



Traditional way of mining and assorting.

FURA GEMS

TO FOCUS ON UNDERVALUED MINES: DEV SHETTY



Dev Shetty, president and CEO, Fura Gems

DEV SHETTY, president and CEO of Fura Gems Inc., an up-and-coming gemstone mining firm that recently acquired the famed Coscuez emerald mine in Colombia, speaks to **SOLITAIRE** about plans for deploying modern technology to ramp up production. Fura Gems aims to set a new precedent for best practices in the gemstone sector as it goes about acquiring other undervalued assets.

What is your vision for Fura Gems?

From the time I have joined Fura in January 2017, I was clear that we want to call ourselves a mining and marketing company. We don't want to position ourselves as the "De Beers of colour gemstones", nor do we want to call ourselves "the world's largest colour stone miner". As a progressive and imaginative company, we aim to set the new precedent for best practices in the gemstone industry by transforming current standards into the premier example of an employee-friendly, sustainability-driven, community-centred enterprise.

How is your experience at the world's leading gemstone mining company helping you take on the mantle of CEO at Fura?

My previous experience provided me with immense learning. If you look at the colour gemstone industry, prior to Gemfields there was little or almost no organised mining in this sector. This meant that there were no past examples of right or wrong. We had to do everything for the first time and there was learning all the way and we were successful in creating the world's leading colour gemstone mining and marketing company. At Fura, I have put a lot of those

previous learnings into practice. As a new company, we must be very careful in terms of our spends, but that does not mean we will compromise on quality. One key learning which I am implementing is to have a great team. I have hired some of the best talents from within and outside the industry. The team is professional and very committed and all of us are working towards one common goal, which is to build a great business together, something that all of us will be very proud of.

What is Fura Gems' production capacity of emeralds and rubies at present?

It is too early to talk about production numbers at this point of time. You may be aware that as of today, we have four ruby licences in Mozambique, and in Colombia we have two licences, including the Coscuez mine, which is one of the most iconic Colombian emerald mines. We have already started our drilling programme in Mozambique and in Colombia we are taking the handover of the mine from the previous owners. In both cases we are looking at getting into production in about 12 months with an intention to sell rough rubies and emeralds within 18 months of the completion of the transaction, i.e. December 2017.

What is your main distribution method in bringing goods to market - auctions, tenders, sights, etc.?

A lot will depend on the kind of product mix that we get from our mine. We will surely be selling our gemstones through an auction platform, as there is a lot of understanding and awareness in the trade about this

platform. We are also considering making some changes to the selling process, but we will let the trade know once we are ready to do so. We have already received interest from quite a few large jewellery manufacturers and retail brands asking us for direct supply, but we have not yet made up our mind about it.

Tell us about the ramp-up plans at the Coscuez mine in Colombia. Will it boost production capacity and by how much? What are the estimated emerald reserves and life of the mine?

Coscuez is a massive emerald mining operation with more than 25 levels of underground workings. The mining activity is concentrated at centre of the hill range and the company Esmeracol, to date, operates at the lowermost level known as La Paz. The other active tunnels are operated by associated companies or groups of artisanal miners. As per an estimate by the vendor of the licence, the estimated resource is over 2 million tonnes with an average grade of about 1 carat per ton. The estimate is only based on the current 300m vertical distance and on board geological mapping of the ore body exposed in the underground openings.

The first job Fura will do is to augment this resource statement many times by systematic subsurface drilling, as we believe that there is a tremendous scope of expanding the resource statement below the La Paz level as well as upper levels in the mining zone which has not been mined systematically. A detailed geological study, which will be done immediately with core



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Colombian emerald exhibited by a dealer.

drilling, will augment this resource many times. This will boost production by at least 3 to 4 times of the current levels and extend the life of the mine.

How will Fura market Colombian emeralds globally? Anything specific planned for India?

For centuries, Colombian emeralds have been one of the most sought-after product categories in the world. Colombian emeralds have adorned glamorous women from all over the world for ages – everyone from royalty, including the Indian princely states, to Hollywood and Bollywood. Most of the biggest jewellery brands from Cartier to Van Cleef & Arpels to Bulgari, all have created exquisite jewellery pieces using Colombian emeralds. We as such don't have to spend large amounts of money advertising Colombian emeralds as it is already a very

well-established category. However, we would further build aspiration through our global PR campaign and retail and consumer education. We also plan to work with some of the large jewellery retailers across the globe, including India, and do co-marketing and branding with them.

India surely will be an important centre for our rough gemstones. We are quite certain that a significant part of our Colombian rough would be purchased by clients based in Jaipur. From a consumer point of view, there is a huge demand for Colombian emeralds in India.

Will you be upgrading facilities at your Mozambique ruby licences as well? Will you look to deploy the latest technology at future acquisitions as well?

We believe in a systematic, multidisciplinary, scientific approach for the evaluation of any of our deposits. This is done by using the latest technology available in the market, resulting in reducing the gestation period from a greenfield project to a producing asset.

In Mozambique, we are in greenfield to brownfield areas and already systematic subsurface drilling has been initiated after a detailed study by geologists, which led to the identification of the target areas. The team has thorough knowledge in the area and the technology available for extracting this valuable gem from the ground.

Consumers are becoming increasingly sensitive about issues like fair trade, sustainable mining,

ensuring that miners and local communities are well looked after. Tell us more about Fura Gems' best practices philosophy.

Fura's mission statement best answers your question. "Our mission is to create unique opportunities for all stakeholders by partnering with surrounding communities to focus on known and proven gemstone belts, including existing yet undervalued assets, supply rough gemstones through organised and transparent selling platforms, and promote mined gemstones around the world".

Just to give you an example, even before we start mining formally in Colombia, we have already hired a CSR manager, who is working with the community to ensure that the locals are aligned with what we are trying to achieve. We will ensure that as we progress, the community also progresses. Moving forward, the plan is to hire many local people so that they have regular employment through our mining activities, which is currently missing. We will empower them by giving them job-specific skill development training to ensure they are able to improve their productivity. We will also ensure that we adhere to all our obligations towards environment, health, and safety regulations. All taxes and royalties will be paid as per government regulations.

Are you investing in technology (like Blockchain) to provide a paper trail for your gemstones?

The current focus is to ensure that we get a strong foothold in both Mozambique and Colombia and start consistently supplying rubies and emeralds to trade partners. We will be considering new technology for the paper trail and at the right time, will make an announcement as it is in an early stage of development.

Will Fura look to venture into downstream activities like cutting/polishing, retail, etc.?

Our core strength at Fura is mining and marketing and we will stick to our strengths. We are very clear that we will focus only on selling rough gemstones to our clients and we will not get into downstream activities of cutting and polishing. We believe that it is not possible to control every aspect of the value chain. People have tried to do that in the past and have failed. Our strategy is "Mine and Market" and not "Mine to Market". We will focus on building a world-class mining operation and marketing it to build aspiration and demand for the category. We will leave cutting and polishing and retail to the experts. ■



Fura's CSR team in discussion with the local community.