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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

File No: 2AM-JER0410

August 4, 2010

Via Email

To: Distribution List

Dear Sirs/Mesdames:

Re: Application for Assignment of Water Licence

The Nunavut Water Board (NWB or Board) hereby acknowledges receipt of the Ontario Superior Court of Justice Order of July 27, 2010,¹ containing specific orders and direction by the Honorable Mr. Justice Morawetz to the NWB regarding the assignment of 2AM-JER0410 (Licence) issued to Benachee Resources Inc., a wholly owned subsidiary of Tahera Diamond Corporation (Benachee) to 5133 Nunavut Limited, a wholly owned subsidiary of Shear Minerals Ltd. (Shear). To enable the Board to comply with the Court Order to review and consider the assignment of the Licence from Benachee to Shear, the NWB is writing to request an application for assignment be filed with the NWB as soon as possible. The application is required to contain the information set out previously in the Board's letter of April 27, 2009, a copy of which is attached for your review.

As the Board previously advised the parties on April 27, 2009, the NWB has the regulatory authority pursuant to section 44 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*² (NWNSRTA or the Act) and *Northwest Territories Waters Regulations*³ (or Regulations) to assign the Licence when a completed application has been received.

The NWB also reiterates the advice to the parties that the Nunavut Impact Review Board (NIRB) may require an application for change of name for the project certificate for this project. The Board suggests that Ryan Barry, Director, Technical Services, at rbarry@nirb.ca be contacted for further information about the NIRB requirements.

¹ Approval and Vesting Order, ss. 7 and 8, Court File No. 08-CL-7355: ORDER OF THE ONTARIO SUPERIOR COURT OF JUSTICE, THE HONORABLE MR. JUSTICE MORAWETZ, DATED TUESDAY, THE 27TH DAY OF JULY, 2010 IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C.36, AS AMENDED; IN THE MATTER OF THE COURTS OF JUSTICE ACT, R.S. O. 1990, C. C-43, AS AMENDED; AND IN THE MATTER OF A PROPOSED COMPROMISE AND ARRANGEMENT IN RESPECT OF TAHERA DIAMOND CORPORATION and BENACHEE RESOURCES INC.

² Assented to on April 30, 2002

³ Adopted by the Parliament of Canada on June 8, 1993 pursuant to the *Northwest Territories Waters Act*.

Please note, that in keeping with the direction of the Court in this matter to consider the assignment of the licence, “forthwith”, the Board is committed to fulfilling its obligations under the Act as expeditiously as procedural fairness permits. However, as previously noted, the Board’s ability to complete the assignment process depends in large part on the completeness of the information provided to the Board in the assignment application. As Executive Director of the NWB, I am available to assist the parties with the assignment application requirements. Any correspondence and questions should be forwarded directly to the undersigned at Dionne@nunavutwaterboard.org

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Filiatrault', written in a cursive style.

Dionne Filiatrault, P. Eng.
Executive Director

cc. Teresa Meadows, Miller Thomson, LLP NWB Legal Counsel

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