

5 July 2017

**BlueRock Diamonds PLC**  
**("BlueRock" or the "Company" or "BRD")**

**PRODUCTION UPDATE**

**Significantly increased production**  
**Grades expected to improve as BlueRock begins to mine areas deeper within the pit**

BlueRock Diamonds plc (AIM: BRD), a diamond mining company with activities in the Kimberley region of South Africa, is pleased to provide the following update to shareholders on operations at its Kareevlei Mine, Northern Cape region of South Africa.

**Production**

We are pleased to report that not only have the Company's daily production levels increased significantly we are now achieving these levels consistently and approaching our monthly target of 25k. Production in June 2017 was 14,427 tonnes compared with 9,769 tonnes in May 2017. In June, production levels continued to grow such that average hours worked per working day ("Daily Uptime") in the last two weeks of June was 15.2 compared with an average Daily Uptime for the whole month of 11.6 hours. Average Daily Uptime for the period March 2017 to May 2017 was 6.7 hours per 24 hour period.

As noted in the 2016 Annual Report, the Company is in the final stages of negotiation with one of its significant shareholders to provide a loan to acquire certain new replacement plant. The Board expects that, combined with reducing operating costs, the new plant will improve the consistency of our production even further as it will replace unreliable equipment which has been historically a major cause of stoppages. Further updates are expected to be provided later this month.

**Recovery**

In June 2017, BlueRock was still processing ore from higher levels of the pit which contain calcretised or diluted kimberlite and in an area which test results suggest would be of low grade. Accordingly, average grade recovered during June remained below our long term expectations for the mine with the average for 2017 at around 1.60 carats per hundred tonnes. Nevertheless, the Company continues to find increasingly large diamonds and as noted in the 2016 Annual Report the June parcel contained an 11.7 carat diamond, the largest that BlueRock has recovered to date.

Over the next few months, the Company expects grades to improve as we go deeper in the pit and start to mine areas that test results indicate should be of higher grade. It should be noted, however, that grades will continue to vary as diamond density will not be constant throughout the pit.

**Sales values per carat**

BlueRock continues to achieve sales values per carat significantly in excess of USD232 per carat, which is the most recent guidance from the Company's competent person, Zstar. In June 2017, the average sales price per carat was USD355, bringing the average for 2017 to USD318 per carat and the overall average to USD300 per carat.

Adam Waugh, Chief Executive Officer of BlueRock Diamonds, commented: **"We are encouraged by the recent increase in production, which strengthens our confidence that our plant is capable of**

operating consistently at targeted volumes, similarly we are pleased that the sales value per carat achieved for our production continues to be above CPR expectations. As we move into deeper ground we expect grades to improve and to see Kareevlei become cash flow positive in the near term.”

**For further information, please contact:**

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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.