

Firestone Still Struggling Despite Strong Sales



Firestone Diamonds saw strong sales in its second fiscal quarter, even as its debt mounted following a two-and-a-half-year shutdown.

The company sold 122,871 carats of rough diamonds from its Liphobong mine in Lesotho for \$11.6 million in the three months that ended December 31, at an average price of \$94 per carat, it said last week. The average price is the highest the company has realized for goods of a comparable assortment. The increase over Firestone's historical average of \$75 per carat for similar-sized rough was a result of the "ongoing robust market for diamonds," particularly for smaller goods, which make up most of the company's production, it explained. Output at Liphobong came to 173,720 carats.

The miner [restarted operations in October](#) after placing the deposit on care and maintenance in March 2020 due to the Covid-19 pandemic. Later that month, at its first sale since the resumption, Firestone sold 25,224 carats for \$2 million at an average price of \$81 per carat.

Firestone completed a refinancing agreement with its debtholder, Absa, in January. The amount owed stood at \$125.8 million as of December 31.

“Notwithstanding the good performance in the second quarter, the company’s financial position remains very challenging with its high debt levels, and we will continue to seek to repay this heavy debt burden over time, subject to continuing favorable market conditions,” said Firestone CEO Rob de Pretto.

At the miner’s first sale during the third quarter, on February 14, it sold 102,285 carats for a total of \$11 million at a record average price of \$108 per carat, it added.

Image: The Liqhobong mine. (Firestone Diamonds)