

**BlueRock Diamonds Plc
("BlueRock" or the "Company")**

**Proposed Acquisition, Placing, Capital Restructuring, Admission to AIM, Withdrawal from ISDX Growth
Market and Notice of General Meeting**

The Directors of BlueRock (ISDX: BR) are pleased to announce that the pre-admission announcement (the "Schedule One Announcement") in connection with the proposed admission of its issued and to be issued ordinary shares to trading on AIM ("Admission"), has today been released by the London Stock Exchange. In addition, the Company has today posted copies of the admission document, notice of general meeting and form of proxy to shareholders. Copies of the Schedule One Announcement, the admission document, the notice of general meeting and the form of proxy will be available to download from the Company's website shortly (www.bluerockdiamonds.co.uk).

BlueRock was admitted to trading on the ISDX Growth Market as an investment vehicle on 7 March 2013. Following the review and evaluation of a number of potential acquisition targets, the Directors identified the Kareevlei Tenements as an opportunity that fulfilled the Company's investment criteria. The Kareevlei Tenements are located approximately 100km northwest of Kimberley in the Northern Cape Province of South Africa, and contain the diamondiferous Kareevlei Kimberlites; five kimberlite pipes ranging in size from <0.5 hectares to <5.6 hectares.

The Company has conditionally raised GBP1.31 million through the issue of 18,735,703 Ordinary Shares at 7p per share. The funds raised in the placing will be used to purchase the Mining Right and the Mining Equipment, to fund plant upgrade, plant refurbishment and mine set up costs, the development of pipe K1 within the Kareevlei Tenements, costs of Admission and working capital requirements of the Group.

On 23 April 2013, the Company entered into the Kareevlei Option Agreement with Diamond Resources (Pty) Limited, a subsidiary of Tawana Resources NL, pursuant to which the Company was granted an option to acquire the Mining Right over the Kareevlei Tenements and the Mining Equipment for an aggregate consideration of R4 million (approximately £261,000) plus SA VAT. Prior to Admission, the Company, through its newly incorporated Subsidiary, Kareevlei Mining (Pty) Limited ("Kareevlei Mining"), is to exercise its rights under the Kareevlei Option Agreement to enter into and complete the Equipment Agreement and to enter into the Mining Agreement.

Following Admission, under the terms of the Mining Agreement (as amended), the Company may conduct Trial Mining Operations until such time as Diamond Resources obtains Ministerial Consent (pursuant to an

application to be lodged under section 11 of the MPRDA in a form acceptable to both Diamond Resources and BlueRock) for the transfer of the Mining Right to Kareevlei Mining. The Mining Agreement provides that Kareevlei Mining may be engaged as a contractor to conduct Trial Mining Operations in the period prior to the transfer of the Mining Right. The amount that can be taken by way of bulk sample is limited to four consecutive tranches, the first two of up to 20,000 tonnes each and then a further two tranches of up to 24,000 tonnes each. If after eight months from the inception of the Mining Agreement, Ministerial Consent for the transfer of the Mining Right has not been obtained, unless the parties agree otherwise, Kareevlei Mining has the right to be appointed as a contractor to continue the Trial Mining Operations for an additional period of up to 24 months after the commencement date or until Ministerial Consent is obtained, whichever occurs first.

The Mining Equipment to be acquired by BlueRock on Admission includes an on-site processing plant and a final recovery section which is based in a leased area at the De Beers facility in Kimberley, both of which are in good condition. The on site processing plant includes crushers, screens and a 25 tonne per hour dense media separation plant (“DMS”) plant. Electricity to operate the plant is generated by three diesel powered generators. The onsite plant is in good condition and following refurbishment of the screens and crushing circuits is expected to be suitable for kimberlite treatment. The final recovery plant based in Kimberley at the De Beers facility includes conveyors, screens, a containerised dual station Flowsort™ (X ray) machine and a grease table.

Since De Beers discovered the Kareevlei kimberlites in 1991 during an airborne magnetic survey, significant prospecting work has been carried out, including percussion and Bauer™ auger drilling. Sufficient work had been carried out on three of the pipes, K1, K2 and K3, such that following the execution of the Kareevlei Option Agreement, the Company commissioned a Competent Person’s Report on the Kareevlei Tenements in order to provide a resource estimate under the SAMREC code based on the prospecting work to date, a summary of which is as follows:

Pipe	Tonnes	Carats	Grade (cpht)	Classification
K1	1,594,000	101,000	6.3	Inferred
K2	2,461,000	111,000	4.5	Inferred
K3	3,929,000	147,000	3.7	Inferred
Total	7,984,000	359,000		

In accordance with the recommendations of the Competent Person, the Company intends to start mining operations by opening up the K1 pipe and removing a portion of the calcrete overburden to expose the

calcretised and weathered kimberlite beneath for processing. Further information on the resource estimate and the Competent Person's Report in full is set out in Part V of the Admission Document.

In accordance with the black economic empowerment requirements in the South African mining industry, the Company's subsidiary, Kareevlei Mining is 26% owned by a Kimberley based company, Ghaap Mining (Pty) Limited, with the remaining 74% owned by the Company.

The Company is seeking admission to AIM in order to take advantage of the market's higher profile, broader investor base, liquidity and access to institutional investors. The Directors believe that Admission should provide liquidity for current and future investors in the Company and provide the Company with the flexibility to issue new shares as consideration for any acquisition. Cancellation of trading on ISDX will take place immediately prior to Admission to AIM. On Admission to AIM the Company's ticker will change to BRD.

A general meeting of the Company to approve the Resolutions detailed in the Notice of General Meeting, including, *inter alia*, the Acquisition, will be held at 9 a.m. on 3 September 2013 at the offices of SP Angel Corporate Finance LLP, Prince Frederick House, 35-39 Maddox Street, London, W1S 2PP. SP Angel Corporate Finance LLP is the Company's ISDX Corporate Adviser and in conjunction with the Admission is acting as the Company's Nominated Adviser and broker.

Unless otherwise defined herein, terms in this announcement shall have the same meanings as those defined in the admission document dated 19 August 2013 which will be available from the Company's website www.bluerockdiamonds.co.uk shortly. The Directors of BlueRock are responsible for the contents of this announcement.

BlueRock Diamonds plc

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