

**BlueRock Diamonds PLC (“BlueRock” or “the Company”)**

**16 December 2015**

**Operational Update**

Following the announcement made on 5 November 2015 the Company is pleased to update the market following the expected mine closure for the three week Christmas break starting on the 14 December 2015.

We are now operating two shifts a day at the Kareevlei treatment plant. Production levels remain below capacity as we continue to bed in the plant and deal with the challenges that arise from operating at far higher levels than hitherto and from the increased demands placed on the infrastructure from the commencement of operations by Diacar; in particular water supply which has been exacerbated by the particularly dry Summer. Accordingly we processed approximately 9,000 tonnes of mined Kimberlite in November 2015. We expect that plant throughput will increase over the next two or three months as we continue with the bedding in process.

Our subcontractor, Diacar, has commenced operations and processed approximately 5,000 tonnes in November 2015. Diacar are continuing with the planned improvements to its plant and it is expected that production levels will increase towards expected levels during Q1 2016.

The quality of our stones remains high and we are seeing an increase in the coarseness and quality of our output. As a result, despite the weak prices at the lower end of the diamond market our average prices remain higher than estimated in the CPR; our output since production recommenced after the recent upgrade was sold at an average price of USD273 compared to the USD232 per carat indicated in our CPR. We remain comfortable that the grade estimated in the CPR of 5.5 cpht is supported by results to date and we will provide further detail in this regard towards the end of the first quarter of 2016.

Pursuant to the original agreement between BlueRock and Tawana Resources NL (“Tawana”), we have provisionally agreed subject to contract to acquire Diamond Resources (Pty) Limited for ZAR 700,000, in order that BlueRock can hold directly the rehabilitation guarantee required by the Department of Mineral Resources in South Africa in relation to Kareevlei.

**Enquiries:**

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