

RNS Statement re Possible Offer

Cash Offer for Firestone Diamonds plc

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Pacific Road Capital Management Pty
24 June 2022

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FOR IMMEDIATE RELEASE

24 JUNE 2022

CASH OFFER

FOR

FIRESTONE DIAMONDS PLC

BY

PRRF II INVESTMENT HOLDINGS LP ("PRRF II")

(a newly established limited partnership owned by a fund advised by Pacific Road Capital ("Pacific Road"))

Summary

- PRRF II Investment Holdings LP ("**PRRF II**"), a limited partnership owned by Pacific Road Resources Fund II L.P., a fund advised by Pacific Road Capital ("**Pacific Road**"), is pleased to announce a cash offer to acquire the entire issued and to be issued ordinary share capital of Firestone Diamonds plc ("**Firestone**"), other than the Firestone Shares already held by PRRF II (the "**Offer**").
- As at the date of this announcement, PRRF II beneficially holds 239,853,512 Firestone Shares (representing approximately 30.38 per cent. of the existing issued share capital of Firestone). In addition, Pacific Road Capital II Pty Limited, acting as trustee of the Pacific Road Australian Trust holds 33,577,300 Firestone Shares (representing approximately 4.25 per cent. of the existing issued share capital of Firestone). Accordingly, entities owned by or affiliated with funds advised by Pacific Road hold in aggregate 273,430,812 Firestone Shares (representing approximately 34.63 per cent. of the existing issued share capital of Firestone).
- PRRF II has received an irrevocable undertaking from Resource Capital Fund VI L.P. ("**Resource Capital**") to accept the Offer in respect of Resource Capital's entire holding of 274,026,124 Firestone Shares (representing approximately 34.71 per cent. of the existing issued share capital of Firestone) as soon as possible following the publication of the Offer Document.
- The Offer is subject only to valid acceptances of the Offer being received in respect of such number of Firestone Shares which, when aggregated with the Firestone Shares held, acquired or agreed to be acquired by PRRF II, whether pursuant to the Offer or otherwise, before such time, carry more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Firestone. Therefore, upon the valid acceptance of the Offer by or on behalf of Resource Capital, the Offer will become unconditional.

This announcement has been prepared for the purpose of complying with English law and the Takeover Code, and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Important Notice to US holders of Firestone Shares

*The Offer relates to the shares of an English company and is to be made by means of a contractual takeover offer under the Takeover Code and under the laws of England and Wales. The Offer will be made in the United States pursuant to all applicable laws and regulations, including, to the extent applicable, Section 14(e) and Regulation 14E under the US Exchange Act of 1934 (the "**US Exchange Act**") and otherwise in accordance with the requirements of the Takeover Code. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, payment and settlement procedures that are different from those applicable under US domestic tender offer procedures and law, particularly with regard to the date of payment of consideration. The Offer will be made in the United States by PRRF II and no one else.*

*The financial statements, and all financial information included in this announcement or that may be included in the Offer Document have been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial statements and information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US ("**US GAAP**"). US GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom. None of the financial information in this announcement has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).*

Neither the Offer nor this announcement has been approved or disapproved by the Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this announcement or the merits of this Offer. Any representation to the contrary is a criminal offence in the US.

The receipt of cash by a US holder as consideration for the transfer of its Firestone Shares pursuant to the Offer will likely be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each US holder of Firestone Shares is urged to consult their independent professional adviser immediately regarding the tax consequences of the Offer applicable to him or her.

Forward-looking statements

This announcement, including the information included in this announcement, contains certain forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of the Offer on PRRF II and the Firestone Group, strategic options, the expected timing and scope of the Offer, and all other statements in this announcement other than historical facts. These statements are based on the current expectations and are naturally subject to uncertainty and changes in circumstances. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "budget", "schedule", "forecast", "project", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", "subject to", or other words of similar meaning. By their nature, forward-looking statements involve known and unknown risks and uncertainties, because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results, outcomes and developments to differ materially from those expressed in, or implied by, such forward-looking statements and such statements are therefore qualified in their entirety by the risks and uncertainties surrounding these future expectations. Many of these risks and uncertainties relate to factors that are beyond the entities' ability to control or estimate precisely, such as, but not limited to, general business and market conditions both globally and locally, political, economic and regulatory forces, industry trends and competition, future exchange and interest rates, changes in government and regulation including in relation to health and safety, the environment, labour relations and tax rates and future business combinations or dispositions. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, neither PRRF II nor Firestone can give any assurance, representation or guarantee that such expectations will prove to have been correct and such forward-looking statements should be construed in light of such factors and you are therefore cautioned not to place reliance on these forward-looking statements which speak only as at the date of this announcement. Neither PRRF II nor Firestone assume any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law or regulation.

No profit forecasts

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Firestone for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Firestone.

Dealing and Opening Position Disclosure requirements

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Firestone and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of Firestone or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of Firestone or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of Firestone or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Firestone and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Code.

Opening Position Disclosures must also be made by Firestone and by any offeror and Dealing Disclosures must also be made by Firestone, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Takeover Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Comparable offer for deferred shares

Firestone has 7,079,649,109 class A deferred shares with a nominal value of 1 penny each and 308,992,814 class B deferred shares with a nominal value of 9 pence each, each of which are non-voting and are of negligible value. The Panel has agreed that these are not equity securities under the Takeover Code and therefore a comparable offer does not need to be made for the class A deferred shares and the class B deferred shares under Rule 19 of the Takeover Code.

Rule 8 and 30 dispensations

The Panel has granted a dispensation from the requirements under the Takeover Code that announcements must be published via a Regulatory Information Service. PRRF II and Firestone are instead required to publish all announcements (other than this announcement and the announcement ending the Offer Period, which will be published via a Regulatory Information Service) on www.finnventures.org/project-downloads and/or on Firestone's website at www.firestonediamonds.com.

The Panel has also granted a dispensation from the requirement in Note 3 on Rule 8 of the Takeover Code that disclosures made under Rule 8 of the Takeover Code must be made to a Regulatory Information Service. Therefore, any Opening Position Disclosures and Dealing Disclosures required under Rule 8 of the Takeover Code may be made by email to sfricker@finncap.com and tharper@finncap.com and will be published on www.finnventures.org/project-downloads and/or Firestone's website at www.firestonediamonds.com. A copy must also be sent to the Panel's Market Surveillance Unit by email (monitoring@disclosure.org.uk).

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables or forms may vary slightly and figures shown as totals in certain tables or forms may not be an arithmetic aggregation of the figures that precede them.

Publication on website

A copy of this announcement and other documents in connection with the Offer will, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, be made available on at www.finnventures.org/project-downloads no later than 12 noon (London time) on the Business Day following the date of the relevant announcement or document, pursuant to Rule 26 of the Takeover Code. The contents of the website referred to in this announcement are not incorporated into, and do not form part of, this announcement.

Requesting hard copy documents

Pursuant to Rule 30.3 of the Takeover Code, and subject to certain restrictions in relation to persons in any Restricted Jurisdiction, person so entitled may request a copy of this announcement in hard copy form by contacting Link on 0371 664 0300 if calling from within the UK or on +44 371 664 0300 if calling from outside the UK. Lines are open from 9.00 a.m. to 5.30 p.m. Monday to Friday excluding public holidays in England and Wales. Calls are charged at the standard geographic

rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that Link cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Offer should be in hard copy form. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested.

Information relating to Firestone Shareholders

Please be aware that addresses, electronic addresses and certain information provided by Firestone Shareholders and other relevant persons for the receipt of communications from Firestone may be provided to PRRF II during the Offer Period as requested under Section 4 of Appendix 4 of the Takeover Code.

General

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

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PRRF II INVESTMENT HOLDINGS LP ("PRRF II")

(a newly established limited partnership owned by a fund advised by Pacific Road Capital ("Pacific Road"))

1. Introduction

PRRF II Investment Holdings LP ("PRRF II"), a limited partnership owned by Pacific Road Resources Fund II L.P., a fund advised by Pacific Road Capital ("**Pacific Road**"), is pleased to announce a cash offer to acquire the entire issued and to be issued ordinary share capital of Firestone Diamonds plc ("**Firestone**"), other than the Firestone Shares already held by PRRF II (the "**Offer**").

As at the date of this announcement, PRRF II beneficially holds 239,853,512 Firestone Shares (representing approximately 30.38 per cent. of the existing issued share capital of Firestone). In addition, Pacific Road Capital II Pty Limited, acting as trustee of the Pacific Road Australian Trust holds 33,577,300 Firestone Shares (representing approximately 4.25 per cent. of the existing issued share capital of Firestone). Accordingly, entities owned by or affiliated with funds advised by Pacific Road hold in aggregate 273,430,812 Firestone Shares (representing approximately 34.63 per cent. of the existing issued share capital of Firestone).

2. Irrevocable Undertaking

PRRF II has received an irrevocable undertaking from Resource Capital Fund V.I. LP ("**Resource Capital**") to accept the Offer in respect of Resource Capital's entire holding of 274,026,124 Firestone

Shares (representing approximately 34.71 per cent. of the existing issued share capital of Firestone) as soon as possible following the publication of the Offer Document.

The Offer is conditional only upon PRRF II receiving valid acceptances which, when aggregated with the Firestone Shares held, acquired or agreed to be acquired by PRRF II before such time, whether pursuant to the Offer or otherwise, will result in PRRF II holding Firestone Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Firestone. Therefore, upon the valid acceptance of the Offer by or on behalf of Resource Capital, the Offer will become unconditional.

The irrevocable undertaking from Resource Capital will continue to be binding on Resource Capital in the event that a third party makes a higher competing offer and will only lapse and cease to be binding on the earlier of the following occurrences: (a) the Offer Document is not published within 28 days (or such longer period as the Panel may agree) of the date of this announcement; (b) the Offer lapses or is withdrawn; (c) the Offer is not completed on or by the Long-Stop Date; or (d) any event occurs or becomes known to PRRF II on or before despatch of the Offer Document as a result of which the Panel agrees with PRRF II that it need not make the Offer.

Further details on the irrevocable undertaking are set out in Appendix III to this announcement.

3. **The Offer**

Under the terms of the Offer, which will be subject to the Condition and further terms set out in Appendix I to this announcement and to the full terms and conditions to be set out in the Offer Document and, in respect of Firestone Shares held in certificated form, the Form of Acceptance, Firestone Shareholders shall be entitled to receive:

0.01 penny in cash for each Firestone Share

The Offer values the entire issued share capital of Firestone at approximately £78,948.

The Offer will extend to all issued Firestone Shares not otherwise held by PRRF II and any further Firestone Shares which are unconditionally allotted or issued before the Offer closes.

The Offer is subject only to valid acceptances of the Offer being received in respect of such number of Firestone Shares which, when aggregated with the Firestone Shares held, acquired or agreed to be acquired by PRRF II, whether pursuant to the Offer or otherwise, before such time, carry more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Firestone.

PRRF II reserves the right to reduce the Offer Price by the amount of any dividend (or other distribution) or any return of capital which is announced, declared, paid or becomes payable by Firestone to the holders of Firestone Shares following the date of this announcement and prior to the Offer becoming or being declared unconditional.

The aggregate consideration due to any single Firestone Shareholder will be rounded down to the nearest penny. Any Firestone Shareholders holding less than 100 Firestone Shares will therefore not receive any consideration as it is not possible to pay a fraction of a penny.

The Offer Document and (in respect of Firestone Shares held in certificated form) the Form of Acceptance containing further details of the Offer will be despatched to Firestone Shareholders shortly and in any event within 28 days of the date of this announcement.

4. **Background to and reasons for the Offer**

Background

The Firestone Shares were admitted to trading on the AIM market of the London Stock Exchange plc ("**AIM**") on 30 September 2010. Firestone acquired the Lihobong Diamond Mine ("**Lihobong**" or the "**Project**") in 2010 with the strategic focus of completing the Lihobong Definitive Feasibility Study ("**DFS**"), and subsequently developing Lihobong. In November 2013 Firestone updated its DFS for Lihobong, which was based on an estimated average base case value of US\$107 per carat, to reflect its plans for the financing and construction of the Project and announced that it had secured a senior project debt finance facility of up to US\$82.4 million from ABSA Bank. In addition, Firestone successfully raised an additional circa US\$140 million funding package to build and commission the main treatment plant at Lihobong, which comprised (i) bridge and mezzanine facilities (later converted to Eurobonds) and equity subscriptions from two new strategic investors, being Resource Capital and Pacific Road, both mining-focused investment groups and (ii) an institutional placing with new and existing shareholders. Construction of the Project commenced in June 2014 and in October 2016 Firestone recovered the first diamonds as the Project moved into the production ramp-up phase.

Refinancings

After commencing mining production at the end of 2016, it became clear to the Firestone board during 2017 that the anticipated average value of US\$107 per carat was not being achieved due to diamond market weakness and as a result, Firestone would be unable to make its scheduled senior debt repayments to ABSA Bank. This culminated in an equity fund raising and senior debt restructuring announced during December 2017, which involved an eighteen-month standstill during which time only interest on the outstanding loans was paid. The standstill period came to an end in mid-2019 and senior debt repayment resumed from June 2019 in line with a revised repayment schedule.

Due to both the deteriorating diamond market and price pressures on smaller stones (which form the bulk of diamonds recovered from Liqhobong), Firestone identified during 2019 that once again it was unable to meet its revised senior debt repayment obligations as they fell due, and therefore embarked on a further round of negotiations with its secured lenders. This culminated in Resource Capital and Pacific Road (together, the "**Bondholders**") and ABSA Bank agreeing in principle at the end of 2019 to another senior debt repayment standstill period. Before this could be completed, the COVID-19 global pandemic ensued, causing adverse economic conditions and uncertainty regarding the timing of potential future sales and the prices which could be achieved for diamonds. These circumstances, combined with an earlier cost-savings exercise initiated by Firestone in 2019, led the Firestone Directors, with support from Pacific Road and Resource Capital (as Bondholders and major shareholders) and ABSA Bank in the spring of 2020 to:

- cancel the admission of the Firestone Shares from AIM so as to preserve its cash resources, with a view to extending the Firestone operating window and maximising Firestone's ability to survive the economic downturn arising from the pandemic; and
- place Liqhobong into 'Care and Maintenance' whilst waiting for economic conditions to improve (and, in particular, diamond prices to recover).

For as long as Firestone remains a publicly listed company and is considered by the Panel to have its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man, it will continue to be subject to the Takeover Code.

Formal debt restructuring discussions commenced between Firestone and the Bondholders during the final quarter of 2020. In December 2020, Firestone agreed a standstill with ABSA Bank, pursuant to which Firestone's capital repayment obligations were suspended up until September 2021.

Waterfall restructuring and bond and warrant transfer

In Q1 2021, diamond prices recovered to pre-pandemic levels but Firestone's cash resources were depleting. As a result, Firestone and the Bondholders initiated discussions with ABSA Bank to review the restart of Liqhobong with the provision of restart capital by the Bondholders, and eventually coupled with a potential buy-out of the ABSA Bank senior debt. Following protracted discussions with both ABSA Bank and their credit insurer ECIC, the debt buy-out offer was rejected, with ABSA Bank opting instead to provide US\$11.6 million restart funding (the "**Restart Funding**") (currently in place) and US\$11.4 million working capital funding (the "**Working Capital Funding**") (to be put in place), to allow both ABSA Bank and ECIC to mitigate losses from their senior debt holdings and underwriting through recovery of cash from the resumption of Firestone's operating activities, conditional upon the Bondholders consenting to the restructuring of the payment waterfall, such that both the Restart Funding and the Working Capital Funding would rank ahead of existing senior and subordinated debt.

Having considered ABSA Bank's proposal, Resource Capital indicated to Firestone and Pacific Road that it would like to exit the entirety of its debt and equity investments in Firestone. Following discussions between the Bondholders, Pacific Road agreed to: (i) acquire all of the Eurobonds (including capitalised interest) held by Resource Capital, such that Pacific Road would own all of the Firestone bonds (the "**Bond Transaction**"); and (ii) explore the means of acquiring the Firestone Shares and Firestone Warrants held by Resource Capital.

Upon the Bondholders reaching such agreement, they each provided their consent to the restructuring of the payment waterfall, which allowed Firestone to have access to the facilities under the Restart Funding (the "**Restart Facility**") and keep Firestone as a going concern.

The first drawdown against the Restart Facility took place on 24 May 2022. Firestone will remain highly leveraged until cash flows from operations reduce both the new super senior, senior and subordinated debt. Assuming the full drawdown of the Restart Facility and facilities under the Working Capital Funding (once put in place), Firestone will have US\$88.4 million of super senior and senior ranking debt from ABSA Bank and ECIC, and US\$45.3 million of subordinated bonds (including capitalised interest held by Pacific Road). Moreover, upon resumption of normalised operating activities, Firestone management will need to negotiate with the government of Lesotho for the renewal of its mining licence which expires in April 2024.

The Bond Transaction subsequently completed on 31 May 2022 and funds advised by Pacific Road now own all of the Firestone Eurobonds.

Funds advised by Pacific Road acquired all of the Firestone Warrants held by Resource Capital for nil consideration on 31 May 2022 such that the Pacific Road funds now own all of the outstanding Firestone Warrants. The outstanding Firestone Warrants have exercise prices ranging between US\$ 0.3394915863 and US\$ 0.614925 per Firestone Share. Further details of these Firestone Warrants are set out in paragraph 11 (*Disclosure of interests in Relevant Securities*) of this announcement and will be set out in the Offer Document.

Offer for Firestone Shares

Pacific Road has been a shareholder in Firestone since 2013 and has participated in a number of refinancing's since that time and, as a result, is heavily invested in Firestone. To facilitate the refinancing that enables the re-opening of Liqhobong, Pacific Road was willing to acquire the Firestone Shares held by Resource Capital. Having explored various structures in respect of acquiring the Firestone Shares held by Resource Capital, taking into account the requirements of the Takeover Code, Pacific Road decided to make this voluntary offer for Firestone, with an irrevocable undertaking from Resource Capital to accept such offer.

5. Information about PRRF II

PRRF II is a newly established limited partnership registered in the Cayman Islands. It was established for the purposes of making the Offer and holding Firestone Shares. It is not a trading business and has not engaged in any activities, except for transactions relating to the Offer and Firestone Shares. The general partner of PRRF II is PRRF II GP.

Further details in relation to PRRF II will be contained in the Offer Document.

6. Information about Pacific Road

Pacific Road is a private equity investor, founded in 2007 and is based in Sydney, New South Wales, Australia. Pacific Road provides development, expansion and buyout capital for mining projects and specialises in metals and mining. Pacific Road has managed two institutional private equity funds with commitments to date of US\$776 million.

Pacific Road has invested in over twenty public and private companies in the gold, coal, base metals, diamonds, industrial minerals, and mining service sectors. Pacific Road's investment strategy has a focus centred around providing value, change, and responsibility to stakeholders. Pacific Road is a signatory to the United Nations Principles for Responsible Investment.

7. Information about Firestone

Firestone is a public limited company incorporated in England and Wales. In 2020 Firestone cancelled its ordinary shares trading on AIM.

The Firestone Group is primarily involved in diamond mining and operates the Liqhobong Diamond Mine in Lesotho.

8. PRRF II's intentions regarding Firestone's business, management and employees

PRRF II intends to work closely with Firestone to ensure the responsible resumption of, and scaling of, the open cast diamond mining activities at Liqhobong, necessary to support the realisation of historical stabilised production levels of circa 3.6 million tonnes per annum, recovering circa 800,000 carats per annum. The Restart Funding, Working Capital Funding (once put in place) and subsequent sales from production will be used to deliver the following priorities, including but not limited to the:

- recruitment, onboarding, induction and training of the staff complement necessary to support production ramp up activities until such time as the name plate capacity of the diamond processing plant has been realised and stabilised production levels are achieved, following which the total number of employees and managers of Firestone and the Firestone Group and the conditions of employment and balance of skills and functions of such employees and management are expected to be similar to those that existed prior to the commencement of Care and Maintenance activities in April 2020 (as contextualised in paragraph 4 (*Background to and reasons for the Offer*));
- identification of and appointment of a suitably skilled mining contractor with the necessary in country capability and fleet to support both restart and full production mining activities;
- successful commissioning of the processing plant infrastructure in support of ramp-up activities;

- ongoing key site services including amongst others, tailing dam management, pit de-watering, site access control and security, power supply, fuel supply, procurement services, health and safety, camp and site services, community relations, facilities support and maintenance, and government liaison; and
- repayment of the debt waterfall in accordance with the debt priority as contextualised in paragraph 4 (*Background to and reasons for the Offer*).

PRRF II intends to review Firestone's management, governance and incentives structures after completion of the Offer. PRRF II has not entered into, and has not had any discussions on proposals to enter into, any form of incentivisation arrangements with members of Firestone's management. It will enter into such discussions and put in place appropriate arrangements following the completion of the Offer.

Other than as set out above, PRRF II has no intention of making any changes to the continued employment of the existing employees and management of the Firestone Group, including any material change in the conditions of employment or in the balance of the skills and functions of the existing employees and management.

Following completion of the Offer, should Firestone require additional working capital, and in the absence of alternative means of financing such working capital needs, PRRF II intends to provide capped working capital support of up to £300,000 on terms to be agreed between PRRF II and Firestone.

PRRF II intends to, once Firestone progresses towards stabilised production / EBITDA levels, explore several strategic options for its interests in Firestone, including a sale, an acquisition or the possibility of re-listing Firestone on a stock market. Any decision in this regard will be informed by a holistic assessment of Firestone, its operations, and broader market conditions over time following completion of the Offer. Given the currently challenging circumstances of Firestone, there can be no certainty that such a direction will be pursued or its timing. It is possible that any such strategic decision could result in a relocation of Firestone's headquarters and / or headquarters functions.

Other than those set out above, PRRF II does not intend to make any other changes to Firestone's business or broader strategic plans, or locations and places of business (including its headquarters and headquarters functions).

Neither Firestone nor Liqhobong has a research and development function or facility and PRRF II does not intend to create one following completion of the Offer, nor does PRRF II envisage the redeployment of any of the fixed assets of Firestone and / or Liqhobong.

PRRF II intends that, following completion of the Offer, the existing contractual and employment rights of Firestone's management and employees will be respected in accordance with applicable law.

The Firestone Group does not operate or contribute to any defined benefit or defined contribution pension schemes in respect of its employees.

PRRF II intends that, other than in situations where Firestone becomes wholly-owned by funds advised by Pacific Road, Firestone Shareholders will continue to be able to hold their shares in uncertificated form (i.e. in CREST) and that Firestone Shares will remain freely transferable under the Matched Bargain Facility following completion of the Offer.

No statements in this paragraph 8 constitute post-offer undertakings for the purpose of Rule 19.5 of the Takeover Code.

9. **Financing of the Offer**

It is estimated that full acceptance of the Offer would require the payment by PRRF II of a maximum amount of approximately £54,963, which will be financed by PRRF II's own cash resources.

In accordance with Rule 2.7(d) of the Takeover Code, finnCap as financial adviser to PRRF II, is satisfied that sufficient resources are available to PRRF II to enable it to satisfy in full the consideration payable to Firestone Shareholders under the terms of the Offer.

10. **Termination Deed**

On 24 February 2020, Resource Capital, Pacific Road Resources Fund II L.P. and the Pacific Road Australian Trust entered into a relationship agreement with Firestone to govern the relationship between Firestone and each of the significant shareholders (the "**Relationship Agreement**").

As set out in paragraph 2 (*Irrevocable Undertaking*) above, Resource Capital has agreed to give an irrevocable undertaking to accept the Offer in respect of its entire shareholding in Firestone. Therefore, upon acceptance of Resource Capital, the Offer will become unconditional and PRRF II will hold more

than 50 per cent. of the total issued share capital of Firestone and Resource Capital will no longer be a shareholder.

The parties therefore entered into a termination deed in respect of the Relationship Agreement on 24 June 2022, pursuant to which the Relationship Agreement will be terminated conditional upon and effective from the Offer being or becoming declared unconditional (the "**Termination Deed**").

11. Disclosure of interests in Relevant Securities

In this paragraph 11, "**Relevant Securities**" means Firestone Shares and securities convertible into, or rights to subscribe for Firestone Shares.

As at the close of business on 23 June 2022 (being the latest practicable date prior to the publication of this announcement), PRRF II and, so far as PRRF II is aware, other persons acting in concert with it had the following interests in Relevant Securities:

Holdings in Firestone Shares

Name	Number of Firestone Shares	Percentage of Firestone's issued share capital
PRRF II	239,853,512	30.38%
Pacific Road Australian Trust	33,577,300	4.25%

Warrants over Firestone Shares

Name	Class of warrant	Number of Firestone Warrants	Number of Firestone Shares to which the Firestone Warrants relate	Percentage of Firestone's issued share capital	Subscription price (US cents)
Pacific Road Resources Fund II L.P.	Ordinary warrants	42,795,462	42,795,462	5.42%	61.4925
Pacific Road Capital II Pty Ltd	Ordinary warrants	5,990,976	5,990,976	0.76%	61.4925
Pacific Road Resources Fund II L.P.	Series B warrants	4386	12,685,876	1.61%	47.9655
Pacific Road Capital II Pty Ltd	Series B warrants	614	1,755,907	0.22%	47.9655
Pacific Road Resources Fund II L.P.	Series B warrants	1754	7,032,247	0.89%	33.94915863
Pacific Road Capital II Pty Ltd	Series B warrants	246	986,278	0.12%	33.94915863

In the interest of retaining confidentiality, it has not been practicable to have made enquiries of all persons acting in concert with PRRF II in order to include all relevant details in respect of such persons in this announcement. Such information will be set out in the Opening Position Disclosure to be made by PRRF II under Rule 8.1(a) of the Takeover Code by no later than 12 noon on 8 July 2022.

As at the close of business on 23 June 2022 (being the latest practicable date prior to the publication of this announcement) and other than as set out in this announcement, neither PRRF II, nor (so far as PRRF II is aware) any person acting in concert with PRRF II, has:

- (a) an interest in, or right to subscribe for, any Relevant Securities;
- (b) any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of Relevant Securities;
- (c) procured an irrevocable commitment or letter of intent to accept the terms of the Offer in respect of Relevant Securities;
- (d) borrowed or lent (including, for these purposes, entering into any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code) any Relevant Securities; or
- (e) any outstanding irrevocable commitment or letter of intent with respect to Relevant Securities.

Furthermore, save as disclosed in this announcement, no arrangement exists with PRRF II in relation to Relevant Securities. For these purposes, an "arrangement" includes any indemnity or option arrangement, any agreement or any understanding, formal or informal, of whatever nature, relating to Relevant Securities which may be an inducement to deal or refrain from dealing in such securities.

12. **Shares to which the Offer relates and Firestone Share Plans**

The Offer will extend to any Firestone Shares not already held by PRRF II and to any Firestone Shares transferred or sold from treasury or unconditionally allotted or issued prior to the date on which the Offer closes (or such earlier date as PRRF II may, subject to the rules of the Takeover Code or with the consent of the Panel, decide) including Firestone Shares issued or transferred from treasury pursuant to the exercise of options granted under the Firestone Share Plans.

Participants in the Firestone Share Plans will be contacted in due course regarding the effect of the Offer on their outstanding options.

Participants in the Firestone Share Plans will not receive a proposal as the exercise price is higher than the Offer Price and participants would have to pay more per Firestone Share to exercise their options than they would receive if they exercised their options and accepted the Offer (which in the case of unvested options, would also only be possible if the Offer becomes or is declared unconditional).

13. **Overseas Firestone Shareholders**

The availability of the Offer to Firestone Shareholders who are not resident in the UK may be affected by the laws and/or regulations of their relevant jurisdiction. Therefore, such persons should inform themselves about and observe any applicable legal or regulatory requirements in their jurisdiction. Further details in relation to overseas Firestone Shareholders will be set out in the Offer Document. If you are in any doubt, you should consult your professional adviser in the relevant jurisdiction without delay.

14. **Documents on display**

Copies of the following documents will be published, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, at www.finnventures.org/project-downloads and in any event by no later than 12 noon on the Business Day following the date of this announcement:

- (a) this announcement;
- (b) the irrevocable undertaking from Resource Capital;
- (c) the Termination Deed; and
- (d) the Relationship Agreement.

The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

15. **General**

Your attention is drawn to the further information contained in the Appendices, which form part of, and should be read in conjunction with, this announcement.

The Offer will be on the terms and subject to the Condition and further terms set out herein and in Appendix I, and to be set out in the Offer Document and (in respect of the Firestone Shares in certificated form) the Form of Acceptance. The formal Offer Document containing details of the Offer and (in respect of the Firestone Shares in certificated form) the Form of Acceptance will be sent to Firestone Shareholders shortly and in any event within 28 days of the date of this announcement.

Firestone Shares will be acquired pursuant to the Offer fully paid with full title guarantee and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the Offer becoming or being declared unconditional.

The Offer and acceptances thereof will be governed by English law and will be subject to the jurisdiction of the English courts. The Offer will be subject to the applicable rules of the Takeover Code.

This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities.

Please be aware that addresses, electronic addresses and certain other information provided by Firestone Shareholders, persons with information rights and other relevant persons in connection with the receipt of communications from Firestone may be provided to PRRF II during the course of the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code.

Enquiries

PRRF II

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finnCap Ltd (financial adviser to PRRF II)

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+ 44 (0) 20 7220 0500

Important Information

finnCap Ltd ("finnCap"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for PRRF II and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than PRRF II for providing the protections offered to clients of finnCap or for providing advice in connection with any matter referred to in this announcement. Neither finnCap nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of finnCap in connection with this announcement, any statement contained herein, the Offer or otherwise. No representation or warranty, express or implied, is made by finnCap as to the contents of this announcement.

The Offer will be subject to the Condition and further terms set out in this announcement and to the full terms and conditions that will be set out in the Offer Document and (in respect of Firestone Shares held in certificated form) the Form of Acceptance. The Offer Document and (in respect of Firestone Shares held in certificated form) the Form of Acceptance will be despatched to Firestone Shareholders shortly and in any event within 28 days of the date of this announcement.

This announcement is for information purposes only. It is not intended to and does not constitute, or form part of, any offer or invitation or the solicitation of any offer to sell or purchase any securities or the solicitation of any offer to otherwise acquire, subscribe for, sell or otherwise dispose of any security pursuant to the Offer or otherwise. Firestone Shareholders should carefully read the Offer Document (and, if they hold their Firestone Shares in certificated form, the Form of Acceptance) in its entirety before making a decision with respect to the Offer.

This announcement does not constitute a prospectus or prospectus equivalent document.

Overseas jurisdictions

The release, publication or distribution of this announcement in, and the availability of the Offer to persons who are residents, citizens or nationals of, jurisdictions other than the United Kingdom may be restricted by laws and/or regulations of those jurisdictions. Therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements in their jurisdiction. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. In particular, copies of this announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Unless otherwise permitted by applicable law and regulation, the Offer may not be made, directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange

of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

This announcement has been prepared for the purpose of complying with English law and the Takeover Code, and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Important Notice to US holders of Firestone Shares

The Offer relates to the shares of an English company and is to be made by means of a contractual takeover offer under the Takeover Code and under the laws of England and Wales. The Offer will be made in the United States pursuant to all applicable laws and regulations, including, to the extent applicable, Section 14(e) and Regulation 14E under the US Exchange Act of 1934 (the "**US Exchange Act**") and otherwise in accordance with the requirements of the Takeover Code. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, payment and settlement procedures that are different from those applicable under US domestic tender offer procedures and law, particularly with regard to the date of payment of consideration. The Offer will be made in the United States by PRRF II and no one else.

The financial statements, and all financial information included in this announcement or that may be included in the Offer Document, have been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial statements and information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US ("**US GAAP**"). US GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom. None of the financial information in this announcement has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).

Neither the Offer nor this announcement has been approved or disapproved by the Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this announcement or the merits of this Offer. Any representation to the contrary is a criminal offence in the US.

The receipt of cash by a US holder as consideration for the transfer of its Firestone Shares pursuant to the Offer will likely be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each US holder of Firestone Shares is urged to consult their independent professional adviser immediately regarding the tax consequences of the Offer applicable to him or her.

Forward-looking statements

This announcement, including the information included in this announcement, contains certain forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of the Offer on PRRF II and the Firestone Group, strategic options, the expected timing and scope of the Offer, and all other statements in this announcement other than historical facts. These statements are based on the current expectations and are naturally subject to uncertainty and changes in circumstances. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "budget", "schedule", "forecast", "project", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", "subject to", or other words of similar meaning. By their nature, forward-looking statements involve known and unknown risks and uncertainties, because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results, outcomes and developments to differ materially from those expressed in, or implied by, such forward-looking statements and such statements are therefore qualified in their entirety by the risks and uncertainties surrounding these future expectations. Many of these risks and uncertainties relate to factors that are beyond the entities' ability to control or estimate precisely, such as, but not limited to, general business and market conditions both globally and locally, political, economic and regulatory forces, industry trends and competition, future exchange and interest rates, changes in government and regulation including in relation to health and safety, the environment, labour relations and tax rates and future business combinations or dispositions. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, neither PRRF II nor Firestone can give any assurance, representation or guarantee that such expectations will prove to have been correct and such forward-looking statements should be construed in light of such factors and you are therefore cautioned not to place reliance on these forward-looking statements which speak only as at the date of this announcement. Neither PRRF II nor Firestone assume any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law or regulation.

No profit forecasts

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Firestone for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Firestone.

Dealing and Opening Position Disclosure requirements

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Firestone and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of Firestone or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of Firestone or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of Firestone or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Firestone and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Code.

Opening Position Disclosures must also be made by Firestone and by any offeror and Dealing Disclosures must also be made by Firestone, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Takeover Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Comparable offer for deferred shares

Firestone has 7,079,649,109 class A deferred shares with a nominal value of 1 penny each and 308,992,814 class B deferred shares with a nominal value of 9 pence each, each of which are non-voting and are of negligible value. The Panel has agreed that these are not equity securities under the Takeover Code and therefore a comparable offer does not need to be made for the class A deferred shares and the class B deferred shares under Rule 19 of the Takeover Code.

Rule 8 and 30 dispensations

The Panel has granted a dispensation from the requirements under the Takeover Code that announcements must be published via a Regulatory Information Service. PRRF II and Firestone are instead required to publish all announcements (other than this announcement and the announcement ending the Offer Period, which will be published via a Regulatory Information Service) on www.finnventures.org/project-downloads and/or Firestone's website at www.firestonediamonds.com.

The Panel has also granted a dispensation from the requirement in Note 3 on Rule 8 of the Takeover Code that disclosures made under Rule 8 of the Takeover Code must be made to a Regulatory Information Service. Therefore, any Opening Position Disclosures and Dealing Disclosures required under Rule 8 of the Takeover Code may be made by email to sfricker@finncap.com and tharper@finncap.com and will be published on www.finnventures.org/project-downloads and/or Firestone's website at www.firestonediamonds.com. A copy must also be sent to the Panel's Market Surveillance Unit by email (monitoring@disclosure.org.uk).

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables or forms may vary slightly and figures shown as totals in certain tables or forms may not be an arithmetic aggregation of the figures that precede them.

Publication on website

A copy of this announcement and other documents in connection with the Offer will, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, be made available on www.finnventures.org/project-downloads no later than 12 noon (London time) on the Business Day following the date of the relevant announcement or document, pursuant to Rule 26 of the Takeover Code. The contents of the website referred to in this announcement are not incorporated into, and do not form part of, this announcement.

Requesting hard copy documents

Pursuant to Rule 30.3 of the Takeover Code, and subject to certain restrictions in relation to persons in any Restricted Jurisdiction, a person so entitled may request a copy of this announcement in hard copy form by contacting Link on 0371 664 0300 if calling from within the UK or on +44 371 664 0300 if calling from outside the UK. Lines are open from 9.00 a.m. to 5.30 p.m. Monday to Friday excluding public holidays in England and Wales. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that Link cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Offer should be in hard copy form. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested.

Information relating to Firestone Shareholders

Please be aware that addresses, electronic addresses and certain information provided by Firestone Shareholders, persons with information rights and other relevant persons for the receipt of communications from Firestone may be provided to PRRF II during the Offer Period as requested under Section 4 of Appendix 4 of the Takeover Code.

General

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

APPENDIX I

THE CONDITION OF THE OFFER AND CERTAIN FURTHER TERMS OF THE OFFER

PART A

CONDITION

1. The Offer is subject to valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. (London time) on the Unconditional Date (or such later time(s) and/or date(s) as PRRF II may, in accordance with the Takeover Code or with the consent of the Panel, decide) in respect of such number of Firestone Shares which, when aggregated with the Firestone Shares held, acquired or agreed to be acquired by PRRF II, whether pursuant to the Offer or otherwise, before such time, will result in PRRF II holding Firestone Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Firestone, including for this purpose any such voting rights attaching to Firestone Shares that are unconditionally allotted or issued before the Offer becomes or is declared unconditional whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.

For the purposes of this Acceptance Condition:

- (i) all percentages of voting rights, share capital and relevant securities are to be calculated by reference to the percentage held and in issue outside treasury;
- (ii) Firestone Shares that have been unconditionally allotted but not issued shall be deemed to carry the voting rights that they will carry upon issue; and
- (iii) valid acceptances shall be treated as having been received in accordance with the Takeover Code (including but not limited to Rule 10, the notes to Rule 10 and Appendix 4).

PART B

CERTAIN FURTHER TERMS OF THE OFFER

1. The Offer shall lapse unless the Condition has been fulfilled by the earlier of the Unconditional Date and the Long-Stop Date (subject to the rules of the Takeover Code and, where applicable, the consent of the Panel). The Condition is not subject to Rule 13.5(a) of the Takeover Code and therefore cannot be waived.
2. Save as may otherwise be required by the Panel, the Offer will not proceed, will lapse or will be withdrawn if on the Long-Stop Date sufficient acceptances have not been received so as to enable the Acceptance Condition to be satisfied.
3. Firestone Shares will be acquired pursuant to the Offer fully paid with full title guarantee and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the Offer becoming or being declared unconditional.
4. PRRF II reserves the right to reduce the Offer Price by the amount of any dividend (or other distribution) or any return of capital which is announced, declared, paid or becomes payable by Firestone to Firestone Shareholders following the date of this announcement and prior to the Offer becoming or being declared unconditional.
5. The aggregate consideration due to any single Firestone Shareholder will be rounded down to the nearest penny. Any Firestone Shareholders holding less than 100 Firestone Shares will therefore not receive any consideration as it is not possible to pay a fraction of a penny.
6. The Offer will be made on the terms and will be subject to the Condition and terms which are set out in this Appendix I, those terms which will be set out in the Offer Document and (in respect of Firestone Shares in certificated form) the Form of Acceptance and such further terms as may be required to comply with the Takeover Code and applicable law.
7. In deciding whether or not to accept the Offer in respect of their Firestone Shares, Firestone Shareholders should rely only on the information contained in, and follow the procedures described in, the Offer Document and (if they hold their Firestone Shares in certificated form) the Form of Acceptance which will be posted to Firestone Shareholders (other than to any Firestone Shareholders with addresses in any Restricted Jurisdiction) and, for information purposes, to persons with information rights shortly and in any event within 28 days of the date of this announcement.
8. The Offer will comply with the applicable rules of the Panel and the Takeover Code. The Offer and any acceptances thereunder will be governed by English law and will be subject to the jurisdiction of the English Courts.

9. The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
10. The Offer will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or email) of interstate or foreign commerce of, or of any facility of a national securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from within, any Restricted Jurisdiction.

APPENDIX II
BASES OF CALCULATION AND SOURCES OF INFORMATION

In this announcement, unless otherwise stated or the context otherwise requires, the bases of calculation and sources of information are used as described below:

1. As at close of business on 23 June 2022 (being the latest practicable date prior to the publication of this announcement), there were 789,481,276 Firestone Shares in issue.
2. The number of Firestone Shares into which each tranche of the Series B warrants convert upon exercise is calculated based on the amount outstanding under the relevant tranche of the Series B Eurobonds (as at the last interest calculation date, being 30 March 2022) divided by the relevant subscription price for that tranche.

APPENDIX III
IRREVOCABLE UNDERTAKING

PRRF II has received an irrevocable undertaking from Resource Capital to accept the Offer in respect of Resource Capital's entire holding of 274,026,124 Firestone Shares (representing approximately 34.71 per cent. of the existing issued share capital of Firestone) as soon as possible following the publication of the Offer Document.

The irrevocable undertaking will continue to be binding on Resource Capital in the event that a third party makes a higher competing offer and will only lapse and cease to be binding on the earlier of the following occurrences:

- a) the Offer Document is not published within 28 days (or such longer period as the Panel may agree) of the date of this announcement; or
- b) the Offer lapses or is withdrawn; or
- c) the Offer is not completed on or by the Long-Stop Date; or
- d) any event occurs or becomes known to PRRF II on or before despatch of the Offer Document as a result of which the Panel agrees with PRRF II that it need not make the Offer.

APPENDIX IV

DEFINITIONS

The following definitions apply throughout this announcement, unless otherwise stated or the context otherwise requires.

"ABSA Bank"	ABSA Bank Limited (acting through its Corporate and Investment Banking division);
"Acceleration Statement"	a statement in which PRRF II, in accordance with Rule 31.5 of the Takeover Code, brings forward the latest date by which the Condition to the Offer must be satisfied;
"Acceptance Condition"	the acceptance condition of the Offer set out in Part A of Appendix I to this announcement;
"AIM"	the AIM market of London Stock Exchange plc;
"Business Day"	a day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in the City of London;
"Condition"	the Acceptance Condition;
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form;
"Day 60"	the 60th calendar day following the publication of the Offer Document or such other date as may otherwise be set as being Day 60 of the timetable of the Offer in accordance with the Takeover Code;
"ECIC"	the Export Credit Insurance Corporation of South Africa;
"finnCap"	finnCap Limited, financial adviser to PRRF II;
"Firestone"	Firestone Diamonds plc, a public limited company incorporated in England and Wales with registered number 03589905;
"Firestone Directors"	the board of directors of Firestone, and " Firestone Director " means any of them;
"Firestone Group"	Firestone and its subsidiary undertakings;
"Firestone Share Plans"	the Firestone Unapproved Share Option Scheme, the Firestone Unapproved Executive Share Option Scheme and the Firestone Restricted Share Plan;
"Firestone Shareholders"	holders of Firestone Shares, and " Firestone Shareholder " means any of them;
"Firestone Shares"	the ordinary shares of one penny each in the capital of Firestone, and " Firestone Share " shall be construed accordingly;
"Firestone Warrants"	warrants over Firestone Shares;
"Form of Acceptance"	the form of acceptance and authority relating to the Offer to be despatched to Firestone Shareholders with the Offer Document;
"Long-Stop Date"	Day 60 or such later date (if any) as PRRF II may, with the consent of the Panel, specify;
"Matched Bargain Facility"	the unregulated match bargain trading platform managed by JP Jenkins which Firestone implemented for the trading of Firestone Shares following the cancellation of admission of Firestone Shares to trading on AIM;
"Offer"	the offer to be made by PRRF II to acquire the whole of the

	issued and to be issued share capital of Firestone not otherwise held by PRRF II on the terms to be set out in the Offer Document and (in the case of Firestone Shares held in certificated form) the Form of Acceptance, including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer;
"Offer Document"	the document to be despatched on behalf of PRRF II containing the terms and conditions of the Offer and, where appropriate, any other document(s) containing terms and conditions of the Offer constituting the full terms and conditions of the Offer;
"Offer Period"	the offer period (as defined in the Takeover Code) relating to Firestone that commenced on 23 June 2022 and ending on the earlier of the date on which the Offer becomes or is declared unconditional and/or the date on which the Offer lapses or is withdrawn (or such other date as the Panel may decide);
"Offer Price"	0.01 penny per Firestone Share;
"Opening Position Disclosure"	an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of Firestone if the person concerned has such a position;
"Pacific Road"	Pacific Road Capital;
"Pacific Road Australian Trust"	Pacific Road Resources Fund II;
"Panel"	the Panel on Takeovers and Mergers;
"PRRF II"	PRRF II Investment Holdings LP, an exempted limited partnership registered in the Cayman Islands with registered address Maurant Governance Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands;
"PRRF II GP"	Pacific Road Capital Management GP II Limited, an entity registered in the Cayman Islands with registered address c/o Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands;
"Relationship Agreement"	the relationship agreement between Firestone, Resource Capital, Pacific Road Resources Fund II L.P. and the Pacific Road Australian Trust governing the relationship between Firestone and each of the significant shareholders;
"Resource Capital"	Resource Capital Fund VI L.P.;
"Regulatory Information Service"	any of the services authorised from time to time by the FCA for the purposes of disseminating regulatory announcements;
"Relevant Securities"	has the meaning given in paragraph 11 (<i>Disclosure of interests in Relevant Securities</i>);
"Restricted Jurisdiction"	any jurisdiction where the extension of the Offer or the release, publication or distribution in whole or in part of this announcement or any document relating to the Offer would constitute a violation of the relevant laws or regulations of the jurisdiction or may result in significant risk of civil, regulatory or criminal exposure or other formality which PRRF II regards as unduly onerous;
"Takeover Code"	the City Code on Takeovers and Mergers;
"Termination Deed"	the deed pursuant to which the Relationship Agreement will be terminated conditional upon and effective from the Offer being or becoming declared unconditional;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;

"US" or "United States"

the United States of America; and

"Unconditional Date"

Day 60 or such earlier date as PRRF II may specify in any Acceleration Statement unless, where permitted, it has set aside that statement.

All times referred to are London time unless otherwise stated.

All references to "GBP", "pence", "penny", "sterling" or "£" are to the lawful currency of the United Kingdom.

All references to "USD", "US cents" or "\$" are to the lawful currency of the United States.

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