



FIRESTONE DIAMONDS

Firestone Diamonds Corporate Overview

November 2010

Transforming Firestone into a Major Diamond Producer

Disclaimer

The information contained in this presentation ("Presentation") has been prepared by Firestone Diamonds plc (the "Company") and is being communicated for general background informational purposes only. The Presentation has not been independently verified and the information contained within is subject to updating, completion, revision, verification and further amendment. While the information contained herein has been prepared in good faith, neither the Company, nor its shareholders, directors, officers, agents, employees, or advisors give, has given or has authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this Presentation, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as "Information") and liability therefore is expressly disclaimed. Accordingly, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising from this Presentation. In communicating this Presentation, the Company does not undertake or agree to any obligation to provide the recipient with access to any additional information or to update this Presentation or to correct any inaccuracies in, or omissions from, this Presentation which may become apparent. Information contained in this Presentation is the property of the Company. It is made available strictly for the purposes referred to above. The Presentation and any further information made available to any recipient may not be reproduced, used or disclosed without the prior written consent of the Company. This Presentation is confidential and shall not be copied, published, reproduced, or distributed in whole or in part at any time without the prior written consent of the Company.

This Presentation should not be considered as the giving of investment advice by the Company or any of its shareholders, directors, officers, agents, employees or advisers. Each party to whom this Presentation is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumption and each recipient should satisfy itself in relation to such matters. Neither the communication of this Presentation nor any part of its contents is to be taken as any form of commitment on the part of the Company to proceed with any transaction. In no circumstances will the Company be responsible for any costs, losses or expenses incurred in connection with any appraisal or investigation of the Company. This Presentation does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to subscribe for or purchase any securities in the Company, nor shall it, or the fact of its communication, form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or commitment whatsoever with respect to such securities.

The communication of this Presentation in or to persons in certain jurisdictions may be restricted by law and persons who may receive communication of this Presentation should inform themselves about, and observe any such restrictions in advance of communication to them of this Presentation. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction. In particular, this Presentation has not been approved by an authorised person pursuant to Section 21 of the Financial Services and Markets Act 2000 ("FSMA") and accordingly it is being delivered in the United Kingdom only to persons to whom this Presentation may be delivered without contravening the financial promotion prohibition in Section 21 of the FSMA. Those persons are described in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("Order") and include persons who have professional experience in matters relating to investments and who fall within the category of person set out in Article 19 (investment professionals) of the Order and high net worth entities as defined in Article 49(2) of the Order. Any activity to which this Presentation relates in the United Kingdom is available to, and will only be engaged with such persons and this Presentation should not be acted or relied upon in the United Kingdom by persons of any other description. This Presentation has not been approved as a prospectus by the United Kingdom Listing Authority ("UKLA") under Section 87A of FSMA and has not been filed with the UKLA pursuant to the United Kingdom Prospectus Rules. This Presentation nor any copy of it may be taken or transmitted into the United States of America or its territories or its possessions (the "US") or distributed directly or indirectly into the US or to any US person as defined in Regulation S under the Securities Act 1933 as amended, including U.S resident corporations or other entities organised under the laws of the United States or any state thereof or non-U.S branches or agencies of such corporations or entities. Nor shall this Presentation be taken, transmitted or distributed into Australia, Canada, Japan, Singapore, South Africa, or any other jurisdiction which prohibits the same except in compliance with applicable securities laws. The Presentation is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration under the US Securities Act or an exemption there from. The Company has not registered and does not intend to register any shares or securities under the US Securities Act. By accepting communication of this Presentation, the recipient represents and warrants that it is a person to whom this Presentation may be communicated without a violation of the laws of any relevant jurisdiction. This Presentation is not to be communicated to any other person or used for any other purpose and any other person who receives communication of this Presentation should not rely or act upon it.

Evolution Securities Limited and Brewin Dolphin Limited, which are authorised and regulated in the United Kingdom by the Financial Services Authority, are acting exclusively for the Company and no-one else in connection with the matters described in this Presentation and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Evolution Securities Limited or Brewin Dolphin Limited.

Topics

1 Introduction

2 BK11 Mine

3 Liqhobong Mine

4 Orapa Satellite Kimberlites

5 Tsabong

6 Diamond Sales

7 Outlook

1 Introduction

Company Background

- ▶ **Focused on Botswana and Lesotho**
 - Botswana is world's biggest and lowest cost diamond producer
 - Both countries stable economically and politically
- ▶ **High quality portfolio of projects**
 - Liqhobong Mine
 - BK11 Mine
 - Orapa satellite kimberlites
 - Tsabong kimberlite field
 - Toll treatment opportunities
- ▶ **One of 3 listed kimberlite producers outside the majors**

Management Team

▶ **Philip Kenny, CEO**

- 25 years in mining and oil and gas sectors and 14 years in the diamond sector
- Co-founder of Firestone in 1998

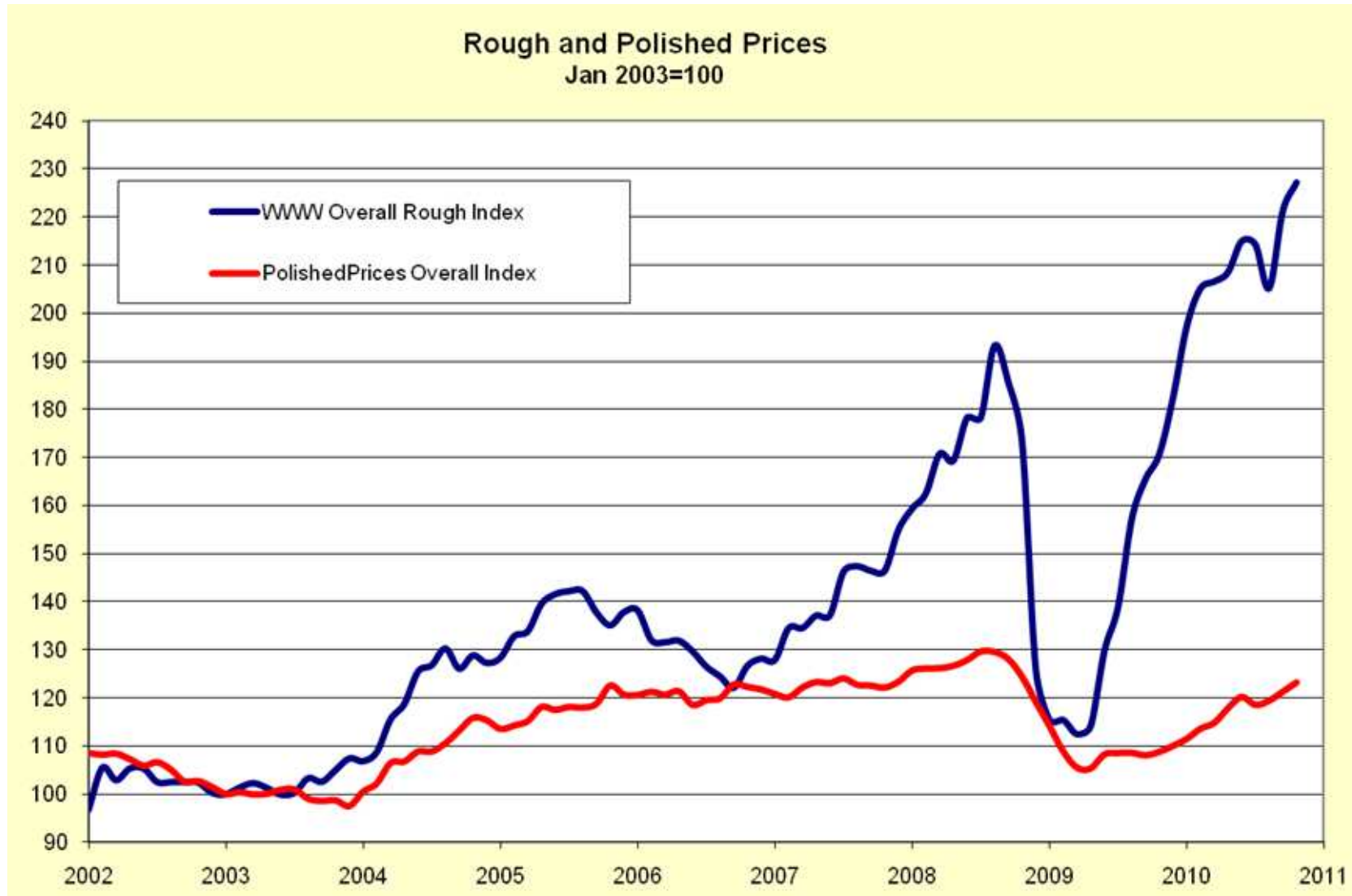
▶ **Tim Wilkes, COO**

- 28 years in diamonds
- ex-GM of Mineral Resource Management at De Beers
- Joined Firestone in 2005

▶ **Jan Louw, Director of Operations**

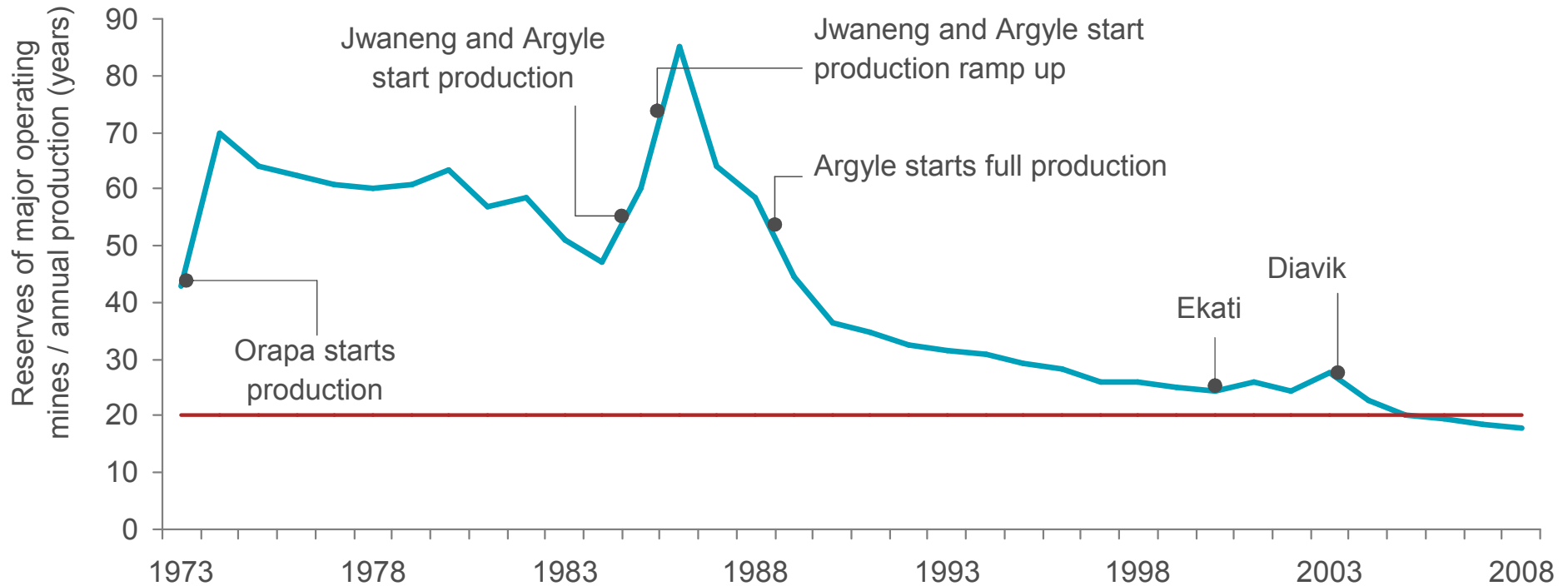
- 26 years in mining and 7 years in diamonds; pioneered development of small gold mines for Anglo American
- Responsible for construction
- Joined Firestone in 2003

Diamond prices have recovered strongly...



... and reserves are declining

Reserves of major operating mines / annual production



Source: BHP Billiton, De Beers, Firestone estimates

Diamonds in Botswana

Firestone interests in Botswana

Orapa

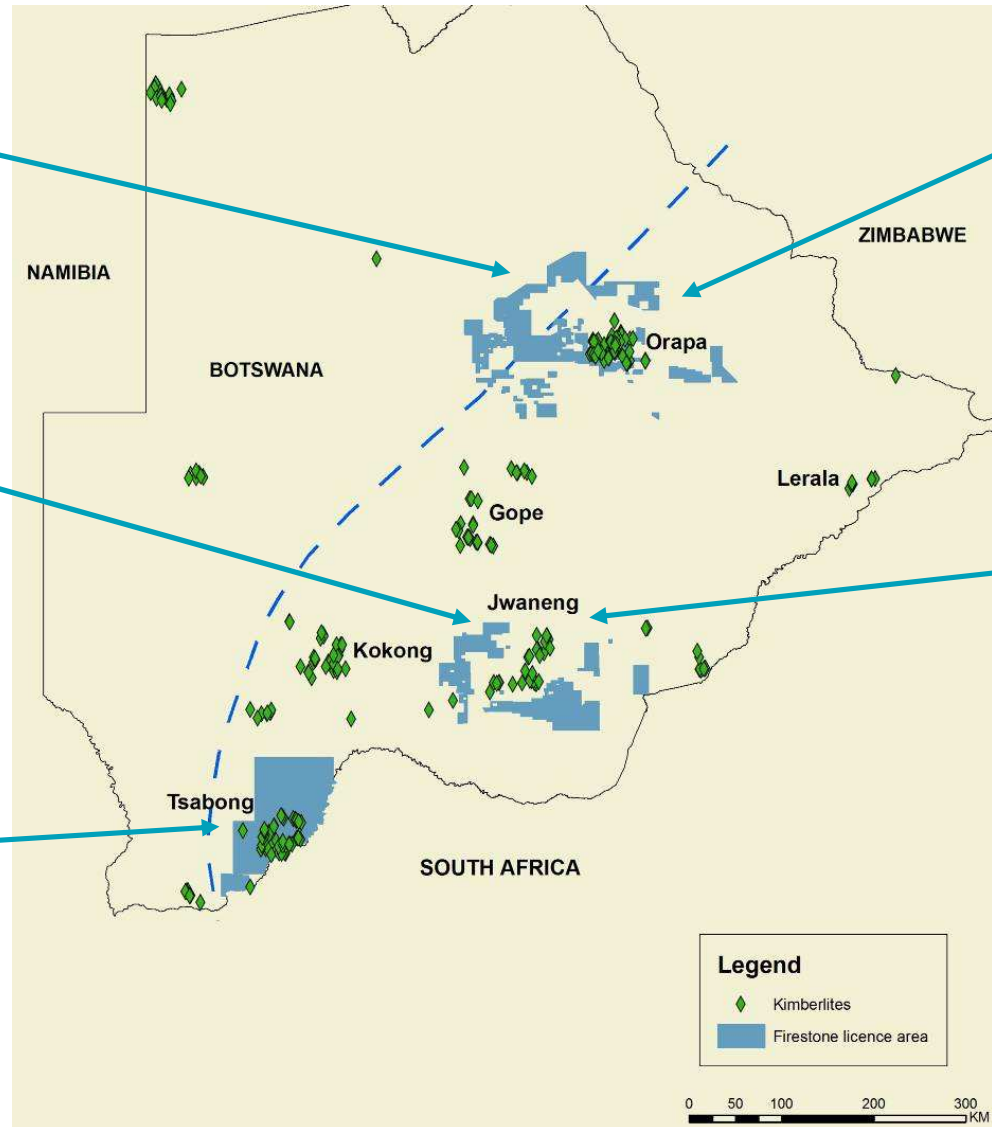
- ▶ BK11 Mine, 21 additional kimberlites, 8 with diamonds
- ▶ Licences over 6,600 sq km

Jwaneng

- ▶ Jwaneng Tailings Project
- ▶ Licences over 3,800 sq km

Tsabong

- ▶ 84 kimberlites, 20 with diamonds
- ▶ 14 kimberlites at bulk sampling stage
- ▶ Licences over 5,600 sq km



Producing kimberlite fields in Botswana

Orapa Field

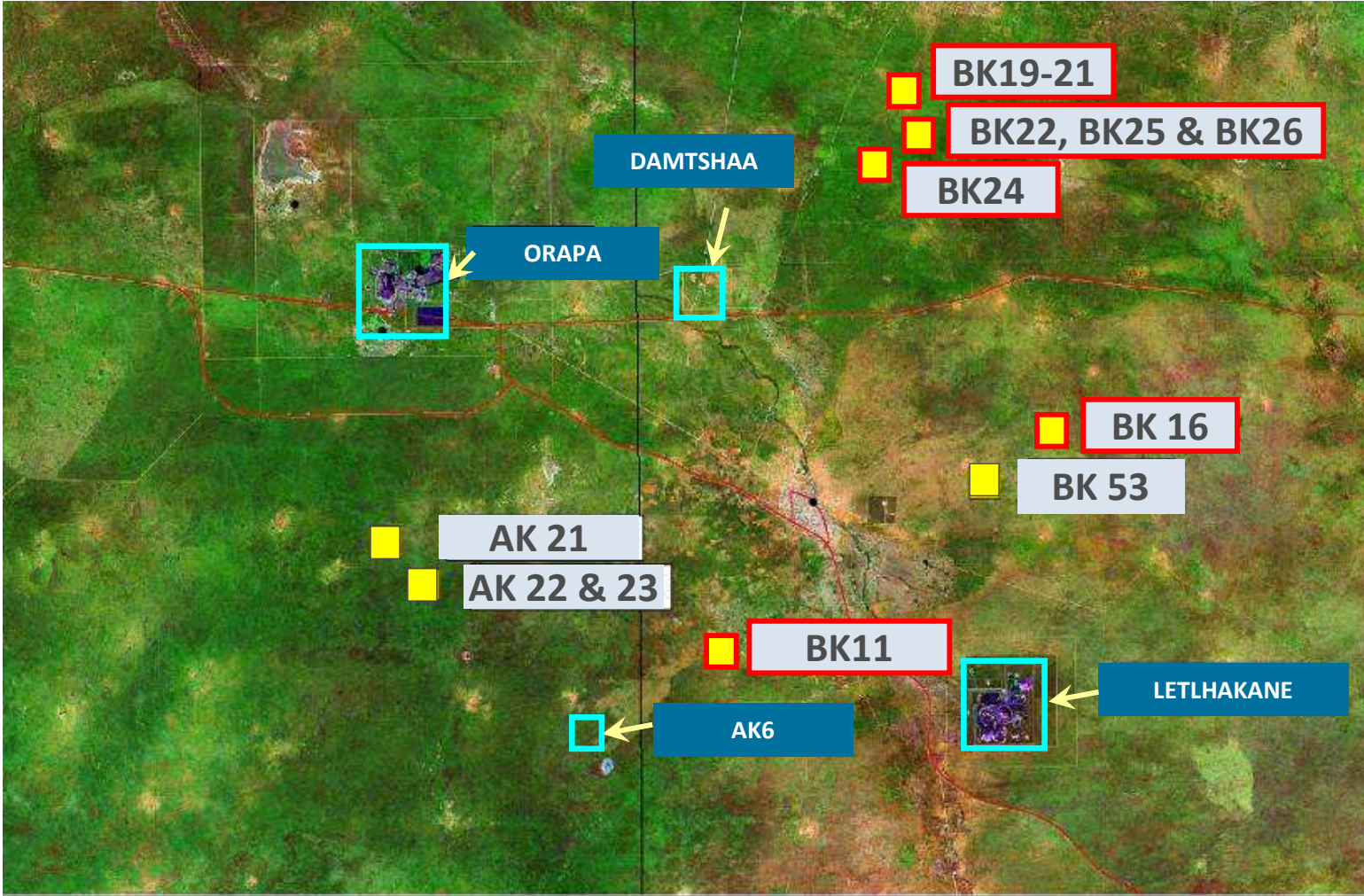
- ▶ 9 out of 75 kimberlites economic
- ▶ Orapa Mine ~ \$1b revenue p.a., 70% margin



Jwaneng Field

- ▶ 3 out of 11 kimberlites economic
- ▶ Jwaneng Mine ~ \$1.7b revenue p.a., >90% margin

2 BK11 Mine

Firestone kimberlites in the Orapa area



-  Producing mines/development projects
-  Firestone kimberlites/development projects

BK11 History

- ▶ **Acquired by Firestone March 2007**
 - 90% interest
- ▶ **Three phases of evaluation by November 2009**
 - >7,000 metres of core drilling
 - 1,000 tonnes of LDD mini bulk sampling
 - 18,000 tonnes of bulk sampling
- ▶ **Indicated and Inferred Resource of 12 Mt**
 - Revenue up to \$24/t; operating costs of ~\$7.50/t
- ▶ **Mine Development Decision made December 2009**

Pilot plant establishment – June 2009



Pilot production - September 2009



Mine development decision - Dec 2009



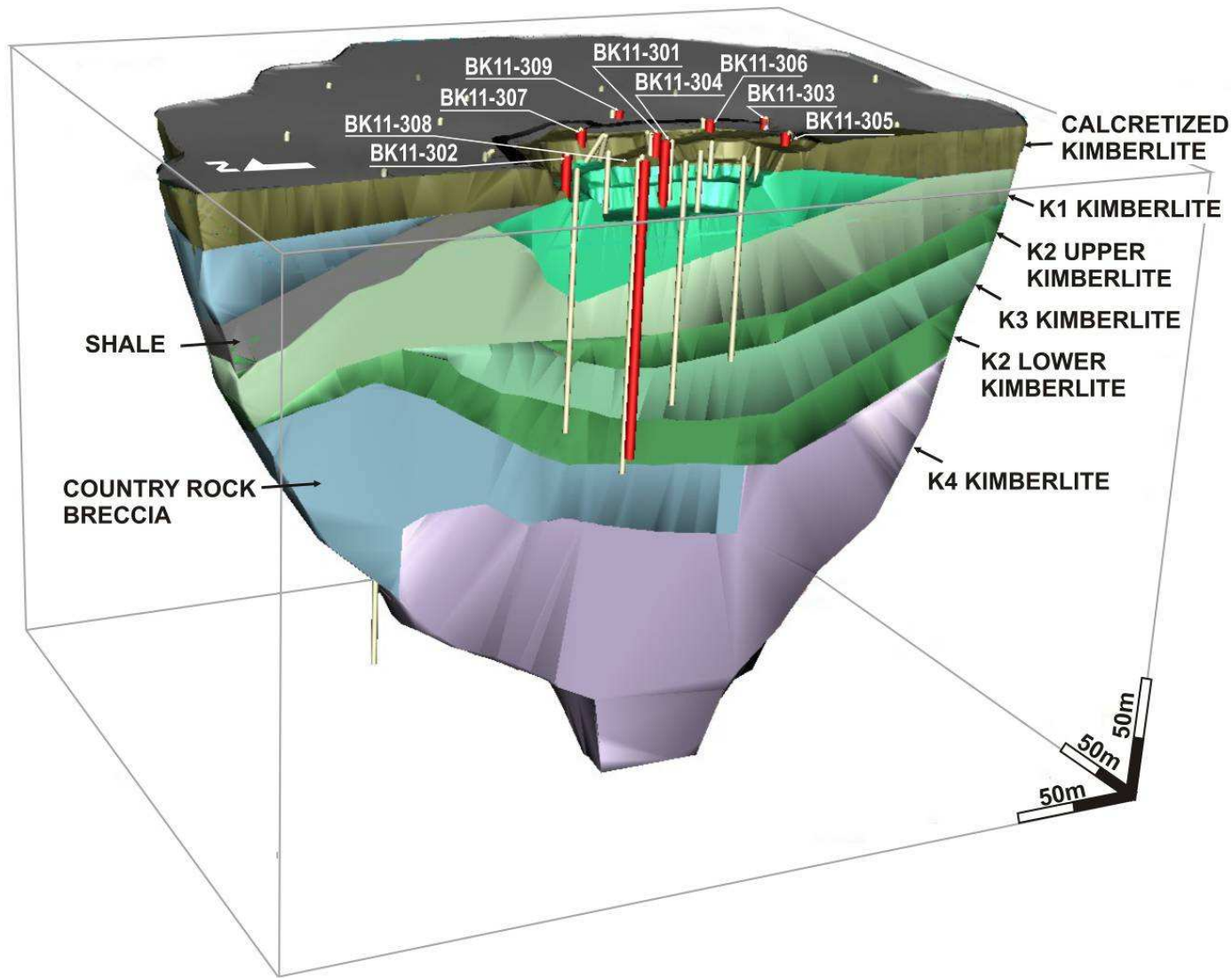
- ▶ 600 carats recovered – enough for diamond valuation and mine development decision

July 2010 – commercial production



Mineral Resource

- ▶ Resource of 12Mt and 800k carats to 120 metres
- ▶ Mine planning and pit optimisation completed Mar 2010
- ▶ Expected 10 year mine life



Developments since July 2010

▶ Earthmoving

- 840,000 tonnes removed to end October
- Completion of pre-stripping ~ 4 weeks behind schedule due to mining conditions and revised stripping plan
- Pre-stripping to completed and first kimberlite available for treatment by end November.

▶ Production Plant

- Commissioning of Phase 1 completed by end July and operating well
- Work on Phase 2 still under way, but target of reaching full capacity of 1.5 mtpa on target for completion by end Q4 2010

▶ Diamond sorting facility and tender house

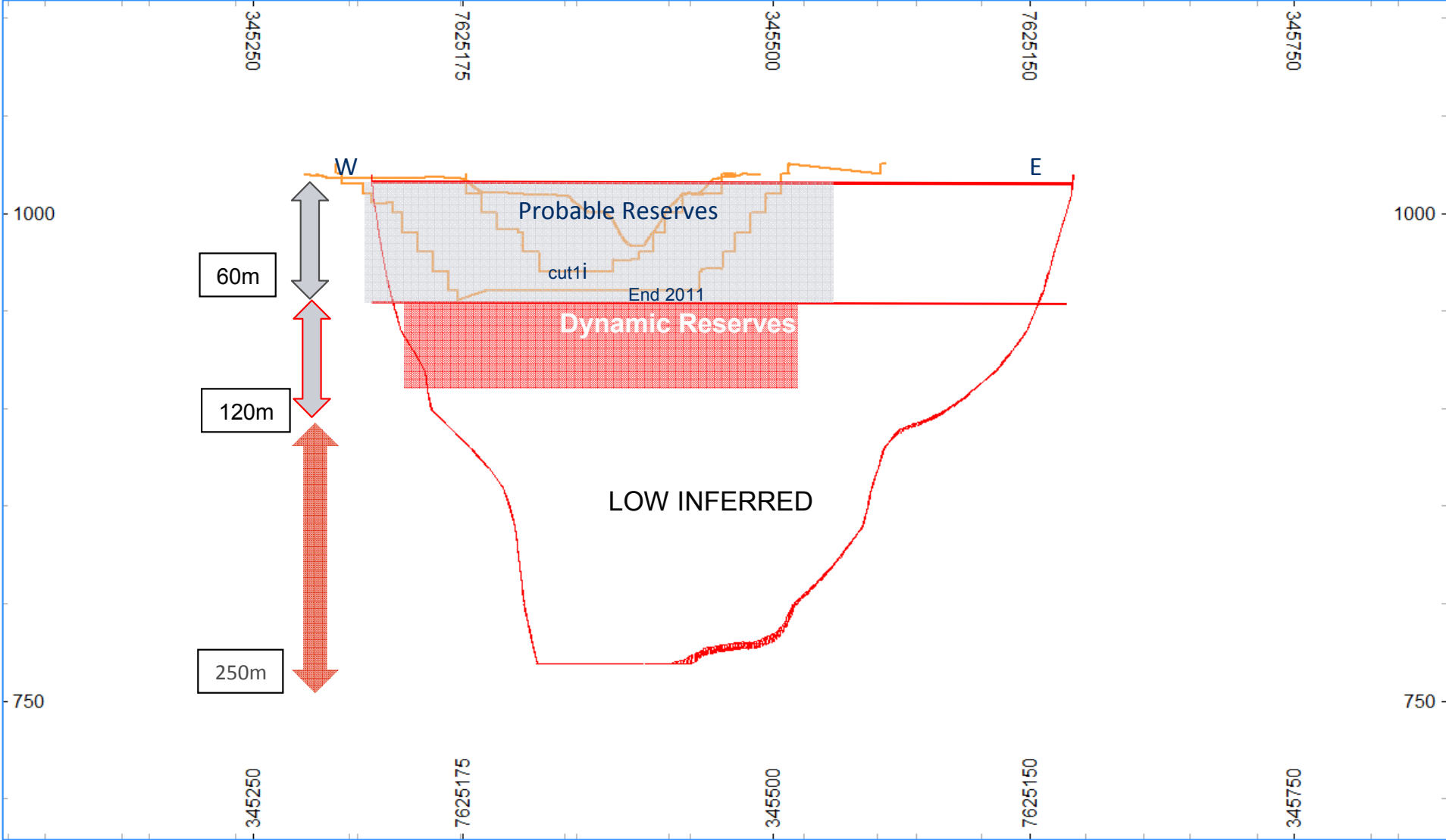
- Construction completed and now ready for first tender

Probable Reserves Statement

	2011				2012				
	11Q1	11Q2	11Q3	11Q4	12Q1	12Q2	12Q3	12Q4	Total
TONS	384 400	395 600	395 600	368 000	384 400	395 600	395 600	368 000	3 087 200
CARATS	31 540	38 920	42 650	38 990	40 590	38 340	35 320	27 240	293 590
CPHT	8.20	9.84	10.78	10.60	10.56	9.69	8.93	7.40	9.51
Revenue	\$5 519 500	\$6 811 000	\$7 463 750	\$6 823 250	\$7 103 250	\$6 709 500	\$6 181 000	\$4 767 000	\$51 378 250

1. Probable reserves are shaded in blue
2. At constant \$175/ct
3. Signed off independently by MPH Consulting

Mineral Resource

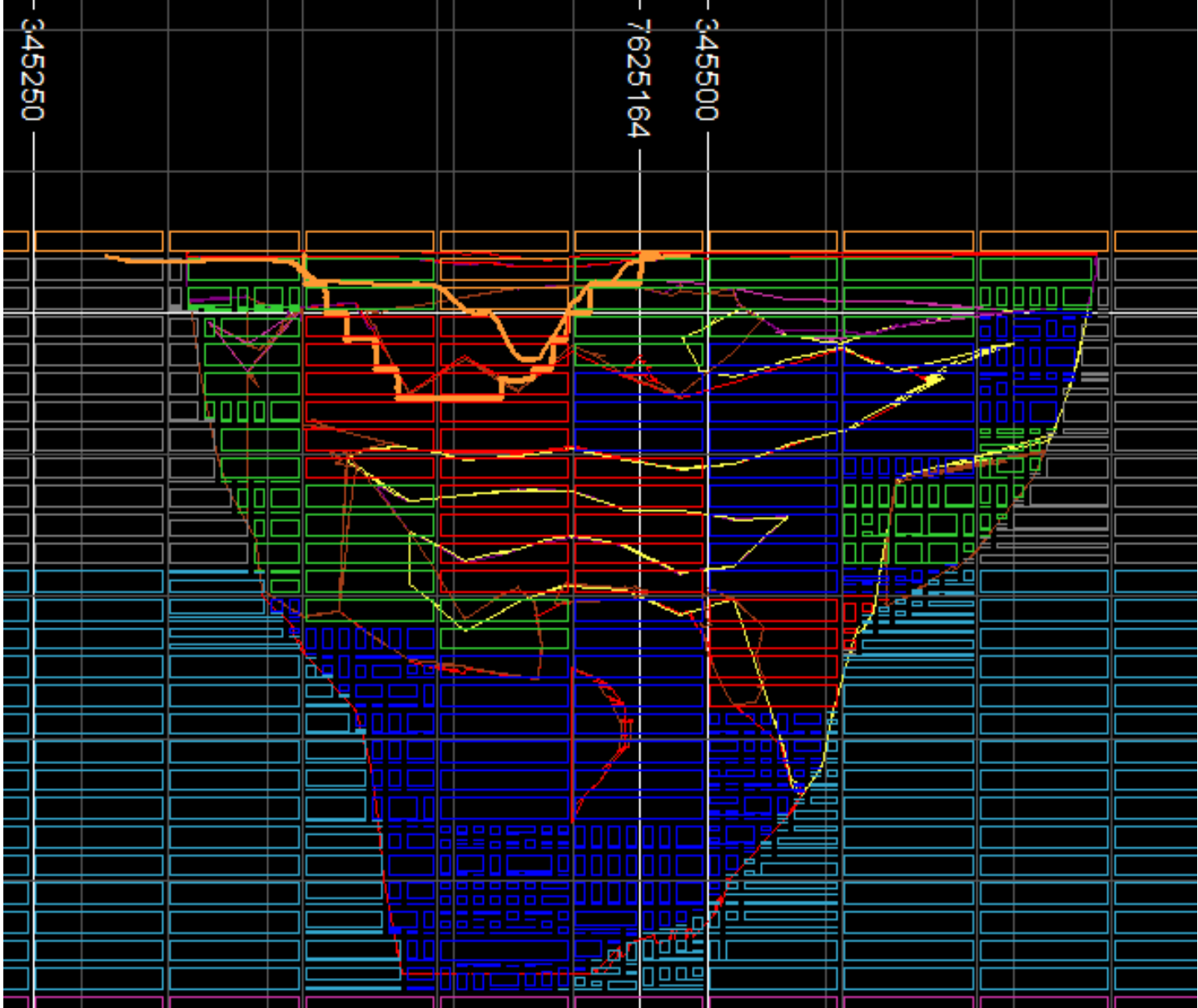


BK11 Diamond Resource Classification

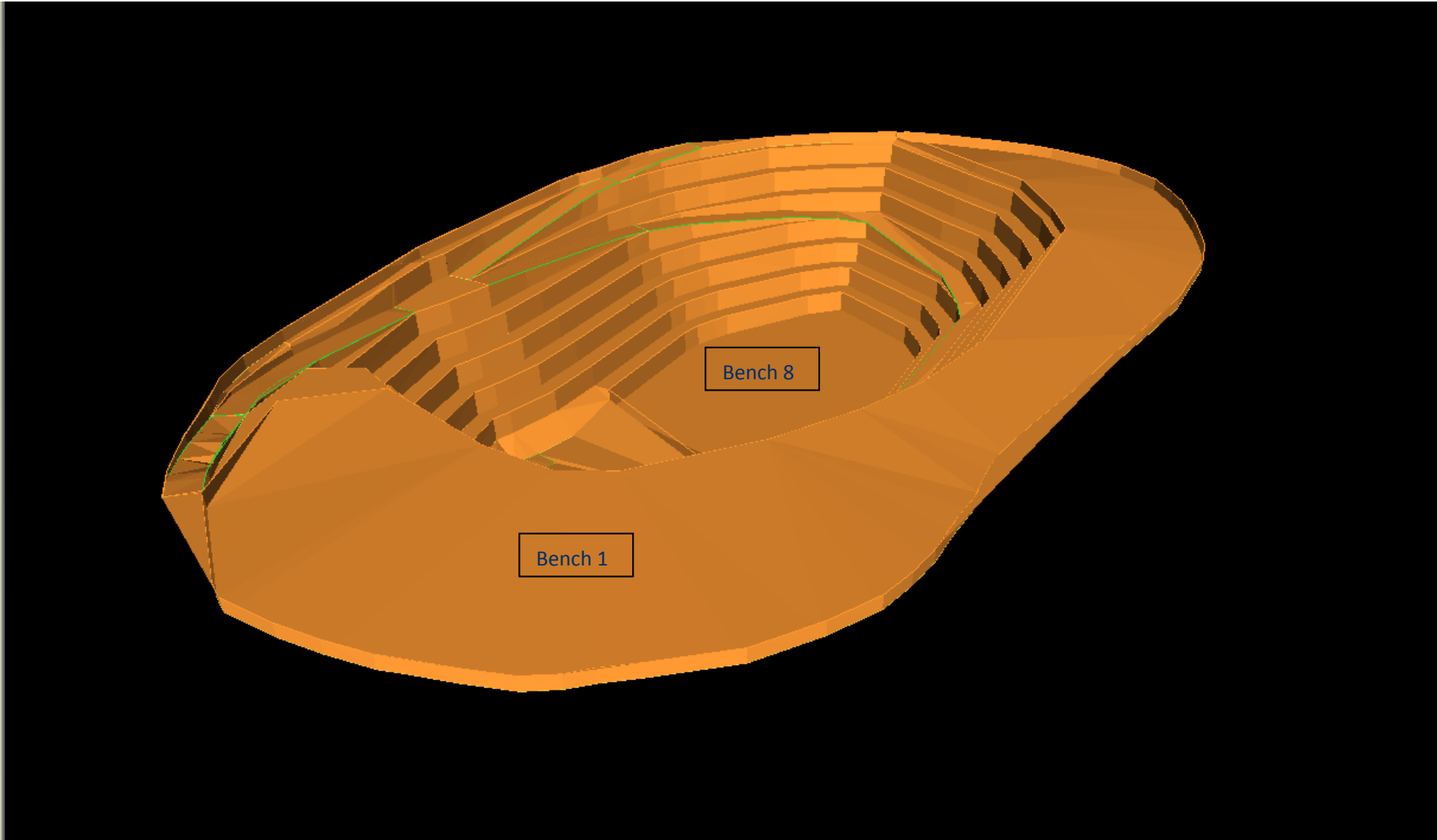
Model	0-60m	60-120m	120-250m
Geological	Measured	Indicated	High Inferred
Grade	Indicated	High Inferred	Med Inferred
Volume	Measured	Indicated	Indicated
Density	Indicated	Indicated	Indicated
Revenue (\$/ct)	Indicated	Med Inferred	Deposit
Overall	Indicated	High Inferred	Inferred

Signed off independently to SAMREC code

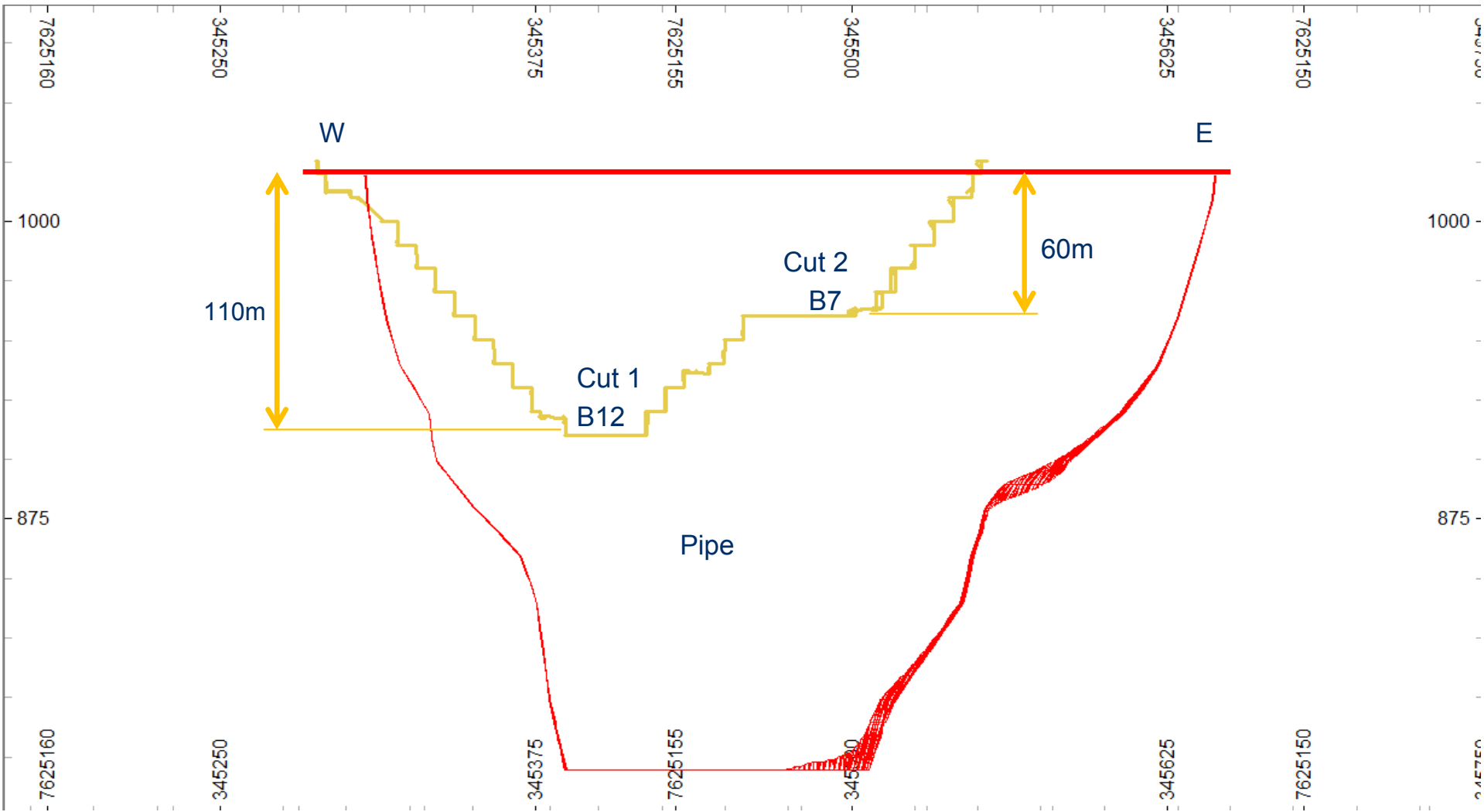
BK11 Block Model



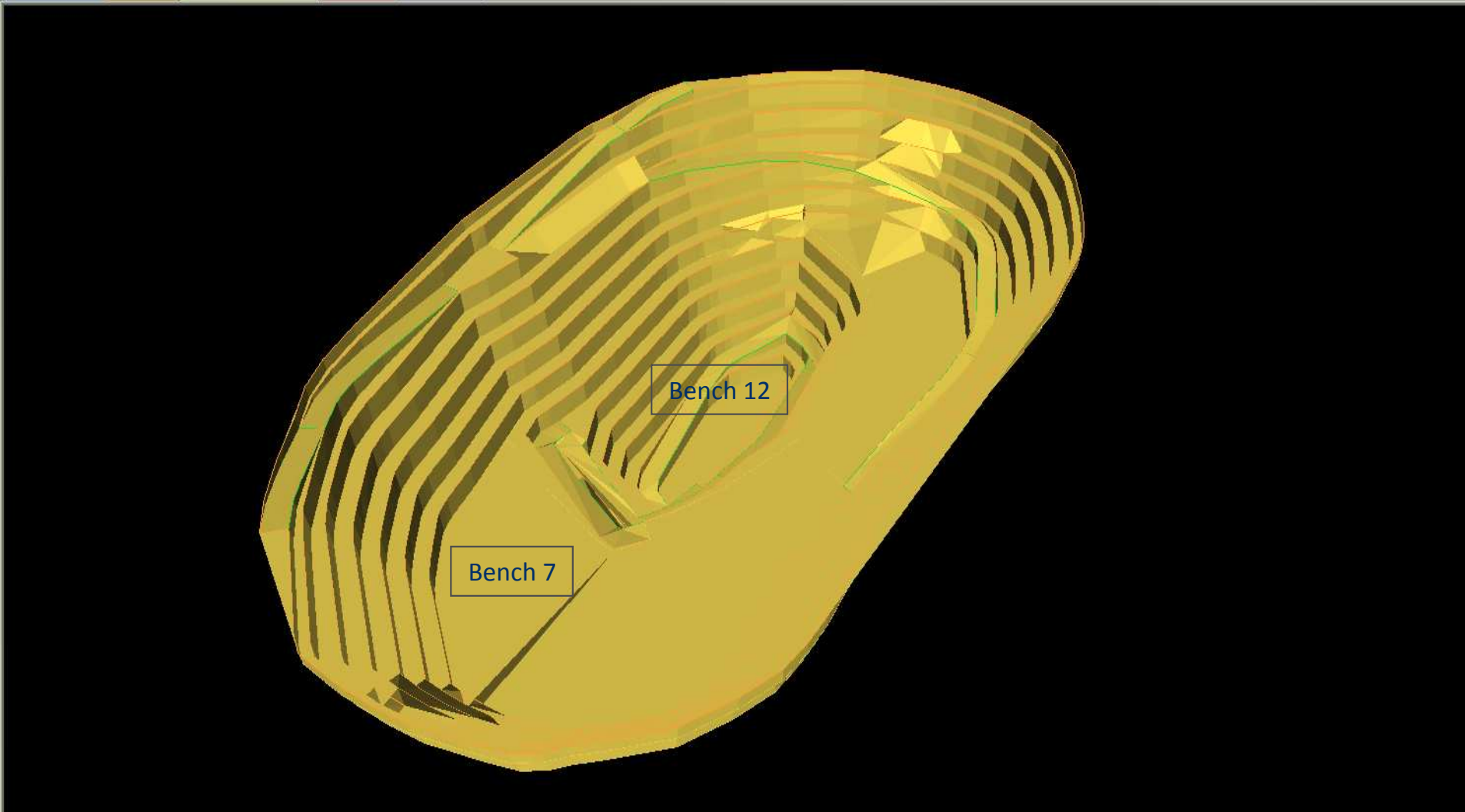
End of 2011 Pit



End of 2012 Cross Section



Pit Faces end of 2012



3 Liqhobong Mine

Liqhobong

- ▶ **One of the largest undeveloped kimberlite resources in the world**
 - Third largest in contained carats after Gahcho Kue & Star (both in Canada)
 - Fourth largest in tonnes after Star and Orion South (both in Canada) and Gope (Botswana)
 - Capital costs expected to be very substantially lower than for above projects
- ▶ **Substantially larger than BK11**

	BK11	Liqhobong
Tonnes (m)	11	91
Carats (m)	0.9	31.1
Gross value (\$m) ¹	\$146	\$2,673

Liqhobong Background

- ▶ **Situated in the Lesotho Highlands**
- ▶ **Originally discovered in 1950's**
 - Main Pipe
 - 8.6 ha
 - 90Mt @ 34cpht and \$86/ct
 - Revenue \$29/t; est. costs \$12/t
 - \$2.7B gross value
 - Satellite Pipe
 - Small, but high grade
 - Commenced production 2005
- ▶ **Mining licence in place**
 - On care and maintenance since Q4 2008
 - Over 350,000 carats produced to date
- ▶ **75% owned by Kopane and 25% by Government**



The Main Pipe - Multi-facies mineralisation

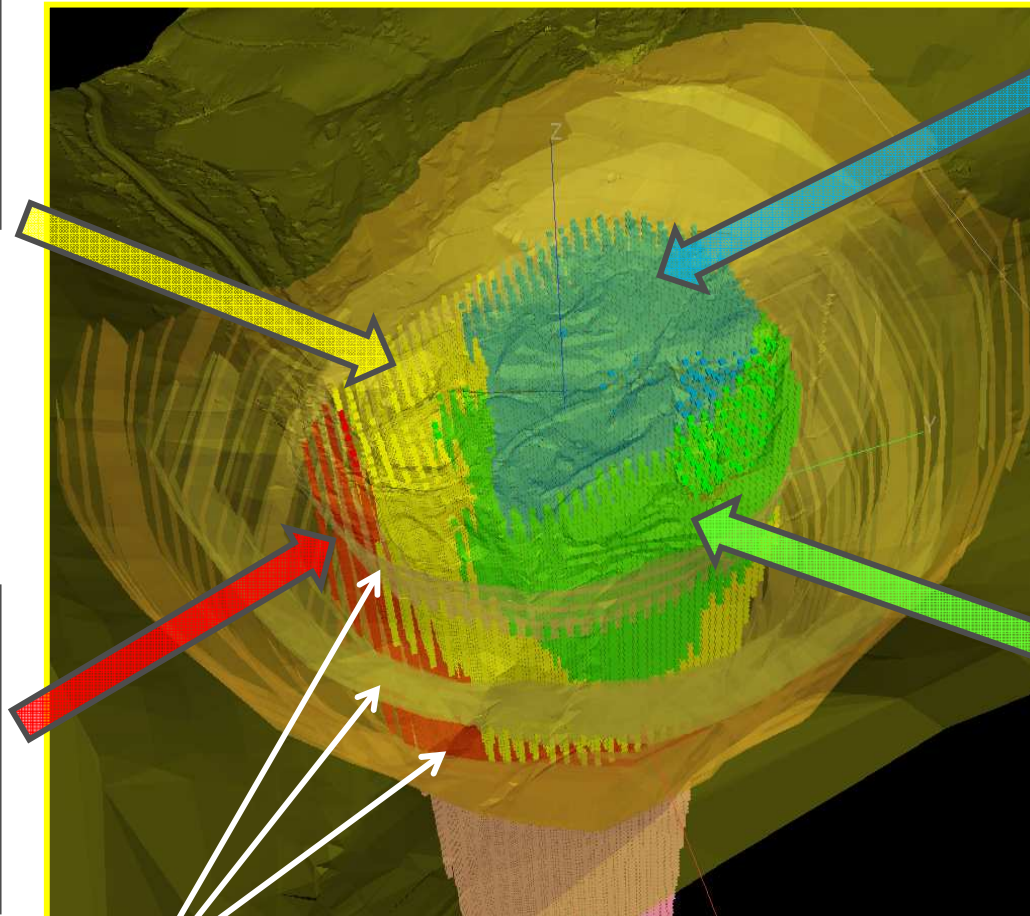
Four discrete facies have been identified and individually bulk sampled

K5

- Approx. 33.1% of Main Pipe
- High grade (43 cpht)
- Enlarges at depth
- Contains large & high value stones

K2

- Comprises 37.1% of Main Pipe
- Grade of 26 cpht
- Decreases in volume at depth



K6

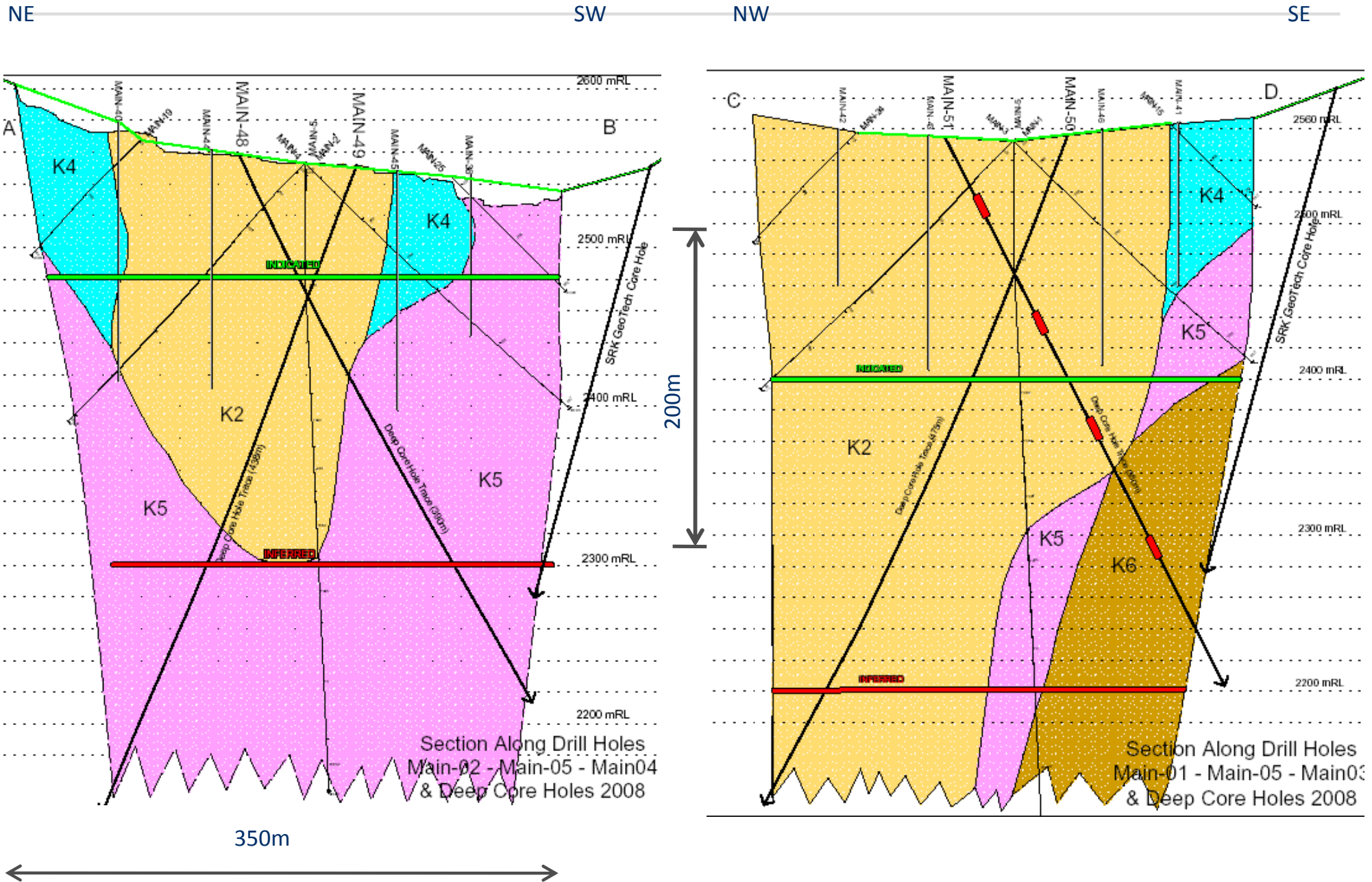
- Approx. 22.7% of Main Pipe
- High grade (36 cpht)
- Enlarges at depth
- Large framesite diamond found (>250 cts)

K4

- Approx. 7.1% of Main Pipe
- Only found in upper levels
- Grade of 32 cpht

Pit wall pushback phases

The Main Pipe in 3D – Vertical section



“Specials” not included in \$86/ct valuation



- ▶ 13.3 Vivid yellow \$35,136/ct \$468,000
- ▶ 9.9 Fancy yellow \$10,149/ct \$100,000
- ▶ 6.0 Fancy yellow \$10,066/ct \$60,000

140ct D colour stone crushed at plant



27 ct fragment
sold for \$748K
(\$27,000/ct)

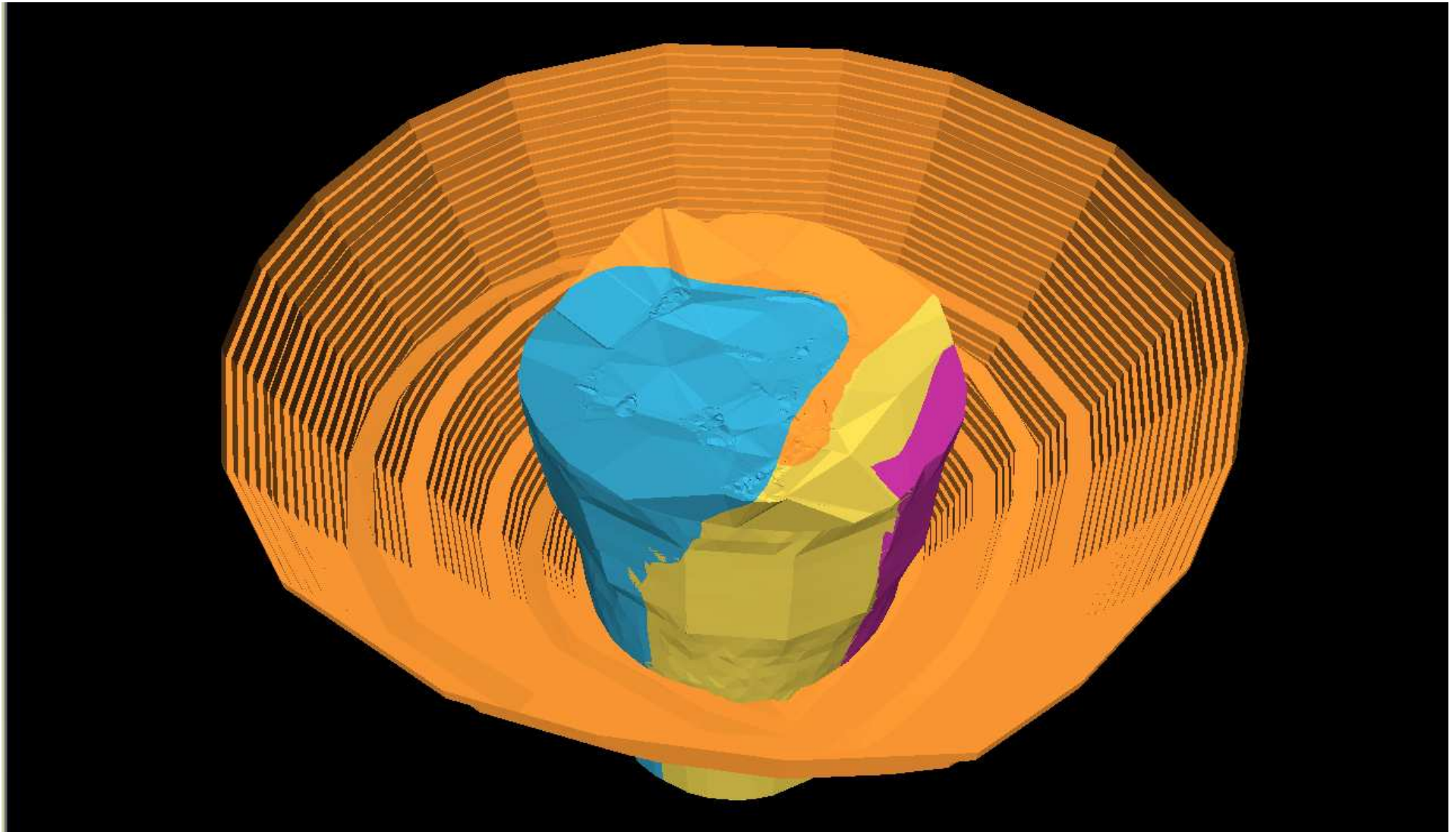
Comparison with other resources

	BK11	Liqhobong	AK6	Letseng
Resource				
Tonnes (Mt)	11.1	90.6	72.2	235.9
Grade (cpht)	8.5	34.3	21.1	1.7
Carats (Mcts)	0.9	31.1	15.3	3.9
Diamond value	\$155	\$86	\$183	\$1,728
Gross value (\$m) ¹	\$146	\$2,673	\$2,792	\$6,808
Economics				
Revenue (\$/t)	\$13	\$29	\$39	\$29
Est operating cost (\$/t)	\$7.5	\$12 ²	\$17	\$12 ²
Est margin (%)	43%	59%	56%	58%
Production capacity (Mtpa)	1.5	4 ³	2.5	7
Annual revenue (\$M)	\$20	\$118 ⁴	\$97	\$202
Annual profit (\$M)	\$9	\$70 ⁴	\$54	\$118
Life of mine	9-10	20+	20+	20+

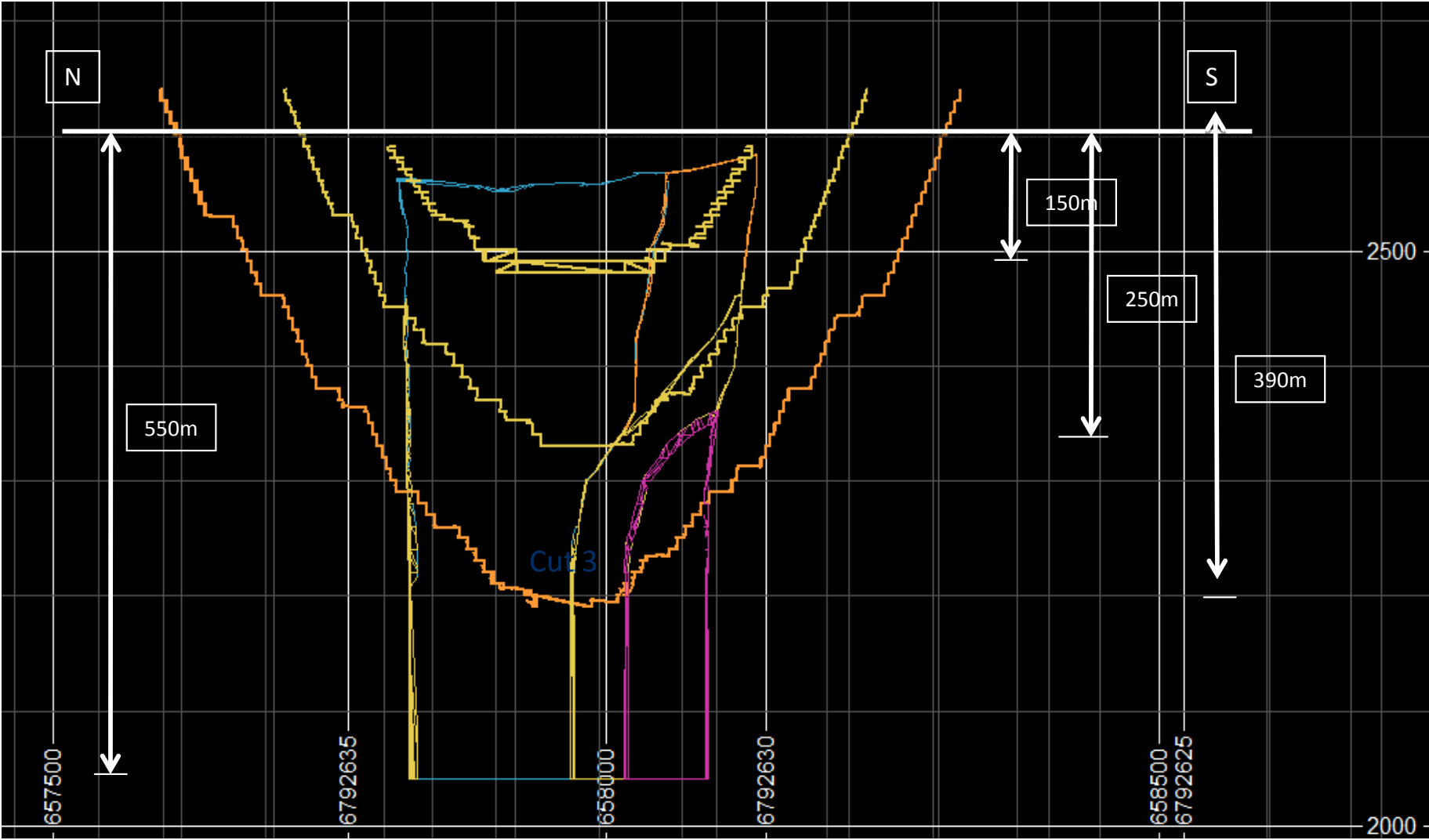
Notes:

1. Estimated in-situ value of diamonds for each project is the product of the current valuation per carat (from sales or independent valuations) multiplied by the resource tonnage and resource grade. It should not be regarded as an asset valuation for the purposes of Rule 29 of the City Code as it does not take account of the costs of mining (both capex and opex and the time value of money).
2. Estimated operating cost per tonne for Lesotho kimberlite projects is based on the cash cost per tonne disclosed by Gem Diamonds for the Letseng mine, which the Board of Firestone believes to be an appropriate comparator for Liqhobong.
3. Firestone intends to build a plant capable of processing 4mtpa of ore
4. The annualised numbers given are indicative only and are based upon the simple multiplication of the possible margin per tonne theoretically achievable if Liqhobong were to produce ore at the same operating cost per tonne as the Letseng Mine operated by Gem Diamonds. They are also based upon the plant, which is yet to be designed and built, producing at the stated annual production capacity. If these assumptions are met, it is possible that Liqhobong will produce the annual results indicated on a annualised run-rate basis approximately four years from the date of this presentation, when the plant has been fully commissioned and production has been ramped up to the stated capacity.

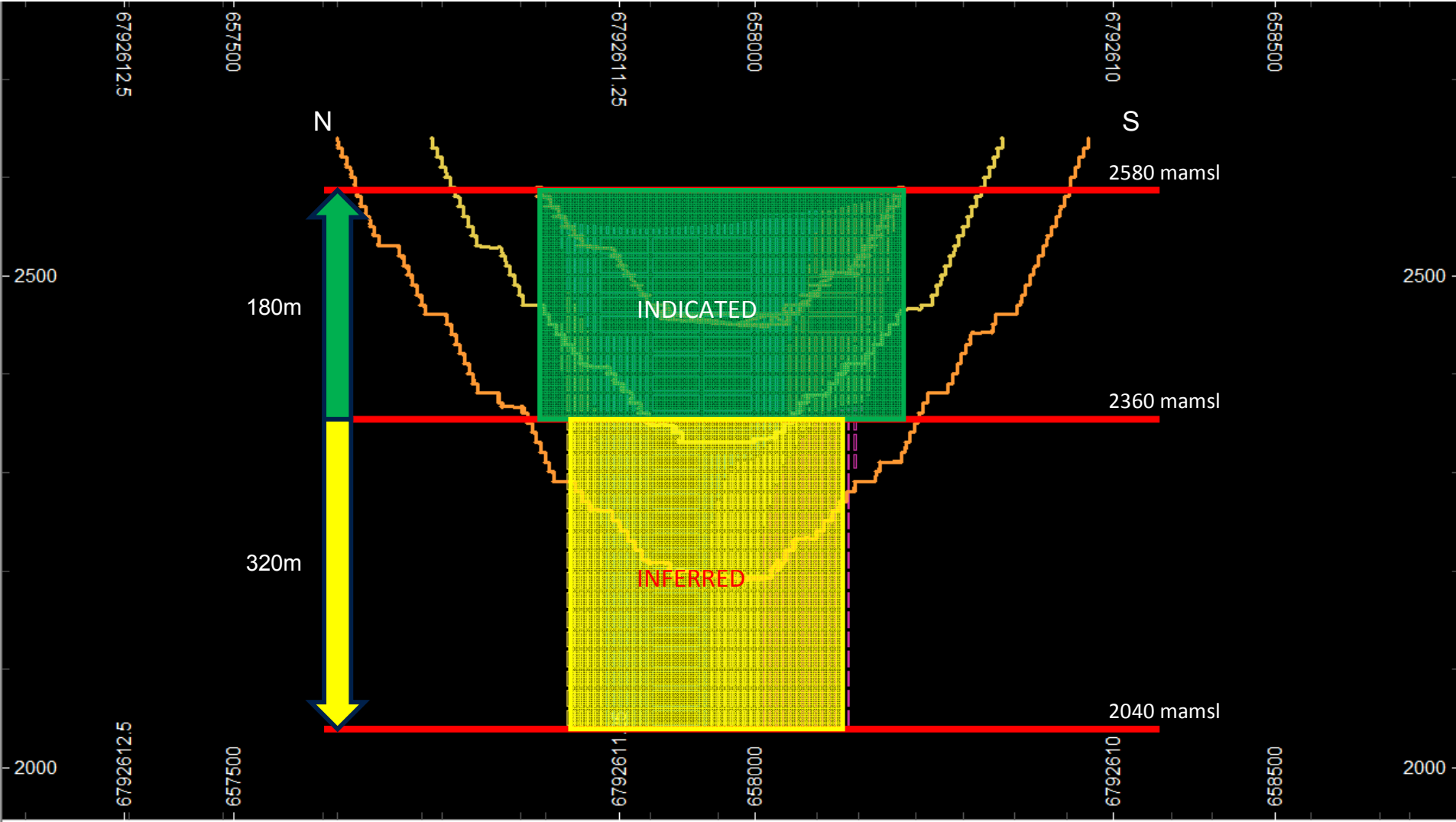
Final Pit Shell



Final Cut Positions



Resource Classification



Open Pit Optimisation

	Tons	Carats	cpht	Waste	SR
CUT1	9,882,200	3,118,150	31.55	300,000	-
CUT2	21,905,000	7,053,410	32.20	24,900,000	1.1
CUT 3	28,688,800	8,897,590	31.01	105,000,000	3.7
TOTAL	60,476,000	19,069,150	31.53	130,200,000	2.2

Mineral Resource Statement

LIQHOBONG MINERAL RESOURCE			
In situ Mineral Resource			
	Tons	Cpht	Carats
Indicated	38,539,000	31.25	12,041,600
Inferred	52,280,000	33.88	17,713,000
Total Resource	90,819,000	32.76	29,754,600
Open Pit Resource			
	Tons	Cpht	Carats
Probable Reserves	37,232,000	31.22	11,625,200
Inferred Resource	22,518,000	33.62	7,571,300
Total	59,750,000	32.13	19,196,500

1. At constant \$86/ct
2. Signed off independently by MPH Consulting

Plant 1 Expansion

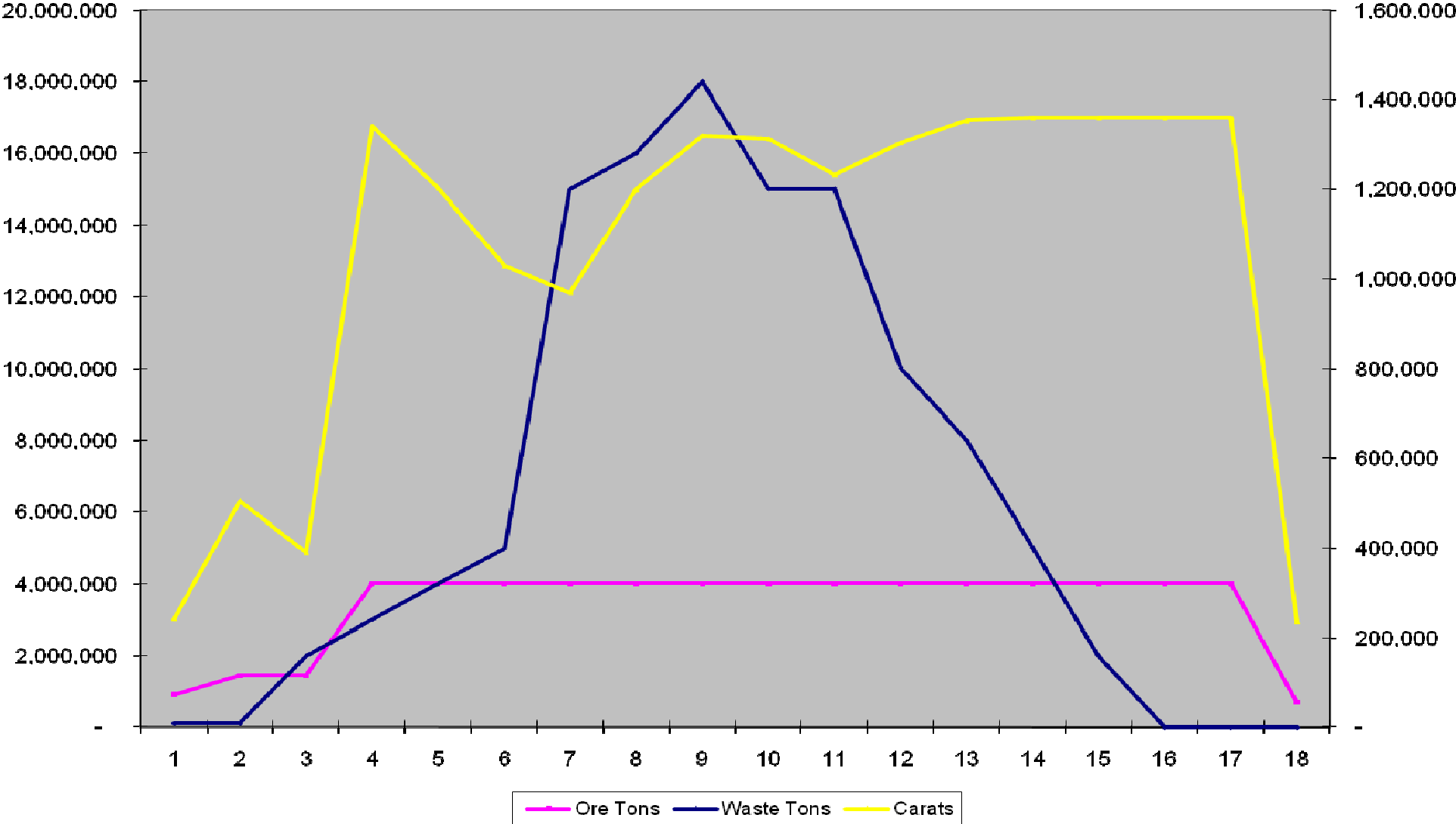
Capacity (mtpa)	Development time (Months)	Capex Estimate (\$m)	Annual revenue (\$m)
0.4	1	1	\$11
0.65	3	3	\$18
1.3	9	5	\$36

Plant 2 Development

Capacity (mtpa)	Development time (Months)	Capex Estimate (\$m)	Annual revenue (\$m)
2.5 (Phase 1)	18	45	\$71
4.2 (Phase 2)	12	25	\$116

Production profiles

Production Forecast (2011 - 2028)



Liqhobong Summary

▶ Opportunities

- \$/ct upside
 - Supply demand and market conditions
 - Recovery of large stones
- Grade increases
 - Positive mine call factors
 - Increase in grade of K5/K6 with depth
- Increase in tonnage treated
 - Fines disposal systems
 - Liberation of diamonds

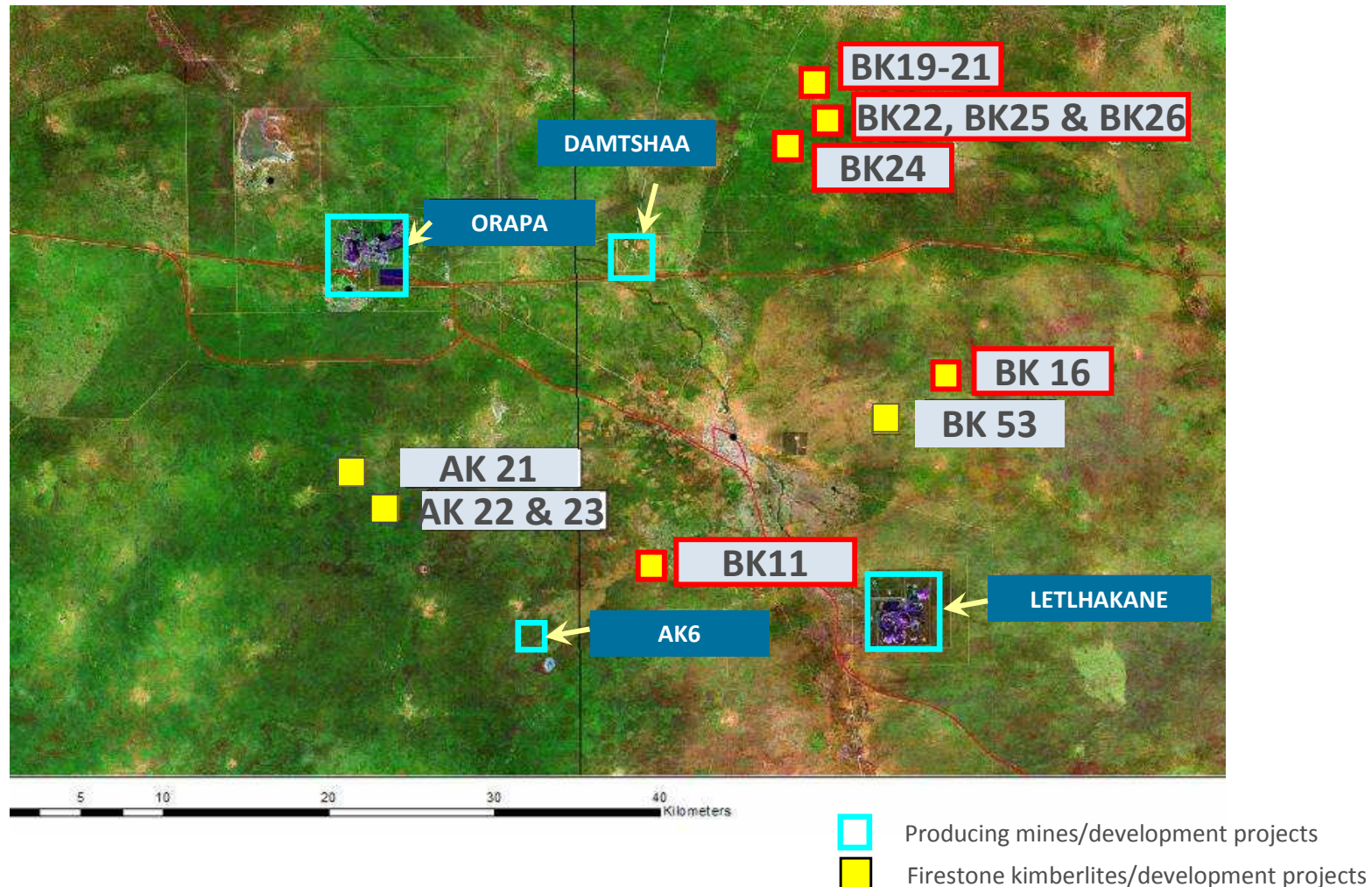
▶ Challenges

- Water
 - Satellite pit storage
 - Liqhobong stream, Malebumatso river
- Tailings disposal,
 - designed by Golder
- Electricity
 - LEC tender pending, H2 2012 connection

4 Orapa Satellite Kimberlites

Orapa Satellite Kimberlites

- ▶ Firestone has 21 kimberlites in the Orapa area, 14 with diamonds



Satellite Mining Project

- ▶ **High priority kimberlites**
 - BK16, AK11, BK14, BK23 & BK24 have similar history to BK11
 - Limited evaluation since discovery in the 1970's and 1980's
 - Very good chance of identifying additional kimberlite >\$10/t revenue
- ▶ **Use BK11 mine as base for satellite mining operation**
 - \$1/t to truck kimberlite within 10 km radius
 - \$5m required to double capacity of BK11 plant
- ▶ **Firestone well placed to secure other kimberlites**
 - Only independent operator in Orapa area
 - Only bulk sample and pilot plant in Botswana

BK16

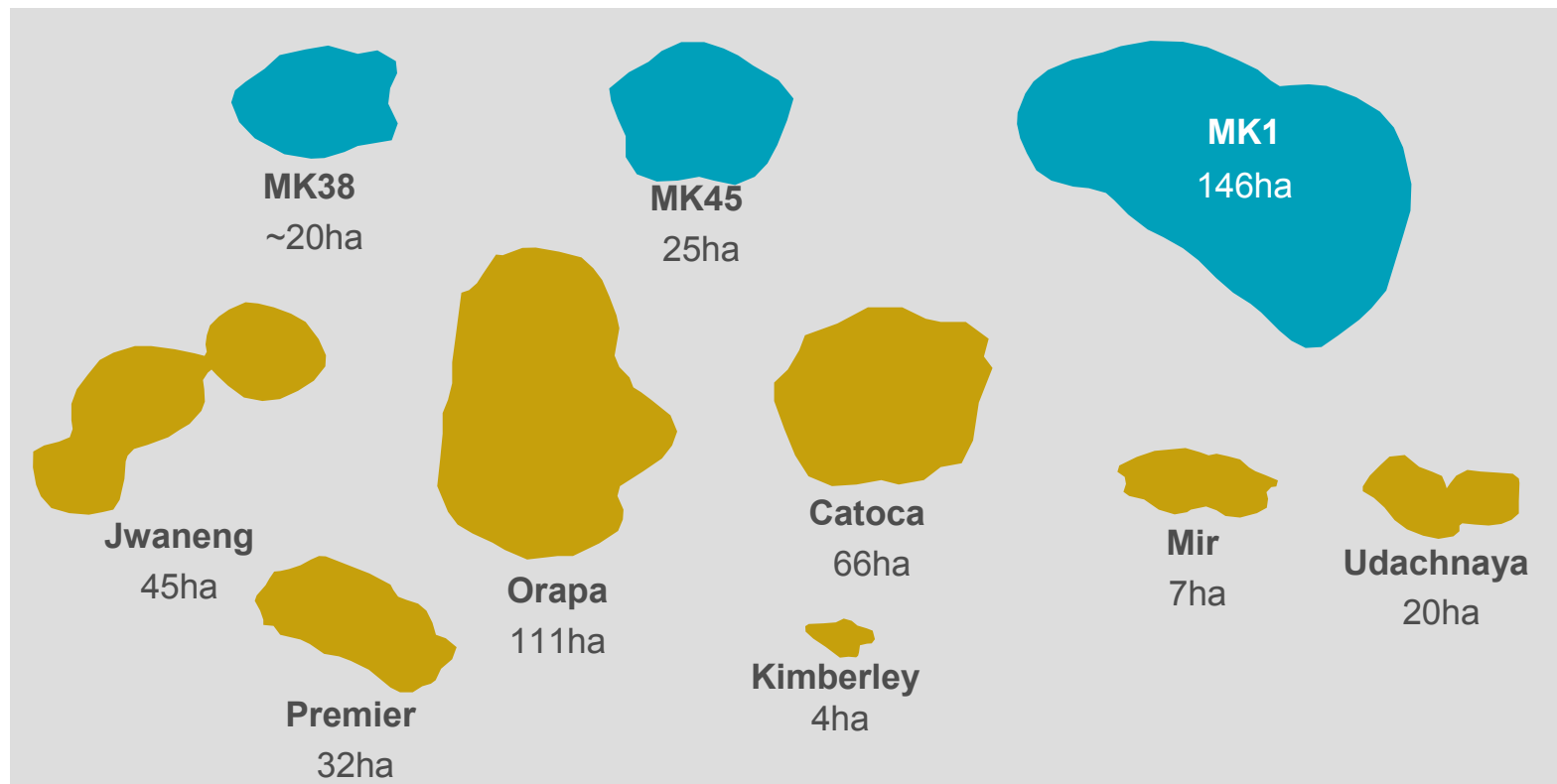
- ▶ **Sampled by De Beers in 1990's**
 - 15 cph; contains high value diamonds, similar to BK11
- ▶ **Bigger resource potential than BK11**
 - 17m tonnes to 200m
- ▶ **Firestone earning 87.5% interest for carrying to bankable feasibility**
 - Evaluation to commence once BK11 in full production



5 Tsabong

Tsabong Kimberlite Field

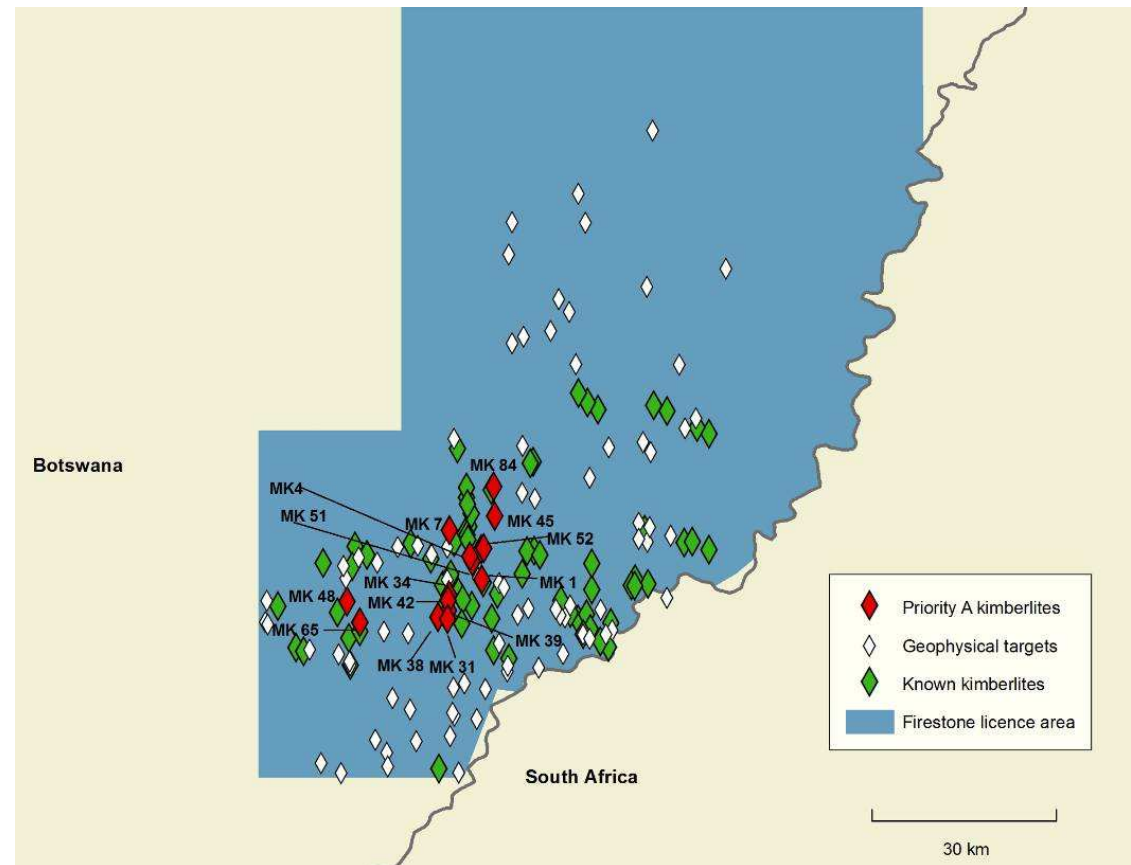
- ▶ One of the largest diamondiferous kimberlite fields in the world
 - 84 known kimberlites; 20 diamondiferous
 - MK1 kimberlite - 146 hectares, diamondiferous



■ Kimberlite mine ■ Firestone kimberlite

Tsabong Background

- ▶ Limited evaluation since first discoveries in the 1980's
- ▶ Substantial exploration carried out by Firestone
 - 50 sq km ground geophysics
 - 22,000 metres of drilling
 - 2 t of microdiamond samples
 - 6 kimberlites bulk sampled



Tsabong Plans

- ▶ **Prospects for economic discovery are good**
 - Independent data review indicates similar geological setting to Jwaneng
 - Macrodiamonds recovered from 5 kimberlites
 - Botswana economic ratio of 8% is in our favour

6 Diamond Sales

Diamond Sales Plan

▶ Tender House

- Construction and commissioning completed
- Diamonds to be sold by open tender
- First tender to commence end November

▶ BK11 production

- First 3,000 carats from processing of overburden and low grade kimberlite

▶ Lihobong production

- +10,000 carats stockpiled from previous operations

7 Outlook

Corporate Outlook

- ▶ **Short term cash flow**
 - Significant cash flow from BK11 & from Lihobong in 2011
- ▶ **Good medium term upside**
 - BK11 and Lihobong profits leveraged to continued diamond price recovery
 - Orapa satellite kimberlites
- ▶ **Significant long term potential**
 - Tsabong
 - Toll treatment projects
- ▶ **Target becoming one of the leading mid-tier diamond producers**
 - Production of >1 million carats pa by 2014

Corporate Information

- ▶ Shares in issue: 268 million
- ▶ Market cap @25p £67m

- ▶ Major shareholders
 - JPMorgan – 9.8%
 - Lanstead – 7.6%
 - Gartmore – 6.6%
 - HSBC – 4.6%
 - AXA/Framlington – 3.1%
 - Legal & General – 3.0%

