

c/o 220 - 9797 - 45th Avenue
Edmonton, Alberta T6E 5V8
Bus: (780) 435-0045
Fax: (780) 989-0322
www.shearminerals.com

March 15, 2004

SENT VIA FAX

Phyllis Beaulieu
Licensing Administrator
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0
Phone: (867) 360-6338
Fax: (867) 360-6369

Nunavut Water Board
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Public Registry

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RE: Annual Report - Water license #NWB2BAT0305

Dear Ms. Beaulieu,

As per our conversation on March 15, 2004, please accept this correspondence in place of the annual report for the water license above. Shear Minerals Ltd. has not conducted any field work under this water license in the past year; therefore, we will not be filing an Annual Report as per the conditions of the license. If you have any further questions or require any other additional information, please do not hesitate to contact myself at (780) 435-0045.

Sincerely,



Hannah Kim
Shear Minerals Ltd.