

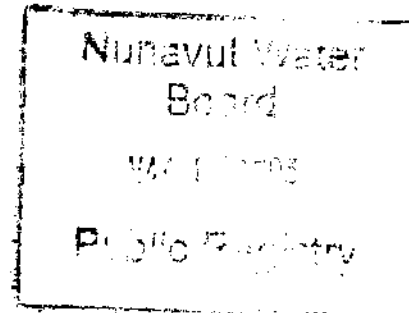


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May 14, 2003

Stephanie Briscoe
Executive Director
Nunavut Impact Review Board
Cambridge Bay, Nunavut
X0B 0C0

Re: Jericho Diamond Project Final Hearings



INTERVIEW	
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CEO	
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Dear Ms. Briscoe,

We received your letter dated May 13, 2003 requesting comments on a possible adjournment of the scheduled hearings for the Jericho Diamond Project's Final Hearings. It is with deep concern, disappointment, and bewilderment that we find ourselves responding to this request.

In March of 2001, the Nunavut Impact Review Board (NIRB) received notification from the Minister of Indian and Northern Affairs Canada (INAC) that the Jericho Diamond Project should undergo a Part 5 review conducted by the NIRB, as established under the Nunavut Land Claims Agreement (NLCA). This would represent the first time that a mining project in Nunavut would fall under this type of review.

In June of 2001, the NIRB organized Pre-Hearing meetings as set out under Section 12 of the NLCA. These Pre-hearing meetings were conducted in three Nunavut communities and were attended by all parties and interested members of the public that were involved in the review of the project. The meetings provided the opportunity to discuss procedures related to the review process, and the opportunity for anyone in attendance to express concerns related to the content of the Draft EIS. The only group to comment substantially was the NIRB through a conformity analysis of the Draft EIS document. No other significant concerns related directly to the technical content of the Draft EIS were tabled.

In late June 2001, Tahera Corporation underwent an unexpected significant change in its senior management. While the desire still existed to see the Jericho Diamond Project developed, the new management wanted to pursue joint venture opportunities with respect to development of the project. In September 2001, a joint venture partner was identified, and a one-year program was undertaken to locate additional kimberlites in the area of Jericho in order to develop a larger project than what had been originally proposed. This one-year exploration program did not identify additional kimberlites, and the Jericho property reverted to Tahera Corporation. Tahera then elected to pursue independent development of the Jericho Diamond Project.

On July 29, 2002, the NIRB wrote to Tahera and asked if the Company intended to proceed with the review process for the project. The NIRB asked Tahera to respond by September 30, 2002. On September 23, 2002, Tahera responded in writing to the NIRB outlining its intentions to complete the Final EIS and to submit it by the end of January 2003. The Final EIS, as instructed by the NIRB, would be written in accordance with the guidelines provided by the NIRB and the conformity analysis provided to Tahera by the NIRB during the Pre-Hearing meetings. In addition, Tahera elected to include additional information in the Final EIS that would satisfy CEAA requirements, if necessary. As no other significant items of consideration were brought to Tahera's attention as a result of the Pre-Hearings, the Company prepared its Final EIS.

At the end of January 2003, Tahera submitted the Final EIS to both the NIRB and to the distribution list. The NIRB proceeded with establishing Final Hearing dates of May 26th to 30th, 2003. Between January 28th and April 28th, Tahera received only one minor inquiry concerning the Final EIS.

On April 28th, Tahera received an information request from INAC's regional office in Iqaluit and responded to many of the questions on May 6th, 2003. While it was not possible to respond to all of INAC's requests immediately, Tahera assured INAC that it would work diligently to complete the requests as soon as possible.

On May 7th, 2003 Tahera received a copy of the technical review completed by the KIA / NTI. In its review, six items were summarized as being significant, namely items related to geotechnical and water quality issues, all of which Tahera believes can be addressed. The KIA / NTI report also noted the incompleteness of the IIBA. Tahera has submitted a draft version of the IIBA document to the KIA for its comments. Both Tahera and KIA have indicated their willingness to work together to finalize the document, and Tahera is confident that the IIBA can be completed before the end of the permitting phase of the project.

Tahera Corporation trusts that the NIRB Board will determine that there is no need to delay the Final Hearings. Tahera has prepared the EIS document, as instructed and directed, and looks forward to hearing from all reviewers and other concerned parties during the meetings. Tahera is committed to dealing with deficiencies and any concerns that may arise during the course of the Final Hearings, as instructed by the NIRB.

We look forward to working with you and your Board at the Public Hearings on May 26th to 30th.

Sincerely,
Tahera Corporation

Gregory G. Missal
Vice President, Tahera Corporation

Cc: Minister Nault, DIAND