

# GREENLAND RUBY

Stuart M. Robertson, GIA GG

*After more than a decade, Greenlandic ruby has entered the market in commercial quantities. The combination of affordable pricing and traceable sourcing meet the needs of the current market climate. The flux healing of the material will limit demand to more commercial and mid-level markets. The transparency is below that from other major sources, but the material is still quite attractive for what it is.*

The focus of this article is to examine the market potential for the ruby and pink sapphire mined in Greenland. For more than a decade, I have been monitoring developments regarding the production of ruby in Greenland. On several occasions during the past decade, I have examined ruby and pink sapphire produced by True North Gems and more recently their successor, Greenland Ruby. The latter has obtained the necessary permits to export and market gemstones. As a result, commercial quantities of ruby and pink sapphire mined in Greenland have finally entered the international gem trade, and earlier this year launched a major exhibit at the JCK Las Vegas show.

Greenland ruby and sapphire have the opportunity reach a niche, yet sizeable area of the market. It will not however, compete favorably with the significant production of ruby coming out of east Africa—most notably Mozambique. Nonetheless, the Greenland material does have a favorable marketing position in its traceable sourcing and affordable price structure. These should allow the product to penetrate across a reasonable section of the market. Given the current consumer driven trend toward more affordable yet attractive jewelry, today an appetite for this material exists that did not a decade ago.

The production of rubies and sapphire from Aappaluttoq typically finish to smalls although larger single stones are also produced. During a recent conversation with Hayley Henning, VP Sales and Marketing for Greenland Ruby, she noted, “The rubies and pink sapphires from Greenland range in sizes from 0.9mm right up to around 50cts! Due to the nature of the gems, beautiful cabochons are our specialty, so while we do have quite a few faceted gems, especially in smaller sizes, the larger are most likely to be the cabs.” Figure 1. The com-

pany is reportedly focusing on the market for calibrated ovals sorted in a range of colors for designers as well as larger manufacturers. The production is sufficient to provide a consistent supply of both rubies and pink sapphires in a variety of colors. “This is a perfect opportunity for any jewelry manufacturer or big brand, who needs to plan and prepare collections in advance,” noted Henning.

Greenland Ruby has opted not to sell rough at least for the time being according to information sent to GemGuide in response to questions for this article. However, this is inconsis-

tent with the market strategy contained on the company’s website. It is our understanding that Greenland Ruby is currently only selling cut and polished stones to the trade. This may limit the pool of potential trade clients. As one dealer told me, “They have a saleable product, especially given the price points, but by selling only cut goods, it’s going to be less attractive to gem dealers because we make most of our profit from buying rough and selling polished. The profit is in the cutting.” This is no doubt precisely why Greenland Ruby, a mining company made the decision to treat and cut the material before marketing it. Since the company controls the processing, it can market the chain of custody of each stone to jewelry manufacturers as an added value trait. This it does with supporting certificates of provenance. Figure 2. With the appropriate degree of attention to build the reputation of the product, it is reasonable to believe that a

market can be developed around big brands, boutique brands and most notably designers. The company recognizes that big brands as well as large manufacturers with an interest in responsibly sourced gems are a desirable base for Greenland Ruby to develop. Each would be expected to consume larger quantities of product as well as cross-market it.



FIGURE 1. Greenlandic ruby, courtesy of Greenland Ruby.

## QUALITY FACTORS

Gemologically, the ruby and sapphire from Greenland are interesting for the variety of qualities seen. The transparency of the material ranges from transparent to opaque with translucent to opaque stones being most common. The material also ranges in color from light pink to vivid red as graded against the World of Color. The vast majority of the rubies and sapphires that we've examined are commercial quality but fine gems are also available. The red and pink categories both exhibit a range of color quality. It's these nuances that should prove interesting to designers. As Hayley notes, "The colors are very attractive, and range from vivid red to lighter shades of icy pink, which is further categorized into transparent, translucent and opaque. The deposit in Aappaluttoq (the Greenlandic word for red) is a hard rock deposit, meaning that the material tends to be included." The company has created an inhouse grading system based on color and transparency.

## PRICING CONSIDERATIONS

In spite of the interesting story, the fact remains that since late 2018, prices for a number of gem varieties have been adjusting downward on a lack of investment in inventory and further slowing of demand from the Chinese market. Affordability is one advantage that Greenland Ruby can offer. This is in part due to the fact that much of the Greenland material is flux healed. The market has become familiar with this treatment process during the 1990s through experience with Mong Hsu ruby. So, the treatment is accepted in the U.S. market. It is generally understood that flux healed stones trade at a discount to "heat only" stones.

The hard costs of mining in Greenland are also figured into the pricing. The mining season is short and winter conditions can be harsh. Prices are set based on the level of support in the trade. The company believes they will build value for dealers through responsible sourcing and the provenance of the source. Henning notes that Greenland Ruby's first retail partner is a jeweler in Copenhagen, Denmark. The firm, Hartmann's, created a 70-piece collection and sold out before Christmas Eve. They were successful in emphasizing the Greenlandic origin of the gems through a collection designed specifically for Greenland ruby. In Denmark, Greenlandic origin would be expected to be a strong selling point. The same should also carryover to other markets.

For this reason, Greenland Ruby currently provides a Certificate of Origin with each stone of 1.00 ct or larger. However, the same information can be obtained for smaller sizes. The numbering system is based on the original export document from Greenland. Once assigned, a number follows the stone along each step from mine to consumer. The major labs have also been allowed to acquire material for testing. Origin determination of Greenlandic ruby does not pose a challenge for the major gem labs.

## THE SUPPLY CHAIN

Greenland ruby operates a highly industrialized mining operation. The mine reportedly employs 35 people, most of which operate earth moving equipment, and other heavy machinery in the processing plant, according to Hayley. The sorting is conducted by a team of women; all staff is local. The stones are treated in a contracted facility in Thailand and cutting is done in India.

In support of its CSR, Greenland Ruby has set up the Pink Polar Bear Foundation and reportedly sets aside a percentage of sales to support climate change research. Greenland Ruby has also recently become an RJC member, the first from the colored stone mining sector.

The ruby and sapphire mined in Greenland has a place in the market. It is likely to be most relevant to large manufacturers looking for a consistent

supply of well-cut commercial quality gems. The material should also appeal to designers looking to work with gems having a traceable origin. The fact that the material is flux healed will limit its market to the commercial to mid grades. It will not compete with Mozambique's ruby production, nor is it attempting to. This product has an attractive price point that starts below \$100 per carat and goes up into the low thousands. Many of the stones we saw in Las Vegas exhibited attractive, saturated colors and yet were price reasonably at a few hundred dollars per carat.

The challenge it may face is producing demand at a level consistent with the output of the mine. The strategy of marketing only cut and polished goods does limit their client base. However, the traceability aspect of the product may offset that with greater consumption from large manufacturing jewelers. ♦



FIGURE 2. Certificate of origin is a key marketing tool.

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