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Rockwell set to boost diamond sale values

Vancouver - **Rockwell Diamonds** (RDI-V, RDIAF-O) has brought in some help to increase realized value from the sale of its large and “special” stones produced at alluvial operations in the Kimberley region of South Africa.

A marketing agreement with Steinmetz Diamonds sees sharing of the extra margins created by manufacturing, marketing and distribution of selected stones meeting specific quality and colour parameters.

Select stones will be processed at Steinmetz’s manufacturing facilities in South Africa.

Rockwell will receive payment from the diamond marketer for the specialty stones while Steinmetz will get a marketing fee in the order of 3% of the sale price. Net profits from the sale of the polished stones will be equally shared by both parties.

Rockwell reports monthly production of about 2,500 carats of mostly gem-quality diamonds from its alluvial operations (Wouterspan, Holpan and Klipdam). About 70% of the diamonds are 2 carats and larger in size including occasional recovery of diamonds weighing more than 100 carats).

In its August diamond tender Rockwell sold 1,547.37 carats of the 2,713.27 carats offered for total revenue of just over US\$5.2 million (51% attributable to Rockwell) for an average of US\$3,362 per carat. The largest stone sold was a 72.58-carat intense fancy yellow, recovered from Klipdam, for US\$919,889 or US\$12,674 per carat.

The company reports operating costs of about US\$3 per tonne or US\$857 per carat for the August parcel.

A resource estimate was recently tabled for Rockwell’s 51%-owned Wouterspan alluvial diamond project on the Middle Orange River in South Africa’s Northern Cape province. An indicated resource of 15.8 million cubic metres grading 0.63 carats per 100 cubic metres was reviewed at the Farhom and Okapi farms for about 100,000 contained carats. A further 20.7 million inferred cubic metres grading 0.63 carats per 100 cubic metres was also estimated for about 131,000 contained carats.

Most alluvial diamonds occur in two distinct gravel layers: the upper Rooikoppie gravel and the basal Primary gravel that are separated by a hardened calcrete horizon.