TORONTO, Sept. 15, 2017 /CNW/ - Rockwell Diamonds Inc. ("Rockwell" or the "Company") (TSX: RDI; JSE: RDI) provides a further update as to the developments with respect to its three subsidiaries in South Africa which are currently in business rescue. These subsidiaries are Rockwell Resources RSA (Pty) Ltd (Rockwell RSA), HC van Wyk Diamonds Ltd (HC van Wyk) and Saxendrift Mine (Pty) Ltd (Saxendrift).

The Company has had several discussions with three parties regarding a rescue transaction, resulting in a letter from counsel for one of the interested parties to Metis Strategic Advisors, the business rescue practitioners (BRPs), on September 13, 2017. The letter informed the BRPs that an offer was to be expected, it was in excess of liquidation value, and they were invited to a meeting to finalize this for September 18, 2017. The BRPs have been involved in such discussions for some weeks. Notwithstanding this, the BRPs made a motion yesterday in the Kimberley High Court to place the three subsidiaries back in provisional liquidation and informed us today that they have started the process to place the Wouterspan mine on care and maintenance, a decision which will be reviewed should an acceptable transaction as described above be received. The court date is set for Friday, 22 September 2017.

This application follows a month in August when operations under the BRPs' direction at the Company's Wouterspan mine were breakeven before BRP costs, where grade was 0.77 cts per 100 cubic meters, prices achieved exceeded plan, but volumes remained below plan at 77,000 cubic meters. Budget was for 175,000 cubic meters, and the operations had never reached plan under the BRPs' three months of direction.

The Company is unclear why the BRPs chose not to wait to file such motion based on the outcome of the final discussions regarding a proposed transaction, when written assurance had been provided that the offer would exceed liquidation value. The Company plans to continue the discussions on September 18, 2017, and is advised that one BRP has agreed to attend while the other is not available for personal reasons. The Company will provide a further update after such meeting.

About Rockwell Diamonds

Rockwell is engaged in the business of operating and developing alluvial diamond deposits. The Company also evaluates consolidation opportunities that have the potential to expand its mineral resources and production and provide accretive value to the Company.

Rockwell has set a strategic goal to become a mid-tier diamond production company with specific focus on the Middle Orange River region in South Africa.

As at the date of this document, Rockwell's subsidiary in South Africa (Rockwell Resources RSA Pty Limited) and its two subsidiaries (HC van Wyk Diamonds Limited and Saxendrift Mine Pty Limited) were being operated under Business Rescue Management as ordered by the Court, following an application by creditors of the three South African subsidiaries on May 18, 2017.

Rockwell's common shares trade on the Toronto Stock Exchange and the JSE Ltd under the symbol "RDI". Trading of Rockwell's shares remains suspended at the request of the Company.

No regulatory authority has approved or disapproved the information contained in this news release.

Forward Looking Statements

Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

Factors that could cause actual results to differ materially from those in forward-looking statements include uncertainties and costs related to the transaction and the ability of each party to satisfy the conditions precedent in a timely manner or at all, exploration and development activities, such as those related to determining whether mineral resources exist on a property; uncertainties related to expected production rates, timing of production and cash and total costs of production and milling; uncertainties related to the ability to obtain necessary licenses, permits, electricity, surface rights and title for development projects; operating and technical difficulties in connection with mining development activities; uncertainties related to the accuracy of our mineral resource estimates and our estimates of future production and future cash and total costs of production and diminishing quantities or grades of mineral resources; uncertainties related to unexpected judicial or regulatory procedures or changes in, and the effects of, the laws, regulations and government policies affecting our mining operations; changes in general economic conditions, the financial markets and the demand and market price for mineral commodities such as diesel fuel, steel, concrete, electricity, and other forms of energy, mining equipment, and fluctuations in exchange rates, particularly with respect to the value of the US dollar, Canadian dollar and South African Rand; changes in accounting policies and methods that we use to report our financial condition, including uncertainties associated with critical accounting assumptions and estimates; environmental issues and liabilities associated with mining and processing; geopolitical uncertainty and political and economic instability in countries in which we operate; and labour strikes, work stoppages, or other interruptions to, or difficulties in, the employment of labour in markets in which we operate our mines, or environmental hazards, industrial accidents or other events or occurrences, including third party interference that interrupt operation of our mines or development projects.

For further information on Rockwell, Investors should review Rockwell's home jurisdiction filings that are available at www.sedar.com.

SOURCE Rockwell Diamonds Inc.

Contact
on Rockwell and its operations in South Africa, please contact: Stephen Le Roux, Operations Manager MOR, +27 (0)82 300 4184; David Tosi, PSG Capital - JSE Sponsor, +27 (0)21 887 9602