

Inventory Estimate Assumptions

Analysis by wombat777, hotcopper

DIYOR. Not Qualified for Advice.

This is an assumed and theoretical valuation for the Rough Ruby Inventory leading to the inaugural October 2017 auction. This is based on ruby details published to date and broad assumptions on grade distribution and rough ruby wholesale rates.

4 September 2017

Version: 1.4

Assumptions

We know that Mustang commenced operations in the lower-quality Alpha Deposit. In the October 2016 to June 2016 timeframe Mustang recovered their initial 100,000 carats of inventory from this lower-quality deposit that had a much broader distribution of Ruby qualities.

Then following the acquisition of the highly-strategic 8245L License Area, Mustang shifted their focus to bulk-sampling from a deposit that yields almost-exclusively high quality rubies.

October 2017 Auction (Auction 1)

Due to the change in focus from a lower-quality deposit to a higher quality deposit at the end of June 2017, valuation for the October 2017 auction has been developed with two separate valuations for the following groups of material.

1. Initial 100,000 carats from the Alpha Deposit with 70% of this portion as lower-grade rubies within the small and medium sizes. The remainder of the inventory is considered to be High Quality rubies.
2. Subsequent 100,000 carats from the 8245L Deposit with 90% of this portion as High Quality rubies and the remainder (10%) as Commercial Quality Rubies

Q2 2018 Auction (Auction 2)

For the second auction it is assumed that all material will be recovered from the 8245L License area and that 90% of the material will be High Quality Ruby with the remaining 10% being Commercial Quality Ruby. A 200,000 carat production target has been assumed.

Distribution of inventory carats by rough ruby size

Webull distribution has been applied for carat size distribution for the Rough Gem inventory. Sizes are assumed to range from in the size range of 1 carat to 23 carats. Assumption is that rubies below or near 1 carat are likely to be discarded. Rubies greater than 23 carats are quite rare so have not been included.

Figure 1 - Distribution of 100,000 carats collected from October 2016 to June 2017 (material for October 2017 Auction)

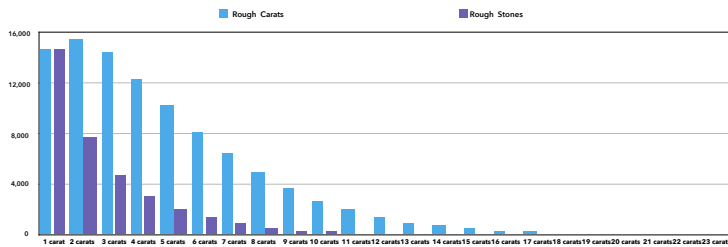


Figure 2 - Distribution of 100,000 carats collected from July to October 2017 (material for October 2017 Auction)

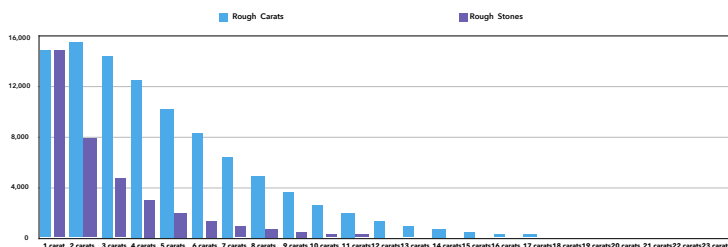
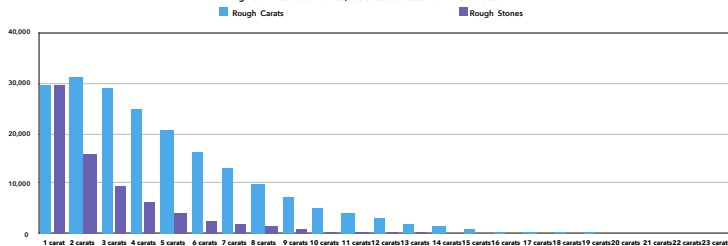


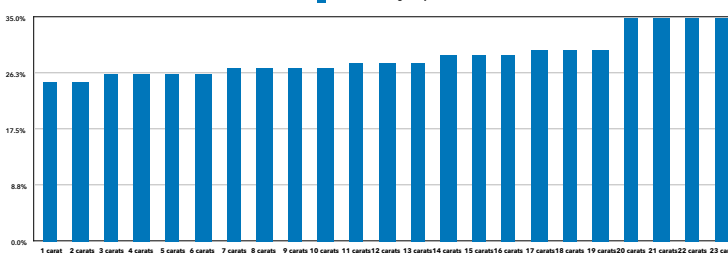
Figure 3 - Distribution of 200,000 carats collected for Q2 2018 Auction



Yield

Higher cutting yields have been assumed for the larger stones with yields reducing as the size reduces.

■ Cut Yield from Rough Ruby



Reserve prices for rough rubies

Tender reserve prices have been calculated as a proportion of cut stone wholesale value. The logic for this margins has been determined based on gem industry guidance.

- 40% Large/special rough reserve rate as percentage of wholesale cut value. Higher wholesale values of cut gems allow for higher margins for tender sales of rough. Under tender sales conditions due to the increased competition for the highest quality material, strong reserve prices are realistic.
- 32.5% Medium sized rough reserve rate as percentage of wholesale cut value.
- 25% Small sized rough reserve rate as percentage of wholesale cut value. Lower margins for retail of smaller stones require lower margins for sales of rough.

Quality Distribution

It's assumed that 70% of the material collected before July 2017 is Commercial Quality Ruby with the remainder being high quality.

From July 2017 it is assumed that 8245L is yielding "almost exclusively" (80%) High Quality Ruby with the remaining 10% being Commercial Quality Ruby.

Figure 4 - Assumed grade distribution for 100,000 carats collected from October 2016 to June 2017

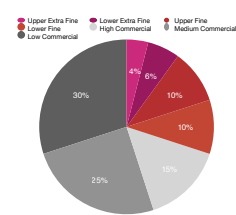


Figure 5 - Assumed grade distribution for 100,000 carats collected from July 2017 to October 2017

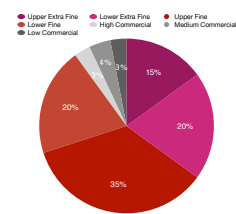
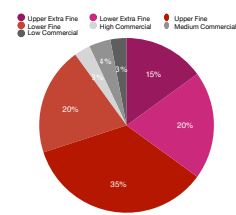


Figure 6 - Assumed grade distribution for 200,000 carats for Q2 2018 Auction



Summary of Results - Inventory Estimates

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Assumptions

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Then following the acquisition of the highly-strategic 8245L License Area, Mustang shifted their focus to bulk-sampling from a deposit that yields almost-exclusively high quality rubies.

October 2017 Auction (Auction 1)

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Q2 2018 Auction (Auction 2)

For the second auction it is assumed that all material will be recovered from the 8245L License area and that 90% of the material will be High Quality Ruby with the remaining 10% being Commercial Quality Ruby. A 200,000 carat production target has been assumed.

Summary of Results

Auction 1

Inventory Portion	Size Group	Average Size of Rough Gem	Gems in Inventory	Carats in Inventory	Percentage of Inventory by Size Group	Cut carats total	Cut Ruby Revenue	Cut USD/gem	Rough Ruby Revenue	Rough USD/Ruby	Rough USD/ct
Inventory October 2016 to June 2017	Large/Special Other	20.934	7 36,660	149 99,851	0.149% 99.851%	52 25,985	\$ 1,123,861 \$ 39,769,067	\$157,533 \$1,085	\$ 449,544 \$ 11,139,246	\$63,013 \$304	\$3,010 \$112
			Gems in Inventory	Carats in Inventory			Cut Ruby Revenue	Cut USD/gem	Rough Ruby Revenue	Rough USD/Ruby	USD/ct
			36,668	100,000		26,037	\$ 40,892,928	\$1,115	\$ 11,588,790	\$316	\$114
Inventory July 2017 to October 2017	Large/Special Other	20.934	7 36,660	149 99,851	0.149% 99.851%	52 25,985	\$ 1,123,861 \$ 84,882,191	\$157,533 \$2,315	\$ 1,123,861 \$ 23,859,721	\$157,533 \$651	\$7,525 \$239
			Gems in Inventory	Carats in Inventory			Cut Ruby Revenue	Cut USD/gem	Rough Ruby Revenue	Rough USD/Ruby	USD/ct
			36,668	100,000		26,037	\$ 86,006,051	\$2,346	\$ 24,983,581	\$681	\$250

Estimated Inventory Valuation for Auction 1 - October 2017

Gems in Inventory	Carats in Inventory	Cut Ruby Revenue	Cut USD/gem	Rough Ruby Revenue	Rough USD/Ruby	USD/ct
73,335	200,000	\$ 126,898,979	\$1,730	\$ 36,572,371	\$499	\$183

Auction 2

Inventory Portion	Size Group	Average Size of Rough Gem	Gems in Inventory	Carats in Inventory	Percentage of Inventory by Size Group	Cut carats total	Cut Ruby Revenue	Cut USD/gem	Rough Ruby Revenue	Rough USD/Ruby	Rough USD/ct
Inventory October 2016 to June 2017	Large/Special Other	20.934	14 73,320	299 199,701	0.149% 99.851%	105 51,969	\$ 171,440,380 \$ 171,440,380	\$ 2,247,710 \$ 169,192,669	\$ 899,084 \$ 47,533,671	\$63,013 \$648	\$3,010 \$238
			Gems in Inventory	Carats in Inventory			Cut Ruby Revenue	Cut USD/gem	Rough Ruby Revenue	Rough USD/Ruby	USD/ct
			73,335	200,000		52,074	\$ 342,880,759	\$ 4,675.56	\$ 48,432,755	\$660	\$242

Estimated Inventory Valuation for Auction 2 - Q2 2018

Gems in Inventory	Carats in Inventory	Cut Ruby Revenue	Cut USD/gem	Rough Ruby Revenue	Rough USD/Ruby	USD/ct
73,335	200,000	\$ 342,880,759	\$ 4,676	\$ 48,432,755	\$660	\$242

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4 September 2017

Version 1.4

See page 1 for core assumptions and analysis method.

Tender reserve prices have been calculated as a proportion of cut stone wholesale value. The logic for this margins has been determined based on gem industry guidance.

40%	Large/special rough reserve rate as percentage of wholesale cut value. Higher wholesale values of cut gems allow for higher margins for tender sales of rough. Under tender sales conditions due to the increased competition for the highest quality material, strong reserve prices are realistic.
32.5%	Medium sized rough reserve rate as percentage of wholesale cut value.
25%	Small sized rough reserve rate as percentage of wholesale cut value. Lower margins for retail of smaller stones require lower margins for sales of rough.

		Average Size of Rough Gem			Percentage of Inventory by Size Group													
Inventory Portion	Size Group	Gems in Inventory	Carats in Inventory	Avg size after cutting	Cut carats total	Cut Ruby Revenue	Cut USD/gem	Rough Ruby Revenue	Rough USD/Ruby	Rough USD/Carat	Rough USD/Ruby	Rough USD/Carat						
Inventory October 2016 to June 2017	Large/Special	20,934	7	149	0.147%	7.33	52	\$ 1,123,861	\$17,533	\$	449,544	\$63,013	\$3,010					
	19 Carat	19,000	5	97	0.097%	5.70	29	\$ 201,769	\$39,520	\$	65,575	\$12,844	\$675					
	18 Carat	18,000	8	146	0.146%	5.04	44	\$ 293,304	\$36,075	\$	93,324	\$11,724	\$676					
	17 Carat	17,000	13	219	0.219%	5.10	66	\$ 418,114	\$32,488	\$	135,887	\$10,559	\$621					
	16 Carat	16,000	20	324	0.324%	4.64	94	\$ 541,021	\$26,718	\$	175,832	\$8,683	\$543					
	15 Carat	15,000	32	475	0.475%	4.35	138	\$ 740,028	\$23,370	\$	240,509	\$7,595	\$506					
	14 Carat	14,000	49	689	0.689%	4.06	200	\$ 996,413	\$20,246	\$	323,834	\$6,580	\$470					
	13 Carat	13,000	76	988	0.988%	3.64	277	\$ 1,167,393	\$15,355	\$	379,403	\$4,990	\$384					
	12 Carat	12,000	117	1,401	1.401%	3.36	392	\$ 1,545,494	\$13,240	\$	502,286	\$4,303	\$359					
	11 Carat	11,000	178	1,960	1.960%	3.08	549	\$ 2,009,806	\$11,280	\$	653,187	\$3,664	\$333					
	10 Carat	10,000	270	2,704	2.704%	2.70	730	\$ 2,122,649	\$7,849	\$	689,861	\$3,521	\$265					
	9 Carat	9,000	408	3,675	3.675%	2.43	992	\$ 2,662,631	\$6,521	\$	865,355	\$2,119	\$235					
	8 Carat	8,000	614	4,910	4.910%	2.16	1,326	\$ 3,261,094	\$5,314	\$	1,059,855	\$1,727	\$211					
	7 Carat	7,000	919	6,435	6.435%	1.89	1,738	\$ 2,985,777	\$3,248	\$	746,444	\$812	\$116					
	6 Carat	6,000	1,375	8,251	8.251%	1.56	2,145	\$ 3,399,073	\$2,472	\$	849,768	\$618	\$103					
	5 Carat	5,000	2,061	10,306	10.306%	1.30	2,680	\$ 3,962,572	\$1,922	\$	990,643	\$481	\$96					
	4 Carat	4,000	3,115	12,458	12.458%	1.04	3,239	\$ 4,448,209	\$1,428	\$	1,112,052	\$357	\$89					
3 Carat	3,000	4,805	14,415	14.415%	0.78	3,748	\$ 4,168,781	\$868	\$	1,042,195	\$217	\$73						
2 Carat	2,000	7,803	15,606	15.606%	0.50	3,901	\$ 3,593,474	\$461	\$	898,368	\$115	\$58						
1 Carat	1,000	14,792	14,792	14.791%	0.25	3,498	\$ 1,251,466	\$85	\$	312,866	\$21	\$21						
		Gems in Inventory	Carats in Inventory			Cut Ruby Revenue	Cut USD/gem	Rough Ruby Revenue	Rough USD/Ruby	Rough USD/Carat								
		36,648	100,000			26,037	\$ 40,892,928	\$1,115	\$ 11,588,790	\$316	\$116							

Rough Ruby					Cut Ruby			Assumed Grade and Distribution				Inventory		Cut Ruby Size Grades and Wholesale Prices					Cut Ruby Value Estimates					Rough Ruby			
		Percentage of Inventory by Size Group		Proportion of Ruby Retained after cutting	Avg size after cutting	Cut carats total		Category	Assumed % distribution of Grade In group		# Stones	Cut Size	Grade Ct Min	Grad Ct Max	Grade / Size Min	Grade / Size Max	Estimated Cut Value / Carat	Cut Ruby Revenue	Cut USD/gem	Rough Reserve Rate	Rough Ruby Revenue	Rough USD/Ruby	Rough Group Price per Stone				
Size Group	Average Size of Rough Gem	Quantity of rough gems	Carats in Inventory																								
Large/Special	20.934	7	149	0.149%	35%	7.33	52	High Quality	Upper Extra Fine	14%	1.0	7.327	5000	7.999	\$ 27,625	35,900	\$34,046	\$ 249,453	40%	\$	101,693	\$99,781	\$	63,013			
								High Quality	Lower Extra Fine	29%	2.0	7.327	5000	7.999	\$ 19,900	25,700	\$24,400	\$ 364,413	40%	\$	145,765	\$71,512	\$				
								High Quality	Upper Fine	57%	4.1	7.327	5000	7.999	\$ 13,500	17,900	\$16,914	\$ 505,215	40%	\$	202,086	\$49,572	\$				
19 Carat	19.000	5	97	0.097%	30%	5.70	29	High Quality	Upper Extra Fine	4%	0.2	5.700	5000	7.999	\$ 27,625	35,900	\$29,556	\$ 34,405	32.5%	\$	168,472	32.5%	\$	11,182	\$4,753	\$	30,586
								High Quality	Lower Extra Fine	6%	0.3	5.700	5000	7.999	\$ 19,900	25,700	\$21,254	\$ 37,111	32.5%	\$	120,147	32.5%	\$	10,261	\$9,373	\$	
								High Quality	Upper Fine	10%	0.5	5.700	5000	7.999	\$ 13,500	17,900	\$14,527	\$ 42,275	32.5%	\$	82,804	32.5%	\$	13,739	\$26,911	\$	
								High Quality	Lower Fine	10%	0.5	5.700	5000	7.999	\$ 9,800	12,500	\$10,430	\$ 30,353	32.5%	\$	59,452	32.5%	\$	9,865	\$19,322	\$	
								Commercial	High Commercial	15%	0.8	5.700	5000	7.999	\$ 5,785	7,410	\$6,164	\$ 26,908	32.5%	\$	35,136	32.5%	\$	8,745	\$11,419	\$	5,240
								Commercial	Medium Commercial	25%	1.3	5.700	5000	7.999	\$ 2,295	4,160	\$2,730	\$ 19,864	32.5%	\$	15,563	32.5%	\$	4,456	\$5,058	\$	
								Commercial	Low Commercial	30%	1.5	5.700	5000	7.999	\$ 910	2,335	\$1,243	\$ 10,852	32.5%	\$	7,085	32.5%	\$	3,527	\$2,303	\$	
								High Quality	Upper Extra Fine	4%	0.3	5.400	5000	7.999	\$ 27,625	35,900	\$28,729	\$ 50,452	32.5%	\$	155,135	32.5%	\$	16,397	\$50,419	\$	28,163
								High Quality	Lower Extra Fine	6%	0.5	5.400	5000	7.999	\$ 19,900	25,700	\$20,674	\$ 54,459	32.5%	\$	111,637	32.5%	\$	17,699	\$36,282	\$	
								High Quality	Upper Fine	10%	0.8	5.400	5000	7.999	\$ 13,500	17,900	\$14,087	\$ 61,847	32.5%	\$	76,069	32.5%	\$	20,100	\$24,722	\$	
								High Quality	Lower Fine	10%	0.8	5.400	5000	7.999	\$ 9,800	12,500	\$10,160	\$ 44,607	32.5%	\$	54,865	32.5%	\$	14,497	\$17,831	\$	
								Commercial	High Commercial	15%	1.2	5.400	5000	7.999	\$ 5,785	7,410	\$6,002	\$ 39,525	32.40%		32,409	32.5%	\$	12,846	\$10,533	\$	4,679
Commercial	Medium Commercial	25%	2.0	5.400	5000	7.999	\$ 2,295	4,160	\$2,544	\$ 27,920	32.5%	\$	13,736	32.5%	\$	9,074	\$4,464	\$									
Commercial	Low Commercial	30%	2.4	5.400	5000	7.999	\$ 910	2,335	\$1,101	\$ 14,495	32.5%	\$	5,943	32.5%	\$	4,711	\$1,931	\$									
17 Carat	17.000	13	219	0.219%	30%	5.10	66	High Quality	Upper Extra Fine	4%	0.5	5.100	4000	4.999	\$ 22,600	26,200	\$25,544	\$ 69,742	32.5%	\$	135,476	32.5%	\$	22,666	\$44,830	\$	24,736
								High Quality	Lower Extra Fine	6%	0.8	5.100	4000	4.999	\$ 14,250	19,200	\$19,700	\$ 77,584	32.5%	\$	100,472	32.5%	\$	25,215	\$32,653	\$	
								High Quality	Upper Fine	10%	1.3	5.100	4000	4.999	\$ 10,500	12,900	\$13,143	\$ 86,263	32.5%	\$							

										High Quality	Lower Fine	10%	17.8	3.080	3.000	3.999	\$ 5,625	\$ 6,625	\$ 5,705	\$ 313,085	\$ 17,572	32.5%	\$ 101,753	\$ 5,711		
										Commercial	High Commercial	15%	26.7	3.080	3.000	3.999	\$ 3,190	\$ 4,375	\$ 3,285	\$ 270,404	\$ 10,117	32.5%	\$ 87,881	\$ 3,288		1,534
										Commercial	Medium Commercial	25%	44.5	3.080	3.000	3.999	\$ 1,455	\$ 2,000	\$ 1,499	\$ 205,607	\$ 4,616	32.5%	\$ 68,822	\$ 1,500		
										Commercial	Low Commercial	30%	53.5	3.080	3.000	3.999	\$ 664	\$ 914	\$ 684	\$ 112,563	\$ 2,106	32.5%	\$ 36,583	\$ 684		
10 Carat	10.000	270	2,704	2.704%	27%	2.70	730			High Quality	Upper Extra Fine	4%	10.8	2.700	2.000	2.999	\$ 10,750	\$ 13,200	\$ 12,467	\$ 364,107	\$ 33,660	32.5%	\$ 118,335	\$ 10,940	6,286	
										High Quality	Lower Extra Fine	6%	16.2	2.700	2.000	2.999	\$ 7,200	\$ 10,200	\$ 9,302	\$ 407,520	\$ 25,116	32.5%	\$ 132,444	\$ 8,163		
										High Quality	Upper Fine	10%	27.0	2.700	2.000	2.999	\$ 5,400	\$ 7,200	\$ 6,661	\$ 486,377	\$ 17,985	32.5%	\$ 158,073	\$ 5,845		
										High Quality	Lower Fine	10%	27.0	2.700	2.000	2.999	\$ 3,000	\$ 4,800	\$ 4,261	\$ 311,139	\$ 11,505	32.5%	\$ 101,120	\$ 3,739		
										Commercial	High Commercial	15%	40.6	2.700	2.000	2.999	\$ 1,740	\$ 2,280	\$ 2,118	\$ 232,013	\$ 5,720	32.5%	\$ 75,404	\$ 1,859	950	
										Commercial	Medium Commercial	25%	67.4	2.700	2.000	2.999	\$ 900	\$ 1,170	\$ 1,089	\$ 198,820	\$ 2,941	32.5%	\$ 64,417	\$ 956		
										Commercial	Low Commercial	30%	81.1	2.700	2.000	2.999	\$ 466	\$ 600	\$ 560	\$ 122,672	\$ 1,512	32.5%	\$ 39,868	\$ 491		
										9 Carat	9.000	408	3,675	3.675%	27%	2.43	992			High Quality	Upper Extra Fine	4%	16.3	2.430	2.000	2.999
High Quality	Lower Extra Fine	6%	24.5	2.430	2.000	2.999	\$ 7,200	\$ 10,200	\$ 8,491											\$ 505,496	\$ 20,634	32.5%	\$ 164,286	\$ 6,706		
High Quality	Upper Fine	10%	40.8	2.430	2.000	2.999	\$ 5,400	\$ 7,200	\$ 6,175											\$ 612,651	\$ 15,005	32.5%	\$ 199,112	\$ 4,877		
High Quality	Lower Fine	10%	40.8	2.430	2.000	2.999	\$ 3,000	\$ 4,800	\$ 3,775											\$ 374,527	\$ 9,173	32.5%	\$ 121,721	\$ 2,981		
										Commercial	High Commercial	15%	61.2	2.430	2.000	2.999	\$ 1,740	\$ 2,280	\$ 1,972	\$ 293,552	\$ 4,793	32.5%	\$ 95,405	\$ 1,558	798	
										Commercial	Medium Commercial	25%	102.1	2.430	2.000	2.999	\$ 900	\$ 1,170	\$ 1,016	\$ 252,068	\$ 2,469	32.5%	\$ 81,922	\$ 803		
										Commercial	Low Commercial	30%	122.5	2.430	2.000	2.999	\$ 466	\$ 600	\$ 524	\$ 155,844	\$ 1,272	32.5%	\$ 50,649	\$ 413		
										8 Carat	8.000	614	4,910	4.910%	27%	2.16	1,326			High Quality	Upper Extra Fine	4%	24.5	2.160	2.000	2.999
High Quality	Lower Extra Fine	6%	36.8	2.160	2.000	2.999	\$ 7,200	\$ 10,200	\$ 7,680											\$ 610,872	\$ 16,590	32.5%	\$ 198,533	\$ 5,392		
High Quality	Upper Fine	10%	61.4	2.160	2.000	2.999	\$ 5,400	\$ 7,200	\$ 5,688											\$ 754,036	\$ 12,287	32.5%	\$ 245,062	\$ 3,993		
High Quality	Lower Fine	10%	61.4	2.160	2.000	2.999	\$ 3,000	\$ 4,800	\$ 3,288											\$ 435,893	\$ 7,103	32.5%	\$ 141,665	\$ 2,308		
										Commercial	High Commercial	15%	92.1	2.160	2.000	2.999	\$ 1,740	\$ 2,280	\$ 1,826	\$ 363,177	\$ 3,945	32.5%	\$ 118,032	\$ 1,282	658	
										Commercial	Medium Commercial	25%	153.4	2.160	2.000	2.999	\$ 900	\$ 1,170	\$ 943	\$ 312,589	\$ 2,037	32.5%	\$ 101,591	\$ 662		
										Commercial	Low Commercial	30%	184.1	2.160	2.000	2.999	\$ 466	\$ 600	\$ 487	\$ 193,717	\$ 1,052	32.5%	\$ 62,958	\$ 342		
										7 Carat	7.000	919	6,435	6.435%	27%	1.89	1,738			High Quality	Upper Extra Fine	4%	36.8	1.890	1.000	1.999
High Quality	Lower Extra Fine	6%	55.2	1.890	1.000	1.999	\$ 3,600	\$ 4,800	\$ 4,569											\$ 486,758	\$ 8,825	25%	\$ 121,689	\$ 2,206		
High Quality	Upper Fine	10%	91.9	1.890	1.000	1.999	\$ 2,640	\$ 3,600	\$ 3,495											\$ 607,309	\$ 6,606	25%	\$ 151,827	\$ 1,652		
High Quality	Lower Fine	10%	91.9	1.890	1.000	1.999	\$ 1,980	\$ 2,400	\$ 2,354											\$ 409,044	\$ 4,449	25%	\$ 102,261	\$ 1,112		
										Commercial	High Commercial	15%	137.9	1.890	1.000	1.999	\$ 1,170	\$ 1,620	\$ 1,571	\$ 409,422	\$ 2,969	25%	\$ 102,356	\$ 742	362	
										Commercial	Medium Commercial	25%	229.8	1.890	1.000	1.999	\$ 595	\$ 780	\$ 760	\$ 330,049	\$ 1,436	25%	\$ 82,512	\$ 359		
										Commercial	Low Commercial	30%	275.8	1.890	1.000	1.999	\$ 303	\$ 376	\$ 368	\$ 191,611	\$ 695	25%	\$ 47,903	\$ 174		
										6 Carat	6.000	1,375	8,251	8.251%	26%	1.56	2,145			High Quality	Upper Extra Fine	4%	55.0	1.560	1.000	1.999
High Quality	Lower Extra Fine	6%	82.5	1.560	1.000	1.999	\$ 3,600	\$ 4,800	\$ 4,273											\$ 549,975	\$ 6,665	25%	\$ 137,494	\$ 1,666		
High Quality	Upper Fine	10%	137.5	1.560	1.000	1.999	\$ 2,640	\$ 3,600	\$ 3,178											\$ 681,813	\$ 4,958	25%	\$ 170,453	\$ 1,239		
High Quality	Lower Fine	10%	137.5	1.560	1.000	1.999	\$ 1,980	\$ 2,400	\$ 2,215											\$ 475,282	\$ 3,456	25%	\$ 118,821	\$ 864		
										Commercial	High Commercial	15%	206.3	1.560	1.000	1.999	\$ 1,170	\$ 1,620	\$ 1,422	\$ 457,678	\$ 2,219	25%	\$ 114,420	\$ 555	274	
										Commercial	Medium Commercial	25%	343.8	1.560	1.000	1.999	\$ 595	\$ 780	\$ 699	\$ 374,736	\$ 1,090	25%	\$ 93,684	\$ 272		
										Commercial	Low Commercial	30%	412.6	1.560	1.000	1.999	\$ 303	\$ 376	\$ 343	\$ 221,069	\$ 536	25%	\$ 55,267	\$ 134		
										5 Carat	5.000	2,061	10,306	10.306%	26%	1.30	2,680			High Quality	Upper Extra Fine	4%	82.4	1.300	1.000	1.999
High Quality	Lower Extra Fine	6%	123.7	1.300	1.000	1.999	\$ 3,600	\$ 4,800	\$ 3,960											\$ 636,710	\$ 5,148	25%	\$ 159,178	\$ 1,287		
High Quality	Upper Fine	10%	206.1	1.300	1.000	1.999	\$ 2,640	\$ 3,600	\$ 2,928											\$ 784,639	\$ 3,807	25%	\$ 196,160	\$ 952		
High Quality	Lower Fine	10%	206.1	1.300	1.000	1.999	\$ 1,980	\$ 2,400	\$ 2,106											\$ 564,339	\$ 2,738	25%	\$ 141,085	\$ 684		
										Commercial	High Commercial	15%	309.2	1.300	1.000	1.999	\$ 1,170	\$ 1,620	\$ 1,305	\$ 524,569	\$ 1,697	25%	\$ 131,142	\$ 424	212	
										Commercial	Medium Commercial	25%	515.3	1.300	1.000	1.999	\$ 595	\$ 780	\$ 651	\$ 435,793	\$ 846	25%	\$ 108,948	\$ 211		
										Commercial	Low Commercial	30%	618.3	1.300	1.000	1.999	\$ 303	\$ 376	\$ 324	\$ 260,849	\$ 422	25%	\$ 65,212	\$ 105		
										4 Carat	4.000	3,115	12,458	12.458%	26%	1.04	3,239			High Quality	Upper Extra Fine	4%	124.6	1.040	1.000	1.999
High Quality	Lower Extra Fine	6%	186.9	1.040	1.000	1.999	\$ 3,600	\$ 4,800	\$ 3,648											\$ 708,993	\$ 3,794	25%	\$ 177,248	\$ 948		
High Quality	Upper Fine	10%	311.5	1.040	1.000	1.999	\$ 2,640	\$ 3,600	\$ 2,678											\$ 867,584	\$ 2,786	25%	\$ 216,896	\$ 696		
High Quality	Lower Fine	10%	311.5	1.040	1.000	1.999	\$ 1,980	\$ 2,400	\$ 1,997											\$ 646,797	\$ 2,077	25%	\$ 161,699	\$ 519		
										Commercial	High Commercial	15%	467.2	1.040	1.000	1.999	\$ 1,170	\$ 1,620	\$ 1,188	\$ 577,224	\$ 1,236	25%	\$ 144,306	\$ 309	156	
										Commercial	Medium Commercial	25%	778.6	1.040	1.000	1.999	\$ 595	\$ 780	\$ 602	\$ 487,821	\$ 627	25%	\$ 121,955	\$ 157		
										Commercial	Low Commercial	30%	934.4	1.040	1.000	1.999	\$ 303	\$ 376	\$ 308	\$ 296,874	\$ 318	25%	\$ 74,219	\$ 79		
										3 Carat	3.000	4,805	14,415	14.415%	26%	0.78	3,748			High Quality	Upper Extra Fine	4%	192.2	0.780	0.500	0.999
High Quality	Lower Extra Fine	6%	288.3	0.780	0.500	0.999	\$ 2,400	\$ 3,720	\$ 3,141											\$ 704,273	\$ 2,450	25%	\$ 176,568	\$ 612		
High Quality	Upper Fine	10%	480.5	0.780	0.500	0.999	\$ 1,800	\$ 2,400	\$ 2,137											\$ 800,821	\$ 1,667	25%	\$ 200,205	\$ 417		
High Quality	Lower Fine	10%	480.5	0.780	0.500	0.999	\$ 1,360	\$ 1,680	\$ 1,540											\$ 577,024	\$ 1,201	25%	\$ 144,256	\$ 300		
										Commercial	High Commercial	15%	720.8	0.780	0.500	0.999	\$ 900	\$ 1,140	\$ 1,035	\$ 581,688	\$ 807	25%	\$ 145,422	\$ 202	109	
										Commercial	Medium Commercial	25%	1,201.3	0.780	0.500	0.999	\$ 445	\$ 660	\$ 566	\$ 530,003	\$ 441	25%	\$ 132,501	\$ 110		
										Commercial	Low Commercial	30%	1,441.5	0.780	0.500	0.999	\$ 220	\$ 382	\$ 311	\$ 349,656	\$ 243	25%	\$ 87,414	\$ 61		
										2 Carat	2.000	7,803	15,606	15.606%	25%	0.50	3,901			High Quality	Upper Extra Fine	4%	312.1	0.500	0.500	0.999
High Quality	Lower Extra Fine	6%	468.2	0.500	0.500	0.999	\$ 2,400	\$ 3,720	\$ 2,400											\$ 561,810	\$ 1,200	25%	\$ 140,453	\$ 300		
High Quality	Upper Fine	10%	780.3	0.500	0.500	0.999	\$ 1,800	\$ 2,400	\$ 1,800											\$ 702,263	\$ 900	25%	\$ 175,566	\$ 225		
High Quality	Lower Fine	10%	780.3	0.500	0.500	0.999	\$ 1,360	\$ 1,680	\$ 1,360											\$ 530,599	\$ 680	25%	\$ 132,650	\$ 170		
										Commercial	High Commercial	15%	1,170.4	0.500	0.500	0.999	\$ 900	\$ 1,140	\$ 900	\$ 536,697	\$ 450	25%	\$ 131,674	\$ 113	56	
										Commercial	Medium Commercial	25%	1,950.7	0.500	0.500	0.999	\$ 445	\$ 660	\$ 445	\$ 434,038	\$ 223	25%	\$ 108,509	\$ 56		
										Commercial	Low Commercial	30%	2,340.9	0.500	0.500	0.999	\$ 220	\$ 382	\$ 220	\$ 257,529	\$ 110	25%	\$ 64,382	\$ 28		
										1 Carat	1.000	14,792	14,792	14.791%	25%	0.25	3,698			High Quality	Upper Extra Fine	4%	591.7	0.250	0.250	0.499
High Quality	Lower Extra Fine	6%	887.5	0.250	0.250	0.499	\$ 1,080	\$ 1,800	\$ 1,080											\$ 239,623	\$ 270	25%	\$ 59,9			

Version 1.4

4 September 2017

Assumptions

See page 1 for core assumptions and analysis method.

Reserve prices for rough rubies

Tender reserve prices have been calculated as a proportion of cut stone wholesale value. The logic for this margins has been determined based on gem industry guidance.

- | | |
|-------|--|
| 40% | Large/special rough reserve rate as percentage of wholesale cut value. Higher wholesale values of cut gems allow for higher margins for tender sales of rough. Under tender sales conditions due to the increased competition for the highest quality material, strong reserve prices are realistic. |
| 32.5% | Medium sized rough reserve rate as percentage of wholesale cut value. |
| 25% | Small sized rough reserve rate as percentage of wholesale cut value. Lower margins for retail of smaller stones require lower margins for sales of rough. |

Summary of Results

		Average Size of Rough Gem	Percentage of Inventory by Size Group					Cut			Rough		
Inventory Portion	Size Group	Gems in Inventory	Carats in Inventory	Ang size after cutting	Cut Carats	Cut Ruby Revenue	Cut USD/gem	Rough Ruby Revenue	Rough USD/Ruby	Rough USD/Ct			
Inventory October 2016 to June 2017	Large/Special	20,934	7	149	0.149%	733	52	\$ 1,123,861	\$157,533	\$	449,544	\$63,013	\$3,010
	19 Carat	19,000	5	97	0.097%	5.70	29	\$ 471,036	\$92,261	\$	153,087	\$29,985	\$1,578
	18 Carat	18,000	8	146	0.146%	5.00	44	\$ 643,022	\$79,163	\$	125,728	\$24,129	\$1,429
	17 Carat	17,000	13	219	0.219%	5.00	66	\$ 897,670	\$69,750	\$	291,743	\$22,669	\$1,333
	16 Carat	16,000	20	324	0.324%	4.64	94	\$ 1,171,592	\$57,859	\$	380,767	\$18,804	\$1,175
	15 Carat	15,000	32	475	0.475%	4.35	138	\$ 1,612,817	\$50,933	\$	524,166	\$16,553	\$1,034
	14 Carat	14,000	49	689	0.689%	4.06	200	\$ 2,187,554	\$44,449	\$	710,955	\$14,446	\$1,002
	13 Carat	13,000	76	988	0.988%	3.64	277	\$ 2,423,458	\$31,877	\$	787,424	\$10,360	\$797
	12 Carat	12,000	117	1,401	1.401%	3.36	392	\$ 3,215,574	\$27,718	\$	1,051,562	\$9,038	\$751
	11 Carat	11,000	178	1,960	1.960%	2.89	549	\$ 4,248,372	\$23,844	\$	1,380,721	\$7,749	\$704
	10 Carat	10,000	270	2,704	2.704%	2.78	730	\$ 4,803,526	\$17,862	\$	1,569,921	\$5,805	\$581
	9 Carat	9,000	408	3,675	3.675%	2.7%	992	\$ 6,055,580	\$14,076	\$	1,948,004	\$4,820	\$536
	8 Carat	8,000	614	4,910	4.910%	2.7%	1,326	\$ 7,411,174	\$12,831	\$	2,408,432	\$3,925	\$445
	7 Carat	7,000	919	6,435	6.435%	2.7%	1,738	\$ 6,300,866	\$6,854	\$	1,575,171	\$1,713	\$245
	6 Carat	6,000	1,375	8,251	8.251%	2.6%	2,145	\$ 7,163,560	\$5,209	\$	1,790,891	\$1,302	\$217
	5 Carat	5,000	2,061	10,306	10.306%	2.6%	2,680	\$ 8,341,234	\$4,047	\$	2,085,309	\$1,012	\$202
	4 Carat	4,000	3,115	12,458	12.458%	2.6%	3,239	\$ 9,350,678	\$3,002	\$	2,337,470	\$751	\$188
3 Carat	3,000	4,805	14,415	14.415%	2.6%	3,748	\$ 8,317,817	\$1,721	\$	2,079,454	\$433	\$144	
2 Carat	2,000	7,803	15,606	15.606%	2.5%	3,901	\$ 7,277,790	\$933	\$	1,819,447	\$233	\$111	
1 Carat	1,000	14,792	14,792	14.791%	2.5%	3,698	\$ 2,941,451	\$199	\$	735,363	\$50	\$50	
		Gems in Inventory	Carats in Inventory			Cut Ruby Revenue	Cut USD/gem	Rough Ruby Revenue	Rough USD/Ruby	USD/Ct			
		36,668	100,000			26,037	\$ 86,006,051	\$ 23,346	\$ 24,309,265	\$663	\$249,095		

Auction 1 - Theoretical / Assumed Inventory Valuation for material collected July 2017 to October 2017 - 100,000 Carats

Rough Ruby				Cut Ruby			Assumed Grade and Distribution		Inventory		Cut Ruby Size Grades and Wholesale Prices						Cut Ruby Value Estimates						Rough Ruby	
Average Size of Rough Gem		Quantity of rough gems	Cerats in Inventory	Percentage of Inventory by Size Group	Proportion of Ruby Retained after cutting	Avg size after cutting	Cut cerats total	Category	Grade	Assumed % distribution of Grade in group	# Stones	Cut Size	Grade Ct Min	Grade Ct Max	Grade / Size Min	Grade / Size Max	Estimated Cut Value / Carat	Cut Ruby Reserve	Cut USD/Carat	Rough Reserve Rate	Rough Ruby Revenue	Rough USD/Ruby	Group Rough Price per Stone	
Large/Special	20.934	7	149	0.149%	35%	7.33	52	High Quality	Upper Extra Fine	14%	1.0	7.327	5.000	7.999	\$ 27,625	\$ 35,900	\$ 34,046	\$ 254,233	\$ 249,453	40%	\$ 101,693	\$ 99,781	\$ 63,013	
								High Quality	Lower Extra Fine	29%	2.0	7.327	5.000	7.999	\$ 19,900	\$ 25,700	\$ 24,400	\$ 364,413	\$ 178,781	40%	\$ 145,765	\$ 71,512		
								High Quality	Upper Fine	57%	4.1	7.327	5.000	7.999	\$ 13,500	\$ 17,900	\$ 16,914	\$ 505,215	\$ 123,929	40%	\$ 202,708	\$ 49,572		
19 Carat	19.000	5	97	0.097%	30%	5.70	29	High Quality	Upper Extra Fine	15%	0.8	5.700	5.000	7.999	\$ 27,625	\$ 35,900	\$ 29,556	\$ 129,019	\$ 168,472	32.5%	\$ 41,931	\$ 54,753	\$ 32,634	
								High Quality	Lower Extra Fine	20%	1.0	5.700	5.000	7.999	\$ 19,900	\$ 25,700	\$ 21,254	\$ 123,702	\$ 121,147	32.5%	\$ 40,203	\$ 39,373		
								High Quality	Upper Fine	35%	1.8	5.700	5.000	7.999	\$ 13,500	\$ 17,900	\$ 14,527	\$ 147,944	\$ 82,804	32.5%	\$ 48,088	\$ 26,911		
								High Quality	Lower Fine	20%	1.0	5.700	5.000	7.999	\$ 9,800	\$ 12,500	\$ 10,430	\$ 60,706	\$ 59,452	32.5%	\$ 19,730	\$ 19,322		
								Commercial	High Commercial	3%	0.2	5.700	5.000	7.999	\$ 5,785	7,410	\$ 6,164	\$ 5,382	\$ 35,136	32.5%	\$ 1,749	\$ 11,419	\$ 6,140	
								Commercial	Medium Commercial	4%	0.2	5.700	5.000	7.999	\$ 2,295	4,160	\$ 2,730	\$ 3,178	\$ 15,563	32.5%	\$ 1,033	\$ 5,058		
								Commercial	Low Commercial	3%	0.2	5.700	5.000	7.999	\$ 910	2,335	\$ 1,243	\$ 1,085	\$ 7,085	32.5%	\$ 353	\$ 2,303		
								High Quality	Upper Extra Fine	10%	0.8	5.400	5.000	7.999	\$ 27,625	\$ 35,900	\$ 28,729	\$ 126,130	\$ 155,135	32.5%	\$ 40,992	\$ 50,419	\$ 27,973	
								High Quality	Lower Extra Fine	15%	1.2	5.400	5.000	7.999	\$ 19,900	\$ 25,700	\$ 20,674	\$ 136,147	\$ 111,637	32.5%	\$ 44,248	\$ 36,282		
								High Quality	Upper Fine	45%	3.7	5.400	5.000	7.999	\$ 13,500	\$ 17,900	\$ 14,087	\$ 278,310	\$ 76,069	32.5%	\$ 90,451	\$ 24,722		
								High Quality	Lower Fine	20%	1.6	5.400	5.000	7.999	\$ 9,800	\$ 12,500	\$ 10,160	\$ 89,213	\$ 54,865	32.5%	\$ 28,994	\$ 17,831		
								Commercial	High Commercial	3%	0.2	5.400	5.000	7.999	\$ 5,785	7,410	\$ 6,002	\$ 7,905	\$ 32,409	32.5%	\$ 2,569	\$ 10,533	\$ 5,525	
Commercial	Medium Commercial	4%	0.3	5.400	5.000	7.999	\$ 2,295	4,160	\$ 2,544	\$ 4,467	\$ 13,736	32.5%	\$ 1,452	\$ 4,444										
Commercial	Low Commercial	3%	0.2	5.400	5.000	7.999	\$ 910	2,335	\$ 1,101	\$ 1,450	\$ 5,943	32.5%	\$ 471	\$ 1,931										
17 Carat	17.000	13	219	0.219%	30%	5.10	66	High Quality	Upper Extra Fine	10%	1.3	5.100	4.000	4.999	\$ 22,600	\$ 26,200	\$ 26,564	\$ 174,356	\$ 135,476	32.5%	\$ 56,666	\$ 44,030	\$ 24,608	
								High Quality	Lower Extra Fine	15%	1.9	5.100	4.000	4.999	\$ 14,250	\$ 19,200	\$ 19,700	\$ 193,960	\$ 100,472	32.5%	\$ 63,037	\$ 32,653		
								High Quality	Upper Fine	45%	5.8	5.100	4.000	4.999	\$ 10,500	\$ 12,900	\$ 13,143	\$ 388,185	\$ 67,027	32.5%	\$ 126,160	\$ 21,784		
								High Quality	Lower Fine	20%	2.6	5.100	4.000	4.999	\$ 7,200	\$ 9,000	\$ 9,182	\$ 120,534	\$ 46,828	32.5%	\$ 39,174	\$ 15,219		
								Commercial	High Commercial	3%	0.4	5.100	4.000	4.999	\$ 4,065	5,525	\$ 5,673	\$ 11,170	\$ 28,930	32.5%	\$ 3,630	\$ 9,402	\$ 5,211	
								Commercial	Medium Commercial	4%	0.5	5.100	4.000	4.999	\$ 1,950	2,600	\$ 2,666	\$ 6,999	\$ 13,595	32.5%	\$ 2,275	\$ 4,418		
								Commercial	Low Commercial	3%	0.4	5.100	4.000	4.999	\$ 935	1,224	\$ 1,253	\$ 2,467	\$ 6,389	32.5%	\$ 802	\$ 2,076		
								High Quality	Upper Extra Fine	10%	2.0	4.440	4.000	4.999	\$ 22,600	\$ 26,200	\$ 24,906	\$ 234,009	\$ 115,565	32.5%	\$ 74,093	\$ 37,559	\$ 20,427	
								High Quality	Lower Extra Fine	15%	3.0	4.440	4.000	4.999	\$ 14,250	\$ 19,200	\$ 17,421	\$ 245,523	\$ 80,834	32.5%	\$ 79,795	\$ 26,271		
								High Quality	Upper Fine	45%	9.1	4.440	4.000	4.999	\$ 10,500	\$ 12,900	\$ 12,038	\$ 598,940	\$ 55,854	32.5%	\$ 165,408	\$ 18,153		
								High Quality	Lower Fine	20%	4.0	4.440	4.000	4.999	\$ 7,200	\$ 9,000	\$ 8,533	\$ 156,964	\$ 38,759	32.5%	\$ 51,014	\$ 12,597		
								Commercial	High Commercial	3%	0.6	4.440	4.000	4.999	\$ 4,065	5,525	\$ 5,000	\$ 14,094	\$ 23,202	32.5%	\$ 4,581	\$ 7,541	\$ 4,196	
Commercial	Medium Commercial	4%	0.8	4.440	4.000	4.999	\$ 1,950	2,600	\$ 2,366	\$ 8,894	\$ 10,980	32.5%	\$ 2,890	\$ 3,569										
Commercial	Low Commercial	3%	0.6	4.440	4.000	4.999	\$ 935	1,224	\$ 1,120	\$ 3,157	\$ 5,197	32.5%	\$ 1,026	\$ 1,689										
15 Carat	15.000	32	475	0.475%	29%	4.35	138	High Quality	Upper Extra Fine	10%	3.2	4.350	4.000	4.999	\$ 22,600	\$ 26,200	\$ 23,861	\$ 328,676	\$ 103,796	32.5%	\$ 106,820	\$ 33,734	\$ 17,991	
								High Quality	Lower Extra Fine	15%	4.7	4.350	4.000	4.999	\$ 14,250	\$ 19,200	\$ 15,984	\$ 330,261	\$ 69,531	32.5%	\$ 107,335	\$ 22,598		
								High Quality	Upper Fine	45%	14.2	4.350	4.000	4.999	\$ 10,500	\$ 12,900	\$ 11,341	\$ 702,962	\$ 49,333	32.5%	\$ 228,463	\$ 16,033		
								High Quality	Lower Fine	20%	6.3	4.350	4.000	4.999	\$ 7,200	\$ 9,000	\$ 7,831	\$ 215,725	\$ 34,063	32.5%	\$ 70,111	\$ 11,071		
								Commercial	High Commercial	3%	0.9	4.350	4.000	4.999	\$ 4,065	5,525	\$ 4,577	\$ 18,912	\$ 19,908	32.5%	\$ 6,146	\$ 6,470	\$ 3,612	
								Commercial	Medium Commercial	4%	1.3	4.350	4.000	4.999	\$ 1,950	2,600	\$ 2,178	\$ 11,999	\$ 9,473	32.5%	\$ 3,900	\$ 3,079		
								Commercial	Low Commercial	3%	0.6	4.440	4.000	4.999	\$ 935	1,224	\$ 1,120	\$ 3,157	\$ 5,197	32.5%	\$ 1,026	\$ 1,689		
								High Quality	Upper Extra Fine	10%	4.9	4.060	4.000	4.999	\$ 22,600	\$ 26,200	\$ 22,816	\$ 455,901	\$ 92,634	32.5%	\$ 148,168	\$ 30,106	\$ 15,710	
								High Quality	Lower Extra Fine	15%	7.4	4.060	4.000	4.999	\$ 14,250	\$ 19,200	\$ 14,547	\$ 436,014	\$ 59,062	32.5%	\$ 141,705	\$ 19,195		
								High Quality	Upper Fine	45%	22.1	4.060	4.000	4.999	\$ 10,500	\$ 12,900	\$ 10,644	\$ 957,084	\$ 43,215	32.5%	\$ 311,052	\$ 14,045		
								High Quality	Lower Fine	20%	9.8	4.060	4.000	4.999	\$ 7,200	\$ 9,000	\$ 7,308	\$ 292,053	\$ 29,671	32.5%	\$ 94,917	\$ 9,643		
								Commercial	High Commercial	3%	1.5	4.060	4.000	4.999	\$ 4,065	5,525	\$ 4,153	\$ 24,893	\$ 16,860	32.5%	\$ 8,090	\$ 5,479	\$ 3,071	
Commercial	Medium Commercial	4%	2.0	4.060	4.000	4.999	\$ 1,950	2,600	\$ 1,989	\$ 15,898	\$ 8,075	32.5%	\$ 5,167	\$ 2,625										
Commercial	Low Commercial	3%	1.5	4.060	4.000	4.999	\$ 935	1,224	\$ 953	\$ 5,711	\$ 3,868	32.5%	\$ 1,856	\$ 1,257										
13 Carat	13.000	76	988	0.988%	28%	3.64	277	High Quality	Upper Extra Fine	10%	7.6	3.640	3.000	3.999	\$ 16,850	\$ 21,000	\$ 19,509	\$ 539,869	\$ 71,012	32.5%	\$ 175,437	\$ 23,079	\$ 11,228	
								High Quality	Lower Extra Fine	15%	11.4	3.640	3.000	3.999	\$ 10,500	\$ 13,700	\$ 12,550	\$ 520,952	\$ 45,482	32.5%	\$ 169,309	\$ 14,847		
								High Quality	Upper Fine	45%	34.2	3.640	3.000	3.999	\$ 6,750	\$ 8,200	\$ 7,679	\$ 956,256	\$ 27,951	32.5%	\$ 210,783	\$ 9,084		
								High Quality	Lower Fine	20%	15.2	3.640	3.000	3.999	\$ 5,625	\$ 6,625	\$ 6,266	\$ 346,782	\$ 22,807	32.5%	\$ 112,704	\$ 7,412		
								Commercial	High Commercial	3%	2.3	3.640	3.000	3.999	\$ 3,190	4,375	\$ 3,949	\$ 32,786	\$ 14,375	32.5%	\$ 10,655	\$ 4,672	\$ 2,548	
								Commercial	Medium Commercial	4%	3.0	3.640	3.000	3.999	\$ 1,455	2,000	\$ 1,804	\$ 19,971	\$ 6,567	32.5%	\$ 6,490	\$ 2,134		
								Commercial	Low Commercial	3%	2.3	3.640	3.000	3.999	\$ 664	914	\$ 824	\$ 6,843	\$ 3,000	32.5%	\$ 2,224	\$ 975		
								High Quality	Upper Extra Fine	10%	11.7	3.360	3.000	3.999	\$ 16,850	\$ 21,000	\$ 18,345	\$ 719,544	\$ 61,641	32.5%	\$ 233,852	\$ 20,033	\$ 9,770	
								High Quality	Lower Extra Fine	15%	17.5	3.360	3.000	3.999	\$ 10,500	\$ 13,700	\$ 11,653	\$ 685,587	\$ 39,155	32.5%	\$ 222,814	\$ 12,725		
								High Quality	Upper Fine	45%	52.5	3.360	3.000	3.999	\$ 6,750	\$ 8,200	\$ 7,273	\$ 1,283,588	\$ 24,436	32.5%	\$ 417,166	\$ 7,942		
								High Quality	Lower Fine	20%	23.3	3.360	3.000	3.999	\$ 5,625	\$ 6,625	\$ 5,985	\$ 469,514	\$ 20,111	32.5%	\$ 152,592	\$ 6,536		
								Commercial	High Commercial	3%	3.5	3.360	3.000	3.999	\$ 3,190	4,375	\$ 3,617	\$ 42,560	\$ 12,153	32.5%	\$ 13,832	\$ 3,950	\$ 2,153	
Commercial	Medium Commercial	4%	4.7	3.360	3.000	3.999	\$ 1,455	2,000	\$ 1,651	\$ 25,908	\$ 5,549	32.5%	\$ 8,420	\$ 1,803										
Commercial	Low Commercial	3%	3.5	3.360	3.000	3.999	\$ 664	914	\$ 754	\$ 8,872	\$ 2,533	32.5%	\$ 2,883	\$ 823										
11 Carat	11.000	178	1,960	1.960%	28%	3.08	549	High Quality	Upper Extra Fine	10%	17.8	3.080	3.000	3.999	\$ 16,850	\$ 21,000	\$ 17,182	\$ 942,937	\$ 52,922	32.5%	\$ 306,454	\$ 17,200	\$ 8,411	
								High Quality	Lower Extra Fine	15%	26.7	3.080	3.000	3.999	\$ 10,500	\$ 13,700	\$ 10,756	\$ 885,427	\$ 33,129	32.5%	\$ 287,764	\$ 10,767		
								High Quality	Upper Fine	45%	80.2	3.080	3.000	3.999	\$ 6,750	\$ 8,200	\$ 6,866	\$ 1,695,603	\$ 21,148	32.5%	\$ 551,071	\$ 6,873		

Inventory Estimate for Auction 2 - Q2 2018

Analysis by wombat777, hotcopper

DYOR. Not Qualified for Advice.

This is an assumed and theoretical valuation for the Rough Ruby Inventory for the Q2 2018 auction. This is based on ruby details published to date and broad assumptions on grade distribution and rough ruby wholesale rates.

4 September 2017

Version 1.4

Assumptions

See page 1 for core assumptions and analysis method.

Reserve prices for rough rubies

Tender reserve prices have been calculated as a proportion of cut stone wholesale value. The logic for this margins has been determined based on gem industry guidance.

40%	Large/special rough reserve rate as percentage of wholesale cut value. Higher wholesale values of cut gems allow for higher margins for tender sales of rough. Under tender sales conditions due to the increased competition for the highest quality material, strong reserve prices are realistic.
32.5%	Medium sized rough reserve rate as percentage of wholesale cut value.
25%	Small sized rough reserve rate as percentage of wholesale cut value. Lower margins for retail of smaller stones require lower margins for sales of rough.

Summary of Results

		Average Size of Rough Gem	Percentage of Inventory by Size Group					Cut carats total	Cut Ruby Revenue	Cut USD/gem	Rough Ruby Revenue	Rough USD/Ruby	Rough USD/ct
Inventory Portion	Size Group	Gems in Inventory	Carats in Inventory			Avg size after cutting							
Inventory October 2016 to June 2017	Large/Special	20,934	14	299	0.149%	7.33	105	\$ 2,247,710	\$157,533	\$	899,084	\$63,013	\$3,010
	19 Carat	19,000	10	194	0.097%	5.70	58	\$ 942,068	\$92,261	\$	306,172	\$29,985	\$1,578
	18 Carat	18,000	16	293	0.146%	30%	88	\$ 1,287,238	\$79,163	\$	418,352	\$25,728	\$1,429
	17 Carat	17,000	26	438	0.219%	30%	131	\$ 1,795,332	\$69,750	\$	583,483	\$22,669	\$1,333
	16 Carat	16,000	40	648	0.324%	29%	188	\$ 2,343,172	\$57,859	\$	761,531	\$18,804	\$1,175
	15 Carat	15,000	63	950	0.475%	29%	275	\$ 3,225,619	\$50,933	\$	1,048,326	\$16,553	\$1,104
	14 Carat	14,000	98	1,378	0.689%	29%	400	\$ 3,804,187	\$38,649	\$	1,236,361	\$12,561	\$897
	13 Carat	13,000	152	1,977	0.988%	28%	553	\$ 4,846,893	\$31,877	\$	1,575,240	\$10,360	\$797
	12 Carat	12,000	233	2,802	1.401%	28%	784	\$ 6,471,117	\$27,718	\$	2,103,113	\$9,008	\$751
	11 Carat	11,000	356	3,920	1.960%	28%	1,098	\$ 8,496,703	\$23,844	\$	2,761,428	\$7,749	\$704
	10 Carat	10,000	541	5,409	2.704%	27%	1,460	\$ 9,661,006	\$17,862	\$	3,139,827	\$5,805	\$581
	9 Carat	9,000	817	7,349	3.675%	27%	1,984	\$ 12,111,102	\$14,831	\$	3,936,108	\$4,820	\$536
	8 Carat	8,000	1,227	9,819	4.910%	27%	2,651	\$ 14,822,278	\$12,076	\$	4,817,240	\$3,925	\$491
	7 Carat	7,000	1,839	12,870	6.435%	27%	3,475	\$ 12,601,311	\$6,854	\$	3,150,328	\$1,713	\$245
	6 Carat	6,000	2,750	16,502	8.251%	26%	4,291	\$ 14,327,052	\$5,209	\$	3,581,763	\$1,302	\$217
	5 Carat	5,000	4,122	20,412	10.306%	26%	5,359	\$ 16,682,388	\$4,047	\$	4,170,597	\$1,012	\$202
	4 Carat	4,000	6,229	24,916	12.458%	26%	6,478	\$ 18,701,267	\$3,002	\$	4,675,317	\$751	\$188
	3 Carat	3,000	9,610	28,830	14.415%	26%	7,496	\$ 16,635,554	\$1,731	\$	4,158,888	\$433	\$144
	2 Carat	2,000	15,606	31,212	15.606%	25%	7,803	\$ 14,555,510	\$933	\$	3,638,877	\$233	\$117
	1 Carat	1,000	29,583	29,583	14.791%	25%	7,396	\$ 5,882,874	\$199	\$	1,470,718	\$50	\$50
		Gems in Inventory	Carats in Inventory				Cut Ruby Revenue		Cut USD/gem	Rough Ruby Revenue	Rough USD/Ruby	Rough USD/ct	
		73,335	200,000				52,074	\$ 171,440,380	\$2,338	\$ 48,432,755	\$660	\$242	

Auction 2 - Theoretical / Assumed Inventory Valuation for Q2 2018 Auction

Rough Ruby				Cut Ruby			Assumed Grade and Distribution		Inventory		Cut Ruby Size Grades and Wholesale Prices					Cut Ruby Value Estimates					Rough Ruby		
		Quantity of rough gems	Carats in Inventory	Percentage of Inventory by Size Group	Proportion of Ruby Retained after cutting	Avg size after cutting	Cut carats total	Category	Grade	Assumed % distribution of Grade in group	# Stones	Cut Size	Grade Ct Min	Grade Ct Max	Grade / Size Min	Grade / Size Max	Estimated Cut Value / Carat	Cut Ruby Revenue	Cut USD/gem	Rough Reserve Rate	Rough Ruby Revenue	Rough USD/Ruby	Group Rough Price per Stone
Size Group	Average Size of Rough Gem																						
Large/Special	20.934	14	299	0.149%	35%	7.33	105	High Quality	Upper Extra Fine	14%	2.0	7.327	5.000	7.999	\$ 27,625	35.900	\$ 34,046	508,463	\$ 249,453	40%	\$ 203,385	\$ 99,781	\$ 63,013
								High Quality	Lower Extra Fine	29%	4.1	7.327	5.000	7.999	\$ 19,900	25.700	\$ 24,400	728,823	\$ 178,781	40%	\$ 291,529	\$ 71,512	
								High Quality	Upper Fine	57%	8.2	7.327	5.000	7.999	\$ 13,500	17.900	\$ 16,914	1,010,425	\$ 123,929	40%	\$ 404,170	\$ 49,572	
19 Carat	19.000	10	194	0.097%	30%	5.70	58	High Quality	Upper Extra Fine	15%	1.5	5.700	5.000	7.999	\$ 27,625	35.900	\$ 29,556	258,037	\$ 168,472	32.5%	\$ 83,862	\$ 54,753	\$ 32,634
								High Quality	Lower Extra Fine	20%	2.0	5.700	5.000	7.999	\$ 19,900	25.700	\$ 21,254	247,403	\$ 121,147	32.5%	\$ 80,406	\$ 39,373	
								High Quality	Upper Fine	35%	3.6	5.700	5.000	7.999	\$ 13,500	17.900	\$ 14,527	295,926	\$ 82,804	32.5%	\$ 96,176	\$ 26,911	
								High Quality	Lower Fine	20%	2.0	5.700	5.000	7.999	\$ 9,800	12.500	\$ 10,430	121,412	\$ 59,452	32.5%	\$ 39,459	\$ 19,322	
								Commercial	High Commercial	3%	0.3	5.700	5.000	7.999	\$ 5,785	7.410	\$ 6,164	10,763	\$ 35,136	32.5%	\$ 3,498	\$ 1,419	\$ 6,140
								Commercial	Medium Commercial	4%	0.4	5.700	5.000	7.999	\$ 2,295	4.160	\$ 2,730	6,356	\$ 15,563	32.5%	\$ 2,066	\$ 5,058	
								Commercial	Low Commercial	3%	0.3	5.700	5.000	7.999	\$ 910	2.335	\$ 1,243	2,170	\$ 7,085	32.5%	\$ 705	\$ 2,303	
								High Quality	Upper Extra Fine	10%	1.6	5.400	5.000	7.999	\$ 27,625	35.900	\$ 28,729	252,258	\$ 155,135	32.5%	\$ 81,984	\$ 50,419	\$ 27,973
								High Quality	Lower Extra Fine	15%	2.4	5.400	5.000	7.999	\$ 19,900	25.700	\$ 20,674	272,293	\$ 111,637	32.5%	\$ 88,495	\$ 36,282	
								High Quality	Upper Fine	45%	7.3	5.400	5.000	7.999	\$ 13,500	17.900	\$ 14,087	556,617	\$ 76,069	32.5%	\$ 180,901	\$ 24,722	
18 Carat	18.000	16	293	0.146%	30%	5.40	88	High Quality	Lower Extra Fine	10%	1.6	5.400	5.000	7.999	\$ 27,625	35.900	\$ 28,729	252,258	\$ 155,135	32.5%	\$ 81,984	\$ 50,419	\$ 27,973
								High Quality	Upper Extra Fine	15%	2.4	5.400	5.000	7.999	\$ 19,900	25.700	\$ 20,674	272,293	\$ 111,637	32.5%	\$ 88,495	\$ 36,282	
								High Quality	Upper Fine	45%	7.3	5.400	5.000	7.999	\$ 13,500	17.900	\$ 14,087	556,617	\$ 76,069	32.5%	\$ 180,901	\$ 24,722	
								High Quality	Lower Fine	20%	3.3	5.400	5.000	7.999	\$ 9,800	12.500	\$ 10,160	178,426	\$ 54,865	32.5%	\$ 57,988	\$ 17,831	
								Commercial	High Commercial	3%	0.5	5.400	5.000	7.999	\$ 5,785	7.410	\$ 6,002	15,810	\$ 32,409	32.5%	\$ 5,138	\$ 10,533	\$ 5,525
								Commercial	Medium Commercial	4%	0.7	5.400	5.000	7.999	\$ 2,295	4.160	\$ 2,544	6,934	\$ 13,736	32.5%	\$ 2,904	\$ 4,464	
								Commercial	Low Commercial	3%	0.5	5.400	5.000	7.999	\$ 910	2.335	\$ 1,101	2,899	\$ 5,943	32.5%	\$ 942	\$ 1,931	
								High Quality	Upper Extra Fine	10%	2.6	5.100	4.000	4.999	\$ 22,600	26.200	\$ 26,544	348,710	\$ 135,476	32.5%	\$ 113,331	\$ 44,030	\$ 24,608
								High Quality	Lower Extra Fine	15%	3.9	5.100	4.000	4.999	\$ 14,250	19.200	\$ 19,700	387,917	\$ 100,472	32.5%	\$ 126,073	\$ 32,653	
								High Quality	Upper Fine	45%	11.6	5.100	4.000	4.999	\$ 10,500	12.900	\$ 13,143	776,367	\$ 47,027	32.5%	\$ 252,319	\$ 21,784	
17 Carat	17.000	26	438	0.219%	30%	5.10	131	High Quality	Lower Fine	20%	5.1	5.100	4.000	4.999	\$ 7,200	9.000	\$ 9,182	241,067	\$ 46,828	32.5%	\$ 78,347	\$ 15,219	
								Commercial	High Commercial	3%	0.8	5.100	4.000	4.999	\$ 4,065	5.525	\$ 5,673	22,340	\$ 28,930	32.5%	\$ 7,260	\$ 9,402	\$ 5,211
								Commercial	Medium Commercial	4%	1.0	5.100	4.000	4.999	\$ 1,950	2.600	\$ 2,666	13,997	\$ 13,595	32.5%	\$ 4,547	\$ 4,418	
								Commercial	Low Commercial	3%	0.8	5.100	4.000	4.999	\$ 935	1.224	\$ 1,253	4,933	\$ 6,389	32.5%	\$ 1,603	\$ 2,076	
								High Quality	Upper Extra Fine	10%	4.0	4.640	4.000	4.999	\$ 22,600	26.200	\$ 24,906	468,017	\$ 115,565	32.5%	\$ 152,105	\$ 37,559	\$ 20,427
								High Quality	Lower Extra Fine	15%	6.1	4.640	4.000	4.999	\$ 14,250	19.200	\$ 17,421	491,044	\$ 80,834	32.5%	\$ 159,589	\$ 26,271	
								High Quality	Upper Fine	45%	18.2	4.640	4.000	4.999	\$ 10,500	12.900	\$ 12,038	1,017,893	\$ 55,854	32.5%	\$ 330,815	\$ 18,153	
								High Quality	Lower Fine	20%	8.1	4.640	4.000	4.999	\$ 7,200	9.000	\$ 8,353	313,930	\$ 38,759	32.5%	\$ 102,027	\$ 12,597	
								Commercial	High Commercial	3%	1.2	4.640	4.000	4.999	\$ 4,065	5.525	\$ 5,000	28,189	\$ 23,202	32.5%	\$ 9,161	\$ 7,541	\$ 4,196
								Commercial	Medium Commercial	4%	1.6	4.640	4.000	4.999	\$ 1,950	2.600	\$ 2,366	17,787	\$ 10,980	32.5%	\$ 5,781	\$ 3,569	
15 Carat	15.000	63	950	0.475%	29%	4.35	275	Commercial	Low Commercial	3%	1.2	4.640	4.000	4.999	\$ 935	1.224	\$ 1,120	6,314	\$ 5,197	32.5%	\$ 2,052	\$ 1,689	
								High Quality	Upper Extra Fine	10%	6.3	4.350	4.000	4.999	\$ 22,600	26.200	\$ 23,861	657,348	\$ 103,796	32.5%	\$ 213,638	\$ 33,734	\$ 17,991
								High Quality	Lower Extra Fine	15%	9.5	4.350	4.000	4.999	\$ 14,250	19.200	\$ 15,984	660,519	\$ 69,531	32.5%	\$ 214,669	\$ 22,598	
14 Carat	14.000	98	1,378	0.687%	29%	4.06	400	High Quality	Upper Fine	45%	28.5	4.350	4.000	4.999	\$ 10,500	12.900	\$ 11,341	1,405,918	\$ 49,333	32.5%	\$ 456,923	\$ 16,033	
								High Quality	Lower Fine	20%	12.7	4.350	4.000	4.999	\$ 7,200	9.000	\$ 7,831	431,448	\$ 34,063	32.5%	\$ 140,221	\$ 11,071	
								Commercial	High Commercial	3%	1.9	4.350	4.000	4.999	\$ 4,065	5.525	\$ 4,577	37,823	\$ 19,908	32.5%	\$ 12,293	\$ 6,470	\$ 3,612
								Commercial	Medium Commercial	4%	2.5	4.350	4.000	4.999	\$ 1,950	2.600	\$ 2,178	23,997	\$ 9,473	32.5%	\$ 7,799	\$ 3,079	
								Commercial	Low Commercial	3%	1.9	4.350	4.000	4.999	\$ 935	1.224	\$ 1,036	6,565	\$ 4,508	32.5%	\$ 2,784	\$ 1,465	
								High Quality	Upper Extra Fine	10%	9.8	4.060	3.000	3.999	\$ 16,850	21.000	\$ 21,253	849,343	\$ 86,289	32.5%	\$ 276,037	\$ 28,044	\$ 13,601
								High Quality	Lower Extra Fine	15%	14.8	4.060	3.000	3.999	\$ 10,500	13.700	\$ 13,895	832,946	\$ 56,415	32.5%	\$ 270,708	\$ 18,335	
								High Quality	Upper Fine	45%	44.3	4.060	3.000	3.999	\$ 6,750	8.200	\$ 8,289	1,490,546	\$ 33,651	32.5%	\$ 484,427	\$ 10,937	
								High Quality	Lower Fine	20%	19.7	4.060	3.000	3.999	\$ 5,625	6.625	\$ 6,686	534,386	\$ 27,145	32.5%	\$ 173,675	\$ 8,822	
								Commercial	High Commercial	3%	3.0	4.060	3.000	3.999	\$ 3,190	4.375	\$ 4,447	53,319	\$ 18,056	32.5%	\$ 17,329	\$ 5,868	\$ 3,202
Commercial	Medium Commercial	4%	3.9	4.060	3.000	3.999	\$ 1,455	2.000	\$ 2,033	32,502	\$ 8,255	32.5%	\$ 10,563	\$ 2,683									
Commercial	Low Commercial	3%	3.0	4.060	3.000	3.999	\$ 664	914	\$ 930	11,145	\$ 3,774	32.5%	\$ 3,622	\$ 1,227									
13 Carat	13.000	152	1,977	0.988%	28%	3.64	553	High Quality	Upper Extra Fine	10%	15.2	3.640	3.000	3.999	\$ 16,850	21.000	\$ 19,509	1,079,733	\$ 71,012	32.5%	\$ 350,913	\$ 23,079	\$ 11,228
								High Quality	Lower Extra Fine	15%	22.8	3.640	3.000	3.999	\$ 10,500	13.700	\$ 12,550	1,041,899	\$ 45,682	32.5%	\$ 338,617	\$ 14,847	
								High Quality	Upper Fine	45%	68.4	3.640	3.000	3.999	\$ 6,750	8.200	\$ 7,679	1,912,503	\$ 27,951	32.5%	\$ 421,563	\$ 9,984	
								High Quality	Lower Fine	20%	30.4	3.640	3.000	3.999	\$ 5,625	6.625	\$ 6,266	693,541	\$ 22,807	32.5%	\$ 225,407	\$ 7,412	
								Commercial	High Commercial	3%	4.6	3.640	3.000	3.999	\$ 3,190	4.375	\$ 3,949	65,571	\$ 14,375	32.5%	\$ 21,311	\$ 4,672	\$ 2,548
Commercial	Medium Commercial	4%	6.1	3.640	3.000	3.999	\$ 1,455	2.000	\$ 1,804	39,941	\$ 6,567	32.5%	\$ 12,981	\$ 2,134									
Commercial	Low Commercial	3%	4.6	3.640	3.000	3.999	\$ 664	914	\$ 824	13,685	\$ 3,000	32.5%	\$ 4,448	\$ 975									
12 Carat	12.000	233	2,802	1.401%	28%	3.36	784	High Quality	Upper Extra Fine	10%	23.3	3.360	3.000	3.999	\$ 16,850	21.000	\$ 18,345	1,439,082	\$ 61,641	32.5%	\$ 467,702	\$ 20,033	\$ 9,770
								High Quality	Lower Extra Fine	15%	35.0	3.360	3.000	3.999	\$ 10,500	13.700	\$ 11,653	1,371,168	\$ 39,155	32.5%	\$ 445,630	\$ 12,725	
								High Quality	Upper Fine	45%	105.1	3.360	3.000	3.999	\$ 6,750	8.200	\$ 7,273	2,567,164	\$ 24,436	32.5%	\$ 834,328	\$ 7,942	
								High Quality	Lower Fine	20%	46.7	3.360	3.000	3.999	\$ 5,625	6.625	\$ 5,985	939,023	\$ 20,111	32.5%	\$ 305,183	\$ 6,536	
								Commercial	High Commercial	3%	7.0	3.360	3.000	3.999	\$ 3,190	4.375	\$ 3,617	85,120	\$ 12,153	32.5%	\$ 27,664	\$ 3,950	\$ 2,153
Commercial	Medium Commercial	4%	9.3	3.360	3.000	3.999	\$ 1,455	2.000	\$ 1,651	51,816	\$ 5,549	32.5%	\$ 16,840	\$ 1,803									
Commercial	Low Commercial	3%	7.0	3.360	3.000	3.999	\$ 664	914	\$ 754	17,743	\$ 2,533	32.5%	\$ 5,766	\$ 823									
11 Carat	11.000	356	3,920	1.960%	28%	3.08	1,098	High Quality	Upper Extra Fine	10%	35.6	3.080	3.000	3.999	\$ 16,850	21.000	\$ 17,182	1,885,865	\$ 52,922	32.5%	\$ 612,906	\$ 17,200	\$ 8,411
								High Quality	Lower Extra Fine	15%	53.5	3.080	3.000	3.999	\$ 10,500	13.700	\$ 10,756	1,770,846	\$ 33,129	32.5%	\$ 575,525	\$ 10,767	
								High Quality	Upper Fine	45%	160.4	3.080	3.000	3.999	\$ 6,750	8.200	\$ 6,866	3,391,190	\$ 21,148	32.5%	\$ 1,102,137	\$ 6,873	

Cut / Faceted Ruby Wholesale Price Data (Per Carat)

Analysis by wombat777, hotcopper

Data sourced from Mustang Q3 2016 Quarterly 2016 prices. These are the [per carat](#) wholesale prices for cut rubies. To work back to prices of rough ruby, a "reserve price" ratio (%) is used to calculate rough ruby price as a proportion of cut ruby. See page 1 of this analysis for assumed reserve ratios.

Carats		Low Commercial		Medium Commercial (Lower Good)		High Commercial (Upper Good)		Lower Fine		Upper Fine		Lower Extra Fine		Upper Extra Fine	
Size Min	Size Max	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
0.020	0.099	\$ 44.47	\$ 64.80	\$ 65.00	\$ 90.00	\$ 95.00	\$ 125.00	\$ 140.00	\$ 280.00	\$ 315.00	\$ 345.00	\$ 345.00	\$ 440.00	\$ 440.00	\$ 750.00
0.100	0.249	\$ 54.70	\$ 106.78	\$ 95.00	\$ 155.00	\$ 165.00	\$ 225.00	\$ 280.00	\$ 345.00	\$ 375.00	\$ 440.00	\$ 440.00	\$ 565.00	\$ 565.00	\$ 815.00
0.250	0.499	\$ 109.74	\$ 153.85	\$ 150.00	\$ 200.00	\$ 205.00	\$ 260.00	\$ 300.00	\$ 720.00	\$ 840.00	\$ 1,080.00	\$ 1,080.00	\$ 1,800.00	\$ 1,800.00	\$ 3,000.00
0.500	0.999	\$ 220.03	\$ 282.11	\$ 445.00	\$ 640.00	\$ 900.00	\$ 1,140.00	\$ 1,360.00	\$ 1,680.00	\$ 1,800.00	\$ 2,400.00	\$ 2,400.00	\$ 3,720.00	\$ 3,720.00	\$ 4,500.00
1.000	1.999	\$ 302.59	\$ 375.56	\$ 595.00	\$ 780.00	\$ 1,170.00	\$ 1,620.00	\$ 1,980.00	\$ 2,400.00	\$ 2,640.00	\$ 3,600.00	\$ 3,600.00	\$ 4,800.00	\$ 4,800.00	\$ 8,100.00
2.000	2.999	\$ 465.52	\$ 600.39	\$ 900.00	\$ 1,170.00	\$ 1,740.00	\$ 2,280.00	\$ 3,000.00	\$ 4,800.00	\$ 5,400.00	\$ 7,200.00	\$ 7,200.00	\$ 10,200.00	\$ 10,750.00	\$ 12,200.00
3.000	3.999	\$ 663.64	\$ 914.29	\$ 1,455.00	\$ 2,000.00	\$ 3,190.00	\$ 4,375.00	\$ 5,625.00	\$ 6,425.00	\$ 6,750.00	\$ 8,200.00	\$ 10,500.00	\$ 13,700.00	\$ 16,850.00	\$ 21,000.00
4.000	4.999	\$ 935.42	\$ 1,223.53	\$ 1,950.00	\$ 2,600.00	\$ 4,045.00	\$ 5,525.00	\$ 7,200.00	\$ 9,000.00	\$ 10,500.00	\$ 12,900.00	\$ 14,250.00	\$ 19,200.00	\$ 22,600.00	\$ 26,200.00
5.000	7.999	\$ 910.46	\$ 2,335.44	\$ 2,295.00	\$ 4,160.00	\$ 5,785.00	\$ 7,410.00	\$ 9,800.00	\$ 12,500.00	\$ 13,500.00	\$ 17,900.00	\$ 19,900.00	\$ 25,700.00	\$ 27,625.00	\$ 35,900.00

	Low	High
Carat Size Range	5.000	7.999
Upper Extra Fine	\$ 27,625.00	\$ 35,900.00
Lower Extra Fine	\$ 19,900.00	\$ 25,700.00
Upper Fine	\$ 13,500.00	\$ 17,900.00
Lower Fine	\$ 9,800.00	\$ 12,500.00
High Commercial (Upper Good)	\$ 5,785.00	\$ 7,410.00
Medium Commercial (Lower Good)	\$ 2,295.00	\$ 4,160.00
Low Commercial	\$ 910.46	\$ 2,335.44

	Low	High
Carat Size Range	4.000	4.999
Upper Extra Fine	\$ 22,600.00	\$ 26,200.00
Lower Extra Fine	\$ 14,250.00	\$ 19,200.00
Upper Fine	\$ 10,500.00	\$ 12,900.00
Lower Fine	\$ 7,200.00	\$ 9,000.00
High Commercial (Upper Good)	\$ 4,045.00	\$ 5,525.00
Medium Commercial (Lower Good)	\$ 1,950.00	\$ 2,600.00
Low Commercial	\$ 935.42	\$ 1,223.53

	Low	High
Carat Size Range	3.000	3.999
Upper Extra Fine	\$ 16,850.00	\$ 21,000.00
Lower Extra Fine	\$ 10,500.00	\$ 13,700.00
Upper Fine	\$ 6,750.00	\$ 8,200.00
Lower Fine	\$ 5,625.00	\$ 6,425.00
High Commercial (Upper Good)	\$ 3,190.00	\$ 4,375.00
Medium Commercial (Lower Good)	\$ 1,455.00	\$ 2,000.00
Low Commercial	\$ 663.64	\$ 914.29

	Low	High
Carat Size Range	2.000	2.999
Upper Extra Fine	\$ 10,750.00	\$ 13,200.00
Lower Extra Fine	\$ 7,200.00	\$ 10,200.00
Upper Fine	\$ 5,400.00	\$ 7,200.00
Lower Fine	\$ 3,000.00	\$ 4,800.00
High Commercial (Upper Good)	\$ 1,740.00	\$ 2,280.00
Medium Commercial (Lower Good)	\$ 900.00	\$ 1,170.00
Low Commercial	\$ 465.52	\$ 600.39

	Low	High
Carat Size Range	1.000	1.999
Upper Extra Fine	\$ 4,800.00	\$ 8,100.00
Lower Extra Fine	\$ 3,600.00	\$ 4,800.00
Upper Fine	\$ 2,640.00	\$ 3,600.00
Lower Fine	\$ 1,980.00	\$ 2,400.00
High Commercial (Upper Good)	\$ 1,170.00	\$ 1,620.00
Medium Commercial (Lower Good)	\$ 595.00	\$ 780.00
Low Commercial	\$ 302.59	\$ 375.56

	Low	High
Carat Size Range	0.500	0.999
Upper Extra Fine	\$ 3,720.00	\$ 4,500.00
Lower Extra Fine	\$ 2,400.00	\$ 3,720.00
Upper Fine	\$ 1,800.00	\$ 2,400.00
Lower Fine	\$ 1,360.00	\$ 1,680.00
High Commercial (Upper Good)	\$ 900.00	\$ 1,140.00
Medium Commercial (Lower Good)	\$ 445.00	\$ 660.00
Low Commercial	\$ 220.03	\$ 282.11

	Low	High
Carat Size Range	0.250	0.499
Upper Extra Fine	\$ 1,800.00	\$ 3,000.00
Lower Extra Fine	\$ 1,080.00	\$ 1,800.00
Upper Fine	\$ 840.00	\$ 1,080.00
Lower Fine	\$ 300.00	\$ 720.00
High Commercial (Upper Good)	\$ 205.00	\$ 260.00
Medium Commercial (Lower Good)	\$ 150.00	\$ 200.00
Low Commercial	\$ 109.74	\$ 153.85

	Low	High
Carat Size Range	0.100	0.249
Upper Extra Fine	\$ 565.00	\$ 815.00
Lower Extra Fine	\$ 440.00	\$ 565.00
Upper Fine	\$ 375.00	\$ 440.00
Lower Fine	\$ 280.00	\$ 345.00
High Commercial (Upper Good)	\$ 165.00	\$ 225.00
Medium Commercial (Lower Good)	\$ 95.00	\$ 155.00
Low Commercial	\$ 54.70	\$ 106.78

	Low	High
Carat Size Range	0.020	0.099
Upper Extra Fine	\$ 440.00	\$ 750.00
Lower Extra Fine	\$ 345.00	\$ 440.00
Upper Fine	\$ 440.00	\$ 565.00
Lower Fine	\$ 140.00	\$ 280.00
High Commercial (Upper Good)	\$ 95.00	\$ 125.00
Medium Commercial (Lower Good)	\$ 65.00	\$ 90.00
Low Commercial	\$ 44.47	\$ 64.80

At the 1 September General Meeting, I asked C3 about how "Lower Good" and "Upper Good" in this cut/faceted pricing table would relate back to the "Commercial Quality" grading they are using for pre-sorting. He indicated that there would need to be another lower price grouping. Therefore I have proportionally created a lower-price group "Low Commercial" to account for the wider price ranges needed for Commercial Quality rough rubies.

Note - Mustang are pre-grading rubies into Commercial Quality and High Quality lots at the mine site. The lots will then be transferred to Mauritius for the final sorting into the more precise grades used at the tender.