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May 3, 2005

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Hi Phyllis;

Thanks again for getting back to me this morning and clearing up the confusion around the letters we received. Thanks also for letting me know that you had received a copy of the letter from Andre Tautu on Jan 18, 2005 outlining his concerns with regard to a camp being established on Josephine Lake. We also received a letter from Mr. George Tanuyak, the Mayor of Chestefield Inlet voicing the same concerns as Andre Tautu (attached). As I mentioned this morning, we have already resolved this issue and I outline below the steps Shear has taken.

- A reply letter was written to the Residents of Chesterfield Inlet on January 30, 2005 (see attached)
- On February 2nd, 2005, Pamela Strand and Doug Willy traveled to Chesterfield Inlet along with including Luis Manzo, Joe Kaludjak, Ralph Kownak all from the KIA.
- On Febuary 2, 2005 a Hamlet Meeting was called by the Mayor to discuss the concerns that had been raised with regard to a camp on Josephine Lake. The outcome of the meeting was that the local HTO would work with Shear Minerals Ltd in finding an appropriate location for the camp. Shear provided the criteria needed for a camp location and members of Chesterfield Inlet visited locations that had been selected based on these criteria. It was the community of Chesterfield Inlet that provided Shear with a final location on Josephine Lake that met our criteria and at the same time satisfied their concerns (see attached approval letter dated March 3, 2005)
- On April 4th, 2005, Pamela Strand, Doug Willy and Allison Armstrong returned to Chesterfield Inlet to discuss water quality monitoring and fish monitoring with the community. Andre Tautu has been employed to oversee the collection of traditional inuit

knowledge with regard to Josephine Lake and char spawning and fishing. Community members from both Rankin Inlet and Chesterfield Inlet have received initial training in water sampling and will receive further training later this spring. The communities will be involved in every aspect of monitoring and data collection. Shear Minerals Ltd (Pamela Strand, Doug Willy, Jennifer Burgess and Allison Armstrong) also held a community meeting in Rankin Inlet on March 31, 2005.

We have received positive feedback from both Chesterfield Inlet and Rankin Inlet and also from the KIA for the approach taken to address the concerns raised and for the progressive strides taken in monitoring and the inclusion of the community members in the monitoring programs.

I hope that this helps to clarify the current status. I have attached some of the correspondence pertaining to this development.

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

Thank you

Allison Armstrong Environment and Lands