

BlueRock Diamonds plc

("BlueRock" or "the Company")

New Kimberlite prospect and April tender update

2 May 2017

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 entered into an agreement with Koedonza Olives CC ("Koedonza") to mine a 1.5 ha Kimberlite Pipe known as Jubilee, in the Windsorton area, 40km to the North of Kimberley in the Northern Cape region of South Africa (the "Mining Agreement")

In order to evaluate the commercial viability of Jubilee, the first step will be to take a bulk sample of up to 2,500 tonnes. This work is expected to take place within six months of the granting of a Mining Permit which Koedonza is applying for and which is expected within the next few weeks. Kimberlite ore will be hauled to BlueRock's processing plant at the Company's existing Kareevlei Mine for processing. The purpose of this work will be to ascertain the likely grade and quality of any diamonds coming from Jubilee. Should the results of the bulk sample be positive, BlueRock has an option to extend the terms of the agreement for the duration of the Mining Permit which could be up to 5 years and any extension thereof.

Terms of the Mining Agreement

BlueRock will be responsible for all costs relating to the bulk sampling and any future mining. Any revenue from diamond sales will be shared between BlueRock and Koedonza on the basis of 90% to BlueRock and 10% to Koedonza. It has also been agreed that BlueRock can retain 100% of diamond sales revenue during the bulk sampling phase until the point at which bulk sampling and processing costs have been recovered. Any future sales during this phase will be shared equally between both parties.

The Jubilee project

Two years ago some limited mining of Jubilee took place by alluvial miners where a 24 carat stone was recovered. This mining was carried out on a very small surface area of the pipe and to a depth of less than 5 metres. There has been no drilling or detailed evaluation done on Jubilee (with no identified resource) although the recovery of a 24 carat diamond and the fact that nearby, some 5kms to the South East, are the well-known and previously mined pipes of Balmoral and Leicester is encouraging. Balmoral and Leicester were known to carry grades of approximately 6 cpht and produced extremely high quality diamonds.

Detailed evaluation of the results of the bulk sampling will identify the likely quality and grade of any diamonds recovered and determine the next appropriate course of action.

April Tender Results

A parcel of 206 carats has been sold at tender in Johannesburg. The average \$/carat achieved was \$438 with the highest value of \$3750/carats for a 9.5carat diamond. While \$3,750 was lower than original estimates for this stone, the Company is nevertheless pleased with this outcome. The previous average for all diamonds mined at Kareevlei Mine was \$293/carats. Further updates will be given following the May tender.

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.

Adam Waugh CEO

“Following recent good progress at the Kareevlei mine and the strategic decision to consider potential value enhancing opportunities it is very pleasing to be able to announce the Bulk Sampling Agreement with Koedonza. Jubilee has had very limited work carried out in the past but the fact that a 24 carat diamond of gem quality has previously been recovered from the site has encouraged us to go forward with a bulk sampling exercise. Under the Bulk Sampling Agreement we would expect to extract 2500 tonnes of ore at an expected cost of approximately R750,000 (c£44,000) with the upside of diamond sales. This is a relatively low cost, low risk way of extending our operations.

“It is encouraging to see the results of the recent tender with a good uplift on our average \$/carat achieved historically. The first two months of production since the recommencement of operations at Kareevlei have been frustrated by unusually high rainfall and recommissioning problems with the plant. We consider that these issues are now largely behind us and the Board continues to work towards optimising production and we expect to provide further updates in relation to operations at Kareevlei in due course.”

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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.