

MEDIA RELEASE

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Corporate Producers Increasingly Important In Diamond Industry

Mr Gordon Gilchrist, Managing Director of Argyle Diamonds today commented at the Australian Diamond Conference on the increasing importance of corporate producers in the diamond industry.

Rio Tinto is one of the worlds leading mining houses with a turnover in 2000 of US\$9.9B. Rio Tinto owns 100% of the Argyle and Merlin mines in Western Australia and the Northern Territory respectively and has a 60% share in the Diavik Mine in Canada.

“Taken together these Rio Tinto diamond productions represent a current investment in diamonds in excess of US\$1B. Importantly they provide a complementary range of production from the affordable Argyle diamond through to the Merlin and Diavik products at the top end of size and quality and therefore price.”

Mr Gilchrist also presented an overview of the diamond industry which included the key issues of:

- Continued build up of stock
- High levels of debt
- Declining consumer confidence

“The economic fall out of the events of September 11 in terms of impact on the diamond industry is still to be felt. However, it is more than likely to provide a suppressant to short term price growth. It is critical therefore that all producers remain focused on demand growth as the driver of prices and profitability.”

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