

Argyle Tender Showcases 60 Pinks

By Alan Bronstein



Australia's Argyle Mine wowed select dealers with the "best of the best" pink diamonds from its yearly production during its 20th Annual Pink Diamond Tender. Sixty rare pink diamonds were exhibited around the world for this year's auction of the mine's most coveted gems.



There has never been a disappointing show in the history of this private auction and 2004 was no exception. The array of colors unique to the Argyle Mine are a dream for collectors and connoisseurs with the best stones ranging from strawberry to raspberry to cherry pink and red. On occasion there is a paler bubblegum pink, but this is not the signature color of the mine. The pinks in this year's tender ranged in size from 50 points to 2.31 carats. The largest stone ever presented at an Argyle tender was slightly over 4 carats with only a handful of stones between 2 carats and 4 carats available. These unique colors are rarely, if ever, found in VS quality or better and are almost never larger than 2 carats. Approximately 1,200 pink diamonds have been sold through the tenders during the past 20 years and the gems average in price around \$100,000 per carat and higher.

The Stones

A breakdown of the 60 stones in the 2004 tender reveals the following facts:

Size. Thirty-six stones weighed less than 1 carat, 20 stones weighed between 1 carat and 1.60 carats and four stones were between 2 carats and 2.31 carats. The four stones above 2 carats were SI2 to I1 clarity.

Clarity. The breakdown of the clarity of the stones shows that there was one stone of VS1 clarity, five stones of VS2 clarity, ten stones of SI1 clarity, 16 stones of SI2 clarity, 26 stones of I1 clarity and two stones of I2 clarity.

Color. Twenty-five stones were graded Intense Pink or Purplish Pink, 23 stones were graded Deep Pink or Purplish Pink, nine stones were graded Vivid Pink or Purplish Pink, two stones were graded Fancy Purplish Red and one stone was graded Fancy Red.

Viewing 25 Intense Pink/Purplish Pink stones side-by-side is a rare lesson in the range of one color grade. Twenty-three Deep Pink/Purplish Pink stones present an even broader category of what is considered one color grade. This experience serves

as a lesson in the individuality of all natural colored diamonds. While these examples of grading are based on the Gemological Institute of America (GIA) nomenclature, the HRD lab in Antwerp also graded the stones. Only 14 stones had the same color description out of 57 stones graded by both labs — a reminder of the subjectivity of colored diamond grading between labs.



The Action

Anticipation filled the air as the collection moved around the world from New York to Hong Kong, to Perth to Tokyo, to London to Antwerp and finally to Geneva where the sealed bids were delivered by 4:00 pm Swiss local time on Friday, October 8. The process of assessing the bids followed.

The tender created a lot of buzz as international collaborators asked each other: “Did you see it? What do you think? Do you want to bid on this stone together?”

There were a few prizes, but it was obvious to the attendees that there is a diminishing quality of goods from a mine that is rapidly reaching the end of its resources. The Argyle Mine will close in 2007 unless a feasibility study shows that a profit can be made through underground mining rather than from the open pit that has crafted one of the world’s largest craters over the past 25 years. The thought of the mine’s extinction stirs some people to be extremely aggressive in their future price estimates, while others use the moment to lament about past tenders that offered larger and better choices in color and quality. However, the tender is still the best there is to offer for the most unique pink diamonds.



The Results

After eight-and-a-half hours of sorting through the bids, David Fardon, who runs the tender and is the manager of the polished division of Argyle Diamonds, notified the lucky winners.



Of the 200 attendees worldwide last year, 60 placed bids and a record 18 winners took home at least one of the 48 stones offered. This year, with approximately the same number of attendees, there was a record number of bidders and 23 winners shared in the 60 stones offered. Only Argyle management knows who won the goods and what prices were paid. Based on the increased number of bids — and winners — it seems that the competition was furious and the offers very high. Argyle has made vague statements in the past that the average price paid at a tender was \$100,000 per carat. Using this number as an indicator, the 2004 sale of 55.53 carats of pink diamonds yields at least \$5.6 million for the mine. Ultimately, many of the stones will reappear on the market through their new owners and will eventually find their way to connoisseurs or collectors.

The Argyle Tender serves as more than just an interesting sale of a few unique diamonds. It generates worldwide activity and buzz among the biggest players in the jewelry industry, stimulates the wholesale market and has a ripple effect on the colored diamond market. Pink diamonds are hotter than ever and the success of the 2004 tender shows that worldwide demand is coming as much from the consumer as from the diamond dealers and collectors.

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