

# Bluerock Diamonds Plc

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## BlueRock Diamonds unveils strategic changes, funding and expansion plan

BlueRock Diamonds Plc (LON:BRD) has unveiled a number of measures to reform and restructure its business and operations in South Africa.

It has raised £982,000 through an equity sale to support expansion plans for the Kareevlei mine. The company simultaneously gave details of the new mining plan which is presently being implemented, targeting an increase in production and improved cash flow generation.

The company told investors that following the equity raise it expects the business will be self-funding in the future.

It revealed management changes to facilitate the new plan, with Mike Houston appointed as executive chairman and Gus Simbanegavi has been hired as chief executive of the Kareevlei Mining subsidiary (ahead of an anticipated promotion to group chief executive once production goals are achieved).

READ: BlueRock Diamonds delivers increase in quarterly sales from Kareevlei "The key challenge for management will be achieving the economies of scale and this is largely centred around material handling of what can at times be a difficult product in both the mining and plant operations," Mike Houston said.

"This requires a disciplined, innovative and technically competent management team and I believe we have been able to put this team in place now. Improvements have already been implemented which will have a material impact on throughput and cashflow.

"The capital raised will allow management to make further improvements and importantly de-risk the business."

He added: "The optimisation of the mine plan and right sizing the cost structure will be key objectives for management in the short term.

"Accordingly, following this necessary investment, the board now expects the company to be self-funding going forward."

A new strategic partnership agreement is expected to be signed 'shortly' with the Teichmann Group, a pan-African engineering and mining group, with a view to increasing the availability of ore for processing in order to meet BlueRock's production target.

Teichmann Company Limited (TCL), an investment company attached to the Teichmann Group, has participated in BlueRock's new funding - subscribing for 310mln shares, raising £310,000 of the total funding.

TCL will subsequently own 19% of BlueRock shares, and, will have the right to appoint one non-executive director to the board.

**Price:** £1.05

**Market Cap:** £3.42 m

### 1 Year Share Price Graph



September 2018 March 2019 September 2019

### Share Information

**Code:** BRD

**Listing:** AIM

**52 week High Low**  
439 41

**Sector:** Diamonds & gemstones

**Website:** [www.bluerockdiamonds.co.uk](http://www.bluerockdiamonds.co.uk)

### Company Synopsis:

BlueRock Diamonds plc, listed on AIM in London, operates the Kareevlei Diamond mine near Kimberley in South Africa, the birthplace of diamond mining. Kareevlei consists of 5 known kimberlite pipes and produce diamonds of exceptional quality and ranks in the top ten in the world in terms of average value per carat.

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Unlisted warrants are also being issued to participants in the funding, with each warrant exercisable at 0.2p within two years of the placing.

Bluerock said that the placing provides sufficient capital to enable its medium term goal, to process some 400,000 tonnes per year.

It presently aims to process 280,000 to 330,000 tonnes in 2019. The board expects it will be profitable in the second half of the year.

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