

BlueRock Diamonds plc
("BlueRock" or "the Company")
Operational update and Loan Facility

15 March 2017

BlueRock Diamonds plc, the AIM listed diamond mining company which owns and operates the Kareevlei mine in South Africa is pleased to give the following operational update. The Company's new crushing and screening operation is now fully operational, has been tested under full load and is performing well. BlueRock now has the capacity to produce sufficient material to supply the processing plant and also create stockpile for nightshift operations. This significantly aids our ability to meet production targets as well as reducing running costs per tonne.

24 hour production successfully began on Wednesday 8th March. The plant performed well and target tonnages appear well within reach. The Company intends to work a five day, 24 hour production schedule with maintenance being carried out on Saturdays.

BlueRock is happy to report that the extreme wet weather experienced during the first 10 weeks of 2017 is abating and behaving in a more normal pattern. The diamondiferous kimberlite rock being processed is still higher in water content than normal but is treatable and being fed at approximately 80% of optimal rates.

New opportunities

The new management in place since mid-2016 have been looking for new opportunities for BlueRock and, with the operation at Kareevlei now progressing towards target levels of production, management are starting to evaluate some of these prospects with a focus on diamond deposits.

The profile of diamond producers has become extremely polarised in the last 5 years at the very large and very small end of the spectrum. BlueRock's management see an opportunity in the market to take on attractive, known diamond deposits too small for the larger players and out of reach of the small operators.

Funding update

The Company has agreed the terms of a £150,000 unsecured loan facility with Tim Leslie and Paul Beck, two of its directors, and Mark Poole, one of its major shareholders (the "Loan Facility") in order to provide extra working capital required largely as a result of the delays caused by the unusually high rainfall that has been experienced in the Northern Cape over the last couple of months. The Loan Facility, comprising of a maximum contribution from Tim Leslie and Mark Poole of £62,500 each and Segar Properties (Hyde Park) Limited, a company wholly owned by Paul Beck, £25,000, has a term of six months and a coupon of 10% per annum, payable at the end of the term.

Where a company enters into a related party transaction, under the AIM Rules for Companies ("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.

Each of Mark Poole (as a substantial shareholder in the Company), Tim Leslie (as a substantial shareholder and a director of the Company) and Paul Beck (as a director of the Company), are considered to be "related parties" as defined under the AIM Rules, and accordingly, the provision of the Loan Facility, is considered to be a "related party transaction" for the purposes of Rule 13 of the

AIM Rules. The Directors independent of the transaction, being Adam Waugh and André Markgraaff, consider, having consulted with SP Angel Corporate Finance LLP, the Company's nominated adviser, that the terms of the related party transaction are fair and reasonable insofar as the shareholders of the Company are concerned.

The Company looks forward to providing regular updates in relation to its operations as the processing of run of mine material continues.

Adam Waugh, CEO commented: "Kareevlei mine has had a significant overhaul over the last nine months. We have made many changes to the operation and we move into this new phase of increased production with excitement".

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.