



**OUROBORO**  
DIAMONDS OF RARE COLOR

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## Rarity That Lasts Forever

Ouroboro Diamonds of Rare Color are buyers and sellers of rare, conflict-free, natural color diamonds. We are not directly affiliated with any gemological laboratories or diamond mines. This means that we are in the best position to acquire and broker diamonds from a variety of sources at the best prices, and the best overall quality, to ensure you, as a client of Ouroboro, receive the optimum opportunities and options for your portfolio.



We utilize our staff's many years of experience in the diamond industry, along with our knowledge of the breadth of offerings on the market, and the best opportunities for our clients to maximize a return on their acquisitions.

### **Building a Portfolio:**

As in any investment category, choice of product varies widely, and can greatly affect the level of returns that one can expect. Purchasing larger carat weights or particular cuts of diamonds will not always offer the best returns. It is important to know what's on the market, what particulars are trending better than others, and to know when to buy, hold, or sell.

### **Access to the Rarest Diamonds:**

Through our long-standing business relationships in the diamond industry, we have access to the finest quality natural color diamonds that are available on the market, with a special selection of the world's top quality pink diamonds, straight from Australia's Argyle Mine.

### **Quality Control:**

Like any industry, we are subject to those who would put false or artificially created diamonds into the market. To combat this, we utilize the best labs and appraisers to provide us with the most accurate diamond reports available on all our products. We maintain an "arm's length" relationship with every lab, to ensure no bias or partiality exists in the evaluation of our clients' diamonds.

### **Logistics, Storage and Insurance:**

Every diamond we sell is physically delivered directly to our clients, at our expense, via insured express delivery services (barring any geographical or delivery constraints), to enable all of our clients the opportunity to examine the aesthetic beauty that are these earthly treasures. On those occasions where our clients do not wish to receive delivery of their diamonds, they are kept in safekeeping at a highly secure off-site facility operated by Malca-Amit with insurance coverage by Lloyd's of London of up to \$800 million.

Our clients may view their diamond acquisitions either at our offices, at the offices of Malca-Amit or the Canadian Diamond Bourse in Toronto upon 48 hours notice, to provide adequate time for security measures to be taken. In-person pick-up is also available at our offices, however again, a notice period is required and the client must provide proper identification.

### **Structuring Your Acquisitions:**

Your portfolio is entirely tailored towards your net worth and the size of your traditional investments. Initially our clients typically “dip their toe” at a range of \$5,000 to \$10,000 or more, for what we call “stepping stones”. These diamonds will offer the ability to trade more frequently and provide a comfort level within this market.

### **On-going Management and Communication:**

Ouroboro services include: regular communications through market newsletters, an actively updated information-based e-commerce website, and a dedicated diamond trader who will be in-touch with you on a regular basis to discuss with you the latest news and trends in natural color diamonds, as well as the status of your existing portfolio. Whenever new and potentially high return diamonds enter the market, your diamond broker will be in immediate contact with you to ensure you have the opportunity to “strike while the iron is hot”.



## The Natural Color Diamond Market



Natural color diamonds are the most concentrated form of wealth on the planet; we call them earthly treasures. Natural color diamonds have been appreciating at an average annual rate of between 15% to 25% since 1990 and it is anticipated that prices for quality natural color diamonds have the potential for further dramatic increases.

Of every 10,000 carats of brilliant, white flawless diamonds mined (which are themselves extremely valuable), just one (1) carat of color diamond is found in nature.

Though natural color diamonds have appreciated historically, we have witnessed price increases for pink diamonds (especially those emanating from the Argyle Mine), to be appreciating even more significantly within the past three years.

In fact, the prices for all quality natural color diamonds - the yellows, reds, greens and blues (all called fancies) - are showing steady increases.

Why the increases? Simply stated.... demand has outstripped supply. Investors and collectors alike have become even more motivated as buyers because of the economic turmoil which has gripped the world economy. There is virtually no other place to safeguard your disposable income.

The stock markets have gone from upheaval to buoyancy and many experts believe that a significant correction is probable in the foreseeable future.

Gold prices, once a haven for the world's money in times of turmoil, have dropped precipitously, and no one can accurately predict when the bottom will be reached.



Real estate and housing prices are at an all-time high and many experts opine that the bubble may burst and that prices will fall.

The credit markets are tight despite government bail-outs in the U.S. and Europe. Even the U.S. government is trillions of dollars in debt and is now printing more money by the ton. The banks are paying its depositors meager interest rates which don't even correspond to increases in the consumer price index for goods and services.

As a result, the demand and the prices for quality natural color diamonds have increased in direct proportion to the decrease in the value of traditional investments such as equities, bonds, real estate and bank certificates of deposit.

Therefore, quality natural color diamonds, especially the pinks, yellows, blues and reds, have always been and will continue to be (now more than ever), a sound and prudent investment.

Diamonds are portable, marketable and liquid in every corner of the world. You can sell them worldwide, and in our opinion, their value shall increase over the medium to long term.

During times of war, insurrection and political upheaval, natural color diamonds have always been coveted by investors as a safe-haven and a hedge against inflation. One has only to read the newspaper or watch BBC News or CNN to realize that with economic international uncertainty, terrorism fears, potential inflation or deflation....these times are now.

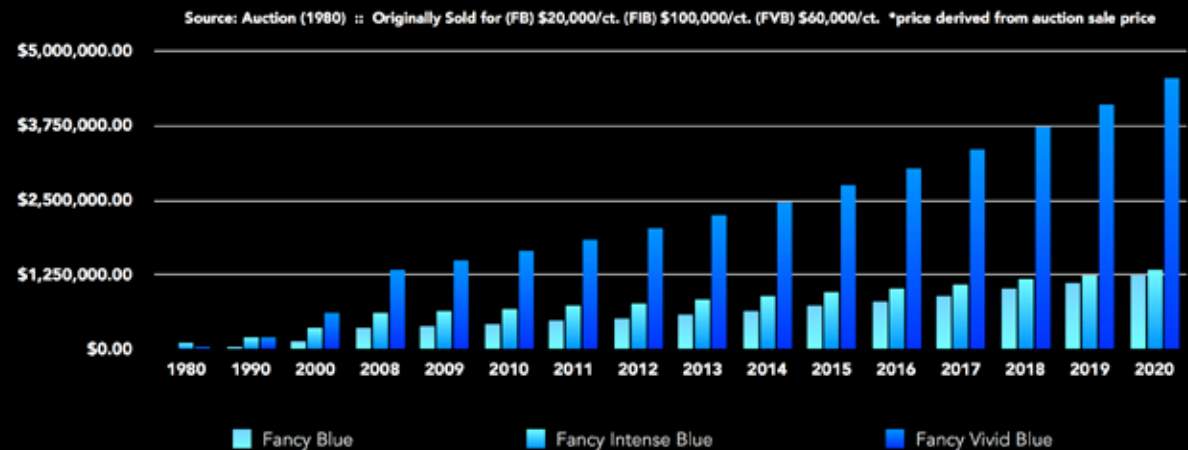
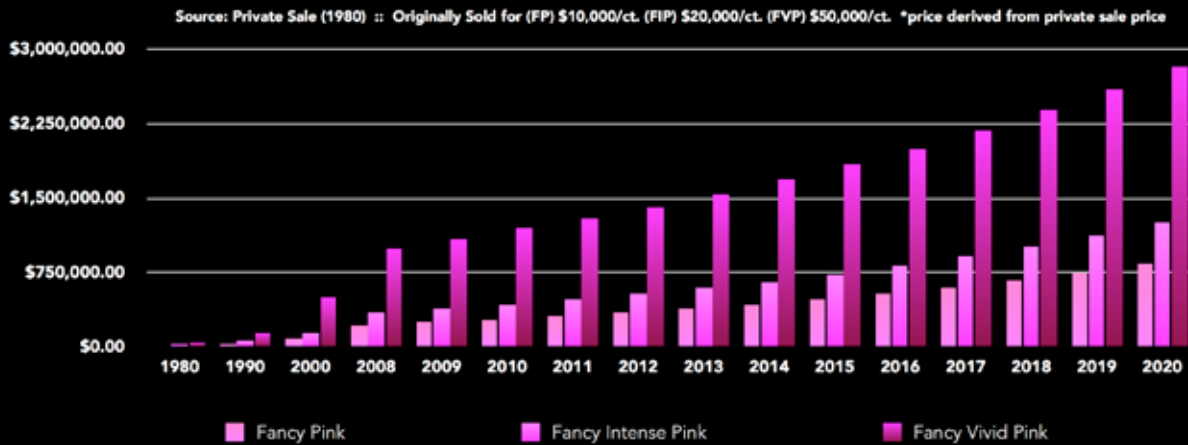
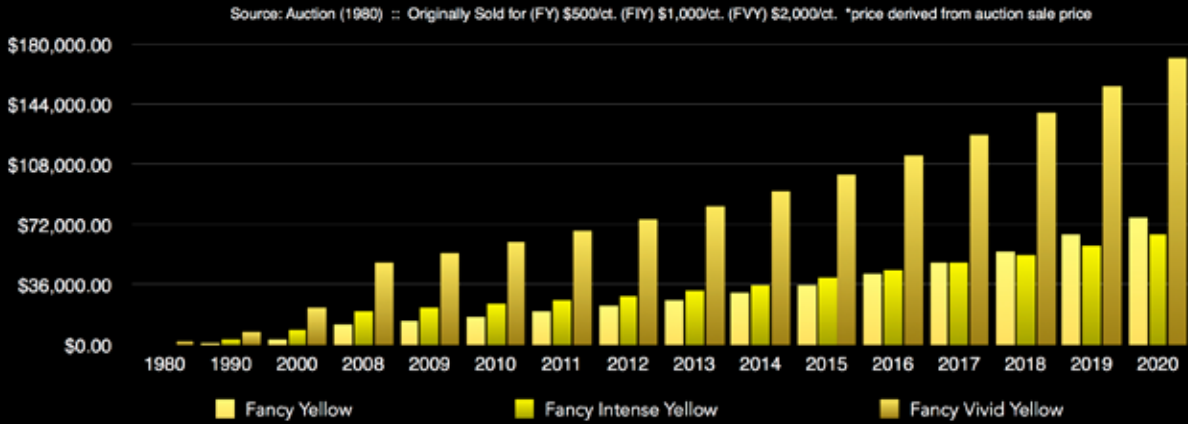
As global economies recover from the collapses of the last six years, during which time the prices of color diamonds have been and continue to be appreciating, they will without question be that much more valuable when the recovery becomes that much stronger. There is no better time in history to make acquisitions of color diamonds.



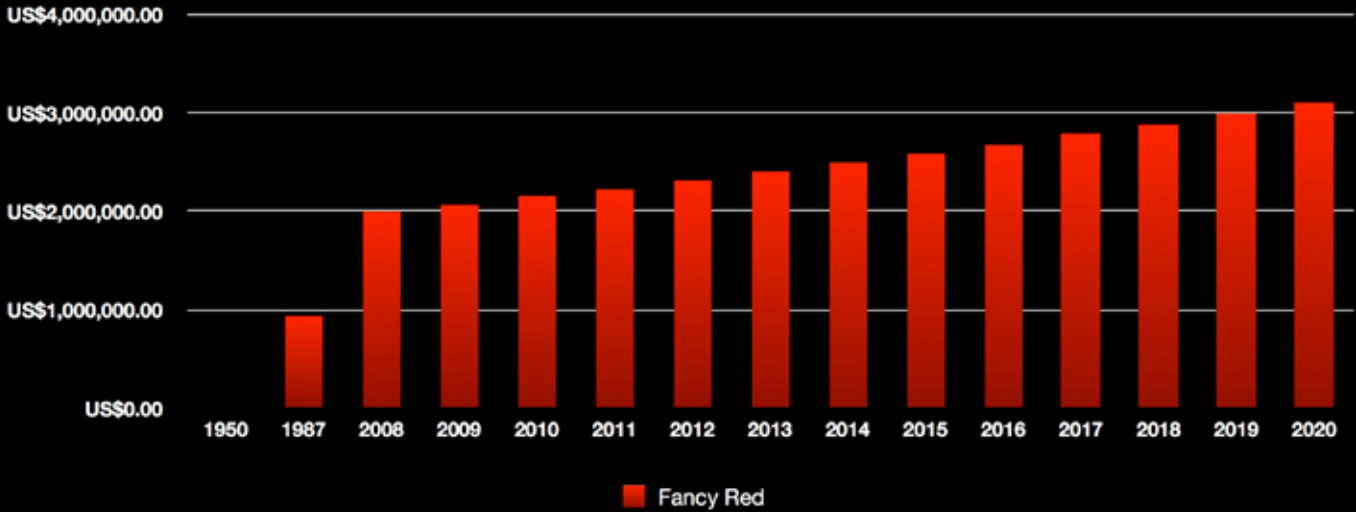


# Price Tracking Charts

At Ouroboro, our outstanding relationships with the mandated representatives of the world's premiere producing mines coupled with senior management's cumulative decades of experience in the natural color diamond industry, provides our clients with the comfort level to move confidently into this most intriguing and potentially lucrative alternative asset class. Below are price tracking charts of natural color diamonds over the last 30+ years:

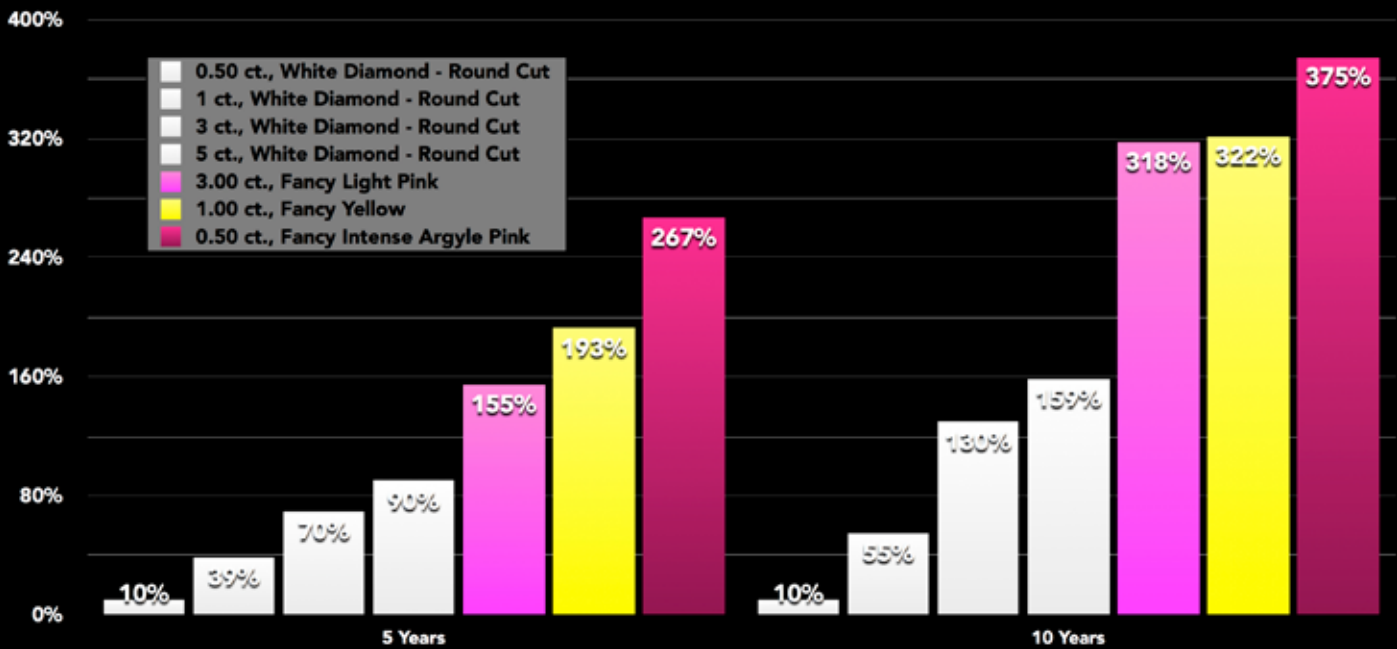


Source: Private Sale (1950) :: Originally Sold for (FR) \$20,000/ct. \*price derived from private sale price



The chart below compares the increase in price over the course of 5 and 10 years of white and fancy color diamonds.

5 & 10 Year Rapaport Price Performance - Compared with Fancy Colored Diamonds



\* Dollar figures and projections depicted in the charts above (hereinafter called "forward-looking price expectations") are based upon pricing for natural color diamonds which have been sold at auction or through private sale. Pricing and the projections extrapolated therefrom have been derived from reliable and independent sources though Ouroboro cannot independently verify the pricing as expressed or the projections derived therefrom.



# The Four C's of Diamond Grading

The value of a rare diamond is determined via a universal grading system known in the diamond industry as "the Four C's".

Cut, carat weight, clarity and color are the four traditional and primary determining factors in confirming the authenticity of a diamond, color or otherwise, as well as assisting appraisers in determining value of these natural wonders.

## Cut: The Shape of a Natural Color Diamond

The most crucial of the Four C's for generating the "sparkle" or light performance of a diamond is the cut. In an ideal diamond cut, light should be reflected through the body of the diamond and back out through the top, or table, of the stone. In lesser quality pieces, or more shallow cuts, light will leak out through the bottom of the diamond. This dramatically affects our perception of the beauty of the diamond, and can affect, in natural color diamonds, how deeply the color of the stone can be visualized.



Round



Oval



Marquise



Pear



Heart



Emerald



Princess



Trillion



Radiant



Cushion

## Carat Weight: The Size of a Diamond

Carat weight is simply the measure of a diamond's weight, but may not necessarily be indicative of a diamond's size. A diamond's size is generally judged by the carat weight in combination with the measure of the top of the diamond (the table), as this is the view of a stone when set in jewelry.



(2 Carat)  
2.00 ct.



(1 1/2 Carat)  
1.50 ct.



(1 Carat)  
1.00 ct.



(3/4 Carat)  
0.75 ct.



(1/2 Carat)  
0.50 ct.



(1/4 Carat)  
0.25 ct.

## Clarity: How Inclusions Affect Diamonds

Diamond clarity relates to the number of “blemishes” or “inclusions” that are visible outside and inside the body of a diamond. In natural color diamonds, lower clarity stones often possess deeper color tones than those with better clarity, and many gemologists and experts believe that this has little effect on the appearance of a natural color diamond. Better clarity grades are applied to diamonds with fewer or smaller imperfections, often not visible to the naked eye.

|          |                     |                             |                        |                      |                   |
|----------|---------------------|-----------------------------|------------------------|----------------------|-------------------|
| Flawless | Internally Flawless | VVS-1<br>VVS-2              | VS-1<br>VS-2           | SI-1<br>SI-2<br>SI-3 | I-1<br>I-2<br>I-3 |
| Pure     |                     | Very Very Slight Inclusions | Very Slight Inclusions | Slight Inclusions    | Included          |

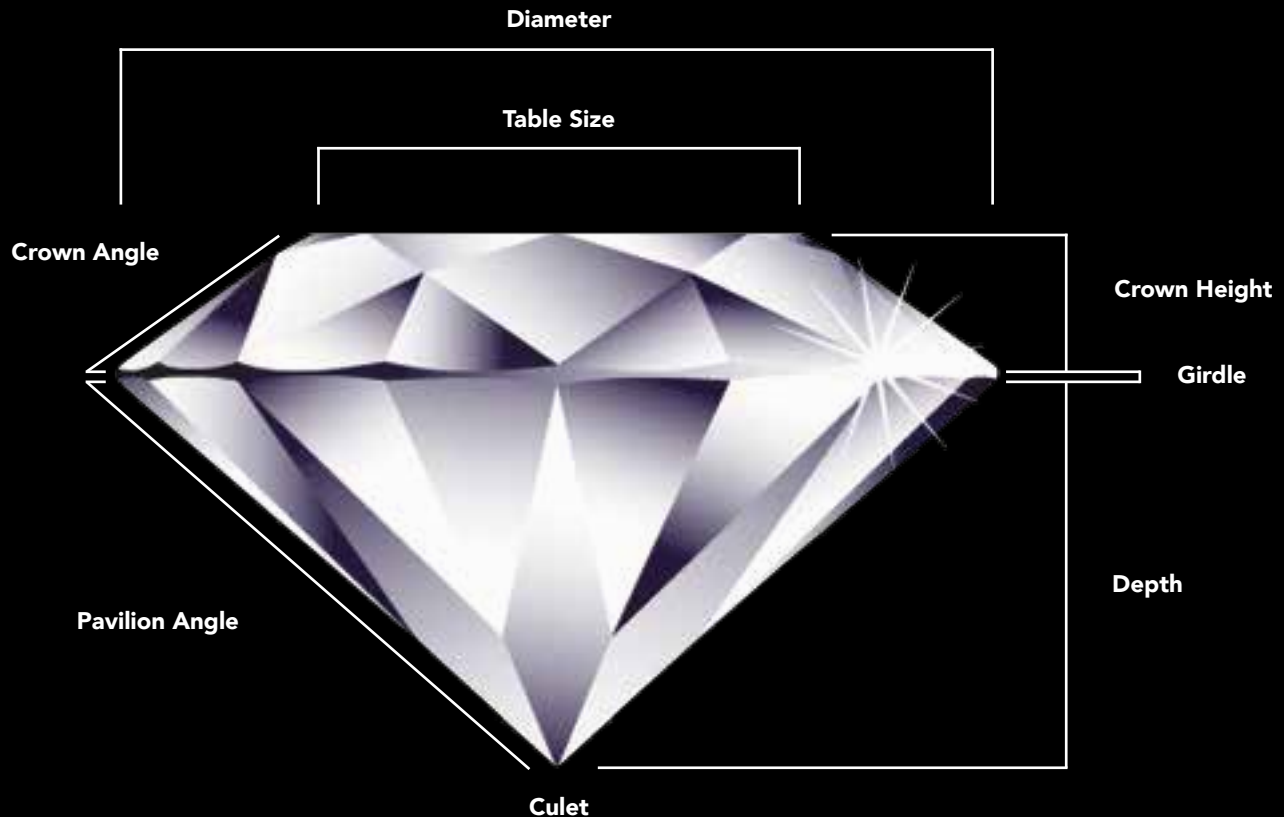
## Color: The Beauty of Natural Color Diamonds

In white diamonds, being “colorless” is ideal. However, at the opposite end of the color scale are “Fancy” color diamonds, which possess a rarity and uniqueness that gives them their own value scale. This scale includes: Light, Fancy Light, Fancy, Fancy Intense, Fancy Deep and Fancy Vivid.

Color in natural fancy color diamonds occurs in a variety of ways. Natural phenomena present in the ground during the formation of color diamonds, such as trace elements of nitrogen or radiation, have a determining effect on the color of the diamond. Inclusions in the diamonds can in fact enhance the depth of color in fancy color diamonds, creating higher value, unlike their colorless counterparts.



# The Anatomy of a Diamond



There are a few other terms that may appear on certifications and appraisals for natural fancy color diamonds. Here are a few brief explanations:

- Diameter:** The width of the diamond as measured through the girdle.
- Table:** The large, flat top facet of a diamond; a key factor in ideal cut diamonds.
- Crown:** The upper portion of a cut gemstone, above the girdle.
- Girdle:** The narrow rim of a diamond that separates the crown from the pavilion. It is the largest diameter component in any part of the stone.
- Pavilion:** The lower portion of the diamond, below the girdle. It is sometimes referred to as the base.
- Culet:** The tiny facet on the pointed bottom of the pavilion, which is the portion of a cut gem below the girdle.
- Depth:** The depth of a stone measured from the table to the culet; a key factor in determining "fine cut" diamonds.
- Facet:** A plane, polished surface on a diamond or other gemstone.

## Rare and Famous Diamonds (Recent Auction Results)



The 59.60 carat Fancy Vivid "Pink Star" diamond sold at auction for \$83,000,000 in November 2013.



Sotheby's sold a 6.01-carat Fancy Vivid Blue and Pink diamond ring for \$10,100,000 at a Hong Kong auction.



In December 2012, Sotheby's auctioned off this magnificent 6.54 carat, Fancy Intense Pink diamond ring from the collection of Evelyn H. Lauder. The ring sold for \$8,594,500.



The Graff Pink is a 24.78 carat emerald cut Fancy Intense Pink diamond. It was purchased at Sotheby's in 2010 by London jeweler Laurence Graff, who paid \$46,158,674 - the highest price ever bid for a jewel at auction at that time.



The Princie Diamond is an approximately 34.65 carat cushion-cut Fancy Intense Pink diamond discovered 300 years ago in India's Golconda mines. In April 2013 it sold for nearly \$40,000,000 at auction by Christie's New York.



Mandarin Orange, a 4.19 carat Fancy Vivid Orange diamond ring, sold for \$2,900,000 which was the highest price for any fancy vivid orange diamond at auction.

## Rarity Defined: Argyle Pink Diamonds

The Argyle Diamond Mine, owned and operated by Rio Tinto, has been an active open pit mine for over 25 years, but grew into an underground mine after a 2001 proposal to expand operations to extend the life of the mine.

The open pit closed in 2012, and the underground pit became fully functional in 2013.

Most diamonds drawn from the mine are less than 0.10 carats, however the largest rough diamond from the Argyle Diamond Mine weighed in at a whopping 42.6 carats (found in 1991).

There are a number of reasons to acquire Argyle pink diamonds:

- The Rio Tinto Argyle Mine produces 90% to 95% of the world's pink diamonds;
- The mine is scheduled for closure between 2018 and 2020;
- The demand for pink diamonds worldwide has increased dramatically, as a consequence of the wealth created in China and India (the former, being the largest consumer of pink diamonds, next to the United States);
- The annual supply of pink diamonds is diminishing even more dramatically as the working life of the mine is edging closer to 2018-2020;
- The Argyle Mine has been in existence since 1985 producing in excess of 30 million carats of diamonds per annum, of which less than 0.001% are pink diamonds, and only a portion of these are cut and polished and considered investment grade. To put this in perspective, a year's supply of cut and polished Argyle pink diamonds would fit in the palm of your hand;
- There have been no new discoveries of diamond mines producing pink diamonds since the formation of the Argyle Mine almost 30 years ago, and none are anticipated due to the high cost of bringing a mine into production (in excess of one billion dollars), and the regulatory and environmental hurdles which are inherent in creating one;
- A one (1) carat pink diamond available for sale in 1980 for \$10,000 now sells for between \$250,000 to \$400,000 depending on the color saturation and quality of the stone;





- Ouroboro offers Argyle pink diamonds at the most competitive pricing in North America notwithstanding the limited supply available globally;
- Argyle pink diamonds have a unique aesthetic beauty based upon their saturation of color which differentiates an Argyle pink from the limited quantities of pink diamonds which emanate from South Africa and South America;
- Argyle pink diamonds are accompanied with either Gemological Institute of America (GIA) Reports and/or Certificates of Authenticity from Rio Tinto, and all Argyle pinks cut and polished after 2005 are laser inscribed with the Argyle logo (as shown on the GIA Report), or as evidenced by the Certificate of Authenticity.







## Reasons to Acquire Natural Color Diamonds for the Medium to Long Term

- Natural color diamonds at the wholesale level have never decreased in value over the last 30 years;
- Based on diminishing world supply and continued demand emanating from the traditional buyers in the world's wealthiest economies, coupled with dramatic increased demand from emerging markets in China, India, Russia and Latin America, it is generally regarded by experts that significant price increases shall continue in the medium to long term;
- A hard physical asset that diversifies one's portfolio securely and which is not affected by volatile market movements;
- The Rio Tinto Argyle Diamond mine located in Western Australia, which produces and supplies 90 - 95% of the world's pink diamonds is scheduled to close between 2018 and 2020;
- No new mines producing natural fancy color diamonds have been discovered and the cost of bringing one into production would cost billions of dollars assuming all environmental and regulatory issues have been resolved prior thereto;
- Color diamonds are undoubtedly the most concentrated form of wealth on the planet;
- There is complete privacy in owning natural color diamonds unlike real estate, stocks and bonds;
- Unlike equities, bonds, gold, silver, platinum... natural color diamonds are not tied or correlated to a global economy;
- Natural color diamonds are portable and the safest and most discrete way to transport wealth in the world, especially in times of political uncertainty, wars or civil unrest;
- The value and rarity of natural color diamonds is recognized globally and can be sold in any currency;
- A hedge against global economic instability and the very real threat of serious currency devaluation and inflation;
- Wealth preservation and asset diversification;
- Natural color diamonds are not tied to a globally priced market (unlike their colorless counterparts);
- An aesthetically pleasing hard asset commodity that can be worn and adored while appreciating in value;
- A core holding that can be positioned as part of a succession (legacy) plan;
- Their true individual value is determined by what a buyer will pay privately or at public auction.

## It's All About Trust

What exactly is trust?

- Trust is knowing the truths that help you sleep peacefully at night; those things that won't shockingly change when you wake up in the morning;
- Trust is feeling that the relationships you depend on to stay safe and prosper are reliable; not just today, but into your successful long-term future;
- Trust is having a business partner who will "do what they say, and say what they do" – which, in today's world, is an astonishingly rare thing.

At Ouroboro, we connect astute investors and sophisticated collectors with some of the world's finest and most magnificent natural color diamonds.

And while our in-depth experience, extensive knowledge, renowned reputation and relentless focus on customer satisfaction are key factors that make us different, they don't tell the whole story.

Because, what truly makes us worthy of satisfying our refined customers and exceeding their expectations is the trust we establish, develop and maintain. That isn't just a promise we make – it's a commitment we keep.

### **Value: Supply and Demand**

The current direction of supply when related to the current direction of demand can help determine the future direction of the price of a fixed resource, such as a natural color diamond.

### **Supply**

With natural color diamonds, the supply has been decreasing in relation to demand for many years. Very rare to begin with, natural color diamonds are becoming rarer than ever. In the last 10 years, diamond mines have closed and no new ones have been discovered. For current producers, known reserves are declining, production costs are going up, and grades are lower. This physical situation creates a negative force and a relative declining supply.

### **Demand**

The demand for natural color diamonds is, like the asset itself, an anomaly. When the economy and other asset classes are challenged, demand rises due to a "flight to safety". When the economy and stock markets are robust and prospering, the demand for natural color diamonds rises due to the display of wealth penchant, and the inclination of astute investors to diversify and protect their assets. Economic theory aside, there are high physical expectations for diamond demand, primarily due to the huge emerging middle class in India, China, Russia and Latin America. Sales have increased dramatically in those regions, and supply and demand analysis points to rising future prices.

## Risk and Reward

After being convinced of the favorable direction of future prices, then the perceived risk and the potential rewards must be examined to determine suitable exposure levels. Any prediction of the future must depend on the past, with a caveat that analysis of the past is no guarantee of future performance.

### Risk

Since the industry began keeping records over 40 years ago, every year on record has seen an increase in the price of natural color diamonds. That statement, quoted from industry experts at all levels in various publications, in itself speaks to a risk factor that is negligible if one can buy prudently and hold for the medium to long term.

### Reward

Those same industry records have been extensively examined, analyzed and quoted to illustrate that natural color diamond prices at the dealer level, on average, have doubled approximately every five (5) years.

We are not investment advisors, but we firmly believe that having this tangible hard asset in your possession, one that has a long history of consistent appreciation, is a welcome addition to any investment portfolio.

Natural color diamonds are a safe, secure asset, and a very unique possession. Their future value is not affected by politics, market fluctuations or interest rates – just their own supply and demand curve which is very favorable to ownership and appreciation.

### Our Pledge

At Ouroboro, our goal is always to provide the highest level of service to our clients, both our long established customers and new ones. We provide quality of product, total reliability, integrity, complete confidentiality and loyalty to customers in the knowledge that this will ensure that they shall want to transact business with us again and again.

When you buy from Ouroboro, you have our assurance of total reliability, loyalty and consistently high, premium service.

With Ouroboro, diamonds really are forever. Our natural color diamonds are carefully selected for their intrinsic qualities and each of our diamonds are conflict free, as we comply with the United Nations-mandated Kimberley Process. We believe that our clients will enjoy possessing our diamonds, and that they shall have peace of mind in knowing that, if history continues to repeat itself, that their values could potentially rise significantly over the medium to long term, providing both aesthetic beauty and financial security in all of our clients' natural color diamond acquisitions.

A Splash of Color





# Terms & Conditions

## Purchase

Written confirmation of orders will be issued together with an invoice prior to payment. Upon receipt of full payment into our bank account, we will provide a receipt of funds, as well as confirmation of delivery arrangements of the invoiced diamond(s).

## Payment

All payments are due upon receipt of invoice unless agreed to prior to sale. We reserve the right to cancel unpaid orders at any time after their due date. We accept payment through all the major credit cards, including Visa, MasterCard and American Express, bank-to-bank wire transfers, and business and/or personal checks.



## Certification of Diamond

All original certificates, where available, will be provided to the client in their original form upon delivery of their diamond, or as soon as possible thereafter.



## Argyle Diamonds

Argyle Diamonds are often accompanied with a unique Certificate of Authenticity issued by the mine. A Gemological Institute of America (GIA) or European Gemological Laboratory (EGL) diamond grading report shall be furnished in the absence of an Argyle certificate, the originals of which will be provided upon delivery of the acquired diamond.

## Storage

Where requested, diamonds can be held in safekeeping in a secure, off-site location at a nominal expense to the client.

## Delivery

Diamonds shall be delivered to our clients within 10-14 business days upon receipt of full payment.



All of our diamonds shall be shipped to our clients via secure delivery service fully insured to any physical address requested (post office boxes excluded). The client's signature, or the signature of an authorized third party, is required on all deliveries with proper identification in order for the diamond to be released.

## Price

All prices are quoted in Canadian dollars unless stated otherwise. All invoices shall be paid and settled in Canadian dollars unless agreed prior to sale.

## Money-Back Guarantee

In the event that a resolution to any dissatisfaction with an Ouroboros product cannot be found to completely satisfy you, we offer a 15 business day money back guarantee from date of delivery offering a full refund, less any extraordinary expenses of handling, shipping, insurance, taxes, bank transaction fees and any costs to us associated in re-classifying our product, if necessary. The product (loose diamond(s) and/or jewelry) must be in original, new, unworn, unaltered and undamaged condition for a refund to be assured.

## Remarketing Service

Ouroboros will accept its clients previously acquired natural color diamonds on a consignment basis to pursue a resale based upon the client's stated residual price. A flat fee of five (5) percent will be charged for this best efforts/consignment sales service on completed sales only. Natural color diamonds are considered a medium to long term investment of a minimum of 4 to 6 years or more for optimum price appreciation.







## Ouroboro Custom Designed Jewelry



The overwhelming majority of the world's supply of cut and polished diamonds are ultimately incorporated and showcased into finished pieces of luxury jewelry. Thereafter the jewelry is marketed globally through upscale retailers, auction houses or through private sales to end users (consumers) seeking quality of design and fabrication. This process enhances the value and aesthetic beauty of the diamond(s) so incorporated.

By incorporating one or more rare natural color diamonds into a unique and aesthetically desirable jewelry creation, the value of the finished product is increased and the ability to showcase the diamonds for sale to a third party buyer is enhanced.

At Ouroboro, we design and manufacture custom (one-of-a-kind) jewelry creations to showcase the beauty of our clients' natural color diamonds.

According to the Diamond Industry Report, prepared by Bain & Company, Inc., global retail sales of jewelry incorporating diamonds for the year 2013 was approximately USD \$72 billion and it is estimated that this figure will increase by 6% per year to 2018 due to the expansive wealth and buying patterns which have emerged in China, India, Russia and Latin America.



In creating a custom designed jewelry creation, our clients provide us with their budget, and are thereafter provided with one or more design renderings for their selection. Depending on the design selected in consultation with their respective

account representatives, the jewelry piece is crafted in either 14 karat or 18 karat gold (white, yellow or rose) or platinum incorporating our client's natural color diamond(s). Depending on our client's budget, various additional white diamonds can be included, all of which are SI to VS clarity or better. One must appreciate that natural color diamonds are similar to snowflakes... each is unique and no two are exactly alike. This also holds true for our custom-made jewelry; each piece is unique and one-of-a-kind.



request for a custom designed jewelry creation incorporating our client's natural color diamonds.

Our account representatives and design team can fulfill virtually any

Our design service is gratis to the clients of Ouroboro, and custom design renderings in advance of fabrication are available for rings, earrings, bracelets, pendants, necklaces and brooches.





**Disclaimer:**

Forever Rare Color Diamonds Ltd. carrying on business as Ouroboro Diamonds of Rare Color and/or Ouroboro, is not an investment advisor nor is it licensed to provide investment advice. We strongly recommend that our clients obtain independent advice if they are seeking to invest in diamonds as part of an investment strategy. Natural color diamonds have been subject to upward price movements historically. Ouroboro cannot guarantee nor does it expressly warrant or represent that upward price movements of natural color diamonds which have occurred historically will continue in the future.

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**Ouroboro Diamonds of Rare Color**  
**and Ouroboro, are registered trade names of**  
**Forever Rare Color Diamonds Ltd.**