

Welcome

Mike Houston, CEO

“Good afternoon ladies and gentlemen and thank you for your ongoing interest in BlueRock Diamonds and for your many pertinent questions. With so much uncertainty in our world at the moment this is an extremely important Q&A session for shareholders and potential investors, I wanted to assure you that we are doing everything possible to ensure BlueRock Diamonds is well positioned to recommence operations as soon as practical.

“I have asked Gus (Simbanegavi) our COO and David (Facey) our CFO to handle questions pertaining to their areas of responsibility.

“We have taken liberty of combining some questions where they link to the same answer. I will now hand you over to Gus to kick off proceedings.”

Operational – GUS SIMBANEGAVI, COO

1. How long do you think it is likely that South Africa will be in lockdown?

It is impossible to say exactly, but BRD will get clearer understanding on 24th April. South Africa has been complemented for acting early and firmly and hopefully this augurs well.

2. How long can the project be kept on care and maintenance before BRD’s funds run out?

It is difficult to state a period as there so many variables on how long the lockdown period will last. BlueRock has done its best to reduce costs to a minimum with a small care and maintenance team on site, employees have been sent on furlough, and contracts with major suppliers are suspended during this period.

In addition, BRD is looking at relief packages offered by the South African government which will assist in reducing cash burn with regards to employees on furlough.

At these reduced cost structures, the funds available and the diamonds in stock will sustain the care and maintenance for some time.

3. Do you foresee other / more frequent significant diamond discoveries once operations are back up and running? Why have BRD not found any significant carat diamonds since September?

BlueRock has indicated that the resource of KV1 is significantly bigger than originally stated. The company’s Competent Person is updating the resource statement currently, which will reflect these increases. There are also opportunities with KV3 which BRD has not started mining yet.

The grades at lower levels have been confirmed to be much better compared to the near surface 10-20m zones. The majority of the remaining resource in KV1 and KV2 will be mined

at these higher grades in the near future. BRD remains confident that the average diamond findings will be similar or better than what was found in Q3/Q4 2019.

Diamonds recovered depend on the material being processed. During Q2, Q3 and Q4 in 2019, larger diamonds were recovered as mining was being carried out in the coherent kimberlite areas in KV1, at deeper levels in comparison to what was mined in Q1 2020, where mining was in the shallow areas on non-coherent kimberlite, which appears to have less larger diamonds. This mining was and is necessary to BlueRock opening up the bigger single pit for KV1 and KV2 which will give BRD material mining benefits in the future.

The company's competent Geologist is confident that the larger stones will come as more tonnages are processed through the plant and as BRD mines cleaner, deeper Kimberlite.

4. What are the next stages to be completed imminently, after the COVID-19 lockdown ends?
BRD's care and maintenance teams have been keeping the plant in a state of readiness, the company sits with 30,000+ tonnes available on stockpile. The start-up will be dependent on market conditions.

The initial steps will be that BRD confirms a market for its diamonds and considers options for direct export if travel ban on buyers is still an issue in South Africa.

BRD has engaged contractors and suppliers to be ready and available for a quick start up once a decision has been made to open up the mine and the market is consistent.

5. What is the new timeline for completion of the Numovista plant?
A revised plan will depend on the market conditions and extent of COVID-19, this will be communicated once a clearer understanding of the market is in place.
6. How is progress with connecting to the National Grid? Has capital been injected? Can you explain what you have spent so far in Q1 on upgrading operations?
Minimum funds committed as yet on the project work which BlueRock outlined at the time of the fundraiser. Work on the National Grid line has been suspended as a result of the COVID-19 impact.

To date, the company has spent circa GBP £200,000 on the project, mainly for the dismantling and transporting of the Numovista Plant to the mine or to the site. BlueRock has carried out planning, design and drawings for the new plant and the putting out tenders for equipment. In addition, BRD has recruited further key skilled personnel for the project.

Financial – DAVID FACEY, CFO

1. What is BRD's anticipated monthly cash burn while on essential care and maintenance? and how long the company can survive under present conditions?
As mentioned in the quarterly update, BRD has reduced costs to a minimum. The only costs that the company is now incurring in South Africa are minimum labour costs and surface

rental, both of which have been reduced significantly from their previous levels, general costs for BRD have also been cut by 30%.

The position still remains uncertain however, including the South African government's position going forward, on their lockdown strategy, and what support will be put in place for companies like BlueRock.

A specific question was asked about whether BlueRock will need to raise funds if the market shutdown in South Africa lasts for three months – the answer to that is currently no. However, the length of closure will have an impact upon how quickly BRD can implement its growth strategy. The company is exploring all avenues in relation to the marketing of its diamonds to enable it to recommence operations as soon as possible.

2. Will the directors increase their holding to bring confidence in BRD's market?

The Directors are already highly exposed to the performance of BRD as they have significant holdings in the company and their compensation is highly geared towards the success of the company through Options, the majority of which are at a price significantly higher than the current share price.

3. What is BRD's long term plans regarding its Options?

At the moment BRD has already issued the maximum amount allowed under the Option scheme which is 15% of the share capital. Currently, there are no further plans to issue any other Options.

4. Post the COVID-19 period, what is BRD's plan with further acquisitions of other projects?

BRD's strategy has always been to finish the development of Kareevlei before embarking on other projects. Nevertheless, the Directors continue to look at other opportunities as they are presented and undoubtedly there may be opportunities arising out of the casualties of the Coronavirus pandemic.

5. Will furloughing have sufficient impact in the long run if COVID-19 persists?

The biggest threat is to BlueRock's skilled people, who may look for other opportunities, but the likelihood is if BRD is not operating then other mining companies will also not be operating. The company is doing what it can to retain them.

General – MIKE HOUSTON

1. Before the outbreak of COVID-19, why do you think that the share price was being held back when it should have been increasing?

BlueRock's Directors have been surprised by the negative movement in the share price. Management has delivered on what it said for 2019 and Q1 2020 and the company had a successful capital raise in Q1 2020 to expand the operations.

The team developed a marketing strategy to enhance BRD's social media exposure, which was going to be pushed through in Q1 2020, but with the current uncertainty, it has been put on hold.

2. When does BRD foresee being able to sell diamonds at international Tenders?

This is difficult question and strictly linked to certain countries allowing people to go back to work and buyers able to travel. In BRD's planning and from the best information the company could get, it could be somewhere around June 2020. However, BRD is investigating every avenue to sell its diamonds with encouraging results but this is subject to the company being able to get back into production.

3. Historically, how has the diamond market fared in comparison to other commodities in times of crisis?

After the 2008/2010 financial meltdown there was clearly a negative impact in the market, but it is BRD's understanding that diamonds recovered better than most commodities. The staggered impact of the current situation may help with China already open for business and hopefully other countries following shortly. The high quality and demand for Kareevlei diamonds should put BRD in a strong position once the company gets back into production and sales.

4. Is Teichmann a supportive partner during this difficult period?

Yes, very supportive and working closely with management's efforts as are the company's other major contractors.

5. Is BRD courting the idea of a takeover if this COVID-19 period threatens the company's ability to continue?

No. BRD has not contemplated along these lines at all, every effort is focused on ensuring business gets back into operation as soon as possible.

6. How do you plan to improve the share price?

BlueRock's focus has always been to keep delivering on its short- to mid-term strategy and build further confidence. At the moment, BRD is well placed with cash resources and a very low monthly holding cost.

Closing message

Mike Houston, CEO

"That covers all of questions and we thank you again. We will keep shareholders/market briefed. Please look after yourselves."