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Your file - Votre référence NWB2CHW0406 Our file - Notre référence IQA-N 9545-1-2CHWG

May 26th, 2006

Phyllis Beaulieu Licensing Administrator Nunavut Water Board P.O. Box 119 Gjoa Haven, NU, X0A 1J0

Re: 2BE-CHW0406 (previously NWB2CHW0406) - Shear Minerals Ltd.-Churchill West Diamond Property - 2005 Annual Report Review

On behalf of the Department of Indian Affairs and Norther Development (DIAND), I have reviewed the 2005 Annual Report, submitted by Shear Minerals Ltd. with respect to the Churchill West Diamond Property.

As the proponent did not undertaken any ground work during the 2005 exploration season, DIAND has no issues with the 2005 Annual Report.

The proponent should update their Spill Contingency Plan to included Mr. Peter Kusugak, (867) 975-4295 as their INAC contact.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4548 or by email at <a href="mailto:BathoryS@ainc-ianc.gc.ca">BathoryS@ainc-ianc.gc.ca</a>.

Sincerely,

Original Signed By

Stephen Bathory Regional Coordinator

cc- P. Kusugak

