

Court File No. 08-CL-7355

**TAHERA DIAMOND CORPORATION
AND BENACHEE RESOURCES INC.**

**MONITOR'S FIRST REPORT TO THE COURT
February 7, 2008**

**ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF

TAHERA DIAMOND CORPORATION
BENACHEE RESOURCES INC.

**FIRST REPORT TO THE COURT SUBMITTED BY
PRICEWATERHOUSECOOPERS INC.
IN ITS CAPACITY AS MONITOR**

INTRODUCTION

1. On January 16, 2008, Tahera Diamond Corporation and its wholly owned subsidiary, Benachee Resources Inc. (collectively referred to herein as the "Applicants" or the "Company") made an application under the *Companies' Creditors Arrangement Act* (the "CCAA") and an initial order (the "Initial Order") was granted by the Honourable Mr. Justice Spence of the Ontario Superior Court of Justice (Commercial List) (the "Court") granting, *inter alia*, a stay of proceedings against the Company until February 14, 2008 (the "Stay Period") and appointing PricewaterhouseCoopers Inc. as monitor (the "Monitor"). The proceedings commenced by the Company under the CCAA will be referred to herein as the "CCAA Proceedings".
2. The purpose of this, the Monitor's first report (the "First Report"), is to inform the Court of the following:
 - (i) The Company's activities since the commencement of the CCAA Proceedings;

- (ii) The Monitor's activities since the commencement of the CCAA Proceedings;
- (iii) The Company's receipts and disbursements for the period January 16 to February 2, 2008;
- (iv) The Company's revised and extended cash flow forecast for the period February 3 to December 31, 2008;
- (v) Two claims that have been filed against the Company pursuant to the Nunavut *Miners Lien Act*, R.S.N.W.T. 1988, c. M-12 (the "Miners Lien Act");

and to provide the Monitor's comments and recommendations in respect of the Company's motion seeking approval of, *inter alia*:

- (vi) A process for the refinancing of the Company or the sale of its business and assets;
 - (vii) Employee incentive plans for mine site employees and certain key members of the executive management team; and
 - (viii) An extension of the Stay Period to June 30, 2008.
3. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms used herein not otherwise defined are as defined in the Initial Order.

THE COMPANY'S OPERATIONS

COMMUNICATIONS WITH TIFFANY

4. As described in the affidavit of Andrew Gottwald sworn January 15, 2008, and filed in support of the Company's applications for the Initial Order (the "Gottwald Affidavit"), Laurelton Diamonds Inc. ("Laurelton"), an affiliate of Tiffany & Co. (together with Laurelton, "Tiffany") is the Company's largest creditor and has first ranking security, the validity and enforceability of which is currently being reviewed by independent counsel to the Monitor, over all of the Company's rights, assets and undertaking. In addition, Tiffany purchases or markets all of the production from the Company's diamond mine in Nunavut known as the "Jericho Mine".
5. Since the commencement of the CCAA Proceedings, the Company and the Monitor have been in frequent communication with representatives of Tiffany in order to keep Tiffany apprised of developments with respect to mining operations, cash flow and the CCAA Proceedings. Tiffany has confirmed its current intent to continue to purchase or market the diamonds produced from the Jericho Mine.

COMMUNICATIONS WITH KEY SUPPLIERS AND OTHER CREDITORS

6. Since the commencement of the CCAA Proceedings, the Company, with the assistance of the Monitor, has had frequent contact with its key suppliers to ensure the continuation of services and agree on the basis on which such services would be provided and paid for. It is the Monitor's understanding that there have, to date, been no significant interruptions of service by key suppliers.
7. In accordance with paragraph 39 of the Initial Order, on Wednesday January 23, 2008, the Company sent a notice of the CCAA Proceedings to all known creditors to which the Applicants owed more the \$250, other than employees.

DIP FINANCING

8. As described in the Gottwald Affidavit, the Company, with the assistance of the Monitor, had been endeavouring to obtain sufficient debtor-in-possession financing (“DIP Financing”) to enable the Company to undertake the 2008 winter re-supply that would be needed to continue operations throughout 2008.
9. While a number of potential financiers had signed confidentiality agreements and conducted due diligence, it became apparent in the week commencing January 21, 2008, that the Company would be unable to obtain sufficient DIP Financing in time to undertake the winter re-supply. Accordingly, the Company, in consultation with the Monitor, ceased efforts to obtain DIP Financing.

MINING OPERATIONS

10. Following the granting of the Initial Order, mining operations have continued at the Jericho Mine, the Company’s sole property in commercial production. Although actual daily kimberlite mining tonnage for January was approximately double the amount forecast, average grades were 86% of forecast and average daily production was only 83% of forecast. The Company is currently in the process of determining the reasons for the lower than expected results.
11. Following the decision to terminate efforts to obtain DIP Financing and pursuant to the authority granted in paragraph 11(a) of the Initial Order, the Company determined that mining operations should be suspended.
12. Accordingly, on January 23, 2008, the Company issued a press release stating:

“Tahera Diamond Corporation (“Tahera” or the “Company”) (TSX: TAH) announces today that it will suspend mining activities at the Jericho mine in approximately two weeks. The suspension of mining will preserve the Company’s existing cash position and fuel inventory at the mine while it works on its previously announced restructuring plan. Following the suspension of

mining activities, ore processing and diamond recovery are planned to continue for approximately two months or until the high-grade ore stockpiles are exhausted. A concerted effort is being made with respect to mining over the next two weeks to maximize high-grade ore stockpiles. Nuna Logistics have agreed to provide site services, as required, once mining operations have been suspended and while ore processing continues.”

13. Mining activities were suspended on February 6, 2008. The Company currently intends to continue crushing and processing operations until mined ore stockpiles are exhausted. Operations are expected to be completed on or around March 25, 2008.

ACTIVITIES OF THE MONITOR

14. To date, the Company and has provided the Monitor with its full co-operation and unrestricted access to its premises, books and records. The Monitor has implemented procedures for the monitoring of operations, receipts and disbursements and is assisting the Company in its dealings with suppliers.
15. The Monitor has established a website at www.pwc.com/car-tahera (the “Monitor’s Website”) on which regular updates on the CCAA Proceedings will be posted, together with any press releases issued by the Company and all Court materials in respect of the CCAA Proceedings.
16. The Gottwald Affidavit discloses that the Company is indebted to Laurelton in the approximate amount of \$50 million and that Laurelton is the Company’s first ranking secured creditor pursuant to the documents described in the Gottwald Affidavit (the “Laurelton Security”). Independent counsel to the Monitor has commenced a review of the validity and enforceability of the Laurelton Security.

RECEIPTS & DISBURSEMENTS FOR THE PERIOD TO FEBRUARY 2, 2008

17. A schedule showing the Company’s actual cash flow for the period January 16 to February 2, 2008, together with an explanation of key variances against the cash flow forecast filed as Exhibit G to the Gottwald Affidavit (the “Initial Forecast”), is attached as Appendix A. The actual cash flow to February 2, 2008, was approximately \$7 million better than the Initial Forecast, as summarized below:

	Actual	Forecast	Variance
	\$000	\$000	\$000
Total Receipts	6,073.1	5,342.7	730.4
Disbursements:			
Direct Mining	1,778.1	5,442.3	(3,664.2)
Direct Processing	19.9	122.3	(102.4)
Overhead	740.3	1,612.6	(872.3)
Corporate Costs and Other	299.0	826.8	(527.8)
Capex	0.0	727.2	(727.2)
Legal and Professional Fees	41.1	445.0	(403.9)
Total Disbursements	2,878.4	9,176.2	(6,297.8)
Surplus/(deficiency)	3,194.7	(3,833.5)	7,028.2
Cash on hand:			
Balance b/f	718.0	700.0	18.0
Net change for period	3,194.7	(3,833.5)	7,028.2
Balance c/f	3,912.7	(3,133.5)	7,046.2

18. In addition to its disbursements, the Company has incurred obligations since the start of the CCAA Proceedings that were unpaid as at February 2, 2008, (the “Accrued Post-Filing Liabilities”). Management estimates the Accrued Post-Filing Liabilities as at February 2, 2008, to be as follows:

	\$000
Payroll, Payroll Taxes & Benefits	54
Direct Mining	174
Direct Processing	53
Jericho Overhead	103
Corporate and Other	78
Legal and Professional	260
Total	722

REVISED AND EXTENDED CASH FLOW FORECAST

19. The Company has prepared a revised and extended cash flow forecast for the period February 3 to December 31, 2008 (the “February 1 Forecast”). A copy of the February 1 Forecast is attached hereto as Appendix B.
20. The major changes in assumptions underlying the February 1 Forecast as compared to the Initial Forecast are as follows:
 - (i) The cessation of mining operations on or around February 1, 2008, and the cessation of processing operations on or around March 25, 2008;
 - (ii) The Jericho Mine being placed on “Care and Maintenance” for the remainder of 2008; and
 - (iii) The inclusion of employee incentive arrangements, as described later in this report.

MINERS LIEN CLAIMS

21. The Company has received notice that two of its suppliers have taken certain steps toward filing lien claims under the Miners Lien Act.
22. The Company has received a copy of a Form 1 - Claim of Lien dated January 2, 2008 signed by Kent R. Anderson, Secretary of Dyno Nobel Nunavut Inc. (“Dyno Nobel”), which asserts that Dyno Nobel provided certain goods and services relating to explosives used at the Company’s Jericho Mine site on or before December 1, 2007 (the “Dyno Nobel Lien Claim”). The amount of the Dyno Nobel Lien Claim is \$620,839.25 and is asserted against six mining leases and fifty-eight mining claims.

23. The Company has also received a copy of a Form 1 - Claim of Lien, dated January 20, 2008, prepared by Diavik Diamond Mines Inc. and BHP Billiton Diamonds Inc., which asserts that those parties constructed, maintained, replaced, and operated the Contwoyto Winter Road to the Jericho Mine site and that the relevant goods and services were furnished on or before March 31, 2007 with the period of credit having expired on July 26, 2007 (the "Diavik/BHP Lien Claim"). The amount of the Diavik/BHP Lien Claim is stated to be \$1,819,083.72 and is asserted against seven mining leases and nine mining claims.
24. The Company is in the process of reviewing and investigating the Dyno Nobel Lien Claim and the Diavik/BHP Lien Claim.

THE PROPOSED MARKETING PROCESS

25. Paragraph 11 of the Initial Order states:

"11. THIS COURT ORDERS that the [Company] shall have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations and to dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$1,000,000 in the aggregate, subject to subparagraph (c), if applicable;

...

(e) pursue all avenues of refinancing and offers for material parts of its business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or any sale (except as permitted by subparagraph (a) above,"

26. The Company and the Monitor believe that the process for sale or refinancing should be formalized to ensure fairness and transparency. Accordingly, it is intended that the following process (the "Marketing Process") will be undertaken:

- (i) A list of logical potential interested parties will be compiled, which parties shall be contacted to determine whether they may have any interest in making a proposal to acquire and/or restructure Tahera or its assets;
 - (ii) If determined to be beneficial, advertisements will be placed in relevant publications;
 - (iii) A confidential information memorandum (“CIM”) will be prepared and a data room will be assembled. It is anticipated that the CIM will be available to interested parties on or around March 31, 2008;
 - (iv) A copy of the CIM will be provided to interested parties that sign a confidentiality agreement; and
 - (v) Interested parties will be required to submit by no later than April 28, 2008, written expressions of interest providing as much detail as possible in respect of their proposal for refinancing or acquisition of assets, the price to be paid, further due diligence requirements, conditions precedent and any other relevant matters (an “EOI”).
27. Once the EOIs have been received, the Monitor and the Company will determine what process and timetable should be adopted for further detailed due diligence and the submission of binding offers.
28. An advisor will assist the Company in the implementation of the Marketing Process. The advisor will be selected after seeking and considering the views of Tiffany. The advisor may be the Monitor.
29. The Company shall retain the right to accept any binding offer or offers and sell some or all of the Property during the Marketing Process, subject to the provisions of the Initial Order.

30. The Monitor believes that the Marketing Process is reasonable and is in the best interests of the Company and its stakeholders. Accordingly, the Monitor respectfully recommends that the Company's request for the approval of the Marketing Process be approved.

EMPLOYEE INCENTIVE PLANS

31. Paragraphs 66 and 67 of the Gottwald Affidavit state:

“66. At the current time a small number of employees have retention arrangements that were put in place in May 2007. The next payment under these arrangements is due February 15, 2008 and is held in a separate trust account.

67. I believe that a more extensive key employee retention plan will need to be put in place to ensure the retention of persons who will be critical to achieving a successful outcome of the CCAA proceedings. To this end, Tahera will be working with the Monitor to develop a suitable key employee retention plan (“KERP”), which it will discuss with relevant stakeholders. Tahera anticipates seeking court approval of the KERP within approximately two weeks.”

32. The Company, in consultation with the Monitor and the Compensation Committee of the Board, has developed two employee incentive plans that are intended to ensure that those employees determined to be critical to the completion of processing operations or to the successful outcome to the CCAA Proceedings are retained. The plans were approved by the Board on January 29, 2008.

33. The Processing Incentive Plan provides for a bonus of one week's salary for each mine site employee, other than those that are included in the Executive Management Incentive Plan, provided that the employee remains employed for the required period. In addition, each employee will receive an additional bonus of one week's salary in the event that certain production targets are met. The Company estimates the total potential payout under the Processing Incentive Plan to be approximately \$220,000.
34. The Executive Management Incentive Plan supplements the May 2007 retention arrangements and includes six members of the management team. The Executive Management Incentive Plan includes a "stay bonus" and, for certain of the employees, the potential for an additional "success bonus". Stay bonuses totalling \$332,625 would be payable if each of the employees included in the Executive Management Incentive Plan or the May 2007 retention arrangements or both remains employed until September 30, 2008, or such earlier date that their services are no longer required. Success bonuses would be based on the total quantum of net distributions ultimately paid to creditors. For reasons of confidentiality and in order to protect the integrity of the Marketing Process, the Monitor does not intend to disclose the details of the success bonus framework unless requested to do so by this Honourable Court. If such disclosure is necessary, the Monitor believes that appropriate steps should be taken to ensure the confidentiality of that framework.
35. Tiffany has been provided with the details of the Processing Incentive Plan and the Executive Management Incentive Plan.
36. As noted above, the Monitor has been actively involved in the development of the Processing Incentive Plan and the Executive Management Incentive Plan. In the Monitor's opinion, the two plans are fair and reasonable in the circumstances and, based on the Monitor's experience, are not inconsistent with plans that have been implemented in other CCAA proceedings.

37. Accordingly, the Monitor respectfully recommends that the Company's request for the approval of both the Processing Incentive Plan and the Executive Management Incentive Plan be granted.

THE COMPANY'S REQUEST FOR AN EXTENSION OF THE STAY PERIOD

38. Pursuant to the Initial Order, the Stay Period expires on February 14, 2008. The Company is now seeking an extension of the Stay Period to June 30, 2008.
39. Additional time is required for the Company to implement the Marketing Process, if it is approved by this Honourable Court. An extension of the Stay Period is needed to provide the stability required during that time.
40. The Monitor believes that the Company has acted and is acting in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate. Furthermore, based on the information currently available, the Monitor believes that creditors would not be materially prejudiced by an extension of the Stay Period to June 30, 2008.
41. The Monitor therefore respectfully recommends that the Company's request for an extension of the Stay Period to June 30, 2008, be granted.

The Monitor respectfully submits to the Court this, its First Report.

Dated this 7th day of February 2008.

PricewaterhouseCoopers Inc.
in its capacity as Monitor of
Tahera Diamond Corporation
and Benachee Resources Inc.



Nigel Meakin
Senior Vice President

Appendix A

Receipts and Disbursements to February 2, 2008

Variances between Initial Forecast and actual Receipts and Disbursements for the period January 16, 2008 to February 2, 2008 (the “Period”) are summarized as follows:

	For the Period from January 16, 2008 to February 2, 2008		
	Actual	Forecast	Variance
Receipts			
Diamond Sales	5,330,829	5,342,701	(11,872)
Other	728,494	0	728,494
Foreign Exchange	13,733	0	13,733
Total Receipts	6,073,056	5,342,701	730,355
Disbursements			
Direct Mining	1,778,086	5,442,326	(3,664,240)
Direct Processing	19,925	122,277	(102,352)
Overhead	740,262	1,612,607	(872,345)
Total Jericho Operation	2,538,273	7,177,210	(4,638,937)
Corporate Costs and Other	299,036	826,847	(527,811)
Capex	0	727,237	(727,237)
Legal and Professional Fees	41,109	445,000	(403,891)
Total Disbursements	2,878,417	9,176,294	(6,297,877)
			0
Net Cash Flow	3,194,639	(3,833,593)	7,028,232
Opening Cash	718,046	700,000	18,046
Ending Cash	3,912,685	(3,133,593)	7,046,278
less: Restricted Cash	(1,000,000)	(1,000,000)	0
Available Ending Cash	2,912,685	(4,133,593)	7,046,278

RECEIPTS

The favourable variance of \$728,000 in 'Other' receipts is comprised primarily of the following items:

- (i) A permanent favourable variance of \$632,000 related to a fuel tax rebate received from the Government of Nunavut, in respect of taxes already paid by the Company in prior periods. Although the Company had applied for this rebate, the timing of its receipt was uncertain and therefore was not included in the Initial Forecast; and
- (ii) A permanent favourable variance of approximately \$96,000 in respect of miscellaneous other refunds and interest.

DISBURSEMENTS

As it became apparent in the week commencing January 21, 2008, that the Company would be unable to obtain sufficient DIP Financing in time to undertake the winter re-supply, the Company determined that mining operations would be suspended. As a result, certain expenditures included in the Initial Forecast, which assumed ongoing mining operations, were not incurred. Specifically, costs related to the annual re-supply of fuel, explosives and other supplies were not incurred and are not forecast to occur going forward, at this time. A significant portion of the variances described below are a direct result of the Company's decision to suspend mining operations, eliminating the Company's need to incur significant up front expenditures associated with its annual winter season re-supply, which were included in the Initial Forecast.

Direct Mining

The favourable variance of \$3.7 million in Direct Mining costs is comprised primarily of:

- (i) A permanent favourable variance of \$2.78 million related to expenditures for the re-supply of explosives and fuel needed for mining activities (including initially forecast deposit payments in this respect), as a result of the Company's decision to suspend mining operations as described above;
- (ii) A permanent favourable variance of \$650,000 related to lower than expected mining, drilling and blasting activity during the Period. Temporary disruptions occurred immediately after the date of the Initial Order as contractors and suppliers worked to re-negotiate payment terms with the Company, which led to lower mining activity than projected in the Initial Forecast. Also, prior to the date of the Initial Order, one of the Company's key contractors, McCaw's Drilling and Blasting, had reduced their on-site presence, which resulted in lower than forecast drilling costs and expenditures related thereto; and
- (iii) A favourable timing difference of \$236,000 related to services provided to the Company for which invoices have not yet been received, as well as certain amounts included in the Initial Forecast that were deferred during the Period but are expected to be incurred in the near future. This timing variance is expected to reverse within the next two to four weeks.

Direct Processing

The favourable variance of \$102,000 in Direct Processing primarily relates to:

- (i) A permanent favourable variance of approximately \$49,000 related to expenditures for the re-supply of fuel needed for processing activities, as a result of the Company's decision to suspend mining operations; and
- (ii) A favourable timing variance of approximately \$53,000, in respect of miscellaneous other processing-related expenditures that are expected to reverse within the next two to three weeks.

Overhead

The favourable variance of \$872,000 in Overhead expenditures primarily relates to:

- (i) A permanent favourable variance of \$271,000 related to a deposit payment of which was no longer necessary for the re-supply of fuel needed for generating heat and power, as a result of the Company's decision to suspend mining operations;
- (ii) A permanent favourable variance of \$152,000 related to selling costs, environmental costs, travel costs and shipping costs partially resulting from reduced mining activities, described above, as well as decisions taken by management to eliminate some discretionary spending that was not deemed critical;
- (iii) A permanent favourable variance of \$71,000 related to labour costs, as a result of lower than forecast staff complement;

- (iv) A favourable timing variance of \$76,000 related to environmental consulting expenditures and related supplies. Certain of these costs were not incurred during the Period. However, this variance is expected to reverse in future periods as expenditures previously deferred are incurred;
- (v) A favourable timing variance of \$89,000 in respect of costs related to the preparation of a temporary ice road from the Company's Jericho mine site to a storage facility at Lupin, Nunavut. This favourable variance is expected to reverse within the next two to four weeks as this temporary ice-road is completed;
- (vi) A temporary favourable variance of \$130,000 related to catering costs and supplies at the Jericho mine site. Certain of these costs were incurred but the associated invoices have not yet been received, while other costs were deferred but are expected to be incurred in the near future; and
- (vii) A temporary favourable variance of \$83,000 related to miscellaneous overhead costs, which are expected to reverse in the next two to four weeks as expenditures in respect of property taxes and other miscellaneous overheads costs are made.

Corporate Costs

The favourable variance of \$528,000 in Corporate Costs is comprised primarily of the following items:

- (i) A permanent favourable variance of \$482,000 related labour costs, a reduction in non-restructuring related legal and consulting fees, lower goods and services tax expenditures associated with lower actual disbursements as compared to the Initial Forecast as described herein and other miscellaneous costs; and
- (ii) A temporary favourable variance of \$46,000, primarily related to directors' fees, bank charges (including standby letter of credit fees) as well as other miscellaneous other costs, that are expected to reverse in the upcoming weeks as such fees are incurred.

Capital Expenditures

The favourable permanent variance of \$727,000 with respect to Capital Expenditures results from the Company's decision to suspend mining operations which has removed the need for capital expenditures that had been forecast.

Legal and Professional Fees

A favourable variance of \$404,000 in Legal and Professional fees arose during the Period. The Company is of the view that \$260,000 of this variance is temporary in nature, and is expected to reverse in future periods as invoices for services rendered are received.

Appendix B

February 1 Forecast

Tahera Diamond Corporation
Revised and Extended Cash Flow

Week Ended	9-Feb-08	16-Feb-08	23-Feb-08	1-Mar-08	8-Mar-08	15-Mar-08	22-Mar-08	29-Mar-08	5-Apr-08	12-Apr-08	19-Apr-08	26-Apr-08
Receipts												
Diamond Sales	111,870	-	3,614,922	-	-	-	74,263	5,976,303	165,405	-	-	127,919
Other	-	-	600,000	-	-	-	-	-	-	-	-	-
Total Receipts	111,870	-	4,214,922	-	-	-	74,263	5,976,303	165,405	-	-	127,919
Disbursements												
Direct Mining	370,567	228,492	145,445	83,160	83,160	83,160	83,160	45,480	17,220	17,220	17,220	17,220
Direct Processing	9,476	22,771	17,876	53,262	9,476	17,876	17,876	9,476	-	-	-	-
Overhead	85,841	645,110	85,841	721,188	25,828	583,597	25,828	106,898	734,261	24,335	127,662	24,335
Total Jericho Operations	465,884	896,373	249,162	857,610	118,464	684,633	126,864	161,855	751,481	41,555	144,882	41,555
Corporate Costs and Other	94,251	108,927	81,243	226,813	796	79,005	73,553	2,965	207,983	(2,262)	137,628	(4,800)
Capex	-	-	-	-	-	-	-	-	-	-	-	-
Legal and Professional Fees	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	35,000
KERP	-	48,375	-	-	-	-	-	-	260,500	-	-	-
Total Disbursements	630,135	1,123,675	400,405	1,154,423	189,260	833,638	270,417	234,820	1,289,964	109,293	352,510	71,755
Net Cash Flow	(518,265)	(1,123,675)	3,814,517	(1,154,423)	(189,260)	(833,638)	(196,154)	5,741,483	(1,124,559)	(109,293)	(352,510)	56,164
Opening Cash	3,912,685	3,394,420	2,270,745	6,085,262	4,930,839	4,741,579	3,907,941	3,711,787	9,453,270	8,328,711	8,219,418	7,866,908
Ending Cash	3,394,420	2,270,745	6,085,262	4,930,839	4,741,579	3,907,941	3,711,787	9,453,270	8,328,711	8,219,418	7,866,908	7,923,072
Less: Restricted Cash	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Available Ending Cash	2,394,420	1,270,745	5,085,262	3,930,839	3,741,579	2,907,941	2,711,787	8,453,270	7,328,711	7,219,418	6,866,908	6,923,072

Tahera Diamond Corporation
Revised and Extended Cash Flow

Week Ended	3-May-08	10-May-08	17-May-08	24-May-08	31-May-08	7-Jun-08	14-Jun-08	21-Jun-08	28-Jun-08	Q3	Q4	Total
Receipts									-			
Diamond Sales	2,763,360	229,860	-	-	59,148	-	8,477	-	-	21,354	-	13,152,883
Other	-	-	-	-	-	-	-	-	-	-	-	600,000
Total Receipts	2,763,360	229,860	-	-	59,148	-	8,477	-	-	21,354	-	13,752,883
Disbursements												
Direct Mining	17,220	17,220	17,220	17,220	17,220	17,220	17,220	17,220	17,220	223,860	241,080	1,811,424
Direct Processing	-	-	-	-	-	-	-	-	-	-	-	158,089
Overhead	187,865	24,335	128,214	24,335	140,176	542,932	24,335	128,107	24,335	1,406,191	1,247,191	7,068,738
Total Jericho Operations	205,085	41,555	145,434	41,555	157,396	560,152	41,555	145,327	41,555	1,630,051	1,488,271	9,038,251
Corporate Costs and Other	591,364	(2,595)	65,876	68,325	72,638	63,167	(4,800)	136,688	(4,012)	2,850,026	688,172	5,530,951
Capex	-	-	-	-	-	-	-	-	-	-	-	-
Legal and Professional Fees	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	455,000	-	1,575,000
KERP	-	-	33,750	-	-	-	-	-	-	-	210,000	552,625
Total Disbursements	831,449	73,960	280,060	144,880	265,034	658,319	71,755	317,015	72,543	4,935,077	2,386,443	16,696,827
Net Cash Flow	1,931,911	155,900	(280,060)	(144,880)	(205,886)	(658,319)	(63,278)	(317,015)	(72,543)	(4,913,723)	(2,386,443)	(2,943,944)
Opening Cash	7,923,072	9,854,983	10,010,883	9,730,823	9,585,943	9,380,057	8,721,738	8,658,460	8,341,445	8,268,902	3,355,179	3,912,685
Ending Cash	9,854,983	10,010,883	9,730,823	9,585,943	9,380,057	8,721,738	8,658,460	8,341,445	8,268,902	3,355,179	968,736	968,741
Less: Restricted Cash	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Available Ending Cash	8,854,983	9,010,883	8,730,823	8,585,943	8,380,057	7,721,738	7,658,460	7,341,445	7,268,902	2,355,179	(31,264)	(31,259)