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FIRESTONE DIAMONDS PLC

(Incorporated and registered in England and Wales with registered number 03589905)

CIRCULAR TO SHAREHOLDERS AND NOTICE OF GENERAL MEETING

relating to the approval of Rule 9 Panel Waivers and a renewal of the Directors' authority to allot new Ordinary Shares and disapply pre-emption rights

This document should be read in conjunction with the accompanying Form of Proxy and the definitions set out in this document. The whole of this document should be read, and in particular, your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting. Your attention is drawn to the section entitled "Action to be Taken" on page 11 of this document.

Notice of a General Meeting of the Company to be held at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU on Thursday 17 October 2019 at 11.00 a.m. is set out at the end of this document. A Form of Proxy for use at the General Meeting is enclosed with this document. Whether or not you intend to attend the General Meeting, you are encouraged to complete and return the enclosed Form of Proxy in accordance with the instructions printed on the form. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon to the Company's Registrars, Link Asset Services at PXS, The Registry, 34 Beckenham Road, Beckenham BR3 4TU, as soon as possible and in any event so as to be received by the Company's Registrars by not later

than 11.00 a.m. on 15 October 2019. Completion and posting of the Form of Proxy will not prevent a Shareholder from attending and voting in person at the General Meeting.

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This document contains (or may contain) certain forward-looking statements with respect to the Company, the Group and certain of its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. The Company cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market related risks such as changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards ("**IFRS**") applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Company's control. As a result, the Company's actual future results may differ materially from the plans, goals and expectations set forth in the Company's forward-looking statements. Any forward-looking statements made in this document by or on behalf of the Company speak only as at the date they are made. Except as required by the FCA, the London Stock Exchange or applicable law, the Company, Rothschild & Co and their respective directors, officers, employees, agents, managers, members and partners expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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EXPECTED TIMETABLE

2019

Date of publication of Circular	1 October
Latest time and date for receipt of Forms of Proxy or CREST Proxy Instructions (as applicable) for the General Meeting	11.00 a.m. on 15 October
General Meeting	11.00 a.m. on 17 October
Announcement of the results of the General Meeting	17 October

Notes:

Each of the times and dates set out in the above timetable and mentioned in this document is based on the Company's current expectations and subject to change by the Company (with the agreement of Rothschild & Co), in which event details of the new times and dates will be notified to the London Stock Exchange, where required, and the Company will make an appropriate announcement to a Regulatory Information Service.

References to times in this document are to London times unless otherwise stated.

Different deadlines and procedures for applications may apply in certain cases. For example, if you hold your Ordinary Shares through a CREST member or other nominee, that person may set an earlier date for application and payment than the dates noted above.

PART 1

LETTER FROM THE CHAIRMAN



(Incorporated and registered in England and Wales with registered number 03589905)

Directors:

Lucio Genovese	(Non-Executive Chairman)
Paul Bosma	(Chief Executive Officer)
Eileen Carr	(Non-Executive Director)
Keith Johnson	(Non-Executive Director)
Patrick Meier	(Non-Executive Director)
Ken Owen	(Non-Executive Director)
Michael Stirzaker	(Non-Executive Director)

Registered office:

27 Clements Lane
London
EC4N 7AE

1 October 2019

Dear Shareholders

Notice of General Meeting

1 INTRODUCTION

On 1 July 2019 the Company announced that its 75 per cent. owned subsidiary Liqhobong Mining Development Company (Pty) Ltd ("**Liqhobong**") had received a waiver from ABSA (the "**ABSA Waiver**") for certain of its covenants measured as at 30 June 2019 under the ABSA Facility Agreement. The ABSA Waiver is supported by the Export Credit Insurance Corporation of South Africa ("**ECIC**"), which has provided commercial and political risk insurance to ABSA.

As a condition to the ABSA Waiver, the Company obtained an undertaking from RCF and Pacific Road (together, the "**Bondholders**") to waive the requirement for the Company to pay quarterly interest in cash on the Series A Bonds for the 12 month period from 1 July 2019 to 30 June 2020, subject to an agreement on alternative arrangements being reached with the Bondholders.

Previously the Company has issued Ordinary Shares to pay quarterly interest which had accrued in respect of the Series A Bonds. However, due to consequences of the Takeover Code (as further explained below), and the terms of the Series A Bonds, the Company requires Independent Shareholder approval to permit the Bondholders to receive further Ordinary Shares from the September Interest Date (which would, if such Ordinary Shares are issued, result in an increase in each of their shareholdings to 30 per cent. and above) without triggering a mandatory offer to Shareholders under Rule 9 of the Takeover Code.

The Company wishes to continue to service the interest on the Series A Bonds through the issuance of Ordinary Shares (the "**Series A Interest Shares**") to the Bondholders and is therefore seeking approval to issue up to 195,309,376 Series A Interest Shares, in aggregate, to the Concert Parties on a non-pre-emptive basis in respect of the settlement of the interest due under the Series A Bonds for the 12 month period, from and including the September Interest Date to and including 30 June 2020, comprising a further four quarterly payments in September 2019, December 2019, March 2020 and June 2020 (the "**Share Issuance Period**"). The Series A Bonds are repayable in two tranches, US\$20 million due on 4 August 2022 and US\$10 million due on 3 January 2023 and require the servicing of

interest until those dates; arrangements for interest payments beyond 30 June 2020 will be addressed in due course.

30 June 2019 interest payment – waiver of pre-emption rights resolutions

In addition, the Company has not been able to issue shares on a non-pre-emptive basis for the June Interest Date because the authorisations provided at the AGM to issue shares on a non-pre-emptive basis would be exceeded. Therefore, the Directors are separately seeking approval to issue 16,391,523 Series A Interest Shares to the RCF Concert Party and 16,391,523 Series A Interest Shares to the Pacific Road Concert Party on a non-pre-emptive basis in respect of the interest due under the Series A Bonds as at the June Interest Date (with the Bondholders having agreed for interest to be paid no later than 30 October 2019 as per the Deferral Letter). The resultant voting rights of the RCF Concert Party would be 29.82 per cent. and the resultant voting rights of the Pacific Road Concert Party would be 29.72 per cent..

Waiver resolutions

The issue of Series A Interest Shares to the RCF Concert Party during the Share Issuance Period will increase the interest of the RCF Concert Party in the voting rights of the Company from 29.82 per cent. (including the deferred issue of 16,391,523 Series A Interest Shares issued pursuant to the June Interest Date) up to a maximum of 34.79 per cent. (assuming a maximum of 97,654,688 Series A Interest Shares are issued throughout the Share Issuance Period at one pence per Series A Interest Share). Equally, the issue of Series A Interest Shares to the Pacific Road Concert Party during the Share Issuance Period will increase the interest of the Pacific Road Concert Party in the voting rights of the Company from 29.72 per cent. (including the deferred issue of 16,391,523 Series A Interest Shares issued pursuant to the June Interest Date) up to a maximum of 34.71 per cent. (assuming a maximum of 97,654,688 Series A Interest Shares are issued throughout the Share Issuance Period at one pence per Series A Interest Share).

The Series A Interest Shares will be issued at the 20 day VWAP at the relevant interest payment date and will not be issued at a price less than one pence per Ordinary Share (being the nominal value of the Ordinary Shares). Therefore the actual interest in voting rights of the RCF Concert Party and the Pacific Road Concert Party following the issuance of the Series A Interest Shares will depend on the Company 20 day VWAP on the issuance date but shall not exceed 34.79 per cent. (in the case of the RCF Concert Party) and 34.71 per cent. (in the case of the Pacific Road Concert Party).

Table 1. Illustrative RCF Concert Party and Pacific Road Concert Party interest in voting shares of the Company at varying issue prices as at 30 June 2020

RCF Concert Party		Pacific Road Concert Party	
Issue price (GBp)	Voting shares	Issue price (GBp)	PacRoad
1p	34.8%	1p	34.7%
1.5p	33.4%	1.5p	33.3%
2p	32.7%	2p	32.6%
2.5p	32.2%	2.5p	32.1%
3p	31.8%	3p	31.7%
3.5p	31.5%	3.5p	31.5%
4p	31.3%	4p	31.3%
4.5p	31.2%	4.5p	31.1%
5p	31.1%	5p	31.0%

Note: The above table is based on an exchange rate of £1.00: US\$1.2493.

As further described in paragraph 4 below, the Takeover Panel has agreed to waive the obligation on each Concert Party to make a mandatory offer to all Shareholders under Rule 9 of the Takeover Code which would be triggered as a result of the increase in the voting rights in the Company of each Concert Party above 30 per cent., due to the issuance of the Series A Interest Shares, subject to the approval of the Independent Shareholders.

The use of Ordinary Shares to service interest payments to the Bondholders under the Series A Bonds beyond the maximum amounts set out in Resolutions 3 and 4 respectively would be subject to further approval from the Independent Shareholders and waiver from the Takeover Panel of the requirement to make a mandatory offer under Rule 9 of the Takeover Code as necessary.

Shareholders should note that if the relevant Whitewash Resolutions are not passed at the General Meeting, the Company will continue to have an obligation to service interest on the Series A Bonds but would not be able to do so in cash under the terms of the ABSA Waiver and would not be able to do so in Ordinary Shares in the absence of approved Whitewash Resolutions. In such circumstances, and absent an alternative agreement with the Bondholders, the Company may be in default of the Series A Bonds which may, in turn, cause an acceleration of the debt and cross-default under the ABSA Facility Agreement and have material implications for the solvency of the Company. If the Whitewash Resolutions are not passed at the General Meeting, the Board will need to consider the Company's options available to it at that time.

Authority to allot Ordinary Shares

At the Company's AGM, the Directors were granted authority to allot Ordinary Shares up to an aggregate nominal amount of £261,969 (representing 26,196,900 Ordinary Shares) on a non-pre-emptive basis. Since the AGM, and as at the Latest Practicable Date, this share authority has been fully utilised. In order for the Company to continue issuing Ordinary Shares in respect of the quarterly interest payments pursuant to the Series A Bonds and, in particular, ensuring that its obligations to the Bondholders at the next quarterly interest payment date are met, the Directors are seeking Shareholder authority to issue further Ordinary Shares on a non pre-emptive basis.

The Directors have resolved to convene a General Meeting on 17 October 2019 to seek Shareholders' support for the Resolutions. The purpose of this document is to set out the background to, and reasons for, the Proposals, explain the Resolutions and for the Independent Directors to recommend to Shareholders that they vote in favour of the Resolutions to be proposed at the General Meeting.

2 BACKGROUND TO AND REASONS FOR THE WHITEWASH RESOLUTIONS

The Series A Bonds

On 23 April 2015, the Company entered into the Bond Subscription Agreement pursuant to which US\$30.0 million principal amount of Series A Bonds were issued to the Bondholders. The Series A Bonds have an interest rate of 8.0 per cent. per annum payable quarterly in arrears. Under the terms of the Series A Bonds, all interest payments are payable in cash save that the Company may, at its discretion, provided that (i) Independent Shareholder approval is obtained, (ii) no event of default is subsisting and (iii) no requirement under Rule 9 of the Takeover Code to make a mandatory offer would be triggered, elect to satisfy such interest payment by way of the issue of new Ordinary Shares at an issue price equal to the 20 day VWAP of an Ordinary Share. The Series A Bonds are repayable in two tranches, US\$20 million on 4 August 2022 and US\$10 million on 3 January 2023.

On 8 August 2019 and pursuant to the Deferral Letter, the Company and the Bondholders agreed to defer the Company's obligation to pay interest due on the Series A Bonds as at the June Interest Date to a date no later than 30 October 2019 due to the Company being unable to issue Ordinary Shares because the Shareholder authorisations provided at the AGM to issue Ordinary Shares on a non-pre-emptive basis would have been exceeded.

The ABSA Facility Agreement and ABSA Waiver

In 2014, ABSA granted the Group a project debt finance facility of up to US\$82.4 million for the construction of the Liqhobong diamond mine. In December 2017, ABSA agreed to restructure this facility in support of a transition to a shorter mine plan. The ABSA Facility Agreement includes financial covenants which are tested annually on 30 June until the final maturity date in December 2023.

On 1 July 2019, the Company announced that it had received a waiver from ABSA for certain of its covenants (measured as at 30 June 2019) until 30 June 2020. As a condition to the ABSA Waiver, ABSA required that the Company commit to not pay quarterly interest in cash on the Series A Bonds for a 12 month period from 1 July 2019 to 30 June 2020.

Previously the Company has satisfied quarterly interest payments on the Series A Bonds in Ordinary Shares (save for the quarterly interest still payable in respect of the June Interest Date deferred to be paid no later than 30 October 2019 as per the Deferral Letter). However the Company is unable to continue doing so from the September Interest Date, due to the terms of the Series A Bonds which, *inter alia*, prevents the Company from issuing Ordinary Shares to satisfy interest payment requirements if such issuance would trigger a mandatory offer under Rule 9 of the Takeover Code.

3 TAKEOVER CODE

The Company is subject to the Takeover Code. Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all other shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company, but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person, or persons acting in concert with him, which increases the percentage of shares carrying voting rights held by such persons.

An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the general offer.

4 WHITEWASH RESOLUTIONS

The issuance of Series A Interest Shares to each Bondholder to satisfy interest payment requirements during the Share Issuance Period (including the deferred issue of 32,783,046 Series A Interest Shares issued pursuant to the June Interest Date) will result in the members of each Concert Party being interested in shares carrying 30 per cent. or more of the Company's voting share capital but not holding shares carrying more than 50 per cent. of such voting rights.

The Takeover Panel has agreed, however, to waive the obligation on each Concert Party to make a general offer ("**Rule 9 Panel Waivers**") that would otherwise arise as a result of the issue of up to 97,654,688 Series A Interest Shares to each Concert Party during the Share Issuance Period, subject to the approval, on a poll, of the Independent Shareholders. Accordingly, two Whitewash Resolutions are being proposed in respect of the Series A Interest Shares to be issued to each Bondholder at the General Meeting, and each will be taken on a poll.

Neither Concert Party (nor anyone acting in concert with its members) will vote on the Whitewash Resolutions.

The Rule 9 Panel Waivers do not apply to the acquisition of Ordinary Shares by either Concert Party relating to the exercise of the 2014 Warrants and/or, in the case of the RCF Concert Party, the Series B Warrants.

For so long as each Concert Party continues to be treated as acting in concert with its respective members, any further increase in the respective interests in the Ordinary Shares held by either Concert Party will be subject to the provisions of Rule 9.

5 INFORMATION ON THE CONCERT PARTIES

Information on the members of the Concert Parties (including their future intentions for the Company) is contained in Part 3 of this document.

6 RISKS ASSOCIATED WITH THE WHITEWASH RESOLUTIONS

In considering your voting decisions in relation to the Whitewash Resolutions, you are referred to the risks set out below. Only those risks relating to the Whitewash Resolutions which are material and currently known to the Company are set out below:

- The Independent Shareholders should note that, if the Whitewash Resolutions are approved and, as a result of the issuance of additional Series A Interest Shares to each Concert Party, each Concert Party's aggregate shareholding in the Company is increased, either or both Concert Parties may be able to exercise greater control over the conduct of the Company than is currently already the case.
- The Independent Shareholders should note that, if the Whitewash Resolutions are approved, this does not provide any guarantee that in any future situation where Rule 9 of the Takeover Code becomes relevant to the Company (whether in relation to either Concert Party or otherwise) the Takeover Panel would be similarly willing to grant a waiver.
- The Independent Shareholders should note that, if the relevant Whitewash Resolutions are not passed at the General Meeting, the Company will continue to have an obligation to service interest on the Series A Bonds but would not be able to do so in cash under the terms of the ABSA Waiver; and would not be able to do so in Ordinary Shares in the absence of approved Whitewash Resolutions. In such circumstances, and absent an alternative agreement with the Bondholders, the Company may be in default of the Series A Bonds which may, in turn, cause an acceleration of the debt and cross-default to the ABSA Facility Agreement and have material implications for the solvency of the Company.

Additional risks and uncertainties not currently known to the Company, or that the Company currently deems to be immaterial, may also have an adverse effect on the Company.

7 RENEWAL OF AUTHORITY TO ALLOT ORDINARY SHARES AND DISAPPLY PRE-EMPTION RIGHTS

At the AGM, the Directors were granted authority to allot 174,645,900 Ordinary Shares, 26,196,900 of which could be issued on a non-pre-emptive basis.

As at 30 June 2019, the Company had no further share authority available to issue Ordinary Shares on a non-pre-emptive basis and were not able to issue Ordinary Shares to the Bondholders on the June Interest Date. Pursuant to the Deferral Letter, the Bondholders agreed to extend the date of payment of interest due in respect of the Series A Bonds from 30 June 2019 to no later than 30 October 2019, provided that the Company now seeks Shareholder authority to allot 32,783,046 Ordinary Shares to the Bondholders on a non-pre-emptive basis. Subject to the passing of Resolutions 1 and 2, the Company has agreed with the Bondholders to issue 16,391,523 Series A Interest Shares to the RCF Concert Party and 16,391,523 Series A Interest Shares to the Pacific Road Concert Party on a non-pre-emptive basis in respect of the June Interest Date (deferred to be issued no later than 30 October 2019 as per the Deferral Letter).

Given the Company's election, assuming Resolutions 5 and 6 are approved, to issue Ordinary Shares in respect of interest payments under the Series A Bonds (provided certain conditions are met) during the Share Issuance Period, the Directors are furthermore seeking Shareholder authority to allot up to

195,309,376 Ordinary Shares to the Bondholders on a non-pre-emptive basis which, if reached, will be in full settlement of the interest due under the Series A Bonds during the Share Issuance Period.

Since the AGM, the Company has issued, in aggregate, 32,286,718 new Ordinary Shares to RCF and Pacific Road in respect of the interest due on the Series A Bonds, for the quarters ending 31 December 2018 and 31 March 2019. Unfortunately, due to an administrative oversight, this has meant 6,089,818 additional Ordinary Shares have been issued in contravention of the Company's existing pre-emption authority. The Company has obtained legal advice that these Ordinary Shares have been validly issued to RCF and Pacific Road under the Companies Act 2006 but the Directors acknowledge that a miscalculation was made and respectfully ask Shareholders, at Resolution 7, to ratify the allotment and dis-application of pre-emption rights in respect of 6,089,818 Ordinary Shares issued to the Bondholders in respect of the interest due for the quarter ended 31 March 2019 (the "**Excess March 2019 Series A Interest Shares**").

8 GENERAL MEETING

The General Meeting of the Company, notice of which is set out at the end of this document, is to be held at 11.00 a.m. on 17 October 2019, at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU. The General Meeting is being held for the purpose of considering and, if thought fit, passing the following Resolutions:

Resolution 1 – Authority to allot new Ordinary Shares in connection with the interest payment due on the June Interest Date under the Series A Bonds

Resolution 1 will be proposed as an ordinary resolution for Shareholders to grant authority to the Directors to allot up to 32,783,046 Series A Interest Shares to the Bondholders in connection with the interest payment due on the June Interest Date under the Series A Bonds.

Resolution 2 – Disapplication of pre-emption rights in relation to new Ordinary Shares

Resolution 2 (conditional upon the passing of Resolution 1) will be proposed as a special resolution for Shareholders to disapply statutory pre-emption rights in connection with the issue of Series A Interest Shares proposed in Resolution 1.

Resolutions 3 and 4 – Whitewash Resolutions

Resolutions 3 and 4 will be proposed as ordinary resolutions for the Independent Shareholders to approve the Rule 9 Panel Waivers relating to each Concert Party and will be inter-conditional meaning that both Rule 9 Panel Waivers must be approved in order for the Company to be able to carry out the Proposals contemplated by this document.

Resolution 5 – Authority to allot new Ordinary Shares in connection with interest payments under the Series A Bonds

Resolution 5 (conditional upon the passing of Resolutions 3 and 4) will be proposed as an ordinary resolution for Shareholders to grant authority to the Directors to allot up to 195,309,376 Series A Interest Shares to the Bondholders in connection with interest payments due during the Share Issuance Period.

Resolution 6 – Disapplication of pre-emption rights in relation to new Ordinary Shares

Resolution 6 (conditional upon the passing of Resolution 5) will be proposed as a special resolution for Shareholders to disapply statutory pre-emption rights in connection with the issue of Series A Interest Shares proposed in Resolution 5.

Resolution 7 – Ratification of issue of Excess March 2019 Series A Interest Shares

Resolution 7 will be proposed as an ordinary resolution to ratify the allotment and issue of 6,089,818 Excess March 2019 Series A Interest Shares to the Bondholders.

9 IRREVOCABLE UNDERTAKINGS

The Company has received irrevocable undertakings from certain Shareholders to vote in favour of the Resolutions at the General Meeting in respect of, in aggregate, 126,186,966 Ordinary Shares representing approximately 22.32 per cent. of the existing issued ordinary share capital of the Company and 52.14 per cent. of the Ordinary Shares entitled to vote on the Whitewash Resolutions.

Further details of the irrevocable undertakings are set out in paragraph 6.2 of Part 2 of this document.

10 ACTION TO BE TAKEN

You will find enclosed a Form of Proxy for use at the General Meeting.

Whether or not you intend to be present at the General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it as soon as possible and in any case so as to be received by the Company's Registrars at Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 11.00 a.m. on 15 October 2019. If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Link Asset Services (CREST Participant ID: RA10) so that it is received by no later than 11.00 a.m. on 15 October 2019. The return of the Form of Proxy or transmission of a CREST Proxy Instruction will not prevent you from attending the meeting and voting in person if you wish and are entitled to do so.

11 RECOMMENDATION

The Board (apart from Mr. Keith Johnson who is RCF's nominee on the Board and Mr. Michael Stirzaker who is Pacific Road's nominee on the Board and who are therefore not deemed to be independent), which has been so advised by Rothschild & Co in respect of the financial terms of the Rule 9 Panel Waivers, consider that the Whitewash Resolutions are fair and reasonable and in the best interests of the Company and its Independent Shareholders as a whole. In providing advice to the Independent Directors in respect of the Rule 9 Panel Waivers, Rothschild & Co has taken into account the commercial assessment of the Independent Directors.

Accordingly, the Independent Directors unanimously recommend that you vote in favour of the Resolutions as they and Shareholders connected with them have irrevocably undertaken to do in respect of their aggregate beneficial holdings of 3,586,316 Ordinary Shares, representing 0.63 per cent. of the total number of issued shares in the Company.

Yours faithfully

Lucio Genovese

Non-Executive Chairman
Firestone Diamonds plc

PART 2

ADDITIONAL INFORMATION ON THE COMPANY

1 RESPONSIBILITY

- 1.1 The Directors, whose names are set out on page 5 of this document, accept responsibility for the information (including any expressions of opinion) contained in this document, other than information for which responsibility is taken pursuant to paragraph 1.2 of Part 2 below and paragraphs 1.1 and 1.2 of Part 3, save that the only responsibility accepted by the Directors in respect of the information in this document relating to each Concert Party, has been to ensure that such information has been correctly and fairly reproduced or presented (and no steps have been taken by the Directors to verify this information). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information (including any expressions of opinion) contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Independent Directors, being the Directors other than Keith Johnson and Michael Stirzaker, accept responsibility for any opinion attributable to the Independent Directors relating to the unanimous recommendation of the Proposals. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case), the information (including expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 INTERESTS AND DEALINGS

- 2.1 As at the close of business on the Latest Practicable Date, the interests, rights to subscribe and short positions of the Directors, their immediate families and persons connected with them in the share capital of the Company, together with any options in respect of such share capital ((all of which holdings are beneficially held unless otherwise stated) required to be notified to the Company or which are required to be entered into the Company's Shareholder register, are as set out below):

Director	Number of Ordinary Shares	Percentage of voting rights %
Lucio Genovese	3,586,316	0.63
Paul Bosma	-	-
Keith Johnson	393,903	0.07
Patrick Meier	-	-
Ken Owen	-	-
Michael Stirzaker	-	-
Eileen Carr	-	-

- 2.2 As at the close of business on the Latest Practicable Date and save as disclosed in paragraph 2.1 above, none of (i) the Company, (ii) the Directors; (iii) any of the Directors' immediate families or related trusts; (iv) the pension funds of the Company or its subsidiary undertakings; (v) any employee benefit trust of the Company or its subsidiary undertakings; (vi) any connected adviser to the Company or its subsidiary undertakings or any person acting in

concert with the Directors; (vii) any person controlling, controlled by or under the same control as any connected adviser falling within (vi) above (except for an exempt principal trader or an exempt fund manager); nor (viii) any other person acting in concert with the Company; owns or controls, has a short position, or has borrowed or lent (or entered into any financial collateral arrangement of the kind referred to in Note 4 on Rule 4.6 of the Code), or is interested in, or has any right to subscribe for, or any arrangement concerning, directly or indirectly, any relevant securities of the Company.

2.3 None of the Directors, nor any member of their immediate families or related trusts (so far as the Directors are aware having made due enquiry), dealt in relevant securities of the Company during the 12 months prior to the Latest Practicable Date.

2.4 Neither the Company nor any of the Directors nor any member of their immediate families or related trusts, owns or controls or is interested, directly or indirectly in or has any short position in, any member of either Concert Party or any securities convertible into, or exchangeable for, rights to subscribe for and options (including traded options) in respect of, and derivatives referenced to, any of the foregoing.

2.5 No management incentivisation arrangements have been discussed.

3 DIRECTORS' SERVICES AGREEMENT AND LETTERS OF APPOINTMENT

3.1 *Chief Executive Officer*

Paul Bosma is currently employed as Chief Executive Officer of the Company. His employment is governed by the terms of a service agreement with the Company dated 18 September 2018. The notice period required to terminate his employment is 6 months' written notice by the Company or 6 months' written notice by Paul Bosma. The Company reserves the right under the service agreement, exercisable in its absolute discretion, to terminate Paul Bosma's employment and make a payment in lieu of the notice required by the agreement or any unexpired part of such notice. If Paul Bosma commits any fundamental breach of the service agreement, such as failing, after due and proper warning, to perform his duties competently, the Company may terminate the agreement without any notice or payment in lieu thereof. In addition to basic salary of US\$410,000, he is also entitled to benefits, which include a discretionary bonus. Paul Bosma is also entitled to out-of-pocket expenses reasonably incurred by him in the proper performance of his duties.

3.2 No service contracts have been entered into or amended within 6 months of the date of this document.

3.3 *Non-Executive Directors*

All of the other Directors are non-executive and do not have service contracts with the Company. Instead, the Directors were appointed pursuant to letters of appointment as set out in the below table.

<i>Name</i>	<i>Contract date</i>	<i>Fees (US\$)</i>	<i>Notice Period</i>
Lucio Genovese	1 June 2014	120,000	3 months
Eileen Carr	1 May 2019	60,000	3 months
Keith Johnson	8 April 2015	60,000	3 months
Patrick Meier	4 July 2018	60,000	3 months
Ken Owen	18 June 2014	60,000	3 months

Each of the non-executive Director appointments can be terminated in accordance with the Articles and without compensation. The Articles provide that the office of Director shall be terminated by, among other things: written resignation, unauthorised absences from board meetings for six consecutive months or more; or written request of all of the other Directors.

- 3.4 Other than as described above, no letters of appointment have been entered into or amended within 6 months of the date of this document.

4 MATERIAL CONTRACTS

There are no contracts (not being in the ordinary course of business) entered into by the Company or any member of the Group in the two years immediately preceding the date of this document which are, or may be, material or which contain any provision under which the Company or any member of the Group has any obligation or entitlement which is, or may be, material to the Company as at the date of this document save as follows:

4.1 *Placing and Open Offer Agreement*

On 1 December 2017, the Company entered into a placing and open offer agreement with Macquarie pursuant to which Macquarie, as agent for the Company, agreed to use its reasonable endeavours to place certain new Ordinary Shares with institutional investors, including certain existing Shareholders. The Placing and Open Offer Agreement contains customary warranties given by the Company to Macquarie as to matters relating to the Group and its business. Macquarie is entitled to terminate the Placing and Open Offer Agreement in certain circumstances, including *inter alia*, a breach of warranties, the failure of the Company to comply, in any material respect, with its obligations under the Placing and Open Offer Agreement or a material adverse change.

5 MIDDLE MARKET QUOTATIONS

The table below sets out the middle market quotations for an Ordinary Share, as derived from the AIM appendix to the London Stock Exchange Daily Official List, on the first business day of each of the six months preceding the date of this document and for the Latest Practicable Date:

<i>Date</i>	<i>Price per Ordinary Share</i>
1 April 2019	2.1p
1 May 2019	2.1p
3 June 2019	1.6p
1 July 2019	1.325p
1 August 2019	1.275p
2 September 2019	1.175p
Latest Practicable Date	1.05p

6 IRREVOCABLE UNDERTAKINGS

6.1 *Director irrevocable undertakings*

The Company has received an irrevocable undertaking from Lucio Genovese to vote in favour of the Resolutions at the General Meeting in respect of his own beneficial holding amounting to 3,586,316 Ordinary Shares, representing approximately 0.63 per cent. of the existing issued ordinary share capital of the Company.

The irrevocable undertaking includes undertakings to:

- (a) until the conclusion of the General Meeting, not deal in the relevant Ordinary Shares or any interest in all or any of them or permit any dealing, nor enter into any agreement or arrangement (whether conditional or not) to deal, nor accept (or permit to be accepted) any offer in respect of all or any of such Ordinary Shares;
- (b) continue to control the relevant Ordinary Shares at least until the conclusion of the General Meeting;
- (c) vote, or procure to vote, in favour of the Resolutions at the General Meeting; and
- (d) not take any action which is inconsistent with the express terms of the irrevocable undertaking.

The obligations of Mr. Genovese shall be irrevocable until the date falling three months from the date of their irrevocable undertaking.

6.2 *Shareholder irrevocable undertakings*

The Company has received irrevocable undertakings from Sustainable Capital Ltd and Edwards Family Holdings Ltd to vote in favour of the Resolutions at the General Meeting in respect of, in aggregate, 122,600,650 Ordinary Shares representing approximately 21.68 per cent. of the existing issued ordinary share capital of the Company:

<i>Name</i>	<i>Total number of Ordinary Shares in the capital of the Company</i>	<i>Percentage of Existing Issued Share Capital</i>
Sustainable Capital Ltd	59,128,295	10.46
Edwards Family Holdings Ltd	63,472,355	11.22

The irrevocable undertakings given by Sustainable Capital Ltd and Edwards Family Holdings Ltd include undertakings to:

- (a) until the conclusion of the General Meeting, not deal in the relevant Ordinary Shares or any interest in all or any of them or permit any dealing, nor enter into any agreement or arrangement (whether conditional or not) to deal, nor accept (or permit to be accepted) any offer in respect of all or any of such Ordinary Shares;
- (b) continue to control the relevant Ordinary Shares at least until the conclusion of the General Meeting;
- (c) vote, or procure to vote, in favour of the Resolutions at the General Meeting; and
- (d) not take any action which is inconsistent with the express terms of the irrevocable undertaking.

The obligations of Sustainable Capital Ltd and Edwards Family Holdings Ltd shall be irrevocable until the date falling three months from the date of their irrevocable undertaking.

7 INCORPORATION OF RELEVANT INFORMATION BY REFERENCE

7.1 The following documents (or parts of documents), which have been filed with the Takeover Panel and are available for inspection in accordance with paragraph 10 of this Part 2, contain information about the Company and the Concert Parties, which is relevant to this document.

7.2 The table below sets out the sections of these documents which are incorporated by reference into, and form part of, this document in accordance with Rule 24.15 of the Takeover Code, and only the parts of the documents identified in the table below are incorporated into, and form part of, this document.

<i>Source document from which information is incorporated into this document by reference</i>	<i>Information incorporated by reference</i>	<i>Page number(s) in source document</i>
Audited financial statements for the year ended 30 June 2018	Independent Auditor's Report	45
	Consolidated Statement of Comprehensive Income	48
	Consolidated Statement of Financial Position	49
	Consolidated Statement of Changes in Equity	50
	Consolidated Statement of Cash Flows	51
	Notes to the Financial Statements	55
Audited financial statements for the year ended 30 June 2017	Independent Auditor's Report	36
	Consolidated Statement of Comprehensive Income	40
	Consolidated Statement of Financial Position	41
	Consolidated Statement of Changes in Equity	42
	Consolidated Statement of Cash Flows	43
	Notes to the Financial Statements	47
Unaudited interim financial statements for the six months to 31 December 2018	Consolidated Statement of Comprehensive Income	6
	Consolidated Statement of Financial Position	7
	Consolidated Statement of Changes in Equity	8
	Consolidated Statement of Cash Flows	10
	Notes to the condensed Group interim financial statements	11

7.3 A copy of each of the documents incorporated by reference into this document is available, free of charge, for downloading or inspection at <https://www.firestonediamonds.com/investors/reports-circulars-presentations>. Neither the contents of the Company's website, nor any website directly or indirectly linked to this website, are incorporated in, or form part of, this document.

7.4 Shareholders or other recipients of this document may request copies of the information incorporated by reference from the Company at its registered office at 27 Clements Lane, London EC4N 7AE, or by telephone at + 44 (0)20 3319 1690. Hard copies of the information incorporated by reference will not be sent to Shareholders or other recipients of this document unless so requested.

7.5 Save as set out above in this document, neither the contents of the Company's website, nor the contents of any website accessible from hyperlinks on the Company's website, is incorporated into, or forms part of, this document.

8 GENERAL

- 8.1 The Company was incorporated in England and Wales on 24 June 1998 and the Ordinary Shares were admitted to trading on AIM on 14 August 1998. The Company is a diamond mining company with operations focused in Lesotho.
- 8.2 Save as described in paragraph 8.3 below, there has been no significant change in the trading or financial position of the Company since 31 December 2018, the date up to which the most recent unaudited interim financial statements were published.
- 8.3 As announced previously, trading conditions continue to be challenging due to the ongoing depressed pricing of rough diamonds across the industry as well as fewer valuable stones recovered resulting in lower than expected average values being realised; and recovered grades lower than the expected reserve grade. While the Group's cash balance is US\$21.0 million as at 30 September 2019, the trading environment remains difficult and as a result the Company is actively engaging with its debtholders to ensure it can sustain operations through the current downturn. However further deterioration in the financial or trading position is possible and may have material implications for the solvency of the Company independently of the passing of the Resolutions.

9 CONSENT

In connection with the Whitewash Resolutions and in order to comply with the requirements of the Code, Rothschild & Co has given and has not withdrawn its written consent to the issue of this document with the references to it in the form and context in which they appear.

10 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be published on the Company's website at <https://www.firestonediamonds.com/investors/reports-circulars-presentations> and will be available for inspection on request by a Shareholder, person with information rights, or other person to whom this document is sent at the Company's registered office at 27 Clements Lane, London EC4N 7AE during normal business hours on any weekday (Saturdays, Sundays and public holidays in the UK excepted) from the date of this document until the conclusion of the General Meeting:

- (a) the irrevocable undertakings received from Sustainable Capital Ltd, Edwards Family Holdings Ltd and Lucio Genovese;
- (b) the Articles;
- (c) the consent referred to in paragraph 9 above;
- (d) the Company's audited financial statements for the years ended 30 June 2017 and 30 June 2018 and unaudited interim financial statements for the six months ended 31 December 2018; and
- (e) this document and the Form of Proxy.

PART 3

ADDITIONAL INFORMATION ON THE CONCERT PARTIES

1 RESPONSIBILITY

- 1.1 For the purposes of Rule 19.2 of the Takeover Code only, the RCF Directors (whose names are set out in paragraph 2.5 of this Part 3) accept responsibility for the information (including any expressions of opinion) contained in this document in relation to the RCF Concert Party. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information (including any expressions of opinion) contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 For the purposes of Rule 19.2 of the Takeover Code only, the Pacific Road Directors (whose names are set out in paragraph 3.8 of this Part 3) accept responsibility for the information (including any expressions of opinion) contained in this document in relation to the Pacific Road Concert Party. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information (including any expressions of opinion) contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 INFORMATION ON THE RCF CONCERT PARTY

- 2.1 Resource Capital Fund VI L.P. ("**RCF VI**"), Resource Capital Associates VI L.P. ("**RCA**") and RCA VI GP Ltd ("**RCA GP**") (together, the "**RCF Concert Party**") are presumed to be acting in concert for the purposes of the Takeover Code for the following reasons:
- RCF VI is a private equity fund formed as a Cayman Islands exempted limited partnership that makes investments in the mining sector whose general partner is RCA and RCF VI is therefore presumed as acting in concert with RCA under the Takeover Code.
 - RCA is a Cayman Islands exempted limited partnership whose general partner is RCA GP and RCA is therefore presumed as acting in concert with RCF GP under the Takeover Code.
 - RCA GP acts on behalf of RCA which in turn acts on behalf of RCF VI.
- 2.2 As at the Latest Practicable Date, the RCF Concert Party holds:
- 162,021,377 Ordinary Shares, representing approximately 28.65 per cent. of the Company's existing issued share capital;
 - warrants to subscribe for 24,393,219 Ordinary Shares at an exercise price of 61.4925 US cents which were issued in 2014 as part of the then financing (the "**2014 Warrants**"); and
 - 7,000 warrants that were issued in connection with the Series B Bonds (the "**Series B Warrants**") in order to facilitate a potential conversion of the principal and accrued interest of the Series B Bonds, at the sole discretion of RCF, into new Ordinary Shares on their redemption.
- 2.3 Resource Capital Funds is a group of commonly managed private equity funds, established in 1998 with a mining sector specific investment mandate and approximately US\$2.7 billion in assets under management. Since inception, eight private equity funds have been raised. RCF VI is the sixth fund established in 2013, with a committed capital of US\$2.04 billion and is now fully invested. RCF VI is managed by RCF Management L.L.C ("**RCFM**"), a Delaware limited liability company. RCFM is an SEC registered investment adviser. Further information about

Resource Capital Funds can be found on its website www.resourcecapitalfunds.com.

2.4 Investment decisions are made by the investment committee of RCF VI, established by RCA GP and comprised of directors of RCA GP and senior managers of its manager, RCFM. No one individual controls, or has veto rights, in relation to investment decisions for RCF VI.

2.5 The directors, registered office and other incorporation information of the members of the RCF Concert Party are as follows:

Name	RCF VI
Directors:	Nil
Address:	Ugland House, PO Box 309, George Town, Grand Cayman, Cayman Islands
Place of registration:	Cayman Islands
Registered number:	MC-70932

Name	RCA
Directors:	Nil
Address:	Ugland House, PO Box 309, George Town, Grand Cayman, Cayman Islands
Place of registration:	Cayman Islands
Registered number:	MC-70931

Name	RCA GP
Directors:	Ryan T. Bennett Jasper A. Bertisen Ross R. Bhappu Russell Cranswick Sherri A. Croasdale James T. McClements Michele Valenti
Address:	Registered Address: Ugland House, PO Box 309, George Town, Grand Cayman, Cayman Islands Business address: 1400 Sixteenth Street, Suite 200, Denver, CO 80202
Place of incorporation:	Cayman Islands
Registered number:	MC-275339

- 2.6 The Proposals are not expected to have a material effect on RCF's earnings, assets or liabilities.
- 2.7 There are no contracts (not being entered into in the ordinary course of business) entered into by the RCF Concert Party within the two years immediately preceding the date of this document which are, or may be, material or which contain any provision under which the RCF Concert Party has any obligation or entitlement which is or may be material as at the date of this document.

3 INFORMATION ON THE PACIFIC ROAD CONCERT PARTY

3.1 Pacific Road Resources Fund II L.P. ("**Pacific Road LP**") and Pacific Road Resources Fund II ("**Pacific Road Australian Trust**") (collectively referred to as "**Pacific Road Resources Fund II**") are co-investors in the Company.

3.2 Pacific Road LP, Pacific Road Capital Management GP II Limited ("**Pacific Road GP**"), Pacific Road Australian Trust and Pacific Road Capital II Pty Limited ("**Pacific Road Trustee**"), (together the, "**Pacific Road Concert Party**") are presumed to be acting in concert for the purposes of the Takeover Code for the following reasons:

- Pacific Road GP is the general partner of Pacific Road LP and therefore Pacific Road LP is presumed as acting in concert with Pacific Road GP under the Takeover Code; and
- Pacific Road Trustee is the trustee of Pacific Road Australian Trust and therefore Pacific Road Trustee is presumed as acting in concert with Pacific Road Australian Trust under the Takeover Code.

3.3 As at the Latest Practicable Date, the Pacific Road Concert Party holds:

- 161,426,065 Ordinary Shares, representing approximately 28.55 per cent. of the Company's existing issued share capital; and
- 2014 Warrants to subscribe for 24,393,219 Ordinary Shares at an exercise price of 61.4925 US cents.

3.4 The Pacific Road Capital ("**PRC**") group is a privately-owned private equity investor and adviser specialising in the resources sector headquartered in Sydney, Australia. PRC is 100 per cent. owned by interests associated with J Matthew Fifield, managing partner of PRC. As at 30 June 2019, PRC has approximately US\$270 million in assets under advice and management. PRC has raised two resources private equity funds in 2007 (Pacific Road Resources Fund) and 2012 (Pacific Road Resources Fund II) with total committed capital of US\$796 million. The Pacific Road Concert Party is all part of the Pacific Road Resources Fund II structure:

- Pacific Road LP is the international fund vehicle, a UK limited partnership;
- Pacific Road GP is the general partner of Pacific Road LP, and is a Cayman company;
- PRC's subsidiary Pacific Road Capital Management Pty Ltd advises Pacific Road GP and Pacific Road Trustee;
- Pacific Road Australian Trust is the Australian fund vehicle, an Australian managed investment trust;
- Pacific Road Trustee (which is a wholly-owned subsidiary of PRC) is the trustee of Pacific Road Australian Trust;

- Pacific Road LP and Pacific Road Australian Trust co-invest in agreed proportions in private equity mining investments; and
 - Pacific Road LP and Pacific Road Australian Trust are the investors in the Company
- 3.5 Investment decisions are made by Pacific Road Trustee, on behalf of Pacific Road Australian Trust, and by Pacific Road GP, on behalf of Pacific Road LP.
- 3.6 PRC owns Pacific Road Trustee and manages the Pacific Road Australian Trust. PRC has an advisory relationship with Pacific Road GP. Pacific Road GP is a single purpose entity owned by a charitable trust unconnected economically to any of the principals or investors in Pacific Road Resources Fund II or PRC.
- 3.7 Four individual investors each hold a beneficial interest in Pacific Road Resources Fund II above 5 per cent. (but not more than 15 per cent.). However no single investor, nor the four largest investors acting collectively, control either Pacific Road LP or Pacific Road Australian Trust or make decisions regarding the operation of the combined Pacific Road Resources Fund II.
- 3.8 The directors, registered office and other incorporation information of the members of the Pacific Road Concert Party are as follows:

Name	Pacific Road LP
Directors:	Nil
Address:	190 Elgin Avenue, George Town, Cayman Islands
Placing of incorporation:	United Kingdom
Registered number:	LP014389

Name	Pacific Road GP
Directors:	Padraig Hoare Inderjit Singh
Address:	190 Elgin Avenue, George Town, Cayman Islands
Placing of incorporation:	Cayman Islands
Registered number:	249294

Name	Pacific Road Australian Trust
Directors:	Nil
Address:	Level 2, 88 George Street, Sydney, NSW, Australia
Placing of incorporation:	Australia
Registered number:	ABN: 28 224 526 270

Name	Pacific Road Trustee
Directors:	J Matthew Fifield Adrian Samuel Martin Andrew James Ferrier
Address:	Level 2, 88 George Street, Sydney, NSW, Australia
Placing of incorporation:	Australia
Registered number:	ACN: 151 671 733

3.9 The Proposals are not expected to have a material effect on Pacific Road's earnings, assets or liabilities.

3.10 There are no contracts (not being entered into in the ordinary course of business) entered into by the Pacific Road Concert Party within the two years immediately preceding the date of this document which are, or may be, material or which contain any provision under which the Pacific Road Concert Party has any obligation or entitlement which is or may be material as at the date of this document.

3.11 For the avoidance of doubt, the RCF Concert Party and the Pacific Road Concert Party are not presumed to be acting in concert with each other for the purposes of the Takeover Code.

4 INTENTIONS OF THE CONCERT PARTIES

4.1 Each Concert Party has confirmed that there is no agreement, arrangement or understanding for the transfer of their Ordinary Shares to any third party.

4.2 Neither the RCF Concert Party or the Pacific Road Concert Party has any intention of making any changes in relation to:

- the future business of the Company;
- the continued employment of the Company's employees and management, including any material change in the conditions of employment or in the balance of the skills and functions of the employees and management;
- the strategic plans of the Company;
- the locations of the Company's places of business;
- employer contributions into the Company's pension scheme and the admission of new members;
- the redeployment of any fixed assets of the Company; or
- the maintenance of any existing trading facilities for the relevant securities including the maintenance and continued admission of the Company's ordinary shares to trading on AIM.

4.3 Neither the RCF Concert Party or the Pacific Road Concert Party intends to change their own current business strategy as a result of the Proposals.

4.4 For the avoidance of doubt, if the Whitewash Resolutions are passed at the General Meeting, neither the RCF Concert Party or the Pacific Road Concert Party will be restricted from making an offer for the Company.

5 EFFECT OF THE ISSUE OF THE SERIES A INTEREST SHARES ON THE INTERESTS OF THE RCF CONCERT PARTY

5.1 In the event that RCF is issued up to 97,654,688 Series A Interest Shares (assuming a nominal price of one pence per Series A Interest Share) during the Share Issuance Period, the members of the RCF Concert Party will be interested, in addition to their interests in the 2014 Warrants and the Series B Warrants and the Series A Interest Shares to be issued to them in respect of the June Interest Date, in 276,067,588 Ordinary Shares, representing approximately 34.79 per cent. of the Enlarged Issued Share Capital.

5.2 Assuming the Independent Shareholders approve the Whitewash Resolutions, and for illustrative purposes only, and based on the following assumptions:

- RCF is issued with 16,391,523 Series A Interest Shares pursuant to the June Interest Date;
- RCF exercises the 2014 Warrants in full, resulting in the allotment of 24,393,219 new Ordinary Shares to RCF (the 2014 Warrants are exercisable at any point in time during the Share Issuance Period);
- RCF exercises the Series B Warrants in full, resulting in the allotment of 20,400,121 new Ordinary Shares to RCF (the Series B Warrants are exercisable at any point in time during the Share Issuance Period); and
- the Company does not issue any other Ordinary Shares, Pacific Road does not exercise any subscription rights and no other Shareholders exercises their subscription rights,

then, following the issues of the Series A Interest Shares (assuming a nominal price of one pence per Series A Interest Share) during the Share Issuance Period, RCF would hold 320,860,928 Ordinary Shares, representing approximately 38.27 per cent. of the Company's then Enlarged Issued Share Capital. Shareholders should note that, if the £:US\$ exchange rate decreases, the number of new Ordinary Shares to be issued to RCF on exercise of the Warrants could increase and consequently lead to greater dilution to Shareholders.

5.3 Accordingly, following the issues of the Series A Interest Shares (assuming a nominal price of one pence per Series A Interest Share) during the Share Issuance Period (and assuming the Independent Shareholders approve the Whitewash Resolutions), if RCF retains its existing holding of Ordinary Shares and elects to exercise the 2014 Warrants and Series B Warrants (in whole or in part), the resulting issue of new Ordinary Shares upon such exercise would result in the RCF Concert Party's shareholding (together with shares in which any person(s) deemed by the Takeover Panel to be acting in concert (as defined in the Takeover Code) with it are interested) further increasing beyond 30.0 per cent. of the Company's then Enlarged Issued Share Capital and, pursuant to Rule 9 of the Takeover Code, the RCF Concert Party would then be obliged to make a mandatory offer in cash (or accompanied by a cash alternative) for the entire issued Ordinary Share capital not held by the RCF Concert Party (or any person(s) deemed by the Takeover Panel to be acting in concert with it) at the highest price paid by the RCF Concert Party (or any person(s) deemed by the Takeover Panel to be acting in concert with it) for any interest in Ordinary Shares acquired in the previous 12 months. It is at RCF's sole discretion in relation to the Series B Bonds (or any other warrant holder, to the extent that the Series B Warrants have been transferred) as to whether it elects to exercise the Series B Warrants and if the Series B Warrants are not exercised, the Company will accordingly redeem the Series B Bonds for cash at the maturity date.

6 EFFECT OF THE ISSUE OF THE SERIES A INTEREST SHARES ON THE INTERESTS OF THE PACIFIC ROAD CONCERT PARTY

6.1 In the event that Pacific Road is issued up to 97,654,688 Series A Interest Shares (assuming a nominal price of one pence per Series A Interest Share) during the Share Issuance Period, the members of the Pacific Road Concert Party will be interested, in addition to their interests in

the 2014 Warrants and the Series A Interest Shares to be issued to them in respect of the June Interest Date, in 275,472,276 Ordinary Shares, representing approximately 34.71 per cent. of the Enlarged Issued Share Capital.

6.2 Assuming the Independent Shareholders approve the Whitewash Resolutions, and for illustrative purposes only, and based on the following assumptions:

- Pacific Road is issued with 16,391,523 Series A Interest Shares pursuant to the June Interest Date;
- Pacific Road exercises the 2014 Warrants in full, resulting in the allotment of 24,393,219 new Ordinary Shares to Pacific Road (the 2014 Warrants are exercisable at any point in time during the Share Issuance Period); and
- the Company does not issue any other Ordinary Shares, RCF does not exercise any subscription rights and no other Shareholders exercises their subscription rights,

then, following the issues of the Series A Interest Shares (assuming a nominal price of one pence per Series A Interest Share) during the Share Issuance Period, Pacific Road would hold 299,865,495 Ordinary Shares, representing approximately 36.66 per cent. of the Company's then Enlarged Issued Share Capital.

6.3 Accordingly, following the issues of the Series A Interest Shares (assuming a nominal price of one pence per Series A Interest Share) during the Share Issuance Period (and assuming the Independent Shareholders approve the Whitewash Resolution), if Pacific Road retains its existing holding of Ordinary Shares and elects to exercise the 2014 Warrants (in whole or in part), the resulting issue of new Ordinary Shares upon such exercise would result in the Pacific Road Concert Party's shareholding (together with shares in which any person(s) deemed by the Takeover Panel to be acting in concert (as defined in the Takeover Code) with it are interested) further increasing beyond 30.0 per cent. of the Company's then Enlarged Issued Share Capital and, pursuant to Rule 9 of the Takeover Code, the Pacific Road Concert Party would then be obliged to make a mandatory offer in cash (or accompanied by a cash alternative) for the entire issued Ordinary Share capital not held by the Pacific Road Concert Party (or any person(s) deemed by the Takeover Panel to be acting in concert with it) at the highest price paid by the Pacific Road Concert Party (or any person(s) deemed by the Takeover Panel to be acting in concert with it) for any interest in Ordinary Shares acquired in the previous 12 months.

7 INTERESTS AND DEALINGS

The RCF Concert Party

7.1 As at the close of business on the Latest Practicable Date, and save as disclosed in the table in this paragraph 7.1, none of the members of the RCF Concert Party nor any RCF Directors nor any members of their immediate families, any related trust, nor any connected persons (within the meaning of section 252 of the Companies Act), nor any person acting in concert with such persons nor any member of their immediate families or related trusts (so far as the Directors are aware having made due enquiry) had interests, rights to subscribe and short positions in the relevant shares or securities of the Company.

As at the close of business on the Latest Practicable Date, the interests of the members of the RCF Concert Party in the relevant share or securities of the Company were as set out in columns headed "A" in the table below.

The columns headed "B" in the table below shows the maximum potential percentage holdings of the members of the RCF Concert Party and the RCF Concert Party as a whole, based on the issue of the Series A Interest Shares.

Name	A				B			
	Ordinary Shares held as at the date of this document	2014 Warrants held as at the date of this document	Series B Warrants held as at the date of this document ⁽¹⁾	Percentage of Ordinary Shares held as at the date of this document	Number of Ordinary Shares held following the issue of the Series A Interest Shares ⁽²⁾	2014 Warrants held following the issue of the Series A Interest Shares	Series B Warrants held following the issue of the Series A Interest Shares	Percentage of Ordinary Shares held following the issue of the Series A Interest Shares ⁽³⁾
RCF VI⁽⁴⁾	162,021,377	24,393,219	7,000	28.65	276,067,588	24,393,219	7,000	34.79
Total	162,021,377	24,393,219	7,000	28.65	276,067,588	24,393,219	7,000	34.79

(1) No. of Series B Warrants comprises: (i) 5,000 Series B Warrants in respect of US\$5,000,000 principal debt plus accrued interest at a subscription price of 47.96 US cents; and (ii) 2,000 Series B Warrants in respect of US\$2,000,000 principal debt plus accrued interest at a subscription price of 33.95 US cents.

(2) Assuming no 2014 Warrants or Series B Warrants are exercised before completion of the issue of the Series A Interest Shares.

(3) Assuming RCF exercises its subscription rights, the Company does not issue any Ordinary Shares and no other Shareholders exercises their subscription rights.

(4) Acting through its general partner, RCA which in turn acts through its general partner RCA GP.

7.2 As at the close of business on the Latest Practicable Date and save as disclosed in this document, none of the members of the RCF Concert Party nor any RCF Directors nor any members of their immediate families, any related trust, nor any connected persons (within the meaning of section 252 of the Companies Act), nor any person acting in concert with such persons, owns or controls, or has borrowed or lent, or is interested in, or has any right to subscribe for, or any arrangement concerning, directly or indirectly, any relevant shares or securities of the Company, or has any short position (whether conditional or absolute and whether in the money or otherwise), including a short position under a derivative, any agreement to sell or any delivery obligation in respect of any right to require any person to purchase or take delivery of, any such relevant shares or securities of the Company.

7.3 None of the RCF Concert Party, the RCF Directors nor any members of their immediate families, any related trust, nor any connected persons (within the meaning of section 252 of the Companies Act) nor any person acting in concert with such persons has dealt in relevant securities during the 12-month period before the Latest Practicable Date save for:

- (a) on 2 August 2018 RCF VI was issued 4,130,134 new Ordinary Shares by the Company in respect of the quarterly interest due on the Series A Bonds for the quarter ended 30 June 2018;
- (b) on 25 October 2018 RCF VI was issued 4,623,608 new Ordinary Shares by the Company in respect of the quarterly interest due on the Series A Bonds for the quarter ended 30 September 2018;
- (c) on 11 January 2019 RCF VI was issued 6,693,627 new Ordinary Shares by the Company in respect of the quarterly interest due on the Series A Bonds for the quarter ended 31 December 2018; and
- (d) on 15 April 2019 RCF VI was issued 9,449,732 new Ordinary Shares by the Company in respect of the quarterly interest due on the Series A Bonds for the quarter ended 31 March 2019.

7.4 No member of the RCF Concert Party has entered into any agreement, arrangement or understanding with any of the Directors which has any connection with or dependence upon the Whitewash Resolution. In addition, save as disclosed above, there is no agreement,

arrangement or understanding having any connection with or dependence upon the Whitewash Resolution between any member of the RCF Concert Party and any person interested or recently interested in shares in the Company, or any other recent director of the Company.

The Pacific Road Concert Party

7.5 As at the close of business on the Latest Practicable Date, and save as disclosed in the table in this paragraph 7.5, none of the members of the Pacific Road Concert Party nor any Pacific Road Directors nor any members of their immediate families, any related trust, nor any connected persons (within the meaning of section 252 of the Companies Act), nor any person acting in concert with such persons nor any member of their immediate families or related trusts (so far as the Directors are aware having made due enquiry) had interests, rights to subscribe and short positions in the relevant shares or securities of the Company.

As at the close of business on the Latest Practicable Date, the interests of the members of the Pacific Road Concert Party in the relevant share or securities of the Company were as set out in columns headed "A" in the table below.

The columns headed "B" in the table below shows the maximum potential percentage holdings of the members of the Pacific Road Concert Party and the Pacific Road Concert Party as a whole, based on the issue of the Series A Interest Shares.

Name	A			B		
	<i>Ordinary Shares held as at the date of this document</i>	2014 Warrants held as at the date of this document	Percentage of Ordinary Shares held as at the date of this document	Number of Ordinary Shares held following the issue of the Series A Interest Shares ⁽¹⁾	2014 Warrants held following the issue of the Series A Interest Shares ⁽¹⁾	Percentage of Ordinary Shares held following the issue of the Series A Interest Shares ^(1,2)
Pacific Road LP (acting through its general partner, Pacific Road GP)	141,602,949	21,397,732	25.04	241,644,285	21,397,732	30.45
Pacific Road Australian Trust (acting by its trustee, Pacific Road Trustee)	19,823,116	2,995,487	3.51	33,827,991	2,995,487	4.26
Total	161,426,065	24,393,219	28.55	275,472,276	24,393,219	34.71

(1) Assuming no 2014 Warrants are exercised before completion of the issue of the Series A Interest Shares.

(2) Assuming RCF exercises its subscription rights, the Company does not issue any Ordinary Shares and no other Shareholders exercises their subscription rights.

7.6 As at the close of business on the Latest Practicable Date and save as disclosed in this document, none of the members of the Pacific Road Concert Party nor any Pacific Road Directors nor any members of their immediate families, any related trust, nor any connected persons (within the meaning of section 252 of the Companies Act), nor any person acting in concert with such persons, owns or controls, or has borrowed or lent, or is interested in, or has any right to subscribe for, or any arrangement concerning, directly or indirectly, any relevant

shares or securities of the Company, or has any short position (whether conditional or absolute and whether in the money or otherwise), including a short position under a derivative, any agreement to sell or any delivery obligation in respect of any right to require any person to purchase or take delivery of, any such relevant shares or securities of the Company.

7.7 None of the Pacific Road Concert Party, the Pacific Road Directors nor any members of their immediate families, any related trust, nor any connected persons (within the meaning of section 252 of the Companies Act) nor any person acting in concert with such persons has dealt in relevant securities during the 12-month period before the Latest Practicable Date save for:

- (a) on 2 August 2018 Pacific Road was issued 4,130,134 new Ordinary Shares by the Company in respect of the quarterly interest due on the Series A Bonds for the quarter ended 30 June 2018;
- (b) on 25 October 2018 Pacific Road was issued 4,623,608 new Ordinary Shares by the Company in respect of the quarterly interest due on the Series A Bonds for the quarter ended 30 September 2018;
- (c) on 11 January 2019 Pacific Road was issued 6,693,627 new Ordinary Shares by the Company in respect of the quarterly interest due on the Series A Bonds for the quarter ended 31 December 2018;
- (d) on 15 April 2019 Pacific Road was issued 9,449,732 new Ordinary Shares by the Company in respect of the quarterly interest due on the Series A Bonds for the quarter ended 31 March 2019.

7.8 No member of the Pacific Road Concert Party has entered into any agreement, arrangement or understanding with any of the Directors which has any connection with or dependence upon the Whitewash Resolution. In addition, save as disclosed above, there is no agreement, arrangement or understanding having any connection with or dependence upon the Whitewash Resolution between any member of the Pacific Road Concert Party and any person interested or recently interested in shares in the Company, or any other recent director of the Company.

8 FINANCIAL INFORMATION

8.1 The RCF Concert Party is not required under the laws of the Cayman Islands nor Delaware to make its accounts publicly available and, accordingly, the Concert Party is not providing details of its historical financial information in this document.

8.2 The Pacific Road Concert Party is not required under the laws of the Cayman Islands nor the United Kingdom nor Australia to make its accounts publicly available and, accordingly, the Concert Party is not providing details of its historical financial information in this document.

Dated: 1 October 2019

DEFINITIONS

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

2014 Warrants	has the meaning given to such term at paragraph 2.2 of Part 3 of this document
ABSA	ABSA Bank Limited
ABSA Facility Agreement	the US\$82.4 million project debt finance facility provided by ABSA to Lihobong
Act	the Companies Act 2006 (as amended)
acting in concert	has the meaning attributed to it in the Takeover Code
AIM	the AIM market operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies and/or the AIM Rules for Nominated Advisers (as the context may require)
AIM Rules for Companies	the rules of AIM as set out in the publication entitled 'AIM Rules for Companies' published by the London Stock Exchange from time to time
AIM Rules for Nominated Advisers	the rules of AIM as set out in the publication entitled 'AIM Rules for Nominated Advisers' published by the London Stock Exchange from time to time
AGM	the Company's annual general meeting held on 28 November 2018
Articles	the existing articles of association of the Company as amended from time to time
Board of Directors	the board of directors of the Company for the time being
Bondholders	RCF and Pacific Road
Bond Subscription Agreement	the agreement dated 23 April 2015 to issue Series A Bonds to the Bondholders
borrowed or lent	in the context of the Takeover Code, includes for these purposes any financial collateral arrangement of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code, but excludes any borrowed shares which have either been on-lent or sold
Business Day	any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business and the London Stock Exchange is open for trading
certificated or in certificated form	the description of a share or other security which is not in uncertificated form (that is not in CREST)
Chairman	the chairman of the Board
Circular or this document	this document dated 1 October 2019 containing details of the

Proposals and the General Meeting

Company or Firestone	Firestone Diamonds plc, a company incorporated in England and Wales with registered number 03589905 and having its registered office at 27 Clements Lane, London EC4N 7AE
Concert Parties	together the RCF Concert Party and the Pacific Road Concert Party and Concert Party shall be construed accordingly
connected persons	in the context of the Takeover Code, means in relation to a Director, those persons whose interests in Ordinary Shares the Director would be required to disclose pursuant to Part 22 of the Companies Act 2006 and related regulations and includes any spouse, civil partner, infants (including step children), relevant trusts and any company in which a director holds at least 20 per cent. of its voting capital
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
CREST Manual	the compendium of documents entitled "CREST Manual" issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, the CCSS Operations Manual and the CREST Glossary of Terms
CREST Member	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
CREST Participant	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
CREST Payment	shall have the meaning given in the CREST Manual
CREST Proxy Instruction	the appropriate CREST message made to appoint a proxy, properly authenticated in accordance with Euroclear's specifications
CREST Regulations	the Uncertificated Securities Regulations 2001 (as amended)
CREST Sponsor	a CREST participant admitted to CREST as a CREST sponsor
CREST Sponsored Member	a CREST member admitted to CREST as a sponsored member
dealing or dealt	in the context of the Takeover Code, includes: <ul style="list-style-type: none">(a) acquiring or disposing of relevant securities, or the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities;(b) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option (including a traded option contract) in respect of any relevant

	securities;
	(c) subscribing or agreeing to subscribe for relevant securities;
	(d) exercising or converting, whether in respect of new or existing relevant securities, any securities carrying conversion or subscription rights;
	(e) acquiring, disposing of, entering into, closing out, exercising (by either party) of any rights under, or varying, a derivative referenced, directly or indirectly, to securities;
	(f) entering into, terminating or varying the terms of any agreement to purchase or sell securities;
	(g) redeeming or purchasing, or taking or exercising an option over, any of its own relevant securities by the offeree company or an offeror; and
	(h) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position
Deferral Letter	the letter from the Company to the Bondholders entitled " <i>Series A Bonds: Request for Deferral of obligation to issue Interest Shares for the interest payment date of 30 June 2019</i> " dated 8 August 2019
derivatives	include any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security
Directors	the directors of the Company from time to time
DTR	the Disclosure Guidance and Transparency Rules, published by the FCA
Enlarged Issued Share Capital	the issued share capital of the Company immediately following completion of the issue of all of the Series A Interest Shares during the Share Issuance Period (and, for the avoidance of doubt, including the Series A Interest Shares issued pursuant to the June Interest Date)
EU	the European Union
Eurobonds	the Series A Bonds and/or Series B Bonds, as appropriate
Euroclear	Euroclear UK & Ireland Limited
Excess March 2019 Series A Interest Shares	the 6,089,818 Ordinary Shares issued to the Bondholders in respect of the interest due for the quarter ended 31 March 2019 in contravention of the Company's existing pre-emption authority
FCA	the UK Financial Conduct Authority

Form of Proxy	the form of proxy accompanying this document relating to the General Meeting
FSMA	the UK Financial Services and Markets Act 2000 (as amended)
General Meeting or GM	the general meeting of the Company, notice of which is set out at pages 35 to 37 of this document, and including any adjournment(s) thereof
Group	the Company and/or its subsidiary undertakings at the date of this document (as defined in sections 1159 and 1160 of the Act)
Independent Directors	the Directors other than Keith Johnson and Michael Stirzaker
Independent Shareholders	all of the Shareholders with the exception of the members of the Concert Parties
interest	<p>in the context of the Takeover Code, a person having an interest in relevant securities includes where a person</p> <ul style="list-style-type: none"> (a) owns securities; (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities or has general control of them; (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or (d) is party to any derivative whose value is determined by reference to the prices of securities and which results, or may result, in his having a long position in them
June Interest Date	30 June 2019
Latest Practicable Date	27 September 2019 being the latest practicable date prior to the publication of this document
Link Asset Services or Registrar	a trading name of Link Market Services Limited, a company incorporated in England and Wales with registered number 02605568 and having its registered office at The Registry, Beckenham, Kent BR3 4TU
Liqhobong	Liqhobong Mining Development Company (Pty) Limited, which is 75 per cent. owned by the Company and 25 per cent. owned by the Lesotho Government, which operates the Liqhobong Diamond Mine
London Stock Exchange	London Stock Exchange plc

Macquarie	Macquarie Capital (Europe) Limited, a private limited company incorporated in England and Wales under registered number 03704031 and having its registered office at Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, the Company's nominated adviser and sole broker
Notice of General Meeting	the notice of General Meeting, set out at pages 35 to 37 of this document
Ordinary Shares	the ordinary shares of one penny each in the capital of the Company;
Pacific Road	together (i) Pacific Road Resources Fund II L.P. represented by Pacific Road Capital Management GP II Limited; and (ii) Pacific Road Resources Fund II represented by Pacific Road Capital II Pty Limited
Pacific Road Concert Party	the Pacific Road concert party for the purposes of the Takeover Code as more particularly described in paragraph 3.2 of Part 3 of this document
Pacific Road Directors	the directors of Pacific Road, named in paragraph 3.8 of Part 3 of this document
Placing and Open Offer Agreement	the agreement dated 1 December 2017 between the Company and Macquarie, details of which are set out in paragraph 4.1 of Part 2 of this document
Proposals	the proposals to be considered by Shareholders in this document, namely the grant of authority to issue Series A Interest Shares and to disapply pre-emption rights in respect of such issue for the June Interest Date, the Rule 9 Panel Waivers and Whitewash Resolutions, the grant of authority to issue the Series A Interest Shares and to disapply pre-emption rights in respect of such issue during the Share Issuance Period and the ratification of the issue of the Excess March 2019 Series A Interest Shares
Prospectus Rules	the prospectus regulation rules made by the FCA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market
RCA	Resource Capital Associates VI L.P.
RCA GP	RCA VI GP Ltd
RCF Concert Party	the RCF concert party for the purposes of the Takeover Code as more particularly described in paragraph 2.1 of Part 3 of this document
RCF Directors	the directors of RCA GP, named in paragraph 2.5 of Part 3 of this document
RCF or RCF VI	Resource Capital Fund VI L.P.
Regulatory Information Service or RNS	has the meaning given in the AIM Rules for Companies

relevant securities	in the context of the Takeover Code, means Ordinary Shares, or any securities convertible into, or exchangeable for, rights to subscribe for and options (including traded options) in respect of, and derivatives referenced to, any Ordinary Shares
Resolutions	the resolutions to be proposed at the General Meeting which are set out in full in the Notice of General Meeting; references to numbered Resolutions are those as numbered in the Notice of General Meeting
Rothschild & Co	N M Rothschild & Sons Ltd, registered by the Financial Conduct Authority under reference number 124451
Rule 9	Rule 9 of the Takeover Code
Rule 9 Panel Waivers	the waiver by the Takeover Panel of any obligations on the members of each Concert Party to make a mandatory offer to Shareholders for the Ordinary Shares not owned by members of each such Concert Party upon completion of the issue of up to 97,654,688 Series A Interest Shares to each Concert Party which would otherwise arise under Rule 9
Securities Act	the US Securities Act of 1933, as amended from time to time and the rules and regulations promulgated thereunder
September Interest Date	30 September 2019
Series A Bonds	US\$30.0 million quoted Eurobonds subscribed for by the Bondholders in the Company
Series A Interest Shares	the new Ordinary Shares issuable to the Bondholders in respect of quarterly interest payments due under the Series A Bonds in respect of the June Interest Date and during the Share Issuance Period as further described in paragraph 1 of Part 1 of this document
Series B Bonds	the US\$7 million Eurobonds subscribed for by RCF in the Company in consideration for providing the Company with a standby debt facility
Series B Warrants	has the meaning given to such term at paragraph 2.2 of Part 3 of this document
Shareholders	holders of existing Ordinary Shares
Share Issuance Period	the period from and including the September Interest Date to and including 30 June 2020
short position	in the context of the Takeover Code, means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery
uncertificated or uncertificated form	recorded on a register of securities maintained by Euroclear in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by

	means of CREST
Takeover Code	the City Code on Takeovers and Mergers
Takeover Panel	the Panel on Takeovers and Mergers
UK or United Kingdom	the United Kingdom of England, Scotland, Wales 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
US Securities Act	the US Securities Act of 1933 (as amended)
US\$ or \$	dollars, the legal currency of the United States
VWAP	volume weighted average price
Warrants	the 2014 Warrants and/or the Series B Warrants
Whitewash Resolutions	Resolutions 3 and 4 as set out in the Notice of General Meeting
£ or sterling	pounds sterling, the legal currency of the United Kingdom

NOTICE OF GENERAL MEETING

FIRESTONE DIAMONDS PLC

(Incorporated and registered in England and Wales with registered number 03589905)

NOTICE IS HEREBY GIVEN that a General Meeting of Firestone Diamonds plc (the "**Company**") will be held at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU at 11.00 a.m. on Thursday 17 October 2019, for the purpose of considering and, if thought fit, passing the following Resolutions, of which Resolutions 1, 3, 4, 5 and 7 will be proposed as ordinary resolutions and Resolutions 2 and 6 will be proposed as special resolutions. Only the Independent Shareholders (as defined in the Company's circular to shareholders of which this Notice of General Meeting forms part (the "**Circular**")) shall be entitled to vote on Resolutions 3 and 4. Resolutions 3 and 4 will be taken on a poll.

ORDINARY RESOLUTION

1. **THAT** the directors of the Company (the "**Directors**") be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**2006 Act**") (and in substitution for any existing authority granted to them at the annual general meeting of the Company held in 2018) to exercise all of the powers of the Company to allot ordinary shares in the Company or grant rights to subscribe for or convert any security into ordinary shares in the Company ("**Rights**") up to an aggregate nominal amount equal to £327,830.46 to satisfy the payment of interest owing to RCF and Pacific Road in respect of the unpaid amount on the June Interest Date (as further described in the Circular). This authority shall expire (unless renewed, varied or revoked by the Company in a general meeting) on 30 November 2019, save that the Company may, before such expiry, make an offer or agreement which would or might require ordinary shares to be allotted or Rights to be granted after the expiry of such period and the Directors may allot shares or grant Rights pursuant to such an offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTION

2. **THAT**, subject to the passing of Resolution 1, the Directors be empowered to allot equity securities (as defined in section 570 of the 2006 Act) of the Company for cash pursuant to the authority conferred by Resolution 1 above as if section 561 of the 2006 Act did not apply to any such allotment. This authority shall expire (unless renewed, varied or revoked by the Company in a general meeting) on 30 November 2019, save that the Company may, before such expiry, make an offer or agreement which would or might require ordinary shares to be allotted or Rights to be granted after the expiry of such period and the Directors may allot shares or grant Rights pursuant to such an offer or agreement as if the authority conferred hereby had not expired.

ORDINARY RESOLUTIONS

3. **THAT**, conditional on the passing of Resolution 4, the waiver granted by the Panel on Takeovers and Mergers of the obligation that would otherwise arise on the RCF Concert Party (comprising Resource Capital Fund VI L.P., RCA VI GP Ltd and Resource Capital Associates VI L.P.) to make a general offer to the shareholders of the Company pursuant to Rule 9 of the Takeover Code as a result of the issue of up to 97,654,688 Ordinary Shares to satisfy the payment of interest to RCF under the Series A Bonds during the Share Issuance Period, as described in the Circular, be and is hereby approved.
4. **THAT**, conditional on the passing of Resolution 3, the waiver granted by the Panel on Takeovers and Mergers of the obligation that would otherwise arise on the Pacific Road Concert Party (comprising Pacific Road Resources Fund II L.P., Pacific Road Capital Management GP II Limited, Pacific Road Resources Fund II and Pacific Road Capital II PYT Limited) to make a general offer to the shareholders of the Company pursuant to Rule 9 of the Takeover Code as a result of the issue of up to 97,654,688 Ordinary Shares to satisfy the payment of interest to

Pacific Road under the Series A Bonds during the Share Issuance Period, as described in the Circular, be and is hereby approved.

5. **THAT** subject to the passing of Resolutions 3 and 4, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the 2006 Act (and in substitution for any existing authority granted to them at the annual general meeting of the Company held in 2018) to exercise all of the powers of the Company to allot ordinary shares in the Company or grant Rights up to an aggregate nominal amount equal to £1,953,093.76 to satisfy the payment of interest to RCF and Pacific Road under the Series A Bonds (as further described in the Circular). This authority shall expire (unless renewed, varied or revoked by the Company in a general meeting) on 31 August 2020, save that the Company may, before such expiry, make an offer or agreement which would or might require ordinary shares to be allotted or Rights to be granted after the expiry of such period and the Directors may allot shares or grant Rights pursuant to such an offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTION

6. **THAT**, subject to the passing of Resolution 5, the Directors be empowered to allot equity securities (as defined in section 570 of the 2006 Act) of the Company for cash pursuant to the authority conferred by Resolution 5 above as if section 561 of the 2006 Act did not apply to any such allotment. This authority shall expire (unless renewed, varied or revoked by the Company in a general meeting) on 31 August 2020, save that the Company may, before such expiry, make an offer or agreement which would or might require ordinary shares to be allotted or Rights to be granted after the expiry of such period and the Directors may allot shares or grant Rights pursuant to such an offer or agreement as if the authority conferred hereby had not expired.

ORDINARY RESOLUTION

7. **THAT**, the allotment and issue of 6,089,818 Ordinary Shares issued to RCF and Pacific Road in respect of the interest due for the quarter ended 31 March 2019 be and is hereby ratified.

Dated: 1 October 2019

By order of the Board
Prism CoSec

Company Secretary

Notes:

Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at close of business on 15 October 2019 (or, if the meeting is adjourned, close of business on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.
2. In order to comply with the Takeover Code, Resolutions 3 and 4 will be taken on a poll. Only Independent Shareholders can vote on Resolutions 3 and 4.

Proxies

3. A Shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a Shareholder of the Company. A Shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. Failure to specify the number of Ordinary Shares each proxy appointment relates to or specifying a number which when taken together with the numbers of Ordinary Shares set out in the other proxy appointments is in excess of the number of Ordinary Shares held by the Shareholder may result in the proxy appointment being invalid. A proxy may only be appointed in accordance with the procedures set out in notes 4 and 5 below and the notes to the proxy form. The appointment of a proxy will not preclude a Shareholder from attending and voting in person at the meeting.
4. A Form of Proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's Registrar on 0871 664 0300 (calls cost 12p per minute plus network extras). Calls outside the United Kingdom will be charged at the applicable international rate. The Registrar is open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales) or the proxy form may be photocopied. State clearly on each proxy form the number of Ordinary Shares in relation to which the proxy is appointed. To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's Registrar, Link Asset Services PXS, 34 Beckenham Road, Beckenham BR3 4TU no later than 11.00 a.m. on 15 October 2019 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).
5. CREST members who wish to appoint a proxy or proxies for the meeting (or any adjournment of it) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting 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 using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's Registrar, Link Asset Services (CREST participant ID RA10) no later than 11.00 a.m. on 15 October 2019 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Registrar 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. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. 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 or her 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 service 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 a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Certificated Securities Regulations 2001.

Corporate representatives

6. A Shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual Shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same Ordinary Shares.

General

7. Terms not otherwise defined in this Notice of General Meeting shall have the meaning given to them in the Circular.