

## Plenty of News from Shore Gold: From Exploration to Data Interpretation

In his "Message to Shareholders" in Shore's Annual Report for 2008, Ken MacNeill, President and CEO, reported that 2009 would be a busy year for Shore. Building on the extensive exploration work done over the years, desktop engineering studies and data analysis of results already obtained is underway.

Plans for 2009 include completion of a pre-feasibility study resulting in a Reserve Estimate on the Star Kimberlite and publication of a Resource Estimate on the Orion South Kimberlite. This work will put the company in a position to consider a production decision in 2010.

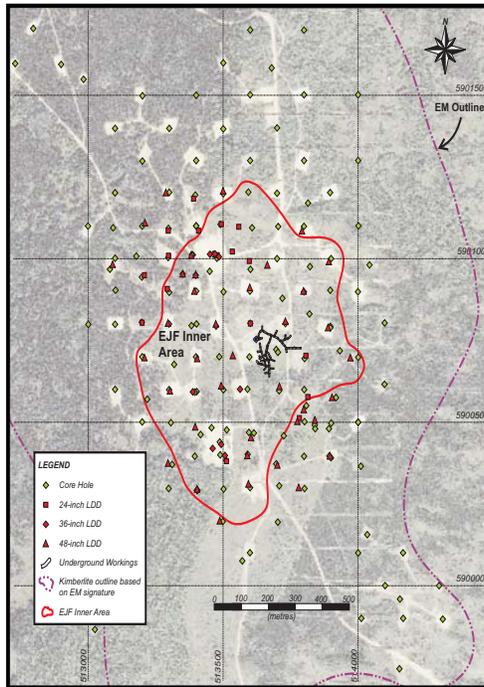


Examining core samples

To that end, several news releases have been issued by the company over the past three months. Highlights include:

- First quarter financial results (News Release May 13, 2009) stated cash and cash equivalents of \$20.2 million as of May 5, 2009.
- Release of large diameter drilling (LDD) diamond grade reconciliation on Shore's Star Kimberlite (News Release April 21, 2009). The introduction of a reconciliation factor is necessary to account for diamond breakage and loss which occurs when sampling kimberlite by large diameter drilling. Results showed a grade of 16 carats per hundred tonnes (cpht) of kimberlite from underground (down shaft and drifting out) bulk sampling and 14 cpht from large diameter drilling.
- The eighth and final set of diamond results from Orion South Kimberlite (Shore 60%,

Newmont Mining Corporation of Canada Ltd. ("Newmont") 40%) (News Release April 28, 2009) were released, demonstrating a total of 15,248 diamonds from 23.47 dry tonnes of kimberlite, and an average grade of 10 cpht. Significantly, the grade of the Early Joli Fou (EJF) portion of Orion South, considered the most promising prospect for mining, was approximately 18 cpht. Reconciliation of large diameter drilling and underground bulk sampling results (News Release May 6, 2009) resulted in grades of 11 cpht and 10 cpht respectively, including 18-19 cpht for the EJF kimberlite.



Orion South drill map

- LDD results from the K120 portion of Orion North Kimberlite (Shore 60%, Newmont 40%) were also released (News Release May 19, 2009), showing a grade of 11 cpht overall. This LDD grade is not as of yet reconciled with any underground bulk sampling, and is believed by Shore to underestimate diamond grade, due to loss and breakage. LDD results from the K147 and K148 portions of Orion North were also released (News Release June 16, 2009) announcing an average grade of 8 cpht. Again, these results are not yet reconciled with underground bulk sampling results and are believed by Shore to be an underestimation due to loss and breakage caused by the LDD process.



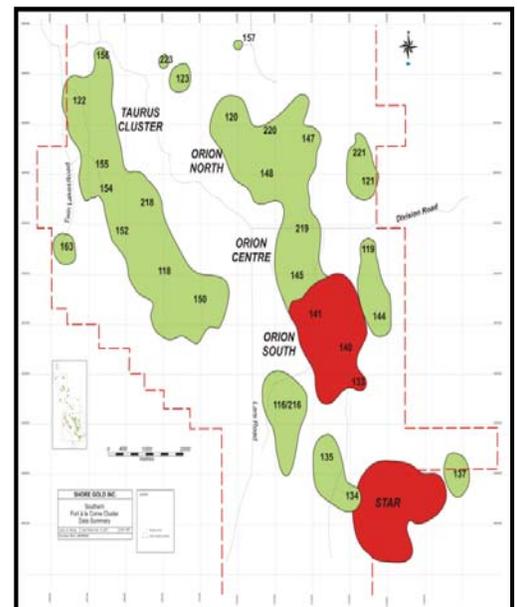
Examining core samples

- Large diameter drilling results from Taurus Kimberlite cluster (Shore 60%, Newmont 40%) were released (News Release June 4, 2009), showing that Taurus also contains extensive volumes of diamond bearing EJF inner kimberlite units. LDD initial grades were similar to Orion North, and are also believed by Shore to underestimate diamond grade, due to loss and breakage.

Work continues by experts in various fields to use available information to do the necessary analysis to move toward development.

All company news releases can be viewed online at [www.shoregold.com](http://www.shoregold.com).

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Star, Orion and Taurus Kimberlite Clusters



Onsite Processing Plant interior

## Project Specific Guidelines

An Environmental Impact Assessment (EIA) is required for Shore Gold's Star and Orion South Diamond Project proposed for the Fort à la Corne area. The EIA process was initiated on November 3, 2008 with the filing of a Project Proposal with the Ministry of Environment and Federal agencies. The Environmental Assessment Branch (EA Branch) of the Saskatchewan Ministry of Environment will work with Shore to ensure all pertinent environmental issues are addressed through the EIA. The EA Branch is preparing project specific guidelines (PSGs) which provide a detailed description of the information required to resolve potential concerns and issues associated with the development, and supplement the program's general EIA guidelines.

Draft PSGs will be issued and made available for public review for 30 days in order to ensure that issues of public concern are addressed. After public comments have been received, the EA Branch will consider the public comments, develop the final Project Specific Guidelines and issue them to Shore. Shore will then conduct the EIA according to the PSGs, including public engagement activities, and will prepare and submit an Environmental Impact Statement (EIS). The EIS will describe the project and



Processing Plant

the existing environment, discuss possible alternative approaches to development and evaluate potential effects of the development on the environment. The EIS will outline the steps Shore will propose to take to mitigate adverse effects, enhance beneficial effects, and identify residual impacts.

The length of time required to complete an EIA depends to a great extent on the nature of the proposed development, the availability of environmental information on the project and the geographic area in question.

In anticipation of the EIA, Shore has collected baseline environmental information over an extended period of time to allow for more accurate prediction of project-related effects which have seasonal variability.

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## Wildlife Surveys

Wildlife surveys were conducted in 2007/2008 by Ecodynamics Consulting of Prince Albert in the Fort à la Corne (FaC) forest to describe wildlife populations, and provide data to the Environmental Impact Assessment (EIA), in order to predict possible project impacts. Since larger mammals, such as elk, deer, moose, bears and wolves are known to range over relatively large areas, a local wildlife study area (WSA) was selected for the study. The area included the Star, Orion and Taurus kimberlites, and land south of the kimberlites to include portions of the Saskatchewan River valley. The WSA study area covers approximately 57,500 hectares (ha), or 43% of the total area of the Fort à la Corne Provincial Forest (approximately 133,000 ha).

Some 33 species of mammals were recorded during the baseline study, including four species of ungulates (white-tailed deer, elk, moose and mule deer), 13 species of carnivores (including black bear, wolf and lynx) and 16 other spe-

cies of mammals, including mice, voles, shrews and bats.

Wildlife surveys completed during the baseline program included:

- A fall small mammal survey (September and November, 2007)
- Winter ungulate aerial surveys (December 2007; January and March, 2008)
- Ungulate food habit surveys (December, 2007; March, 2008)
- A winter track count survey (March, 2008)
- A spring amphibian and owl reconnaissance survey (May, 2008)
- A spring waterfowl aerial and ground survey (May, 2008); and
- An upland breeding bird survey (June, 2008).

Ungulate densities were similar to historical studies, and 134 elk, 110 moose and 180 deer were estimated in the WSA based on observed animal densities. Deer and elk used the open regenerating jack pine forest for browse, while moose preferred shrub-rich wetlands and aspen forests. The wolf population was estimated at 15-20 animals in the entire FaC forest.

The consultants identified two wildlife species at risk in the study area: the common nighthawk and olive-sided flycatcher. These have been identified as at risk nationally in the last few years due to population decline. For the common nighthawk, population losses in other parts of Canada have led to the "at risk" designation, thought possibly to be due to reduction in urban habitat, mosquito spraying and increased predator populations. The olive-sided flycatcher has been listed as threatened since November 2007 due to widespread and consistent population decline over the last 30 years. The flycatcher ranges from the Canadian Boreal forest to South America, and may be affected by habitat change along the entire range although the exact cause is not known. As a result of these national developments, if nesting habitat of these birds was found in the study area, appropriate setback distances and timing restrictions on activities could be implemented. This is an example of how baseline studies inform the process and allow regulators to consider appropriate developments and mitigation measures.

Complete study results, including results of the bird surveys and amphibian surveys, will be available in the EIS.

## Upcoming Events

DDAC Meeting	MinExplo Expo 2009
June 23, 2009	September 17, 2009
Seniors' Hall	Art Hauser Centre
Meath Park	Prince Albert

Saskatchewan Geological Survey (Open House)  
November 30 to December 2, 2009  
Delta Bessborough  
Saskatoon