



February 19, 2010

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 3 on the Gahcho Kué Environmental Impact Statement – EIR0607-001

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

The Feasibility Study of the Project is progressing satisfactorily and remains on schedule. The study is examining all aspects of the Project such as the mine schedule, pit design, waste rock pile design, process plant design as well as waste and water management. Following the anticipated completion of the study in August of this year, the Joint Venture partners will consider the study and its approval.

As of the writing of this letter, the EIS is on track for submission in the third or fourth quarter of 2010. Activities are running concurrently to minimize the effect that any changes in the execution of the Project may have on the delivery date of the EIS.

Thank you for the opportunity to provide this update. We look forward to providing the fourth update by May 20, 2010.

Yours truly,

Chantal Lavoie, P. Eng
Acting Chief Executive Officer



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