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July 5, 2011

Ian Rumbolt
Water Resource Officer
Nunavut Regional Office, AANDC
P.O. Box 100
Iqaluit, NU X0A 0H0
Phone: 867.975.4548
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Email: Ian.Rumbolt@inac.gc.ca

Dear Mr. Rumbolt:

Re: Notification of Intent to Begin Dewatering From the Pit – Jericho Diamond Mine

As per your request, please be advised that this letter serves to provide the ten (10) day notification of Shear's intent to begin dewatering from the pit to the Processed Kimberlite Containment Area (PKCA) as per the Pit Dewatering Addendum to the Processed Kimberlite Management Plan, Jericho Diamond Mine, Nunavut.

For your information, attached you will find the monthly report previously submitted to the Nunavut Water Board, with the analytical results for the pit water quality.

If you have any questions, please do not hesitate to contact us.

Sincerely,

Julie Lassonde
Executive Chairman & CEO

cc: Bernie MacIsaac, Director of Operations, NU Regional Office, AANDC
Geoff Clark, Director, Lands and Environment, Kitikmeot Inuit Association
Phyllis Beaulieu, Manager of Licencing, Nunavut Water Board
Ryan Barry, Director of Technical Services, Nunavut Impact Review Board