



Tahera Diamond Corporation
Exploration Office
#7-68 Schooner St
Coquitlam BC V3K 7B1

August 30, 2007

Attn. Phyllis Beaulieu

Manager of Licensing
Nunavut Water Board
PO Box 119
Gjoa Haven, Nunavut
X0B 0J0
(867) 360-6338

Re: Renewal of License NWB2ROC0305 and Annual Reports

Dear Ms Beaulieu:

Tahera Diamond Corporation is applying to renew Water License NWB2ROC0305 for the Polar Property. Due to administrative error this license expired February 28, 2005 and was not renewed properly. We had erroneously believed that the license NWB1Jer0306 would appropriately cover our program. We hope that the administrative delays do not infer that we have taken our environmental stewardship and water usage responsibilities lightly. During the time that this license has lapsed, we have updated our Spill Contingency Plan and continued operations in accordance with the regulations and best-known practices.

This water license application includes the historical application for the 2006 Bulk Sample. We are not anticipating any Bulk Sampling or large diameter drilling in 2008 or 2009. Included in this correspondence are the following:

- Water License Renewal Application
- Remote Camp Questionnaire
- Advanced Exploration Questionnaire
- Revised Spill Contingency Plan
- Relevant MSDS
- Revised Final Abandonment and Restoration Plan
- Property Map (with Mineral Claims marked)
- Drill Site Map (With Sumps and Water Sources marked)
- Camp Map (With sumps and Water Sources marked)
- Map showing 2005 baseline Water sample locations
- 2005 Baseline Water testing results of Muskox Kimberlite

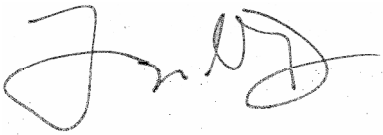
- 2006 Water testing results of Muskox Kimberlite
- 2007 Initial results from Muskox Spill water testing
- Synopsis of Camp and Water Use 2005-2007
- Annual Report 2005-including Project Summary and standard form
- Annual Report 2006-including Project Summary and standard form
- Annual Report 2007-including Project Summary and standard form

Missing from this correspondence but forthcoming in the immediate future are:

- Inuinnaqtun Summary of project
- \$60 cheque for Application fee and Water Use fee
- Sediment Trap results from 2006 water testing
- More results from soil and water sampling in regards to the spill at Muskox Camp
- Letter of authorization from DeBeers confirming our status as the operator of the Joint Venture

Please call or email me if you have any more questions or would like to discuss the application further.

Best Regards

A handwritten signature in black ink, appearing to read 'F. McDonnell', with a stylized flourish at the end.

Fergus McDonnell
Exploration Coordinator
Tahera Diamond Corporation
Ph: (604) 519-1977
Fax: (604) 519-1978
Email: fmcdonnell@tahera.com