

Kinnear d'Estre JEWELLERS LIMITED

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September 16th, 2000

I would like to comment on your survey regarding Canadian Diamonds.

1) When should a diamond be deemed to "come into being", Why?

When I sell diamonds to consumers, the story of a diamond coming into being is a process, not a point in time. It is a story that begins hundreds of millions of years ago when diamonds are formed deep in the earth. The next chapters are the discovery, mining and recovery from the earth. Finally the precise craftsmanship of cutting and fashioning bring out the rough diamond's hidden beauty. A diamond comes into being with all of these elements. They each form a chapter in the remarkable diamond story. You cannot have one without the other. The consumer understands this story. Even though I have told it many, many times it is always well received and part of the lore, romance and magic of diamonds in the consumer's mind.

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?

This unequivocally means a diamond mined and cut and polished in Canada. Anything else is misleading and false advertising.

3) What are purchasers' expectations when they seek out a "Canadian diamond"? Purchasers expect this to mean a diamond mined, cut and polished in Canada. A Canadian diamond must be accompanied by a laser hall mark and certificate of Canadian provenance. The issue of conflict / blood diamonds is increasingly important in consumers' minds. Consumers do not want to buy diamonds from Sierra Leone or Angola. They do not want to inadvertently support vicious African wars that kill and maim innocents. I can assure my customers that Canadian diamonds are ethical diamonds. Mined in the heart of the Canadian Arctic and cut and polished in Yellowknife. When my customers see the laser engraved polar bear mark and the certificate of Canadian origin / cutting they are very pleased. The definition of a Canadian diamond must remain: mined in Canada and cut and polished in Canada. Each Canadian diamond should be laser engraved with a registered mark and be accompanied by a certificate of Canadian provenance all the way from the mine to the cutter to the consumer. These are my customer's expectations for a Canadian diamond.



Established 1906

American Gem Society, Certified Gemmologists, Registered Jewellers, Accredited Gem Laboratory

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?

The fact is that, other than some Canadian diamonds certified as mined and cut in Canada, there is currently no way of adequately knowing the provenance of rough diamonds in the world market. Until recently, deBeers has resisted all attempts to identify the geographic origin of their diamonds. The issue of conflict / blood diamonds has made deBeers rethink this policy and in future they will certify that their diamonds did not come from areas of conflict. In the past, the origin of diamonds was more of an educated guess rather than a certainty in the trade. The best example would be Russian diamonds. When the trade referred to Russian diamonds it meant diamonds mined in Russia and cut and polished in Russia. In the late 1980s, Russian diamonds were known for their fine quality make (cutting). It was generally assumed that because Russian cutters were paid by the state they were less concerned with maximising yield and therefore cut finer quality stones from Russian Siberian rough diamonds. Industry practice clearly referred to these as Russian goods because they were mined and cut in Russia.

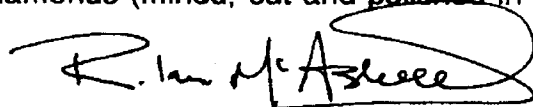
In conclusion:

There is now a unique opportunity to build a world class diamond cutting and diamond marketing industry in Canada that will benefit Canadian consumers and consumers all over the world. A Canadian diamond must be defined as a diamond that is both mined and cut in Canada. Canadian diamonds must be laser hallmarked and accompanied by a certificate of Canadian provenance (mined, cut and polished in Canada). This should be carefully monitored and licensed by Industry Canada.

My Background:

I am a third generation retail diamond merchant. My family has been in the diamond trade for over 94 years. I have 36 years of experience selling and buying diamonds. I have bought and sold millions of dollars of diamonds across the retail counter (one happy customer and one beautiful diamond at a time). I hold the highest titles of the American Gem Society - Certified Gemmologist Appraiser AGS. I am a member of deBeers Carat Club. I have written widely on matters of interest to the jewellery trade in journals like The Canadian Jeweller and JCK magazine. I am the webmaster for Kinnear d'Esterre at www.kde.ca. I continue to delight in selling our fabulous new Canadian diamonds (mined, cut and polished in Canada)!

sincerely,



Robert Ian McAskill B.A. C.G.A. AGS

(owner manager Kinnear d'Esterre Jewellers - Kingston, Ontario Canada)