

## Firestone Lays Off Workers as Liqhobong Stays Shut



**RAPAPORT...** Firestone Diamonds has dismissed most of its employees as it plans to keep the Liqhobong mine closed for at least a year, or until diamond prices recover.

The miner, which placed the Lesotho-based operation on care and maintenance in April due to the coronavirus, will retain staff necessary for the site's upkeep during the shutdown, implementing a 15% to 50% salary cut across the board. During the fourth quarter ending June 30, it spent \$3.2 million on the closure process, including termination costs for its employees and contractors.

"The company has gone through a painful process to implement the care-and-maintenance phase, which we believe is in the best interest of its shareholders and lenders," said Firestone CEO Paul Bosma. "We are determined to make our cash last as long as possible so that operations can resume once the market recovers for the categories of diamonds predominantly recovered from Liqhobong."

Firestone has reduced its operating cash balance to \$9.6 million, compared with \$17.3 million at the end of the previous quarter. It has 64,700 carats of rough in its inventory, which it plans to sell in separate parcels in the future to test the market. The company expects to sell the first parcel between October and December of this year.

*Image: The Liqhobong mine. (Firestone Diamonds)*