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File No: NWB2CHU0305

February 9, 2004

Ms. Pamela Strand, Environmental Manager Shear Minerals Ltd. #220, 9797 – 45th Ave Edmonton, Alberta

T6E 5V8

Email: pstrand@compusmart.ab.ca

<u>Subject: Shear Minerals Ltd. – Churchill Diamond Project – Amendment</u>

Dear Ms. Strand:

The Nunavut Water Board (NWB) acknowledges receipt of your application for water license amendment on January 12, 2004 for water use and waste disposal associated with exploratory drilling for the Churchill Diamond Project, in the Kivalliq region. The application, a copy of which can be obtained from our ftp site (http://ftp.nunavut.ca in folder nwb / NWB2 EXPLORATION / NWB2CHU or by contacting our office, consists of the following items:

- cover letter dated December 15, 2003
- executive summary (English and Inuktitut)
- application form
- supplementary questionnaire
- Map
- application fee

We undertook a preliminary review of your application and conclude that it meets the requirements of section 48(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* ("Act"). This said, I must inform you that the NWB reserves the right to request additional information and studies pursuant to sections 48(2) of the Act or, alternatively, issue guidelines for the provision of information pursuant to section 48(3) of the Act.

However, before your application can be processed further by the NWB, it is subject to sections 38(1) to 38(5) of the Act and therefore must first be reviewed by the **Nunavut Planning**Commission (NPC) to determine its conformity with an approved land use plan. By copy of this letter to the NPC, we are formally asking our sister board to undertake this determination and inform the NWB of its decision.

Pursuant to Section 13.7.3 of the Nunavut Land Claims Agreement this application is of a class that does not require a public hearing, and is therefore exempt from screening as per Schedule 12-1 of the NLCA. We are consequently requesting NPC to forward the application back to the NWB when its determination is complete.

Finally, by copy of this letter to the distribution list and the enclosed notice of application sent to the council of the municipality or municipalities most affected by your application, we invite interested persons to make representations directly to the NWB within 30 days from the date of this letter. The NWB may provide additional procedural instructions once the application has been reviewed.

Sincerely,

Original signed by:

Phyllis Beaulieu Licensing Administrator

Enclosure: Notice of Application

cc: Distribution List

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