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BY DAVID BRUMMER

EDITOR'S NOTE

Winds of Change in the Diamond Industry

At May's World Diamond Congress in Dubai, the main themes were transparency, responsibility and sustainability, with one of the special sessions focusing on industry financing. It feels a little ironic that barely a month after the event concluded, the diamond industry finds itself dealing with two critical issues.

The first is Standard Chartered's less-than-shocking decision to remove itself from the diamond and jewelry sector. The London-based bank was one of the largest lenders to the diamond industry midstream, with estimates that it lent \$2 billion, but it announced in March that it was seeking greater protection, i.e. reduced risk from its activities in the diamond industry.

Standard Chartered clearly did not think that any assurances given at either the micro- or macro-level were enough to encourage the bank to remain committed to the sector. And, it has since joined other financial institutions such as Antwerp Diamond Bank, Royal Bank of Scotland and ABN Amro's comparable decisions to

scale back their loan businesses. The loss of a further source of capital is a blow to the industry and makes already hard to come by financing more challenging still.

The other issue relates to the theme of transparency and responsibility – trust – and to one of the biggest names in the diamond jewelry industry – Kay Jewelers. In a business where reputation accounts for so much, the allegations of diamond swapping in jewelry sent for repair to Kay's, a subsidiary of Signet Jewelers, is concerning.

Signet CEO Mark Light released a strongly worded statement on behalf of the jewelry retailer, saying that its commitment to customer care has been one of the cornerstones of its more than 100-year success.

The US jewelry market has been in a positive mood for the last several months, but IDEX Online Research suggests that although April's jewelry sales were positive, May is often a difficult month – despite the impact of Mother's Day. Jewelry sales in May 2015 were particularly weak, so we will have to wait and see what effect the Signet situation will have on consumer confidence and ultimately, sales for the remainder of 2016.

TALK TO US



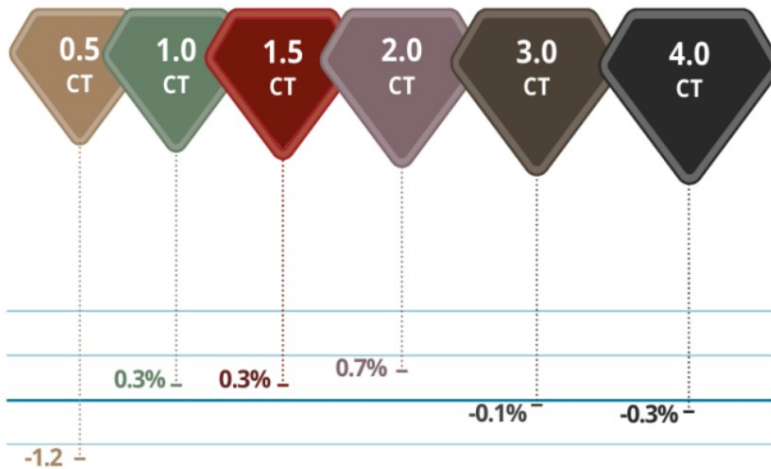
MARKETSNAPSHOT



PRICES UP
0.2%
IN MAY

POLISHED DIAMONDS

THE STABILITY CONTINUES THAT HAS BEEN APPARENT SINCE THE START OF THE YEAR WAS REFLECTED IN POLISHED DIAMOND PRICES IN JUNE. **PRICES SHOWED A 0.2-PERCENT INCREASE COMPARED TO MAY.**

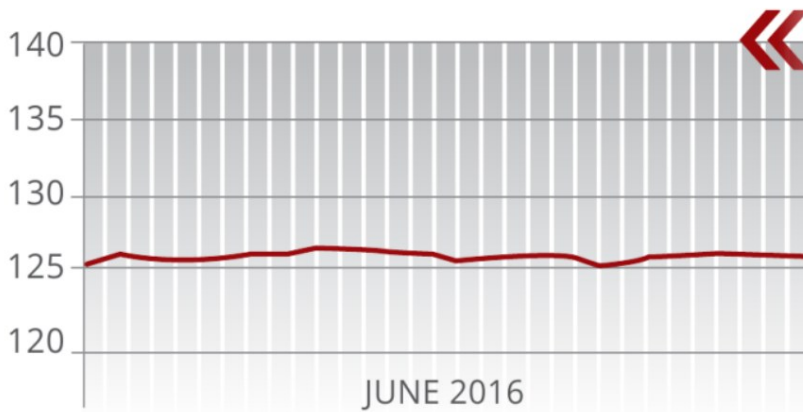


ON A MONTH-OVER-MONTH BASIS, **PRICES FOR DIFFERENT SIZED DIAMONDS SHOWED MINIMAL FLUCTUATION, EITHER UP OR DOWN.**

SPECIALTY JEWELERS POSTED A MODERATE SALES **GAIN OF 3.6 PERCENT IN APRIL.**

POLISHED DIAMONDS DAILY INDEX

THE INDEX **BEGAN THE MONTH AT 125.1 AND ENDED AT 125.3.**



METAL PRICES IN JUNE US\$ PER OUNCE

*Prices as of 30.6.16
Source: Amark.com



Palladium 572.75 (8.9%)
Platinum 998.5 (4.98%)
Gold 1,268.4 (8.3%)
Silver 17.38 (14.8%)

ROUGH:

IN GENERAL, THE MARKET IS SLIGHTLY DOWN WITH POORER DEMAND FOR POLISHED GOODS. DE BEERS' FIFTH SIGHT OF THE YEAR GENERATED SALES OF APPROXIMATELY \$560 MILLION, IN-LINE WITH COMPANY ESTIMATES OF LOWER DEMAND. THERE WAS BIG VARIATION IN THE PREMIUMS BEING PAID FOR VARIOUS ITEMS. SOME BOXES SOLD AT 7 PERCENT TO 10 PERCENT PROFIT, WHILE OTHERS WERE SOLD UNDER COST PRICE. ACCESS TO MONEY IS GETTING TIGHTER, WITH EVIDENCE THAT BUSINESSES ARE STILL FINDING IT DIFFICULT TO SECURE CREDIT. (COURTESY OF BLUEDAX.COM)

US JEWELRY SALES

FINE JEWELRY SALES **ROSE BY AN ESTIMATED 5.3 PERCENT** IN APRIL, WHILE FINE WATCH SALES ROSE BY A MORE ROBUST 6.4 PERCENT. TOTAL SALES OF FINE JEWELRY AND FINE WATCHES IN THE US MARKET IN APRIL WERE AN ESTIMATED \$5.9 BILLION.

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MEMO

BY DAVID BRUMMER

We hear a lot these days about “authenticity,” how companies and brands should be true to their principles (of course they still exist... the principles, I mean), and how this can attract new consumers and help retain existing ones. The word authenticity seems to be used a lot in relation to Millennials, as though they are the true guardians of the zeitgeist.

It is clearly also relevant to other generations too, but with the pace of technological change and the sped-up world in which we live seemingly driven by the ingenuity and know-how of those born between 1980 and 1998(ish), it pays to try and understand this phenomenon.

Writing on LuxuryDaily.com, founder and CEO of CreativeFeed Arthur Ceria said that, “the notion of ‘authentic’ no longer resonates with me and probably most of the jaded urban consumers who are associating it with insincerity and cash-grabbing.



Maybe it is time to reconsider the language of anti-authenticity.”

My take on that is slightly different, however. Perhaps Millennials are not only looking for their products and brands to be authentic, but they are seeking authenticity in themselves.

I’m sure that professional marketers will tell you that all consumers, not just Millennials, try and use products and brands that reflect their personal



Keeping It Real and Choosing Authenticity

tastes and preferences, be they retail, cultural or even political. The difference in 2016, from say 10 years ago, is the rapidity with which the dissatisfied can broadcast their opinions. There are now so many ways to publicly express displeasure: a cut by a 140-character tweet, a Snapchat or Instagram post, and apparently to a lesser extent these days among the younger generation, a Facebook post.

Recently, I wrote about the DPA and the (at-the-time imminent) arrival of its new tagline to attempt to attract Millennials in particular to purchase diamonds. In a *Financial Times* interview this week, DPA CEO Jean-Marc Lieberherr said, "We want to forge a deep and durable connection with the Millennial consumer. They are the future of the category."

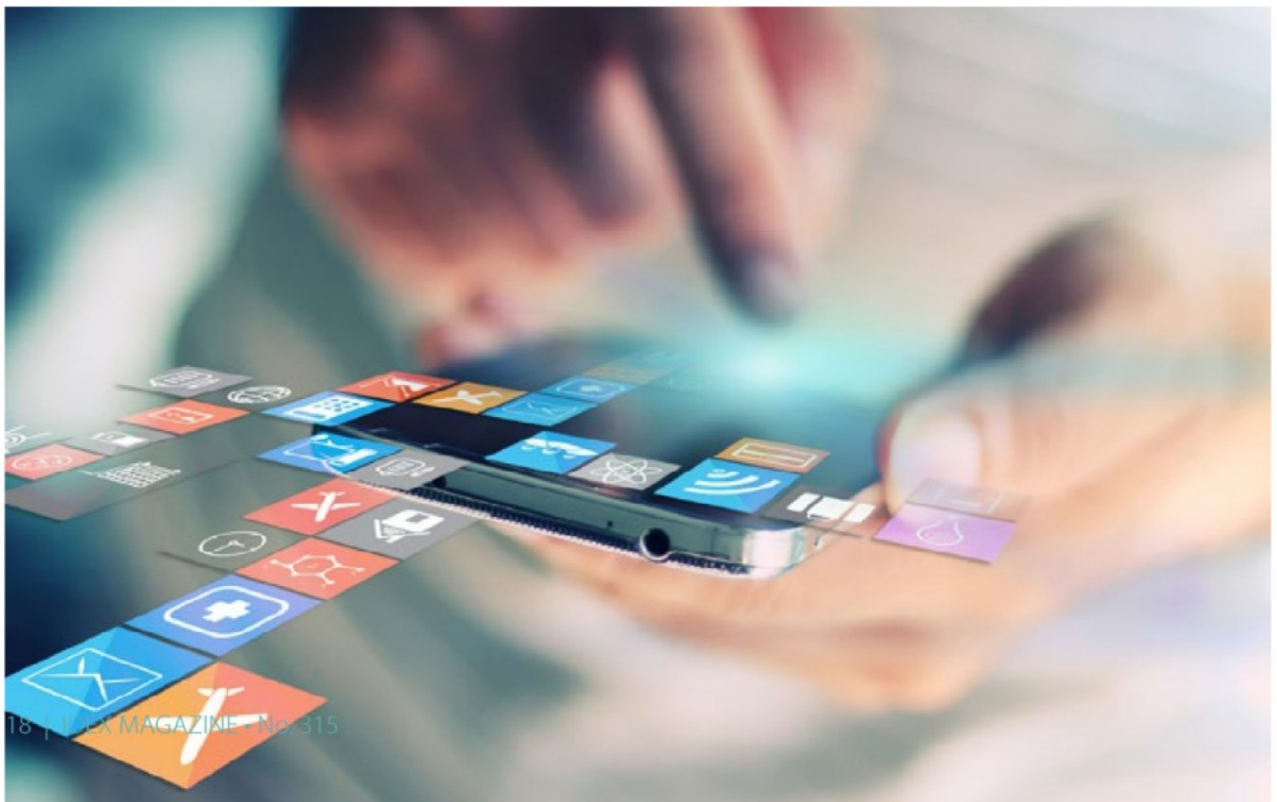




The number of Millennials and Baby Boomers in the US is roughly equal in size, yet the spending power of the latter is significantly more potent. Millennials, however, spend as much on diamond jewelry as Generation Xers, and it would appear that marketing efforts are being made specifically with the younger generation in mind. It is thought that the DPA, for example, will take a multi-layered approach consisting of video advertising on digital platforms including YouTube, payTV and social media channels.

We live in an age when there are infinite ways to be connected to the virtual world around us, through Wi-Fi, cell phones, laptops and tablets, and yet recent market research has shown that what people actually crave are deep, lasting connections with others. That might make marketing to Millennials seem enigmatic and difficult to pin down, but keeping it real by displaying sincerity and authenticity must be the way forward.

TALK TO US





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ROUNDS | JULY 2016

PRICEREPORT

Price changes in round diamonds were more pronounced in goods of less than 1 carat, albeit that there was less visible movement across all sizes than in previous months. Goods in the 1.00-1.24-carat range were largely static. Many items in the 3.00-3.99-carat range showed positive movements, but there was very little change in items sized 4 carats to 5 carats.

ROUNDS 0.45-0.49 01-JULY-16

	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3
D	50.0	42.5	36.5	32.0	28.5	25.5	25.0	23.5	21.0	16.5	11.5
E	41.5	38.0	31.5	29.5	26.5	24.0	23.5	21.5	17.5	11.5	10.5
F	37.5	33.5	30.0	27.5	26.0	23.5	22.5	19.5	16.0	10.5	8.0
G	33.0	30.0	27.5	26.0	25.5	23.0	20.5	18.0	15.0	10.5	8.0
H	29.0	25.5	24.5	24.0	22.5	20.5	18.0	15.5	14.0	10.0	7.5
I	25.0	22.0	21.0	20.0	19.0	18.0	17.0	15.0	14.0	8.0	7.5
J	21.5	20.5	20.0	17.5	17.0	16.5	15.5	14.5	13.0	8.0	6.5
K	19.0	18.5	17.5	17.0	16.5	15.5	14.5	14.0	10.0	7.5	6.0
L	18.0	16.5	16.0	15.0	14.5	13.5	13.0	11.5	9.0	6.5	5.5
M	16.5	16.0	15.0	14.0	13.5	12.0	11.0	10.0	8.0	6.5	5.0
N	15.0	14.0	13.5	13.0	12.5	11.0	10.5	9.0	8.0	6.5	5.0

ROUNDS 0.45-0.49 CARATS



D-F / IF UP 3%



K-M / IF DOWN 2.5%-3%

ROUNDS 1.00-1.24 01-JULY-16

	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3
D	210	167	147	115	107	82	70	60	49	32	18
E	163	140	116	105	93	79	65	56	45	28	16
F	127	118	108	101	87	76	64	55	43	27	16
G	107	99	92	88	80	73	61	52	40	27	16
H	84	83	80	78	73	66	56	49	37	24	15
I	69	68	65	64	61	58	50	45	36	21	15
J	60	57	56	53	52	49	45	40	31	16	14
K	50	48	46	45	43	41	38	33	28	16	14
L	45	44	43	41	39	36	33	30	26	16	13
M	41	39	37	34	32	29	27	26	24	16	12
N	39	38	36	33	26	24	23	19	16	15	12

ROUNDS 1.00-1.24 CARATS



E & J / IF UP 3%



K-L / SI1 UP 2.5%-3%

ROUNDS 3.00-3.99 01-JULY-16

	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3
D	882	621	536	452	328	234	165	99	81	48	23
E	590	518	425	362	307	213	156	98	80	45	20
F	501	436	365	308	289	187	145	94	76	40	20
G	367	332	309	271	226	178	128	92	71	37	19
H	263	250	233	223	189	142	119	88	70	36	19
I	207	197	187	173	156	122	108	81	61	34	19
J	165	157	155	141	129	113	98	70	56	29	18
K	138	133	127	118	103	89	79	66	54	23	17
L	108	103	102	92	84	70	67	58	48	22	17
M	86	84	82	81	72	64	56	46	38	22	16
N	71	68	63	59	48	46	45	41	33	21	16

ROUNDS 3.00-3.99 CARATS



E-F / IF UP 2%-3%



J-L / VVS2 UP 3%





FANCIES | JULY 2016

PRICEREPORT

There was not much movement in fancy goods during the month. Items in the 1.00-1.24-carat category showed localized increases. Goods sized 2.00-2.99 carats showed some decreases in the best quality items. If prices moved at all, it was largely downward in goods sized 3 carats, 4 carats and 5 carats.

FANCIES 0.50-0.69											01-JULY-16		
	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3		
D	69.5	58.0	48.0	42.5	40.0	34.0	29.0	25.0	19.5	15.5	9.5		
E	55.0	51.0	43.5	39.0	36.5	31.0	27.0	21.5	18.0	12.0	7.5		
F	49.5	45.0	38.0	36.5	34.5	29.5	26.0	20.5	17.0	11.5	6.5		
G	42.0	39.0	35.5	34.0	31.0	28.0	24.5	19.5	16.5	11.0	6.5		
H	37.5	35.5	33.0	31.5	29.0	26.0	23.0	18.0	15.0	10.5	6.5		
I	34.0	31.5	28.0	27.0	26.0	24.0	21.0	16.5	13.5	8.0	6.0		
J	24.5	24.0	23.5	23.0	22.5	21.0	19.5	15.0	13.0	7.0	5.5		
K	20.5	20.0	19.0	18.0	16.5	16.0	14.0	13.0	10.5	6.0	4.5		
L	18.5	16.5	15.5	15.0	13.0	12.5	11.5	8.0	6.0	4.5	4.0		
M	18.0	16.0	13.5	12.5	11.0	10.5	8.0	7.5	5.5	4.5	3.5		
N	16.0	13.5	12.5	10.5	9.5	7.5	7.0	6.5	5.0	4.5	3.5		

FANCIES 0.50-0.69 CARATS



H-I / VVS1 UP 3%



D-F / SI2 DOWN 3%-4%

FANCIES 1.00-1.24											01-JULY-16		
	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3		
D	169	143	113	91	81	72	62	47	37	25	15		
E	135	119	103	86	79	69	59	44	35	23	14		
F	117	100	86	84	75	68	58	43	34	22	12		
G	89	84	79	73	70	66	54	42	31	21	11		
H	77	68	65	62	61	56	51	37	29	19	10		
I	63	61	55	54	53	52	45	34	28	16	10		
J	53	51	47	45	44	42	37	31	25	13	10		
K	43	41	37	36	35	32	31	27	21	13	9		
L	33	32	30	29	28	26	25	22	16	13	9		
M	23	22	21	20	19	18	15	14	14	11	8		
N	22	20	19	18	17	15	14	11	10	9	8		

FANCIES 1.00-1.24 CARATS



G-H / VVS2 UP 3%



E-F / VS1 UP 3%-4%

FANCIES 2.00-2.99											01-JULY-16		
	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3		
D	352	281	246	214	173	142	108	77	60	34	19		
E	290	239	213	182	159	132	104	72	54	29	15		
F	228	207	188	162	152	130	103	69	44	25	12		
G	178	169	161	137	133	115	97	66	44	24	11		
H	142	131	119	113	107	99	83	60	44	23	11		
I	119	107	98	94	90	86	81	57	41	22	11		
J	90	84	78	77	76	75	64	52	35	21	10		
K	64	63	62	61	60	59	55	42	29	16	10		
L	54	53	52	49	48	46	38	31	23	15	10		
M	49	48	47	42	41	37	29	24	20	14	10		
N	43	41	38	36	30	28	26	22	19	13	9		

FANCIES 2.00-2.99 CARATS



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SUPPLIER DUE DILIGENCE

THE PURITY OF PURE GROWN DIAMONDS

TRUST

Diamond-jewelry retailers must know their customers and suppliers. They must know who the ultimate beneficiaries of the corporations with whom they are dealing. Above all, they must satisfy themselves that the sources of moneys used in the production of the product are legitimate. When in doubt, the anti-money-laundering and anti-terrorist-financing laws require the filing of "suspicious activities reports," and in many countries, one is not allowed to proceed with the contemplated transactions without getting clearance from the respective Financial Intelligence Unit (FIU).

A few months ago, the president and CEO of a large diamond-jewelry retail chain, who had announced a pilot program retailing lab-grown diamond jewelry, was asked whether a proper due diligence had been done on the supplier. The (indirect) answer given was that this was not required (yet). This was a disingenuous reply. It was legally (partly) correct but morally and ethically unwise. Was it an excuse to avoid having to discover uncomfortable findings? A preference to look the other way? Maybe not





WHO OWNS PURE GROWN DIAMONDS?

Industry players in general, have trouble documenting suppliers' ownership. This problem is especially so with Pure Grown Diamonds (PGD), the US marketing arm of lab-grown gem-diamonds producer Ila Technologies from Singapore. It is controlled, and presumably owned, by the Jatin Mehta family or what is called Ila Holdings Group. PGD has a dominant market position as the distributor of the world's largest producer of lab-grown diamonds. Does anyone really know who the ultimate beneficial owners are? Having management control, or even having a controlling stake in a company, doesn't necessarily mean that these companies or persons are also the beneficial owners.

WHO OWNS PURE GROWN DIAMONDS?

There is a short and a long answer. Bryant Glazer, the long-time Public Relations executive of PGD is one of the people who should know, because it's part of his job. He didn't, and I discovered that even some of the company's employees didn't know either.

In a recently filed court action against both Pure Grown Diamonds, Inc. and Ila Technologies Pte. Ltd. in the US Southern District Court of Florida, Glazer states "both defendants are owned by, and part of, Ila Holdings Group." In a 2014 company press release, PGD is called "a sister company" to Ila Technologies, implying that both have a common sister or parent company – or some formal link.

THE IRON GATE BEHIND PURE GROWN DIAMONDS

Surprisingly, in this court action, the lawyers for the defendants took great issue with the generalization that PGD belongs to Ila Holdings Group. They retorted: "Whether Pure Grown Diamonds and Ila Technologies are 'owned by, and part of' Ila Holdings Group is a legal conclusion and is denied." Forced to somehow lift the corporate veil, PGD's lawyers subsequently filed a "corporate disclosure statement" about PGD's true ownership. They revealed that "Pure Grown Diamonds, Inc. is a Delaware corporation, the stock of which is 100-percent owned by Iron Gate Property Limited, a British Virgin Island (BVI) corporation. The ultimate owners of Pure Grown Diamonds, Inc. are non-United States individuals."

We contacted the BVI Financial Services Commission. A company by the name of Iron Gate Property Limited was established on March 19, 2013. The registered agent is identified as Nerine Trust Company (BVI) Limited. There were no readily (publicly) accessible records of names of directors, identity of shareholders, names of possible holding companies or subsidiaries. No mentioning of PGD.

Diamond Intelligence Briefs (DIB) has written well over a dozen articles about the Mehta Family's synthetic diamond empire. The name Iron Gate has never come up. I wonder how many PGD executives have ever heard of it before. Of course, PGD's financing institutions and banks will know, and will have

asked for evidence as to the Ultimate Beneficiary Owners (UBO) – at least if they have done their jobs.

ENTER NEWROCK DIAMONDS

How relevant is PGD to the Ila Holdings Group? There is increasingly more evidence that there are more distributors of Singapore's Ila Technologies Ltd. in the US. The latest addition is Newrock Diamonds, launched about a month ago. Headed by ex-Taché Diamonds executive Gary Hammel, it claims being "one of the largest distributors of lab-grown diamonds in the world." Based on the huge inventory they seem to have, they appear to be what they say they are.

"Does anyone really know who the ultimate beneficial owners are? Having management control, or even having a controlling stake in a company, doesn't necessarily mean that these companies or persons are also the beneficial owners."

HICS

RESPON



In May, ex-insurance merchandiser Linor Shefer was appointed to spearhead Newrock's sales and business management, offering lab-growns at 35-45-percent discounts to their natural equivalent. Newrock Diamonds is the trading name used in New York by its owner Newrock Inc., a Delaware corporation of which the ultimate beneficiary owners are unknown. On the social cyberspace network, Lenor and Garry are smilingly seen posing with Suraj Mehta - only they know how close the relationship is.

Another active internet lab-grown distributor and retailer is Pompeii 3, Inc., a company headquartered in Libertyville, Illinois.

FROM IRON GATE TO SUNGATE?

It's probably a coincidence, but BVI's Nerine Trust Company has another "gate-named" company, Sungate Oriental Limited. Sungate appears in the financial reports of Ila Technologies as a 100-percent subsidiary incorporated in the British Virgin Islands. Indeed, it was established on July 12, 2012. Its formal description is: "investment holding company."

Of course, one cannot discover exactly what this Sungate Oriental may be holding, but one of the companies is Helios International Pte. Ltd., a Singapore-based business of assembly construction and sale of Chemical Vapour Deposition (CVD) machines. For both Sungate and Helios, the ultimate holding company is JRD International Ltd. in the Bahamas.

SUBSIDIARITY

THE ENIGMA: JRD INTERNATIONAL LIMITED

Often the players in the diamond jewelry business myopically consider our industry as the “center of the world.” To them, we are indeed. But in reality, this is a tiny sector – and what happens in the outside world also happens to us – and not the other way around. Greater transparency, corporate ownership disclosures, identification of ultimate beneficiary owners aren’t just “privileges” imposed solely on diamonds and jewelry.

Pure Grown Diamonds’ “promoter” and director Suraj Mehta may have heard at the Las Vegas JCK Show, which he attended, the unequivocal statement by Rio Tinto Diamonds on the growing importance for consumers to know the mining source of diamonds. Consumers increasingly seek “tracked jewelry collections with a clear and transparent chain of custody, from the mine to the market.” That is as true for lab-grown diamonds as it is for mined diamonds.

Behind the scenes, several initiatives are under way to bring gem-quality lab-grown diamonds under the very same regulatory disclosure rules that are applicable to mined diamonds. What is true for all the diamond and jewelry players is, basically, true for Ila Technologies as well. In a situation where the beneficial owners of

PGD are practically invisible, clients will look at the source – Ila Technologies.

In the case of Ila Technologies, the immediate shareholders are known – Sonia Mehta, Vishal Mehta, and a few shares for the in-house scientist Misra Devi Shanker. (Recently, Vishal has become the largest shareholder, as his mother Sonia’s holdings are declining – if the share ownerships moving around within the family have tangible meaning.) Nevertheless, the financial records of Ila Technologies unequivocally claim: “The company is a subsidiary of JRD International Limited, a company incorporated in the Bahamas Island, which is also its ultimate holding company.”

“Often the players in the diamond jewelry business myopically consider our industry as the “center of the world.” To them, we are indeed. But in reality, this is a tiny sector – and what happens in the outside world also happens to us – and not the other way around. Greater transparency, corporate ownership disclosures, identification of ultimate beneficiary owners aren’t just “privileges” imposed solely on diamonds and jewelry.”

DIB searched all the records at the Company Registrar Offices at the Bahamas and couldn't find any JRD International Ltd. In fact, we couldn't find any "JRD" company whatsoever. This is problematic for any person who wants to perform a Know Your Client (KYC) or Know Your Supplier (KYS) exercise.

DATABASE OF 320,000 OFFSHORE COMPANIES

Any self-respecting investigative journalist has already downloaded the 320,000 offshore companies in the database of The Organized Crime and Corruption Reporting Project (OCCRP), of which the Panama Papers are just a part. Thanks to this database, we were able to locate a JRD International Ltd. company – located in Dubai, of all places.

We were not able to conclusively determine that this is the JRD International mentioned in the Ila Technologies papers – but there are some interesting crumbs, which may suggest either some connections or just an enormous coincidence. For example, Suraj Mehta's father-in-law, Vinod

Adani, uses the same address for their respective off-shore companies as used by JRD International. But, more than that, they share several directors. In one instance, we even found a shareholding link between Adani's companies and JRD International.

This is significant. PGD promoter Suraj Mehta is married to Krupa, the daughter of Vinod Adani, the elder brother of industrialist Gautam Adani. The Adani Group is the largest gold bullion trader in India. But it is much more. It is a multinational conglomerate company headquartered in Ahmedabad, Gujarat, India, with a (2015) turnover of \$17.5 billion and assets over \$40 billion. The wedding between Krupa and Suraj has been heralded as the most spectacular gold and diamond family alliance ever in India's history.

The "big surprise" (or, maybe we should have expected this) is that the name Jatin or Sonia Mehta does not appear anywhere as either JRD directors or shareholders. That's interesting, because in the 2012 financial papers filed by Ila Technologies Ptd. Ltd. in Singapore, Sonia Mehta states having shares in JRD

Behind the scenes, several initiatives are under way to bring gem-quality lab-grown diamonds under the very same regulatory disclosure rules that are applicable to mined diamonds. What is true for all the diamond and jewelry players is, basically, true for Ila Technologies as well.

International. Let's leave it for now – as we are not convinced (yet) that this is the JRD mentioned in all the financials. It wouldn't surprise me if this ultimate holding company has been dissolved. (We know for sure that JRD refers to three first names of what once was a partnership, until the "R" had a fall-out with the "J". That was about a decade ago.)

There clearly is a penchant for off-shore companies. Sonia Mehta has her own. On April 13, 2006, she became the sole shareholder and sole director of Tuscan Sun Corporation, registered in the British Virgin Islands. Although she used the UBS AG in Singapore as the intermediary to set up the company, she nevertheless appears in the Panama Papers data bank.

In due respect for Sonia Mehta, we must remind ourselves that there are legitimate uses for offshore companies and trusts. Journalists using the Panama papers, including myself, do not intend to suggest or imply that any persons, companies or other entities included in the Offshore Leaks Database have broken the law or otherwise acted improperly. But one often wonders why certain people need them.

BEHAVING LIKE A FUGITIVE

Ultimately, it's always about the people behind the companies. Winsome promoter and controlling shareholder



Jatin Mehta is distancing himself from any visible corporate roles because he is the main target of the investigations around his Indian diamond and jewelry company's \$1.25 billion default.

As Jatin Mehta has provided some of the consortium banks with personal guarantees, he is now being sued in various courts by several banks (including Canara Bank, Export Import Bank of India, Punjab National Bank – these are the ones we know of) and at the Debt Recovery Tribunal in Ahmedabad.

India's Enforcement Directorate (ED), that country's law enforcement and economic intelligence agency responsible for enforcing economic laws and fighting economic crimes such as tax evasion and money laundering, has launched a broad sweep of seizing assets related to Winsome Diamonds and Jewellery Ltd., Forever Precious Diamonds and Jewellery Ltd., and to Jatin Mehta.

There are many – including this writer – who have reasons to believe that some of the missing money may have ended up in the lab-grown diamond business. When recently asked by India's *Economic Times* "whether money from Indian banks was used to sponsor Ila Technologies, a Singapore firm that has emerged as one



of the global leaders in the manufacture of man-made or lab-grown diamonds,” Jatin Mehta responded “I have no connection with Ila Technologies.”

That may be technically correct. The formal current family connection is through his spouse Sonia, an original founder, director and shareholder in Ila Technologies, while his two sons Suraj and Vishal are, as already noted, shareholders and directors. But Ila Technologies’ ultimate ownership remains with JRD International Limited. If transparency means anything to the company, why not show the ultimate beneficial owners?

RUNNING AWAY FROM INDIA AND INDIAN COURTS

Jatin Mehta has disconnected himself from India. Indian police investigators have now confirmed – something which was disclosed first by Diamond Intelligence Briefs in February 2014 – that Jatin and Sonia Mehta have given up Indian citizenship and become citizens of the Federation of St. Kitts and Nevis, a dual-island Caribbean nation with which

India does not have an extradition treaty and which is well known as a tax haven.

If everything is fine, why would Sonia Mehta, who was not involved with Winsome’s default, also abandon her Indian passport? This gets us back to the basic question: Who are the “natural persons,” the ultimate beneficial owners of Pure Grown Diamonds?

STANDARD CHARTERED BANK PULLS OUT OF DIAMOND INDUSTRY

Pure Grown Diamonds must realize that the US Treasury Department’s Financial Crimes Enforcement Network, through its Deputy Director Jamal El-Hindi, last month put the banking community on notice of “several developments focusing on strengthening financial transparency,” specifically “the rollout of the final Customer Due Diligence rule and draft [of even more stringent] beneficial ownership legislation.” Such rules and obligations will filter down to the high-value dealers sector, including the precious metals and stones dealers.

But there is more to it. The single largest default by Winsome was suffered by Standard Chartered Bank. It had an exposure of some \$700 million to Winsome, where it acted as a kind of consortium leader, placing some \$500 million of the risk with Indian banks. Its

The single largest default by Winsome was suffered by Standard Chartered Bank. It had an exposure of some \$700 million to Winsome, where it acted as a kind of consortium leader, placing some \$500 million of the risk with Indian banks. Its own direct loss may have been in the area of \$200-\$250 million plus, also depending on its ability to collect from other financial institutions.

own direct loss may have been in the area of \$200-\$250 million plus, also depending on its ability to collect from other financial institutions.

Winsome's relations with the bank are extremely acrimonious. At some point, Winsome had the audacity to accuse Standard Chartered of refusing to finance Winsome's law suits against the 13 defaulting customers in Dubai – putting the blame for “non-recovery” of moneys on the bank! Standard Chartered has had it – both with Winsome and with the diamond industry. It will, in Winsome's case, chase after every penny.

Standard Chartered is literally going the extra mile to do so. A few weeks ago, the bank requested the assistance of Indian Prime Minister Narendra Modi in uncovering the money trail. To follow the financial transfers around the \$1.25 billion missing money, full cooperation with foreign banks is needed. The Prime Minister's Office acquiesced to the request.

But there is more. Standard Chartered Bank, which has an exposure to the global diamond industry of well over \$3 billion, has “had it.” It recently informed its diamond customers that they are pulling out, and their diamond clients should look for other banks. [It will continue to finance jewelry retail houses and mining operations.] A bank that exits an industry will actively protect its assets and pursue the repayment of all debts,

RDS



including those from Winsome and its debt guarantor Jatin Mehta. The efforts to “isolate” Jatin Mehta from the synthetics business were not lost on the bank – nor do they “buy” the story.

CREATING MULTIPLE LAYERS OF OFF-SHORE COMPANIES

Pure Grown Diamonds is not the only marketing arm of Ila Technologies’ diamond products. In Hong Kong, there is PDC Limited (which was previously called The Gemesis Company (HK) Limited), there is Microwave Enterprises Ltd in Morrisville, North Carolina, USA., and Diamtec GmbH, in Pforzheim, Germany.

A few weeks ago in Dubai, I learned that there are now Pure Grown Diamonds and PDC companies in Dubai’s Free Zones. These are “mirror” companies of the US and Hong Kong lab-grown diamond-marketing companies, and serve, among other things, as the channel through which part of the US market is served.

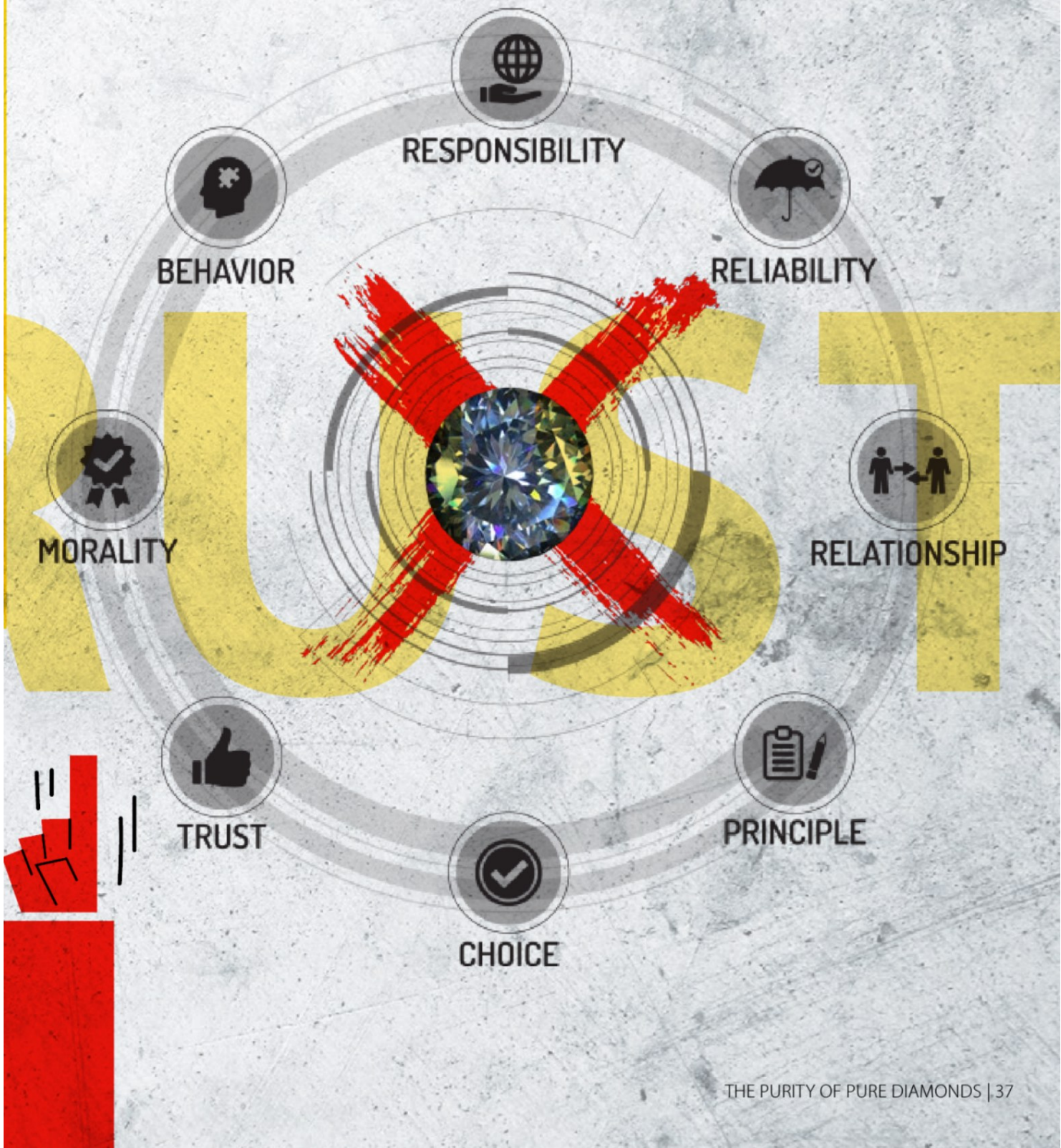
American distributors wishing to sign a long-term contract with PCD Hong Kong are invited to come to Dubai where the relevant agreements are signed. None of the signing parties is one of the Ila Technologies directors. The handful of US dealers that have multi-year arrangements will receive their diamonds from Dubai.

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For the time being, Jatin and Sonia Mehta and their sons Suraj and Vishal do their utmost to formally “distance” Ila Technologies Pte. Ltd. from their US marketing arm, Pure Grown Diamonds.

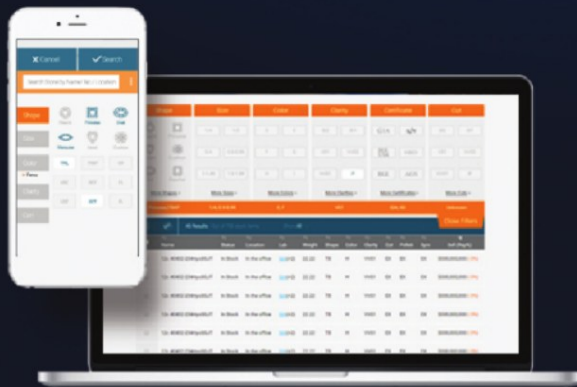
That’s their prerogative. One can have sympathy for Jatin’s efforts to assure that his sons will have a good and honorable business. Clearly, Jatin himself is in trouble.

However, if both Ila Technologies and Pure Grown Diamonds endeavor to become truly flourishing, well-managed, and fully legitimate enterprises – something one should consider axiomatic – the Mehta scions should encourage transparency, move away from endless off-shore structures, disclose beneficial owners, and, most importantly, reach out to stakeholders – including the fourth estate. Actually, they should suggest their father do the same. It may not yet be too late.





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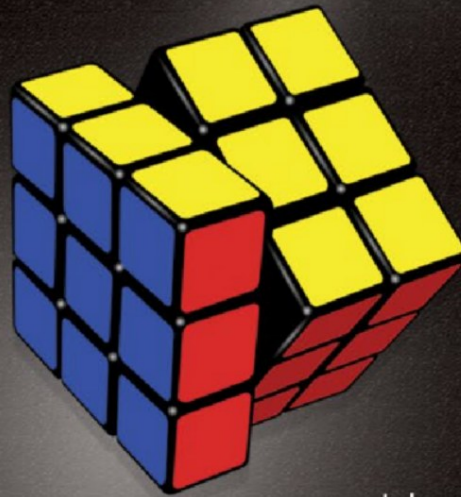
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PERFECT ANGLES

Sophie Birgitt has lived in cities such as Rome and Paris, but was inspired by the “ugliness” of Hong Kong and wanted to make jewelry that would turn it into something beautiful. This Cubic Halo ring from the **Angles** collection features sharply linear lines in 18-karat gold and 0.67 carats of diamonds.

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PEARLS OF JOY

Mastoloni is a long-established New York-based cultured pearl specialist. Part of the **Signature** collection, this Twilight bangle is made from 18-karat white gold and features 10-11.5mm Tahitian cultured pearls and 6.15 carats of brilliant white diamonds.



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PRECIOUS HERITAGE

Nina Nguyen's soft launch of her new gold jewelry range in Las Vegas received rave reviews. These relic turquoise earrings from the **Design Heritage** collection are made from 14-karat gold and feature rose-cut diamonds and Mexican pyrite turquoise.



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SWEET LIKE HONEY

British jewelry design has a long history, but the name of **Astley Clarke** is a relatively new one, albeit with a high-powered following of actresses, models and singers. This **Double Varro** honeycomb ring is available in 14-karat rose gold and features 0.85 carats of diamonds.



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CLASSICAL & CONFLICT FREE

Brilliant Earth is committed to providing jewelry that features conflict free diamonds and a commitment to ethical sourcing. This **Odessa Diamond Ring** is made from platinum (though it also available in 18-karat white, rose and yellow gold) and features an intricate halo and accented band of pavé set diamonds



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LAUNCHING THE SATELLITES

Rachel Galley is a multi-award winning contemporary silver jewelry designer, including the Houlden Bridal Design of the Year 2015. This **Satellite** ring is made from 18-karat white gold, and features 340 diamonds with a combined weight of 2.376 carats individually and intricately set into the signature latticework. The Satellite pendant features 2.736 carats of diamonds.



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JEWELS OF THE TRADE

EPHRAIM ZION of Dehres Limited handles more diamonds in a day than most people see in a lifetime. Here he discusses the power of reputation, global diamond investment and why a GIA report is vital to any business built on integrity.

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A diamond dealer's most valuable asset? Reputation. Yes, you need a sense of artistic value and a knack for design, but the most essential part is integrity. You can't survive without it.

What has doing business in Hong Kong taught you about the Asian market? It's one of the strongest in the world. Every day, there are new millionaires and new businesses. Asians are very investment-conscious. Diamonds are safer and more profitable than money in a bank.

All-time favorite purchase? Most recently, a 100+ ct. D FL. Incredible brilliance and scintillation. Such a beauty. People fell down when they saw it.

Did it arrive with a grading report? Ha, ha. GIA, of course. What responsible businessman, with a good reputation and name, would sell a diamond without a GIA report?

Why is a GIA evaluation so important to one's reputation? It's the most reliable, authentic, dependable gem institute in the world. People know that, especially in the Far East. Remember what I said about reputation? A GIA report is crucial.

Business words to the wise? Selling is an idea game. The more knowledge you have, the more confidence you feel.

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BY KEN GASSMAN

IDEX Online Research



US Jewelry Sales Show Solid Growth in April

TOTAL SALES OF FINE JEWELRY AND FINE WATCHES IN THE US MARKET **ROSE BY A STRONG 5.4 PERCENT IN APRIL 2016 WHEN COMPARED TO APRIL 2015.**

FINE JEWELRY SALES **ROSE BY AN ESTIMATED 5.3 PERCENT** IN APRIL, WHILE FINE WATCH SALES **ROSE BY A MORE ROBUST 6.4 PERCENT.** TOTAL SALES OF FINE JEWELRY AND FINE WATCHES IN THE US MARKET IN APRIL WERE AN **ESTIMATED \$5.9 BILLION.**

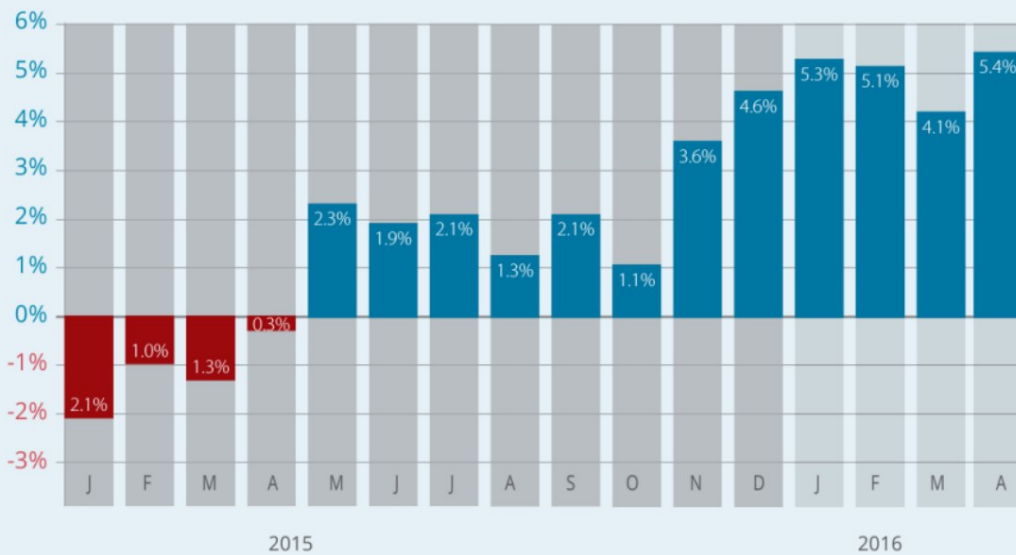
SPECIALTY JEWELERS POSTED A MODERATE SALES **GAIN OF 3.6 PERCENT IN APRIL.**

MULTI-LINE MERCHANTS GENERATED AN ESTIMATED JEWELRY SALES **GAIN OF 6.6 PERCENT** DURING THE MONTH.



CONSUMER SPENDING ON JEWELRY **STRENGTHENED IN APRIL.**

CONSUMER DEMAND FOR JEWELRY HAS CONTINUED TO SHOW GROWTH, ESPECIALLY IN THE PAST SEVERAL MONTHS. IN PART, THIS IS DUE TO EASY SALES COMPARISONS AGAINST **LAST YEAR'S VERY WEAK GAINS IN THE FIRST QUARTER OF THE YEAR.**



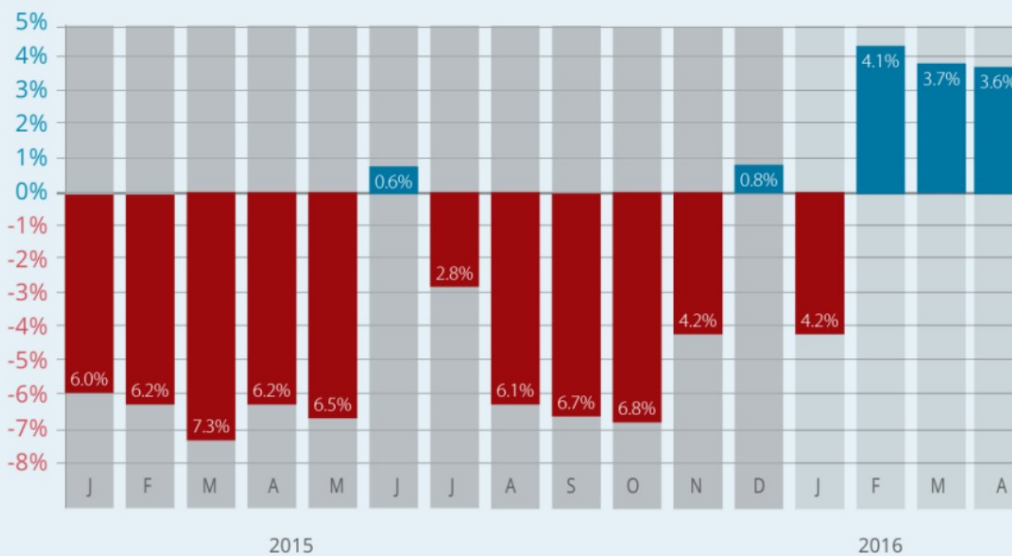
US TOTAL JEWELRY & WATCH SALES TRENDS 2015 - 2016
% Change Y/Y

Source: US Dept. of Commerce



SPECIALTY JEWELERS' SALES DURING APRIL WERE AN ESTIMATED \$2.3 BILLION, A 3.6-PERCENT INCREASE OVER APRIL 2015.

THIS MONTHLY SALES GAIN WAS BELOW THE OVERALL JEWELRY INDUSTRY AVERAGE (ALL US RETAILERS WHO SELL JEWELRY) OF 5.4 PERCENT FOR APRIL.



US SPECIALTY JEWELERS SALES TRENDS 2015-2016 % Change Y/Y

Source: US Dept. of Commerce

OUTLOOK - WE ARE OPTIMISTIC

OUR PRELIMINARY SALES FORECAST FOR THE US JEWELRY INDUSTRY FOR 2016 CALLS FOR A GAIN OF 3 TO 4 PERCENT FOR THE FULL YEAR, AN UPWARD REVISION FROM OUR EARLIER FORECAST OF A GAIN OF 2 TO 3 PERCENT. WHILE OUR FULL YEAR JEWELRY SALES FORECAST MAY SEEM CONSERVATIVE, YEAR-OVER-YEAR SALES COMPARISONS BECOME MUCH MORE DIFFICULT BEGINNING WITH THE MAY DATA, WHICH WILL INCLUDE JEWELRY SALES FOR MOTHER'S DAY, AN IMPORTANT SELLING EVENT FOR US JEWELRY MERCHANTS.

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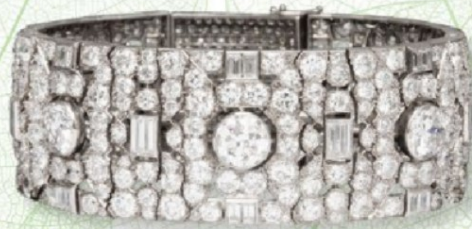
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JAPAC MEETS WITH POLITICAL LEADERS ON CAPITOL HILL AND PUSHES FOR SALES TAX FAIRNESS

The Jewelers Association Political Action Committee (JAPAC) recently led a delegation of jewelers to Washington, D.C., to meet with political leaders on Capitol Hill and discuss key jewelry industry issues.

JAPAC particularly focused on the Federal Trade Commission's proposed changes to the Guides for Jewelry, Precious Metals and Pewter Industries. Jewelers of America is specifically opposed to a change that would allow the use of "cultured" when describing lab-grown diamonds.

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WORLD DIAMOND MARK LAUNCHES RETAILER OPINION POLL TO ADVANCE GENERIC DIAMOND PROMOTION

The World Diamond Mark (WDM) recently announced it has introduced a retailer opinion poll to determine which services jewelry retailers require most in their stores to advance generic diamond promotion.

The poll asks retailers to rank the type of services they wish to access in the field of promotion, education, business services and industry coordination. It is available online and was printed in the seventh issue of the World Diamond Magazine – and will be re-printed in the July edition of the magazine too.

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| RETAIL > NEWS |

RISING PROPERTY RENTS IN LONDON'S DIAMOND DISTRICT SQUEEZE TRADITIONAL JEWELLERS

Rents in London's Hatton Garden Diamond District are rising, as the area struggles to recover from the 2015 Easter weekend multi-million pound heist, according to a report on Reuters.

The area, which has been dominated by diamond jewelers for more than a century has been affected by reduced footfall, online competition and rocketing rents.



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JA TO PROMOTE SILVER AND PLATINUM WEDDING JEWELRY ON TV

Jewelers of America (JA) will collaborate with the Silver Promotion Service and Platinum Guild International to promote silver and platinum wedding jewelry on more than 30 morning shows across the US.

The national trade association hopes to increase awareness and excitement for platinum engagement rings and wedding bands, as well as silver jewelry gifts for brides, grooms and the wedding party.

[READ MORE >>](#)

LUK FOOK ANNUAL RESULTS SHOW 41% TUMBLE IN PROFITS

Gold, platinum and gem-set jewelry retailer and wholesaler Luk Fook announced that its fiscal 2016 profits plummeted to HK \$959 million (\$123.5 million) – a 40.6-percent decline.

The company's revenue also dropped, falling by 11.9 percent to HK\$14 billion (\$1.8 billion), as revenues from Hong Kong slipped to HK\$8.21 billion (\$1.06 billion) in the 2016 fiscal year ended March 31 compared to HK\$9.51 billion (\$1.23 billion) in 2015.



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9 SOUTHERN CALIFORNIA ROBBERY SUSPECTS INDICTED

The US Attorney's Office in Los Angeles announced the indictment of nine smash and grab robbery suspects, who targeted jewelry stores in Southern California, according to a report from the Jewelers' Security Alliance (JSA).

Authorities arrested four of the suspects, while an additional three were already in custody. Two more suspects, 27-year-old Evan Scott of Inglewood, California and 21-year-old Kenneth Paul of Los Angeles, California, have been indicted of committing 10 robberies of jewelry stores between August 2015 and April 2016, in which they targeted high-end watches valued at \$6 million.

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NRF DATA SHOWS RETAIL INVENTORY SHRINK INCREASED TO \$45.2 BILLION IN 2015

The 2016 National Retail Security Survey, a collaboration between the National Retail Federation and the University of Florida showed that retailers' inventory shrink was \$45.2 billion in 2015, up by \$1.2 billion on 2014.

According to the report, 47 percent of the 80 survey respondents reported increases in overall inventory shrink in 2015, with shoplifting accounting for the greatest share, with an average loss of \$377 per incident, up almost \$60 compared to 2014.

Robberies cost businesses an average \$8,180.17 compared to \$2,465 in 2014.

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▶ POLISHED NEWS

DDC TO HOST FIFTH ISRAEL DIAMOND WEEK IN NEW YORK IN OCTOBER

The Israel Diamond Exchange (IDE) and the Diamond Dealers Club of New York (DDC) have announced they will hold the fifth installment of the Israel Diamond Week in New York. IDE president Yoram Dvash said that he hoped the event would build on the positive climate for diamond sales, as evidenced at the recent JCK Las Vegas show. He added that the IDE was confident that the American market would continue to buy and sell, ahead of the holiday season.



[READ MORE >>](#)



JEWELERS EDUCATION FOUNDATION LAUNCHES INDUSTRY EDUCATION PORTAL

The Jewelers Education Foundation (JEF) announced the roll-out of its Jewelers Educational Portal, where industry organizations have consolidated educational offerings on one platform.

The portal is a comprehensive resource for existing and prospective members of the trade, and provides access to information about educational programs offered by jewelry, diamond, colored stones and precious metal and watch associations.

[READ MORE >>](#)

KP CHAIR MAKES FIRST VISIT TO CENTRAL AFRICAN REPUBLIC

Ahmed Bin Sulayem became the first sitting Kimberley Process chairman to visit the Central African Republic (CAR), following the organization's recent decision to allow the resumption of diamond exports.

Bin Sulayem met with CAR President Faustin-Archange Touadera and newly appointed mines minister Leopoldi Mboli Fratan. Touadera thanked the KP chair for his support in providing as much assistance as possible for CAR to meet its KP mandates and enable the return of the country's rough diamonds to the international marketplace.

[READ MORE >>](#)

GEMFIELDS SINGAPORE ROUGH RUBY AUCTION RAISES RECORD \$44.3 MILLION

Leading colored gemstones supplier Gemfields plc has announced the results of its most recent rough ruby auction, which achieved record revenues of \$44.3 million.

The rough ruby extracted by Montepuez Ruby Mining Limitada (which is 75-percent owned by Gemfields) from the Montepuez ruby deposit in Mozambique, realized an average price of \$29.21 per carat.



GEMFIELDS

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GEMFIELDS

OKAVANGO TO HOLD ROUGH DIAMONDS VIEWING AT IDTC

Small and medium sized diamond firms in Surat will have the chance to view rough diamonds from the Okavango Diamond Company (ODC) at Mumbai's India Diamond Trading Center (IDTC), according to a report in The Times of India.

ODC will hold the viewing for rough diamonds from July 20-25, with an online auction due to be held on July 28, when registered members of the IDTC (a Special Notified Zone) will have to bid for the goods.

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KIMBERLEY DIAMONDS SET TO FIGHT \$17 MILLION ELLENDALE WRIT

Kimberley Diamonds Ltd. has confirmed that it is the subject of an AUD\$22.7 million (\$16.7 million) claim, filed by the liquidator of the company's failed Ellendale diamond mine, according to a report in The Western Australian.

Liquidator Jirsch Sutherland recently filed an originating process and supporting affidavit in the Supreme Court of New South Wales against Kimberley Diamonds and three of its directors – chairman Alex Alexander, Noel Halgreen and Rodney Sainty – over allegations of insolvent trading, alleged voidable transaction recovery proceedings and alleged breaches of director duties. Alexander is charged with four offences relating to allegedly making false and misleading statements to the market about Kimberley Diamond's affairs between October 2013 and March 2014.

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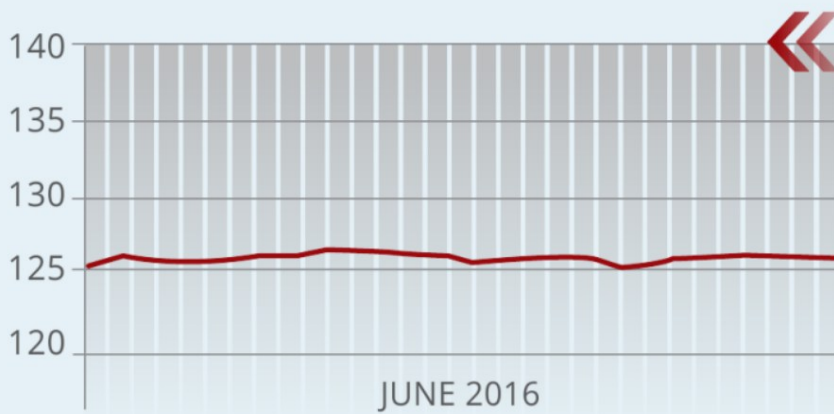
BY DAVID BRUMMER

POLISHED PRICES



June Polished Diamond Prices Remain Stable

THE POLISHED DIAMOND PRICE INDEX FOR JUNE WAS FLAT, WITH BARELY ANY FLUCTUATIONS. **THE INDEX BEGAN THE MONTH AT 125.1 AND ENDED AT 125.3.**



DAILY IDEX POLISHED DIAMOND PRICE INDEX

AVERAGE POLISHED JUNE PRICES WERE STATIC.

**REPORTS FROM THE
LAS VEGAS TRADE**

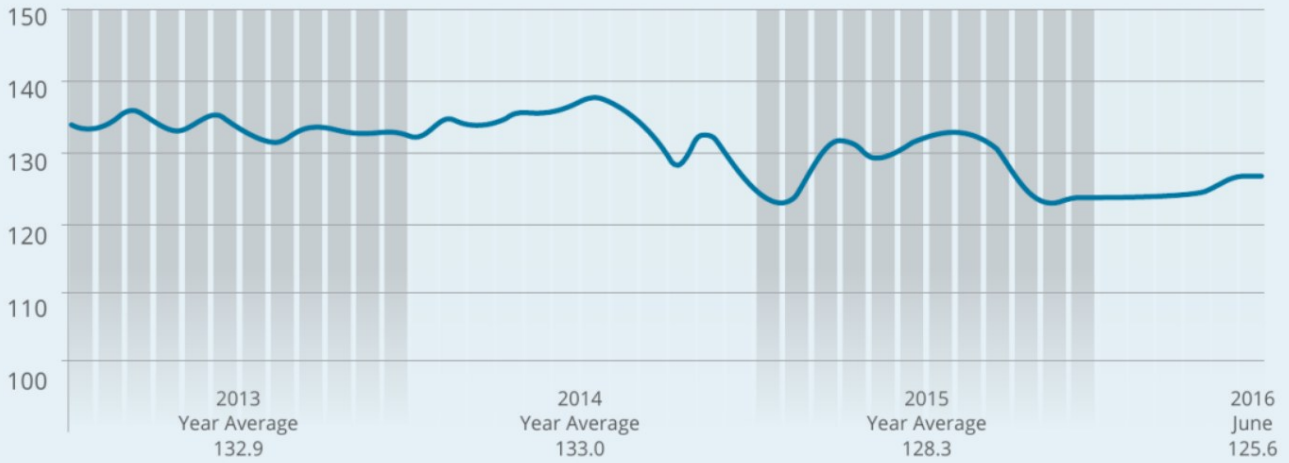
SHOW: THERE WAS DIAMOND DEMAND, BUT BUSINESS WAS ON THE SLOW SIDE. WITH SUCH STABLE PRICES, WE REITERATE THAT THIS COULD HERALD A CHANGE IN HOW TRADE SHOWS ARE ORGANIZED, PARTICULARLY IN LIGHT OF THE RECENT DIFFICULTIES AT THE HONG KONG SHOW.

ON A YEAR-OVER-YEAR BASIS, JUNE'S AVERAGE PRICE **FELL 3.5 PERCENT**, IN THE MID-RANGE FOR PRICE FLUCTUATION IN 2016.

ON A MONTH-TO-MONTH BASIS, MAY'S GLOBAL POLISHED DIAMOND PRICES SAW SLIGHT GROWTH, REGISTERING A **0.2-PERCENT INCREASE OVER MAY**.

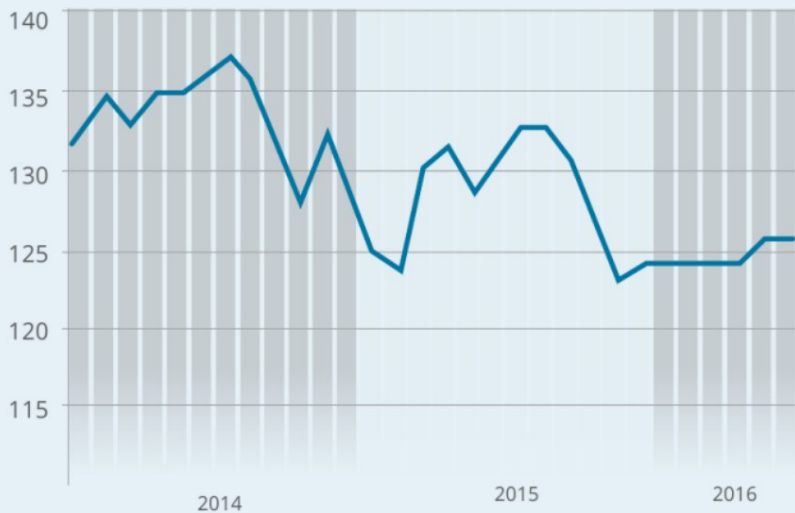
IDEX ONLINE POLISHED DIAMOND PRICE INDEX:

COMPARED TO THE VOLATILITY DURING 2015, OVERALL PRICES CURRENTLY SEEM STABLE. JUNE'S MINIMAL INCREASE OVER MAY'S AVERAGE PRICE CONTINUES THAT TREND, DESPITE CONTINUED YEAR-OVER-YEAR DECLINE.

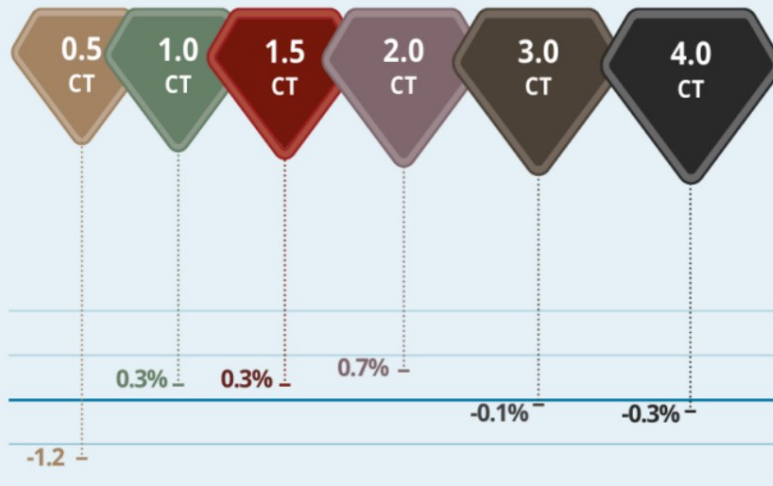


**PRICES WERE
DOWN 6.7%
IN JUNE
COMPARED TO
THE JUNE 2013
FIGURE.**

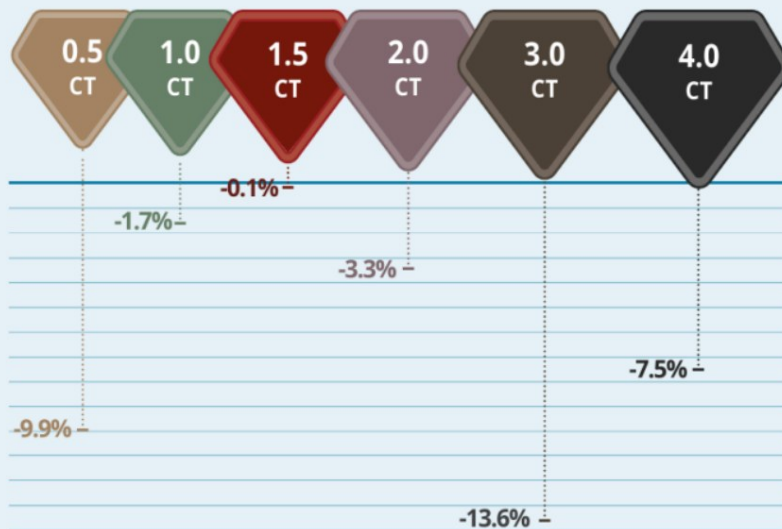
IDEX DIAMOND POLISHED PRICE INDEX



ON A MONTH-OVER-MONTH BASIS, PRICES FOR DIFFERENT SIZED DIAMONDS SHOWED MINIMAL FLUCTUATION, EITHER UP OR DOWN.



PRICES FOR ALL SIZES OF DIAMONDS DECREASED ON A YEAR-OVER-YEAR BASIS, SOME SIGNIFICANTLY:



OUTLOOK

The polished market is still showing signs of uncertainty, with some concerns about diamond demand, although the crucial US jewelry market is stable. Chinese buyers remain cautious, as partly evidenced by slow business at the Hong Kong show – in line with diminished expectations.

We maintain our assessment that it is unlikely that goods of 2 carats and smaller will show significant price improvements until the third quarter of this year.



BY MENAHEM SEVDERMISH, D.LITT. FGA

GEMEWIZARD

Is It Tanzanite
or is It Zoisite?
Why Can't It be
Both?



It was love at first sight, when I first laid my eyes on tanzanite back in 1975.

I can vividly recall the amazing 10 carat or so violet-blue gem as if it happened only yesterday.

Then was the start of my trips to Tanzania and the Meralani Hills. I encountered tanzanites as God created them, practically in all the colors of the spectrum. Some are naturally occurring deep blues, violet and purple, brown to almost deep reddish brown; yellow and honey.

Rarely, one comes across other colors such as greenish ocean blue, green, pure purple and scarcely pink. This is when tanzanite is viewed from only one direction. But since tanzanite is pleochroic, displaying different colors depending on the direction of observation, three combinations of any of these colors may occur in one gem, sometimes creating a startlingly rare effect of colors (Figure 1).

It has been known for a long time that practically all these tanzanite colors may change dramatically to bluer colors when heated by using quite a simple process.

Recently, with the appearance in the





market of natural, rare untreated “fancy color” tanzanite gems (in colors other than blue and violet), a vivid debate has flared up amongst gemologists and traders alike. The hot-potato question is whether tanzanite can be defined as tanzanite even if it is in colors other than blue, or should such stones be called zoisite?

One group, usually represented by scientists and independent gemologists, claims that tanzanite is defined as a blue- to violet-colored variety of zoisite. The other group, represented mainly by traders, argues that the term tanzanite is not restricted to specific colors, and colors other than blue and violet can be called “tanzanite” with their color prefix (e.g. green tanzanite) as with sapphire.

The former group gets the leading laboratories’ support, although the latter is backed by CIBJO’s blue book.

I believe tanzanite is always a zoisite that was mined in Tanzania, no matter what its color. And, just as a reminder, this gem was named tanzanite and promoted by Tiffany & Co. as Tanzanian.

In my opinion, even if a blue zoisite mine is discovered in Sicily, we

could not call the gems mined there tanzanite. We could call them sicilite, but not tanzanite, even though they are blue zoisites.

Now, here comes the paradox. If the market eventually decides that only a blue-to violet-colored zoisite can be called tanzanite, it is actually saying that all tanzanite must be treated.

Such a decision would deprive all natural, other-colored tanzanites mined in Tanzania from being called tanzanite just because they have not been exposed to heat.

Logically, to be a tanzanite all you really have to be is a zoisite gem of any color born in Tanzania!

About Gemewizard®: Gemewizard® is a pioneer in the development of digital color-based systems, which provide solutions for professionals involved in the fancy color diamond, colored gemstone and jewelry industries, enabling the analysis, description, communication, pricing and trading of color in gems. The suite of products developed by Gemewizard® is based on the company’s groundbreaking color communication technology called GemeSquare™, which has been endorsed by GIA, and since 2006, has been incorporated into the GIA® curriculum.

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RIO TINTO

RIO TINTO AMALGAMATES DIAMOND AND COPPER UNITS IN ORGANIZATIONAL RESTRUCTURE

Rio Tinto has announced that its Diavik Diamond Mine in Canada has produced more than 100 million carats since it first started production in 2003.

Rio Tinto will merge its diamond and copper divisions, as it seeks to strengthen its organizational structure and drive performance efficiencies.

From July 2, Rio Tinto's product group structure will allow the group to better align its assets, help drive further efficiencies and optimize performance.

[READ MORE >>](#)

LUCARA POSTS ENCOURAGING RESULTS FROM MINI BULK SAMPLING AT BKD2 KIMBERLITE

Lucara Diamond Corp has announced successful results from the mini bulk sample program on the BKD2 kimberlite, which is located 30 kilometers east of the Karowe Mine.

The company said that a total of 274.33 carats was recovered from the processing of 5,916 tons of BKD2 for a sample grade of 4.6 carats per hundred ton. The largest stone recovered was a 5.48-carat brownish octahedron.

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GAHCHO KUÉ DIAMOND MINE

GAHCHO KUÉ DIAMOND MINE ON-TRACK FOR Q3 2016 FIRST PRODUCTION

Mountain Province Diamonds Inc. announced that its Gahcho Kué diamond mine is nearing completion and is on schedule to commence production during the third quarter of this year. The company said that the mine has achieved mechanical completion of the primary crusher and that commissioning of the process plant continues to progress.

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PETRA DIAMONDS SELLS 121.26-CARAT DIAMOND FROM CULLINAN MINE IN SOUTH AFRICA FOR \$6 MILLION

Petra Diamonds Limited sold an exceptional 121.26-carat white diamond for \$6 million (\$49,480 per carat) at its latest tender in Johannesburg, South Africa.

The stone is a Type II diamond of exceptional color and clarity, and is another high quality diamond from the Cullinan mine, which has also produced stones such as the 12.03-carat Blue Moon Diamond.

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DIAMOND PROSPECTING CONCESSIONS EXTENDED TO ANGOLA'S MALANJE PROVINCE

Angola's Geology and Mining Ministry recently announced the extension of diamond prospecting in the country's Malanje province on a semi-industrial basis, according to a report on macauhub.com.

Artisanal mining cooperatives have been authorized to explore more than 410 kilometers of the province, with the first authorization granted to the Milanda Kunda cooperative.

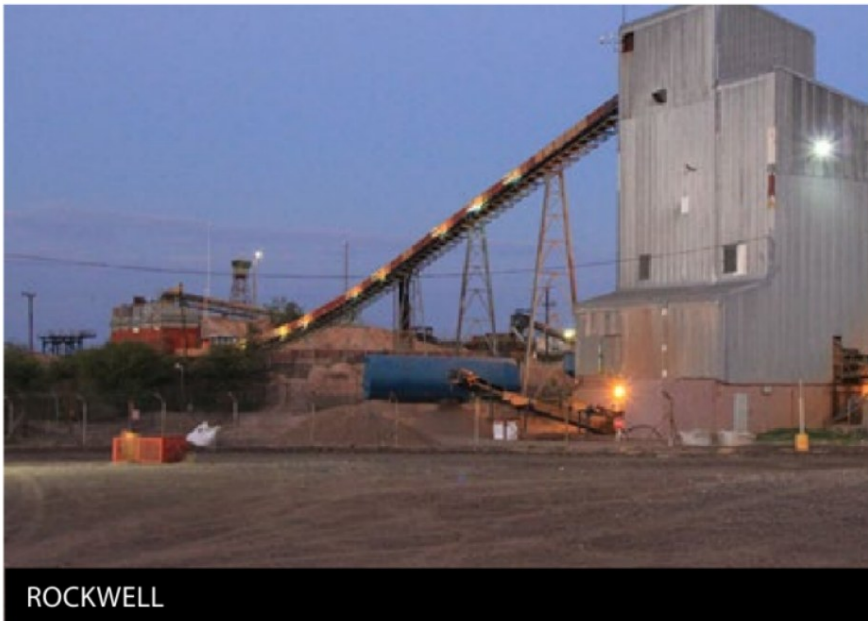
[READ MORE >>](#)

PRODUCTION AT ROCKWELL'S REMHOOGTE STABILIZES IN Q1 2017 AS PRIOR QUARTER CHANGES BEAR FRUIT

Rockwell Diamonds Inc. has released its first quarter report of the 2017 fiscal year, ended May 31, 2016, which showed that production at Remhoogte is stabilizing.

Total volumes processed across the company's mines jumped to 791,000 carats, a 32-percent increase compared to the 599,000 carats mined over the same period a year previously. The rise was largely driven by substantially higher volumes at Remhoogte.

[READ MORE >>](#)



ROCKWELL

DE BEERS RECEIVES PERMISSION TO FLOOD SNAP LAKE MINE

De Beers Canada announced that it has received approval to flood the tunnels at its Snap Lake underground mine in Canada's Northwest Territories, according to a report on Retuers.com.

Snap Lake was shuttered amid worsening global diamond market conditions and had made no money since production began in 2008. The mine produced 1.2 million carats in 2015 and had been due to be in operation until 2028.

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