

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.

20 July 2017

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

Financing Update

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.

The Company and its subsidiary Kareevlei Mining PTY Limited have entered into an asset finance facility of up to £310,000 ("Loan Facility") with Mark Poole, a substantial shareholder in the Company. The Loan Facility will be used to purchase essential equipment for the efficient and cost effective operation of the mine.

The Loan Facility carries an interest rate of 10% over a five-year term, repayable in 19 equal quarterly instalments following an initial three-month interest free period. The Loan Facility is unsecured but it carries the right for the purchase of the capital goods acquired, utilising the Loan Facility for ZAR 1 in the event of the Company's default.

Separately, the Company has been notified that each of Tim Leslie, Mark Poole and Segar Properties (Hyde Park) Limited, a company wholly owned by Paul Beck, intend to extend the maturity date of the six-month loan facility of up to £150,000 (which has been fully drawn) entered into on 15 March 2017 (the "March loan") from the current maturity date of 15 September 2017 such that it will now mature on 31 December 2017. Furthermore it is intended that each of Tim Leslie and Segar Properties (Hyde Park) Limited will each provide a further £20,000 such that the total March Loan facility will increase to up to £190,000. The March Loan carries a coupon of 10% per annum, payable at the end of the term. A further announcement in respect of these intended amendments to the March Loan will be announced in due course.

The terms of the convertible loan note, previously entered into with Mr. Poole, have not changed.

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 insofar as its shareholders are concerned.

Mark Poole (as a substantial shareholder in the Company), is considered to be a "related party" 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 of the Company 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 is currently exploring options for providing additional financing in order to fund its operations while it further develops the Kareevlei mine. In particular, the Company expects to carry out the final blast of upper level Kimberlite in early August 2017, prior to starting to mine deeper levels of the pit which, test results indicate are likely to deliver higher grades than those currently being experienced, which should allow the mine to move into operational profitability.

Production, utilising the Company's reconfigured plant, continues to progress positively with ongoing operation at or around targeted daily tonnages. The Company looks forward to providing an update on production and diamond recovery in due course.

Adam Waugh, CEO, said: *"The Loan Facility will enable us to further our aim to operate Kareevlei in the most cost effective way. We are currently exploring options to fund the further development of mining operations at Kareevlei, including lowering our reliance on outside contractors to deliver productivity improvements and cost savings, similar to those that we expect from the current planned equipment purchase."*

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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.