



Rare pink diamond discovery

By: Sylvester Haskins

Published: 18 Jan 08 - 0:00

Diamond mining and exploration company, Rockwell Diamonds, obtained a record price on the sale of a rare pink diamond that was recovered from its Holpan operation, north of Kimberley in the Northern Cape Province, the company reports.

The company achieved the record price of \$1 054-million for the rare 7,28 carat pink diamond.

The diamond, sold at \$145 000 for each carat, at the company's tenth tender sale in Johannesburg in November last year, is a flawless intense pink, rounded octahedral diamond.

Rockwell Diamonds is mining diamond-bearing surface alluvial material referred to as Rookoppie deposits, and scattered remnants of underlying palaeo-channel gravel deposits at its Holpan operation in Kimberley.

The \$145 000 for each carat value achieved for this stone is exceptional, and represents a record price for diamonds sold by the company, since Rockwell acquired its 51% ownership in the H C Van Wyk Diamonds alluvial diamond operations, and projects in South Africa in early 2007.

Pink diamonds are exceptionally rare on a worldwide basis, with the only source known to produce such stones with some regularity being the Argyle diamond mine in Western Australia.

The Argyle mine, which is owned by Rio Tinto, is famous for its annual 'pink diamond tender'.

"The recovery of a pink diamond from our Holpan operation is particularly exciting. The achievement of a record price for this stone attests to the potential for exceptional rarity, quality and value of the diamonds that are recovered from our unique Northern Cape alluvial diamond deposits," says Rockwell Diamonds president and CEO Dr **John Bristow**.

Rockwell diamonds currently produces 2 000 ct to 2 500 ct a month of high quality gemstone diamonds at an average running price of \$1 600 a carat, which Bristow describes as being of exceptional value.

"We are looking at establishing ourselves as a growth business, which will continue to grow the production we have," states Bristow.

Rockwell Diamonds is a mid-tier producer of gemstone diamonds mined out of low-grade alluvial deposits.

The company compares its high value diamonds to the Clifford Elphick's Gem Diamonds mined at Letseng in Lesotho, currently produced from 24 000 ct/y to 30 000 ct/y at its Northern Cape alluvial operations. Letseng has consistently produced high-value diamonds since Gem bought it last year.

Bristow says that Rockwell Diamonds will similarly look at acquiring businesses in line with the company's growth mandates.

"We see scope to grow this company by developing and expanding our existing operations, and by making new acquisitions particularly in the middle Orange River, to initially, probably by next year, 4 000 ct a month. Our target by 2011 would be somewhere in the 6 000 to 7 000 ct a month.

On an annual basis somewhere between 70 000 ct and 80 000 ct, at \$1 500 to \$1 600 a ct makes very good cash flow for this business," says Bristow.

The diamond mining company supports the South African governments beneficiation drive in establishing a local base for diamond cutting and polishing opportunities.

"Currently, we sell rough diamonds, but we are increasingly looking at, on a very selective basis, going further into the beneficiating end," says Bristow.

Rockwell is based in Canada, where it also had a listing on the venture market of the TSX.

The company raised R100-million through private placements prior to its JSE listing.

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Tel: +27(0)11 622 3744 | Fax +27(0)11 622 9350 |
newsdesk@miningweekly.co.za
<http://www.miningweekly.co.za>