



Water Resources Division
Nunavut Regional Office
Iqaluit, NU X0A 0H0

November 24, 2010

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0A 1J0

**Re: 2AM-JER0410 – Application for Assignment of Licence from
Benachee Resources Inc. to Shear Diamonds (Nunavut) Corp.**

Please be advised that Indian and Northern Affairs Canada (INAC) has completed a review of the above noted application for assignment.

The Nunavut Water Board (NWB) distributed the application for comment on November 17, 2010.

In conducting this review, I have referred to all documents on the Nunavut Water Board FTP site as it relates to 2AM-JER. Attached is a Technical Review Memorandum for your consideration.

Please feel free to contact me should you have any questions or comments. I can be reached at (867) 975-4566 or by email at tanya.trenholm@inac.gc.ca.

Sincerely,

Original signed by

Tanya Trenholm
Pollution Policy Specialist



Technical Review Memorandum

To: Phyllis Beaulieu, Manager of Licensing - Nunavut Water Board

From: Tanya Trenholm, Pollution Policy Specialist - Indian and Northern Affairs Canada – Water Resources Division

Re: **2AM-JER0410 – Application for Assignment of Licence from Benachee Resources Inc. to Shear Diamonds (Nunavut) Corp.**

Recommendations / Comments

Indian and Northern Affairs Canada is in support of an assignment of water licence 2AM-JER0410 from Benachee Resources Inc, to Shear Diamonds (Nunavut) Corp. INAC also supports Shear's request of the Nunavut Water Board to exercise it's discretion via Part 174 (1)(a)(iii) of the *Nunavut Waters Nunavut Surface Rights Tribunal Act* to grant a short-term renewal (up to 60 days) of the existing licence without a public hearing.

By way of this letter, INAC would like notify the NWB that INAC is satisfied Shear Diamonds (Nunavut) Corp. has furnished a Letter of Credit (1992-928587-08) with the Receiver General of Canada on October 19, 2010, in the amount of \$2,200,000.00.

Please feel free to contact me at your convenience should you wish to further discuss any part of this submission to the Board. I can be reached at 867-975-4566 or via email, tanya.trenholm@inac.gc.ca.

Cc. Lou-Ann Cornacchio, Manager, Water Resources Division – Indian and Northern Affairs Canada;