

BlueRock Diamonds PLC ("BlueRock" or the "Company")

17 October 2014

Convertible Loan Notes

BlueRock Diamonds (AIM: BRD) is pleased to announce that further to the Interim Results announcement made on 30 September 2014, the Company has entered into an agreement with Mark Poole in respect of the issue of up to £450,000 of convertible loan notes (the "Convertible Loan Notes") of which £400,000 will be drawn down immediately. The Company may drawdown the balance of £50,000 at any time before the second anniversary of initial subscription.

As detailed in the Interim Results announcement, the Convertible Loan Notes will have a five year term. The Convertible Loan Notes carry a zero coupon and they will not be listed. The Convertible Loan Notes will benefit from a charge over the Company's interest in Kareevlei Mining (Pty) Limited ("Kareevlei Mining"). If the Company disposes of its interest in Kareevlei Mining then the charge will be released subject to early repayment of the Convertible Loan Notes at a premium of 20%.

The Convertible Loan Notes will be convertible:

- (i) at the holder's option at any time up to the end of the term into ordinary shares of 1 pence each in the capital of the Company ("Ordinary Shares") at a conversion price (the "Conversion Price") of 11 pence; and
- (ii) at the Company's option after the second anniversary of initial subscription provided that the one month volume weighted average price of the Company's Ordinary Shares is in excess of 120% of the Conversion Price and that the closing mid-market price on the date prior to the Company opting to convert exceeds 120% of the Conversion Price.

Related Party Transaction

Mark Poole is a substantial shareholder in BlueRock (as defined by the AIM Rules) and holds 5,285,714 Ordinary Shares representing 16.8 per cent of the issued share capital and voting rights of the Company and as such is considered to be a related party of the Company under the AIM Rules. Therefore the issue of the Convertible Loan Notes, constitute a related party transaction pursuant to AIM Rule 13. The Directors, having consulted with the Company's nominated adviser, SP Angel Corporate Finance LLP, consider that the terms of the Convertible Loan Notes are fair and reasonable insofar as the Company's shareholders are concerned.

Plant Upgrade

Following the end of our trial mining period, the Board will utilise these funds to invest in new plant and equipment to upgrade the existing facility. The Board is confident that the current plans will enable us to reach commercial, profitable production and will over time enable us to commence production of the other pipes at the Kareevlei Tenements.

The Company has commenced ordering the equipment required for the upgrade and expects to commence installation during the December shutdown period in order that the new plant can be operating during Q1 2015.

In the interim period the Company will continue to process stockpiled material with the existing plant until the end of November 2014.

The Board looks forward to updating shareholders in the near future.

Enquiries:

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