

BlueRock Diamonds PLC / AIM: BRD / Sector: Natural Resources

2 November 2018

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

Placing and Subscription raises £711,000 to Increase Production

Michael Houston appointed as Non-Executive Chairman

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 £626,000 (before expenses) via the issue of 208,666,667 ordinary shares of 0.01 pence each in the capital of the Company (the "New Shares") through a placing and subscription at a price of 0.3 pence per New Share (the "Placing Price") (the "Fundraising"). The Company is also issuing one warrant for every two new shares issued at a price of 0.4p with a life of one year from the date of issue ("the Warrants"). The Warrants will not be listed.

In addition, certain Directors of the Company have indicated their intention to subscribe for a further aggregate £85,000 at the Placing Price via the issue of a further 28,333,333 New Shares subject to approval by the Board (the "Director Subscription"). Details of their participation and their consequent interests in the Company's issued share capital will be described in a further announcement. Accordingly, subject to such further Director Subscription, the total gross amount raised is expected to be £711,000.

Use of Proceeds

The Company will use the larger part of the proceeds to open up KV1 and KV2, two of its five kimberlite pipes it is currently mining, with the expectation of being able to supply approximately 40,000 tonnes per month of ore to its processing plant starting in Q3 of 2019. The target tonnage for 2019 is 300,000 to 350,000 tonnes although by Q4 2019 BlueRock expects to be operating at an annual run rate of 400,000 tonnes. Given the seasonality of the business and the planned work to be done on the plant it is expected that Q1 2019 tonnage will be 35,000 to 45,000 tonnes. The Company's long-term aim is to optimise the resource available and increase the production to around 500,000 tonnes per annum giving Kareevlei a life of mine of approximately 10 years from KV1, KV2 and KV3.

The balance of the funds will be used to fund some minor improvements to the Company's operating plant focussed on increasing the reliability and hence utilisation rate of the plant. In addition, BlueRock will be strengthening the operational management team on the ground to ensure that the plant is being operated in the most effective way possible and to oversee the

move to a continuous mining operation. Accordingly, the Company expects utilisation to increase from around 70% to over 85% during 2019.

At an operating level of 40,000 tonnes a month, BlueRock expects its mining operations to be profitable at a grade of 2.5 cpht. The Company's average grade from all of its mining operations to date is 2.6 cpht and excluding the mining of the very low grade material in the higher levels of the pit BlueRock estimates that the average grade to date is approximately 3.5cpht.

An updated Company presentation will shortly be made available on BlueRock's website.

Appointment of Michael Houston as Non-Executive Chairman

As noted in the announcement dated 8 October 2018 the Board is delighted to announce the appointment of Michael Houston as Non-Executive Chairman. The Company has already benefited from his involvement and his experience and expertise will be important as its expansion plans are implemented for 2019.

Michael Houston is a mining veteran with over 30 years' experience in Africa having worked with companies including Anglo American (Executive roles), Shanta Gold (CEO), and Zimplats Holdings (CEO/COO). He has also worked on a consultancy basis supporting a number of companies with various project reviews and due diligence.

The following details in relation to the appointment of Michael John Houston, aged 68, are disclosed in accordance with Schedule 2(g) of the AIM Rules:

Current directorships	Past directorships held within the last five years
Numovista (Pty) Ltd Umanate (Pty) Ltd	Shanta Gold Ltd Zimplats Holdings Ltd

The Board would like to take this opportunity to thank Paul Beck, the founding Chairman for his significant input in the formative years of the business. Mr. Beck will remain a non-executive Board member.

Paul Beck commented, "I am delighted to welcome Mike Houston to the Board of BlueRock Diamonds. Mike has many years of mining experience in Africa and we look forward to working with him to take the Company forward to the next stage of growth and development."

Adam Waugh, CEO, commented, “It is the right time for the business to move to a new level of production now we have ever increasing confidence in the long term grade of the resource and high selling value of our diamonds. With this in mind we are targeting to be operating at an annual run rate of 400,000 tonnes by the end of 2019, signifying a significant ramp up by doubling our production over the coming year. A strengthened technical team is now appropriate to take the business forward to ensure higher hourly production and longer running times. Our inferred resource is still 95% intact and I look forward to working with Mike Houston to maximise its potential.”

Details of the Fundraising

Application will be made for the New Shares issued pursuant to the Fundraising, which will rank *pari passu* with the existing Ordinary Shares, to be admitted to trading on AIM ("Admission"). It is expected that Admission will become effective and dealings will commence on or around 9 November 2018.

The Warrant certificates will be sent to shareholders in approximately two weeks.

Appointment of Joint Broker

The Board is pleased to announce the appointment of Turner Pope Investments as Joint Broker.

Issue of shares for payment of services

A further 4,200,000 new ordinary shares will be issued at a price of 0.3p in payment for services received.

Total Voting Rights

Following the issue of the New Shares, the issued share capital of the Company will consist of 443,524,323 Ordinary Shares. No shares were held in treasury at the date of this announcement. The total current voting rights in the Company are therefore 443,524,323.

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.

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:

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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.