

# FURA Gems

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## Fura Gems Inc well on the way to building strong position in emerald and ruby mining

"We launched this business in January 2017," says Dev Shetty, the chief executive of Fura Gems Inc (CVE:FURA).

"At its core are emeralds and rubies."

Most of the Fura team, including Shetty himself, formerly worked at Gemfields, back in the time when it was UK's foremost coloured stone producer and before it was absorbed into the Brian Gilbertson Pallinghurst vehicle.

It's a rare enough skill to have, but from the get-go, there has been plenty of know-how about coloured stones at Fura, about where to get them, how to mine them, how to process them, and not least, how to market them.

So these are industry professionals pooling a wealth of experience and expertise, and if the business itself is fairly new, the business model itself is old as the hills.

"Most of the management come out of Gemfields, having built the world's largest emerald mine and the world's largest ruby mine," says Shetty.

Perhaps not surprising that within well under two years Fura is already capitalised at nearly C\$50mln.

But how has this been achieved, and what are the future prospects?

At the moment there are two main focuses: emeralds from Colombia and rubies from Mozambique.

"Colombia," says Shetty, "is the world's largest supplier of emeralds by dollar value."

And the Coscuez emerald mine that Fura acquired a majority stake in earlier this year used to account for around 90% of Colombia's emerald production in the 1970's.

So that's the potential for a commanding position in the industry right there, although playing catch-up to Pallinghurst will take some doing.

"The plan is to take the Colombian asset from a small-scale artisanal operation up to a fully mechanised operation," says Shetty.

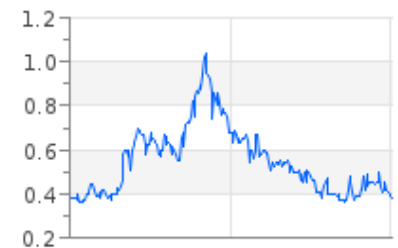
That will require some significant investment of course, but Shetty is confident that he can access the required capital.

"We're working on a couple of options," he says. One possibility is that Fura will dual list in London. Shetty has been marketing in London recently, and the company's major backer Forbes & Manhattan, though Canadian, does have

**Price:** C\$0.38

**Market Cap:** C\$35.92M

### 1 Year Share Price Graph



August 2017 February 2018 August 2018

### Share Information

**Code:** FURA

**Listing:** TSX-V

**52 week** **High** **Low**  
C\$1.13 C\$0.34

**Sector:** General Mining - Diamonds & Gemstones

**Website:** www.furagems.com

### Company Synopsis:

From our Dubai-based headquarters, we sustainably source gemstones from our mining sites around the world, using industry best practices. FURA's initial focus includes mining ruby assets in Mozambique and emeralds in Colombia. Together with our trusted partners, we also market these beautiful treasures across reliable selling platforms. As a listed company on Canada's TSX Venture Exchange (ticker symbol: FURA).

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significant experience in London too. And perhaps more to the point, the departure of Gemfields has created a significant opening.

The stated plan is to use data garnered from the 2,500 metre drill programme that got underway at Coscuez in June to underpin an NI43-101 resource that should be ready by December.

Meanwhile, over in Mozambique, the recently announced US\$16m acquisition of the ruby portfolios of Mustang Resources and Regius Resources looks set to transform Fura's ruby proposition too.

It was in announcing that deal that Fura first trailed the possibility of the London listing, as it outlined plans to complete bulk sampling by the end of 2018, and to conduct its first auction sales in the third quarter of next year.

"The first year is all about stockpiling," says Shetty.

Nevertheless, by the first quarter of next year, he expects emerald sales to start, with ruby sales following in the third quarter.

With the new Mozambique properties integrated into the company, Shetty expects rapidly to ramp up production from one million carats per year to between three and four million carats per year, and rising in the long-term to six million carats.

The likely emerald output from Coscuez, meanwhile is harder to quantify, given that more data on grade is currently being gathered.

"In the next three months it will be clear," says Shetty. "It needs a little bit more time.

At around US\$12 per carat, rubies fetch considerably less than the US\$200 per carat commanded by emeralds, but according to Shetty the markets for both stones are still at rock bottom.

Even allowing for that, Shetty is expecting an EBITDA margin of around 45%-50% on these operations, a level that he regards as standard for the industry. But if prices improve, Fura's margin could be boosted considerably.

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