

## Firestone Mine Stays Closed as Refinance Deal Fails



RAPAPORT... Firestone Diamonds' Liqhobong mine will remain dormant after months of debt negotiations fell at the final hurdle.

The company had been in talks with its lenders over restructuring its \$82.4 million outstanding debt, it said Tuesday. The Lesotho-based deposit has been on care and maintenance during that time. The company had hoped to complete the discussions and set a plan to reopen the mine by mid-2021.

However, after the miner reached a deal with its debt holders in September and prepared the site to recommence operations, the insurer of the loan rejected the transaction a month later, Firestone explained. The miner must now restart negotiations, and in the meantime, the project will stay closed.

“The board and management have worked so hard over the past year and were pleased that after many months of negotiations between the parties, a [deal] was signed...and new capital would be injected to allow for early restart works at the Liqhobong mine to commence,” said Firestone nonexecutive chairman Patrick Meier. “It was therefore very disappointing when the transaction was not regarded as acceptable.”

During the nine months ending December 31, Firestone spent \$3.8 million on care and maintenance and other costs, including ramping up the mine, leaving it with a balance of

\$2.4 million, it said. The company's lenders have provided it with a bridge loan of \$2 million to keep the business afloat in the interim.

"The parties continued to engage, with the board and management working hard to persuade the [insurer] to reconsider its position, and to try and reach renegotiated terms in order for the mine to restart operations as a priority," the company added. "All the while, the board was acutely aware of the group's finite cash reserves."

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