



Sale of Botswana operations

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

Sale of Botswana operations

Firestone Diamonds plc, the AIM-quoted diamond development company, is pleased to announce that it has entered into a conditional agreement (the "Agreement") for the disposal of its Botswana operations, including its interest in the BK11 mine, to Tango Mining Limited ("Tango Mining") (TSXV: TGV) for a total consideration of US\$8.0 million in cash (the "Disposal").

Further information on the Disposal

Pursuant to the Agreement, Tango Mining will acquire Firestone's wholly owned subsidiary Firestone Diamonds Botswana (PTY) Ltd ("Firestone Botswana") and its 90 per cent. interest in Monak Ventures (PTY) Ltd ("Monak") (together the "Botswana Companies"), which hold Firestone's interests in Botswana, for a total consideration of US\$8.0 million in cash, with US\$0.35 million to be paid immediately, US\$0.30 million which is to be placed in escrow as a deposit by no later than 30 September 2015 (the "Deposit") and the remainder to be received on completion.

Completion is subject to, *inter alia*, satisfaction of the following conditions within six months of the date of the Agreement (the "Drop Dead Date"):

- Tango Mining raising the balance of the consideration, being US\$7.35 million;
- the parties gaining approval from the Botswana Competition Authority;
- the parties obtaining Botswanan ministerial approval for the transfer of the controlling interest in Monak; and
- Tango Mining receiving the requisite approvals by the TSX Venture Exchange in respect of the Disposal.

Pursuant to the terms of the Agreement, Tango Mining has also agreed to pay into escrow the ongoing cost of BK11's care and maintenance programme from the date of the Agreement up to the earlier of the date of completion of the Disposal and the Drop Dead Date, up to a maximum of US\$40,000 per month.

If the conditions of the Agreement are not satisfied or waived by the Drop Dead Date and an extension is not agreed between the Company and Tango Mining, the Disposal will not complete. In the event that the Disposal does not complete and the Company has fulfilled its obligations under the Agreement and the relevant regulatory consents and approvals have been obtained, the monies held in escrow, being the Deposit and the care and maintenance costs, will be released to Firestone.

As at 31 December 2014, the net assets for the Botswana Companies were US\$10.7 million and for the year ended 30 June 2014, the Botswana Companies incurred a loss of US\$0.7 million before foreign exchange losses on conversion from local currencies.

The proceeds of the Disposal will be used by the Company to provide general working capital to Firestone as it continues with the construction and development of its Liqhobong Mine in Lesotho.

Stuart Brown, Chief Executive Officer of Firestone commented:

"The disposal of the Botswana operations, including the BK11 mine, enables us to focus solely on our flagship asset, the Liqhobong Diamond Mine, in the Kingdom of Lesotho, where we will commence production during Q4 2016."

****ENDS****

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Background information on Firestone

Firestone is an international diamond development company with operations focused on Lesotho. Firestone is currently in the process of developing the Liqhobong Mine Development Project in Lesotho to become a plus one million carat per annum producer.

Lesotho is emerging as one of Africa's significant new diamond producers, and hosts Gem Diamonds' Letseng Mine, Firestone's Liqhobong Mine, as well as Namakwa Diamonds' Kao Mine and the Mothae development project.

For more information please visit: www.firestonediamonds.com

Background information on Tango Mining

Tango Mining Limited is a Canadian company that acquired African Star Minerals Group's ("ASM") operations in South Africa late in 2014. Tango has four thermal coal, metallurgical and processing plant and engineering contracts that process 6.5 million tonnes per annum (19.5 million tonnes are contracted over next 3 years), with clientele that include Total (SA) and Glencore plc. The four projects are located within the Ogies and Highveld coalfields, Mpumalanga Province and Kliprivier coalfield, KwaZulu-Natal Province. The Company also holds an interest in Oena, a past producing alluvial diamond property, Northern Cape Province, South Africa and a 100% interest in the 2,088.8 hectare El Santo Project, Nicaragua. The Company's vision is to become a diversified junior mining company with interests in precious and base metals, coal and diamond mining projects.

For more information please visit: www.tangomining.com

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