

Note: References to "\$" in this announcement refer to US dollars.

9 April 2018

## BlueRock Diamonds PLC

("BlueRock" or the "Company" or "BRD")

### Q1 results and 2018 guidance reiterated

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"), announces the results of its Q1 2018 production and reiterates its guidance for 2018.

#### Q1 2018 highlights

- Average revenue per carat \$378 (FY 2017: \$362)
- Revenue per tonne processed \$14.36 (FY 2017: \$8.88)
- Grade of 3.8 cpht (FY 2017: 2.45 cpht)
- Carats sold 1,563 (Q1 2017: 92)
- Volume processed 38,781 tonnes (Q1 2017: 9,310 tonnes)

#### Key performance indicators – Q1 2018 compared with 2017

Quarter	Volume <sup>(1)</sup>	% annual (1)	Tender volume (2)	Carats <sup>(2)</sup>	cpht <sup>(2)</sup>	\$/carat (2)
2017 - 1	9,310	6.1%	4,780	92	1.92	161
2017 - 2	31,033	20.3%	27,106	451	1.66	352
2017 - 3	63,163	41.2%	56,486	1,275	2.26	344
2017 - 4	49,641	32.4%	49,666	1,567	3.16	391
<b>2017</b>	<b>153,147</b>	<b>100.0%</b>	<b>138,038</b>	<b>3,385</b>	<b>2.45</b>	<b>362</b>
2018 - 1	38,781	14.1%	41,115	1,563	3.80	378

#### Notes

- 1) Based on calendar quarters. The percentage for 2018 is based on the full year 2018 guidance target of 275,000 tonnes.
- 2) Based on the period between tenders which usually take place in the third or fourth week of each month. There is no tender in December. The total carats produced in FY 2017 was 3,728.

#### Tender results

A total of 1,563 carats were sold in Q1 2018 representing 16.5% of the lower end of the Company's guidance for 2018. This is consistent with seasonal expectations as Q1 production will always be hampered by the extended Christmas and New Year break coupled with the Northern Cape rainy season experienced in the first quarter of each year.

The average price per carat of \$378 (FY 2017: \$362) reinforces the Company's position as one of the top ten highest value per carat diamond mines in the world, reflecting the high quality of the Kareevlei stones and the high percentage recovery of gem stones.

### **Production and recovery**

38,781 tonnes were processed in Q1 2018, which is over four times greater than Q1 2017 and represents 14.1% of our production target for 2018. This is in line with the Company's seasonal expectations as described above.

Recovered grade continues to improve and a grade of 3.8 cpht was achieved for the first quarter which is a significant improvement on FY 2017 (2.45 cpht) and Q4 2017 (3.16 cpht).

### **Revenue per processed tonne**

Revenue per processed tonne for the first quarter was \$14.36 (FY 2017: \$8.88), based on tender periods. Quarter 1 represents the period from the end of the November tender to the end of the March tender. Whilst this is a derivative measure (reliant upon other factors) this remains a key indicator of Kareevlei's profitability.

### **Production plans**

Following the Company's recent fundraising announced on 19 March 2018, BlueRock plans to start mining K1 in the second half of April 2018. Initially, the top calcretised level will be removed and it is expected that the Company will be mining kimberlite in May for processing in June 2018. For reference, K1 has an inferred grade of 6.3 cpht compared to that of K2 of 4.5 cpht. The Company expects that over time, this will lead to an increase in overall grade. K2 will continue to be mined as K1 is developed and bulk sampling is continued on K5, giving the flexibility to ensure consistent supply of good quality kimberlite to the processing plant.

The emphasis remains on maximising the value of Kareevlei and accordingly, the Company has decided not to pursue the Jubilee project that had previously been announced and have thus let the option lapse on this project given that the results of initial testing suggested a low-grade mine. The Company will continue to seek and assess other opportunities as they arise.

### **2018 guidance**

Our 2018 guidance remains unchanged, a summary of which is set out below:

	2018 guidance	2017
Volume (tonnes)	275,000	153,147
Average grade (cpht)	3.5-4.5	2.45
Carats	9,500-12,500	3,728
Revenue per carat (\$/carat)	362	362

**Adam Waugh, Chief Executive Officer of BlueRock Diamonds, commented:**

*“Q1 2018 has continued the significant progress that was made in 2017. We remain on track to achieve the parameters set out in our guidance announced in March 2018 and reiterated here.*

*We are excited to start mining K1 and expect that this will have a beneficial effect on our average grades over time and hence our overall profitability.”*

### **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 own a diamond processing plant and the mining right over the Kareevlei Tenements in South Africa.