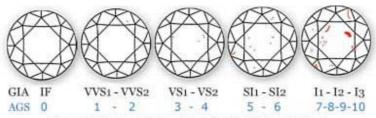
DIAMOND CLARITY



Diamond Clarity grading performed with 10X magnification

GRADE	DESCRIPTION
F	Flawless. The diamond shows no inclusions or blemishes of any sort under 10X magnification when observed by an experienced grader. Note: Truly flawless or internally flawless (F or IF on the GIA's grading scale) diamonds are extremely rare.
IF	Internally Flawless. The diamond has no inclusions when examined by an experienced grader using 10X magnification, but will have some minor blemishes.
VVS1, VVS2	Very, Very slightly included. The diamond contains minute inclusions that are difficult even for experienced graders to see under 10X magnification.
VS1, VS2	Very slightly included. The diamond contains minute inclusions such as small crystals, clouds or feathers when observed with effort under 10X magnification.
SI1, SI2	Slightly included. Inclusions are obvious under 10x magnification and may or may not be visible to the naked eye. However, when set in jewelry, the inclusions may become less visible.
1, 2, 3	Included. Inclusions are obvious under 10x magnification and are usually visible to the naked eye. This quality allows for a larger diamond to be purchased at a lower price.

Clarity is another of those areas that should be simple, but is not!

Clarity grades run from Flawless to Industrial crushing bort. In the jewelry that you will be buying it is rare to see anything below I1 or I2, unless you like to shop at the mall and there you will occasionally see I3 grade goods, and something that we in the trade often refer to as "frozen spit".

If you have ever looked at a four carat tennis bracelet for \$399.00 then you know what I am talking about, little lifeless lumps of whitish pebbles with a few facets thrown on that usually have less sparkle to them than the metal they are set in. We will not concern ourselves with this type of material, but will rather concentrate on the normal clarity grades of diamonds that you will find in the marketplace for fine jewelry.

Before we begin...

Clarity is the one area where you can save the most money without it becoming apparent to the eye. Until you get into the lower reaches of the clarity scale, you are spending more to appease your desire to own the very best, not to change the look of the diamond.

Prospector Jewelers Diamond Clarity Page 1 of 4 In larger stones it is sometimes possible to see both SI1 and SI2 inclusions. You may have been told elsewhere that if it can be seen with the unaided eye that it is an I1. This simply is not true! I have had GIA graded stones with eye visible inclusions that were graded as high as VS2 in a four carat stone.

There are some tremendous bargains out there in larger stones with inclusions near the side of the stone that may actually be as low as I1 and still not readily visible to the eye while an SI1 or SI2 may have readily visible inclusions near the center of the table. You simply can NOT always buy the best looking stone by reading the paper! You must talk with the dealer and look at the stones to be sure of what you are going to end up with.

In the beginning...

There was confusion. It seemed that every jeweler had his own system for both color and clarity. There were terms such as Perfect, meaning eye clean, and imperfect, meaning not eye clean. But of course, those terms might have meant flawless and anything less to the guy up the street.

Sometime in the early 50's Richard Liddicoat, the president of the Gemological Institute of America came up with a new scale. Other than changing the word Imperfect as in slightly Imperfect to Included, there has been very little change in the system since the time that it was developed. Two that occurred back in the mid to late seventies were the inclusion of the term Internally Flawless to describe stones that were internally flawless, but had surface imperfections, such as polishing marks and I3 to include garbage flooding on to the market that was below the bottom rank of I2 as it was originally described.

Let's go over the system as it was invented, with the early changes and then discuss the newer changes.

- FL Flawless These are the stones with no inclusions and no surface blemishes visible at 10X magnification.
- IF Internally Flawless These are the stones which are internally free of inclusions at 10X, but that have minor surface blemishes such as polishing marks.
- VVS1 Very Very Slightly Included 1 These stones have inclusions that are extremely hard to see under 10X magnification. It's a pretty safe bet that these inclusions were found at higher than 10X power and then watched as the power was turned down to see if they were still visible at 10X.

Prospector Jewelers Diamond Clarity Page 2 of 4

- VVS2 Very Very Slightly Included 2 These stones have inclusions that are very hard to see under 10X magnification but may have a few more of them or slightly larger ones than a VVS1.
- VS1 Very Slightly Included These stones have inclusions that are hard to see under 10X but we are now looking at more than pinpoints. Small crystals, feathers, clouds and chips make up the types of inclusions now seen.
- VS2 Very Slightly Included 2 The inclusions are getting easier to see now and are usually readily seen with a 10X loupe.
- SI1 Slightly Included 1 The inclusions are now easily seen with the 10X loupe and are more numerous or larger than in the higher grades. You may well be seeing laser drill holes at these clarity grades. Although the laser drilling was not required to be disclosed for many years as it was considered a permanent change such as faceting the stone, American jewelers lead the charge in demanding that the diamond Bourses require the disclosure of laser drilling.
- SI2 Slightly Included 2 This is the largest grade that we have encountered so far and it holds a multitude of possible inclusions, including some that might be eye visible depending on where they are located. This will be especially true in larger stones and in some of the fancy shapes (shapes other than round, such as emerald cuts, marquise cuts, etc.).
- II Imperfect 1 Add in the heavy-duty inclusions and those that are potentially damaging to the stone. Some of the stones will be cloudy and dull, some surprisingly beautiful with inclusions that are hard or impossible to see with the unaided eye. Expect to see either multitudinous inclusions or larger inclusions that are easily seen such as feathers (a nice word for cleavages).
- I2 Included 2 Pump up the volume and the ugliness! These stones are rarely pretty and often in imminent danger of becoming many small diamonds. These diamonds are very easy to see the inclusions in, often from across the room. They would be more suitable for making sandpaper from than jewelry, but that is only my opinion.

Prospector Jewelers Diamond Clarity Page 3 of 4 I3 - Included 3 - Who knows what evil lurks in the hearts of men? Why these are ever turned loose on the world as jewelry is a testament to the fact that some people will buy any thing if it is cheap enough. These stones can be graded in seconds, without any magnification, but as Gay Roskin notes in his excellent book, Photo Masters for Diamond Grading, actually plotting the inclusions would take enormous patience and lots of time.

Change

There has been one significant change within the industry that occurred sometime in the Eighties. Tom Tashey at European Gem Lab Los Angeles decided that there needed to be a grade between SI2 and I1. He was probably correct. At the time that Mr. Liddicoat created the system in the 50's no one much bothered with the lower quality grades for jewelry, so a lot of space was taken up with too few grades.

Now that there has been such a tremendous explosion in the price of diamonds and huge price differences between the SI grades and the I grades, it is more important that we not over penalize a stone by calling it an I1, nor under penalize a stone for calling it an SI2 when it really is not good enough to be one of those either.

Mr. Tashey started to issue EGL LA certificates with the term SI3, meaning stones that were on the bottom of the SI2 scale and not really deserving of the SI2 grade, but not quite bad enough to deserve the I1 grade either. This was eventually pretty well received by the trade and has recently been ratified by the major diamond bourses as a legitimate grade. The GIA however has not recognized this grade, nor does it have any plans to. Some people like it, some people hate it, but it is there and you should know about it, whether or not you ever want to accept it.

Oh, and you should also know that until the price explosion in the late 70's the GIA issued split grades on borderline stones. When the difference in a grade could mean hundreds or even thousands of dollars difference in price, the diamond dealers prevailed on GIA to go to a one grade system, so all the grades issued now are a single grade, meaning that the stone you buy as a VS2 could be a high VS2 or a low VS2 and you will have to rely on your jeweler to tell you which it is. And just for the record, if he tells you a low VS2, don't try to beat him up on the price. He did not embarrass himself with his supplier, and you don't want to embarrass yourself with him either! If you are buying paper, buy the paper. If you are buying the beauty of the stone, all the paper in the world won' change it.

Prospector Jewelers Diamond Clarity Page 4 of 4