



US\$222.4 million Project Funding for Lihobong

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15 January 2014

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

Lihobong Diamond Mine fully funded as Firestone agrees US\$222.4 million project funding

Funding package of US\$140.0 million and project debt facility of US\$82.4 million

Firestone Diamonds plc, the AIM-quoted diamond development company, is pleased to announce that, in addition to securing, subject to certain conditions precedent, the US\$82.4 million (£50.3 million) Absa Debt Facility announced on 25 November 2013, it has successfully agreed in principle, subject to certain conditions precedent (which includes the approval of Shareholders), an additional funding package to build and commission the Main Treatment Plant at the Lihobong Diamond Mine, located in the Lesotho-highlands, with expected full nameplate production in early 2016.

This funding package comprises bridge and mezzanine facilities and equity subscriptions from two new strategic investors, being Pacific Road Resource Funds ("Pacific Road") and Resource Capital Fund VI L.P. ("RCF VI"), both leading mining-focused investment groups, together with a brokered equity placing with new and existing Shareholders, totalling, in aggregate, US\$140.0 million (£85.4 million) (before expenses) (together the "Fundraise").

The Board of Firestone believes that the Fundraise demonstrates the investment case for the construction of the Main Treatment Plant and supporting infrastructure at the Lihobong 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 Board would particularly like to welcome Pacific Road and RCF VI as major stakeholders in the Company.

HIGHLIGHTS

- Total of US\$140.0 million (£85.4 million) raised (before expenses) via bridge and mezzanine facilities, equity subscriptions and a brokered equity placing, which, alongside the previously announced US\$82.4 million Absa Debt Facility, will complete the required US\$222.4 million (£135.6 million) (before expenses) funding to bring the Main Treatment Plant into production;
- US\$10.0 million (£6.1 million) bridge facility (before fees and expenses) secured from two new strategic investors, Pacific Road and RCF VI. Subject to documentation and the approval of Shareholders, the Bridge Facility will be secured against all shares of the Company's subsidiaries (other than over the shares in LMDC) and, subject to completion of the Subscription and Placing, the monies outstanding under the Bridge Facility will be applied by Pacific Road and RCF VI towards the subscription of, in aggregate, 203,276,822 new Ordinary Shares at the Placing Price;
- Pacific Road and RCF VI each to subscribe for 609,830,467 new Ordinary Shares at a price of 3.0 pence per Ordinary Share (the "Placing Price") to raise, in aggregate, US\$60.0 million (£36.6 million) (before expenses);
- A further 813,107,289 new Ordinary Shares to be issued to new and existing shareholders at the Placing Price procured by GMP

Securities Europe LLP ("GMP"), Mirabaud Securities LLP ("Mirabaud") to raise a further US\$40.0 million (£24.4 million) (before expenses);

- US\$30.0 million (£18.3 million) mezzanine facility (before fees and expenses) secured from Pacific Road and RCF VI with an annual coupon of 8 per cent. Subject to documentation and the approval of Shareholders, the mezzanine facility will take the benefit of fixed and floating security on all of the Project, supported by Group guarantees and encumbrances (subject to any security provisions, subordination undertakings and other terms and conditions of the Absa Debt Facility);
- On completion of the Fundraise and assuming Pacific Road and RCF VI have each applied the monies outstanding under the Bridge Facility towards the subscription of 101,638,411 new Ordinary Shares at the Placing Price, Pacific Road and RCF VI will each hold 711,468,878 new Ordinary Shares, representing approximately 23.5 per cent. of the Enlarged Issued Share Capital and 46.9 per cent. of the Enlarged Issued Share Capital in aggregate;
- Pacific Road and RCF VI each to receive warrants to subscribe for 243,932,186 new Ordinary Shares at a price of 3.75 pence, representing a 25 per cent. premium to the Placing Price ("Warrants");
- On exercise of the Warrants in full, assuming the Company has not issued any further Ordinary Shares and the Company has not paid any fees or interest due to Pacific Road and/or RCF VI through the issue of new Ordinary Shares, Pacific Road and RCF VI will each hold approximately 27.1 per cent. of the Company's then enlarged share capital and 54.3 per cent. of the Company's then enlarged share capital in aggregate;
- Good progress being made with the satisfaction of conditions precedent to the previously announced US\$82.4 million Absa Debt Facility, to be supported by both commercial and political risk insurance;
- The Fundraise announced today, together with the Absa Debt Facility, will, subject to certain conditions precedent, complete the US\$222.4 million (£135.6 million) (before expenses) of funding required for the construction and commissioning of the Main Treatment Plant, currently expected to achieve full nameplate production in early 2016, including all associated working capital, expenses, financing and central costs through to production; and
- Eligible Shareholders who were on the Share Register as at the close of business on 14 January 2014 and who have not participated in the Placing will, in due course, be eligible to subscribe for new Ordinary Shares at the Placing Price on a pro rata basis to raise, in aggregate, up to the sterling equivalent of EUR5.0 million (before expenses) (the "Retail Offer").

Stuart Brown, Chief Executive Officer of Firestone, commented:

"I am extremely pleased to announce the agreement of principle terms of the financing package required to develop the Company's flagship Liqhobong Diamond Mine in Lesotho. Raising US\$140.0 million, on top of the Absa debt facility of US\$82.4 million, is an outstanding achievement for a company of Firestone's size, particularly given the current challenging mining finance environment and it represents a clear endorsement for the quality of this project.

As part of this financing, I am delighted to welcome both Pacific Road and RCF VI as strategic investors in Firestone, as well as thank our existing Shareholders for their continued commitment and support. The Company's decision to announce a retail offering is similarly designed to give non-institutional Shareholders the ability to participate in the financing, as they have been stalwart supporters of the Firestone story.

Upon completion of the conditions precedent, Firestone will be fully-funded to fulfil its strategy of building a diamond mine capable of producing 1 million plus carats per annum."

For more information contact

Firestone Diamonds plc +44 (0)20 8741 7810
Stuart Brown

Strand Hanson Limited (Nomad) +44 (0)20 7409 3494
Stuart Faulkner
Richard Tulloch
James Dance

GMP Securities Europe LLP (Joint Broker) +44 (0)20 7647 2800
Richard Greenfield
Alexandra Carse

Mirabaud Securities LLP (Joint Broker)
Rory Scott +44 (0)20 7878 3360
Ed Haig-Thomas +44 (0)20 7878 3447

Tavistock Communications +44 (0)20 7920 3150
Jos Simson +44 (0)7788 554 035

Emily Fenton
Nuala Gallagher

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 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 a mandate to make investments exclusively in the mining sector across a diversified range of hard mineral commodities and geographic regions and which are managed by RCF Management L.L.C. ("RCF Management"). RCF Management, which has its principal office in Denver and additional offices in Perth, New York and Toronto, 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 Management, through its Funds, has supported 117 mining companies (and several mining-services companies) involving projects located in 40 countries and relating to 28 commodities.

RCF VI is RCF Management's sixth fund, and in aggregate, RCF Management is managing funds with committed capital of US\$2.04 billion and currently manages approximately US\$1.0 billion of assets (as of 30 September 2013) through its 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 at www.resourcecapitalfunds.com.

The information in this Announcement has been reviewed by Mr Tim Wilkes, BSc, Pr Sci Nat, who is a qualified person for purposes of the AIM Guidance Note for Mining, Oil and Gas Companies. Mr Wilkes is an Executive Director of the Company and has over 30 years' experience in diamond exploration, mineral resource management and mining. Mr Wilkes is a member of the sub-committee for diamonds of the South African Mineral Resource Committee (SAMREC).

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.

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 Fundraise 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 Fundraise.

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.

Background to and reasons for the Fundraise

The Company's key asset is the Liqhobong Diamond Mine, located in the Lesotho Highlands, in which the Group has a 75 per cent. interest, with the remaining interest held by the Government of the Kingdom of Lesotho. Trial production commenced at Liqhobong in July 2011 following the commissioning of the pilot plant, which has produced in excess of 325,000 carats to date. Through the operation of the pilot plant, the Company has been able to confirm the quality, grade and size of stones present at Liqhobong, as well as providing valuable information on the characteristics of the ore body.

As a result, the Company completed the definitive feasibility study for Liqhobong ("DFS") in October 2012 which set out the basis for an open pit mine with a 15 year life and a Main Treatment Plant capable of an annual production of 3.6 million tonnes yielding in excess of 1 million carats.

On 5 November 2013, the Company announced an update to the DFS which included a revalidated initial capital expenditure for the Project of South African Rand 1,854 million (US\$185.4 million), which included the full cost of grid power infrastructure required for the Project. In addition, the updated DFS confirmed the strong base case [economics](#) for Liqhobong and demonstrated significant upside potential if anticipated revenues from large stones (plus 100 carats) are included.

The updated DFS, which assumed a 3 per cent. growth in the diamond price with all costs being kept flat from the DFS, set out a base case post tax NPV for Liqhobong (using US\$107 per carat and applying an 8 per cent. discount rate) of approximately US\$379 million and post tax IRR of 30 per cent. and an upside post tax NPV, taking account of the potential revenues from larger stones (100 carats plus) (using US\$156 per carat and applying an 8 per cent. discount rate) of approximately US\$728 million and post tax IRR of 45 per cent.

Since the publication of the DFS, the Company has been focused on raising the required funding to develop the Main Treatment Plant and required infrastructure and, on 25 November 2013, Firestone announced that Absa Bank had received approval from its credit committee to provide the Absa Debt Facility of up to US\$82.4 million (£50.3 million) to LMDC (which is 75 per cent. owned by the Company and 25 per cent. owned by the Lesotho Government), which owns 100 per cent. of Liqhobong, further details of which are set out below. Good progress is being made in relation to obtaining approval of both commercial and political risk [insurance](#) by an appropriate insurance provider and the satisfaction of the other conditions precedent to the Absa Debt Facility. At that time, the Company was in advanced discussions with potential project financing partners, and had received indications of interest from new and existing investors with appetite for a placing.

The Board is therefore pleased to announce today that it has secured, subject to conditions precedent, an additional funding package, further details of which are set out below, totalling US\$140.0 million (before expenses) which with the Absa Debt Facility, completes the US\$222.4 million (£135.6 million) (before expenses) of financing for the construction and commissioning of the Main Treatment Plant and required infrastructure at Liqhobong, with full nameplate production expected to commence in early 2016, including all associated working capital, expenses, financing and central costs through to production.

The Fundraise

Financing packages with Pacific Road and RCF VI

Firestone is pleased to announce that it has agreed terms in principle for financing packages with Pacific Road and RCF VI, two new strategic investors, for the development of the Liqhobong Diamond Mine, raising, in aggregate, US\$100.0 million (£61.0 million) (before expenses), by way of a bridge facility for US\$10.0 million (£6.1 million) (the "**Bridge Facility**"), a mezzanine facility for US\$30.0 million (£18.3 million) (the "**Mezzanine Facility**") and equity subscriptions of, in aggregate, 1,219,660,934 new Ordinary Shares at the Placing Price to raise, in aggregate, US\$60.0 million (£36.6 million) (the "**Subscription**" and together the "**Financing Package**"). In addition, Pacific Road and RCF VI will each receive Warrants to subscribe for 243,932,186 new Ordinary Shares at a price of 3.75 pence, representing a 25 per cent. premium to the Placing Price.

Bridge Facility

The Bridge Facility of, in aggregate, US\$10.0 million (£6.1 million) will be provided on the basis of US\$5.0 million (£3.0 million) from each of Pacific Road and RCF VI. The Bridge Facility will be used to fund the Company's short term working capital needs until the Subscription, the Mezzanine Facility and Placing have been concluded and the requisite conditions precedent thereunder have been satisfied. The Bridge Facility will have a coupon of 12 per cent. per annum payable quarterly provided that no interest will be payable if the monies outstanding under the Bridge Facility are applied towards the subscription of new Ordinary Shares within six months of the first utilisation of the Bridge Facility.

The Bridge Facility will be secured against all shares of the Company's subsidiaries (other than over the shares in LMDC) and is subject to formal documentation and a number of conditions precedent that are standard for a facility of this type.

In the event that the Subscription is not concluded, the Bridge Facility is to be repaid on the earlier of 12 months after drawdown or an event of default.

On completion of the Subscription, both Pacific Road and RCF VI will apply the monies outstanding under the Bridge Facility towards the subscription, in aggregate, of 203,276,822 new Ordinary Shares at the Placing Price.

The Company will pay each of Pacific Road and RCF VI an establishment fee equivalent to 2.5 per cent. of their US\$5.0 million (£3.0 million) portion of the Bridge Facility in cash upon establishment of the facility.

Mezzanine Facility

The Mezzanine Facility of, in aggregate, US\$30.0 million (£18.3 million) will be provided on the basis of US\$15.0 million (£9.1 million) from each of Pacific Road and RCF VI. The Mezzanine Facility will have a coupon of 8 per cent. per annum payable quarterly in arrears.

The Mezzanine Facility will have a term of 84 months from first drawdown and is repayable at the earlier of this date or on any event of default. The Company has the option voluntarily to repay the Mezzanine Facility without the relevant investor's consent at any time after the fourth anniversary of the last drawdown, subject to the Absa Debt Facility having been repaid in full and subject to certain early repayment penalties on the amount repaid.

The Mezzanine Facility will take the benefit of fixed and floating security on all of the Project, supported by Group guarantees and encumbrances, which will be subordinated to the Absa Debt Facility and is subject to formal documentation and a number of conditions precedent that are standard for a facility of this type including Pacific Road and RCF VI being satisfied: (i) with the form and substance of all necessary governmental and regulatory approvals and the terms of the mining license agreement between the Company and the Lesotho Government; (ii) that the Company has entered into all necessary contracts to undertake the construction of the power line connection to the Project with an appropriate counterparty; (iii) that the Absa Debt Facility is available for drawdown; and (iv) Shareholder approval.

The Mezzanine Facility will be available for drawdown after satisfaction (or waiver) of such conditions precedent for 18 months or, if earlier, 12 months after the first utilisation of the Mezzanine Facility.

Whilst the Mezzanine Facility remains outstanding, the Company will not be able to pay any dividends or reduce its capital without the prior consent of Pacific Road and RCF VI (acting reasonably, such consent not to be withheld if the payment of such dividend or reduction in capital is not reasonably likely to affect the interests of Pacific Road and/or RCF VI or constitute a material adverse effect on the Company).

The Company will pay each of Pacific Road and RCF VI an establishment fee equivalent to 4.5 per cent. of their US\$30.0 million (£18.3 million) portion of the Mezzanine Facility in cash (and/or new Ordinary Shares in the case of RCF VI) upon establishment of the facility.

Warrants

Pacific Road and RCF VI will each receive warrants to subscribe for 243,932,186 new Ordinary Shares at a price of 3.75 pence (the "Exercise Price"), representing a 25 per cent. premium to the Placing Price.

The Warrants can be exercised at any time prior to the later of 48 months from establishment of the Mezzanine Facility and six months after the repayment of the Absa Debt Facility. The terms of the Warrants include a mandatory exercise provision in the event that the Ordinary Shares trade on AIM at a price at or above two times the Exercise Price continuously for 60 days and the Project completion tests contemplated by the Absa Debt Facility have been satisfied.

If any monies are outstanding under the Mezzanine Facility at the time of an exercise of Warrants, Pacific Road and/or RCF VI (as appropriate) may, subject to Absa's consent (if required), elect to apply the balance outstanding under the Mezzanine Facility against the amount payable to the Company on the exercise of such Warrants.

The number and/or Exercise Price of the Warrants shall be adjusted in certain circumstances, including an issue of Ordinary Shares for cash at a price less than the prevailing market price (subject to certain customary exceptions) or an issue of bonus shares. Any such adjustment shall put the holders of the unexercised Warrants in the same economic position as if such adjustment event had not taken place.

On exercise of the Warrants in full, assuming the Company has not issued any further Ordinary Shares and the Company has not paid any fees or interest due to Pacific Road and/or RCF VI through the issue of new Ordinary Shares, Pacific Road and RCF VI will each hold approximately 27.1 per cent. of the Company's then enlarged share capital and 54.3 per cent. of the Company's then enlarged share capital in aggregate.

Equity subscriptions by Pacific Road and RCF VI

Pacific Road and RCF VI will each subscribe for 609,830,467 new Ordinary Shares at the Placing Price, raising, in aggregate, US\$60.0 million (£36.6 million)(before expenses). The Subscription will be conditional upon, *inter alia*, documentation of the Pacific Road and RCF VI funding, Admission and a number of conditions precedent that are standard for a facility of this type including Pacific Road and RCF VI being satisfied: (i) with the form and substance of all necessary governmental and regulatory approvals and the terms of the mining license agreement between the Company and the Lesotho Government; (ii) that the Company has entered into all necessary contracts to undertake the construction of the power line connection to the Project with an appropriate counterparty; (iii) that the Absa Debt Facility is available for drawdown; and (iv) Shareholder approval.

On completion of the Fundraise and assuming Pacific Road and RCF VI have each applied the monies outstanding under the Bridge Facility towards the subscription of 101,638,411 new Ordinary Shares at the Placing Price, Pacific Road and RCF VI will each hold 711,468,878 new Ordinary Shares representing, approximately 23.5 per cent. of the Enlarged Issued Share Capital and 46.9 per cent. of the Enlarged Issued Share Capital in aggregate.

The Subscription Shares issued to Pacific Road and RCF VI will rank *pari passu* in all respects with the existing Ordinary Shares including the right to receive all dividends and other distributions declared by reference to a record date falling after the date of issue of the Subscription Shares.

Other

The Pacific Road and RCF VI finance packages will contain certain customary undertakings, warranties and representations given by the Company to Pacific Road and RCF VI as to matters relating to the Group and its business. Conditions precedent under the Pacific Road and RCF VI finance packages must be completed no later than 4 months after the date of this Announcement or such later date as Pacific Road and RCF VI agree.

Provided that no event of default is subsisting and no requirement under Rule 9 of the City Code to make a mandatory cash offer for all the Ordinary Shares not already owned by Pacific Road and/or RCF VI (as appropriate) is triggered, the Company may elect that any interest payments contemplated by the Pacific Road and RCF VI finance packages (and fees in respect of RCF VI) be satisfied by the issue to Pacific Road and/or RCF VI (as appropriate) of new Ordinary Shares, in respect of any fees, at an issue price equal to the Placing Price and, in respect of any interest, the 20-day VWAP of an Ordinary Share up to, but excluding, the applicable interest payment date.

Pacific Road and RCF VI will have the right to maintain their respective holding of Ordinary Shares and shall be offered rights to participate in any equity funding or instruments that could convert into equity to ensure they maintain their *pro rata* holdings. RCF VI shall also be offered rights to participate in any debt funding, provided that RCF VI is able to provide debt on the same commercial terms as the debt funding that it is proposed that the Company will enter into. These protections exclude non-cash equity issues, and issues to directors and employees not part of a general equity offering.

If either Pacific Road and/or RCF VI hold more than 10 per cent. of the Ordinary Shares in issue, they shall be entitled to nominate one member to the Company's Board. If either Pacific Road and/or RCF VI exercise all their Warrants into Ordinary Shares, then they shall be entitled to nominate members to the Board in proportion to their holding in the Company, further detail of which are set out below.

During the four month period following the entry into of the term sheets with Pacific Road and RCF VI, if the Company: (a) discusses, negotiates, arranges, agrees or concludes with any third party any offer of financing (whether by way of debt or equity) from a third party or undertakes a corporate action (such as a takeover or merger) outside the control of Pacific Road and/or RCF VI (as appropriate) (a "Prohibited Activity"); or (b) makes available any information relating to the Group in connection with a Prohibited Activity, then the Company will pay to Pacific Road and/or RCF VI (as appropriate) a break fee equal to 1.5 per cent of the total commitment of Pacific Road and/or RCF VI (as appropriate) to provide their respective funding package.

Other than in respect of the break fee described above, the description of the Financing Package is not an enforceable agreement against the Company, Pacific Road and/or RCF VI but rather represents a non-binding statement of the parties' mutual intent to finalise a transaction on the basis described in this Announcement.

Placing with new and existing shareholders

The Company has conditionally raised a further US\$40.0 million (£24.4 million) (before expenses) through the placing of, in aggregate, 813,107,289 new Ordinary Shares at the Placing Price with new and existing investors procured by GMP and Mirabaud. The Placing Shares will represent 26.8 per cent. of the Enlarged Issued Share Capital.

In connection with the Placing, the Company has entered into the Placing Agreement pursuant to which GMP and Mirabaud, as agents for the Company, have agreed to use their reasonable endeavours to place the Placing Shares with institutional and other investors, including certain existing Shareholders. The Placing is conditional upon, *inter alia*, documentation of, and satisfaction of the conditions precedent relating to, the Financing Package and the Absa Debt Facility, Admission, the Placing Agreement becoming unconditional and not being terminated prior to Admission in accordance with its terms and Shareholder approval.

The Placing Agreement contains certain customary warranties given by the Company to GMP and Mirabaud as to matters relating to the Group and its business and an indemnity given by the Company to GMP and Mirabaud in respect of liabilities arising out of or in connection with the Placing. GMP and Mirabaud are entitled to terminate the Placing Agreement in certain circumstances prior to Admission, including, *inter alia*, a breach of the warranties, the failure of the Company to comply, in any material respect, with its obligations under the Placing Agreement and the occurrence of a force majeure event which, in the reasonable opinion of GMP and Mirabaud, is materially adverse in relation to the Placing or Admission.

The new Ordinary Shares issued pursuant to the Placing will rank *pari passu* in all respects with the existing Ordinary Shares including the right to receive all dividends and other distributions declared in respect of such Ordinary Shares by reference to a record date falling after the date of issue of the new Ordinary Shares.

Retail Offer

In order to enable other Shareholders to participate in the fundraising, the Company proposes that, subject to certain exceptions, Shareholders who were on the Share Register as at the close of business on 14 January 2014 (the "Record Date") and who have not participated in the Placing, will be eligible to subscribe for new Ordinary Shares at the Placing Price to raise, in aggregate, up to an additional sterling equivalent of EUR5.0 million (before expenses), the details of which will be included in the Circular to be sent to Shareholders in Q1 2014. It is currently anticipated that pursuant to the Retail Offer, eligible Shareholders who are Shareholders on the Record Date will be entitled to subscribe for 2 new Ordinary Shares for every 11 Existing Ordinary Shares held. Under the Retail Offer, eligible Shareholders who are Shareholders at the Record Date will also be given the opportunity to apply for additional new Ordinary Shares in excess of their entitlement to the extent that other Shareholders (including Shareholders who have participated in the Placing) have not taken up their entitlement. It is anticipated that the London Stock Exchange will mark the Ordinary Shares "Ex" in relation to the Retail Offer on 15 January 2014.

The Absa Debt Facility

Firestone announced on 25 November 2013, that Absa, acting through its Corporate and Investment Banking division, had received approval from its credit committee to provide a project debt finance facility of up to US\$82.4 million (£50.3 million) to LMDC.

The Absa Debt Facility will have a total term of 6.5 years, with an 18 month draw down period for construction and with the repayment of capital occurring in the final 4.5 years of the loan term. The Company is required to fund its contribution to the Project, being the balance required to complete the Project, prior to first draw down of the Absa Debt Facility.

The Absa Debt Facility is conditional on, *inter alia*:

- approval of both commercial and political risk insurance by an Export Credit Agency;
- the Company successfully raising the balance of capital required to complete the Project; and
- other customary conditions standard for facilities of this nature including completion of legal and environmental due diligences, documentation and the signing of material contracts.

Good progress is being made with respect to the satisfaction of the above conditions precedent.

Use of proceeds

The total funds raised from the Fundraise (before expenses) of approximately US\$222.4 million (£135.6 million) will be used for the following purposes:

	US\$ (millions)
Main Treatment Plant	77.0
Infrastructure	23.1
Slimes Dam	30.0
Contingency	12.3
Subtotal	142.4
Firestone owners costs*	43.0
Total Main Treatment Plant	185.4
Financing costs, transaction expenses and general working capital	37.0
Total	222.4

*Note: *Includes owners contingency, cost escalation provision, grid power, owners scope, insurances, water storage and security etc.*

The proceeds of the Fundraise are expected to provide all of the financing that the Board currently believes is required to build and commission the Main Treatment Plant, with full nameplate production expected in early 2016, including all the associated working capital, financing and central costs.

Pacific Road and RCF VI's interest in the Company and implications of the Fundraise

Details of the effect of the Fundraise and the resulting shareholdings of Pacific Road and RCF VI, are set out in the illustrative table below:

No. of	No. of new	No. of Ordinary	% of	No. of new	No. of Ordinary	% of
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	<i>Ordinary Shares currently held</i>	<i>Ordinary Shares to be issued on Admission (excluding the exercise of the Warrants)</i>	<i>Shares held following Admission (excluding the exercise of the Warrants)</i>	<i>Enlarged Issued Share Capital</i>	<i>Ordinary Shares to be issued on exercise of the Warrants</i>	<i>Shares held following the exercise of the Warrants</i>	<i>then enlarged issued share capital</i>
Pacific Road	-	711,468,878	711,468,878	23.5%	243,932,186	955,401,064	27.1%
RCF VI	-	711,468,878	711,468,878	23.5%	243,932,186	955,401,064	27.1%
Other	753,753,234	857,069,430	1,610,822,664	53.1%	-	1,610,822,664	45.7%
shareholders							
Total	<u>753,753,234</u>	<u>2,280,007,186</u>	<u>3,033,760,420</u>	<u>100.0%</u>	<u>487,864,372</u>	<u>3,521,624,792</u>	<u>100.0%</u>

Note: Assuming no further Ordinary Shares are issued to Pacific Road and/or RCF VI pursuant to the terms of the Financing Package in connection with the payment of certain fees and/or interest or as a result of the Retail Offer or following the exercise of new or existing options.

As set out above, Shareholders should be aware that on completion of the Fundraise:

- Pacific Road will have an interest in approximately 23.5 per cent. of the Enlarged Issued Share Capital and, should Pacific Road exercise the Warrants in full, a further 243,932,186 new Ordinary Shares will be issued to them and they would then, assuming RCF VI has also exercised their Warrants in full and the Company has not issued any further new Ordinary Shares, be interested in approximately 27.1 per cent. of the Company's then enlarged issued share capital; and
- RCF VI will have an interest in approximately 23.5 per cent. of the Enlarged Issued Share Capital and, should RCF VI exercise the Warrants in full, a further 243,932,186 new Ordinary Shares will be issued to them and they would then, assuming Pacific Road has also exercised their Warrants in full and the Company has not issued any further new Ordinary Shares, be interested in approximately 27.1 per cent. of the Company's then enlarged issued share capital.

As a result, on completion of the Fundraise and prior to the exercise of the Warrants, Pacific Road and RCF VI will each be able to convene a general meeting of the Company pursuant to section 303 of the Companies Act 2006 and, assuming all Shareholders vote, should Shareholders with an interest in, in aggregate, 26.5 per cent. of the Enlarged Issued Share Capital vote with either Pacific Road or RCF VI, Pacific Road or RCF VI would then be able to pass or block an ordinary resolution of the Company.

In addition, if Shareholders with an interest in, in aggregate, 1.5 per cent. of the Enlarged Issued Share Capital vote with either Pacific Road or RCF VI, Pacific Road or RCF VI would then be able to block a special resolution of the Company.

On exercise of the Warrants and assuming the Company has not issued any further Ordinary Shares, Pacific Road and RCF VI will each then hold in excess of 25 per cent. of the then enlarged issued share capital of the Company and they will each therefore be able to block a special resolution of the Company.

Pacific Road and RCF VI have confirmed to the Company that they are currently independent of each other and that they are not, pursuant to an agreement or understanding (whether formal or informal), co-operating to obtain or consolidate control of the Company or to frustrate the successful outcome of an offer for the Company. On completion of the Fundraise they will have a combined interest in, in aggregate, approximately 46.9 per cent. of the Enlarged Issued Share Capital and on the exercise of the Warrants in full, and assuming the Company has not issued any further new Ordinary Shares, they will have a combined interest in, in aggregate, approximately 54.3 per cent. of the Company's then enlarged issued share capital.

As a result, on completion of the Fundraise and prior to exercise of the Warrants, in the event that Pacific Road and RCF VI voted the same way on a resolution of the Company or sought to act together, assuming all Shareholders vote, they would require Shareholders with an interest in, in aggregate, 3.1 per cent. of the Company's issued share capital to vote with them to be able to pass or defeat an ordinary resolution of the Company. In addition, should Shareholders with an interest in, in aggregate, 28.1 per cent. of the Enlarged Issued Share Capital vote with both Pacific Road and RCF VI, such special resolution of the Company would be passed.

Furthermore, on exercise of the Warrants and assuming the Company has not issued any further Ordinary Shares, they would each be able to block a special resolution of the Company and together be able to pass or defeat an ordinary resolution of the Company and, assuming all Shareholders vote, would require Shareholders with an interest in, in aggregate, 20.7 per cent. of the Company's issued share capital to vote with them to be able to pass a special resolution of the Company, such as approving the cancellation of the Company's admission to trading on AIM.

As the Company is subject to the City Code, neither Pacific Road nor RCF VI will be able to increase their holding in the Company to equal to or greater than 30 per cent. of the Company's then issued share capital without a waiver to Rule 9 of the City Code being granted by the Panel and approved by the independent Shareholders.

Should Pacific Road and RCF VI become a concert party (as defined in the City Code) they would have an interest in, assuming exercise of the Warrants in full and that the Company has not issued any further Ordinary Shares, in aggregate, 54.3 per cent., being greater than 50 per cent. of the Company's then issued share capital, which is the minimum acceptance condition required pursuant to an offer subject to the City Code. This would allow them to launch an offer with an acceptance condition set at a level that would guarantee that the offer would become unconditional as to acceptances. **As a result, they could declare any offer unconditional as to acceptances on launch of that offer and consolidate control of the Company, particularly as, following the offer, they could further increase their interests in the Company without requiring a waiver to Rule 9 of the City Code or triggering a further offer.**

The Company has also agreed that going forward the Board will not be greater than eight and that for as long as Pacific Road and RCF VI each hold more than 10 per cent. of the issued share capital of the Company, they will each be able to nominate one Director to the Board.

On the exercise of all of their respective Warrants, Pacific Road and RCF VI will each be entitled to nominate such number of Directors to the Board that is equal to their percentage holding in the Company, rounded down to the nearest whole number.

On exercise of the Warrants in full, assuming the Company has not issued any further Ordinary Shares and the Company has not paid any fees or interest due to Pacific Road and RCF VI through the issue of new Ordinary Shares, Pacific Road and RCF VI will each hold approximately 27.1 per cent. of the Company's then enlarged share capital.

Therefore on the basis of a Board of eight and on conversion of all of the Warrants, Pacific Road and RCF VI will each hold more than 25 per cent. of the Company's then enlarged share capital. Accordingly:

- Pacific Road will be able to appoint two Directors to the Board for as long as it holds more than 25 per cent. of the Company's issued share capital; and
- RCF VI will be able to appoint two Directors to the Board for as long as it holds more than 25 per cent. of the Company's issued share capital.

Current trading and future prospects

As previously announced, the pilot plant has been closed and planning and logistical contracts are currently being completed for early stage preparation of the required infrastructure to begin construction in 2014. In addition to this, the Company is in the process of recruiting the project team and advancing the project engineering and planning phases of the Project to ensure that all relevant conditions precedent are met prior to funding drawdown. It is currently anticipated that all major construction related contracts will be finalised in Q1 2014 and that first construction and official project start will be in Q2 2014.

Creditor Shares

As disclosed in the Annual Financial Statements for the year ended 30 June 2013, the Company entered into a two year off-take agreement in relation to the supply of its 11 diamond sieve size stones from the Company's pilot plant at Lihobong, pursuant to which the off-take partner agreed to purchase such diamonds from the Company. However, following the Company's decision to cease operations at the pilot plant, in order to allow for site preparation prior to the construction of the Main Treatment Plant, the Company is no longer able to fulfil its requirements under the off-take agreement. Accordingly, the Company has agreed to pay the off-take partner US\$1.8 million, in full and final settlement of all monies owed to the off-take partner under the off-take agreement, to be settled through the issue of 36,318,934 Creditor Shares at the Placing Price on completion of the Fundraise.

Share options and remuneration

Pursuant to the Company's Executive Option Scheme, the Company has agreed to grant Stuart Brown, Chief Executive Officer of Firestone, options to acquire 91,012,812 new Ordinary Shares, representing 3.0 per cent. of the Enlarged Issued Share Capital at the Placing Price on completion of the Fundraise.

The options to be granted to Stuart Brown will have a life of 10 years and one third of the award will vest on the second anniversary of the award date, one third of the award will vest on the third anniversary of the award date and the final one third of the award will vest on establishment of successful nameplate production (plant construction and commissioning complete) at the Project. As set out below, the issue of the options to Mr Brown is deemed to constitute a related party transaction under the AIM Rules for Companies

The Company will also seek authority for the issue of further options to acquire 60,675,208 million new Ordinary Shares, representing 2.0 per cent. of the Enlarged Issued Share Capital, to be granted to management and employees going forward.

The Board has also agreed, following the recommendation of the Company's remuneration committee, to make certain payments to certain Non-Executive Directors in respect of additional services rendered to the Company over and above their normal duties as Non-Executive Directors (together the "NED Remuneration"). The Board has agreed to make payments to the value of US\$126,000 and US\$50,000 to R.(Lucio) Genovese and Julian Treger respectively, to be settled through the issue of 2,561,287 and 1,016,384 Fee Shares respectively at the Placing Price on completion of the Fundraise. In addition, the Board has agreed to make a payment to the value of US\$250,000 to Frog Ventures Limited, a company of which Braam Jonker is a director and beneficiary, conditional on the Absa Debt Facility being finalised, of which US\$200,000 will be settled through the issue of 4,065,536 Fee Shares at the Placing Price and US\$50,000 will be payable in cash. In addition, the Board has also agreed to a further cash payment of US\$30,000 to Frog Ventures Limited. As set out below, the NED Remuneration is deemed to constitute a related party transaction under the AIM Rules for Companies.

Related party transactions

Stuart Brown, CEO of Firestone, has subscribed for 4,858,319 new Ordinary Shares at the Placing Price in the Placing and, following completion of the Placing, he will be interested in 4,858,319 Ordinary Shares representing 0.2 per cent. of the Enlarged Issued Share Capital. In addition, as set out above, the Company will grant Mr Brown options to acquire 91,012,812 new Ordinary Shares at the Placing Price on completion of the Fundraise.

Clients of Audley Capital Management Ltd, which is advised by Audley Capital Advisors LLP of which Julian Treger, a Non-Executive Director, is a partner, currently have an interest in, in aggregate, 10.7 per cent. of the current issued share capital of the Company, have subscribed for 49,802,821 new Ordinary Shares as part of the Placing.

The issue of Placing Shares pursuant to the Placing to Mr Brown and to clients of Audley Capital Management Ltd, the grant of options to Mr Brown at the Placing Price and the NED Remuneration (as described above) constitute related party transactions under the AIM Rules for Companies. The Directors, except for Mr Brown, Mr Genovese, Mr Jonker and Mr Treger, consider, having consulted with the Company's nominated adviser, Strand Hanson Limited, that the terms on which the Placing Shares will be issued to Stuart Brown and to clients of Audley Capital Management Ltd, the terms on which the options have been granted to Mr Brown and the terms of the NED Remuneration are fair and reasonable insofar as the Shareholders are concerned.

Legal and General and Montoya Investments Ltd ("**Montoya**") are both substantial shareholders in the Company as defined in the AIM Rules, in that they currently each have an interest in more than 10 per cent. of the Company's current issued share capital.

Legal and General and Montoya have each committed to subscribe for new Ordinary Shares as part of the Placing and, accordingly, the issue of Placing Shares to Legal and General and Montoya constitute related party transactions in accordance with the AIM Rules for Companies. The Directors consider, having consulted the Company's nominated adviser, Strand Hanson Limited, that the terms on which the Placing Shares will be issued to each of Legal and General and Montoya are fair and reasonable insofar as its Shareholders are concerned.

Directors' interests in the Company

Following completion of the Fundraise, the grant of options and the NED Remuneration as set detailed above, the interest of the Directors in the Company are as follows:

Director	No. of Ordinary Shares currently held	New Ordinary Shares to be issued on Admission	Total Ordinary Shares held following Admission	% of Enlarged Issued Share Capital	Number of options held over Ordinary Shares under the Company's Share Option Schemes
Mr Brown	-	4,858,319	4,858,319	0.2%	91,012,812
Mr Genovese	12,881,269	2,561,287	15,442,556	0.5%	9,000,000
Mr Jonker	4,293,154	4,065,536	8,358,690 ⁽¹⁾	0.3%	3,000,000
Mr Treger	13,300,342 ⁽²⁾	1,016,384	14,316,726 ⁽³⁾	0.5% ⁽³⁾	3,000,000
Mr Wilkes	1,931,688	-	1,931,688	0.1%	6,000,000

Notes:

* The above assumes no new Ordinary Shares are issued to Directors pursuant to the Retail Offer and no new or existing options are granted or exercised.

- (1) On Admission, Mr Jonker will be interested in 8,358,690 Ordinary Shares, being 4,293,154 Ordinary Shares held directly by Mr Jonker and 4,065,536 Ordinary Shares held by Frog Ventures Limited, a company of which Mr Jonker is a director and beneficiary.
- (2) Mr Treger is currently interested in 13,300,342 Ordinary Shares, being 1,698,283 Ordinary Shares held directly by Mr Treger and 11,602,059 Ordinary Shares held by trusts of which Mr Treger is a beneficiary. Mr Treger is also a partner in Audley Capital Advisors LLP, which advises clients with an aggregate interest in 80,536,877 Ordinary Shares. As a result, Mr Treger is currently interested in, in aggregate, 93,837,219 Ordinary Shares.
- (3) On Admission, Mr Treger will be interested in 14,316,726 Ordinary Shares, being 2,714,667 Ordinary Shares held directly by Mr Treger and 11,602,059 Ordinary Shares held by trusts of which Mr Treger is a beneficiary. Mr Treger is also a partner in Audley Capital Advisors LLP, which advises clients who will have an interest in, in aggregate, 130,339,698 Ordinary Shares on Admission. As a result, Mr Treger will be interested in, in aggregate, 144,656,424 Ordinary Shares which will represent approximately 4.8 per cent. of the Enlarged Issued Share Capital.

In addition to the above, pursuant to old share option schemes in place, Tim Wilkes holds 650,000 share options awarded on 1 June 2005 at an exercise price of 20p and 1,000,000 Long Term Incentive plan shares awarded on 26 October 2006 and Paul Sobie holds 150,000 options granted to him on 19 December 2007, when he was not a Director of the Company, with an exercise price of 20p.

Shareholder approval for the issue of Ordinary Shares and the disapplication of pre-emption rights

The Company does not currently have in place sufficient share authorities to implement the Financing Package, Placing and the other arrangements described in this Announcement and therefore certain Shareholder approvals will be sought at the General Meeting.

As a result, Shareholders will need to authorise the issue of Ordinary Shares and approve the disapplication of statutory pre-emption rights in relation to *inter alia*, the issue of the new Ordinary Shares to be issued in relation to the Subscription, the exercise of the Warrants, the payments of any fees and/or interest in Ordinary Shares under the Financing Package, the Placing and the Retail Offer.

The Company will also seek Shareholder approval for the authority to issue Ordinary Shares and the disapplication of pre-emption rights in relation to the issue of 91,012,812 new Ordinary Shares in relation to the options granted to Stuart Brown, the issue of further options to issue 60,675,208 new Ordinary Shares, representing 2.0 per cent. of the Enlarged Issued Share Capital to be granted to management and employees going forward and general authorities to replace those granted by Shareholders at the Company's annual general meeting in 2013.

In addition, the Company will seek Shareholder approval for the authority to issue Ordinary Shares and the disapplication of pre-emption rights in relation to the issue of the Fee Shares and the Creditor Shares as detailed above.

The Company expects to issue a Circular to Shareholders later in Q1 2014, which will, *inter alia*, include the notice of the General

Meeting, as well as including further details on the Fundraising and the Retail Offer.

Definitions

The following definitions apply throughout this Announcement, unless otherwise stated or 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 Creditor Shares, Fee Shares, Placing Shares and Subscription Shares to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
"AIM"	the AIM market operated by the London Stock Exchange;
"AIM Rules for Companies" or "AIM Rules"	the London Stock Exchange's rules and guidance notes contained in its "AIM Rules for Companies" publication relating to companies whose securities are traded on AIM, as amended from time to time;
"Announcement"	means this announcement;
"Board" or "Directors"	the directors of the Company, or any duly authorised committee thereof;
"Bridge Facility"	the bridge facility for, in aggregate, US\$10.0 million (£6.1 million) with Pacific Road and RCF VI;
"Circular"	the Shareholder circular, which is expected to be issued in Q1 2014, published in connection with, <i>inter alia</i> , the Fundraise and Retail Offer and which will include the notice for the General Meeting;
"City Code"	the City Code on Takeovers and Mergers, published by the Panel in the United Kingdom from time to time;
"Company" or "Firestone"	Firestone Diamonds plc, a company incorporated in England and Wales with registered number 3589905;
"Creditor Shares"	the new Ordinary Shares to be issued, in settlement of the liability due under the terminated off-take agreement;
"Enlarged Issued Share Capital"	the issued share capital of the Company as enlarged by the Fundraise, the Creditor Shares and the Fee Shares but excluding any new Ordinary Shares to be issued pursuant to the Retail Offer and on the exercise of the Warrants;
"Existing Ordinary Shares"	the Ordinary Shares in issue as at the date of this Announcement;
"Executive Option Scheme"	the Company's Unapproved Executive Share Option Scheme adopted by the Company on 2 April 2012;
"Fee Shares"	the new Ordinary Shares to be issued to certain directors and related parties as described in this Announcement, in respect of additional services rendered to the Company over and above their normal duties as Non-Executive Directors;
"Financing Package"	the Bridge Facility, Mezzanine Facility and Subscription with Pacific Road and RCF VI;
"Fundraise"	the Financing Package together with the Placing, totalling US\$140.0 million (£85.4 million) (before expenses);
"General Meeting"	the general meeting of the Company currently expected to be held in Q1 2014 to approve, <i>inter alia</i> , the authority to allot the new Ordinary Shares in connection with the Fundraise and the disapplication of pre-emption rights, formal notice of which will be set out in the Circular;
"GMP"	GMP Securities Europe LLP of Stratton House, 5 Stratton Street, First Floor, London W1J 8LA, the Company's joint broker;
"Group"	the Company together with its subsidiaries from time to time;
"Lesotho"	the Kingdom of Lesotho;
"Lesotho Government"	the Government of the Kingdom of Lesotho;
"Liqhobong" or "the Liqhobong Diamond Mine" or the "Project"	the Liqhobong Diamond Mine which is located in the Lesotho Highlands;
"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;

"London Stock Exchange"	London Stock Exchange plc;
"Main Treatment Plant"	the main treatment plant at the Lihobong Diamond Mine ;
"Mezzanine Notes"	the mezzanine facility for, in aggregate, US\$30.0 million (£18.3 million) with Pacific Road and RCF VI which has a term of 84 months and carries an annual coupon rate of 8 per cent.;
"Mirabaud"	Mirabaud Securities LLP of 33 Grosvenor Place, London SW1X 7HY, the Company's joint broker;
"NPV"	net present value;
"Ordinary Shares"	the ordinary shares of one penny each in the share capital of the Company;
"Pacific Road"	Pacific Road Resources Funds managed and advised by Pacific Road Capital Management Pty Ltd;
"Panel"	the Panel on Takeovers and Mergers;
"Placing"	the conditional placing of 813,107,289 Placing Shares at the Placing Price by Mirabaud and GMP as agents for and on behalf of the Company pursuant to the terms of the Placing Agreement;
"Placing Agreement"	the conditional placing agreement dated 14 January 2014 between (1) the Company, (2) GMP and (3) Mirabaud, relating to the Placing, further details of which are set out in this Announcement;
"Placing Shares"	the new Ordinary shares to be issued by the Company pursuant to the Placing;
"RCF VI"	Resource Capital Fund VI L.P.;
"Record Date"	the close of business on 14 January 2014;
"Regulation D"	Regulation D as promulgated under the Securities Act;
"Regulation S"	Regulation S as promulgated under the Securities Act;
"Retail Offer"	the offer to eligible Shareholders on the Share Register as at the Record Date and who have not participated in the Placing to subscribe, in due course, for new Ordinary Shares at the Placing Price on a pro rata basis to raise, in aggregate, up to the sterling equivalent of EUR5.0 million (before expenses);
"Securities Act"	the United States Securities Act of 1933, as amended;
"Shareholders"	holders of Ordinary Shares, from time to time;
"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 Register"	the register of shareholders for the Company;
"Subscription"	the subscription by Pacific Road and RCF VI of the Subscription Shares at the Placing Price;
"Subscription Shares"	the 1,422,937,756 new Ordinary shares to be issued by the Company pursuant to the Subscription and the application of the outstanding monies under the Bridge Facility;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"US" or "United States"	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and all other areas subject to its jurisdiction; and
"Warrants"	the warrants to subscribe for, in aggregate, 487,864,372 new Ordinary Shares at a price of 3.75 pence, representing a 25 per cent. premium to the Placing Price.

Exchange Rates

In the Announcement, references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom, references to "US dollars", "US\$", "\$" and "cents" are to the lawful currency of United States, references to "Euros", "EUR", "€" are to the lawful currency of the European Monetary Union and references to "South African Rand" or "ZAR" are to the lawful currency of the Republic of South Africa. 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 and the basis of translation of South African Rand into US dollars for the purposes of inclusion in this Announcement is ZAR10.0/US\$1.0.

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