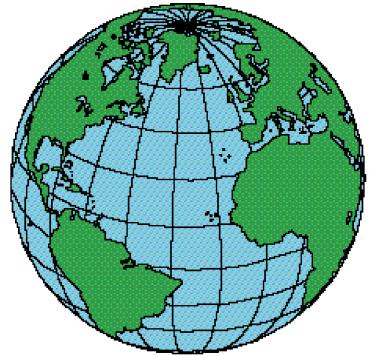


The Gemstone Forecaster



NGC, P. O. Box 42468, Tucson, AZ, 85733
1-800-458-6453 1-520-577-6222
E-mail: rgenis@preciousgemstones.com
Web: www.preciousgemstones.com/

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Why You Need an AGL Report

by Robert G. Genis

We first put up our website in 1995. If you searched for gem dealers or jewelers, there were only 5 of us. Today, there are probably thousands. Due to the fact we remain high on search engines, we get gems and gem grading reports sent to us practically daily. I'm simply amazed at the number of gem labs and those purporting to be gem labs around the world.

Recently, an individual wanted an opinion on a stone graded by a well known diamond lab, not known for their colored stone expertise. The report said the stone was a no heat Burma sapphire. It was an extremely large stone and it could easily have been 7 figures. Since 1980, my response has always been the same. If you are going to collect, invest or buy for jewelry important stones, you must get an AGL grading report. After all, they are the gold standard. I give this advice all the time and sometimes I hear back but more often than not, I never hear back from the inquiring party.

About a month later the prospective buyer sent me a copy of a brand new AGL Prestige Gem Report. Not surprisingly, the stone came back as Sri Lankan. No matter how you look at this deal, the stone is worth 1/2 the price the dealer or jeweler was trying to get for the rock.

Now it gets really interesting. The prospective buyer sent me not only the original grading report stating the stone is a no heat Burma but grading reports from two other known colored gemstone labs also stating

Burma! This stone seemed like a sure thing with three lab reports stating no heat and Burma. In reality, all four labs only agree on one point-the stone is not heated. Who are you going to believe? Based upon my years of experience with these four labs, the only lab that matters is AGL. The Beesley/Smith tradition of telling it like they see it remains a powerful and vital service to collectors worldwide. Why would anyone go to the trouble of getting grading reports from these labs and not AGL? It doesn't make sense. It's only rational if the stone had already been to AGL and they didn't like the result.

Lab Shopping

Many dealers lab shop. Generally, they start at AGL. If they don't get the country of origin they want, they move to other lesser known labs. After all, all they really need is one lab to agree with them for most gems. They will send a stone to numerous labs trying to get a beneficial country of origin. Obviously, a Burma or Kashmir designation can make the dealer considerably more money than any other source. They figure it is worth the gamble for the cost of a grading report. Surprisingly, many dealers and jewelers know very little about the science of country of origin determination and routinely play this game. In my opinion, just get an AGL and forget the rest. Obviously, many labs are making money from grading these stones. You want a collectors lab not a dealer-oriented lab. Bottom line? Again, the only one I know is Chris Smith of AGL.

Conclusion

Country of origin is a vital component of gemstone valuation for collectors and investors. They need to make informed decisions regarding the piece they are considering. They do not want to find out later they have been duped. Whether the stone is \$1 million or \$5000, the principle remains. The only way to sleep soundly at night is to buy AGL graded stones. If a dealer or jeweler won't submit to AGL, run.

Controversial Zuckerberg Burma ruby

The internet has been packed with stories and wild speculation about the wedding ring given by Facebook founder Mark Zuckerberg to 27 year old Pricilla Chan. The first reports stated the entire ring was worth \$25,000 and implied Zuckerberg was a cheapskate due to the fact he is worth billions.

First, how do you value this stone? Although it is almost impossible to accurately price the gem without seeing it, let's speculate for fun. The stone could easily be three carats. Due to the fact Pricilla is Chinese-American, and based upon my experience with my many Asian clients who feel strongly that heat adversely affects a stone, I suspect the stone is not heated. What does this mean? A top gem unheated Burma ruby can wholesale easily for \$75,000 per carat. Times 3= \$225,000 and double for retail or \$450,000. Not too shabby. Even if the stone is 2.75 it could easily be worth \$225,000 retail. Secondly, some bloggers have accused Zuckerberg of violating the Burma ruby ban, with absolutely no evidence. There are still plenty of top gem Burma rubies in the marketplace that were imported before the ban. Remember, jewelers and dealers bought all they could in advance of the ban. I'm guessing the stone is Kosher, no problem. Finally, due to his wealth, some believe Zuckerberg should have bought something more like what Jay Z would have bought for Beyonce. This is absurd. Since Pricilla is a new physician, she probably wanted something that was practical and not too flashy. She's a career woman, not a model or actress. We think the ring is beautiful. Good job Mark. The misinformed are just jealous of your success.

Auction Reports

Christie's NY

The sale totaled \$70.7 million, and was sold 95 percent by lot and 97 percent by value.

A 9.00 cushion fancy vivid purplish pink diamond sold for \$15.7 million. That is over \$1.7 million per carat. The estimates were between \$6 million to \$8 million. Brett Stettner, of Stettner Investment Diamonds took home the ring for around double. The stone was from the Estate of Huguette M. Clark. She died in 2011 and had been a recluse since the 1930's. She was the daughter of former senator and industrialist, William A. Clark. A 31.53 carat sugarloaf cabochon Kashmir sapphire sold for \$2.65 million, a world record price for a cabochon sapphire. Its estimate was \$300,000 to \$500,000. A cushion fancy intense yellow VS1 diamond ring of 43.49 sold for \$1.87 million.

Sotheby's NY

Sotheby's sale of Magnificent Jewels totaled \$43.2 million, well above the auction's \$31.1 million high estimate. This is the highest total ever for a Sotheby's

spring jewels sale, topping last April's then record result of \$39.4 million. A 3.54 marquise fancy blue, VS1 clarity sold for \$2.4 million or \$687,712 per carat, a new record for a fancy blue.

Christie's Geneva

A 32.08 carat cushion Burmese ruby, also known at the Hope Ruby, sold for over US \$6.7 million. The estimate was \$3-5 million. Although not the most per carat, it set the top amount for any ruby ever sold at auction setting a new world record price. The ruby is top gem red but was said to be included.

Christie's Hong Kong

The "Martian Pink" 12.04 round Fancy Intense Pink, VS1 clarity, diamond sold for \$17.3 million or over \$1.4 million per carat. The diamond's estimate was \$8-12 million. It was named "Martian Pink" by Harry Winston to celebrate the Viking satellite mission to Mars by the U.S. in 1976. The stone originally was purchased by a private collector in 1976 for \$1.5 million.

The stone is rare because it is a round pure pink with no secondary color. Generally, most fancy colored diamonds are fancy shapes, because the color is stronger not being a round. The other major round pink is the 23.60 Williamson Pink diamond, which was presented to Queen Elizabeth II in 1947 as a wedding gift. However, that diamond is a light pink.

Also, a cushion 6.04 Etcetera Burmese ruby sold for \$551,000 per carat or \$3.3 million. The stone is gem red and no heat. This is the highest price per carat ever paid for a Burma ruby. This will do nothing but keep upward price pressure on unheated Mogok gemstones.

Sotheby's Hong Kong

The Magnificent Jewels and Jadeite spring sale totaled \$64 million. The sale was dominated by Asian collectors. The top lot of the sale was an emerald cut 8.01 carat fancy vivid blue diamond ring that sold for \$12.7 million or \$1,588,079 per carat. A pear 3.28 carat, internally flawless, fancy vivid pink diamond fetched \$3.2 million. A Burmese ruby and diamond necklace with 23 natural unheated rubies with a total weight of 53.07 carats sold for \$3.1 million. A 5.03 fancy vivid pink, with an estimate of \$5.4 million to \$6.7 million, didn't sell and a 5 carat pear double rose-cut blue with a \$4 million to \$4.5 million estimate also failed to attract a buyer. We wonder if the slowdown in Asia is finally affecting the high end gem market or the stones were misgraded?

Heritage Auctions

A diamond-platinum ring with a 8.99 carat Kashmir sapphire sold for \$ 527,500, more than double of its pre-sale estimate. The identity of the buyer of the ring that had a pre-sale estimate of \$250,000-350,000 was not immediately known. The cushion sapphire was AGL graded with a no heat comment.

Notable Quotes

"Ruby is one of the oldest gemstones used by men and women. The red color of Ruby has always inspired awe, admiration, beauty and other countless such emotions. Good quality Ruby gemstones are even more valuable than diamonds in today's market. There is no surprise then that many celebrities in the recent times have been spotted wearing ruby rings and other ruby jewelry."

PR Web
May 14, 2012

Unusual Gem Stories

Why does the Hope Diamond glow red in UV light?
io9.com
May 17, 2012
By Esther Inglis-Arkell

The Hope Diamond intrigues people with its beautiful blue color, its mysterious curse, and its sheer size. But did you know it glows "like a coal on a barbecue grill" for several minutes after it has been exposed to UV light? Learn the scientific secrets of the glowing blue diamond.

The Hope Diamond was originally found in India, made its way into the possession of several Kings of pre-revolutionary France, was lost in the Revolution but turned up in England, and then made its way — via the Robber Barons — to America and the Smithsonian. Considering the diamond was around since the 1600s and worn by the type of people who played for high stakes, it's no surprise that many of its owners met bad ends. Perhaps the fact that some of those ends could be described with the words "torn to shreds" resulted in what was called "The Curse of the Hope Diamond." But there's a much more solid and readily testable mystery associated with the diamond — when exposed to strong UV light it glows bright red.

Gemstone experts are naturally reluctant to allow the diamond to be cut up for research. Recently though, researchers carefully tested the phosphorescent spectra of several blue diamonds to try to see a pattern. They learned that other blue diamonds, especially ones of greater size, also glow red when exposed to UV light. Most diamonds have nitrogen impurities inside them, as well as natural cavities. Both influence the color, but only blue diamonds have boron inside them.

Scientists believe that when the stone is exposed to bright ultraviolet light, the boron and nitrogen interact and phosphoresce, giving off a certain quality of red light. When scientists treated colorless diamonds with boron, they turned blue, but they didn't give off the same color light under UV radiation. Although the mystery isn't solved, this does give diamond experts a way to know if a blue diamond is natural or made by

humans.

And, we are pleased to report, that none of the research team was torn to shreds.

Porsche and Diamonds?

Porsche tuner Gemballa develops diamond paint for cars
Slashgear
May 29, 2012
By Shane McGlaun

We've seen all sorts of incredibly expensive paint jobs on vehicles owned by celebrities, musicians, and the fabulously wealthy. I've seen cars covered in full chrome and cars covered in gold and other precious metals. A famous German Porsche tuner called Gemballa has come up with a new paint color that's certainly worthy of the company name. If you can afford this diamond paint, you're certainly a Gem-ball-a.

The company has announced that it has invented the paint color, which appears to be metallic silver. Rather than using tiny glass beads, metallic flakes, or crystals the paint actually uses ground-up diamonds. The paint can be used to coat the exterior or interior of the vehicle.

There are a few key facts about the paint that are unknown at this point. For instance, it's not clear how many carats of diamonds it takes to paint an entire car. It's also not clear exactly how much the paint will cost. However, I can guarantee you that this diamond finish is one of those if you have to ask you can't afford it types of things.

Gem News

For the Rich, Diamonds are the New Stocks
CNBC
May 16, 2012
By Robert Frank

We have noticed this trend into colored gemstones, also. ED

New studies show that the wealthy are pulling back from stocks and stashing more of their money into real estate, art and even diamonds.

A recent survey from Harrison Group and American Express Publishing found that the wealthy have cut back their allocations to stocks dramatically since the economic crisis. In 2007, the top one-percenters (by income) invested 76 percent of their savings into stocks and financial investments. Now, it's closer to 46 percent.

That may not sound like an important drop. But the wealthiest one percent own more than half of the individually held stocks in the U.S. When they stop buying, it matters.

All that cash on the sidelines may continue to grow.

Harrison Group's Jim Taylor predicts that total savings stashed away by the affluent could grow to \$12 trillion by 2014, about double today's levels.

A second study from Spectrem Group finds that millionaires are also pessimistic about stocks. The survey found that investor confidence among those with \$1 million or more in investible assets dropped in April for the first time since last summer, when the U.S. debt crisis and Euro crisis started weighing on markets. The main concerns for millionaire investors were (in order) the prolonged economic downturn, the political environment and national debt.

Investors with \$5 million or more have become the most conservative. The Spectrem study showed that 84 percent of the \$5 million-plus crowd is now taking a moderate or conservative investment posture. That compares with 79 percent in 2009 – in the middle of the economic crisis.

So what are the wealthy doing with their money? Increasingly, they're looking for hard assets, collectibles and real-estate. Just consider the headlines from the past week. Two trophy apartments in Manhattan sold for more than \$50 million.

Yesterday, Sotheby's sold \$108 million worth of collectible jewelry in Geneva. The chart-topper was the \$9.7 million sale of the Beau Sancy diamond, a 34.98 carat diamond that was first worn by Marie de Medici in 1610 at her coronation as Queen Consort of Henry IV. Wealth experts say that while diamonds, mansions, art and wine may not appreciate as quickly as stocks, these less liquid assets are also unlikely to crash in value as quickly. And wearing the Beau Sancy or looking at a Picasso on the wall is a lot more pleasurable than watching the ticker.

Where do you think the wealthy will put their money this year?

**Emerald: the May birthstone
Precious gemstone can be found in N.C.
The Times-News
May 06, 2012
By William R. West**

The emerald — the rich, green, May birthstone and one of the most prized precious stones — is ranked along with diamonds and rubies.

The Roman Emperor Nero is reported to have watched the gladiatorial games through a polished slice of emerald and the national treasure of Iran features many large, fine emeralds. The treasure was seized as tribute when the Persians (later Iranians) defeated the Indian Mogul Empire.

Although the large emeralds were at one time thought to be of Indian origin, later examination of inclusions within the stones proved most of them were actually mined in Colombia.

The emerald is a member of the beryl family that owes

its green color to trace amounts of chromium. Gemologically, green beryls must contain chromium to be designated as true emeralds. The most valued hue is a rich grass-green, but other emeralds range from dark muddy-green to bluish-green. Other beryl gems are light-blue aquamarine, yellow to golden heliodor, colorless goshenite and extremely rare red beryl.

Virtually all natural emeralds are included, that is, they include microscopic-to-small garnets, mica flakes, pyrite crystals, other minerals and three-phase inclusions. Emeralds from Colombia's Chivor Mine contain three-phase inclusions occurring as fluid-filled negative crystal cavities or needle-like capillary tubes running lengthwise through the crystal.

Several years ago, a gem-dealer friend loaned me a number of tiny, gemmy, emerald crystals from the Chivor Mine. Using a microscope and specialized illumination technique, I produced a three-dimensional color photograph of a portion of one of the crystals that had a capillary tube filled with fluid (probably salt water), two common salt crystals and a gas bubble (probably carbon dioxide).

Stones from Colombia's Muzo Mine contain inclusions of organic material, etc., often making the finished gems appear darker green in color than the bluish-green but livelier stones from Chivor.

Years ago, Professor Eduard Gubelin published a book that described the inclusions found in emeralds from all known locations to help jewelers spot synthetic "emeralds." Today most emeralds are treated with oil or polymers and dye to fill cracks and hide the ubiquitous flaws that are referred to as "jardin," or garden. The flawless emerald you see in a jewelry store today is almost certainly laboratory-made.

Chibcha Indians mined emeralds at Chivor before the Spaniards arrived and traded them to the Incas Maya and Aztecs, who prized the stones, believing their rich, green color was sacred. The Spaniards either traded for or seized emeralds from the natives and sent them back to the King of Spain. Mel Fisher and his crew recovered emeralds, both uncut and mounted in gold jewelry, from the wreck of the Spanish treasure galleon, "Atocha."

Emeralds have been found at the Chivor, Muzo, Gachala and Borur mines in Colombia, in Austria, Brazil, Russia, Rhodesia (Zimbabwe), Australia, Transvaal in South Africa, Tanzania, Pakistan, Norway — and North Carolina.

During the late 1960s, I collected small emerald crystals and emerald matrix at the Crabtree Mine near Spruce Pine and on one occasion accompanied Bill Collins, the mine operator, down into the mine shaft. Although I could not collect anything, it was a special treat to see the small emerald crystals and crystal matrix dislodged by blasting. I did collect on the dumps, where the mine rubble was discarded and found a few small emeralds that I then faceted.

Most of the Crabtree emeralds were small but a number of lively, fine-colored gems were faceted from them. Most of the Crabtree material was cut as cabochons (buff-topped stones) from emerald matrix. The matrix of white feldspar, quartz, black mica, black tourmaline and garnet crystals produced interesting and unusual gems.

Emeralds have been and are still being mined in the Hiddenite area of Alexander County. Years ago, farmers plowing at the Adams Farm and surrounding fields turned up "green bolts," which some believed were bolts of lightning that had fallen there. During the 1890s, mining began and soon a mineral unknown to mineralogists was found. The miners followed small veins of quartz, mica and feldspar looking for pockets in which the emeralds occurred.

Besides emeralds, crystals of the unknown green mineral, aquamarine, rutile, smoky quartz, mica and other minerals were found in the same pockets. A green variety of the mineral Spodumene, the new crystals were named in honor of William Earl Hidden and the nearby town was renamed Hiddenite. Capable of being faceted into beautiful, emerald-green gems, hiddenite is a difficult stone to facet. It cleaves easily and is easily shattered by heat or shock.

Several years ago, I spent much of a day searching in the field at the Adams Farm for emeralds but found none. I did find a fine, small, non-gem aquamarine crystal, a number of small, dark red rutile crystals and a "nugget" of fine smoky quartz. From the smoky quartz, I subsequently faceted a large oval gem and mounted it in a 14-karat gold pendant for my elder daughter as a Christmas present.

Currently there are two active emerald mines in the Hiddenite area, the Adams Mine and N.A.E.M. Mine. Emeralds were first found at the Adams Mine in a plowed field about 1874. A 1,276-carat specimen-grade crystal found in mining there was subsequently stolen from the American Museum of Natural History and never recovered. Another crystal weighing 1,270 carats was found at the site in 1886. The Reitzel emerald, weighing 1,493 carats, found there in 1971, is now in the Smithsonian Institution. These large emeralds are specimen grade rather than gem grade.

Jamie Hill found a 71-carat emerald crystal that was faceted into the two most valuable North American gem emeralds, the "Carolina Queen," weighing 18.8 carats, and the "Carolina Prince," weighing 7.85 carats. At the same mine, Hill found the largest known North American emerald crystal, weighing 1,869 carats that is now in the Smithsonian Institution. Neither the Adams Mine nor the N.A.E.M. Mine are open to the public, but other mines nearby are open to prospectors on a fee basis.

My closest and most personal contact with large gem emeralds occurred years ago when a gem-dealer friend and I visited Paul Desautels, who was then curator of

gems and minerals at the Smithsonian Institution. I went there to trade gemstones that I had made from North Carolina and Virginia minerals for native gold nuggets and crystallized gold specimens, including a nugget found at the Sutter Mill site. The 1848 Sutter strike initiated the California gold rush.

It was quite an experience to go into the back room laboratory where lab carts loaded with trays of opals, some as large as goose eggs, were being catalogued into the museum's data base. We spent some time opening cabinet trays examining fine mineral specimens.

Later, Mr. Desautels took us into the walk-in vault and showed us, among other mind-boggling treasures, a large vase carved from green and mauve jade, a large Colombian platinum nugget, an egg-size faceted gem tourmaline, and the superb, large, gem-grade "Gachala" emerald crystal. He also showed us a large Mogul emerald bead and diamond necklace featuring a large carved emerald and several large, un-mounted gem emeralds.

Fancy a change?
Hindu Business Line
June 5, 2012
By Archana Achal

This article was edited for space. ED

Rubies are red, emeralds are green and sapphires are blue. This is what we all think of when we talk about coloured gemstones. But there is more to the sapphire than meets the eye. This jewel sprung back into the spotlight when it was seen adorning the engagement ring of one young royal, sparking off a frenzy of copies and kitschy remodels in the process. Blue sapphires, be it of the deep Kashmir blue, the subtle Ceylonese hue or the intense Burmese shade are appealing to the eye and calming on the mind as well. They even sparkle well when placed adjoining clear diamonds, enhancing the shine of the diamonds. But the season to be blue is over now, and sapphires in a variety of colours are taking centre stage. Sapphires in colours other than blue like those in yellow, green and pink are called fancy colour sapphires or simply fancy sapphires, to differentiate them from their more famous counterpart.

Stylish science
For all of you who love science, here's a fun fact. Rubies and sapphires are in reality the same mineral compound called corundum. It's the presence of other trace minerals, actually seen as impurities, in corundum that give it a number of hues. When chromium is present in the corundum, it gives the mineral a red tinge and this red gem is then called a ruby. Some confusion does arise when differentiating between

rubies and lighter red and pink fancy sapphires, but the general consensus is that almost all red corundum stones are considered rubies while those that are clearly pink will be called pink sapphires.

With excellent hardness (making it useful even in the production of sapphire crystal for watches), durability and minimal maintenance, sapphires are loved by many.

The rich shades of fancy colour sapphires only add to the reasons to adore these shining beauties.

Value addition

Sunflower yellow, jungle green, hot pink and passionate purple are the colours of just a few of the possible fancy sapphires available today. The value of gemstones in general is determined by hue, tone and saturation. The hue is the colour, the saturation is its brightness and the tone is determined by its position in the spectrum of lightness to darkness. So while picking a fancy colour sapphire, the choices are endless. These sapphires are never just of one single hue, as each yellow, green or pink sapphire will have undertones of other colours that add different dimensions to its tone. But bear in mind that the closer a sapphire gets to being single shade, the more valuable it is regarded to be. If it is a light green, pink or yellow, its clarity is looked in to as inclusions can be spotted easier in these shades. Fancy sapphires of a deep hue create impact from their colour alone and the cut is more important here to create as much sparkle as possible.

Hundreds of Undisclosed Lab-Made Diamonds Detected, Fears Many More Are Circulating

INDEX Online News
May 22, 2012
By Edahn Golan

Concerns are rising that a large number of undisclosed lab-made diamonds are circulating in the market. Suspicions were raised after IGI detected a batch of such items a few weeks ago, according to Chaim Even-Zohar. The goods have VVS-VS clarities, leading to suspicions that the purpose of creating the diamonds was to have them misidentified as natural diamonds.

Grading lab IGI identified about 600 stones out of a parcel of 1,000 F-J color, 0.30-0.70 carat diamonds as lab-made. A person who saw the diamonds said simply, "They were created to defraud."

The issue is not only a matter of knowing the source of the diamonds, but also one of determining their value. Polished lab-made diamonds are offered at 50-65 percent less than natural diamonds that have similar size, color, clarity and make characteristics.

According to warning posted on the DTC Sightholders website after they examined the diamonds, "The combination of characteristics listed above is strikingly similar to that reported by the GIA [Wang & Moses 2011] for 16 CVD synthetics received from Gemesis Corporation."

Gemesis sells both rough and polished CVD- and HPHT- made diamonds. The diamonds under investigation were produced using the CVD process. It is not known how many undisclosed CVD near-colorless lab-made diamonds are currently circulating in the market.

Avi Paz, president of the World Federation of Diamond Bourses, has urged vigilance, adding that violating rules on trading misrepresented or undisclosed products is grounds for suspension, expulsion, fines or other appropriate disciplinary measures.

Kashmir's blue sapphire mines on spy agency's radar

Sleuths intercept conversations between persons in Pakistan occupied Kashmir and J&K on Padder mines

The Tribune

April 29, 2012

By Man Mohan

An Indian espionage agency keeping tabs on terrorism modules operating from Pakistan is nowadays "eyeing" Kashmir's world-famous blue sapphires.

Intercepts of snatches of conversation between unknown persons in Pakistan occupied Kashmir and Jammu and Kashmir about mining operations at Padder sapphire mines in Doda district have put these on the spy agency's radar.

Sketchy conversations are related to the volume of the sapphire mining business and details of domestic and foreign players in the race to win the "golden opportunity" to mine the expensive gemstones, sources told The Tribune.

"We are making discreet inquiries about the antecedents of Indian and foreign firms that have expressed an interest in mining through a joint venture with the state-owned Jammu and Kashmir Mining Limited (J&KML)," Intelligence sources said.

Information is being gathered to ascertain whether terror groups are trying to tie-up with someone to take a cut in the mega business by promising not to disturb mining activity.

In the case of a European firm that on the surface seems to be "owned" by a foreigner of Indian origin, a "discrepancy" in its old and fresh documents has attracted the agency's attention. "The documents carry different addresses and there are doubts about the firm's mining experience," sources said.

"We are also keeping an eye on some officials as extraordinary interest taken by this European firm in a senior official's family function has raised eyebrows," they added.

The J&KML holds sapphire mine lease over an area of 6.65 sqkm in Padder. The Corporation has suffered losses due to terrorism as it could not exploit the sapphire deposits and also could not fully carry out mining of limestone, gypsum and coal.

At a time when the J&KML is gearing up to earn profit by engaging global mining companies in public-private partnership to revive the sapphire mines, the possibility of “undesirable elements” on both sides of the Line of Control taking interest in it is being described as disturbing.

“It is also possible that terrorist groups do not want the revival of the sapphire mines. Large commercial activity involving heavy security may interfere with their movement in Padder’s highly rugged terrain, deep gorges, water falls and a glacial valley,” sources said.

Due to limited infrastructure and financial constraints, the Corporation has been engaged in manual sapphire mining on a very small scale since 1963. But it completely stopped works in 2005 due to heavy terrorism activities in the area. Since then, two tenders were floated to invite Indian and foreign companies with experience in gemstone mining, but none fructified. The mine has the possibility of open cast working with heavy mechanised machinery.

Mining in Padder, at a height of 4,327 m, poses a big challenge. Mining is possible only two months a year due to extreme climate conditions and inaccessibility.

The sapphire mines remain almost snowbound, with perpetual snow-covered glistering mountains rising as high as 5,500 m. The area remains considerably under the clouds when monsoon hits the plains. Average temperature during the working season of July to September remains around 5°C to 10°C during the day and almost minus 1-2°C during night. In the mines, the temperature is always minus 2-10°C.

The evaluation of the sapphire deposits is not known. With help from the National Remote Sensing Agency at Hyderabad, the state government had got satellite imagery of the Padder mines in 2001. It shows the Chenab river taking its existence from here, piercing through the sapphire mine area.

Accessibility to the mining area is through a fair weather road as well as a bridle path. From Kishtwar, the 60-km distance to Atholi is covered by a fair weather road and from Atholi to Sumcham, a 40-km journey, only a bridle path runs.

Burma News

European Union to monitor Burmese ruby trade

Professional Jeweler

May 1, 2012

The Council of the European Union met in Luxembourg last week to conclude its views on Burma, also known as Myanmar, following changes in the country's April 1 elections, one of the most promising moments of reform in the country.

The EU has now offered that, as a means to welcome and encourage the reform process in Burma, the council will “suspend restrictive measures imposed on the Government”, with the exception of the arms embargo,

which it will retain. This means that Burmese rubies will be less restricted than previous.

However the EU Council says it will “monitor closely” the situation in Burma, and will keep its measures “under constant review”.

The EU said it now wants now to “enter into an active collaboration with Burma as a whole, with a view to assisting the reform process and contributing to economic, political and social development”.

The European Union will work with central and local authorities in Burma to bring peace and stability to ethnic regions and to “open a long-term perspective for their development, as part of national reconciliation”.

It has announced significant new funding for economic and social development, democratic transformation and the strengthening of civil society and the public administration’s capacity at central and regional level, in order to help improve governance and to establish an effective administration in a democratic and inclusive state.

The EU says it also recognises “the vital contribution” that the private sector has to make to the development of Burma and would welcome European companies exploring trade and investment opportunities, such as those involving gemstones.

In the US last week, secretary of state Hillary Clinton said the country would start to ease some of its more rigorous restrictions on Burma, following the April 1 elections in the country.

The Wall Street Journal’s South East Asia offshoot said: “Does this mean Americans will soon be able to start legally buying Myanmar’s world-renowned gems, which are currently blocked by law in the US? It seems unlikely, at least in the short term”.

In 2008 the US movement JADE (Junta’s Anti-Democratic Efforts) Act, banned the stones’ importation to the United States. Penalties include fines of up to \$1 million and imprisonment of up to 20 years, despite Burma producing around 90% of the world’s rubies.

While sales to the US and Europe have been restricted, rubies sales in China and Asian countries have thrived in recent years, while the provenance of the stones has remained hard to determine.

US Removes Ban on Charity Activities in Burma

Voice of America

April 17, 2012

This week the United States relaxed some long-standing economic sanctions on Burma, in hopes of encouraging additional reforms after landmark elections earlier this month.

Under rules issued Tuesday by the Treasury Department, private humanitarian, religious and other non-profit organizations will be allowed to carry out

charity work in Burma.

The new rules allow U.S. citizens to invest money in and undertake projects meant to meet basic human needs in Burma, including disaster relief and assistance to refugees, displaced persons, and conflict victims. They will also allow distribution of food, clothing, medicine, and medical equipment, and provision of shelter, clean water, sanitation, and hygiene assistance.

The move will also allow Americans to work in Burma on democracy-building and good governance projects, including conflict resolution and citizen participation, and on educational activities meant to fight illiteracy and increase access to education.

U.S. funds may now be spent on non-commercial projects in Burma that would benefit the Burmese people. These include disease prevention, promotion of mother/child health, food security, conservation of endangered species, and construction and maintenance of schools, libraries, medical clinics, hospitals, and other infrastructure.

Americans can also now spend money on religious activities in Burma such as religious education, the training of missionaries, and establishment and maintenance of houses of worship.

A Treasury Department spokesman confirmed Wednesday that sanctions on commercial transactions, such as import of Burmese gemstones and other goods, are still in place.

After Cyclone Nargis devastated Burma in May of 2008, killing tens of thousands of people, the U.S. temporarily eased financial sanctions against that country, to allow humanitarian agencies and individuals to offer financial assistance to the Burmese people.

Since the election of a nominally civilian government in Burma in 2010, the Obama administration in Washington has been shifting away from long-standing U.S. policy of

isolating that country, gradually easing sanctions as a reward for the Burmese government's democratic changes. Washington also plans to send a full-time ambassador to Burma for the first time in more than two decades. Selected Burmese officials and members of parliament now will be allowed to travel to the United States.

After the former Burmese military government's bloody crackdown on peaceful pro-democracy protests in 1988, and its refusal to honor the results of a free election in 1990, the United States imposed an arms embargo against Rangoon and a visa ban on senior government officials there.

In 1997, then-U.S. President Bill Clinton issued an executive order prohibiting any new investment in Burma by U.S. individuals or companies.

In 2003, the U.S. Congress passed the Burmese Freedom and Democracy Act, which banned imports from Burma.

In 2007, then-President George W. Bush issued an executive order imposing financial sanctions against military government officials in Burma, their families and friends, barring them access to the U.S. financial system. The list of officials was expanded in 2008.

Also in 2008, Congress passed the Tom Lantos Block Burmese JADE Act. The law, named after the late House Foreign Affairs Committee Chairman Tom Lantos of California, bans the importation of rubies and jade from Burma into the United States.

In announcing the new easing of some sanctions against Burma, U.S. Secretary of State Hillary Clinton warned that the democratic reform process in that country still has a long way to go. She said the U.S. will continue to ease sanctions as long as the Burmese government continues making progress toward a fuller democracy.

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