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TSXV: SRM

August 15, 2011

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0
Phone: (867) 360-6338, Ext. 26
Fax: (867) 360-6369
Email: licensing@nunavutwaterboard.org

Dear Ms. Beaulieu:

**Re: Renewal Application of Type A Water Licence 2AM-JER0411 - Shear Diamonds Ltd.
submission in accordance with the Table of Commitments generated at the Technical
Meeting and Pre-Hearing Conference, June 20th and 21st, 2011**

In accordance with the commitments made by Shear Diamonds Ltd. (Shear) during the Technical Meeting and Pre-Hearing Conference held on June 20 and 21, 2011 in Cambridge Bay, we are pleased to make the following submission:

Technical Memoranda

- Technical Memorandum F: Onsite Nitrate and TSS Analysis Methods
- Technical Memorandum G: Proposed PKCA Effluent Discharge Criteria
- Technical Memorandum H: Final Specifications of the Hydrocarbon Contact Water Remediation Unit (Oztek®)

Executive Summaries – for previously filed Plans

- Aquatic Effects Monitoring Plan
- Contingency Management Plan
- Fuel Storage Containment Facility Management Plan
- Interim Closure and Reclamation Plan
- Preliminary Landfarm Design Plan
- Operations, Maintenance and Surveillance Manual

- Preliminary Landfill Design Plan
- Waste Management Plan
- Waste Water Treatment Management Plan
- Waste Rock Management Plan
- Site Water Management Plan
- Processed Kimberlite Containment Area Management Plan
- Landfill Management Plan
- Landfarm Management Plan
- General Monitoring Plan
- Emergency Preparedness Plan
- Care and Maintenance Plan

Other correspondence

- Jericho Site Reclamation – Inuit Owned Lands dated December 22, 2010 from Nuna Logistics
- Jericho Site Reclamation – Crown Owned Lands dated August 5, 2010 from Nuna Logistics
- Life of mine water balance summary sheet, Jericho Diamond Mine, August 15, 2011

Additionally, Shear is submitting to the NWB under separate cover, two (2) additional letters and one updated plan as follows:

- Letter 1 - proposed amendments to existing terms and conditions contained within water license 2AM-JER0411, namely Part G, 2 (e) and Part G, 8 (a) through (d); and
- Letter 2 - request for extension related to commitment #16, Operational commitment list
- Updated Plan - Processed Kimberlite Containment Area Management Plan accompanied by the Operations, Maintenance and Surveillance Manual (OMS)

If you have any questions, or require any additional information, please do not hesitate to contact Stephanie Autut, VP, Environment and Community Affairs, either by email at sautut@sheardiamonds.com or by phone at (780) 435-0045.

Sincerely,



Pamela Strand, M.Sc., P. Geol.
President



Julie Lassonde Gray
Executive Chairman & CEO

cc: Bernie MacIsaac, Director of Operations, AANDC – NU Region
Geoff Clark, Director, Lands and Environment, KIA