

# Firestone Diamonds

Interim results for the six months ended 31 December 2014  
12 March 2015



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# Speakers

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Mr Lucio Genovese  
Non-Executive Chairman



Mr Stuart Brown  
Chief Executive Officer



Mr Grant Ferriman  
Chief Financial Officer

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# Introduction and H1 2015 review – Lucio Genovese

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- Zero lost time injuries
- More than six months in to the project time line
- Progress in line with expectations
- High rainfall and difficult terrain encountered
- Major contracts awarded and fixed
- Financial results
- Political situation update

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# Finance review H1 2015 – Grant Ferriman

# Consolidated Income Statement

for the six months ended 31 December 2014

	Dec-14	Dec-13	Variance
<b>\$ million</b>			
<b>Revenue</b>	-	3.9	(3.9)
Cost of sales	-	(7.7)	7.7
<b>Operating loss</b>	-	(3.8)	3.8
Admin and other	1.0	1.7	0.7
Corporate cost	1.6	2.2	0.6
Foreign exchange loss	2.1	-	(2.1)
<b>Finance Income</b>	0.3	-	0.3
<b>Loss before tax</b>	<b>(4.4)</b>	<b>(7.7)</b>	<b>3.3</b>

# Consolidated Balance Sheet

as at 31 December 2014

	Dec-14	Jun-14
\$'000		
<b>ASSETS</b>		
<b>Non-current assets</b>	93.3	50.1
LMDP	49.9	4.2
Other assets	43.4	45.9
<b>Current assets</b>	66.1	119.5
VAT & other receivables	2.9	0.6
Hedge deposits	4.8	-
Inventory	0.1	0.2
Cash and cash equivalents	47.3	107.0
Net assets held for sale	11.0	11.7
<b>TOTAL ASSETS</b>	159.4	169.6
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>	146.3	159.3
Share capital	327.0	327.0
Accumulated loss & other equity	(180.7)	(167.7)
<b>Liabilities</b>	13.1	10.3
Rehabilitation liability	1.3	1.5
Deferred tax	3.7	4.0
Trade creditors	8.1	4.8
<b>TOTAL EQUITY AND LIABILITIES</b>	159.4	169.6

# Consolidated Cash Flow Statement

for the six months ended 31 December 2014

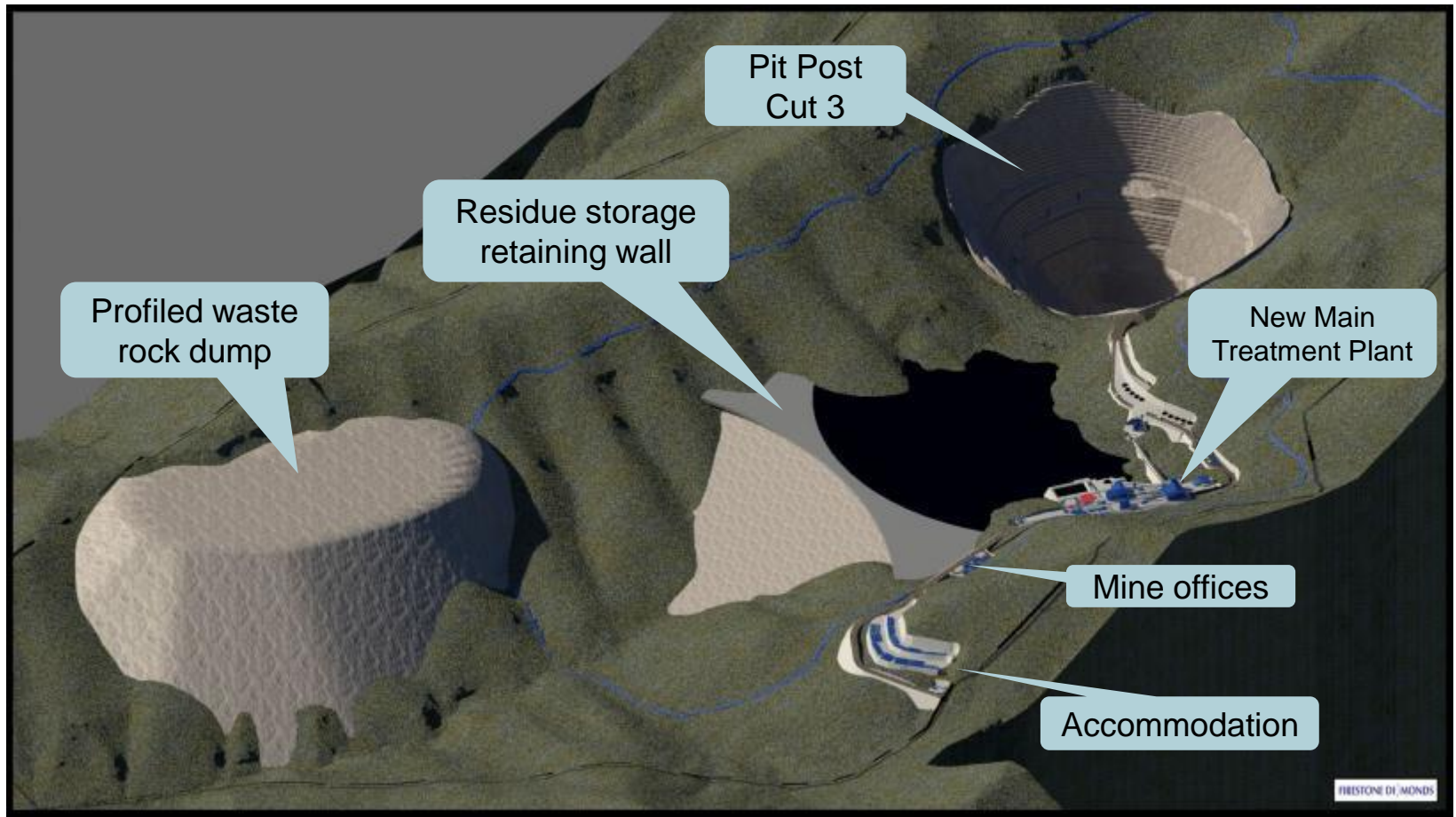
	For the 6 months ended	For the 12 months ended
	Dec-14	Jun-14
\$ million		
<b>Opening cash</b>	<b>107.0</b>	<b>4.1</b>
<b>Net cash used in operating activities</b>	<b>(10.0)</b>	<b>(2.9)</b>
Cash used in operating activities	(3.8)	(3.5)
Working capital changes	(6.2)	0.6
<b>Cash used in investing activities</b>	<b>(48.6)</b>	<b>(6.1)</b>
LMDP & other assets	(48.6)	(6.1)
<b>Cash flows from Financing Activities</b>	<b>0.3</b>	<b>111.9</b>
Equity raise	-	111.9
Finance income	0.3	-
<b>Net (decrease)/increase in cash</b>	<b>(58.3)</b>	<b>102.9</b>
Fx loss on opening cash balance	(1.4)	-
<b>Closing cash</b>	<b>47.3</b>	<b>107.0</b>

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# Operational review update – Stuart Brown

# Plant and infrastructure layout post 15 years of phase 1 mining



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# Proposed plant layout

- Custom built plant: simple scrubbing, screening, crushing and concentration design
- 2 x 250 tonne per hour streams = 500 tonne per hour capacity, at 3.6 million tonnes to recover plus 1million carats per annum



# Site overview - July 2014



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# Site overview - Aug 2014

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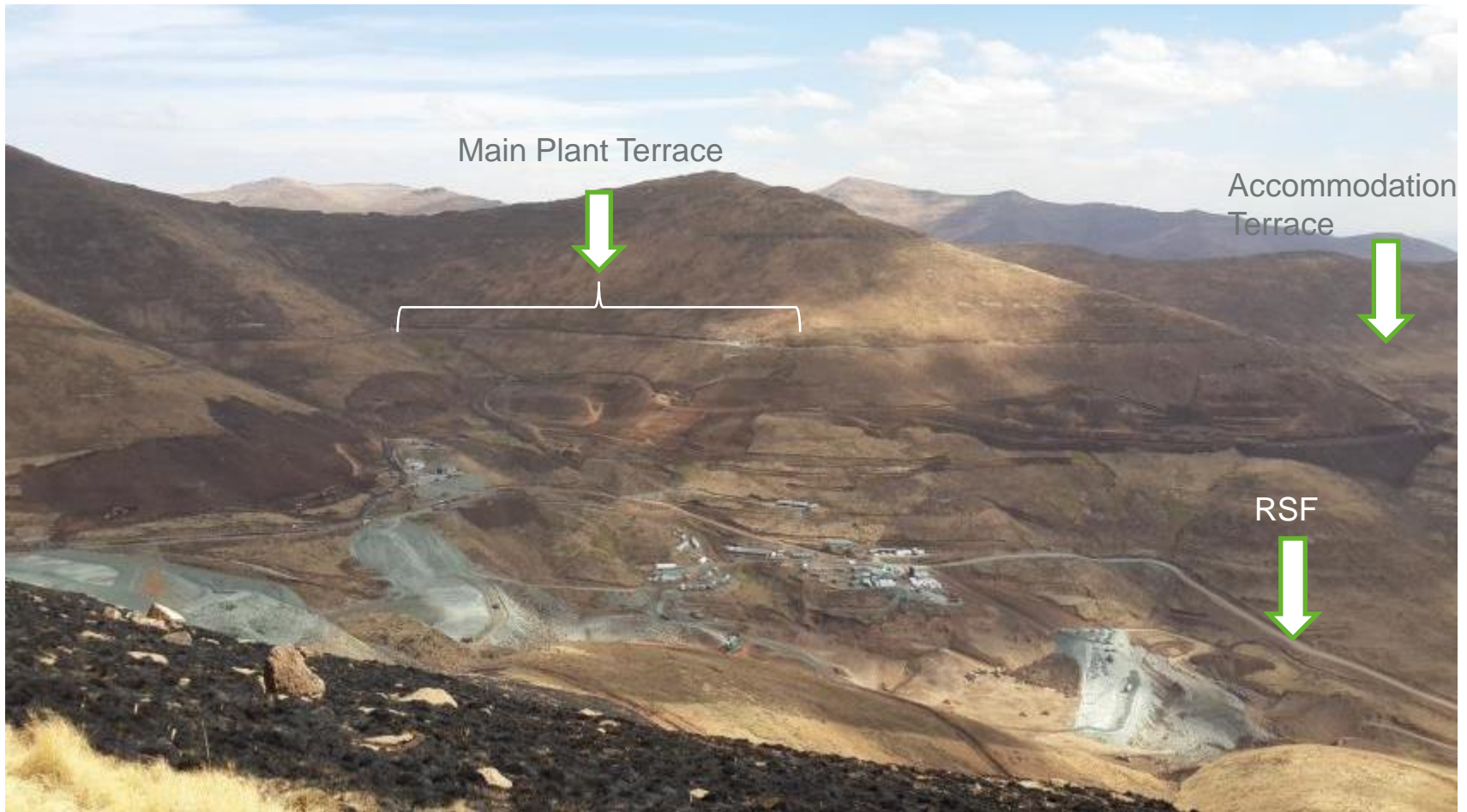
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# Site overview – Sept 2014

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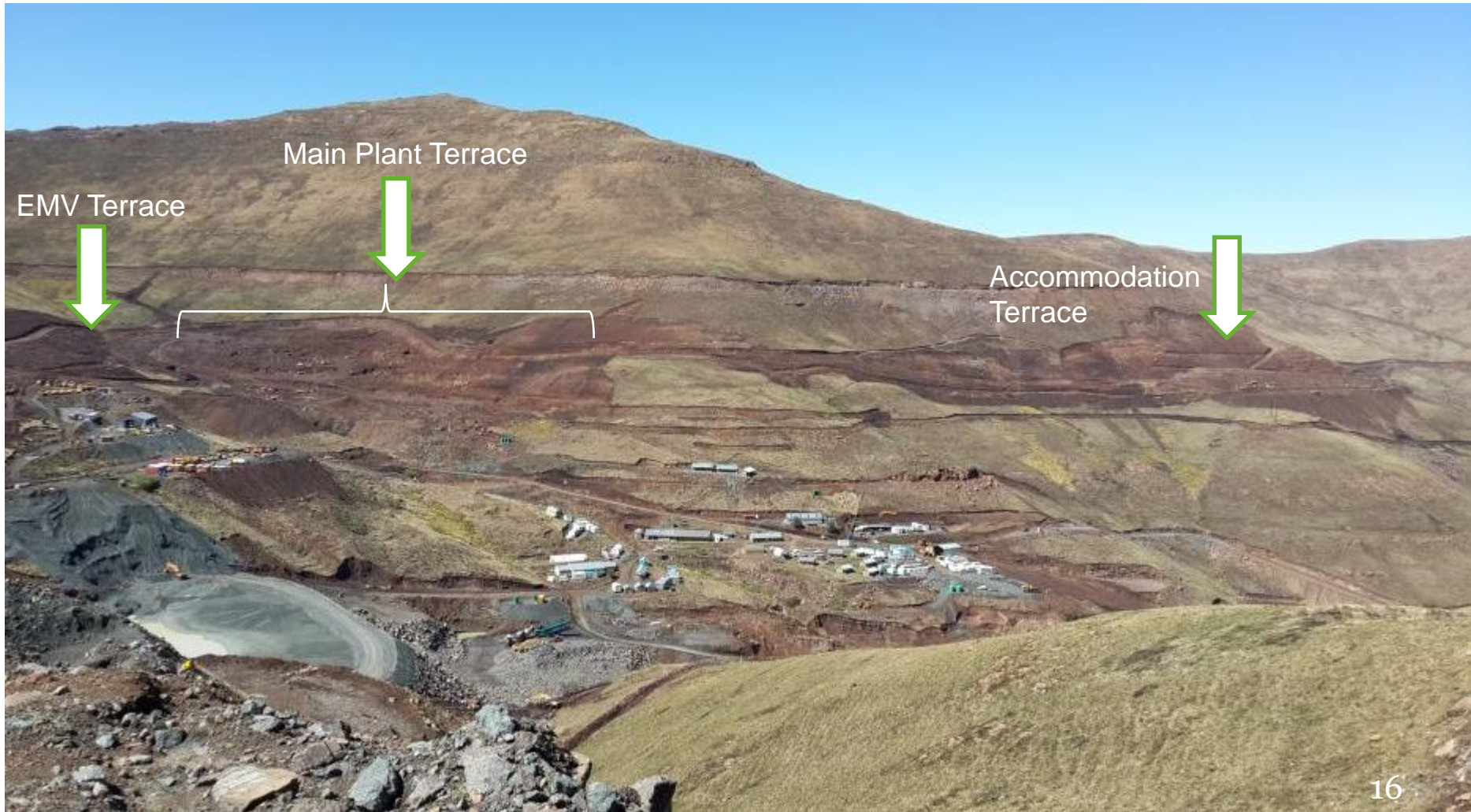
# Site overview - Oct 2014



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# Site overview - Nov 2014

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# Site overview - Dec 2014

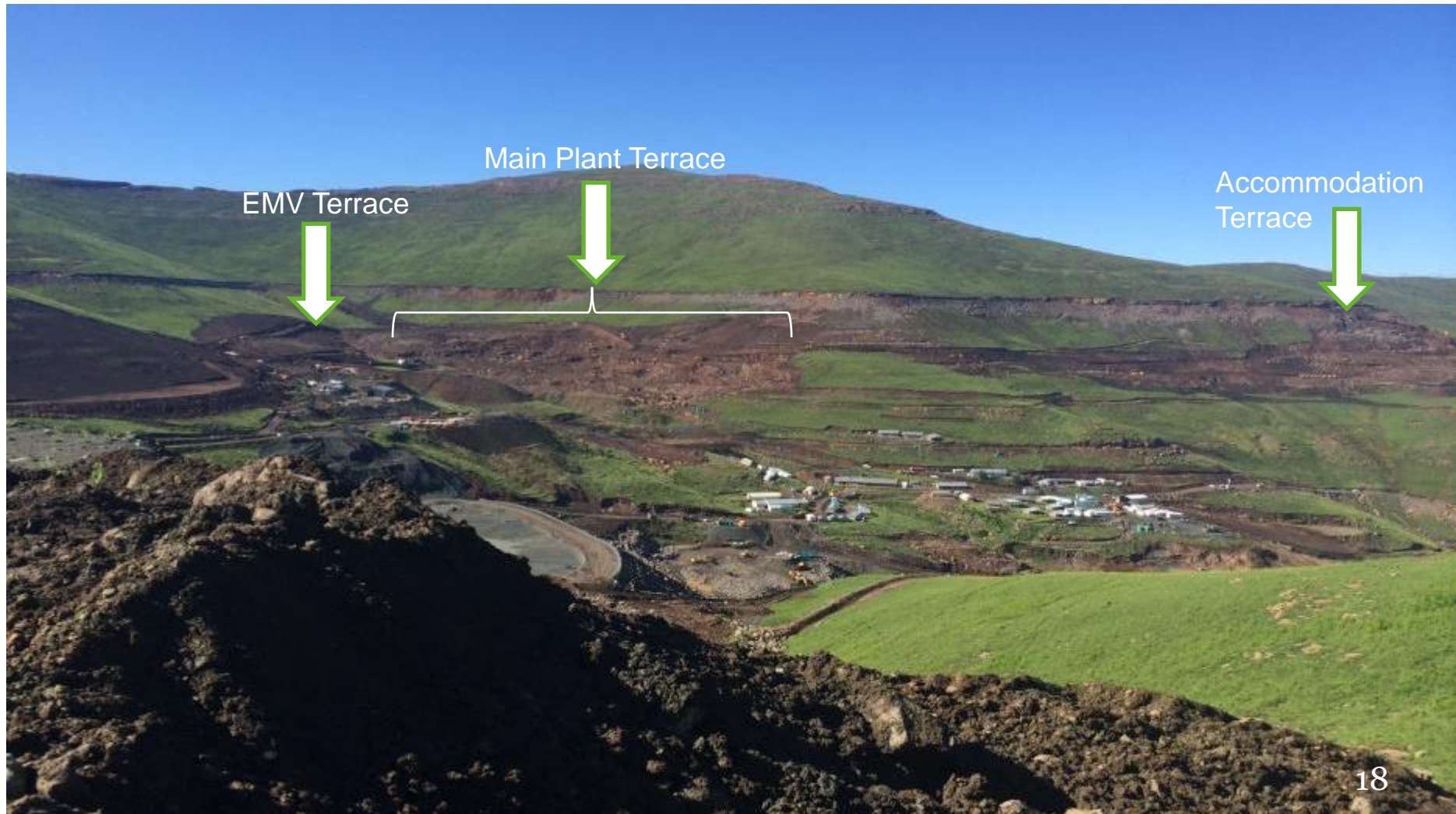
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# Site overview - Jan 2015

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## Close view of plant terrace - Feb 2015



# Plant terrace, blast preparation- Feb 2015



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## Plant terrace post blast - Feb 2015



# Plant terrace - Feb 2015



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# Accommodation Terrace - Jan 2015

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# Accommodation Terrace foundations for units - Feb 2015



# Accommodation Terrace - March 2015



# Accommodation Terrace - March 2015



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# Residual Storage Facility (RSF) - Sept 2014

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# RSF - Nov 2014



# RSF - Dec 2014



# Bulk Electricity Supply ( Liqhobong Sub Station) - Feb 2015



# Bulk Electricity Supply ( Liqhobong Sub Station) - Feb 2015



# Bulk Electricity Supply (Sub Station) - Feb 2015



March 2015 update  
Liqhobong substation



Substation construction



11kV lines strung thus far

# Bulk Electricity Supply - Mar 2015



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# Site overview - Satellite Pit – Jan 2015

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# Satellite Pit - Feb 2015



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# Satellite Pit - Feb 2015

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# Water flowing down access road



# Water management bypassing main pit and existing slimes dams



## Water flow in new contour channels



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# Secure storage area for completed structural steel ready for delivery to site

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# Liqhobong Village

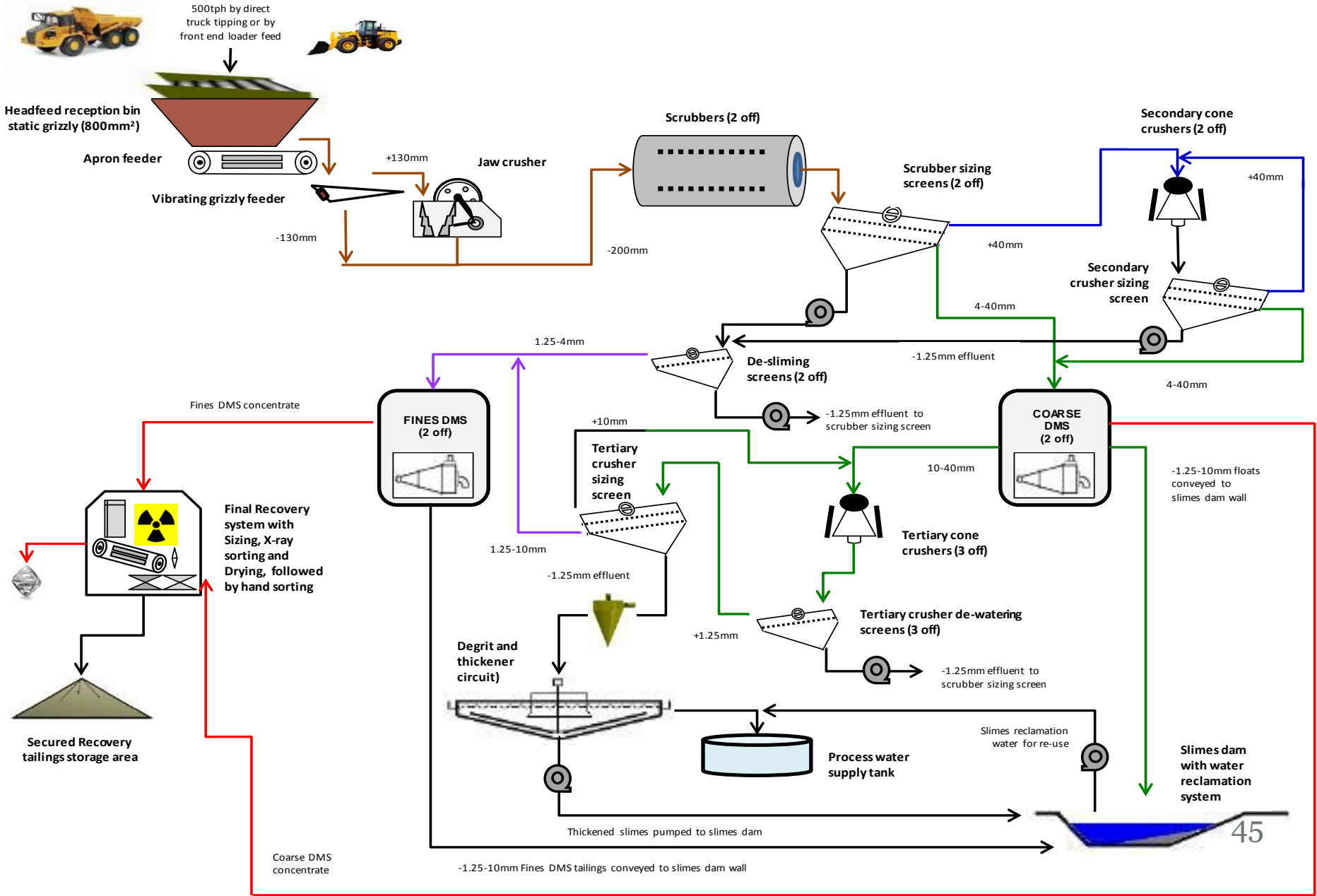


# Appendix



# Key milestone dates

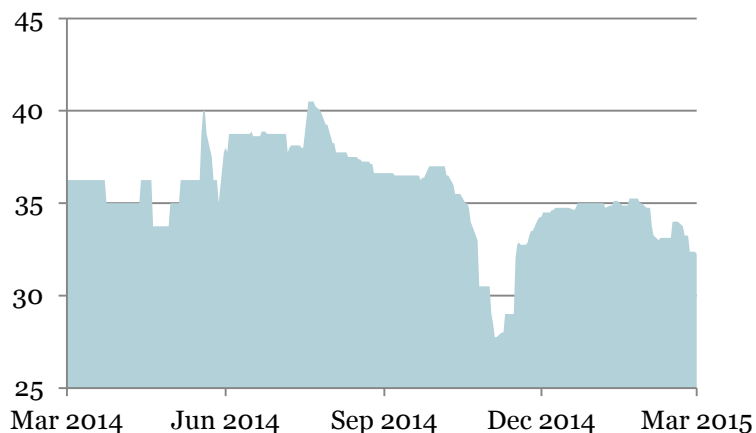
MILESTONE DESCRIPTION	BASELINE	ACTUAL/FORECAST
EP&CM contract commencement date	June 2014	June 2014
Residue storage facility contract signed (TCL)	May 2014	May 2014
Civil and earthworks contract signed (SS)	June 2014	June 2014
Signed overhead power line contract (IP)	June 2014	June 2014
Structural, mechanical, plate work and piping contract signed (SMEI)	July 2014	July 2014
Plant construction commencement	Q2 2014	Q2 2014
First three accommodation buildings ready for occupation	Q4 2014	Q1 2015
Major earthworks complete	Q1 2015	Q2 2015
Overhead power line and main substation commissioned	Q3 2015	Q3 2015
Plant C2 commissioning	H1 2016	H1 2016
Plant C3 commissioning	H1 2016	H1 2016
First production ready for sale	Q3 2016	Q3 2016



Stuart Brown <b>CEO</b>	Stuart has over 20 years' experience in the diamond industry with De Beers. In 2006, he became Group CFO and in 2010 Stuart was appointed Joint Acting CEO to run De Beers's global activities in tandem with his CFO duties.
Lucio Genovese <b>Chairman</b>	Lucio has 24 years' experience in both the merchant and financial sector of the metals and mining Industry. Lucio is the CEO of Nage Capital Management in Baar, Switzerland, an advisory firm to Audley Investment Management (Ltd.) He is also a member of the board of Ferrexpo PLC, the Armajaro Commodity Funds and Crossbow Partners AG, Baar, Switzerland. He was previously employed at Glencore International AG where he held several senior positions including CEO of the CIS region and manager of the Moscow office.
Paul Sobie <b>Non-Executive</b>	Paul is an economic geologist specializing in the exploration and evaluation of diamond deposits, which included the initial economic evaluations of the Liqhobong kimberlites in Lesotho. He has over 20 years' professional experience, including extensive project development for clients in both the junior and senior mining sectors and with a particular focus on Southern Africa. He is currently President and Managing Partner of MPH Consulting Limited of Toronto, Canada, an international mineral exploration, geological and geophysical consultancy. He is a practising member of the Association of Professional Geoscientists of Ontario.
Braam Jonker <b>Non- Executive</b>	Braam was the CFO of Western Coal Corp until its acquisition by Walter Energy Inc. in 2011 and is currently also Chairman of the Board of Mandalay Resources Corporation (MND:TSX). He has almost 20 years of extensive accounting and corporate finance experience mostly in the mining industry.
Mike Wittet <b>Non-Executive</b>	Mike has over 40 years' experience in mining, the majority of which were spent in the diamond industry with De Beers. His career includes various senior positions including GM of Jwaneng, Orapa and Namdeb diamond mines, Consulting Engineer in charge of De Beers SA operations and Deputy Managing Director of Debswana Diamond Company (Pty) Ltd.
Ken Owen <b>Non-Executive</b>	Ken has over 35 years of experience in the mining industry. From 1980 to 1995, Ken held a number of management positions at De Beers. After 15 years with De Beers he moved to Anglo American, where he held a number of senior management positions, culminating with his appointment as Senior VP of Anglo American South Africa. In 2003, Ken became a mining consultant for SRK Consulting, before joining Mwana Africa PLC as the Technical Director in 2006. He retired from the position in 2009.
Niall Young <b>Non-Executive</b>	Niall has over 30 years of experience in the mining industry with Anglo American Resources and De Beers. He left De Beers in 2009, co-founding his own mining and natural resources consultancy, Kleingeld Young & Partners. From 2011 to 2014, Niall was also CEO of Mantle Diamonds Limited.
Grant Ferriman <b>CFO</b>	Grant is a qualified Chartered Accountant with twelve years experience, including five years in the mining industry. Prior to joining Firestone Diamonds, he was the Group Financial Controller for Mwana Africa Plc responsible for reporting and control systems across the Group's assets in South Africa, Zimbabwe and the DRC. He has extensive experience in public company reporting in the United Kingdom and the development and implementation of control systems for companies with assets based in Southern Africa.
Glenn Black <b>Chief Project Officer</b>	Glenn has over 30 year's project experience at a senior management level, having managed the full project life cycle for numerous projects from project conceptual and feasibility studies through to construction, commissioning and steady state production. He spent over 20 years with the De Beers Group of companies working on major projects in Namibia, South Africa, Canada and Botswana and has successfully delivered nine of the largest and most complex projects undertaken by De Beers during this period.

# Company overview

Share price performance since March 2014



Source: Factset – rebased for share consolidation

## Significant Shareholders (as at March 2015)

Pacific Road Resources	23.0%
Resource Capital Fund VI L.P.	23.0%
Edwards Family Holdings Ltd	6.6%
FIL Ltd	5.0%
Sustainable Capital Ltd	5.0%
Julian Treger	4.5%

## Analyst forecasts

	Target Price
Allenby Capital – September 2014	76p
Charles Stanley – 23 January 2015	56p
GMP Securities – 30 May 2014	60p
Mirabaud Securities – 15 October 2014	80p
FinnCap – 2 October 2014	84p
RBC Capital Markets – 21 January 2015	40p
SP Angel – 3 December 2014	42.50p

## London Listed

	AIM: FDI
Current Share Price (11/03/2015)	32.25p
Issued Shares	308,992,814
Market Capitalisation	£99.65m

## Advisers

Nomad	Strand Hanson
Joint Broker	Mirabaud Securities LLP
Joint Broker	GMP Securities LLP
Auditor	BDO LLP
Financial PR	Tavistock Ltd

# Contact Us

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