 asks shareholders to grant the Directors authority under section 551 of the Companies Act 2006 (the "Act") to allot ordinary shares in the Company and to grant rights to subscribe for or convert a security into ordinary shares in the Company up to a maximum aggregate nominal value of £1,823,205.88 being approximately one-third of the nominal value of the issued ordinary share capital of the Company as at 14 November 2012. This is in line with best practice corporate governance guidelines. Authority is also sought for the Directors to grant options under the Company's Unapproved Share Option Scheme (which was adopted by the Company on 2 April 2012) up to an aggregate nominal amount of £150,000. This resolution replaces a similar resolution passed at the general meeting of the Company held on 2 April 2012.

### **Resolution 11: Disapplication of Pre-emption Rights**

Resolution 11 asks shareholders to empower the Directors to allot equity securities for cash, without first having to offer such securities to existing shareholders in proportion to their existing shareholdings. The authority is limited to (i) allotments in connection with a rights issue, open offer or other pre-emptive offer, (ii) the grant of options under the Company's Unapproved share Option Scheme up to an aggregate nominal value of £150,000 and (iii) the allotment of equity securities up to an aggregate nominal value of £273,426.19 (being approximately 5% of the Company's issued ordinary share capital as at 14 November 2012).

## INFORMATION FOR SHAREHOLDERS

### Appointment of proxies

1. A shareholder entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend, speak and vote instead of him or her. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the enclosed Form of Proxy are set out in the notes to the Form of Proxy. A proxy need not be a shareholder of the Company but must attend the meeting in person.
2. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy please contact Capita Registrars on 0871 664 0300 if calling from within the UK (calls cost 10p per minute plus network extras) or +44 (0)20 8639 3399 if calling from outside the UK. Lines are open between 8.30 a.m. and 5.30 p.m., Monday – Friday.
3. To be effective, the Form of Proxy, together with the original of any power of attorney or other written authority under which it is signed, must be completed, signed and deposited with Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 2.30p.m. on 12 December 2012 (or if the meeting is adjourned, not less than 48 hours before the time of any adjourned meeting (excluding non-working days)). In the case of a corporation, the Form of Proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
4. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
5. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on any particular resolution. However it should be noted that a vote withheld in this way is not a “vote” in law and will not be counted in the calculation of the proportion of votes “For” and “Against” a resolution.
7. To change your proxy instructions simply submit a new proxy appointment using the methods set out in this Notice. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy and would like to change the instructions using another hard-copy proxy form, please contact Capita Registrars on 0871 664 0300 if calling from within the UK (calls cost 10p per minute plus network extras) or +44 (0)20 8639 3399 if calling from outside the UK. Lines are open between 8.30 a.m. and 5.30 p.m., Monday – Friday. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### Entitlement to attend and vote

8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders registered on the register of members of the Company as at 6.00p.m. on 12 December 2012 or, if the Annual General Meeting is adjourned, on the register of members not less than 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that relevant time. Changes to entries on the register of members after 6.00p.m. on 12 December 2012 or, if the Annual General Meeting is adjourned, on the register of members not more than 48 hours before the time of any adjourned meeting, will be disregarded in determining the right of any person to attend and vote at the meeting.
9. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.

### Electronic Proxy appointment through CREST

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual. CREST personal members, sponsored CREST members and CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action for them.
11. To complete a valid proxy appointment or instruction using the CREST service, the CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted and received by Capita Registrars (Participant ID “**RA10**”) by 2.30p.m. on 12 December 2012 (or if the meeting is adjourned, not less than 48 hours before the time of any adjourned meeting (excluding non-working days)). The time of receipt of the instruction will be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will apply to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s) to ensure that his CREST sponsor or voting service provider(s) take(s)) the necessary action to ensure that a message is transmitted by means of the CREST system by a particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should refer to the sections of the CREST Manual concerning practical limitations of the CREST system and timings.

13. The Company may treat a CREST Proxy Instruction as invalid as set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
14. As at 14 November 2012 (being the last practicable day prior to the publication of this Notice) the Company's issued share capital comprised 546,852,396 ordinary shares of 1p each carrying one vote each and 7,079,649,109 deferred shares of 1p each which do not carry voting rights. Therefore, the total voting rights in the Company as at 14 November 2012 are 546,852,396.

### Communication

15. Except as provided above, shareholders who have general queries about the meeting should contact Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. You may not use any electronic address provided either in this Notice of Annual General Meeting or any related document (including the Form of Proxy), to communicate with the Company for any purposes other than those expressly stated.

### INFORMATION ABOUT ATTENDING THE ANNUAL GENERAL MEETING

The 2012 Annual General Meeting is being held at the offices of Tavistock Communications, 131 Finsbury Pavement, London EC2A 1NT.

#### How to get there



#### Directions

The offices of Tavistock Communications are a short walk from Moorgate or Barbican tube stations. The nearest National Rail station is Liverpool Street. There is also an NCP Car Park in nearby Finsbury Square.

#### Security

Please note that for security reasons, all hand luggage may be subject to examination prior to entry to the AGM. Certain items will not be permitted in the meeting room. These include cameras, recording equipment, items of any nature with the potential to cause disorder and such other items as the Chairman may specify.

Persons who are not shareholders of the Company will not be admitted to the AGM unless prior arrangements have been made with the Company. Investors holding shares through nominees are welcome to attend provided that they bring proof of their holding with them to the AGM.

#### Investor Calendar

<b>Event</b>	<b>Date</b>
Annual results announcement	13 November 2012
Annual General Meeting	14 December 2012
Half year results announcement	March 2013
Financial year end	30 June 2013

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