

Alluvial Gold and Diamonds

Management Summary

Version 1.0

30th September 2018

Alluvial Gold and Diamonds supplies private costumers and the jewelry & wholesale market in Antwerp with high quality diamonds at competitive prices

Alluvial Gold and Diamonds (Alluvial GD) supplies the professional and private diamond markets with fresh polished and certificated diamonds of 4 to 8 carats. By selling them at competitive prices Alluvial GD achieves a quick return on investment from each stone it purchases

People buy diamonds for a variety of reasons. Diamonds in the commercial market, the market we are targeting, are usually presented as jewelry. Diamonds of high quality are rare and are not found in every part of the world. The demand is much higher than the supply, so the price of the diamonds is, and has consistently been, high, the price of diamonds has risen for the last 50 years.

Alluvial GD purchases rough diamonds in Sierra Leone which are polished in Antwerp. The majority of stones are also sold in Antwerp. We have chosen to buy rough diamonds in Sierra Leone because we already have an established network of suppliers. Sierra Leone is well known as a country with beautiful and big diamonds of high quality.

One of the principals of Alluvial GD has been buying and selling stones from Sierra Leone for over 10 years Together with her business partner they have developed a process which covers all activities from the mine to the sale. A pilot of this process was successfully run with another investor this year. This investor is now focusing on artisan mining in Sierra Leone while the principles of Alluvial GD wish to exploit the process and expand their business and make the purchase, polishing and selling of diamonds a full-time business. Alluvial GD requires start-up capital to ensure a regular supply of stones to the market. In the past our business has been on an ad-hoc commission basis.

Alluvial GD will focus on producing the following types of diamonds; 4 carats to 8 carats, Color D, E, F and Clarity IF to VVS 1

We believe such diamonds will meet the needs of customers enabling us to achieve rapid sales after the diamonds have been polished. We will price our finished diamonds competitively, though we will always achieve a good return. The price can be relatively high, such a price signals a quality diamond.

To evaluate the stones in Sierra Leone we are using following instruments;

- Diamond tester; shows if it's a real diamond or not – simple test wand and water testing methods are used
- ScannoX Planner; for planning the rough diamond. That means we will be able to analyze what shape and carat, we can get out of the rough stone.
- Color meter; to confirm the color of the stone

The planner and color meter are computer controlled.

In Year 1 we will sell 21 stones of finished size 4 to 8 carats and sell all of them through the wholesale market in Antwerp. With a turnover of approximately \$2,690,000 US dollars delivering a profit of approximately \$850,000 before tax. Approximately 35% will be used as shareholder dividends with the remaining £525,000 being used as cash flow for year 2.

This is a conservative business plan. By assuming we sell all the stones wholesale we are working at a 50% discount on the Rapaport price (industry standard). By selling to retail jewelry shops we could increase turnover by 30% - 40% and by a further 25% if selling to private individuals. The cash flow would also support the carrying of a further 8 – 12 stones.

We are looking for an investor or business partner. The funding requirement required to establish Alluvial Gold and Diamonds is \$200,000 USD for which we are offering 25% equity or a 100% interest. These generous terms are because we are unable to secure the loan. To discuss this opportunity further call Tony on +44 (0) 77 1525 3199 or email on tonyd@alluvialgd.com