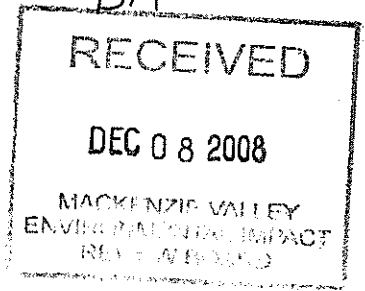




EIR0607-001
DM



December 8, 2008

File: L020

Mr. Rick Edjericon
Chairperson – Gahcho Kué Diamond Mine Environmental Impact Review Panel
Mackenzie Valley Environmental Impact Review Board
Suite 200, Scotia Centre
5102 – 50th Avenue
Yellowknife, NT X1A 2N7

RE: Update on the Submission of the Environmental Impact Statement – EIR0607-001

Dear Mr. Edjericon:

De Beers Canada Inc. (De Beers) wrote on May 9, 2008 informing you that we were deferring filing of the Environmental Impact Statement (EIS) for the Gahcho Kué Diamond Project (Project). At that time we stated that you would be notified in advance of the expected filing date in late fall of 2008. We are now in a position to do so.

De Beers has been pursuing the development of the Project since the submission of our application to the Mackenzie Valley Land and Water Board for a Class A Water License and Type A Land Use Permit for the proposed mine. In the intervening period De Beers has been working with regulators and stakeholders to advance development of the Project. At the same time De Beers has been evaluating the Project internally, and assessing the risks the Project faces given the current economic climate.

As a result of our evaluations De Beers has determined that we need additional time to conduct further internal assessment of the execution of the Project prior to moving ahead with the Environmental Impact Review. De Beers expects that it may take some time to review the Project in light of the status of the global economy and finalize the EIS. De Beers will report back to the Gahcho Kué Diamond Mine Environmental Impact Review Panel by late 2009 with a further update.

If you have any questions with the above request, or require additional information, please contact the undersigned.

Yours truly,

Chantal Lavoie
Senior Vice President – Operations

