**BlueRock Diamonds plc**

**(“BlueRock” or “the Company”)**

**9 December 2016**

**Acquisition and Settlement Agreement and Related Party Transaction**

Following the resignation of John Kilham on 19 October 2016, the Company announces that it has entered into an acquisition and settlement agreement with Mr. Kilham in order to resolve outstanding matters (“Agreement”). Under the Agreement, the Company has agreed to acquire a crusher from Kgalagadi Geoservices (Pty) Limited (“Kgalagadi Geoservices”), a company controlled by Mr Kilham for ZAR630,000 (approximately £36,000) payable in cash in three equal monthly instalments commencing on 1 February 2017. The crusher was previously being rented by the Company. The Company has also agreed to pay Mr Kilham a further sum of ZAR 539,000 (approximately £30,000) by 10 December 2016 in settlement of outstanding consultancy fees due to Kgalagadi Geoservices and including consideration for materials supplied to the Company by Kgalagadi Geoservices.

The Company continues to rent premises from Kgalagadi Asset Management (Pty) Limited (“Kgalagadi Asset Management”), another company controlled by Mr Kilham. It is intended that a lease agreement (“Lease”) will shortly be entered into with Kgalagadi Asset Management for the continued lease of the premises at a rate of ZAR15,000 per month (approximately £900 per month). This was previously ZAR 9,000 per month.

As stated above, Mr Kilham resigned as a director of BlueRock on 19 October 2016 but remains a related party as set out in the AIM Rules for Companies (“AIM Rules”) until 18 October 2017. The Agreement and Lease are therefore considered as a related party transaction under the AIM Rules.

The Directors independent of John Kilham, being the Board as a whole, having consulted with the Company's nominated adviser, SP Angel Corporate Finance LLP, consider that the terms of the Agreement and Lease are fair and reasonable insofar as the Company's shareholders are concerned.

**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.