

6 July 2018

BlueRock Diamonds PLC ('BlueRock' or the 'Company')
Q2 2018 Production 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 its Q2 2018 production update and H2 2018 production guidance.

Overview

- Good production recorded over Q2 2018 given approximately five weeks of aggregate downtime during the period due to a now rectified crusher fault and bad weather
 - 34,247 tonnes processed (Q1 2018: 38,781 tonnes) from first kimberlite pipe, KV2
 - 875.31 carats sold (Q1 2018: 1,563) with average revenue per carat at US\$305.34 (Q1 2018: US\$378) reinforcing the Company's position as one of the top ten highest value per carat diamond mines in the world
- H1 2018 production up 81% year-on-year to 73,028 tonnes (H1 2017: 40,343 tonnes)
- H2 2018 production guidance of between 150,000 and 175,000 tonnes which assumes no further major production halts
- Q2 2018 revenue per tonne processed US\$7.76 (Q1 2018: US\$14.36)
- Average grade mined of 2.45 cpht for Q2 2018 (Q1 2018: 3.8 cpht) with grades anticipated to improve as production proceeds deeper
 - Targeting FY 2018 average grade of 3.5 to 4.5 cpht (FY 2017: 2.45 cpht)
- Commenced mining at second kimberlite pipe, KV1, which has an inferred grade of 6.3 cpht
 - Anticipated to provide material contribution to production in FY 2018
 - Stripping progressing well with results from first production expected in Q3 2018
- Advancing plans to increase crushing capacity during Q3 2018 which will support the expected increased throughput during H2 2018
- A shareholder conference call is being hosted by BlueRock on Tuesday 10 July at 12.00pm BST (details below)

BlueRock CEO, Adam Waugh, said, "Thanks to our experienced team on the ground, we have had a successful quarter, continuing to produce exceptional quality diamonds from our Kareevlei project, despite five weeks of downtime due to bad weather and a fault in our crushing circuit; 34,247 tonnes were processed during the quarter with year-on-year H1 2018 production up 81%. Having commenced mining in June at our second kimberlite pipe, KV1, which has an inferred grade of 6.3 cpht against KV2's inferred grade of 4.5 cpht, we hope to see both production and grades increase during H2 2018. Additionally, to make up the lost tonnage from H1 due to unanticipated downtime and to provide crushed stockpile for the wet season in H1 2019, we are focused on increasing our crushing capacity from the existing circuit to fully unlock the value in our 7,984,000 tonne Inferred Mineral Resource at the project, which has a potential in-ground value of circa US\$130 million

(based on our CPR estimate of 359,00 carats in the ground). I look forward to reporting on the outcome of these initiatives later in the year.”

Key Performance Indicators

Quarter	Volume ⁽¹⁾	Tender volume ⁽²⁾	Carats ⁽²⁾	cpht ⁽²⁾	US\$/carat ⁽²⁾
Q1 2017	9,310	4,780	92	1.92	161
Q2 2017	31,033	27,106	451	1.66	352
Q3 2017	63,163	56,486	1,275	2.26	344
Q4 2017	49,641	49,666	1,567	3.16	391
FY 2017	153,147	138,038	3,385	2.45	362
Q1 2018	38,781	41,115	1,563	3.80	378
Q2 2018	34,247	36,942	875	2.45	305

Notes

- 1) Based on calendar quarters.
- 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 875 carats were sold in Q2 2018 (Q1 2018: 1,563 carats). This was down on the previous quarter due to a fault which has now been rectified, which led to processing being stopped for around 10 days during June. A total of five weeks’ worth of production was lost during Q2 2018 due to this fault combined with bad weather. The average price per carat remained high at US\$305 (Q1 2018: US\$378).

Production & Recovery

34,247 tonnes were processed in Q2 2018 (Q1 2018: 38,781 tonnes) to bring total H1 2018 production to 73,028 tonnes, an 81% increase year-on-year (H1 2017: 40,343 tonnes). The Company announces H2 2018 production guidance of between 150,000 and 175,000 tonnes.

The recovered grade of 2.45 cpht (Q1 2018: 3.8 cpht) was at a lower level as a low-grade block of shale was mined during the period, with grades picking up at the end of the quarter. As previously announced, whilst the mine is developed at the higher levels, grades from KV2 are expected to fall slightly until mining is consistently below 20m when grades should be consistently around the pit averages of 4.5 cpht.

Mining commenced in June 2018 at the Company’s second kimberlite pipe, KV1, which has an inferred grade of 6.3cpht, and is anticipated to provide material contribution in FY 2018.

Revenue per processed tonne

Revenue per processed tonne for the second quarter was US\$7.76 (Q1 2018: US\$14.36), based on tender periods. The reduction in revenue per tonne is a function of mining at lower grades than Q1 and is expected to increase alongside grades during the remainder of 2018.

Shareholder conference call

BlueRock will be hosting a shareholder conference call on Tuesday 10 July 2018, at 12.00pm (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, 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 3301418# 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 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 or contact:

BlueRock Diamonds PLC Adam Waugh, CEO David Facey, FD	awaugh@bluerockdiamonds.co.uk dfacey@bluerockdiamonds.co.uk
SP Angel (NOMAD and Joint Broker) Stuart Gledhill / Lindsay Mair/Caroline Rowe	Tel: +44 (0)20 3470 0470
SVS Securities (Joint Broker) Tom Curran / Ben Tadd	Tel: +44 (0) 20 3700 0100
St Brides Partners Ltd (Financial PR)	

Lottie Wadham / Juliet Earl

Tel: +44 (0)20 7236 1177