



BLUEROCK DIAMONDS

Producing
exceptional
quality diamonds

Investor Presentation

Q2 2018



AT A GLANCE

AIM LISTED DIAMOND PRODUCER BASED IN KIMBERLY, SOUTH AFRICA

Strategy to become a leading miner of high quality medium size kimberlite pipes

Focus on fully exploiting Kareevlei Mine with the aim of increasing grade and throughput

Exceptional quality, high value diamonds

High calibre local team with years of experience gained at De Beers and Petra

Well positioned to acquire other value-adding assets

Strong market dynamics



KAREEVLEI MINE

SIGNIFICANT RESOURCE INFERRED AS PART OF COMPETENT PERSON'S REPORT

Overview

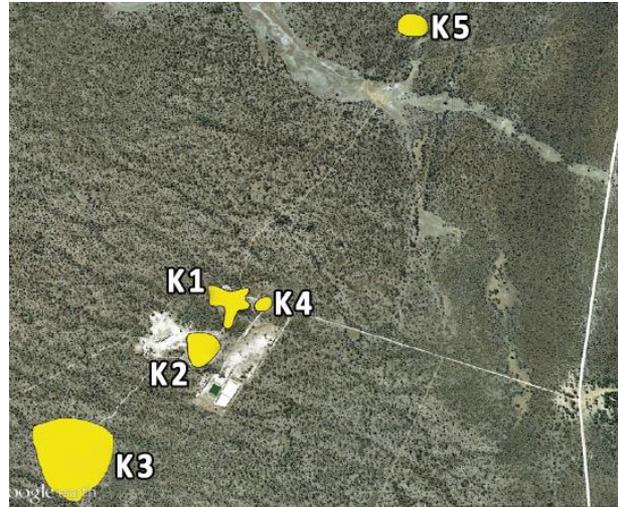
Located in Northern Cape Province, South Africa ~100km NW of Kimberley

Discovered by De Beers in 1991

Tenements include Kareevlei Kimberlites: five pipes from <0.25ha to 5.5ha in size

K1, K2 and K3: primary focus of exploration and “economically viable”

K5: limited data available but previous drill results indicated coarser diamonds than the K1, K2 and K3 pipes



INFERRED RESOURCE

Pipe	Volume (m ³)	Tonnes	Carats	Grade (cpht)
K1	632,000	1,594,000	101,000	6.3
K2	947,000	2,461,000	111,000	4.5
K3	1,581,000	3,929,000	147,000	3.7
Total	3,160,000	7,984,000	359,000	

Production Snapshot

Monthly target of >25,000t

Production quantities becoming more consistent each month

Grades expected to improve as production proceeds deeper

Recovering higher quantities of larger, higher value stones

Average price per carat for 2017 was \$362

Highest \$/carat valuation of \$10,091 achieved for a 7.76 carat diamond sold in November 2017 for \$78,306

Largest diamond to date 11.7 carats which sold for \$1670 per carat

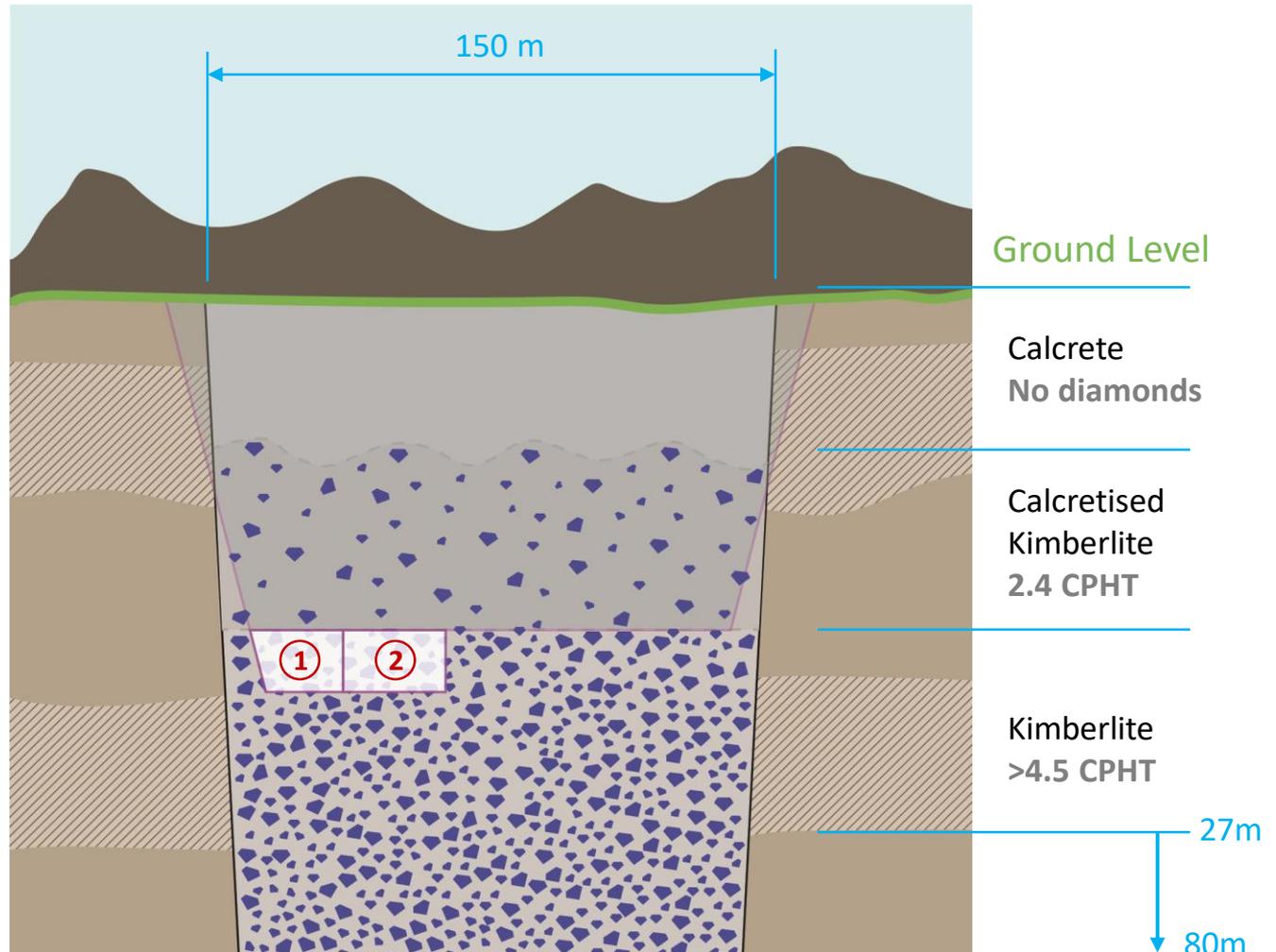
VIEW OF THE MINE

OPERATING MINE DISCOVERED BY DE BEERS IN 1991



KIMBERLITE PIPE

- ① Extracted
6.3 CPHT
- ② Extracting -
commencing week 18
June 2018



KAREEVLEI DIAMONDS

SALES VALUE PER CARAT CONTINUES TO BE ABOVE CPR EXPECTATIONS

Value per carat in the top 10 of kimberlites in the world

90% of output is gem quality

- Colours range from “D”
- High average value achieved without any exceptional diamonds
- Average stone size approx. 0.35 carats per diamond - very high for kimberlite diamonds

Establishing a reputation for superior quality and shape of diamonds amongst international buyers



REVIEW OF 2017

SIGNIFICANT PROGRESS WITH IMPROVED OPERATIONS

Key indicators improving throughout the year and into 2018

Grade continuing to improve

Value per carat remains high and is one of top ten highest value per carat diamond mines in the world

Increasing number of larger higher value stones

Quarter	Volume ⁽¹⁾	% Annual ⁽¹⁾	Tender Volume ⁽²⁾	Carats ⁽²⁾	cpht ⁽²⁾	\$/carat ⁽²⁾	
2017 - 1	9,310	6.1%	4,780		92	1.92	161
2017 - 2	31,033	20.3%	27,106		451	1.66	352
2017 - 3	63,163	41.2%	56,486		1,275	2.26	344
2017 - 4	49,641	32.4%	49,666		1,567	3.16	391
2017	153,147	100%	138,038		3,385	2.45	362
2018 - 1	38,781	14.1%	41,115		1,563	3.8	378

Notes

Based on calendar quarters. The percentage for 2018 is based on the full year 2018 guidance target of 275,000 tonnes.

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.

LATEST PRODUCTION RESULTS

ON TRACK TO MEET 2018 GUIDANCE

	2018 Guidance	2017	Q1 2018
Volume (tonnes)	275,000	153,147	38,781
Average grade (cpht)	3.5-4.5	2.45	3.8
Carats	9,500-12,500	3,728	1,563
Revenue per carat (\$/carat)	362	362	378



Q1 2018 Results

Q1 2018, significant improvement over Q1 2017

Grade and value per carat exceeded target

Q1 approximately 13% of yearly volume target and 16% of total carat target

Production is seasonal given the extended Christmas break and the rainy season

Guidance for 2018 reiterated following the Q1 results

KAREEVLEI DEVELOPMENT

PLANS TO FAST-TRACK DEVELOPMENT OF OTHER KIMBERLITE PIPES

K1 Pipe

Mining commenced & first processing expected June 2018

Inferred Pit Grade: 6.3 cpht - 40% higher than K2

Opening K1 expected to increase overall grade, allow greater flexibility in production and more consistent results

K5 Pipe

Historic drilling results suggest that coarseness of the diamonds in K5 should be higher than in K2, which would suggest an increase in value per carat

Bulk sampling continues and results to date are encouraging



MARKET OPPORTUNITY

STRONG MARKET FUNDAMENTALS

Market characterised by:

- Few large groups concentrating on large deposits
- Small organisations lacking in capital and expertise

Small kimberlites have been discovered by large players but not exploited:

- Too small for De Beers and Petra
- Too big / complicated for smaller operators

Growing global diamond demand

Global supply of rough diamonds (in carats) is expected to expand at a CAGR of 3% between 2016 and 2022, peaking in 2021

Global demand for polished diamond jewellery is expected to grow at a CAGR of 4% between 2016 and 2021

Improving technology is optimising cutting and polishing - greater yields for producers are being realised year on year

*Source: "Global Diamonds Metals & Mining," Bank of America Merrill Lynch, June 2016; "The PIPE – diamond intel," Morgan Stanley, March 2016
VIA: De Beers Diamond Insight Report*

STRATEGY & DEVELOPMENT PLANS

CLEAR PATH TO GROWTH

- 1 Establish consistent profitability at Kareevlei
- 2 Exploit Kareevlei to its fullest extent
- 3 Assess other opportunities in a disciplined and cost effective manner

Development Highlights & Next Steps

Developing plans for mining pipes K1, K3 and K5 - bulk sampling commenced at pipe 5

Exploration of the remainder of the license area being undertaken using satellite imaging

Large numbers of discovered pipes exist for which drilling information can be purchased

Opportunities regularly brought to BlueRock as one of the few credible miners of medium size pipes

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