



Posting of Circular and Notice of General Meeting

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Firestone Diamonds PLC
11 April 2014

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11 April 2014

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

Posting of Circular and Notice of General Meeting and Proposed Share Capital Reorganisation

Further to the Company's announcement of 15 January 2014 (the "Announcement") that, in addition to securing, subject to the satisfaction or waiver of certain conditions precedent, the US\$82.4 million (£50.3 million) Absa Debt Facility (as previously announced on 25 November 2013), it had successfully agreed in principle, subject to certain conditions precedent (including, *inter alia*, the approval of Shareholders at the General Meeting), an additional funding package of approximately US\$140 million (£85.4 million) (before expenses) to build and commission the Main Treatment Plant and supporting infrastructure at the Lihobong Diamond Mine, the Company is pleased to confirm that it will today post the circular ("Circular") to Shareholders which contains details of the Fundraising, Open Offer, and Share Capital Reorganisation and a notice to convene the General Meeting to approve, *inter alia*, the issue of New Ordinary Shares to be issued pursuant to the Fundraising.

In addition, and as detailed below, the Company also announces that, following completion of the Fundraising, the Company proposes to undertake a share consolidation on the basis of one ordinary share of 10 pence each for every 10 Ordinary Shares.

The Fundraising

The Fundraising includes the Mezzanine Facility and the Subscription from two new strategic investors, Pacific Road and Resource Capital Fund VI L.P., both leading mining-focussed investment groups, and together with the Placing with new and existing Shareholders, totals, in aggregate, US\$140 million (£85.4 million) (before expenses).

The Announcement stated that, as part of the funding package, Pacific Road and RCF VI would each provide a bridge facility of US\$5 million. However, on the basis that the bridge facility has not yet been entered into and that, in any event, the monies outstanding under the bridge facility would have been applied towards the subscription of, in aggregate, 203,276,822 new Ordinary Shares at the Issue Price, it has been agreed between the parties that such a facility will not be entered into but instead the Subscription will be increased from, in aggregate, US\$60 million to US\$70 million. The Company confirms that, as a result of the bridge facility no longer being entered into by the parties and the corresponding increase in the Subscription, the monies to be raised from and the New Ordinary Shares to be issued to each of Pacific Road and RCF VI will not change.

The Mezzanine Facility Agreement, the Subscription Agreements and the agreements in respect of the Absa Debt Facility are expected to be entered into by no later than 28 April 2014. As set out in this announcement and in the Circular, all the agreements will be conditional upon, *inter alia*, Shareholder approval of the relevant Resolutions at the General Meeting and entry into the Group's Revised Mining Lease Agreement by the Company's subsidiary LMDC and the Lesotho Government.

The Fundraising also includes the Placing and the Open Offer. The Open Offer provides Shareholders on the register of members of the

Company at the close of business on 14 January 2014 with the opportunity to participate in the Fundraising, further details on which are set out below.

The Open Offer will provide Qualifying Shareholders who have not participated in the Placing the opportunity to subscribe for Open Offer Shares at the price of 3 pence per Open Offer Share (being equivalent to the Issue Price) on a pro rata basis up to approximately US\$6.7 (£4.1 million) (before expenses). The Directors propose that the net proceeds received from the Open Offer will be allocated for general working capital purposes.

Assuming the full amount is raised under the Open Offer, the gross proceeds of the Fundraising shall be approximately US\$146.7 million (£89.5 million) and, together with the Absa Debt Facility, the Company will have raised, in aggregate, approximately US\$229.1 million (£139.7 million).

The Board believes that the Fundraising and the Absa Debt Facility demonstrates the investment case for the construction of the Main Treatment Plant and supporting infrastructure at the Liqhobong Diamond Mine and emphasises the confidence and commitment of the Company's new and existing stakeholders in the Project, the Company, its management team and, importantly, the Kingdom of Lesotho.

The allotment and issue of the New Ordinary Shares pursuant to the terms of the Fundraising will exceed the Directors' existing authorities to allot and issue shares for cash on a non pre-emptive basis. Accordingly a general meeting is being convened to seek Shareholders' approval to grant new share issuance authorities to enable the Directors to issue the New Ordinary Shares. Details of the Resolutions which will be sought at the General Meeting to be held at the offices of Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU on 28 April 2014 at 10.00 a.m. are set out in the Circular and the Notice of General Meeting.

The Board has also resolved to seek Shareholder approval for the Share Capital Reorganisation whereby all Ordinary Shares will be consolidated on the basis of one Capital Reorganisation Share for every 10 Ordinary Shares. Those Shareholders holding less than 10 Ordinary Shares at the Share Capital Reorganisation Record date will not be entitled to Capital Reorganisation Shares arising on the Share Capital Reorganisation and will therefore no longer be Shareholders. The Share Capital Reorganisation will, if approved by Shareholders at the General Meeting, be effected on 8 May 2014, being five Business Days following admission of the New Ordinary Shares to AIM.

The Circular, which is being posted to Shareholders today, sets out the background to, and reasons for, the Fundraising and the Share Capital Reorganisation, provides Qualifying Shareholders with the terms and conditions of the Open Offer, explains the Resolutions to be proposed at the General Meeting and recommends to Shareholders that they vote in favour of the Resolutions to be proposed at the General Meeting.

Should Shareholders not approve Resolutions 1 and 2, which provide the Directors with the authority to issue the securities pursuant to the Fundraising, the Fundraising, as currently envisaged, will not proceed. Consequently, the Absa Debt Facility will also not proceed.

The Fundraising and the Absa Debt Facility are also conditional on, *inter alia*, the Company's subsidiary LMDC entering into the Revised Mining Lease Agreement with the Lesotho Government. The Company is in advanced negotiations regarding the terms of the Revised Mining Lease Agreement with the Government of Lesotho but, in the event that satisfactory agreement between the parties cannot be met by 28 April 2014 and the Revised Mining Lease Agreement is not entered into by such time, the Fundraising and the Absa Debt Facility are highly unlikely to proceed.

If the relevant Resolutions are not passed or any of the other conditions precedent to the Fundraising and/or the Absa Debt Facility are not satisfied or waived, the Company will not have sufficient funds to build and commission the Main Treatment Plant and associated infrastructure at Liqhobong. Accordingly, in such circumstances, the Board would need to consider the Company's options in relation to the Liqhobong Diamond Mine and its general corporate strategy and resultant working capital position, as the Company would have extremely limited working capital resources available to it at that point and the Group may not be able to continue to trade as a going concern without undertaking a successful fundraising.

Taking account of the consequences for Shareholders if Resolutions 1 and 2 are not passed at the General Meeting and the support for the Placing provided by certain Shareholders, the Directors have no reason to believe that Resolutions 1 and 2 will not be approved. The Directors also believe that all the other conditions precedent to the Fundraising and the Absa Debt Facility can be satisfied by 30 April 2014. However, the Revised Mining Lease Agreement remains, at this time, subject to final negotiations with the Government of Lesotho and whilst the Board believes that significant progress is being made, the Revised Mining Lease Agreement is reliant on both parties being able to reach satisfactory agreement by 28 April 2014.

Open Offer

Subject to fulfilment of the conditions in the Circular, Qualifying Shareholders are being given the opportunity to subscribe for Open Offer Shares at the Issue Price pro rata to their holdings of Existing Ordinary Shares on the Record Date on the basis of:

2 Open Offer Shares for every 11 Existing Ordinary Shares then held

Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility.

Qualifying Shareholders must have held Existing Ordinary Shares at the Record Date to be eligible to participate in the Open Offer. Those Shareholders who did not hold Ordinary Shares as at close of business on 14 January 2014 may not participate in the Open Offer

but will be entitled to vote at the General Meeting.

Qualifying Shareholders who held less than 11 Existing Ordinary Shares on the Record Date will not receive an Open Offer Entitlement but may apply for Excess Shares pursuant to the Excess Application Facility.

Qualifying Shareholders who have participated in the Placing have agreed not to participate in the Open Offer.

Shareholders' attention is drawn to the information on the Share Capital Reorganisation set out below and in the Circular which is to be effected on 8 May 2014.

In the event that any of the conditions as detailed in the Circular are not satisfied, or where applicable waived, by 30 April 2014 or such later date as the Company may decide (being no later than 30 May 2014), the Open Offer will not proceed. In such circumstances, application monies will be returned at the applicant's risk without payment of interest, as soon as practicable thereafter.

The Open Offer Shares will, upon issue, rank *pari passu* with the Existing Ordinary Shares (and the Placing Shares and Subscription Shares in issue following the Fundraising) including the right to receive all dividends and other distributions declared by reference to a record date falling after the date of Admission.

Fractions of Open Offer Shares will not be allotted; instead, each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number. The fractional entitlements may be aggregated and made available via the Excess Application Facility.

Instructions on how to participate in the Open Offer are set out in the Circular and, where applicable, in the Application Form. Qualifying Shareholders may apply for more or less Open Offer Shares than they are entitled to under the Open Offer and applications in excess of the Open Offer entitlements will be dealt with through the Excess Application Facility, details of which are set out in the Circular.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 25 April 2014. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

Share Capital Reorganisation

The Board believes that, following completion of the Fundraising, the ordinary share capital of the Company should be consolidated as this will result in a more appropriate number of shares being in issue for a company of Firestone's size in the UK market. The Share Capital Reorganisation may also help to make the Ordinary Shares more attractive to investors and may result in a narrowing of the bid/offer spread, thereby improving liquidity.

It is intended that the Share Capital Reorganisation will be effected five Business Days following admission of the New Ordinary Shares to AIM.

The Share Capital Reorganisation will be effected by way of the following steps:

- (i) all Ordinary Shares in issue at the Share Capital Reorganisation Record Date will be consolidated on the basis of one ordinary share of 10 pence each for every 10 Ordinary Shares; and
- (ii) immediately following such share consolidation, each ordinary share of 10 pence each will be subdivided and converted into one Capital Reorganisation Share of one pence each and one Deferred B Share of nine pence each.

Further information on the Share Capital Reorganisation is set out in the Circular.

Current trading and future prospects

The Company released its interim results on 6 March 2014. As announced previously, the pilot plant ceased production in October 2013 and planning and logistical contracts are currently being completed for early stage preparation of the required infrastructure to begin construction of the Main Treatment Plant in 2014. In addition to this, the Company is finalising the recruitment of the project team (appointing Mr Glenn Black as the chief project officer on 27 February 2014) and continues to advance the engineering and planning phases of the Project to ensure that all relevant conditions precedent are met prior to funding drawdown. It is currently anticipated, subject to Admission, that all major construction related contracts will be finalised and that construction will start in Q2 2014.

However, in the event that the Fundraising and/or the Absa Debt Facility does not proceed, the Board will need to consider the Company's options in relation to the Lihobong Diamond Mine and its general corporate strategy and resultant working capital position. The Company would have extremely limited working capital resources available to it at that point and the Group may not be able to continue to trade as a going concern, without undertaking a successful fundraising.

General Meeting

A notice convening the General Meeting, to be held at the offices of Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU at 10.00 a.m. on 28 April 2014 is set out at the end of the Circular at which the Resolutions authorising the Directors to allot the New

Ordinary Shares, the Creditor Shares, the Share Options and the Fee Shares on a non pre-emptive basis will be proposed as well as a resolution to effect the Share Capital Reorganisation. An Application Form for use by Qualifying non-CREST Shareholders in connection with the Open Offer and a Form of Proxy for use in connection with the General Meeting will accompany the Circular.

All Directors who hold Ordinary Shares (either directly or indirectly) (being, in aggregate 4.04 per cent. of the Existing Ordinary Shares) have irrevocably undertaken to vote or procure the legal holder votes in favour of the Resolutions.

Application will be made to the London Stock Exchange for the Creditor Shares, Fee Shares and the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 30 April 2014.

A copy of the Circular will be available shortly on the Company's website: www.firestonediamonds.com.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2014
Record Date for entitlement under the Open Offer	14 January
Announcement of the Fundraising and Ex-Entitlement Date	15 January
Posting of the Circular, the Form of Proxy and, to Qualifying non-CREST shareholders only, the Application Form	11 April
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	8.00 a.m. on 14 April
Latest recommended time and date for requesting withdrawal of Open Offer and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 17 April
Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 22 April
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims)	3.00 p.m. on 23 April
Latest time and date for receipt of Forms of Proxy from Shareholders	10.00 a.m. on 24 April
Latest time and date for receipt of completed Application Forms and payment in full from Qualifying Shareholders under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 25 April
Expected time and date of announcement of results of the Open Offer	7.00 a.m. on 28 April
General Meeting	10.00 a.m. on 28 April
Expected time of announcement of results of the General Meeting	Afternoon of 28 April
Admission effective and dealings in the New Ordinary Shares, Creditor Shares and Fee Shares expected to commence	8.00 a.m. on 30 April
Expected date for crediting of the New Ordinary Shares in uncertificated form to CREST stock accounts	30 April
Share Capital Reorganisation Record Date and final date of trading for Ordinary Shares	6.00 p.m. on 7 May
Admission effective and dealings in the Capital Reorganisation Shares	8.00 a.m. on 8 May
Expected date for crediting of the Capital Reorganisation Shares in uncertificated form to CREST stock accounts	8 May
Dispatch of share certificates in respect of the Capital Reorganisation Shares expected to be no later than	15 May

Notes:

- (1) The dates set out in the Expected Timetable of Principal Events above may be adjusted by Firestone in which event details of the new dates will be notified to AIM and, where appropriate, to Shareholders.
- (2) All references to time in this announcement are to time in London, United Kingdom.

Defined terms used in this announcement shall have the meaning ascribed to them in the Appendix to this announcement unless otherwise stated.

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Background information on Firestone

Firestone is an international diamond development company with operations focused on Lesotho and Botswana. Firestone is currently in the process of developing the Main Treatment Plant at the Lihobong Mine in Lesotho to become a plus-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 Lihobong Mine, as well as Namakwa Diamonds' Kao Mine and Mothae development project.

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

Background information on Pacific Road and Pacific Road Capital Management Pty Ltd

Pacific Road, through (i) Pacific Road Resources Fund II L.P. (represented by Pacific Road Capital Management GP II PTY Limited) and (ii) Pacific Road Resources Fund II represented by (Pacific Road Capital II PTY Limited) are private equity funds investing in the global mining industry which are managed and advised by Pacific Road Capital Management Pty Ltd ("**Pacific Road Management**"). They provide expansion and buyout capital for mining projects, mining related infrastructure and mining services businesses located throughout resource-rich regions of the world. The Pacific Road Management team, located in Sydney, San Francisco and Vancouver, is comprised of experienced mining investment professionals that have extensive knowledge and experience in the mining and infrastructure sectors, including considerable operating, project development, transactional and investment banking experience. For further information on Pacific Road and Pacific Road Management, please go to their website at www.pacroad.com.au.

Background information on RCF VI, Resource Capital Funds and RCF Management L.L.C.

Resource Capital Funds ("RCF" or the "Funds") are private equity funds with mandates to make investments exclusively in the mining sector across a diversified range of hard mineral commodities and geographic regions. The Funds are managed by RCF Management L.L.C. which has its principal office in Denver and additional offices in Perth, New York (Long Island) and Toronto. RCF pioneered the concept of mining-focused private equity funds and strives to produce superior returns to its investors, portfolio companies and fellow equity investors. Since inception, RCF has supported 120 mining companies (and several mining-services companies) involving projects located in 40 countries and relating to 28 commodities.

RCF is currently investing its sixth fund, Resource Capital Fund VI L.P., with committed capital of \$2.04 billion and currently manages three other active private equity funds, Resource Capital Fund V L.P., Resource Capital Fund IV L.P. and Resource Capital Fund III L.P. The Funds' committed capital is sourced primarily from US-based institutional investors. Further information about Resource Capital Funds can be found on its website www.resourcecapitalfunds.com.

This announcement contains forward-looking statements with respect to the Company and the proposals set out in this announcement. These statements involve known and unknown risks and uncertainties as they relate to and depend on circumstances that occur in the future. Actual results may differ materially from those expressed in the forward-looking statements.

The new Ordinary Shares have been offered and sold pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "Securities Act"), and have or will be offered and sold either (i) outside the United States to persons who are not 'U.S. Persons' (within the meaning of Regulation S under the Securities Act) in transactions complying with Regulation S or (ii) within the United States in private placements to persons who are institutional persons who are Accredited Investors (within the meaning of Regulation D under the Securities Act) in transactions complying with Regulation D.

The Ordinary Shares have not been approved by the U.S. Securities and Exchange Commission or by any US state securities commission or authority, nor has any such US authority reviewed or commented on the accuracy or adequacy of this announcement.

The Ordinary Shares have not been (and will not be) registered under the Securities Act or securities laws of any US state or jurisdiction and will not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and such other applicable securities laws.

Unless otherwise stated, the basis of translation of pounds sterling into US dollars for the purposes of inclusion in this announcement is £1.00/US\$1.6398, being, for consistency, the exchange rate used to calculate the number of New Ordinary Shares to be issued to Pacific Road and RCF VI pursuant to the Subscription Agreements which was fixed as at the date of the Announcement.

GMP and Mirabaud, which are both authorised and regulated in the United Kingdom by the Financial Conduct Authority, are acting exclusively for the Company and no one else in connection with the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to clients of GMP and Mirabaud or for providing advice in relation to the Placing.

Strand Hanson Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and no one else in connection with the Fundraising and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Strand Hanson Limited or for providing advice in relation to the Fundraising.

Neither the content of the websites of the Company, Pacific Road or RCF Management (or any other website) nor the content of any website accessible from hyperlinks on such websites (or any other website) is incorporated into, or forms part of, this announcement.

Appendix

Definitions

The following definitions apply throughout this announcement, unless the context requires otherwise:

"Absa" or "Absa Bank"	Absa Bank Limited, acting through its Corporate and Investment Banking division
"Absa Debt Facility"	the project debt finance facility of up to US\$82.4 million (£50.3 million), to be provided by Absa to LMDC
"Admission"	admission of the New Ordinary Shares, the Creditor Shares and the Fee Shares, to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules for Companies"	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange
"Announcement"	the announcement made by the Company on 15 January 2014
"Application Form"	the application form which accompanies the Circular on which Qualifying non-CREST Shareholders may apply for Open Offer Shares under the Open Offer
"B Deferred Shares"	the new B deferred shares of nine pence each arising from the Share Capital Reorganisation
"Board" or "Directors"	the directors of the Company from time to time
"Business Day"	any day (other than a Saturday or Sunday) upon which commercial banks are open for business in London
"Capital Reorganisation Shares"	the new ordinary shares of one pence each in the capital of the Company following the Share Capital Reorganisation
"Circular"	the circular to be sent to Shareholders today which contains details of the Fundraising, Open Offer and Share Capital Reorganisation and a notice to convene the General Meeting to approve, <i>inter alia</i> , the issue of New Ordinary Shares to be issued pursuant to the Fundraising
"Company" or "Firestone"	Firestone Diamonds plc
"Creditor Shares"	the 36,318,934 new Ordinary Shares to be issued, in settlement of the liability due under the terminated off-take agreement
"CREST"	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the CREST Regulations

"CREST Regulations"	the Uncertificated Securities Regulations 2001, as amended
"Euroclear UK & Ireland"	Euroclear UK & Ireland Limited, the operator of CREST
"Excess Application Facility"	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlements and which may be subject to scaling back in accordance with the provisions of the Circular in accordance with the terms and conditions of the Open Offer
"Excess CREST Open Offer Entitlements"	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to his Open Offer Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of the Circular
"Excess Shares"	Open Offer Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility
"Executive Option Scheme"	the Company's Unapproved Executive Share Option Scheme adopted by the Company on 2 April 2012
"Existing Ordinary Shares"	the existing Ordinary Shares as at the date of this announcement
"Fee Shares"	the 7,643,207, in aggregate, new Ordinary Shares to be issued to certain directors and related parties as described in the Circular, in respect of additional services rendered to the Company over and above their normal duties as non-executive Directors
"Form of Proxy"	the form of proxy accompanying the Circular
"Fundraising"	the Mezzanine Facility, the Subscription, the Placing and the Open Offer
"General Meeting"	the general meeting of Shareholders to be held at the offices of Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU on 28 April 2014 at 10.00 a.m.
"Group"	the Company together with its subsidiaries from time to time
"GMP"	GMP Securities Europe LLP
"Issue Price"	3 pence per New Ordinary Share
"Lesotho Government"	the Government of the Kingdom of Lesotho
"Liqhobong" or "Liqhobong Diamond Mine" or the "Project"	the Liqhobong Diamond Mine which is located in the Lesotho Highlands
"London Stock Exchange"	London Stock Exchange plc
"LMDC"	Liqhobong Mining Development Company (Pty) Limited, which is 75 per cent. owned by Firestone and 25 per cent. owned by the Lesotho Government, which holds 100 per cent. of the Liqhobong Diamond Mine
"Main Treatment Plant"	the main treatment plant at the Liqhobong Diamond Mine
"Mezzanine Facility"	the mezzanine facility for US\$30 million in total (£18.3 million) to be received from Pacific Road and RCF VI
"Mezzanine Facility Agreement"	the conditional agreement to be entered into prior to Admission between the Group, Pacific Road and RCF VI relating to the Mezzanine Facility
"Mirabaud"	Mirabaud Securities LLP
"New Ordinary Shares"	the new Ordinary Shares to be issued pursuant to the Fundraising
"Open Offer"	the invitation to Qualifying Shareholders to apply to subscribe for Open Offer Shares on the terms and subject to the conditions set out in THE Circular and, where relevant, in the Application Form

"Open Offer Entitlement"	the <i>pro rata</i> basic entitlement for Qualifying Shareholders to apply to subscribe for two Open Offer Shares for every 11 Existing Ordinary Shares held by them on the Record Date pursuant to the Open Offer
"Open Offer Shares"	the 137,046,042 New Ordinary Shares for which Qualifying Shareholders are being invited to apply under the terms of the Open Offer
"Ordinary Shares"	the ordinary shares of one pence each in the capital of the Company
"Overseas Shareholder"	a Shareholder who is resident, or who is a citizen of, or which are corporations, partnerships or entities created or organised under the laws of countries, or who has a registered address in a jurisdiction outside the United Kingdom
"Pacific Road"	(i) Pacific Road Resources Fund II L.P. represented by Pacific Road Capital Management GP II PTY Limited; and (ii) Pacific road Resources Fund II represented by Pacific Road Capital II PTY Limited
"Placing"	the placing of the Placing Shares at the Issue Price by GMP and Mirabaud
"Placing Shares"	the 813,107,289 New Ordinary Shares which have conditionally been placed with certain institutional and other investors by GMP and Mirabaud and are to be issued by the Company pursuant to the Placing
"Qualifying CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date were held in uncertificated form
"Qualifying non-CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date were held in certificated form
"Qualifying Shareholders"	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholders who are resident in, or who are citizens of, or who have a registered address in a Restricted Jurisdiction)
"RCF VI"	Resource Capital Fund VI L.P.
"Record Date"	14 January 2014, the record date in respect of the Open Offer
"Resolutions"	the resolutions to be proposed at the General Meeting, the full text of which are set out in the Notice of General Meeting contained in the Circular
"Restricted Jurisdiction"	each and any of the United States of America, Australia, Canada, Japan, New Zealand, the Republic of South Africa, Singapore and any other jurisdiction where the extension or availability of the Open Offer would or might breach any applicable law or regulations
"Revised Mining Lease Agreement"	the revised mining lease agreement amending the Group's existing agreement to reflect the proposed development of the Liqhobong Diamond Mine to be entered into between LMDC and the Government of Lesotho
"Shareholder"	a holder of Ordinary Shares
"Share Options"	options to acquire 151,688,020 Ordinary Shares (15,168,802 Capital Reorganisation Shares following completion of the Share Capital Reorganisation) to be issued to Mr Brown and to management and employees pursuant to the Share Option Schemes
"Share Option Schemes"	the Company's Unapproved Share Option Scheme and the Company's Executive Option Scheme adopted by the Company on 2 April 2012
"Share Capital Reorganisation"	the proposed share reorganisation to be effected by consolidating every 10 ordinary shares of one pence each in issue at the Share Reorganisation Record Date into one new ordinary share of 10 pence each and then dividing each ordinary share of 10 pence each into one

	Capital Reorganisation Share and one B Deferred Share
"Share Capital Reorganisation Record Date"	7 May 2014
"sterling", "pounds sterling", "£", "pence" or "p"	the lawful currency of the United Kingdom
"stock account"	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
"Subscription"	the subscription by Pacific Road and RCF VI of the Subscription Shares at the Issue Price
"Subscription Agreements"	the conditional agreements to be entered into prior to Admission between the Company and Pacific Road and the Company and RCF VI relating to the Subscription
"Subscription Shares"	the 1,422,937,756 New Ordinary Shares to be issued by the Company pursuant to the Subscription
"Unapproved Share Option Scheme"	the Company's Unapproved Share Option Scheme adopted by the Company on 2 April 2012
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America
"US\$" or "US dollar"	the lawful currency of the United States of America

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