

September 3, 2004

Mr. Greg Missal, VP, Gov't and Regulatory Affairs  
Tahera Diamond Corporation  
Suite 803, 121 Richmond St. W  
Toronto, ON M5H 2K1

Dear Mr. Missal:

**RE: Assignment Of Inuit Owned Land License KTL303C057**

Further to your email of September 2, 2004 plus the letter of Shirley Standafer-Phister of July 08, 2004, requesting an assignment of IOL license KTL303C057, held by DeBeers Exploration Canada Exploration Inc. to Tahera Diamond Corporation and your letter of July 9, 2004 stating Tahera will be receiving the transfer of the mentioned license.

Inuit Owned Land license KTL303C057 is applicable for a period of two years, commencing February 28, 2004 and expiring February 27, 2006 allowing access to a portion of the Rockinghorse (Koamaogaktok) Property located on surface IOL Parcel No. CO-05. Exploration activities covered under IOL license KTL303C057 includes: geophysics, staking and prospecting, diamond drilling, bulk sampling, bulk fuel storage, camp, temporary winter road and quarrying.

The requested assignment of IOL license KTL303C057 from DeBeers Canada Exploration Inc. to Tahera Diamond Corporation is granted with the applicable Nunuvut Impact Review Board screening decision NIRB: 02EN001 for IOL license KTL301C029 (renewed as KTL304C057) and the Kitikmeot Inuit Association terms and conditions for KTL304C057 still in effect. As Tahera Diamond Corporation will be the operator of the Rockinghorse (Koamaogaktok) exploration program, Tahera will be responsible for any and all abandonment and reclamation liability associated with this transfer and KIA will require new security from Tahera to reflect this new assignment. KIA will not release DeBeers from their security until Tahera's security is posted, and KIA will assume the DeBeers security will be used for all liability at the site until security is posted in the amount of Fifty Thousand (\$50,000.00) Dollars by Tahera Diamond Corporation. The new security deposit figure is to reflect to the changing inflation rate since 1999.

Thank you. If you have any questions regarding the transfer of Inuit Owned Land license KTL303C057, please call this office at (867) 982-3310/4010.

Sincerely,  
KITIKMEOT INUIT ASSOCIATION

Jack Kaniak  
KIA Lands Manager

Cc. Shirley Standafer-Pfister, DeBeers - email  
Fred Elias, KIA - email  
Jim Wall, NWB – email

Enclosures