

Open Houses

Over 1100 people attended the Shore Gold public Open Houses in **Smeaton, Nipawin, Melfort and Prince Albert** held February 2nd to 5th respectively. Eleven Shore staff members were present to answer questions and provide information as visitors moved around the four display stations, open from 3:00 p.m. to 8:00 p.m. each day. The Open Houses were part of the Environmental Impact Assessment (EIA) process that commenced with the filing, in November 2008, of the Star-Orion South Diamond Project Proposal with the Saskatchewan government and federal agencies. The EIA process includes meeting with and informing the general public and receiving their input on the proposed development.

The most frequently asked question at the open houses involved when the mine was going to become operational. The second most frequently asked question related to the impact diamond mining would have on the environment. Almost every visitor had positive comments and people were generally very enthusiastic about the prospect of a diamond mine . . . they'd like to see it go forward, as long as proper environmental rules are put in place. It was clear that the public felt development should occur, under appropriate environmental standards. There seemed to be a general trust that governmental authorities would come up with appropriate rules to ensure this, and a general level of comfort with the process that was occurring.

At the **Geology** station, Shore's geologists explained how diamonds came to be in Saskatchewan. The **Mining** station provided an animated simulation illustrating the proposed mining and processing method. The Project Manager was there to clarify details. Three of Shore's environmental staff were on hand at the **Environment** station to provide details on baseline studies, potential impacts on the environment, monitoring programs, water management, post-mining activities and to answer environment-related questions. "**Economy**", the fourth station, staffed by Shore's human resources manager and procurement manager, received visitors interested in potential jobs and business opportunities that would result from the development of a mine.

Each person who attended was given a "Comment/Question" sheet which he or she could place in a box at the event, mail in or fax in. As well, the sheet gave information as to how to telephone toll-free or e-mail any comments, questions or suggestions.

The display and handout information are available on-line as a virtual Open House by clicking the "Community" link at www.shoregold.com. Comments or questions can be directed to projectproposal@shoregold.com. The link is available on the "Community" page on the website.

Environmental Impact Assessment Process Underway

Shore Gold's filing of the Star-Orion South Diamond Project Proposal on November 3, 2008 commenced an **Environmental Impact Assessment**



Prince Albert Open House - February 5, 2009 - Forest Centre

assessment of the proposed concept of open-pit diamond mining in Saskatchewan. In this way, pursuant to the Environmental Assessment Act, the public and regulators can ensure that any development proceeds in a manner conducive to safeguarding our environment.

The assessment of environmental impacts involves many steps. The initial step is development of Project Specific Guidelines (PSGs) by government. Considering the information provided in the Project Proposal, provincial and federal regulators develop PSGs to identify the nature and quality of information they expect in the Environmental Impact Assessment. The Environmental Impact Statement will be compared to the PSGs to make sure that the analysis is complete, and all aspects of the environment are adequately addressed. The province will prepare a draft of the PSGs, and provide the draft to the public for comment before finalizing.

Updated Resource Estimate Released for Star Diamond Project

An updated resource estimate for the Star Kimberlite, calculated by independent Qualified Persons from P&E Mining Consultants Inc., was announced February 27, 2009. The supporting technical report will be filed on SEDAR within 45 days of the announcement.

The Star Diamond Project, the major portion of which is wholly-owned by Shore Gold, includes a portion, Star West, on property of the Joint Venture between Shore Gold (60%) and Newmont Mining Corporation of Canada Limited (40%).

This updated resource estimate includes Indicated Resources of 152 million tonnes of kimberlite at a grade of 14 carats of diamonds per hundred tonnes, and Inferred Resources of 26 million tonnes of kimberlite at a grade of 12 carats of diamonds per hundred tonnes. This represents a 23% increase in Indicated tonnage and contained carats for Star, compared to the initial resource estimate published in June, 2008.

A mineral reserve estimate on Star, which would include a reasonable estimate of oper-

ating and capital costs of a potential mine, is planned by late 2009.

For full details: www.shoregold.com - "News Release" - Feb 27, 2009.

New Results Released on Orion South

Adding to five previous sets of results from the FalC Joint Venture (Shore 60%; Newmont Mining Corporation of Canada Limited 40%) exploration activities on the Orion South Kimberlite are two additional sets of results announced by press releases dated January 23 and March 2, 2009.

The January 23 release announced 398.38 carats from 4,405.69 dry tonnes of kimberlite processed, with the four largest stones sized 3.61 (White), 3.31 (White), 3.03 (Off-white) and 2.66 (White) carats respectively. The March 2 release announced 299.29 carats from 2,010.54 dry tonnes of kimberlite processed. The four largest stones present in the March 2 results, sized at 9.37 (off-white), 7.16 (off-white), 5.42 (white) and 4.77 (off-white) carats respectively, was a positive sign. These latest results, along with others yet to come, will provide grade and price estimates for use in a resource estimate for Orion South.

Exploration activity has ceased on Orion South; however, more results will be released as the remaining unprocessed kimberlite is processed over the coming weeks. The aim is to announce a resource estimate for Orion South by the end of 2009.

For full details: www.shoregold.com - "News Release" Jan 23 and Mar 2, 2009.



Smeaton Open House - February 2, 2009



Environmental Baseline Studies Nearing Completion - Air and Noise Results

Noise Survey

A baseline noise survey was conducted in August 2008 to the west of the Star site in the FalC forest by AMEC Earth and Environmental, to provide data about how 'noisy' the forest was at that time, and provide a basis for comparison in the noise assessment section of the Environmental Impact Statement.

Three aspects of environmental sound are important in determining subjective response.

These are:

- the intensity, or level, of the sound;
- the frequency spectrum of the sound or the tone of the sounds; and
- the time-varying character of the sound or how the sound changes between different times of the day.

Once the data collected during the survey time was analyzed, the acoustical environment in the

area could be characterized by low sound levels at around 30 dBA with no tonal, impulsiveness or modulation components present. A sound level of 30 dBA is considered 'quiet to very quiet', equivalent to the noise in a bedroom.

Air Quality Survey

Monitoring was conducted from March 2008 to January 2009 by AMEC Earth and Environmental to measure existing baseline air quality. Air quality is impacted by the sources of air pollutants in the area. In general, sources of air pollution can be anthropogenic (caused by human activity) or natural. Anthropogenic sources in Saskatchewan include thermal power generation (from the combustion of coal and natural gas), transportation, pulp and paper mills, mining operations and chemical pesticide application. 'Natural air pollutants' include fugitive dust from wind-blown soils, pollen and spores, and smoke and ash from forest fires.

Dust concentrations (total suspended particulate (TSP) and PM10, or particulate matter less than 10 microns), were measured and the material collected was analyzed for metal concentrations.



The mean concentration of TSP at the sampling site between March 2008 and January 2009 was approximately 10 µg/m³. The mean concentration of PM10 over the same time period was approximately 6 µg/m³. These values are considered very low, and are typical of an area with little industrial activity (i.e. the forest).

Metal concentrations in the dust, measured in micrograms (µg) (1/1,000,000 of a gram, which is one of the smallest units of weight commonly used), were also very low (mean concentrations were: Al (aluminum) 0.0778 µg/m³, Cr (chromium) 0.0015 µg/m³, Cu (Copper) 0.0025 µg/m³, Pb (Lead) 0.0012 µg/m³, Ti (Titanium) 0.0012 µg/m³, Zn (Zinc) 0.0088 µg/m³).

Passive sampling was conducted for:

- sulphur dioxide (SO₂);
- nitrogen oxides (as NO₂);
- ozone (O₃); and
- BTEX (benzene, toluene, ethylbenzene, xylene).

Over the sampling period, the average SO₂ concentration was 0.5 parts per billion (ppb) and the average NO₂ concentration was 0.9 ppb. For comparison, the Saskatchewan annual average ambient air quality standards for SO₂ is 10 ppb and for NO₂ is 50 ppb (Saskatchewan Government, 1989. The Clean Air Regulations. Chapter C-12.1 Reg. 1 -Effective November 1, 1989.).

The air quality baseline measurements will provide a basis for comparison in the air quality assessment section of the Environmental Impact Statement.



"Shore Gold Open House Draws Big Crowd"

- Prince Albert Daily Herald



"Optimistic Feeling After Shore Gold Open House"

- Melfort Journal



"Still time for public input on proposed diamond mine"

- Nipawin Journal