



Update on the sale of the Botswana operations

Released : 12 Sep 2016 07:00

RNS Number : 5202J
Firestone Diamonds PLC
12 September 2016

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

Update on the sale of the Botswana operations

Firestone Diamonds plc, the AIM-quoted diamond development company, has been informed by Tango Mining Limited ("Tango Mining") that it has not been able to meet the conditions of the conditional sale agreement ("CSA") by 9 September 2016 (the "Revised Drop Dead Date"), for the disposal of the Company's Botswana operations to Tango Mining (the "Disposal"). Accordingly, the CSA has lapsed and the Disposal will not proceed.

The Company's Botswana operations, including Firestone's interest in the low-grade high-value BK11 mine, are currently under care and maintenance. Whilst the Company is currently focussed on the completion and commissioning of its Lihobong Diamond Mine in Lesotho with initial production expected to commence in early Q4 2016, management remain committed to seeking ways of advancing/unlocking the shareholder value from its Botswana assets, which the Company continues to believe has value.

The Company continues to forecast that, as previously announced, it will have cash of approximately US\$9.0 million as at the end of December 2016. This does not include the US\$15.0 million standby facility available to the Company or the proceeds of the Disposal, which had not been included in the cashflow projections. Accordingly, the Company believes that there will be no impact on the Company's cash position as a result of the Disposal not proceeding.

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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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The company news service from the London Stock Exchange

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