

Botswanan diamond mine deal collapses

The sale of Firestone Diamonds' operations in Botswana collapsed after the proposed buyer, Tango Mining, failed to meet the conditions of the sale agreement by the deadline date.

The company's Botswana operations, including Firestone's interest in the low-grade high-value BK11 mine, are currently under care and maintenance.

Whilst Firestone Diamonds is currently focused on the completion and commissioning of its Likhobong diamond mine in Lesotho with initial production expected to commence in early Q4, 2016, management remain committed to seeking ways of advancing/unlocking the shareholder value from its Botswana assets, which the company continues to believe has value.



Source: Firestone Diamonds

Firestone Diamonds continues to forecast that, as previously announced, it will have cash of approximately US\$9m as at the end of December 2016.

This does not include the \$15m standby facility available to the company or the proceeds of the disposal, which had not been included in the cash flow projections.

Accordingly, Firestone Diamonds believes that there will be no impact on the company's cash position as a result of the disposal not proceeding.

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