

3 March 2021

BlueRock Diamonds PLC ('BlueRock' or the 'Company')

**Placing and Subscription to Raise £1.5 million
Notice of General Meeting**

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 gross proceeds of £1.5 million via an oversubscribed placing and subscription of 3,750,000 new ordinary shares of 5 pence each in the Company (the "Placing Shares") at a price of 40 pence per Placing Share (the "Placing Price") (the "Placing"). The net proceeds of the Placing will primarily be used to complete the Company's expansion project to increase annual production to c. 1 million tonnes per annum (the "Project") by early Q2 2021 and provide working capital to cushion against further disruption which has arisen due to excessive rain and Covid-19.

The issue of 2,187,500 of the Placing Shares (the "Tranche 2 Placing Shares") will be subject to shareholder approval of the extension of share issuance authorities, which is being requested at a General Meeting ("GM") of the Company, further details of which are set out below.

Notwithstanding the disruption noted above, the Company is maintaining the bottom end of its production guidance for the year.

BlueRock's Executive Chairman, Mike Houston, commented: *"The need for further funding is frustrating but sadly unavoidable given the extreme weather conditions from mid- December to end-January and the lower sales prices that we experienced in Q4 2020 due to the absence of competitive tenders in South Africa.*

"The rains, resulting in 29 production days being lost, had a similar impact on the Project, delaying the completion of the crushing circuit and ongoing development of the processing side of the new plant. I am pleased to report that the new crushing circuit is now operating at expected levels and having a positive impact on production levels by ensuring a consistent supply of crushed material to our current plant. This arrangement is key to our plan to limit the disruption to production levels as we transition to a fully operational new plant by the end of May 2021.

"On the marketing front, we are pleased with the reintroduction of monthly local tenders with strong international participation and are encouraged with the achieved average price of USD423 per carat for the first two tenders of 2021.

"Despite reduced production expectations in Q1, we have not changed the bottom end of the range of our guidance for 2021, which remains at 34,000 carats (more than double 2020) at a price of in excess of USD330 per carat."

Background

BlueRock is focused on maximising the long-term profitability at its Kareevlei Mine in South Africa, which produces exceptional quality diamonds, with 90% of output gem standard quality. The mine hosts five known diamondiferous kimberlite pipes with a combined inferred resource of 10.4 million tonnes ('Mt') / 516,200 carats (February 2021); based on its planned production of 1Mt per annum ('pa'), this provides a minimum 10-year life of mine. The Board is confident that the Resource will increase further once more work is completed on KV3, its largest pipe, where at present only 40% of this pipe's volume is included in resource.

In July 2020, in line with the Company's strategy to right size the operation to maximise the potential of the resource, an expansion project commenced to increase annual throughput to circa 1Mtpa from circa 400,000 tonnes and increase annual revenue to circa USD16m. The Project is nearing completion: the crushing circuit is now complete, which de-risks the most vulnerable area to ongoing production throughput in the wet season, and the wet /processing circuit is expected to be commissioned and fully operational during May 2021. The old plant will remain in operation during the whole transitional period, fed by the new plant crushing circuit, resulting in improved throughput through the existing wet processing plant.

The Project has been delayed due to supply chain issues as a result of Covid-19, an improved specification of the new plant, and excessive rain in December and January, running at five times the average rainfall. Operational cashflow and project costs were also impacted by the extreme weather (26 inches of rain over six weeks resulting in 29 lost production days), as well as low pricing in Q4 2020, mostly due to the lack of competitive sales (no international tenders) resulting from Covid-19.

To complete the Project by early Q2 2021 and allow management to focus on day-to-day production as well as commissioning / handover requirements, BlueRock has appointed BinVic (Pty) Limited ('BinVic'), a fully integrated project execution service provider with a strong track record of completing similar projects in remote locations in Africa. Notably, BinVic has agreed to take 20% of its project fees and any performance related bonus in shares (priced at completion of the project) demonstrating its confidence in the future of the operation and BlueRock.

Cost reductions

The Company remains focused on optimising profitability through reducing unit costs and investment in infrastructure and economies of scale. In line with this, the Company is targeting a cost per tonne of USD220 once the new plant is fully operational and sub USD200 following the completion of the connection to the National Grid Power, which is expected by the end of 2021.

Production Guidance

Despite the impact of the extreme rainfall in late December 2020 and January 2021, the bottom end of the guidance for 2021 is unchanged with a slight reduction in top end guidance from 1Mt processed to 950,000 tonnes.

	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

Notice of General Meeting

The Company announces that the GM will be held at 10a.m. on 19 March 2021 at the offices of SP Angel, 35- 39 Maddox Street, London, W1S 2PP.

Please note that due to COVID-19 and the UK's Government restrictions on travel, assembly and guidance on meetings, shareholders, their proxies and corporate representatives are requested not to attend in person, as they will not be admitted to the meeting. Shareholders are only able to vote on resolutions set out in the Notice of GM by proxy.

The Company will hold a shareholder call, following the GM, details of which will be provided in due course.

The Company's Notice of GM and Forms of Proxy will be dispatched to shareholders shortly and will be available on the website at www.bluerockdiamonds.co.uk.

Directors' participation in the Placing

Certain Directors have subscribed for an aggregate of 150,000 Placing Shares at the Placing Price pursuant to the Placing ("Directors' Participation") in the proportions set out below:

Director	Existing Ordinary Shares held	Placing Shares subscribed for	Ordinary Shares held on Admission ¹	Percentage of Enlarged Share Capital ¹
David Facey, Finance Director	62,285	50,000	112,285	0.87
Mike Houston, Executive Chairman	44,285	100,000	144,285	1.12

¹The Enlarged Share Capital has been calculated on the assumption that the Tranche 2 Placing Shares are admitted to trading which is subject to shareholder approval at the upcoming GM.

The issue of the 150,000 Placing Shares due to David Facey and Mike Houston will be part of the Tranche 2 Placing Shares and therefore subject to shareholder approval at the upcoming GM.

Teichmann Subscription

Teichmann Company Limited ("TCL"), an investment company controlled by trusts connected with the owners of the Teichmann Group and a substantial shareholder of the Company, along with certain connected parties including parties connected with the owners of Teichmann Group, have subscribed for a total of £405,000 in the Placing. TCL (and its connected parties') investment will be in four equal instalments payable on 1 April 2021, 1 June 2021, 1 August 2021, and 1 October 2021, similar to its previous investments.

The issue of 1,012,500 of the Placing Shares due to Teichmann form part of the Tranche 2 Placing Share and will therefore be subject to shareholder approval at the upcoming GM.

Following the issue of the Tranche 2 placing shares Teichmann Group, its connected parties and considered to be acting in concert with Teichmann Group will maintain a shareholding of approximately 29% of the Company's enlarged share capital.

Related Party Transactions

TCL, as a substantial shareholder of the Company, along with certain parties connected with TCL's owners, is considered to be a "related party" as defined under the AIM Rules and accordingly, TCL's participation (along with that of its owners' connected parties) in the Placing constitutes a related party transaction for the purposes of Rule 13 of the AIM Rules.

David Facey and Mike Houston, as directors of the Company, are considered to be "related parties" as defined under the AIM Rule and accordingly, their participation in the Placing constitutes a related party transaction for the purposes of Rule 13 of the AIM Rules.

The directors independent of the Placing, being Gus Simbanegavi and Tim Leslie, consider, having consulted with the Company's Nominated Adviser, SP Angel Corporate Finance LLP, that the terms of TCL and its owners' connected parties' participation, along with the Directors' participation in the Placing, are fair and reasonable insofar as the shareholders of the Company are concerned.

Impact on CLN conversion price

Following the Placing, the conversion price of the Company's existing Convertible Loan Note will be adjusted to 93 pence in accordance with its terms.

Admission to Trading on AIM and Total Voting Rights

Application will be made for the 1,562,500 Tranche 1 Placing Shares, 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 8 March 2021.

Following the issue of the Tranche 1 Placing Shares, the issued share capital of the Company will consist of 10,649,157 Ordinary Shares. No shares were held in treasury at the date of this announcement. The total current voting rights in the Company are therefore 10,649,157.

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.

An application for Admission of the Tranche 2 Placing Shares will be made in due course with such shares expected to admit on 22 March 2021 following approval at the Company's GM being held on 19 March 2021, conditional upon shareholder approval.

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****

BlueRock Diamonds PLC Mike Houston David Facey, FD	mhouston@bluerockdiamonds.co.uk dfacey@bluerockdiamonds.co.uk
SP Angel (NOMAD and Broker) Stuart Gledhill / Caroline Rowe	0203 470 0470
St Brides Partners Ltd (Financial PR) Isabel de Salis / Cosima Akerman	info@stbridespartners.co.uk

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 with a combined inferred resource of 10.4 million tonnes / 516,200 carats (February 2021); based on its planned production of 1 million tonnes per annum, this provides a minimum 10-year life of mine.

Expected timetable:

	2021
Publication and posting of the Circular and the Form of Proxy	4 March

Latest time and date for return of Form of Proxy or CREST proxy instructions for the General Meeting	10.00 a.m. on 17 March
General Meeting	10.00 a.m. on 19 March
Admission to trading on AIM of the Tranche 2 Placing Shares and enablement in CREST	8.00 a.m. on 22 March
Despatch of definitive share certificates for the Tranche 2 Placing Shares in certificated form (where applicable)	w/c 29 March

NOTIFICATION AND PUBLIC DISCLOSURE OF TRANSACTIONS BY PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES AND PERSONS CLOSELY ASSOCIATED WITH THEM

1.	Details of the person discharging managerial responsibilities/person closely associated	
a)	Name:	A: Michael Houston B: David Facey
2.	Reason for the notification	
a)	Position/status:	A: Executive Chairman B: Finance Director
b)	Initial notification/Amendment:	Initial notification
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name:	BlueRock Diamonds plc
b)	LEI:	213800LVSJ2RNI3SSN92
4.	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the financial instrument, type of instrument: Identification code:	Ordinary shares of 5 pence each GB00BKKJK954
b)	Nature of the transaction:	Participation in the Placing

c)	Price(s) and volume(s):	<p>A: Michael Houston</p> <p>Participation in the Placing:</p> <table border="1" data-bbox="768 184 1159 281"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>40p</td> <td>100,000</td> </tr> </tbody> </table> <p>B: David Facey</p> <p>Participation in the Placing:</p> <table border="1" data-bbox="768 420 1159 516"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>40p</td> <td>50,000</td> </tr> </tbody> </table>	Price(s)	Volume(s)	40p	100,000	Price(s)	Volume(s)	40p	50,000
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e)	Date of the transaction:	3 March 2021								
f)	Place of the transaction:	Outside a trading venue								