



Update on the sale of the Botswana operations

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

Update on the sale of the Botswana operations

Firestone Diamonds plc, the AIM-quoted diamond development company, has agreed, via an amendment letter (the "Amendment Letter"), to amend certain conditions of the conditional sale agreement ("CSA"), entered into by the Company, in respect of the disposal of the Company's Botswana operations to Tango Mining Limited ("Tango Mining"), for a total consideration of US\$8.0 million (the "Disposal"), as announced on 9 July 2015.

Further to the announcement of 2 October 2015, stating that Tango Mining had informed the Company that it had not been able to pay US\$0.3 million into escrow as a deposit by 30 September 2015, as stipulated in the CSA, Firestone and Tango Mining have agreed to amend certain terms of the CSA, via the Amendment Letter, such that completion of the Disposal is subject to, *inter alia*, satisfaction of the following conditions within nine months of the date of the CSA (the "Drop Dead Date"), being 8 April 2016:

- Tango Mining raising the balance of the consideration, being US\$7.65 million;
- Tango Mining raising the aggregate ongoing, cumulative cost of BK11's care and maintenance programme from the date of the CSA up to the earlier of the date of completion of the Disposal and the Drop Dead Date (subject up to a maximum of US\$40,000 per month);
- 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.

If the conditions of the CSA are not satisfied or waived by the revised Drop Dead Date, the Disposal will not complete. Furthermore, Tango Mining has agreed to meet certain milestones prior to the Drop Dead Date, and in the event such milestones are not met and/or achieved the Company has the right to waive such milestones and/or terminate the CSA.

In relation to the regulatory approvals required for the Disposal, the Botswana Competition Authority provided its unconditional approval of the Disposal on 28 September 2015.

For more information contact:

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

Strand Hanson Limited (Nomad) +44 (0)20 7409 3494

Stuart Faulkner
Richard Tulloch
James Dance

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

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

Tavistock (Public and Investor Relations) +44 (0)20 7920 3150
Jos Simson +44 (0)7788 554 035
Emily Fenton

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 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.

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