



Nunavut Regional Office
P.O. Box 100
Iqaluit, NU, X0A 0H0

Your file - Votre référence

January 11, 2006

Our file - Notre référence
IQA-N 9545-1666(N7L2)-6

Greg Missal
Benachee Resources Inc.
Suite 803
121 Richmond St. West
Toronto, Ont. M5H 2K1

Dear G. Missal:

Re: Pending Expiration Dates for Jericho Water Licence Security

Under the Nunavut Water Board assignment of the water licence NWB1JER0410 for the Jericho Diamond project, Benachee Resources Incorporated, a wholly-owned subsidiary of Tahera Diamond Corporation, is required to maintain a security with the Receiver General of Canada. The total security requirement is to ensure the project will be abandoned and reclaimed without liability to the people of Nunavut and Canada.

Although the Nunavut Water Board determines the amount of the security under the water licence, the Minister of the Department of Indian Affairs and Northern Development (INAC) determines the type of security instruments that are acceptable and the Nunavut Regional Office of INAC holds the securities.

Some of your security instruments will soon expire and we require confirmation of automatic renewal. The Securities known to the Nunavut Regional Office of Department of Indian Affairs and Northern Development are:

- Irrevocable Letter of Credit Number #1020-9383975-17 dated February 25, 2005 from the Toronto Dominion Bank for Tahera Diamond Corporation with the beneficiary as the Receiver General for Canada for the Department of Indian Affairs and Northern Development for an amount of \$2,200,000.00 (Canadian Dollars- Two million two hundred thousand only) under water licence NWB1JER0410. A June 16, 2005 amendment verified the beneficiary and initial expiration date of February 24, 2006.

Other Letters of Credit known to the regional office, but have expired, require confirmation of renewal or will expire later are:

Credit Group	Letter of Credit Number	Amount	Expires
TD Commercial Banking	1020-9383975-10	\$ 200,000	Jan 05. 2006
TD Commercial Banking	1020-9383975-11	\$ 100,000	May 24, 2006
TD Commercial Banking	1020-9383975-12	\$ 100,000	Nov 08, 2005
TD Commercial Banking	1020-9383975-13	\$ 100,000	April 11, 2006
TD Commercial Banking	1020-9383975-14	\$ 100,000	Jun 28, 2006
TD Commercial Banking	1020-9383975-15	\$ 100,000	Jun 28, 2006

Please provide signed letters confirming automatic renewal of the securities to:

Regional Director
Nunavut Region
Department of Indian and Northern Affairs
Building 969, Qimugjuk Building
Box 2200
Iqaluit, NU X0A 0H0

(Attention: Manager, Water Resources)

Please provide copies to the Executive Director, Nunavut Water Board in Gjoa Haven, NU.

If you have any questions or comments, please contact me at (867) 975-4550.
Thank-you.

Sincerely

Original signed

Jim Rogers
Manager, Water Resources

cc. Philippe di Pizzo, Nunavut Water Board