

4 August 2004
VE51295

Tahera Diamond Corporation
Suite 803, 181 Richmond Street West
Toronto, Ontario M5H 2K1

Attention: Mr. Greg Missal, VP Nunavut Affairs

Re: Environmental Impacts From Winter Road Water Withdrawal

Dear Greg,

Pursuant to a request from Nunavut Water Board (20 July 2004 Guidelines for Applicant, Tahera Corporation Limited – Jericho Diamond Project) Section 4.1.e.iii which states:

1. *Impacts to water*
 - a. *Provide additional information on the sources, volumes, timing, and duration of water pumping and the associated impacts to water including lake drawdown, drainage changes, monitoring and mitigation, and thresholds to implement mitigation, and/or cessation of water use;*
2. *Contingency measures for spills*

Water Withdrawal

AMEC Earth & Environmental contacted the proposed road contractor, Nuna Logistics, for an estimate of the amount of water that will be withdrawn each winter season when the winter road from Contwoyto Lake to the Jericho site is built. The road will take off from the bay in Contwoyto Lake, follow up Lynne Creek to Lynne Lake, across Lynne Lake and overland again from the end of Lynne Lake to Jericho. Map A from the Jericho Final EIS shows the approximate route and is attached for reference. As you are aware, some details of the mine general arrangement have changed resulting in a shorter Lynne Lake – Jericho segment than shown on Map A principally due to the arrangement of minesite all weather roads. AMEC understands that the final alignment will be field fit, but that physical constraints fairly tightly restrict where the winter road can be placed. AMEC also understands that an identical winter road was constructed for the bulk sample obtained in 1997.

A summary of AMEC's finding is that there will be no measurable effects on either Contwoyto or Lynne Lake water levels from winter road construction. The reasoning behind this conclusion is detailed below.

Nuna Logistics informed AMEC that a total of 5700 m³ of water would be required to construct and improve the road surface on land portions of the route. Land portions of the route are from Contwoyto Lake to Lynne Lake west shore and from Lynne Lake east shore to the mine site. Most of the water will be required to make snow for the portion of the road up Lynne Creek as the upper segment is in an open swale where snow naturally accumulates. The land segments are the following lengths:

AMEC Earth & Environmental
2227 Douglas Road, Burnaby, BC
Canada V5C 5A9
Tel +1 (604) 294-3811
Fax +1 (604) 294-4664
www.amec.com

Contwoyto Lake to Lynne Lake	1,050 m
Lynne Lake to the minesite roads	750 m

The volume of Contwoyto Lake was not measured but will be tens of millions of cubic metres. The volume of Lynne Lake, based on an unpublished bathymetric survey conducted by Canamera in 1996 using a recording echosounder with one metre resolution and a differential GPS is 1,070,000 m³. Assuming half the water required comes from Contwoyto Lake (conservative since the first segment of the road will require the majority of the water to make snow), results in an estimated 2850 m³ being required from Contwoyto Lake and an equal amount from Lynne Lake. The effect of this much water withdrawal on Contwoyto Lake would be miniscule. An estimated 0.27% of the volume of Lynne Lake would be withdrawn. From this it can be readily determined that no measurable effects on lake levels would result from water withdrawal for winter road use.

Spill Contingency

Spill response is covered in the Spill and Emergency Response Plan provided as part of the application for the Water Licence (which see).

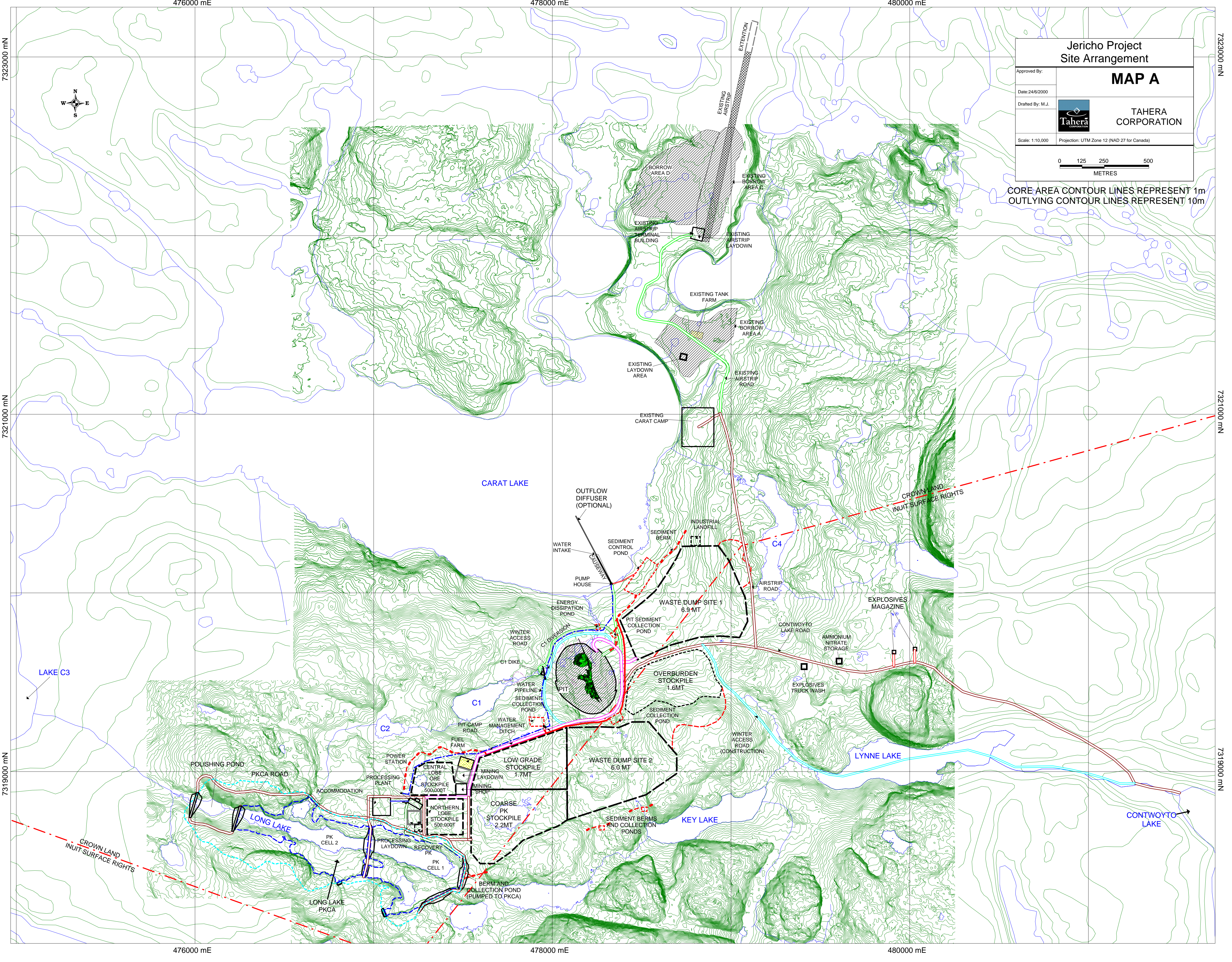
I trust this information meets your immediate requirements. Please contact me if you have any questions or require additional information.

Yours truly,



Bruce Ott
Senior Environmental Scientist
Direct Tel.: 604-473-5315
E-mail: bruce.ott@amec.com

/bso



Jericho Project
Site Arrangement


Approved By:

Date: 24/6/2000

Drafted By: M.J.

Scale: 1:10,000

MAP A



TAHERA
CORPORATION

Projection: UTM Zone 12 (NAD 27 for Canada)

0125250500

METRES

CORE AREA CONTOUR LINES REPRESENT 1m
OUTLYING CONTOUR LINES REPRESENT 10m