

Rockwell reveals funding plan

[miningmx.com] -- TSX- and JSE-listed Rockwell Diamonds (Rockwell) is to raise up to C\$12.5m by issuing new equity through a rights offer and private placing.

This is the latest in a string of equity raisings announced this year by junior mining companies, with the most recent just being completed by AIM-listed Petra Diamonds which has raised \$120m.

Rockwell CEO [John Bristow](#) said the money is needed “to settle short-term debt and strengthen the company’s balance sheet”.

It would also be used to modernise and recommission the Wouterspan operation, which would increase diamond output and short-term revenue.

Rockwell has managed to attract investor support for the fund-raising from both Chinese investors and the Steinmetz diamond group.

The company will raise C\$3.35m through carrying out its promised “fair rights offering” to shareholders, issuing 67 million shares at C\$0.05 each.

Along with that offer Rockwell will also carry out a private placement of 140 million shares at C\$0.065 each.

Godia Capital Partners – a Chinese-managed investment group - will subscribe for a minimum of 47.5 million shares in the placement. Daboll Consultants, part of the Steinmetz group, has guaranteed the exercise of 47.5 million shares out of the 67 million shares to be issued in terms of the rights offer.

The rights offer is expected to run from mid-December to mid-January.

Bristow added the involvement of Daboll and Godia was consistent with management’s strategic plan to bring in new investors to help grow the group.

He said: “Through the combination of a steadily improving diamond market, the support of our new investors, and most importantly the long-term support of our existing shareholders, Rockwell is ideally placed to resume growth.”