

## ATTACHMENTS

**John Donihee M.E.S., LL.M**  
**Barrister & Solicitor**

3516 Underhill Drive N.W. Calgary, AB, T2N 4E8  
Tel (403)282-6003 (Fax) 282-6596 (e-mail) <donihee@telusplanet.net>

December 20<sup>th</sup>, 2004

Mr. Philippe di Pizzo  
Executive Director  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, Nunavut  
X0B 1J0

**By FAX and e-Mail**

**RE: KIA – Benachee Resources Incorporated Water Compensation Agreement**

Dear Sir:

At the water licensing hearing in Kugluktuk on December 7<sup>th</sup>, the Kitikmeot Inuit Association (KIA) advised the Nunavut Water Board (NWB) that KIA and Tahera Diamond Corporation (Tahera) had negotiated a water compensation agreement addressing the effects of the Jericho project on Inuit Owned Lands. Section 63 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWSRTA), however, requires that the "applicant" and the designated Inuit organization provide evidence of such an agreement before a water licence can be issued. What had escaped our attention was the fact that Tahera's wholly owned subsidiary Benachee Resources Incorporated (Benachee) was the applicant for the licence.

KIA advised the NWB that this was a "technical problem" and that we would work with Tahera to amend the IIBA to insert Benachee as a party in the KIA water compensation agreement.

I am pleased to advise that a revised water compensation agreement between Benachee and KIA was executed today. KIA hereby advises the NWB that Benachee, the applicant for the water licence, and KIA as the DIO for purposes of Article 20 and the landowner of the IOL affected by the Jericho project have entered into a water compensation agreement effective today. It is KIA's submission that the execution of this agreement satisfies the requirements of section 63 of the NWSRTA.

If there are any questions, do not hesitate to contact me.

Yours truly,



John Donihee  
KIA Counsel

cc. Mr. Greg Missal Tahera Diamond Corporation

[www.tahera.com](http://www.tahera.com)

December 10, 2004

Albert Ehaloak, Chair,  
Nunavut Impact Review Board  
Cambridge Bay, Nunavut

Re: Relationship between Tahera Corporation and Benachee Resources Inc.  
Delivered by Fax: (867) 983-2574

Dear Mr. Ehaloak,

In the course of its water permit hearings held on December 6<sup>th</sup> to 8<sup>th</sup>, 2004; Tahera Diamond Corporation ("Tahera") was advised that it was required to have all regulatory instruments in the same name in order to facilitate all legal and regulatory requirements. It is the Company's desire that the company listed on all instruments be Benachee Resources Inc., a wholly owned subsidiary of Tahera Diamond Corporation. Throughout the approvals process Tahera has acted freely on behalf of Benachee Resources Inc.

As a number of parties are unfamiliar with Benachee Resources Inc., Tahera can confirm that it holds 100% of all the issued and outstanding shares of Benachee Resources Inc. and that it hereby guarantees to satisfy all commitments made by and all obligations of Benachee Resources Inc. arising as a result of the environmental assessment and regulatory process, in the event such commitments or obligations are not satisfied in full or in part by Benachee Resources Inc. This should provide all stakeholders the confidence required related to this matter.

If there are any questions, please feel free to contact us.

Sincerely,  
Tahera Diamond Corporation

A handwritten signature in black ink, appearing to read "Peter Gillin".

Peter Gillin  
Chairman and CEO

A handwritten signature in black ink, appearing to read "Greg Missal".

Greg Missal  
Vice President, Government and Regulatory Affairs

Cc. Thomas Kudloo, Chair, Nunavut Water Board



www.taheracorp.com

December 10, 2004

Albert Ehaloak, Chair,  
Nunavut Impact Review Board  
Cambridge Bay, Nunavut

RE: Project Certificate NIRB No. 2  
Delivered by Fax: (867) 983-2574

Dear Mr. Ehaloak,

On July 2, 2004 the Nunavut Impact Review Board issued Project Certificate NIRB No. 2 in relation to the Jericho Diamond Mine Project (the Project) near the north end of Contwoyto Lake in the Territory of Nunavut. The applicant for the Project was Benachee Resources Inc. Benachee Resources Inc. is a wholly owned subsidiary of Tahera Diamond Corporation (Tahera) and it is Tahera that represents Benachee in all matters related to the Project.

While issuance of the Project Certificate in Tahera's name is an administrative oversight, the error has the potential to cause confusion and may have legal implications in relation to other permits, authorizations and land instruments in relation to the Project. To that end, I would like to request that the Project Certificate be amended to reflect the fact that it is issued to Benachee Resources Inc. and not to Tahera. As you are aware, the next step in receiving approvals for commencement of this Project will be receipt of the class 'A' water license from the Nunavut Water Board. We have raised this issue with the Nunavut Water Board and have requested that the Water License, like all other Project-related licenses and permits, be issued in the name of the same company.

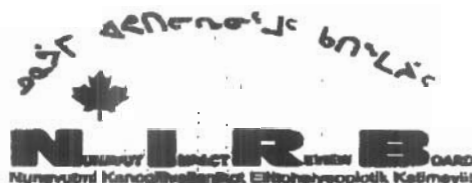
As the proper issuance of the Project Certificate from the Nunavut Impact Review Board will be essential to issuance of the Nunavut Water Board Class 'A' license for the Project, we would appreciate your urgent attention to this matter.

Sincerely,  
Tahera Diamond Corporation

A handwritten signature in black ink, appearing to read "Greg Missal".

Greg Missal  
Vice President, Government and Regulatory Affairs

Cc. Thomas Kudloo, Chair, Nunavut Water Board



December 21, 2004

Tahera Diamond Corporation  
Suite 803, 121 Richmond Street West  
Toronto, Ontario  
Canada, M5H 2K1

**Attention: Mr. Greg Missal, Vice-President Nunavut Affairs**

Dear Mr. Missal:

**Re: NIRB Project Certificate name change**

Thank you for your letter dated December 10, 2004 and received by the Nunavut Impact Review Board (NIRB) by fax that same day. We understand that the above-noted issue came up at the Nunavut Water Board hearings in Kugluktuk two weeks ago, and that as of today's date, KIA and Tahera have now inserted Benachee Resources Inc. as a party in the KIA water compensation agreement. We also understand Tahera Diamond Corporation has now guaranteed fully the responsibilities of Benachee Resources Inc. (December 10, 2004).

On this basis, and by copy of this letter to the distribution list, and the Honourable Andy Scott, Minister of DIAND, NIRB proposes to change the name on the Project Certificate to "Benachee Resources Inc., a wholly owned subsidiary of Tahera Diamond Corporation" unless we hear objections in writing from any party to the contrary on or before January 6, 2005.

Sincerely,

Stephanie Briscoe  
Executive Director

cc: Jericho Distribution List  
Thomas Kudloo, Chairman, Nunavut Water Board  
Minister Andy Scott, P.C, M.P. - DIAND