

Ministre des Affaires indiennes et  
du Nord canadien, interlocuteur fédéral  
auprès des Métis et des Indiens non inscrits et  
ministre de l'Agence canadienne de développement  
économique du Nord



Ottawa, Canada K1A 0H4

Minister of Indian Affairs and  
Northern Development, Federal Interlocutor  
for Métis and Non-Status Indians and  
Minister of the Canadian Northern Economic  
Development Agency

DEC 21 2010

Mr. Thomas Kabloona  
Chair  
Nunavut Water Board  
PO Box 119  
GJOA HAVEN NU X0B 1J0

Dear Mr. Kabloona:

Thank you for your letter of December 3, 2010, regarding the 60-day short-term renewal and assignment of the Type "A" Water Licence 2AM-JER0410 from Banachee Resources Inc. to Shear Diamonds Corporation (Nunavut) and the Reasons for Decision.

I am pleased to inform you that I have approved the 60-day short-term renewal of the Type "A" Water Licence 2AM-JER0410, as recommended by the Nunavut Water Board. The signed original is enclosed.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'John Duncan', is written over the typed name.

John Duncan, PC, MP

Encl.

Canada



**NUNAVUT WATER BOARD WATER LICENCE**  
**SHORT TERM RENEWAL (SUBSECTION 174(1)(A)(III))**

Pursuant to the Nunavut Waters and Nunavut Surface Rights Tribunal Act and the Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada, the Nunavut Water Board, hereinafter referred to as the Board, hereby grants to

**SHEAR DIAMONDS (NUNAVUT) CORP., A WHOLLY OWED SUBSIDIARY OF  
SHEAR MINERALS LTD. (Assigned December 1, 2010)**

(Licensee)

**SUITE 220-17010-103 AVENUE, EDMONTON, ALBERTA T5S 1K7**

(Mailing Address)

hereinafter called the Licensee, the right to alter, divert or otherwise use water or dispose of waste for a period subject to restrictions and conditions contained within this Licence:

Licence Number/Type: 2AM-JER0410 Type "A"

Water Management Area: NUNAVUT 07

Location: KITIKMEOT REGION, NUNAVUT

Purpose: INDUSTRIAL WATER USE AND WASTE DISPOSAL

Description: MINING AND PROCESSING

Quantity of Water not to be Exceeded: 350,400 CUBIC METRES ANNUALLY

Date of Licence: DECEMBER 21, 2004

Expiry of Licence: DECEMBER 31, 2010 (RENEWED TO MARCH 1, 2011)

This License issued and recorded at Baker Lake, Nunavut includes and is subject to the annexed conditions.

**Thomas Kabloona, Chair  
Nunavut Water Board**

APPROVED BY:

  
**Minister of Indian and  
Northern Affairs Canada**

**EFFECTIVE DATE OF LICENCE:** \_\_\_\_\_