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February 13th, 2011

Ms. Dionne Filliatrault, P.Eng.
Executive Director
Nunavut Water Board
P.O. Box 119
Gjoa Haven,
Nunavut, X0B 1J0

Sent electronically – Copy to follow

Dear Madam:

RE: Shear Diamonds (Nunavut) Ltd. Application for Amendment to the Term of Water Licence 2AM -- JER0410

I am counsel for the Kitikmeot Inuit Association (KIA) in this matter.

KIA has now had the opportunity to review the captioned amendment application and discuss the proposed change with staff of Shear Diamonds Ltd. We have been assured that there will be no change to the licence other than the emergency amendment of the term and that any consideration of the Care and Maintenance Plan (the "Plan") will occur after the amendment takes place. KIA anticipates the opportunity to discuss the Plan with Shear once the term is extended.

Given the limitations on the current amendment proposal, KIA has no concerns about effects on the quality, quantity or rate of flow of waters on Inuit Owned Lands and no concerns about Article 20 rights being adversely affected by the amendment. Consequently, there are no water compensation concerns to be resolved on KIA's behalf before the Board can consider the proposed amendment.

KIA supports the extension of the term of the captioned water licence.

Yours truly,



John Donihee

cc. Geoff Clark, Director Lands & Environment KIA
Ms. Pamela Strand President and CEO Shear Diamonds

* Practising law through the John Donihee Professional Corporation.