



Commencement of earthworks at Liqhobong

Released : 26 Jun 2014 07:00

RNS Number : 5693K
Firestone Diamonds PLC
26 June 2014

26 June 2014

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

Commencement of earthworks at Liqhobong

Firestone Diamonds plc, the AIM-quoted diamond company, is pleased to provide the first update on its development programme at the Liqhobong Diamond Mine ("Liqhobong") in the Lesotho Highlands, following completion of the project financing in May 2014. Construction and development is expected to take 24 months, with nameplate production (300,000 tonnes per month) achieved in H1 2016.

HIGHLIGHTS

- Decommissioning and removal of the Pilot Plant at Liqhobong underway and 30% complete;
- Engineering, Procurement, Construction and Management ("EPCM"), including civils and earthworks and Residue Storage Facility contracts have been signed or agreed;
- Commenced general site earthworks, including widening and rerouting the site access road, building the residue slimes retaining wall and early civil works;
- The overhead power line and main substation contract is signed and site mobilisation has been initiated;
- Major equipment long lead items have been approved and contracts placed; and
- All major equipment deliveries are aligned to current schedule.

Following completion of the project financing in May 2014, Firestone has commenced its development programme to build and commission the Main Treatment Plant and supporting infrastructure at Liqhobong, to ensure it is delivered in H1 2016 and, as importantly, on budget. The development programme is being executed by Firestone's projects team, led by the Chief Project Officer, Glenn Black, who was appointed to the Company in February 2014.

To date the Company has commenced decommissioning and removal of the existing Pilot Plant and this is approximately 30 per cent. complete. The EPCM, including earthworks and civils and residue storage facility contracts have been signed or agreed and Firestone has commenced general site earthworks. The site earthworks include; widening and rerouting the site access road; building the residue slimes retaining wall; and early civil works. Importantly, overhead power line and main substation mobilisation has begun with the first mining fleet already installed safely at site. Further, major equipment long lead items have been approved by the tender board committee and contracts have been placed. Lastly, major equipment deliveries are aligned to the Company's current baseline development schedule. To date, approximately 73 per cent. of the EPCM budget has been committed.

A presentation titled; 'June 2014 update' including the latest images from site is available on the Company's website: www.firestonediamonds.com.

Stuart Brown, Chief Executive Officer of Firestone commented:

"I am pleased to announce commencement of the earthworks programme at our Liqhobong diamond mine in Lesotho, which follows the recent completion of the financing. To date, we have committed approximately 73 per cent. of the expenditure required for the development and construction of the Main Treatment Plant and related infrastructure. I look forward to keeping shareholders abreast of future developments during the 24 months build."

****ENDS****

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
Alexandra Carse

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

Tavistock Communications +44 (0)20 7920 3150
Jos Simson +44 (0)7788 554 035
Emily Fenton
Nuala Gallagher

Background information on Firestone

Firestone is an international diamond development company with operations focused on Lesotho and Botswana. Firestone is currently in the process of developing the Main Treatment Plant at the Liqhobong Mine 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.

This information is provided by RNS
The company news service from the London Stock Exchange

END

MSCFMGZVLKDGZM