

19 March 2018

BlueRock Diamonds PLC

("BlueRock" or "Group" or "Company" or "BRD")

Placing and Subscription raises approximately £500,000

Mining activities expand to KV01

BlueRock Diamonds plc, the AIM listed diamond mining company, which owns and operates the Kareevlei Diamond Mine in the Kimberley region of South Africa ("Kareevlei"), is pleased to announce that it has raised an aggregate of approximately £500,000 (before expenses) via the issue of 33,333,333 ordinary shares of 1 pence each in the capital of the Company (the "New Shares") through a placing and subscription at a price of 1.5 pence per New Share (the "Fundraising"). Each New Share issued will also be accompanied by a warrant to subscribe for a further New Share at a price of 3 pence per New Share.

The Company will use the larger part of the proceeds to develop and expand its mining activities. To date, the Company's mining activities have been centred around KV02 ("Pipe 2") and it is now the appropriate time to start preparing KV01 ("Pipe 1"), which has a very similar geology to Pipe 2, and incorporating it into the mine plan. Pipe 1 is, at its closest, 40m from Pipe 2 and will be mined at the same time as Pipe 2. Pipe 1 is of a similar size to Pipe 2 but has an inferred grade of 6.3 carats per hundred tonnes ("cpht"), 40% higher than the inferred grade of Pipe 2 (4.5cpht).

The Company will also use the proceeds to continue to upgrade its crushing and processing plants to increase efficiencies and reliability.

Having established that the Company is able to mine K2 profitably, the Board is taking measures designed to enhance its profitability by seeking to increase the recovered grade at Kareevlei from the current expectation of between 3.5 cpht and 4.5 cpht, as well as, ensuring that the 2018 production target of 275,000 tonnes remains at the bottom end of the Company's range of expectations.

Adam Waugh, CEO, commented: *"Opening up Pipe 1 will offer us flexibility in our mine planning as operations expand at Kareevlei. These funds will allow us to do the necessary preparation to Pipe 1 and put us in a position to be mining kimberlite from Pipe 1 during Q3 2018. We are currently mining Pipe 2 and continue with our bulk sampling work at Pipe 5.*

"We are excited by the potential we've seen at Kareevlei particularly, as we have been progressing deeper into Pipe 2. We look forward to continuing to expand our operations and soon having kimberlite available from three of our five identified kimberlite pipes."

Details of the Fundraising

Application will be made for 27,624,999 of the Placing shares (the “First Tranche Shares”), which will rank *pari passu* with the existing Ordinary Shares in the Company, to be admitted to trading on AIM ('Admission'). It is expected that Admission will become effective and dealings will commence on or around 22 March 2018. The issue of the remaining 5,708,334 Placing Shares (the “Second Tranche Shares”) is subject to the approval of shareholders at a General Meeting. The Company expects to post a circular later this week convening a general meeting of the Company, during which shareholders will be asked to vote on a resolution authorising the Directors to issue the Second Tranche Shares and to grant further authority to issue shares in the future. Further announcements will be made as appropriate.

Director Dealings and Related Party Transaction

David Facey, Finance Director of the Company, and Paul Beck, Non-Executive Chairman of the Company, have agreed to subscribe for 1,666,666 and 1,000,000 New Shares in the Fundraising respectively. David Facey and Paul Beck are both considered to be “related parties” as defined under the AIM Rules and accordingly, their participation in the Fundraising constitutes a related party transaction for the purposes of Rule 13 of the AIM Rules.

The Directors independent of the Fundraising, being Adam Waugh and Tim Leslie, consider, having consulted with the Company's nominated adviser, SP Angel, that the terms of David Facey and Paul Beck’s participation in the Fundraising are fair and reasonable insofar as the Company's shareholders are concerned.

Both David Facey and Paul Beck’s participation in New Shares will settle as part of the Second Tranche Shares.

Following the admission of the Second Tranche Shares, David Facey and Paul Beck’s shareholdings will be as follows:

Director	No. of Ordinary Shares held as at date of this announcement	No. of New Shares subscribed for in the Fundraising	No. of Ordinary Shares held immediately following admission of the Second Tranche Shares	% interest in Ordinary shares immediately following admission
David Facey	4,000,000	1,666,666	5,666,666	3.27%
Paul Beck*	3,680,643	1,000,000	4,680,643	2.70%

*On completion of the Fundraising, Paul Beck will hold 4,225,188 ordinary shares of 1p each in the Company, whilst Front Square Securities Limited will hold 455,455 ordinary Shares. Paul Beck and his wife own 100% of the share capital in Front Square Securities Limited of which Paul Beck is also a director.

Total Voting Rights

Following the issue of the First Tranche Shares, the issued share capital of the Company will consist of 167,449,241 Ordinary Shares. No shares were held in treasury at the date of this announcement. The total current voting rights in the Company are therefore 167,449,241.

The above total current voting rights number is the figure which may be used by shareholders as the denominator for the calculation by which they will determine if they are required to notify their interest in, or a change to their interest in the Company.

Issue of Warrants

33,333,333 warrants over New Shares will be issued to investors as part of the Fundraising.

The warrants are exercisable at a price of 3.0 pence and are exercisable for a period of 2 years from the date of issue.

The warrants will only be exercisable following the approval of shareholders to increase share authorities at the forthcoming general meeting.

In addition, the Company has agreed to issue a further 1,200,000 warrants in lieu of certain fees.

Appointment of SVS as Joint Broker

The Company is pleased to announce the appointment of SVS Securities Limited (“SVS”) as Joint Broker effective from 19 March 2018.

Effect of Fundraising on Mark Poole’s Convertible Loan Note (“CLN”)

Following the issue of the First Tranche Shares, the conversion price of Mark Poole’s CLN which totals £925,000, will be reduced to 2.70p per ordinary share. Following the issue of the Second Tranche Shares, the conversion price of the CLN will be reduced to 2.66p per ordinary share.

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.

For further information, please contact:

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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.