



November 20, 2009

File: L020

Ms. Gabrielle Mackenzie-Scott
Chairperson
Gahcho Kué Diamond Mine Environmental Impact Review Panel
Mackenzie Valley Environmental Impact Review Board
200 Scotia Centre
Box 938
Yellowknife, NT X1A 2N7

Dear Ms. Mackenzie-Scott:

Re: Update 2 on the Gahcho Kué Environmental Impact Statement EIR0607-001

The letter represents the second update on the status of the Environmental Impact Statement (EIS) for the proposed Gahcho Kué Project (Project).

Since the last update we are seeing encouraging indications that the conditions affecting our operations are stabilizing in keeping with trends in the global economy. The upcoming holiday season will provide an important window through which we will gain an understanding of whether or not these stabilizing trends have extended to diamond sales. As with all companies, we continue to remain vigilant over our operations and expenditures.

As discussed in the last update, our intent was to commence a Feasibility Study of the Project as quickly as possible. This occurred on August, 2009 and represents an important milestone for the Project. The Feasibility Study is examining the execution of all aspects of the Project and is an integral component to providing a complete EIS suitable for submission. It is anticipated that Feasibility Study will be completed in August 2010 with the EIS being submitted in the third or fourth quarter of 2010. We will be able to provide further clarity on the actual submission date in mid 2010. In advance of the submission of EIS, De Beers will work with communities and regulators to schedule additional engagement activities for the purposes of refreshing peoples understanding of the proposed Project.





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Thank you for the opportunity to provide this update. We look forward to providing the second next update by February 20, 2010.

Yours truly,

A handwritten signature in black ink, appearing to read "Chantal Lavoie".

Chantal Lavoie, P. Eng
Chief Operating Officer



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