

KIA Closing Comments – Shear Diamond Project – December 30, 2011

KIA would like to thank the NWB, NWB staff, the public, intervenors, and Shear Diamonds Limited (Shear) for listening to KIA's submission about the application for a water license renewal for the Jericho Diamond project. KIA would like to recognize the effort that Shear has made to submit the water license renewal application.

KIA would like to summarize its important points made related to the water license renewal.

KIA supports a water license term for 8 years. This is longer than the original license term of the Jericho Diamond Mine, and will provide time to evaluate the operational performance of the project and make adjustments to the license if it is necessary. After 8 years more information will be available about the Jericho project and Reclamation security, and a final closure plan can be reviewed at that time. KIA relies on the NWB as a co-management body, and its staff for expertise related to reviewing projects such as Jericho and an 8 year license will provide that opportunity.

KIA confirms that there are no outstanding water compensation issues at Jericho. KIA would like a condition added to the license that requires Shear to disclose to the NWB whether it is up to date on water compensation payments to KIA.

Regarding reclamation planning, KIA would like a final reclamation plan completed within 2 years of issuance of the water license. If additional information for the final closure plan becomes relevant after this date, the final plan can be updated.

KIA confirms that Shear and KIA cooperated on the development of the reclamation estimate that Shear filed with the NWB on August 15, 2011 for IOL. That submission showed a reclamation estimate for IOL of approximately \$3.1 million. KIA and Shear have come to an agreement on the amount of reclamation security required for IOL which is slightly less than this amount, as evidenced in Shear's presentation to the Board.

Aside from the issues regarding reclamation security for IOL which were discussed during the hearing, and except for the matters already discussed in KIA's closing comments, KIA supports all the other recommendation that AANDC have made. KIA also supports the recommendations of Environment Canada.

KIA knows that the NWB has been given a lot to consider during this hearing. KIA has put its views forward on the renewal of this license. KIA recommends that the Jericho water license should be renewed subject to KIA's recommendation being incorporated into the license.

Thank You.