

6 August 2019

**BlueRock Diamonds PLC ('BlueRock' or the 'Company')**  
**Finalisation of contract with Teichmann**

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 the contract with Teichmann South Africa (Pty) Ltd ("Teichmann") to provide mining services to BlueRock has been signed (the "Teichmann Contract" or the "Transaction").

On 16 May 2019, the Company announced that it was in negotiations with a member of the Teichmann Group to provide the quantity of ore necessary to meet BlueRock's production plans. Teichmann is a pan African civil engineering and mining group with over 1,800 employees. Teichmann's extensive experience in mining operations is expected to significantly de-risk the Company's mining activities and allow BlueRock to meet its production targets in a cost-effective manner.

The Teichmann Contract is for a period of five years commencing with an effective start date of 1 July 2019 to provide the following services at the levels required to meet the Company's production plans:

- a) to extract ore, waste and haul to stockpile
- b) where required, to break down ore to the required size
- c) deliver ore to the Processing Plant

Unlike the agreement with the previous provider of these services which was paid on an hourly basis with a minimum number of hours guaranteed, Teichmann will be paid almost entirely on a cost per tonne basis and, accordingly, the effective cost per tonne is reduced with the planned increased production. Based on the lower end of the Company's current production expectations, the estimated cost of Teichmann's services for the 12 months ended 30 June 2020 will be approximately ZAR 21 million (approximately GBP 1.179 million).

**Related party Transaction**

Teichmann Company Limited ("TCL"), an investment company controlled by trusts connected with the owners of the Teichmann Group, invested £310,000 in the fundraising announced on 16 May 2019 and own approximately 19% of the issued share capital of the Company and, therefore, Teichmann is considered to be a related party under the AIM rules.

The Directors independent of the Transaction, being Mike Houston, David Facey, Tim Leslie and Adam Waugh, consider, having consulted with the Company's nominated adviser, that the terms of the Transaction are fair and reasonable insofar as the Company's shareholders are concerned.

**Mike Houston, Executive Chairman commented,** "I am delighted that we have now finalised terms with Teichmann. Teichmann have been on site since 1<sup>st</sup> July as was planned and we have established

a good working relationship. The upgrading of our mining operation is key to the overall success of the business and having an experienced mining contractor is an essential part of this process. I believe that our partnership with the wider Teichmann Group will provide further benefits going forward as we continue to implement our defined growth strategy.”

*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](http://www.bluerockdiamonds.co.uk) or contact:

|  |                           |
|--|---------------------------|
| BlueRock Diamonds PLC<br>Mike Houston, Executive Chairman<br>David Facey, FD | Tel: +44 (0)20 7236 1177  |
| SP Angel (NOMAD and Broker)<br>Stuart Gledhill / Caroline Rowe               | Tel: +44 (0)20 3470 0470  |
| Turner Pope Investments (Joint Broker)<br>Lewis Jones/Andy Thacker           | Tel: +44 (0) 20 3621 4120 |
| St Brides Partners Ltd (Financial PR)<br>Melissa Hancock / Juliet Earl       | Tel: +44 (0)20 7236 1177  |

**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 November 2018, it was estimated that the remaining Inferred Mineral Resource from the four kimberlite pipes (KV1, KV2, KV3 and KV5) represents a potential inground number of carats of 367,000.