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By Licensing Administrative Assistant at 9:38 am, Aug 31, 2011

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August 30, 2011

***Sent via email***

Ms. Phyllis Beaulieu  
Manager of Licensing  
Nunavut Water Board  
PO Box 119  
Gjoa Haven, NU X0B 1J0  
Phone: 867-360-6338 ex.26  
Fax: 867-360-6369  
[licensing@nunavutwaterboard.org](mailto:licensing@nunavutwaterboard.org)

Dear Ms. Beaulieu:

**RE: NOTICE OF CLOSE OUT OF CLASS B WATER LICENSE # 2BE-CHW0608,  
CHURCHILL WEST PROJECT, KIVALLIQ REGION, NU**

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This letter serves as official notice that Shear Diamonds Ltd. is no longer actively working on the Churchill West Diamond Project under Class B Water License # 2BE-CHW0608 (expired November 30, 2008) and we do not intend to submit application for renewal in the future.

At no time was there an exploration camp established on the property, and all fuel caches were removed during the 2007 field season when the last work was done on the property. A listing of the old fuel cache locations is provided below.

Fuel Cache #	Latitude (N)	Longitude (W)
9	63°17'19.5"	92°22'0.6"
10	63°16'15.4"	91°59'47.2"
11	63°25'25.4"	92°25'29.8"

If you have any further questions or require any additional information please do not hesitate to contact me by email at [sautut@sheardiamonds.com](mailto:sautut@sheardiamonds.com) or by phone at (780) 435-0045.

Sincerely,  
**SHEAR DIAMONDS LTD.**

Stephanie Autut  
VP, Environment and Community Affairs

SA:jb