

Notice of Intention to Commence Work Version 2 – October 2005

As required under Section 6 of the Mine Health and Safety Act and Section 17.01 of the Regulations and by Part D; Section 1 of Nunavut Water Board Licence NWBJER0410 "Type A"



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EXECUTIVE SUMMARY

This "Notice of Intention to Commence Mining" was originally submitted in January of this year. A copy of the report was also submitted to the Nunavut Water Board under the terms of the Type "A" water licence. After a follow-up consultation with the Mines Inspection Branch and a review of the comments from NWB respondents, Tahera Diamond Corporation has updated the Detailed Mine Plan.

Tahera to accessed rock needed for construction fills by quarrying within the confines of the ultimate open pit which provides additional valuable information on rock qualities. Data collection and analysis from the starter pit wall exposures form the basis of the additional information provided within this supplemental report. It is expected that the supplied information will satisfy questions that WCB may have regarding the slope designs chosen for the Jericho open pit.

The mines inspectors also indicated concerns with the existing open pit diamond mines – Ekati and Diavik - and wanted Tahera to avoid difficulties that have been seen at those sites. Among the problems that were noted were raveling of the upper crest of the catch benches and maintaining a clean toe. The two issues combine in producing a catchment that often did not meet those mines approved design criteria.

Tahera personnel have seriously discussed the concerns and the original proposed triple bench height of 30m. It has been decided that instead of utilizing 10m high benches, 7.5m would be used. The proposed triple-benching methodology has been retained. The lower bench height will facilitate scaling, ensure that no piece of equipment exceeds the reach limitations of the Mines Act and is visually less intimidating for workers that need to work adjacent to them.

Piteau and Associates were contracted by Tahera to conduct a review of existing data and reports and to supplement that information by geotechnical mapping of the exposed pit walls.

Tahera Diamond Corporation also requested our explosives supplier, Dyno Nobel Nunavut Inc., to conduct a vibration study and analysis of blasting techniques. The purpose was two-fold: to ensure that minimal damage was being done to the pit walls during quarrying and to ensure that Department of Fisheries and Oceans (DFO) open water guidelines were being met.

Tahera has been fortunate to have employees who gained knowledge of open pit mining of kimberlites in a granite host-rock. This experience has allowed the Company to minimize damage to pit walls while maximizing blast rock fragmentation. It is anticipated that this will put the Jericho Diamond Mine at the forefront of safe and efficient open pit mining in the Nunavut and Northwest Territories.



Notice of Intention to Commence Work

1.0 INTRODUCTION

This document is Tahera Diamond Corporation's *Notice of Intention to Commence Work* as required by Section 6 of the Mine Health and Safety Act and Section 17.10 of the Regulations. It is also intended to meet the conditions of Part D; Section 1 of the Nunavut Water Board Licence.

To reduce repetition and maintain brevity and clarity, reference will be made to material submitted for the Final Environmental Impact Statement (FEIS) and NWB Type A Water License Application. This summary therefore focuses upon the open pit design and immediate infrastructure (dewatering, ramps and roads).

Section 10 addresses some of the Nunavut Water Board reviewers' comments. Documents previously submitted are not part of this submission, although they will be accessible via the Nunavut Water Board FTP site:

http://ftp.nunavut.ca/nwb1%20MINING/NWB1JER0410/

In addition, Tahera has submitted numerous detail plans to the NWB covering other aspects of the project. Tahera Diamond Corporation (Tahera) plans to commence mining kimberlite process plant feed at its Carat Lake site in late December 2005 or early January 2006. This will allow diamond production as planned for the first quarter 2006.

Mobilization of materiel and construction commenced on-schedule in mid-January 2005. The construction phase is well under way and submittals are being provided to the NWB as needed. The prime contractor for the construction phase is Clark Builders. The complete transition from the construction phase to full-scale operations is expected in the first quarter of 2006.

For the operational phase, the primary earthworks contractor is Nuna Contracting Ltd. Explosives supply is provided by Dyno Nobel Nunavut Inc. and drilling/blasting by McCaws Drilling and Blasting Ltd. The organization chart for the Operations Phase of the mine is provided as an addendum.

The current plan is based solely upon open pit mining methods. The FEIS submittal discussed the possibility of underground mining but the decision to switch to underground mining for the tail end of the mine life has been deferred until later in the operational phase. The prime open pit contractor for the earthworks and mining is Nuna Contracting, a northern company with ample mining experience at other northern diamond mines.

As per Section 1.05 of the Mines Regulations, 1.05.

The mine design shall be assessed and updated by an authorized person annually and before any major change is made to the mining method or the equipment used.



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2. LOCATION AND GENERAL MINE LAYOUT

Tahera Diamond Corporation has actively explored for diamonds in Nunavut for the past seven years (prior to 1999 as its predecessor company, Lytton Minerals). development would take place in the "Barren Lands", a tundra environment north of the tree-line and about 60km south of the Arctic Circle within the zone of continuous permafrost. Unlike the Lac De Gras kimberlites, the Jericho kimberlite pipe is land-based in permafrost.

2.1 **Property Location**

The NWT Diamonds Project is approximately 420 km northeast of the city of Yellowknife and 350 km south of Ikaluktutiak (Cambridge Bay) Nunavut. The site is accessible by air 12 months of the year and by winter road from mid-January to mid-March.

The coordinates of the exploration camp were 65° 59' 50" N Latitude, 111° 28' 30" W Longitude. The new camp is some 2,600 meters to the southwest. All property work has been based on the National Topographic Survey NAD27 survey datum. More information is in the Project Description of the FEIS.

Tahera has established the Jericho Mining Lease, which consists of six mineral leases covering 6,638 acres. Indian and Northern Affairs Canada administer the crown claims while Inuit Owned Land Surface Rights are administered by the Kitikmeot Inuit Association.

2.2 Climate

There are 26 years of regional climate data collected from Environment Canada weather stations at Lupin Mine / Contwoyto Lake. Tahera has supplemented this information by collecting site-specific data for five years. Mean Annual Runoff (MAR) for the site is 190mm per annum with Total Annual Precipitation at 246mm. Evaporation rates are estimated to be about 250mm per year.

Air temperatures range from about +20°C during the summer to -30°C in the winter months. The mean annual temperature is -11.8° C. Wind direction and speeds are variable but tend to favour a NE-SW orientation.

2.3 **General Mine Layout**

The diamond deposit is contained in a multiple-phase land-based kimberlite pipe that is located about 1km to the northeast of the proposed camp and processing plant. Figure 1 on the following page shows the major planned infrastructure components.

The activities required during 2005 included the construction of access roads, laydown areas and the preparation of the main facilities pads. Some of this was achieved by relocating 53,800 tonnes of waste rock/till/esker from the underground facilities pad.

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Esker from the borrow pit has totaled 40,800 tonnes to date. All other construction fills have been done with run of mine from the starter pit (quarry). The geochemical properties of the waste rock and till pose "relatively few concerns with respect to ARD and metal leaching" (SRK Technical Memo M – Waste Rock Management). The only areas to be monitored and mitigated are silt and potential ammonia or nitrates from blasting.

Site water management is described in the submittal Site Water Management Facilities as required under Part D, Item 9 of the NWB Water Licence. Health Safety and Environment auditing and modification is dynamic and ongoing. Tahera personnel sample and monitor as required by the licence and/or other regulatory agencies recommendations.

Earthworks constructions that fall within the "Dam Construction Guidelines" is discussed in Detailed Submittals and are monitored by an EBA Engineering representative. Examples of the plans are: West Dam, East & Southeast Dams and the central Divider Dyke.

The main facilities design has been coordinated and prepared by Hatch Engineering to meet or exceed all federal or territorial regulations. Layout of dumps, roads and other facilities has followed the plan as presented in the NWB submission. Refer to drawing 1CT04.008 Initial Grading Plan by SRK. Minor changes are due to site conditions requiring Tahera to make adjustments to suit the EBA representatives' recommendations.

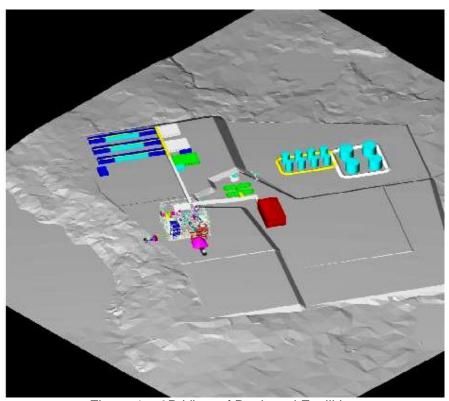


Figure 1 – 3D View of Designed Facilities

Figure 2 shows the as-built infrastructure as of October 2005.

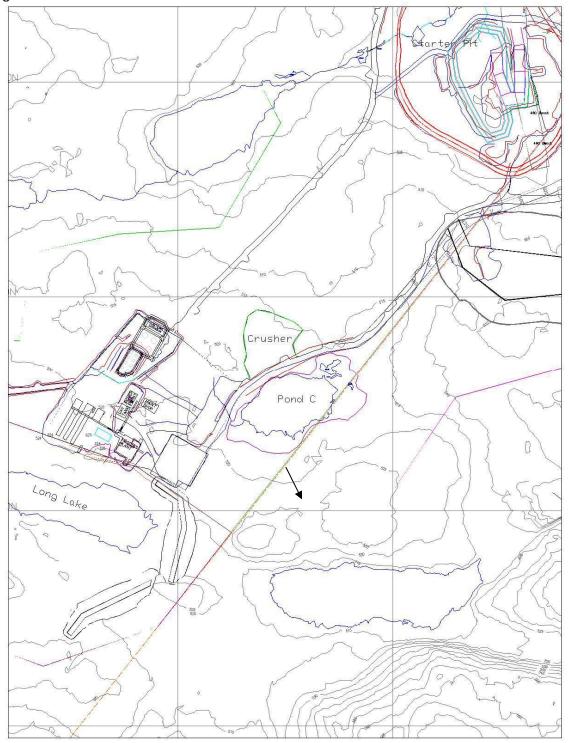


Figure 2 Site Infrastructure



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The C1 stream will need to be diverted around the northwest corner of the open-pit. The diversion (green) will control freshet flows from C1 and C2 lakes to the west of the pit. The waste dump is to the east of the pit, with runoff collection ponds considered if there are significant runoffs or any leachate problems noted.

Overburden will be stockpiled separately, and its viability for reclamation determined. Ongoing progressive reclamation and research is planned, and a Closure Plan is in place. Updated Closure Plans will be submitted on a regular basis as required. Reclamation of the exploration camp has already begun.

Mined kimberlite will be processed on site by the use of heavy media separation. The nominal ore feed rate is approximately 1000-2000 tonnes per day, with the upper limit dependent on the conversion of certain inferred resources into economic reserves. Kimberlite coarse rejects will be trucked to a land dump while fines will be pumped to Long Lake immediately to the south of the process plant.

3. GEOLOGICAL SETTING

The Jericho Diamond Mine is located within the northern portion of the Slave Structural Province of the Canadian Shield. The Jericho kimberlite is located on the south shore of Carat Lake within the Contwoyto-Itchen Region. The host rock is an Archean granite-greenstone terrane intruded by synvolcanic to post-volcanic granitic plutons.

The area of the open pit is primarily biotite-muscovite granite to tonalite (+/- pegmatite). A NNW-trending diabase dyke approximately 45m thick cuts the east wall of the pit. The current pit design is slightly larger than that shown in Figure 3.

All of the surveying and air photo work collected since discovery has been in the NAD27 datum. The datum is still in use, as the mine local grid. Daily survey work is performed by Sub Arctic Surveys utilizing stat-of-the art GPS equipment. As a backup for days that there is insufficient satellite coverage, a total station is used.



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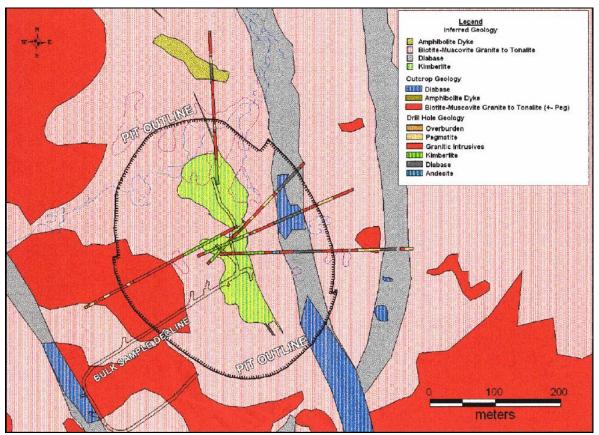


Figure 3 Pit Area Geology

The land-based Jericho kimberlite is in a shallow depression south of Carat Lake and is completely masked by 10-15m of glacial till. The kimberlite is elliptical, roughly 300m long and trends NNW. The kimberlite was formed from multiple emplacement phases identified by colour, mineralogy, serpentinization and macrocryst count.

The strength of the kimberlite is considerably better than those seen at other sites. The pipe was intersected in late August some 20-30 m further southeast, and about 5m higher than anticipated. In mid-September the southwest lobe was encountered some 30-40 further to the west. It is estimated that these changes have added over 20,000 tonnes of kimberlite.

4. MINE DESIGN

Various geotechnical assessments have been undertaken since 1995, with most being done or collated by SRK Consulting Engineers and Scientists (SRK). Their assessment included examination of:

- Drill hole data
- Underground exposure
- Permafrost



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- Kinematic analysis
- Empirical base case design
- Numerical analysis
- Slope design

From that work, the SRK geotechnical studies characterized the rocks as:

Table 1
Strength Parameters

| Rock Type | UCS (MPa) | Rock Mass Rating | GSI | m _i | Cohesion (MPa) | Friction Angle | Specific Gravity |
|--------------|--------------|------------------------|-----|----------------|-------------------|-------------------|---------------------|
| Granite | 48 | 50-75 | 68 | 25 | 3.0 | 49° | 2.65 |
| Contact | 10-20 | 10-65 | 30 | 25 | 1.42 | 38.5° | |
| Kimberlite | 33-77 | 20-45 | 40 | 7 | 1.78 | 31° | 2.60 |

Table 2
Deformability Parameters

| Rock Type | Poisson's Ratio | Modulus of Elasticity, E (GPa) | Shear Modulus G (GPa) | Bulk Modulus K (GPa) |
|------------|--------------------|--------------------------------------|-----------------------------|----------------------------|
| Granite | 0.2 | 28 | 11.6 | 15.5 |
| Contact | 0.2 | 5.6 | 2.15 | 4.6 |
| Kimberlite | 0.3 | 3 | 1.25 | 1.67 |

Table 3
Strength Parameters of Joints

| Rock Type | JRC | JCS | фг | Cohesion (MPa) | Friction Angle |
|------------|-----|-----|----|-------------------|-------------------|
| Granite | 9 | 20 | 30 | 0.16 | 41.7 |
| Contact | 2.3 | 24 | 30 | 0.034 | 33.0 |
| Kimberlite | 2.3 | 50 | 30 | 0.035 | 34.0 |

SRK recommended the pit design parameters listed in Table 4. Tahera has undertaken mine planning enhancements and the current design changes have been reviewed to eliminate kimberlite stockpiling and smooth stripping rates over the course of the mine life.

Impact barriers (of the Ekati Diamond Mine TM design) are planned for about every fourth bench. Dewatering sumps have also been added, although water was only a problem during the freshet and upper benches of ice-rich sections of till when no controls were in place. The C1 Diversion will essentially eliminate the major water inflow in future years.



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This initial year has seen the development of the starter pit that allowed follow-up slope stability assessment. The Company believes that steeper pit slopes can be maintained because of the presence of permafrost and the strength of the kimberlite. Pushback pits may be incorporated in the final plans.

Table 4 SRK Slope Angles

| | Kimberlite | Granodiorite | Overburden |
|--------------------------------|------------|-------------------|------------|
| Slopes | | | |
| Inter-ramp < 100m (degree) | 41-70 | 65-70 | 26.5 (2:1) |
| Inter-ramp > 100m (degree) | 41 | 60 | - |
| Bench Configuration | | | |
| Bench height (m) | 10 | 10 | 10 |
| Bench face angle (degree) | 70 | 85 | - |
| Bench width (m) | 8 | 8 | - |
| Berm Interval (m) | | 30 (triple bench) | |
| Ramp Configuration | | | |
| Gradient (%) | 10 | 10 | 10 |
| Width (m) | 22 | 22 | 22 |
| Operating Limits | | | |
| Minimum mining width -pushback | 40 | 40 | 40 |
| Pit Bottom | 50 | 50 | 50 |

The recent geotechnical work conducted by Piteau and Associates has involved review of the work done to date, examining existing drill core and mapping the quarry benches. The analysis of the pit mapping included a correlation to blasting practices. Some test blasting utilizing both buffered blasts and pre-shears was implemented. The uncontrolled blast crests had inter-bench face angles of 80° with a very realistic expectation of the 85° predicted for pre-shear blast walls.

The Piteau and Associates Geotechnical Report will be finalized by the end of October. At this stage, the summary analysis indicates three structural domains based on the lithology and location relative to the major NNW trending diabase dyke. The domains are the West Granite, Diabase and East Granite.

There was no difference between the SRK and Piteau Inter-ramp slope angles – in both cases it was 60° for granite. For the diabase Piteau calculated 57° which is easily attained since the main ramp system is a switchback design sub-parallel to the diabase footprint.



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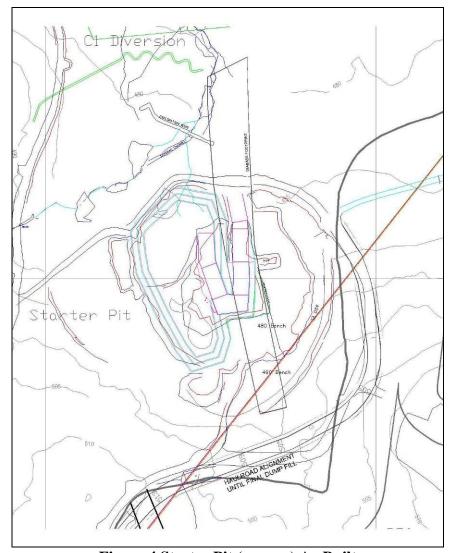


Figure 4 Starter Pit (quarry) As-Built



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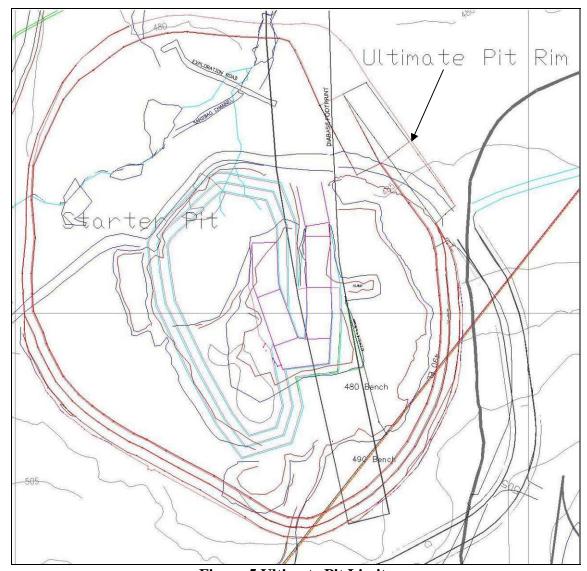


Figure 5 Ultimate Pit Limits

Stability assessment will be via regular pit structural mapping supplemented by monitoring prisms, kink meters or other appropriate technology if required. Initial observations indicate that the shape of the pit (wall orientation vs. structure), permafrost and controlled water inflows should result in safe and manageable wall control.



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5. START-UP SCHEDULE

Construction of the site buildings (process plant, truck shop and emulsion plant) are the responsibility of Clark Builders. The design work was prepared by Hatch Engineering. A Hatch engineer is on site performing QA/QC activities. The camp is of modular design, and was set up by Shanco Camp Services. Occupancy was granted on May 4th, 2005 by the Nunavut Fire Marshal.

Construction has proceeded well and the Jericho Diamond Mine is on time, with the schedule being maintained. Other infrastructure construction schedules are dependent upon approvals from the NWB. Gantt charts showing construction progress are regularly updated by Clark Builders. Tahera site management keeps a top-level Gantt with the main commissioning dates for site staff. Information is shared in daily morning meetings that include both Tahera and contract management, site safety, environment, and mine operations.

| January 2005 | Received | conditi | onal appro | val fror | n Chief |
|--------------|-----------|---------|------------|----------|---------|
| | Inchector | to | nroceed | with | Ouarry |

Inspector to proceed with Quarry

Operations.

Feb - March 2005 Begin Jericho starter pit pre-strip for site

Infrastructure

May 2005 Camp accommodations completed and

Process Plant construction started.

October 2005 Truck Shop Commissioning: start of dam

construction.

November 2005 Emulsion Plant Commissioning; start of C1

Diversion construction.

December 2005 Process Plant commissioning.

January-March 2006 Start and build up to full production begins.

April 2006 Ramp-up to full two-shift mining rates

6. MINING METHODS AND EQUIPMENT

The starter pit quarrying utilizes the same equipment as planned for the full mining sequence. The only variable is the number of haul trucks needed on an annual basis. The annual mine plans will indicate any changes that may arise.

6.1 Mining Methods

Conventional truck-and-shovel open pit mining methods will be utilized at the Jericho Diamond Mine. Mining contractor Nuna Contracting (Nuna) supplied the heavy equipment fleet. The fleet was composed of D-300 trucks and small loaders for the initial work of removing the waste rock pile from underground mining; and the construction of site lay-



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downs. Once the Cat 777D haul trucks were available they soon replaced the less productive fleet. This larger fleet will be used for the bulk of the open pit mining.

6.2 Mining Rate

The overall strip ratio, for open pit mining only, is approximately 7:1 tonnes waste to tonnes kimberlite. The mining rate for kimberlite feed to the process plant is nominally 2,000 tonnes per day assuming inferred resources can be converted into reserves. Some of the inferred resources will be tested during the plant commissioning stage, and first year of operation.

6.3 Equipment Fleet

Nuna Contracting will be using the used equipment fleet from the Misery Pit of Ekati Diamond Mines. McCaw's, the Drilling and Blasting Contractor will be using drills similar to those used at both Diavik and Ekati Diamond Mines. The contractors selected have northern experience and an excellent understanding of the requirements of the Mines Act and Regulations.

The mining fleet in 2005 now consists of:

- Two Cat D300 Articulated haul trucks
- Four Cat 777D haul trucks
- 1 Cat 992G loader
- 1 Cat 5130 ME / FS
- 1 Cat 980C loader
- 1 Cat 345 Excavator
- 2 Cat D9R tracked dozers
- 1 Cat 16H Grader
- 1 Cat 14G Grader
- 1 Svedala Reedrill 300 Cab (3 to 4" pioneering drill)
- 1 Interoc AN 109B (backup drill to SKF)
- 1 SKF Infinity (6" DTHH Blast-hole drill) with a second to be added in 2006

7. MINING OPERATIONS

As required under the Mine Health and Safety Act and Regulations, the Mine Plan will be updated on an annual basis. Current operations are based upon the detailed information presented in the FEIS. Material balances, waste rock and water management issues are covered there and this document has no tangible additions or changes to itemize.

Material quantities and placement are subject to approval of the Mine Design (by WCB Mine Safety Division) and economics of marginal grade kimberlite processing. It is Tahera's belief that all kimberlite can be processed, thus eliminating the need for large stockpile areas to be set aside.

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All aspects of the mining and construction is being monitored by site staff using the Environmental Management Plan and the Contingency Plans that have been submitted under separate cover.

7.1 Drilling

As is the norm at other mining operations, surveyors' lay-out engineered blast patterns in areas (benches) that have been leveled. Good site preparation is required for both safety and productivity. The surveyors are using the original survey datum with supplemental points laid out to facilitate pick ups when GPS coverage is not available.

The starter pit mining has utilized 100mm (4") and 165mm (6.5") drill holes. Currently the site is testing a rotary bit set-up on the SKF drill, which had been previously configured as a down-the-hole hammer (DTH) drill. Tahera could realize cost savings if the fragmentation is acceptable to Nuna Logistics by not increasing loading time or maintenance costs. Pre-shearing will be done with the 165mm size blast hole.

During late August kimberlite was intersected in several blast holes. The majority of the material is a green-coloured hard kimberlite. It has been isolated for commissioning of the process plant. The exposed face indicates significant potential for safe slopes in the pit bottom. Minor "contact zone" material was noted along the eastern contact, measuring some 4-5 meters wide.

7.2 Blasting

The blasting contractor selected, McCaws Drilling and Blasting, has experience working under the Mines Act and Regulations and the blasting supervisor is accountable for meeting all requirements such as signage, guarding and blast tie-ins. Dyno Nobel Nunavut Inc. (DNNI) was selected as the explosives contractor and will deliver the blasting product to the blast hole. Included with this document is a copy of their Explosives Operations and Procedures summary.

It is expected that permafrost conditions will be a beneficial factor in controlling groundwater problems and wet blast holes under normal conditions. It was anticipated that during the spring freshet or during the rainy season, and the drilling of frozen tills and overburden with higher ice content, that ground conditions may require "hot loading" approval by the inspector. With the ability to free-dig some of the thawed overburden, this problem was minimized.

The blast design is variable but was based on experience in other northern diamond mines. Very good results have been achieved with an equilateral pattern of 3.9m x 4.6m. One meter of subdrill ensures manageable pit floors. The primary explosive delivered to the blast hole has been ANFO, supplemented by packaged Blastex in extraordinarily wet areas. When the Emulsion Plant is completed, the delivered product will be a 70% emulsion 30% ANFO blend. During the initial stripping, both package AMEX and truck-



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mixed ANFO was used. The Emulsion Plant construction is well underway and will be functional in time for the commencement of ore mining operations in early January 2006.

A year's supply of AN prill (750 tonnes) was delivered to site on the annual winter road. Delivery was, and will continue to be, in "mega-bags" that will be placed on and covered by tarps on a leveled crush-covered pad. In lieu of tarps a storage building may be erected in future years to better protect the mega-bags from the weather by storing them inside.

The Emulsion Plant is located to the east of the camp site meeting all setback distances and has been designed to meet or exceed all explosives handling/production regulations. The powder and cap magazines were moved about 50m further to the west to take advantage of a rock bluff. This increases the setback distance and provides a natural barrier thus improving Emulsion Plant and personnel safety.

DNNI will be responsible for making the product at the facility and delivering it to the bore hole in "Triple Threat Trucks" that can accurately meter the quantities used. Triple Threat indicates the capability to deliver emulsion, ANFO or a mixture all on one truck bearing three compartments.

Blasts are typically envisioned to be 50-100,000 tonnes in size, occurring about once to twice per week. The blasts have surface delays and as much free-face as possible to minimize vibration and fly-rock. Vibration control is important not only for protection of the pit slopes; it is also a requirement for fish protection during the summer months. Vibration analysis this summer found that the 13mm/sec target set by the Department of Fisheries and Oceans (DFO) can be easily achieved with surface delays on the order of 109ms per row. See Appendix B for the DNNI Vibration Study report.

Pit walls are almost entirely the granite-tonalite host rock described previously. Two short sections will be intercepted by a near vertical diabase dyke. The dyke and its contacts are not expected to cause a slope stability problem, as most of the strike length should underlie the main haul ramp system.

7.3 Excavation

The mining fleet for removing the underground bulk sample waste pile and initial starter pit mining included five Cat D-300 articulated haul trucks and one Cat 980 loader and one Cat 345 excavator. Two of the D-300's remained for hauling process plant coarse rejects and smaller construction related requirements. The other three were returned to Diavik before closure of the 2005 winter road. Caterpillar products are the preference so that parts compatibility and warehousing opportunities can be maximized.

Nuna is using a Cat 5130 Mass Excavator and four Cat 777D haul trucks for the majority of the mining of the ultimate pit. The excavator configuration has been proven effective in stripping of overburden. When timing allows, the mass excavator will be converted to a front shovel. A backup Cat 992G loader will be used to ensure continuity of plant feed.



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For safety purposes the pit crests will be scaled to remove loose material. This will be done from above to provide workers with the highest degree of safety. When this is not possible, the Cat 345 excavator can be used from a muck-pile on the bench below..

7.4 Haulage and Traffic Management

The pit will be located some 250m to the northwest of the road between the airstrip and main camp. Access to the pit is limited to authorized and properly trained personnel. To maintain simplicity of standards and reduce confusion, right hand drive is being used sitewide.

For design purposes the haul roads and ramps will be for two lane traffic to accommodate Cat 777D trucks. The only exception at this stage is a single lane ramp for Cat D-300's in the pit bottom. From the maintenance shop to the open pit the roads will be 24m wide. Pit ramps will be wider than the SRK recommendation to accommodate crest blast overbreak, ditches and shoulder barriers 3/4 the height of the Cat 777 tire (Ø is 2.63m).

The surface roads will be constructed of run-of-mine granite waste. They will be capped with a mixture of esker and -2" or -3/4" crush to minimize tire wear and improve operator comfort. The intended height of the roads will be about 2m and may incorporate a 5H:1V side slope for those that have a height greater than 3m. The side slopes will provide ease of maintenance and emergency run-out capability.

Speed limits will be limited to 60 km/hr on haul roads and 20 km/hr in the camp and shop area. Speed limits will be posted. Operators will be expected to drive to conditions and to wear seatbelts at all times.

Intersections are a standard T-shape with stop signs on the lesser-traveled route. During dusty conditions water sprays or approved dust suppression products may be used to improve visibility and minimize inhalation hazards.

Right-of-way for vehicles will follow these priorities:

- 1) Emergency vehicles that are responding to an emergency.
- 2) Wildlife
- 3) Crew buses at shift-change; or crew buses with tour guests.
- 4) Vehicles carrying explosives.
- 5) Road maintenance equipment.
- 6) Loaded haul trucks.
- 7) Empty haul trucks.
- 8) Auxiliary and other equipment.
- 9) Pick-up trucks or other light vehicles.



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7.5 Materials Management

The primary crusher will be fed as needed from ROM stockpiles to an exterior hopper by a loader. The ore will then be fed into the processing plant. The main ore stockpiles would be a short term ore supply for ore-type blending. This will help optimize pit equipment scheduling and provide surge capacity in the event that plant feed was not available within the pit.

For example, this surge capacity would cover events such as adverse weather conditions, thermal inversions, shovel maintenance or lack of ore exposure. The stockpiles likely would be limited to about 20,000 tonnes (~10 days plant feed) and would be re-handled by Cat 980 (or equivalent) sized loading equipment.

Waste dumps will be constructed in smaller segments, contoured and raised slightly higher to decrease the footprint of the ultimate design. This will also permit better scheduling of work and a longer period to test the progressive reclamation strategy.

Scheduling and storage of material with respect to acid rock drainage potential has been considered although there are no known acid-rock generating lithologies in the pit. The primary concerns re with runoff containing fines or ammonium nitrates from blasting. Collection ponds have been added to the design in case they are required.

8. EMPLOYEE WORKING ARRANGEMENTS

The construction phase of the project is expected to last about ten months and be a 24/7 arrangement. While the winter road is open, contractors were housed at Lupin mine and bused over for their work shift in addition to using the existing exploration camp on site (Carat Camp).

The exploration Carat camp was refurbished and housed ~25 people so that certain functions (for example: fire watch, fueling gen-sets and heaters, truck offloading, and maintaining roads) could be managed on a continuous basis. The exploration camp has since been decommissioned and the area is now being reclaimed.

Once the initial construction earthworks phase were completed, the day-to-day mining operation was reduced to a limited schedule of day-shift only. Day shift quarry work is still underway as material is being prepared for the construction of the dams required for the Primary Kimberlite Containment Area (PKCA).

Once plant operations begin the process plant and loader feeding the primary crusher will work 24/7. Also working nights would be a mining crew, security and required supervision or other support staff. The night shift mining and support is not planned to begin until fuel supplies have been replenished. The current plan is for an April, 2006 ramp-up to two shifts per day.



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Medical personnel are located on site and available for call out for any night time requirement. Employees will work 12-hour shifts on a rotation of 14-days on site followed by 14days off-site. A 7-day on, 7-day off rotation schedule is also being considered for some positions. The Mine Manager position is one of those that is a 7/7 rotation.

A semi-permanent modular camp was erected to house offices, security, first aid, kitchen, recreational facilities and accommodations. Peak occupancy has not exceeded 190 during plant construction and quarrying. During the operations phase occupancy numbers should be on the order of about 70-90 people, the majority of which will be contractors.

9. OCCUPATIONAL HEALTH AND SAFETY PLAN

The Health and Safety Plan was effective from start-up of mine construction and applies to the Jericho Diamond Mine operated by Tahera Diamond Corporation at Carat Lake Nunavut, all ancillary facilities including the mine site, plant site, airstrip, outbuildings, explosives magazines, storage facilities, and all activities associated with the operation of the Mine and Processing Plant.

It is expected that all contractors meet, or exceed, Tahera Diamond Corporation policies and standards. Contractors will be responsible for safe work practices and Standard Operating Procedures within their Scope of Work. That being said, Tahera retains ultimate responsibility for the safety of all workers at the Jericho Diamond Mine.

Tahera Diamond Corporation is committed to a high standard of occupational health and safety by establishing an effective internal responsibility system, taking into account both the expectations of stakeholders and evolving science and technology.

An Occupational Health and Safety Committee has been established and meets monthly. Tahera has hired a Health Safety and Environment Manager and among the duties is to support the Committee and to ensure that the training required under the Mines Act is provided.

The HSE Manager has had a third-party consultant on site to conduct a risk assessment and to provide recommendations to mitigate identified risks. These will be incorporated in the Contingency Plan which is a dynamic document that will be maintained at the site.

9.1 Tahera Safety Policies

It is Tahera policy to:

- Comply with all applicable laws, regulations and standards, and where adequate laws do not exist, adopt and apply standards to prevent adverse health and safety impacts associated with its operation, products or services.
- Have standards/procedures in place to identify and control hazards.
- Integrate safety into all aspects of our work.



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- Set objectives in safety and health performance.
- Commit appropriate resources to safety and health.
- Explain safety and health responsibilities to all employees and ensure they understand them.
- Ensure employees are trained to work safely and use proper protective equipment.
- Ensure hazard reporting procedures are in place that encourages employees to report all unsafe acts/conditions to their supervisors.
- Ensure every manager, supervisor, worker and contract employee knows and understands their health and safety responsibilities, and know that they are to be held accountable for their performance.
- Keep records of program activities, improvements and training in compliance with the Federal Privacy Act.
- Review all health and safety programs on an annual basis and make improvements as needed.
- Communicate openly with employees, government and the community on occupational health and safety issues; and contribute to the development of relevant occupational health and safety policy, legislation and regulations.
- Tahera believes that everyone has a common interest in avoiding injury and illness.

10.0 Additional Information

Among the comments received by the Water Board were criticisms that the Mine Plan did not include "elaborate descriptions on the road, camps, mine buildings, water supplies, borrow area development and other construction activities during start-up of the mine operation". Separate Detailed Plans have been submitted to the Nunavut Water Board for various project components. Those documents are available via the Nunavut Water Board FTP site:

http://ftp.nunavut.ca/nwb1%20MINING/NWB1JER0410/

The Mine Plan covers Part D, Item One and refers only to the open pit (+/- underground) construction timing and immediate infrastructure components. As suggested by Acres International Ltd. and DFO, we have referenced relevant aspects in this update.

Of immediate relevance to the safety of the mine workers is the control of water inflows via the C1 Diversion. Pit dewatering was not considered a major difficulty and that was what was encountered during this past season.

C1 Diversion Channel

The C1 Diversion Channel design plan detail prepared by SRK Consultants was reviewed and finalized by EBA Engineering Consultants. The design presented by EBA has some distinct advantages in terms of safety and sediment control while meeting the DFO fish habitat enhancement criteria.

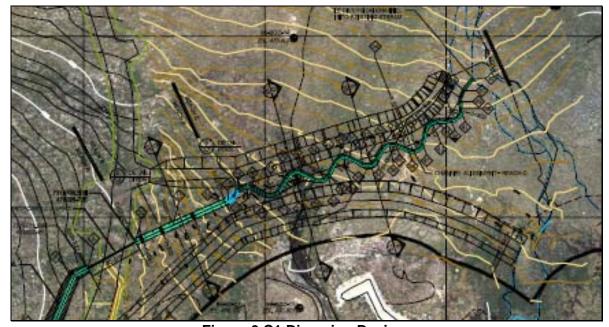


Figure 6 C1 Diversion Design



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By using predominantly a fill construction methodology, the underlying permafrost rich sections of Reach C can be protected from the kind of erosion experience at the Grizzly lowlands of the Ekati Diamond Mine. Since permafrost is typically considered to be 50% silt entrained with 50% ice, the effects of melt-out are significant.

The diversion is planned on being built out of clean run-of-mine rock fills and crush during the winter months. This timing will protect the tundra because of its frozen condition. In the spring time silt curtains will be placed at obvious ephemeral stream locations as they were this summer, and for the first year until the C1 Diversion has stabilized. The effectiveness of the silt curtains can be seen on the following page.

Because the C1 diversion is for clean water it should not need to be sampled for any metals or contaminants other than suspended solids. An annual sample will be taken at the Reach C discharge to the natural stream channel to confirm that the water is clean. As the majority of the diversion is adjacent to the open pit, it will be regularly inspected by the pit shift foremen. Any accumulations of snow or debris will be reported to the Environmental Supervisor. Prior to freshet the excess snow will be cleared from the channel to mitigate an overtopping event that could jeopardize the safety of the workers.



Figure 7 Silt Curtain effectiveness



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During the freshet, an environmental technician will monitor the flows by means of a staff gauge installed at a selected site. A survey of the ditch cross-section at this point will allow Tahera to determine flow rates for later analysis.

During the low flow period, the ditch will be inspected for signs of erosion, slumping or other features that may warrant repairs. The repairs would be scheduled for freeze-up to minimize silt inputs to the water.

C4 Diversion Ditch

The C4 Ditch should not need to be in place prior to 2007 due to waste dump construction planning. As SRK pointed out in the August 2004 submission, the clean water ditch will divert overland flow from southeast of Waste Dump Site 1 and will discharge into Lake C4.

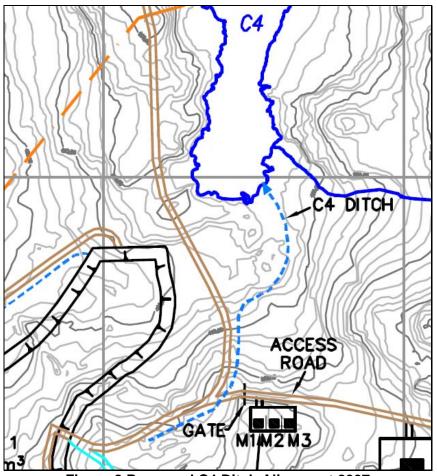


Figure 8 Proposed C4 Ditch Alignment 2007

Further review of the topography is warranted as it may be advantageous to incorporate the ditch with a dump toe road. The purpose of the toe road would be to assist inspection



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for seepage from the dump toe and to provide access to the clean water ditch for monitoring and construction.

Under Part D, Sections 2, 17 and 19 it would be appropriate for Tahera to submit the C4 Ditch at a later date. Aspects such as silt curtains, winter construction timing and water sampling of Lake C4 would be addressed in that submission.

Pit Ponds

The "pit ponds and sumps" are a function of mining dynamics and water inflows. The location of the dewatering pipeline is planned to be along the west wall of the open pit. Due to WCB Mine Safety Division requirements, the final location of the pipeline is contingent upon approved slope angles.

The dewatering of the starter pit has totaled 10,055 m³ to date this season. The vast majority of that water was as a result of not having the C1 Diversion in place. Inflows into the pit were the anticipated active layer melt and in the overburden materials which will be substantially mined out by the end of 2006.

Currently dewatering is being undertaken utilizing a Godwin pump supplied by Canadian Dewatering. This pump can attain a discharge head of 97.5 meters which will be good for several years before a booster system will be required. A small portable pump is also available as a backup.

The pit water is being pumped via 6" HDPE DR11 plastic pipe t o the East Sump (Pond C) adjacent to the camp infrastructure. The water is sampled, and if water the quantity or quality warrants it is pumped to the PKCA, otherwise it was allowed to evaporate. An alternative will be to add the water from the east sump to the process plant reclaim circuit and recycled for road watering (dust control) and construction purposes.

The temporary line will eventually be relocated to the west wall of the pit, and will be placed beside the fresh water line from Carat Lake. This will facilitate monitoring and maintenance.



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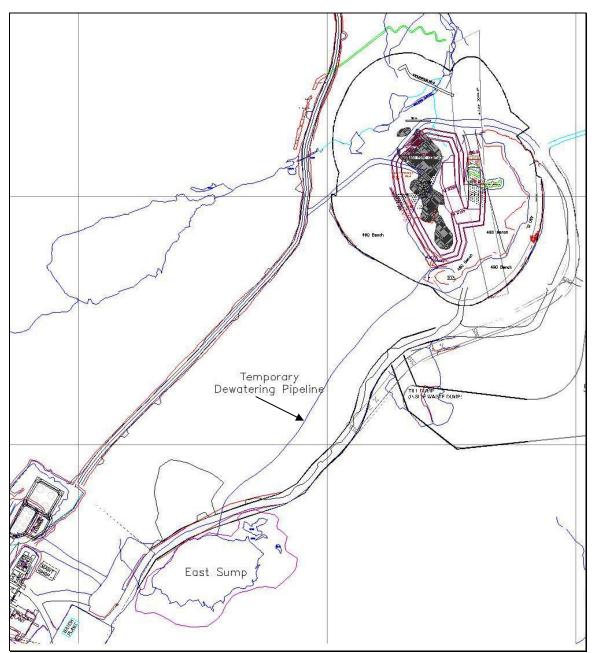


Figure 9 Temporary Pit Dewatering Line



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Airstrip Extension

The airstrip extension is only a small part of the site development. It is also a private facility not requiring to be registered in the Canadian Flight Supplement. That would mean it is not a certified aerodrome and not subject to Transport Canada Design Standards – TP312E.

Regardless, Tahera has discussed the work with the Canadian North Airlines operations specialist, obtained copies of the Transport Canada documents TP312E and ERD 125-06 and conducted preliminary designs. The work is planned for 2006 with a target date of Aug 2006 for availability of Boeing 737 Combi-jet traffic.

It is Tahera's intent to widen the airstrip to the south west, extend to the north and install an enlarged aircraft apron. This will make use of already disturbed esker (borrow pit leases) and thus minimize an extension to the north into undisturbed tundra. A land lease amendment for the planned works has been submitted.

Jericho Adaptive Management Strategies

An extensive list of adaptive management strategies for all phases and activities of mining at Jericho were discussed in the Final EIS and supplementary documents for the Nunavut Impact Review Board approval certificate and for the Nunavut Water Board water licence application. This document collects together this information into one place for ease of reference. Most of what is summarized below is incorporated in the detail design and operation plans for various components of the project that have been submitted or will be submitted to the NWB. These plans are referenced as follow:

Nunavut Water Board Plans

| PART D Item | DESCRIPTION | SUBMITTAL DATE |
|-------------|---|--|
| 1 | Mine Plan | Version 1 – Feb 23, 2005 Version 2 – October 17, 2005 |
| 2 | Dams, Dykes or Structures | East & South East Dams – August 30 th . |
| 3 | Geochemical Criteria of construction rock. | |
| 4 | Borrow Management Plan | March 22, 2005 |
| 5 | Processed Kimberlite Containment Area | August30 and Sept 30 2005 |
| 6 | Landfill Design | 60 days prior to construction |
| 7 | Land farm Design | In progress by EBA |
| 8 | Waste Water Treatment Plant | April 14, 2005 |
| 9 | Site Water Management Facilities | 60 days prior to construction |
| 10 | Ore Stockpile, Coarse PK, Recovery Rejects and Waste Dump1 | Ongoing – 60 days prior to Construction |
| 11 | Collection Ponds A, B and C | If required |
| 12 | Fuel Storage Containment Facility | January 26, 2005 |
| 13 | Long Lake Dewatering | July 14, 2005 |
| 14 | Explosives Management | November 30, 2005 |
| 15 | Fresh Water Causeway | April 19, 2005 |
| 16 | C1 Diversion | August 30, 2005 |
| 17 | Runoff Control Structures | As required |
| 18 | Water Retention Structures – as built reports | As required |
| 19 | Engineered Structures – QA/QC or construction and record-keeping | As required |
| 20 | Inclusion of Adaptive Management Strategies in all plans submitted. | As required |



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| PART & Item | DESCRIPTION | SUBMITTAL DATE |
|-------------|--|-------------------------------|
| H-1 | PKCA Management Plan | 4 months prior to discharge |
| H-5 | Operations Plans – Land farm, Landfill, WWTP | January 25, 2006 |
| F-1 | Site Water Management Plan | October 15, 2005 |
| H-4 | Recovery Plant Rejects Characterization | January 2007 |
| H-3 | Waste Rock Management Plan Part 1 | June 1, 2005 |
| H-3 | Waste Rock Management Plan Part 2 | 60 days prior to construction |
| J-1 | Contingency Plan | March 22, 2005 |
| K-11 | Geotechnical Inspection Reports | Annually from July 2006 |
| L-1 | General Monitoring Plan | January 2005 |
| L-5 | Quality Assurance / Quality Control | April 22, 2005 |
| L-10 | Aquatic Effects Monitoring Plan | March 22, 2005 |
| L-14 | Monthly Monitoring Reports | Ongoing |
| M-2 | Interim Closure Plan | October 25, 2005 |
| M-5 | Proposed Final Closure and Reclamation Plan | January 2010 |
| M-7 | Mine Closure Reclamation Liability Estimate | March 2006 |

DFO Fisheries Authorization Plans

| DESCRIPTION | SUBMITTAL DATE |
|---|--|
| Long Lake Fish Salvage Plan | July 4, 2005 |
| Fish Salvage Report | November 30, 2005 |
| Causeway Reclamation Plan | November 30, 2005 |
| C1 Diversion Design Plan | August 30, 2005 |
| 21 Rock Shoal Construction and Monitoring Plan | November 30, 2005 |
| 21 Rock Shoal Implementation | November 2007 |
| Stream O21 Habitat Enhancement Design and Monitoring Plan | November 30, 2005 |
| Stream O21 Implementation | November 30, 2007 |
| Mitigation Monitoring Report for Compensation | November 30 th and annually |
| Compensation Monitoring Program | November 30 th and annually |
| Causeway Monitoring Report | November 2006, 2007, 2008, 2010 and 2012 |
| C1 Diversion Monitoring Report | November 2007, 2008, 2010, 2012 and 2014 |



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| Rock Shoal Monitoring Report | November 2008, 2009, 2010, 2012 and 2014 |
|------------------------------|---|
| O21 Stream Monitoring | November 2008, 2009, 2010, 2012, and 2014 |
| As-Built Structures | November 30 th - annually |

Land Lease Plans

| DESCRIPTION | SUBMITTAL DATE |
|-------------------------------|-------------------------|
| Borrow Management Report | April 2006 and annually |
| Restoration Management Plan | February 2006 |
| Restoration Management Report | February – annually |
| Contingency Plan | March 22, 2005 |
| Waste Rock Management Plan | June 1, 2005 |

AUDITING AND CONTINUAL IMPROVEMENT

Despite careful planning, it is highly probable that certain components of Management Plans will need to be modified. It will therefore be necessary to audit or review plans to pinpoint those components that need to be corrected, adjusted or upgraded. Not only the operational aspects of plans, but any paperwork that deals with plans will be reviewed. Most important will be review of aspects of plans affecting safety of employees at the facility and the general public. A goal will be to continuously audit all aspects of the plan for effectiveness. In general, the ISO-14001 protocols will be followed. Suggestions for improvements will be solicited from employees through the health, safety and environment committee on an on-going basis.

Throughout the mine life, as policies and regulations change and technology advances, plans will be modified to address changes and to benefit from technology advances where benefits can be clearly demonstrated. The number one objective will always remain maintaining compliance with regulations governing the Project.

Formal evaluations of the plans will be documented, deficiencies noted in the report, and progress in addressing deficiencies tracked in writing. Responsibilities to address deficiencies and accountabilities will be assigned and deadlines for addressing required changes will be set. The Jericho Mine Manager will assume overall responsibility for the process, although it will be championed and coordinated by the Mine Environmental Manager; authorization for expenditures may be required from senior management personnel.



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Improvements suggested through these reviews will be implemented in consultation with responsible regulatory departments.

RECLAMATION

Overview

A cooperative approach will be sought with Ekati Diamond Mine™, Diavik and Snap Lake mines information exchange on reclamation research at diamond mines in Arctic environments. Wherever possible islands of undisturbed vegetation will be left in disturbed areas. In addition a program of revegetation research will be initiated at the Jericho Mine and:

- depending on reclamation trials results, coarse PK may be substituted for soil if the PK proves to be a suitable growth medium;
- revegetation will be undertaken in areas where appropriate and indicated from reclamation trials;
- research will include establishment of test plots to optimize growth mediums, particularly on the PKCA where Ekati Diamond Mine™ experience has shown positive results

Vegetation Prescriptions

Reclamation trials will be used to determining what reclamation prescriptions are most likely to be successful in the Jericho Project area. However, work of others provides some guidance. Mined sites will vary from bare, steeply inclined rock (e.g. pit walls) to relatively lightly disturbed areas (e.g. winter road surfaces). On mesic sites where soil remains, revegetation with native species can be successful, due to the presence of seeds and living shoots in the ground and favourable moisture conditions.

Reclamation Trials

Reclamation trials will be conducted throughout the mine life with greater intensity of activity during the initial years. The purpose of the trials will be to develop a database on establishment and growth success of vegetation on reclaimed land. As discussed previously, other diamond mine operators in the area will be canvassed as to their successes and failures. The reclamation literature will also be reviewed on an on-going basis. Conceptually, trials could include:

- the effects of soil cover on plant growth for a particular land unit;
- the effects of mixing organic and mineral soil;
- the success of establishment of various vegetation prescriptions;
- the effects of fertilizer mixtures and rates of application;
- the existence and rate of encroachment of native species;



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- effects of water content of soil;
- effects of drainage characteristics of soil;
- soil characteristics measurements:
 - Ha -
 - organic carbon content
 - texture/particle size distribution
 - salinity (sodium adsorption ratio)
 - electro-conductivity (EC)
 - total N

Because some limited success with use of PK as a growth medium has been demonstrated by Ekati Diamond Mine™, test plots both on and off the PKCA will be established at Jericho to test the use of PK at the mine. As part of this program, the on going results at Ekati Diamond Mine™ and other diamond mines will be monitored by the Jericho Mine.

Pit Water Discharge on Closure

Based on pre-operations modeling, the filled open pit is predicted to have water quality that does not meet 2004 CCME criteria for the protection of aquatic life. Therefore current plans call for use of the pit as a treatment facility and not as fish habitat. Should water quality be found to be suitable upon pit filling, it could potentially serve as fish habitat. Under this latter scenario, once the pit fills and water once again flows in the pre-mining Stream C1 channel, fish will have access to the filled open pit, which will form a small lake.

AIR QUALITY

Dust

Dust from mobile equipment tires will be controlled principally by road watering which will be carried on constantly by mine services during dry periods in the summer. Dust suppressant additives will be considered if practical for the Jericho site. The experience of Ekati Diamond Mine™ and other diamond mines with these suppressants will be monitored. There are periods in the winter when snow cover will ablate from roads when dust cannot be practically controlled, however. Speed reduction by service vehicles will be the principal way of controlling dust during such periods.

Air Quality Monitoring

Environment Canada requested that the dispersion model for Jericho be re-done using site meteorology and CALPUFF rather than ISC3. This in order to most advantageously site PM monitors. However, the minimum one year of meteorological data including air stability (*sigma-theta*) will not be available prior to mine construction and therefore an alternate proposal is to site the PM monitors based on the windrose and dispersion modelling available (presented in the final EIS air quality report), conduct the modelling



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once requisite site meteorology is available and then move the monitors should that be indicated. While moving the monitors will produce a break in the data such that pre- and post-moving data cannot be directly compared, it will not impair the primary purpose of the monitors, which is to provide a management tool for further mitigation of dust generation should that be indicated.

Corrective Action

The purpose of the monitoring will be to ascertain whether impact predictions made for the EIS are correct or whether changes are different or undetectable. The course of action initiated by monitoring results will depend on circumstances but will include responses listed in Table 4-1.

Corrective Action Responses to Air Quality Monitoring

| Monitoring Result | Response |
|--|--|
| PM results at the mine site exceed criteria | Additional control measures will be |
| | examined and implemented where possible. |
| Lichen metal levels at near field sites | Additional air quality control measures will |
| exceed CCME guidelines and those at far | be examined and implemented if practical |
| field sites do not | |
| Lichen metal levels at control sites exceed | Mine influence is indicated. Additional |
| CCME guidelines | control sites will be established to better |
| | estimate background metals concentrations |
| Vegetation transects at either location show | Additional control measures will be |
| impacts from dust fall | examined and implemented where possible. |
| Issues raised by regulators | Discussion with regulators to satisfactorily |
| | resolve issues |
| Issues raised by local communities | Discussion with the community liaison |
| | committee to develop satisfactory resolution |
| | of issues |

AQUATIC EFFECTS MONITORING

The aquatic effects monitoring program (AEMP) will be the primary tool used to determine whether ecologically significant changes are occurring in the aquatic environment downstream of Jericho effluent. Ecologically significant changes that can reasonably be ascribed to mining activities, e.g., increase in nutrients, metals or total dissolved solids (particularly chloride or sulphate) will trigger management actions to reduce contaminant loads to the affected environment(s).



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EXPLOSIVES MANAGEMENT

The explosives contractor has a reputation for product quality and safety, technical support and operational capability. Working with Tahera and the mining contractors it is expected that a team-based collaborative effort will result in value-added improvements.

Key Performance Measures will be established to benchmark progress and set goals. Primary goals will be to protect the environment and the safety of the workers. Other goals to be monitored will be wall-control (pre-shears), productivity, product quality and cost.

The framework of the continuous improvement system will be patterned after those in use at other mine-sites; however it will be on a much smaller scale. Outside specialist consultants may be used to enhance the process or focus goals as needed.

The low mining rates anticipated at the Jericho Diamond Mine will allow time for analysis of blast performance that can be applied quickly to subsequent blasts

BORROW MANAGEMENT

Drainage and Erosion Control

Drainage patterns are not expected to change as a result of the extraction method proposed. Initial removal will be well away from water bodies. As well, runoff readily infiltrates esker surfaces down to the bottom of the active layer and thus natural attenuation of runoff is afforded. No steep surfaces leading away from the working surfaces of the esker will be created from removal and runoff scouring of slopes is not expected to occur.

Site Monitoring

Flows and Water Chemistry

Flows and water quality will be monitored at key locations in the site water management system to anticipate any significant deviations from the conditions assumed in the current water and load balance that could indicate the need for management to ensure that the PKCA discharges continue to meet discharge criteria. The site monitoring program will be complemented by monitoring of the waste rock, kimberlite, processed kimberlite solids, recovery plant rejects, monitoring of receiving water quality, and environmental effects monitoring.

Seepage Survey

An annual seepage survey would be completed along the down-gradient side of each of waste rock dumps, ore stockpiles, coarse PK stockpile, recovery plant stockpile and any sumps in the plant area to develop a better understanding of variations in source concentrations from different areas of site. This information may be used to optimize the



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water management system. For example, seeps that meet discharge criteria may be managed separately from those that do not.

Thermal Monitoring

Thermistors will be established in waste rock dumps and dams to monitor temperature regimes. Progress of freeze back in dumps will be used in the assessment of seepage. Any increase in the average temperature of frozen core dams will be a trigger for action to restore subzero temperatures, e.g., by the installation of additional thermosyphons.

Visual Inspections

Daily inspections of waste dumps, stockpiles and tailings dams will be carried out by mine site staff to provide early warning of any degradation of the dams which will trigger immediate remedial action. Annual inspections by an independent geotechnical engineer will complement daily site staff inspections; recommendations from the independent geotechnical engineer's report will be implemented by mine management.

Receiving Water Chemistry

In general exposure site exceedence of site-specific water quality guidelines outside of the initial dilution zone will be a trigger for action. Increases mirrored at control sites and reasonably ascribable to natural causes will not trigger remedial action. The management strategy will be to first isolate the probable cause(s). Further details can be found in the detailed Site Water Management Plan and the PKCA Management Plan to be submitted as required to the NWB.

WILDLIFE

Incident Monitoring

The mine environmental manager will analyze incidents and develop an issues tracking file so that management can be modified proactively to address recurring issues effectively. This could include fencing of roads in problematic areas, posting of signs and reduction of speed in such areas.

Caribou and Muskox

The Project EIS predicts negligible effects (on a regional scale) on caribou and muskox from mine construction and operation. The primary purpose of monitoring will be to determine whether any significant local effects occur (e.g. road kills or other mortalities that might be caused by Project activities) and to adjust activities to reduce or eliminate these effects.

Carnivores

There are no carnivore dens within 1 km of the mine. A fox den complex, occupied at least since 1996 is within 500 m of the airstrip. Activities to date have not affected activities and young have been raised every year at the den site since it was first observed. Any cessation in use of the den complex will be noted and reported in the annual environmental report for the Project. An assessment will be made by an



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independent wildlife biologist as to the probable cause. If mine activities are implicated, changes in activities will be made (if practical) to mitigate the situation. The most probable change in behaviour by carnivores is attraction to the camp as a food source. Tahera's no wildlife feeding policy will be communicated to employees at their initial orientation briefings.

Discovery of large carnivore dens within 1 km of the mine footprint will trigger a monitoring program which will provide information on use of the den. The program will be structured in consultation with DSD wildlife biologists, Kugluktuk. Carnivore dens will be avoided by mining operations.

Feeding of animals will be prohibited. Should mine employees be found feeding animals disciplinary action will be taken in consultation with the mine Health, Safety and Environment Committee.

Should incidents with large carnivores occur which potentially endanger personnel, the bear-aware program orientation program will be reviewed and improved to address the issue raised.

Raptors

Baseline studies at the Jericho site indicated nearby population levels of raptors vary considerably. As well the raptors have alternate nesting sites to occupy. Therefore these two measures of changes are relatively insensitive. Raptors will be monitored to determine whether declining trends are evident which are not mirrored in unaffected birds and which can reasonably be ascribed to mining disturbance. The cause of the disturbance will be investigated, and if practical, mitigation measures will be instituted. Some disturbance of the nest sites closest to the open pit are likely to experience disturbance and alternate nest sites would likely be used by birds that would otherwise be within the disturbance zone. This is an expected result of mining and no mine changes are possible to eliminate this potential impact.

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APPENDIX A

Piteau report - slope analysis

APPENDIX B

Dyno Nobel report - operations

APPENDIX C

Dyno Nobel report - blast vibration

APPENDIX D

Operations Phase Organization Chart

APPENDIX E

Ultimate Pit Design – AutoCAD File.