BlueRock Diamonds PLC / AIM: BRD / Sector: Natural Resources

7 September 2022

BlueRock Diamonds Plc ("Bluerock" or the "Company")
Interim Results

BlueRock Diamonds, the AIM listed diamond mining company, which owns and operates the Kareevlei Diamond Mine ('Kareevlei') in the Kimberley region of South Africa, is pleased to announce its interim results for the six months ended 30 June 2022.

OVERVIEW - June 2022 versus June 2021

Operational Results

- 18% increase in tonnes processed to 260k
- 20% decrease in grade to 3.22 cpht
- 7% decrease in carats produced to 8,214
- 48% increase in sales price to US$629 per carat

Capital Projects

- Development to open up the Main Pit at depth continued with 1.1 million tonnes ('Mt') of waste mined, up 78% year-on-year ('yoy')
- Commissioned the new plant at the end of 2021 with a gradual build-up of production volumes
- High-Level Review undertaken in June recommending changes to further de-risk mining and plant in the wet season

Financials

- 45% increase in revenue to £4,079,000 (2021: £2,817,000) driven by higher diamond prices
- Operating loss of £783,000 (2021: £539,000), a result of reduced production and higher costs
- Loss before taxation was £23,000 (2021: £513,000)

CHAIRMAN'S STATEMENT

The key drivers for the first half of the year were to continue with the increased mining development in the Main Pit (KV1 and KV2) and to ramp up production in the expanded 1 million tonne per annum ('Mtpa') processing plant, which had been largely commissioned in late 2021. Unfortunately, the mine experienced extreme weather conditions for the first five months of the year, the third year in a row that Kareevlei has had rainfall significantly above the long-term average (+214%). Consequently, management is now considering how to mitigate against what appears to be extreme changes in the environment.

To complicate matters further, the wet season extended into May and June 2022 with rainfall of 106mm; in past years these have been dry months. As a consequence, although the total development tonnes were materially up on 2021, they were significantly down on target, which resulted in the operation having limited tonnage of pure kimberlite and having to feed lower grade and difficult to handle material throughout the period under review.

The market remained robust with a major spike in the prices in Q1, due mainly to the concerns on the rough diamond supply side driven by the war in Ukraine. It appears to have stabilised in Q2 with the retail side influenced by the impact of inflation on disposable income and the Covid shutdowns in China, however, we are still seeing very positive prices and it is forecast the supply side will remain tight for the foreseeable future.

Despite a drop off in the recovery of larger diamonds, which we would associate with the poorer feed, the Company has averaged US$629 per carat (HY 2021: $436 per carat) in the period under review. Pleasingly, post period end in Q3 we are seeing an increase in the recovery of high-value stones.

The financial results and cash position, despite the much-improved prices and higher revenue, have been negatively influenced by the poor operational results and the necessity to press on with the large spend on development mining and a material increase in a number of costs areas.

As per earlier announcements, ongoing discussions have taken place with the Teichmann Group involving both financing and the management of the Kareevlei operation; these will hopefully be concluded at the AGM with shareholder approval.

On the management front, a High-Level Review, at the request of the Teichmann Group, was completed by a team of experienced consultants. The results highlighted a need for a further review of the mine plan and the possibility of fast-tracking the development mining to further de-risk the operation against extreme weather and to optimise the mining fleet on site, although this will increase cash outflow in the short term. In addition, certain changes to the plant were recommended that would further de-risk this operation in the wet season and enhance throughput and potentially diamond recovery. The management and Board have been working closely with the Teichmann Group in progressing a number of areas and will report back to shareholders once the evaluation work is completed.

Mining

Mining (in tonnes '000)	H1 2022	H1 2021	Increase
Waste (development)	1,149	646	78%
Ore	321	289	11%
Total	**1,470**	**935**	**57%**

Total mined tonnes in H1 2022 were 57% up on H1 2021. It is particularly important to note that the large increase in the waste mining should be seen as an investment for the future as a lot of development work is to prepare the Main Pit to mine efficiently at deeper levels than was originally anticipated and to deal with inclement weather. The strip ratio in H1 2022 was 3.6, which is significantly higher than the life of mine strip ratio for the Main Pit of 1.8 and a strip ratio of 2.2 in 2021. The cash cost of the excess waste mining in H1

2022 was £1.35m (ZAR 27m) (2021: £0.26m (ZAR 5m)), which was capitalised and will be amortised over the life of the Main Pit.

Management continues to review the life of mine plan with a view to opening up KV3 in 2023 to provide more flexibility in the mining operation as the Main Pit is mined at deeper levels.

Processing

Tonnes '000	H1 2022	H1 2021	Increase
Processed	260	221	18%
Grade	3.22	4.1	-20%
Carats Produced	8,214	8,949	-7%

The increase in tonnage in H1 2022, although disappointing and a lost opportunity with the buoyant market, has to be viewed against a background of over 600mm of rain and 40 production days lost (2021 Q2: 2 days, vs 2022 Q2: 13 days). In addition, whilst the plant was operating the feed was largely a wet low-grade material, which hosted a high percent of fines and clay. With the grade being down 20%, the carats produced were 7% down on 2021. Accordingly, we have downgraded our guidance for 2022, as set out below. The ore mining operation is now below the high clay low grade kimberlite zone and should be supplying a better feed going forward.

The wet season has highlighted that, while improvements have been made to enable the new plant to perform better in wet conditions, it still has vulnerabilities. Management is now looking at a wet screening circuit at the front end of the plant to remove a large percent of smaller sized material, which clogs up the circuit, and treating this product through one line and by doing so free up the secondary crushing circuit. There is also a review of the Cone Crushers, with test work ongoing, as it is believed a more modern crusher together with the wet screening would enhance production and improve diamond recovery. These improvements if implemented need to be in place before the 2023 wet season.

It is pleasing to note that with the drier conditions since July the processed tonnes are improving but the plant is yet to achieve its design capacity. This is partly due to the mine still not being able to feed it with a high percentage of kimberlite, which impacts on "tonne per hour" achievable on each line and a number of ongoing teething issues, which have impacted on the plant operating time.

Sales

Sales	H1 2022	H1 2021	Increase
Carats	8,580	9,115	-5%
USD/Carat	629	436	44%

Carats sold in H1 2022 were 5% down on H1 2021 due to the operational issues explained above.

The market has been strong throughout H1 with prices up 44% on the same period in 2021. The average price for the six months has been influenced by a spike in prices in early Q1 but overall, we have seen a step change in prices versus 2021 and an ongoing high demand for the Kareevlei diamonds.

The tenders in Kimberley where Kareevlei diamonds are sold have been well supported with the opening up of travel to South Africa following the Covid restrictions.

Mining Licence

An application for the renewal of the current Mining Licence has been submitted to the Department of Mineral Resources & Energy in South Africa. As at the date of approval of this report the outcome of this application has not yet been received. The Group has approval to continue mining until such time as the application has been processed. The Directors are of the opinion that there is no reason to believe that the approval will not be obtained.

Market Overview /Outlook

The supply side of rough diamonds has remained under pressure and is expected to continue to do so whilst the conflict around Ukraine exists. It is anticipated that the retail market could soften with the impact of inflation on disposable income, however, the Kareevlei's high-quality diamonds remains sought after and prices achieved in July and August have been encouraging.

Large Stones

Kareevlei continues to produce high value diamonds as detailed below. We are particularly encouraged with the year-to-date numbers when one considers the lower grade feed for much of the year with 17 high value diamonds recovered versus 8 for same period last year.

Date sold 2022	Carats	Value USD000	Value per carat USD000
August	11.62	84	7.2
	10.02	81	8.1
	9.04	76	8.4
	6.77	52	7.6
	6.88	52	7.5
	10.35	50	4.8
July	5.97	55	9
	7.4	67	9
March	19.3	116	6
	12.7	128	10
	8.7	104	12
	6.6	63	9.5
February	11.9	211	17.6

	8.3	96	8.3
	13.6	78	5.8
	7.5	75	10
January	6.8	63	9.3

Note: It is the Company policy to announce all stones sold with a value of in excess of USD50k.

Financials

In the first half of 2022, the Company made an operating loss of £783,000 on turnover of £4,079,000, compared with a loss of £539,000 on turnover of £2,817,000 in the first half of 2021. Loss before taxation was £23,000 compared to £513,000 in 2021.

The increase in turnover reflects the increase in prices in rough diamonds seen over the period.

The increase in the operating loss despite the increase in turnover reflects the reduction in grades achieved whilst the mine development has been taking place, together with rising costs. Diesel fuel, which is used extensively in the mining operation and to provide generated power to the plant, has increased by 53% and certain explosive costs have almost doubled. In addition, the mine has higher staff/employee costs in anticipation of the step up in production. Depreciation has had a major impact on the operating loss and has increased from £161,000 to £488,000, as the new plant is depreciated from the date it was brought into use.

Unrestricted cash at 30 June 2022 was £429,000.

Financing

In March 2022, the Company raised gross proceeds of £2.1 million by way of a placing and subscription, as well as settling £580,000 of creditors through issuing shares.

The funding was required to provide additional working capital to the Company in order to:

(a) implement its upgraded mining plan to ensure consistent supply of quality ore to the processing plant - optimising the throughput of the new 1 million tonne per annum ('Mtpa') plant, while maximising the economic life of the mine; and
(b) pay its mining contractor, Teichmann SA Limited ("TSA"), in order to accommodate the impact of the two operation shutdowns experienced in Q4 2021.

In addition, since the period end the Company has entered into agreements with the Teichmann Group as described further in the Post Balance Sheet Events section below to provide up to £1,950,157 and ZAR30m of additional funding before costs.

Guidance

We have revised our guidance for 2022, to reflect the results to date and our continued uncertainty over production and grade for the balance of the year that are closely linked to the mining development at the Main Pit. It is anticipated prices will remain at the US$500 to US$600 carat level.

We have also used a wider range covering the 2023 outlook to reflect the potential outcomes of further mine and plant developments with a stronger price regime reflecting the ongoing tightness in quality rough diamonds.

Revised guidance for the 2022 and 2023 periods are as follows:

	Revised 2022 guidance	Previous 2022 guidance	Revised 2023 guidance	Previous 2023 guidance	2021 actual
Tonnes processed ('000)	620-670	700-750	875-970	1,000	516
Carats produced	20,000 to 24,000	24,500 to 30,000	35,000 to 41,000	43,000	23,497
Grade	3.25 to 3.5	3.6 to 4.0	4.0 to 4.3	4.3	4.55
Value per carat (USD)	500 to 600	500 to 550	500	450	470
Revenue (USDm)	10.0 to 14.4	12.0 to 16.5	17.5 to 20.5	19	10.8

The production and mining plan are currently under review after the high level review and once the outcomes are fully assessed the guidance will be updated

Post Balance Sheet Events

Since 30 June 2022, we are seeing an ongoing drive on the mining front to catch up lost tonnage from H1 and this in turn will provide the plant with a higher-grade product easier to process material from the end of August. We have seen improvements in the processed tonnages with the plant running at 80% capacity, but more is needed. We expect this situation to improve once the plant is feeding a higher quality fresh kimberlite, however, to get up to full capacity there will also have to be material improvements in running time.

Following the recommendations of the High-Level Review, the mine plan is being reviewed both in terms of what is deemed the correct economic depth of the pipes with more updated revenue and costs information and the benefit and funding of pushing development mining harder earlier in the process to maximise mining fleet capacity on site and also de-risk the mine by having access to a wider range of ore. Additionally, test work is now being carried out on the plant to establish if proposed improvements in terms of a wet screen and revamped secondary crushing circuit will add the desired value and ensure the operation can run more efficiently in the wet season. There is also a greater focus by the Teichmann Group on a more hands-on management style to bring stronger leadership and work culture at the mine whilst also looking at cost reductions as the mine enters what could be an extended inflationary environment.

The Company is looking to appoint a full time COO/GM of Kareevlei. The focus is to find a hands-on individual with diamond mining/ processing experience. Meiring Burger, who had agreed to hold the CEO post as an interim measure has stepped down. A bridging arrangement has been put in place with two highly experienced individuals supporting local management and a higher direct role by Teichmann until a permanent replacement is appointed.

The sales value of our diamonds continues to be strong as highlighted by the recently announced high value stones in the August tender and an average price year to date of US$531 per carat. There is no question that with the quality of Kareevlei diamonds, if one can get the production up and manage the wet season better, there is significant value for shareholders.

As announced on 4 July 2022 and in the Circular on 15 August 2022, the Company has entered into a number of agreements with the Teichmann Group. These agreements include:

(a) On 4 July 2022, Kareevlei entered into a new extended credit facility with its mining contractor, TSA, for up to ZAR30 million which reduces to ZAR20 million 180 days after drawdown.

(b) The Company has issued Simple Loan Notes for £1,066,411 to the Teichmann Group redeemable on 7 September 2022 with zero interest payable. These will be converted into subscription shares at 7p per share after the AGM on 7 September 2022, subject to shareholder approval being obtained. Should approval not be granted, the Company will be required to redeem the Simple Loan Notes at the amount invested by the Noteholders plus the greater of £1,000,000 and the market value of the New Conversion Shares had they been issued.

(c) The Company has agreed to amend the existing Convertible Loan Notes of £1,610,000 issued to the Teichmann Group ("Existing CLN") to extend the repayment date to 30 November 2025, remove the applicable interest and amend the conversion price, such that the maximum number of shares to be issued is unchanged.

(d) Subject to shareholder approval at the AGM, the Company will issue New Convertible Loan Notes to the Teichmann Group ("New CLNs") for £583,746 under the same terms as the amended Existing CLN.

(e) Subject to shareholder approval, a Broker Option has been agreed which allows subscriptions for up to an aggregate £0.3 million at 7p per share with priority given to existing Shareholders of the Company.

(f) The Company, SP Angel and Teichmann Company Limited ("TCL") entered into a relationship agreement on 4 July 2022. Amongst other things TCL has the right to appoint up to three Directors to the Board of BlueRock, provided this is matched by the same number of Independent Directors who will retain the casting vote.

(g) The Company, Kareevlei, TCL and TSA entered into a governance agreement on 4 July 2022 relating to Kareevlei which sets out the future governance of Kareevlei.

Further details of these agreements, and the security provided to the Teichmann Group in respect of the agreements is given in the Circular and the agreements are available on the Company's website.

I would like to thank everyone at BlueRock and Kareevlei, as well as our shareholders and key stakeholders for their continued efforts and support.

Mike Houston
Chairman

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2022

Consolidated Statement of Financial Position

	Note	As at 30 June 2022 *Unaudited* £	As at 30 June 2021 *Unaudited* £	As at 31 December 2021 *Audited* £
Assets				
Non-current assets				
Property, plant, and equipment	5	4,588,123	4,113,487	4,312,946
Right-of-use assets	5	540,564	559,945	517,789
Mining assets	5	3,368,872	860,290	1,839,809
Other receivables	7	534,903	522,343	492,596
		9,032,462	**6,056,065**	**7,163,140**
Current assets				
Inventories	6	1,052,475	822,699	802,835
Trade and other receivables	7	146,589	1,129,013	93,646
Cash and cash equivalents (including restricted cash)	8	658,319	271,557	521,771
		1,857,383	**2,223,269**	**1,418,252**
Total assets		**10,889,845**	**8,279,334**	**8,581,392**
Equity and liabilities				
Equity Attributable to Equity Holders of the Parent				
Share capital	10	1,088,838	706,050	706,050
Share premium	10	10,813,027	8,656,201	8,656,201
Other equity		94,680	-	94,680
Accumulated losses		(7,472,463)	(6,880,518)	(7,781,745)

Other reserves		2,668,379	2,711,584	3,286,179
		7,192,461	5,193,317	4,961,365
Non-controlling interest		(2,695,396)	(2,479,235)	(2,223,906)
		4,497,065	**2,714,082**	**2,737,459**
Liabilities				
Current liabilities				
Trade and other payables	11	2,577,825	2,788,324	2,739,672
Borrowings	12	574,726	683,073	617,602
Lease liabilities	12	26,841	17,496	44,559
		3,179,392	**3,488,893**	**3,401,833**
Non-current liabilities				
Borrowings	12	1,881,505	924,666	1,333,345
Lease liabilities	12	629,107	620,086	564,063
Provisions	13	702,776	531,607	544,692
		3,213,388	**2,076,359**	**2,442,100**
Total liabilities		**6,392,780**	**5,565,252**	**5,843,933**
Total equity and liabilities		**10,889,845**	**8,279,334**	**8,581,392**

Consolidated Statement of Comprehensive Income

	Note	6 months ended 30 June 2022 *Unaudited* £	6 months ended 30 June 2021 *Unaudited* £	12 months ended 31 December 2021 *Audited* £
Revenue from contracts with customers		4,079,261	2,816,862	7,846,588
Other income		3,298	4,149	8,672
Operating expenses		(4,865,682)	(3,359,639)	(7,940,227)
Operating loss		**(783,123)**	**(538,628)**	**(84,967)**
Finance income		13,843	13,599	31,552
Finance charges		(225,593)	(137,999)	(384,288)

Change in fair value of financial instruments designated at FVTPL		3,198	9,711	18,520
Foreign exchange (loss) / gain	3	968,390	140,403	(929,714)
Loss before taxation		**(23,285)**	**(512,914)**	**(1,348,897)**
Taxation		-	-	-
Total loss for the period		**(23,285)**	**(512,914)**	**(1,348,897)**
Total loss for the period, net of tax attributable to:				
Owners of the parent		248,547	(321,363)	(1,222,590)
Non-controlling interest		(271,832)	(191,551)	(126,307)
		(23,285)	**(512,914)**	**(1,348,897)**
Other Comprehensive Income:				
Exchange differences on translating foreign operations		(767,918)	(99,520)	631,576
Total comprehensive loss, net of tax		**(791,203)**	**(612,434)**	**(717,321)**
Total comprehensive loss, net of tax attributable to:				
Owners of the parent		(319,713)	(395,008)	(755,224)
Non-controlling interest		(471,490)	(217,426)	37,903
		(791,203)	**(612,434)**	**(717,321)**
Earnings per share – from continuing activities				
Basic earnings per share	15	0.03	(0.05)	(0.09)
Dilutive earnings per share	15	0.02	(0.05)	(0.09)

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Accumulated losses	Other reserves and equity	Total attributable to equity holders of the Group	Non-controlling interest	Total equity
	£	£	£	£	£	£	£
Balance at 1 January 2021:	**454,333**	**6,885,796**	**(7,223,054)**	**3,393,154**	**3,510,229**	**(2,261,809)**	**1,248,420**
Loss for the period	-	-	(321,363)	-	(321,363)	(191,551)	(512,914)
Other comprehensive income:							

Foreign exchange movements	-	-	-	(73,645)	(73,645)	(25,875)	(99,520)
Total comprehensive loss:	**-**	**-**	**(321,363)**	**(73,645)**	**(395,008)**	**(217,426)**	**(612,434)**
Transactions with shareholders:							
Issue of share capital	251,717	1,831,255	-	-	2,082,972	-	2,082,972
Share issue expenses	-	(60,850)	-	-	(60,850)	-	(60,850)
Issue of share options	-	-	-	55,974	55,974	-	55,974
Transfer of lapsed options to accumulated loss	-	-	663,899	(663,899)	-	-	-
Total transactions with shareholders:	**251,717**	**1,770,405**	**663,899**	**(607,925)**	**2,078,096**	**-**	**2,078,096**
Balance at 30 June 2021 (unaudited):	**706,050**	**8,656,201**	**(6,880,518)**	**2,711,584**	**5,193,317**	**(2,479,235)**	**2,714,082**
Balance at 1 July 2021:	**706,050**	**8,656,201**	**(6,880,518)**	**2,711,584**	**5,193,317**	**(2,479,235)**	**2,714,082**
Loss for the period	-	-	(901,227)	-	(901,227)	65,244	(835,983)
Other comprehensive income:							
Foreign exchange movements	-	-	-	541,011	541,011	190,085	731,096
Total comprehensive loss:	**-**	**-**	**(901,227)**	**541,011**	**(360,216)**	**255,329**	**(104,887)**
Transaction with shareholders:							
Issue of share capital	-	-	-	-	-	-	-

Share issue expenses	-	-	-	-	-	-	-
Issue of share options	-	-	-	33,584	33,584	-	33,584
Value of conversion rights-convertible notes	-	-	-	94,680	94,680	-	94.680
Total transactions with shareholders:	**-**	**-**	**-**	**128,264**	**128,264**	**-**	**128,264**
Balance at 31 December 2021	**706,050**	**8,656,201**	**(7,781,745)**	**3,380,859**	**4,961,365**	**(2,223,906)**	**2,737,459**
Balance at 1 January 2022:	**706,050**	**8,656,201**	**(7,781,745)**	**3,380,859**	**4,961,365**	**(2,223,906)**	**2,737,459**
Profit/(Loss) for the period	-	-	248,547	-	248,547	(271,832)	(23,285)
Other comprehensive income:							
Foreign exchange movements	-	-	-	(568,260)	(568,260)	(199,658)	(767,918)
Total comprehensive loss:	**-**	**-**	**248,547**	**(568,260)**	**(319,713)**	**(471,490)**	**(791,203)**
Transaction with shareholders:							
Issue of share capital	382,788	2,296,726	-	-	2,679,514	-	2,679,514
Share issue expenses	-	(139,900)	-	-	(139,900)	-	(139,900)
Issue of share options	-	-	-	11,195	11,195	-	11,195
Transfer lapsed share options to retained losses	-	-	60,735	(60,735)	-	-	-
Total transactions with shareholders:	**382,788**	**2,156,826**	**60,735**	**(49,540)**	**2,550,809**	**-**	**2,550,809**

Balance at 30 June 2022 (unaudited)	1,088,838	10,813,027	(7,472,463)	2,763,059	7,192,461	(2,695,396)	4,497,065

Consolidated Statement of Cash Flows

		6 months ended 30 June 2022 *Unaudited* £	6 months ended 30 June 2021 *Unaudited* £	12 months ended 31 December 2021 *Audited* £
Operating activities				
Cash used in operations	14	(504,101)	(42,781)	2,405,359
Net cash flows from/(used in) operating activities		**(504,101)**	**(42,781)**	**2,405,359**
Investing activities				
Purchase of property, plant and equipment	5	(1,606,414)	(1,813,073)	(4,065,422)
Proceeds on sale of property, plant and equipment	5	-	-	56,572
Movement in other receivables	7	1,063	(91,040)	(99,030)
Net cash used in investing activities		**(1,605,351)**	**(1,904,113)**	**(4,107,880)**
Financing activities				
Proceeds on share issue (net of share issue costs)	10	1,960,100	1,237,160	1,436,527
Repayments of borrowings	12	(371,562)	(93,151)	(610,125)
Loans drawn down	12	668,861	136,170	941,146
Repayments of lease liabilities	12	(47,196)	(42,655)	(87,750)
Movement in restricted cash	8	(3,968)	(3,585)	(7,082)
Net cash received from financing activities		**2,206,235**	**1,233,939**	**1,672,716**
Net (decrease) / increase in cash and cash equivalents		**96,783**	**(712,955)**	**(29,805)**
Cash and cash equivalents at the beginning of the period	8	315,353	355,464	355,463
Foreign exchange differences		17,191	408,798	(10,305)
Cash and cash equivalents at the end of the period	8	**429,327**	**51,307**	**315,353**

Notes to the Interim Consolidated Financial Statements

1. Accounting policies

1.1 General information and basis of preparation

The condensed interim consolidated financial statements (the "interim financial statements") are for the six-month period ended 30 June 2022.

These interim financial statements have not been audited or reviewed, and the financial information set out in this report does not constitute statutory accounts as defined by the Companies Act 2006. The comparative figures for the year ended 31 December 2021 were derived from the statutory accounts for the year to 31 December 2021, which have been delivered to the Registrar of Companies. Those accounts received an unqualified audit report which did not contain statements under sections 498(2) or (3) (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations) of the Companies Act 2006.

The interim financial statements have been prepared on the basis of the accounting policies set out in the December 2021 financial statements of BlueRock Diamonds plc, amended for new standards effective from 1 January 2022 and IAS 34 "Interim Financial Reporting" on a going concern basis. They are presented in sterling, which is also the functional currency of the parent company. They do not include all the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the consolidated financial statements of the Group for the period ended 31 December 2021.

The interim financial statements have been approved for issue by the Board of Directors on 7 September 2022.

Going concern

The Group has prepared forecasts covering the period to 31 December 2023. Appropriate diligence has been applied by the directors who believe that the forecasts are prepared on a realistic basis using the best available information. The Group had cash balances of £429,000 excluding restricted cash. In addition, as set out in the Post Balance Sheet Events section of the Chairman's Statement, the Group has entered into Agreements with the Teichmann Group which will provide up to £1,950,000 plus ZAR 30m of additional funding before costs, subject to shareholder approval.

In making its going concern assessment, the Board has assumed that shareholder approval will be obtained, the future development plans adopted by the ongoing board are financed and that suitable arrangements are made with creditors as required from time to time.

After review of these uncertainties the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, we continue to adopt the going concern basis in preparing this half year report and accounts of the Group. Should shareholder approval not be obtained at the forthcoming AGM, the future development plans are not financed and suitable arrangements with the group's creditors are not obtained, significant doubt would be cast on the Group's ability to continue as a going concern.

1.2 Changes in accounting standards and disclosures

There are no changes to the accounting policies as described in the 2021 annual financial statements.

The other amendments or interpretation, which are effective in 2022 and relevant to the Group's operations, do not have a significant effect on the Group's accounting policies.

The Group has not early adopted any standard or amendments that have been issued but not yet effective.

2. Significant judgements and sources of estimation uncertainty

In the application of the Group's accounting policies the Directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements including the key sources of estimation uncertainty were the same as those applied in the financial statements for the period ended 31 December 2021.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Foreign exchange (loss) / gain

	6 months ended 30 June 2022 £ *Unaudited*	6 months ended 30 June 2021 £ *Unaudited*	12 months ended 31 December 2021 £ *Audited*
Foreign exchange (loss) / gain	968,390	140,403	(929,714)

The foreign exchanges (loss) / gain relate to the translation of balances denominated in foreign currencies at year-end exchange rates.

4. Segmental reporting

Operating segments are identified based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segments and to assess their performance.

The Group's operations relate to the exploration for, and development of mineral deposits in the Kimberley region of South Africa and as such the Group has only one reportable segment. The non-current assets in the Kimberley region in June 2022 were £9,032,462 (June 2021: £6,056,066; December 2021: £7,163,138)

All revenue consists of sales of diamonds in South Africa through auctions as is customary in the industry. The Company sold its diamonds through auctions run by CS Diamonds (Pty) Ltd during the period.

5. Property, plant and equipment

	Cost 30 June 2022 £	Accumulated depreciation £	Carrying value 30 June 2022 £ *Unaudited*
Motor vehicles	36,195	(16,610)	19,585
Plant and machinery	6,438,946	(1,873,958)	4,564,988
Leasehold improvements	4,733	(1,183)	3,550
Right-of-use-assets	766,038	(225,474)	540,564
Mining assets	3,761,409	(392,537)	3,368,872
Total	**11,007,321**	**(2,509,762)**	**8,497,559**

Reconciliation of property, plant and equipment

	Carrying value 1 January 2022 £ Audited	Additions £	Depreciation £	Disposals and transfers £	FX revaluation £	Carrying value 30 June 2022 £ *Unaudited*
Motor vehicles	19,706	-	(1,831)	-	1,710	19,585
Plant and machinery	4,289,760	196,457	(297,629)	-	376,400	4,564,988
Leasehold improvements	3,480	-	(233)		303	3,550
Right-of-use-assets	517,789	17,093	(39,607)	-	45,289	540,564
Mining assets	1,839,809	1,497,041	(148,839)	-	180,861	3,368,872
	6,670,544	**1,710,591**	**(488,139)**	**-**	**604,563**	**8,497,559**

Right-of-use assets comprise the following:

Land and buildings	438,091	17,093	(32,216)	-	38,374	461,342
Motor vehicles	79,698	-	(7,391)	-	6,915	79,222
	517,789	**17,093**	**(39,607)**	**-**	**45,289**	**540,564**

Included under mining assets are waste stripping costs to the value of £2,228,898 (June 2021: £258,183; December 2021: £844,014 that have been capitalised.

6. Inventories

	30 June 2022 £ *Unaudited*	30 June 2021 £ *Unaudited*	31 December 2021 £ *Audited*
Diamonds on hand	457,989	258,642	346,201
Work in progress	582,228	547,811	435,722
Consumable stores	12,258	16,246	20,912
	1,052,475	**822,699**	**802,835**

7. Trade and other receivables

	30 June 2022 £ *Unaudited*	30 June 2021 £ *Unaudited*	31 December 2021 £ *Audited*
Current receivables:			
Trade receivables	4,974	693,862	4,835
Prepayments	18,429	12,701	17,894
VAT	116,937	219,850	43,455
Other receivables	6,249	202,600	27,462
Total current receivables	**146,589**	**1,129,013**	**93,646**
Non-current receivables			
Other receivables	534,903	522,343	492,596
Total non-current receivables	**534,903**	**522,343**	**492,596**

The carrying value of all trade and other receivables is considered a reasonable approximation of fair value.

Other non-current receivables represent amounts held by financial institutions and the Department of Minerals and Energy as guarantees in respect of environmental rehabilitation obligations in respect of the Group's South African mines.

8. Cash and cash equivalents

	30 June 2022	30 June 2021	31 December 2021
	£	£	£
	Unaudited	*Unaudited*	*Audited*
Cash in bank and on hand	658,319	271,557	521,771

The above includes unrestricted cash of £429,327, and bank balances to the value of £228,992 (30 June 2021: £220,250, 31 December 2021: £206,418) are not available for use as it is held in trust with the Group's attorneys. This account is held as security for the claims submitted by a former director of the Group and may only be utilised against this claim, should it be successful.

9. Share Based Payments

The Company had the following share-based payment agreements which are described below:

Type of arrangement	Date of grant	Number of shares granted	Contractual life	Exercise price
Directors share option plan- Tranche 9	16/05/2019	228,060	5 years	50p
Directors share option plan- Tranche 10	18/02/2020	130,320	5 years	85p
Directors share option plan- Tranche 11	18/02/2020	465,615	5 years	85p

Tranche 9 options are split with half vesting 1 year from the date of grant and half vesting immediately on the date of grant. Tranche 9 options have fully vested.

Tranche 10 options vested immediately on the date of grant.

Tranche 11 options are split with half vesting 1 year from the date of grant and half vesting 2 years from the date of grant. Tranche 11 options have fully vested.

Movements in the number of share options outstanding and their related weighted average prices are as follows:

	30 June 2022		31 December 2021		30 June 2021	
	Average exercise price in	Number of options	Average exercise price in	Number of options	Average exercise price in	Number of options

	pence per share		pence per share		pence per share	
Outstanding at the beginning of the period	132.77	828,450	132.77	828,450	88.35	828,450
Granted	-	-	-	-	-	-
Lapsed	(2,500)	(4,455)	-	-	-	-
Exercised	-	-	-	-	-	-
Outstanding at the period / year end	75.31	823,995	132.77	828,450	88.35	828,450
Exercisable at the period / year end	75.31	823,995	89.66	595,642	89.66	595,642

Options are valued at date of grant using the Black-Scholes option pricing model.

There were no new share options granted during the period. Tranche 5 options lapsed during the period.

The fair value per option of options granted during 2020, and the assumptions used in the calculations are shown below:

	2020	
	Tranche 10	Tranche 11
Average grant date share price (p)	88.00	88.00
Average exercise price (p)	85.00	85.00
Share price volatility (p.a)	82.79%	82.79%
Risk-free interest rate (p.a)	0.48%	0.48%
Dividend yield (p.a)	0%	0%
Average contractual life (years)	5	5
Average fair value per option (p)	57.70	57.70

The total share-based payment expense for the period ended 30 June 2022 was £11,195 (June 2021: £55,974; December 2021: £89,558).

10. Share capital and share premium

	30 June 2022	30 June 2021	31 December 2021
	£	£	£
	Unaudited	*Unaudited*	*Audited*
Number of Ordinary shares	21,776,755	14,121,002	14,121,002

Ordinary share capital of 5p (June 2021: 5p, December 2021: 5p) per share	1,088,838	706,050	706,050
Share premium	10,813,027	8,656,201	8,656,201
	11,901,865	**9,362,251**	**9,362,251**

In the period ended 30 June 2022 the following Ordinary share issues occurred:

Date of issue	Details of issue	Number of ordinary shares	Share capital £	Share premium £
At 1 January 2022		14,121,002	706,050	8,656,201
31 March 2022	Placing and equity issue	6,000,000	300,000	1,800,000
31 March 2022	Share allotment costs	-	-	(139,900)
31 March 2022	Allotment of shares as repayment of suppliers	1,655,753	82,788	496,726
At 30 June 2022		**21,776,755**	**1,088,838**	**10,813,027**

11. Trade and other payables

	30 June 2022 £ *Unaudited*	30 June 2021 £ *Unaudited*	31 December 2021 £ *Audited*
Trade payables	2,426,136	2,655,379	2,568,336
Accrued expenses	129,645	110,958	151,076
Other payables	22,044	21,987	20,260
	2,577,825	**2,788,324**	**2,739,672**

An amount of £168,691 (30 June 2021: £166,727, 31 December 2021: £150,339) is included within trade payables for amounts being claimed as being due to companies related to a former director of the Company. This amount is disputed in full by the Company based on legal advice received.

Within other payables is an amount of £22,044 (30 June 2021: £21,987, 31 December 2021: £20,260) which relates to an amount claimed by a former director and which, based on legal advice received by the company, is disputed in full. See note 17 for further details.

12. Borrowings and leases liabilities

	30 June 2022	30 June 2021	31 December 2021
	£	£	£
	Unaudited	*Unaudited*	*Audited*
Convertible loans	2,236,003	855,344	1,414,845
Loan facilities	220,228	740,388	532,904
Embedded derivative	-	12,007	3,198
	2,456,231	1,670,739	1,950,947
Lease liabilities	655,948	637,582	608,622
	3,112,179	**2,308,321**	**2,559,569**

	30 June 2022	30 June 2021	31 December 2021
	£	£	£
	Unaudited	*Unaudited*	*Audited*
Due within the year			
Convertible loans	448,037	428,157	427,187
Loan facilities	126,689	254,533	187,217
Embedded derivative	-	383	3,198
	574,726	683,073	617,602
Lease liabilities	26,841	17,496	44,559
	601,567	**700,569**	**662,161**
Due greater than one year			
Convertible loans	1,787,965	427,187	987,658
Loan facilities	93,540	485,855	345,687
Embedded derivative	-	11,624	-
	1,881,505	924,666	1,333,345
Lease liabilities	629,107	620,086	564,063
	2,510,612	**1,544,752**	**1,897,408**

Convertible loans and embedded derivative

The movement on each convertible loan liability component can be summarised as follows:

	Embedded derivative £	Converti-ble loans – T Leslie and M Poole £	14.5% Convertible loans – Teichmann Group £	Total £
Balance at 1 January 2021	**21,718**	**815,539**	**-**	**837,257**
Finance charge: unwinding the discount factor	-	39,805	-	39,805
Fair value adjustment to embedded derivative	(9,711)	-	-	(9,711)
Balance at 30 June 2021	**12,007**	**855,344**	**-**	**867,351**
Drawdown	-	-	941,146	941,146
Other equity – value of conversion rights	-	-	(94,680)	(94,680)
Repayments	-	(462,500)	-	(462,500)
Finance charge: unwinding the discount factor	-	34,343	141,192	175,535
Fair value adjustment to embedded derivative	(8,809)	-	-	(8,809)
Balance at 31 December 2021	**3,198**	**427,187**	**987,658**	**1,418,043**
Drawdown	-	-	668,861	668,861
Finance charge: unwinding the discount factor	-	20,850	131,447	152,297
Fair value adjustment to embedded derivative	(3,198)	-	-	(3,198)
Balance at 30 June 2022	**-**	**448,037**	**1,787,966**	**2,236,003**

Convertible loans – T Leslie and M Poole

At 30 June 2022, the Group had in issue convertible loan stocks of £462,500 which had an initial term until 16 October 2021. On 27 February 2020, the Company announced that 50% of the total loan had been transferred to Mr Tim Leslie, a non-executive Director of BlueRock Diamonds Plc. The Group had an option, at its own discretion, to increase the initial term by a further 12 months. This option was exercised during 2021 and the balance of the loan note is now payable on 16 October 2022.

The terms of the convertible loan note provide a mechanism for weighted conversion price revisions should additional funds be raised below the prevailing conversion price. The current conversion price is 69p. This option to convert the loan into shares has been treated as a separate financial instrument, as an embedded derivative. This is due to a clause in the updated convertible loan note agreement which will require the Company to issue a variable number of shares if future fundraising over life of the convertible loan note raises additional funds at a price per Ordinary share of less than 5p. This requires a separate valuation as it does not relate to the host contract.

In addition, if the Company sells its interest in Kareevlei Mining (Pty) Ltd before the final repayment date for consideration equivalent to or greater than 120% of the loan note outstanding then the notes will become redeemable and a 20% premium will be payable to the note holder.

Management have carried out an assessment of the terms of the convertible loan and have judged that the instrument consists of two components:

- a loan instrument; held at amortised cost
- an embedded redemption feature (payable on a sale of the Group's interest for consideration greater than 120% of the loan note value). The embedded derivative should be recognised separately as a derivative financial instrument at fair value through profit and loss (FVTPL).

A fair value exercise to determine the value of the two components was undertaken by the Directors at the date the convertible loan was initially drawn down. The fair value of the host loan instrument (including the embedded redemption feature) has been valued as the residual of:

- The fair value of the first draw down on 16 October 2014 is discounted at a commercially applicable rate of 9.25%. The fair values of the draw downs on 27 May 2016 and 2 October 2016 have been discounted at a commercially applicable rate of 10.5%.

14.5% Convertible Loans – Teichmann Group

On 20 September 2021, the Group entered into an agreement to issue a total of 161 14.5% convertible notes for £1,610,000 to the Teichmann Group. The loan notes are convertible into ordinary shares of the entity, at 1) the election of the holder, 2) election of the entity if and when its shares trade in excess of £0.60 per share, 3) on the automatic conversion dates as stipulated in the agreement or 4) on 30 November 2024, the maturity date. The loan notes are convertible into 6,465,247 ordinary shares. Interest is payable on the maturity date.

The initial fair value of the liability portion of the bond was determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds are allocated to the conversion option and recognised in shareholders' equity (net of income tax), due to the fact that it meets the "fixed for fixed" test as the number of conversion shares are determined at the issue date. It is not subsequently remeasured.

Loan facilities comprise the following:

M Poole

In 2017 the Company entered into a loan facility agreement with Mark Poole. A 90-day interest free period was included in the agreement from the date of the first draw down. After this point interest accrues on the capital balance at a rate of 10% per annum, which is payable quarterly in arrears. All capital to be repaid within 5 years from the date of the draw down on the facility.

Additionally, a security over the property, plant and equipment of Kareevlei Mining (Pty) Limited is held.

During the period ended 30 June 2022 an interest charge of £1,494 (June 2021: £3,118, December 2021: £5,150) was recognised on the total capital drawn down. As of 30 June 2022, the balance due was £16,565.

Numovista (Pty) Ltd

During March 2020 Kareevlei Mining (Pty) Ltd entered into a sale of assets agreement with Numovista (Pty) Ltd whereby mining equipment was purchased from Numovista (Pty) Ltd. Ownership of the equipment transferred with the payment of the initial deposit. The balance of the loan is repayable in 36 monthly instalments of £18,395. The effective interest rate is 9.75%. As of 30 June 2022, the balance due was £203,663.

13. Provisions

Reconciliation of provisions

Rehabilitation costs	
	£
Balance at 1 January 2021	**454,197**
Change in estimate	55,579
Unwinding of discount	15,963
Exchange differences	5,868
Balance at 30 June 2021	**531,607**
Change in estimate	41,156
Unwinding of discount	16,309
Exchange differences	(44,380)
Balance at 31 December 2021	**544,692**
Change in estimate	87,084
Unwinding of discount	21,511
Exchange differences	49,489
Balance at 30 June 2022	**702,776**

The provision for environmental rehabilitation closure cost was independently assessed by RS Mellett of OMI Solutions (Pty) Ltd. The closure cost assessment reports over the Remainder of the Farm No. 113 (Skietfontein), Portion of Portion 2 (Kareeboompan) of the Farm 142, Portion 1 (Westhoek) of the Farm 113, and Portion 2 (Klipvlei) of the Farm 113. The financial provision was calculated in accordance with Regulation 54 of the Minerals and Petroleum Resources Development Act 2002 (Act 28 of 2002) during March 2022.

In determining the amounts attributable to the rehabilitation provision at the Kareevlei mining area, management used a discount rate of 7.25% (30 June 2021: 7%, 31 December 2021: 7.25%), estimated rehabilitation timing of 9 years (30 June 2021: 10 years, 31 December 2021: 9 years) and an inflation rate of 4.63% (30 June 2021: 4.37%, 31 December 2021: 4.63%).

14. Cash used in operations

	30 June 2022 £ *Unaudited*	30 June 2021 £ *Unaudited*	31 December 2021 £ *Audited*
Loss before taxation	(23,285)	(512,914)	(1,348,897)
Adjustments for non-cash items:			
Depreciation and amortisation	488,139	161,156	468,241
Foreign exchange movement	(968,390)	(140,403)	929,714
Embedded derivative charge	(3,198)	(9,711)	(18,520)
Share based payment expense	11,195	55,974	89,557
Interest accrued on borrowings and lease liabilities	196,196	100,012	326,646
Interest accrued on provisions	21,511	15,963	32,272
Impairment losses	-	-	83,392
(Gains)/Loss on sale of property, plant and equipment	-	-	(16,488)
Changes in working capital:			
(Increase)/decrease in trade and other receivables	(46,553)	(868,714)	(54,565)
Increase/(decrease) in trade and other payables	(3,249)	1,508,619	2,311,680
(Increase) / decrease in inventories	(176,467)	(352,763)	(397,673)
	(504,101)	**(42,781)**	**2,405,359**

15. Earnings per share

	30 June 2022 £ Unaudited	30 June 2021 £ Unaudited	31 December 2021 £ Audited
Basic earnings per share			
Profit/(Loss) attributable to ordinary shareholders	248,547	(321,363)	(1,222,590)
Weighted average number of shares	8,872,477	5,851,966	12,970,498
Basic profit/(loss) per share	0.03	(0.05)	(0.09)

Dilutive earnings per share	
Earnings used in the calculation of basic earnings per share	248,547
Effect of dilution:	
Interest on 14.5% Convertible Loan Notes – Teichmann Group (net of tax)	106,472
Interest on Convertible Loan Notes -T Leslie and M Poole (net of tax)	16,889
Share option charge on directors' share options	9,068
Earnings used in the calculation of dilutive earnings per share	380,976
Weighted average number of shares used in calculation of basic earnings per share	8,872,477
Effect of dilution:	
Future shares to be issued on conversion of 14.5% Convertible Loan Notes – Teichmann Group	6,465,247
Future shares to be issued on conversion of Convertible Loan Notes – T Leslie and M Poole	666,724
Future shares to be issued on exercise of directors' share options	823,995
Weighted average number of shares after dilution	16,828,443
Diluted earnings per share	0.02

No comparative figures are given for diluted earnings per share as share options granted to directors and convertible loan notes issued, were antidilutive for prior periods.

16. Related party transactions

Relationships	
Minority Interest - William van Wyk	Minority interest in Kareevlei Mining (Pty) Ltd
Ghaap Mining (Pty) Ltd	William van Wyk is a majority shareholder of this company
Michael Houston	Executive Chairman
David Facey	Financial Director

Tim Leslie	Non-Executive Director
Rob Croll	Non-Executive Director
G Teichmann	Non-Executive Director
AT Simbanegavi (Gus)	Former Chief Operating Officer
AM Burger	Chief Executive Officer of Kareevlei Mining (Pty) Ltd
Minexec (Pty) Ltd	Company controlled by AM Burger
Teichmann Company Limited	Significant shareholder of BlueRock Diamonds Plc
Teichmann South Africa (Pty) Ltd	Associated Company of Teichmann Company Limited
Numovista (Pty) Ltd	Common shareholder with significant influence

Issue of Share Options

Mike Houston, David Facey and Gus Simbanegavi hold the following share options:

Director	Total no. of share options held
Mike Houston	279,304
David Facey	181,564
Gus Simbanegavi	363,127

No share options were issued in the six-month period to 30 June 2022.

Borrowings from related parties

William van Wyk

During March 2018 the Group entered into a lease facility agreement with William van Wyk, whereby motor vehicles are leased over a term of 72 months at a rate of 12.5% per annum with the final repayment during June 2024. As at 30 June 2022 the balance payable on the lease facility was £16,514 (June 2021: £24,404; December 2021: £18,762).

Interest paid: £1,016 (June 2021: £1,405; December 2021: £2,598)

Gus Simbanegavi

During March 2021 the Group entered into a lease facility agreement with Gus Simbanegavi, whereby a motor vehicle is leased over a term of 72 months at a rate of 7% per annum with the final repayment during March 2027. As at 30 June 2022 the balance payable on the lease facility was £34,085.

Interest paid: £1,217 (June 2021: £885; December 2021: £2,144)

Numovista (Pty) Ltd

As at 30 June 2022 the balance due on the loan facility granted to the group was £203,663 (June 2021: £554,761; December 2021: £493,833). See note 12 for further details.

Trade and other payable due to related party

Teichmann South Africa (Pty) Ltd – trade payables of £1,540,544 (30 June 2021: £1,353,366; 31 December 2021: £1,183,055) and the Teichmann Group had convertible loan notes as set out in note 12.

Transactions with related parties:

Teichmann South Africa (Pty) Ltd – Contractor fees paid - £1,925,100 (30 June 2021: £1,603,682, 31 December 2021: £3,651,904).

Ghaap Mining (Pty) Ltd – Contractor fees paid - £21,986 (30 June 2021: £46,376, 31 December 2021: £69,673).

Minexec (Pty) Ltd – Consulting fees paid - £73,611

Diamond sales to D Facey - £nil (30 June 2021: £nil, 31 December 2021: £2,062)

Directors' remuneration

The following directors' remuneration were paid during the period:

M Houston – received fees of £50,000 (30 June 2021: £32,500, 31 December 2021: £79,167)

D Facey – received fees of £50,000 (30 June 2021: £31,000, 31 December 2021: £81,000)

G Simbanegavi – received fees of £5,000 (30 June 2021: £15,000 and 31 December 2021: £30,000)

T Leslie – received fees of £10,000 (30 June 2021: £10,833, 31 December 2021: £20,833)

R Croll – received fees of £15,000 (30 June 2021: £1,875, 31 December 2021: £9,375)

Key Management personnel

G Simbanegavi – received a salary from Kareevlei Mining (Pty) Ltd of £34,074 (30 June 2021 £51,376 and 31 December 2021: £119,621)

17. Contingent liabilities

The amounts payable to CB Visser and his related companies as disclosed in note 11, are currently under dispute. CB Visser is a former director and CEO of both Kareevlei Mining (Pty) Ltd and BlueRock Diamonds Plc. who resigned during September 2016. The total claim submitted by him amounts to £241,731 of which £185,624 has been accounted for under trade and other payables. The Group has given security for the amount of £228,992 in respect of the above claim. This security is held in trust by the Group's lawyers. The Group's legal advisors are of the opinion that based on current available information, the claims are without merit.

18. Events after the reporting period

As announced on 4 July 2022 and in the Circular on 15 August 2022, the Company has entered into a number of agreements with the Teichmann Group. These agreements include:

(h) On 4 July 2022, Kareevlei entered into a new extended credit facility with its mining contractor, TSA, for up to ZAR30 million which reduces to ZAR20 million 180 days after drawdown.

(i) The Company has issued Simple Loan Notes for £1,066,411 to the Teichmann Group redeemable on 7 September 2022 with zero interest payable. These will be converted into subscription shares at 7p per share after the AGM on 7 September 2022, subject to shareholder approval being obtained. Should approval not be granted, the Company will be required to redeem the Simple Loan Notes at the amount invested by the Noteholders plus the greater of £1,000,000 and the market value of the New Conversion Shares had they been issued.

(j) The Company has agreed to amend the existing Convertible Loan Notes issued to the Teichmann Group ("ECLN") to extend the repayment date to 30 November 2025, remove the applicable interest and amend the conversion price, such that the maximum number of shares to be issued is unchanged.

(k) Subject to shareholder approval at the AGM, the Company will issue New Convertible Loan Notes to the Teichmann Group ("NCLN") for £583,746 under the same terms as the amended ECLN.

(l) Subject to shareholder approval a Broker Option has been agreed which allows subscriptions for up to an aggregate £0.3 million at 7p per share with priority given to existing Shareholders of the Company.

(m) The Company, SP Angel and TCL entered into a relationship agreement on 4 July 2022. Amongst other things TCL has the right to appoint up to three Directors to the Board of BlueRock, provided this is matched by the same number of Independent Directors who will retain the casting vote.

(n) The Company, Kareevlei, TCL and TSA entered into a governance agreement on 4 July 2022 relating to Kareevlei which sets out the future governance of Kareevlei.

Further details of these agreements, and the security provided to the Teichmann Group in respect of the agreements is given in the Circular and the agreement are available on the Company's website.

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 BRD'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. As at February 2021, 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 407,600.