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February 4, 2011

Phyllis Beaulieu
Licensing Manager
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0E 1J0
Tel: (867) 360-6338

Sent via email, original to follow via Canada Post

Dear Phyllis Beaulieu;

RE: WATER LICENCE SUBMISSION FOR 2AM-JER0410, JERICO DIAMOND MINE, SHEAR DIAMONDS LTD.

In regards to the NWB Licence 2AM-JER0410 the team at Shear Diamonds is pleased to file with you the following 2 hard copy documents as they relate to the Jericho Diamond Mine, Nunavut. We have a third copy for Dave Honhnstein here in our Edmonton offices that we will forward to him directly.

1. The 2011 Jericho Care and Maintenance Plan – in both hard copy and with a DVD containing all digital report copies.
2. Letter of Request for Extension of the Term of Nunavut Water Licence 2AM-JER0410.
3. 2011-2012 Workplan to Evaluate the Jericho Resource and Site Infrastructure.

We are on schedule to submit the Type A Water Licence Renewal Application for the end of February, 2011.

If you have any further questions or require any additional information, please do not hesitate to contact Allison Armstrong, Manager of Environment and Permitting ar_enviro@yahoo.ca or myself at the contacts below.

Sincerely,

Pamela Strand, P.Geol.
President and CEO
Shear Diamonds Ltd.
pstrand@shearminerals.com

