

FIRESTONE DIAMONDS PLC

(INCORPORATED AND REGISTERED IN ENGLAND AND WALES WITH COMPANY NUMBER 03589905)

CHAIRMAN'S LETTER AND NOTICE OF ANNUAL GENERAL MEETING

To be held at the offices of Gowling WLG, 4 More London Riverside, London, SE1 2AU, on Thursday, 8th December 2022 at 10:00 a.m.
(GMT).

This document is important and requires your immediate attention

If you are in any doubt about the contents of this document or as to what action you should take, you should seek advice from your stockbroker, solicitor, accountant or other appropriate professional adviser.

If you have sold or otherwise transferred all of your shares in Firestone Diamonds plc, please pass this document, together with the accompanying documents, to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

FIRESTONE DIAMONDS PLC

COMPANY NUMBER 03589905 | REGISTERED IN ENGLAND AND WALES

Registered Office:
Highdown House
Yeoman Way
Worthing
West Sussex
BN99 9FJ

14 November 2022

Dear Shareholder

Notice of 2021 Annual General Meeting

On behalf of the Board of Directors (the "Board" or the "Directors") of Firestone Diamonds plc (the "Company"), I would like to inform you of our 2021 Annual General Meeting (the "AGM") which will be held at the offices of Gowling WLG, 4 More London Riverside, London, SE1 2AU, on Thursday, 8th December 2022 at 10:00 a.m. (GMT).

An explanation of the business to be conducted at the AGM is included on pages 4 to 6. On pages 7 and 8 you will find additional important information in relation to shareholder services.

Voting at the AGM

If you are unable to attend the AGM in person, your vote is still important and I would encourage you to complete, sign and return a form of proxy ("Form of Proxy") to register your vote. To be valid, the Form of Proxy needs to be received by the Company's registrar, Link Group, by 10:00 a.m. on Tuesday, 6 December 2022. Any proxy you appoint may attend, speak and vote at the AGM on your behalf. If you are a CREST member, you may appoint a proxy through the CREST electronic appointment service and your instruction must be received by Link Group by 10:00 a.m. on Tuesday, 6 December 2022. Shareholders attending the meeting in person or by proxy will have the opportunity to ask questions on the AGM resolutions and any other topic of relevance to our business. We hope that you will make use of the opportunity to raise questions on the topics to be discussed. You are, of course, invited to write to me at any time if you have any questions.

Action to be taken

The formal Notice of AGM is set out on the following pages of this document, detailing the resolutions that the shareholders are being asked to vote on, along with explanatory notes of the business to be conducted at the AGM.

In line with our commitment to being an environmentally friendly company, we will not be issuing hard copy Forms of Proxy for the AGM in the post. Instead, you may appoint a proxy online at www.signalshares.com. You will need your Investor Code which can be found on your share certificate. If you require assistance please contact our registrar, Link Group, whose contact details are set out in this document. If your shares are held in CREST, you may vote electronically via CREST as detailed in the notes to the Notice of AGM on pages 9 and 10.

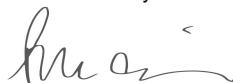
Please complete and submit the Form of Proxy in accordance with the notes to the Notice of AGM set out in this document. To be valid, the Form of Proxy must be received no later than 10:00 a.m. on Tuesday, 6 December 2022. If I am appointed as proxy, I will, of course, vote in accordance with any instructions given to me. If I am given discretion as to how to vote, I will vote in favour of each of the resolutions to be proposed at the AGM.

Recommendation

The Directors consider that resolutions 1 to 6 to be voted on at the AGM are in the best interests of the Company and of its shareholders as a whole, and the Directors unanimously recommend shareholders to vote in favour of these resolutions at the AGM, as the Directors themselves intend to do in respect of their own beneficial shareholdings.

PRRF II Investment Holdings LP, a newly established limited partnership owned by a fund advised by Pacific Road Capital ("Pacific Road"), has recommended that the Company include resolution 7 (and consequently resolution 8) to be voted on at the AGM. The Directors appreciate the rationale for Pacific Road's desire to simplify the corporate structure by means of re-registering the Company as a private company and are mindful that their shareholding of 81% grants them effective control. The Directors understand that Pacific Road will continue to operate in the best interests of the Company as set out in the Offer Document dated 22 July 2022. Nevertheless, the Directors believe that shareholders should base their decision in this regard to these resolutions on their individual circumstances, needs and objectives.

Yours sincerely



Patrick Meier
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Firestone Diamonds plc (the "Company") will be held at the offices of offices of Gowling WLG, 4 More London Riverside, London, SE1 2AU, on Thursday, 8th December 2022 at 10:00 a.m. (GMT) for the following purposes:

Ordinary Resolutions

To consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

- 1 TO receive the Company's annual accounts for the financial year ended 30 June 2021, together with the Directors' report and the Auditor's report on those accounts.
- 2 TO re-appoint BDO LLP as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which the Company's accounts are laid.
- 3 TO authorise the directors of the Company (the "Directors") to determine the auditor's remuneration.
- 4 TO re-appoint Mr Roberto De Pretto as a Director.
- 5 TO re-appoint Mr Ian Maxwell as a Director.
- 6 TO consider whether any, and if so, what steps should be taken to deal with a serious loss of capital as defined in Section 656 of the Companies Act 2006 (the "Act").

Special Resolutions

To consider and, if thought fit, pass the following resolutions which will be proposed as special resolutions:

- 7 TO re-register the Company as a private company limited by shares within the meaning of the Act with the name Firestone Diamonds Limited.
- 8 THAT, subject to and conditional upon resolution 7 being passed, the regulations produced to the meeting and signed by the chairman for the purposes of identification be adopted as the articles of association of the Company, in substitution for and to the exclusion of the existing articles of association of the Company.

By Order of the Board

Ian Crozier
Company Secretary
14 November 2022

Registered office:
Highdown House
Yeoman Way
Worthing
West Sussex
BN99 9FJ

EXPLANATORY NOTES TO THE RESOLUTIONS

Resolutions 1 to 6 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolutions 7 and 8 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1: Receipt of the audited financial statements and the Directors' Report

The Company is required to present the audited accounts for the financial year ended 30 June 2021 and the Directors' report, and the Auditor's report thereon to the meeting. These are contained in the Company's 2021 Annual Report and Accounts.

Resolutions 2 and 3: Auditor's Re-appointment and Remuneration

The Company is required to appoint auditors at each general meeting at which accounts are laid before the Company, to hold office until the end of the next such meeting. This resolution proposes the re-appointment of BDO LLP as the Company's auditor. Shareholders will also be asked to grant authority to the Directors to determine the auditor's remuneration.

Resolution 4: Appointment of Director

Roberto De Pretto was appointed as Chief Executive Officer of the Company on 12 October 2021 as successor to Paul Bosma and was appointed to the Board on 2 November 2022. Mr De Pretto is a qualified metallurgist with more than 35 years' experience in the diamond industry. He has a proven track record having worked for De Beers, Anglo American, Diamcor and the Zimbabwe Consolidated Diamond Company. Mr De Pretto has vast experience in research, project management, operational management, technical support and senior management roles culminating in the current post of Chief Executive Officer of the Company. He holds a BSc (Eng) and an MSc (Eng) degree from the University of the Witwatersrand, and is a registered Professional Engineer and a fellow of the Southern African Institute of Mining and Metallurgy.

Resolution 5: Appointment of Director

Ian Maxwell chairs Pacific Road's ESG Committee and is deeply involved in the firm's investment program and was appointed to the Board on 2 November 2022. Mr Maxwell previously led the global coal business at BHP, and also BHP's exploration and business development group. Prior to BHP, Mr Maxwell had substantial corporate mining strategy and business development experience with Rio Tinto and Anglo American; and markets-facing experience with Citigroup.

Resolution 6: Serious Loss of Capital

The depressed diamond market and the COVID-19 pandemic led to the suspension of operations at the Lihobong Mine ("the Mine") in March 2020, prior to the commencement of the 2021 financial year. The Mine remained on extended care and maintenance during the entire 2021 financial year as efforts continued to restructure the Company's debt and to raise new funding required to enable the restart of the Mine. The Company's bondholders, Pacific Road and Resource Capital Fund, agreed to capitalise interest on the Company's outstanding Eurobonds to reduce the dilutive impact of further interest share issues on other shareholders. The impact of this on the value of the Eurobond debt and as more fully described in the 2021 Annual Report, resulted in a further reduction of the Company's net assets from negative US\$37.1 million in the preceding financial year (FY 2020) to negative US\$42.6 million, which is less than half of US\$169.7 million, being the value of the Company's called up share capital as at 30 June 2021. Under the provisions of Section 656 of the Act such a position constitutes a serious loss of capital, which requires shareholders to be informed and a general meeting of the Company to be convened in order that shareholders may have an opportunity to consider the future direction of the Company. The Directors have considered this issue and communicated the proposed way forward to shareholders in the Annual Report. In the circumstances, shareholders are invited to make submissions in this regard in advance of the meeting via email at info@firestonediamonds.com by no later than 10:00 a.m. on Tuesday, 6 December 2022. The Directors intend to consider any such submissions and to address the same as soon as practicable after the AGM.

Resolution 7: Re-registration of the company as a private company

Following the cash offer by PRRF II Investment Holdings LP, the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower overhead costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company. The principal effects of the re-registration on the rights and obligations of shareholders and the Company are summarised in Appendix A of this document.

The proposal to re-register the Company as a private limited company requires the consent of the shareholders by special resolution. The name of the Company also needs to be changed to include the appropriate suffix upon re-registration.

Subject to and conditional upon the passing of the re-registration resolution, an application will be made to the Registrar of Companies for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on re-registration. The Registrar of Companies will not issue the certificate of incorporation on re-registration until the Registrar of Companies is satisfied that no valid application can be made to cancel the resolution to re-register as a private limited company. Any such application must be made within 28 days after the passing of the re-registration resolution and may be made on behalf of the persons entitled to make it by such one or more of their number as they may appoint for the purpose.

If the re-registration resolution is passed at the AGM and the Registrar of Companies issues a certificate of incorporation on re-registration, it is anticipated that the re-registration will become effective by 5 January 2023.

Application of the Takeover Code

The Takeover Code (the "Code") applies to all offers for companies which have their registered office in the United Kingdom, the Channel Islands or the Isle of Man if any of their equity share capital or other transferable securities carrying voting rights are admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man.

The Code also applies to all offers for companies (both public and private) which have their registered office in the United Kingdom, the Channel Islands or the Isle of Man which are considered by the Takeover Panel (the "Panel") to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man, but in relation to private companies only if one of a number of conditions is met, including that any of the company's equity share capital or other transferable securities carrying voting rights have been admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man at any time in the preceding ten years.

On 26 March 2020 the Company cancelled the admission of the Ordinary Shares to trading on AIM (the "Cancellation"). Under the Code, following the Cancellation the Company would continue to be subject to the Code for a period of ten years following the Cancellation for as long as the Company was considered by the Panel to have its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. This is known as the "residency test". In determining whether the residency test is satisfied, the Panel has regard primarily to whether a majority of a company's directors are resident in these jurisdictions.

Following the appointment of Roberto De Pretto and Ian Maxell to the Board on 2 November 2022, the Panel has confirmed to the Company that, on the basis of the current residency of the Directors, the Company no longer has its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man and, as a result, the Code has ceased to apply to the Company and shareholders are no longer afforded the protections provided by the Code, including the requirement for a mandatory cash offer to be made if either:

- (i) a person acquires an interest in shares which, when taken together with the shares in which persons acting in concert with it are interested, increases the percentage of shares carrying voting rights in which it is interested to 30% or more; or
- (ii) a person, together with persons acting in concert with it, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with it, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which it is interested.

If, during the ten years following the Cancellation, the Board changes so that the residency test is satisfied, the Company would become subject to the Code again.

Resolution 8: New Articles

Should the Company become a private company, the Directors believe it would be prudent for the Company to adopt the new articles which will, inter alia, make minor clarifications and general updates to the Company's existing articles of association where relevant so as to make them more appropriate for a private company.

Following the Panel's confirmation that, on the basis of the current residency of the Directors, the Company no longer has its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man, the Company is no longer subject to the provisions of the Code. The Company's existing articles of association contain equivalent provisions to Rule 9 of the Code and these would automatically take effect to give comparable protection in this regard to shareholders. However, the new articles do not protect shareholders with equivalent terms to Rule 9 of the Takeover Code.

A draft of the proposed new articles (showing the full terms of the changes proposed to be made) may be inspected at the registered office of the Company during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document up to and including the date of the AGM and at the place of the AGM for at least 15 minutes before and during the AGM.

Appendix A

EFFECTS OF RE-REGISTRATION

1. Accounts

A public company is required to file its accounts within six months following the end of its financial year and then to circulate copies of the accounts to its shareholders. Following the re-registration, the period for the preparation of accounts is extended to nine months following the end of the financial year. The Company will still be required to circulate accounts to shareholders (although the period for doing so is extended for private companies).

2. General meetings and resolutions

A public company is required to hold an annual general meeting of its shareholders each year, whereas a private company is not.

In addition, after the re-registration, resolutions of the shareholders of the Company may be obtained via written resolutions, rather than via physical meetings. This is done by obtaining the approval in writing to that resolution of the holders of a majority of voting shares then in issue (in the case of ordinary resolutions) and the holders of 75 per cent. of the voting shares then in issue (in the case of special resolutions).

3. Directors

The Company's existing articles of association contain provisions requiring each director to retire from office accordingly. These provisions have been removed in the new articles.

4. Issue of shares for non-cash consideration

As a public company, there are restrictions on the ability of the Company to issue new shares, for example, by requiring the Company to obtain a valuation report in the case of shares issued for non-cash consideration. These restrictions will not apply following the re-registration.

5. Financial assistance, reductions of capital and purchase of own shares out of capital

As a public limited company, the Company is currently prohibited from performing actions which constitute financial assistance for the acquisition of its own shares. This limits the ability of the Company to engage in certain transactions. However, following the re-registration, these restrictions will no longer apply.

In addition, the Company must currently obtain the sanction of the Court for any reduction of capital, which can be a lengthy and expensive process. However, following the re-registration, the Company will be able to take advantage of more flexible provisions applicable to private companies, which do not require the approval of the Court. Similarly, following re-registration, the Company will be able to effect buy backs of shares out of capital, which it is currently prohibited from doing as a public limited company.

6. Company Secretary

There is no requirement for a company secretary to be appointed, although the Company may retain one should it wish.

7. Removal of unnecessary provisions and simplification of articles

The new articles will not contain many of the detailed provisions of the Articles which are common for public companies, and which will not be necessary for the Company following the re-registration. Many of these provisions duplicate provisions of company law or can be simplified.

INFORMATION FOR SHAREHOLDERS

Notice of AGM Notes:

The following notes explain your general rights as a shareholder and your right to attend and vote at the AGM or to appoint someone else to vote on your behalf.

- 1 To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the number of votes that may be cast), shareholders must be registered in the Register of Members of the Company at close of business on Tuesday, 6 December 2022. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the AGM.
- 2 A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company. Submission of a proxy appointment will not preclude a shareholder from attending and voting at the AGM should they wish to do so.
- 3 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
- 4 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.
- 5 You can vote either:
 - by logging on to www.signalshares.com and following the instructions;
 - if you need help with voting online, please contact our registrar, Link Group on 0371 664 0391 if calling from the UK, or +44 (0) 371 664 0391 if calling from outside of the UK, calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link Group is open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales or email Link Group at shareholderenquiries@linkgroup.co.uk; or
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid, a form of proxy must be completed. In each case the form of proxy must be received by Link Group at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL by no later than 10:00 a.m. on Tuesday, 6 December 2022.

- 6 If you return more than one proxy appointment, the appointment received last by the registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
- 7 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM (and any adjournment of the AGM) by using the procedures described in the CREST Manual (available from www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by no later than 10:00 a.m. on Tuesday, 6 December 2022.

- 8 For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 9 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy

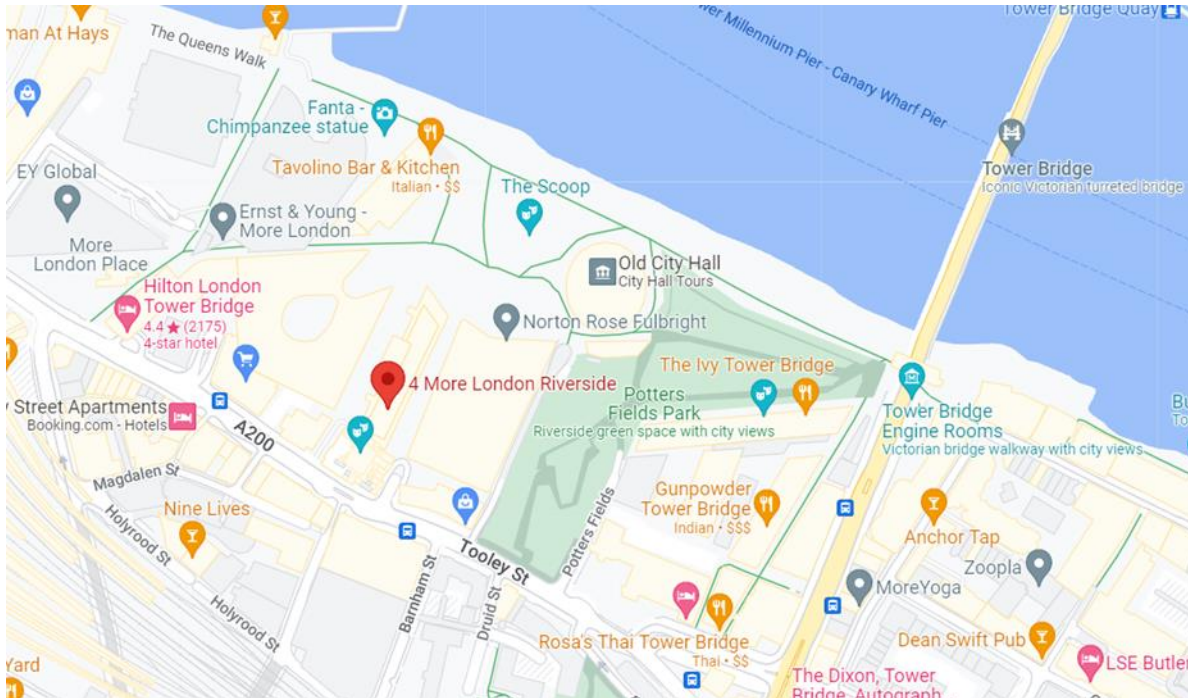
Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- 10 Unless otherwise indicated on the Form of Proxy, CREST voting or any other electronic voting channel instruction, the proxy will vote as (s)he thinks fit or, at his/her discretion, withhold from voting.
- 11 Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares. Under the current circumstances, corporate shareholders are strongly encouraged to complete and return a form of proxy appointing the Chairman of the AGM to ensure their votes are included in the poll.
- 12 As at 11 November 2022 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 789,481,276 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 11 November 2022 are 789,481,276.
- 13 Copies of Directors' service contracts or letters of appointment will be available on request during normal business hours on any business day from the date of this Notice until the time of the AGM.
- 14 You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
- 15 A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.firestonediamonds.com.

INFORMATION ABOUT ATTENDING THE ANNUAL GENERAL MEETING

The 2021 Annual General Meeting is being held at the offices of Gowling WLG, 4 More London Riverside, London, SE1 2AU, on Thursday, 8th December 2022 at 10:00 a.m. (GMT).

How to get there



Directions ([International Corporate Law Firm in London, UK | Gowling WLG](#))

By taxi: Ask for More London on Tooley Street. You should be dropped off at More London Place - a walkway that runs towards Tower Bridge, between a glass building and the Hilton Hotel.

By underground or train - from London Bridge station: Several national rail lines and the Jubilee and Northern tube lines take you to London Bridge. From there take either the Duke Street Hill or Tooley Street exit and turn right onto Tooley Street. Cross the road at the pelican crossing opposite Pret A Manger and soon after, on your left, you will see a glass building, the Hilton Hotel and a pedestrianised walkway running between them. This is known as More London Place. From here, follow the instructions from 'Once at More London Place'.

Once at More London Place: Head down the walkway towards the river. You will pass several cafés on your left and M&S Simply Food. When you reach Ernst & Young, Tower Bridge will come into full view together with City Hall. To the right is a tall light feature in front of the Gowling WLG building. Go through the gap in the glass fin and the entrance to the building is there.

Security

Please note that for security reasons, all hand luggage may be subject to examination prior to entry to the Annual General Meeting.

Certain items will not be permitted in the meeting room. These include cameras, recording equipment, items of any nature with the potential to cause disorder and such other items as the Chairman may specify.

Persons who are not shareholders of the Company will not be admitted to the Annual General Meeting unless prior arrangements have been made with the Company. Investors holding shares through nominees are welcome to attend provided that they bring proof of their holding with them to the Annual General Meeting.