From: <u>Michelle Tanguay</u>

To: <u>Phyllis Beaulieu</u>; <u>Ian Rumbolt</u>

Subject: FW: Part G- Item 5. NWB1JER0410- CORRECTION

Date: Wednesday, June 15, 2011 6:52:35 AM

June 15, 2010

Phyllis Beaulieu, Manager of Licensing Nunavut Water Board P.O. Box 119 Gjoa Haven, Nunavut XOB 1J0

RE: Discharge from the Process Kimberlite Containment Area (PKCA)

The Fecal Coliform results for sampling completed at monitoring station SWQ-04 (previously WQ-02) conducted on May 30th are below. All discharge criteria have been met. Shear Diamonds intends to begin discharging from station Jer-SWQ-04 on June 22nd.

ALS		Sample ID	JER-SWQ-04/WQ02
6/13/2011		ALS ID	L1010621-9
L1010621		Date Sampled	5/30/2011 12:00:00 AM
Analyte	Units	LOR	Water
Fecal Coliforms	CFU/100mL	1	<1

Please note, in the first paragraph of the below correspondence I have incorrectly identified the freeboard limit. The limiting structure for freeboard is the North Dam with an elevation of 517.2 therefor the current elevation of 516.25 gives a freeboard of 0.95cm.

Regards,

Michelle Tanguay

Environment Manager michelle@shearminerals.com

Shear Diamonds Ltd. #220, 17010 - 103 Avenue Edmonton, AB T5S 1K7 Cell: (250) 362-9530

Minesite: (778)837-2750

From: Michelle Tanguay [mailto:michelle@shearminerals.com]

Sent: June-13-11 8:50 AM

To: Phyllis Beaulieu; Ian Rumbolt (Ian.Rumbolt@inac-ainc.gc.ca)

Cc: ar_enviro@yahoo.ca

Subject: Part G- Item 5. NWB1JER0410

Phyllis Beaulieu, Manager of Licensing Nunavut Water Board P.O. Box 119 Gjoa Haven, Nunavut XOB 1J0

Delivered by Email

RE: Notice of discharge from the Process Kimberlite Containment Area (PKCA)

In order to satisfy the conditions in PART G, Item 2a of water license NWB1JER0410 and maintain sufficient freeboard in the (PKCA) Shear Diamonds will be discharging water to Stream C3. In the 2010 Geotechnical Inspection (EBA) submitted in November of 2010 the elevation of 521.5 is indicated as the low point of Divider Dyke A. Current elevation of Divider Dyke A is 516.25. Current freeboard is 5.25 meters.

The discharge water meets quality criteria required by Part G, Section 6 and Part G, Section 7. Attached are analytical results from May 30, 2011 and daphnia and trout toxicity samples from June 09, 2011. The trout bioassay was completed as a pass/fail due to laboratory issues with the blanks (2% mortality in the lab control). Both the daphnia and trout bioassays passed acute lethality testing. Shear Diamonds is directing discharge from the Waste Water Treatment Plant (WWTP) to the PKCA and thus have included BOD₅ and Oil and Grease as required by PART G, Item G(i). The Faecal Coliform results will be submitted on Thursday.

Please note that sample site SWQ-04 is now called WQ02. The site water management sampling locations have been renamed to be clearly delineated from Aquatic Effects monitoring sites as discussed in the Site Water Management Plan submitted as part of Shear Diamonds water license renewal application package.

Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Michelle Tanguay

Jericho Environment Manager

Cell: (250) 362-9530 Minesite: (778)837-2750

cc: Ian Rumbolt
Water Resource Officer
Indian and Northern Affairs Canada