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September 10, 2008

Andrew Keim Water Resources Officer Indian and Northern Affairs PO Box 100, Iqaluit Nunavut, X0A 0H0

RE: SHEAR MINERALS' RESPONSE TO INSPECTOR'S DIRECTION AUGUST 4, 2008, INDIAN AND NORTHERN AFFAIRS CANADA

Dear Mr Keim,

We are submitting to you a response to the Inspector's Direction from INAC, dated August 4, 2008.

The purpose of the report is to inform you of actions and plans to address the issues at the Josephine Camp, Churchill Diamond Property, stated in the Inspector's Direction.

If you have any further questions or require any other additional information, please do not hesitate to contact me at (867) 645-2444.

Sincerely,

SENT VIA EMAIL

Melodie Sammurtok Environment Manager Shear Minerals Ltd.

c.c. Pamela Strand Allison Rippin Armstrong Thomas Hamilton Bernie MacIsaac Phyllis Beaulieu