



VALDEMAR JEWELLERS INC.

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September 21, 2000

Attention: Johanne D'Auray

The following are responses posed on September 11, 2000 by Sirius Diamonds Ltd.

Question 1: When should a diamond be deemed to "come into being" Why?

A diamond should come into being when it is found at its deposit (still in rough form). Because a diamond becomes what it is once it is viewed.

Question 2: What do consumers and trade buyers perceive the terms "Canadian diamond" and "Diamond of Canada" or equivalent Canadian typical symbols or words to mean?

That a diamond has originated (been mined) in Canada.

Question 3: What are purchasers' expectations which they seek out a "Canadian diamond"? I) mined in Canada; II) mined cut and polished in Canada; or III) cut and polished in Canada?

II) mined, cut and polished in Canada.

Question 4: Is it industry practice to refer to the origin of a diamond as the place it is mined or the place it is cut?

We normally refer to the place it is cut. (e.g. Russian cut, Indian cut and Belgium or Antwerp)