

**BlueRock Diamonds plc**

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

**7<sup>th</sup> September 2016**

**Option to acquire the Diacar Plant and operating update**

**Diacar Plant**

BlueRock Diamonds is pleased to announce that it has acquired an option from Diacar (the "Option") to purchase its processing plant located at BlueRock's Kareevlei site (the "Diacar Plant").

Diacar has been operating the Diacar Plant at the Kareevlei Mine since November 2015 under a sub-contracting agreement for which it was paid 40% of the diamond revenues generated from the Diacar Plant. In July 2016 BlueRock announced the termination of the agreements with Diacar for loading and hauling services and for diamond processing. The Company has now reached an agreement with Diacar whereby Diacar has granted BlueRock an option to buy its processing plant for ZAR1.6m (approximately £82,000\*) at any time up to 31 December 2016 (the "Option Period"). The option cost is ZAR100,000 (approximately £5,100\*) plus ZAR50,000 (approximately £2,600\*) per month during the period of the option commencing on 1 October 2016.

The technical capacity of the Diacar Plant is similar to BlueRock's existing plant and the Option provides extra capacity during the Option Period and will enable BlueRock, at minimal cost, to further assess our options for providing a permanent increase in capacity.

**Operations**

Mine operations have now recommenced. We expect to gradually increase throughput over the next couple of weeks and aim to move to 24 hour production as soon as we are confident that the amendments made to the plant over the last couple of months are operating as expected.

Adam Waugh, CEO of BlueRock Diamonds said

"The option to buy Diacar's plant gives us operating capacity and flexibility over the course of the next four months at little cost and with the benefit of 100% of any diamond revenues arising from the Diacar Plant going forward."

\*Using an exchange rate of 1£ = 19.5 ZAR

**Enquiries:**

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**About BlueRock Diamonds plc (AIM:BRD)**

BlueRock is a diamond mining company with activities in the Kimberley region of South Africa. BlueRock own a diamond processing plant and the mining right over the Kareevlei Tenements in South Africa.