

8 July 2019

**BlueRock Diamonds PLC ('BlueRock' or the 'Company')**  
**Q2 2019 Production Update**  
**New Management Deliver Record Quarter**

BlueRock Diamonds PLC, the AIM listed diamond producer, which owns and operates the Kareevlei Diamond Mine ('Kareevlei') in the Kimberley region of South Africa, is delighted to announce its Q2 2019 production update where record production has been achieved.

**Overview**

- Record production of 3,516 carats 4x that in Q2 2018 (875 carats)
- Record processed tonnes of 78,759 tonnes, up 130% on Q2 2018 (32,247 tonnes)
- Record grade of 4.46cpht (Q2 2018 2.45cpht)
- Average price achieved of US\$430/c on sales of 2,517 carats (Q2 2018, 875 carats sold at US\$305/c)
- 24.9 carat stone sold for a record US\$190,000 in June
- Tender revenue US\$1,082,000 (Q2 2018 US\$267,000)
- No time lost to accidents reflecting Board's commitment to health and safety

**BlueRock Executive Chairman, Mike Houston, said,** *"I am very pleased with the impact that our new CEO at Kareevlei and his team have made. Whilst the management team is conscious that there are a number of milestones to reach if we are to bring real value to our shareholders, the improved grade and price per carat achieved in H1 2019 is a strong indication of the potential of the Kareevlei resource. The immediate impact of the new team gives us confidence in our ability to take production to the next level. Once we have achieved our key objective of operating the Company profitably, which we expect to happen in the second half of 2019, we will explore how to increase production volumes further to the optimum level which the resource can comfortably sustain. With all this in mind, we remain on track to meet our guidance targets for 2019 and 2020.*

**Overview**

The Board is delighted with the recent progress made at Kareevlei. Since the new management team started in April 2019, operational performance at Kareevlei has been transformed. Volumes are running at almost double the average monthly rates for 2018, leading to a consequent increase in the number of carats produced. Smarter mining and the consequent lower dilution has also led to an improved grade and the increased volumes have resulted in the expected increase in the incidence of larger and higher grade stones.

**Production**

	Q2			Year to date		
	2019	2018	Inc%	2019	2018	Inc %
<b>Tonnes milled</b>	78,759	34,247	130	120,426	73,028	65
<b>Grade (cpht)</b>	4.46	2.45	82	4.10	3.34	23
<b>Carats</b>	3,516	875	302	4,936	2,438	102

May (29,200 tonnes) and June were record months with June production exceeding 34,000 tonnes. This was achieved without the benefit of the budgeted planned plant improvements and was largely due to the new management team introducing stronger operating disciplines, the extended working hours through the commencement of 24/7 365-day operations, as well as improved plant availability. Accordingly, the Board is confident that the near term monthly production target of 40,000 tonnes is achievable and continues to expect that the Company will be operating profitably in the second half of 2019.

Importantly, the grade from the KV1 kimberlite pipe continues to improve in part from smarter mining reducing the dilution of pure kimberlite and as the mining operations go deeper it is expected that the dilution will reduce further.

### Tender Results

	Q2			Year to date		
	2019	2018	Var %	2019	2018	Var %
<b>Carats</b>	2,517	875	188	4,365	2,419	80
<b>Price US\$/c</b>	430	305	41	405	340	19
<b>Revenue US\$</b>	1,082,133	267,274	305	1,768,275	821,812	115

There were 1,326 carats on hand at the end of June, which will be placed in the July tender.

The increase in the carat sales for the quarter are largely a reflection of the significantly increased production volumes enhanced further by the increase in the average price per carat to US\$429.79. The Board is extremely encouraged to note the average price per carat year to date is above US\$400, up almost 20% on the same period in 2018.

Kareevlei continues to deliver excellent quality diamonds, particularly in the plus US\$1,000 per carat range. There were three notable stones in the 6-month period to 30 June and the latest 24.9 carat stone marked a step change in size and a further reflection of the potential of the resource.

### Development Plans

The Crusher Upgrade Project is progressing well. The new crushing plant is planned to be fully operational by the end of July.

Contractual arrangements with the new open cast mining contractor, Teichmann Mining (South Africa) Private Limited ("Teichmann"), are being finalised. Teichmann has commenced mobilisation to site and it is expected that they will be fully operational by late July 2019.

Management continue to develop and refine its mining plan in order to optimise mining across the five known kimberlite pipes at Kareevlei in line with the Company's strategy to have a higher level of flexibility in its mining

operation. The Board is also considering ways to increase monthly production to above the current target of 40,000 tonnes a month.

### Guidance

Guidance remains unchanged at the following levels:

	2019	2020
Volume (tonnes)	280,000 - 335,000	380,000 - 430,000
Grade (cpht)	4.25 - 5.0	4.25 - 5.0
Carats	12,000 - 16,500	16,000 - 21,500
Value per carat (USD)	340	340

This guidance will be reviewed and updated if necessary when the Q3 production results are announced.

### Share Consolidation

The Board has proposed a 1 for 500 share consolidation in order that the BlueRock shares can trade in a more normal price range. This proposal is to be considered and voted upon at the Shareholders' AGM meeting on 25 July 2019.

### Shareholder conference call

BlueRock will be hosting a shareholder conference call on Tuesday 9 July 2019, at 3.00pm (BST) in line with its commitment to maintaining positive engagement with its shareholders.

Shareholders are invited to submit questions via email in advance of the call, which management will aim to respond to during the call. Questions should be sent to St Brides Partners at [shareholderenquiries@stbridespartners.co.uk](mailto:shareholderenquiries@stbridespartners.co.uk), which will be compiling the questions on behalf of the Company.

To participate in the conference call, please dial 0808 109 0701, or +44 (0) 20 3003 2701 if you are calling from outside of the UK, and enter the participant pin 6891180# when prompted to do so. Please note that all lines will be muted except for BlueRock's management team.

The management team will strive to answer as many questions as possible during the call, however it should be noted that no material new information regarding the Company will be provided during the call. The Company plans to make a recording of the call available on its website.

If you have any problems accessing the call, please contact St Brides Partners Ltd on [shareholderenquiries@stbridespartners.co.uk](mailto:shareholderenquiries@stbridespartners.co.uk) or call +44 (0) 20 7236 1177.

*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.*

**\*\*ENDS\*\***

For further information, please visit BRD's website [www.bluerockdiamonds.co.uk](http://www.bluerockdiamonds.co.uk) or contact:

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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. As at 3 September 2018, it was estimated that the remaining Inferred Mineral Resource from the three kimberlite pipes (KV1, KV2 and KV3) represents a potential inground value of circa US\$124 million at a current average run of mine diamond value of US\$362/carat.