



Liqhobong Diamond Mine Update

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

Liqhobong Diamond Mine Update

Firestone Diamonds plc, the AIM-quoted diamond development company, is pleased to announce an update for the Liqhobong Diamond Mine ("Liqhobong" or the "Project"), which is owned 75% by Firestone and 25% by the Government of Lesotho.

Highlights

- Construction 72% complete as at the end of March 2016
- Project remains on track for initial production in Q4 2016
- Number of Project items now complete or over 98% complete include
 - Residues Storage Facility ("RSF") starter wall
 - Design and Engineering
 - Procurement
 - Earthworks
 - Structural Steel Fabrication
- Revised capital budget of ZAR2.1 billion, remains within the original project budget of US\$185.4 million
- Zero lost time injury record maintained, with approximately 2.2 million man hours worked as at the end of March 2016

Stuart Brown, Chief Executive Officer, commented:

"Firestone has achieved another strong quarter of progress at Liqhobong, which, as at 31 March 2016, was 72% complete and on track for initial production in Q4 2016.

The last quarter saw favourable weather conditions at site and the granting of a number of work permits by the Government of Lesotho, our 25% partner in the Project, contributing towards completing a number of key project components.

Firestone remains fully funded to completion of the Project, production ramp up and the first sale of its Liqhobong diamonds and I look forward to providing further updates as we move towards project commissioning in Q4."

Project Update

Construction at Liqhobong continued in earnest during the quarter ending 31 March 2016. Activities were helped by

the granting of further work permits by the Government of Lesotho and the favourable weather conditions experienced at site in recent months.

The Company continues its water storage activities and now has in excess of 500,000 cubic metres of water on site, sufficient for the first year of production, thus de-risking the Project further by mitigating one of the critical early start-up risks.

As previously announced all significant civils and earthworks have now been completed and in December 2015, the site was handed over to the Structural, Mechanical, Plate and Pipework contractors for the erection of the main plant. As a result, during this quarter, a number of Project areas have been completed or are over 98% complete including the RSF starter wall, the design, engineering and procurement elements alongside the structural steel fabrication. As expected the detailed mine planning continues to be refined and reviewed as the Project progresses towards production. Operational readiness, led by the Project team, is well underway and the team's main focus during this quarter was contract placement and staff recruitment.

Throughout Liqobong's development Firestone has enforced a rigorous safety policy and has continued to maintain its lost time injury free record, with approximately 2.2 million man hours worked as at the end of March 2016.

As at the end of March 2016, the Project was 72% complete and in line with the revised construction schedule. The Project also remains within the original US\$185.4 million budget and as at 31 March 2016, ZAR1.5 billion (US\$129.9 million) or 70% had been spent on the Project against the revised capital budget of ZAR2.1 billion. The cash on hand at the end of March 2016 was US\$14.8 million and the Company also had US\$47.0 million available pursuant to the ABSA debt facility, resulting in forecast headroom available to the Company of approximately US\$9.0 million as at the end of December 2016, which does not include the US\$15.0 million standby facility available to the Company.

Each month the Company updates its media gallery to include images to illustrate the Project's progress and these can be found on Firestone's website: www.firestonediamonds.com/media.

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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 Liqobong 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 Liqobong Mine, as well as Namakwa Diamonds' Kao Mine.

For more information please visit: www.firestonediamonds.com.

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