

Polar Property Summary

In June 2004, the Corporation entered into an agreement (the “Polar Project Agreement”) with De Beers Canada Exploration Inc. (“DeBeers”) with respect to the exploration and potential development of a property (the “Polar Project Lands”) adjacent to the Jericho Property. The Corporation has earned a 50% interest in the property and any production therefrom through expenditures exceeding \$11,000,000. Exploration commenced on the Polar Project Lands during the summer of 2004.

The agreement with De Beers covers an area of approximately 36000 hectares and includes four known diamondiferous kimberlites, including the Muskoxx kimberlite. In the event this kimberlite or any other on the Polar lands is economic, Tahera will be operator of development projects with defined value of less than \$750 million and De Beers will be operator of development projects that exceed that value. Both Tahera and De Beers have the right to increase their percentage ownership interest for projects where they are the operator by making certain compensatory payments. Tahera can increase its interest to 75% with De Beers being able to increase its interest to 70%.

The Muskoxx kimberlite is comprised of at least two volumetrically significant units, both of which are highly diamondiferous. The kimberlite occupies a surface area of approximately three hectares, which is more than two times larger than that of the Jericho kimberlite.

The Polar Project Agreement provides for one or more projects to be developed individually. In the event of the identification of an economically feasible development project as determined by an independent consultant, Tahera will be operator of development projects with defined value of less than or equal to \$750 million and De Beers will be operator of development projects that exceed that value. Each party will market 100% of the production from the projects they operate and remit the appropriate proportion of net cash flow to the other party. By means of an arithmetical formula dependent upon the size of each individual project, Tahera can elect to increase its ownership to 75% through payments to De Beers of \$6 million for projects less than \$350 million and \$12 million for projects between \$350 million and \$750 million. Similarly, De Beers can elect to increase its ownership to 70% through payments to Tahera of \$24 million for projects between \$750 million and \$1.7 billion, and \$48 million for projects greater than \$1.7 billion in value. Pursuant to a sales and marketing agreement dated December 4, 2006, Tiffany (as defined herein) has agreed to purchase and market, on behalf of Tahera, diamond production to which it may be entitled to market under the Polar Project Agreement.

During 2007 very little work has been done on the property, it has mainly been limited to soil sampling. In coming years, potential work done would include, but not be limited to: Soil sampling; ground or airborne geophysics; target-testing drilling and delineation drilling.