prior to the effective date or record date of such event, subject to the prior approval of the Exchange, if applicable, to such participation if the Common Shares are then listed on the Exchange;

(2) in respect to the issuance of Common Shares on conversion of Class A Preferred Shares; or

(3) in respect of the issuance of Common Shares pursuant to any of the Corporation's incentive plans.

(v) Any Common Shares owned by or held for the account of the Corporation or any subsidiary of the Corporation shall not be counted for the purpose of calculating the number of Common Shares outstanding.

(vi) If any questions shall at any time arise with respect to the Conversion Price, such question shall be conclusively determined by a firm of chartered accountants appointed by the Corporation (who may be the auditors of the Corporation); such accountants shall have access to all appropriate records and such determination shall be binding upon the Corporation, the Corporation's transfer agent and the Class A Preferred Shareholders.

(vii) If the Corporation intends to fix a record date for any event referred to in subparagraphs 5(f)(i)(3), (ii), (iii) or (iv), the Corporation shall, not less than 21 days prior to such record date, provide written notice to each registered Class A Preferred Shareholder of such intention to the extent that the particulars thereof have been determined at the time of giving the notice and the provisions of Section 11 of the Class A Preferred Shares with respect to the giving of notice of redemption shall apply *mutatis mutandis* to the giving of such notice.

(viii) Forthwith after any adjustment in the Conversion Price pursuant to paragraph 5(f), the Corporation shall give written notice to the registered holders of Class A Preferred Shares of the Conversion Price following such adjustment and the provisions of Section 11 of the Class A Preferred Shares with respect to the giving of notice of redemption shall apply *mutatis mutandis* to the giving of such notice.

(ix) Except as provided herein, no adjustment shall be made in respect of any dividends or other distributions made by the Corporation in the ordinary course, including any cash dividends made by the Corporation in accordance with, or similar to, its, or its subsidiaries past practices.

(h) A holder of Class A Preferred Shares on the record date for any dividend declared payable on such share will be entitled to such dividend notwithstanding that such share is converted after such record date and before the payment date of such dividend, and the registered holder of any Common Share resulting from any conversion shall be entitled to rank equally with the registered holders of all other Common Shares in respect of all dividends declared payable to holders of Common Shares of record on any date after the date of conversion. Subject as aforesaid, no payment or adjustment will be made on account of any dividend, accrued or otherwise, on the Class A Preferred Shares converted or the Common Shares resulting from any conversion.

(i) The Corporation shall not be required to issue fractional Common Shares upon the conversion of Class A Preferred Shares. If any fractional interest in a Common Share would, except for the provisions of this paragraph, be deliverable upon the conversion of any Class A Preferred Shares,

the Corporation shall, in lieu of delivering any certificate representing such fractional interest, make a cash payment to the holder of such Class A Preferred Share(s) of an amount equal to the fractional interest which would have been issuable multiplied by the Current Market Price on the date of conversion, provided, however, the Corporation shall not be required to make any payment of less than $10.00.

(j) All Common Shares which shall be issued on conversion of the Class A Preferred Shares shall be duly and validly issued as fully paid and non-assessable shares. As a condition precedent to the taking of any action which would result in an adjustment to the Conversion Price, the Corporation shall take any action which may, in the opinion of counsel, be necessary or advisable in order that the shares to which the holders of the Class A Preferred Shares are entitled on the full exercise of their conversion rights in accordance with the provisions hereof shall be available for such purpose and that such shares may be validly and legally issued as fully paid and non-assessable shares.

(k) If any Common Shares to be issued upon the conversion of the Class A Preferred Shares hereunder require any filing with or registration with or approval of any governmental authority in Canada or compliance with any other requirement under any law of Canada or a province thereof before such shares may be validly issued upon such conversion or traded by the person to whom they are issued pursuant to such conversion, the Corporation will take such commercially reasonable action as may be necessary to secure such filing, registration, approval or compliance as the case may be; provided that, in the event that such filing, registration, approval or compliance is required only by reason of the particular circumstances of or actions taken by any such person other than actions described herein, the Corporation will not be required to take such action.

6. NON-VOTING

Subject to the provisions of the CBCA, the holders of the Class A Preferred Shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting, but shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale of its undertaking or a substantial part thereof.

7. MODIFICATION

The provisions attaching to the Class A Preferred Shares may not be amended, modified, suspended, altered or repealed unless consented to, or approved by, the holders of the Class A Preferred Shares in the manner set forth in Section 10 and in accordance with any requirements of the CBCA or applicable regulatory authorities (including without limitation, the Toronto Stock Exchange), or any other act enacted in substitution therefor or in addition thereto applicable to the Corporation and any amendments thereto from time to time.

8. OTHER RESTRICTIONS

Unless consented to, or approved, by the holders of the Class A Preferred Shares in the manner hereinafter specified or if all the outstanding Class A Preferred Shares have been duly called for redemption and adequate provision has been made assuring that they will be redeemed or deemed to be redeemed on or before the date specified for redemption, so long as any Class A Preferred Shares are outstanding the Corporation shall not issue any new class or series of shares of the Corporation which by their terms would rank superior to the Class A Preferred Shares.

9. PREFERENCES

The Class A Preferred Shares shall be entitled to preference with respect to payment of dividends over the First Preferred Shares, the Second Preferred Shares and the Common Shares and over any other shares ranking junior to the Class A Preferred Shares with respect to payment of dividends and shall be entitled to preference to the extent provided for in Section 2 with respect to distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs over the First Preferred Shares, the Second Preferred Shares and the Common Shares and over any other shares ranking junior to the Class A Preferred Shares with respect to repayment of capital.

10. APPROVAL BY HOLDERS OF CLASS A PREFERRED SHARES

For the purposes hereof, any consent or approval given or required by the Class A Preferred Shareholders shall be deemed to have been sufficiently given if it shall have been given in writing by the holders of not less than two-thirds of the outstanding Class A Preferred Shares or by a resolution passed at a meeting of Class A Preferred Shareholders duly called and held upon not less than twenty-one (21) days notice to the holders and carried by the affirmative vote of not less than two-thirds of the votes cast as such meeting. For the purposes of such meeting, two holders of Class A Preferred Shares in person or represented by duly appointed proxy representing not less than 10% of the then issued and outstanding Class A Preferred Shares shall constitute a quorum. If at any such meeting a quorum is not present within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than seven (7) days nor more than twenty-eight (28) days thereafter and to such time and place as may be designated by the chairman, and no notice shall be required to be given of such adjourned meeting. The holders of Class A Preferred Shares present or represented by proxy may transact the business for which the meeting was originally convened, and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast as such meeting shall constitute the consent or approval of the holders of Class A Preferred Shares. On every poll taken at every meeting every holder of Class A Preferred Shares shall be entitled to one vote in respect of each Class A Preferred Share.

11. NOTICES

Any notice required to be given under the provisions attaching to the Class A Preferred Shares to the holders thereof shall be given by posting the same in a postage paid envelope addressed to each holder at the last address of such holder as it appears on the books of the Corporation or in the event of the address of any such holder not so appearing, than to the address of such holder last known to the Corporation; provided that accidental failure or omission to give any notice as aforesaid to one or more of such holders shall not invalidate any action or proceeding founded thereon. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Class A Preferred Shares by means of publication once a week for two successive weeks in a daily newspaper of general circulation in each of the cities of Calgary, Alberta, Winnipeg, Manitoba and Toronto, Ontario. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required.

SCHEDULE "B"

OTHER PROVISIONS

1. The Board of Directors of the Corporation or any committee of the Board of Directors authorized to do so may, without authorization of the shareholders and without in any way limiting the authority conferred on the Directors by Section 189 of the *Canada Business Corporations Act*:

(a) borrow money upon the credit of the Corporation;

(b) issue, reissue, sell or pledge debt obligations of the Corporation;

(c) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation;

(d) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

(e) delegate to one or more of the Directors and officers of the Corporation as may be designated by it, all or any of the powers conferred by paragraphs (a), (b), (c) and (d) to such extent and in such manner as it shall determine at the time of each such delegation.

2. The directors may, appoint one or more directors, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of shareholders.

3. The Articles of the Corporation may be amended by special resolution pursuant to Section 173 of the *Canada Business Corporations Act* to:

(a) increase or decrease any maximum number of authorized shares of a class, or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the shares of such class; or

(b) effect an exchange, reclassification or cancellation of all or part of the shares of a class; or

(c) create a new class of shares equal or superior to the shares of a class,

and no separate class or (except as may otherwise be provided for a particular series in the provisions attaching thereto) series vote shall be required under Section 176 of such Act in respect of the amendment.

SCHEDULE "C"

CERTAIN DIVESTED ASSETS AND ASSUMED OBLIGATIONS

ASSETS AND LIABILITIES OF BENACHEE RESOURCES INC.

A. Financing, Debt, Liens and Litigation

1. Guarantee of Benachee Resources Inc. dated July 12, 2005 with respect to amounts owed under the Senior Secured Credit Facility dated November 5, 2004 between Laurelton Diamonds Inc. and Tahera Diamond Corporation, as amended and assigned to Caz Petroleum Inc.

2. Demand Debenture, dated July 12, 2005, between Laurelton Diamonds Inc. and Benachee Resources Inc. for the principal amount of $70,000,000 (Canadian).

3. Mortgage, dated July 12, 2005, between Benachee Resources Inc. as mortgagor and Laurelton Diamonds Inc. as mortgagee.

4. Security registered in Ontario, dated February 7, 2006, as *Personal Property Security Act* Registration No. 20060207 1450 1530 3766, with Toronto-Dominion Bank as the secured party and no collateral.

5. Receipts and disbursements incurred during the *Companies' Creditors Arrangement Act* Proceedings.

6. Claims of lien by Diavik Diamond Mines Inc., BHP Billiton Diamonds Inc., McCaw's Drilling and Blasting Ltd., Nuna Logistics Ltd., and Dyno Nobel Nunavut Inc., which became the subject of a February 20, 2009 decision of the Nunavut Court of Justice.

7. Motion by Tahera Diamond Corporation and Benachee Resources Inc. as applicants under the *Companies' Creditors Arrangement Act* in Ontario Court Action No. CV08CL0073350000, last status updated March 6, 2009.

B. Employment Incentive Plans

8. Processing Incentive Plan, approved by the Board of Directors of Tahera Diamond Corporation on January 29, 2008.

9. Executive Management Incentive Plan, approved by the Board of Directors of Tahera Diamond Corporation on January 29, 2008.

C. Joint Venture Agreements

10. Joint Venture Agreement for the North West Territories, dated January 24, 1997, between Lytton Minerals Limited (now Tahera Diamond Corporation) and Kennecott Canada Exploration Inc., as well as:

(a) Lytton Joint Venture Agreement Amending Agreement (No. 1), dated June 25, 1997, between Lytton Minerals Limited and Kennecott Canada Exploration Inc. and entered into on behalf of Benachee Resources Inc.;

(b) Tahera Joint Venture Agreement Amending Agreement (No. 2), dated April 23, 2001, between Tahera Corporation and Kennecott Canada Exploration Inc. and entered into on behalf of Benachee Resources Inc.;

(c) Tahera Joint Venture Agreement Amending Agreement (No. 3), dated March 28, 2002, between Tahera Corporation and Kennecott Canada Exploration Inc. and entered into on behalf of Benachee Resources Inc.;

(d) Tahera Joint Venture Agreement Amending Agreement (No. 4), dated May 1, 2004, between Tahera Corporation and Kennecott Canada Exploration Inc. and entered into on behalf of Benachee Resources Inc.; and

(e) Tahera Joint Venture Agreement Amending Agreement (No. 5), dated September 20, 2004, between Tahera Diamond Corporation and Kennecott Canada Exploration Inc. and entered into on behalf of Benachee Resources Inc.

11. Diamond Purchase and Marketing Agreement, dated November 5, 2004, between Benachee Resources Inc., Tahera Diamond Corporation, Laurelton Diamonds, Inc. and Tiffany and Company.

D. Leases and Claims

12. Mining Lease No. 3464, dated February 14, 1996, between Her Majesty the Queen in right of Canada, as represented by the Minister of the Department of Indian Affairs and Northern Development and Benachee Resources Inc. The lease is for a term of 21 years commencing April 21, 1994.

13. Mining Lease No. 3793 dated November 19, 1999 between Her Majesty the Queen in right of Canada, as represented by the Minister of the Department of Indian Affairs and Northern Development, and Benachee Resources Inc. The lease is for a term of 21 years commencing June 9, 1999.

14. Mining Lease No. 3794, dated November 19, 1999, between Her Majesty the Queen in right of Canada, as represented by the Minister of the Department of Indian Affairs and Northern Development, and Benachee Resources Inc. The lease is for a term of 21 years commencing June 9, 1999.

15. Mining Lease No. 3795, dated November 19, 1999, between Her Majesty the Queen in right of Canada, as represented by the Minister of the Department of Indian Affairs and Northern Development, and Benachee Resources Inc. The lease is for a term of 21 years commencing June 9, 1999.

16. Mining Lease No. 3796, dated November 19, 1999, between Her Majesty the Queen in right of Canada, as represented by the Minister of the Department of Indian Affairs and Northern Development, and Benachee Resources Inc. The lease is for a term of 21 years commencing June 9, 1999.

17. Mining Lease No. 3797, dated November 19, 1999, between Her Majesty the Queen in right of Canada, as represented by the Minister of the Department of Indian Affairs and Northern Development, and Benachee Resources Inc. The lease is for a term of 21 years commencing June 9, 1999.

18. Mining Lease No. 3798, dated November 19, 1999, between Her Majesty the Queen in right of Canada, as represented by the Minister of the Department of Indian Affairs and Northern Development, and Benachee Resources Inc. The lease is for a term of 21 years commencing June 9, 1999.

19. Mining Lease No. 4541, dated May 28, 1994, between Her Majesty the Queen in right of Canada, as represented by the Minister of the Department of Indian Affairs and Northern Development, and Benachee Resources Inc. (24.5%), Pure Gold Minerals Inc. (24.5%) and Ashton Mining (Northwest Territories) Ltd. (51%). The lease is for a term of 21 years commencing November 25, 2002.