

Manuel J. Marcial

EMERALDS INTERNATIONAL, LLC

104 Duval St. Key West FL 33040

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Quality

Valuation Report

Preface

The values expressed are in keeping with the realities of an irreplaceable inventory in relation to the nature of treasure as history. Although necessarily a tie to the values of the current emerald market must always remain as an avenue of reference, with the parallel disappearance of these Atocha emeralds from the world of availability (via shareholder distribution, and the progressively diminishing number of undersea finds) I now tend to anchor their value specifically to treasure rather than to the current state of emerald recoveries. As it is generally accepted that Muzo emeralds set the world standard for what constitutes fine quality in an emerald, it may well be said that some of the finest emeralds in the world have been recovered in Key West, from the site of the Nuestra Señora de Atocha galleon.

Another very significant factor is that the emeralds of the Atocha galleon are among the very few emeralds found anywhere that are not oiled (an accepted gem enhancement procedure common to all emerald producing countries). Unenhanced emeralds require a different point of reference for determining values and command a market premium. The stated value(s) must of necessity also reflect increases normal to the passing of time (28 years) since the discovery of the galleon wreck site, and the international fame accruing during this period to the late Mel Fisher and the Atocha galleon. Conventional high quality emeralds may increase from 8% to 15% per annum. Notwithstanding, the emeralds recovered from the Atocha galleon have experienced only 4 marginal increases during this time. It is necessary to adopt a very conservative approach reflective of the difficulties in marketing the Atocha galleon emeralds because of a lack of expertise among both professional jewelers, appraisers, and lay persons, understandable perhaps because of the extreme rarity of this occurring on what already is a rare occurrence, a treasure ship wreck site. The emeralds of the Atocha galleon are rarity upon rarity, a concept in itself difficult to comprehend. Educating the mainstream of emerald buyers, and other industry professionals, both wholesale and retail, about the worth of such peerless and unique gems, is an ongoing task, given the fact that even a non-treasure emerald is already a rare and expensive gem. There has never been a treasure find anything like the Atocha galleon, in terms of the outpouring of gem emeralds over a 28 year span. This is another factor that must be weighed when determining value. Further consideration must also be given to the degree of difficulty of extraction of these emeralds. Any emerald, even in an air-breathing environment, is elusive, few and far between, and at best, extremely difficult to mine in near vertical real estate. Here, in an underwater environment constantly in motion, the needle in a haystack becomes easy by comparison. It bears repeating that non-treasure emeralds require being found only once; the emeralds of the Atocha galleon had to be found twice, once in the Andes of Colombia four centuries ago and, after much bloodshed, brought on foot and on horseback, through vast jungles and across wide rivers, past extremely hostile native populations and across the Caribbean, over uncharted coral seas to their destiny with a hurricane in the Marquesas islands of the Florida Keys. At the same time, a conservative approach must be maintained so that the pendulum of material aspirations does not swing far from the realities of the marketplace. In presenting this opinion, based on my own experience in direct retail sales of Atocha galleon treasure emeralds and treasure coins, I have striven to maintain that balance. The rough emerald examined originates from the Muzo region of Colombia, that is Muzo, Coscuez, Borbur, Peña Blanca, La Pita. This Valuation is made pursuant to the issuing of certificates of authenticity by Motivation, Inc., or Treasure Salvors, Inc., for all emeralds and no authentication is undertaken by Emeralds International, LLC or Manuel J. Marcial. The herein listed value represents my opinion of the breakdown of values necessary to establish the worth of something so unique. This opinion should not be solely relied upon for purposes of investment or purchase, nor is it a promise to buy the gems at either the estimated valued or less, and neither Manuel Marcial or Emeralds International, LLC have any prospective interest in purchasing or selling the item described herein. Because of their historical, antiquity and treasure considerations, there is nothing of like quality to effect comparison. Therefore, a composite knowledge of emerald origins, relative geologic availability and history, coupled with the commercial reality of wholesale and retail emerald markets, actual sales experience in both treasure and conventional emeralds is required. In 2012 there were substantial increases in the conventional international emerald market where we anchor our references to shipwreck treasure values, quite likely tied to the prosperity level advances in China and India.



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Valuation Report

This Valuation Report (hereafter referred to as "Report") contains six (6) pages and is valid only in its entirety. It was created, formatted and prepared by Emeralds International, LLC, a retail jewelry store specializing in emeralds and conch pearls & appraisals of gem rarities, custom design and repairs, for over 40 years. Emeralds International, LLC., exclusively reserves the right to modify the format, terminology, identifying and grading parameters and definitions on any future Valuation Report. This report is not to be reproduced without permission from the author and is protected by copyright laws including our color grading system.

The purpose and function of the Valuation Report is to establish the replacement description and value of the merchandise (not including sales tax or shipping/handling charges) for the benefit of an insurance company in the event of a loss or damage to the merchandise.

The grading system and format (particularly for Atocha treasure emeralds and conch pearls) which appears in this Report was created independently by Emeralds International, LLC, and is a unique, in-house system used exclusively by Emeralds International, LLC. It must also be understood that there is no universally accepted grading system for treasure emeralds to date, and that the grading system herein used is particular to Emeralds International, LLC, and has been in use by this firm for emerald grading purposes for over 40 years and is not to be reproduced without express permission from the author. Subsequently, one should not expect terminology and definitions used in other similar reports in the jewelry industry to be congruent with those used in the Report issued by Emeralds International, LLC. Our diamond grading terminology is based upon GIA and other accepted lab terminology such as IGI's or EGL. In any event, the grading is our mere opinion and is not a guarantee or warranty and may not be the same as the subjective opinions of other dealers, appraisers, gemologists, or grading laboratories.

Unless otherwise stated in the Quality Analysis (pages 5 & 6 of the Report), the qualities described in the grading categories are evaluated on undamaged merchandise. Any subsequent damage or alteration to the merchandise which is not mentioned in the Report will invalidate the description of attributes noted in the Quality Analysis until the merchandise can be re examined by Emeralds International, LLC., and a new Report can be issued for the item. All Valuations rendered are the opinion of Emeralds International LLC and its officers, and we hereby assume no liability with respect to any action that may be taken on the basis of this opinion.

We have retained a copy of this Report and the original notes from which it was prepared. These records are confidential, therefore we will not permit access to them by anyone without your authorization, except (1) if legally compelled to do so, (2) if involved in a duly authorized investigative professional peer review committee, or (3) if requested by a lawful beneficiary.



Manuel Marcial de Gomar's

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Biography

Manuel Marcial de Gomar, founder of Emeralds International, LLC, has spent over 56 years of his life in the precious gemstone business, beginning with the mining of emeralds in the Guavio Region of Colombia, followed by the search for the ever elusive conch pearl, and other gem rarities, including the emeralds of the Atocha galleon and other sunken treasures off the coast of Colombia. His passion for the unusual in the world of gems has developed a wealth of vertically integrated experience in mining, wholesale and retail markets, and appraisals for over 40 years.

The former adventurer is today a successful businessman, as well as one of the world's foremost authorities on emeralds and conch pearls having been featured in numerous national and international publications as an authority in these fields and their markets. Marcial de Gomar is a designer, writer, lecturer and consultant; acts as the independent appraiser of all emeralds recovered from the "Atocha" galleon by Treasure Salvors, Inc.; has served on the Mel Fisher Maritime Heritage Board of Directors; was featured in NBC's "The Hunt for Amazing Treasures"; has been a leading advisor to James Hill's North American Emerald Mines, Inc. (which in 1999 made the first significant emerald recovery in North America); and has cut the first two emeralds from that recovery - the "Heart of Carolina" and the "Princess of Carolina". He recently displayed his 900-carat "La Gloria", the 6th largest emerald from Muzo Mine, and other emerald treasures in an exhibit held together with the Smithsonian Institution in New Jersey.

Marcial de Gomar and his wife, Inge, have also lectured at the invitation of the ASA (American Society of Appraisers) on topics such as faulty appraising and the impact appraisers have, as well as his most recent invitation by the ASA to lecture on queen conch pearls. Today, Emeralds International, LLC., continues its family legacy with the next generation of family, his daughter Marina del Alba and son-in-law Carl Anthony, building on the unique and superb foundation created by Manuel Marcial de Gomar.

South African born, Carl Anthony Schütze has been studying gems and design for over 12 years under the unique mentorship of Manuel Marcial de Gomar in the specialized field of emeralds, conch pearls (including the emeralds of the Atocha) and other gem rarities, and has accumulated a high level of experience and expertise in this time, both in retail sales and wholesale. Aside from being an accomplished bench jeweler for over 10 years, with over 5 years as a laser repair and fabrication specialist, he is also an enrolled student of the APPA (Advanced Personal Property Appraiser Course) and is mentored under the highly respected expert training of Mr. William D. Hoefer G.G. (GIA) FGA, for the last 5 years. The combined years of experience in gem design, buying and selling gems, appraising and formal appraisal training has provided a strong foundation for Mr. Schütze's expertise that he employs in his field of work with a commitment to striving for perfection.

"Any Formal System That Attempts To Capture All The Truths Of That System In A Finite System of Axioms And Rules Is Always Incomplete. Perfection Is A Journey Without End. There Is Always Something More Perfect, Possible, Or Imaginable. The Unknowability Of The Creator Makes Certain An Ever Expanding, Eternally Unfolding, Synergetically Progressing Search Throughout Unending Planes Of Existence Seeking To Know And To Love That Infinite, Self Subsistent, Transcendent Reality, Thereby Fulfilling The Essential Purpose Underlying Creation Of Humans." © Marcial de Gomar



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Definitions Of Category Levels Used At Emeralds International, LLC.

The following categories indicate **a level of value**, established by a composite of qualities and attributes possessed by a given emerald. The values, including emeralds that are later cut, are based on the original weight of the treasure rough. If these qualities are affected, by damage to the emerald, it reduces the category level appropriately. This grading system, originally used by Mr. Marcial at Chivor emerald mines in Colombia, is for the internal use of Emeralds International, LLC only. Untreated gems including emeralds are rare and highly prized by collectors and fetch premiums in the marketplace.

Gem fine: Emeralds exceeding one carat in size, very lightly to lightly included, with higher levels of color saturation and vivid to intense fire/brilliance. In other words, emeralds that have all four of the qualities desirable in an emerald; size, color, clarity and an eye catching dispersion of light. Transparency is requisite. Included in this category are emeralds smaller than one carat that, but for their size, would be considered "Gota de Aceite" – a Spanish euphemism for the finest quality emerald.

Gem: Emeralds that have some, but not all, of the above qualities. To illustrate: over a carat and intense to vivid fire/brilliance but a lighter tone of green, or smaller than a carat with dark green color and slightly intense fire/brilliance; over a carat with dark color but less fire/brilliance. Transparency is also requisite. Light to moderate inclusions.

Commercial: Emeralds having one main feature, i.e. color, clarity or size accompanied by a secondary partial degree of one of those three principle qualities. They may also be opaque, rather than transparent. The shade of green may not be so pleasing to the eye and they may also be heavily included with visible fractures.

Some important facts about emeralds: All natural emeralds contain naturally occurring inclusions of liquids, solids, and gases known as single, double or triple phase inclusions. These are not to be confused with flaws, which are actual fractures or cleavage planes. The "jardin", also known as the "garden", is nature's handwriting, a signature of genuineness in the emerald. Also typical is the irregularity of facets. It may be said then that what is a defect in a diamond, is more of a virtue in an emerald. It is also common to "oil" emeralds to enhance their appearance, usually done as a post-lapidary process in the country of origin. This is acceptable in the gem industry as long as no coloring agents are used and is disclosed. Untreated emeralds, like other gems such as diamonds and rubies, fetch a premium on the market, and are actually one of the least treated and enhanced of the gemstone families when compared to radiation, laser drilling, glass filling, beryllium coating, heating and other treatments typically performed on other gemstones. On the Mohs Hardness scale of 1 to 10, the emerald has a hardness of 7 1/2 to 8 and will cut glass and steel. Emeralds are geologically far rarer than diamonds. Emeralds over 1 carat in gem quality grade are considered to be large. Typically, from 50% to 85% of the weight is lost in the lapidary process.



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Quality Analysis

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Item: A loose gemstone said to be from the Nuestra Señora de Atocha galleon.

Species: Beryl

Type: emerald, natural (BE₃ AL₂ S₁₆ O₁₈)

Origin: Muzo mine, Colombia

Certificate of Authenticity Issued by: Treasure Salvors, Inc. # 84A-E297

Grade: 1AA-Gem fine (Emeralds International, LLC grading system)

Quantity: 1

Cut: Emerald cut – modern style

Weight: 12.72 carats – originally from 25.87 carat rough

Measurements: 14.99mm X 12.38mm X 9.19mm

Moh's hardness: 7.5 - 8

Hue: green (slight yellow tint) green green (slight blue tint) green (slight black tint)

Tone: very light light slightly light medium slightly dark dark very dark

Intensity: dull slightly dull medium slightly intense intense vivid

Clarity: transparent translucent opaque chatoyancy Type III –GIA class

Inclusions: very light light moderate heavy stress fractures 3 phase

Clarity Enhancement: None

Crystal formation (rough): N/A

1st order 2nd order twinning pinacoid epitaxial secondary protogenetic basal inclusions
syngenetic inclusions syngenetic imprint healed stress hydrofluoric etching partial or full termination
'ferrada' color banding color zoning matrix canutillo conchoidal fracture 'espejo' inclusion 'gasa'
inclusion peripheral color 'tableta' foraminifers pyrite halite albite parasite saline
intrusion/inclusion chromium chromium/vanadium chatoyancy surface inclusions alluvial

Comments: This is an updated evaluation without re-examining the gem in hand. Verification is from a current photograph provided by the client and previous quality analysis from the original appraisal performed by Emeralds International, LLC and notes retained on file.

Equipment used: Appraisal photo's, original appraisal notes and report.



Manuel J. Marcial

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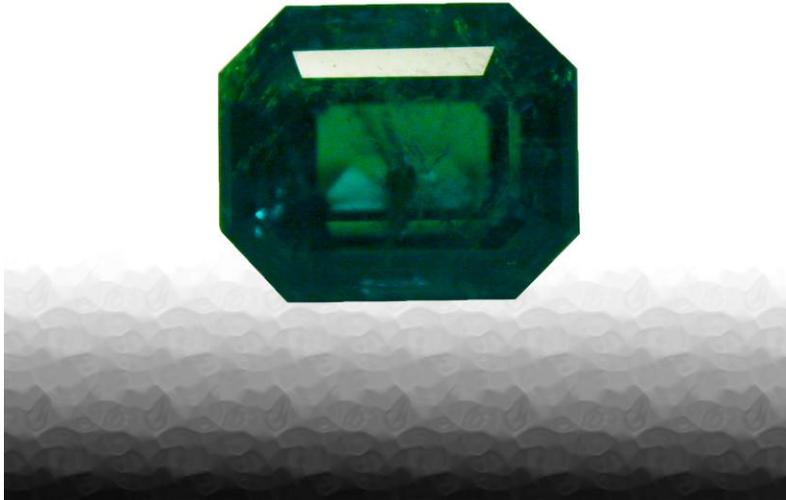
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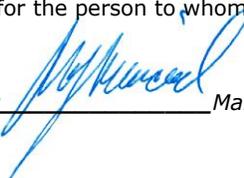


Item details: A loose natural Colombian emerald cut emerald named the 'Atocha Star'.

Comments: We have attempted to represent the item as accurately as possible in the photo; however, slight variations in color are inevitable. Digital photography does not capture the true quality and characteristics of gemstones. Image is not to scale. A recent transaction at Sotheby's for a similar size and quality emerald garnered a price well in excess of \$100,000.00 per carat for a non-treasure emerald.

Estimated Replacement Value: \$3,180,000.00 (Three million one hundred and eighty thousand dollars)

NOTICE TO THE CUSTOMER: You should not expect to be able to sell the article(s) for these amounts. We do not promise to buy the article(s) from you at the Valuation amount or any other price or value. Our sales and Valuations are never made subject to third party appraisals. This Report contains six (6) pages and is valid only in its entirety and for the person to whom it is issued.

Authorized by:  Manuel J. Marcial, Founder/Appraiser, this 25th day of January, 2013

Prepared For: Ron Shore
PO Box 2591
Sumas, WA 98295

Report#: 13-17

