January 21, 2005

Philippe di Pizzo and/or Dionne Filiatrault
Nunavut Water Board
Box 119
Gjoa Haven, Nunavut
X0B 1J0

Re: Fuel Farm Plan for the Jericho Mine

Dear Philippe and Dionne,

Please find attached the final design plan for the fuel farm to be constructed at the Jericho Mine. Included in these plans are stamped drawings and a report outlining the plan for this development. According to the Water License issued by the Board, Tahera was required to submit this plan to you 60 days prior to construction. While the water license is still not approved by the Minister, Tahera is providing this to you for review, so that we can begin construction of the fuel tank farm by late February. Tahera will not begin construction on the fuel farm until it receives the required approvals to mobilize and begin construction of the project.

Yours truly,
Tahera Diamond Corporation

Greg Missal
Vice President, Government and Regulatory Affairs

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Project Memo

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January 14, 2005

TO: Daniel Johnson

cc: B. Bruman
M. Campanelli
D. Lam

FROM: Jean-Claude Paradis

ORIGINAL

Tahera Diamond Corporation
Jericho Diamond Project

316996-CG-501 "Fuel Farm" Supply and Installation

This contract (see attached document) covers material supply and installation for the Jericho Diamond Project fuel farm, located in the Nunavut Territory, on the north arm of Contwoyto Lake, approximately 350 km southwest of Ikaluktutiak and 420 km northwest of Yellowknife. The work includes the installation of Contractor and Owner supplied equipment and materials. This contract covers the following disciplines: civil, electrical, mechanical and piping.

This Contract also covers the supply and installation of generators' fuel piping from the power plant day-tank to each generator diesel tank. This memo explains the purpose of contract and describes how the work will be performed. Refer to section 01000 of the contract for a list of relevant drawings.

This contract includes the installation of eight (8) 500m^3 diesel tanks, four (4) 1500m^3 diesel tanks, two (2) 64 m^3 day-tanks, the associated pumping equipment and interconnection piping. It also covers the erection of three liquid tight berms to contain diesel spills. The work will be performed in two phases.

Phase 1 consists in site preparation and berm erection for the eight 500m^3 diesel tanks and the two 64 m^3 day-tanks, installation of these tanks, installation of a fuel unloading module and a fuel dispensing module. The interconnecting piping between tanks and modules, power feed to the modules and electrical grounding will be installed in this phase.

Phase 2 consists in erecting the berm for the four 1500m^3 diesel tanks, field erection of these tanks, piping tie-in to phase one installation and electrical grounding of the tanks and piping built in this phase.

Containment volumes for the berms were calculated in accordance with the National Fire Code of Canada, 1995 edition. Liquid tightness is achieved by laying down a 60 mils thick HDPE liner. The liner is protected by local esker sand.

Due to the extreme cold weather on site, the following low temperature resistant materials were used:

- Tanks: Carbon steel, CSA G40.21-260WT
- Piping: Carbon steel, ASTM A333 Gr.6
- Pumps: Stainless Steel, ASTM A744 CF8M (316SS)

Work for phase one will be done during March 2005, in time for the first delivery of diesel to site in early March. Phase 2 will be done during summer 2005.

Jean-Claude Paradis

JCP:db

Attachments: Contract