



Application for Water Licence Renewal

April 2010

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OFFICE DES EAUX DU NUNAVUT

DOCUMENT MANAGEMENT

Original Document Date: April 2010

DOCUMENT AMENDMENTS

	Description	Date
(1)		
(2)		
(3)		
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APPLICATION FOR WATER LICENCE RENEWAL

Your application may be classified as a **renewal** only if all operations remain the same as previously licensed and only the term of the licence requires change. If your application contemplates:

- a change to water source;
- a change to the volume of water authorized for use;
- a new activity related to water use or waste disposal;
- a new component related to water use or waste disposal;
- a change in predicted environmental impacts(s); and/or
- a change to any term or condition of the original licence

your application is **NOT** classified as a renewal but rather an amendment and will require submission of an Application for Water Licence Amendment. Licensees applying for combined renewal / amendment are also referred to the Application for Water Licence Amendment.

The applicant is referred to the NWB's Guide 7: Licensee Requirements Following the Issuance of a Water Licence for more information about this application form.

EXISTING LICENCE NO: NWB1JER0410

1. LICENSEE CONTACT INFORMATION

Is the licensee the same as that referred to on the existing licence?

☒ Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB. **A renewal will only be issued in the name of the current licensee in the absence of assignment of the licence.**

If the licensee is the same, but the name of the licensee has changed, attach a certificate of name change.

Name: **Shear Diamonds (Nunavut) Corp.**

Address: **Suite 220, 17010 – 103rd Ave.
Edmonton, AB T5S 1K7**

Phone: **780 435 0045**

Fax: **780 428 3476**

e-mail: **info@shearminerals.com**

2. LICENSEE REPRESENTATIVE CONTACT INFORMATION – If different from Block 1.

Name:

Address:

Phone: _____

Fax: _____

e-mail: _____

(Attach authorization letter.)

3. NAME OF PROJECT

Is the name of the project the same as that considered in the existing water licence?

☒ Yes ☐ No

Indicate the name of the project including the name of the location: Jericho Diamond Mine

4. LOCATION OF UNDERTAKING

Is the location of the undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

Project Extents

Top Left	66deg 02' 10.2"	111deg 32' 02.4"
Top Right	66deg 02' 11.6"	111deg 24' 27.9"
Bottom Right	65deg 59' 07.0"	111deg 24' 25.0"
Bottom Left	65deg 59' 05.6"	111deg 31' 58.6"

Camp Location(s)

Latitude: (65° 59' 26 "N)

Longitude: (111° 29' 50" W)

5. MAP

Are the locations of the main components of the undertaking the same as those considered in the existing licence?

☒ Yes ☐ No

Attach a topographical map, indicating the main components of the undertaking.

NTS Map Sheet No.: 76E/13, 14, 76L/3, 4 Map Name: Contowyto Lake & Kathawachaga Lake
Map Scale: 1:50,000

6. NATURE OF INTEREST IN THE LAND

Is the nature of the interest in the land the same as that considered in the existing water licence?

☒ Yes ☐ No

Check any of the following that are applicable to the proposed undertaking (at least one box under the 'Surface' header must be checked).

Sub-surface

☐ Mineral Lease from Nunavut Tunngavik Incorporated (NTI)

Date (expected date) of issuance: _____ Date of expiry: _____

☒ Mineral Lease from Indian and Northern Affairs Canada (INAC)

Date (expected date) of issuance: _____ Date of expiry: _____

Surface

☐ Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC)

Date (expected date) of issuance: _____ Date of expiry: _____

☐ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)

Date (expected date) of issuance: _____ Date of expiry: _____

☐ IOL Authorization from Kivalliq Inuit Association (KivIA)

Date (expected date) of issuance: _____ Date of expiry: _____

☐ IOL Authorization from Qikiqtani Inuit Association (QIA)

Date (expected date) of issuance: _____ Date of expiry: _____

☐ Commissioner's Land Use Authorization

Date (expected date) of issuance: _____ Date of expiry: _____

☒ Other **There are two commercial leases with INAC (#76L/3-1-2 and #76E/13-2-2) issued 11 Feb 2005 and expiry 31 Jan 2015. In addition a commercial lease with the Kitikmeot Inuit Association (KTCL305D001)**

Date (expected date) of issuance: _____ Date of expiry: _____

Is the name of the entity(s) holding authorizations the same as that considered in the existing water licence?

☒ Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB.

Name of entity(s) holding authorizations: **Shear Diamonds (Nunavut) Corp.**

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

Is the undertaking located in the same land use planning area as that considered in the existing licence?

☒ Yes ☐ No

Indicate the land use planning area in which the project is located.

☐ North Baffin
☐ South Baffin
☐ Akunnig

☐ Keewatin
☐ Sanikiluaq
☒ West Kitikmeot

Was a land use plan conformity determination required from NPC prior to the issuance of the existing water licence?

☐ Yes ☒ No

If Yes, indicate date issued and attach copy. _____

Does the proposed renewal change the original NPC conformity determination or the need to obtain one?

☐ Yes ☒ No

If Yes, indicate date issued (or expected) and attach a copy. _____

If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.

NPC has already provided written confirmation to the NWB.

8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION

Was a screening determination required from NIRB prior to the issuance of the existing water licence?

☒ Yes ☐ No

If Yes, indicate date issued and attach copy. A Project Certificate was issued for this project.

Does the proposed renewal change the original NIRB screening determination or the need to obtain one?

☐ Yes ☒ No

If Yes, indicate date issued (or expected) and attach a copy. _____

If No, provide written confirmation from NIRB confirming that a screening determination is not required.

9. DESCRIPTION OF UNDERTAKING

Is the description of the undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

List and attach plans and drawings or project proposal. **Please see attached list summarizing the documents included with this renewal application.**

10. OPTIONS

Are the alternative methods and locations that were considered to carry out the project the same as those considered in the existing water licence?

☐ Yes ☒ No

Provide a brief explanation of the alternative methods or locations that were considered to carry out the project.

11. CLASSIFICATION OF PRIMARY UNDERTAKING

Is the primary undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

Indicate the primary classification of undertaking by checking one of the following boxes.

- | | |
|--|---|
| ☐ Industrial | ☐ Agricultural |
| ☒ Mining and Milling (includes exploration/drilling/exploration camps) | |
| ☐ Conservation | |
| ☐ Municipal (includes camps/lodges) | ☐ Recreational |
| ☐ Power | ☐ Miscellaneous (describe below):
_____ |

See Schedule II of the *Northwest Territories Waters Regulations* for Description of Undertakings.

12. WATER USE

Is the type(s) of water use(s) the same as that considered in the existing water licence?

☒ Yes ☐ No

Check the appropriate box(s) to indicate the type(s) of water use(s) being applied for.

- | | |
|--|--|
| ☒ To obtain water for camp/ municipal purposes | |
| ☒ To obtain water for industrial purposes | ☒ To divert a watercourse |
| ☐ To cross a watercourse | ☒ To modify the bed or bank of a watercourse |
| ☒ To alter the flow of, or store water | ☒ Flood control |
| ☐ Other: _____ | |

13. QUANTITY OF WATER INVOLVED

Is the source of water the same as that considered in the existing licence? ☒ Yes ☐ No

Name of water source(s): Carat Lake, Lynne Lake (winter road), Contwoyto Lake (winter road)
(show location(s) on map)

Is the quality of the water source and its available capacity the same as that considered in the existing licence?

☒ Yes ☐ No

Describe the quality of the water source(s) and the available capacity(s): There are no changes to the water source location or quality from the original water licence application.

Is the overall estimated quantity of water to be used the same as that considered in the existing licence?

☒ Yes ☐ No

Provide the overall estimated quantity of water to be used: 350,400 m³/day

Are the quantity(s) of water to be used from each source the same as those considered in the existing licence?

☒ Yes ☐ No

Provide the estimated quantity(s) of water to be used from each source: At this time Shear is not able to provide an estimate of the quantity of water that would be required for the winter road. This would be calculated if the winter road was to be installed in future years and will be provided once calculated.

Are the quantity(s) of water to be used for each purpose the same as those considered in the existing licence?

☒ Yes ☐ No

Provide the estimated quantities to be used for each purpose (camp, drilling, etc.): The project is currently on care and maintenance. Prior to resuming production Shear will calculate the water uses for other purposes and submit this information. Shear will record all water use while the project is on care and maintenance and will submit this information in monthly and annual reports.

Are the method(s) of extraction the same as those considered in the existing licence? ☒ Yes ☐ No

Describe the method(s) of extraction: Water is pumped and piped to the camp. A water truck is also on site and available for use to extract water for delivery to various locations around the camp.

Are the quantity(s) of water returned to source(s) the same as those considered in the existing licence?

☒ Yes ☐ No

Shear submitted a Site Water Management Plan and an Aquatic Effects Monitoring Plan as well as a Work Plan on January 31, 2011 which discussed the requirement to pump and discharge water.

Estimated quantity(s) of water returned to source(s): _____ m³/day

Are the quality(s) of water(s) returned to source(s) the same as those considered in the existing licence?

☒ Yes ☐ No

Describe the quality(s) of water(s) returned to source(s): Water is sampled and analysed prior to discharge and only water that meets the discharge criteria, as set out in the current water licence, is released.

14. WASTE

Are the type(s) of waste(s) to be generated and/ or deposited the same as those considered in the existing licence?

☒ Yes ☐ No

Check the appropriate box(s) to indicate the types of waste(s) generated and deposited.

- ☒ Sewage
☒ Solid Waste
☒ Hazardous
☒ Bulky Items/Scrap Metal
☐ Animal Waste
☐ Other (describe): _____

- ☒ Waste oil
☒ Greywater
☒ Sludges
☒ Contaminated soil and/or water

15. QUANTITY AND QUALITY OF WASTE INVOLVED

Are the quantity(s) of the types of wastes involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the composition(s) of the types of wastes involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the method(s) of treatment for the types of waste involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the method(s) of disposal for the types of waste involved the same as those considered in the existing licence?

☒ Yes ☐ No

For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal. **Please refer to the Waste Management Plan enclosed.**

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method

16. OTHER AUTHORIZATIONS

In addition to the sub-surface and surface land use authorizations provided in Block 6, are the same authorizations required as considered in the existing licence?

☒ Yes ☐ No

For each provide the following:

Authorization: **Fisheries Authorization**

Administering Agency: **Department of Fisheries and Oceans**

Project Activity: _____

Date (expected date) of issuance: **April 15, 2005** Date of expiry: **August 15, 2008**

17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES

Are predicted environmental impacts of the undertaking and proposed mitigation measures the same as those considered in the existing water licence?

☒ Yes ☐ No

Describe direct, indirect, and cumulative impacts related to water and waste.

18. WATER RIGHTS OF EXISTING AND OTHER WATER USERS

Are the effects of the undertaking on any known persons or property including those that hold licences for water use in precedence to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature, the same as those considered in the existing water licence?

☒ Yes ☐ No

Provide the names, addresses and nature of use for any known persons or properties that may be adversely affected by the proposed undertaking, including those that hold licences for water use in precedent to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature.

Advise the Board if compensation has been paid and/or agreement(s) for compensation have been reached with any existing or other users.

19. INUIT WATER RIGHTS

Are the effects of the undertaking on the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL) the same as those considered in the existing water licence?

☒ Yes ☐ No

Advise the Board of any substantial affect of the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL), and advise the Board if negotiations have commenced or an agreement to pay compensation for any loss or damage has been reached with one or more Designated Inuit Organization (DIO).

- 20. CONSULTATION** - Provide a summary of any consultation meetings including when the meetings were held, where and with whom. Include a list of concerns expressed and measures to address concerns.

A consultation log is enclosed with this water licence renewal application package.

21. SECURITY INFORMATION

Is the financial security assessment the same as that considered in the existing water licence?

☒ Yes ☐ No

Is the estimate of the total financial security for final reclamation the same as that considered in the existing water licence?

☐ Yes ☐ No

In 2010 Shear contracted to have the security costing updated. Unfortunately weather and daylight limited the amount of time available on site. Only the Inuit Owned Land portion of the project was assessed. Shear will revisit the security costing assessment once the ground is free of snow. The update will be submitted once completed for both Inuit Owned and Crown lands.

Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclamation liability for land and water combined sufficient to cover the highest liability over the life of the undertaking. Estimates of reclamation costs must be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults. The estimate must also include contingency factors appropriate to the particular work to be undertaken.

Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the *Mine Site Reclamation Policy for Nunavut*, Indian and Northern Affairs Canada, 2002.

22. FINANCIAL INFORMATION

Is the statement of financial security the same as that considered in the existing water licence? **Security is held in Shear Diamonds Ltd., who owns Shear Diamonds (Nunavut) Ltd. as a 100% wholly owned subsidiary.**

☐ Yes ☒ No

Provide an updated statement of financial security. **ATTACHED.**

If the applicant is a business entity please answer the questions below:

Is the list of the officers of the company the same as those considered in the existing water licence?

☐ Yes ☒ No

Provide a list of the officers of the company.

Pamela Strand, P. Geol. – President and Director
Julie Lassonde B.Sc. - Director

Is the Certificate of Incorporation or evidence of registration of the company name the same?

☐ Yes ☒ No

Attach a copy of the Certificate of Incorporation or evidence of registration of the company name. **ATTACHED.**

23. STUDIES UNDERTAKEN TO DATE

List and attach updated studies, reports, research etc.

Provide a compliance assessment and status report including a response to any inspector's reports. The licensee must contact the NWB for licence specific direction in completing the assessment and report.

If in non-compliance, a licence may not be issued until compliance is achieved. If in non-compliance, attach plans/reports for consideration. Application will not be processed if significant issues of non-compliance exist.

Please see attached list summarizing the documents included with this renewal application.

24. PROPOSED TIME SCHEDULE

Is the time schedule for all phases of development (construction, operations, closure and post closure) the same as that considered in the existing licence?

☒ Yes ☐ No

Indicate the proposed start and completion dates for each applicable phase of development (construction, operation, closure, and post closure).

Construction

Proposed Start Date: _____ Proposed Completion Date: Completed
(month/year) (month/year)

Operation

Proposed Start Date: July 2012 Proposed Completion Date: September 2019
(month/year) (month/year)

Closure - Reclamation

Proposed Start Date: September 2019 Proposed Completion Date: December 2021
(month/year) (month/year)

Post - Closure

Proposed Start Date: December 2021 Proposed Completion Date: Completed ?
(month/year) (month/year)

For each applicable phase of development indicate which season(s) activities occur.

Construction

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☒ All season

Operation

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☒ All season

Closure

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☒ All season

Post - Closure

☐ Winter ☐ Spring ☒ Summer ☒ Fall ☐ All season

25. PROPOSED TERM OF LICENCE

On what date does the existing licence expire? March 1, 2011

Indicate the proposed term of the renewal (maximum of 25 years): Ten years

Requested date of renewal issuance: March 1, 2012 Requested Expiry Date: March 1, 2021
(month/year) (month/year)

(The requested date of renewal issuance must be at least three (3) months from the date of application for a type B water licence and at least one (1) year from the date of application for a type A water licence, to allow for processing of the water licence application. These timeframes are approximate and do not account for the time to complete any pre-licensing land use planning or development impact requirements, time for the applicant to prepare and submit a water licence application in accordance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for additional information. See the NWB's *Guide 5: Processing Water Licence Applications* for more information)

26. ANNUAL REPORTING

Is the annual report template expected to be the same as that considered in the existing licence?

☒ Yes ☐ No

If not using the NWB's *Standardized Form for Annual Reporting*, provide details regarding the content of annual reports and a proposed outline or template of the annual report.

27. CHECKLIST

The following must be included with the application for renewal for the water licensing process to begin.

Completed Application for Water Licence Renewal form.

☒ Yes ☐ No If no, date expected _____

Updated plans, including designs and reports (see Block 23).

☒ Yes ☐ No If no, date expected _____

Updated security assessment (see Block 21).

☒ Yes ☐ No If no, date expected _____

Updated financial statement (see Block 22).

☒ Yes ☐ No If no, date expected _____

Compliance Assessment / Status Report (see Block 23).

☒ Yes ☐ No If no, date expected _____

English Summary of Renewal Application.

☒ Yes ☐ No If no, date expected _____

Inuktitut and/or Inuinnaqtun Summary of Renewal Application.

☐ Yes ☒ No If no, date expected **Forthcoming**

Application fee of \$30.00 CDN (Payee Receiver General for Canada).

☒ Yes ☐ No If no, date expected _____

Water Use Fee Deposit of \$30.00 CDN (Payee Receiver General for Canada). The actual water use fee will be calculated by the NWB based upon the amount of water authorized for use in accordance with the Regulations at the time of issuance of the licence.

☒ Yes ☐ No If no, date expected _____

28. SIGNATURE

I, PAMELA STRAND (print name)

certify that the application requires no changes to water use or waste disposal as previously authorized and that the information given on this form is, to the best of my knowledge, correct and complete.



Signature

Feb 28, 2011

Date