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NUNAVUT IMALIRIYIN KATIMAYINGI  
NUNAVUT WATER BOARD  
OFFICE DES EAUX DU NUNAVUT

November 17, 2010

NWB File No.: 2AM-JER0410

Ms. Pamela Strand, President & CEO  
Shear Diamonds (Nunavut) Corp.  
Suite 220, 17010 – 103 Avenue  
Edmonton, AB T5S 1K7  
Email: [pstrand@shearminerals.com](mailto:pstrand@shearminerals.com)

AND

Thomas Pladsen  
Benachee Resources Inc.  
Box 1020, TD Postal Station  
77 King St. W.  
Toronto, ON M5K 1P1  
Email: [tompladsen@hotmail.com](mailto:tompladsen@hotmail.com)

**Subject: Application by Shear Diamonds (Nunavut) Corp. (a wholly owned subsidiary of Shear Minerals Ltd.) Seeking Assignment of Type A Water Licence 2AM-JER0410 from Benachee Resources Inc. (a wholly owned subsidiary of Tahera Diamond Corporation) to Shear Diamonds (Nunavut) Corp. (a wholly owned subsidiary of Shear Minerals Ltd.)**

Dear Ms. Strand and Mr. Pladsen:

The Nunavut Water Board (NWB or the Board) acknowledges the submission by Shear Diamonds (Nunavut) Corp. (a wholly owned subsidiary of Shear Minerals Ltd.) of an application for the assignment of existing Water Licence 2AM-JER0410 from Benachee Resources Inc. (a wholly owned subsidiary of Tahera Diamond Corporation) to Shear Diamonds (Nunavut) Corp. (a wholly owned subsidiary of Shear Minerals Ltd.) Documents pertaining to this application are available from our ftp site (username *public* and password *registry*) at the following link:  
<ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-JER0410/1%20APPLICATION/2010%20Assignment/>

As Licence 2AM-JER0410 expires on December 31, 2010, Shear Diamonds (Nunavut) Corp. has also included in the assignment application a request that the Board consider exercising their discretion under s. 174(1)(a)(iii) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNsRTA)<sup>1</sup> to grant a short-term renewal (up to 60 days) of the existing licence without a public hearing.

<sup>1</sup> Subsection 174(1)(a)(iii) of the NWNsRTA states that the following class of application in respect of a Type A licence is exempted from the requirement of a public hearing: (iii) one or several renewals of a total duration not exceeding sixty days;

Further, the Board notes that the current circumstances constitute “urgent circumstances” pursuant to subsection 55(4) of the NWNSRTA,<sup>2</sup> and the Board’s decision in respect of the application, (both the assignment and the request to renew the licence for a period of up to sixty days without a hearing), is subject to a shortened notice period (reduced from the usual 30 day minimum time period for public comment to a 10 day minimum time period).

The Board is mindful of the urgency associated with the current situation, including direction from the Honourable Justice Morawitz in his order of July 27, 2010 in Court File No. 08-CL-7355, to the effect that the Board is to consider the application for assignment of the existing licence “forthwith”. On this basis, the Board has determined that urgent circumstances do exist, and that as a result, an abridged notice period of 10 days is appropriate for this Application.

By copy of this letter to the distribution list and the enclosed notice of application sent to the council of the municipality or municipalities most affected by your application, we invite interested persons to make representations directly to the NWB within 10 days from the date of this letter. Please review the submitted information and provide comments to the NWB on or before 3:00 pm MST on November 29, 2010.

Sincerely,

*Original signed by:*

Phyllis Beaulieu  
Manager of Licensing

cc: Kitikmeot Distribution List  
John Donihee M.E.S., LL.M – KIA  
Allison Rippen-Armstrong – Shear Minerals  
Teresa Meadows – Miller Thomson  
Michelle Tanguay – Shear Minerals  
Badeia Jawhari – Shear Minerals  
Charlie Evalik - President KIA  
Glen Stephens – INAC  
Patrick O’Neill - INAC

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<sup>2</sup> Subsection 55(4) of the NWNSRTA states:

55(4) Where a public hearing is not held in relation to an application, the Board shall not act on the application until at least thirty days notice of the application that has been published under subsection (1) unless, in the opinion of the Board, there are urgent circumstances that justify the Board acting on that application in a shorter period, but that shorter period shall not be less than ten days.