original levels.

For the pads, we would doze the edges and scarify the surfaces, the same with the roads. The coarse kimberlite stockpile, we would doze the slopes and cover it with overburden west rock. The upper bench would be covered with overburden and waste rock. The low-grade stockpile, the edges would be dozed and the upper bench covered.

The facilities, most of the facilities would be disassembled and removed. What would be left would be very negligible, just for the ongoing monitoring and things like that.

In order to do this, the type of equipment we would need, this is a listing of the main equipment. There is a lot of smaller stuff as well, but it would be equipment similar in size to the equipment that was used during the mining, so fairly large trucks and loaders, and a fairly large crane. We would use facilities like the camp and shop, fuel tanks, et cetera.

The estimate that we came to was $9.3 million in 2004 dollar terms, that is calculated based on today's cost regime. I have the split that we determined between the lands. The split is based on a factored estimate working out each of these specific items and working through the amount of

work that's required on each of those items and then prorating the general cost into it.

The breakdown of these costs is listed down here as follows, including mob, demob, disassembly facilities, all the earthworks, overheads and transport south, and contingency for a total of 9.3 million, and that's it for my talk.

Thank you very much, Mr. Chair.

CHAIRMAN: Thank you.

GREG MISSAL: Thanks very much, Court.

I just have a short conclusion to our presentation, it shouldn't take more than five or ten minutes to do that. I will just pull it up here.

I think what you have just heard over the last 45 minutes this morning and probably hour and a half last night is that the team that's been working on this Jericho project for quite some time has gathered a tremendous amount of data and knowledge related to this project. And I think we have put together two documents that I think very well summarize what we feel is the best way of managing this site, and those two documents are of course the Final Environmental Impact Statement and the submission to your Board. And we believe that

those are very complete thorough documents.

In very general terms, in terms of the water license which, of course, we hope that your Board will decide should be issued to us, we have a few very basic requirements, and number one on that list is of significant importance to us that we need to have a water license that has terms and conditions that allows the company to operate this project in a safe and compliant manner. Now, by that I mean that we need to have terms and conditions that we can achieve, and that's very very important, not only to us, but I believe to your Board and staff as well.

Some examples of that might be such as unrealistic discharge limits that might be set, unrealistic or maybe impractical monitoring programs that are imposed on us, or even something like the expectation that we could completely revegetate the site.

Revegetation is something that is certainly an unproven science. The two mines in the NWT are only doing test trials on it to see if it works. There is certainly no hard conclusions that it does work. And as we have said through the NIRB process, and said again in this process, we are willing to do testing work on a trial basis to see

if revegetation is a possibility, but we need to do that before we will even know if it is even possible for those studies to be successful. So that's a very important item for us.

Generally speaking, we would also be expecting a water license for the term of the life of the mine. I think that provides a great deal of certainty to any operator, not just us, but I think that's a very important point to keep in mind. I believe that there is enough monitoring that will be involved in the project that we will be able to see what transpires through the life of the mine, that really there is no need for a water license to have a shorter term.

And, of course, we are also looking for a timely approval from your Board, and, of course, an issuance of the water license.

I will go into a little more specifics in terms of things that we would see maybe being placed in the water license. Of course we are seeking a Class A water license to use water, to dewater Long Lake, dispose of waste for the purposes of diamond mining and processing.

Tahera is confident the requirements of the Nunavut Waters and Nunavut Surface Rights Tribunal Act have been met through Section 57(A) where waste

will be treated and disposed of to maintain acceptable water quality and effluent standards. And in Section 58 and 60 where existing water users with rights have been compensated. And in particular, that falls under Section 20 of the Nunavut Land Claim Agreement.

And Section 20 was a topic that we chose to work with the Kitikmeot Inuit Association on when we were completing the Inuit Impact Benefit Agreement, and very pleased to say that we were able to reach an agreement with the KIA on that. And I believe that they have filed documentation with the Board to that effect.

Some of the conditions for the water permit. In terms of construction, you know, we would expect to see submission of final designs for water and waste management structures at the site. For water management in particular, we are looking for a water license that allows us to use up to 500,000 cubic metres annually for mining, processing, domestic-associated purposes and lake dewatering of Long Lake.

As Court just talked about in his portion of the presentation, our security requirements, these are very rough rounded-off numbers, but we are thinking that the split would be of some

approximately 1.7 million regarding Inuit owned lands, 7.6 on Crown lands, for a total amount which is land and water of 9.3 million.

The water component of that, we don't really have a method for splitting out land versus water. However, we have reviewed the INAC submission, and their component worked out to be approximately $1.7 million, and we certainly have -- I don't believe we have any arguments with that amount, which is approximately 18 percent of that total amount.

I would also like to point out that the company has a fairly substantial security deposit in place with the Nunavut Water Board for the current site at Jericho, which I believe totals about $918,000. Effectively, when this project is developed, it will erase everything that's there now, and we will be replacing it with this project that we have been presenting to you here over the last couple of days. And I believe that that $918,000 should be put towards that 1.7 million that you see here on the screen.

This is a very important slide, it is the proposed discharge criteria that we would see being included in the license. Kelly talked very extensively about this last night, but basically

the sheet that you see on the screen right now is very important in terms of an eventual water license. We believe that not each one of these components needs to be included as a regulatory item. We believe that there is six of them that should be monitoring items only, those would be the TDS, the chloride, the nitrite, the arsenic, lead and the uranium.

In terms of the waste management plans for the project, we would be looking for a timely approval of a submitted plan and design documentation.

Aquatics effect monitoring, again, we would be looking for timely approval of submitted plans to the Board.

For our surveillance network program or SNP, we would ask for approval of the SNP program similar to those proposed under Tahera's operational monitoring summary, which is Appendix I of our submission to the Water Board. And as I mentioned briefly before, we are asking for a term of 10 years for this license.

I want to just very briefly talk about the schedule. I think that's one of the items that are front and centre on everyone's mind. I know on Tahera's mind it certainly is. Most of this

screen here we have gone through, starting with submitting the EIS and moving through the approval of the EIS.

But as you can see, where we get down to the design and procurement of the plant, that's the actual design and ordering, building of the plant, that's in progress right now. Of course, the permitting, we would be looking for completion of a water license and permit and subsequent land leases in January, with our number one goal getting on the 2005 winter road, which is extremely important to this project and to our company.

I mentioned earlier that Tahera is a publicly traded company. We have approximately 30,000 shareholders that are investors in our company. That is a lot of people that have very high expectations of us as a company, and so of course of us meeting this winter road in 2005 is extremely, extremely important, and it is extremely important to this project and our shareholders.

If we are able to meet that 2005 winter road, which generally opens the end of January and runs for approximately 60 or 70 days, we would mobilize equipment up the winter road, and all the supplies and materials that were needed to begin construction for the site.

The construction would start fairly quickly after those items arrived at the site, and of course we would want to get fuel up the winter road as well, so the beginning phases of construction would be building pads and getting fuel tanks in place so that we could actually get the fuel up and get the fuel into the tanks.

This project is, as you have heard for years now, is quite different from Ekati and Diavik, it is a much smaller project. But that being said, it is also a very good project. It is only going to take approximately one year to build this project, so we would envision being completed construction very early in 2006 and be into full diamond production at that time.

Some of you have seen these slides before. I always think it is worthwhile to show people some of the beautiful stones that come out of this mine or this Jericho kimberlite. Obviously they are very top notch quality diamonds. I think our deal with Tiffany's and Co., who are arguably the number one retailer of jewelry, of diamond jewelry in the world, I think tells you how good these diamonds are. And obviously you can see by this picture they are quite beautiful. But the round stone on the right at the top is a round stone, is a stone

which we gave to the people of Nunavut, which is now in place in the territorial mace in the legislature in Iqaluit. If you ever get a chance to be in Iqaluit, certainly stop by the leg., and you can have a look at one of the very first cut diamonds ever from Nunavut.

That's essentially the conclusion of our presentation. I would certainly like to thank everyone for their attention. It is a long presentation, but I believe everything that was presented is very important to what we propose for this project.

I would also like to thank the people from Bathurst Inlet and Bay Chimo for coming. Martha and Peter, it is always nice to see you.

Peter was involved with the IIBA negotiating team, so these two communities have certainly been represented well throughout this project. And it is always nice to have you involved again.

So I will leave it there for now. Thank you very much. Koana.

CHAIRMAN: Thank you, Mr. Missal. Before we get into the next item on the agenda, let's take a ten-minute break.

(BRIEF ADJOURNMENT)

CHAIRMAN: Welcome back. I just

want to remind you, if you have not done so, please register with Phyllis Beaulieu, the licensing...

We will move on to item number 9. We are now open for questions. Please identify yourself by raising your hand if you wish to ask a question to Tahera or to make a comment or remark on what you have just heard.

Before we move on to more presentations by interested parties, are there any questions from the floor or the staff to any of the intervenors? Are there any questions from DIAND to the applicant, to be directed to the applicant? Please state your name.

DIAND QUESTIONS LICENSEE:

Q DAVE OSMOND: It is Dave Osmond representing Indian and Northern Affairs.

I have a question regarding the development of the discharge limits, and this is a question for my clarification. I'm not making a statement here, but I just want to get clarification. Hopefully it will be helpful to the Board and everyone else as well, and I will direct it to the chair.

In developing the discharge limits, there is a rationale that talks about the setting of aquatic thresholds so that you are protecting aquatic life, and then backing up and determining what -- how

much you could allow to be discharged to the receiving environment in order for it to be safe for aquatic life. I need help in determining what is achievable, the what-is-achievable component, and because some of the parameters, the discharge limits are far above, a long way above what's expected in the PKCA, and I don't know how you determined what the safe gap is that can be allowed.

In some cases, the concentrations in the PKCA are equal to or less than the aquatic threshold, and yet the discharge limits are far higher by a factor of ten in some cases. So that's what I need, is some clarification on that, if I could.

CHAIRMAN: Thank you.

GREG MISSAL: Thank you, Mr. Chair.

I will ask Kelly Sexsmith at SRK to reply to that.

A KELLY SEXSMITH: Although our water quality predictions for our discharge water are in some cases quite a bit lower than the discharge criteria that we derived using the method I explained yesterday, those concentrations, while we don't expect them to be exceeded, there is always the possibility of minor variability, occasional spikes. Sometimes they are not even real spikes,

they are due to sampling or laboratory errors. And this -- because this method still gives us safe concentrations, we still feel it is a reasonable basis, even though there is a wide gap between our predicted concentrations and those values.

We still expect and hope that we will not exceed our predicted values, and we will still be using our predicted values as an internal management tool to watch the progress of the evolution of the chemistry and validate our predictions.

Q MR. OSMOND: I have a follow-up question then, please.

VICE-CHAIRMAN: Excuse me one second, Mr. Chairman. This is Robert Hanson.

Every time you speak, please say your name before you speak.

Q DAVE OSMOND: Thank you. Dave Osmond from Indian and Northern Affairs.

I would like to know how frequently these spikes could be expected. Are they -- is it 99.8 percent of the time that we wouldn't expect to have those kind of readings? And are we being overly safe in the interests of keeping compliant? I am just trying to find out the frequency that we might expect for those.

A KELLY SEXSMITH: I think the frequency will vary depending on the parameter. Sorry, it is Kelly Sexsmith.

The frequency will depend, vary on -- depend on the parameter that we are talking about and how close it is, how much leeway there is, essentially. I don't expect that it would happen very frequently, it might be one in a hundred, but there is no way to quantify that until we have actual monitoring data from this site.

Q DAVE OSMOND: Thank you. It is Dave Osmond again, and I have one other question that I would like to ask about uranium.

And uranium has been set on the basis of the discharge limit, and the aquatic thresholds have been set on the basis of a human health rather than aquatic life threshold. And recent information that became available from the proponent actually indicated that there is an aquatic -- there is a chemical toxicity of uranium to aquatic health. I will acknowledge that there are no official CCME guidelines or official guidelines that have been adopted by the federal government at this point. But in such cases, sometimes an aquatic life discharge limit or guideline is applied or developed.

And I would just like to know if I could get some kind of an answer, Mr. Chairman, as to why the discharge limits for aquatic or an original discharge limit for aquatic life was not established for uranium.

A KELLY SEXSMITH: Mr. Chair, it is Kelly Sexsmith.

There is no other jurisdiction in Canada or in the United States that has set a limit, an aquatic life limit for uranium, despite the fact that some of the provinces in Canada have a very extensive uranium mining industry, Saskatchewan is the one I'm referring to, they still have not set a limit for this. And I believe the reason for that is they are still gathering data to make sure that an appropriate standard can be set with enough data to make sure it is meaningful and representative of the ecosystems that it would be applied to.

I think the uranium issue is a minor issue on this site, but we are willing to follow the monitoring programs that INAC has recommended. They are, in fact, encompassed in our existing monitoring program to further understand what the potential effects in the ecosystem are. But without some precedents elsewhere to help guide that process of converting toxicity testing data to

an actual guideline, we don't feel that it is time yet to do that.

DAVE OSMOND: Thank you, Mr. Chairman. It is Dave Osmond. I think that is enough questions from me for now.

CHAIRMAN: Thank you.

Q JOHN BRODIE: My name is John Brodie representing INAC. I have a couple of questions concerning the security reclamation estimates.

My first question is a point of clarification. In the presentation, they said that the security estimate was based on the disassembly and removal of the facilities, primarily the buildings. And I would just like to clarify that that means dismantling and offsite removal as opposed to straight demolition and disposal onsite of inert waste.

A COURT SMITH: Court Smith, Nuna Logistics.

To clarify, in the assumption, there is -- most of the buildings will be removed from site. Some of the buildings, for example, the camp, we expect that the life of the camp will be quite a bit longer than the life of the project, therefore it has a value in the south, so the intent is to move it to the south.

There is some burial of building materials onsite, the materials that aren't intended to -- they are beyond their useful limit.

Q JOHN BRODIE: Thank you. John Brodie.

Carrying on on that point then, do you think that if the assumption was made that there was zero salvage value, that it would be less costly to demolish onsite and dispose, rather than remove offsite?

A COURT SMITH: Could you please repeat that, John?

Q JOHN BRODIE: John Brodie again. My question is if you were to assume that there was no salvage value in say the camp and the processing plant, and consequently there would be no value to taking it elsewhere and reerecting it or putting it to further use, one might consider that it would be to -- an alternative strategy would be to demolish the facilities and dispose of the inert waste onsite.

Do you think that such an onsite disposal strategy of inert waste would be less costly than what you have costed?

A COURT SMITH: Court Smith. Yes, particularly with structures such as the camp which

are moved in -- basically they are a cube of air, if you will, and it costs a lot of money to move them versus demolishing them onsite. So the answer is yes, it would be less expensive to demolish them and leave the materials onsite.

Q JOHN BRODIE: Thank you. John Brodie again.

In your presentation, you presented a breakdown of the security estimate into Crown land and KIA land. Would it be possible to obtain a calculation showing how you have arrived at that conclusion?

A COURT SMITH: Court Smith.

Yes, there is no problem there. I can provide that. I can also, for the moment, give you a brief rundown. We take the common elements, such as administration and that type of thing, and lump them together, and then on a pro rata basis we distribute it to the areas that we can calculate how much work is done on the particular part.

So, for example, on the waste-rock piles, we know how much of that pile is on Inuit-owned lands and how much of it is on Crown lands, and we take that percentage and apply it to the cost that we came up with for that, for that particular part of the work, and we do that with all the various

elements that you can measure, and then we take the common elements, the administration, et cetera, and distribute it pro rata.

Q JOHN BRODIE: Okay. Thank you. I have one last question, it relates to the existing security deposit, and I was not exactly clear as what was described. But I think I understood that the intent of the company was that the proposed security deposit for the new development would be in place of the existing deposit, instead of in addition to the deposit. Perhaps you can just clarify what you meant there.

A GREG MISSAL: Greg Missal, Tahera Diamond Corporation. John, you are correct, that was what I was trying to say was that I believe the 918,000 that's in place now should be moved and be part of the watered security deposit that the Board would hold for the Jericho mine.

Q JOHN BRODIE: John Brodie. In the security estimate that you have provided, have you addressed the removal of the existing tank farm and the existing camp and infrastructure that's onsite now? Has the cost of those activities been included in your estimate of 9.3 million?

A COURT SMITH: Court Smith, Nuna Logistics. The intent is that that facility and

infrastructure will become redundant very early in the life of the project. And as part of the construction and initial year of operation, the idea is to move out redundant equipment and basically deal with all of the things that are there that the new construction basically takes the place of. So, you know, the idea is you want to get that dealt with while you are doing your construction in early operations.

Q JOHN BRODIE: John Brodie. In essence then what you are proposing is that the removal of those facilities would be done as progressive reclamation early in the mine life?

A COURT SMITH: Court Smith. Actually probably even earlier; before production is the more likely answer. As soon as the fuel tanks are in, the new fuel tanks are in, the old ones become redundant, and I'm not sure of the exact timing, it would be during construction or the first, second year of the operations.

Q JOHN BRODIE: John Brodie. One final comment then on that. Just to note that progressive reclamation is still an outstanding liability until such a time as the work is done, so at the point of doing -- at the time of doing the calculations for the anticipated future liability,

that cost should be included in the aggregate liability until such time as it has been removed from the site.

That concludes my questions.

A GREG MISSAL: Greg Missal with Tahera. Maybe I would just add to that, John, that a large part of the site, you know, is going to be essentially taken out as part of the construction phase, so that's going to happen very early in the life of this project, even before start-up of essential full production.

Q JOHN BRODIE: John Brodie. I understand where you are headed on this point, and maybe I could just summarize very quickly and say that I think that some portion of that existing security deposit should remain in effect after the start-up of the mine and be in addition to the existing security or the security that's being proposed. But I see your point that not all of it would be in addition to the proposed security. Thank you.

BATHURST INLET RESIDENT QUESTIONS LICENSEE:

Q MARTHA AKOLUK: Good morning. Martha Akoluk, Bathurst Inlet. It is about monitoring. After the closure of the mine, will you guys be monitoring, and how long?