

PINKS

Take Flight

The 2014 Argyle Pink Diamonds Tender was a stunning array of these precious gems.

By AMBER MICHELLE



Like the plumage of an exotic bird, 54 of the rarest pink diamonds in the world fluttered into New York City as one stop on Rio Tinto's 2014 Argyle Pink Diamonds Tender world tour. This year's tender theme was birds and the star of the tender was the 1.21-carat SI2 radiant-cut fancy red Argyle Cardinal, named after the North American bird known for its bright color.

A highly anticipated invitation-only event for about 150 dealers, collectors, luxury retailers and connoisseurs globally, the tender showcases the Argyle mine's top diamonds. "The pinks are iconic," says Alan Davies, Rio Tinto diamonds and minerals chief executive officer (CEO), who was in Manhattan for the event. "The production of pink diamonds is only one-tenth of 1 percent of what we produce. They are rare and getting rarer. This year is special because we have four red diamonds." In fact, there have been only 13 reds in the tenders' existence. The rest of the mine's production is made up of the more abundant Champagne and Silvermist diamonds.

This year celebrates 30 years since the pink tender began and during that time, it has consistently been comprised of 50 to 60 stones. The 2014 tender showcases four Gemological Institute of America (GIA)-graded fancy red diamonds, 12 round brilliant cuts and a 2.28-carat emerald-cut fancy intense pink diamond, one of the only stones with a clarity of VS or greater ever offered at tender. Since the theme of this tender was rare birds, the top three hero stones were named for birds, with the Argyle Toki, a 1.59-carat SI2 fancy intense purplish pink, and the Argyle Rosette, a 2.17-carat VS2 purple pink, joining the Argyle Cardinal in the top spots.

To commemorate the thirtieth anniversary of the Pink Diamonds Tender, Rio Tinto created 100 limited-edition pink diamond plume necklaces inspired by the rare



Above: The Argyle Pink Plume is a limited-edition pink diamond-encrusted feather pendant. **Opposite page, top to bottom:** Argyle Cardinal, Argyle Rosette, Argyle Toki. Photos courtesy Rio Tinto.



bird theme of the 2014 tender. Retailing for \$26,000, the plume takes its place in the jewelry world with other iconic jewels using the same feather motif. Pink melee set in a swirling plume of rose gold dangles gracefully from a chain with diamond stations. The plume contains just over 1 carat of pinks.

“When we look back over the course of years and we look back at what we have produced, it seems like a stable supply,” remarks Davies, who notes that Argyle supplies more than 90 percent of the pinks and reds to the market in any year. To put this in a broader perspective, according to Rio Tinto figures, “Less than 1 percent of the world’s 140 million carats of diamonds are pink and more than 90 percent of those pinks come from the Argyle mine.”



One thing that has changed is the pricing. While prices paid for the stones in the tender are not revealed, Davies confirms that prices have increased dramatically over the years and there is potential for them to increase further in the future. “The price per carat is in the imagination, interest is very strong and the pink diamonds are strongly sought after. Prices can be multimillion dollars per stone,” comments Davies. “The conditions are in place for considerable price appreciation. The Argyle mine is closing and there is limited production of pinks. They are desirable, popular and rare and they can be polished and set as a single stone or into a fashion piece. And the pinks are in place as a collector’s stone.”

This, of course, leads to the next question: Will the Argyle mine really close down in 2020 as currently scheduled? “There is more ore after the anticipated 2020/2021 closing date. But whether or not the mine closes is an open-ended question. That depends upon the economics as to whether or not mining will continue underground. When we talk to investors, we tell them that it needs to make economic sense for the mine to continue,” concludes Davies.

With a wait-and-see stance on the future of the Argyle mine, the next few years — as Davies predicts — could well give an added push upward to pink prices as demand increases and supply dwindles. ♦

