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September 19, 2011

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PLEASE REPLY TO CALGARY OFFICE

SENT BY E-MAIL

Dionne Filiatrault
Executive Director
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NT X0B 1J0

Dear Ms. Filiatrault:

**Re: KIA Support for Shear Request for Rescheduling the Public Hearing for the
Renewal of Water Licence 2AM JER4010 for the Jericho Diamond Mine**

Shear Diamonds (Shear) applied to the Nunavut Water Board (NWB) for the renewal of its Type A Water Licence at the Jericho Mine on February 28, 2011. On September 15, 2011, Shear wrote to the NWB to request that the Public Hearing in Kugluktuk on October 12 and 13, 2011 be postponed by the NWB.

The Kitikmeot Inuit Association (the KIA) supports Shear's request for postponement of the hearing. Shear has identified important issues which must be resolved between the KIA as the land owner and Shear in order to assist NWB to have an effective hearing. These include the airborne dispersal of fine processed kimberlite from the processed kimberlite containment area into a series of adjacent water bodies and onto Inuit Owned Lands.

A postponement of the hearing would allow the KIA and Shear to complete discussions to resolve several issues. As the KIA indicated in its own letter to the NWB on September 14, 2011, the KIA was already in need of an extension to the deadline for submissions to the

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NWB. The KIA therefore respectfully requests that the NWB postpone the hearing, as requested by Shear, not later than December 15, 2011.

Yours truly,

A handwritten signature in black ink, reading "John Donihee". The signature is written in a cursive, slightly slanted style.

JOHN J.P. DONIHEE
Legal Counsel
Kitikmeot Inuit Association
JJD/JBA/sss

cc: Julie Lassonde and Stephanie Autut, Shear Diamonds
Paul Emingak and Stanley Anablak, KIA