

## 'Survival measures' turn tide for Rockwell as it exceeds production goals

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MINER [Rockwell Diamonds](#) this week said a company-wide restructuring and cost-cutting exercise started at the beginning of the year has led to an improvement in production in the quarter to September.

It has exceeded its target of producing 2500 carats per month from just three mines, the same amount it used to produce from four mines.

The company — which took a secondary listing on the JSE in November — implemented a raft of survival measures mainly in response to the global economic crisis and lower demand.

However, the tide has turned and some local firms, in particular ferrochrome producers, have ramped up production in response to fresh demand from major markets such as China.

President and CEO John Bristow said he was happy with progress made to right-size the company. It placed its Wouterspan operation on care and maintenance, reduced staff by 180 and implemented initiatives to increase production and reduce operating costs.

“In spite of the world economic recession, precipitous decline in diamond prices and costly unforeseen corporate activity, Rockwell has demonstrated its ability to rapidly adapt,” he told shareholders. It “has significantly improved operating skills and abilities, increased production through smart mining and clever plant improvements and lowered operating cost structure.

Rockwell has three operating mines in SA, and is recommissioning a fourth. It owns 74% of the Holpan and Klipdam mines near Barkly West and 74% of the Wouterspan and Saxendrift mines on the Middle Orange River. It has also explored a property at Makoenskloof near Douglas. Outside SA, Rockwell is assessing an alluvial diamond property on the Kwango River in Congo.

Bristow recently confirmed the company was looking to acquire high-value alluvial producers, both private and listed, in SA and southern Africa.

It planned to become an operator of four to six mines to help smooth production volatility. At the end of February, the company held C16,5m in cash for development.

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