



TAHERA CORPORATION
(TSE: TAH)

PRESS RELEASE

TAHERA FINALIZES AGREEMENT WITH RIO TINTO (KENNECOTT) TO JOINT VENTURE JERICO CLAIMS

RESULTS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001

Toronto – Friday April 19, 2002

Tahera / Kennecott Joint Venture

Tahera Corporation is pleased to report that it has finalized the joint venture amending agreement with Kennecott Canada Exploration Inc. (a member of the Rio Tinto group of companies) (see press release dated Sept. 6, 2001). The agreement outlines the terms and conditions under which Tahera's Jericho Claims may be incorporated into the existing joint venture between the two companies.

Kennecott is the operator of the existing joint venture, pursuant to which it can earn a 62.5% interest in Tahera's Rockinghorse Property by funding all costs on discoveries up to a production decision before May 1, 2008. The amended joint venture agreement provides Kennecott with the option to incorporate the Jericho Claims into the existing joint venture before September 2002. During the option period, Kennecott must drill a minimum of 20 kimberlite targets on the Jericho Claims.

Terms and conditions of the amended joint venture agreement include:

- If Kennecott elects to exercise its option and incorporate the Jericho Claims into the existing joint venture, Kennecott must spend a minimum of C\$1 million per year on the Jericho Claims. In addition, a minimum of C\$1.5 million per year must be spent on the Rockinghorse Property. In the event of encouraging results on the joint venture properties, Kennecott would accelerate exploration at a rate in excess of these minimums.
- Kennecott has committed to a C\$1 million private placement in Tahera on October 1, 2002, and will subscribe for four additional annual C\$1 million private placements in Tahera. The four additional placements are contingent on Kennecott remaining in the joint venture. The subscription price of the private placements will be based on the 30-day weighted average price preceding each closing. These revised financing terms replace the financing terms listed in previous press releases dated September 6, 2001 and December 13, 2001.
- Tahera or its agent will have sightholder rights (the right to purchase its share of diamonds produced from both the Rockinghorse Property and the Jericho Claims) upon initial production from both properties.
- Kennecott will market diamonds produced from kimberlites on the Jericho Claims for the first 5 years of production. At the end of 5 years, Tahera can elect to market its share of production from the Jericho Claims.
- Kennecott's share of production from the known kimberlites on the Jericho Claims is subject to a 2% gross overriding royalty payable to Tahera.
- If Kennecott has not committed to a plan to mine the Jericho kimberlite within 24 months of incorporating the Jericho Claims into the joint venture, Tahera may elect to develop, mine and market diamonds produced from the Jericho kimberlite on its own. In this case, Kennecott would transfer any rights and interest that it may have acquired in the Jericho kimberlite to Tahera.
- Kennecott may not make a development decision based solely on the Jericho kimberlite.
- Tahera will continue to seek regulatory approval for the development of the Jericho kimberlite during the period that Kennecott is conducting exploration on the Jericho Claims.

Kennecott's parent company (Rio Tinto plc) is currently developing the world-class Diavik Diamond Mine in Canada's Northwest Territories. Tahera is excited to have a joint venture agreement in place with a major international mining company that is committed to the diamond industry, and has the available resources to aggressively explore and develop the Company's diamond projects.

2002 Exploration Programs Underway

Rockinghorse Property

The 2002 Rockinghorse Property exploration program commenced in March. The first drill hole of the program intersected kimberlite over 214 metres, resulting in an expansion in the tonnage potential of the significantly diamondiferous Anuri kimberlites. Over 20 kimberlite targets will be drilled in the Anuri orbit during the current program, and the diamondiferous Anuri kimberlites will be assessed further to determine their economic importance.

Jericho Claims

The Jericho Claims exploration program also commenced in March 2002. The drilling component of the program is scheduled to commence shortly. Over 20 priority kimberlite targets will be drilled on the highly prospective claims, including several targets in close proximity to the Jericho pipe. Diamondiferous kimberlite float was discovered 900 metres west of the Jericho pipe during the fall 2001 exploration program. Targets in this area will be drill tested first.

ICE Claims

The 2002 ICE Claims exploration program budget will be finalized in April. Tahera expects the program to include a delineation-drilling program centered on the diamondiferous Ranch Lake pipe. Large untested areas exist in the central part of the Ranch Lake pipe, as previous drilling campaigns tested only the perimeter regions of the kimberlite. Kimberlite targets generated from both the review of historical data and the analysis of data collected during the 2001 exploration program are being prioritized for possible drilling during 2002.

Hood River Property

Tahera plans to conduct a summer 2002 exploration program on its wholly owned Hood River Property. A number of unresolved kimberlite indicator mineral trains exist in close proximity to the diamondiferous Tenacity pipe that was discovered in 2000. Mapping, till sampling, and ground based geophysical surveys will be conducted. A drill program is planned to test targets identified during the program.

2001 Results

Financial

Tahera Corporation recorded a loss of \$4,756,000 (\$0.02 per share) for the year ended December 31, 2001, which compares with a loss of \$4,550,000 for the year ended December 31, 2000 (\$0.02 per share). Operating expenses decreased to \$2,900,000 for the year ended December 31, 2001 compared to \$3,248,000 for the year ended December 31, 2000. Expenditures on exploration and development projects decreased in 2001 to \$3,443,000 compared to \$4,096,000 during the same period in 2000. At December 31, 2001, Tahera's cash balance was \$1,148,000. Refer to the attached financial statements for additional information.

Exploration

During 2001, four new kimberlites were discovered on the Rockinghorse Property. As discussed previously, the significantly diamondiferous Anuri kimberlites will be the focus of the 2002 Rockinghorse Property exploration program.

Other discoveries on the Rockinghorse Property during 2001 include the Amaruq and Qamutiik kimberlites. The Amaruq kimberlite had low preliminary diamond counts, and a 91-kilogram sample from the Qamutiik kimberlite that was processed by caustic dissolution returned no diamonds. At this time, both kimberlites do not warrant further work.

One new kimberlite was discovered on the Jericho Claims in 2001. Although the TAH - 1 kimberlite had low preliminary diamond counts, its discovery, coupled with the recent discovery of highly diamondiferous kimberlite float just 900 metres west of the Jericho pipe, exhibits the strong exploration potential present on the Jericho Claims.

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

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Tahera Corporation

CONSOLIDATED BALANCE SHEETS

As at December 31
(unaudited)

	2001	2000
ASSETS		
Current Assets		
Cash and short-term deposits	\$ 1,148,114	\$ 4,212,500
Accounts receivable	257,684	238,286
Prepaid expenses	182,727	150,725
	<u>1,588,525</u>	<u>4,601,511</u>
Exploration and Development Projects	60,899,325	58,231,231
Reclamation Deposits	918,000	518,000
Fixed Assets	698,004	1,289,229
Deferred Financing Costs	266,247	442,238
Investments	<u>17,952</u>	<u>17,952</u>
	<u>\$ 64,388,053</u>	<u>\$ 65,100,161</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 634,984	\$ 1,304,091
Secured Convertible Debentures	<u>2,817,000</u>	<u>3,417,000</u>
	<u>3,451,984</u>	<u>4,721,091</u>
SHAREHOLDERS' EQUITY		
Share Capital		
Common shares	78,423,929	73,232,441
Equity component of secured convertible debentures	225,360	265,360
Preferred Shares	<u>29,888</u>	<u>30,018</u>
	<u>78,679,177</u>	<u>73,527,819</u>
Common Share Purchase Warrants	<u>122,039</u>	<u>-</u>
	<u>78,801,216</u>	<u>73,527,819</u>
Deficit	<u>(17,865,147)</u>	<u>(13,148,749)</u>
	<u>60,936,069</u>	<u>60,379,070</u>
	<u>\$ 64,388,053</u>	<u>\$ 65,100,161</u>

Tahera Corporation

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

Year Ended December 31

(unaudited)

	2001	2000
Revenues		
Interest	\$ 185,352	\$ 65,523
Contract processing	17,037	17,298
	<u>202,389</u>	<u>82,821</u>
Expenses		
Office and general	676,703	571,346
Salaries and benefits	607,115	856,293
Debenture interest and financing costs amortization	443,219	419,800
Depreciation	414,652	449,620
Travel	277,674	423,485
Legal and audit	210,687	131,380
Directors' fees and expenses	155,364	174,251
Consulting	58,303	37,687
Financing costs	30,000	69,594
Transfer agent and listing fees	25,170	39,430
Interest on short-term borrowings	731	54,075
Capital tax	-	20,583
	<u>2,899,618</u>	<u>3,247,544</u>
	(2,697,229)	(3,164,723)
Other Items		
Settlement of termination obligation	(1,479,863)	-
Gain on sale of fixed assets	2,367	861
Write down of exploration and development projects	(478,361)	(1,659,451)
Settlement of legal proceedings	-	427,500
	<u>(1,935,857)</u>	<u>(1,231,090)</u>
Loss for the Year before Income Taxes	(4,653,086)	(4,395,813)
Provision for Income Taxes – Current	<u>(103,312)</u>	<u>(154,622)</u>
Net Loss for the Year	(4,756,398)	(4,550,435)
Deficit - Beginning of Year	(13,148,749)	(8,598,314)
Expired Equity Component of Secured Convertible Debentures	<u>40,000</u>	<u>-</u>
Deficit - End of Year	<u>\$ (17,865,147)</u>	<u>\$ (13,148,749)</u>
Loss per Share – Basic and Diluted	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>

Tahera Corporation

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended December 31

(unaudited)

	2001	2000
Cash Flows From (Used in):		
Operating Activities:		
Loss for the year	\$ (4,756,398)	\$ (4,550,435)
Items not affecting cash -		
Depreciation	414,652	449,620
Debt principal accretion and financing costs amortization	175,991	140,439
Gain on sale of fixed assets	(2,367)	(861)
Write down of exploration and development projects	478,361	1,659,451
Termination obligation settled by issuance of shares and warrants	538,706	-
Debenture interest settled by issuance of shares	245,443	265,859
Management salary settled by issuance of shares	-	68,125
	(2,905,612)	(1,967,802)
Changes in non-cash working capital items -		
Accounts receivable	126,323	(55,496)
Prepaid expenses	(32,002)	(34,964)
Accounts payable and accrued liabilities	(404,374)	(759,347)
	(3,215,665)	(2,817,609)
Investing Activities:		
Exploration and development projects	(3,443,493)	(4,096,411)
Reclamation deposits	(400,000)	(200,000)
Fixed assets	(282,585)	(273,719)
Proceeds on sale of fixed assets	348,109	21,800
Proceeds on sale of investment in equity affiliate	-	125,000
	(3,777,969)	(4,423,330)
Financing Activities:		
Issue of common shares for cash	4,705,667	9,454,000
Issue of common share purchase warrants for cash	83,333	-
Share issuance costs (net)	(259,622)	(883,582)
Secured convertible debentures (net)	(600,000)	1,750,000
Redemption of preferred shares	(130)	(650)
	3,929,248	10,319,768
Net Increase (Decrease) in Cash	(3,064,386)	3,078,829
Cash - Beginning of Year	4,212,500	1,133,671
Cash - End of Year	\$ 1,148,114	\$ 4,212,500
Cash and Cash Equivalents are Comprised of:		
Cash	\$ 120,133	\$ 4,212,500
Short-term deposits	1,027,981	-
	\$ 1,148,114	\$ 4,212,500
Supplemental Information:		
Interest paid	\$ 1,000	\$ 54,000
Income taxes paid	\$ 252,000	\$ 396,000

Tahera Corporation

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended December 31

(unaudited)

Supplemental Disclosure of Non-Cash Investing and Financing Activities

The following transactions are not reflected in the consolidated statements of cash flows:

- (a) During the year ended December 31, 2001:

The Company issued 416,666 common shares on July 31, 2001 for payment of agency fees related to the private placement of flow-through shares.

- (b) During the year ended December 31, 2000:

- (i) The Company issued 500,000 common shares on each of January 6, 2000 and December 13, 2000 for payment of a portion of management salaries for the years ending December 31, 1999 and December 31, 2000. In both cases the share price was determined in accordance with the related employment contract, which states that the share price is to be based on the arithmetic average of the closing prices of the Company's shares for the twenty trading days prior to December 1 of each year.

- (ii) The Company issued 898,500 common shares at a price of \$0.12 per share on January 6, 2000, 872,057 common shares at a price of \$0.15 per share on July 4, 2000 and 1,111,026 common shares at a price of \$0.12 per share on December 22, 2000 for payment of interest on the secured convertible debentures.

For each interest payment, the share price was determined in accordance with an agreement between the holder of the debentures and the Company which states that the share price is to be based on the aggregate sale price of all Tahera shares sold or traded during the 20 consecutive trading days ending on the fifth trading day before December 31, 1999, June 30, 2000 and December 31, 2000 respectively, divided by the total number of shares sold or traded during the same period.

- (iii) The Company issued 100,000 common share purchase warrants in connection with the private placement of \$1,000,000 in convertible debentures on April 6, 2000.

- (iv) On August 29, 2000 the Company issued 11,600,000 common shares at a price of \$0.13 per share, 2,485,874 common shares at a price of \$0.12 per share and 3,800,000 warrants exercisable into an equal number of common shares at \$0.12 per share until August 29, 2004 upon the conversion of \$1,750,000 in convertible debentures, which had been issued during 2000. In addition the Company issued 3,200,000 Series A warrants exercisable into an equal number of common shares at \$0.15 per share.