

June 2, 2004

Derrick Moggy
Habitat Biologist
Department of Fisheries and Oceans
Iqaluit, Nunavut



Dear Mr. Moggy,

In light of our recent communications, we wish to outline Tahera Corporation's understanding of the position currently held by the Department of Fisheries and Oceans (DFO). It is our understanding that the DFO is concerned about the level of commitment from Tahera Corporation in relation to the proposed levels of mitigation and compensation related to the planned alteration and destruction of fish habitat caused by the development and operation of the Jericho Project. The DFO is aware that Tahera Corporation has completed an Environmental Impact Assessment (EIS) for the Jericho Project, which included a Draft Fisheries Compensation Plan outlining the Company's commitment to adhering to the requirements of DFO through formal applications for Section 32 and Section 35 authorizations administered by the DFO. As Section 32 and Section 35 authorizations are components of the Fisheries Act, Tahera by way of such application, is committing to the requirements outlined in the Act and the guidelines specified in the Policy for the Management of Fish Habitat. The contents of the EIS were reviewed and discussed by a wide range of reviewers, including your predecessors at the DFO, and as a result the Nunavut Impact Review Board (NIRB) recommended to the Minister for Indian and Northern Affairs Canada (INAC) that the Jericho Project should proceed to the regulatory phase.

In order for the development of the Jericho Project to take place certain authorizations under the Fisheries Act are required, in addition to obtaining a class A water license. In agreeing to undertake the application for these authorizations Tahera Corporation is committing to adhere to the Fisheries Act and guidelines specified in the Policy for the Management of Fish Habitat. Therefore, Tahera Corporation will abide by the Fisheries Act and the guidelines specified in Policy for the Management of Fish Habitat and will work with the DFO to satisfactorily meet the requirements for mitigation and compensation (e.g. streams C1, C3, Long Lake, and the proposed water intake causeway) through the regulatory phase of approvals and authorizations. Such practice will incorporate the use of mitigation measures with compensation for those components where full mitigation is not possible. If during the detailed design phase and operations phase methods for improving mitigation are discovered, Tahera Corporation would incorporate such enhancements to reduce or eliminate impacts to fish and fish habitat. Tahera Corporation is committed to develop a compensation plan/no net loss plan for residual impacts, which meets the DFO Policy for the Management of Fish Habitat.

In addition, at the request of the DFO, Tahera Corporation has committed, in a letter dated May 28, 2004 to the DFO, to enter into discussions for performance bonding related to proposed mitigation and compensation measures for the project, which will ensure implementation. As a result we believe that Tahera Corporation has sufficiently demonstrated its commitment to working with the DFO related to these matters.

We ask that you recommend that this project proceed to the regulatory phase immediately and we look forward to working with the DFO on these matters at the appropriate time.

Yours truly,
Tahera Corporation

Greg Missal
Vice President, Nunavut Affairs

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