29 September 2016

BLUEROCK DIAMONDS PLC

(“BlueRock” or the “Company”)

Interim results for the six months ended 30 June 2016

Introduction

BlueRock Diamonds (AIM: BRD) is pleased to announce its interim results for the six months ended 30 June 2016. The interims will be available today for download from www.bluerockdiamonds.co.uk.

Chairman’s Statement

The first half of 2016 has been a period of consolidation. Whilst production has been lower than that we would have hoped, we have spent the period preparing for the recommencement of operations following our operational review which has been delayed by the unexpected and unwelcome closure by the Department of Mineral Resources in July 2016.

We have been concentrating on a number of matters in the period.

Personnel

It was recognised early on in the period that given the increased size of our operations we would need to strengthen our management team. The first step in this process was appointing Adam Waugh as CEO. Adam was appointed with specific responsibility for undertaking the strategic and operational review, which I will discuss later. As part of his review, an experienced mine manager, Johan Mihlo, was identified and subsequently appointed in July 2016. This process took longer than we had envisaged, but the board was keen to ensure that the right person was selected for the task. Johan has had many years of experience, most recently at Petra Diamonds and previously with BHP Billiton and De Beers.

Following the end of the period, on 19 September 2016, Riaan Visser resigned as a director of BlueRock. Riaan was instrumental in building BlueRock in particular in identifying the Kareevlei opportunity and establishing our trial mining operations. The Board has decided not to replace him at present, because Adam Waugh and Johan Mihlo, supported by our BEE partner, Willy van Wyk, had already assumed a significant proportion of Riaan’s responsibilities and Riaan’s remaining responsibilities, primarily relating to the finance function will be assumed by other members of the team.

Diacar

In 2015, we appointed Diacar as our subcontractor to process oversized rocks that our plant configuration was unable to process, in addition to the loading and hauling services that were already being provided by Diacar. During the first half of 2016 it became apparent that this commercial arrangement was not in the best interests of BlueRock and following the DMR inspection of the Diacar operations in July 2016 which resulted in a significant proportion of the Diacar loading and hauling equipment failing, it was mutually agreed that both the subcontracting and loading and hauling agreements would be terminated. Since the end of the period, as announced on 7 September 2016, BlueRock has entered into an option with Diacar expiring on 31 December 2016 to buy the Diacar plant at a price of ZAR 1.6 million for a down payment of ZAR 100,000 and three monthly rental payments of ZAR 50,000.

It is our view that this is an excellent deal for BlueRock. It is the belief of our new management team that operated correctly the Diacar plant has the potential to be a valuable addition to our capacity and the 4 month option period gives us the opportunity to investigate this, alongside other options, before committing to any capital cost.

Plant and processing

The new management team has been concentrating on identifying bottlenecks and inefficiencies in the current configuration of our plant and more recently the Diacar plant. This process has benefitted enormously from Johan's experience and we have also been reviewing best practice in the industry. Our initial conclusion is that the basic design of our plant is suitable but we believe that its performance can be enhanced by simplifying parts of the process, adding to our pan capacity and by adjusting certain areas of the configuration.

It is our target to process at least 30,000 tonnes per month of ore through either a combination of the Kareevlei plant and the old Diacar plant or through augmenting the Kareevlei plant. A decision in relation to this will be made during the course of Q4 2016. We anticipate that we will reach our target level gradually because we wish to ensure that each of the steps that we plan to take achieve the desired result.

Following the cancellation of the Diacar contract we have been assessing the most cost effective way of operating in the future in relation to, loading and hauling and crushing and screening, each of which had been subcontracted to Diacar. Having put these services out to tender we have decided to continue to subcontract the loading and hauling from a new third party provider. We have decided to acquire crushing and screening equipment in order to operate these ourselves; the cost of these services is disproportionate as the only crushing and screening equipment available to subcontract is much larger than we require hence attracting an unnecessarily high cost. As a result of these measures we expect to reduce our combined per tonne of extracted material cost for these services to reduce from around ZAR 80 per tonne to less than ZAR 50 per tonne, a considerable saving.

Mining

During the period we have developed a life of mine plan for K2. This has involved some remedial work as hitherto the strategy had been to reach a lower level, where we expect to achieve higher grades, rather than create a mine which could be exploited over the medium to long term. The remedial work has begun and we are now in a position to ensure constant supply of ore from all parts of the mine, subject to completion of the financing discussed below.

Exploration of the other pipes

It is our intention to explore in more detail the other pipes at Kareevlei. In particular we are proposing over the next few months to begin to undertake some limited work on K5 where the test results to date have been limited but encouraging.

Future plans and funding

Subject to financing, we intend to complete the modifications of our plant, to acquire the crushing and screening equipment and to commence our mine development and blasting programme by the end of January 2017.

Events after the reporting period

Acquisition of Diamond Resources Limited

On 1 July 2016, the Group completed the acquisition of a 100% shareholding in Diamond Resources Limited from Tawana Resources NL. The Group agreed to acquire the entire share capital of Diamond Recourses Pty Limited for a total consideration of £32,826 (ZAR 0.7m) on 29 January 2016; however the sales agreement only became effective once the final payment was received on the 1 July 2016.

Due to the timing on the final acquisition payment to Tawana Resources NL, Diamond Resources Limited has not been consolidated in the current financial period. The final consideration is currently shown as a cash deposit (see note 11).

This acquisition gives the group access to the mining right in respect of the Kareevlei Tenements as well as speculative exploration assets in the Northern Cape. This acquisition had been envisaged at the time of the original acquisition and as a result we now hold the rehabilitation guarantee required by the DMR directly.

Paul Beck
Non-executive Chairman

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2016

Consolidated Statement of Financial Position

	Note	6 months ended 30 June 2016 *Unaudited* £	6 months ended 30 June 2015 *Unaudited* £	12 months ended 31 December 2015 *Audited* £
Assets				
Non-current assets				
Property, plant and equipment	5	517,367	548,430	477,735
Mining assets		164,449	125,659	141,364
		681,816	**674,089**	**619,099**
Current assets				
Inventories	6	26,874	22,145	50,665
Trade and other receivables	7	41,953	15,752	7,623
Cash and cash equivalents	8	458,222	107,364	175,755
		527,049	**145,261**	**234,043**
Total assets		**1,208,865**	**819,350**	**853,142**
Equity and liabilities				
Equity Attributable to Equity Holders of the Parent				
Share capital	10	388,046	315,250	321,604
Share premium	10	2,012,781	1,245,934	1,335,952
Retained losses		(2,018,022)	(1,234,836)	(1,859,800)
Convertible loan note reserve	12	293,818	166,570	293,818
Foreign exchange reserve		(9,689)	35,481	185,866
		666,934	528,399	277,440
Non-controlling interest		(567,084)	(268,658)	(346,273)
		99,850	**259,741**	**(68,833)**
Liabilities				
Current liabilities				
Trade and other payables	11	387,716	190,253	244,134
Non-current liabilities				
Borrowings	12	626,236	301,090	596,123
Provisions	13	95,063	68,266	81,718
		1,109,015	**369,356**	**921,975**
Total equity and liabilities		**1,208,865**	**819,350**	**853,142**

Consolidated Statement of Comprehensive Income

	Note	6 months ended 30 June 2016 *Unaudited* £	6 months ended 30 June 2015 *Unaudited* £	12 months ended 31 December 2015 *Audited* £
Revenue		206,072	33,042	264,372
Other income		58	86	231
Operating expenses		(516,454)	(361,403)	(1,318,302)
Loss before taxation		**(310,324)**	**(328,275)**	**(1,053,699)**
Taxation		-	-	971
Total loss for the period		**(310,324)**	**(328,275)**	**(1,052,728)**
Other Comprehensive Income:				
Exchange differences on translating foreign operations		(264,264)	33,445	236,664
Total comprehensive loss, net of tax		**(574,588)**	**(294,830)**	**(816,064)**
Total comprehensive loss, net of tax attributable to:				
Owners of the parent		(353,777)	(233,168)	(676,787)
Non-controlling interest		(220,811)	(61,662)	(139,277)
		(574,588)	**(294,830)**	**(816,064)**
Earnings per share – from continuing activities				
Basic and diluted	15	(0.01)	(0.01)	(0.02)

Consolidated Statement of Changes in Equity

	Convertible loan note reserve £	Share capital £	Share premium £	Retained losses £	Foreign exchange reserve £	Total attributable to equity holders of the Group £	Non-controlling interest £	Total equity £
Balance at 1 January 2015 (as restated):	**149,600**	**315,250**	**1,245,934**	**(1,007,879)**	**10,732**	**713,637**	**(206,996)**	**506,641**
Loss for the period	-	-	-	(257,917)	-	(257,917)	(70,358)	(328,275)
Other comprehensive income:								
Foreign exchange movements	-	-	-	-	24,749	24,749	8,696	33,445
Total comprehensive loss:	-	-	-	(257,917)	24,749	(233,168)	(61,662)	(294,830)
Transactions with shareholders:								
Issue of convertible loan notes	16,970	-	-	-	-	16,970	-	16,970
Total transactions with shareholders:	16,970	-	-	-	-	16,970	-	(277,860)
Balance at 30 June 2015 (unaudited):	**166,570**	**315,250**	**1,245,934**	**(1,265,796)**	**35,481**	**497,439**	**(268,658)**	**228,781**
Balance at 30 June 2015 (unaudited):	**166,570**	**315,250**	**1,245,934**	**(1,265,796)**	**35,481**	**497,439**	**(268,658)**	**228,781**
Loss for the period	-	-	-	(594,004)	-	(594,004)	(130,449)	(724,453)
Other comprehensive income:								
Foreign exchange movements	-	-	-	-	150,385	150,385	52,834	203,219
Total comprehensive loss:	-	-	-	(594,004)	150,385	(443,619)	(77,615)	(521,234)
Transaction with shareholders:								
Issue of convertible loan notes	127,248	-	-	-	-	127,248	-	127,248
Issue of shares	-	6,354	90,018	-	-	96,372	-	96,372
Total transactions with shareholders:	127,248	6,354	90,018	**-**	-	223,620	-	223,620
Balance at 31 December 2015 (audited):	**293,818**	**321,604**	**1,335,952**	**(1,859,800)**	**185,866**	**277,440**	**(346,273)**	**(68,833)**
Balance at 1 January 2016:	**293,818**	**321,604**	**1,335,952**	**(1,859,800)**	**185,866**	**277,440**	**(346,273)**	**(68,833)**
Loss for the period	-	-	-	(158,222)	-	(158,222)	(152,102)	(310,324)
Other comprehensive income:								
Foreign exchange movements	-	-	-	-	(195,555)	(195,555)	(68,709)	(264,264)
Total comprehensive loss:	-	-	-	(158,222)	(195,555)	(353,777)	(220,811)	(574,588)
Transactions with shareholders:								
Issue of shares	-	66,442	676,829		-	743,271	-	743,271
Total transactions with shareholders:	-	66,442	676,829	-	-	743,271	-	168,683
Balance at 30 June 2016 (unaudited):	**293,818**	**388,046**	**2,012,781**	**(2,018,022)**	**(9,689)**	**666,934**	**(567,084)**	**99,850**

Consolidated Statement of Cash Flows

	Note	6 months ended 30 June 2016 *Unaudited* £	6 months ended 30 June 2015 *Unaudited* £	12 months ended 31 December 2015 *Audited* £
Operating activities				
Cash used in operations	14	(121,493)	(61,754)	(666,436)
Net cash used in operating activities		**(121,493)**	**(61,754)**	**(666,436)**
Investing activities				
Purchase of property, plant and equipment		(51,692)	(137,658)	(227,543)
(Purchase) / Disposal of non-current assets		(23,085)	8,700	(7,004)
Net cash used in investing activities		**(75,047)**	**(128,868)**	**(234,547)**
Financing activities				
Proceeds on share issue		700,000	-	91,373
Proceeds on convertible loan notes issued		-	50,000	450,000
Exercised share options		43,270	-	-
Increase in short term loan		-	-	50,715
Net cash received from financing activities		**743,270**	**50,000**	**592,088**
Net increase / (decrease) in cash and cash equivalents		**546,730**	**(140,622)**	**(308,895)**
Cash and cash equivalents at the beginning of the period	8	175,755	247,986	247,986
Foreign exchange differences		(264,263)	-	236,664
Cash and cash equivalents at the end of the period	8	**458,222**	**107,364**	**175,755**

Notes to the Interim Consolidated Financial Statements

1. General information and basis of preparation

The condensed interim consolidated financial statements (the “interim financial statements”) are for the six month period ended 30 June 2016.

These interim financial statements have not been audited, but have been reviewed by the auditors under ISRE 2410 of the Auditing Practices Board. The financial information set out in this report does not constitute statutory accounts as defined by the Companies Act 2006. The comparative figures for the year ended 31 December 2015 were derived from the statutory accounts for the year to 31 December 2015 which have been delivered to the Registrar of Companies. Those accounts received an unqualified audit report which did not contain statements under sections 498(2) or (3) (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations) of the Companies Act 2006.

The interim financial statements have been prepared on the basis of the accounting policies set out in the December 2015 financial statements of BlueRock Diamonds Plc and IAS 34 “Interim Financial Reporting” on a going concern basis. They are presented in sterling which is also the functional currency of the parent company. They do not include all of the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the consolidated financial statements of the Group for the period ended 31 December 2015.

The interim financial statements have been approved for issue by the Board of Directors on 30 September 2016.

2. Accounting policies

The following relevant new standards, amendments to standards and interpretations have been issued by the IASB, but are not effective for the financial year beginning on 1 January 2016, they have not yet been adopted by the EU, and have not been early adopted.

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Company when the relevant standards and interpretations come into effect. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated:

Standard	Key requirements	Effective date as adopted by the EU
IFRS 9	Financial Instruments – Replacement to IAS 39 and is built on a single classification and measurement approach for financial assets which reflects both the business model in which they are operated and their cash flow characteristics.	1 January 2018
IFRS 15	Revenue from contracts with customers – Introduces requirements for companies to recognise revenue for the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. Also results in enhanced disclosure about revenue.	1 January 2018
IFRS 16	Leases – Introduces a single lessee accounting model and eliminates the previous distinction between an operating and a finance lease.	1 January 2019

The Group has not adopted these standards as it is not expected to have a material effect on the Group.

3. Significant judgements and sources of estimation uncertainty

In the application of the Group's accounting policies the Directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements including the key sources of estimation uncertainty were the same as those applied in the financial statements for the period ended 31 December 2015.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. Segmental reporting

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group's operations relate to the exploration for, and development of mineral deposits in the Kimberley region of South Africa and as such the Group has only one reportable segment. The non-current assets in the Kimberley region in June 2016 were £681k (December 2015: £619k)

All revenue consists of sales of diamonds in South Africa through auctions as is customary in the industry. The Company sells its diamonds through auctions run by Flawless Diamonds.

5. Property, plant and equipment

	Cost / Valuation £	**Accumulated depreciation** £	**Carrying value 30 June 2016** £ ***Unaudited***
Mine infrastructure	74,719	26,177	48,542
Motor vehicles	7,503	5,442	2,061
Plant and machinery	685,870	219,106	466,764
Total	**768,092**	**250,725**	**517,367**

Reconciliation of property, plant and equipment

	Carrying value 1 January 2016 £	**Additions** £	**Depreciation** £	**Disposals** £	**FX revaluation** £	**Carrying value 30 June 2016** £ ***Unaudited***
Mine infrastructure	39,816	5,000	(7,139)	-	10,865	48,542
Motor vehicles	2,946	-	(1,005)	-	120	2,061
Plant and machinery	434,973	46,962	(71,761)	(7,809)	64,399	466,764
	477,735	51,962	(79,905)	(7,809)	75,384	517,367

6. Inventories

	30 June 2016 £ ***Unaudited***	**30 June 2015** £ ***Unaudited***	**31 December 2015** £ ***Audited***
Diamonds on hand	26,874	22,145	50,665

	26,874	**22,145**	**50,665**

7. Trade and other receivables

	30 June 2016 £ *Unaudited*	30 June 2015 £ *Unaudited*	31 December 2015 £ *Audited*
Prepayments	6,690	5,963	2,016
VAT	35,263	9,789	5,591
Other receivables	-	-	16
	41,953	**15,752**	**7,623**

The carrying value of all trade and other receivables is considered a reasonable approximation of fair value.

8. Cash and cash equivalents

	30 June 2016 £ *Unaudited*	30 June 2015 £ *Unaudited*	31 December 2015 £ *Audited*
Cash in bank and on hand	425,396	107,364	175,755
Deposit – Diamond Resources	32,826	-	-
	458,222	**107,364**	**175,755**

Cash on deposit of £32,826 relates to the acquisition of Diamond Resources Limited from Tawana Resources NL (see note 17).

9. Share Based Payments

The Directors were granted share options under the share option agreements dated 19 August 2013. There were no amendments to the terms of the options granted during the period.

The share options held by current and former Directors as at 30 June 2016 and the exercise prices were as follows:

	Number of ordinary shares subject to share options	Tranche 1		Tranche 2		Tranche 3		Tranche 4	
Director		**Number**	**Exercise price (pence)**	**Number**	**Exercise price (pence)**	**Number**	**Exercise price (pence)**	**Number**	**Exercise price (pence)**
P. Beck	315,251	-	-	157,625	40	157,626	55	-	-
J. Kilham	472,876	157,625	14	157,625	22	157,626	40	-	-
T. Leslie	472,876	157,625	18	157,625	40	157,626	55	-	-
A. Markgraaff	372,876	57,625	18	157,625	40	157,626	55	-	-
J.Quirk	945,750	315,250	18	315,250	40	315,250	55		
R. Visser	1,261,002	-	-	630,501	22	630,501	40	-	-
A. Waugh	776,091	-	-	-	-	-	-	776,091	11
Total	**4,616,722**	**688,125**		**1,576,251**		**1,576,255**		**776,091**	

The following share options were exercised during the period to 30 June 2016:

On 12 January 2016 Andre Markgraaff exercised 100,000 share options at an exercise price of 18p per Ordinary Share.
On 12 January 2016 Rian Visser exercised 180,500 share options at an exercise price of 14p per Ordinary Share.

The following share options were granted during the period to 30 June 2016:

On 28 April 2016 776,091 share options were granted to Adam Waugh with an exercise price of 11p per Ordinary Share.

Movements in the number of share options outstanding and their related weighted average prices are as follows:

	30 June 2016		31 December 2015		30 June 2015	
	Average exercise price in pence per share	**Number of options**	**Average exercise price in pence per share**	**Number of options**	**Average exercise price in pence per share**	**Number of options**
Outstanding at the beginning of the period	34	4,121,131	32	4,728,756	32	4,728,756
Granted	11	776,091	-	-	-	-
Exercised	15	280,500	15	607,625	-	-
Outstanding at the period / year end	30	4,616,722	34	4,121,131	32	4,728,756
Exercisable at the period / year end	30	4,616,722	34	4,121,131	32	4,728,756

Options are valued at date of grant using the Black-Scholes option pricing model. There was no charge recorded for the period relating to share based payments on the grounds of materiality.

10. Share capital and share premium issued

	30 June 2016 £ *Unaudited*	**30 June 2015 £ *Unaudited***	**31 December 2015 £ *Audited***
Number of Ordinary shares	38,804,580	31,525,041	32,160,444
Ordinary share capital of 1p per share	388,046	315,250	321,604
Share premium	2,012,781	1,245,934	1,335,952
	2,400,827	**1,561,184**	**1,657,556**

In the period ended 30 June 2016 the following Ordinary share issues occurred:

Date of issue	**Details of issue**	**Number of ordinary shares**	**Share capital £**	**Share premium £**
At 1 January 2016		32,160,444	321,604	1,335,952
12 January 2016	Exercise of Share Options	280,500	2,805	40,466
28 April 2016	Placing and Equity Issue	6,363,636	63,637	636,363
At 30 June 2016		**38,804,580**	**388,046**	**2,012,781**

11. Trade and other payables

	30 June 2016 £ *Unaudited*	**30 June 2015 £ *Unaudited***	**31 December 2015 £ *Audited***
Trade payables	174,304	107,462	24,657
Accrued expenses	182,460	79,848	168,762
Corporation tax payables	-	2,943	-
Directors' current account	30,952	-	50,715
	387,716	**190,253**	**244,134**

The carrying value of all trade and other payables is considered a reasonable approximation of fair value.

The accrued expenses for 2016: £182,460 (2015: £79,848, December 2015: 168,762) relate to plant development expenditure which has not been invoiced by the year end and a share of costs due for diamonds on hand which is payable to Diacar.

The Directors' current account 2016: £30,952 (2015: £nil, December 2015: £50,715) is made up of Directors fees and share option payments due to Riaan Visser.

12. Borrowings

The movement on each loan liability component can be summarised as follows:

	Convertible loan 1 £	Convertible loan 2 £	Convertible loan 3 £	Total £
Balance at 1 January 2015	255,255	-	-	255,255
Additional discounted loan notes issued	-	31,856	267,200	299,056
Finance charge: unwinding the discount factor	32,001	2,736	7,075	41,812
Balance at 31 December 2015	287,256	34,592	274,275	596,123
Balance at 1 January 2016	287,256	34,592	274,275	596,123
Finance charge: unwinding the discount factor	13,538	1,857	14,718	30,113
Balance at 30 June 2016	300,794	36,449	288,993	626,236
Equity Component	143,000	18,018	132,800	293,818

All convertible loan stock is repayable on the 16 October 2019 and carries a zero coupon (nil interest).

The loan note will be convertible:

- at the note holder's option at any time up to the end of the term at a conversion price of 11 pence per ordinary share; and
- at the Company's option after the second anniversary of initial subscription provided that the one month volume weighted average price of the Company's ordinary shares is in excess of 120% of the conversion price and the closing mid-market price on the date prior to the Company opting to convert exceeds 120% of the conversion price.

In addition if the Company sells its interest in its subsidiary undertaking before the final repayment date for consideration equivalent to or greater than 120% of the loan note outstanding then the notes will become redeemable and a 20% premium will be payable to the note holder.

A fair value exercise to determine the value of the three components was undertaken by the Directors at the date the convertible loan was initially drawn down.

The fair value of the host loan instrument (including the embedded redemption feature) been valued as the residual of:

a) The fair value of the first draw down on 16 October 2014 is discounted at a commercially applicable rate of 9.25%. The fair values of the draw downs on 27 May 2016 and 2 October 2016 have been discounted at a commercially applicable rate of 10.5%.
b) The residual amount between the transaction price of the loan and the fair value of the liability has been allocated to an equity reserve.

13. Provisions

Reconciliation of provisions - 2016

Rehabilitation costs	2016 Group £
Balance at 1 January 2015	72,993
Unwinding of discount	(4,727)
Balance at 30 June 2015	**68,266**
Balance at 1 June 2015	68,266
Unwinding of discount	13,452

Balance at 31 December 2015	**81,718**
Balance at 1 January 2016	81,718
Unwinding of discount	13,345
Balance at 30 June 2016	**95,063**

The provision for environmental rehabilitation closure cost was independently assessed by Ndi Mudau of NDI Geological Consulting Services. The closure cost assessment reports over the Remainder of the Farm No. 113 (Skietfontein), Portion of Portion 2 (Kareeboompan) of the Farm 142, Portion 1 (Westhoek) of the Farm 113, and Portion 2 (Klipvlei) of the Farm 113. The financial provision was calculated in accordance with Regulation 54 of the Minerals and Petroleum Resources Development Act 2002 (Act 28 of 2002) and is dated 12 February 2016.

14. Cash used in operations

	30 June 2016 £ *Unaudited*	30 June 2015 £ Unaudited	31 December 2015 £ *Audited*
Loss before taxation	(310,324)	(328,275)	(1,053,699)
Adjustments for non-cash items:			
Depreciation and amortisation	79,905	40,173	110,557
Shares issued in lieu of company debt	-	-	5,000
Finance charges on convertible loan notes	30,113	34,570	35,086
Foreign exchange revaluation of fixed assets	(75,384)	45,835	93,894
Movements in provisions	13,345	(4,727)	8,725
Loss on disposal of fixed assets	7,809	-	-
Tax credit	-	-	971
Changes in working capital:			
(Increase) / decrease in trade and other receivables	(34,330)	19,977	28,106
Increase in trade and other payables	143,582	129,209	131,960
Decrease / (Increase) in inventories	23,791	1,484	(27,036)
	(121,493)	**(61,754)**	**(666,436)**

15. EPS (Earnings per share)

	30 June 2016 £ *Unaudited*	30 June 2015 £ *Unaudited*	31 December 2015 £ *Audited*
Loss attributable to ordinary shareholders	(152,102)	(233,168)	(676,787)
Weighted average number of shares	35,009,972	31,525,041	31,787,878
Loss per share basic and diluted	(0.01)	(0.01)	(0.02)
Weighted average number of shares after dilution	35,009,972	32,220,446	31,971,978
Fully diluted earnings per share	(0.01)	(0.01)	(0.02)

Share options granted to directors could potentially dilute EPS in the future but are not included in a dilutive EPS calculation because they are antidilutive for the period.

16. Related parties

Details of the Director's remuneration for the period ending June 2016 were as follows:

During the period ending 30 June 2016, key management compensation amounted to £24,000 of which £6,000 remains outstanding to R Visser included in the Directors' current account at the period end.

During the period R Visser and A Markgraaf exercised their share options (see note 9) for a value of £25,270 and £18,000 respectively, which decreased the outstanding balance in the Directors current account.

The outstanding balance at 30 June 2016 was £30,952 (year ended 31 December 2015: £50,715, period ended 30 June 2015 £nil).

17. Events after the reporting period

Acquisition of Diamond Resources Limited

On the 1 July 2016, the Group completed the acquisition of a 100% shareholding in Diamond Resources Limited from Tawana Resources NL. The Group agreed to acquire the entire share capital of Diamond Recourses Pty Limited for a total consideration of £32,826 (ZAR 0.7m) on 29 January 2016; however the sales agreement only became effective once the final payment was received on the 1 July 2016.

Due to the timing on the final acquisition payment to Tawana Resources NL, Diamond Resources Limited has not been consolidated in the current financial period. The accounting for the acquisition has not been finalised due to the recent nature of the transaction. The final consideration is currently shown as a cash deposit (see note 11).

This acquisition gives the group access to the mining right in respect of the Kareevlei Tenements as well as speculative exploration assets in the Northern Cape. This acquisition had been envisaged at the time of the original acquisition and as a result we now hold the rehabilitation guarantee required by the DMR directly.