

PROJECT PROPOSAL



On November 3, Shore Gold Inc. ("Shore"), on its own behalf and on behalf of its Joint Venture partner Newmont Mining Corporation of Canada Limited, filed a Project Proposal with the Saskatchewan Ministry of Environment (MoE) and a number of federal agencies concerning the Star and Orion South Kimberlites. The Project Proposal is a 75 page document that describes what a mine would look like and initiates the MoE and the federal agencies' review of the concept. With the filing of the Project Proposal, Shore is entering into an Environmental Impact Assessment (EIA) which will result in an Environmental Impact Statement (EIS). During the EIA process, the MoE will review whether the proposed development would be acceptable from an environmental perspective and what safeguards and rules need to be in place. As part of the EIA process, Shore will provide opportunities for interaction and input from communities.



James Smith Community Meeting

SYNOPSIS OF PROJECT PROPOSAL

The Project Proposal contemplates the excavation of an open pit at the Star Kimberlite and, potentially, a second open pit at the Orion South Kimberlite, construction of processing facilities and construction of associated infrastructure to commercially extract diamonds from these kimberlites.

The Project Proposal also provides background about Shore Gold Inc. and its Joint Venture partner Newmont Mining Corporation of Canada Limited, the Star Resource Estimate, the context of diamond mining in Canada and the mining industry in Saskatchewan. The bulk of the report is devoted to a discussion of the potential development, its location, resource description, and phases of development, including current exploration site facilities, mine construction, mine operation and decommissioning, closure and reclamation.

ENVIRONMENTAL ASSESSMENT PROCESS – OPPORTUNITIES FOR PUBLIC INPUT TO SHORE AND THE SASKATCHEWAN GOVERNMENT

Shore submitted its Project Proposal to comply with the Environmental Assessment Act of Saskatchewan, which requires that a proponent receive approval before proceeding with a project that is likely to have significant environmental implications. Shore's proposed diamond development is such a project. The EIA, which was set in motion when Shore submitted its Project Proposal, is a multi-phased process that includes a number of opportunities for public input. The MoE initiates the formal process by giving public notice that an EIA is underway. At the same time, terms of reference or Project Specific Guidelines (PSGs) are made available for public review for 30 days in order to ensure that issues of public concern are addressed. Shore Gold conducts the EIA according to the PSGs and prepares and submits an Environmental Impact Statement (EIS). The Statement describes the project and the existing environment, discusses possible alternatives, evaluates potential effects of the development on the environment, outlines the steps that Shore Gold will take to mitigate potential adverse effects and enhance beneficial effects, and identifies residual impacts.

When the MoE is satisfied with the EIS, they will issue final Technical Review Comments. The EIS and the Technical Review Comments are then released to the public and the Minister issues a public notice asking for comments, providing a minimum of 30 days for responses. At any time prior to making a decision, the Minister of Environment may call for additional public information meetings or appoint persons to conduct an inquiry or inquiries into any or all aspects of the proposed development. When the Minister is satisfied that the proponent has met all the requirements of the Environmental Assessment Act, the Minister will decide whether to approve (perhaps with conditions) or deny the project as proposed. If ministerial approval is received, the developer can then proceed with obtaining any other permits required by other regulatory agencies.

Additional details can be found in "A Guide to the Environmental Assessment Process" on the Ministry of Environment's website through the link below. <http://www.environment.gov.sk.ca/Default.aspx?DN=51580b36-1575-4460-a9c8-2a3bf825ae9a>

The Project Proposal document is available on Shore's website at www.shoregold.com

OPEN HOUSES

With the filing of the Project Proposal, Shore is now ready to proceed with community engagement initiatives as part of the EIA process. Shore is planning to hold Open Houses as one method of gaining input from communities neighbouring the proposed development site and to introduce the Project and the EIA to communities and provide an opportunity for input. The Open Houses will be a "come and go" format open to the public from 3 pm to 8 pm to accommodate students, workers, family and social activities. There will be a series of hand outs, displays, maps and a video mining simulation. Stations dedicated to Geology, Environment, Employment and Procurement, and Mining will be available. Shore's subject matter experts will attend to staff the displays, answer questions and take comments.

As well, workshops with interested parties may be conducted to further explore key topics. Members of the public can submit comments, suggestions or questions in a variety of ways, including e-mail, mail, telephone, and attendance at Open Houses.

Open House tentative schedule:

3:00 p.m. - 8:00 p.m. - "Come and Go" format

- Monday, February 2, Smeaton – Recreation Centre
- Tuesday, February 3, Nipawin – Evergreen Centre
- Wednesday, February 4, Melfort – Travelodge
- Thursday, February 5, Prince Albert – Forestry Centre

CONTACT US

Questions or comments? You can contact us at :

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In person: at Open Houses



photo taken by Chad Wilkinson, Environment Co-ordinator

DIAMOND DEVELOPMENT ADVISORY COMMITTEE

The last Diamond Development Advisory Committee (DDAC) meeting was held October 21 in Kinistino. The proposed community engagement plan was reviewed with the committee to gather input and suggestions. The communities agreed to host the series of Open Houses and assist with advertising and promoting the events. We will be discussing the Project Proposal at length at the next DDAC meeting on January 20, 2009 in Birch Hills. Shore staff will present material contained in the Proposal and there will be an opportunity for Committee members to ask questions and make comments. The agenda will also include a "dry run" of the Open House program by Shore staff. This rehearsal will allow Shore staff to receive comments and guidance from DDAC community representatives and make improvements before the February Open Houses.



DDAC Meeting - Kinistino

SHORE'S ENVIRONMENT RECORD: BASELINE STUDIES, MONITORING, AND RECLAMATION

- Environmental monitoring and protection is of paramount importance to Shore.
- Progressive reclamation of any forest disturbance from exploration activities is carried out to promote forest regeneration.
- Regular sampling and analysis of groundwater and surface water continues.
- Baseline studies of air quality, soil, vegetation (including rare plants), wildlife (including rare species), groundwater, surface water, heritage sites, fish and fish habitat and noise level are being conducted.

QUALITY JOBS AND CONTRACTS FOR SASKATCHEWAN PEOPLE

- Mining careers are the highest paying of any industry in Saskatchewan.
- Mining means high-paying, quality jobs requiring skills and training. For every direct mining job, two jobs are created indirectly in other sectors.
- Shore's current expenditures to date in 2008 on goods and services total \$22 million.
- Expenditures to date on businesses located within 100 kilometers of site total \$5 million.
- Expenditures to date on businesses greater than 100 kilometers away from site, but within Saskatchewan, total \$5 million.
- Expenditures to date on First Nations and Métis owned businesses total tens of millions of dollars.

As of October 2008, Shore Gold and its service providers employ a total of 284 employees. The table below represents a breakdown of the employee numbers by residence. In the following table:

- Approximately 97% of employees are Saskatchewan residents.
- 'Local Sask' are Shore or service provider employees who live within 100 kilometers of their workplace.
- 'Sask' are Shore or service provider employees who live further than 100 kilometers from their workplace but within Saskatchewan; and
- 'Other' are Shore or service provider employees who reside outside of Saskatchewan.

SHORE AND SERVICE PROVIDER EMPLOYEES

by Location of Residence from Worksite (October 2008)

Employer	Local Sask	Sask	Other	Total
Shore Gold Inc.	118	15	4	137
Service Providers	93	49	5	147
Total	211	64	9	284

DIAMOND MINING AND PROCESSING IS SAFE

Unlike various other mineral processing activities, processing of kimberlite to recover diamonds does not involve the use of potentially hazardous chemicals, mill reagents or other inputs, but uses only non-hazardous inputs. The process is basically a modified gravel crushing operation, where kimberlite ore is crushed and washed to release the diamonds, and the density of the diamonds is used to separate them from the kimberlite. Thus, tailings, water, waste management and air quality issues are very manageable. As our projects evolve, Shore is developing a Safety, Health and Environmental Management System (SHEMS) to deal with any potential safety, health, waste management, hazardous and industrial waste management, spill and emergency response, explosives management, closure and reclamation and monitoring issues.

While mining is Saskatchewan's third-largest industry, its footprint is relatively small, using approximately 0.1% of available land in the province. A diamond mine in the Fort à la Corne (FaC) forest, including open pit, processing, fines pile, overburden pile and other requirements would occupy approximately 2,400 to 3,000 hectares out of a total 132,502 hectares in the forest, or about 1.8 to 2.2% of the FaC forest. The addition of a second open pit, on Orion South, would add another approximately 900 to 1,200 hectares, which would bring the combined total to about 2.5% to 3.2% of the FaC forest, leaving most of the forest undisturbed. The total footprint, including access corridors, transmission lines and other infra-

structure is expected to be between 3,300 and 4,200 ha. Once mining activity has ceased, all sites are subject to remediation and reclamation requirements.

ABOUT THE PROJECT PROPOSALS

About Shore Gold Inc.

Shore is a Canadian-based corporation publicly traded on the TSX as "SGF". Shore, with its wholly owned subsidiary, Kensington Resources Ltd. and Joint Venture partner, Newmont Mining Corporation of Canada Limited, is exploring the huge, uniquely-preserved kimberlite deposits centrally located in a settled region of Saskatchewan, Canada and, in 2008, conducted the world's largest diamond exploration project, with a 2008 exploration budget of over \$100 million. Shore has assembled a team with combined mining experience of over 240 years to move toward production.

About Newmont Mining Corporation of Canada Limited

Newmont Mining Corporation of Canada Limited, the Joint Venture partner of Kensington Resources Ltd. (a wholly-owned subsidiary of Shore), is a wholly-owned subsidiary of Newmont Mining Corporation, headquartered in Denver, Colorado. Founded in 1921 and publicly traded since 1925, Newmont Mining Corporation is one the largest gold companies in the world, employing approximately 15,000 people, the majority of whom work at Newmont Mining Corporation's core operations in the United States, Australia, Peru, Indonesia and Ghana. Newmont Mining Corporation is the only gold company listed in the S&P 500 Index and in the Dow Jones Sustainability Index-World. Newmont Mining Corporation's industry leading performance is reflected through high standards in environmental management, health and safety for its employees and creating value and opportunity for host communities, employees and shareholders.



Tisdale Wine and Cheese

NEWS

•Saskatchewan Geological Survey Open House, Ministry of Energy and Resources
December 1-3, 2008
Delta Bessborough Hotel
Saskatoon

•Next DDAC Meeting
January 20, 2009 - 10:00 AM
Birch Hills
