

NOTICE OF INDICATION NIRB FILE NO.: 11EN009

KIA File No.: KTL311C006 INAC File No.: N2011C0009

May 2, 2011

Stanley Anablak Lands Officer Kitikmeot Inuit Association Box 360, Kugluktuk, NU X0B 0E0

Via email: sanablak@qiniq.com, Geoff@qiniq.com

Re: Notice of Indication for Shear Diamonds (Nunavut)'s "Carat Property Exploration"
Project Proposal, NIRB File No. 11EN009

Dear Stanley Anablak:

Enclosed is the Nunavut Impact Review Board (NIRB) Screening Decision Report to the Honourable John Duncan, Minister of INAC, and Charlie Evalik, KIA for Shear Diamonds (Nunavut)'s "Carat Property Exploration" in the Kitikmeot Region.

The NIRB has assessed this project proposal for ecosystemic and socio-economic impacts taking into consideration the comments from relevant authorities and communities. Based on this assessment NIRB's indication to the Minister is in accordance with **12.4.4** (a) which states the following:

"The proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5."

The enclosed NIRB Screening Decision for NIRB File No. 11EN009, signed on 29 April, 2011 by Lucassie Arragutainaq at Sanikiluaq has been issued to INAC and is subject to the terms and conditions contained herein being imposed upon the Proponent.

The NIRB is aware of INAC's authority to regulate the terms and conditions attached to the enclosed Screening Decision Report, and requests that INAC send a hardcopy of the authorization with NIRB's file number referenced on the document to the NIRB office to complete our files. In addition, the NIRB requests that copies of any subsequent inspection reports related to the subject project proposal be sent to the NIRB office.

Please contact Aliza Weller, Environmental Administrator at 867-983-4605 or info@nirb.ca if you have any questions or concerns.

Sincerely,

Aliza Weller

Environmental Administrator

cc: Allison Rippin Armstrong, info@shearminerals.com; ar_enviro@yahoo.ca

Michelle Tanguay michelle@shearminerals.com

Tracey McCaie, INAC

Jeff Mercer

Phyllis Beaulieu

Enclosure: NIRB Screening Decision Report (NIRB File No.: 11EN009)