

Rockwell to seek cash flow deals

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ROCKWELL Diamonds, which listed in Johannesburg today, said it was negotiating with 'several parties' on potential cash-generating acquisitions. It would also seek growth from brownfields expansion, however.

"There are a number of acquisition opportunities on the pipeline," said John Bristow, CEO of Rockwell Diamonds. "We are currently working on those." Rockwell mines alluvial diamonds in South Africa. Bristow said he wanted to buy cash flow because Rockwell was not seeking an exploration profile. "We are currently doing due diligence and technical analysis of the assets we intend acquiring."

Bristow said the company, whose principal mineral property interests are located in South Africa, Chile and Canada, would also grow organically through expansion of its existing operations. "We will not discount opportunities in the rest of Africa. We want to grow north of the border and we will use the JSE listing as a tool," said Bristow. The company was to begin looking at the DRC and Botswana.

Meanwhile, the South African diamond sector was an exciting place to be. "It's interesting to see junior mining and exploration companies coming on board. Countries like Canada and Australia already have a number of such companies and that was not always a case in South Africa," said Bristow.

"South Africa is in need of the strong junior diamond mining sector driven by entrepreneurs because they tend to take more risks and they tend to move quickly so the entry of juniors is a very exciting



John Bristow

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development.”

Commenting on Saxendrift and Niewejaarskraal, the assets Rockwell acquired from Trans Hex, Bristow said the company was still awaiting approval from South Africa’s Department of Minerals and Energy (DME). “It’s imminent,” he said.

South Africa’s diamond sector is in flux following a number of government initiatives to improve supply of uncut diamonds to the local cutting and polishing sector. One proposal is to establish a State Diamond Trader (SDT) to monitor the price and volume of such supply.

“We are very positive about the SDT. It’s still at an infancy stage but it’s a positive move by government,” said Bristow. “South Africa has always had good artisans who can cut and polish diamonds and that sector does need to grow.”

Rockwell is considering opportunities in cutting and marketing of diamonds and will explore for new deposits when there are strong indicators that primary diamond sources may exist close to current alluvial operations.

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Commenting on its listing, Bristow said capital raised from the float would be used to finance Rockwell’s exploration programme. “We have been granted a number of prospecting licensing by the DME and we would use some of the capital raised to fund our exploration,” Bristow said.

Sandile Zungu of African Vanguard Resources, Rockwell’s empowerment partner said the listing would cement existing relations with local and international investors.

Rockwell has applied to the Toronto Stock Exchange to have its primary listing transferred to the main board. Rockwell listed all its 257.7 million ordinary shares on the 'Diamonds and Gemstones' sector of the JSE.