



Update on the sale of the Botswana operations

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

Update on the sale of the Botswana operations

Firestone Diamonds plc, the AIM-quoted diamond development company, announces that it has agreed to extend the date by when all conditions for the disposal of the Company's Botswana operations to Tango Mining Limited ("Tango Mining") (the "Disposal") must be satisfied.

As announced on 9 July 2015, the Company entered into a conditional sale agreement ("CSA") with Tango Mining for the Disposal, for a total consideration of US\$8.0 million and, as announced on 13 October 2015, certain terms of the CSA were amended by the amendment letter (the "Amendment Letter"). Pursuant to a further amendment letter, all conditions of the CSA and Amendment Letter must now be satisfied by no later than 29 July 2016 (the "Revised Drop Dead Date"). In accordance with the terms of the CSA, the Revised Drop Dead can be extended, in certain circumstances, to 29 August 2016.

This extension is to enable Tango Mining to finalise the proposed US\$30.0 million loan commitment with Vanderbilt Commercial Lending, Inc. to finance the acquisition of the Company's Botswana operations and to recommence operations at the BK11 mine, as announced by Tango Mining on 24 March 2016.

All other terms of the CSA and Amendment Letter remain the same and accordingly, if the conditions of the CSA and Amendment Letter are not satisfied or waived by the Revised Drop Dead Date, the Disposal will not complete.

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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 and the Mothae development project.

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

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