

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. Part 2 of this document comprises an Explanatory Statement in compliance with section 897 of the Companies Act 2006. If you are in any doubt as to the action you should take, you are recommended to seek your own professional advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your Kopane Shares, please forward this document and the accompanying documents (other than the personalised Forms of Proxy) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of Kopane Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

finnCap, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to Kopane in connection with the Acquisition and no one else and will not be responsible to anyone other than Kopane for providing the protections afforded to the customers of finnCap nor for providing advice in relation to the Acquisition or any other matter referred to in this document.

Evolution, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to Firestone in connection with the Acquisition and no one else and will not be responsible to anyone other than Firestone for providing the protections afforded to customers of Evolution nor for providing advice in relation to the Acquisition or any other matter referred to in this document.

Brewin Dolphin, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as nominated adviser to Firestone under the AIM rules and will not be responsible to anyone other than Firestone for providing the protections afforded to the customers of Brewin Dolphin nor for providing advice in relation to the Acquisition or any other matter referred to in this document.

RECOMMENDED ACQUISITION
of
Kopane Diamond Developments Plc
by
Firestone Diamonds Plc
by means of a scheme of arrangement under Part 26 of the Companies Act 2006

Shareholders should carefully read the whole of this document in conjunction with the accompanying documents including the Forms of Proxy. However, your attention is drawn, in particular, to the letter from the Chairman of Kopane in Part 1 (*Letter from the Chairman of Kopane*) of this document which contains the unanimous recommendation of the Directors to vote in favour of the resolutions to be proposed at the Meetings required to implement the Scheme, and a letter from finnCap explaining the Scheme in greater detail, which is set out in Part 2 (*Explanatory Statement*) of this document.

Notices of the Court Meeting and General Meeting, each of which will be held at the offices of Ashurst LLP at Broadwalk House, 5 Appold Street, London EC2A 2HA on 6 September 2010 are set out in Appendices VIII (*Notice of Court Meeting*) and IX (*Notice of General Meeting*) to this document, respectively. The Court Meeting will start at 11.00 a.m. and the General Meeting will start at 11.15 a.m. (or as soon thereafter as the preceding Court Meeting has been concluded or adjourned) on the same date and at the same location. The action to be taken in respect of the Court Meeting and the General Meeting is set out on pages 7 and 8 of this document. It is important that in relation to the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholders' opinion.

Application will be made for the New Firestone Shares to be admitted to trading on AIM.

Securities may not be offered or sold in the US unless registered under the US Securities Act and applicable state securities laws or exempt from such registration. In reliance on the exemption provided by section 3(a)(10) of the US Securities Act, the New Firestone Shares have not been, and will not be, registered under the US Securities Act. Neither the US Securities and Exchange Commission nor any US state securities commission has passed upon the accuracy or adequacy of this document or any of the accompanying documents. Any representation to the contrary is a criminal offence in the United States.

If you have any questions relating to this document, the Meetings or the completion and return of the Forms of Proxy, please telephone Computershare between 9.00 a.m. and 5.00 p.m. (London time), Monday to Friday (except UK public holidays) on 0870 889 4068 from within the UK or +44 870 889 4068 if calling from outside the UK. Calls to the 0870 number cost up to 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.

Some words and terms used in this document are defined in Appendix VII (*Definitions*) to this document. All times referred to are London time unless otherwise stated.

TO VOTE ON THE ACQUISITION

If you are a Kopane Shareholder, whether or not you plan to attend the Meetings, please:

1. **COMPLETE AND RETURN THE BLUE FORM OF PROXY (FOR THE COURT MEETING), SO AS TO BE RECEIVED BY NO LATER THAN 11.00 A.M. ON 2 SEPTEMBER 2010; AND**
2. **COMPLETE AND RETURN THE YELLOW FORM OF PROXY (FOR THE GENERAL MEETING), SO AS TO BE RECEIVED BY NO LATER THAN 11.15 A.M. ON 2 SEPTEMBER 2010.**

If you require assistance, please telephone Computershare on 0870 889 4068 (calls cost up to 10p per minute plus network extras) from within the UK or +44 870 889 4068 if calling from outside the UK. Calls to the helpline from outside the UK will be charged at applicable international rates.

The completion and return of the Forms of Proxy will not prevent you from attending and voting in person at the Court Meeting or the General Meeting, or any adjournment thereof, in person should you wish to do so and are so entitled.

If the blue Form of Proxy for use at the Court Meeting is not lodged by 11.00 a.m. on 2 September 2010, it may be handed to Computershare on behalf of the chairman at the Court Meeting before the taking of the poll. However, in the case of the General Meeting unless the yellow Form of Proxy is lodged so as to be received by 11.15 a.m. on 2 September 2010 it will be invalid.

IT IS IMPORTANT THAT, IN RELATION TO THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY.

IF YOU ARE A SHAREHOLDER YOUR ATTENTION IS DRAWN TO THE REGIME FOR THE APPOINTMENT OF PROXIES, IN PARTICULAR THE APPOINTMENT OF MORE THAN ONE PROXY, SET OUT IN THE SECTION HEADED "MULTIPLE PROXY VOTING INSTRUCTIONS" WHICH CAN BE FOUND ON THE REVERSE OF THE FORMS OF PROXY AND THE NOTES TO THE NOTICE OF GENERAL MEETING SET OUT IN APPENDIX IX TO THIS DOCUMENT.

The information set out above should be read in conjunction with the section headed ACTION TO BE TAKEN set out on page 7 of this document and the rest of the document.

IMPORTANT NOTICE

Neither this document nor the accompanying documents constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to these documents or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

The distribution of this document and the accompanying documents in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document and/or the accompanying documents comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. This document and the accompanying documents have been prepared for the purpose of complying with English law, the City Code and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document and/or the accompanying documents had been prepared in accordance with the laws of jurisdictions outside the UK.

The availability of the Acquisition to persons who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not so resident should inform themselves about and observe any applicable requirements in those jurisdictions. The attention of Overseas Shareholders is drawn to paragraph 13 of Part 2 (*Explanatory Statement*) of this document.

NOTICE TO US INVESTORS IN KOPANE

US holders of Kopane Shares may vote in respect of the resolutions to be proposed at the Meetings. US holders should note that the Acquisition relates to the shares of an English company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Securities Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the UK to schemes of arrangement, including the City Code and the AIM Rules, which differ from the requirements of US proxy solicitation or tender offer rules. If Firestone exercises its right to implement the Acquisition by means of a Takeover Offer, the Takeover Offer will be made in compliance with the applicable laws and regulations, including US securities laws to the extent applicable.

The annual financial information relating to Kopane and Firestone contained in this document (including the annual financial information relating to Kopane and Firestone that has been incorporated by reference into this document) has been prepared in accordance with UK GAAP in respect of the year ended 30 June 2007 and International Financial Reporting Standards (as adopted by the EU) in respect of the years ended 30 June 2008 and 30 June 2009 IFRS and in either case may not be comparable to the financial statements for US companies. The interim financial information relating to Kopane and Firestone contained in this document, including the interim financial information relating to Kopane and Firestone that has been incorporated by reference into this document has been prepared applying the measurement principles but not the disclosure principles of International Financial Reporting Standards (as adopted by the European Union) and may not be comparable to the financial statements for US companies.

It may be difficult to enforce rights and any claims arising in connection with the Acquisition under the US securities laws since both Firestone and Kopane are located outside the United States, and their officers and directors reside outside the United States. It may not be possible to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. It also may not be possible to compel a non-US company or its affiliates to subject themselves to a US court's judgment or collect or enforce judgment obtained in a US court against a non-US company or its officers and directors.

The Firestone Shares and the New Firestone Shares are not and will not be listed on any US securities exchange or registered under the US Securities Exchange Act. Accordingly, Firestone does not currently, and will not following the Effective Date, file any reports with the SEC pursuant to the periodic reporting requirements of the US Securities Exchange Act.

Securities may not be offered or sold in the US unless registered under the US Securities Act and applicable state securities laws or exempt from such registration. In reliance on the exemption provided

by section 3(a)(10) of the US Securities Act, the New Firestone Shares have not been, and will not be, registered under the US Securities Act.

Firestone and Kopane will advise the Court that its sanctioning of the Scheme will be relied upon to establish the availability of the section 3(a)(10) exemption and that they will view the Court's sanctioning of the Scheme as an approval of the Scheme following a hearing on its fairness to Kopane Shareholders at which hearing all such Kopane Shareholders are entitled to attend either in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such Kopane Shareholders.

Any Kopane Shareholder in the United States that is an affiliate of Firestone either within the 90 days prior to the implementation of the Scheme or following implementation of the Scheme will be subject to timing, manner of sale and volume restrictions on the sale of New Firestone Shares received pursuant to the Scheme in accordance with Rule 144 under the US Securities Act. For these purposes an "affiliate" of any person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, that person and may include certain directors, officers or significant shareholders of Kopane and Firestone. Kopane Shareholders in the United States that believe they are or may be "affiliates" of Firestone or Kopane should consult their own legal advisers prior to any sale of New Firestone Shares received pursuant to the Scheme.

Kopane Shareholders who are affiliates of Firestone may, in addition to reselling their New Firestone Shares in the manner permitted by Rule 144 under the US Securities Act, also sell their New Firestone Shares under any other available exemption under the US Securities Act, including Regulation S under the Securities Act which would generally permit the sale of the New Firestone Shares on AIM provided the sale is not pre-arranged with a buyer in the United States.

Neither the US Securities and Exchange Commission nor any US state securities commission has passed upon the accuracy or adequacy of this document or any of the accompanying documents. Any representation to the contrary is a criminal offence in the United States.

NOTICE TO NEW HAMPSHIRE RESIDENTS:

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO CANADIAN INVESTORS IN KOPANE

New Firestone Shares received by a Canadian holder of Scheme Shares pursuant to the Scheme may not be sold, transferred or otherwise disposed of to or for the account or benefit of a person resident in Canada unless such sale, transfer or disposition complies with the resale restrictions of applicable Canadian provincial and territorial securities laws. Pursuant to applicable Canadian provincial and territorial securities laws, New Firestone Shares acquired by a Canadian holder of Scheme Shares pursuant to the Scheme will be subject to restrictions on resale to or for the account or benefit of a person resident in Canada until such time as:

- (a) the appropriate "hold period" has been satisfied and such holder has complied with other applicable requirements, including the filing of appropriate reports pursuant to applicable securities laws;
- (b) a further statutory exemption may be relied upon by such holder; or
- (c) an appropriate discretionary order is obtained pursuant to applicable securities laws.

As Firestone is not a reporting issuer in any province or territory of Canada, the applicable hold period for the New Firestone Shares may never expire, and if no further statutory exemption may be relied upon and if no discretionary order is obtained, this could result in a Canadian holder of New Firestone Shares having to hold such securities for an indefinite period of time.

The foregoing is a summary only of applicable resale restrictions and is subject to the express provisions of applicable Canadian securities laws. All Canadian persons who may be entitled to receive New Firestone Shares in connection with the Scheme should consult with their own legal advisors to determine the extent of the applicable hold period and the possibilities of utilizing any statutory exemptions or the obtaining of a discretionary order.

NOTICE TO SOUTH AFRICAN INVESTORS IN KOPANE

To the extent that this document is provided to persons in the Republic of South Africa the following is noted: (i) the Scheme is proposed to shareholders of Kopane and does not constitute an offer to the public in the Republic of South Africa; (ii) the proposed Scheme and acquisition of shares in Kopane in exchange for the New Firestone Shares can only be accepted by Kopane through its shareholders voting in favour of the Scheme in England; (iii) the Scheme documents and this document do not constitute a prospectus and they may not be used to solicit any offer from the public in the Republic of South Africa; and (iv) under the Exchange Control Regulations of the South African Reserve Bank, the approval of the South African Reserve Bank may be required for the exchange of New Firestone Shares for Scheme Shares under the Scheme and appropriate legal advice should be procured in this regard. It is incumbent on South African residents subject to the Exchange Control Regulations of the South African Reserve Bank to procure any necessary approval for the exchange of shares as contemplated under the Scheme.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This document contains certain forward looking statements with respect to the financial condition, results of operations and business of Firestone, Kopane and the Enlarged Group and certain plans and objectives of the Kopane Directors and the Firestone Directors with respect thereto. These forward looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could” or other words of similar meaning. These statements are based on assumptions and assessments made by the Firestone Directors and/or the Kopane Directors in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward looking statements. Although the Firestone Directors and the Kopane Directors believe that the expectations reflected in such forward looking statements are reasonable, they can give no assurance that such expectations will prove to have been correct and assume no obligation to update or correct the information contained in this document and Firestone and Kopane therefore caution investors not to place undue reliance on these forward looking statements which speak only as at the date of this document.

Nothing in this document is intended to be a profit forecast and the statements in this document should not be interpreted to mean that the earnings per Firestone Share or Kopane Share for the current or future financial periods will necessarily be greater than those for the relevant preceding financial period.

The statements contained herein are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth herein since that date. Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of Kopane or Firestone except where otherwise stated.

DEALING DISCLOSURE REQUIREMENTS

Under Rule 8.3(a) of the 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 paper 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 paper 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) the offeree company; and (ii) any paper 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 paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper 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) the offeree company; and (ii) any paper 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 paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

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

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 Takeover 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. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

This document is dated 13 August 2010.

ACTION TO BE TAKEN

Voting at the Court Meeting and the General Meeting

The Court Meeting and the General Meeting are being convened for 6 September 2010 at the offices of Ashurst LLP at Broadwalk House, 5 Appold Street, London EC2A 2HA at 11.00 a.m. and 11.15 a.m. respectively (or in the case of the General Meeting, if later, as soon as the Court Meeting has been concluded or adjourned).

You will find enclosed with this document:

- a blue Form of Proxy for use in respect of the Court Meeting;
- a yellow Form of Proxy for use in respect of the General Meeting;
- a copy of the Firestone Circular, certain sections of which have, where indicated, been incorporated into this document by reference; and
- a pre-paid reply envelope.

If you have not received all of the documents relevant to you, please contact Computershare on the helpline telephone number indicated on page 2 of this document.

Whether or not you intend to attend both or either of the Meetings, please complete the enclosed Forms of Proxy and return them in accordance with the instructions printed thereon so as to be received by post by Kopane's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or by hand (during normal Business Hours) to the same address, in either case by no later than:

Blue Forms of Proxy for the Court Meeting
Yellow Forms of Proxy for the General Meeting

11.00 a.m. on 2 September 2010
11.15 a.m. on 2 September 2010

(or, in the case of an adjournment, not later than 48 Business Hours before the time and date fixed for the holding of the adjourned Meeting).

Returning the Forms of Proxy will enable your votes to be counted at the Meetings in the event of your absence. If the blue Form of Proxy for use at the Court Meeting is not lodged by 11.00 a.m. on 2 September 2010, (or in the case of an adjournment, 48 Business Hours before the time fixed for the holding of the adjourned Court Meeting) it may be handed to Computershare on behalf of the chairman at the Court Meeting before the taking of the poll. However, in the case of the General Meeting, unless the yellow Form of Proxy is lodged so as to be received by 11.15 a.m. on 2 September 2010, (or in the case of an adjournment, 48 Business Hours before the time fixed for the holding of the adjourned Court Meeting) it will be invalid. The completion and return of a Form of Proxy will not prevent you from attending and voting at either the Court Meeting or the General Meeting, or any adjournment thereof, in person if you wish to do so and are so entitled.

Shareholders are entitled to appoint a proxy in respect of some or all of their Kopane Shares. Shareholders are also entitled to appoint more than one proxy. A space has been included in the Forms of Proxy for both the Court Meeting and the General Meeting to allow Shareholders entitled to attend and vote at the relevant Meeting to specify the number of Kopane Shares or (as the case may be) Scheme Shares in respect of which that proxy is appointed. Shareholders who return a Form of Proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their Kopane Shares.

Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact Computershare for further Forms of Proxy or photocopy the Forms of Proxy, as required. Such Shareholders should also read the notes in respect of the appointment of multiple proxies set out in Appendix IX (*Notice of General Meeting*) to this document and the section headed "Multiple Proxy Voting Instructions" which can be found on the reverse of the Forms of Proxy.

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) not later than 11.00 a.m. on 2 September 2010 in the case of the Court Meeting and

by 11.15 a.m. on 2 September 2010 in the case of the General Meeting (or, in the case of any adjournment, not later than 48 Business Hours before the time fixed for the holding of the adjourned Meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Regulations. For further details please refer to the accompanying notes for the notice of the General Meeting contained in Appendix IX (*Notice of General Meeting*) to this document.

IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY.

Helpline

If you have any questions relating to this document, the Meetings or the completion and return of the Forms of Proxy, please telephone Computershare between 9.00 a.m. and 5.00 p.m. (London time), Monday to Friday (except UK public holidays) on 0870 889 4068 from within the UK or +44 870 889 4068 if calling from outside the UK. Calls to the 0870 number cost up to 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.

CONTENTS

	<u>PAGE</u>
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	10
PART 1—LETTER FROM THE CHAIRMAN OF KOPANE	11
PART 2—EXPLANATORY STATEMENT	18
PART 3—THE SCHEME OF ARRANGEMENT	33
APPENDIX I	39
Conditions and Certain Further Terms of the Acquisition	
APPENDIX II	45
Historical Financial Information on Kopane	
APPENDIX III	46
Historical Financial Information on Firestone	
APPENDIX IV	47
UK Taxation	
APPENDIX V	49
Additional Information	
APPENDIX VI	63
Bases and Sources	
APPENDIX VII	64
Definitions	
APPENDIX VIII	71
Notice of Court Meeting	
APPENDIX IX	73
Notice of General Meeting	

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<u>EVENT</u>	<u>TIME AND DATE⁽⁴⁾⁽⁵⁾</u>
Latest time for lodging blue Forms of Proxy for the Court Meeting ⁽¹⁾	11.00 a.m. on 2 September 2010
Latest time for lodging yellow Forms of Proxy for the General Meeting ⁽¹⁾	11.15 a.m. on 2 September 2010
Voting Record Time for Court Meeting and General Meeting ⁽²⁾	6.00 p.m. on 2 September 2010
Firestone General Meeting	12.00 noon on 3 September 2010
Court Meeting	11.00 a.m. on 6 September 2010
General Meeting	11.15 a.m.⁽³⁾ on 6 September 2010
Scheme Court Hearing (to sanction the Scheme) ⁽⁴⁾	27 September 2010
Reduction Record Time ⁽⁴⁾	6.00 p.m. on 28 September 2010
Reduction Court Hearing (to confirm the Reduction of Capital) ⁽⁴⁾ ..	29 September 2010
Last day of dealings in, and time for registration of transfers of, and disablement in CREST of, Kopane Shares ⁽⁴⁾	4.30 p.m. on 29 September 2010
Scheme Record Time ⁽⁴⁾	6.00 p.m. on 29 September 2010
Effective Date⁽⁴⁾	30 September 2010
Cancellation of trading in Kopane Shares on AIM ⁽⁴⁾	7.00 a.m. on 30 September 2010
Cancellation of trading in Existing Firestone Shares on AIM	7.00 a.m. on 30 September 2010
Admission of, and time of commencement of dealings in, New Firestone Shares on AIM and re-admission and recommencement of dealings in, Existing Firestone Shares on AIM ⁽⁴⁾	8.00 a.m. on 30 September 2010
Crediting of New Firestone Shares to CREST accounts ⁽⁴⁾	8.00 a.m. on 30 September 2010
Latest date for despatch of New Firestone Share certificates and crediting of CREST accounts under the Scheme ⁽⁴⁾	14 October 2010

Notes:

- (1) The blue Forms of Proxy for the Court Meeting may also be handed to Kopane's registrars, Computershare, on behalf of the chairman at the Court Meeting before the taking of the poll. However, the yellow Forms of Proxy for the General Meeting must be lodged by 11.15 a.m. on 2 September 2010 in order to be valid (or, in the case of an adjournment, not later than 48 Business Hours before the time fixed for the holding of the adjourned General Meeting). The Court Meeting and the General Meeting will be held at the offices of Ashurst LLP at Broadwalk House, 5 Appold Street, London EC2A 2HA.
- (2) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the adjourned Meeting will be 6.00 p.m. on the date two Business Days before the date set for the adjourned Meeting.
- (3) In the event that the Court Meeting concludes after 11.15 a.m., the General Meeting will follow as soon as possible thereafter.
- (4) These dates and times are indicative only and will depend, among other things, on the dates on which the Court sanctions the Scheme and confirms the associated Reduction of Capital and whether the Conditions are either satisfied or, where applicable, waived. If any of the expected dates change, Kopane will, unless the Panel otherwise consents, give notice of the change by issuing an announcement through a Regulatory Information Service and by notice on the Company's website.
- (5) Unless otherwise stated, all references to times are to London time.

Kopane will announce the results of the Meetings and the outcomes of the Scheme Court Hearing and the Reduction Court Hearing respectively by issuing announcements through a Regulatory Information Service and by notice on the Company's website.

PART 1

LETTER FROM THE CHAIRMAN OF KOPANE



Kopane Diamond Developments Plc
Carlyle House
235-237 Vauxhall Bridge Road
London
SW1V 1EJ

(Registered in England and Wales No. 4108629)

13 August 2010

Directors:

Francesco Scolaro (*Non-Executive Chairman*)
James Seymour Cable (*Finance Director*)
Andrew Campbell Birnie (*Technical Director*)
Michael John Carter Wittet (*Non-Executive Director*)
Buddy James Doyle (*Non-Executive Director*)

To Kopane Shareholders (and, for information only, to participants in the Kopane Share Scheme and to holders of other rights to subscribe for Kopane Shares)

Dear Shareholder,

RECOMMENDED ACQUISITION OF KOPANE DIAMOND DEVELOPMENTS PLC BY FIRESTONE DIAMONDS PLC

1. Introduction

On 21 July 2010, the Firestone Directors and the Kopane Directors announced that they had reached agreement on the terms of a unanimously recommended all share offer by Firestone to acquire the entire issued and to be issued share capital of Kopane.

I am now writing to you to explain the background to, and terms of, the Acquisition and also to explain why the Directors are recommending that you vote in favour of the Scheme and the resolutions to be proposed at the Meetings required to implement the Scheme. Further details of the Acquisition are set out in the Explanatory Statement from finnCap contained in Part 2 (*Explanatory Statement*) of this document. This document also contains notices of the Meetings at which resolutions implementing the Acquisition will be put to Kopane Shareholders.

2. Summary of the Acquisition

The Acquisition will be implemented by means of a scheme of arrangement between Kopane and Scheme Shareholders under part 26 of the Act (involving a reduction of capital under section 641 of the Act), although Firestone may elect to implement the Acquisition by way of a Takeover Offer where permitted to do so in accordance with the terms of the Implementation Agreement. Full details of the Scheme are set out in Part 3 (*The Scheme of Arrangement*) of this document. The Scheme is subject to the Conditions and further terms set out in Appendix I (*Conditions and Certain Further Terms of the Acquisition*) to this document. If the Scheme and the Reduction of Capital become effective, it is proposed that Scheme Shareholders on the register of members of Kopane at the Scheme Record Time will receive:

0.4657 of a New Firestone Share for every 1 Kopane Share

and so in proportion for any other number of Scheme Shares held at the Scheme Record Time. Fractions of New Firestone Shares will not be allotted or issued pursuant to the Scheme and fractional entitlements will be rounded down to the nearest whole number of New Firestone Shares.

3. Recommendation

The Directors, who have been so advised by finnCap, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the Directors, finnCap has taken into account the commercial assessments of the Directors.

Accordingly, the Directors unanimously recommend Kopane Shareholders to vote in favour of the Scheme at the Court Meeting and in favour of the Kopane Resolution to be proposed at the General Meeting.

4. Information relating to Firestone

Firestone is an international diamond mining and exploration company with operations primarily focused on Botswana. Botswana is the world's largest and lowest cost producer of diamonds, with annual production worth over \$3.2 billion, and is considered to be one of the most prospective countries in the world to explore for kimberlite, the primary source rock for diamonds. Botswana has a ratio of economic kimberlites of 8 per cent., compared to the global average of 1 per cent.

Firestone is the largest holder of mineral rights in Botswana's kimberlite fields, with 16,500 square kilometres under license, covering the entire Tsabong kimberlite field and significant areas around the major Orapa and Jwaneng mines. Firestone has 108 kimberlites in its portfolio, of which 30 have been proven to be diamondiferous to date.

Firestone recently commenced commercial production at its BK11 kimberlite in the Orapa region. This represents a major milestone for Firestone, making it one of only three listed kimberlite producers worldwide outside of the major mining companies. The Firestone Directors consider that the achievement of commencing production in just over three years from being granted a prospecting licence for BK11, and less than nine months after the decision was made in December 2009 to proceed with mine development, demonstrates Firestone's significant capabilities in evaluating and developing kimberlite projects.

Phase 1 of the BK11 production plant, which has a capacity of approximately 650,000 tonnes per annum, is now in operation. Work on Phase 2 of the production plant, which will increase production capacity to 1,500,000 tonnes per annum, is on target for completion in Q3 2010. Under the BK11 mine plan approximately 11.1 Mt of kimberlite is expected to be mined at an average grade of 8.5 cpht, giving total production of approximately 1 million carats over a 10 year mine life at an average value of \$155/carats (March 2010 valuation). Initial mining operations will be focused on the KW area, where approximately 5.4 Mt of kimberlite is expected to be mined at an average grade of 12.6 cpht, and at a diamond value of \$175/carats (March 2010 valuation).

Firestone intends to use cash flow from BK11 to accelerate the evaluation of its other kimberlites in Botswana. The primary focus of these efforts will initially concentrate on the 21 other kimberlites controlled by Firestone in the Orapa kimberlite field close to the BK11 mine of which 8 have been proven to be diamondiferous. Firestone intends to use the infrastructure that has now been established at BK11 to evaluate the economic potential of these kimberlites rapidly and at relatively low cost. The Firestone Directors believe that Firestone has the potential to develop a sizeable satellite mining operation based around BK11 and multiple other kimberlites in the Orapa area. Of these the BK16 kimberlite is at the most advanced stage of evaluation, with high quality diamonds and encouraging grades recovered from historical work, and is expected to be the first of the satellite kimberlites to be evaluated for commercial mining.

Firestone also intends to resume exploration and evaluation work at the Tsabong kimberlite field, either through a joint venture with an industry partner or by resuming its own work. The Tsabong kimberlite field is one of the largest diamondiferous kimberlite fields in the world, with 84 kimberlites discovered to date, of which 20 have been proven to contain diamonds. Tsabong is noted for the exceptionally large size of many of its kimberlites, in particular the 146 hectare MK1 kimberlite, which is one of the largest known diamondiferous kimberlites. Substantial work has been carried out at Tsabong by Firestone, the results of which indicate that the Tsabong kimberlite field is located in a similar geological setting to the major Jwaneng Mine and that it has the potential to contain economic large sized diamondiferous kimberlite deposits.

Firestone has also proven its capability in operating diamond projects, having successfully operated the Project Buffels toll treatment project for De Beers at the Bonte Koe mine on the Buffels River in South Africa, and is continuing to develop its toll treatment business. Firestone has several advanced toll treatment opportunities in Botswana and Namibia that have the potential to generate significant cash flow for Firestone. The advantage of cash flow from these projects is that it would be less dependant on rough diamond prices, thus reducing the potential impact to Firestone of any drop in rough diamond prices that could be caused by future economic or stock market volatility.

In June 2010, Firestone announced that a decision had been made by Debswana to proceed with the Modular Tailings Treatment Plant at the Jwaneng Mine, with Firestone being responsible for supplying, constructing and operating the MTTP. Debswana is a joint venture between the Government of the Republic of Botswana and De Beers and is the world's leading diamond producer by value. Jwaneng is the largest diamond mine in the world by value and in 2008 produced approximately 13 million carats, with an estimated value of \$1.8 billion. Subject to contractual arrangements, which are at an advanced stage, being finalised, and suitable financing arrangements being made for the capital costs of the project, construction is expected to commence in H1 2011 with full production scheduled for 2012. The Jwaneng tailings Mineral Resource is estimated to be in excess of 30 million tonnes.

The MTTP is intended to serve as a pilot facility to demonstrate the economics and capability of the modular plant concept on the Jwaneng tailings resource, and could potentially lead to the deployment by Firestone of similar plants to exploit additional tailings resources at other Debswana mines. With the total tailings resources at Debswana's mines estimated to be approximately 300 million tonnes, the Firestone Directors consider that they represent a significant revenue opportunity.

In addition, Firestone has been selected by Namdeb as the preferred supplier and operator for the Dredge and Floating Treatment Plant project at Namdeb's diamond mining operations on the south west coast of Namibia. Namdeb is a joint venture between the Government of the Republic of Namibia and De Beers and is the world's sixth largest diamond producer by value. Firestone and the Namdeb project team are currently working together to revise Namdeb's feasibility study for the project to reflect current capital costs and Firestone's projected operating costs.

5. Background to and reasons for the Acquisition

Both Firestone and Kopane are diamond exploration and development companies with a geographical focus on Southern Africa. The majority of Firestone's assets are located in Botswana and Kopane's principal asset is located in Lesotho.

Firestone has assembled a substantial portfolio of diamond projects in Botswana and recently commenced production at its BK11 kimberlite in the Orapa region. The Firestone Board considers that Firestone's achievement in commencing production in just over three years from being granted a prospecting licence for BK11, and less than nine months after the decision was made in December 2009 to proceed with mine development, demonstrates Firestone's significant capabilities in evaluating and developing kimberlite projects. Firestone has a further 107 kimberlites in its Botswana portfolio, of which to date 29 have been proven to contain diamonds to date. Firestone intends to use cash flow from BK11 to accelerate the evaluation of these kimberlites with the objective of identifying additional Mineral Resources that can be developed and brought into production.

In addition to its exploration and development capabilities Firestone has proven experience in operating diamond projects, having successfully operated the toll treatment project for De Beers at the Bonte Koe mine on the Buffels River in South Africa. The Firestone Board has identified the toll treatment business as a relatively low risk way of generating cash flow as such projects are not dependant on rough diamond prices, thus reducing the potential impact to Firestone of any drop in rough diamond prices that could be caused by future economic or stock market volatility. Accordingly, Firestone is continuing to develop its toll treatment business and has several advanced toll treatment opportunities in both Botswana and Namibia that have the potential to generate significant cash flow for the Firestone Group.

Kopane's principal asset is the Liqhobong project in Lesotho, where a substantial resource of over 90Mt at an average grade of 34.3cpgt containing 31 million carats has been identified at the Main Pipe. Small scale production was carried out at the Satellite Plant up to December 2008, when mining operations were suspended due to the sharp fall in diamond prices at that time. Kopane's recent

activities have been focused on the completion of a Definitive Feasibility Study on the Main Pipe. Preliminary results from the DFS, which is now at an advanced stage, indicate that the Main Pipe is likely to support a substantial, long life mining operation.

Within the scope of publicly available information, Liqhobong is believed by the Firestone Directors to be the third largest undeveloped kimberlite resource, as measured by contained carats (after the Gahcho Kue and Star kimberlites in Canada), and the fourth largest as measured by tonnes (after the Star and Orion South kimberlites in Canada and the Gope kimberlite in Botswana). The Firestone Directors believe the capital costs for Liqhobong will be significantly lower than for these other projects and the Firestone Directors therefore consider Liqhobong to be one of the most attractive undeveloped kimberlites in the world.

In parallel with completing the outstanding work on the DFS, Kopane is planning to recommence production at Liqhobong in 2011 employing the Satellite Plant and using diesel-generated power until a connection to the electricity grid is available, which is expected to be in Q1 2012. In addition, following completion of a Definitive Feasibility Study Kopane intends to construct a new diamond processing plant which will be significantly larger than the Satellite Plant and of suitable size to optimally exploit the Main Pipe resource. Estimates for the schedule and cost for construction of the new plant are being made as part of the DFS.

Firestone intends to proceed with Kopane's plans to recommence production at Liqhobong in 2011 and complete the DFS, subject to undertaking a review of these plans following completion of the Acquisition.

The Firestone Directors and the Kopane Directors believe that Firestone's and Kopane's respective projects complement each other, and that the acquisition of Kopane by Firestone will be value enhancing and will provide significant benefits to both Firestone Shareholders and Kopane Shareholders.

- Firestone will acquire a large Mineral Resource at Liqhobong at the final stage of a DFS with substantial economic potential that will allow the Enlarged Group to significantly expand its production base.
- Kopane will gain exposure to a diversified portfolio of diamond projects, with cash flow from BK11, potential future cash flow from toll treatment projects and a large number of both early and advanced stage kimberlites with significant potential for further economic discoveries.
- Kopane will have access to Firestone's proven capability in kimberlite resource development, and mine construction, development and operation, which the Firestone Directors believe will enable full scale production to be achieved at Liqhobong in a shorter time and at a lower cost than currently planned.
- The Firestone Directors and the Kopane Directors believe that the portfolio of projects and operational capability that the Enlarged Group will control will enable the Enlarged Group to become one of the leading mid-tier diamond producers, allowing Firestone to pay dividends to its shareholders in the mid to long term.
- The Enlarged Group will benefit from having a larger market capitalisation, which the Firestone Directors and the Kopane Directors believe is likely to result in greater liquidity in the trading of Firestone's shares, an improved rating and greater access to capital to fund the Enlarged Group's growth plans.
- The Firestone Directors believe that the proximity of Firestone's and Kopane's respective assets in Botswana and Lesotho and the fact that both Firestone and Kopane are listed on the AIM market will allow the Enlarged Group to operate more cost effectively by sharing corporate, administrative and technical support services across a larger portfolio of projects.
- Rough diamond prices continue to strengthen with prices recently returning to the previous high seen in 2008. With the substantial shortfall in rough diamond supply projected in the coming years, the Firestone Directors believe that the Enlarged Group will be well positioned for significant growth and to become one of the leading mid-tier diamond producers.

6. Directors, management and employees

The Firestone Directors and the Kopane Directors have discussed Firestone's plans for Kopane management and employees within the Enlarged Group with Kopane.

The Firestone Directors will remain in the same respective positions as they currently hold on the Firestone Board. The emoluments of the Firestone Directors will not be affected by the Acquisition.

It is not expected that any of the Kopane Directors will be joining the Firestone Board following the Effective Date. Each of the Kopane Directors, save for Andrew Birnie and James Cable, will resign from the Kopane Board, conditional upon, and with effect from, the Scheme becoming effective in accordance with its terms. James Cable and Andrew Birnie will also each be engaged under consultancy agreements to provide services to the Kopane Group on a part-time basis from the Effective Date. Further details of these arrangements are set out at paragraph 6 of Appendix V (*Additional Information*) of this document.

Firestone has given assurances that, following the Scheme becoming effective, the existing employment rights, including accrued pension rights, of Kopane employees will be fully safeguarded and, save in the case of the Kopane Directors as referred to above, its plans for Kopane do not include any material changes in the terms and conditions of employment of Kopane employees.

7. Kopane Share Scheme and Kopane Warrants

Details of the effect of the Scheme on subsisting options under the Kopane Share Scheme and the Kopane Warrants, respectively, are set out in paragraphs 14 and 15 of Part 2 (*Explanatory Statement*) of this document.

8. De-listing of Kopane Shares

The attention of Kopane Shareholders is drawn to paragraph 12 of Part 2 (*Explanatory Statement*) of this document in relation to Kopane's intentions regarding the cancellation of the AIM quotation of Kopane Shares.

9. Taxation

Your attention is drawn to Appendix IV (*UK Taxation*) to this document. **If you are in any doubt as to your tax position or you are resident in or subject to taxation in a jurisdiction outside the UK, you should consult your independent professional adviser immediately.**

10. Meetings and action to be taken

The Scheme and the Acquisition are subject to the satisfaction or, where applicable, waiver of the Conditions set out in Appendix I (*Conditions and Certain Further Terms of the Acquisition*) to this document.

In order to become effective, a special resolution (requiring at least 75 per cent. of votes cast) implementing the Scheme must be passed by Kopane Shareholders at the General Meeting. The Scheme must also be approved by a majority in number of those Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting, representing 75 per cent. or more in value of the Scheme Shares voted by those Scheme Shareholders.

Under the Act, the Scheme and Reduction of Capital are also subject to the approval of the Court at the Scheme Court Hearing and the Reduction Court Hearing respectively. These Court Hearings will not be held until after all of the Conditions (other than the Conditions relating to the delivery of the Court Orders to the Registrar of Companies) are satisfied or, where applicable, waived. Once the Scheme becomes effective, it will be binding on all Shareholders, including those who did not vote to approve the Scheme.

You will find enclosed with this document:

- a blue Form of Proxy for use in respect of the Court Meeting;
- a yellow Form of Proxy for use in respect of the General Meeting;

- a copy of the Firestone Circular, certain sections of which have, where indicated, been incorporated into this document by reference; and
- a pre-paid reply envelope.

Whether or not you intend to attend the Meetings, you are requested to complete and sign the enclosed Forms of Proxy and return them in accordance with the instructions printed on them. Completed Forms of Proxy should be returned to the Company's registrars, by post to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 or alternatively by hand (during normal business hours) to the same business address, in either case so as to be received by no later than 11.00 a.m. on 2 September 2010 in relation to the Court Meeting and no later than 11.15 a.m. on 2 September 2010 in relation to the General Meeting (or, in the case of any adjournment of either meeting, not later than 48 Business Hours before the time fixed for the holding of the adjourned Meeting).

If the blue Form of Proxy for use at the Court Meeting is not returned by such time, it may be handed to Computershare on behalf of the chairman of the meeting before the taking of the poll at the Court Meeting and will still be valid. However, the yellow Form of Proxy for use at the General Meeting will be invalid unless it is received by 11.15 a.m. on 2 September 2010 (or, in the case of any adjournment of such meeting, not later than 48 Business Hours before the time fixed for the holding of the adjourned Meeting). The completion and return of the Forms of Proxy will not prevent you from attending and voting in person at either of the Meetings, or at any adjournment thereof, if you so wish and are entitled.

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) not later than 11.00 a.m. on 2 September 2010 in the case of the Court Meeting and by 11.15 a.m. on 2 September 2010 in the case of the General Meeting (or, in the case of any adjournment, not later than 48 Business Hours before the time fixed for the holding of the adjourned Meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Regulations.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. You are therefore strongly urged to sign and return your Forms of Proxy.

If you have any questions relating to this document or the completion and return of the Forms of Proxy, please call the Company's registrars, Computershare on 0870 889 4068 (calls cost up to 10p per minute plus network extras) or, if telephoning from outside the United Kingdom, on +44 870 889 4068 Monday to Friday from 9.00 a.m. to 5.00 p.m. (London time). Please note that calls to these numbers may be monitored or recorded, and no advice on the merits of the Acquisition or legal, tax or financial advice will be given.

11. Irrevocable undertakings

None of the Kopane Directors hold any Kopane Shares, although each Kopane Director has given an irrevocable undertaking to Firestone to vote in favour of the resolutions at the Court Meeting and the Kopane General Meeting in respect of any Kopane Shares acquired after the date of this document.

Firestone has also received an irrevocable undertaking to vote in favour of the resolutions at the Court Meeting and the Kopane General Meeting from Obtala, a company associated with Francesco Scolaro, the Chairman of Kopane in respect of its direct and indirect holding of Kopane Shares amounting in aggregate to 48,695,000 Kopane Shares, representing approximately 16.15 per cent. of Kopane's existing issued ordinary share capital. This undertaking will continue to be binding even in the event of a higher Competing Proposal for Kopane being announced, and cannot be withdrawn other than in the event of the Scheme lapsing or being withdrawn.

In addition, certain other Kopane Shareholders representing approximately 19.58 per cent. of Kopane's issued ordinary share capital in aggregate have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Kopane Resolution at the Kopane General Meeting. Further details of these undertakings, including the circumstances in which they may cease to be binding, are set out in paragraph 5 of Appendix V (*Additional Information*) of this document.

In total, Firestone has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Kopane Resolution at the Kopane General Meeting from Kopane Shareholders representing approximately 35.73 per cent. of Kopane's existing issued ordinary share capital.

Firestone and Kopane have received irrevocable undertakings to vote in favour of the Firestone Resolution at the Firestone General Meeting from the Firestone Directors who hold Firestone Shares in respect of their entire holding of Firestone Shares amounting to, in aggregate, 2,000,363 Firestone Shares, representing approximately 1.56 per cent. of the existing issued share capital of Firestone.

Firestone and Kopane have also received irrevocable undertakings to vote in favour of the Firestone Resolution at the Firestone General Meeting from Firestone Shareholders who, directly or indirectly, hold Firestone Shares representing approximately 28.27 per cent. of the existing issued share capital of Firestone in aggregate. Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in paragraph 5 of Appendix V (*Additional Information*) of this document.

In total, Firestone and Kopane have received irrevocable undertakings to vote in favour of the Firestone Resolution at the Firestone General Meeting from Firestone Shareholders representing approximately 29.83 per cent. of Firestone existing issued ordinary share capital.

12. Further information

You should ensure that you read the remainder of this document, including the letter from Kopane's financial adviser, finnCap, contained in Part 2 (*Explanatory Statement*) of this document, as well as the Firestone Circular. Please note that the information contained in this letter is in summary form only and reading this letter is not a substitute for reading the remainder of this document and the Firestone Circular, a copy of which is enclosed with this document.

Overseas Shareholders should refer to paragraph 13 of Part 2 (*Explanatory Statement*) of this document. Details relating to settlement are included in paragraph 16 of Part 2 (*Explanatory Statement*) of this document.

Yours faithfully,

Francesco Scolaro
Chairman

PART 2

EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act 2006)



finnCap Limited
4 Coleman Street
London
EC2R 5TA
13 August 2010

To Kopane Shareholders (and, for information only, to participants in the Kopane Share Scheme and to holders of other rights to subscribe for Kopane Shares)

Dear Shareholder,

RECOMMENDED ACQUISITION OF KOPANE DIAMOND DEVELOPMENTS PLC BY FIRESTONE DIAMONDS PLC

1. Introduction

On 21 July 2010, the Firestone Directors and the Kopane Directors announced that they had reached agreement on the terms of a unanimously recommended all share offer by Firestone to acquire the entire issued and to be issued share capital of Kopane.

Your attention is drawn to the letter from Francesco Scolaro, the Chairman of Kopane, set out in Part 1 (*Letter from the Chairman of Kopane*) of this document, which, together with the remainder of this document, forms part of this Explanatory Statement. That letter contains, amongst other things, the unanimous recommendation by the Directors to Kopane Shareholders to vote in favour of the resolutions to approve and implement the Scheme to be proposed at the Court Meeting and the General Meeting and the reasons for that recommendation. That letter also states that the Directors, who have been so advised by finnCap, consider the terms of the Acquisition to be fair and reasonable. In providing its advice, finnCap has taken into account the Directors' commercial assessments.

finnCap has been authorised by the Directors to write to you to set out the terms of the Acquisition and to provide you with other relevant information. Statements made in this letter which refer to information concerning the business of Kopane reflect the views of the Directors.

The terms of the Scheme are set out in full in Part 3 (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the Conditions set out in Appendix I (*Conditions and Certain Further Terms of the Acquisition*) to this document, which must be satisfied or, where applicable, waived in order for the Scheme to become effective, the information on UK taxation in Appendix IV (*UK Taxation*) to this document, as well as the additional information set out in Appendix V (*Additional Information*) to this document.

Kopane Shareholders should read the whole of this document and, for information purposes only, the enclosed Firestone Circular before deciding whether or not to vote in favour of the Scheme.

2. Summary of the Acquisition

The Acquisition will be implemented by means of a scheme of arrangement between Kopane and Scheme Shareholders under part 26 of the Act (involving a reduction of capital under section 641 of the Act), although Firestone may elect to implement the Acquisition by way of a Takeover Offer where permitted to do so in accordance with the terms of the Implementation Agreement. Full details of the Scheme are set out in Part 3 (*The Scheme of Arrangement*) of this document. The Scheme is subject to the Conditions and further terms set out in Appendix I (*Conditions and Certain Further Terms of the Acquisition*) to this document. If the Scheme and the Reduction of Capital become effective, it is proposed that Scheme Shareholders on the register of members of Kopane at the Scheme Record Time will receive:

0.4657 of a New Firestone Share for every 1 Kopane Share

and so in proportion for any other number of Scheme Shares held at the Scheme Record Time. Fractions of New Firestone Shares will not be allotted or issued pursuant to the Scheme and fractional entitlements will be rounded down to the nearest whole number of New Firestone Shares.

The terms of the Acquisition have been agreed on the basis of a price of 36.5 pence for each Existing Firestone Share and a price of 17 pence for each Kopane Share which values the Kopane Fully Diluted Share Capital at approximately £52.7 million.

On this agreed basis, the Acquisition represents a premium of 33.33 per cent. to the Closing Price of a Kopane Share of 12.75 pence on 20 July 2010 (being the Business Day prior to the date of the Announcement), a premium of 44.68 per cent. to the Closing Price of a Kopane Share of 11.75 pence on 9 February 2010 (being the Business Day prior to the announcement by Kopane regarding a possible offer for Kopane) and a premium of 42.86 per cent to the volume weighted average price of a Kopane Share of 11.90 pence over the thirty Business Days preceding the date of the Announcement.

Based on the issued Kopane Share Capital as at 11 August 2010 (the latest practicable date prior to the posting of this document), the number of New Firestone Shares to be issued in connection with the Acquisition will be 140,413,465. Assuming no further Kopane Shares or Firestone Shares are issued in the period between the date of this document and the Effective Date, immediately following the Effective Date approximately 52 per cent. of the enlarged issued ordinary share capital of Firestone will be held by former Kopane Shareholders and approximately 48 per cent. will be held by Existing Firestone Shareholders.

Based on the Kopane Fully Diluted Share Capital, the number of New Firestone Shares to be issued in connection with the Acquisition will be 144,268,053. Were all outstanding Kopane Options to be exercised prior to the Effective Date, and assuming no Firestone Shares are issued in the period between the date of this document and the Effective Date immediately following the Effective Date, approximately 53 per cent. of the enlarged issued ordinary share capital of Firestone would be held by former Kopane Shareholders and approximately 47 per cent. would be held by Firestone Shareholders.

The Scheme requires the approval of Scheme Shareholders at the Court Meeting and of Kopane Shareholders at the General Meeting, of which notices are set out in Appendices VIII (*Notice of Court Meeting*) and IX (*Notice of General Meeting*) to this document, as well as the sanction of the Court and confirmation of the associated Reduction of Capital at the Court Hearings. The Court Meeting has been convened for 11.00 a.m. on 6 September 2010 and the General Meeting has been convened for 11.15 a.m. (or as soon thereafter as the Court Meeting has concluded or been adjourned) on the same day. The Scheme Court Hearing and the Reduction Court Hearing are expected to be held on 27 September 2010 and 29 September 2010 respectively.

The Acquisition is also conditional on, amongst other things, the approval of Firestone Shareholders at the Firestone General Meeting, which has been convened for 3 September 2010. Further details of the Firestone General Meeting can be found in Part XI (*Notice of General Meeting*) of the Firestone Circular, which is hereby incorporated into this document by reference.

If the Scheme becomes effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attended or voted in favour of the resolutions at the Court Meeting or the General Meeting.

The New Firestone Shares will be issued to Scheme Shareholders as soon as practicable, and in any event within 14 days, after the Effective Date. Further details of these settlement arrangements are set out in paragraph 16 below. Further details regarding the New Firestone Shares are set out in paragraph 3 below.

3. The New Firestone Shares

Based on the Kopane Fully Diluted Share Capital, the number of New Firestone Shares to be issued in connection with the Acquisition will be 144,268,053. Assuming this number of New Firestone Shares are issued and that no further Firestone Shares are issued in the period between the date of this document and the Effective Date, the issued share capital of Firestone will, immediately following the Effective Date, comprise 272,159,690 ordinary shares of 20 pence each.

The New Firestone Shares will be issued credited as fully paid, and on identical terms to and will rank pari passu with the Existing Firestone Shares, including the right to receive and retain all dividends and other distributions declared, paid or made on Firestone Shares after the Effective Date. The New Firestone Shares will not carry any right to participate in any dividends or other distributions declared or paid by Firestone by reference to a record date prior to the Effective Date.

In addition, the New Firestone Shares will be quoted on AIM, will be admitted to trading on the London Stock Exchange's market for AIM quoted securities and will be issued free from all liens, charges, encumbrances and other third party rights and/or interests of any nature whatsoever.

The New Firestone Shares, when issued, will be in registered form and will be capable of being held in certificated or uncertificated form. Pending the issue of definitive certificates for the New Firestone Shares, transfers of New Firestone Shares in certificated form will be certified against the register. No temporary documents of title in respect of the New Firestone Shares will be issued.

Further details of the rights attaching to the New Firestone Shares are summarised in paragraph 4.3 of Part X (*Additional Information*) of the Firestone Circular, which is hereby incorporated into this document by reference.

4. Information relating to Kopane

Kopane is a diamond company with its principal project at Liqhobong in Lesotho, Southern Africa. Liqhobong is operated by Liqhobong Mining Development Company (Proprietary) Limited which is 75 per cent. owned by Kopane and 25 per cent. owned by the Government of Lesotho. The Letseng Mine, which is operated by Gem Diamonds Limited, and a number of other kimberlites that are currently undergoing evaluation by other companies, including the Kao and Mothae kimberlites, are also located in Lesotho.

The Liqhobong project is comprised of the Main Pipe and the Satellite Pipe, which cover areas of 8.5 hectares and 0.8 hectares, respectively. LMDC has been granted a mining lease by GOL covering an area of 390 hectares in respect of both pipes which expires in August 2017, but is then renewable for a further ten years.

Over 350,000 carats of diamonds have been produced at Liqhobong from the commencement of operations at the Satellite Plant in late 2005 up to the suspension of production in December 2008 due to the sharp fall in rough diamond prices at that time. Activities at Liqhobong since then have been focused on completion of the DFS on the Main Pipe, where a resource of some 31.14 million carats has been defined. Preliminary results from the DFS, which is now at an advanced stage, indicate that the Main Pipe is likely to support a substantial, long life mining operation.

In December 2009, Kopane's independent mining and geological consultants, ACA Howe International Limited, issued an updated resource statement for the Main Pipe which showed total resources of 90.66Mt at an average grade of 34.3cpht containing 31.14 million carats, with an independent run of mine valuation of US\$86 per carat (September 2008 valuation) giving revenues of \$29/t and a gross in-situ value of \$2.7 billion. Of the Mineral Resources, at Liqhobong 38.54Mt at an average grade of 32.8cpht with contained diamonds of 12.64m carats are in the Indicated Resource category and the remainder are in the Inferred Resource category with the Firestone Directors estimated operating costs of \$12/t for kimberlite mining in Lesotho (based on Gem Diamonds Limited's costs at the Letseng Mine). The Firestone Directors believe that this provides an indication of the significant economic potential at Liqhobong. In considering the merits of the Acquisition and the Scheme, Kopane Shareholders and Firestone Shareholders should not consider the estimated in-situ value of the Main Pipe to be an asset valuation for the purposes of Rule 29 of the City Code.

Kopane is currently finalising the DFS for the Main Pipe, which, following the issue of the updated resource statement in December 2009, necessitated a reconsideration of plant design and tailings disposal as a result of the considerably larger kimberlite resource of 90.66 Mt.

In parallel with completing the outstanding work on the DFS, Kopane is planning for the recommencement of production at Liqhobong in 2011 employing the Satellite Plant and using diesel-

generated power until a connection to the electricity grid is available. Following completion of the DFS Kopane intends to construct a new diamond processing plant, which will be significantly larger than the Satellite Plant and of suitable size to optimally exploit the Main Pipe resource. Kopane's pre-feasibility study in 2007 identified a plant size of 3.5 Mtpa although the plant could be in the region of 4 Mtpa processing capacity. Estimates for the schedule and cost for construction of the new plant are being made as part of the DFS.

The successful development of the Main Pipe will be aided by a connection to the electricity grid operated by the Lesotho Electricity Company. A Memorandum of Understanding between LMDC, the LEC, GOL and Standard Lesotho Bank in respect of funding of the construction of an electrical power line to the Main Pipe was signed in August 2009. Terms for a bank loan to fund the work are in the course of negotiation and tender documents for construction contracts are being finalised. It is envisaged that LEC and GOL will contribute funds towards the cost of the project and GOL will provide a sovereign guarantee to the bank in respect of the loan funding. LMDC will finance the servicing of the loan and its repayment on terms to be agreed. The engineering specifications of the power line, together with environmental impact assessment studies, have been completed in readiness for the start of construction once funding is in place. It is expected that construction will start by the end of 2010, which should allow grid electricity to be available at the mine site by Q1 2012.

Kopane also has diamond exploration assets in Finland. These assets are being operated, financed and developed under a joint venture agreement with Mantle Diamonds Limited, but are considered to be non-core and not material relative to the value of Lihobong and the Acquisition.

5. Current trading and financial information relating to Kopane and Firestone

Kopane

For the year ended 30 June 2009, Kopane generated revenue of £1.9 million, and made a loss for the period of £4.5 million. For the six month period ended 31 December 2009 Kopane generated no revenue and made a loss for the period of £1.2 million.

Production at Lihobong was suspended in late 2008 in response to the sharp fall in rough diamond prices at that time. Since 31 December 2009, Kopane has been focused on completion of the DFS on the Main Pipe, planning for the funding and engineering of the construction of electrical power to Lihobong and planning for resumption of production using the Satellite Plant in 2011.

As at 30 June 2010 Kopane's cash balances stood at £2.1 million. Kopane is also entitled to receive further payments from Lanstead Capital LP pursuant to the share placing arrangements agreed with Lanstead at the end of 2009 and the beginning of 2010. As at the date of this document, Kopane expects to receive a further 18 monthly payments which at a Kopane share price of 17p per Kopane Share (being the price agreed pursuant to the Acquisition for each Kopane Share), will amount to approximately £295,000 for 14 months and £120,000 for a further 4 months. The funds receivable by Kopane pursuant to these arrangements vary depending on Kopane's share price from time to time. The monthly payments are currently suspended as a result of the Acquisition, but are expected to resume 30 days following the date of the Announcement and after the Effective Date will be calculated by reference to the price of a Firestone Shares on a basis consistent with the current swap arrangements.

Firestone

For the year ended 30 June 2009, Firestone generated revenue of £4.0 million, all of which was derived from the toll treatment project with De Beers at the Bonte Koe mine on the Buffels River in South Africa. Firestone made an operating profit of £0.7 million before impairment charges of £11.2 million related to the termination of operations at the Bonte Koe project and Firestone's other alluvial projects in South Africa, producing a loss for the year of £11.0 million. For the six month period ended 31 December 2009 Firestone generated no revenue and made a loss of £1.4 million.

Following the successful completion of the final phase of evaluation work on BK11 in December 2009 a decision was made to proceed with the development of commercial mining operations at BK11, and Firestone's activities since then have been primarily focused on BK11. In April 2010 Firestone raised £9.45 million, of which approximately £4.5 million was to cover the final costs to bring BK11 into full production. Commercial production commenced at BK11 in July 2010.

Firestone has also continued to develop its toll treatment business. In March 2010 Firestone announced that it had been selected by Namdeb as the preferred supplier and operator for the FTP project at Namdeb's diamond mining operations on the south west coast of Namibia. In June 2010, Firestone announced that a decision had been made by Debswana to proceed with the MTTP at the Jwaneng Mine, with Firestone being responsible for supplying, constructing and operating the MTTP.

As at 30 June 2010 Firestone's cash balances stood at approximately £5.4 million.

6. Prospects for the Enlarged Group

The Firestone Directors and the Kopane Directors believe that their respective projects complement each other and that the Enlarged Group's diversified portfolio of production, development and exploration stage projects will provide significant benefits to both Firestone Shareholders and Kopane Shareholders and enhance the prospects of the Enlarged Group.

The Enlarged Group is expected to generate cash flow from BK11, which is expected to reach full production capacity by the end of 2010, and, subject to the successful completion of discussions with Debswana, from the Jwaneng Tailings Project in 2012. Firestone intends to use the cash flow from these projects to accelerate the evaluation and development of the Enlarged Group's expanded portfolio of kimberlites. The primary focus of these efforts will initially be on Lihobong and the other kimberlites controlled by Firestone in the Orapa kimberlite field.

With revenue of \$29/t and Firestone's estimated operating costs of \$12/t for a kimberlite mining operation in Lesotho (based on Gem Diamonds Limited's costs at Letseng), the economic potential at Lihobong is significant. Firestone intends to exploit this potential through the construction of a 4Mt per annum plant following completion of the DFS which, assuming a successful design and build process, would be expected to be commissioned in approximately three years' time.

The Enlarged Group will benefit from having a larger market capitalisation, which the Firestone Directors and the Kopane Directors believe is likely to result in more liquidity in the trading of the Firestone Shares, an improved rating and greater access to capital to fund the Enlarged Group's growth plans.

In the medium to long term, the Firestone Directors and the Kopane Directors believe that the combination of BK11, the substantial Mineral Resource at Lihobong, 21 other kimberlites in the Orapa kimberlite field, 84 kimberlites in the Tsabong kimberlite field, and the potential for developing a significant toll treatment business with Debswana and Namdeb, will enable the Enlarged Group to become one of the leading mid-tier diamond producers, with a target production level of one million carats by 2014.

7. Strategy

Firestone's objective is for the Enlarged Group to become one of the leading mid-tier diamond producers, and its strategy for doing so is comprised of three key elements:

The first is to build a diversified portfolio comprising both kimberlite exploration, evaluation and production projects and toll treatment projects. In the short term, cash flow from the production and toll treatment projects will be used to fund large scale exploration, evaluation and development projects with the potential to yield significant economic discoveries, and in the mid to long term it will be used to pay dividends to shareholders.

The second is to focus on projects in Southern Africa, which is a comparatively stable region politically and economically, and has relatively low capital and operating costs compared to other regions where diamond mining and exploration are carried out. Botswana, where most of Firestone's current projects are located, benefits from being among the most political and economically stable countries in Africa, and enjoys a high exploration success rate, with eight per cent. of kimberlites proving to be economically viable, compared to one per cent. worldwide.

The third is to focus exploration, evaluation and development activities on projects in proven economic or diamondiferous kimberlite fields, where the probability of economic discoveries is significantly higher than for grass roots and early stage exploration projects.

The Firestone Directors believe that the Acquisition fits well with this strategy.

Firestone has no plans regarding any redeployment of Kopane's fixed assets following the Effective Date.

8. Structure of the Acquisition

(a) Introduction

It is intended that the Acquisition will be implemented by way of a Court sanctioned scheme of arrangement between Kopane and Scheme Shareholders under part 26 of the Act, involving a reduction of capital under section 641 of the Act. The terms of the Scheme are set out in full in Part 3 (*The Scheme of Arrangement*) of this document. The procedure involves an application by Kopane to the Court to sanction the Scheme and to confirm the associated Reduction of Capital.

It is also proposed that as part of the Reduction Court Order Kopane will, on the Effective Date, be re-registered as a private limited company in accordance with the Act.

The purpose of the Scheme is to provide for Firestone to become the owner of the whole of the issued ordinary Kopane share capital. This is to be achieved as follows:

(i) The Scheme

The Scheme involves the cancellation of the Scheme Shares and the application of the reserve arising from such cancellation in paying up in full a number of New Kopane Shares which is equal to the number of Scheme Shares cancelled and issuing the same, credited as fully paid, to Firestone in consideration for which Scheme Shareholders will receive 0.4657 of a New Firestone Share for every 1 Scheme Share. The Deferred Shares will be excluded from the Scheme.

(ii) Approval of the Scheme

To become effective, a special resolution (requiring at least 75 per cent. of votes cast) in favour of the Scheme must be passed by Kopane Shareholders at the General Meeting, and the Scheme must be approved by a majority in number of those Scheme Shareholders present and voting either in person or by proxy, at the Court Meeting, representing 75 per cent. or more in value of the Scheme Shares voted by those Scheme Shareholders.

The Scheme also requires the sanction of the Court as well as the satisfaction or, where applicable, waiver of the other Conditions set out in Appendix I (*Conditions and Certain Further Terms of the Acquisition*) to this document. Upon the Scheme becoming effective, it will be binding on all Scheme Shareholders, irrespective of whether or not, being entitled to do so, they attended or voted at the Court Meeting or the General Meeting.

The last day of dealings in, and for registration of transfers of, Kopane Shares will be the last Business Day prior to the Effective Date, and trading in Kopane Shares on the London Stock Exchange's market for AIM quoted securities will be cancelled at 7.00 a.m. on 30 September 2010.

(b) The Meetings

Before the Court can sanction the Scheme, the Scheme will first require approval by Scheme Shareholders at the Court Meeting and the passing of a special resolution by Kopane Shareholders at the General Meeting. Notices of the Court Meeting and the General Meeting are set out in Appendices VIII (*Notice of Court Meeting*) and IX (*Notice of General Meeting*) to this document, respectively. The entitlement of Shareholders to attend and vote and the number of votes which may be cast at the Meetings will be determined by reference to holdings of Kopane Shares as shown in the register of members of Kopane at the Voting Record Time or if such meetings are adjourned, on the register of members at 6.00 p.m. on the day two Business Days before the relevant adjourned Meeting.

(i) The Court Meeting

The Court Meeting, which has been convened for 11.00 a.m. on 6 September 2010, is being held at the direction of the Court to seek the approval of Scheme Shareholders for the Scheme. Scheme

Shareholders have the right to raise any objections they may have to the Scheme at the Court Meeting. At the Court Meeting, voting will be by way of a poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held at the Voting Record Time. The approval required at the Court Meeting is a majority in number of those Scheme Shareholders present and voting, either in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares voted by those Scheme Shareholders.

It is especially important that as many votes as possible are cast (whether in person or by proxy) at the Court Meeting so that the Court can be satisfied that there is a fair representation of Scheme Shareholder opinion. You are therefore strongly urged to complete and return the blue Form of Proxy to the Company's registrars, Computershare by 11.00 a.m. on 2 September 2010 (or, if the Court Meeting is adjourned 48 Business Hours before the time and date of the adjourned Court Meeting). Forms of Proxy not lodged by the relevant time may be handed to the Company's registrars, Computershare, on behalf of the chairman at the Court Meeting before the taking of the poll.

(ii) *The General Meeting*

The General Meeting has been convened for the same date as the Court Meeting at 11.15 a.m. (or as soon thereafter as the Court Meeting has concluded or been adjourned) to consider and, if thought fit, approve a special resolution (which requires votes in favour representing at least 75 per cent. of the votes cast) to approve:

- (A) the authorisation of the Directors to take all actions necessary to give effect to the Scheme;
- (B) the Reduction of Capital;
- (C) the issue of the New Kopane Shares to Firestone or its nominee in accordance with the Scheme;
- (D) the giving of authority to the Kopane Directors pursuant to section 551 of the Act to allot securities in the Company; and
- (E) certain amendments to Kopane's Articles as described below.

Voting on the above special resolution will be on a show of hands unless a poll is demanded. The chairman reserves his right to demand that the vote be held by way of a poll and, in such event, each Kopane Shareholder present in person or by proxy will be entitled to one vote for every Kopane Share held at the Voting Record Time.

You will find the notice of the General Meeting set out at Appendix IX (*Notice of General Meeting*) to this document. The quorum for the General Meeting will be two or more Shareholders present in person or by proxy.

Shareholders are entitled to appoint a proxy in respect of some or all of their Kopane Shares. Shareholders are also entitled to appoint more than one proxy. A space has been included in the Forms of Proxy for both the Court Meeting and the General Meeting to allow Shareholders entitled to attend and vote at the relevant Meeting to specify the number of Scheme Shares or (as the case may be) Kopane Shares in respect of which that proxy is appointed. Shareholders who return a Form of Proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their Scheme Shares or (as the case may be) Kopane Shares.

Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact Computershare for further Forms of Proxy or photocopy the Forms of Proxy, as required. Such Shareholders should also read the notes in relation to multiple proxies set out in the Notice of General Meeting included as Appendix IX to this document and the section headed "Multiple Proxy Voting Instructions" on the reverse of the Form of Proxy.

(c) ***Amendments to Kopane's Articles***

It is proposed that Kopane's Articles be amended so as to ensure that any Kopane Shares issued (for example as a result of the exercise of options granted under the Kopane Share Scheme) on or at any time prior to the Reduction Record Time will be subject to the terms of the Scheme. It is also proposed to amend Kopane's Articles so that any Kopane Shares issued to any person other than Firestone or

its nominee after the Reduction Record Time will, if the Scheme becomes effective, automatically transfer to Firestone or its nominee. The consideration payable for the transfer of such Kopane Shares shall be 0.4657 of a New Firestone Share for every 1 Kopane Share (or such other consideration as may be payable under the Scheme, if modified in accordance with its terms). This amendment to Kopane's Articles will avoid any person other than Firestone being left with Kopane Shares after the Effective Date. Save for the issue of New Kopane Shares on the Effective Date pursuant to the Scheme, Kopane will not issue any Kopane Shares after the Reduction Record Time until after the Effective Date.

(d) Approval of the Scheme by the Court

Under the Act, the Scheme and Reduction of Capital also require the approval of the Court. The hearings by the Court to sanction the Scheme and confirm the Reduction of Capital are expected to be held on 27 September 2010 and 29 September 2010 respectively. Firestone has confirmed that it will be represented by Counsel at the Court Hearings so as to consent to the Scheme and to undertake to the Court to be bound thereby. All Kopane Shareholders are entitled to attend the Court Hearings in person or through counsel or other suitably qualified persons to support or oppose the sanction of the Scheme.

(e) Conditions to the Acquisition

The Conditions to the Scheme and the Acquisition are set out in full in Appendix I (*Conditions and Certain Further Terms of the Acquisition*) to this document. In summary, the implementation of the Scheme is conditional upon:

- (i) the passing of the Firestone Resolution at the Firestone General Meeting, which has been convened for 12.00 noon on 3 September 2010;
- (ii) the approval of the Scheme by a majority in number of those Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting (or at any adjournment of such meeting), representing 75 per cent. or more in value of the Scheme Shares voted by those Scheme Shareholders;
- (iii) the special resolution required to implement the Scheme and set out in the notice of General Meeting contained in Appendix IX (*Notice of General Meeting*) to this document being duly passed by the requisite majority at the General Meeting (or at any adjournment of such meeting);
- (iv) the sanction (with or without modification, on terms reasonably acceptable to Kopane and Firestone) of the Scheme and the confirmation of the Reduction of Capital by the Court and office copies of the Court Orders (together with the Statement of Capital) being delivered to the Registrar of Companies;
- (v) Admission of the New Firestone Shares and the re-admission of the Existing Firestone Shares becoming effective (or the London Stock Exchange agreeing to admit the New Firestone Shares and to re-admit the Existing Firestone Shares to trading on AIM); and
- (vi) the other Conditions set out in Appendix I (*Conditions and Certain Further Terms of the Acquisition*) to this document which are not otherwise summarised in paragraphs (i) to (v) above being satisfied or, where applicable, waived.

(f) Effective Date

The Scheme will become effective in accordance with its terms as soon as office copies of the Court Orders have been delivered to the Registrar of Companies.

If the Scheme becomes effective, it will be binding on all Scheme Shareholders irrespective of whether or not, being entitled to do so, they attended the Meetings or voted in favour of the Scheme at the Court Meeting or in favour of the special resolution at the General Meeting. If the Scheme does not become effective by 31 December 2010, or such later date (if any) as Firestone and Kopane may, with the consent of the Panel, agree and the Court may allow, the Scheme will not become effective and the Acquisition will not proceed.

(g) *Modifications to the Scheme*

The Scheme contains provisions for Firestone and Kopane jointly to consent, on behalf of all persons affected, to any modification of or additions to the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modifications of, or additions to, or impose a condition to the Scheme which might be materially adverse to the interests of Scheme Shareholders, unless Scheme Shareholders were informed of any such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in these circumstances. Similarly, if a modification, addition or condition is put forward which, in the opinion of the Directors, is of such a nature or importance that it requires the consent of Scheme Shareholders at a further meeting, the Directors will not take the necessary steps to enable the Scheme to become effective unless and until such consent is obtained.

(h) *Alternative means of implementing the Acquisition*

Firestone reserves the right to elect to implement the Acquisition by way of a Takeover Offer where permitted to do so in accordance with the terms of the Implementation Agreement (the terms of which are summarised in paragraph 11 below).

9. Irrevocable undertakings

None of the Kopane Directors hold any Kopane Shares, although each Kopane Director has given an irrevocable undertaking to Firestone to vote in favour of the resolutions at the Court Meeting and the Kopane General Meeting in respect of any Kopane Shares acquired after the date of this document.

Firestone has also received an irrevocable undertaking to vote in favour of the resolutions at the Court Meeting and the Kopane General Meeting from Obtala, a company associated with Francesco Scolaro, the Chairman of Kopane in respect of its direct and indirect holding of Kopane Shares amounting in aggregate to 48,695,000 Kopane Shares, representing approximately 16.15 per cent. of Kopane's existing issued ordinary share capital. This undertaking will continue to be binding even in the event of a higher Competing Proposal for Kopane being announced, and cannot be withdrawn other than in the event of the Scheme lapsing or being withdrawn.

In addition, certain other Kopane Shareholders representing approximately 19.58 per cent. of Kopane's issued ordinary share capital in aggregate have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Kopane Resolution at the Kopane General Meeting. Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in paragraph 5 of Appendix V (*Additional Information*) of this document.

In total, Firestone has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Kopane Resolution at the Kopane General Meeting from Kopane Shareholders representing 35.73 per cent. of Kopane's existing ordinary share capital.

Firestone and Kopane have received irrevocable undertakings to vote in favour of the Firestone Resolution at the Firestone General Meeting from the Firestone Directors who hold Firestone Shares in respect of their entire holding of Firestone Shares amounting to, in aggregate, 2,000,363 Firestone Shares, representing approximately 1.56 per cent. of the existing issued share capital of Firestone.

Firestone and Kopane have also received irrevocable undertakings to vote in favour of the Firestone Resolution at the Firestone General Meeting from Firestone Shareholders who, directly or indirectly, hold Firestone Shares representing approximately 28.27 per cent. of the existing issued share capital of Firestone in aggregate. Further details of these undertakings, including the circumstances in which they may cease to be binding, are set out in paragraph 5 of Appendix V (*Additional Information*) of this document.

In total, Firestone and Kopane have received irrevocable undertakings to vote in favour of the Firestone Resolution at the Firestone General Meeting from Firestone Shareholders representing approximately 29.83 per cent. of the Firestone existing issued ordinary share capital.

10. Disclosure of interests in Kopane

Save as disclosed in paragraph 4 of Appendix V (*Additional Information*) to this document, as at 11 August 2010 (the latest practicable date prior to the posting of this document) neither Firestone (nor any of its directors) nor, so far as Firestone is aware, any person acting in concert with Firestone, has any interest in, any right to subscribe for, or has borrowed or lent any Kopane Shares or any securities convertible or exchangeable into Kopane Shares (“**Relevant Securities**”), nor does any such person hold any short positions in relation to Relevant Securities (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, nor does any such person have any arrangement in relation to Relevant Securities. For these purposes, “arrangement” includes any indemnity or option arrangement, any agreement or 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.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks in this paragraph 10 are defined in the City Code, which can also be found on the Panel’s website.

11. Implementation Agreement

Kopane and Firestone have entered into an Implementation Agreement dated 21 July 2010 in connection with the Acquisition, pursuant to which each of the parties has undertaken, among other things, and, as promptly as practicable, to take or cause to be taken all such reasonable steps as are within their respective powers and necessary to implement the Scheme.

Each of the parties has agreed that prior to the Scheme becoming effective or the Implementation Agreement being terminated in accordance with its terms (whichever is earlier), each of Kopane and Firestone will conduct their respective businesses in accordance with an agreed set of principles.

The Implementation Agreement provides that Firestone may, with the prior written consent of the Board and the Panel, elect at any time to implement the Acquisition by way of a Takeover Offer (whether or not the Scheme Document has been posted) provided that the Takeover Offer is in accordance with the terms and Conditions (incorporating any changes necessary to reflect the fact that the Acquisition is being implemented as a Takeover Offer and not a Scheme) set out in the Announcement and with the consideration being, in the reasonable opinion of Kopane’s financial adviser, not less than that specified in the Announcement.

Firestone Inducement fee

As an inducement to Firestone proceeding with the Acquisition, under the terms of the Implementation Agreement Kopane has agreed to pay Firestone an inducement fee of £400,000 (inclusive of any VAT) if:

- (i) a Competing Proposal in relation to Kopane (or any amendment, variation or revision of such proposal) is announced pursuant to Rule 2.5 of the Code prior to the Acquisition lapsing or being withdrawn and such Competing Proposal subsequently becomes or is declared wholly unconditional or is otherwise completed; or
- (ii) the Directors either (i) fail to recommend or (ii) withdraw or adversely modify or qualify their recommendation to Kopane Shareholders to vote in favour of the Scheme and the Kopane Resolution respectively at the Court Meeting and the General Meeting or (as the case may be) accept a Takeover Offer or withdraw or adversely modify or qualify their recommendation of the Acquisition generally in any statement contained in an announcement issued by Kopane through a Regulatory Information Service after the date of the Kopane Shareholder Meetings, and subsequently the Acquisition lapses or is withdrawn, provided that an inducement fee will not be payable by Kopane in these circumstances if, prior to the Directors failing to recommend or withdrawing or adversely modifying, or qualifying, such recommendation:
 - (a) the Firestone Directors have failed to recommend or have withdrawn or adversely modified or qualified their recommendation to Firestone Shareholders to vote in favour of the Firestone

Resolution at the Firestone General Meeting or have withdrawn or adversely modified or qualified their recommendation of the Acquisition generally in any statement contained in an announcement issued by Firestone through a Regulatory Information Service after the date of the Firestone General Meeting;

- (b) the Firestone Directors have recommended any Competing Proposal in relation to Firestone; or
 - (c) Firestone is in material breach of any provision of the Implementation Agreement such that the Directors determine, acting in good faith and having taken appropriate advice, that such recommendation should not be given or should be withdrawn or modified or qualified in order to comply with their fiduciary duties; or
- (iii) the Directors recommend any Competing Proposal in relation to Kopane and subsequently the Acquisition lapses or is withdrawn.

Kopane Inducement fee

As an inducement to Kopane proceeding with the Acquisition, under the terms of the Implementation Agreement Firestone has agreed to pay Kopane an inducement fee of £400,000 (inclusive of any VAT) if:

- (iv) a Competing Proposal in relation to Firestone (or any amendment, variation or revision of such proposal) is announced pursuant to Rule 2.5 of the Code prior to the Acquisition lapsing or being withdrawn and such Competing Proposal subsequently becomes or is declared wholly unconditional or is otherwise completed; or
- (i) the Firestone Directors either (i) fail to recommend or (ii) withdraw or adversely modify or qualify their recommendation to Firestone Shareholders to vote in favour of the Firestone Resolution at the Firestone General Meeting or withdraw or adversely modify or qualify their recommendation of the Acquisition generally in any statement contained in an announcement issued by Firestone through a Regulatory Information Service after the date of the Firestone General Meeting, and subsequently the Acquisition lapses, provided that an inducement fee will not be payable by Firestone in these circumstances if, prior to the Firestone Directors failing to recommend or withdrawing or adversely modifying, or qualifying, such recommendation:
 - (a) the Kopane Directors have failed to recommend or have withdrawn or adversely modified or qualified their recommendation to Kopane Shareholders to vote in favour of the Scheme and the Kopane Resolution respectively at the Court Meeting and the General Meeting or (as the case may be) accept a Takeover Offer or have withdrawn or adversely modified or qualified their recommendation of the Acquisition generally in any statement contained in an announcement issued by Kopane through a Regulatory Information Service after the date of the Kopane Shareholder Meetings;
 - (b) the Kopane Directors have recommended any Competing Proposal in relation to Kopane; or
 - (c) Kopane is in material breach of any provision of the Implementation Agreement such that the Firestone Directors determine, acting in good faith and having taken appropriate advice, that such recommendation should not be given or should be withdrawn or modified or qualified in order to comply with their fiduciary duties; or
- (ii) the Firestone Directors recommend any Competing Proposal in relation to Firestone and subsequently the Acquisition lapses or is withdrawn.

However, nothing in the Implementation Agreement obliges Kopane or Firestone to pay any amount which the Panel would determine would not be permitted by Rule 21.2 of the Code.

Further details of the Implementation Agreement are set out in paragraph 7 of Appendix V (*Additional Information*) to this document.

12. Suspension and de-listing of Kopane Shares and re-registration of Kopane as a private company

Prior to the Scheme becoming effective, Kopane will make an application to the London Stock Exchange for the cancellation of the Kopane Shares from trading on AIM. Accordingly, if the Scheme is sanctioned by the Court and the other conditions to the Scheme (other than the conditions relating to delivery of the Court Orders to the Registrar of Companies) are waived or satisfied, it is expected that

the Kopane Shares will cease to be quoted on AIM and traded on the London Stock Exchange's market for AIM quoted securities on or before 7.00 a.m. on the Effective Date and that the last day of dealings in Kopane Shares will be 29 September 2010.

Holders of certificated Kopane Shares should note that any dealing in certificated Kopane Shares must have completed (i.e. settled) by the Scheme Record Time, which is expected to be 6 p.m. on 29 September 2010. If any trades in certificated Kopane Shares have not settled by this time, the relevant Kopane Shareholder will need to make arrangements with his financial adviser and/or broker to ensure that the trade is satisfied by the transfer of Firestone Shares. Computershare have indicated that in order to ensure that trades are completed by this time they must have received the documents necessary to effect the transfer by no later than 1.00 p.m. on the day of the Scheme Record Time (expected to be 29 September 2010).

If certificate holders of Kopane Shares are in any doubt as to what action they should take, they should seek the advice of their financial adviser and/or broker. On the Effective Date, share certificates in respect of Kopane Shares will cease to be valid and should, if so requested by Kopane, be sent to Kopane for cancellation. In addition, on the Effective Date entitlements to Kopane Shares held within the CREST system will be cancelled. On the Effective Date, as part of the Reduction Court Order, Kopane will be re-registered as a private limited company.

The Acquisition constitutes a reverse takeover under the AIM Rules of Firestone due to the size of the Acquisition in relation to Firestone and therefore requires approval by Firestone Shareholders at the Firestone General Meeting. In addition, Firestone requires Firestone Shareholders to approve an increase to its authorised share capital and the allotment of the New Firestone Shares in order to implement the Acquisition. Accordingly, the Acquisition is conditional on the approval by Firestone Shareholders of the Firestone Resolution at the Firestone General Meeting. The AIM Rules require that the securities of an AIM company that is the subject of a reverse takeover are cancelled following approval of the transaction by shareholders. Accordingly it is expected that the Existing Firestone Shares will be cancelled from trading on AIM at 7 a.m. on the Effective Date, and it is the intention of the Firestone Board to make an application for the Existing Firestone Shares to be re-admitted and for the New Firestone Shares to be admitted to trading on AIM at 8 a.m. on the Effective Date.

13. Overseas Shareholders

If Firestone is advised that the issue of New Firestone Shares to any Overseas Shareholder is unlawful or would or may require Firestone to obtain or observe any governmental or other consent or any registration, filing or other formality (including ongoing requirements) with which Firestone is unable to comply or which Firestone reasonably regards as unduly onerous, Firestone will not dispatch certificates for New Firestone Shares to, or credit CREST accounts of, such person. Instead, such Scheme Shareholder's entitlement to New Firestone Shares shall either be issued to a nominee appointed by Firestone on behalf of such Scheme Shareholder on the terms that the nominee shall sell the New Firestone Shares so issued and remit the cash proceeds of the sale to such Scheme Shareholder, or be issued to such Scheme Shareholder and sold on their behalf with the cash proceeds being remitted to such Scheme Shareholder.

The implications of the Acquisition for persons who are resident in, ordinarily resident in or who are citizens of, jurisdictions outside the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in, ordinarily resident in or who are not citizens of, the United Kingdom should inform themselves about and observe any applicable requirements. It is the responsibility of each of the Kopane Shareholders resident in, ordinarily resident in or citizens of, a jurisdiction outside the United Kingdom to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental exchange control or other consents which may be required or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction. Any failure to comply with such applicable requirements may constitute a violation of the securities laws of any such jurisdictions.

This document and the accompanying documents have been prepared for the purpose of complying with English law, the City Code and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document and/or the accompanying documents had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Neither this document nor the accompanying documents constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to these documents or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

The New Firestone Shares will not be registered with the SEC under the US Securities Act nor the securities laws of any state of the United States, nor have the relevant clearances been, nor will they be, obtained from any body or authority in any Restricted Jurisdiction. Accordingly, unless an exemption under relevant securities law is available, the New Firestone Shares may not be offered, sold, re-sold or delivered, directly or indirectly, into or from any Restricted Jurisdiction.

Securities may not be offered or sold in the US unless registered under the US Securities Act and applicable state securities laws or exempt from such registration. In reliance on the exemption provided by section 3(a)(10) of the US Securities Act, the New Firestone Shares have not been, and will not be, registered under the US Securities Act.

Firestone and Kopane will advise the Court that its sanctioning of the Scheme will be relied upon to establish the availability of the section 3(a)(10) exemption and that they will view the Court's sanctioning of the Scheme as an approval of the Scheme following a hearing on its fairness to Kopane Shareholders at which hearing all such Kopane Shareholders are entitled to attend either in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such Kopane Shareholders.

Any Kopane Shareholder in the United States that is an affiliate of Firestone either within the 90 days prior to the implementation of the Scheme or following implementation of the Scheme will be subject to timing, manner of sale and volume restrictions on the sale of New Firestone Shares received pursuant to the Scheme in accordance with Rule 144 under the US Securities Act. For these purposes an "affiliate" of any person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, that person and may include certain directors, officers or significant shareholders of Kopane and Firestone. Kopane Shareholders in the United States that believe they are or may be "affiliates" of Firestone or Kopane should consult their own legal advisers prior to any sale of New Firestone Shares received pursuant to the Scheme.

Kopane Shareholders who are affiliates of Firestone may, in addition to reselling their New Firestone Shares in the manner permitted by Rule 144 under the US Securities Act, also sell their New Firestone Shares under any other available exemption under the US Securities Act, including Regulation S under the Securities Act which would generally permit the sale of the New Firestone Shares on AIM provided the sale is not pre-arranged with a buyer in the United States.

The Firestone Shares and the New Firestone Shares are not and will not be listed on any US securities exchange or registered under the US Securities Exchange Act. Accordingly, Firestone does not currently, and will not following the Effective Date, file any reports with the SEC pursuant to the periodic reporting requirements of the US Securities Exchange Act.

Neither the SEC nor any US state securities commission has approved or disapproved the issue of the New Firestone Shares pursuant to the Scheme, nor passed upon the adequacy or accuracy of this document or any of the accompanying documents. Any representation to the contrary is a criminal offence in the United States.

Kopane Shareholders who are resident in, ordinarily resident in, or who are citizens of any jurisdiction outside the UK should consult their independent professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to participate in the Acquisition. If a Kopane Shareholder is in any doubt as to his eligibility to participate in the Acquisition, he should contact his independent professional adviser immediately.

14. Kopane Share Scheme

The effects of the Scheme on subsisting options under the Kopane Share Scheme are summarised below.

The Scheme will extend to Kopane Shares issued, pursuant to the exercise of options, on or before the Reduction Record Time. In the case of any Kopane Shares issued on the exercise of options after the

Record Reduction Time, the proposed amendments to the Kopane Articles set out in the Notice of General Meeting contained in Appendix IX (*Notice of General Meeting*) to this document, which are described in paragraph 8 above, will have the effect that those Kopane Shares will, if the Scheme becomes effective, automatically be transferred to Firestone for the same consideration as that payable under the Scheme.

Participants under the Kopane Share Scheme will shortly be sent further details of the courses of action open to them in respect of their outstanding options.

Full details of options granted to the Kopane Directors are set out at paragraph 4 of Appendix V (*Additional Information*) to this document.

Most subsisting options granted under the Kopane Share Scheme are currently exercisable. The options that are not currently exercisable will become exercisable on the date the Scheme is sanctioned by the Court. All outstanding Kopane options will lapse six months after such sanction.

Optionholders may, if they so wish, irrevocably exercise their options on or prior to the Reduction Record Time, but conditionally upon Court sanction of the Scheme. Any exercise of options is subject to the proviso that no Kopane Share shall be issued in respect of any option under the Kopane Share Scheme after the Reduction Record Time until after the Effective Date.

15. Kopane Warrants

finnCap, the holder of the Kopane Warrants, has agreed with Kopane and Firestone that upon the Scheme becoming effective, the Kopane Warrants shall lapse, and accordingly no proposals are intended to be made to finnCap in respect of the Kopane Warrants.

16. Settlement

Subject to the Scheme becoming effective, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any liens, charges, equitable interest, encumbrances and other third party rights and interests of any nature whatsoever.

(a) *Scheme Shares held in uncertificated form (that is, in CREST)*

Where, at the Scheme Record Time, a Kopane Shareholder holds Scheme Shares within CREST, the New Firestone Shares to which such Kopane Shareholder is entitled will be issued to such person in uncertificated form through CREST. Firestone shall procure that Euroclear is instructed to credit the appropriate stock account in CREST of such Kopane Shareholder with such Kopane Shareholder's entitlements to New Firestone Shares as soon as practicable after the Effective Date and, in any event, no later than 14 days from the Effective Date.

As from the Scheme Record Time, each holding of Kopane Shares credited to any stock account in CREST shall be disabled and all Kopane Shares will be removed from CREST in due course thereafter.

Firestone reserves the right to settle all or any part of the entitlement referred to above to all or any Kopane Shareholder(s) who hold(s) Scheme Shares in uncertificated form at the Scheme Record Time in certificated form in the manner referred to in paragraph (b) below if, for any reason outside its reasonable control, it wishes to do so.

(b) *Scheme Shares held in certificated form*

Where, at the Scheme Record Time, a Kopane Shareholder holds Scheme Shares in certificated form, the New Firestone Shares to which such Kopane Shareholder is entitled will be issued in certificated form. Definitive certificates for New Firestone Shares will be despatched by first class post (or by such other method as may be approved by the Panel) to Kopane Shareholders as soon as practicable after the Effective Date and, in any event, no later than 14 days from the Effective Date to the address appearing on the register of members of Kopane (or, in the case of joint holders, at the address of that joint holder whose name stands first in the said register in respect of such joint holding) at the Scheme Record Time.

Temporary documents of title will not be issued pending the despatch by post of new definitive share certificates. On the issue of the definitive share certificates for the New Firestone Shares, the certificates for the old Kopane Shares will cease to be of value. Every holder of Kopane Shares will be bound on the request of Kopane to deliver up to Kopane, or to any person appointed by Kopane, the existing share certificate(s) for cancellation. Existing certificates for Firestone Shares will continue to be valid.

General

All documents and remittances sent to Kopane Shareholders will be despatched at the risk of the persons entitled thereto. All mandates, instructions and other instruments in force relating to holdings in Scheme Shares will, unless and until amended or revoked, continue in force and be deemed as from the Effective Date to be a valid and effective mandate or instruction to Firestone in respect of Firestone Shares. If a Kopane Shareholder holds Firestone Shares, the mandates, instructions and instruments in force for Firestone Shares shall supersede the mandates, instructions and instruments in force for the Scheme Shares.

17. Taxation

Your attention is drawn to Appendix IV (*UK Taxation*) to this document. **If you are in any doubt as to your tax position, or you are a resident or subject to taxation in a jurisdiction outside the UK, you should consult your own professional adviser immediately.**

18. Directors, management and employees and the effect of the Scheme on their interests

Information regarding the effect of the Acquisition on the Board, management and employees of Kopane is set out in paragraph 6 of Part 1 (*Letter from the Chairman of Kopane*) of this document. In addition, details of the interests of the Kopane Directors in the share capital of Kopane are set out in paragraph 4 of Appendix V (*Additional Information*) to this document. Save as disclosed in this document, the effect of the Scheme on such interests of the Kopane Directors will not differ from its effect on the interests of any other Scheme Shareholder.

19. Action to be taken

Your attention is drawn to paragraph 10 of Part 1 (*Letter from the Chairman of Kopane*) of this document which explains the action you should take in relation to the Scheme.

20. Further information

The terms of the Scheme are set out in full in Part 3 (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the further information contained in this document which forms part of this Explanatory Statement and, in particular, Appendix I (*Conditions and Certain Further Terms of the Acquisition*), Appendix II (*Historical Financial Information on Kopane*), Appendix III (*Historical Financial Information on Firestone*) and Appendix V (*Additional Information*) to this document, as well as the information contained in the enclosed Firestone Circular.

Yours faithfully,

Matthew Robinson
finnCap Limited

PART 3

THE SCHEME OF ARRANGEMENT

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT**

No. 6122 of 2010

IN THE MATTER OF KOPANE DIAMOND DEVELOPMENTS PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(Under Part 26 of the Companies Act 2006)

between

KOPANE DIAMOND DEVELOPMENTS PLC

and

THE SCHEME SHAREHOLDERS

(as hereinafter defined)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

Act	the Companies Act 2006 (as amended);
Business Day	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal banking business;
certificated or in certificated form	in relation to a share, not in uncertificated form in CREST;
Court	the High Court of Justice in England and Wales;
Court Meeting	the meeting (and any adjournment thereof) of the holders of Scheme Shares convened by the Court under section 896 of the Act to consider and, if thought fit, approve the Scheme notice of which is set out in Appendix VIII (<i>Notice of Court Meeting</i>) to the Scheme Document;
Court Orders	the Reduction Court Order and the Scheme Court Order;
CREST	the relevant system, as defined in the Regulations (in respect of which Euroclear UK & Ireland Limited is operator as defined in the Regulations);
Effective Date	the date on which the Scheme becomes effective in accordance with its terms;
Euroclear	Euroclear UK & Ireland Limited, a limited company incorporated in England and Wales with registered number (02878738);
Excluded Shares	any Kopane Shares registered in the name of and/or beneficially owned by any company within the Firestone Group;
Existing Firestone Shares	the Firestone Shares in issue as at the Effective Date;
Firestone	Firestone Diamonds plc, registered in England and Wales (registered number 3589905);
Firestone Group	Firestone and its subsidiaries and, where the context requires, each one of them;
Firestone Shares	ordinary shares of 20 pence each in the capital of Firestone (including, if the context so requires, the New Firestone Shares);
holder	a registered holder including any person entitled by transmission;

Kopane or the Company	Kopane Diamond Developments plc, registered in England and Wales (registered number 4108629);
Kopane Shareholders	holders of Kopane Shares;
Kopane Shares	ordinary shares of one pence each in the capital of Kopane;
New Firestone Shares	the Firestone Shares proposed to be issued and credited as fully paid to Scheme Shareholders pursuant to the Scheme;
New Kopane Shares	the new Kopane Shares to be issued credited as fully paid in accordance with the Scheme;
Panel	the Panel on Takeovers and Mergers;
Reduction Court Hearing	the hearing at which the Reduction Court Order will be sought;
Reduction Court Order	the order of the Court confirming the Reduction of Capital and the associated re registration of Kopane as a private limited company;
Reduction of Capital	the proposed reduction of capital under section 641 of the Act associated with the Scheme;
Reduction Record Time	6.00 p.m. on the Business Day immediately prior to the date of the Reduction Court Hearing;
Registrar of Companies	the Registrar of Companies for England and Wales;
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
Scheme	this scheme of arrangement proposed to be made under part 26 of the Act between Kopane and the Scheme Shareholders with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Kopane and Firestone;
Scheme Court Hearing	the hearing at which the Scheme Court Order will be sought;
Scheme Court Order	the order of the Court, sanctioning the Scheme under section 899 of the Act;
Scheme Document	the document dated 13 August 2010 sent by the Company to Kopane Shareholders of which this Scheme forms part;
Scheme Record Time	6.00 p.m. on the Business Day immediately prior to the Effective Date;
Scheme Shareholders	holders of Scheme Shares;
Scheme Shares	the Kopane Shares: <ul style="list-style-type: none"> (i) in issue at the date of the Scheme Document; (ii) issued after the date of the Scheme Document and on or before the Voting Record Time; and (iii) issued after the Voting Record Time but on or before the Reduction Record Time either on terms that the original or subsequent holders thereof shall be bound by the Scheme or in respect of which the holder thereof shall have agreed in writing to be bound by the Scheme, but excluding (A) in the case of references in this document to “Scheme Shares” or “Scheme Shareholders” in relation to the Court Meeting, any Excluded Shares in issue at the Voting Record Time, and any Scheme Shares referred to in (iii) above, and (b) in the case of all other references in this document to “Scheme Shares” and “Scheme Shareholders”, any Excluded Shares in issue at the Reduction Record Time.

uncertificated or in uncertificated form

in relation to a share, title to which is recorded in the relevant register of the share as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST;

Voting Record Time

6.00 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two Business Days before the date of such adjourned meeting; and

£, pence and p

the lawful currency of the United Kingdom.

- (B) References to clauses are to clauses of this Scheme.
- (C) As at 11 August 2010 (the latest practicable date prior to the posting of this document) the Company's share capital comprised 301,511,651 ordinary shares of one penny each and 169,611,283 deferred shares of 4 pence each which are all credited as fully paid.
- (D) As at the date of this Scheme, Firestone does not hold any Kopane Shares.
- (E) As at the date of this Scheme, no member of the Firestone Group holds or will hold before the Effective Date any Kopane Shares.
- (F) It is proposed that as part of the application to the Court in connection with the Reduction of Capital to seek an order of the Court (pursuant to section 651 of the Act) to re-register the Company as a private limited company.
- (G) Firestone has agreed to appear by Counsel on the hearing to sanction this Scheme and to submit to be bound by, and to undertake to the Court to be bound by, this Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

THE SCHEME

1. Cancellation of the Scheme Shares

- 1.1 The capital of the Company shall be reduced by cancelling and extinguishing all of the Scheme Shares.
- 1.2 Subject to, and forthwith upon, the said Reduction of Capital taking effect (and notwithstanding anything to the contrary in the articles of association of the Company) and upon the Company being re-registered as a private limited company, the reserve arising in the books of account of the Company as a result of the Reduction of Capital shall be capitalised and applied in paying up in full at par such number of New Kopane Shares as shall be equal to the number of Scheme Shares cancelled pursuant to clause 1.1 of this Scheme, which shall be allotted and issued credited as fully paid (free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever) to Firestone (or its nominee) in consideration for the issue of the New Firestone Shares by Firestone as set out in clause 2 of this Scheme.

2. Consideration for cancellation of the Scheme Shares

- 2.1 In consideration for the cancellation of the Scheme Shares and the allotment and issue of the New Kopane Shares, as provided in clauses 1.1 and 1.2 respectively of this Scheme, Firestone shall (subject as hereinafter provided) issue credited as fully paid to or for the account of holders of Scheme Shares (as appearing on the register of members of the Company at the Scheme Record Time):

for each Scheme Share

0.4657 of a New Firestone Share

and so in proportion for any other number of Scheme Shares held at the Scheme Record Time. Fractional entitlements to New Firestone Shares will be rounded down to the nearest whole number of New Firestone Shares.

- 2.2 The New Firestone Shares will be issued credited as fully paid, will rank equally with the Existing Firestone Shares and will be entitled to all dividends and other distributions declared or paid by Firestone by reference to a record date on or after the Effective Date. The New Firestone Shares will not carry any right to participate in any other dividends or other distributions declared or paid by Firestone by reference to a record date prior to the Effective Date.
- 2.3 The New Firestone Shares to be issued pursuant to clause 2.1 of this Scheme shall be issued free from all liens, charges, equitable interests, encumbrances and other third party rights and interests of any nature whatsoever.
- 2.4 The provisions of this clause 2 of this Scheme shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if Firestone is advised that the allotment and/or issue of New Firestone Shares to any holder of Scheme Shares pursuant to this clause would infringe the laws of any jurisdiction outside the United Kingdom or would require Firestone to comply with any governmental or other consent or any registration, filing or other formality (including ongoing requirements) with which Firestone is unable to comply or compliance with which Firestone reasonably regards as unduly onerous, Firestone may, in its sole discretion, either:
 - (a) determine that such New Firestone Shares shall not be allotted and/or issued to such holder under this clause but shall instead be allotted and issued to a nominee for such holder appointed by Firestone on terms that the nominee shall, as soon as is practicable following the Effective Date, sell the New Firestone Shares so allotted and issued and shall account to such holder for the net proceeds of such sale; or
 - (b) determine that such New Firestone Shares shall be sold, in which case the New Firestone Shares shall be issued to such holder and Firestone shall appoint a person to act pursuant to this clause 2.4(b) of this Scheme and such person shall be authorised on behalf of such holder to procure that any shares in respect of which Firestone has made such determination shall, as soon as is practicable following the Effective Date, be sold.

Any sale under clause 2.4(a) or clause 2.4(b) of this Scheme shall be carried out as soon as reasonably practicable following the Effective Date (and in any event so as to enable the payment referred to below to be made within 14 days thereof) at the best price which can reasonably be

obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale including any amount in respect of value added tax thereon) shall then (and in any event within 14 days of the Effective Date) be paid to the persons entitled thereto in accordance with their entitlement and the provisions of clause 3 of this Scheme. To give effect to any sale under clause 2.4(a) of this Scheme or clause 2.4(b) of this Scheme, the nominee referred to in clause 2.4(a) of this Scheme and/or the person appointed by Firestone in accordance with clause 2.4(b) of this Scheme (as the case may be) shall be authorised as attorney on behalf of the holder concerned to execute and deliver as transferor an instrument or instruction of transfer and to give such instructions and to do all other things which he may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of the Company, Firestone, the nominee or the person so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of such sale.

3. Settlement

- 3.1 Where at the Scheme Record Time, Scheme Shareholders hold Scheme Shares in certificated form, Firestone shall, as soon as practicable after the Effective Date and, in any event, no later than 14 days from the Effective Date, despatch, or procure the despatch of, definitive share certificates for the New Firestone Shares to which such Scheme Shareholders are entitled (and, where appropriate, cheques in respect of any cash consideration due under clause 2.4(a) or clause 2.4(b) of this Scheme) by first class post (or by such other method as may be approved by the Panel) to Scheme Shareholders who hold Scheme Shares in certificated form at the Scheme Record Time. Such certificates (and, where applicable, cheques) will be sent at the risk of the person entitled to them. Fractional entitlements to cash, where applicable, will be rounded down to the nearest whole penny.
- 3.2 Where, at the Scheme Record Time, Scheme Shareholders hold Scheme Shares in uncertificated form, the New Firestone Shares to which such shareholder is entitled will be issued to such person in uncertificated form through CREST. Firestone shall procure that Euroclear is instructed to credit the appropriate stock account in CREST of such shareholder with such shareholder's entitlements to New Firestone Shares. As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares will be removed from CREST in due course thereafter. As soon as practicable after the Effective Date, and in any event no later than 14 days from the Effective Date, Firestone will, in respect of Scheme Shares held within CREST at the Scheme Record Time, procure the creation of a CREST payment in favour of the appropriate CREST account through which the relevant Scheme Shareholder holds his/her uncertificated Scheme Shares in respect of any cash consideration due to him/her under clause 2.4(a) or clause 2.4(b) of this Scheme. Firestone reserves the right to settle all or any part of the entitlements to New Firestone Shares due to any holders of uncertificated Scheme Shares (or to pay all or any part of any cash consideration due to any such holders of uncertificated Scheme Shares under clause 2.4(a) or clause 2.4(b) of this Scheme) in the manner referred to in clause 3.1 of this Scheme if, for any reasons outside its reasonable control, it wishes to do so. Fractional entitlements to cash, where applicable, will be rounded down to the nearest whole penny.
- 3.3 All deliveries of share certificates (and, where applicable, cheques) required to be made pursuant to this Scheme shall be effected by sending the same by first class post in prepaid envelopes (or by such other method as may be approved by the Panel) addressed to the person entitled thereto at their respective registered addresses as appearing in the register of members of the Company at the Scheme Record Time (or, in the case of joint holders, at the registered address of one of the joint holders whose name stands first in the said register in respect of such joint holding on such date) or in accordance with any special instructions regarding communications, and neither Firestone nor the Company nor their respective agents shall be responsible for any loss or delay in the transmission of any certificates or cheques sent in accordance with this clause, which shall be sent at the risk of the persons entitled thereto.
- 3.4 The provisions of this clause 3 of this Scheme shall be subject to any prohibition or condition imposed by law.

4. Certificates and cancellations

With effect from and including the Effective Date:

- 4.1 all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound at the request of the Company to deliver up the same to the Company or as it may direct; and
- 4.2 Euroclear shall be instructed to cancel the entitlements to Scheme Shares of Scheme Shareholders who hold their Scheme Shares in uncertificated form, that is, in CREST.

5. Mandates and other instructions

All instructions to the Company in force at the Scheme Record Time in relation to Scheme Shares shall, and unless and until otherwise revoked or amended, be deemed as from the Effective Date to be valid and effective mandates and instructions to Firestone in relation to the Firestone Shares issued in respect thereof. If a Scheme Shareholder already holds Firestone Shares at the Effective Date then the mandates and instructions shall on the Effective Date supersede the mandates and instructions in force for the Scheme Shares at the Scheme Record Time.

6. Effective Date

- 6.1 This Scheme shall become effective in accordance with its terms as soon as office copies of the Court Orders shall have been delivered to the Registrar of Companies.
- 6.2 Unless this Scheme shall become effective on or before 31 December 2010 or such later date (if any) as Firestone and the Company may, with the consent of the Panel, agree and (if required) the Court may allow, this Scheme shall never become effective.

7. Modification

Firestone and the Company may jointly consent on behalf of all concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose. Any such modification or addition may require the consent of the Panel.

Dated: 13 August 2010

APPENDIX I

CONDITIONS AND CERTAIN FURTHER TERMS OF THE ACQUISITION

The Acquisition is conditional upon the Scheme becoming unconditional and becoming effective by not later than 31 December 2010, or such later date (if any) as Kopane and Firestone may, with the consent of the Panel (if required) agree and the Court may allow.

Part A: Conditions of the Acquisition

1. The Scheme is conditional upon:
 - 1.1 the approval of the Scheme by a majority in number of Scheme Shareholders (or any relevant class or classes thereof), present and voting either in person or by proxy, at the Court Meeting (or at any adjournment of such meeting) representing 75 per cent. or more in value of the Scheme Shares voted by those Scheme Shareholders;
 - 1.2 the resolution(s) required to implement the Scheme and set out in the notice of the Kopane General Meeting being duly passed by the requisite majority at the Kopane General Meeting (or at any adjournment of such meeting); and
 - 1.3 the sanction (with or without modification, any such modification being on terms reasonably acceptable to Kopane and Firestone) of the Scheme and the confirmation of the Reduction of Capital by the Court being obtained and office copies of the Court Orders being delivered to the Registrar of Companies.
2. In addition, subject as stated in Part B below, the Acquisition is conditional upon the following matters, and accordingly the necessary actions to make the Scheme effective will not be taken unless such Conditions have been satisfied (where capable of satisfaction), or waived, prior to the Scheme being sanctioned by the Court in accordance with paragraph 1 above:
 - 2.1 the passing at the Firestone General Meeting (or any adjournment thereof) of the Firestone Resolution (as such resolution is set out in paragraph 16 of Part 1 of the Firestone Circular);
 - 2.2 admission to AIM of the New Firestone Shares and the re-admission to AIM of the Existing Firestone Shares becoming effective in accordance with the AIM Rules or the London Stock Exchange agreeing to admit the New Firestone Shares to AIM and to re-admit the Existing Firestone Shares to AIM;
 - 2.3 no central bank, government or governmental, quasi governmental, supranational, statutory or regulatory body, or any court, institution, investigative body, association, trade agency or professional or environmental body or (without prejudice to the generality of the foregoing) any other person or body having statutory or regulatory competence in any jurisdiction (each a **"Relevant Authority"**) having decided to take, instituted, implemented or threatened any action, proceedings, suit, investigation or enquiry or enacted, made or proposed any statute, regulation or order or otherwise taken any other step or done any thing, and there not being outstanding any statute, legislation or order, which would or might reasonably be expected to:
 - (i) make the Acquisition or its implementation or the acquisition of shares in, or control of, Kopane by any member of the Firestone Group, illegal, void or unenforceable in or under the laws of any jurisdiction or directly or indirectly otherwise, to an extent which is material, restrict, restrain, prohibit, delay, impose additional conditions or obligations with respect to, or otherwise interfere with, challenge or require amendment to the implementation of, the Acquisition or the acquisition of any shares in, or control of Kopane by any member of the Firestone Group or any matters arising therefrom;
 - (ii) require, prevent, delay or affect the divestiture (or alter the terms of any proposed divestiture) by any member of the Wider Firestone Group or Wider Kopane Group of all or any portion of their respective businesses, assets or properties or of any Kopane Shares or other securities in Kopane or impose any limitation on the ability of any of them to conduct their respective businesses or own their respective assets or properties or any part thereof, in any such case to an extent which is material in the context of the Wider Firestone Group, or the Wider Kopane Group, as the case may be, taken as a whole;

- (iii) impose any material limitation on the ability of any member of the Wider Firestone Group to acquire or hold or exercise effectively, directly or indirectly, all rights attaching to all or any of the Kopane Shares (whether acquired pursuant to the Acquisition or otherwise);
- (iv) other than in connection with the Acquisition, require any member of the Wider Firestone Group or the Wider Kopane Group to acquire or to offer to acquire any shares or other securities or rights thereover in any member of the Wider Kopane Group owned by any third party, in any such case to an extent which is material in the context of the Wider Firestone Group, or the Wider Kopane Group, as the case may be, taken as a whole;
- (v) impose any limitation on the ability of any member of the Wider Firestone Group or the Wider Kopane Group to integrate or co-ordinate its business, or any part of it, with the business of any other member of the Wider Firestone Group or the Wider Kopane Group in any such case to an extent which is material in the context of the Wider Firestone Group or the Wider Kopane Group, as the case may be, taken as a whole; or
- (vi) otherwise adversely affect any or all of the businesses, assets, financial or trading position, prospects or profits of any member of the Wider Firestone Group or the Wider Kopane Group or the exercise of any rights attaching to the shares of any company in the Kopane Group, in any such case to an extent which is material in the context of the Wider Firestone Group, or the Wider Kopane Group, as the case may be, taken as a whole,

and all applicable waiting or other time periods during which such Relevant Authority could take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or otherwise intervene in respect of the Acquisition, having expired, lapsed or been terminated;

- 2.4 (i) all authorisations, orders, grants, consents, clearances, licences, permissions and approvals, in any jurisdiction, deemed reasonably necessary or appropriate by Firestone in respect of the Acquisition, being obtained in terms and in a form satisfactory to Firestone (acting reasonably) from all appropriate Relevant Authorities or (without prejudice to the generality of the foregoing) from any persons or bodies with whom any member of the Wider Firestone Group or the Wider Kopane Group has entered into contractual arrangements or which are necessary for Kopane or any member of the Kopane Group to carry on its business; (ii) all such material authorisations, orders, grants, consents, clearances, licences, permissions and approvals remaining in full force and effect and there being no intimation of any intention to revoke, suspend, restrict, modify or not to renew the same and all necessary notifications, applications and filings having been made, all appropriate waiting and other time periods (including extensions thereto) under any applicable legislation and regulations in any jurisdiction having expired, lapsed or been terminated and (iii) all material statutory or regulatory obligations in any jurisdiction in respect of the Acquisition or the proposed acquisition of Kopane by Firestone having been complied with;
- 2.5 appropriate assurances being received, in terms satisfactory to Firestone (acting reasonably), from the Relevant Authorities or any party with whom any member of the Wider Kopane Group has any contractual or other relationship that the interests held by any member of the Wider Kopane Group under any material licences, leases, consents, permits and other rights will not be materially and adversely amended or otherwise materially and adversely affected by the Acquisition or the proposed acquisition of Kopane or any matters arising therefrom, that such licences, leases, consents, permits and other rights are in full force and effect and that there is no intention to revoke or amend any of the same;
- 2.6 save as Disclosed, there being no provision of any agreement, instrument, permit, licence or other arrangement to which any member of the Wider Kopane Group is a party or by or to which it or any of its assets may be bound, entitled or subject which, as a consequence of the Acquisition or the proposed acquisition of Kopane or because of a change in the control or management of Kopane or any member of the Wider Kopane Group or otherwise, would or might reasonably be expected to have the result (which, in any such case is material and adverse in the context of the Wider Kopane Group taken as a whole), that:
- (a) any monies borrowed by, or other indebtedness, actual or contingent, of, or grant available to, any member of the Wider Kopane Group becomes or is capable of being declared repayable immediately or earlier than the repayment date stated in such agreement, instrument or other arrangement or the ability of any member of the Wider Kopane Group to borrow monies or incur indebtedness is withdrawn, prohibited, inhibited or adversely affected or becomes capable of being withdrawn or inhibited;

- (b) the creation or assumption of any liability, actual or contingent, by any member of the Wider Kopane Group other than in the ordinary course of business;
- (c) any mortgage, charge or other security interest is created or enforced over the whole or any material part of the business, property or assets of any member of the Wider Kopane Group or any such security interest (whenever arising) becomes enforceable;
- (d) any such agreement, instrument, permit, licence or other arrangement, or any right, interest, liability or obligation of any member of the Wider Kopane Group therein, is terminated, adversely modified or adversely affected, or any adverse action is taken or onerous obligation or liability arises thereunder;
- (e) the value of any member of the Wider Kopane Group or its financial or trading position is adversely affected;
- (f) any material asset or interest of any member of the Wider Kopane Group is or falls to be disposed of or charged or ceases to be available to any such member or any right arising under which any asset or interest could be required to be disposed of or charged other than in the ordinary course of business;
- (g) the rights, liabilities, obligations or interests or business of any member of the Wider Kopane Group in or with any other person, firm or company (or any arrangement relating to such interest or business) are terminated, adversely modified or adversely affected; or
- (h) any member of the Wider Kopane Group ceases to be able to carry on business under any name under which it currently does so.

2.7 since 31 December 2009 and save as Disclosed, no member of the Kopane Group having:

- (a) issued or agreed to issue or authorised or proposed the issue of additional shares of any class or issued or authorised or proposed the issue of or granted or agreed to grant securities convertible into or rights, warrants or options to subscribe for or acquire such shares or convertible securities or redeemed, purchased or reduced or announced any intention to do so or made any other change to any part of its share capital, save as between Kopane and wholly owned subsidiaries of Kopane and save for the issue of Kopane Shares pursuant to or in connection with rights granted under, or the grant of rights under, the Kopane Share Scheme which has been Disclosed;
- (b) recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus or other distribution other than dividends lawfully paid to other members of the Kopane Group;
- (c) authorised or proposed or announced its intention to propose any merger or demerger or acquisition or disposal or transfer of assets or shares or securities (other than to other members of the Kopane Group) or any material change in its share or loan capital;
- (d) issued or authorised or proposed the issue of any debentures or incurred or increased any indebtedness or contingent liability, in each case of an aggregate amount that is material in the context of the Wider Kopane Group taken as a whole;
- (e) (save for transactions between members of the Kopane Group) disposed of or transferred, mortgaged or encumbered any asset or any right, title or interest in any asset or entered into or varied or terminated any contract, commitment or arrangement (whether in respect of capital expenditure or otherwise) which is of a long term or onerous or unusual nature or which involves or might reasonably be expected to involve an obligation of a nature or magnitude which is material or authorised, proposed or announced any intention to do so, where in each such case it is material in the context of the Wider Kopane Group taken as a whole;
- (f) other than pursuant to the Acquisition (and save for transactions between members of the Kopane Group) entered into or varied or proposed to enter into or vary any contract, commitment, arrangement or other transaction which is of a long term or unusual or onerous nature or is otherwise than in the ordinary course of business or announced any intention to do so, that is material in the context of the Wider Kopane Group taken as a whole;
- (g) implemented or authorised any reconstruction, amalgamation or other transaction (other than pursuant to the Acquisition and save for transactions between members of the Kopane Group) which is, in any case, material in the context of the Wider Kopane Group taken as a whole;

- (h) entered into, or varied the terms of, any contract or agreement with any of the directors or senior executives of Kopane;
- (i) taken or proposed any corporate action or had any legal proceedings started or threatened against it for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any of its assets and revenues or the appointment of any analogous person in any jurisdiction;
- (j) (other than in respect of claims between members of the Kopane Group) waived or compromised or settled any claim other than in the ordinary course of business, which is material in the context of the business of the Wider Kopane Group taken as a whole;
- (k) (other than pursuant to the Acquisition and as envisaged in accordance with the terms of the Scheme) made any amendment to its articles of association or other constitutional documents;
- (l) entered into any contract, commitment, transaction or arrangement which is or may be restrictive in a material way on the business of any member of the Wider Kopane Group;
- (m) been unable or admitted that it is unable to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (n) modified in any respect the terms of the Kopane Share Scheme or proposed, agreed to provide, or modified in any respect any other share option scheme or incentive scheme relating to the employment or termination of employment of any person employed by the Wider Kopane Group, in each case to the extent material in the context of the Wider Kopane Group taken as a whole; or
- (o) entered into any contract, commitment or agreement or passed any resolution or made any offer (which remains open) with respect to, or proposed or announced any intention to effect or propose any of the transactions, matters or events referred to in this condition 2.7;

2.8 since 31 December 2009 and save as Disclosed:

- (a) no litigation, arbitration, prosecution or other legal proceedings or investigation by any Relevant Authority having been instituted, announced or threatened or become pending or remained outstanding by or against any member of the Wider Kopane Group or to which any member of the Wider Kopane Group is or may become a party (whether as plaintiff, defendant or otherwise), and no enquiry or investigation by any Relevant Authority or other investigative body having been threatened, announced, implemented or instituted or remaining outstanding by, against or in respect of any member of the Wider Kopane Group which in any such case would have a material adverse effect on the Wider Kopane Group taken as a whole;
- (b) no adverse change having occurred in the business, assets, financial or trading position, profits or prospects of any member of the Wider Kopane Group, which is material in the context of the Wider Kopane Group taken as a whole;
- (c) no contingent or other liability in respect of any member of the Wider Kopane Group having arisen which would or might reasonably be expected materially and adversely to affect any member of the Wider Kopane Group and which in any such case is material in the context of the Wider Kopane Group taken as a whole; and
- (d) no steps having been taken and no omissions having been made which would or would be reasonably likely to result in the withdrawal, cancellation, termination or adverse modification of any licence held by any member of the Wider Kopane Group which is necessary for the proper carrying on of its business and which, in any such case, is material in the context of the Wider Kopane Group taken as a whole; and

2.9 save as Disclosed, Firestone not having discovered that:

- (a) any business, financial or other information concerning any member of the Wider Kopane Group that has been Disclosed, either contains a misrepresentation of fact or omits to state a fact necessary to make the information contained therein not misleading and which, in any such case, is material in the context of the Wider Kopane Group taken as a whole;

- (b) any member of the Wider Kopane Group is subject to any liability, actual or contingent and which in each such case is material in the context of the Wider Kopane Group taken as a whole;
- (c) any information which affects the import of any information disclosed at any time by or on behalf of the Wider Kopane Group to an extent which is material in the context of the Wider Kopane Group taken as a whole;
- (d) any past or present member of the Wider Kopane Group has not complied with all applicable legislation or regulations of any jurisdiction or any notice or requirement of any Relevant Authority with regard to the storage, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or to harm human or animal health or otherwise relating to environmental matters (which non-compliance might reasonably be expected to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Kopane Group) or that there has otherwise been any such disposal, discharge, spillage, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations and wherever the same may have taken place) which in any such case might reasonably be expected to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Kopane Group and which in each such case is material, in the context of the Wider Kopane Group taken as a whole;
- (e) there is or is reasonably likely to be any liability (whether actual or contingent) to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of or controlled by any past or present member of the Wider Kopane Group or any controlled waters under any environmental legislation, regulation, notice, circular or order of any Relevant Authority or third party or otherwise in any jurisdiction, in each case to an extent which is material in the context of the Wider Kopane Group taken as a whole;
- (f) circumstances exist (whether as a result of the Acquisition of otherwise) which might reasonably be expected to lead to any Relevant Authority instituting, or any member of the Wider Kopane Group might reasonably be expected to be required to institute, an environmental audit or take any other steps which in any such case might reasonably be expected to result in any actual or contingent liability to improve or install new plant or equipment or make good, repair, reinstate or clean up any land or other asset now or previously owned, occupied or made use of or controlled by any member of the Wider Kopane Group, which in each case, are material in the context of the Wider Kopane Group taken as a whole; or
- (g) circumstances exist whereby a person or class of persons might reasonably be expected to have any claim or claims in respect of any product or process of manufacture or materials used therein now or previously manufactured, sold or carried out by any past or present member of the Wider Kopane Group which in each such case, are material in the context of the Wider Kopane Group taken as a whole.

Part B: Waiver and invocation of Conditions and further terms of the Acquisition

3. Firestone reserves the right to waive, in whole or in part, all or any of Conditions 2.3 to 2.9 (inclusive). Firestone shall be under no obligation to waive or treat as satisfied any of such Conditions by a date earlier than the date specified above for the satisfaction thereof notwithstanding that the other Conditions of the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any such Conditions may not be capable of fulfilment.
4. Should Firestone seek to invoke any of Conditions 2.3 to 2.9 (inclusive) so as to cause the Acquisition not to proceed, to lapse, or to be withdrawn, it shall do so only in accordance with Rule 13.4(a) of the Code.
5. If Firestone is required by the Panel to make an offer for Kopane Shares under the provisions of Rule 9 of the Code, Firestone may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.
6. The Acquisition will lapse and the Scheme will not proceed if the European Commission initiates proceedings under Article 6(1)(c) of the EC Merger Regulation or the Acquisition is referred to the Competition Commission before the date of the Court Meeting.

Part C: Certain further terms of the Acquisition

7. Firestone reserves the right, with the consent of the Panel and the consent (such consent not to be unreasonably withheld or delayed) of Kopane, to elect to implement the Acquisition by way of a Takeover Offer. In such event, such offer will be implemented on the same terms (subject to appropriate amendments including (without limitation) an acceptance condition set at 90 per cent. (or such lesser percentage (being more than 50 per cent.) as Firestone may decide) of the shares to which such offer relates and of the voting rights carried by those shares) so far as applicable, as those which would apply to the Scheme.
8. The availability of the Acquisition 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 any applicable requirements.
9. If the Scheme is effected, the New Kopane Shares to be issued pursuant to the Scheme will be acquired by Firestone fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, 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 effective date of the Scheme. Under the terms of the Acquisition, each Kopane Shareholder will forego all rights to any future dividend or undeclared dividends or other returns of capital of Kopane.

This document and any rights or liabilities arising hereunder, together with the Acquisition and the Scheme, will be governed by English law and will be subject to the jurisdiction of the English courts. The AIM Rules and the rules contained in the Code, so far as they are appropriate, will apply to the Acquisition.

APPENDIX II

HISTORICAL FINANCIAL INFORMATION ON KOPANE

This document incorporates by reference certain sections of the annual report and accounts of Kopane for the three financial periods ended 30 June 2007, 30 June 2008 and 30 June 2009 respectively. These sections are:

- (a) The auditors' report relating to the consolidated statements of Kopane for the year ended 30 June 2007 (the "**Kopane 2007 Financial Statements**") is on pages 19 and 20 of the 2007 annual report and accounts of Kopane (the "**Kopane 2007 Annual Report**"). The consolidated profit and loss account in the Kopane 2007 Financial Statements is on page 21 of the Kopane 2007 Annual Report. The consolidated balance sheet in the Kopane 2007 Financial Statements is on pages 22 and 23 of the Kopane 2007 Annual Report. The consolidated cash flow statement in the Kopane 2007 Financial Statements is on page 23 of the Kopane 2007 Annual report. The accounting policies relevant to the Kopane 2007 Financial Statements are on pages 24 to 26 of the Kopane 2007 Annual Report. The notes to the Kopane 2007 Financial Statements are on pages 24 to 39 of the Kopane 2007 Annual Report.
- (b) The auditors' report relating to the consolidated statements of Kopane for the year ended 30 June 2008 (the "**Kopane 2008 Financial Statements**") is on pages 26 and 27 of the 2008 annual report and accounts of Kopane (the "**Kopane 2008 Annual Report**"). The consolidated income statement in the Kopane 2008 Financial Statements is on page 29 of the Kopane 2008 Annual Report. The consolidated balance sheet in the Kopane 2008 Financial Statements is on page 28 of the Kopane 2008 Annual Report. The consolidated cash flow statement in the Kopane 2008 Financial Statements is on pages 29 and 30 of the Kopane 2008 Annual report. The accounting policies relevant to the Kopane 2008 Financial Statements are on pages 31 to 37 of the Kopane 2008 Annual Report. The critical accounting judgements relevant to the Kopane 2008 Financial Statements are on page 54 of the Kopane 2008 Annual Report. The notes to the Kopane 2008 Financial Statements are on pages 31 to 55 of the Kopane 2008 Annual Report.
- (c) The auditors' report relating to the consolidated statements of Kopane for the year ended 30 June 2009 (the "**Kopane 2009 Financial Statements**") is on pages 26 and 27 of the 2009 annual report and accounts of Kopane (the "**Kopane 2009 Annual Report**"). The consolidated income statement in the Kopane 2009 Financial Statements is on page 29 of the Kopane 2009 Annual Report. The consolidated balance sheet in the Kopane 2009 Financial Statements is on page 28 of the Kopane 2009 Annual Report. The consolidated cash flow statement in the Kopane 2009 Financial Statements is on page 30 of the Kopane 2009 Annual report. The accounting policies relevant to the Kopane 2009 Financial Statements are on pages 32 to 38 of the Kopane 2009 Annual Report. The critical accounting judgements relevant to the Kopane 2009 Financial Statements are on page 56 of the Kopane 2009 Annual Report. The notes to the Kopane 2009 Financial Statements are on pages 32 to 56 of the Kopane 2009 Annual Report.

This document also incorporates by reference the interim financial statements of Kopane for the six month period ended 31 December 2009 ("**Kopane 2009 Interim Financial Statements**").

The Kopane 2007 Financial Statements, Kopane 2008 Financial Statements, Kopane 2009 Financial Statements and Kopane 2009 Interim Financial Statements are set out in Part VI (*Financial Information on Kopane Group*) of the Firestone Circular.

Copies of these accounts and reports can also be found on Kopane's website (in "read-only" format) at www.kopanediamonds.com from where copies can be printed, read and retained.

Scheme Shareholders (and any other person to whom this document is sent) may also request hard copies of these documents, free of charge, by writing to Computershare at Computershare Investor Services PLC, Corporate Actions Project, Bristol BS99 6AH or by telephoning Computershare on 0870 889 4068 (calls cost up to 10p per minute plus network extras) from within the United Kingdom, or, from outside the United Kingdom, on +44 870 889 4068. Please note that calls to these numbers may be monitored or recorded, and no advice on the Acquisition can be given, nor will any legal, tax or financial advice be given. Hard copies of these documents will not be sent unless specifically requested.

APPENDIX III

HISTORICAL FINANCIAL INFORMATION ON FIRESTONE

This document incorporates by reference certain sections of the annual report and accounts of Firestone for the three financial periods ended 30 June 2007, 30 June 2008 and 30 June 2009 respectively. These sections are:

- (a) The auditors' report relating to the consolidated statements of Firestone for the year ended 30 June 2007 (the "**Firestone 2007 Financial Statements**") is on page 20 of the 2007 annual report and accounts of Firestone (the "**Firestone 2007 Annual Report**"). The consolidated profit and loss account in the Firestone 2007 Financial Statements is on page 21 of the Firestone 2007 Annual Report. The consolidated balance sheet in the Firestone 2007 Financial Statements is on page 22 of the Firestone 2007 Annual Report. The consolidated cash flow statement in the Firestone 2007 Financial Statements is on page 24 of the Firestone 2007 Annual report. The accounting policies relevant to the Firestone 2007 Financial Statements are on pages 25 to 27 of the Firestone 2007 Annual Report. The notes to the Firestone 2007 Financial Statements are on pages 25 to 37 of the Firestone 2007 Annual Report.
- (b) The auditors' report relating to the consolidated statements of Firestone for the year ended 30 June 2008 (the "**Firestone 2008 Financial Statements**") is on page 25 of the 2008 annual report and accounts of Firestone (the "**Firestone 2008 Annual Report**"). The consolidated income statement in the Firestone 2008 Financial Statements is on page 26 of the Firestone 2008 Annual Report. The consolidated balance sheet in the Firestone 2008 Financial Statements is on page 27 of the Firestone 2008 Annual Report. The consolidated cash flow statement in the Firestone 2008 Financial Statements is on page 29 of the Firestone 2008 Annual report. The accounting policies relevant to the Firestone 2008 Financial Statements are on pages 33 to 38 of the Firestone 2008 Annual Report. The critical accounting judgements relevant to the Firestone 2008 Financial Statements are on pages 38 and 39 of the Firestone 2008 Annual Report. The notes to the Firestone 2008 Financial Statements are on pages 33 to 59 of the Firestone 2008 Annual Report.
- (c) The auditors' report relating to the consolidated statements of Firestone for the year ended 30 June 2009 (the "**Firestone 2009 Financial Statements**") is on page 25 of the 2009 annual report and accounts of Firestone (the "**Firestone 2009 Annual Report**"). The consolidated income statement in the Firestone 2009 Financial Statements is on page 26 of the Firestone 2009 Annual Report. The consolidated balance sheet in the Firestone 2009 Financial Statements is on page 27 of the Firestone 2009 Annual Report. The consolidated cash flow statement in the Firestone 2009 Financial Statements is on page 29 of the Firestone 2009 Annual report. The accounting policies relevant to the Firestone 2009 Financial Statements are on pages 33 to 38 of the Firestone 2009 Annual Report. The critical accounting judgements relevant to the Firestone 2009 Financial Statements are on pages 38 and 39 of the Firestone 2009 Annual Report. The notes to the Firestone 2009 Financial Statements are on pages 33 to 53 of the Firestone 2009 Annual Report.

This document also incorporates by reference the interim financial statements of Firestone for the six month period ended 31 December 2009 ("**Firestone 2009 Interim Financial Statements**").

Copies of these accounts and reports can be found on Firestone's website (in "read-only" format) at www.firestonediamonds.com from where copies can be printed, read and retained.

Scheme Shareholders (and any other person to whom this document is sent) may also request hard copies of these documents, free of charge, by writing to Computershare at Computershare Investor Services PLC, Corporate Actions Project, Bristol BS99 6AH or by telephoning Computershare on 0870 889 4068 (calls cost up to 10p per minute plus network extras) from within the United Kingdom, or, from outside the United Kingdom, on +44 870 889 4068. Please note that calls to these numbers may be monitored or recorded, and no advice on the Acquisition can be given, nor will any legal, tax or financial advice be given. Hard copies of these documents will not be sent unless specifically requested.

APPENDIX IV

UK TAXATION

UK taxation of shareholders

The following is a brief and general summary of the United Kingdom taxation treatment of the Acquisition for shareholders. The summary is based on existing law, including statutes, regulations, and court decisions, and what is understood to be current HMRC practice, all as in effect on the date of this document. Future legislative, judicial or administrative changes or interpretations could alter or modify statements and conclusions set forth below, and these changes or interpretations could be retroactive and could affect the tax consequences of the Acquisition to Kopane Shareholders. The summary does not consider the consequences of the Acquisition under tax laws of countries other than the United Kingdom.

The summary provides general guidance to persons resident, ordinarily resident and domiciled for tax purposes in the UK who hold Kopane Shares (and who also subsequently hold Firestone Shares) as an investment, and not to any holders who are taxable in the UK on a remittance basis or who are subject to special tax rules, such as banks, financial institutions, broker-dealers, persons subject to mark-to-market treatment, UK resident individuals who hold their Kopane Shares (or who subsequently hold Firestone Shares) under a personal equity plan, persons that hold their Kopane Shares (or who subsequently hold Firestone Shares) as a position in part of a straddle, conversion transaction, constructive sale or other integrated investment, persons who received their Kopane Shares (or who subsequently receive Firestone Shares) by exercising employee share options or otherwise as compensation, persons who have acquired their Kopane Shares (or who subsequently acquire Firestone Shares) by virtue of any office or employment, mutual funds, insurance companies or exempt organisations.

The summary is not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. If you are in any doubt about your taxation position, or if you are ordinarily resident or domiciled outside the United Kingdom or resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, you should consult your own professional advisers immediately.

1.1 Chargeable gains

This paragraph 1.1 applies to UK resident or ordinarily resident Kopane Shareholders or Firestone Shareholders who (in either case) are domiciled in the UK and are the absolute beneficial owners of the Kopane Shares and/or the Firestone Shares.

(a) Implementation of the Scheme

For the purposes of UK taxation of chargeable gains, reconstruction relief should be available to Kopane Shareholders in respect of the cancellation of their Kopane Shares and the issue to them of Firestone Shares, provided that the issue of Firestone Shares (after any rounding up) to Kopane Shareholders is treated as being as nearly as may be in proportion to their holdings of Kopane Shares. Accordingly, such Kopane Shareholders should not be treated as making a disposal of their Kopane Shares for the purposes of UK taxation of chargeable gains, and the Firestone shares should be treated as the same asset and as having been acquired at the same time as the Kopane Shares. The Firestone Shares will therefore have the same base cost as the Kopane Shares they replace.

Kopane Shareholders who, either alone, or together with persons connected with them, hold more than 5 per cent. of the shares in Kopane are advised that clearance under section 138 Taxation of Chargeable Gains Act 1992 has been granted by HMRC in respect of the Scheme. Accordingly HMRC has confirmed that it is satisfied that the Scheme is effected for bona fide commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is an avoidance of liability to capital gains tax or corporation tax. This is a pre-condition to the availability of reconstruction relief for such shareholders, and the clearance does not therefore confirm the availability of the relief itself.

(b) Future disposals of Firestone Shares

A subsequent disposal or deemed disposal of Firestone Shares may, depending on individual circumstances (including the availability of exemptions or allowable losses), give rise to a liability to (or an allowable loss for the purposes of) UK taxation of chargeable gains.

Any chargeable gain or allowable loss on a disposal of Firestone Shares should be calculated taking into account the allowable cost to the holder of acquiring his Firestone Shares. In the case of a Firestone Shareholder subject to UK corporation tax, indexation allowance should be added to the allowable cost when calculating a chargeable gain (but not an allowable loss).

1.2 Taxation of dividends on Firestone Shares

An individual Firestone Shareholder, who is resident in the UK for tax purposes and who receives a dividend on the shares will be entitled to a non-payable dividend tax credit currently at a rate of 1/9th of the cash dividend paid (or ten per cent. of the aggregate of the net dividend and the related tax credit). Where a UK resident individual Firestone Shareholder is entitled to a tax credit in respect of a dividend received from the Company such tax credit will be added to the dividend for taxation purposes and offset against the tax arising thereon. In the case of basic rate taxpayers the tax credit should cover the tax liability in respect of the dividend. In the case of higher rate taxpayers with an income of less than £150,000 the effective net tax liability will be 25 per cent. of the dividend received. For individuals with an income in excess of £150,000, the effective net rate of tax on a dividend carrying an entitlement to a tax credit will be 36¹/₉ per cent. of the dividend received.

No repayment of the dividend tax credit in respect of dividends paid by the Firestone can be claimed by a United Kingdom resident shareholder (including pension funds and charities).

A corporate shareholder resident in the United Kingdom for tax purposes will generally not be subject to corporation tax on dividends received from the Company.

1.3 Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

Except in relation to depository receipt arrangements or clearance services, where special rules apply:

- (a) no UK stamp duty or SDRT should be payable by Kopane Shareholders as a result of the cancellation of the Kopane Shares or the issue of Firestone Shares under the Scheme; and
- (b) an agreement to sell Firestone Shares will normally give rise to a liability on the purchaser to SDRT, at the rate of 0.5 per cent. of the actual consideration paid. If an instrument of transfer of the Firestone Shares is subsequently produced it will generally be subject to stamp duty at the rate of 0.5 per cent. of the actual consideration paid with duty rounded up to the nearest £5. When such stamp duty is paid, the SDRT charge will be cancelled and any SDRT already paid will be refunded.

1.4 Transactions in Securities

In certain circumstances, Part 15 Corporation Tax Act 2010 and Chapter 1 Part 13 of the Income Tax Act 2007 may apply where a person obtains a tax advantage as a consequence of a “transaction in securities”. Kopane Shareholders should note that a clearance has been granted by HMRC under section 748 Corporation Tax Act 2010 and section 701 of the Income Tax Act 2007 that these provisions should not apply as the Scheme is being carried out for bona fide commercial reasons and does not have a main object of enabling income tax advantages to be obtained.

APPENDIX V

ADDITIONAL INFORMATION

1. Responsibility statements

- (a) The Kopane Directors, whose names are set out in paragraph 2(a) below, each accept responsibility for the information contained in this document other than information for which responsibility is taken by others pursuant to paragraph 1(b) below. To the best of the knowledge and belief of the Kopane Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The Firestone Directors, whose names are set out in paragraph 2(b) below, each accept responsibility for the information contained in this document relating to Firestone, the Firestone Group and the Firestone Directors (and their close relatives and related trusts). To the best of the knowledge and belief of the Firestone Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors and executive officers

- (a) The Kopane Directors are as follows:

Francesco Scolaro (Non-Executive Chairman)
James Seymour Cable (Finance Director)
Andrew Campbell Birnie (Technical Director)
Michael John Carter Wittet (Non-Executive Director)
Buddy James Doyle (Non-Executive Director)

The registered office of Kopane, and the business address of each of the Kopane Directors, is Carlyle House, 235-237 Vauxhall Bridge Road, London SW1V 1EJ.

- (b) The Firestone Directors are as follows:

James F Kenny
Philip Kenny
Hugh Jenner-Clarke
James Kenny
Michael Hampton
William Douglas Baxter

The registered office of Firestone is 1 Park Row, Leeds, L51 5AB.

The business address of each of the Firestone Directors is 4th Floor 26-28 Hammersmith Grove, London W6 7BA.

3. Market quotations

Set out below are the Closing Prices for Kopane Shares and Firestone Shares respectively on the first Business Day in each of the six months immediately before the date of this document, on 9 February 2010 (the last Business Day prior to the commencement of the Offer Period), and on 11 August 2010 (the latest practicable date prior to the posting of this document):

<u>Date</u>	<u>Kopane Share Price (pence)</u>	<u>Firestone Share Price (pence)</u>
11 August 2010	10.75	27.25
2 August 2010	11.25	27.25
1 July 2010	11.50	32.50
1 June 2010	10.50	36.75
4 May 2010	12.00	41.50
1 April 2010	11.75	32.25
1 March 2010	12.50	38.50
9 February 2010	11.50	39.50

4. Disclosure of interests and dealings in shares

- (a) For the purposes of this Appendix V, reference to:
- (i) “**acting in concert**” is to such term as defined in the City Code;
 - (ii) an “**arrangement**” includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities of Kopane which may be an inducement to deal or refrain from dealing;
 - (iii) a “**connected adviser**” is to such term as defined in the City Code;
 - (iv) a “**connected person**” has the meaning given in section 252 of the Act;
 - (v) “**dealing**” or “**dealt**” includes the following:
 - (A) the acquisition or disposal of securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to the securities, or of general control of securities;
 - (B) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities;
 - (C) subscribing or agreeing to subscribe for securities;
 - (D) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
 - (E) the acquisition of, or disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
 - (F) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and
 - (G) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position;
 - (vi) “**derivative**” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
 - (vii) “**disclosure period**” means the period commencing on 10 February 2009 (being the date 12 months prior to the commencement of the Offer Period) and ending on 11 August 2010 (the latest practicable date prior to the posting of this document);
 - (viii) a person has an “**interest**” or is treated as “**interested**” in securities if he has long economic exposure, whether absolute or conditional, to changes in the price of those securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person is treated as “**interested**” in securities if:
 - (A) he owns them;
 - (B) he has a right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
 - (C) by virtue of any agreement to purchase, option or derivative, he:
 - (aa) has the right or option to acquire them or call for their delivery; or
 - (bb) is under an obligation to take delivery of them,whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (D) he is a party to any derivative:
 - (aa) whose value is determined by reference to their price; and
 - (bb) which results, or may result, in his having a long position in them;
 - (ix) “**relevant securities**” include shares and securities convertible into or exchangeable for, rights to subscribe for or options in respect of, and derivatives referenced to, shares; and

- (x) “**short position**” means 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.

(b) **Interests and dealings in relevant securities**

- (i) As at the close of business on 11 August 2010 (the latest practicable date prior to the posting of this document), Obtala, a company associated with Francesco Scolaro, the Chairman of Kopane has direct and indirect holdings of Kopane Shares amounting in aggregate to 48,695,000 Kopane Shares, representing approximately 16.15 per cent. of Kopane’s existing issued ordinary share capital. Mr Scolaro’s association with Obtala arises by virtue of the fact that he is the executive chairman of Obtala itself and is controlling shareholder of Grandinex International Corporation, a company which in turn holds 32.3 per cent. of Obtala.
- (ii) As at the close of business on 11 August 2010 (the latest practicable date prior to the posting of this document), awards and/or options over the following number of Kopane Shares had been granted to Kopane Directors and remain outstanding:

<u>Director</u>	<u>Number of Kopane Shares under option</u>	<u>Exercise period</u>	<u>Exercise price</u>
Andrew Birnie	476,690	29.08.2008 to 29.08.2018	10p
Andrew Birnie	361,655	29.08.2009 to 29.08.2018	10p
Andrew Birnie	361,655	29.08.2010 to 29.08.2018	10p
Buddy Doyle	428,134	29.08.2008 to 29.08.2018	10p
Buddy Doyle	160,933	29.08.2009 to 29.08.2018	10p
Buddy Doyle	160,933	29.08.2010 to 29.08.2018	10p
James Cable	559,556	29.08.2008 to 29.08.2018	10p
James Cable	420,222	29.08.2009 to 29.08.2018	10p
James Cable	420,222	29.08.2010 to 29.08.2018	10p
Michael Wittet	250,000	29.08.2009 to 29.08.2018	10p
Michael Wittet	250,000	29.08.2010 to 29.08.2018	10p
Michael Wittet	750,000	21.09.2009 to 20.09.2019	14.25p

- (iii) As at the close of business on 11 August 2010 (the latest practicable date prior to the posting of this document) the following warrants over Kopane Shares had been granted to finnCap (a connected adviser to Kopane) and remain outstanding:

<u>Holder</u>	<u>Number of Kopane Shares</u>	<u>Exercise period</u>	<u>Exercise price</u>
finnCap	1,500,000	28 October 2009 to 16 November 2014	25 pence per Kopane Share

Pursuant to letter agreement dated 21st July 2010 finnCap have agreed that the above warrants shall lapse and no longer be exercisable provided that the Acquisition proceeds on the agreed terms.

- (iv) During the disclosure period, Williams de Broe, a company in the same group as Evolution Securities Limited (a connected adviser to Firestone) had the following dealings in Kopane Shares:

<u>Date of Trade</u>	<u>Price (p)</u>	<u>Nature of Transaction</u>	<u>Number of Kopane Shares</u>
24/07/2009	300,000	Buy	0.0675
04/08/2009	700,000	Buy	0.0675
09/09/2009	1,000,000	Buy	0.0715
13/08/2009	1,000,000	Sell	0.07125
09/09/2009	100,000	Sell	0.0725

- (v) As at 11 August 2010 (the latest practicable date prior to the posting of this document) Williams de Broe, a company in the same group as Evolution Securities Limited (a connected adviser to Firestone) had the following interests in relevant securities of Kopane:

<u>Name</u>	<u>Details of Kopane Securities</u>
Williams de Broe	5,000

- (vi) As at the close of business on 11 August 2010 (the latest practicable date prior to the posting of this document) the Firestone Directors, members of their immediate families, related trusts and connected persons the following direct interests in Firestone Shares:

<u>Director</u>	<u>Number of Firestone Shares</u>	<u>% of issued share capital of Firestone</u>
James F Kenny	505,765	0.4
Philip Kenny	538,806	0.42
Hugh Jenner-Clarke	586,057	0.46
James Kenny	157,023	0.12
Michael Hampton	190,712	0.15
William Douglas Baxter	22,000	0.017

- (vii) As at the close of business on 11 August 2010 (the latest practicable date prior to the posting of this document), awards and/or options over the following number of Firestone Shares had been granted to Firestone Directors and remain outstanding:

<u>Director</u>	<u>Firestone Share Option Scheme</u>	<u>Date of Grant</u>	<u>No. of Firestone Shares under option</u>	<u>Exercise Price</u>	<u>Latest Exercise Date</u>
James F Kenny	Performance Option Scheme	30/01/2004	350,000	41p	30/01/2014
Philip Kenny	Performance Option Scheme	30/01/2004	350,000	41p	30/01/2014
Hugh Jenner-Clarke	Performance Option Scheme	30/01/2004	350,000	41p	30/01/2014
James Kenny	Performance Option Scheme	30/01/2004	200,000	41p	30/01/2014
Michael Hampton	Performance Option Scheme	30/01/2004	110,000	41p	30/01/2014
William Douglas Baxter ...	N/A	N/A	Nil	N/A	N/A

(viii) During the disclosure period, Williams de Broe, a company in the same group as Evolution Securities Limited (a connected adviser to Firestone) had the following dealings in Firestone Shares:

<u>Date of Trade</u>	<u>Price (p)</u>	<u>Nature of Transaction</u>	<u>Number of Firestone Shares</u>
27/07/2009	0.2	Buy	250,000
29/07/2009	0.23625	Sell	125,000
03/08/2009	0.29	Sell	125,000
20/08/2009	0.24	Sell	50,000
15/01/2010	0.43	Sell	10,000
19/01/2010	0.46575	Sell	5,000
20/01/2010	0.46	Sell	25,000

(ix) As at 11 August 2010, (the latest practicable date prior to the posting of this document) Williams de Broe, a company in the same group as Evolution Securities Limited (a connected adviser to Firestone), had the following interests in relevant securities of Firestone :

<u>Name</u>	<u>Details of Firestone Securities</u>
Williams de Broe	236,550

(c) Interests of five per cent. or more

As at 11 August 2010 (the latest practicable date prior to the posting of this document) the following persons have interests of five per cent. or more in the ordinary share capital of Kopane:

<u>Name of Kopane Shareholder</u>	<u>Number of Kopane Shares</u>	<u>% of issued share capital</u>
Obtala	48,695,000	16.15
Lanstead	44,214,605	14.66
JP Morgan Fleming	29,049,367	9.63
HSBC Holdings Plc, through its subsidiary companies	26,650,266	8.84

As at 11 August 2010 (the latest practicable date prior to the posting of this document) the following persons have interests of five per cent. or more in the ordinary share capital of Firestone:

<u>Name of Firestone Shareholder</u>	<u>Number of Firestone Shares</u>	<u>% of issued share capital</u>
JP Morgan Asset Management	13,059,536	10.21
AXA Framlington	8,383,600	6.56
Legal & General Investment Mgmt	8,279,000	6.47
Blenheim Trust Company	8,166,328	6.39
UBS Wealth Management (Switzerland)	7,407,600	5.79
Aurora International Investments	7,200,000	5.63

(d) General

(i) Save as disclosed in paragraph 4(b)(i) above, as at the close of business on 11 August 2010 (the latest practicable date prior to the posting of this document), none of the Kopane Directors, members of their immediate families, related trusts and connected persons held any direct interest in Kopane Shares.

- (ii) Save as disclosed above, as at the close of business on 11 August 2010 (the latest practicable date prior to the posting of this document), no member of the Firestone Group nor any of the Firestone Directors, nor (in the case of the Firestone Directors) any member of their immediate families or related trusts or any connected persons, nor any person acting in concert with Firestone, nor any person with whom Firestone or any person acting in concert with Firestone had an arrangement of the kind referred to in Note 6 on Rule 8 of the City Code, had an interest in or a right to subscribe for, or any short position in relation to, any relevant securities of Kopane, nor has any such person dealt in any relevant securities of Kopane during the disclosure period.
- (iii) Save as disclosed above, as at the close of business on 11 August 2010 (the latest practicable date prior to the posting of this document), no member of the Kopane Group nor any of the Kopane Directors, nor (in the case of the Kopane Directors) any member of their immediate families, or related trusts or connected persons, nor any person acting in concert with Kopane, nor any person with whom Kopane or any person acting in concert with Kopane had an arrangement of the kind referred to in Note 11 on the definition of “acting in concert” as set out in the City Code, had an interest in or a right to subscribe for, or any short position in relation to, any relevant securities of Firestone, and nor had any such person dealt in any relevant securities of Firestone during the Offer Period.
- (iv) Save as disclosed above, as at the close of business on 11 August 2010 (the latest practicable date prior to the posting of this document), neither Firestone nor any person acting in concert with it had borrowed or lent any relevant securities of Kopane (save for any borrowed shares which have either been on-lent or sold).
- (v) Save as disclosed above, as at the close of business on 11 August 2010 (the latest practicable date prior to the posting of this document), neither Kopane nor any person acting in concert with it had borrowed or lent any relevant securities of Kopane (save for any borrowed shares which had been either on-lent or sold).
- (vi) Save as disclosed above, as at the close of business on 11 August 2010 (the latest practicable date prior to the posting of this document), neither Kopane nor any person acting in concert with Kopane had any arrangement with any person of the kind referred to in Note 11 on the definition of “acting in concert” as set out in the City Code in relation to any relevant securities of Kopane.
- (vii) Save as disclosed above, and save for the irrevocable undertakings described in paragraph 5 below, as at the close of business on 11 August 2010 (the latest practicable date prior to the posting of this document), neither Firestone nor any person acting in concert with Firestone had any arrangement with any person of the kind referred to in Note 11 on the definition of “acting in concert” in the City Code in relation to any relevant securities of Kopane.
- (viii) Save as disclosed above, as at the close of business on 11 August 2010 (the latest practicable date prior to the posting of this document), none of the Kopane Directors, nor any of their immediate families, related trusts or connected persons, had an interest in or a right to subscribe for, or any short position in relation to, any relevant securities of Kopane, and nor had any such person dealt in any relevant securities of Kopane during the Offer Period.

5. Irrevocable Undertakings

- (a) None of the Kopane Directors hold any Kopane Shares, although each Kopane Director has given an irrevocable undertaking to Firestone to vote in favour of the resolutions at the Court Meeting and the General Meeting in respect of any Kopane Shares acquired after the date of this document pursuant to the exercise of options or vesting of awards under the Kopane Share Scheme as follows:

<u>Director</u>	<u>Number of securities under option</u>	<u>Exercise period</u>	<u>Exercise price</u>
Andrew Birnie	476,690	29.08.2008 to 29.08.2018	10p
Andrew Birnie	361,655	29.08.2009 to 29.08.2018	10p

<u>Director</u>	<u>Number of securities under option</u>	<u>Exercise period</u>	<u>Exercise price</u>
Andrew Birnie	361,655	29.08.2010 to 29.08.2018	10p
Buddy Doyle	428,134	29.08.2008 to 29.08.2018	10p
Buddy Doyle	160,933	29.08.2009 to 29.08.2018	10p
Buddy Doyle	160,933	29.08.2010 to 29.08.2018	10p
James Cable	559,556	29.08.2008 to 29.08.2018	10p
James Cable	420,222	29.08.2009 to 29.08.2018	10p
James Cable	420,222	29.08.2010 to 29.08.2018	10p
Michael Wittet	250,000	29.08.2009 to 29.08.2018	10p
Michael Wittet	250,000	29.08.2010 to 29.08.2018	10p
Michael Wittet	750,000	21.09.2009 to 20.09.2019	14.25p

- (b) Firestone has received an irrevocable undertaking to vote in favour of the Scheme at the Court Meeting and the Kopane Resolution at the Kopane General Meeting from Obtala, a company associated with Francesco Scolaro, the Chairman of Kopane in respect of its direct and indirect holding of Kopane Shares amounting in aggregate to 48,695,000 Kopane Shares, representing approximately 16.15 per cent. of Kopane's existing issued ordinary share capital.
- (c) Firestone has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Kopane Resolution at the Kopane General Meeting from the additional following Kopane Shareholders:

<u>Kopane Shareholders</u>	<u>Number of Kopane Shares</u>
Obtala	48,695,000*
Lanstead	30,000,000**
JP Morgan Fleming	29,049,367

Notes:

* 32,200,000 shares are registered in the name of Corporate Services TD (Waterhouse) Nominees Ltd and 16,495,000 shares are registered in the name of Pershing Nominees Limited.

** Registered in the name of KAS Bank NV.

- (d) The irrevocable undertakings from Obtala, Lanstead and the Kopane Directors shall terminate and be of no further force and effect if:
- the Scheme has not become effective by 18 October 2010 (or such later date as Firestone and Kopane may, with the consent of the Panel, agree) and prior to that time Firestone has not issued an Offer Document; or
 - an Offer Document is issued prior to 20 August 2010 (or such later date as Firestone and Kopane, with the consent of the Panel, agree) and the Offer lapses or is withdrawn;
- (e) The irrevocable undertakings from Obtala will continue to be binding even in the event that a third party makes a higher Competing Proposal.

- (f) The irrevocable undertaking from Lanstead will cease to be binding in the event that an alternative offer for Kopane is announced pursuant to Rule 2.5 of the Code (“**Alternative Offer**”), and the valuation of the consideration payable pursuant to the Alternative Offer represents an improvement in the reasonable opinion of finnCap of not less than 10 per cent. over the value of the Acquisition.
- (g) The undertaking from JP Morgan Fleming will cease to be binding in the event that: (i) the Scheme does not become effective, lapses or is withdrawn in accordance with its terms; or (ii) a third party announces an intention to make a general offer to acquire the issued share capital of Firestone which is recommended by the Firestone Directors, or a third party announces an intention to make a general offer to acquire the issued share capital of Kopane which is recommended by the Kopane Directors.
- (h) The following Firestone Directors have given irrevocable undertakings to vote in favour of the Firestone Resolution at the Firestone General Meeting in respect of the number of Firestone Shares set out below:

<u>Name</u>	<u>Number of Firestone Shares</u>
James F Kenny	505,765
Philip Kenny	538,806
Hugh Jenner-Clarke . . .	586,057
James Kenny	157,023
Michael Hampton	190,712
William Douglas Baxter	22,000

- (i) The following Firestone Shareholders have given irrevocable undertakings to vote in favour of the Firestone Resolution at the Firestone General Meeting in respect of the number of Firestone Shares set out below:

<u>Name</u>	<u>Number of Firestone Shares</u>
JP Morgan Fleming . . .	13,059,536
Axa Framlington	8,383,600
Blenheim	7,508,531
Aurora	7,200,000

The undertakings from Blenheim and Aurora remain binding unless the Offer lapses or is withdrawn. The undertaking from Axa Framlington will cease to be binding in the event that any third party announces an intention to make a general offer to acquire the issued share capital of Firestone regardless of whether such offer is recommended by the Firestone Directors or not. The undertaking from JP Morgan Fleming will cease to be binding in the event that: (i) the Scheme does not become effective, lapses or is withdrawn in accordance with its terms; or (ii) a third party announces an intention to make a general offer to acquire the issued share capital of Firestone which is recommended by the Firestone Directors, or a third party announces an intention to make a general offer to acquire the issued share capital of Kopane which is recommended by the Kopane Directors.

6. Executive directors’ and non-executive directors’ service agreements and letters of appointment

Save as disclosed below, there are no service contracts in force between any Kopane Director, or any proposed director of the Company, and the Company or any of its subsidiaries and no such contract has been entered into or amended during the six months preceding the date of this document.

(a) **Kopane Executive Directors**

Andrew Campbell Birnie and James Seymour Cable were appointed pursuant to service contracts with indefinite terms dated 1 April 2005 and 1 January 2008 (which superseded a previous agreement dated 1 July 2005) respectively.

Mr Birnie’s contract provides that he receive a salary of AUD\$ 21,360 per calendar month and Mr Cable’s contract provides that he receive a salary of £130,000 per annum.

Both service contracts provide that either party to them may terminate the contract with not less than 12 months’ prior written notice. In the event of early termination (other than in the case of a change of control) by the Company each of Mr Birnie and Mr Cable (as applicable) are entitled to receive an amount equal to twelve months’ base salary in lieu of notice.

If there is a change of control (“**change of control**”) of the Company and the executive’s employment is terminated or materially altered in the 12 month period following such change of control then each of the executive directors is entitled to receive an amount equal to two times his annual salary at the date of such change of control. Furthermore, on a change of control, either executive may serve notice on the Company within six months of the change of control to terminate their respective service contracts, and in such circumstances each of the executive directors is entitled to receive an amount equal to two times his annual salary at the date of such change of control.

Each of the executive directors’ service contracts also contain customary restrictions on their being involved with undertakings in competition with the Kopane Group or from soliciting customers or hiring employees of the Kopane Group as well as confidentiality restrictions for the six month period following termination of their employment. Each of the service contracts also contain provisions regarding the ownership of certain intellectual property rights established during the relevant individual’s employment by the Kopane Group.

(b) ***Kopane Chairman and Non-executive Directors***

Buddy James Doyle was appointed by a letter of appointment dated 29 April 2005. Mr Doyle’s salary was reviewed by the Board on 19 January 2010 and it was agreed that he be awarded £12,000 per annum effective from 1 February 2010. Mr Doyle’s appointment continues until terminated at the discretion of either party on three months’ written notice.

Under the terms of a letter of appointment dated 6 May 2009, Michael John Carter Wittet is entitled to fees of £25,000 per annum in respect of his role as a non-executive director. Mr Wittet’s appointment continues until terminated at the discretion of either party on three months notice. Under the terms of his appointment Mr Wittet may provide consultancy services to the Company, for which he receives an additional fee of £750 per day.

Francesco Scolaro was appointed non-executive Chairman in April 2009. The appointment will continue until termination occurs at the discretion of either party on three months’ written notice. It has been agreed between the Company and Mr Scolaro that as from January 2010 he be paid a fee of £144,000 per annum on the proviso that this amount of remuneration would be reviewed upon the appointment of a CEO and reduced accordingly at that time.

(c) ***Kopane Directors’ termination arrangements under the Acquisition***

Pursuant to the Implementation Agreement described at paragraph 7(a) below, it has been agreed that:

- (i) none of the Kopane Directors will join the Firestone Board;
- (ii) on the Effective Date, all the Kopane Directors (save for Andrew Birnie and James Cable) will resign from all Kopane Group companies without compensation for loss of office, save for the payment of accrued fees and expenses incurred up to the Effective Date;
- (iii) James Cable will enter into a compromise agreement in relation to his service contract and will be paid £260,000 being two times his salary, in accordance with the provisions of his service contract. He will continue as a director of Kopane Group companies without compensation and will enter into a consultancy agreement with a member of the Enlarged Group. The consultancy agreement will provide that James Cable will be paid a gross fee of £5,250 per month for eight days work per month. For any additional day worked in excess of eight days per month he will be paid £650 (gross) per day. The consultancy agreement shall be for a term of six months.
- (iv) Andrew Birnie will enter into a compromise agreement in relation to his service contract and will be paid AUD\$ 512,640 being two times his salary, in accordance with the provision of his service contract. He will continue as a director of Kopane Group companies without compensation and will enter into a consultancy agreement with a member of the Enlarged Group. The consultancy agreement will provide that Andrew Birnie will be paid AUD\$ 1,200 per day with an expectation that he will work eight days a month for a period of six months.

7. Material Contracts

Firestone Material Contracts

Summaries of the principal contents of each material contract (not being a contract entered into in the ordinary course of business) that has been entered into by members of the Firestone Group in the period from 10 February 2008 (the date two years prior to the commencement of the Offer Period) to 11 August 2010 (the latest practicable date prior to the posting of this document) are set out in paragraph 8, of Part X (*Additional Information*) of the Firestone Circular and are hereby incorporated into this document by reference.

Kopane Material Contracts

(a) ***Implementation agreement***

General

Kopane and Firestone have entered into an Implementation Agreement on 21 July 2010 in connection with the Acquisition, pursuant to which each of the parties has undertaken, amongst other things, as promptly as practicable, to take or cause to be taken all such reasonable steps as are within their respective powers and necessary to implement the Scheme.

Kopane has undertaken that it will make the necessary applications to Court and file such documents as may be necessary to seek the Court's permission to convene the Court Meeting.

Each of the parties has agreed that prior to the Scheme becoming effective or the Implementation Agreement being terminated in accordance with its terms (whichever is earlier), each of Kopane and Firestone will conduct their respective businesses in accordance with an agreed set of principles.

Termination

The Implementation Agreement terminates in certain circumstances, including:

- (i) termination being agreed in writing between Kopane and Firestone at any time before the Effective Date;
- (ii) the Kopane Directors at any time either failing to recommend; or withdrawing or adversely modifying or qualifying their recommendation to Kopane Shareholders to vote in favour of the Kopane Resolution at the General Meeting or accept a Takeover Offer or withdrawing or adversely modifying or qualifying their recommendation of the Acquisition generally in any statement contained in an announcement issued by Kopane through a Regulatory Information Service after the date of the Kopane Shareholder Meetings;
- (iii) a Competing Proposal in relation to Kopane or Firestone (as the case may be) becoming or being declared unconditional in all respects, or completing;
- (iv) the Firestone Directors either failing to recommend; or withdrawing or adversely modifying or qualifying their recommendation to Firestone Shareholders to vote in favour of the Firestone Resolution at the Firestone General Meeting or withdrawing or adversely modifying or qualifying their recommendation of the Acquisition generally in any statement contained in an announcement issued by Firestone through a Regulatory Information Service after the date of the Firestone General Meeting;
- (v) Kopane Shareholders failing to approve the Kopane Resolution at the General Meeting or the Firestone Shareholders failing to approve the Firestone Resolution at the Firestone General Meeting;
- (vi) the Court failing to sanction the Scheme or confirm the Reduction of Capital;
- (vii) if Firestone elects to implement the Acquisition by way of a Takeover Offer, such offer being withdrawn by Firestone or lapsing; and
- (viii) the Effective Date not having occurred on or prior to 31 December 2010.

Firestone Inducement fee

As an inducement to Firestone proceeding with the Acquisition, under the terms of the Implementation Agreement Kopane has agreed to pay Firestone an inducement fee of £400,000 (inclusive of any VAT), payable in certain circumstances, including if:

- (i) a Competing Proposal in relation to Kopane (or any amendment, variation or revision of such proposal) is announced pursuant to Rule 2.5 of the Code prior to the Acquisition lapsing or being withdrawn and such Competing Proposal subsequently becomes or is declared wholly unconditional or is otherwise completed; or
- (ii) the Kopane Directors either (i) fail to recommend or (ii) withdraw or adversely modify or qualify their recommendation to Kopane Shareholders to vote in favour of the Scheme and the Kopane Resolution respectively at the Court Meeting and the General Meeting or (as the case may be) accept a Takeover Offer or withdraw or adversely modify or qualify their recommendation of the Acquisition generally in any statement contained in an announcement issued by Kopane through a Regulatory Information Service after the date of the Kopane Shareholder Meetings, and subsequently the Acquisition lapses or is withdrawn, provided that an inducement fee will not be payable by Kopane in these circumstances if, prior to the Kopane Directors failing to recommend or withdrawing or adversely modifying, or qualifying, such recommendation:
 - (A) the Firestone Directors have failed to recommend or have withdrawn or adversely modified or qualified their recommendation to Firestone Shareholders to vote in favour of the Firestone Resolution at the Firestone General Meeting or have withdrawn or adversely modified or qualified their recommendation of the Acquisition generally in any statement contained in an announcement issued by Firestone through a Regulatory Information Service after the date of the Firestone General Meeting; or
 - (B) the Firestone Directors have recommended any Competing Proposal in relation to Firestone; or
 - (C) Firestone is in material breach of any provision of the implementation agreement such that the Directors determine, acting in good faith and having taken appropriate advice, that such recommendation should not be given or should be withdrawn or modified or qualified in order to comply with their fiduciary duties; or
 - (D) the Kopane Directors recommend any Competing Proposal in relation to Kopane and subsequently the Acquisition lapses or is withdrawn.

Kopane Inducement fee

As an inducement to Kopane proceeding with the Acquisition, under the terms of the Implementation Agreement Firestone has agreed to pay Kopane an inducement fee of £400,000 (inclusive of any VAT), payable in certain circumstances including if:

- (i) a Competing Proposal in relation to Firestone (or any amendment, variation or revision of such proposal) is announced pursuant to Rule 2.5 of the Code prior to the Acquisition lapsing or being withdrawn and such Competing Proposal subsequently becomes or is declared wholly unconditional or is otherwise completed; or
- (ii) the Firestone Directors either (i) fail to recommend or (ii) withdraw or adversely modify or qualify their recommendation to Firestone Shareholders to vote in favour of the Firestone Resolution at the Firestone General Meeting or withdraw or adversely modify or qualify their recommendation of the Acquisition generally in any statement contained in an announcement issued by Firestone through a Regulatory Information Service after the date of the Firestone General Meeting, and subsequently the Acquisition lapses, provided that an inducement fee will not be payable by Firestone in these circumstances if, prior to the Firestone Directors failing to recommend or withdrawing or adversely modifying, or qualifying, such recommendation:
 - (A) the Kopane Directors have failed to recommend or have withdrawn or adversely modified or qualified their recommendation to Kopane Shareholders to vote in favour of the Scheme and the Kopane Resolution respectively at the Court Meeting and the General Meeting or (as the case may be) accept a Takeover Offer or have withdrawn or adversely modified or qualified their recommendation of the Acquisition generally

in any statement contained in an announcement issued by Kopane through a Regulatory Information Service after the date of the Kopane Shareholder Meetings;
or

- (B) the Kopane Directors have recommended any Competing Proposal in relation to Kopane; or
 - (C) Kopane is in material breach of any provision of the implementation agreement such that the Firestone Directors determine, acting in good faith and having taken appropriate advice, that such recommendation should not be given or should be withdrawn or modified or qualified in order to comply with their fiduciary duties; or
- (iii) the Firestone Directors recommend any Competing Proposal in relation to Firestone and subsequently the Acquisition lapses or is withdrawn.

However, nothing in the Implementation Agreement obliges Kopane or Firestone to pay any amount which the Panel would determine would not be permitted by Rule 21.2 of the Code.

Non-solicitation Undertakings

Each of Kopane and Firestone undertakes that it shall and shall procure that each member of their respective groups (and their respective directors, officers, employees advisers and agents) shall:

- (i) not make any approach to any third party with a view to a Competing Proposal being made in relation to Kopane or (as the case may be) Firestone; and
- (ii) not solicit, initiate, encourage or engage in any discussions with any third party with a view to a Competing Proposal being made in relation to Kopane or (as the case may be) Firestone.

Each of Kopane and Firestone undertake that it shall notify the other party in the event that it or any member of its group (or any of their respective directors, officers, employees advisers and agents) is approached by a third party with a view to a Competing Proposal being made in relation to Kopane or (as the case may be) Firestone. Each of Kopane and Firestone undertake not to enter into any discussions or negotiations with the third party in question with a view to a Competing Proposal being made unless the Kopane Directors or (as the case may be) the Firestone Directors determine, acting in good faith and having taken appropriate advice, that they are obliged to take such action in order to comply with their fiduciary duties as directors of Kopane or (as the case may be) Firestone.

(b) 2009 Placing Agreement

On 17 November 2009 Kopane undertook a placing pursuant to which 27,942,857 Kopane Shares ("**2009 Placing Shares**") were issued and placed with institutional and other investors (the "**2009 Placing**").

In connection with the 2009 Placing, Kopane entered into a placing agreement with finnCap on 28 October 2009 (the "**Placing Agreement**"), pursuant to which the Company gave certain warranties to finnCap with respect to the business of the Kopane Group and certain matters connected with the 2009 Placing. In addition, pursuant to the Placing Agreement Kopane gave certain indemnities to finnCap in connection with the 2009 Placing and the performance by finnCap of its services. Furthermore, as part of their consideration for the provision of services pursuant to the Placing Agreement, the Company issued to finnCap the Kopane Warrants. finnCap have since agreed with Kopane and Firestone that upon the Scheme becoming effective, the Kopane Warrants shall lapse.

As part of the 2009 Placing, 22,500,000 of the 2009 Placing Shares were issued to Lanstead, an institutional investor, at 14p per share for an aggregate subscription price of £3,150,000. In addition, Kopane entered into equity swap agreements with Lanstead pursuant to which Kopane retained much of the economic interest in the shares issued to Lanstead.

The equity swap agreements provided that Kopane's economic interest in the 2009 Placing Shares will be determined and payable in 24 monthly tranches as measured against a benchmark price of 18.67p per share ("**Benchmark Price**"). If Kopane's share price exceeds the Benchmark Price, for the relevant month Kopane will receive more than 100 per cent. of the monthly payment due. There is no upper limit placed on the proceeds

receivable by Kopane pursuant to the monthly tranche payments. Should the share price for the relevant month be below the Benchmark Price, Kopane will receive less than 100 per cent. of the monthly payment due, and there is no lower limit placed on the proceeds receivable. The mid market price of a Kopane Share at the close of business on 27 October 2009 (being the day prior to the date upon which the Placing Agreement was entered into) was 14p. The costs of entry into the equity swap agreements including legal and due diligence fees was approximately £350,000, £35,000 of which was paid in cash and the balance was satisfied by the issue of a further 2,250,000 Kopane Shares to Lanstead. There is also a carrying cost arising from the equity swap agreements of approximately £16,000 per annum. In total, Lanstead was issued 24,750,000 Kopane Shares pursuant to the 2009 Placing.

(c) **2010 Placing Agreement**

On 13 January 2010 Kopane undertook a placing pursuant to which 47,774,522 Kopane Shares (“**2010 Placing Shares**”) were issued and placed with institutional and other investors (the “**2010 Placing**”) and Kopane issued a further 2,477,418 Kopane Shares to satisfy a debt.

In connection with the 2010 Placing, Kopane entered into a placing agreement with finnCap on 13 January 2010 (the “**2010 Placing Agreement**”), pursuant to which the Company gave certain warranties to finnCap with respect to the business of the Kopane Group and certain matters connected with the 2010 Placing. In addition, pursuant to the 2010 Placing Agreement Kopane gave certain indemnities to finnCap in connection with the 2010 Placing and the performance by finnCap of its services.

As part of the 2010 Placing, 24,774,187 of the 2010 Placing Shares were issued to Lanstead at 12p per share for an aggregate subscription price of £2,972,902. In addition, Kopane entered into equity swap agreements with Lanstead pursuant to which Kopane retained much of the economic interest in the shares issued to Lanstead.

The equity swap agreements provided that Kopane’s economic interest in the 2010 Placing Shares will be determined and payable in 18 monthly tranches as measured against a benchmark price of 16p per share (“**Benchmark Price**”). If Kopane’s share price exceeds the Benchmark Price, for the relevant month Kopane will receive more than 100 per cent. of the monthly payment due. There is no upper limit placed on the proceeds receivable by Kopane pursuant to the monthly tranche payments. Should the share price for the relevant month be below the Benchmark Price, Kopane will receive less than 100 per cent. of the monthly payment due, and there is no lower limit placed on the proceeds receivable. The mid market price of a Kopane Share at the close of business on 12 January 2010 (being the day prior to the date upon which the 2010 Placing Agreement was entered into) was 12.75p. The costs of entry into the equity swap agreements excluding legal fees was approximately £297,290, which was satisfied by the issue of a further 2,477,418 Kopane Shares to Lanstead. There is also a carrying cost arising from the equity swap agreements of approximately £12,000 per annum. In total, Lanstead was issued 27,251,605 Kopane Shares pursuant to the 2010 Placing.

(d) **Lanstead Swap Agreement**

On 20 July 2010, Kopane, Lanstead and Firestone entered into an agreement (the “**Equity Swap Amendment Letter**”) to adjust the terms of the equity swap agreements that were entered into between Kopane and Lanstead as part of the 2009 Placing and the 2010 Placing, in order to take account of the fact that, upon the Scheme becoming effective, all Kopane shares in issue will be delisted, and will be exchanged for Firestone shares at the Exchange Ratio. Accordingly, the Equity Swap Amendment Letter provides that from the effective date of the Scheme, the amounts payable by Lanstead for any then unsettled monthly tranches under the equity swap agreements will be determined by reference to the price of Firestone shares, the Benchmark Price for determining the amounts payable for all unsettled monthly tranches under the equity swap agreement relating to the 2009 Placing will be 40.08p per Firestone share, and the Benchmark Price for determining the amounts payable for the remaining monthly tranches under the equity swap agreement relating to the 2010 Placing will be 34.36p per Firestone share.

8. Other information

- (a) Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Firestone or any party acting or presumed to be acting in concert with Firestone for the purposes of the Acquisition and any of the Directors, recent directors, shareholders or recent shareholders of Kopane, or any person interested or recently interested in shares of Kopane, having any connection with or dependence on the Acquisition.
- (b) Save as disclosed in this document, no proposal exists in connection with the Acquisition that any payment or other benefit be made or given to any Kopane Director as compensation for loss of office or as consideration for or in connection with his retirement from office.
- (c) Save as disclosed in this document, no agreement, arrangement or understanding exists whereby the legal or beneficial ownership of any of the Kopane Shares to be acquired by Firestone in pursuance of the Acquisition will be transferred to any other person.
- (d) Save as disclosed in this document or the Firestone Circular, the Kopane Directors are not aware of any material change in the financial or trading position of Kopane since 30 June 2009, the date to which the latest published audited accounts of Kopane were prepared.
- (e) Save as disclosed in this document or the Firestone Circular, the Firestone Directors are not aware of any material change in the financial or trading position of Firestone since 30 June 2009, the date to which the latest published audited accounts of Firestone were prepared.
- (f) finnCap has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- (g) Evolution has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- (h) Brewin Dolphin has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- (i) ACA Howe has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- (j) Neither the payment of interest on, nor the repayment of, nor the security for, any liability (contingent or otherwise) of Firestone will depend to any significant extent on the business of Kopane.

9. Documents available for inspection

Copies of the following documents are available from Kopane's website <http://www.kopanediamonds.com> and for inspection during normal Business Hours on any weekday (Saturdays, Sundays and UK public holidays excepted) at the offices of Ashurst LLP at Broadwalk House, 5 Appold Street, London EC2A 2HA up to and including the Effective Date or the date that the Scheme lapses or is withdrawn, whichever is the earlier:

- (a) the articles of association of Kopane and the new articles of association to be adopted at the Kopane General Meeting;
- (b) the articles of association of Firestone and the new articles of association to be adopted at the Firestone General Meeting;
- (c) the Kopane Financial Statements detailed at Appendix II, which are each incorporated by reference into Appendix II (*Financial Information on Kopane Group*) to this document;
- (d) the Firestone Financial Statements detailed at Appendix III, which are each incorporated by reference into Appendix III (*Financial Information on Firestone Group*) to this document;
- (e) the service contracts and letters of appointment referred to in paragraph 6 above;
- (f) the material contracts referred to in paragraph 7 above (including the Implementation Agreement);
- (g) the written consents referred to in paragraph 8 above;
- (h) the irrevocable undertakings referred to in paragraph 5 above;
- (i) the Firestone Circular; and
- (j) this document and the Forms of Proxy.

Dated: 13 August 2010

APPENDIX VI

BASES AND SOURCES

Save as otherwise stated, the following constitute the bases and sources of certain information referred to in this document:

1. Historic financial information relating to Kopane has been extracted without material adjustment from the relevant published audited reports and accounts of Kopane.
2. Historic financial information relating to Firestone has been extracted without material adjustment from the relevant published audited reports and accounts of Firestone.
3. Reference to the Kopane Fully Diluted Share Capital assumes:
 - (a) 301,511,651 Kopane Shares in issue; and
 - (b) the vesting of all awards and exercise of all options (where such options have an exercise price of not more than 17 pence) issued and outstanding over Kopane Shares, representing 8,276,981 Kopane Shares in aggregate; and
 - (c) the Kopane Warrants have been excluded in view of the fact that they will lapse on the Effective Date,in each case as at 11 August 2010 (being the latest practicable day prior to the date of this document).
4. Unless otherwise stated, all prices quoted for shares are Closing Prices.
5. The percentage ownership of Firestone following the Acquisition held by former Kopane Shareholders and Existing Firestone Shareholders is based on the enlarged issued share capital of Firestone following the Acquisition, being the aggregate of 127,891,637 Firestone Shares in issue on 11 August 2010 (being the latest practicable date prior to the posting of this document) (*source: Firestone registrar*) and approximately 140,413,465 New Firestone Shares to be issued pursuant to the Acquisition.
6. The calculation of the 140,413,465 New Firestone Shares to be issued as the consideration payable for the Acquisition is based upon Kopane's undiluted share capital of 301,511,651 ordinary shares on 11 August 2010 (being the latest practicable date prior to the posting of this document) and the Exchange Ratio.

APPENDIX VII

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

Act	the Companies Act 2006 (as amended);
Acquisition	the recommended acquisition of the entire issued and to be issued share capital of Kopane by Firestone to be implemented by way of the Scheme (or, should Firestone elect, with the consent of Kopane, by means of a Takeover Offer) on the terms and subject to the Conditions set out in this document and any subsequent revision, variation, extension or renewal thereof;
Admission	the admission of the New Firestone Shares and the re-admission of the Existing Firestone Shares to AIM becoming effective in accordance with the AIM Rules;
AIM Rules	together the AIM Rules for Companies and the AIM Rules for Nominated Advisers governing admission to and the operation of AIM;
AIM Rules for Companies	the AIM Rules for Companies published by the London Stock Exchange;
AIM Rules for Nominated Advisers	the AIM Rules for Nominated Advisers published by the London Stock Exchange;
Announcement	the announcement made by Firestone on 21 July 2010 in relation to the Acquisition pursuant to rule 2.5 of the City Code;
Articles or Kopane's Articles	the articles of association of Kopane;
Board	the board of directors of Kopane;
Brewin Dolphin	Brewin Dolphin Limited;
Business Day	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal banking business;
Business Hours	the hours of any day that is a Business Day;
certificated or in certificated form	in relation to a share, not in uncertificated form in CREST;
close of business	6.00 p.m. on that Business Day;
Closing Price	the closing middle market quotation of a share at the close of business on a particular trading day as derived from the Daily Official List of the London Stock Exchange for that day;
Code or City Code	the City Code on Takeovers and Mergers;
Competing Proposal	a proposed offer, tender offer, merger, acquisition, scheme of arrangement, recapitalisation or other combination whether or not subject to any pre-conditions and howsoever to be implemented relating to any direct or indirect acquisition or purchase of 50 per cent. or more of the Kopane Shares or (as the case may be) the Firestone Shares or substantially all of the business and assets of Kopane or (as the case may be) Firestone and its respective subsidiaries proposed by any third party;
Computershare	Computershare Investor Services PLC;

Conditions	the conditions to the implementation of the Acquisition (including the Scheme), which are set out in Appendix I to this document;
Court	the High Court of Justice in England and Wales;
Court Hearings	the Scheme Court Hearing and the Reduction Court Hearing;
Court Meeting	the meeting (and any adjournment thereof) of the holders of Scheme Shares convened by the Court under section 896 of the Act to consider and, if thought fit, approve the Scheme notice of which is set out in Appendix XVIII to this document;
Court Orders	the Reduction Court Order and the Scheme Court Order;
cpht	carats per one hundred metric tonnes;
CREST	the relevant system, as defined in the Regulations (in respect of which Euroclear UK & Ireland Limited is operator as defined in the Regulations);
CREST Manual	the CREST Manual referred to in agreements entered into by Euroclear;
CREST member	a person who is, in relation to CREST, a system member (as defined in the Regulations);
CREST sponsor	a person who is, in relation to CREST, a sponsoring system participant (as defined in the Regulations);
CREST sponsored member	a CREST member admitted to CREST as a sponsored member under the sponsorship of a CREST sponsor;
Daily Official List	the Daily Official List published by the London Stock Exchange;
Dealing Disclosure	as that term is defined at Rule 8 of the City Code;
Debswana	Debswana Diamond Company Limited;
De Beers	De Beers SA;
Deferred Shares	the deferred shares of 4 pence each in the issued share capital of Kopane;
Directors or Kopane Directors	the directors of Kopane as at the date of this document and Kopane Director means any one of them;
Disclosed	fairly disclosed in: <ul style="list-style-type: none"> (i) the 2009 annual report and accounts of Kopane (including the audited consolidated financial statements of Kopane for the year ended 30 June 2009); (ii) the interim financial statements of Kopane for the six month period ended 31 December 2009; (iii) all documents in Kopane's online data room which has been made available as at 6.00 p.m. on 20 July 2010 to Firestone and its advisers; or (iv) any public announcement released by or on behalf of Kopane to a Regulatory Information Service at any time prior to 6.00 p.m. on 20 July 2010;
Definitive Feasibility Study or DFS	the definitive feasibility study in the course of being produced by LMDC in relation to the Main Pipe;
Dredge and Floating Treatment Plant or FTP	the floating dredge and processing plant proposed to be used by Firestone to process alluvial diamond material for Namdeb;
EC Merger Regulation	Council Regulation (EC) 13 9/2004 (as amended);

Effective Date	the date on which the Scheme becomes effective in accordance with its terms;
Enlarged Group	the Firestone Group including, from the Effective Date, the Kopane Group;
Euroclear	Euroclear UK & Ireland Limited, a limited company incorporated in England and Wales with registered number 02878738;
Evolution	Evolution Securities Limited;
Exchange Ratio	0.4657 of a New Firestone Share for every 1 Kopane Share;
Excluded Shares	any Kopane Shares registered in the name of and/or beneficially owned by any company within the Firestone Group
Existing Firestone Shares	the Firestone Shares in issue as at the Effective Date;
Explanatory Statement	the explanatory statement relating to the Acquisition, as set out in Part 2 of this document, which together with the documents incorporated therein constitutes the explanatory statement relating to the Scheme as required by section 897 of the Act;
finnCap	finnCap Limited authorised and regulated by the Financial Services Authority and financial adviser, rule 3 adviser and nominated adviser to Kopane;
Firestone	Firestone Diamonds plc, registered in England and Wales (registered number 3589905);
Firestone Board	the board of directors of Firestone;
Firestone Circular	the circular to be sent to Firestone Shareholders convening the Firestone General Meeting and constituting an AIM admission document for the purposes of the AIM Rules;
Firestone Directors	the directors of Firestone as at the date of this document and Firestone Director means any one of them;
Firestone General Meeting or Firestone GM	the General Meeting of Firestone to be convened in connection with the Acquisition, including any adjournment thereof;
Firestone Group	Firestone and its subsidiaries and, where the context requires, each one of them;
Firestone Resolution	the first resolution to be proposed at the Firestone General Meeting for the purposes of, inter alia, approving and implementing the Acquisition and authorising the Firestone Directors to issue and allot the New Firestone Shares;
Firestone Share Option Schemes	the Basic Option Scheme adopted by Firestone in August 1998 and the Performance Related Share Option Scheme adopted by Firestone on 11 July 2001;
Firestone Shareholders	holders of Firestone Shares;
Firestone Shares	ordinary shares of 20 pence each in the capital of Firestone (including, if the context so requires, the New Firestone Shares);
Forms of Proxy or Form of Proxy or Proxy	the blue form of proxy for use at the Court Meeting and the yellow form of proxy for use at the General Meeting or either of them as the context requires;
General Meeting or Kopane General Meeting or Kopane GM	the General Meeting of Kopane convened for the purpose of passing the Kopane Resolution, including any adjournment thereof notice of which is set out in Appendix IX to this document;
GOL	Government of the Kingdom of Lesotho;
HMRC	Her Majesty's Revenue and Customs;

holder	a registered holder including any person entitled by transmission;
Howe or ACA Howe	ACA Howe International Limited;
Implementation Agreement	the implementation agreement between Firestone and Kopane dated 21 July 2010;
Indicated Resource	the part of a mineral resource for which the tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed;
Inferred Resource	the part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability;
Jwaneng Tailings Project	the tailings treatment project proposed to be operated by the Firestone Group at Debswana's Jwaneng mine;
Jwaneng Mine	the Jwaneng Mine in Botswana owned and operated by Debswana;
Kopane CPR	the Competent Persons' Report prepared by ACA Howe in relation to the Main Pipe and the Satellite Pipe, a copy of which is annexed to the Firestone Circular;
Kopane or Company	Kopane Diamond Developments Plc, registered in England and Wales (registered number 4108629);
Kopane Fully Diluted Share Capital	has the meaning set out in Appendix VI to this document;
Kopane Group	Kopane and its subsidiaries and, where the context requires, each one of them;
Kopane Resolution	the special resolution to be proposed at the General Meeting for the purposes of approving the Reduction of Capital and certain amendments to the Articles, together with other matters which are necessary for the purposes of implementing the Acquisition;
Kopane Shareholders or Shareholders	holders of Kopane Shares;
Kopane Shares	ordinary shares of one pence each in the capital of Kopane;
Kopane Share Scheme	the Kopane Share Option Scheme 2000;
Kopane Warrants	the warrants to subscribe for 1,500,000 Kopane Shares with an exercise price of 25 pence per Kopane Share held by finnCap;
Lanstead	Lanstead Capital LP;
LEC	Lesotho Electricity Company;
Liqhobong	the Kopane Group's diamond project at Liqhobong in Lesotho operated by LMDC;
LMDC	Liqhobong Mining Development Company (Proprietary) Limited;

London Stock Exchange	London Stock Exchange plc;
Main Pipe	the kimberlite pipe within the Kopane Group's licence at Liqhobong amounting to approximately 8.5 hectares;
Meetings	the Court Meeting and the General Meeting and "Meeting" shall mean either of them as the context dictates;
Mineral Resource	a concentration of material of economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well constrained and portrayed geological model. Mineral Resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated and Measured Resource categories. A deposit is a concentration of material of possible economic interest in, on or near the Earth's crust. Portions of a deposit that do not have reasonable and realistic prospects for eventual economic extraction must not be included in a Mineral Resource;
Modular Tailings Treatment Plant or MTTP	the processing plant proposed to be used by Firestone to process the tailings resources of the Jwaneng Mine;
Mt	million tonnes;
Mtpa	million tonnes per annum;
Namdeb	Namdeb Diamond Corporation;
New Firestone Shares	the Firestone Shares proposed to be issued credited as fully paid to Scheme Shareholders pursuant to the Acquisition;
New Kopane Shares	the new Kopane Shares to be issued credited as fully paid to Firestone in accordance with the Scheme;
Obtala	Obtala Resources plc;
Offer Document	an offer document in relation to a Takeover Offer;
Offer Period	the period commencing on 10 February 2010 and ending on the Effective Date;
Opening Position Disclosure	as that term is explained at Rule 8 of the City Code;
Overseas Shareholders	Kopane Shareholders whose registered addresses are outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom;
Panel	the Panel on Takeovers and Mergers;
Reduction Court Hearing	the hearing at which the Reduction Court Order will be sought;
Reduction Court Order	the order of the Court confirming the Reduction of Capital and the associated re-registration of Kopane as a private limited company;
Reduction of Capital	the proposed reduction of capital under section 641 of the Act associated with the Scheme;
Reduction Record Time	6.00 p.m. on the Business Day immediately prior to the date of the Reduction Court Hearing;

Registrar of Companies	the Registrar of Companies for England and Wales;
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
Regulatory Information Service	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements and included within the list maintained on the London Stock Exchange's website;
Restricted Jurisdiction	the United States, Australia, Republic of South Africa, Singapore, Japan, Canada and any other jurisdiction where the New Firestone Shares cannot be made available to Scheme Shareholders without breaching any applicable securities law;
Satellite Pipe	the kimberlite pipe within the Kopane Group's mining lease at Liqhobong amounting to approximately 0.8 hectares;
Satellite Plant	Kopane's 420,000 tonnes per annum diamond processing plant at Liqhobong originally constructed to process kimberlite from the Satellite Pipe;
Scheme or Scheme of Arrangement	the scheme of arrangement proposed to be made under part 26 of the Act between Kopane and the Scheme Shareholders with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Kopane and Firestone;
Scheme Court Hearing	the hearing at which the Scheme Court Order will be sought;
Scheme Court Order	the order of the Court sanctioning the Scheme under section 899 of the Act;
Scheme Record Time	6.00 p.m. on the Business Day immediately prior to the Effective Date;
Scheme Shareholders	holders of Scheme Shares;
Scheme Shares	the Kopane Shares: <ul style="list-style-type: none"> (i) in issue at the date of this document; (ii) issued after the date of this document and on or before the Voting Record Time in respect of the Court Meeting; and (iii) issued after the Voting Record Time in respect of the Court Meeting but on or before the Reduction Record Time either on terms that the original or subsequent holders thereof shall be bound by the Scheme or in respect of which the holder thereof shall have agreed in writing to be bound by the Scheme, <p>but excluding (A) in the case of references in this document to "Scheme Shares" or "Scheme Shareholders" in relation to the Court Meeting, any Excluded Shares in issue at the Voting Record Time in respect of the Court Meeting, and any Scheme Shares referred to in (iii) above, and (b) in the case of all other references in this document to "Scheme Shares" and "Scheme Shareholders", any Excluded Shares in issue at the Reduction Record Time.</p>
SEC	the US Securities and Exchange Commission;
subsidiary, subsidiary undertaking, undertaking and associated undertaking	have the respective meanings given thereto by the Act;

Takeover Offer	a takeover offer governed by the Code to implement the acquisition of Kopane as Firestone may elect to make in accordance with the terms of the Implementation Agreement;
UK or United Kingdom	United Kingdom of Great Britain and Northern Ireland;
uncertificated or in uncertificated form	in relation to a share, title to which is recorded in the relevant register of the share as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST;
United States or US	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
US Securities Act	the United States Securities Act of 1933, as amended;
US Securities Exchange Act	the United States Securities Exchange Act of 1934, as amended;
VAT	Value Added Tax;
Voting Record Time	6.00 p.m. on the day which is two days before the date of the Court Meeting and the General Meeting or, if the Court Meeting or General Meeting is adjourned, 6.00 p.m. on the day which is two Business Days before the date of such adjourned meeting;
Wider Firestone Group	Firestone Group and its subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which the Firestone Group and such undertakings (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital or the equivalent;
Wider Kopane Group	the Kopane Group and its subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which the Kopane Group and such undertakings (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital or the equivalent; and
£, pence and p	the lawful currency of the United Kingdom.

APPENDIX VIII

NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
Registrar Nicholls

No. 6122 of 2010

**IN THE MATTER OF KOPANE DIAMOND DEVELOPMENTS PLC
and
IN THE MATTER OF THE COMPANIES ACT 2006**

NOTICE IS HEREBY GIVEN that, by an order dated 12 August 2010 made in the above matters, the Court has directed a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares (as defined in the Scheme of Arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be made between Kopane Diamond Developments Plc (the “**Company**”) and Scheme Shareholders (as defined in the said Scheme of Arrangement) and that such Court Meeting will be held at the offices of Ashurst LLP at Broadwalk House, 5 Appold Street, London EC2A 2HA on 6 September 2010 at 11.00 a.m. at which place and time all Scheme Shareholders are requested to attend.

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms part.

Scheme Shareholders entitled to attend and vote at the meeting may vote in person at the Court Meeting or they may appoint another person, whether a member of the Company or not, as their proxy to vote in their stead. A blue form of proxy for use at the Court Meeting is enclosed with this notice. Completion of the form of proxy will not prevent a holder of the said shares from attending and voting at the Court Meeting (or any adjournment thereof) in person, if he wishes to do so.

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their Scheme Shares. Scheme Shareholders are also entitled to appoint more than one proxy. A space has been included in the blue form of proxy to allow Scheme Shareholders to specify the number of shares in respect of which that proxy is appointed. Scheme Shareholders who return the blue form of proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their Scheme Shares.

Scheme Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact Computershare for further forms of proxy or photocopy forms of proxy as required. Such shareholders should also read the notes in respect of the appointment of multiple proxies set out in the Notice of General Meeting set out in Appendix IX (*Notice of General Meeting*) of this document of which this notice forms part.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

Entitlement to attend and vote at the said Court Meeting of Scheme Shareholders or any adjournment thereof and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company as at 6.00 p.m. on the day which is two Business Days immediately before the date of the said Court Meeting or adjourned meeting (as the case may be). In each case, changes to the register of members of the Company after such time will be disregarded.

It is requested that forms of proxy (together with any power of attorney or authority under which it is signed, or a notarially certified copy of such power or authority) be lodged by post with the Company’s registrars, Computershare Investor Services PLC, The Pavilions,

Bridgwater Road, Bristol, BS99 6ZY or by hand (during normal Business Hours) at the same address or if Scheme Shares are held in uncertificated form via the CREST Proxy Voting Service (the Company's agent ID number is 3RA50) in each case by 11.00 a.m. on 2 September 2010 (or, in the case of an adjournment, not later than 48 Business Hours before the time fixed for the holding of the adjourned meeting), but if forms are not so lodged, or submitted electronically (as the case may be), they may be handed to the Company's registrars, Computershare on behalf of the chairman at the Court Meeting before the taking of the poll.

By the said order, the Court has appointed Francesco Scolaro, or failing him James Cable or, failing both of them, Michael Wittet to act as chairman of the Court Meeting and has directed the chairman to report the results thereof to the Court.

The said Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated: 13 August 2010

Ashurst LLP
Broadwalk House
5 Appold Street
London EC2A 2HA

Solicitors for the Company

APPENDIX IX

NOTICE OF GENERAL MEETING

KOPANE DIAMOND DEVELOPMENTS PLC (the “Company”)

(Registered in England and Wales No. 4108629)

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of the Company will be held at the offices of Ashurst LLP at Broadwalk House, 5 Appold Street, London EC2A 2HA at 11.15 a.m. on 6 September 2010 (or as soon thereafter as the Court Meeting (as defined in the document of which this notice forms part) convened for 11.00 a.m. on the same day and at the same place, by an order of the High Court of Justice in England and Wales, shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution of the Company:

SPECIAL RESOLUTION

THAT for the purposes of giving effect to the scheme of arrangement dated 13 August 2010 between the Company and Scheme Shareholders (as defined in the said Scheme of Arrangement), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman hereof, in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and Firestone (as defined in the Scheme of Arrangement) (the “**Scheme**”):

- (a) the directors of the Company be authorised to take all such actions as they may consider necessary or appropriate for carrying the Scheme into effect;
- (b) the share capital of the Company be reduced by cancelling and extinguishing all of the Scheme Shares (as defined in the Scheme);
- (c) subject to, and forthwith upon, the reduction of capital referred to in paragraph (b) above (the “**Reduction of Capital**”) taking effect and the re-registration of the Company as a private limited company:
 - (i) the reserve arising in the books of account of the Company as a result of the reduction of share capital referred to in paragraph (b) above be capitalised and applied in paying up in full at par such number of the new ordinary shares as shall be equal to the number of Scheme Shares cancelled pursuant to sub-paragraph (b) above, such new ordinary shares to be allotted and issued, credited as fully paid, to Firestone or its nominee in accordance with the Scheme; and
 - (ii) the directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 to allot the new ordinary shares referred to in paragraph (c)(i) above, provided that: (1) the maximum aggregate nominal amount of relevant securities that may be allotted under this authority shall be the aggregate nominal amount of the said new ordinary shares created pursuant to paragraph (c)(i) above, (2) this authority shall expire (unless previously revoked, varied or renewed) on 31 December 2010; and (3) this authority shall be in addition, and without prejudice, to any other authority under the said section 551 previously granted and in force on the date on which this resolution is passed; and
- (d) with effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new Article 157:

“Scheme of Arrangement

157.1 In this Article, the “**Scheme**” means the scheme of arrangement under part 26 of the Companies Act 2006 dated 13 August 2010 between the Company and Scheme Shareholders in its form at that date or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and Firestone Diamonds plc (“**Firestone**”), and save as defined in this Article expressions defined in the Scheme (as it may be modified or amended in accordance with its terms) shall have the same meanings in this Article.

- 157.2 If the Company issues any shares to any person other than to Firestone or its nominee(s) after the adoption of this Article and on or before the Reduction Record Time, such shares shall be subject to the terms of the Scheme (and shall be Scheme Shares for the purposes of the Scheme) and the original or any subsequent holder or holders of such shares shall be bound by the Scheme accordingly.
- 157.3 Notwithstanding any of the provisions of these Articles and subject to the Scheme and Reduction of Capital becoming effective, if any shares are issued to any person (a “**New Member**”) (other than to Firestone or its nominee(s)) after the Reduction Record Time (the “**Post-Scheme Shares**”), such Post-Scheme Shares will, subject to Article 157.4 below, be transferred to Firestone (or as it may direct) in consideration for and conditional upon the payment by Firestone to the New Member of such consideration as would have been payable to such New Member pursuant to the Scheme (as it may be modified or amended in accordance with its terms) had such Post-Scheme Share been a Scheme Share.
- 157.4 Any New Member may, before the issue or transfer of Post-Scheme Shares to him or her pursuant to the exercise of an option or satisfaction of an award under the Company’s employee share plan, give not less than two Business Days’ notice to the Company, in such manner as the Board shall prescribe, of his or her intention to transfer some or all of such Post-Scheme Shares to his or her spouse or civil partner, and may, if such notice has been validly given, on such Post-Scheme Shares being issued or transferred to him or her, immediately transfer to his or her spouse or civil partner any such Post-Scheme Shares, provided that such Post-Scheme Shares will then immediately be transferred from that spouse or civil partner to Firestone pursuant to Article 157.3 above as if the spouse or civil partner was a New Member. If notice has been validly given pursuant to this Article but the New Member does not immediately transfer to his or her spouse or civil partner the Post-Scheme Shares in respect of which notice was given, such shares will be transferred to Firestone pursuant to Article 157.3 above.
- 157.5 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) after the Effective Date, the amount of the consideration per share to be paid under Article 157.3 above shall be adjusted by the Directors in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this Article to shares shall, following such adjustment, be construed accordingly.
- 157.6 To give effect to any transfer required by Article 157.3 and/or Article 157.4 above, the Company may appoint any person as attorney for the New Member to transfer the Post-Scheme Shares to Firestone and to do all such other things and execute and deliver all such documents as may, in the opinion of the attorney, be necessary or desirable to vest the Post-Scheme Shares in Firestone, and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as Firestone may direct. If such an attorney is so appointed, the New Member shall not thereafter (except to the extent that such an attorney fails to act in accordance with the directions of Firestone) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed by Firestone. The Company may give good receipt for the purchase price of the Post-Scheme Shares and may register Firestone as holder thereof and issue it certificates of the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. Firestone shall, or shall procure that, the requisite consideration as set out in Article 157.3 above is settled with such New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) within 14 days of the date on which the Post-Scheme Shares are issued to the New Member.”

Dated: 13 August 2010

BY ORDER OF THE BOARD

James Cable
Finance Director and Company Secretary

Registered Office:
Carlyle House
235-237 Vauxhall Bridge Road
London SW1V 1EJ

Notes:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote instead of him or her. A proxy need not be a member of the Company but must attend the meeting in person.
2. A yellow form of proxy is enclosed with this notice for members who are unable or who do not wish to attend the meeting in person. Instructions for use are shown on the form. Lodging a form of proxy will not prevent the shareholder from attending and voting in person. The Company will give effect to the intention of members and include votes wherever and to the fullest extent possible. Any amendments you make to any form of proxy must be initialled by you.
3. To be valid, the form of proxy (together with any power of attorney or authority under which it is signed, or a notarially certified copy of such power or authority) must be received at the offices of the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, no later than 48 Business Hours before the time for holding the meeting or any adjournment thereof or (in the case of a poll taken otherwise than at the meeting or any adjournment thereof) for the taking of the poll at which it is to be used.
4. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attaching to different shares.
5. If you wish to appoint multiple proxies, you may: (a) photocopy the form of proxy, fill in each copy in respect of different shares and send the multiple forms together to Computershare at the address above; or alternatively (b) call Computershare on the number in paragraph 22 below who will then issue you with multiple forms of proxy. In each case, please ensure that all of the multiple forms of proxy in respect of one registered holding are sent in the same envelope if possible.
6. Where a form of proxy does not state the number of shares to which it applies (a "**blank proxy**") then subject to the following principles where more than one proxy is appointed that proxy is deemed to have been appointed in relation to the total number of shares registered in the name of the appointing member (the "**member's entire holding**"). In the event of a conflict between a blank proxy and a proxy which does state the number of shares to which it applies (a "**specific proxy**"), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that as far as possible, the conflicting forms of proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (pro rata if there is more than one).
7. Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than the member's entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares. That is there is only assumed to be a conflict where the aggregate number of shares in respect of which proxies have been appointed exceeds the member's entire holding.
8. When considering conflicting proxies, later proxies will prevail over earlier proxies, and which proxy is later will be determined on the basis of which proxy is last sent (or, if the Company is unable to determine which is last sent, last received). Proxies in the same envelope will be treated as sent and received at the same time, to minimise the number of conflicting proxies.
9. If conflicting proxies are sent or received at the same time or if the Company is unable to determine which was sent or received last in respect of (or deemed to be in respect of) an entire holding, none of them shall be treated as valid.
10. Where the aggregate number of shares in respect of which proxies are appointed exceeds a member's entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the number of votes attributed to each proxy will be reduced pro rata.
11. Where the application of paragraph 10 above gives rise to fractions of shares, such fractions will be rounded down.
12. If a member appoints a proxy or proxies and then decides to attend the Kopane General Meeting in person and vote on a poll using his poll card, then the vote in person will override the proxy vote(s). If the vote in person is in respect of the member's entire holding then all proxy votes will be disregarded. If, however, the member votes at the meeting in respect of less than the

member's entire holding, and the member indicates on his polling card that all proxies are to be disregarded, that shall be the case; but if the member does not specifically revoke proxies, then the vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding the member's entire holding.

13. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
14. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment in the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Computershare (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
15. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
16. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
17. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes that can be cast), members must be entered on the Company's register of members at 6.00 p.m. on 2 September 2010. If the meeting is adjourned then, to be so entitled, members must be entered on the Company's register of members at 6.00 p.m. on the day which is two Business Days before the date fixed for the adjourned meeting or, if the Company gives notice of this adjourned meeting and an entitlement time is specified in that notice, at the time specified in that notice.
18. A shareholder which is a company (a corporation) and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and vote on a poll (a corporate representative) must appoint such a person by resolution of its directors. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it were an individual member of the Company.
19. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do so in relation to the same shares.
20. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority will be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.
21. A proxy will vote at his/her discretion on any other business properly before the meeting.

22. If you are in any doubt about completing the form of proxy please telephone Computershare between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 0870 889 4068 (from within the UK) and +44 870 889 4068 (from outside the UK). Calls to the Computershare 0870 number are charged at up to 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Computershare +44 870 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Computershare cannot provide advice on the merits of the Acquisition or the Scheme nor give any financial, legal or tax advice.
23. Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting.

Copies of the Company's articles of association as proposed to be amended by the resolution set out in the notice of meeting are available for inspection at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA during normal business hours until the opening of business on the day on which the meeting is held and will also be available for inspection at the place of the meeting for at least fifteen minutes before and during the meeting.

[THIS PAGE INTENTIONALLY LEFT BLANK]

