

Think Pink.



Looking for something uniquely Australian, yet entirely out of the common run?

By Peter Rose

So: here you are in Australia, and you are looking for the ultimate souvenir. It's not your first trip – you got the boomerang for your son last time, and your wife is speaking to you again, just.

The land and the wildlife aside, Australia has little that is truly unique – even the population is largely imported, so what do you get?

How about a small pink piece of Australia?

In 1979 geologists were continuing a search in Australia's north-west that had already revealed several small deposits over the previous few years. The search narrowed down to the headwaters of Smoke Creek, 35kms from Lake Argyle, and crews started to make their way up the stream bed, arguing that alluvial diamonds in the bed meant a rock deposit higher up. One of the geologists spotted a diamond in the wall of an anthill. They had arrived.

Several years of test digging and drilling proved the commercial viability of the mine, now the world's largest, and the Argyle Mine was commissioned in 1985.

Production is tailing off as the deposit "pipe" gets narrower and deeper. The mine has produced over 670 million carats of diamonds, 75% of which are of gem, or near-to-gem quality. The remainder are industrial diamonds. The average size of the rough stones is tiny at 0.1 of a carat (a carat being a

fifth of a gram). The largest stone discovered to date weighs 42.6 carats.

A small but consistent element of the production has been pink diamonds, varying in intensity from faint to deep pink.

Market research revealed that there was potentially a very strong market for these pink diamonds. Prior to the development of the Argyle mine, pink diamonds were only sporadically available in the market, and in very limited amounts. While the Argyle production wasn't big either, it was consistent, and the pink diamond was adopted as the brand by which the Argyle diamond mine would become known. The very finest of these pink diamonds are marketed via special tenders to which a select number of buyers are invited. Interest is intense. About 40-50 carats are sold a year, at an average of 1 carat per stone. Prices exceed USD100k per carat. A "flawless" white diamond might cost a tenth of this.

Larger stones change hands for real money. A decade ago at a Christie's auction in New York a 3.14 carat Argyle pink diamond sold for USD1.5million.

For years and years the diamond industry has been telling the consumer that the 4 "C"s, Colour Clarity Cut and Carat were the variables that mattered, with the lack of colour being the driver – the clearer and whiter the diamond, the better. All that goes out the window when you are looking at

coloured diamonds. For they are truly rare. Colour (or better, Hue) is judged by shade, by intensity or saturation, and by tone. Tone is the appearance of other hues – brown or grey – that make the stone lighter or darker. Saturation is the amount of hue, and shade is shade, from faint pink to deep purplish red.

Buying diamonds, for the non-expert, can seem difficult. Buying a diamond of investment grade, as these fancy coloured stones are, is adding layers of complexity to the process. You need a good and trustworthy gem dealer or jeweller. The largest holder of Argyle Pink Diamonds in the world has an outlet in Sydney, in the Queen Victoria Building. On the face of it, just another jeweller, but the discrete flecks of pink in the window give the game away. Mondial Neuman specialise in Argyle Pink Diamonds, and being jewellers can help you decide on the right setting for a special stone. They unconditionally guarantee their stones, each of which comes with an Argyle Mine certificate, and will buy them back after a year for the same price you've paid, so confident are they that the value will hold.

So there is your unique souvenir: a small pink chip off the Australian block. That's your daughter taken care of. Now what about your much-boomeranged wife?

Can I interest you in another small pink stone...?



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