



Rockwell signs up COO, looking to boost diamond output

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VANCOUVER (miningweekly.com) – With demand and prices for rough diamonds improving, and after cutting jobs and attacking operating costs earlier this year, Rockwell Diamonds is now starting to look at ways to increase output at its South African operations, chairperson **David Copeland** tells *Mining Weekly Online*.

The company has already increased production levels within its existing facilities, and managed to boost output to more than 3 000 ct in September from its three operating mines, well above the targeted 2 500 ct, he said in an interview at the company's Vancouver offices.

"That's a huge milestone for us. And that's been driven by using the excess capacity within the existing facilities, mining more smartly, getting the turnarounds on the haulage trucks, all those things are coming together."

Beyond that, the company is relooking at its Wouterspan mine, which was put on care and maintenance in the first quarter of the year, and could bring it back on line later this year or early in 2010, Copeland said.

"We are also looking at some additional expansion or use of more capacity at Saxendrift, and actual expansion at Klipdam."

Rockwell announced on Wednesday that it has appointed two new independent directors, and it has also secured a new – unnamed for now – COO, Copeland said.

The new operations chief is "very much a hands-on person, currently running a number of operations, and he definitely has the right experience to run multi-operations like ours."

The new directors replaced replaced **Terry Janes** and **Gregory Radke**, who resigned in June. Radke resigned his directorship as Pala Investments Holdings' representative on the Rockwell board, after Pala was unsuccessful in an attempt to have the company's board, including Copeland and CEO **John Bristow**, replaced.

Looking ahead, Rockwell also continues to look for merger and acquisition opportunities, after the global downturn and sharp decline in diamond prices earlier this year left many companies, including with alluvial assets in South Africa, weakened.

The firm has already identified some opportunities, and has also received expressions of interest from "at least three" groups interested in funding the company's plans to grow by expanding its own assets and acquiring others.

The prospective funding partners include Middle East-based investors, a diamond cutting and marketing group and an Asian investor group.

The three have indicated they would support "a good part" of the \$7-million to \$10-million the company wants to raise to fund its growth plans.

MARKET IMPROVEMENTS

Prices for Rockwell's high-value diamonds declined some 50% late last year and sales essentially fell off a cliff, as the financial crisis hit demand.

The company responded by cutting jobs, halting operations at Wouterspan and cutting costs wherever possible.

Signs of buying activity for the rough diamonds returned towards the end of the fourth quarter, followed by some price recovery starting in the April/May period, Copeland said.

"I would say today we have probably had a 15% to 25% improvement on where we were."

The company's impression is that the best size segment overall for rough diamonds at the moment is in the 0,25-ct to 3-ct range.

"That's where you are seeing the most buying," he said.

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