

  
jewellers

Trade Name of Ed & Ed Halsall Jewellers (1991) Ltd

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September 13, 2000.

Johanne D'Auray  
Fax 819-953-4792

Re: Questionnaire on 'Canadian' diamonds:

Dear Sir,

Sirius Diamonds in Vancouver has asked that we respond to several questions concerning the term 'Canadian Diamond'.

1) I believe a diamond should be deemed to come into being at its point of origin mine. Thus the diamonds mined in the Canadian arctic should be known as Canadian, regardless of where they are cut and polished. This distinction, in my mind, is already followed by "Montana Sapphires", "Ceylon Sapphire" and "Russian Diamonds". The ongoing debate in the diamond industry at the moment is to try to stop rebels and bandits from financing unrest in Africa by using diamonds 'stolen' from the legitimate governments and businesses in Sierra Leone and Angola. These 'conflict diamonds' are identified by their place of mining.

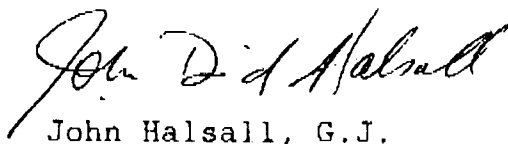
2) My consumers percieve the term 'Canadian diamond' to refer to the concept of it being extracted from the Canadian producing diamond mines. The Canadian typical symbols are a validation of that fact. At this time, as long as there is some tracking of the rough to ensure this fact, the place of cutting and polishing is not an issue.

3) The expectations of "Canadian diamond" terminology is therefore restricted to the point of origin of the rough.

4) I think the industry reference to origin is blurred, as some people refer to the cutting center, and others refer to the point of extraction of the rough. (It's my thought that in the case of "Russian" diamonds, the term refers to both).

My personal opinion is that Industry Canada should not restrict the term 'Canadian diamond' to only those cut and polished in Canada. I also think that the Competetion Bureau should be involved in assuring that those who supply 'Canadian' diamonds to the retail and manufacturing industry can prove that the rough they purchased from the Canadian mine owners and had cut elsewhere than in Canada are the only diamonds promoted as Canadian.

Sincerely,



John Halsall, G.J.