

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

28. The Company's directors have informed the Company that they wish to resign. In order to ensure appropriate oversight and governance, the Company is seeking the appointment by the Court of Mr. Peter Gillin, the Company's Chief Executive Officer, as Chief Restructuring Officer (the "CRO").
29. It is contemplated that the CRO will have responsibility for overseeing the Company's day-to-day operations and affairs as well as the Company's restructuring, including the formulation and implementation of the Plan, subject to a requirement that the Company and the CRO shall consult with the Monitor regarding material issues relating to the within proceedings.
30. Mr. Gillin's current remuneration package will continue and there is no additional remuneration contemplated related to his appointment as CRO, other than as provided for in the addendum to the Executive Management Incentive Plan, as discussed below.
31. The Monitor is of the view that the appointment of the CRO is appropriate in the circumstances and in the best interests of the creditors. Accordingly, the Monitor respectfully recommends the Court grant the Company's request for the appointment of the CRO and for the inclusion of the CRO's remuneration and the reasonable fees and disbursements of its legal counsel, if any, as part of the Administration Charge.

EXECUTIVE MANAGEMENT INCENTIVE PLAN

32. Paragraph 34 of the Monitor's First Report stated:

"34. The Executive Management Incentive Plan supplements the May 2007 retention arrangements and includes six members of the management team. The Executive Management Incentive Plan includes a "stay bonus" and, for certain of the employees, the potential for an additional "success bonus". Stay bonuses totalling

\$332,625 would be payable if each of the employees included in the Executive Management Incentive Plan or the May 2007 retention arrangements or both remains employed until September 30, 2008, or such earlier date that their services are no longer required. Success bonuses would be based on the total quantum of net distributions ultimately paid to creditors. For reasons of confidentiality and in order to protect the integrity of the Marketing Process, the Monitor does not intend to disclose the details of the success bonus framework unless requested to do so by this Honourable Court. If such disclosure is necessary, the Monitor believes that appropriate steps should be taken to ensure the confidentiality of that framework."

33. At the time that the Executive Management Incentive Plan was formulated, it was expected that the Company would have implemented its plan of arrangement before the end of September 2008. Owing to events that were unforeseeable at that time, including the delays in the Marketing Process as described above, it is apparent that the Company will now not meet that timetable. Accordingly, the Company has determined that an addendum to the Executive Management Incentive Plan is necessary to ensure the continued retention of certain key executives.
34. The proposed addendum provides for further stay and success bonuses totalling \$137,500 for certain participants in the Executive Management Incentive Plan provided they remain employed until December 31, 2008, or such earlier date that their services are no longer required. As before, for reasons of confidentiality and in order to protect the integrity of the Marketing Process, the Monitor does not intend to disclose the specific details of the addendum unless requested to do so by this Honourable Court. If such disclosure is necessary, the Monitor believes that appropriate steps should be taken to ensure the confidentiality of that information.

35. Tiffany has been provided with the details of the addendum to the Executive Management Incentive Plan and has confirmed its support for the Company's proposal.
36. Accordingly, the Monitor respectfully recommends that the Company's request for the approval of the addendum to the Executive Management Incentive Plan be granted.

EXTENSION OF THE STAY PERIOD

37. Pursuant to the June 26 Order, the Stay Period currently expires on September 30, 2008. The Applicants are now seeking an extension of the Stay Period to November 29, 2008.
38. Additional time is required for the conditions precedent of the Plan Sponsorship Agreement to be satisfied or waived and for the Applicants to file their restructuring plans and take the steps necessary to seek the approval thereof. An extension of the Stay Period is needed to provide the stability required during that time.
39. The Monitor believes, based on the information currently available, that creditors would not be materially prejudiced by an extension of the Stay Period to November 29, 2008.
40. The Monitor believes that the Applicants have acted and are acting in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate. The Monitor therefore respectfully recommends that the Applicants' request for an extension of the Stay Period to November 29, 2008, be granted.

REQUEST FOR FEE APPROVAL

41. The Monitor and its independent legal counsel, Bennett Jones LLP ("Bennett"), have maintained detailed records of their professional time and costs. The Monitor is seeking the approval of its fees and disbursements and those of its legal counsel for period to September 7, 2008.
42. Pursuant to paragraphs 31 and 32 of the Initial Order, any expenditure or liability properly made or incurred by the Monitor, including the fees of the Monitor and the fees and disbursements of its legal counsel, were authorized to be paid on a periodic basis subject to any final assessment or taxation as may be ordered by the Court. In addition an Administration Charge, as defined in the Initial Order, in the amount of \$1,000,000 was granted as security for the professional fees and disbursements of the Monitor, counsel to the Monitor and the Applicant's counsel in respect of these proceedings.
43. Pursuant to the CCAA Order, the Companies have paid the Monitor and its legal counsel their reasonable fees and disbursements in each case, at their standard rates and charges.
44. The total fees of the Monitor during the period January 12, 2008, to September 7, 2008 (the "Period") amount to \$487,876.00, together with expenses and disbursements in the amount of \$10,829.89 (both excluding GST) (collectively, the "Monitor Fees and Disbursements"). The time spent by Monitor personnel in the Period is more particularly described in the Affidavit of Nigel D. Meakin of the Monitor (the "Meakin Affidavit"), sworn in support hereof and attached hereto as Appendix E.
45. The total fees for services provided by Bennett during the period December 12, 2007, to September 7, 2008, amount to \$271,771.00, together with expenses and disbursements in the amount of \$1,201.94 (both excluding GST) (collectively, the "Bennett Fees and Disbursements"). The time spent by Bennett personnel in that period is more particularly described in the Affidavit of Mark Laugesen, a partner of Bennett (the "Laugesen Affidavit"), attached hereto as Appendix F.

46. In addition to the legal services provided by Bennett, the Receiver engaged the services of other Canadian law firms throughout the course of the Receivership Proceedings as necessary and appropriate (the "Additional Legal Counsel"). The total fees and disbursements incurred by the Receiver for services provided by the Additional Legal Counsel during the Period amount to \$11,321.87 (excluding GST) (together with the Bennett Fees and Disbursements, the "Legal Fees and Disbursements"). Due to the de minimis quantum of the fees paid by the Receiver to the Additional Legal Counsel, the Receiver does not propose to incur the time and costs associated with obtaining individual affidavits from representatives of each of the Additional Legal Counsel, unless so instructed by the Court. Accordingly, the Receiver has included the fees paid to the Additional Legal Counsel in the Meakin Affidavit.
47. The Monitor respectfully submits that the Monitor Fees and Disbursements and the Legal Fees and Disbursements are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Initial Order. Accordingly, the Monitor now seeks the approval of the Monitor Fees and Disbursements and of the Legal Fees and Disbursements.

The Monitor respectfully submits to the Court this, its Seventh Report.

Dated this 26th day of September 2008

PricewaterhouseCoopers Inc.
in its capacity as Monitor of
Tahera Diamond Corporation
and Benachee Resources Inc.



Nigel D. Meakin
Senior Vice President

Tahera Diamond Corporation ("Tahera" or the "Company")

**Report on cumulative receipts and disbursements
from September 7, 2008 to November 22, 2008**

The Company's actual cash flows for the period from September 7, 2008 to November 22, 2008 (the "Period") compared to the September 22, 2008 Forecast (Appendix B to the Monitor's Seventh Report to the Court) are summarized as follows (all amounts in Canadian Dollars unless otherwise noted):

	Canadian Dollars for the Period from September 7, 2008 to November 22, 2008		
	Actual	Forecast	Variance
Receipts			
Diamond Sales	1,543,035	1,322,520	220,515
Other	131,118	125,000	6,118
Total Receipts	1,674,153	1,447,520	226,633
Disbursements			
Overhead	1,115,165	1,115,461	296
Total Jericho Operation	1,115,165	1,115,461	296
Corporate Costs and Other	549,119	273,338	(275,781)
Capex	-	-	-
KERP Payments	203,500	165,000	(38,500)
Legal and Professional Fees	512,462	427,500	(84,962)
Total Disbursements	2,380,246	1,981,299	(398,947)
Net Cash Flow	(706,093)	(533,779)	(172,314)
Opening Cash	1,743,438	1,743,438	-
Subtotal	1,037,345	1,209,659	(172,314)
Cash Segregated for Lien Holders (Including Interest)	2,012,595	2,000,000	12,595
Ending Cash	3,049,940	3,209,659	(159,719)
Add: Cash on Deposit in Monitor's Trust Account	193,681	375,336	(181,655)
Less: Cash Held for the Benefit of Lien Holders (Including Interest)	(2,012,595)	(2,000,000)	(12,595)
Adjusted Ending Cash *	1,231,026	1,584,995	(353,969)

* - assumes cash held in U.S. Dollar accounts (U.S. \$75,000) is converted to Canadian Dollars at par.

RECEIPTS

Diamond Sales

The favourable variance of approximately \$221,000 in Diamond Sales is due to:

- i) A favourable permanent variance of \$204,000 due to the conversion of U.S. dollar cash receipts from diamond sales at a higher exchange rate than forecast; and
- ii) A favourable permanent variance of \$17,000 due to the sale of some of the Company's sample diamonds to employees, at cost, which were not Forecast.

Other Receipts

The favourable variance of approximately \$6,000 in respect of Other receipts is comprised of:

- i) A favourable permanent variance of \$155,000 with respect to the return of various deposits held by the Monitor to secure payment of amounts owing by the Company to certain vendors. The deposits were returned as services from these vendors are no longer required and all amounts owed for services performed during the CCAA Proceedings have been paid for. There is no net impact on Adjusted Ending Cash (summarized in the table above) as this amount includes deposits held by the Monitor;
- ii) A favourable permanent variance of \$28,000 with respect to the sale of drilling supplies to McCaws which was not included in the Forecast;
- iii) An unfavourable temporary variance of \$102,000 in respect of amounts owed by third parties for the use of the Jericho camp facilities, which have not yet been received; and
- iv) An unfavourable variance of \$75,000 in respect of the payment of annual fees required to maintain land claims relating to certain of Tahera's exploration and development ("E&D") properties. The payment was made with funds received, prior to the period of this report, from Golden River Resources ("GRR").

DISBURSEMENTS

Overheads

Overhead costs did not exhibit and significant variance as small favourable and unfavourable variances offset.

Corporate Costs and Other

An unfavourable variance of \$276,000 comprised of:

- i) An unfavourable temporary variance of \$50,000 in respect of interest income, earned on funds deposited with the Toronto Dominion Bank (the "Bank") to secure the performance of the Company's reclamation obligations with respect to the Jericho mine site. The interest earned on the restricted reclamation deposits was not received during the Period but is expected to be received shortly;
- ii) An unfavourable permanent variance of \$154,000 in respect of a payment made for payroll taxes collected by the Company prior to the CCAA Proceedings, which were paid pursuant to paragraph 8 a) of the Initial Court order;
- iii) An unfavourable timing variance of \$36,000 with respect to the payment of vacation pay for corporate employees made sooner than forecast; and
- iv) An unfavourable variance of \$36,000 in respect salary, office and general, and Vancouver office costs.

KERP Payments

An unfavourable timing variance of \$39,000 with respect to key employee retention plan ("KERP") payments resulting from the termination of employees sooner than forecast.

Legal and Professional Fees

An unfavourable permanent variance of \$85,000 in respect of Legal and Professional Fees, which resulting primarily from matters regarding the termination of the Plan Sponsorship Agreement.

**ONTARIO SUPERIOR COURT OF JUSTICE
(Commercial List)**

THE HONOURABLE)	FRIDAY, the 28TH
)	
JUSTICE)	DAY OF NOVEMBER, 2008
)	

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C.36, AS AMENDED;**

**IN THE MATTER OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C-43, AS AMENDED;**

**AND IN THE MATTER OF A PROPOSED COMPROMISE
AND ARRANGEMENT IN RESPECT OF TAHERA DIAMOND
CORPORATION and BENACHEE RESOURCES INC.**

ORDER

THIS MOTION, made by Tahera Diamond Corporation and Benachee Resources Inc. (collectively, "Tahera") was heard this day at the Court House, 330 University Avenue, Toronto, Ontario.

ON READING the notice of motion and motion record, including the Eighth Report of PricewaterhouseCoopers Inc., the court-appointed Monitor of Tahera ("Monitor") dated November 26, 2008 ("Eighth Report"), and upon hearing the submissions of counsel for each of Tahera, the Monitor, Her Majesty the Queen in Right of Canada, and Caz Petroleum Inc., no one else appearing,

1. **THIS COURT ORDERS** that the time for service is hereby abridged and this motion is properly made returnable today.
 2. **THIS COURT ORDERS** that the "Stay Period" referred to in the Initial Order of the Honourable Mr. Justice Spence dated January 16, 2008 be and is hereby extended to December 12, 2008.
 3. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to suspend indefinitely the Claims Procedure (as defined in the Seventh Report of the Monitor) and the Claims Procedure shall only be resumed upon further order of the Court.
 4. **THIS COURT ORDERS** that the activities of the Monitor as disclosed in the Eighth Report be and the same are hereby approved.
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AND IN THE MATTER OF A PROPOSED COMPROMISE AND ARRANGEMENT
IN RESPECT OF TAHERA DIAMOND CORPORATION and BENACHEE
RESOURCES INC.

Court File No: 08-CL-7355

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER

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