

Ms Thomson,

In response to your request for comments on proposed changes to NI 43-101 (the “rule”), Form 43-101F1, Companion policy 43-101CP and “consequential amendments” I have summarized verbal and written feedback from staff involved in compiling of resources and reserves at our two mines in Canada and our Corporate office in Toronto. To help solicit views from De Beers Canada, the written changes were circulated to key staff and then presented in a power point summary to a wider audience.

The verbal and written commentary received from staff was supportive of the amendments proposed to the rule and related documents and no “issues” were raised. The general theme of the commentary is that the changes are both practical and sensible.

One concern was raised around proposed changes to acceptable foreign associations:

Section 1.1: Definition of Qualified Persons (and related changes in Companion Policy):

The tightening of requirements around Qualified Persons and foreign professional associations for Qualified Persons living abroad was generally welcomed. One comment suggested that the requirements to belong to a foreign professional association should not be more onerous than the requirements to join a professional association in Canada. It was felt that this might be implied by the requirement to have 10 years of post-degree practical experience in the definition of a Qualified Person stated in Section 1.1 (definitions), ““qualified person” means an individual who” part (C) (IV) (B). The suggestion is to remove part (B) or if kept amend this part to reflect 5 years.

As noted, the proposed amendments were well received; two changes are singled out for comment here, these are:

Form 43-101F1 item 3 (b): This change allows the Qualified Person to rely on another expert for diamond pricing who is not a Qualified Person under NI 43-101. This amendment is highly commended and is seen as particularly important for diamond companies and consultants involved in the evaluation of diamond projects.

Form 43-101F1 items 15 to 22:

This change adds an additional 7 sections to the Technical report for advanced projects. This amendment was seen as very appropriate given that these areas are integral to an advanced project but must currently be “shoe horned” into the current Technical Document format.

The following comments are relevant to your specific request for comments on the “short form prospectus trigger”, “the new exemption for property acquisition with current technical report” and “existing exemption from site visit requirement”:

“Short form prospectus trigger”: De Beers Canada has no experience in the Canadian market place with the filing of a short form prospectus and is unable to comment with respect to costs or delays. It seems intuitive that cases 1 and 2 would not require a Technical Report while the materiality and freshness of information in case 3 would. As you point out case 3 would trigger a Technical Report anyway under paragraph 4.2 (1) (J) although this would be after the filing. It

seems appropriate that if the information is both material and previously unreported that a Technical Report would be in the investor's interest prior to filing the short term prospectus.

"The new exemption for property acquisition with current technical report": This option adds flexibility to the reporting of the new mineral resources and reserves and is therefore considered helpful.

"Existing exemption from site visit requirement": I am not aware of anyone having exercised this exemption. Given the remote location of many mineral projects it is possible that the Qualified Person's access to a property could be legitimately restricted and so an allowance for this possibility should be kept in the rule.

In summary, I believe the proposed amendments are sensible, increase flexibility and have increased clarity in the rule. I would like to compliment you and the team on the process and particularly on the effort made around public engagement and seeking public opinion.

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