

9 August 2021

BlueRock Diamonds PLC ('BlueRock' or the 'Company')

21.56 carat diamond of exceptional quality discovered

Operational and Project Update

BlueRock Diamonds PLC, the AIM listed diamond producer, which owns and operates the Kareevlei Diamond Mine ('Kareevlei') in the Kimberley region of South Africa announces the discovery of a 21.56 carat stone and an update on its operations.

Mike Houston, Executive Chairman said, *"I am delighted to inform shareholders that we have recently recovered a 21.56 carat stone of exceptional quality and what we believe will be the highest value stone recovered to date. In addition, a high value 9 carat stone was also recovered. The market remains buoyant with our average sales price for the year to July 2021 being in excess of \$430 per carat.*

"I am also pleased to announce that our expansion project is nearing completion and all aspects of operation from the mine to market are gearing up for what will be a transformational step-up in production in the next couple of months. Our ramp up to full production will now be accomplished in October as a result of some minor delays on the project, and a detailed update and revised outlook is provided below.

"South Africa continues to struggle with the Covid-19 pandemic and more recently with the unfortunate disturbances which resulted in many companies temporarily ceasing operations. Our management have successfully kept operations running despite a step-up in Covid cases, however, we have been impacted by equipment delivery delays because of the riots. We continue to work closely with our strategic partner and major shareholder and I thank all shareholders for their patience and support in what has been a challenging year from many aspects. We will keep shareholders updated as we move into the critical commissioning/expansion phase of your company."

High value diamonds recovered and market update

The Company is pleased to announce the recovery of two high value diamonds; 21.56 carats and 9 carats. The 21.56ct stone is a high quality, D coloured round diamond with high value recovery options and its value is likely to significantly exceed our previous record of USD236,000 obtained for a 20.7 carat stone that was sold in October 2019. This stone will be sold in the August 2021 tender.

The rough stone market remains buoyant with tenders in South Africa strongly supported and prices achieved year to date in excess of \$430 per carat.

Operational Update

The Company recently announced its Q2 2021 production results where tonnes processed and carats produced were 48% and 117% up on Q2 2020. The processing operation continues to run successfully with the new crushing circuit providing ore to the old plant wet line as the operation transitions fully to the new plant in August and September.

The focus in the mining operation is the preparedness for the increase in production and the wet season. The Company has moved a record tonnage of waste (development) and ore tonnes this year as part of this objective. The target is to have sustainable in and out of pit inventories.

The grade for the year to date of 4.1cpht is in line with budget and market expectations.

The Company will continue to keep the old wet line operational until the new wet line is successfully running at the targeted tonnage as this ensures ongoing carats produced in the transitional period.

Project update

The expansion project at Kareevlei (the “Project”) is nearing completion with the first of the two new lines to be fully commissioned by end August and fully operational in September. This line, once fully operational, will allow management to switch off the old plant wet line with immediate cost savings associated with double handling ore and power costs. The second line will be fully commissioned during September and both new wet lines should be fully operational by the end of September 2021.

During the commissioning and build up to full capacity of the crushing (dry circuit) it was discovered that the primary screen had structural and design defects that precluded it from handling the required volume of material. Initially it was thought that this screen could be modified to handle the capacity but after further test work and a better understanding of the inherent structural issues it was agreed that a new screen was required. This new screen is expected to be delivered by the end of September allowing us to ramp up to full production by the second half of October.

Outlook

The recent disturbances in South Africa have contributed to the longer than expected delivery date of the screen and some other equipment needed for the wet plant. The ramp up to full production is a month later than expected and this has had an impact upon our 2021 production guidance although importantly our revenue estimate for 2021 remains at around USD11m, due to the very strong pricing environment.

	Revised guidance 2021	Previous guidance 2021	Unchanged guidance 2022
Tonnes produced	600,000 to 630,000	750,000 to 850,000	1,000,000

Carats Produced	24,000 28,000	to	30,000 to 39,000	40,000 to 43,000
Grade	4.0 to 4.5		4.0 to 4.6	4.0 to 4.3
Value per carat USD	400 to 440		330 to 350	400
Revenue (mid estimate)	USD 11.0m		USD 11.7m	16m

It should be noted that mined tonnes are forecast at 680,000 tonnes for 2021 providing a healthy inventory of approximately 65,000 tonnes prior to the wet season which should minimise the impact of the rain on the Company's production level in the first quarter 2022.

Financing

As announced on 21 May 2021, Heads of Terms were agreed between the Company and Teichmann Group ("Teichmann") for a £1.61 million loan note with the intention that this will be replaced by a convertible loan note in due course. The Company also agreed non-binding heads of terms with Teichmann SA (Pty) Limited in relation to extended credit terms to BlueRock in respect of payment due for its mining services contract up to 30 June 2021, with such balances expected to be repaid from July 2021 onwards subject to agreement of a repayment plan. Final documentation on both agreements is being progressed although Teichmann and the Company are adhering to the terms of the non-binding heads of terms announced on 21 May 2021 with £402,000 being received to date.

Discussions are ongoing with Teichmann and other key stakeholders regarding the cash flow demands, if required, as a result of the delay to the completion of the expansion project.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ('MAR'). Upon the publication of this announcement via Regulatory Information Service ('RIS'), this inside information is now considered to be in the public domain.

****ENDS****

For further information, please visit BRD's website www.bluerockdiamonds.co.uk or contact:

BlueRock Diamonds PLC	
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Notes to editors:

BlueRock Diamonds is an AIM-listed diamond producer which operates the Kareevlei Diamond Mine near Kimberley in South Africa which produces diamonds of exceptional quality and ranks in the top ten in the world in terms of average value per carat. The Kareevlei licence area covers 3,000 hectares and hosts five known diamondiferous kimberlite pipes with a combined inferred resource of 10.4 million tonnes / 516,200 carats (February 2021); based on its planned production of 1 million tonnes per annum, this provides a minimum 10-year life of mine.