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THE COLORED DIAMOND ANALYST

Volume 2, No. 29
June 2021

THE ARGYLE EFFECT

Perhaps the single most positive influence in the development of the brown diamond market occurred 20 years ago with the groundbreaking effort of the Argyle Mine company in Australia to market browns for the rare and distinctive diamonds that they are. They developed a descriptive language for brown diamonds using names like cognac, champagne, amber and burnt orange to better describe the full range of brown diamonds coming from their mine.

To explain the color range to both trade and public, they also created their own color grading scale, further promoting the perception of different nuances in brown diamonds. Argyle also initiated a jewelry design competition specifically for brown diamonds. And the major design houses have embraced brown, often with stunning effect! They have become the favorite of cutting-edge Italian designers like Pasquale Bruni, Damiani and Alfieri and St. John and are now regularly found for sale at Tier 1 & 2 Auction Houses beside their more expensive counterparts.



0.50 ct radiant Fancy Pinkish-Brown
Courtesy Fancoldi

PREMIER DIAMOND REVIEW COMMENTS

Today, brown diamonds are truly a world unto themselves! In May 2001, a 4.51 Fancy brownish orangy yellow diamond of good clarity sold at Phillips Auction House in Geneva for an incredible [\\$25,641.00 USD per carat](#). Perhaps it was this groundbreaking price that set the stage for brown diamonds to take their rightful place as a regular item in auction house catalogues.

It is no longer unusual to see brown diamonds at auction. In November, 2003 three brownish yellow diamonds of 2.70, 2.82 and 6.14 carats with modest SII clarity gradings, sold for [\\$12,083, \\$11,569, and \\$12,158 per carat](#) at Christie's, Geneva. These 3 stones have set the tone going forward for full acceptance of brown and brown modified diamonds at auction.

Deep brown diamonds, especially those with an orange modifier (burnt orange) are arguably among the most visually spectacular-colored diamonds on the planet and currently among the most affordable! But for how long? David Federman, in his book, "Consumers Guide to Colored Gemstones" is more emphatic. He writes, "Another fancy color diamond dealer wears a diamond wedding ring with a 1 carat brownish orange emerald cut stone, reminiscent of peak color autumn orange foliage that is among the most beautiful diamonds this writer has ever seen. Yet the cost to a consumer of a similar best of breed brown would be far less than that of the finest white 1 carat diamond – even though the brown stone is rarer!"

THE ASCENT OF ENTRY LEVEL COLORED DIAMONDS BROWN DIAMONDS AT AUCTION

DATE	CITY	HOUSE	LOT#	SHAPE	SIZE	COLOR	CLARITY	PRICE/CT	TOTAL
11/01/2015	New York	Christie's	307	CC Rectangular Modified Brilliant	2.80	Brown-Orange	SI2	\$11,607.00	\$32,499.60
12/01/2015	New York	Christie's	476	Rectangular	11.62	Deep Brown-Orange	VS1	\$21,084.00	\$244,996.08
04/01/2017	New York	Christie's	188	Oval	5.16	Brown-Orange	VS2	\$20,591.00	\$106,249.56
04/01/2017	New York	Christie's	189	Cushion	6.19	Brown-Orange	VS2	\$26,252.00	\$162,499.88
04/01/2017	New York	Christie's	231	Round	5.59	Dark Orange-Brown	SI1	\$16,771.00	\$93,749.89

*Prices per carat do not include buyer's premium of up to 25%.

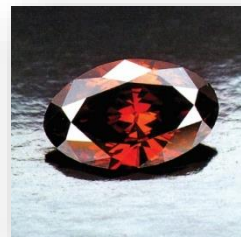
N.B. Since 2017 the Dealer level price of Deep Brown Orange Argyle colored diamonds has doubled!



1.51 ct Fancy Deep Brown Orange Colored Diamond



.17 Fancy Deep Orange Colored Diamond



0.76 ct oval Fancy Reddish-Brown
Courtesy Fanoldi



1.09 ct round Fancy Orange-Brown
Courtesy Fancoldi

TOP VALUE BUY: DEEP BROWN ORANGE (BURNT ORANGE) DIAMONDS

When we look at the intensity and color of the Deep Brown Orange and Deep Orange diamonds above to the left, we see two colored diamonds that are visually similar. Price wise, the difference is staggering. Deep Brown Orange diamonds of 1 carat currently sell for under \$20,000 per carat. A 1 carat Deep Orange diamond will fetch approximately \$450,000 depending on clarity. Both diamonds are rare commercially and in nature. In our opinion, the Deep Brown Orange diamond is extremely undervalued. Purchasers agree. We have seen prices double since 2017 on many Deep Brown Orange diamonds. We think the “Argyle Affect” will cause these beautiful stones to follow along with their more valuable Pink relatives and make a significant upward adjustment. There is currently real value in Deep Brown Orange diamond ownership!



A Suite of brown diamonds with varying overtones.
Courtesy Fancoldi

THE END OF THE 'RAREST DIAMONDS IN THE WORLD' IS AT HAND!

Financial Post, Claire Ballentine Oct. 2019



The annual Argyle Pink Diamonds Tender is arranged for a photograph at the Argyle diamond mine
Courtesy: Carla Gottgens/Bloomberg

For 30 years, dealer John Calleija has been purchasing rare gems from Rio Tinto Group's Argyle mine in remote Western Australia, home to 90 per cent of the world's prized pink diamonds.

On a recent rainy afternoon in New York's Peninsula Hotel, the Australia-based Calleija studied some of the rarest pink and red stones through a magnifying glass as part of Rio Tinto's annual pink diamonds tender, which held a total of 64 diamonds making up 56.28 carats. The intense quiet in the room was broken only by Calleija's occasional murmurs of approval at the gems' cut and clarity.

The stones themselves are always breathtaking, but this year's tender also had a heightened sense of nostalgia. The Argyle mine is set to close at the end of next year, now that its supply of economically viable jewels has been exhausted.

Since it opened in 1983, the mine has produced more than 865 million carats of rough diamonds for both ends of the price spectrum. Now it's down to the last 150 carats of polished pink diamonds. For pink diamonds the effect could be massive, says Larry West, owner of LJ West Diamonds in New York. "These are the rarest diamonds in the world," he says. "There is nothing like it, and the mine can never be duplicated."

According to Rebecca Foerster, president for North America at Alrosa PJSC, the prices for pink diamonds have risen 300 per cent in the past decade.

"Since there are no other equitable sources of pink diamonds, we can expect that after the closure of the Argyle mine, the market will face a shortage of pink diamonds supply going forward," she says.

Rio Tinto's own data show that the prices for their Argyle pink diamonds have risen 500 per cent since 2000, though it won't reveal the specific amount bidders have paid at any of its tenders.

But industry insiders know Olya Linda, a partner at Bain & Co. in Moscow who studies metals and mining, says pink diamonds go for about US \$1 million to US \$3 million a carat.

It's easier than ever to know the true value because, as West says, "we're in the information age, and people find out what is really rare and what isn't."

Rio Tinto's tenders are legendary as well with stops in Perth, Singapore, London, and New York before bids close. They're shrouded in secrecy as interested buyers place a sealed bid, and the winner is notified at the tender deadline.

Rio Tinto will continue to tender its pink diamonds until the mine closes in 2021, says Alan Chirgwin, the company's vice president for sales and marketing. But dealers are already starting to look elsewhere. "The thing about Argyle is that it's the only consistent source of pink supply," Chirgwin says.



Pink Star Colored Diamond Sold in Hong Kong for \$71.2 million
Source: Sotheby's Hong Kong, April 2017

“We see pink diamonds from time to time from other operations, but none produce in a consistent way like Argyle.”

The Argyle closing is expected to bring renewed attention to pink diamonds at auction as buyers snap up limited supply.

“These are collectibles, and there is an investment value considered,” West says, “Especially in Australia, they have pink diamonds in people’s portfolios for their retirement funds.”

With benefits of ownership that include ultimate Privacy and a history of double digit yearly increases, this unique Wealth Accumulation vehicle is an opportunity that will not last long!

PINK DIAMONDS



Arguably, there is no other Hard Asset that commands the attention of individuals interested in Wealth Accumulation and Asset Security than Pink Diamonds! Pink Diamonds are found only in a few countries of the world, South Africa, Brazil, and Australia. They are the rarest and most sought after of all colored diamonds.

Although countries such as South Africa and Brazil have produced large pinks (some as large as 75 carats) the great majority are under 1 carat. Colored Diamonds are usually pastel colored (referred to in the trade as Bubblegum). In fact, it was most unusual to find a deeply colored Pink, until the discovery of the Argyle mine in Australia in 1979. This new find of **Argyle Super Pinks** were smaller in overall size (1 carat+ is rare) but the color was unlike anything anyone had ever seen. Ranging from Intense to Deep and Vivid as well as Red, these stones immediately commanded the attention of the industry and began to establish record prices at auction.

THE ‘SMART’ MONEY

As Investors increasingly view the Stock Market through a different, more cautious lens, the search for Portfolio Diversification that incorporates less volatility, with potential double-digit gains and increased personal Privacy has intensified.

Argyle Pink diamonds are answering the Bell for many! Pink Diamonds come in a variety of color combinations and at a variety of price levels. All are rare in nature! With some, prices are not yet fully reflective of that rarity!

Brown Pinks under 1 carat are the “entry level” position for those wanting to be part of the Pink Diamond “Flight to Quality”! They possess the same upward price potential but at a more affordable price point!

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