



FPK Update Jericho Diamond Mine Shear Diamonds Ltd.

May 22, 2012

FPK Clean Up Activities



- May 17, 2012 a crew began hand shoveling the FPK into sleds pulled by snowmobiles.
- The sleds were filled and driven to the PKCA where they were dumped.



- The first couple of days the FPK was frozen solid along with the top layer of snow.
- The material had to be 'chiseled' then shoveled into the sleds.



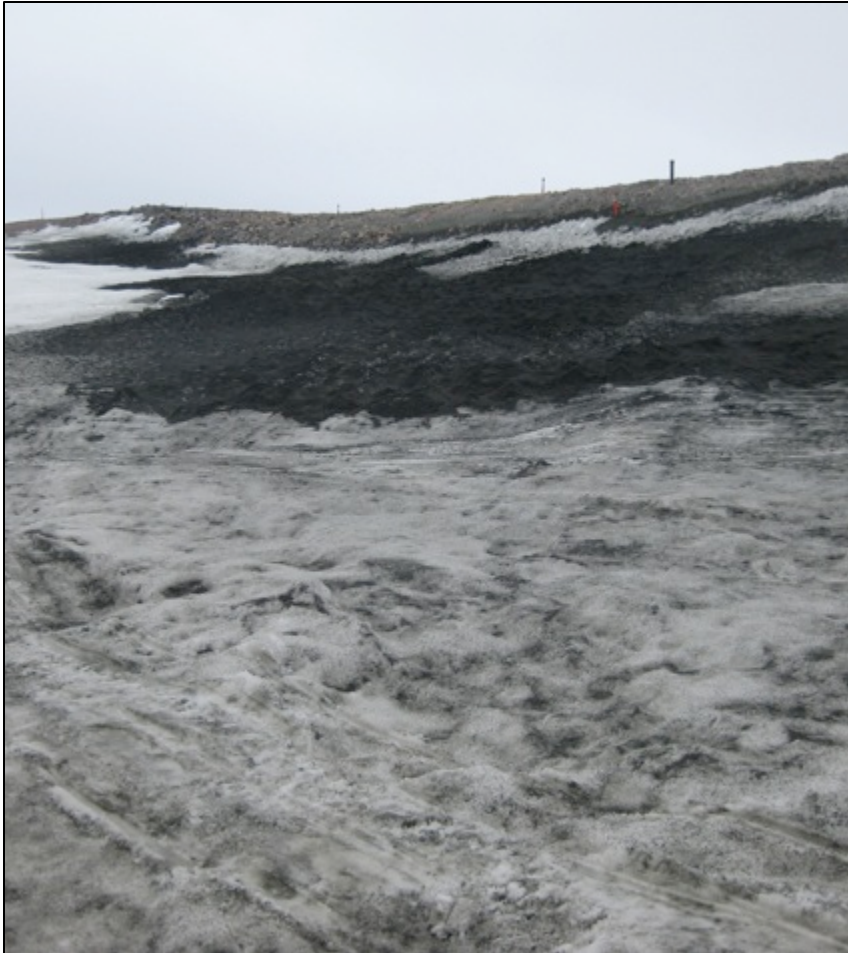
- Challenges included:
- Snowmobiles getting stuck and bogged down;
- Breaking through the snow while shoveling once the top hard layer was removed.



- Another challenge was the weight of the sleds when they were full.
- This is a photo showing where the FPK was dumped in the PKCA.



- 55 sled loads were hand shoveled.





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- Warming temperatures led to snow compaction.
- On May 21st the excavator was able to get down onto the snow without getting stuck.
- The excavator shoveled the FPK and placed it up high on the Southeast Dam.





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- The FPK/snow was scooped up and put in a dump truck and taken to the PKCA.



- At the time of this submission (May 22nd), the excavator has made it through the length of the impacted area along the Southeast Dam.
- We estimate that it will take another day or two to complete the clean up with the excavator.



Mitigation Measures



Photo taken in 2011

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- There are seven (7) 100' lengths of silt fencing on site.
- Efforts were made to hammer rebar into the ground to support the silt fencing. This was not successful.
- Once the ground has thawed enough that the rebar can be hammered in, the silt fences will be installed in the drainage areas and along the shoreline.
- There are also a number of silt curtains on site. Depending on the depth of the water, silt curtains may be employed.

Proposed Location of Silt Fences



Photo taken in 2011

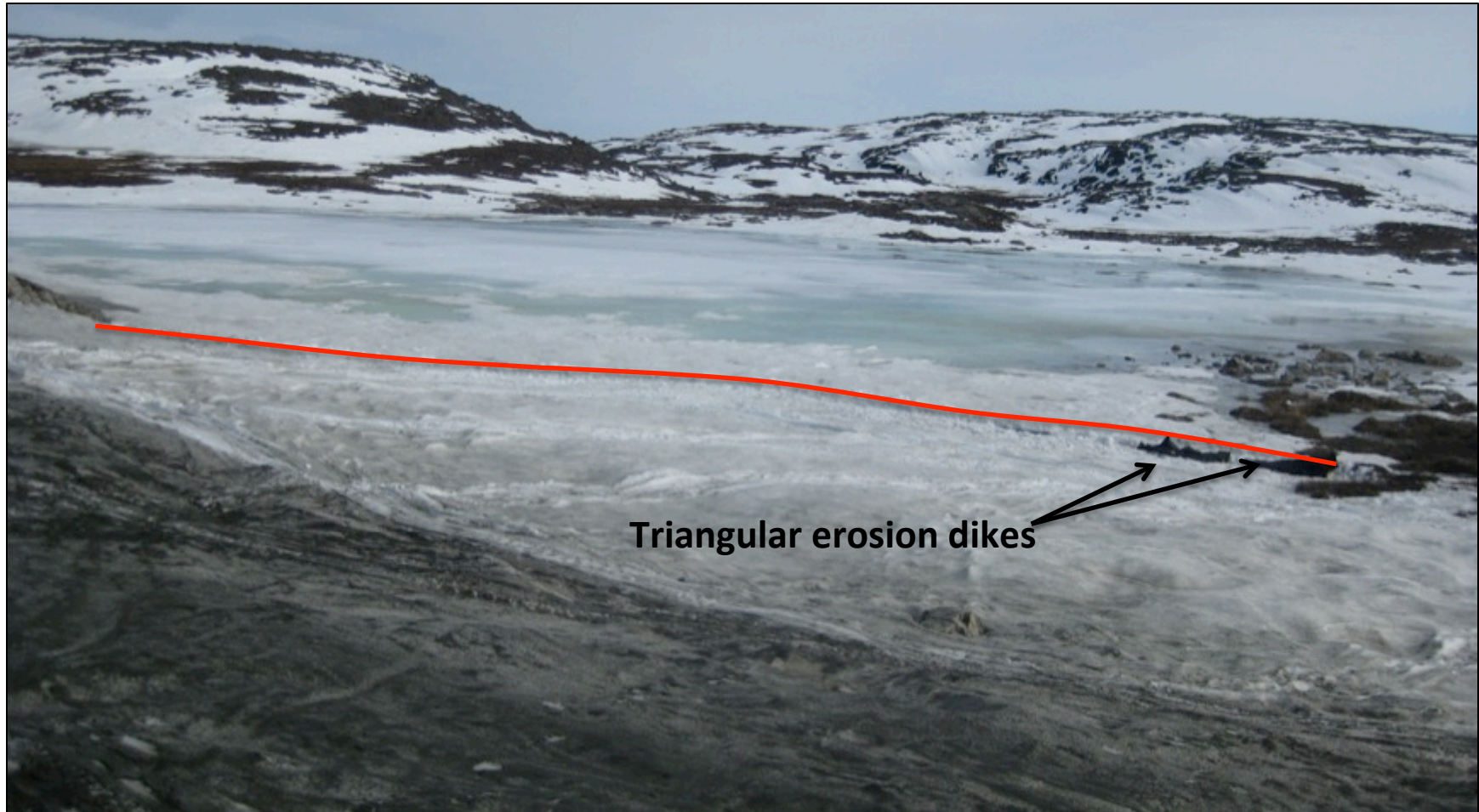
- There are 30 seven foot triangular erosion dikes on site.
- A trench was dug out and efforts were made to install the dikes on May 21st. There was too much water beneath the snow and the ground was still frozen solid making it impossible to secure them.
- Once the excavator has finished along the Southeast Dam, these erosion dikes will be installed along the toe of the decline,





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The trench that was hand dug.



Moving Forward

- Continue using the excavator to remove the FPK and snow along the Southeast Dam.
- Install the erosion dikes along the toe of the decline toward Southeast Dam Pond once the excavator has finished.
- Install silt fencing along drainages and the shoreline of Southeast Dam Pond.
- Once installed, monitor daily and remove sediment (FPK) as required and practicable.

Moving Forward

- Conduct a fish habitat assessment in Southeast Dam Pond and Ash Lake in July 2012.
- Continue to monitor both water-bodies as part of the AEMP.
- Continue to collect dust-fall samples in the area of deposition/fallout.

Preventative Measures

- Dewater the pit and use the pit water to wet the FPK in Cell A of the PKCA.
- Attempt to level the deposition of the FPK within the PKCA to remove the mounds that currently exist.
- Keep the FPK wetted until freeze up, creating a layer of ice over the wet FPK.
- Install wind barriers/blocks.