

Environmental Protection Operations
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18 November 2010

EC file: 4702 025 110
NWB file: 2AM-JER0410

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0B 1J0

Via email: licensing@nunavutwaterboard.org

**RE: 1011117 2AM-JER0410 Assignment Benachee Resources Inc. to Shear Diamond
(Nunavut) Corp. – Kitikmeot Region**

Environment Canada (EC) has reviewed the information submitted to the Nunavut Water Board (NWB) regarding this application. The following specialist advice has been provided pursuant to the *Canadian Environmental Protection Act*, Section 36(3) of the *Fisheries Act*, the *Migratory Birds Convention Act*, and the *Species at Risk Act*.

Shear Diamond (Nunavut) Corp. is applying for the assignment of existing water license 2AM-JER0410 from Benachee Resources Inc. (a wholly owned subsidiary of Tahera Diamond Corp.) to Shear Diamonds (Nunavut) Corp. (a wholly owned subsidiary of Shear Minerals Ltd.). As the license 2AM-JER0410 expires on 31 December 2010, Shear Diamonds (Nunavut) Corp. is also requesting a short-term renewal (up to 60 days) of the existing license without a public hearing.

Based on the information presented at this time, EC has no real concerns with the assignment and short-term renewal provided that the proponent follows mitigation measures outlined in the application and that they are in compliance with the existing water license. Terms and conditions applied to the existing water license should be carried forward in the assignment and the renewal.

If there are any additional changes in the proposed project, EC should be notified, as further review may be necessary. Previous comments and recommendations submitted by EC staff relating to this license would still apply. Please do not hesitate to contact the undersigned with any questions or comments with regards to the foregoing at (867) 975-4631 or by email at Paula.C.Smith@ec.gc.ca.

Yours truly,



Paula C. Smith
Environmental Assessment Coordinator

cc: Carey Ogilvie (Head, Environmental Assessment-North, EPO, EC, Yellowknife, NT)
Allison Dunn (Sr. Environmental Assessment Coordinator, EPO, EC, Iqaluit, NU)