

HUGE DIAMOND DISCOVERED IN BOTSWANA

A rare tennis ball size diamond has recently been unearthed in the southern African country of Botswana. It is only second in size to the largest and most famous diamond ever found anywhere, the 3,106 carat Cullinan stone found in South Africa in 1905.

The 1,111 carat gem-quality stone was found the week of November 16, 2015, at the Karowe Mine located in central Botswana, said Lucara Diamond Corp., the Vancouver based company that owns and operates the mine. It was among a cache of huge white diamonds discovered at the Karowe Mine that week, including a 374 carat gem, and an 813 carat stone the company said was the sixth largest ever found. One carat is equal to 1/5th of a gram.

“I am truly at a loss for words,” said Lucara Chief Executive William Lamb. “We are truly blessed by this amazing asset.”

The Cullinan stone was cut into several large, polished gems, including the Great Star of Africa, and the Lesser Star of Africa, which are housed with Britain’s crown jewels in London.

Botswana, along with neighboring countries of South Africa and Namibia, is one of the largest producers of mined diamonds in the world.

Phil Swinfen, a securities analyst with Numis Securities, said that it is hard to place a value on a large diamond without more information on its color, or the ways it could be cut. Mr. Swinfen, a former mining geologist, said the Lucara diamond could possibly fetch between \$40 and \$60 million, or more, based on recent sales of diamonds the company had found. Lucara recently sold a 342 carat type Ila diamond discovered in April, 2015, for \$20.55 million, equivalent to \$60,087 per carat.

“Given that this stone is likely to be historically significant, the value could take on a life of its own and achieve significantly more—all flowing straight to Lucara’s bottom line”, Swinfen said. “This is immensely good news for Lucara, perhaps the best week in the company’s history”.

The stone is a type Ila diamond, meaning it is a good quality diamond nearly devoid of any impurities, It is the largest Type Ila diamond found in over a century, and the biggest ever dug up by machines.

Global diamond production is expected to peak in 2017, when 164 million carats are forecast to be produced, according to McKensey & Co. After that, production is predicted to go into a long-term decline.

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