

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

31 March 2016

Operational Update

Following the announcement made on 16 December 2015, the Company is pleased to update the market with progress made during the first quarter of 2016.

Management changes

In January we appointed VBKOM, specialist mining consultancy to join our existing management team and, in particular, to review our mining strategy and produce a life of mine plan. This process is under way and we expect that this will be finalised over the next couple of months. In addition, we have started conducting a strategic review covering all operations as our business expands. The first action of this review is to appoint an experienced mine manager to run operations. We have identified an individual with the appropriate experience and we expect to appoint him in the coming weeks.

Production

The combined throughput of the Kareevlei plant (“Kareevlei”) and the Diacar plant (“Diacar”) is now in excess of 20,000 tonnes per month up from 14,000 tonnes as reported in December.

The water shortages that we faced during the very dry summer have been alleviated by rain and a change in our processing which enables us to utilise the water that we have more efficiently and we are exploring ways of preventing this recurring.

We are pleased with the ability of Kareevlei to process higher volumes of Kimberlite but continue to make adjustments to our plant set up to achieve more processing efficiencies. During the first quarter our recovery ran at slightly under 2 cph. Whilst this is below the expected average grade as set out in the CPR published at the time of our admission to AIM (“CPR”), limited testing of our tailings has shown that our plant is not recovering a significant quantity of diamonds and that the DMS as it is currently set up is unable to process effectively the increased throughput. The Board, together with VBKOM and other industry experts are currently deciding how best to resolve this issue.

Diacar, whilst operating at the expected levels of throughput they are also recovering at lower than expected rates at a similar level to Kareevlei. Diacar are currently in the process of adding a DMS to its processing unit and we anticipate that this will improve its recovery grades.

Despite the recent lower grades, the Board believes that the results to date continue to support the findings in the CPR published at the time of our IPO. In particular, now that we are starting to process level 3 ground (20m to 30m below the surface), albeit in limited quantities to date, there are signs that grades are improving despite the current inefficiencies of the plants. Further production at this level is required to establish how consistent this proves to be the case.

Values

Values per carat remain significantly higher than anticipated in the CPR. Average values per carat during the first three months of 2016 were USD 263 for Kareevlei and USD 469 for Diacar, both significantly higher than anticipated in the CPR. However, until both plants are operating at their optimum efficiency we will be unable to be certain of our run of mine average value per carat.

Cash

BlueRock has always operated on a limited budget and current cash resources remain tight. It is likely that we will need to raise additional funds and the Board is currently reviewing available options.

We continue to investigate options to increase production and plant efficiency from currently achieved levels. We will report back with our findings in due course.

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