



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

- Project construction 61% complete, as at the end of December 2015 and on track for initial production in Q4 2016
- Zero lost time injury record maintained, with over 1.8 million man hours worked as at the end of December 2015
- Project expenditure on track and within the revised capital budget of ZAR2.1 billion, which remains within the original project financing budget of US\$185.4 million
- Project work streams progressing according to schedule with over 90% of all expenditure committed

Stuart Brown, Chief Executive Officer, commented:

"I am pleased to report that good progress was made at Liqhobong during the last quarter and that we have made an excellent start to 2016. The Project is therefore firmly on track and I and the team look forward with excitement to 2016 and to achieving initial production in Q4."

Project Update

Firestone made good progress at Liqhobong during the quarter ending 31 December 2015, which has continued into 2016. The late start to the summer rainfall season enabled the Company to complete the majority of the civil earth works as well as the construction faces at site. As a result, the Project was 61% complete at the end of December, which is in line with the revised schedule announced on 23 June 2015.

All construction and structural phases of the Project are now active with the contractors established at site. The Company enforces a rigorous safety policy and has maintained its lost time injury free record.

At the end of December, total spend on the Project was ZAR1.3 billion (US\$116 million), representing 63% of the Project's total budget with ZAR779 million still to be spent prior to completion. The Company has benefited from the depreciation of the South African Rand, which has depreciated by approximately 58% against the US Dollar since the Project commenced in June 2014. In respect of the remaining Project expenditure, foreign currency contracts remain in place for up to US\$36 million (ZAR494 million). The Project therefore remains within budget and with US\$18.1

million cash on hand and undrawn facilities of US\$60.0 million, being US\$50.0 million pursuant to the Absa debt facility and US\$10.0 million pursuant to the Eurobond facility, as at 31 December 2015. The Company remains fully funded to completion of the Project, production ramp up and the first sale of diamonds. The Company also has in place an additional US\$15.0 million standby facility if required.

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 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.

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

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