

17 January 2023

**BlueRock Diamonds PLC ('BlueRock' or the 'Company')
Operations and Corporate Update**

BlueRock Diamonds Plc (BRD), the AIM listed diamond producer, which owns and operates the Kareevlei Diamond Mine ('Kareevlei') in the Kimberley region of South Africa, announces an update on operational and corporate activity.

Operations update

Overview

Waste stripping increased in December as the mining activities returned to normal after the focus on ore from KV2 to feed the plant to determine the realistic plant capacity. The strip ratio increased to 2.78 in the month and 3.49 YTD.

Production and market

Production was below target due to the mine being closed over Christmas and New Year. Arrangements were made for a diamond tender in December in order to facilitate the cash flow for the month. The previously reported decrease in diamond prices continued, however December revenue was not significantly lower than management forecast.

Corporate update

Loan Note – M Poole and T Leslie

The outstanding balance due under the notes is £361,667 (£130,417 held by Mr Poole and £231,250 held by Mr Leslie).

Attempts to reach an agreement with Mr Leslie have so far been unsuccessful and a Notice of Statutory Demand has now been served on BRD by Mr Leslie.

Mr Leslie notified his intention to present a winding-up petition should the amount outstanding on the Loan Note not be settled by 13th January 2023. BRD has written to Mr Leslie's solicitor seeking further discussions and is waiting for a response.

Kareevlei facility – Teichmann South Africa ("TSA")

The amount owed to TSA has increased to over ZAR 74 million. This is ZAR 44 million in excess of the facility of ZAR 30 million, which is due to be reduced to ZAR 20 million by the end of February 2023. TSA has not exercised its rights in the event of breach.

Discussions continue with TSA regarding its ongoing support to Kareevlei, however, no commitment has been received and it is unlikely that the Company will be able to reduce the amount drawn under the facility to comply with the terms of the agreement.

Litigation with Mr CB Visser and related parties

Settlement was reached with Mr Visser and his related companies in December 2022. The amount held in escrow was sufficient to cover the settlement value and costs, and payment was effected in December 2022.

Outlook

The mining plan is in the process of being revised and financial forecasts are being reviewed based on the input of the specialists providing assistance to Kareevlei. The funding requirement for essential capital expenditure and upgrades is being finalised, as well as the working capital requirement for the period until the mine is operating normally, post the proposed plant upgrades and essential capital expenditure programme.

BRD continues to explore all options to enable operations to continue and obligations to be met. Uncertainty exists, however, on the ability to implement the turnaround plan for BRD and Kareevlei given the statutory demand received from Mr Leslie.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ('MAR'). Upon the publication of this announcement via Regulatory Information Service ('RIS'), this inside information is now considered to be in the public domain.

****ENDS****

For further information, please visit BlueRock'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 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