Betreff: WG: GGL Newsletter #1

GGL-newsletter #1, Wednesday June 16, 2004

The Gubelin Gem Lab (GGL) is happy to send you its first newsletter. With this newsletter we would like to provide our clients, partners and other interested parties with information on current research issues, trends and developments within our industry and on news about the Lab itself. This will be our main platform for distributing information we feel is important to our business and research activities, as well as for offering you our opinion and comments on these topics.

We will distribute our newsletter only by e-mail and will refrain from inserting any illustrations. By keeping the information concise and paragraphs brief, we hope to update you with the latest news whilst taking up only a few minutes of your time.

Our newsletter will be released four times a year, possibly more frequently, depending on what news and events occur in between. If you have any comments or if you would prefer not to receive our newsletter, please do not hesitate to contact us by e-mail: info@gubelingemlab.ch.

Daniel Nyfeler Managing Director Gubelin Gem Lab Ltd.

Headlines:

- *** New heating process on Sri Lankan blue sapphires with white rim does not involve external diffusion
- *** The Dr. Eduard Gübelin Research Association supports GGL research project
- *** GGL provides method to detect Be-treated sapphires
- *** World-renowned gemmologist Mr. George Bosshart retires but maintains close collaboration with GGL

*** Unusual colour distribution observed on Sri Lankan blue sapphires shows no indication of external diffusion: In October 2003, the AGTA lab reported that a new type of heat treatment on blue sapphires, originating from Sri Lanka, had appeared on the market. These sapphires reveal an irregular concentration of colour when immersed. It is now found that a slightly different heating process is responsible for this depletion of colour in the outermost layer of the sapphires. There is no external diffusion of chemical elements (other than in traditional heating) involved in the process. We therefore do not feel any need to change our policy for the analysis of and/or reporting on these stones.

*** GGL provides analysis to detect Be-treated sapphires for client stones: Since the first Be-treated Sapphires appeared on the market a couple of years ago, the GGL researched into developing methods of detecting this treatment. In cooperation with the Swiss Federal Institute of Technology (ETH) Zurich, Switzerland, the GGL is in the position to perform the identification of Be-treatment in corundum. In order to fully disclose such treatment, we have added the following statement in the comment section of our report: "Indications of heating. Colour induced by diffusion of chemical elements from an external source". This wording complies with the LMHC proposal for disclosing this type of treatment.

*** The "Dr. Eduard Gübelin Association for Research and Identification of Precious Stones" supports GGL research project on sapphires from Madagascar: Launched in 2003, the Dr. Eduard Gübelin Research Association has agreed to sponsor the systematic analysis of blue sapphires from different areas in Madagascar. The goal of this GGL-project is to describe the germological characteristics of the stones from various geological sources. Such research is vital to understand the realm of blue sapphires from this increasingly important source of coloured gemstones for the worldwide market.

*** Mr. George Bosshart leaves on early retirement, but will continue to work closely with GGL. Mr. Bosshart is one of the world's most acknowledged researchers in coloured diamonds, and for more than

30 years, the gemstone industry has profited from his immense experience and expertise. As a result of his extensive know-how that has been systematically transferred to the Gubelin gemmologists over many years, we can assure our clientele the on-going availability of our world-class diamond expertise. We look forward to continuing our close working relationship and valued friendship with Mr. Bosshart in the future.

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