2 September 2019

BLUEROCK DIAMONDS PLC

(“BlueRock” or the “Company”)

Interim results for the six months ended 30 June 2019

Introduction

BlueRock Diamonds, the AIM listed diamond mining company, which owns and operates the Kareevlei Diamond Mine in the Kimberley region of South Africa, is pleased to announce its interim results for the six months ended 30 June 2019. The interims will be available today for download from www.bluerockdiamonds.co.uk.

Operational Highlights

- New mine management team in place from April 2019
- Revenue of USD 1,768,275 over double that of H1 2018 (USD 821,812)
- 4,936 carats produced, over double that of H1 2018 (2,438 carats)
- 120,426 tonnes processed; 65% increase on H1 2018 (73,028 tonnes)
- Average grade of 4.10 Carats Per Hundred Tonnes (“cpht”) (H1 2018 3.34 cpht)
- Average price achieved of US$405/c on sales of 4,365 carats (H1 2018: 2,419 carats sold at US$340/c)
- 24.9 carat stone sold for a record US$190,000 in June

Overview

I am pleased with the recent progress made at Kareevlei Diamond Mine (“Kareevlei”) since the introduction of the new management team at the end of April 2019. Accordingly, the first half of 2019 should be considered in two parts: prior to and post the appointment of the new and strengthened management team at the end of April 2019. The detail is discussed below but, in short, the results of May and June 2019, which achieved monthly levels of production at a rate of twice the average for 2018, led to record levels of carats produced and, consequently, revenue being doubled. The improvement was achieved without the benefit of the upgrade to the crushing circuit, which was completed at the end of July 2019, and solely by the implementation of better management controls.

The New Management Team and Strategy

The Board undertook a review of operations following my appointment in November 2018. These included the mine plan, the limitations of the existing plant and critical services to the overall operation as well as identifying what skills were required in order to implement the planned improvements. As a result of the review:

- Gus Simbaganevi was appointed as CEO of Kareevlei and other key hires were made
- A new mining plan was developed which concentrated on reaching short-term profitability without impacting negatively on the long-term sustainability
- It was agreed to upgrade the crushing circuit and associated handling facilities to provide for the targeted increase in production
- Key services reviewed – water, power, tailings management and engineering
- The decision was taken to seek a strategic partner which would provide capital and equally importantly complement Kareevlei's skill base

Gus, a mining engineer, has a wealth of experience in mine management having been involved in significantly bigger operations than Kareevlei. We also strengthened the processing and engineering skill set. It is early days, but we do believe we now have a new management team that has the experience, ability and energy to deal with the opportunities and challenges that lie ahead.

Gus has brought a new perspective to our mine planning, although the key drivers remain the optimisation of the mine resource through flexibility, quality of mining and cost management. The mine planning is a dynamic process particularly as we are learning more about the resource through mining it. We have seen a positive impact of our new mining contractor who commenced operations in July 2019.

Following discussions with a number of potential strategic partners, the Board decided that the offer from Teichmann Group (discussed below) most closely matched the joint objectives of capital and expertise. The Teichmann Group is a highly respected pan African civil engineering and mining group and we believe that their experience will be invaluable, not only in the development of Kareevlei, but in developing the business further once Kareevlei has proved its long-term viability.

Production

A summary of production for H1 2019 is shown below:

	H1 2019	**H1 2018**	**Inc %**
Tonnes milled	120,426	73,028	65

Grade (cpht)	4.10	3.17	23
Carats	4,936	2,438	102

May and June 2019 were record months for production (29,200 tonnes and 34,000 tonnes respectively) and, accordingly, the last two months of the half year accounted for over 50% of the production for the first six months of 2019. Whilst January to April are traditionally low production months because of the rainy season and the Christmas break, this still represents a significant improvement compared to the same period in 2018, which was also affected by a s54 shutdown, and to the average for the whole of 2018 of around 15,000 tonnes.

The increase in production was achieved without the benefit of the planned plant improvements and was largely due to the new management team introducing stronger operating disciplines, the extended working hours through the commencement of 24/7 365-day operations, as well as improved plant availability. Accordingly, the Board remain confident that the near-term monthly production target of 40,000 tonnes is achievable and continues to expect that the Company will be operating profitably during the second half of 2019.

Importantly, the grade from the KV1 kimberlite pipe continues to improve, in part from smarter mining reducing the dilution of pure kimberlite. The grade recorded a pleasing 23% increase over the same period in 2018.

Tender Results

	H1 2019	**H1 2018**	**Var %**
Carats	4,365	2,419	80
Price US$/c	405	340	19
Revenue US$	1,768,275	821,812	115

The increase in the carat sales for H1 2019 are largely a reflection of the significantly increased production volumes enhanced further by the increase in the average price per carat to US$405, up almost 20% on the same period in 2018.

Kareevlei continues to deliver excellent quality diamonds, particularly in the plus US$1,000 per carat range. There were three notable stones in the 6-month period to 30 June and the largest 24.9 carat stone marked a step change in size and a further reflection of the potential of the resource.

Set out below is a table showing the five diamonds sold at tender for more than USD50,000 during the year to date.

Tender month	Carats	Sale price (USD 000)
February 2019	8.97	75
February 2019	16.28	79
June 2019	24.98	190
July 2019	12.20	105
August 2019	7.63	52
Total		501

There were 1,326 carats on hand at the end of June, which were sold in the July tender.

Grade, coarseness, quality and pricing

The average grade has continued to increase, as has the average coarseness of our stones. The average grade for the first half of the year was above 4 cpht. All of the H1 production came from the higher levels of KV1, which has an inferred pit grade of 6.3 cpht. At the higher levels the ore is contaminated with calcrete, a low diamond bearing material which nevertheless needs to be processed together with the kimberlite. As mining proceeds below approximately 20m the contamination should reduce materially, and it is expected that the recovered grade should move closer to the inferred pit grade. The evidence of the limited amount of sub 20m ore that has been processed in KV2 supports this hypothesis.

The average coarseness of our stones has increased from around 0.35 carats per stone to around an average of about 0.38 carats per stone during the year, although it varies from sort to sort. Whilst this might appear to be a relatively small increase, and there are a number of reasons why this has happened, this has had a positive impact upon the average value per carat that is obtained. The relationship between price and size is not linear, and therefore small increases in size have a far greater impact upon price, all other things being equal.

The quality of our stones remains high, again reflected in the average price per carat that the Kareevlei diamonds attract. Over 90% of our stones are of gem quality which sets the Kareevlei production apart from most diamond producers. The Kareevlei mine remains in the top 10 by average value per carat diamond mines in the world.

In a weakening market, our average prices have remained steady or indeed increased slightly. Further analysis remains to be done, although benchmarking prices from month to month is difficult because of the number of factors involved (quality, colour, shape), but it is the Board's belief that the strong pricing that the Kareevlei output achieves reflects the quality of the stones combined with the increase in the average coarseness.

The Board will continue to monitor the results of the tenders, which currently take place in Kimberley. Work is being done to explore whether higher prices can be achieved either through marketing part of our output as cut diamonds or by selling outside South Africa, although there are a number of regulatory and practical hurdles to overcome.

Financials

In the first half of 2019 the Company made a loss of £381,027 on turnover of £1,366,163, compared with a loss of £1,293,931 on turnover of £555,842 in the first half of 2018.

The first four months of the year are always affected by the rainy season and the historic Christmas and new year closure. The Board anticipates that the results for the second half of 2019 will be a significant improvement on the first half of the year and expect that the Company will be profitable in the second half.

Cash and cash equivalents (including restricted cash) on 30 June 2019 was £1,069,796.

Financing

In February 2019, the Company raised £575,000 before expenses to fund the development of KV1 and KV2 and to fund minor improvements to the plant.

In May 2019, the Company raised £982,000 before expenses in order to implement the new mining and production plans of the new management team. As part of the fundraising, Teichmann Limited invested £310,000 and accordingly own approximately 19% of the share capital of the Company. The Teichmann Group is discussed below.

The Board recognised that the continued dilution was not welcome, but after much consideration took the decision to raise the funds, in particular because it believed that the funds raised gave the Board the reasonable expectation that the Company would be able to operate at volumes that provided the economies of scale necessary to reach profitability.

As a result of the fund raising in May 2019, the Convertible Loan Note with a face value of £925,000 was convertible into 208,442,362 shares at a conversion price of 0.44p. Following the consolidation in July 2019 the Convertible Loan Note became convertible into 416,885 shares at a price of 221.9p.

The Teichmann Group

The Teichmann Group is a pan African civil engineering and mining group with over 1,800 employees. One of Teichmann's specialities is open cast mining and this 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 interests of the Teichmann Group are closely aligned with the interests of the Company through its 19% holding in BlueRock.

Post period events:

Mine Plans

We now have an operational plan for the next five years which currently targets production at approximately 400,000 tonnes per annum, operating at 40,000 tonnes a month in the non-rainy season. As part of our product management, it is planned to create stockpiles of run of mine and crushed ore to minimise the impact of the rainy season which largely affects the first quarter results. Despite these mitigating plans we are still expecting a drop off in production during the rainy season but not at the level experienced in the past. The introduction of the new shift system also means that there will not be any need for an extended closure over the Christmas and New Year period.

Management continues to develop and refine its mining plan in order to optimise mining across the five known kimberlite pipes at Kareevlei in line with the Company's strategy to have a higher level of flexibility in its mining operation. As the operation mines at deeper levels, we are, as expected, seeing higher levels of kimberlite but also increased rock hardness, which might result in the liberation of smaller diamonds becoming more difficult. The Board is also considering ways to increase monthly production to above the current target of 40,000 tonnes a month.

Upgrade to the Crushing circuit

The upgrade to the crushing circuit was completed in July 2019 - comprising the installation of a new larger secondary cone crusher and general upgrade of the handling systems to this circuit - and production recommenced at the beginning of August 2019 after the planned shutdown. The shutdown was longer than had been originally planned and the opportunity was taken to undertake further maintenance and improvements aimed at increasing the reliability and hence availability of the plant as volumes increase.

The crushing circuit is now configured such that the new crusher can run in parallel with the existing secondary crusher. Not only will this add to the reliability of the plant, it will also enable us to stockpile crushed ore to help to minimise the future impact of the rainy season or crusher downtime.

The plant is now operating at levels consistent with a monthly volume of 40,000 tonnes, a couple of months earlier than expected, although it is noted that the upgraded plant has been in operation for less than a month and its long term productivity can only be assessed once it has been operating for a number of months.

Management are on an ongoing basis reviewing a number of key services and particularly water, power supply and tailings dam capacity to ensure that these key facilities are aligned as production increases.

As production stabilises, a number of opportunities exist to reduce unit cost and this will be a key objective of the management team during the next 12 months.

Appointment of Teichmann as mining contractor

The contract with Teichmann South Africa (Pty) Ltd ("Teichmann") was signed on 5 August 2019 with an effective start date of 1 July 2019 when Teichmann began to mobilise. The relationship with Teichmann is operating well and to date our mining targets are being met. Importantly, the pricing of the contract with Teichmann is based on the volume of ore and waste that is hauled to stockpile or dump which aligns our interests in a way that the previous contract with a different party, which was based on hours worked, did not.

As announced in May, Teichmann Limited ("Teichmann Group"), an associated company of Teichmann, has the right to appoint a director to the Board of BlueRock Diamonds. It is expected that their nominee will be appointed in September 2019.

Share Consolidation

The Board proposed and shareholders approved a 1 for 500 share consolidation to help improve the market liquidity of, and trading activity in, the Company's shares. The Consolidation took effect on 26 July 2019.

Outlook and future plans

Our guidance remains unchanged for 2019:

	2019	**2020**
Volume (tonnes)	280,000 - 335,000	380,000 - 430,000
Grade (cpht)	4.25 - 5.0	4.25 - 5.0
Carats	12,000 - 16,500	16,000 - 21,500
Value per carat (USD)	340	340

We expect to review our guidance at the end of Q3 2019 once we have further evidence of how well the new crusher is working, although early indications are positive.

Although our primary focus remains ensuring that the existing operations are profitable, the Board continues to investigate how best to increase the production further and believe that this can be done cost effectively without compromising our current operations.

The Board is of the opinion that the current management team have the skills and experience to expand the business further and will begin to evaluate other mining opportunities in Africa once the Kareevlei operations have demonstrated their long-term profitability.

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 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 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.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2019
Consolidated Statement of Financial Position

	Note	As at 30 June 2019 *Unaudited* £	As at 30 June 2018 *Unaudited** £	As at 31 December 2018 *Audited* £
Assets				
Non-current assets				
Property, plant and equipment	5	516,525	696,377	570,803
Mining assets	5	390,096	476,763	303,307
Right-of-use assets	5	208,376	-	-
Other receivables	7	215,943	58,321	57,458
		1,330,940	**1,231,461**	**931,638**
Current assets				
Inventories	6	340,757	65,848	191,406
Trade and other receivables	7	197,086	29,737	71,864
Cash and cash equivalents (including restricted cash)	8	1,069,796	244,217	378,309
		1,607,639	**399,802**	**641,579**
Total assets		**2,938,579**	**1,571,263**	**1,573,217**
Equity and liabilities				
Equity Attributable to Equity Holders of the Parent				
Share capital	10	162,900	2,023,242	44,352
Share premium	10	4,147,980	2,901,620	3,460,309
Retained losses		(4,838,886)	(3,750,630)	(4,609,485)
Other reserves		2,948,198	163,848	2,330,670
		2,420,192	1,338,080	1,225,846
Non-controlling interest		(1,791,670)	(1,331,500)	(1,599,785)
		628,522	**6,580**	**(373,939)**
Liabilities				
Current liabilities				
Trade and other payables	11	725,098	393,133	587,545
Borrowings	12	73,103	25,283	50,877
Non-current liabilities				
Embedded derivative	12	10,312	70,354	12,463
Borrowings	12	1,195,048	870,660	1,091,431
Provisions	13	306,496	205,252	204,840
		2,310,057	**1,564,682**	**1,947,156**
Total equity and liabilities		**2,938,579**	**1,571,263**	**1,573,217**

* The comparative figures have been reclassified to provide consistent presentation with the current year. Refer to note 5 for details.

Consolidated Statement of Comprehensive Income

	Note	6 months ended 30 June 2019 *Unaudited* £	6 months ended 30 June 2018 *Unaudited* £	12 months ended 31 December 2017 *Audited* £
Revenue		1,366,163	555,842	1,416,699
Other income		93	782	1,882
Operating expenses		(1,837,502)	(1,345,341)	(3,221,545)
Operating loss		**(471,246)**	**(788,717)**	**(1,802,964)**
Finance income		7,201	-	8,600
Finance charges		(93,336)	(44,953)	(145,571)
Change in fair value of financial instruments designated at FVTPL		2,151	42,979	100,870
Foreign exchange (loss) / gain	3	174,203	(503,240)	(607,059)
Loss before taxation		**(381,027)**	**(1,293,931)**	**(2,446,124)**
Taxation		-	-	4,181
Total loss for the period		**(381,027)**	**(1,293,931)**	**(2,443,943)**
Total loss for the period, net of tax attributable to:				
Owners of the parent		(229,401)	(1,043,987)	(1,902,842)
Non-controlling interest		(151,626)	(249,944)	(539,101)
		(381,027)	**(1,293,931)**	**(2,443,943)**
Other Comprehensive Income:				
Exchange differences on translating foreign operations		(154,840)	439,004	519,276
Total comprehensive loss, net of tax		**(535,867)**	**(854,927)**	**(1,922,667)**
Total comprehensive loss, net of tax attributable to:				
Owners of the parent		(343,982)	(719,124)	(1,518,578)
Non-controlling interest		(191,885)	(135,803)	(404,089)
		(535,867)	**(854.927)**	**(1,922,667)**
Earnings per share – from continuing activities				
Basic and diluted (pence)	15	(0.03)	(0.89)	(0.86)

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Retained losses	Other reserves	Total attributable to equity holders of the Group	Non-controlling interest	Total equity
	£	£	£	£	£	£	£
Balance at 1 January 2018:	**1,398,242**	**2,811,536**	**(2,706,643)**	**(263,797)**	**1,239,338**	**(1,195,696)**	**43,642**
Loss for the period	-	-	(1,043,987)	-	(1,043,987)	(249,944)	(1,293,931)
Other comprehensive income:							
Foreign exchange movements	-	-	-	324,863	324,863	114,141	439,004
Total comprehensive loss:	**-**	**-**	**(1,043,987)**	**324,863**	**(719,124)**	**(135,803)**	**(854,927)**
Transactions with shareholders:							
Issue of share capital	625,000	225,000	-	-	850,000	-	850,000
Share issue expenses	-	(134,916)	-	-	(134,916)	-	(134,916)
Issue of share options	-	-	-	102,782	102,782	-	102,782
Total transactions with shareholders:	**625,000**	**90.084**	**-**	**102,782**	**811,522**	**-**	**811,522**
Balance at 30 June 2018 (unaudited):	**2,023,242**	**2,901,620**	**(3,750,630)**	**163,848**	**1,338,080**	**(1,331,500)**	**6,580**
Balance at 1 July 2018:	**2,023,242**	**2,901,620**	**(3,750,630)**	**163,848**	**1,338,080**	**(1,331,500)**	**6,580**
Loss for the period	-	-	(858,855)	-	(858,855)	(289,155)	(1,148,010)
Other comprehensive income:							
Foreign exchange movements	-	-	-	59,401	59,401	20,870	80,271
Total comprehensive loss:	**-**	**-**	**(858,855)**	**59,401**	**(799,454)**	**(268,285)**	**(1,067,739)**
Transaction with shareholders:							
Issue of share capital	24,120	699,480	-	-	723,600	-	723,600
Share buy back	(2,003,010)	-	-	2,003,010	-	-	-
Share issue expenses	-	(66,858)	-	-	(66,858)	-	(66,858)
Issue of share options	-	(73,933)	-	104,411	30,478	-	30,478
Total transactions with shareholders:	**(1,978,890)**	**558,689**	**-**	**2,107,421**	**687,220**	**-**	**687,220**
Balance at 31 December 2018	**44,352**	**3,460,309**	**(4,609,485)**	**2,330,670**	**1,225,846**	**(1,599,785)**	**(373,939)**
Balance at 1 January 2019:	**44,352**	**3,460,309**	**(4,609,485)**	**2,330,670**	**1,225,846**	**(1,599,785)**	**(373,939)**
Loss for the period	-	-	(229,401)	-	(229,401)	(151,626)	(381,027)
Other comprehensive income:							
Foreign exchange movements	-	-	-	(114,581)	(114,581)	(40,259)	(154,840)
Total comprehensive loss:	**-**	**-**	**(229,401)**	**(114,581)**	**(343,982)**	**(191,885)**	**(535,867)**
Transaction with shareholders:							
Issue of share capital	118,548	1,450,452	-	-	1,569,000	-	1,569,000
Share issue expenses	-	(113,214)	-	-	(113,214)	-	(113,214)
Issue of share options and warrants	-	(649,567)	-	732,109	82,542	-	82,542

Total transactions with shareholders:	**118,548**	**687,671**	**-**	**732,109**	**1,538,328**	**-**	**1,538,328**
Balance at 30 June 2019 (unaudited)	**162,900**	**4,147,980**	**(4,838,886)**	**2,948,198**	**2,420,192**	**(1,791,670)**	**628,522**

Consolidated Statement of Cash Flows

	Note	6 months ended 30 June 2019 *Unaudited* £	6 months ended 30 June 2018 *Unaudited** £	12 months ended 31 December 2018 *Audited* £
Operating activities				
Cash used in operations	14	(359,484)	(574,290)	(1,381,179)
Net cash used in operating activities		**(359,484)**	**(574,290)**	**(975,201)**
Investing activities				
Purchase of property, plant and equipment	5	(101,258)	(221,902)	(109,710)
Movement in rehabilitation guarantee	7	(158,485)	58,321	60,647
Net cash used in investing activities		**(259,743)**	**(280,223)**	**(49,063)**
Financing activities				
Proceeds on share issue	10	1,448,786	790,885	1,447,628
Loan drawn down in the year		-	-	231,400
Loans repaid in the year	12	(153,969)	(20,616)	(134,449)
Movement in restricted cash	8	(6,962)	-	(210,128)
Net cash received from financing activities		**1,287,854**	**770,269**	**1,334,451**
Net (decrease) / increase in cash and cash equivalents		**668,627**	**(84,244)**	**(95,791)**
Cash and cash equivalents at the beginning of the period	8	168,181	268,128	268,128
Foreign exchange differences		15,898	60,333	(4,156)
Cash and cash equivalents at the end of the period	8	**852,706**	**244,217**	**168,181**

* The comparative figures have been reclassified to provide consistent presentation with the current year. Refer to note 5 for details.

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 2019.

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 2018 were derived from the statutory accounts for the year to 31 December 2018, 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 2018 financial statements of BlueRock Diamonds plc, amended for new standards effective from 1 January 2019 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 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 2018.

The interim financial statements have been approved for issue by the Board of Directors on 2 September 2019.

1.2 Changes in accounting standards and disclosures

There are no changes to the accounting policies as described in the 2018 annual financial statements except for the adoption of IFRS 16 *'Leases'* from 1st January 2019 as set out below.

The other amendments or interpretation, which are effective in 2019 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.

1.2.1 IFRS 16 'Leases' - Accounting policy applied from 1 January 2019

IFRS 16 'Leases' applies to the recognition, measurement, presentation and disclosure of leases. Certain leases are exempt from the standard, including leases to explore for or use minerals.

A significant proportion by value of the Group's lease arrangements relate to offices, workshops and vehicles. The majority of lease terms are negotiated through the Group's procurement function, although agreements contain a wide range of different terms and conditions.

The Group recognises all lease liabilities and corresponding right of use assets, with the exception of short-term (12 months or fewer) and low value leases, on the balance sheet. Lease liabilities are recorded at the present value of: fixed payments; variable lease payments that depend on an index or rate; amounts payable under residual value guarantees; and extension options expected to be exercised. Where a lease contains an extension option which the Group can exercise without negotiation, lease payments for the extension period are included in the liability if the Group is reasonably certain that it will exercise the option. Variable lease payments not dependent on an index or rate are excluded from the calculation of lease liabilities. Payments are discounted at the incremental borrowing rate of the lessee, unless the interest rate implicit in the lease can be readily determined. The right of use asset, resulting from a lease arrangement, at initial recognition reflects the lease liability, initial direct costs and any lease payments made before the commencement date of the lease less any lease incentives and, where applicable, provision for dismantling and restoration.

The Group recognises depreciation of right of use assets and interest on lease liabilities in the income statement over the lease term. Repayments of lease liabilities are separated into a principal portion (presented within financing activities) and interest portion (which the Group presents in operating activities) in the cash flow statement. Payments made before the commencement date are included within financing activities unless they in substance represent investing cash flows, for example where pre-commencement cash flows are significant relative to aggregate cash flows of the leasing arrangement.

Right of use assets are included in the review for impairment of property, plant and equipment, if there is an indication that the carrying amount of the cash generating unit may not be recoverable.

The Group implemented the standard as at 1 January 2019. For contracts in place at this date, the Group continued to apply its existing definition of leases under the previous standards, IAS 17 'Leases' and IFRIC 4 'Determining Whether an Arrangement Contains a Lease' ('grandfathering'), instead of reassessing whether existing contracts were or contained a lease at the date of application of the new standard.

For transition, as permitted by IFRS 16, the Group applied the modified retrospective approach to existing operating leases which are capitalised under the new standard (i.e. retrospectively, with the cumulative effect recognised at the date of initial application as an adjustment to the opening balance of retained earnings with no restatement of comparative information in the financial statements). For existing finance leases, the carrying amounts before transition represented the 31 December 2018 values assigned to the right of use asset and lease liability.

The Group made the following additional choices, as permitted by IFRS 16, for existing operating leases:

- not to bring leases with 12 months or fewer remaining to run as at 1 January 2019 (including reasonably certain options to extend) on balance sheet. Costs for these items will continue to be expensed directly to the income statement.
- for all leases, the lease liability was measured at 1 January 2019 as the present value of any future lease payments discounted using the appropriate incremental borrowing rate. The carrying value of the right of use asset for property and vehicles was measured as equal to the lease liability and adjusted for any accruals or prepayments already on the balance sheet. The Group also excluded any initial direct costs (e.g. legal fees) from the measurement of the right of use assets at transition.
- to apply the use of hindsight when reviewing the lease arrangements for determination of the measurement or term of the lease under the retrospective option.

The impact of transition to IFRS 16 on the Group's 1 January 2019 balance sheet is an increase in lease liabilities (debt) of £197,065 and an increase in right of use assets of £197,065.

The weighted average incremental borrowing rate applied to the Group's lease liabilities recognised on the balance sheet at 1 January 2019 is 10.25%.

The following amounts were recorded in the condensed interim financial statements for the six months ended 30 June 2019:

	£	Included within
Income statement		
Depreciation	(26,302)	Net operating costs
Cash flow statement		
Lease principal payments	(29,860)	Cash flows from financing activities
Lease interest paid	(11,715)	Net interest paid
Balance sheet		
Right of use assets:		
- carrying value	208,376	Property, plant and equipment
Lease liabilities:		
- current	(21,502)	Borrowings
- non-current	(193,980)	

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 2018.

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 2019 £ *Unaudited*	6 months ended 30 June 2018 £ *Unaudited*	12 months ended 31 December 2018 £ *Audited*
Foreign exchange (loss) / gain	174,203	(503,240)	(607,059)

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 on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order 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 2019 were £1,330,939 (June 2018: £1,231,461; December 2018: £931,639)

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

5. Property, plant and equipment

	Cost / Valuation 30 June 2019 £	Accumulated depreciation £	Carrying value 30 June 2019 £ *Unaudited*
Motor vehicles	45,962	(20,246)	25,716
Plant and machinery	1,424,938	(934,129)	490,809
Right-of-use-assets	237,583	(29,207)	208,376
Mining assets	489,055	(98,959)	390,096
Total	**2,197,538**	**(1,082,541)**	**1,114,997**

Reconciliation of property, plant and equipment

	Carrying value 1 January 2019 £ Audited	Additions £	Depreciation £	Disposals and transfers £	FX revaluation £	Carrying value 30 June 2019 £ *Unaudited*
Motor vehicles	48,041	12,543	(2,548)	(32,868)	548	25,716
Plant and machinery	522,762	88,769	(131,649)	-	10,927	490,809
Right-of-use-assets	-	229,773	(26,302)	-	4,905	208,376
Mining assets	303,379	93,622	(15,725)	-	8,820	390,096
	874,182	**424,707**	**(176,224)**	**(32,868)**	**25,200**	**1,114,997**
Right-of-use assets comprise the following:						
Land surface	-	196,906	(24,972)	-	4,144	176,078
Motor vehicles	-	32,867	(1,330)	-	761	32,298
	-	**229,773**	**(26,302)**		**4,905**	**208,376**

Reclassification of 30 June 2018 figures:

i) Environmental rehabilitation guarantees have been reclassified to Other receivables. It has previously been classified in error under Mining Assets.

The effect of this on prior period figures are:

Statement of financial position	**30 June 2018**
Decrease in Mining Assets	(58,321)
Increase in Other receivables	58,321
Statement of cash flows	
Decrease in Purchase of Property, plant and equipment	(58,321)
Increase in other receivables	58,321

The reclassification had no effect on the statement of comprehensive income.

ii) Mine infrastructure has been reclassified to Mining assets. It has previously been classified under plant and machinery.

The effect of this on prior year figures are as follows:

Statement of financial position	**30 June 2018**
Decrease in plant and machinery	(38,452)
Increase in Mining Assets	38,452

The reclassification had no effect on the statement of comprehensive income or statement of cash flows.

These reclassifications were corrected with the 31 December 2018 financial statements and is a continuation to align the 30 June 2018 figures with the current period of reporting.

6. Inventories

	30 June 2019 £ *Unaudited*	30 June 2018 £ *Unaudited*	31 December 2018 £ *Audited*
Diamonds on hand	340,757	65,848	191,406

7. Trade and other receivables

	30 June 2019 £ *Unaudited*	30 June 2018 £ *Unaudited*	31 December 2018 £ *Audited*
Current receivables:			
Trade receivables	443		443
Prepayments	12,917	2,119	4,136
VAT	27,533	27,618	57,082
Other receivables	156,193	-	10,203
Total current receivables	**197,086**	**29,737**	**71,864**
Non-current receivables			
Other receivables	215,943	58,321	57,458
Total non-current receivables	**215,943**	**58,321**	**57,458**

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 banks 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 2019 £ *Unaudited*	30 June 2018 £ *Unaudited*	31 December 2018 £ *Audited*
Cash in bank and on hand	1,069,796	244,217	378,309

Bank balances to the value of £217,090 (30 June 2018: nil, 31 December 2018: £210,128) 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 4	01/05/2016	776,091	4 years	11p
Directors share option plan - Tranche 5	19/01/2017	2,227,182	5 years	5p
Directors share option plan - Tranche 7	10/08/2017	7,156,928	5 years	1.25p
Directors share option plan - Tranche 8	27/09/2017	2,447,144	2 years	1.75p
Directors share option plan - Tranche 9	16/05/2019	114,030,133	5 years	0.1p

Tranche 4 and 5 have fully vested.

Tranche 7 options vest 2 years from the date of grant dependent on the company's mid-market share price reaching3p in that period.

Tranche 8 options vest 2 years from the date of grant dependent on the company's mid-market share price reaching3p in that period.

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

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

	30 June 2019		31 December 2018		30 June 2018	
	Average exercise price in pence per share	Number of options	Average exercise price in pence per share	Number of options	Average exercise price in pence per share	Number of options
Outstanding at the beginning of the period	4.4	12,607,345	4.40	22,502,955	4.40	22,502,955
Granted	0.1	114,030,133	-	-	-	-
Lapsed	-	-	(6)	(9,895,610)	-	-
Exercised	-	-	-	-	-	-
Outstanding at the period / year end	0.41	126,637,478	4.07	12,607,345	4.40	22,502,955
Exercisable at the period / year end	0.42	60,018,340	6.55	3,003,273	6.55	3,003,273

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

On 25 July 2019 a share consolidation was approved whereby every 500 ordinary shares of 0.01 pence were consolidated into 1 ordinary share of 5 pence each. The number of share options granted and exercise prices were amended accordingly at that date. The valuations are based on the pre-consolidation numbers.

The fair value per option of options granted during the current period (no new options were granted during 2018) and the assumptions used in the calculation are shown below:

	Tranche 9
Average grant date share price (p)	0.14
Average exercise price (p)	0.1
Share price volatility (p.a)	85.71%
Risk-free interest rate (p.a)	0.83%
Dividend yield (p.a)	0%

Average contractual life (years)	5
Average fair value per option (p)	0.10

The total share-based payment expense for the period ended 30 June 2019 was £82,542 (June 2018: £26,980; December 2018: £57,457).

10. Share capital and share premium

	30 June 2019 £ *Unaudited*	30 June 2018 £ *Unaudited*	31 December 2018 £ *Audited*
Number of Ordinary shares	1,629,001,910	202,324,242	443,524,243
Ordinary share capital of 0.01p (June 2018: 1p, December 2018:0.01p) per share	162,900	2,023,242	44,352
Share premium	4,147,980	2,901,620	3,460,309
	4,310,880	**4,924,862**	**3,504,661**

In the period ended 30 June 2019 the following Ordinary share issues occurred:

Date of issue	Details of issue	Number of ordinary shares	Share capital £	Share premium £
At 1 January 2019		443,524,243	44,352	3,460,309
11 February 2019	Placing and equity issue	191,666,667	19,167	555,833
11 February 2019	Placing and equity issue expenses	-	-	(36,902)
11 February 2019	Warrant issue charges	-	-	(192,386)
16 May 2019	Placing and equity issue	982,000,000	98,200	883,800
16 May 2019	Shares issued for services rendered	5,000,000	500	4,500
16 May 2019	Shares issued as repayment of loan	6,811,000	681	6,319
16 May 2019	Placing and equity issue expenses	-	-	(76,313)
16 May 2019	Warrant issue charges	-	-	(457,181)
At 30 June 2019		**1,629,001,910**	**162,900**	**4,147,980**

On 25 July 2019 a share consolidation was approved whereby every 500 ordinary shares of 0.01 pence were consolidated into 1 ordinary share of 5 pence each. The number of ordinary shares in issue were adjusted accordingly at that date.

Details of warrants issued

On 11 February 2019 1 warrant was issued for each ordinary share issued on that date. A total of 191,666,667 warrants were issued and exercisable at 0.4p for a period of 2 years.

On 16 May 2019 1 warrant was issued for each ordinary share issued on that date. A total of 987,000,00 warrants were issued and exercisable at 0.2p for a period of 2 years.

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

The fair value per warrant granted during the period and the assumptions used in the calculation are shown below:

	11 February 2019	**16 May 2019**
Pricing model used	Black-Scholes	Black-Scholes
Weighted average share price at grant date (pence)	0.31	0.14
Weighted average exercise price (pence)	0.40	0.20

Weighted average contractual life (years)	2	2
Share price volatility (%)	73.16%	85.71%
Dividend yield (%)	0%	0%
Risk-free interest rate (%)	0.72%	0.73%

11. Trade and other payables

	30 June 2019 £ *Unaudited*	**30 June 2018 £** *Unaudited*	**31 December 2018 £** *Audited*
Trade payables	643,085	279,702	453,234
Accrued expenses	57,750	67,403	37,777
Corporation tax payables	-	21,953	-
Income in advance	-	-	72,814
Other payables	24,263	24,076	23,720
	725,098	**393,134**	**587,545**

An amount of £180,035 (30 June 2018: £178,652, 31 December 2018: £176,008) 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 £24,263 (30 June 2018: £24,076, 31 December 2018: £23,720) 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 embedded derivative

	30 June 2019 £ *Unaudited*	**30 June 2018 £** *Unaudited*	**31 December 2018 £** *Audited*
Convertible loans	740,558	673,234	706,094
Loan facilities	312,110	188,409	404,525
Lease liabilities	215,483	34,300	31,689
	1,268,151	895,943	1,142,308
Embedded derivative	10,312	70,354	12,463
	1,278,463	966,297	1,154,771

	30 June 2019 £ *Unaudited*	**30 June 2018 £** *Unaudited*	**31 December 2018 £** *Audited*
Due within the year			
Loan facilities	51,601	23,148	46,247
Lease liabilities	21,502	2,135	4,630
	73,103	25,283	50,877
Due greater than one year			
Convertible loan	740,558	673,234	706,094
Loan facilities	260,509	165,261	358,278
Lease liabilities	193,981	32,165	27,059
	1,195,048	870,660	1,091,431

Convertible loans and embedded derivative

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

	Embedded derivative £	Convertible loan £	Total £
Balance at 1 January 2018	113,333	641,903	754,236
Finance charge: unwinding the discount factor	-	31,331	31,331
Fair value adjustment to embedded derivative	(42,979)	-	(42,979)
Balance at 30 June 2018	70,354	673,234	743,588
Finance charge: unwinding the discount factor	-	32,860	32,860
Fair value adjustment to embedded derivative	(57,891)	-	(57,891)
Balance at 31 December 2018	12,463	706,094	718,557
Finance charge: unwinding the discount factor	-	34,464	34,464
Fair value adjustment to embedded derivative	(2,151)	-	(2,151)
Balance at 30 June 2019	10,312	740,558	750,870

At 30 June 2019 the Group had in issue convertible loan stocks of £925,000 which has a term for until 16 October 2021.

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 conversion price at 30 June was 0.44p.

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%.

Loan facilities:

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 2019 an interest charge of £4,518 (June 2018: £9,087, December 2018: £17,404) was recognised on the total capital drawn down. Outstanding at the period ended 30 June 2019 was £137,328 capital and £2,513 interest.

A Waugh and P Beck

BlueRock Diamonds Plc and its subsidiary Kareevlei Mining Proprietory Limited entered into a loan agreement with Adam Waugh (Non-Executive Director) and Paul Beck (Former Chairman) on 17 August 2018. The loan was fully drawn down on 17 August 2018. The Loan will only be available to satisfy any final determination of any further claim that Mr CB Visser brings.

The principal amount of the loan is £231,400 comprising £50,000 from Paul Beck and £181,400 from Adam Waugh.

The key provisions of the loan are as follows:

- a term of up to three years, but pre-payable in full or in part at any time at the option of the Company;
- an arrangement fee of 5 percent of the loan principal;
- interest payable of 11 percent per annum on the loan principal payable quarterly, 6 percent payable in cash and the remaining 5 percent payable by a combination of cash and shares (at the Company's sole discretion);
- a repayment premium at an amount equal to 2 percent of the loan principal per month that the loan is outstanding, payable on repayment of the loan in full or in part to be satisfied half in cash and half in shares, at the mid-market price at the time of the relevant repayment, or cash (at the Company's sole discretion);
- and that in the event that the Company raises further funds, preference is given to repaying the loan. It will be the Board's intention to repay the Loan as soon as practicable

On 16 May 2019 it was further agreed with Adam Waugh to repay his loan in £30,000 quarterly instalments in arrears commencing on 31 August 2019.

As at 30 June 2019 the balance payable to A Waugh was £172,269. Paul Beck's loan was paid in full during the period

Lease liabilities

Lease liabilities includes 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 February 2024 as well as additional IFRS16 lease liabilities recognized. See note 1.2 for further details.

13. Provisions

Reconciliation of provisions

Rehabilitation costs	**£**
Balance at 1 January 2018	148,282
Change in estimate	67,889
Unwinding of discount	1,342
Exchange differences	(12,261)
Balance at 30 June 2018	**205,252**
Unwinding of discount	1,600
Exchange differences	(2,012)
Balance at 31 December 2018	**204,840**
Change in estimate	93,622
Unwinding of discount	1,065
Exchange differences	6,969
Balance at 30 June 2019	**306,496**

The provision for environmental rehabilitation closure cost was independently assessed by Ndi Mudau of NDI Geological Consulting Services. 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).

14. Cash used in operations

	30 June 2019	**30 June 2018**	**31 December 2018**
	£	**£**	**£**
	Unaudited	***Unaudited***	***Audited***
Loss before taxation	(381,027)	(1,293,931)	(2,446,124)
Adjustments for non-cash items:			
Depreciation and amortisation	176,224	163,166	310,272
Foreign exchange movement	(174,203)	503,240	607,059
Embedded derivative charge	(2,151)	(42,979)	(100,870)
Share based payment expense	82,542	26,980	57,457
Interest accrued on borrowings	89.907	31,331	123,606
Interest accrued on provisions	1,065	1,342	2,175
Taxes Paid	-	-	-
Changes in working capital:			
Increase in trade and other receivables	(125,260)	(23,376)	(66,768)
Increase in trade and other payables	122,322	21,835	250,766
(Increase) / decrease in inventories	(148,903)	38.103	(100,980)
	(359,484)	**(574,290)**	**(1,363,407)**

15. EPS (Earnings per share)

	30 June 2019	**30 June 2018**	**31 December 2018**
	£	**£**	**£**
	Unaudited	***Unaudited***	***Audited***
Loss attributable to ordinary shareholders	(229,401)	(712,780)	(1,902,842)
Weighted average number of shares	857,764,039	80,758,074	221,740,157
Loss per share basic and diluted (pence)	(0.03)	(0.89)	(0.86)
Weighted average number of shares after dilution	857,764,039	80,758,074	221,740,157
Fully diluted earnings per share (pence)	(0.03)	(0.89)	(0.86)

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.

16. Related party transactions

Relationships	
Minority Interest - William van Wyk	Minority interest in Kareevlei Mining (Pty) Ltd
Michael Houston	Executive Chairman
David Facey	Financial Director
Adam Waugh	Non-Executive Director
Gus Simbanegavi	Director of Kareevlei Mining (Pty) Ltd
Paul Beck	Former Non-Executive Director

Placing and Subscription

Directors subscribed to the following new shares as part of the £987,000 placing and subscription on 16 May 2019:

Director	**£**	**Number of ordinary shares of 0.01 p**
M Houston	15,000	15,000,000
D Facey	10,000	10,000,000

Gus Simbanegavi	5,000	5,000,000
Total	**30,000**	**30,000,000**

Following the fundraising, their shareholdings were as follows:

Director	**No. of Ordinary Shares held**	**% interest in Ordinary shares**
Mike Houston	15,000,000	0.92
David Facey	23,999,999	1.43
Gus Simbanegavi	5,000,000	0.31

Paul Beck also subscribed for £15,000 at price of 0.1 pence per share.

6,811,000 Interest Shares were issued to Adam Waugh as repayment on the loan facility granted by him to the group.

Issue of Share Options and Issue of Warrants

Share options issued to certain directors were as follows:

Director	**No. of Share Options issued**	**Exercise price per Share Option**
Mike Houston	48,870,057	0.1p
David Facey	32,580,038	0.1p
Gus Simbanegavi	32,580,038	0.1p

The share options have a five-year life and will vest in 2 equal tranches, 50% on grant and 50% on the first anniversary of the grant of the share options.

In connection with their participation in the Fundraising, Mike Houston, David Facey and Gus Simbanegavi have also received an aggregate of 30,000,000 Warrants at a price of 0.2 pence each.

Following the grant of the Share Options and Warrants, Mike Houston, David Facey and Gus Simbanegavi do hold share options and warrants as follows:

Director	**Total no. of share options held**	**Total no. of warrants held**	**Total no. of warrants and share options held**
Mike Houston	48,870,057	15,000,000	63,870,057
David Facey	34,643,582	15,833,332	50,476,915
Gus Simbanegavi	32,580,038	5,000,000	37,580,038

Borrowings

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 February 2024. See note 12 for further details. As at 30 June 2019 the balance payable on the lease facility was £30,121 (June 2018: £34,300; December 2018: £31,689).

A Waugh and P Beck

As at 30 June 2019 the balances due on the loan facilities granted to the group were £172,270 and £nil respectively. See note 12 for further details.

Directors' remuneration

The following directors' remuneration were paid during the period:
M Houston – Received fees of £17,510
D Facey – received fees of £18,000
A Waugh – received fees of £40,000

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 £260,108 of which £204,298 has been accounted for under trade and other payables. The Group has given security for the full amount of the above claim. This security is held in trust by the group's lawyers. The company's legal advisors are of the opinion that based on current available information, the claims are without merit.

18. Events after the reporting period

The group concluded its contract with Teichmann South Africa (Pty) Ltd (Teichman Contract) on 6 August 2019. The Teichman 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