

Sparkling diamond haul snatched from the sea



May 29, 2011 3:08 AM | By LUCKY BIYASE

Canadian-listed marine diamond explorer and JSE-listing aspirant Afri-Can Marine has recovered a marine diamond haul of 84 gems. This was from a first-stage sampling programme on its new 800 sq km diamond concession next to Atlantic One off the coast of Namibia, the richest marine diamond deposit in the world, CE Pierre Leveille said.

He said the four largest diamonds weighed 1.60, 1.30, 1.15 and 1.05 carats. Fifteen diamonds, which represent 18% of the total, each weigh more than 0.5 carats.

"Significantly, the largest diamond, weighing 1.60 carats, was recovered with two other diamonds weighing 0.55 and 0.10 carats, indicating a potential concentration of large diamonds," Leveille said.

He said the average size of the diamonds was similar to those found on concessions nearby and their high quality was typical of Namibia's marine diamonds.

The company, which is actively involved in the acquisition, exploration and development of major mineral properties in Namibia, is currently exploring in a new block, EPL3403, which lies next to the De Beers Marine Atlantic One deposit.

Afri-Can secured the EPL 3403, making an undertaking with an Italian company, International Mining and Dredging Holding (IMDH), in which Afri-Can will acquire 100% of the block without any cash, but by giving IMDH 48million shares. IMDH will end up with 17% ownership of Afri-Can.

The agreement also gives Afri-Can access to IMDH's vessel and equipment to extract diamonds.

"EPL 3403 has a resource estimated at about 100million carats and is currently producing 1.1million carats a year, sold at over \$400 per carat, which makes it the most profitable marine diamond project currently in operation," he said.

Leveille said all data and geological logs from the samples were being analysed to define the potential boundaries of the proven and potentially mineralised areas.

The sampling programme begins the evaluation of diamond potential of the southern portion of the block and the investigation of diamond presence and areas of possible diamond concentration in the northern region.

Leveille said the spirit in the company's exploration project had been lifted by the arrival of Dick Foster in 2001 to head Afri-Can's geology team, after he had spent 35 years with De Beers.

"He brings a wealth of experience to the team and we are very happy with what he achieved in his career since 1964 in the industry," Leveille said.

"The results of this first sampling phase have exceeded our expectations. Our diamonds' size is in line with attractive regional average diamond sizes and we have found at least three deposits.

"In addition, the diamond market is very robust and saw an increase of 30% in rough diamond prices in 2010.

"Namdeb increased production by 58% to almost 1.5million carats last year at a selling price over \$500 per carat.

"We expect the diamond market will remain robust for many years as demand surpasses supply. New diamond mining projects are few.

"We feel that we are sitting on a strong project in a very solid industry," he said.

He said Afri-Can was planning the next exploration phase, which would include a geophysical survey.

"The goals are to start delineating inferred resources in the southern region, to define the boundaries and extensions of the known mineralised areas, and to investigate other potentially mineralised areas which appear similar to those already discovered.

"The northern region will also be the object of further exploration, and the programme will be designed once analysis of the data and geological logs is completed," he said.

Quinton George, an analyst at Trinity Asset Management, said Afri-Can was a small company which had spent much time exploring in block J.

"But their new project is exciting.

"The fact that they have partnered with the Italian company to give them access to their ship and the equipment to extract, strengthens the company's potential," he said.

Last month Afri-Can announced it planned to list on the JSE before year end.

Leveille said the move was motivated by the company's shareholding of between 20% and 30% by South Africans.

"We would like to offer them a local trading platform and also expand our future funding in SA."

Source: <http://www.timeslive.co.za/business/article1090155.ece/Sparkling-diamond-haul-snatched-from-the-sea>