

BLUEROCK
DIAMONDS

March 2021

CORPORATE PRESENTATION

PRODUCING
EXCEPTIONAL
QUALITY DIAMONDS



Snapshot

STRATEGY

BlueRock aims to utilise its executive team to evaluate, acquire & develop under-exploited mining opportunities in sub-Saharan Africa. To this end, it is currently focused on maximising long-term profitability at its Kareevlei Mine in South Africa, which is ranked by average value per carat as one of the top-10 kimberlite mines in the world, with 90% of output gem standard quality.



MAJOR SHAREHOLDERS*

Teichmann Company Ltd	28.93%
Spreadex	10.84%
Edale Capital	8.97%
Directors	1.68%
Percentage of shares not in public hands	30.68%

*as at 07.03.21

The Company adheres to the BBSEE requirements with the ownership* of Kareevlei Mining (Pty) Ltd as follows:

- BlueRock Diamonds plc – 74%
- Ghaap Mining (Pty) Ltd – 26%

*This is undergoing restructuring which will see an Employee Trust and a Community Trust hold 5% interest each, reducing BlueRock and Ghaap to 70% and 20% respectively

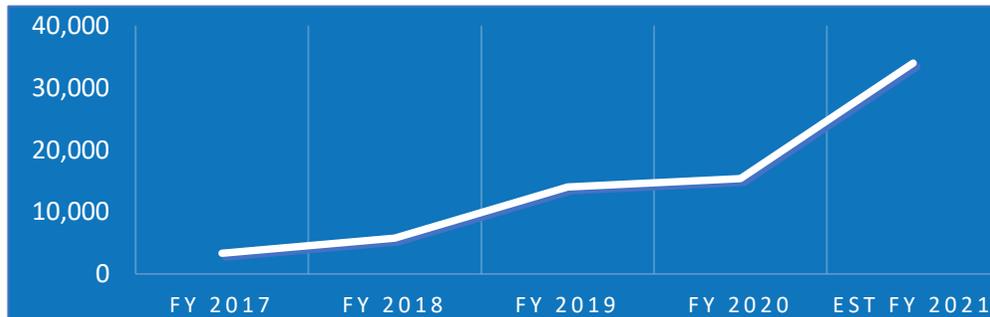
Achievements & Targets

CONTINUING TO DELIVER INCREASED PRODUCTION & UPGRADED RESOURCE

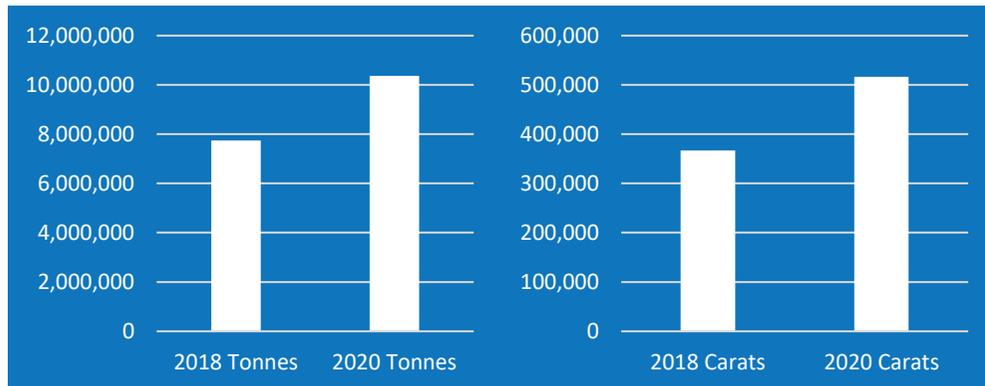
VOLUME - TONNES



CARATS PRODUCED



INCREASED RESOURCE



Current focus on optimising resource & profitability of Kareevlei through:

- Expansion of production from 16,000 carats to +40,000 carats.
- Economy of scale and move away from generator power will drive down all in SA costs to c.\$200 per carat thereby reducing costs.
- Average sales value:
 - in 2019 (pre Covid-19) USD 415
 - First 2 months of 2021 USD 423

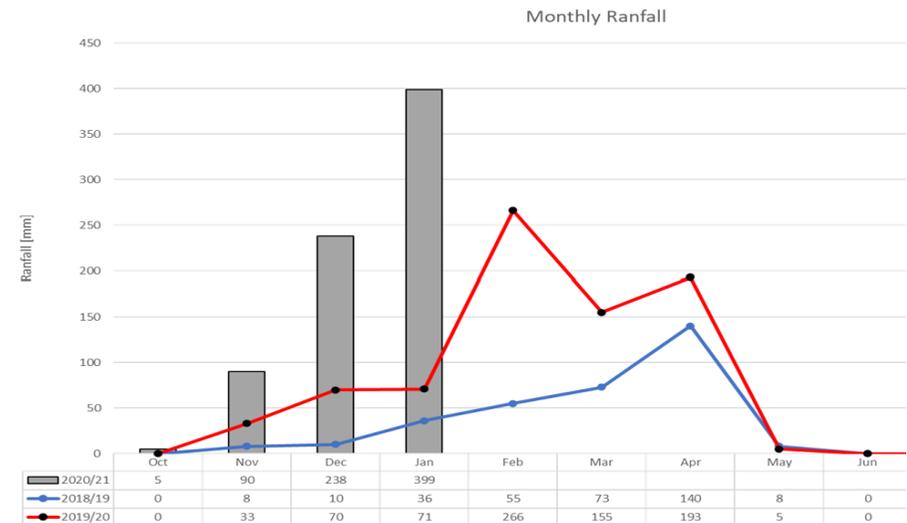
UPDATED RESOURCE FEBRUARY 2021

- **49%** increase in net tonnes to 10,368,300
- **53%** increase in net carats to 516,200
- **19%** of resource upgraded from Inferred to Indicated
- Provides a minimum **10-year life of mine** based on planned production of 1Mtpa
- Resource expected to increase further once more work is completed on KV3, the largest pipe – currently only **40% of this pipe's volume is included in resource**

Reasons for Recent Funding

RAISED £1.5M TO COMPLETE THE EXPANSION PROJECT BY EARLY Q2 2021 & PROVIDE WORKING CAPITAL TO CUSHION AGAINST FURTHER DISRUPTION

- Expansion Project delayed caused by:
 - Supply chain issues as a result of Covid
 - Improved specification of new plant
 - Excessive rain in December and January, running at 5x the average rainfall - levels not seen since the 1980s
- Operational cashflow and project cost impacted by:
 - Extreme weather – 26 inches of rain over six weeks resulting in 29 production days lost
 - Low pricing in Q4 2020, mostly due to the lack of competitive sales (no international tenders) resulting from Covid
- Project delays, low pricing, and most recently the impact of the rain, led to a cash shortfall



Excessive rain impacts:

- Mining activities – pit flooded, unsafe to operate in heavy rains
- Production – cannot operate in heavy rains for safety reasons
- Crushing of wet kimberlite causes blockages and slows down production
- Old plant constructed near ground level not optimal in wet weather

Flooding Impacted Production & Expansion Project

DECEMBER 2020 AND JANUARY 2021



Main pit was flooded due to sustained record rains.



Company priority has to be the safety of its employees.



Main highway to mine impassable impacting on key supplies.



Main Pit back in operation post flooding.

Drive to Complete Expansion Project & Lower Costs

COMMENCED JULY 2020 TO INCREASE ANNUAL THROUGHPUT TO C.1,000,000 TONNES FROM C.400,000 TONNES AND ANNUAL REVENUE TO C.USD16M

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
New crushing circuit commissioned		■										
Wet end of new plant complete				■								
Commissioning of wet end of new plant					■							
Operating at full capacity						■	■	■	■	■	■	■
Connection to National Grid					■	■	■	■				
Recrushing circuit commissioned									■			

- Appointed BinVic, a fully-integrated project execution service provider, to complete expansion project by end of April 2021
- Allows management to focus on day to day production as well as commissioning/ handover requirements
- Existing plant wet circuit remaining in operation to May de-risked by feed from new crushing circuit which is now fully operational
- Three month project connecting to the National Grid, expected to commence and be operational in H2 2021

Driving Down Costs

Unit costs⁽¹⁾

	H2 2020	Q3 2021	Q4 2021
Cost per tonne processed ZAR	196	160	150
Cost per carat USD	273	220	200
Grade cpht	4.37	4-4.6	4-4.6

⁽¹⁾ Unaudited management information assuming a constant USD ZAR exchange rate of 1:16.4

- H2 2020 cost per carat slightly higher than expected due to lower volumes processed in Q3, cost per carat in Q3 – USD257
- Fixed costs represent approximately 1/3 of total production costs
- H1 2021 cost per carat reflects the impact on tonnes processed with the heavy rains in January and transition to new plant
- Target cost per carat is USD220 once the new plant is fully operational and sub USD200 following the completion of the connection to the national power grid, significantly reducing diesel costs



Marketing Update

HEALTHY OPTIMISM IN EARLY 2021 – DEMAND REMAINS FIRM FOR HIGH QUALITY DIAMONDS

- Global demand for rough diamonds is strong early 2021, with major producers increasing prices in January/February, demand anticipated to remain firm until market equilibrium is reached.
- Strong market demand for rough diamonds at South African tenders due to impact of weather on production.
- BRD has had 2 sales in 2021, averaging \$423 carat (including sale of one high value stone.)
- Jewellery sales in USA and Asia were strong through period November 2020 to January 2021, with a number of retailers reporting record sales.
- Indian diamond sector has bounced back to 70% - 80% of capacity and is at close to full capacity for bigger stones.
- Difficulty in forecasting the short- to mid-term outlook as much will depend on demand from the end consumer and use of disposal income. The ongoing global success of the vaccination programme is seen as a positive driver.
- BlueRock, with its high quality diamonds, remains well positioned in the market.
- It is still BlueRock's objective to sell "mine to market" via the Bonas tender structure in Antwerp . The position will be reviewed in H2 2021.

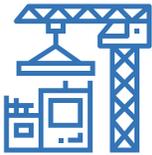


Production And Sales Guidance for 2021

	FY20	FY19	Estimate: 2021
Tonnes processed (000)	402	323	850 to 950
Carats produced	15,371	14,033	34,000 to 44,000
Grade	3.8	4.3	4.0 to 4.6
Carats Sold	16,290	12,675	34,000 to 44,000
Value Per Carat (USD)	295	415	330-350



Environmental, Social and Governance (ESG)



95% of people hired from local & regional communities & 90% of spending on construction & operations with regional companies

10% economic interest in the mine to be owned by local communities & employees



12% of employees are women, which is a percentage that the Company aims to increase

Progressive training & development programmes offered to local communities and employees



Supports local early childhood development centre and primary school – new classrooms built; water/sanitation facilities upgraded; and IT services and equipment provided

Complies with all local environmental regulations



Investment Case

STRONG POSITION TO NAVIGATE THE 'NEW NORM' & BUILD VALUE



Quality Asset

Produces exceptional quality diamonds from its Kareevlei Mine, 90% of which are output gem standard quality; Resource of +500,000 carats .



Revenue Generative

Stronger position than many of its competitors given the Kareevlei Mine's size & the quality of its diamonds



Defined Development

Ongoing strategy to lower costs and maximise profitability of the Kareevlei Mine continuing to reap rewards



Future Growth Through Expertise

Proven corporate, technical, & professional expertise to acquire, develop & operate under-exploited mining opportunities in sub-Saharan Africa



Progressive ESG Policy

Adheres to world-standard environmental standards & supports local & regional communities & businesses



Global Network

Strong partnerships with respected, international companies

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