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April 5, 2000

Mr. Richard Blakely
Goepel McDermid Inc.
Ste. 1600, 150 York Street
Toronto, Ontario
M5H 3S5

Dear Mr. Blakely:

Re: Digital Gem Corporation
- Preliminary Prospectus dated March 10, 2000

Pursuant to subsection 85(3) of the Regulations to the Securities Act (Nova Scotia), the Director has waived the requirement of subsection 85(2)(d) of the Rules.

If you have any questions regarding this matter, please do not hesitate to contact the undersigned.

Yours very truly,

“J. William Slattery”

J. William Slattery, C.A.
Deputy Director, Corporate Finance
and Administration

Project #245694