

## **EXECUTIVE SUMMARY OF APPLICATION**

### **Applicant**

SHEAR Diamonds (Nunavut) Ltd.

Suite 220, 17010 – 103 Avenue,

Edmonton, AB

T5S 1K7

### **Name of Project**

Carat Property, Kitikmeot Region, NU

### **Location of Undertaking**

The purpose of our activities under our land use and water licences are to evaluate the potential for economic concentrations of diamonds on Inuit surface and subsurface owned land parcels as well as DIAND land within NTS map sheets 76 E/13, 76 E/14, 76 L/03, and 76 L/04. Project extents are as follows:

NW: Latitude: (66°04'50"N) Longitude: (111°38'29"W)

NE: Latitude: (66°03'04"N) Longitude: (111°21'12"W)

SE: Latitude: (65°52'15"N) Longitude: (111°18'55"W)

SW: Latitude: (65°52'12"N) Longitude: (111°38'49"W)

### **Description of Undertaking**

Our plan is to conduct exploration on the Carat Property in order to discover new kimberlites and prove up additional diamond resources immediately adjacent to the mine site with the hopes of re-assessing the economics of re-opening the mine. The activities will include ground and airborne geophysical surveys, prospecting, rock, till and soil sampling, geological mapping, diamond drilling, test pit trenching and a possible bulk sample program.

### **Water Use and Quantity**

The exploration program for the 2011 program includes plans for fifteen exploration drill holes. Water use being applied for is for industrial purposes and will be used for diamond drilling. Water for the drills will come from the lakes near and/or under the drill targets. For on-ice drilling water quality sampling will be conducted prior to and after drilling. The

estimated water use for each drill hole is less than 150m<sup>3</sup>. Total estimated water use for the 2011 program is 2250m<sup>3</sup>.

### **Wastes**

All wastes from drill sites will be removed and transported to the Jericho mine site for sorting and appropriate disposal.

### **Other persons or properties affected by the undertaking**

No known persons or properties will be adversely affected by the proposed undertaking.

### **Predicted environmental impacts of the undertaking and proposed mitigation measures**

The planned activities have low predicted impacts on the environment and all of the impacts are temporary and easily reclaimed. All drill sites will be cleaned up prior to completion of the drill program. This will include removal of drills, wastes, debris and all fuels and chemicals. Drill cuttings and water will be pumped to a sump to be located a minimum of 31 metres from the normal high water mark of any waterbody and such that they do not reach any receiving waters. Drill sites will be inspected and photographs will be taken of each drill location prior to drilling after the drill has been removed.

### **Water Rights**

The quality and quantity of waters will not be impacted by this proposed undertaking.

Proposed Time Schedule:

We plan to initiate activities around April 2011. Upon approval from the regulatory departments we will begin transporting equipment to our exploration camp at the Jericho Diamond Mine. All of our field work will be based out of the Jericho Diamond Mine site. Our activities will be supported by Challenger, snow machines, fixed-wing aircraft and helicopter. Our 2011 program will likely be completed by end of November 2011. Our 2012 program will be dependent upon the results of the 2011 exploration program.