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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

File No: 2BE-CHU0508

July 17, 2008

Pamela Strand
Shear Minerals Ltd.
Suite 100, 9797-45th Avenue
Edmonton AB T6E 5V8
E-mail: pstrand@shearminerals.com

Subject: Shear Minerals – Churchill Diamond Project – Renewal – Type “B”

Dear Ms. Strand;

The Nunavut Water Board (“NWB”) acknowledges receipt of your new/renewal/amendment application for a Type “B” water license on June 30, 2008, for water use and waste disposal associated with activities in the Kivalliq region of Nunavut. The application can be obtained from our ftp site, **Username: public, Password: registry**, at the following link:

<ftp://nunavutwaterboard.org/2BE%20-%20EXPLORATION/2BE-CHU/2008%20Renewal/>

or by contacting our office.

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. A Nunavut Water Board Technical Advisor may be in touch with you to clarify any technical details related to your application.

In accordance with S.11.5.10 of the *Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada*, this project proposal shall be reviewed by the Nunavut Planning Commission (“NPC”), to determine conformity with an approved land use plan, before it can be fully processed by the NWB. If the project falls outside the boundaries of an approved land use plan, the NWB requests written confirmation from NPC for our files. Also, by copy of this letter to the Nunavut Impact Review Board (“NIRB”), the NWB requests that the project be screened for environmental impacts, and notify the NWB of its review.

To ensure this application is dealt with in a timely fashion, the NWB forwards notice of all documentation to regulators and council of the municipality(s') most affected by the project, inviting interested parties to make representation 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 by interested parties.

Subject to Sections 12.10.2 and 13.5.5 of the NLCA, where a review is required pursuant to Article 12, the NWB shall not approve any water application that forms part of that review until Article 12 has been complied with.

Sincerely,

Original Signed By:

Richard Dwyer
Licensing Administrator

Enclosure: Notice of Application

Cc: NPC Conformity
Leslie Payette - NIRB
Distribution List – Kivalliq