

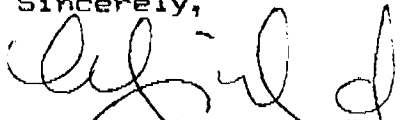
September 26, 2000

Attention: Johanne D'Auray

RE: Canadian Diamonds

1. It is my opinion that a diamond "comes into being" only when it has been discovered, not before.
2. It is my opinion the terms "Canadian Diamond" and "Diamond of Canada" refer to diamonds that are mined, cut and polished in Canada.
3. The customers I have had contact with expect that the diamonds they buy as Canadian are mined, cut and polished in Canada. They expect this. That is why they are purchasing a "Canadian Diamond" - to own a stone that is "truly Canadian".
4. I believe that the industry practice is to refer to the origin of a stone as the place it is mined, such as Burmese Rubies, etc. It should be noted that the term refers to a quality of ruby that is typically found there, but in fact may not have been mined there. The industry does use the terms Belgium Diamonds - which refers to stones not found in Belgium, but cut and polished there. This area could certainly use more clarification.

Sincerely,



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