



Increase in diamond values at Liqhobong

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("Firestone" or the "Company") (AIM: FDI)
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LONDON: 23 October 2013

Firestone Diamonds, the AIM-quoted diamond mining and exploration company, is pleased to provide an update on the potential diamond value contained within the Liqhobong Diamond Mine ("Liqhobong") in Lesotho. The updated values set out below have been extracted from a report prepared for the Company by an independent mineral resources consultant, following an analysis of the Pilot Plant's diamond production over the past 22 months.

HIGHLIGHTS

- Base average diamond price, excluding potential large stones, increased to US\$107 per carat (previously US\$98 per carat).
- Upside price, including large stones (plus 100 carats), potentially US\$156 per carat.

The Pilot Plant has recovered approximately 325,000 carats during the period September 2011 to July 2013. The data from the recovery and subsequent sale of these diamonds has allowed for the assortment and revenue models to be updated by the independent consultant and for higher confidence to be placed by management on the modelled prices that will be realised once production commences via the new fit for purpose Main Treatment Plant.

The previous assortment and revenue models, used to estimate the mineral resource that was incorporated in the 2012 Definitive Feasibility Study ("DFS"), were based on the 2007 wide diameter drill samples, which were derived from approximately 2,500 carats and 10,000 tonnes of each rock type treated from four localised individual pits. These models have now been updated with the large production parcel recovered and sold over the past 22 months. Furthermore, the models have been updated with the nine large (plus 100 carat) stone fragments to determine the potential upside in diamond values that can be expected.

It is important to note that the independently modelled size of the nine large fragmented stones that were recovered have been limited to 100 carats per stone. Three of these stones were calculated to have been 200 carats or larger, the largest being a cape yellow diamond of ~430 carats. Had these large stones been recovered undamaged, the potential price upside could well be greater than that which is currently modelled and is supported by the knowledge that Lesotho is known for its production of large high quality diamonds.

Updated revenue impact:

	US\$ per carat	Projected project revenue*
DFS	98	\$2,289m
Base	107	\$2,348m
Upside	156	\$3,390m

(* 3% annual diamond price growth)

Along with the updated pricing, the Company is also currently optimising the DFS model, previously announced in October 2012. The results from this optimisation process will be published once the review has been completed by the mid-Q4 2013.

Stuart Brown, incoming Chief Executive Officer, said: "Today's range of increased diamond values at Liqhobong is extremely encouraging, building on the solid numbers outlined by the Definitive Feasibility Study last year. This latest analysis takes into consideration all the data available from the Pilot Plant, since it commenced production in September 2011 through to July 2013, and the Board believes that these new figures further enhance the robust project economics for the Liqhobong project".

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Background information on Firestone Diamonds:

Firestone Diamonds plc is an international diamond mining and development company with operations focused on Lesotho and Botswana. Firestone currently operates the pilot plant at the Liqhobong Mine in Lesotho and is in the process of developing the Main Treatment Plant to become a +1 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.

This information is provided by RNS
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