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Hexagon Innovating

*Driving growth by
optimizing innovation efforts*

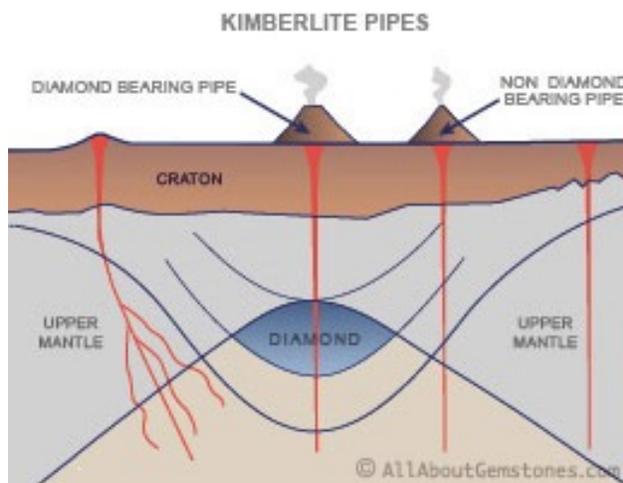
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“Optimism doesn't wait on facts. It deals with prospects. Pessimism is a waste of time.”
Norman Cousins

A COMPARISON OF DIAMOND PROSPECTING & BUSINESS OPPORTUNITY IDENTIFICATION

<p>Understand diamond forming geology and recent discoveries:</p> <ul style="list-style-type: none"> - Kimberlite volcanic pipes as well as dikes and sills, lamproite pipes and alluvial (placer) deposits are all potential sources. - Northern Canada has been the source of five new high quality diamond mines. 	<p>Research current market and competitive trends:</p> <ul style="list-style-type: none"> - Identify current problems (market pull) and opportunities (technology push) in the “jobs-to-be-done” by potential customers. - Analyse the current activities, future strategies and potential responses of direct and indirect competitors.
<p>Identify a number of potential targets:</p> <ul style="list-style-type: none"> - Till sampling for indicator minerals and prospecting for kimberlite outcrops is carried out. 	<p>Brainstorm ideas:</p> <ul style="list-style-type: none"> - Develop a list of potential solutions: new products, services or business models to address this underserved market.



DIAMOND BEARING PIPE



Photos sourced from http://www.allaboutgemstones.com/diamond_geology.html and <http://www.riotinto.com/diamondsandminerals/diavik-2232.aspx>



Analyze the potential targets:

- Testing drilling of targets and micro-diamond analysis.

Carry out initial product, service and business model analysis:

- Prepare initial business outlines covering the strategy, major activities, assumptions and contingencies.
- (The book *Business Model Generation* is an excellent reference.)

Select the most promising sites:

- Based on the prospecting and test results.

Select a few of the most promising opportunities:

- Ensure that these fit with the overall strategy and desired capabilities of the firm.

Stake a claim to the area:

- \$5-\$40/ hectare-year.
- Apply for related permits.

Complete further research, experimentation and analysis:

- Develop a full business plan including a project plan as well as internally consistent activity and financial models including ROI.
- Have the plan vetted by others with a range of expertise.

**Test for economic viability:**

- Mini-bulk sampling and analysis of macro-diamonds.
- Bulk sampling (>100 tonnes), and grading and valuing the resultant rough diamonds.
- Return on investment (ROI) calculations.

Develop the intellectual property and unique assets:

- File patents as well as secure licenses, rights, and approvals.
- Ensure Freedom to Operate.
- Secure land, distributors, partners etc.

Develop the mine:

- Secure large-scale financing.
- Complete the licensing as well as the design and construction.

Consolidate the project:

- Obtain approvals.
- Resource the project (financial, structural and personnel).

Operate the mine:

- Extract and process the ore.
- Extract the rough diamonds and monitor yields.

Execute on the project plan:

- Track the project as well as monitor the external environment.

Hexagon Innovating can assist you in finding, sorting and polishing rough diamonds (innovative opportunities) in order to drive your firm's growth.