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**TAHERA CORPORATION**  
**(TSE: TAH)**

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**PRESS RELEASE**

## **RIO TINTO (KENNECOTT) TO COMPLETE A \$1.25 MILLION PRIVATE PLACEMENT IN TAHERA**

Toronto – Thursday December 13, 2001

Tahera Corporation is pleased to announce that it has entered into a letter agreement with Kennecott Canada Exploration Inc., a member of the Rio Tinto Group of companies, pursuant to which Kennecott has agreed to complete a \$1.25 million private placement in the Company. Tahera will issue 3,846,154 shares to Kennecott at a price of \$0.325 per share, which represents a significant premium to the current market price of Tahera's shares. Of the total amount, \$500,000 will be issued in flow through shares.

Tahera and Kennecott are currently parties to an existing joint venture agreement, pursuant to which Kennecott can earn a 62.5% interest in Tahera's Rockinghorse Property & Hood River Property by funding all costs on discoveries up to and including a production decision.

### Details of the financing

- As part of the letter agreement, Tahera will finance \$750,000 of the Tahera / Kennecott joint venture exploration expenditures during 2002, and Kennecott's minimum required expenditures on the Rockinghorse Property and the Jericho Claims in 2002 will be \$1.75 million.
- Kennecott has agreed to return the Hood River Property, which lies approximately 100 km north of the Jericho Claims, to Tahera. The diamondiferous Tenacity kimberlite, with a surface expression of approximately 80 by 100 meters, was discovered on the Hood River Property in 2000. Approximately 558 kilograms of kimberlite processed in 2000 returned 218 diamonds measuring greater than 0.15 mm. Of these, 24 diamonds were larger than 0.5 mm in one dimension, seven (7) diamonds did not pass through a 0.5 mm square mesh sieve, and one (1) diamond did not pass through a 1 mm square mesh sieve. These preliminary results indicate that the Tenacity kimberlite probably does not have sufficient grade or size to be economic on a stand-alone basis. However, the extensive nature and mineral chemistry of the kimberlite indicator mineral train emanating from the area of the Tenacity kimberlite indicates that the property has potential for additional discoveries. Tahera plans to pursue a joint venture arrangement with another major mining company on the Hood River Property. Kennecott will maintain a 1% gross royalty based on future diamond production from the Hood River Property.
- For clarification purposes, Tahera has agreed to provide Kennecott with a waiver confirming that Tahera is not entitled to any interest in existing or future claims that Ashton Mining of Canada holds or acquires within the Tahera / Kennecott joint venture area of interest. Ashton's kimberlite discoveries in the north Slave Craton lie outside of the joint venture area of interest. The Rio Tinto Group currently holds approximately 63.8% of Ashton's issued and outstanding common shares.
- Tahera has given Kennecott first right of refusal to earn an interest in, or acquire, Tahera's claims adjacent to the Jericho Claims, but outside of the joint venture area of interest, by matching any third party offer.

*Rockinghorse Property & Jericho Claims*

Kennecott plans to focus on the Rockinghorse Property, where the highly diamondiferous Anuri kimberlites were recently discovered, and on Tahera's Jericho Claims, upon which Kennecott recently signed a Letter of Understanding to incorporate the Claims into the existing joint venture between the two companies.

A minimum budget of \$2.5 million has been allocated for the 2002 exploration program on the Rockinghorse Property and Jericho Claims. Kennecott may increase the budget substantially if further positive results are returned.

The private placement is subject to the usual regulatory approvals.

To find out more about Tahera Corporation (TSE: TAH), visit our website, [www.tahera.com](http://www.tahera.com)

For further information, please contact:

Grant Ewing, Vice President Investor Relations and Corporate Development

Tel: (416) 777-1998 Fax: (416) 777-1898 Toll free: (877) 777-2004

Email: [investor@tahera.com](mailto:investor@tahera.com)