



**NIRB File No.: 07EN023**

AANDC File No.: N2009C0002

KIA File Nos.: KVL302C265, KVRW03F286

NWB File No.: 2BE-CHU0813

April 27, 2012

The Honourable John Duncan  
Minister of Aboriginal Affairs and Northern Development  
c/o Jeff Mercer, Manager Land Administration  
Aboriginal Affairs and Northern Development Canada  
P.O. Box 100  
Iqaluit, NU X0A 0H0

Via email: [jeff.mercer@aandc.gc.ca](mailto:jeff.mercer@aandc.gc.ca) and [landsmining@aandc.gc.ca](mailto:landsmining@aandc.gc.ca)

**Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Shear Diamonds Ltd.'s "Churchill Diamond" project**

Dear Jeff Mercer:

On March 27, 2012 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for an extension to AANDC Land Use Permit No. N2009C0002 for Shear Diamonds Ltd.'s (Shear; the Proponent) "Churchill Diamond" project.

Please be advised that the original project proposal (NIRB File No. 07EN023) was received by the NIRB from Indian and Northern Affairs Canada (INAC; now AANDC) on February 5, 2007 and was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On March 30, 2007 the NIRB issued the enclosed NLCA 12.4.4(a) screening decision to the Minister of INAC which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

Additional authorization and extension requests for Land Use Permit No. N2003C0009 (replaced in 2009 with Land Use Permit No. N2009C0002) associated with this project have also been reviewed by the NIRB following screening of the original project proposal. In each instance the NIRB confirmed that the applications were exempt from the requirement for further screening pursuant to Section 12.4.3 of the NLCA and the activities therein remained subject to the terms and conditions recommended in the original March 30, 2007 Screening Decision Report.

Authorization	Application			Correspondence Issued by NIRB
	Date Received by NIRB	Type	Reason for Application	
Land Use Permit N2003C0009	January 3, 2008	1 year extension	Continue exploration	January 11, 2008
Land Use Permit N2009C0002	February 12, 2009	New LUP – 2 year term	Continue exploration	February 13, 2009
Land Use Permit N2009C0002	February 25, 2011	1 year extension	Continue exploration	March 3, 2011

The current AANDC application, the original NIRB Screening Decision Report (NIRB File No. 07EN023) and related file information are available from the NIRB's ftp site at the following link:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2007/07EN023-Shear%20Minerals/>.

#### PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 07EN023), the "Churchill Diamond" project was located within the Kivalliq region, approximately 30 kilometres (km) southwest of Chesterfield Inlet. The Proponent indicated that it intended to conduct exploration for diamond and other mineral deposits seasonally, between March 1 and October 30 each year, from 2007 to 2012.

The activities and components associated with the previously screened proposal included:

- Bulk sampling;
- Geoscientific sampling by trenching;
- Blasting;
- Excavation;
- Till sampling conducted by foot and supported by helicopter;
- Geological mapping conducted by foot and supported by helicopter;
- Geophysical surveys conducted by foot and supported by helicopter;
- Diamond drilling activities supported by helicopter;
- Fuel and chemical transportation;
- Temporary fuel storage – to be removed at the end of the field season;
- Permanent fuel storage – to remain for the life of the authorization;
- Aircraft use for surveys and pick up and drop off of personnel;
- Use of on-site mechanized vehicles;
- Use of a Right-of-Way trail for the transportation of project equipment;
- Water use and waste deposition;
- Explosives storage;
- Soil disposal/soil storage;
- Abandonment and site restoration; and,
- Use of camp at Josephine River.

The activities and components associated with the previous 2009 replacement Land Use Permit N2009C0002 included:

- Seasonal, on-site fuel caching of up to 548 drums (112,340 litres total) fuel, specifically: 400 drums (total 82,000 litres) of aviation fuel, 140 drums (total 28,700 litres) of diesel fuel, 8 drums (total 1,640 litres) of gasoline, and 20 propane cylinders at 100 pounds each;
- Exploration drilling using 2 drill rigs;
- Bulk sampling and removal of up to 500 tonne samples and up to an estimated 2 metres overburden per site using one Excavator, one Loader, and one Kubota Tractor;
- Camp for up to 40 personnel during the exploration season; and,
- Water use for drilling and camp support of up to 1,000 cubic metres per year.

**CURRENT APPLICATION:**

Shear is proposing to extend its AANDC Land Use Permit (No. N2009C0002) for one (1) additional year in order to continue exploration as outlined in its previously submitted Work Plan dated February 12, 2009 as part of the INAC Application.

Please note that Section 12.4.3 of the NLCA states that:

*“Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:*

*(a) such component or activity was not part of the original project proposal; or*

*(b) its inclusion would significantly modify the project.”*

After completing a review of the information provided in support of the current application, the NIRB is of the understanding that the proposed extension does not change the general scope of the original project activities, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. Therefore, this application is exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original March 30, 2007 Screening Decision Report (enclosed).

If you have any questions or concerns, please contact Tara Arko, Technical Advisor, at 867-983-4611 or [tarko@nirb.ca](mailto:tarko@nirb.ca).

Sincerely,



Ryan Barry  
Executive Director  
Nunavut Impact Review Board

cc: Julie Lassond, Shear Diamonds  
Allison Rippin Armstrong, Shear Diamonds  
Phyllis Beaulieu, Nunavut Water Board  
Tracey McCaie, Aboriginal Affairs and Northern Development Canada  
Luis Manzo, Kivalliq Inuit Association

Enclosed: NIRB Screening Decision Report, File No.: 07EN023 (March 30, 2007)