30 September 2015

BLUEROCK DIAMONDS PLC

("BlueRock" or the "Company")

Interim results for the six months ended 30 June 2015

Introduction

BlueRock Diamonds (AIM: BRD) is pleased to announce its interim results for the six months ended 30 June 2015. The interims will be available [today] for download from www.bluerockdiamonds.co.uk.

Chairman's Statement

I am pleased to report that we have made considerable progress since the beginning of the period and we outline below our expansion and funding plans for BlueRock.

New plant

As reported in earlier announcements, our new plant began operating in May 2015. Following the expected running in period and initial problems with the VSI crusher, we began operating at planned capacity (80 tonnes an hour) at the end of July 2015. In total we have invested approximately £320,000 in new machinery for the new plant, some of which was acquired in 2014.

Processing results

We have begun by processing the ground stockpiled during the time that the old plant was closed and the new plant was being established and commissioned.

Since the new plant began operating we have produced 607 carats at an average of 2 carats per hundred tonnes. Initially, the results from the new plant were at the expected grade, but since we have begun to process an older stock pile, which contains a mixture of ground excavated from various levels including top level calcrete up to 22m depth, recovery grades have been much lower. These recent results have been lower than we would have hoped, but variability is to be expected at relatively low levels of production and Z*, which acts as our competent person, has confirmed to us that the variability we have experienced is consistent with the findings contained in their Competent Person Report prepared at the time of admission to AIM in August 2013 ("CPR").

However, whilst results are within the expected variability of our deposit it is clear that our current stock pile is of lower than expected average grade and not economic to process at this stage on its own. We have recently processed 170 tonnes of material which we had previously liberated at a level below 22m and achieved grades in excess of the expected average 5c/ht.

Update from Z*

We asked Z* to review its findings based on the production from the new plant up until the end of August as the mine has now produced in excess of 1,000 carats. In general the results obtained since the new plant was in operation support the CPR. However, it was noted that a) fewer fine diamonds (smaller stones) were being recovered by the new plant and b) there is still significant variability at the coarser end of the sample which is largely due to the relatively small parcel sizes that we have produced so far. In relation to a) we have recently installed a tailings audit plant at the mine to assess on a continuous basis our tailings to ensure that we are not losing a material amount of the smaller diamonds, although these, in any event will not contribute significantly to overall revenues. In relation to b) It will only be possible to fine tune these findings as production levels increase.

Z* have amended their revenue estimate to USD232 per carat. This compares to the original estimate in the CPR of USD 183 per carat and the updated estimate of USD 242 in 2014. Given the variability in quality at the coarser end, Z*continue to classify their revenue estimate as inferred and we will seek a further update from Z* once production has reached an appropriate level.

Subcontracting Agreement

We have reached agreement, subject to contract, with Diacar Mining and Plant Hire (Pty) (Diacar) Limited to act as our subcontractor. Under the terms of this agreement Diacar will establish a second processing plant at the Kareevlei site at Diacar's cost in order to process kimberlite of over 70mm in size ("Oversize Material"). Diacar is required to process

Oversize Material (>70mm), which we currently do not have the machinery to process, at a rate of over 40 tonnes an hour.

The agreement is for a period of five years although it is reviewable by BlueRock on an annual basis based on the performance of Diacar in the preceding 12 months. Under the terms of the agreement Diacar is responsible for all costs other than the mining of the Oversize Material and diesel. Diacar is responsible for producing concentrate to be sorted by BlueRock.

BlueRock retains ownership of and is responsible for the marketing of all diamonds recovered from the concentrate. Bluerock is entitled to 60% of all revenues arising from the Diacar operations net of licence fee, taxes and selling costs. This agreement will enable us to increase production at no capital investment cost. It is expected that once Diacar is fully operational this will effectively double our processing throughput.

Future plans and funding

Now that we have our new plant operational, we want to maximise our production levels. By subcontracting the Oversize material to Diacar we expect to double our throughput and, therefore, in order to supply kimberlite to our operations and Diacar's we will need to embark on a more aggressive drilling, blasting and excavation programme in K1 and K2 to ensure that not only do we have sufficient head feed material for both operations but also to ensure that we process the kimberlite at lower levels, which we expect to be of a higher grade. The board has decided that it is currently uneconomic to process the existing stockpile and it will be blended with higher grade material from lower in the pit.

We also anticipate that in the near future that we and our subcontractor will move to a double shift hence quadrupling throughput from its current levels, which will require us to further expedite our drilling and blasting programme.

We have always operated BlueRock on a very limited budget in order to maximise returns to shareholders. The low levels of recovery that we have experienced recently have significantly depleted our cash resources. Accordingly, in the interests of ensuring that we have certainty over funding to enable us to continue operations and to implement our expansion plans, the Board intends to extend by £400,000 the convertible loan note ("CLN") entered into last year with Mark Poole, this remains subject to executing final documentation and is expected to be announced shortly as a related party transaction.

The CLN expires on 16 October 2019, carry a zero coupon and are not listed and benefit from a charge over the Company's interest in Kareevlei Mining (Pty) Limited ("Kareevlei Mining"). If the Company disposes of its interest in Kareevlei Mining then the charge will be released subject to early repayment of the Convertible Loan Notes at a premium of 20%. The Convertible Loan Notes will be convertible a) at the holder's option at any time up to the end of the term into ordinary shares of 1 pence each in the capital of the Company ("Ordinary Shares") at a conversion price (the "Conversion Price") of 11 pence; and b) at the Company's option after the second anniversary of initial subscription provided that the one month volume weighted average price of the Company's Ordinary Shares is in excess of 120% of the Conversion Price and that the closing mid-market price on the date prior to the Company opting to convert exceeds 120% of the Conversion Price.

Following the expected extension of the CLN by £400,000 the amount outstanding will be £850,000.

Further drilling and blasting is scheduled to start on Monday 5 October and we expect that BlueRock and the Diacar plant will be processing lower level kimberlite by the end of October 2015.

I look forward to providing a further update later on this year.

Paul Beck
Non-executive Chairman

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John Kilham, Chief Technical Officer of BlueRock Diamonds plc, has reviewed this announcement and the information contained herein for the purposes of the Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in June 2009. Mr Kilham is a member of the Geological Society of South Africa, a certified professional of the South African Council for Natural Scientific Professions (SACNASP) and is qualified as a competent person. He holds a Master's degree in Geology, has dual South African and British nationality and is based in Kimberley, South Africa.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2015
Consolidated Statement of Financial Position

Figures in Pounds	Note	6 months ended 30 June 2015 *Unaudited*	6 months ended 30 June 2014 *Unaudited*	12 months ended 31 December 2014 *Audited*
Assets				
Non-current assets				
Property, plant and equipment	5	548,430	371,273	485,605
Mining right		76,084	80,070	81,352
Mining rehabilitation		49,575	-	53,007
		674,089	**451,343**	**619,964**
Current assets				
Inventories	6	22,145	21,124	23,629
Trade and other receivables	7	15,752	107,631	35,729
Cash and cash equivalents	8	107,364	175,450	247,986
		145,261	**304,205**	**307,344**
Total assets		**819,350**	**755,548**	**927,308**
Equity and liabilities				
Equity				
Share capital and share premium	10	1,561,184	1,561,184	1,561,184
Retained earnings		(1,234,836)	(772,508)	(976,919)
Equity attributable to owners of the parent		326,348	788,676	584,265
Equity reserve		166,570	-	149,600
Foreign exchange difference		35,481	-	10,732
Non-controlling interest		(268,658)	(139,442)	(206,996)
		259,741	**649,234**	**537,601**
Liabilities				
Current liabilities				
Trade and other payables	11	190,253	86,390	61,459
Non-current liabilities				
Borrowings	12	301,090	-	255,255
Provisions	13	68,266	19,924	72,993
		369,356	**19,924**	**328,248**

Total equity and liabilities	**819,350**	**755,548**	**927,308**

Consolidated Statement of Comprehensive Income

Figures in Pounds	Note	6 months ended 30 June 2015 *Unaudited*	6 months ended 30 June 2014 *Unaudited*	12 months ended 31 December 2014 *Audited*
Revenue		33,042	22,242	65,084
Other income		86	-	-
Total revenue		**33,128**	**22,242**	**65,084**
Other expenses		(361,403)	(344,092)	(659,726)
Operating loss		**(328,275)**	**(321,850)**	**(594,642)**
Taxation				(2,943)
Other comprehensive income		**(328,275)**	**(321,850)**	**(597,585)**
Items that will be reclassified subsequently to profit and loss				
Exchange differences on translating foreign operations		33,445	**-**	14,502
Total comprehensive loss, net of tax		**(294,830)**	**-**	**(583,083)**
Total comprehensive loss, net of tax attributable to:				
Owners of the parent		(233,168)	(235,996)	(429,675)
Non-controlling interest		(61,662)	(85,854)	(153,408)
		(294,830)	**(321,850)**	**(583,083)**
Earnings per share – from continuing activities				
Basic and diluted	14	(0.01)	(0.01)	(0.01)

Consolidated Statement of Changes in Equity

Figures in Pounds	Share capital	Share premium	Total share capital	Equity reserve	Accumulated loss	Foreign exchange reserve	Total attributable to equity holders of the Group	Non-controlling interest	Total equity
Balance at 30 June 2014 (unaudited)	**315,250**	**1,245,934**	**1,561,184**	**-**	**(772,508)**	**-**	**788,676**	**(139,442)**	**649,234**
Loss for the period	-	-	-	-	(204,411)		(204,411)	(71,324)	(275,735)
Foreign exchange difference	-	-	-	-	-	10,732	10,732	3,770	14,502
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(204,411)**	**10,732**	**(193,679)**	**(67,554)**	**(261,233)**
Transactions with owners									
Issue of convertible loan notes	-	-	-	149,600	-	-	149,600	-	149,600

Total changes	-	-	-	149,600	(204,411)	10,732	(44,079)	(67,554)	(111,633)
Balance at 31 December 2014 (audited)	**315,250**	**1,245,934**	**1,561,184**	**149,600**	**(976,919)**	**10,732**	**744,597**	**(206,996)**	**537,601**
Loss for the period	-	-	-	-	(257,917)	-	(257,917)	(70,358)	(328,275)
Foreign exchange difference	-	-	-	-	-	24,749	24,749	8,696	33,445
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(257,917)**	**24,749**	**(233,168)**	**(61,662)**	**(294,830)**
Transactions with owners									
Issue of convertible loan notes	-	-	-	16,970	-	-	16,970	-	16,970
Total changes	**-**	**-**	**-**	**16,970**	**(257,917)**	**24,749**	**(216,198)**	**(61,662)**	**(277,860)**
Balance at 30 June 2015 (unaudited)	**315,250**	**1,245,934**	**1,561,184**	**166,570**	**(1,234,836)**	**35,481**	**528,399**	**(268,658)**	**259,741**

Consolidated Statement of Cash Flows

Figures in Pounds	**6 months ended 30 June 2015 *Unaudited***	**6 months ended 30 June 2014 *Unaudited***	**12 months ended 31 December 2014 *Audited***
Operating activities			
Cash used in operations	(61,754)	(297,106)	(401,748)
Net cash used in operating activities	**(61,754)**	**(297,106)**	**(401,748)**
Investing activities			
Purchase of property, plant and equipment	(137,568)	(202,018)	(290,481)
(Purchase)/ Disposal of non-current assets	8,700	-	(134,359)
Net cash used in investing activities	**(128,868)**	**(202,018)**	**(424,840)**
Financing activities			
Proceeds on share issue (net of issue costs)	-	-	-
Proceeds from convertible loan notes issue	50,000	-	400,000
Net cash used in investing activities	**50,000**	**-**	**400,000**
Net change in cash and cash equivalents	**(140,622)**	**(499,124)**	**(426,588)**
Cash and cash equivalents at the beginning of the period	247,986	674,574	674,574
Cash and cash equivalents at the end of the period	**107,364**	**175,450**	**247,986**

Notes to the Interim Consolidated Financial Statements

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 2015.

These interim financial statements have not been audited nor have they been reviewed by the auditors under ISRE 2410 of the Auditing Practices Board. 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 2014 were derived from the statutory accounts for the year to 31 December 2014 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 2014 financial statements of BlueRock Diamonds Plc and 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 of 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 2014.

BlueRock Diamonds PLC (“BlueRock”) is the Group’s ultimate parent company. The ordinary shares of BlueRock Diamonds PLC are quoted on the AIM Market and the address of the registered office is 4th Floor, Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS.

The interim financial statements have been approved for issue by the Board of Directors on [28] September 2015.

2. Accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group’s most recent annual financial statements for the period ended 31 December 2014 except for the application of new mandatory standards listed below.

There have been no standards, amendments or interpretations issued which are relevant or effective in these financial statements.

Standards, amendments and interpretations which are effective for reporting periods beginning after the date of these financial statements which have not been adopted early:

Standard	Description	Effective date
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018

The implementation of these standards is not expected to have a material effect on the Group.

3. Estimates

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 2014.

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.

4. Significant events and transactions

During the period, Kareevlei Mining’s new plant began operating in May 2015 and following a running in period was at planned capacity at the end of July 2015.

The low levels of recovery experienced recently have significantly depleted the Group cash resources. Accordingly, in the interests of ensuring certainty over funding to enable continued operations and to implement expansion plans, the Board of Directors of Bluerock intends to extend by £400,000 the convertible loan note ("CLN") entered into last year with one of its shareholders.

The group also intends to enter into a subcontracting agreement with Diacar Mining and Plant Hire PTY (Diacar) who will establish a second processing plant at the Kareevlei site which will eventually double the mine processing throughput.

5. Property, plant and equipment

		Figures in Pounds	
	Cost / Valuation	**Accumulated depreciation**	**Carrying value 30 June 2015** ***Unaudited***
Mine infrastructure	29,699	(8,497)	21,202
Motor vehicles	7,740	(3,036)	4,704
Plant and machinery	603,181	(83,164)	520,017
Office furniture and equipment	3,118	(611)	2,507
Total	**643,738**	**(95,308)**	**548,430**

Reconciliation of property, plant and equipment

	Carrying value 1 January 2015	**Additions**	**Depreciation**	**FX revaluation**	**Carrying value 30 June 2015** ***Unaudited***
Mine infrastructure	25,845	-	(3,069)	(1,574)	21,202
Motor vehicles	4,187	1,932	(1,117)	(298)	4,704
Plant and machinery	453,691	134,549	(35,672)	(32,551)	520,017
Office furniture and equipment	1,882	1,087	(315)	(147)	2,507
	485,605	137,568	(40,173)	(34,570)	548,430

6. Inventories

	30 June 2015 £ ***Unaudited***	**30 June 2014 £** ***Unaudited***	**31 December 2014 £**
Diamonds at independent valuation	22,145	21,124	23,629
	22,145	**21,124**	**23,629**

7. Trade and other receivables

	30 June 2015 £ ***Unaudited***	**30 June 2014 £** ***Unaudited***	**31 December 2014 £**
Prepayments	5,963	1,265	1,852
VAT	9,789	106,366	25,550
Other receivables			8,327
	15,752	**107,631**	**35,729**

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

8. Cash and cash equivalents

	30 June 2015 £	**30 June 2014 £**	**31 December 2014 £**

	Unaudited	*Unaudited*	
Cash on hand	200	337	172
Bank balances	107,164	175,113	247,814
	107,364	**175,450**	**247,986**

9. Share based payments

The Directors were granted Share Options under the Share Option Agreements dated 19 August 2013, conditional upon admission to AIM. **The Share Options were divided into three equal portions of Ordinary Shares, each amounting to one third of the total number of Share Options, to which differing exercise prices are applied.** On 30 September 2014, the Company amended the conversion terms of the options granted to Riaan Visser and John Kilham such that the option exercise prices were reduced to 14 pence (Tranche 1), 22 pence (Tranche 2) and 40 pence (Tranche 3). No other changes were made to the terms of the share options.

The share options held by each Director as at 30 June 2015 and the exercise prices were as follows:

	Number of ordinary shares subject to share options	Tranche 1		Tranche 2		Tranche 3	
Director		**Number**	**Exercise price (pence)**	**Number**	**Exercise price (pence)**	**Number**	**Exercise price (pence)**
P. Beck	472,876	157,625	18	157,625	40	157,626	55
J. Kilham	472,876	157,625	14	157,625	22	157,626	40
T. Leslie	472,876	157,625	18	157,625	40	157,626	55
A. Markgraaff	472,876	157,625	18	157,625	40	157,626	55
J. Quirk	945,750	315,250	18	315,250	40	315,250	55
C. Visser	1,891,502	630,500	14	630,501	22	630,501	40
Total	**4,728,756**	**1,576,250**	**-**	**1,576,251**	**-**	**1,576,255**	**-**

Options are valued at date of grant using the Black-Scholes option pricing model. The fair value per option of options granted during the period and the assumptions used in the calculation are shown below:

Share options in issue at the period-end under the various schemes are personal to the Option Holder and are not transferable, or assignable. They shall not be exercisable on or after the fifth anniversary of the grant date.

On 27 July 2015, Paul Beck exercised 157,625 share options at an exercise price of 18 pence per Ordinary Share and Riaan Visser exercised 450,000 share options at an exercise price of 14 pence per Ordinary Share.

Following the exercise of the above options, as at the date of this report the Company has the following share options in issue, exercisable until 4 September 2018:

	Number of Ordinary Shares subject to Share Options	Tranche 1	Tranche 2	Tranche 3			
Director		**Number**	**Exercise Price (pence)**	**Number**	**Exercise Price (pence)**	**Number**	**Exercise Price (pence)**
P. Beck	315,251	-	-	157,625	40	157,626	55
J. Kilham	472,876	157,625	14	157,625	22	157,626	40
T. Leslie	472,876	157,625	18	157,625	40	157,626	55
A. Markgraaff	472,876	157,625	18	157,625	40	157,626	55
J. Quirk	945,750	315,250	18	315,250	40	315,250	55
R. Visser	1,441,502	180,500	14	630,501	22	630,501	40
Total	**4,121,131**	**968,625**	**-**	**1,576,251**	**-**	**1,576,255**	**-**

There was no charge recorded for the period relating to share based payments on the grounds of materiality.

10. Share capital and share premium

Issued	**£**
31,525,041 Ordinary issued share capital of 1p each	315,250
Share premium	1,245,934
	1,561,184

11. Trade and other payables

	30 June 2015 £ *Unaudited*	**30 June 2014 £ *Unaudited***	**31 December 2014 £**
Trade payables	107,462	56,107	28,820
Accrued expenses	79,848	30,283	29,696
Corporation tax payables	2,943	-	2,943
	190,253	**86,390**	**61,459**

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

12. Borrowings

	30 June 2015 £ *Unaudited*	**30 June 2014 £ *Unaudited***	**31 December 2014 £**
Convertible Loan	301,090	-	255,255
	301,090	**-**	**255,255**

13. Provisions

	30 June 2015 £ *Unaudited*	**30 June 2014 £ *Unaudited***	**31 December 2014 £**
Rehabilitation costs	68,266	19,924	72,993
	68,266	**19,924**	**72,993**

The provision was initially calculated by the surveyor employed by the previous owner of the Kareevlei tenements prior to the Group purchase. This calculation was submitted and accepted by DMR.

During the period, the subsidiary submitted a new calculation to DMR for approval taking into account the specificities of the Group mining operations.

14. EPS (Earnings per share)

	30 June 2015 £ *Unaudited*	**30 June 2014 £ *Unaudited***	**31 December 2014 £**
Profit attributable to ordinary shareholders	(233,168)	(235,996)	(429,675)
Weighted average number of shares	31,525,041	31,524,041	31,524,041
Loss per share basic and diluted	**(0.01)**	**(0.01)**	**(0.01)**

Share options granted to directors could potentially dilute EPS in the future but are not included in a dilutive EPS calculation because they are antidilutive for the period.