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Member of Canadian Jewellers Association Since 1994

September 24, 2000

To: Johanne D'Auray

From: Carol Weepers

In regard to your inquiry regarding Canadian Diamonds, my opinion is as follows:

- 1) A diamond is virtually "worthless" until it is cut and fashioned into a gemstone. I have been in the retail jewellery business for over twenty years and have never been asked by a consumer to purchase or even view a rough or uncut diamond. As a matter of fact, the finer a diamond has been cut, the greater the value. Although there is a tremendous labour and monetary investment mining diamonds, what is critical is what happens to those diamonds after mining.*
- 2) Unequivocally - consumers and trade buyers perceive the terms "Canadian diamond" and "Diamond of Canada" and equivalent Canadian typical symbols to be a diamond mined from any area within the Canadian borders.*
- 3) Also unequivocally - diamonds must be mined in Canada - bonus if also cut*

certainly not elsewhere. A Russian or Australian mined diamond doesn't

have had a very strong and positive response from our customers about Canadian diamonds. There is absolutely no way that a customer who wants to buy a Canadian diamond would accept a diamond mined elsewhere but in Canada.

- 4) *Again - unequivocally, the origin of a diamond, gem or other stone refers to the country where it is mined, rarely, if ever, where it is cut. Most consumers do not care where stones are cut, but are certainly intrigued about where they come from. For most consumers it is common knowledge that emeralds mostly come from South America, opals from Australia, rubies and sapphires from Burma, diamonds from Africa, etc. Only some retailers are interested in where a stone may be cut because of the reputation of some cutting centers. Again, all our customers who have shown any interest in the Canadian diamonds are strictly interested in the fact that they are mined in Canada. Most have seen documentaries on television and are very proud to have our own diamond mine and to be able to wear a diamond mined in Canada. Although as a retailer I like the fact that they are cut here in Canada, I've never had a consumer ask where the stone was cut. Occasionally I have informed them that they are also cut in Canada, but generally I haven't received any response to that information.*

This whole issue seems like a no brainer to me. Obviously, there are many people who want to profit from the "Canadian diamond" phenomenon, but it is imperative that we maintain the integrity of the Canadian Diamond mining industry and not be railroaded by people who only have their own interests at heart and which could do serious damage to this industry.

Carol Weppers