

**BlueRock Diamonds plc**

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

**22 November 2016**

**Operational update**

BlueRock Diamonds is pleased to give the following update on operations at Kareevlei, its licence area in the Northern Cape containing five known Kimberlite pipes.

The Company continues to plan and execute work at BlueRock's plant to be able to re commence processing run of mine material by the end of January 2017.

The work that started in late October to reposition the pans and scrubber is now finished ahead of time. This work is expected to improve the steady flow of material into our pans with subsequent efficiency and grade improvement. Testing of these modifications using stockpiled ore will take place over the next few weeks.

Orders have now been placed for the construction of new primary crushing and pre-screening circuits. These new elements of the operation are expected to be completed by mid-January 2017. This is the biggest change to BlueRock's process and at the highest capital cost of approximately R2.5m. The Board expects these changes to firstly reduce variable costs and secondly provide a more consistent product to the processing plant which should enhance processing efficiency and improve grade.

Following a competitive tender, the Company has entered into a contract with African Mining and Crushing (AMC) to take over the Drilling and Blasting and Loading and Hauling work at the mine with operational and cost benefits expected to follow from this new relationship.

Assessment of water usage continues and the Company is currently re-lining and repositioning the main primary water reservoir having discovered water leakage from the existing reservoir. This work is not expected to add materially to costs. In addition, the Company continues to make key hires in order to support the anticipated gradual ramp up of production and move to 24 hour processing.

Adam Waugh, CEO commented

"I am pleased to be able to report the significant upgrades are all within budget and on time at this stage. We still have much to do before the planned production ramp up in January 2017 but I am confident our team can deliver what is required and I look forward to updating the market as we progress."

**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.

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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 owns a diamond processing plant and the mining right over the Kareevlei Tenements in South Africa.