



**STAR-ORION SOUTH DIAMOND PROJECT  
ENVIRONMENTAL IMPACT ASSESSMENT**

**APPENDIX 4-C  
Open House 2010**

# Shore Gold Inc.

May 31, 2010

Dear

**Re: Shore Gold Open Houses June 14-17**


As part of Environmental Impact Assessment concerning the proposed Star-Orion South Diamond Project in the Fort à la Corne forest, Shore Gold is hosting a second series of Open Houses to inform the public of latest proposals, obtain feedback and answer any questions which may arise. This follows up on the Open Houses conducted in February, 2009, which were attended by over 1000 people combined at Smeaton, Nipawin, Melfort and Prince Albert.

The purpose of this letter is to invite you or any of your colleagues to attend the upcoming Open Houses. The dates, locations and times are:

- Monday, June 14, Meath Park - Seniors' Hall (4:30pm-7:30pm)
- Tuesday, June 15, Choiceland – Elks Memorial Hall (12:00pm-3:00pm)
- Tuesday, June 15, Nipawin – Evergreen Centre (5:00pm-8:00pm)
- Wednesday, June 16, Tisdale – Civic Centre (12:00pm-3:00pm)
- Wednesday, June 16, Melfort – Kerry Vickar Center (5:00pm-8:00pm)
- Thursday, June 17, Prince Albert – Forest Centre (10:00am-3:00pm)

We value our relationship with you and your colleagues, and look forward to seeing you at Open House! With every best wish,

Sincerely,



Eric Cline  
Vice President, Corporate Affairs  
Shore Gold Inc.

# Shore Gold Open House

## *June 14 – 17, 2010*

Shore is hosting Open Houses to update you on latest developments concerning the diamond project: an updated proposal which includes two open pits, information on the 2010 Pre-Feasibility Study and updated environmental information. Open House information will respond to what we heard at the 2009 Open Houses, gather input and provide information on what diamond mining would be like and what it would mean for the area.



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**June 14, 2010**  
**Meath Park, SK**  
Seniors' Hall  
4:30PM – 7:30PM  
Come & Go

**June 15, 2010**  
**Choiceland, SK**  
Elks Memorial Hall  
12:00 noon – 3:00PM  
Come & Go

**June 15, 2010**  
**Nipawin, SK**  
Evergreen Centre  
5:00PM – 8:00PM  
Come & Go

**June 16, 2010**  
**Tisdale, SK**  
Civic Centre  
12:00 noon – 3:00PM  
Come & Go

**June 16, 2010**  
**Melfort, SK**  
Kerry Vickar Center  
5:00PM – 8:00PM  
Come & Go

**June 17, 2010**  
**Prince Albert, SK**  
Forest Centre  
10:00AM – 3:00PM  
Come & Go

***Everyone Welcome!***

# Star-Orion South Diamond Project Environmental Impact Assessment

## Shore Gold Public Open Houses June 14 - 17, 2010

Shore is hosting community Open Houses to update you on the latest developments concerning our diamond project: an updated proposal which includes two open pits, information on the 2010 Pre-Feasibility Study and updated environmental information.

Open House information will respond to what we heard at the 2009 Open Houses, gather input and provide information on what diamond mining would be like and what it would mean for the area.

Mon. June 14 - Meath Park Seniors' Hall	4:30 p.m. to 7:30 p.m.
Tues. June 15 - Choiceland Elks Memorial Hall	12:00 Noon to 3:00 p.m.
Tues. June 15 - Nipawin Evergreen Centre	5:00 p.m. to 8:00 p.m.
Wed. June 16 - Tisdale Civic Centre	12:00 Noon to 3:00 p.m.
Wed. June 16 - Melfort Kerry Vickar Centre	5:00 p.m. to 8:00 p.m.
Thurs. June 17 - Prince Albert Forest Centre	10:00 a.m. to 3:00 p.m.

## Potential Diamond Mining In Saskatchewan – an update

### What to expect:

- updated displays, including:
- geology: why are there diamonds in this area?
- mining method
- environment
- economy: jobs and contracts
- responses to previous inquiries
- an opportunity to have input
- an opportunity to speak with professionals in geology, engineering, environment, human resources, contracting, law and community relations

**Everyone Welcome!**  
[www.shoregold.com](http://www.shoregold.com)

Shore Gold Inc.







**Stock Symbol: SGF: TSX  
SHORE GOLD INC.**

**June 10, 2010  
Saskatoon, Saskatchewan**

**STAR – ORION SOUTH DIAMOND PROJECT  
SECOND ROUND OF COMMUNITY OPEN HOUSE MEETINGS SCHEDULED**

George H. Read, P. Geo., Senior Vice President Exploration and Development, is pleased to announce the second round of Community Open House Meetings to be hosted by Shore in furtherance of the Star - Orion South Diamond Project. The Open Houses will take place June 14-17, 2010.

An Environmental Impact Assessment on the proposed project is nearing completion. Shore is responsible to keep the public fully apprised of the latest proposal for the Star - Orion South Diamond Project, which includes two open pits, a combined processing facility and other infrastructure. The Company also needs to gather input from surrounding communities, which will assist in the development of the Environmental Impact Statement scheduled for submission to the Saskatchewan Ministry of Environment and federal agencies later this year.

The meetings are intended to show people of the area what diamond mining would entail, to ensure an awareness of impacts, to obtain feedback from members of the public and answer any questions they may have. All Open House materials will also be available online. This second round of Open Houses is designed in part to provide information related to concerns and questions raised at the initial round of Open Houses, held in February 2009, which attracted more than 1,000 visitors.

The 2010 Open Houses will take place in Meath Park (June 14), Choiceland and Nipawin (June 15), Tisdale and Melfort (June 16) and Prince Albert (June 17). Details of locations and times are posted under "Community" at [www.shoregold.com](http://www.shoregold.com).

The Open Houses will include displays, handouts, a scale model depicting the proposed mine site, video simulations showing both mining and processing methods and the appearance of mining operations in relation to the landscape. Separate stations will be dedicated to the topics of Geology, Mining and Processing, Environmental Monitoring, and Jobs and Economy. Subject matter experts will be in attendance to staff the displays, answer questions and record comments.

Senior Vice President Exploration and Development, George Read, states: "As we near completion of the Environmental Impact Statement and work toward a production decision, it is important to keep the public informed. We need to understand any concerns, gather input and answer inquiries. We look forward to meeting with as many members of the community as we can, and to ensure the process is as inclusive as possible."

Shore is a Canadian based corporation engaged in the acquisition, exploration and development of mineral properties. Shares of the Company trade on the TSX Exchange under the trading symbol "SGF".

**Caution Regarding Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Forward-looking information is often, but

not always, identified by the use of words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project", "guidance", "may", "will", "should", "could", "estimate", "predict" or similar words suggesting future outcomes or language suggesting an outlook. In particular, statements regarding Shore's future operations, future exploration and development activities or other development plans constitute forward-looking statements. Forward looking information contained in this release is that related to the proposed mine layout and infrastructure, and timing of submission of the EIS.

All forward-looking statements and information are based on Shore's current beliefs as well as assumptions made by and information currently available to Shore concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration, development and mining activities and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, developments in world diamond markets, changes in diamond valuations, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar, changes in exploration, development or mining plans due to exploration results and changing budget priorities of Shore or its joint venture partners, the effects of competition in the markets in which Shore operates, the impact of changes in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the additional risks described in Shore's most recently filed Annual Information Form and annual and interim MD&A, and Shore's anticipation of and success in managing the foregoing risks.

Shore cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Shore, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise required by applicable securities legislation, Shore does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by Shore or on our behalf.

For further information please contact:

Joseph Dickson, Investor Relations Manager at (306) 667-3505 and [www.shoregold.com](http://www.shoregold.com)

- END -

Client: Shore Gold – June 2010 – open houses (1)

Writer:

Sales: Eric

Run Dates: June 12, 2010 (Saturday)

Length: 30 seconds

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BG Music: Cold read

Shore Gold is working toward open pit diamond mining in Saskatchewan and is hosting a second round of open houses next week. Shore will update you on what diamond mining would be like and what it would mean for the area. Please attend these come and go events next week, starting on Monday in Meath Park, then Choiceland, Nipawin, Tisdale, Melfort, and Prince Albert. They will provide the opportunity to have input and to seek information. See the “Community” page at [shore-gold dot com](http://shore-gold.com) for further information.

Client: Shore Gold – June 2010 – open houses (2)

Writer:

Sales: Eric

Run Dates: June 13, 2010 (Sunday)

Length: 30 seconds

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BG Music:

Shore Gold is working toward open pit diamond mining in Saskatchewan and will be hosting a second round of open houses next week. They will update you on what diamond mining would be like and what it would mean for the area. Please attend these come and go events starting tomorrow in Meath Park from 4:30 to 7:30, then Choiceland, Nipawin, Tisdale, Melfort, and Prince Albert. Take the opportunity to have input and to seek information. See the “Community” page at shore-gold dot com for further information.



Client: Shore Gold – June 2010 – open houses (3)

Writer:

Sales: Eric

Run Dates: June 14, 2010 (Monday)

Length: 30 seconds

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BG Music:

Shore Gold is working toward open pit diamond mining in Saskatchewan and is hosting a second round of open houses this week, to update you on what diamond mining would be like and what it would mean for the area. Please attend these come and go events - today in Meath Park from 4:30 to 7:30, and tomorrow afternoon in Choiceland, then evening in Nipawin; followed by Tisdale, Melfort, and Prince Albert. Take the opportunity to have input and to seek information. See the "Community" page at shore-gold dot com for further information.

Client: Shore Gold – June 2010– open houses (4)

Writer:

Sales: Eric

Run Dates: June 15, 2010 (Tuesday)

Length: 30 seconds

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BG Music:

Shore Gold is working toward open pit diamond mining in Saskatchewan and is hosting a second round of open houses this week, to update you on what diamond mining would be like and what it would mean for the area. Please attend these come and go events - today in Choiceland from noon to 3 then later in Nipawin from 5 to 8; Tisdale and Melfort tomorrow, and Prince Albert on Thursday. Take the opportunity to have input and to seek information. See the "Community" page at [shore-gold dot com](http://shore-gold.com) for further information.

Client: Shore Gold – June 2010 – open houses (5)

Writer:

Sales: Eric

Run Dates: June 16, 2010 (Wednesday)

Length: 30 seconds

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BG Music:

Shore Gold is working toward open pit diamond mining in Saskatchewan and is hosting a second round of open houses this week, to update you on what diamond mining would be like and what it would mean for the area. Please attend these come and go events - today in Tisdale from noon till three, then later in Melfort from 5 to 8; and finally tomorrow in Prince Albert from 10 to 3. Take the opportunity to have input and to seek information. See the "Community" page at shore-gold dot com for further information.

Client: Shore Gold – June 2010 – open houses (6)

Writer:

Sales: Eric

Run Dates: June 17, 2010 until 3 pm

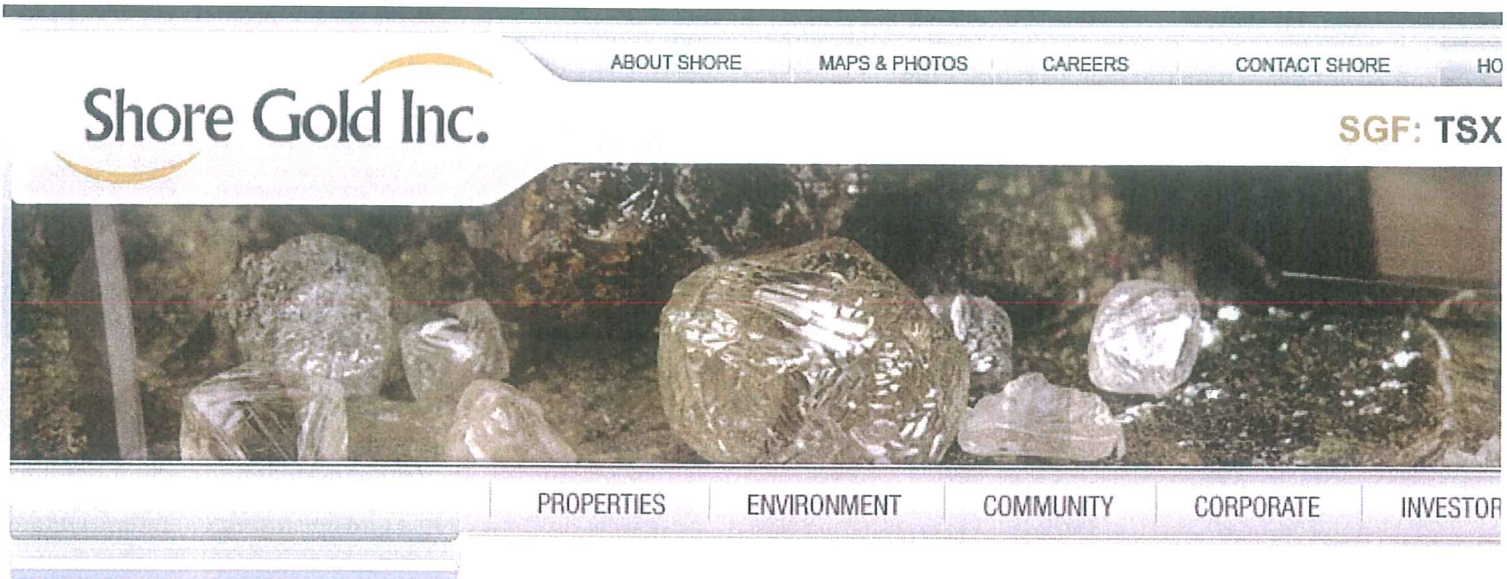
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BG Music:

Shore Gold is toward open pit diamond mining in Saskatchewan and is hosting a second round of open houses this week, to update you on what diamond mining would be like and what it would mean for the area. Please attend the final come and go event - today in Prince Albert from 10 to 3, at the Forestry Centre. Take the opportunity to have input and to seek information. See the "Community" page at shore-gold dot com for further information.





## Community

### Community Engagement and Environmental Impact Assessment

On November 3, 2008, Shore Gold Inc. ("Shore") filed a Project Proposal with the Saskatchewan Ministry of Environment and federal agencies. The filing commenced an Environmental Impact Assessment (EIA) to examine the impact of a possible open-pit mine at the Star Kimberlite and a possible second open-pit at the Orion South Kimberlite, mining method, processing facilities and associated infrastructure to commercially extract diamonds. As well, the Project Proposal provided a conceptual site layout. The Project Proposal has most recently been followed by the publication of a Pre-feasibility Study on the combined Star-Orion South Diamond Project. This would involve the contemporaneous development of the two open pits. This updated project description, which will be the subject of a highly detailed Environmental Impact Statement, will be used by regulators to guide them in decision-making, and forms the basis for continued discussion with the public about what the potential project would look like.

Presently, Shore is in the process of completing an Environmental Impact Statement for submission to Saskatchewan Environment and federal agencies, to be submitted in 2010. Community engagement and feedback is a key part of the EIA process and will inform the Environmental Impact Statement. To this end, Shore held an initial series of Open Houses in February, 2009 in Smeaton, Nipawin, Melfort and Prince Albert, and is holding a second round in June, 2010. The format involves a series of displays, maps and simulations and provides an opportunity for members of the public to submit questions or comments. The Open Houses have four stations, dedicated to Geology, Mining and Processing, Environment, and Employment and Procurement.

Professionals in each area attend to staff the displays, answer questions and take comments.

The first-round of Open Houses attracted over 1000 people, and proved to be a successful exercise both in conveying Shore's plans and receiving input from members of the public. It was clear that the public supported development, under appropriate environmental standards.

The second round of Open Houses were held June 14-17 in Meath Park, Choceland, Nipawin, Tisdale, Melfort and Prince Albert.

In addition, Shore remains in regular contact with the communities of the region in which mining would occur through the Diamond Development Advisory Committee. The committee is made up of representatives of cities, towns, villages, rural municipalities, First Nations and Métis Regions in the area, and is a valued vehicle through which two-way communication between Shore and the community is maintained.

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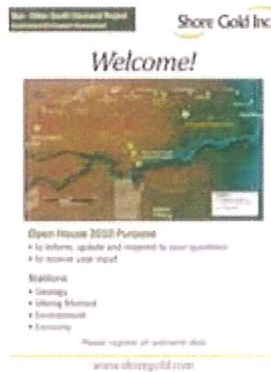
## Open House Poster Board Presentation

### Open House Handouts

### Open House 2010 Information



### Open House Welcome



### About Star-OS

### Safe Harbour Statement



### Geology-Station

**Star-OS South Exploration Project Environmental Assessment** **Shore Gold Inc.**

### About Star-OS South

The proposed Star-OS South Exploration Project involves the installation of appropriate infrastructure to support the proposed exploration activities, including a processing plant and associated infrastructure. The project is located on the Star-OS South Exploration Project area.

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[www.shoregold.com](http://www.shoregold.com)


## Geology - Exploration Methods

**Star-OS South Exploration Project Environmental Assessment** **Shore Gold Inc.**

### Star-OS South Exploration Methods

**ESTIMATING THE RESOURCE**

- To determine Geological Model (Block of Resources)
- To determine Diamond Grade (and average Diamond value) (D-GRADE)
- To determine Diamond Grade and average Diamond value (D-GRADE)



[www.shoregold.com](http://www.shoregold.com)

## Environment - Baseline Studies


**Star-OS South Exploration Project Environmental Assessment** **Shore Gold Inc.**

### Understanding our Environment Baseline Studies

The baseline studies are a key part of the environmental assessment process. The baseline studies are a key part of the environmental assessment process.

**Baseline Studies:**

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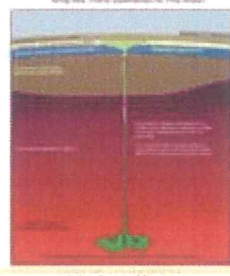


[www.shoregold.com](http://www.shoregold.com)

## Environment - Water Management

**Star-OS South Exploration Project Environmental Assessment** **Shore Gold Inc.**

### Geology Why Are There Diamonds in This Area?



[www.shoregold.com](http://www.shoregold.com)

## Star-OS Highlights

**Star-OS South Exploration Project Environmental Assessment** **Shore Gold Inc.**

### Highlights of Star-OS South Pre-feasibility Study



- **100% owned and operated by Shore Gold Inc.**
- **100% owned and operated by Shore Gold Inc.**
- **100% owned and operated by Shore Gold Inc.**

[www.shoregold.com](http://www.shoregold.com)

## Environment - Diamond Mining & Processing

**Star-OS South Exploration Project Environmental Assessment** **Shore Gold Inc.**

### Environmental Impacts of Diamond Mining and Processing

The environmental impacts of diamond mining and processing are a key part of the environmental assessment process.

**Environmental Impacts:**

- Environmental Impacts:** A key part of the environmental assessment process.
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- Environmental Impacts:** A key part of the environmental assessment process.

[www.shoregold.com](http://www.shoregold.com)

## Environment - Monitoring & Reclamation







effects on the environment or future community engagements by filling out the following form. Please note that your contact information is required in order to verify the comments provided and to provide transparency and accountability for Shore's community engagement program. Shore will endeavour to answer any relevant questions posted in a timely fashion. However, please be patient, as it may take several weeks to answer the volume of inquiries.

\* Name:

Address

City/Town:

Country [Choose Country V]

State / Province [Choose State / Province V]  
**choose other if not present  
if other type it below**

Postal Code

Email:

Phone:

Preferred Contact Method: [Email V]

Comments:

Please confirm the text below:



[Submit Information]

[Home](#) | [Properties](#) | [Environment](#) | [Maps & Photo Gallery](#) | [Community](#) | [Corporate](#) | [Investors](#) | [Contact Shore](#) | [Careers](#)

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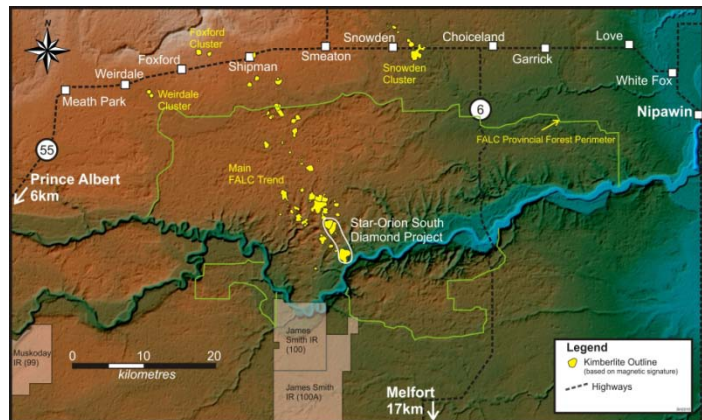
# Welcome!

## — Open House 2010 Information —



**Open House 2010** is the second round of public open houses conducted by Shore Gold Inc. It provides you, your family and neighbours with information about what diamond mining in the Fort à la Corne forest would mean for the area, and for Saskatchewan.

On November 3, 2008, Shore filed a **Project Proposal** with Saskatchewan Ministry of Environment and federal agencies. In February 2010, Shore Issued a News Release announcing the results of a **Technical Report and Pre-Feasibility Study on the Combined Star-Orion South Diamond Project**. In March 2010, the full **Technical Report** was filed.



Filing the Project Proposal commenced an **Environmental Impact Assessment** (EIA) to examine the impact of:

- open pit mining in the Fort à la Corne forest
- mining method
- processing facilities and associated infrastructure to commercially extract diamonds.

A **Feasibility Study** will be completed prior to making a production decision.

**For Further Details** see *Technical Report and Updated Preliminary Feasibility Study on the Star-Orion South Diamond Project*, March 24, 2010 at [www.shoregold.com](http://www.shoregold.com) (click on "Investors"/"Presentations and Media") or [www.sedar.com](http://www.sedar.com). The Environmental Impact Statement will be filed with the Saskatchewan Ministry of Environment and federal authorities over the coming months. It will also be available through the corporate and government websites once filed.

Environmental questions need to be addressed. Discussion with the public and regulators is essential. *That is the purpose of Open House 2010.* We wish to update you on latest project proposal details, and answer questions people put to us at the first round of Open Houses conducted in February 2009, including:

- what will the final potential project "footprint" look like?
- what are the full projected environmental impacts?
- what baseline environmental studies have been completed?
- how will environmental monitoring be done?
- how will water management issues be handled?
- where will the paved road be constructed?
- where will the utilities (e.g. electrical power, natural gas line) come in from?
- what will the overburden pile look like?
- what are the projected timelines to production?
- what is the plan for reclamation and decommissioning when mining ends?

## — Stations —

There are four stations for you to visit:

1. **GEOLOGY** – Why are there diamonds in this area?
2. **MINING & PROCESSING** – What would a diamond mine look like?
3. **ENVIRONMENT** – How do we protect our water, soil, animals, plants and air?
4. **ECONOMY** – What would diamond mining mean for jobs and contractors?



## ***Community Engagement***

### ***—Diamond Development Advisory Committee—***

The Diamond Development Advisory Committee (DDAC) was formed in January 2007 to act as a liaison between communities in the Fort à la Corne area and Shore Gold.

The DDAC is made up of representatives from the following communities:

#### **Cities**

City of Melfort  
City of Prince Albert

#### **Villages**

Village of Love	Village of Paddockwood	Village of Weirdale
Village of Meath Park	Village of Smeaton	Village of White Fox

#### **Towns**

Town of Birch Hills	Town of Kinistino	Town of Tisdale
Town of Choiceland	Town of Nipawin	

#### **Rural Municipalities**

RM of Birch Hills No. 460	RM of Nipawin No. 487	RM of Torch River No. 488
RM of Buckland No. 491	RM of Paddockwood No. 520	RM of Willow Creek No. 458
RM of Garden River No. 490	RM of Prince Albert No. 461	

#### **First Nations\***

Red Earth Cree Nation  
Sturgeon Lake First Nation

#### **Métis Nation – Saskatchewan Regions**

Métis Nation Eastern Region II  
Métis Nation Western Region II

#### **Other**

Fort à la Corne Development Corporation (owned by James Smith Cree Nation)

\*As well, other neighbouring aboriginal communities have been invited to join and are eligible to attend.

The DDAC meets regularly to review information on Shore Gold's current activities, and provides input and advice. It is an effective and trusted vehicle which ensures the views of the community are known and concerns are responded to.



## ***Star-Orion South Diamond Project Milestones — and Next Steps —***

### **Milestones**

- 1940s — diamonds reported in Prince Albert area
- 1960s — diamond exploration targets identified in Fort à la Corne (FALC) area
- 1988 — first discovery of kimberlites in the area by Uranerz Exploration and Mining Limited
- 1990 — Cameco, De Beers Canada Inc. and Kensington Resources Ltd. investigate in FALC
- 1995 — acquisition of Star Kimberlite mineral claims by Shore
- 1995 on — core drilling, large diameter drilling
- 2003 — processing plant constructed
- 2003-07 — bulk sampling Star Kimberlite; 250 m shaft sunk; 25,000 tonnes of kimberlite extracted through lateral drifting; Shore acquires interests of Cameco and DeBeers Canada Inc. in FALC JV; Shore enters into plan of arrangement with Kensington Resources Ltd.
- 2007-09 — bulk sampling on Orion South Kimberlite; 210 m shaft sunk; 23,468 tonnes of kimberlite extracted through lateral drifting
- 2006-09 — extensive additional exploration on Star Kimberlite and Orion South Kimberlite
- 2008 — Mineral Resource estimate on Star Kimberlite published
- 2008 — filing of Project Proposal, commencing Environmental Impact Assessment
- 2009 — updated Mineral Resource on Star Kimberlite published; Pre-feasibility study and Mineral Reserve estimate on Star Kimberlite published
- 2009 — Mineral Resource estimate on Orion South Kimberlite published
- 2009-10 — desktop engineering studies and data analysis, Star Kimberlite and Orion South Kimberlite
- 2010 — Prefeasibility Study and Mineral Reserve estimate on Combined Star-Orion South Project published

### **Next Steps**

- 2010 — work toward **Feasibility Study** on Combined Star-Orion South Project; complete Environmental Impact Statement on Combined Star-Orion South Project; carry out exploration work based on recommendations of Pre-feasibility Study
- 2010 — submit **Environmental Impact Statement** on Combined Star-Orion South Project to Saskatchewan Environment and federal authorities
- 2010-11 — complete **Feasibility Study** on Combined Star Orion South Project
- 2011 and beyond — completion of environmental assessment by Saskatchewan Environment and federal authorities on Combined Star-Orion South Project; corporate production decision; arrange financing; obtain permits for mine construction; obtain permits for mineral production



## *Our Vision*

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At Shore Gold Inc., we seek to provide value to shareholders by identifying, exploring, and ultimately developing quality natural resource properties in an environmentally, socially and economically responsible manner while providing employment and economic opportunities to individuals and communities.

## *Our Values*

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### **Safety**

We seek to maintain a safe and healthy workplace for all employees with the ultimate goal of zero lost time incidents, and to foster company-wide awareness and cooperation in safety to develop an environment in which all employees can work safely and productively.

### **People**

We value our workforce and strive to develop a respectful and representative workplace which recognizes the diversity of individuals while promoting a team environment.

### **Environment**

We recognize and respect the inherent value of our environment and seek to minimize our impact on the environment through strategic planning, implementation of best management practices and innovation, while striving to continually improve the quality of our environmental practices.

### **Communities**

We value the communities neighbouring our operations and hope to see the quality of life of their citizens enhanced by emerging employment and business opportunities.

### **Security**

We seek to provide professional and efficient security to ensure appropriate safeguards are in place to protect our employees and assets.

## *Our Safety*

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### **Vision**

At Shore, we seek to maintain a safe and healthy workplace for all employees with the ultimate goal of zero lost time incidents as well as to foster company-wide awareness and cooperation in safety to develop an environment in which all employees can work safely and productively.

### **Safe and Healthy Workplace**

We seek to:

- Identify, assess and manage health and safety risks
- Educate employees in best health and safety practices
- Educate employees in compliance with applicable health and safety rules and regulations
- Investigate incidents promptly and thoroughly, determine the root cause and prevent reoccurrence

### **Responsibilities**

We will:

- Accept responsibility for leadership of the Health and Safety Program, for its effectiveness and improvement, and for providing the safety measures required to ensure a safe workplace
- Ensure that employees are aware of their roles and responsibilities as key partners within all components of the Health and Safety Program

## *Our People*

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### **Vision**

At Shore, we value our workforce and strive to develop a respectful and representative workplace which recognizes the diversity of individuals while promoting a team environment through mutual respect and cooperation.

### **Value Performance**

We seek to:

- Recruit and develop a dedicated workforce committed to the advancement of our projects
- Provide a workplace that rewards and inspires talented and motivated individuals
- Offer opportunities for growth and success, support performance excellence and foster continuous improvement in all areas of work

### **Respectful Workplace**

We strive to:

- Create and maintain a work environment in which all individuals are treated with respect and dignity
- Establish a work environment which promotes equal opportunity, cooperation and full participation for all our employees

### **Representative and Diverse Workforce**

We work to:

- Develop a workforce which represents the diversity of skills required to advance our projects
- Develop a workforce representative of the geographic areas in which we operate, including communities and cultural groups surrounding our projects

## *Our Environment*

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### **Vision**

At Shore, we recognize and respect the inherent value of our environment and seek to minimize our impact on the environment through strategic planning, implementation of best management practices and innovation, while striving to continually improve the quality of our environmental practices.

### **Planning**

We seek to:

- Consider the environment as an integral part of all stages of project planning
- Collect and analyze meaningful environmental information to understand the potential effects of our activities on the environment
- Evaluate alternatives and maintain flexibility in project design to reduce our environmental footprint where practical
- Understand the implications of regulatory and policy changes on our projects

### **Environmental Best Management Practices**

We will:

- Strive to implement and follow environmental best management practices
- Educate employees in environmental best management practices and permit conditions relevant to their work
- Meet or exceed regulatory and industry standards

### **Innovation and Continuous Improvement**

We strive to:

- Promote a shared responsibility for environmental management with all employees
- Continually monitor, evaluate and modify our environmental practices and procedures where applicable
- Adapt to changes in regulation and the natural environment
- Use innovative solutions to reduce our environment footprint by:
  - reducing, reusing and recycling wastes
  - maximizing the benefits of any resource utilized
  - evaluating procedural alternatives and new technologies



## *Our Communities*

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### **Vision**

At Shore, we value the communities neighbouring our operations and hope to see the quality of life of their citizens enhanced by emerging employment and business opportunities.

### **Community Involvement**

We seek to:

- Build long-term relationships with neighbouring communities
- Engage communities through open communication and mutual respect to share information and allow community partners to participate in meaningful ways
- Gather community input to shape project development
- Provide opportunities for communities to enhance their ability to participate in economic opportunities provided by our projects

### **Economic Opportunities**

We strive to:

- Work collaboratively with communities, governments and institutions to create training opportunities for skill development in industry-related occupations
- Provide employment opportunities with a focus on local participation
- Build relationships with local suppliers and businesses to obtain quality, competitively priced goods and services in a timely fashion

### **First Nations and Métis Communities**

We recognize:

- The unique position of First Nations and Métis people in Canada through their treaty and constitutional rights
- The government's duty to consult with First Nations and Métis people and will network with the government to facilitate the process where possible
- The potential socio-economic benefits of the projects for First Nations and Métis communities through employment and business participation

We work to:

- Develop meaningful engagement and communication with neighbouring First Nations and Métis communities
- Create mutually beneficial relationships with First Nations and Métis communities to promote training and recruitment of young people into trades, technical and skilled occupations

## *Our Security*

---

### **Vision**

At Shore, we seek to provide professional and efficient security to ensure appropriate safeguards are in place to protect our employees and assets.

### **Security of Employees**

We seek to:

- Ensure a safe and secure work environment
- Develop and promote a sense of security awareness as a shared responsibility for all our employees
- Ensure professionalism, co-operation, sensitivity, and mutual respect are maintained throughout security programs and initiatives

### **Security of Assets**

We strive to:

- Limit the possibilities for theft and ensure the protection of our assets by planning and coordinating effective and efficient security initiatives

### **Fostering Stakeholder and Partner Confidence**

We work to:

Foster stakeholder and partner confidence by ensuring a consistent standard of enhanced security

## —Geology—

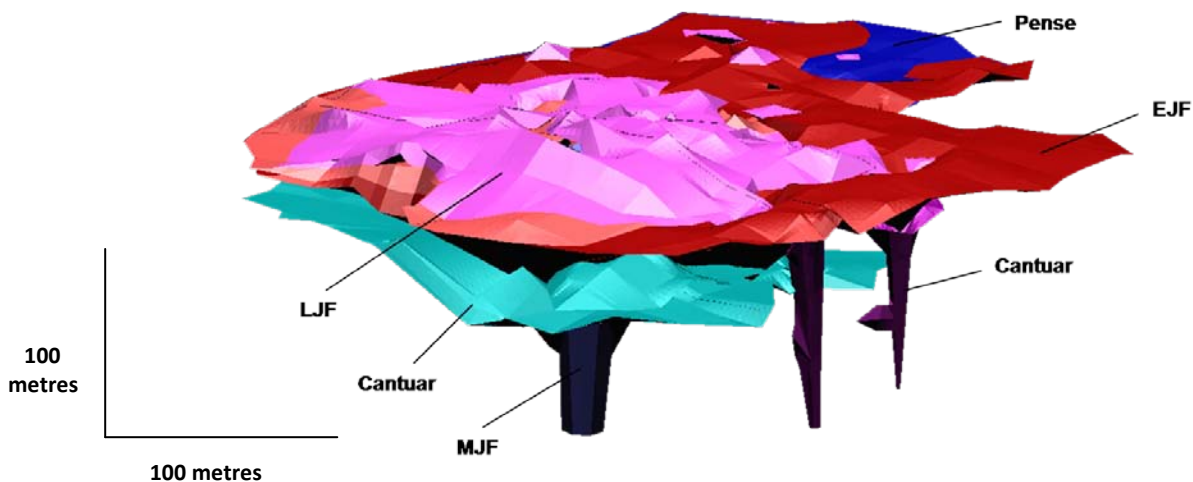
### *Why Are There Diamonds in This Area?*

Saskatchewan's Fort à la Corne area contains one of the most extensive kimberlite fields known in the world. The Star Kimberlite and the Orion South Kimberlite are two of over 60 in the area and each result from distinct volcanic kimberlite eruptions which have combined to form contiguous masses. These eruptions came from far below the earth's surface (approximately 200 km) and erupted between an estimated 99 and 104 million years ago.

These kimberlite formations have existed intact, but buried under large masses of earth and rock, for over 100 million years.

#### Star Kimberlite Eruptions

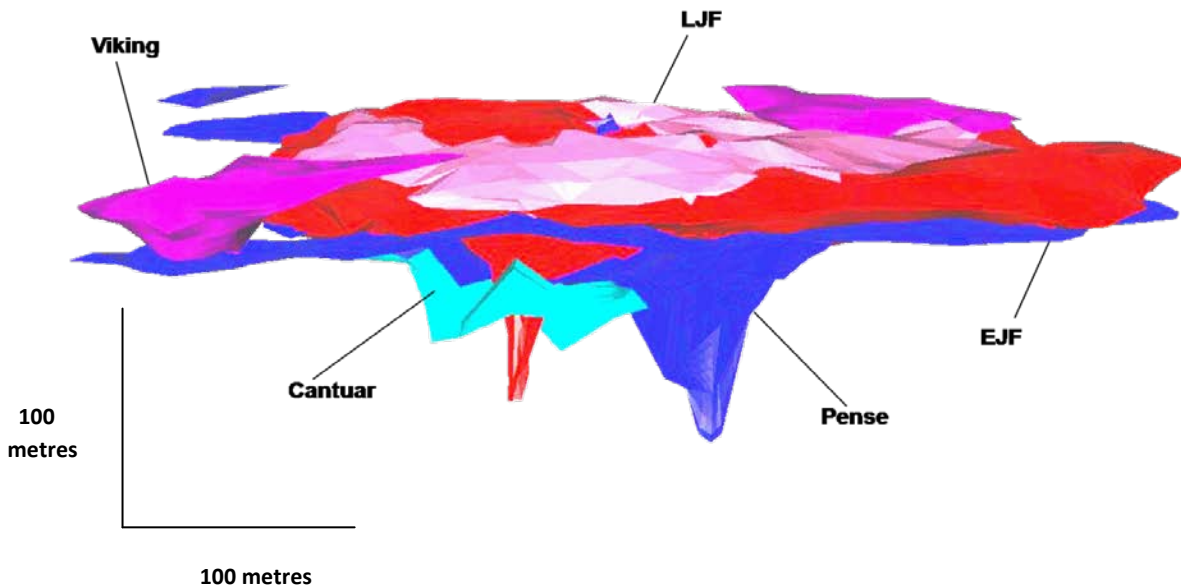
- Cantuar 104 million years ago
- Pense 100 million years ago
- Early Joli Fou (EJF) 100 million years ago
- Middle Joli Fou (MJF) 100 million years ago
- Late Joli Fou (LJF) 100 million years ago



The Star Kimberlite

### Orion South Volcanic Kimberlite Eruptions

- Cantuar 104 million years ago
- Pense 100 million years ago
- Early Joli Fou (EJF) 100 million years ago
- Late Joli Fou (LJF) 100 million years ago
- Viking Approx. 99 million years ago



The Orion South Kimberlite

### Diamonds are “Hitchhikers”

Diamonds are found in kimberlite because they were picked up, approximately 200 kilometers underground in the earth’s upper mantle, as kimberlite magma worked its way to the surface. Those diamonds which survived the molten heat remained in the kimberlite as it erupted and cooled on the earth’s surface.

***Why Does Saskatchewan Have the Most Extensive Kimberlite Field  
in the World?***



Kimberlites that erupted in what is now Saskatchewan remained in place, unlike kimberlites in other parts of the world, which disappeared gradually as they were eroded by forces like wind, water and glaciations. The diamonds were carried to riverbeds and deltas, where they have been mined for centuries. An example of an alluvial deposit is Namdeb, in Namibia, Africa.

The Fort à la Corne kimberlites remained intact because shortly (in geological time) they were buried by a layer of silt left by an ancient sea bed and then overlain by overburden rock and till left by glaciers. Because they were protected by these overlying layers, the Fort a la Corne kimberlites were eroded only to a minor extent, the diamonds within them remaining in place.



### ***How has Shore Gold Explored these Large Kimberlites?***

Since 1996, Shore Gold has been exploring the Fort à la Corne kimberlites using three main methods:

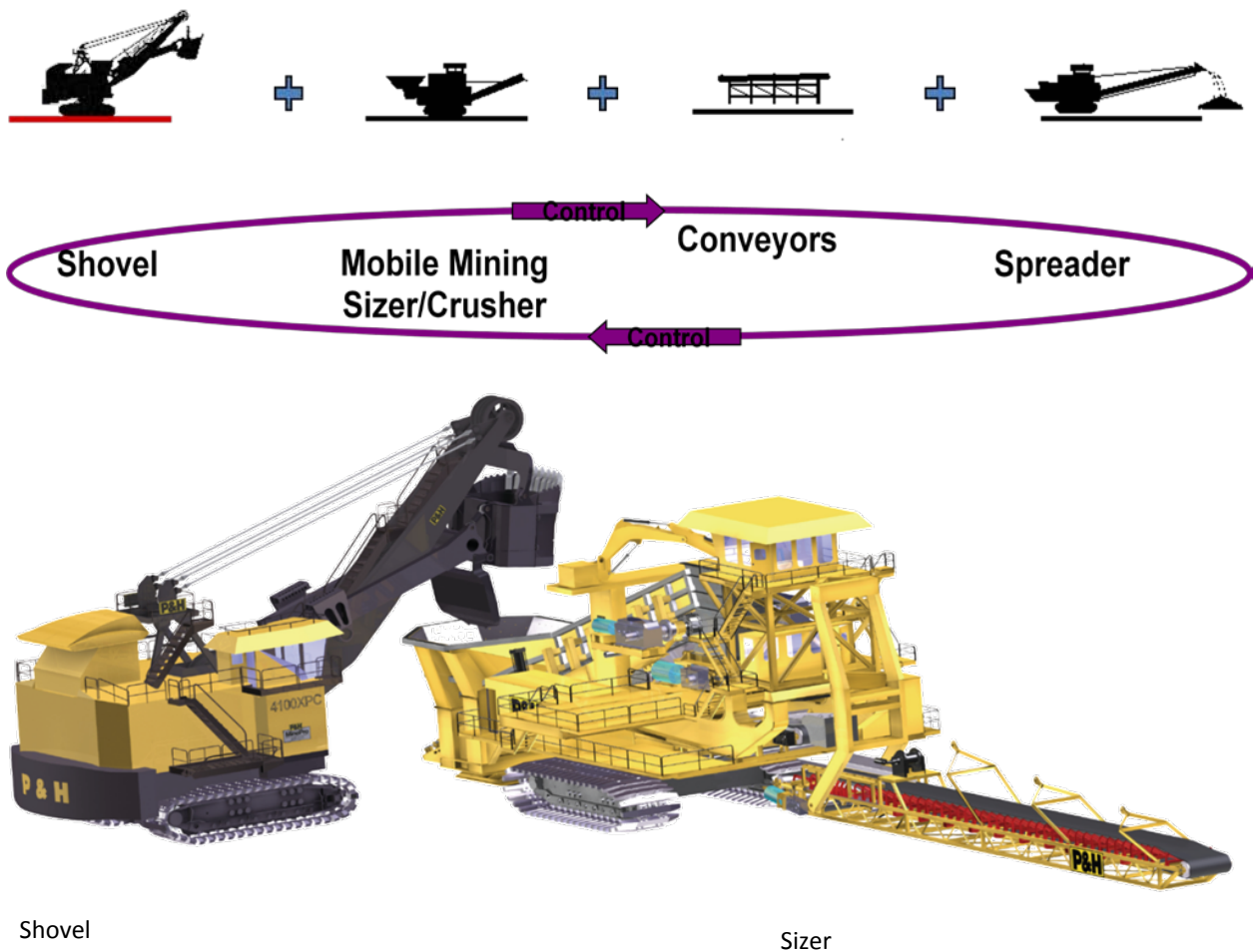
- **Core Drilling** – using 47 to 85mm core barrels, core is extracted, collected and analyzed;
- **Large Diameter Drilling** – 1.2 metre wide drill holes allow for the removal of large samples of kimberlite for processing and diamond recovery;
- **Underground Shaft Sinking** and Lateral Drifting – 4.5 metre wide underground shafts, one on Star Kimberlite and one on Orion South Kimberlite, from which lateral underground drifts (exploration tunnels) are excavated, producing tens of thousands of tonnes of kimberlite to be removed and processed for diamond recovery.

### ***Star - Orion South Pre-feasibility Study and Mineral Reserve Estimate***

- Years of exploration work have resulted in the **Star - Orion South Pre-feasibility Study**, conducted by an independent team of experts from P&E Mining Consultants Inc. Other firms contributed, including A.C.A. Howe International Ltd., Clifton Associates Ltd. and SRK Consulting, utilizing diamond pricing estimates provided by WWW International Diamond Consultants Ltd. of Antwerp, Belgium.
- Probable mineral reserve: 279 million tonnes of kimberlite
- 12.5 carats per hundred tonnes
- 35 million carats
- Average diamond value US\$192 per carat
- P&E concluded the Star - Orion South Project had potential to become a significant diamond producer, recommending further assessment and moving to a Feasibility Study

## ***Mining & Processing — From Overburden — Removal to Process of Diamond Recovery —***

1. **Pre-stripping:** conventional earth-moving equipment strips sand and clay layers down to boulders/top of till.
2. **Overburden removal:** Electrical-powered IPCC (integrated in-pit crusher and conveyor system) removes overburden (till to top of kimberlite) and conveys it to the overburden pile located outside of the pit.



- 20,000 tonnes per hour capacity to remove overburden and waste rock
- 4 *electric-powered shovels* with 42 m<sup>3</sup> capacity (including one spare)
- 4 fully *mobile electric crushers/sizers* (including one spare)
- 4 in-pit transfer *electric conveyors* (including one spare)
- cross-bench conveyors
- up ramp conveyors
- overland conveyors to stacker/spreader at overburden pile (one conveyor from Star, one from Orion South)

### 3. Overburden pile

- hill from overburden approximately 912,000,000 m<sup>3</sup>
- approximately 60-80 m tall
- approximately 22 km<sup>2</sup>
- sloped, contoured with rise of three horizontal steps to one vertical
- can be planned/contoured for recreational use, e.g. ski hill, after mine closure
- some overburden may be diverted for use as hydroelectric dam fill or, in part, gravel for road building or maintenance

### 4. Kimberlite removal

- truck and shovel with semi-mobile crusher
- conventional electric hydraulic *excavators* remove 40,000 tonnes per day kimberlite which is loaded into:
  - 136 tonne capacity *diesel haul trucks* which dump the kimberlite into
  - mobile *electric crushers/sizers*, in-pit, which release *the kimberlite to*
  - in-pit cross-bench then up ramp and overland *electric conveyors*, which convey the kimberlite to
  - the *processing plant* (except uneconomic, low-grade kimberlite ore, which goes to an unprocessed kimberlite pile and can be processed at end of mine life)

## 5. Processing plant, processed kimberlite piles

- 40,000 – 45,000 tonnes per day kimberlite processed
- 14.3 million tonnes per year kimberlite ore to be processed
- anticipated mine life of 20 years
- processing plant separates diamonds from kimberlite. The process is environmentally safe, using only water and iron-rich sand, free of hazardous chemicals or byproducts.
- processing plant has 3 outputs: diamonds, processed kimberlite (< 1 mm) and coarse processed kimberlite (1 mm-45 mm)
- *diamonds* separated from kimberlite and secured
- *processed kimberlite* goes to Processed Kimberlite Containment Facility (PKCF), eventual height approximately 55 m. Water is 70-85% of processed kimberlite material and would be removed/reused in processing. Processed kimberlite only; no hazardous chemicals or byproducts.
- *coarse processed kimberlite* goes to Coarse Processed Kimberlite (CPK) Pile, eventual height approximately 54 m. Processed kimberlite only; no hazardous chemicals or byproducts. May be reprocessed in future to extract diamonds.
- all piles, i.e. overburden, processed kimberlite and coarse kimberlite to be reclaimed/revegetated during and after mine life.



## 6. Other infrastructure

- access corridor (road, communication lines e.g. SaskTel fiberoptics link, TransGas 4" natural gas line): south from Highway 55, Shipman to site, 35.6 km to be paved, 10.6 km over existing grid, 25 km generally over existing forest roads. Provincial secondary highway grade standard. One river crossing over White Fox River.
- power line: 230 kV line, from the southeast, stepped down on site to 25 kV, estimated nominal and peak demand loads of 112.8 mW and 123.1 mW on site
- processing plant, including geothermal for most heating and cooling requirements, and associated buildings
- explosives mixing and storage facility
- fuel and lubricant storage and distribution facilities
- potential gravel screening and washing facility
- security structures, administration/changehouse building, maintenance and technical services building, warehouse and cold storage building, vehicle wash facility, warm-up shed, and fire and emergency response building
- waste management facilities
- 50 tonne per hour sample Dense Media Separation plant for exploration and audit purposes
- helicopter landing pad

## 7. Pre-production capital costs:

• post-exploration and development work	\$251 million
• equipment	\$454 million
• processing plant, infrastructure	\$833 million
	<hr/>
	\$1.538 billion

## 8. Potential timelines

- construction — late 2011-2015
- production — 2016-2036

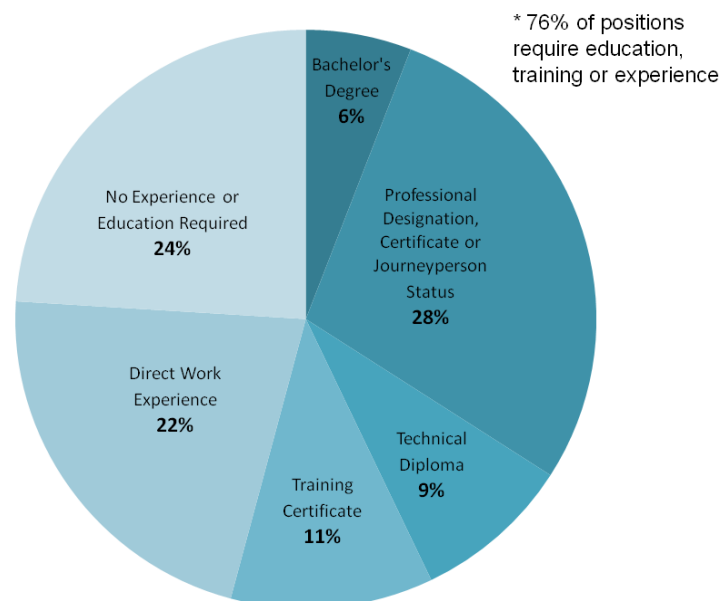


## Jobs & Economy

### Benefits of Diamond Mining to Saskatchewan

- **good jobs**, approximately 500 directly created jobs during construction and approximately 500 when in production
- **indirect ("spinoff") jobs**: it is estimated that for every direct job created in mining, two jobs are created in other industries, e.g. services, housing, sales, etc.
- **increased revenue to governments** -- local, provincial and federal
- **a larger, more diverse economic base**
- **population growth**
- **jobs and skills training** for local young people, including aboriginal youth
- **contracts** for the provision of goods and services

### Positions and Skill Requirements Anticipated for Production



#### Professional Designation, Certificate or Journeyperson Status

- Health & Safety Co-ordinator; Purchasing Agent; Tradesperson; OH&W Nurse

#### No Direct Experience

- Entry level Operator or Labourer

#### Direct Experience

- Production Supervisor; Plant Operator; Equipment Operator

#### Training Certificate

- Security Officer; Equipment Operator

#### Technical Diploma

- Environment Tech; Surveyor; Administrative Support; Geology Tech

#### Bachelor's Degree

- Engineer; Metallurgist; Geologist; Accountant



## ***Jobs in Mining Production***

### **Examples of Mining Jobs During Production**

Occupational Health and Safety Nurse

Information Technology Specialists

Diamond Sorters

Production Miners/Equipment Operators

Accounting Professionals

Buyers/Expeditors/Shippers/Receivers

Human Resources Professionals

Management and Administration

Health and Safety Professionals

Processing Plant Workers/Equipment Operators

Tradespeople, including Mechanics, Electricians, Welders, Millwrights, Carpenters

Geologists

Metallurgist

Lab Technicians

Warehousepersons

Security

Clerical

Trainers

Environmental Specialists

Engineers

Fabricators

## —Procurement—

### *Business Opportunities: Construction Phase\**



#### **Potential Start**

- late 2011 (as determined by the parameters of the Feasibility Study)

#### **Services**

- Steel Fabrication
- Concrete
- Electrical
- Mechanical
- Welding
- Maintenance
- Carpentry
- Catering
- Freight/Courier Services

#### **Materials**

- Lubricants
- Fuel
- Tires
- Pond Liners
- HVAC
- Culverts
- Medical Supplies
- Pre-engineered Buildings

#### **Equipment**

- Generators
- Conveyors
- Security
- Fire Protection
- Cranes
- Forklifts
- Light Vehicles
- Earth-moving Equipment

*\*All information estimated*

***Business Opportunities: Operations Phase\****



**Potential Start**

- late 2016 (as determined by the parameters of the Feasibility Study)

**Services**

- Welding
- Electrical
- Maintenance
- Freight
- Courier
- Catering
- Carpentry
- Rental Equipment
- Scaffolding

**Materials**

- PVF
- Power
- Transmissions
- Steel
- Fuel
- Tires
- Pumps
- Electric Motors
- Screens

**Equipment**

- Chutes
- Bins
- Scales
- Pit Equipment
- Site Services
- Conveyors
- Laboratory
- Survey

*\*All information estimated*

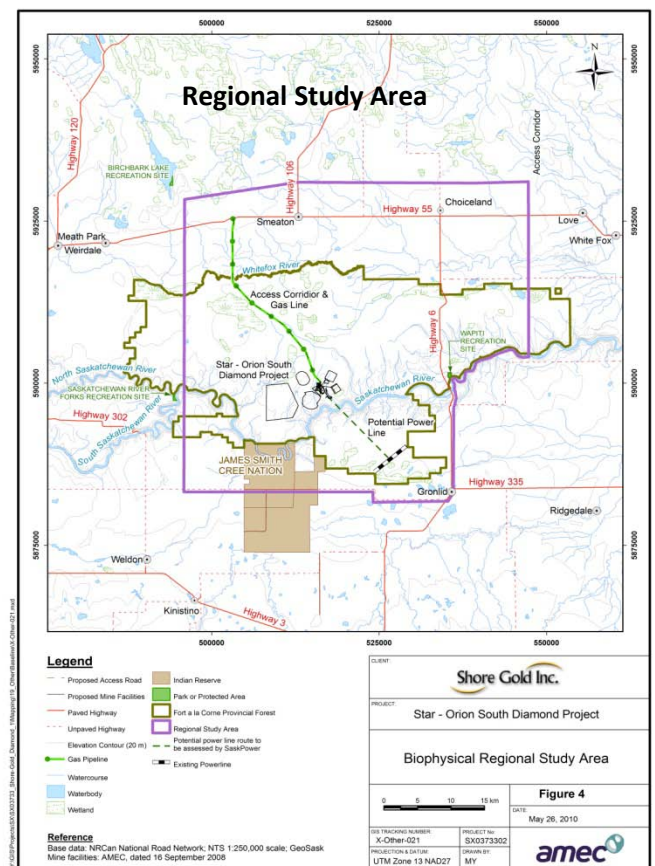
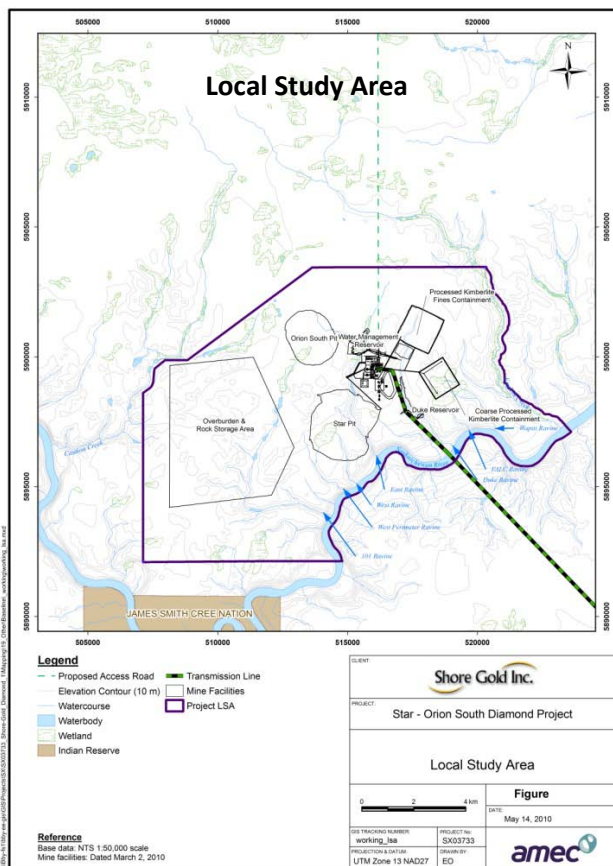


## — Environmental Monitoring —

### Key Questions

- What is the current state of the environment in the area?
- What impacts would diamond mining have on the environment?
- How will surface and groundwater be managed and protected?
- How will the environment be safeguarded through monitoring and management?

### 1. Understanding Our Environment — Baseline Studies





To understand the **current state of the environment**, extensive **baseline studies** have been conducted over several years, including:

**Air Quality** — air quality monitoring and climate data collection

**Aquatic Resources** — surface water studies

**Biodiversity** — various surveys including rare plants

**Geochemistry** — acid base accounting and metal leaching trials

**Human Health, Socio-Economic Conditions, Non-Traditional Land Use** — statistical overview being drafted for Environmental Impact Statement

**Hydrogeology** — groundwater studies

— well water survey — to measure current water levels in existing wells of local residents within a 20 km radius

— groundwater model — to describe current groundwater systems

**Noise** — environmental sound level monitoring

**Traditional Knowledge and Traditional Land Use** — heritage resource impact assessment, heritage site survey, currently working with First Nations and Métis Regions to gather further information

**Vegetation, Soils** — various surveys including rare plants, revegetation trials and vegetation surveys, forest industry mapping

**Wildlife and Wildlife Habitat** — aerial wildlife surveys (e.g. elk, moose, wolves), winter track surveys, food habitat surveys, aerial waterfowl and beaver surveys, amphibian and reptile surveys, owl surveys, breeding birds surveys



## **2. Environmental Impacts of Diamond Mining**

### **Diamond Mining and Processing Is a Non-Hazardous Process**

- Diamond mining and processing does not use hazardous chemicals or mill reagents or create emissions which can present significant, water, waste management, air quality or tailings issues.
- Diamond processing uses water and iron-enriched sand, and gravity, to create a slurry mixture from which diamonds can be extracted.
- Kimberlite is an environmentally friendly material and its removal and the creation of an open pit does not expose the kind of material which leaches acid and creates toxic water bodies. The resulting open pit would eventually fill with water and become a lake, filled with natural plants and aquatic life after mining has stopped.

## **Potential Impacts**

Like any development activity, diamond mining and processing could impact the surrounding environment, and issues need to be examined, including:

- soil displacement
- creation of overburden and two processed kimberlite hills
- excavation of large open pits
- road construction, from Shipman to site (approximately 30 kms)
- natural gas, power and telecommunications lines
- wildlife and wildlife habitat
- vegetation, need for revegetation
- traditional aboriginal land use/sites
- forestry
- recreational use
- noise/use of explosives
- vibration
- air quality/dust/motor vehicle exhaust
- greenhouse gas emissions
- groundwater: pumping of non-potable groundwater from around pits to keep pits dry during mining and using that groundwater for processing
- surface water: fish and fish habitat; pumping of surface runoff from open pits to keep pits dry during mining and using that pit water for processing; water diversion; creation of reservoir; water crossing by road/natural gas line/telecommunications/electrical power line; discharge of water to Saskatchewan River; release of water from processed kimberlite piles; impact on navigable waters/navigation; riverbank slope stability; creation of eventual lakes in open pits after mining has stopped

## **3. Water Management**

In order to open pit mine, the pit, which is naturally filled with underground water ("groundwater") must be kept dry. This will be accomplished by the placement of approximately 22 deep dewatering wells per pit, placed around the perimeter of the open pit, capable of removing a total of approximately 120,000-180,000 cubic meters of brackish water per day (total from both pits). This water is unfit for human consumption due to high dissolved mineral content. In addition, to avoid flooding from rain and surface runoff, the pits must have in-pit sumps and pumps to keep them dry.

Groundwater will be needed daily for processing. The groundwater pumped from around the open pits and the surface water pumped out of the pits is expected to produce sufficient water for the processing plant; if not sufficient, then additional dewatering wells can be added, and process water can be recycled/reused.

Therefore, it is not planned to use water from the Saskatchewan River.

The removal of deep groundwater will not impact the use of well water by domestic users, since domestic wells draw water from water bodies that are more shallow, in separate aquifers and are a considerable distance from the proposed mine. Potable water close to the surface from shallow aquifers will not be impacted outside of the immediate area of the mine.

Initially, ground and surface water removed from around and in the open pits will be diverted by channel to a water management reservoir with projected storage volume of 2,000,000 m<sup>3</sup>.

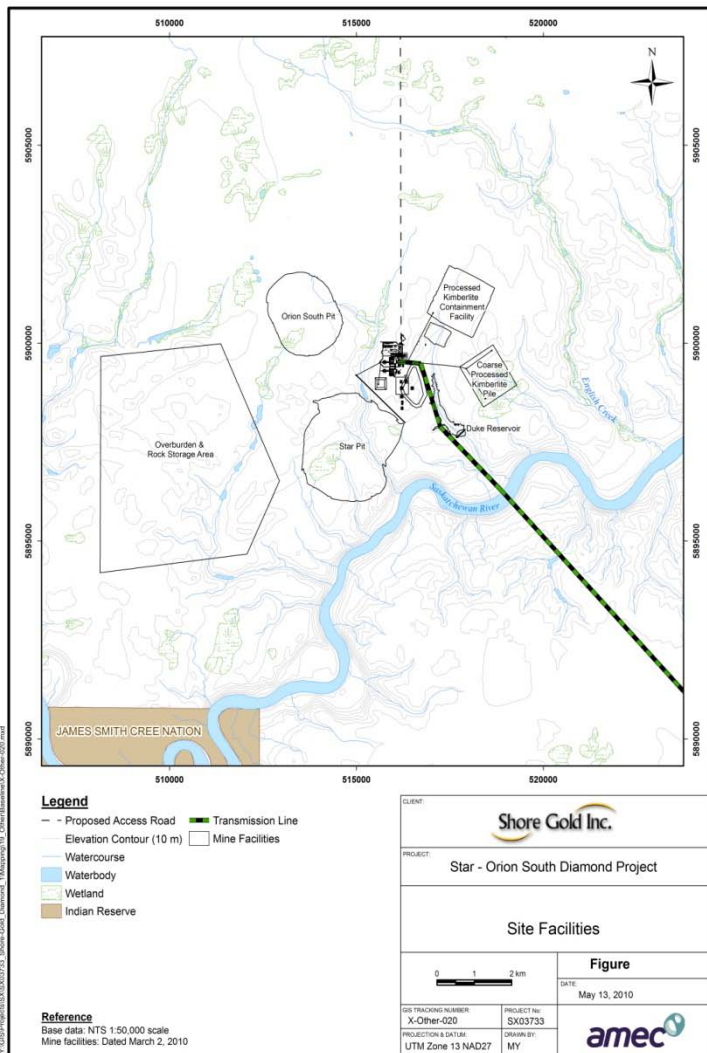
Water required for processing purposes will be taken from the reservoir to the processing plant.

Once the kimberlite is processed, it will contain a high percentage of water. The processed kimberlite will be deposited in containment areas, from

which water will be drained off to settling ponds. When settled and free of material, excess water could be discharged to the Saskatchewan River through the Duke Ravine.

Any water discharged to the Saskatchewan River would amount to less than 1% of the normal flow of the river.

Potable water for human use at the mine site would be drawn from shallow conventional wells.



#### **4. Environmental Monitoring and Reclamation**

Protection of the environment is key to any sustainable mining development. Compliance with the rules is a must.

No development will occur without environmental assessment and permitting by government authorities after consultation with First Nations and Métis people.

Before mining:

- Environmental Impact Assessment, including a
- filing of closure and decommissioning plan as part of Environmental Impact Statement
- financial assurances must be provided to government to guarantee environmental requirements are complied with
- public engagement and Crown consultation with First Nations and Métis people

During mining:

- environmental staff on site
- continuous monitoring/sampling of key environmental components as determined by regulators, e.g. air quality, surface and groundwater quality and flow monitoring
- well water level monitoring and testing
- river water sampling
- wildlife and wildlife habitat monitoring
- fish and fish habitat monitoring
- geophysical (ground) stability, overburden and processed kimberlite stockpiles stability monitoring
- socio-economic and cultural impact monitoring
- reporting to Saskatchewan Ministry of Environment and federal authorities as required
- progressive revegetation and reclamation of disturbances throughout mine life when possible, e.g. replace topsoil and revegetate as soon as possible.

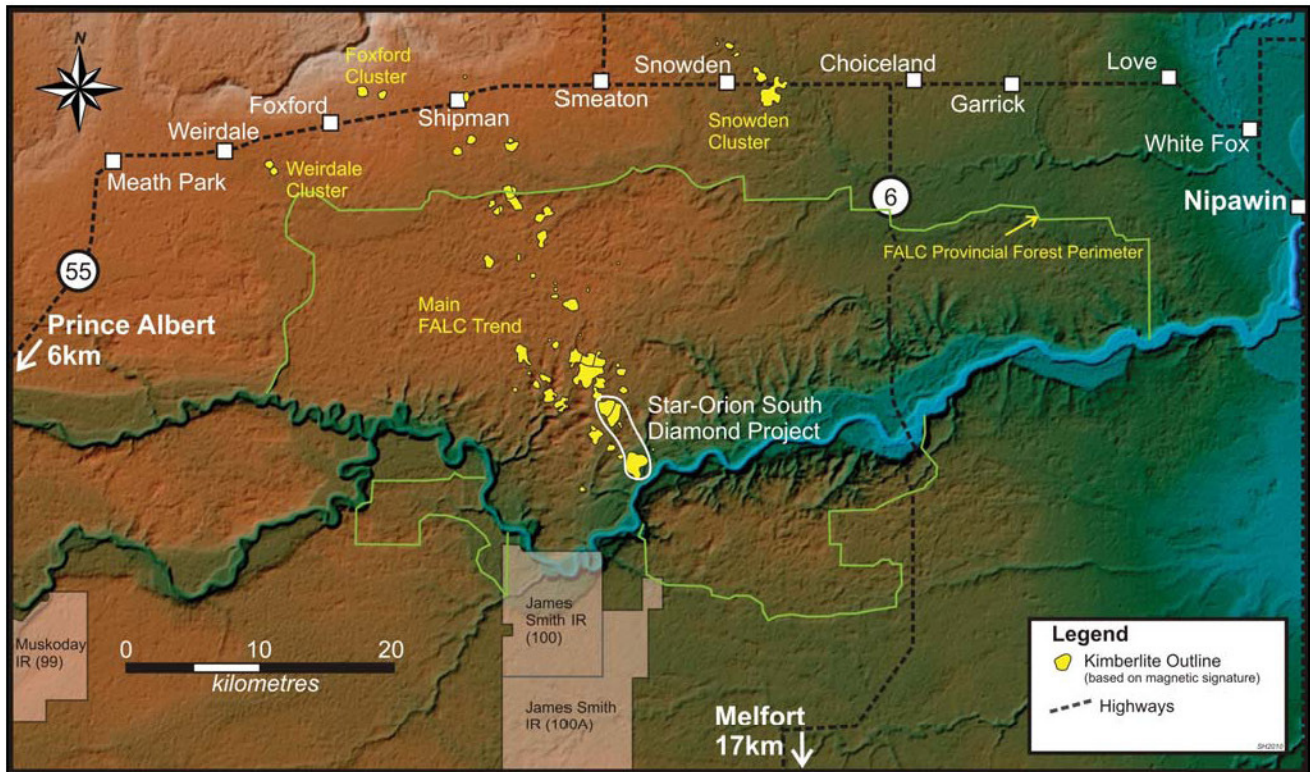
After mining:

- buildings, equipment and materials removed
- overburden and processed kimberlite piles revegetated
- no industrial wastes left on site
- open pits to fill naturally with ground and surface water
- any contaminated soil remediated or removed
- removal of water treatment ponds
- concrete foundations broken, buried
- posting of financial assurance to government for continued monitoring of site after closure, pursuant to provincial law





# Welcome!



## Open House 2010 Purpose

- to inform, update and respond to your questions
- to receive your input

## Stations

- Geology
- Mining Method
- Environment
- Economy

*Please register at welcome desk*



## — *Safe Harbour Statement* —

This presentation contains forward-looking information within the meaning of certain securities laws, including the “safe harbour” provisions of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Forward-looking information is often, but not always, identified by the use of words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “forecast”, “target”, “project”, “guidance”, “may”, “will”, “should”, “could”, “estimate”, “predict” or similar words suggesting future outcomes or language suggesting an outlook. In particular, statements regarding Shore’s future operations, future exploration and development activities or other development plans constitute forward-looking statements. Forward-looking information in this presentation include, but are not limited to, the level of environmental assessment of the proposed Star-Orion South Diamond Project, the anticipated scope and timing of the construction at the proposed project, anticipated labour and employment requirements, anticipated scope and levels of services required and anticipated project footprint.

All forward-looking statements and information are based on Shore’s current beliefs as well as assumptions made by and information currently available to Shore concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration, development and mining activities and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, developments in world diamond markets, changes in diamond valuations, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar, changes in exploration, development or mining plans due to exploration results and changing budget priorities of Shore or its joint venture partners, the effects of competition in the markets in which Shore operates, the impact of changes in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the additional risks described in Shore’s most recently filed Annual Information Form and annual and interim MD&A, and Shore’s anticipation of and success in managing the foregoing risks.

Shore cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Shore, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise required by applicable securities legislation, Shore does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by Shore or on our behalf.

## — *About Star-Orion South* —

The proposed Star-Orion South Diamond Project includes the excavation of open pits at the Star and the Orion South Kimberlites, construction of processing facilities, an overburden pile and processed kimberlite storage areas.

The project footprint is estimated to be about 5,000 hectares, or less than four percent of the Fort à la Corne forest.

The *Project Proposal* was filed with Saskatchewan Ministry of Environment and federal agencies on November 3, 2008. The *Technical Report* and updated *Pre-feasibility Study* was published March 24, 2010.

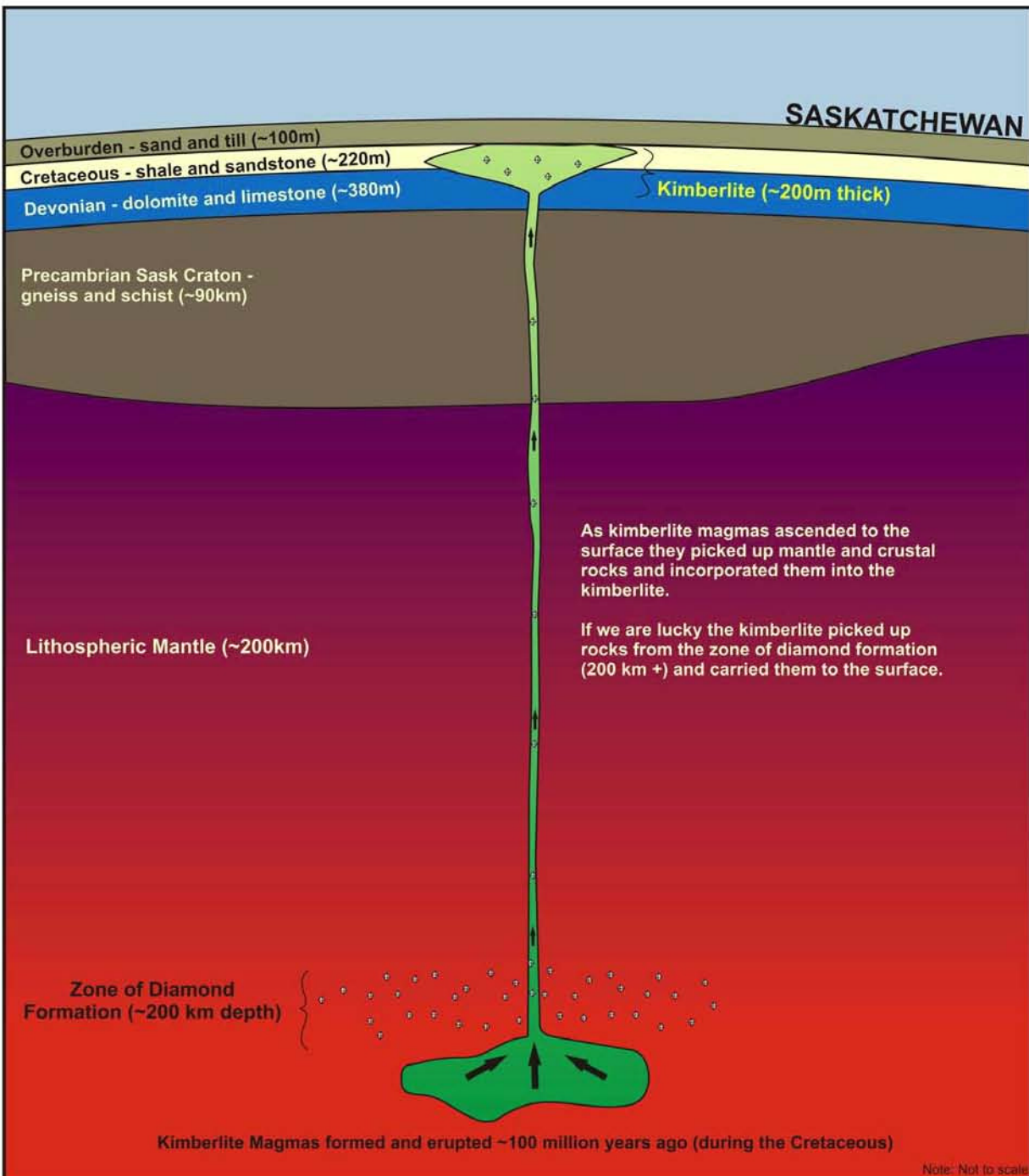
Further work is underway on the combined Star-Orion South Project. The *Environmental Impact Statement* is nearing completion.





## — Geology —

### Why Are There Diamonds In This Area?



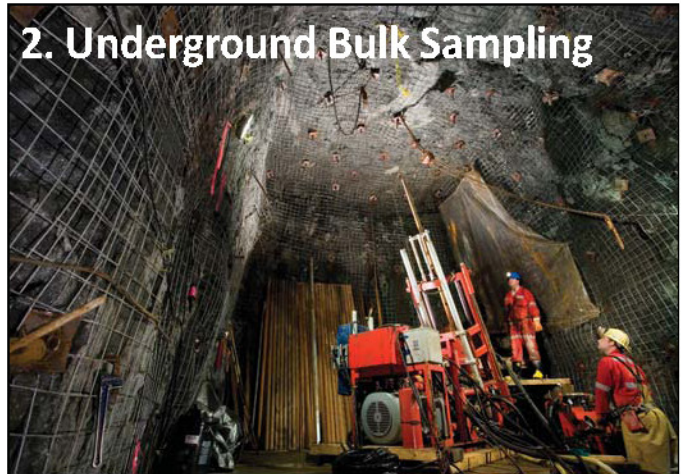
— *Star-Orion South Exploration Methods* —

ESTIMATING THE  
RESOURCE

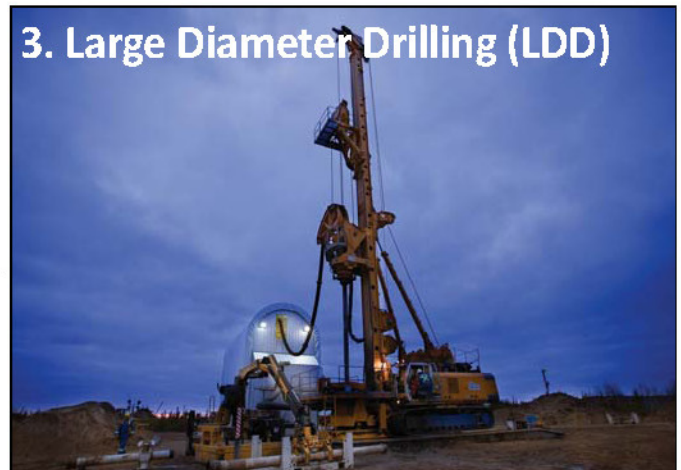
to determine  
Geological Model  
(tonnes of kimberlite)



to determine  
Diamond Grade (cpht)  
and average diamond  
value (\$US/carats)



to determine  
Diamond Grade and  
average diamond value  
across the kimberlite





## *Highlights of Star-Orion South — Pre-feasibility Study —*



- **Study led by independent Qualified Persons** from P&E Mining Consultants Inc. Other independent consultants contributed, including A.C.A. Howe International Ltd., Clifton Associates Ltd. and SRK Consulting, utilizing diamond pricing estimates provided by WWW International Diamond Consultants Ltd. of Antwerp, Belgium
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# Understanding our Environment

## — Baseline Studies —

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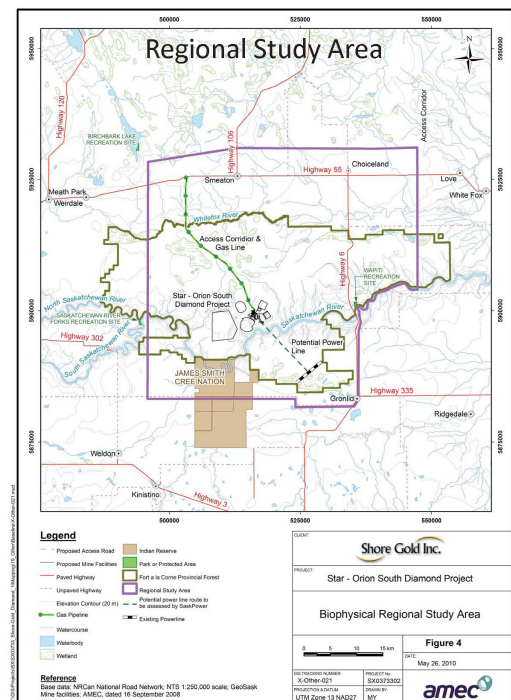
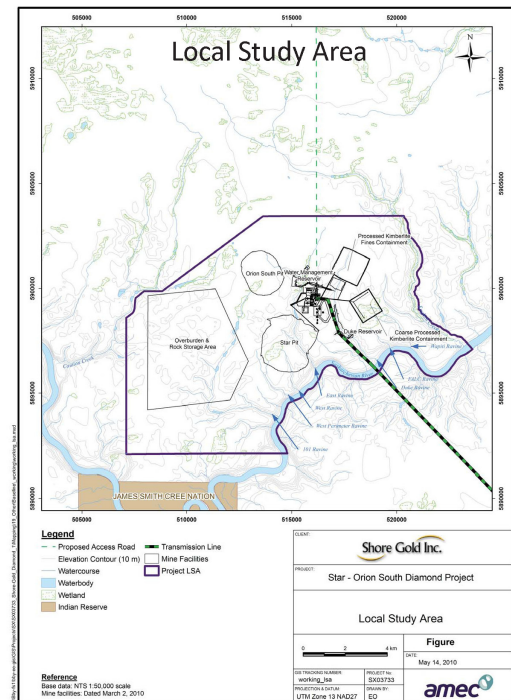
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# *Environmental Impacts of — Diamond Mining and Processing —*

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- Diamond mining and processing does not use hazardous chemicals or mill reagents or create emissions which can present significant water, waste management, air quality or tailings issues.
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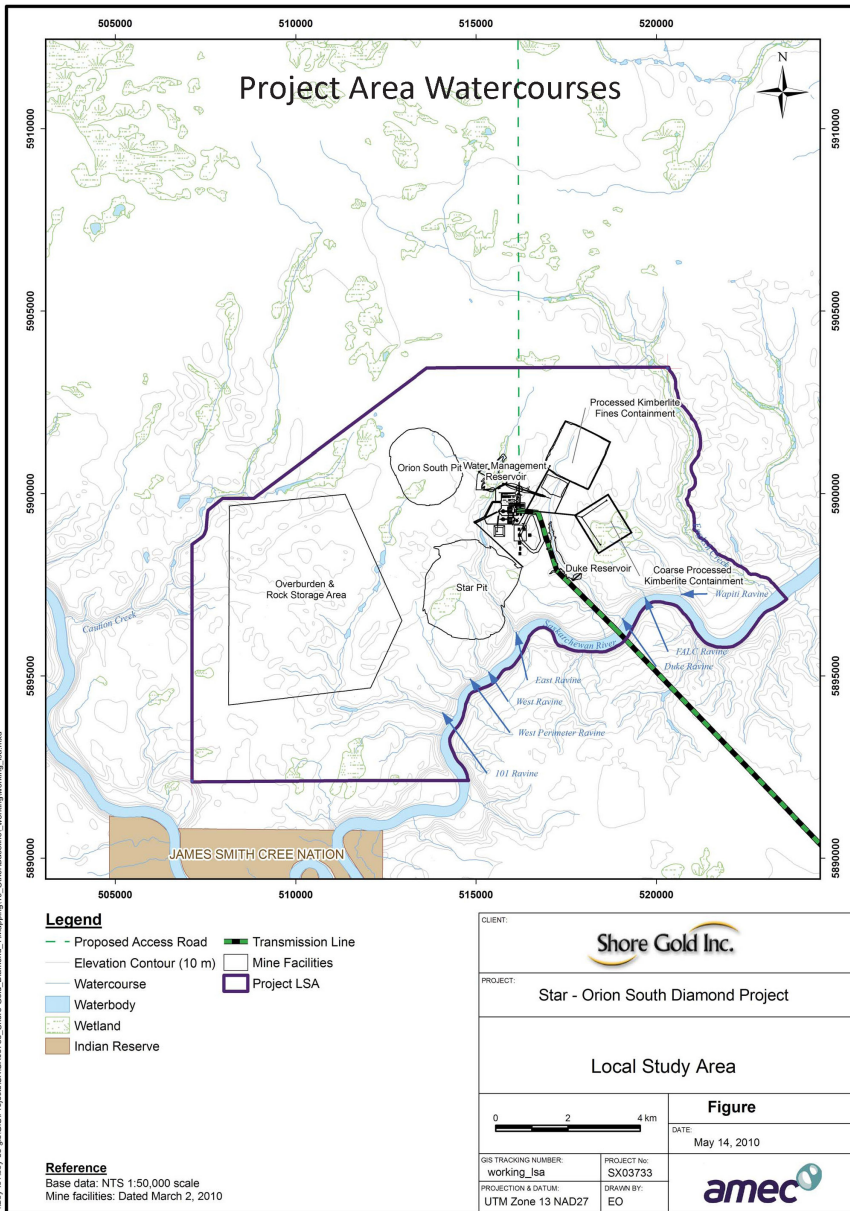
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## Water Management

- ground water removal from pit areas used in processing is water unfit for human consumption and is from very deep wells
- no hazardous chemicals mixed with water in processing
- no impact on water quality or quantity of domestic wells, which access water from separate, more shallow aquifers
- Saskatchewan River water not taken, not used in processing
- groundwater used in processing can be reused/ recycled if required
- water settled out, cleaned before any discharge to River
- minimal discharge to River (< 1% normal flow)
- water for human use at mine site to be drawn from conventional shallow wells



## *Environmental Monitoring and Reclamation*

Protection of the environment is key to any sustainable mining development.

Compliance with the rules is a must.

No development will occur without environmental assessment and permitting by government authorities after consultation with First Nations and Métis people.

Before Mining:

- Environmental Impact Assessment
- filing of closure and decommissioning plan as part of Environmental Impact Statement
- financial assurances provided to government to guarantee environmental requirements are complied with
- public engagement and Crown consultation with First Nations and Métis people

During Mining:

- environmental staff on site
- continuous monitoring/sampling of key environmental components as determined by regulators, e.g. air quality, surface and groundwater quality and flow monitoring
- well water level monitoring and testing
- River water sampling
- wildlife and wildlife habitat monitoring
- fish and fish habitat monitoring
- geophysical (ground) stability, overburden and processed kimberlite stockpiles stability monitoring
- socio-economic and cultural impact monitoring
- reporting to Saskatchewan Ministry of Environment and federal authorities as required
- progressive revegetation and reclamation of disturbances throughout mine life when possible, e.g. replace topsoil and revegetate as soon as possible

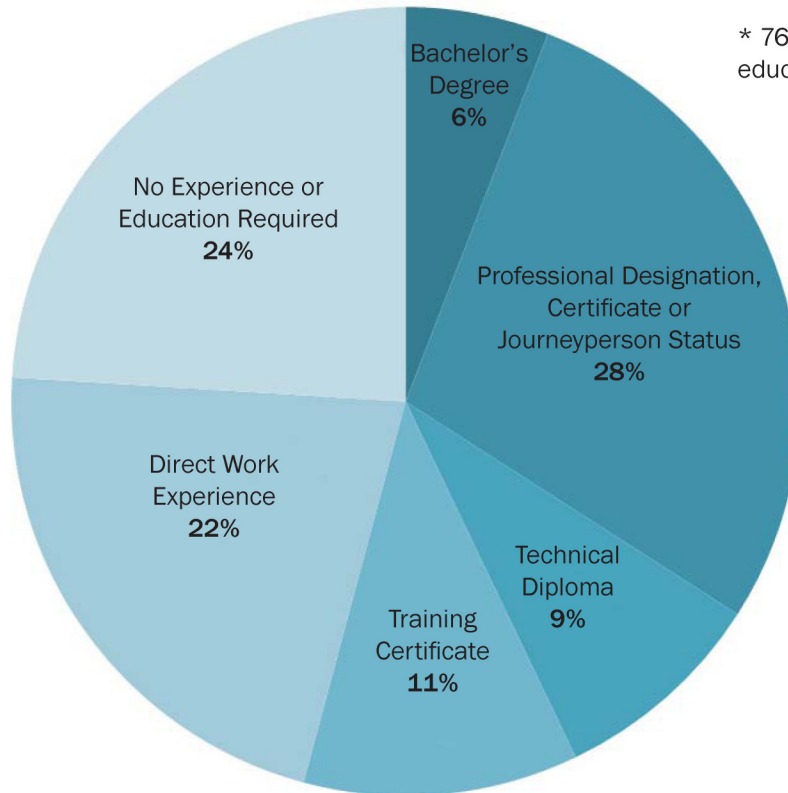
After Mining:

- buildings, equipment and materials removed
- overburden and processed kimberlite piles revegetated
- no industrial wastes left on site
- open pits to fill naturally with ground and surface water
- any contaminated soil remediated or removed
- removal of water treatment ponds
- concrete foundations broken, buried
- posting of financial assurance to government for continued monitoring of site after closure, pursuant to provincial law



## — Employment Opportunities —

Here is a breakdown of the positions and skill requirements anticipated for production:



\* 76% of positions require education, training or experience

**Professional Designation, Certificate or Journeyman Status (28%)**  
Health & Safety Co-ordinator; Purchasing Agent; Tradesperson; OH&W Nurse

**No Direct Experience (24%)**  
Entry level Operator or Labourer

**Direct Experience (22%)**  
Production Supervisor; Plant Operator; Equipment Operator

**Training Certificate (11%)**  
Security Officer; Equipment Operator

**Technical Diploma (9%)**  
Environment Tech; Surveyor; Administrative Support; Geology Tech

**Bachelor's Degree (6% of positions)**  
Engineer; Metallurgist; Geologist; Accountant