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TSXV: SRM

November 15, 2010

Dionne Filiatrault, P. Eng.,
Executive Director
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0B 1J0
Tel. 867.360.6338
Fax. 867.360.6369
Email: dionne@nunavutwaterboard.org

Dear Dionne,

Re: Nunavut Water Board Licence No: 2AM-JER0410

We would like to take this opportunity to provide you with the following documents in support of a request for assignment of the above listed licence from Benachee Resources Inc (a wholly owned subsidiary of Tahera Diamond Corp.) to Shear Diamonds (Nunavut) Ltd., a wholly owned subsidiary of Shear Minerals Ltd. We have enclosed the following:

1. C-1 Application for Assignment and Declaration of Assignee – completed by Benachee
2. Application Fee of \$30 payable to the Receiver General of Canada
3. C-3 Undertaking of Proposed Assignee – completed by Shear Diamonds (Nunavut) Corp.
4. C-4 Affidavit of Execution Undertaking of Proposed Assignee – completed by Pamela Strand.
5. Copy of the Purchase and Sale Agreement dated July 16, 2010 between Tahera Diamond Corporation and Benachee Resources Inc. and Shear Minerals Ltd.
6. Financial Statements for the period ending August 31, 2010
7. Financial Security – provided in Schedule A of the Purchase and Sale Agreement totalling \$9,290,900.90 and as noted in financial statements in Note 11. Also attached is the executed assignment of security deposits to Shear Diamonds (Nunavut) Limited.
8. Copies of Shear Diamonds (Nunavut) Ltd. Articles of Incorporation.
9. Copy of the Approval and Vesting Order of the Honorable Justice Morawtez dated July 27, 2010 from the Ontario Superior Court of Justice.
10. Schedule for the Compliance Audit accompanied with the implementation plan and schedule for compliance and full renewal.

We understand that it will be necessary to file the necessary reclamation assessments and we would like to advise the Board that this will be completed as we file the necessary renewal documents for the licence by the end of February, 2011.

Both INAC Ottawa and the Nunavut Regional Office along with the Kitikmeot Inuit Association have indicated to Shear Minerals that the NWB is to proceed with the assignment application and that formal letters will be forthcoming this week.

If you require any further information in relation to this matter please contact us at your earliest convenience.

Sincerely,

Shear Minerals Inc. and Shear Diamonds (Nunavut) Corp.

per:

A handwritten signature in dark ink, appearing to read "Pamela Strand". The signature is fluid and cursive, with the first name "Pamela" written in a larger, more prominent script than the last name "Strand".

Pamela Strand, P. Geol.
President & CEO

Cc: *Lou-Ann Cornacchio, INAC*
Patrick O'Neil, INAC
Charlie Lyall, KitIA
Allison Rippin Armstrong, Consultant