

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

2 November 2016

Fundraising raises £750,000, revision to terms of CLN

and

PDMR Shareholding

BlueRock Diamonds plc, the AIM listed diamond mining company which owns and operates the Kareevlei mine in South Africa is pleased to announce that it has raised an aggregate of £750,000 (before expenses) via the issue of 16,875,000 new ordinary shares of 1 pence each in the capital of the Company (“the Placing Shares”) through a placing and subscription at a price of 4 pence per Placing Share to raise £675,000 and an extension to the existing convertible loan note (“CLN”) amounting to £75,000, (together the “Fundraising”) along with a revision to the terms of the CLN.

The proceeds of the Fundraising will be used to progress the new management team’s plans to target production levels of 30,000 tonnes per month at a reduced cost as well as continuing to refine the Company’s plant in order to improve achieved grades. In particular the Company is looking to acquire primary crushing equipment which is expected to be more cost effective than using external contractors. The primary crushing circuit is expected to be installed and commissioned during 1st quarter 2017. The Company will seek to mitigate the effects of the continued drought conditions through the use of increased water recycling and other measures such that the targeted production can be maintained. While there can be no certainty that the Company will be able to achieve the targeted tonnage and grade improvement, the Board looks forward to providing shareholders with updates as the board’s plans are implemented and production is gradually increased following the recent shut down of operations.

The Company will continue to progress the identified remedial work to the processing plant in November and December. During this time the plant will be tested with stockpiles prior to the recommencement of the Drill and Blast programme in mid-January 2017 following which it is expected that a steady stream of Run of Mine material will be available. A gradual ramp up of production levels during 1st quarter 2017 is expected to be complete well before the quarter end.

BlueRock CEO Adam Waugh said, “We are delighted that our placing has been supported by both new and existing shareholders. The funds raised will enable us to fully implement our plans for Kareevlei where we hope to significantly reduce the cost per tonne of production as well as improving our recovered grade. I look forward to updating the market on our progress in due course.”

Substantial Shareholder and Directors’ Participation

Certain PDMRs and an existing substantial Shareholder in the Company have each subscribed for Placing Shares pursuant to the Placing. The number of Placing Shares subscribed for by each Director and the existing substantial Shareholder, and their resulting shareholdings are set out below:

Directors are participating in the Placing as follows:

Shareholder name	Interest in existing Ordinary Shares	Percentage interest in existing Ordinary Shares	No. of Placing Shares	Interest in Ordinary Shares on completion of the Placing	Percentage Interest in Ordinary Shares on completion of the Placing
Paul Beck ¹	1,967,898	5.07	250,000	2,217,898	3.98
Adam Waugh	227,273	0.59	625,000	852,273	1.53
Tim Leslie ²	6,322,077	16.29	3,750,000	10,072,077	18.09

¹ Mr Beck holds 1,762,443 ordinary shares of 1p each in the Company ("Ordinary Shares") and Front Square Securities Limited holds 455,455 Ordinary Shares. Mr Beck and his wife own 100% of the share capital in Front Square Securities Limited of which Mr Beck is also a director.

² Mr Leslie holds 9,072,077 Ordinary Shares and his wife, Sarah Leslie, holds 1,000,000 Ordinary Shares.

Significant shareholders are participating in the Placing as follows:

Shareholder name	Interest in existing Ordinary Shares	Percentage interest in existing Ordinary Shares	No. of Placing Shares	Interest in Ordinary Shares on completion of the Placing	Percentage Interest in Ordinary Shares on completion of the Placing
Mark Poole ³	6,322,077	16.29	3,750,000	10,072,077	18.09

³ Mr Poole now holds £725,000 of Convertible Secured Loan Notes with his daughter, Emma Poole, holding a further £200,000. The Convertible Secured Loan Notes will not be convertible until 1 November 2017 and for the following six months until 1 May 2018 only under an orderly market arrangement, in ordinary shares of 1 pence each in the capital of the Company at a conversion price of 5 pence.

In addition to his participation in the placing, Mr. Poole has subscribed for a further £75,000 of CLN.

The terms of the CLN, which now total £925,000, have been amended such that the conversion price has been reduced to 5p (previously 11p) and the term has been extended to 16 October 2021 (from 16 October 2019) and it has been agreed that the CLN will not be convertible until 1 November 2017 and for the following six months until 1 May 2018 only under an orderly marketing arrangement. The CLN has also been amended to include an anti-dilution clause which provides a mechanism for weighted conversion price revisions should additional funds be raised below the prevailing conversion price.

Where a company enters into a related party transaction, under the AIM Rules the independent directors of the company are required, after consulting with the company's nominated adviser, to state whether, in their opinion, the transaction is fair and reasonable in so far as its shareholders are concerned.

By virtue of Mark Poole's current interests in the Company, as detailed above, he is considered to be a "related party" as defined under the AIM Rules, and accordingly, the subscription by Mark Poole in the Placing, his subscription for £75,000 of additional CLN and the amendments to the terms of the CLN when considered in aggregate with his participation in the placing announced on 28 April 2016, is considered to be a "related party transaction" for the purposes of Rule 13 of the AIM Rules. The Directors independent of Mark Poole, being the Board as a whole, consider, having consulted with SP Angel Corporate Finance LLP, the Company's nominated adviser for the purposes of the AIM Rules, that the terms of the related party transaction are fair and reasonable insofar as the shareholders of the Company are concerned.

Similarly the Directors of the Company are considered to be related party's under the AIM Rules and the aggregate participation of the Directors taking part in the placing, as noted above, when considered in aggregate with their participation in the placing announced on 28 April 2016, is of sufficient size to be considered as a "related party transaction" for the purposes of Rule 13 of the AIM Rules. André Markgraaff, being the director independent of the Directors' participation in the fundraisings, considers, having consulted with SP Angel Corporate Finance LLP, the Company's nominated adviser for the purposes of the AIM Rules, that the terms of the Director's participation in the transaction are fair and reasonable insofar as the shareholders of the Company are concerned

Details of the Placing

Application will be made for the Placing Shares, which will rank pari passu with the existing Ordinary Shares, to be admitted to trading on AIM ("Admission"). It is expected that Admission will become effective and dealings will commence on or around 4 November 2016.

Total Voting Rights

Following the issue of the Placing Shares, the issued share capital of the Company will consist of 55,679,580 Ordinary Shares. No shares were held in treasury at the date of this announcement. The total current voting rights in the Company are therefore 55,679,580.

The above total current voting rights number is the figure which may be used by shareholders as the denominator for the calculation by which they will determine if they are required to notify their interest in, or a change to their interest in the Company.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

Enquiries:

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Nominated Adviser & Broker

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NOTIFICATION AND PUBLIC DISCLOSURE OF TRANSACTIONS BY PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES AND PERSONS CLOSELY ASSOCIATED WITH THEM:

MANAGERIAL RESPONSIBILITIES AND PERSONS CLOSELY ASSOCIATED WITH THEM

1.	Details of the person discharging managerial responsibilities/person closely associated					
a)	Name:	Paul Beck				
2.	Reason for the notification					
a)	Position/status:	Non-Executive Chairman				
b)	Initial notification/Amendment:	Initial notification				
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor					
a)	Name:	BlueRock Diamonds PLC				
b)	LEI:					
4.	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted					
a)	Description of the financial instrument, type of instrument: Identification code:	Ordinary shares of 1p each GB00B84H1764				
b)	Nature of the transaction:	Participation in placing				
c)	Price(s) and volume(s):	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>4 pence</td> <td>250,000</td> </tr> </tbody> </table>	Price(s)	Volume(s)	4 pence	250,000
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d)	Aggregated information: Aggregated volume: Price:	Single transaction as in 4 c) above <table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>4 pence</td> <td>250,000</td> </tr> </tbody> </table>	Price(s)	Volume(s)	4 pence	250,000
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e)	Date of the transaction:	2 November 2016 07:00 GMT				
f)	Place of the transaction:	Outside a trading venue				

1.	Details of the person discharging managerial responsibilities/person closely associated					
a)	Name:	Adam Waugh				
2.	Reason for the notification					
a)	Position/status:	Chief Executive Officer				
b)	Initial notification/Amendment:	Initial notification				
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor					
a)	Name:	BlueRock Diamonds PLC				
b)	LEI:					
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1.	Details of the person discharging managerial responsibilities/person closely associated					
a)	Name:	Tim Leslie				
2.	Reason for the notification					
a)	Position/status:	Non-Executive Director				
b)	Initial notification/Amendment:	Initial notification				
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor					
a)	Name:	BlueRock Diamonds PLC				
b)	LEI:					
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