TECHNICAL REPORT ON THE FORT A LA CORNE JOINT VENTURE DIAMOND EXPLORATION PROJECT, FORT A LA CORNE AREA

SASKATCHEWAN, CANADA

For
KENSINGTON RESOURCES LTD.

SHORE GOLD INC.
Saskatoon, Saskatchewan, Canada

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SUMMARY

Introduction

As a component towards completing an Annual Information Form to be filed before March 31, 2009 by Shore Gold Inc.'s ("Shore") wholly-owned subsidiary Kensington Resources Ltd. ("Kensington"), a technical report dated March 19, 2009 was completed with respect to the Fort à la Corne Joint Venture's ("FALC-JV") diamond exploration claim block grouping in the Fort à la Corne area of Saskatchewan, Canada. This report conforms to the standards dictated by National Instrument ("NI") 43-101 and is related primarily to Shore's FALC-JV (60% Kensington Resources Ltd.; 40% Newmont Mining Corporation of Canada Limited ("Newmont")) diamond exploration claim blocks. The technical report is an update to the A.C.A. Howe International Limited ("Howe") Technical Report dated March 20, 2008. This report is authored by a qualified person employed by Shore and, as such, is not an independently authored report.

Kensington is a Canadian company incorporated under the *Canada Business Corporations Act*. Subsequent to a merger with Shore, Kensington was delisted from the TSX Venture on October 22, 2006. It has corporate offices at 300 – 224 4th Avenue South, Saskatoon, Saskatchewan, Canada, S7K 5M5. Kensington is engaged in the acquisition, and exploration, of diamond properties and the potential development and production of diamonds, with specific focus in Saskatchewan.

Property

The FALC-JV Project is contained within NTS map sheet 73H. A legally surveyed claim block covering much of the main trend of kimberlites lies approximately 65 kilometres east of Prince Albert and extends northward from the Saskatchewan River to a few kilometres north of Shipman. An additional smaller claim (also legally surveyed) covers magnetic anomalies near Snowden, located some 120 kilometres northeast of Prince Albert, Saskatchewan. The FALC-JV land holdings are spread across portions of township blocks from T.49 to T.52 and R.18 to R.21. Approximately 70% of the claims are within the boundaries of the Fort à la Corne Provincial Forest Reserve (Government of Saskatchewan crown lands) and the remainder are crown mineral reserve under private landholders' surface rights, i.e. private landholders hold the surface but not the mineral rights, which are held by the Crown. Surface access to private land is by negotiation, usually resulting in payment of an access fee, while surface access to crown lands is provided through exploration permits granted to the FALC-JV operator by the crown, which then convey the right to explore the mineral dispositions.

As of February, 2009, land holdings held under the joint venture agreement included 121 claims totalling 22,544 hectares divided into four groups for assessment purposes. All claims were acquired by the previous FALC-JV operators during the period 1988-1990 and are subject to assessment rates prescribed for claims older than 10 years. All disposition groups are protected until at least 2009, with the main claims of interest in Group 44961, being protected until at least 2021.

Geology

The FALC-JV kimberlites were deposited contemporaneously with the Cretaceous-age sediments of the Lower Colorado and Mannville groups which unconformably overlie Palaeozoic-age limestone and dolostone. The major portions of the FALC-JV kimberlites, however, have erupted through the Mannville Group and into early parts of the Lower Colorado Group (Joli Fou Formation) sediments. The glacial overburden, overlying the kimberlites, ranges in thickness from 75 to 130 metres.

Kimberlite Geology

In general, the larger kimberlite bodies, including Star (and Star West (the portion of the Star Kimberlite that lies within FALC-JV property)), Orion South, Orion Central, Orion North and Taurus, are kimberlite complexes that are comprised of several kimberlite eruptive units. These kimberlite units were deposited from approximately 105 to 94 million years ago during continental, marginal marine to fully marine sedimentation along the edge of a Cretaceous seaway. Individual kimberlite complexes consist of cross-cutting and overlapping volcanic units that erupted episodically over 1 to10 million years. Critically, each of these eruptive units has the potential to have different diamond grades, values and kimberlite tonnages. As such, it is paramount to identify, characterize and map these eruptive units in three dimensions for tonnage allocations along with proper planning of bulk and/or mini-bulk sampling programs.

These kimberlite units are well constrained within the Cretaceous stratigraphy in which they were deposited. As such, the eruptive phases are given time-stratigraphic nomenclature associated with the particular stratigraphic package in which they were deposited. For example, those kimberlites deposited during Cantuar Formation time (part of the Mannville Group) are considered to be Cantuar age-equivalent kimberlite and are, therefore, termed Cantuar Kimberlite ("CPK"). Similarly, kimberlite deposited during early Joli Fou Formation time (part of the Lower Colorado Group) is Early Joli Fou age-equivalent kimberlite and is termed Early Joli Fou Kimberlite ("EJF"). It is important to note that the stratigraphic age-equivalence nomenclature is also used on other kimberlite of the FALC-JV area and that two stratigraphically equivalent kimberlite packages (e.g. Pense kimberlite on Star and Orion South) may not have any genetic relationship and that they each may have very different diamond grade and value characteristics.

In October, 2008 the FALC-JV updated the Orion South geological model based on 17 additional core holes (4,636 metres of drilling) completed in 2008. The total Orion South tonnage and the tonnages estimated for each of the kimberlite lithologies within Orion South were updated and, the total estimated tonnage decreased to between 333 and 375 million tonnes from a previously reported range of 360 and 400 million tonnes. The high priority EJF tonnage estimate, however, increased to between 210 and 234 million tonnes from a previous estimate of 176 to 196 million tonnes. This geological estimate considers all kimberlite to a depth of 445 metres below surface and assumes an average kimberlite density of 2.25 grams per cubic centimetre, which is the average density for the Orion South Kimberlite.

The volume/tonnage estimate of the Orion South Kimberlite is conceptual in nature and insufficient analysis has been completed, to date, to define a NI 43-101compliant Mineral Resource.

Core Drilling

From March to December, 2008, a total of 22 PQ (75 mm diameter) core holes totalling 6,356 m were completed on the Orion South Kimberlite (5 core holes were drilled after the October geological model update). A total of 3,165 metres of kimberlite was intersected in these holes. These drill holes were completed in order to obtain geological, geotechnical and hydrological information for the Orion South Kimberlite as well as acting as pilot holes for large diameter drilling.

In October through November, 2008 Shore completed a core drilling program around the periphery of the Star Kimberlite. Seven core holes were completed on FALC-JV property. There was a total of 1,361 metres drilled, with 6 of the holes being vertical holes (drilling depths ranging from 79 to 261 metres) and one being an inclined hole drilled to depth of 287 metres. The purpose of this core drilling program was to collect data to facilitate a geotechnical feasibility study of the overburden and sub-overburden (country rock) stratigraphy to aid in the determination of potential pit slope angles designed to the feasibility level for the Star Kimberite. This work involved drilling HQ sized core holes (two of them oriented) which were geotechnically logged and sampled for unconfined compressive strength (“UCS”), direct shear, soil classification and carbonate content laboratory testing.

Large Diameter Drilling, Sampling and Processing

From December, 2007 to January, 2009, a total of 61 – 1.20 metre diameter Large Diameter Drilling (“LDD”) holes totalling 14,101 metres were completed on the FALC-JV property. The bulk of those, 34, were completed on the Orion South Kimberlite, which had a total drilling length of 8,268 metres and a total kimberlite sample intersection of 4,513 metres. Fifteen holes were completed on the Taurus cluster, southwest of the Orion cluster, with a total drilling length of 3,279 metres. These 15 holes comprised five holes in each of kimberlite anomalies 118, 122 and 150. Nine holes were completed on Orion North with a total drilling length of 2,004 metres, while 3 holes completed on Star West drilled a total depth of 550 metres. Nuna Logistics Limited were contracted to carry out the LDD mini-bulk sampling program. Two Bauer Machinen GmbH BG-36 RC dual purpose Kelly and reverse circulation drill rigs were utilized to carry out the LDD program. The LDD holes were completed to obtain geological and diamond grade information from the various kimberlite facies previously identified from core drilling programs.

A total of 15 LDD holes were drilled on the Star West Kimberlite prior to 2008, with 3 additional holes being completed in 2008 (as noted above). As of February, 2009, all Star West LDD diamond results had been received. A total of 283.21 carats of commercial sized diamonds >0.85 mm were recovered from a total of 2,598.07 processed tonnes[1] of kimberlite, representing 4,178.28 in-situ tonnes[2] from the LDD drilling. The kimberlite was processed through Shore’s processing plant, giving an average processed grade of 10.90 carats per hundred tonne (“cpht”) and an in-situ (calculated) grade of 6.78 cpht.

As of February 24, 2009, 1,010 batch sample results from 61 holes from Orion North, Orion South, and Taurus have been processed through Shore’s on-site processing plant. Diamond concentrate samples have been dispatched by Shore and processing/auditing by Mineral Services Canada (“MSC”) and SGS Canada Inc. (“SGS Saskatoon”) is nearing completion.

Bulk Sampling Programs

On the Star West portion of the Star Kimberlite, a total of fifteen underground batch samples totalling 4,173 dry tonnes of kimberlite were processed through the process plant from November, 2006 to October, 2007. A total of 3,440 stones weighing 747.4 carats were recovered and returned a processed grade of 17.9 cpht.

On Orion South, drifting was completed in February, 2009, with on-site processing of the kimberlite being completed in March, 2009. As of March 4th, 2009 the results from 62 underground batches have been received from a total of 20,511 dry tonnes of processed kimberlite, with the recovery of 1,816 carats giving a processed grade of 8.9 cpht. The largest stone recovered to date was a 45.95 carat stone. The final thirteen batches, 2,899 dry tonnes of kimberlite, have been processed through Shore’s bulk sample plant with final diamond results pending.

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[1] Processed sample mass refers to excavated kimberlite chips greater than one millimetre that were recovered in mini-bulk bags for diamond recovery in the processing plant.

[2] In-situ tonnage is based on hole diameter measured by caliper and volumes calculated from those measured diameters and/or a modelled uniform cylinder for the drill hole, and measured density values from pilot core holes. Calculated and processed tonnages differ because samples are screened at the drill and all sample that is less than one millimeter is discarded.

Mineral Resource Estimation

On February 27, 2009 Shore announced an updated NI 43-101 compliant Mineral Resource Estimate on the Star Kimberlite that was prepared by P&E Mining Consultants Inc. ("P&E"). Details of the Mineral Resource are provided in a technical report dated February 23, 2009. Importantly, this Resource Estimate included material from the FALC-JV's Star West property. P&E utilized the underground bulk sample diamond recoveries and diamond price estimates completed by WWW International Diamond Consultants Ltd., along with LDD mini-bulk sample recoveries. The LDD diamond recoveries were factorized to account for diamond loss due to breakage in the LDD process. "Inner" and "Outer" areas for the EJF were defined based on detailed kimberlite geology recorded from core logging of the pattern drill program. Core logging information was combined with whole rock geochemistry data, geophysical and density measurements to identify the constituent kimberlite lithologies within Star and their volcanological features that form the Star Kimberlite crater.

The updated Mineral Resource Estimate for the Star Kimberlite includes Indicated Resources of 151.7 million tonnes at a grade of 14 cpht and Inferred Resources of 26.2 million tonnes at a grade of 12 cpht. Within that overall Resource a total of 50.6 million tonnes of Indicated Resource at a grade of 12 cpht were identified on Star West, with an additional 3.6 million tonnes of Inferred Resource at a grade of 12 cpht.

Star-Orion South Diamond Project Proposal

In November, 2008, Shore announced that a Project Proposal for a joint Star-Orion South Diamond Project had been submitted to the Environmental Assessment Branch of the Saskatchewan Ministry of Environment. The Project Proposal is the first step in the Environmental Impact Assessment (EIA) process and initiates discussion with regulators and the public about the implications of the project. The Project Proposal contains a detailed project description of the Star-Orion South Diamond Project, which includes an open pit on the Star Kimberlite, a potential second pit at Orion South (dependent on the results of the recently completed underground bulk sampling and large diameter drilling programs), and a common processing plant and associated infrastructure. The project footprint is estimated to be between 3,000 and 4,000 hectares (or 2.3 to 3.0% of the Fort à la Corne Provincial Forest), depending on the inclusion of Orion South. The Project Proposal document includes considerable detail under the principal headings of: Potential Development Description; Description of the Environment; Potential Environmental Impacts and Mitigative Measures; Monitoring; Decommissioning, Reclamation and Closure; Stakeholder Engagement; and Employment and Procurement, in addition to a series of maps which show the conceptual project layout and extent of the proposed mine infrastructure.

The information contained in the Project Proposal is intended to provide the Ministry of Environment with sufficient project and environmental information to initiate the EIA process and develop Project Specific Guidelines (PSGs), which will outline the scope of the EIA. The satisfactory completion of the EIA, which will have assessed the environmental, social and economic impacts of the proposed Project, will then be the basis of potential Ministerial Approval, which, if granted, would allow the Company to consider a production decision. In the event of a positive production decision, the Company could apply for the requisite construction and other permits. The project description presents project alternatives for discussion with Provincial and Federal regulators and the public, particularly the neighbouring communities. Throughout the EIA process, these alternatives will be assessed from an environmental, social and economic perspective to determine an optimized project.

Shore has commissioned studies by external consultants in the following areas, which are expected to be completed in 2009:

- Environmental baseline studies;
- Hydrogeology;
- Geotechnical; and
- Mining and Processing.

Future Work Programs

Shaft sinking and lateral drifting at the Orion South Kimberlite was completed in February, 2009 with on-site processing of the kimberlite being completed in March, 2009. Similar to work on the Star Kimberlite, the goal of the large-scale underground bulk sampling program was to determine the diamond grade of the various Orion South Kimberlite phases and to recover a macrodiamond parcel for diamond valuation purposes. Final FALC-JV LDD mini-bulk sampling was completed on January 1, 2009.

Based on the technical data obtained to date from its infill core drilling, 3-D geological modelling, LDD and underground bulk sampling of the Orion North, Orion South and Star (West) kimberlites, it is Shore's opinion that the Orion and Star diamond projects warrant additional work. A 2009 budget of $1.0 million has been assigned for Star West to enable Shore to focus on the completion of the prefeasibility study and the delivery of a NI 43-101 compliant Mineral Reserve Estimate for the Star Diamond Project during 2009. Shore is targeting the delivery of a full feasibility study on Star early in 2010. The budget also includes $9.5 million for the FALC-JV (non-Star West). In addition to the bulk sampling and LDD programs, the FALC-JV budget includes amounts for site administration, site services, safety and security, environmental impact assessments and related costs. It is anticipated that the combined underground bulk sampling and LDD programs will yield a diamond parcel sufficient for the initial NI 43-101 Resource Estimate on the Orion South Kimberlite.

If a Mineral Resource is estimated on Orion South, qualifying factors such as the proposed mining method, metallurgy, geotechnical, hydrological, environmental, marketing, legal, revenue, costs, capital and social implications will assist in redefining the economically mineable part of the Indicated or Measured Mineral Resource to a Mineral Reserve.

The Star Diamond Project has moved from a capital intensive data gathering exercise (underground bulk sampling, core drilling and large diameter drilling) to lower cost, desk-top engineering studies and data analysis, which integrates kimberlite tonnes and diamond data in order to define a NI 43-101 compliant Mineral Resource as released in February, 2009. It is anticipated that this Mineral Resource estimate will be upgraded to a Mineral Reserve in the latter part of 2009. As Star West is a part of the Star Kimberlite, the studies involved in these desktop exercises will include both properties with the costs being split between Shore and the FALC-JV.

The studies occurring on Star (including Star West) in 2009, some of which commenced in late 2008, include:

- Preliminary plant, pit and infrastructure design, as part of a prefeasibility study;

- Detailed geotechnical investigations around the designed pit perimeter, including 14 holes for approximately 3,250 metres of drilling, piezometer installations and analysis;

- Detailed groundwater geophysics and modeling to complete the hydrogeology program started in 2007; and

- Baseline environmental studies, including, but not limited to, large animal surveys, riparian habitat surveys, heritage assessments, noise/dust monitoring, revegetation plots, rare plant assessments, and acid-based accounting test work.

1.0 INTRODUCTION AND TERMS OF REFERENCE

This report, dated March 19, 2009, is a component towards completing an Annual Information Form to be filed before March 31, 2009 by Shore Gold Inc.'s ("Shore") wholly owned subsidiary Kensington Resources Ltd. ("Kensington") Fort à la Corne Joint Venture ("FALC-JV") diamond exploration programs in the Fort à la Corne area of Saskatchewan, Canada. This report conforms to the standards dictated by National Instrument ("NI") 43-101 related primarily to Shore's FALC-JV (60% Kensington Resources Ltd.; 40% Newmont Mining Corporation of Canada Limited ("Newmont")) diamond exploration claim blocks in the Fort à la Corne area of Saskatchewan, Canada. The technical report is an update to the A.C.A. Howe International Limited ("Howe") technical report (Leroux et al., 2008b) dated March 20, 2008. This report is authored by a qualified person employed by Shore and, as such, is not an independently authored report.

Kensington is a Canadian company incorporated under the *Canada Business Corporations Act*. Subsequent to a merger with Shore, Kensington was delisted from the TSX Venture on October 22, 2006. It has corporate offices at 300 – 224 4th Avenue South, Saskatoon, Saskatchewan, Canada, S7K 5M5. Kensington is engaged in the acquisition, and exploration, of diamond properties and the potential development and production of diamonds, with specific focus in Saskatchewan.

Results from previous work carried out by the FALC-JV between 2002 and March 2005 are reported in Jellicoe (2005). Results up to March 2007 are reported in Howe Report 907. Results up to March 2008 are reported in Howe Report 914. Most recently AMEC Americas Limited ("AMEC") prepared a Technical Report dated June 9, 2008, and an updated Resource Estimate effective February 23, 2009, prepared by P&E Mining Consultants Inc. ("P&E") was released February 27, 2009 followed by a Technical Report dated February 23, 2009. These reports are, or will be, available at www.sedar.com. This report is an update of activities on the FALC-JV Diamond Project and is largely based on the above noted reports.

The technical report for the FALC-JV Diamond Project was prepared by Shawn Harvey, M.Sc., P.Geo., Geology Manager with Shore. Mr. Harvey is a "Qualified Person" as defined by 43-101 and has over 8 years experience in the exploration and mining industry including a background in mineral exploration, evaluation and valuation studies. Mr. Harvey has worked with Shore for over three years and has been involved in overseeing the acquisition and interpretation of geological information while assisting in planning and implementing drilling and underground bulk sampling programs. The author visited the FALC-JV Diamond Project site on a weekly to bi-weekly schedule for the duration of his time with Shore.

2.0 RELIANCE ON OTHER EXPERTS

In preparing this report, the author reviewed geological reports and maps, miscellaneous technical papers, company letters and memoranda, and other public and private information as listed in the references section at the conclusion of this report. A significant portion of the background information and technical data was obtained from the following previously filed Technical Reports:

Eggleston, T., Parker, H., Brisbois, K., Kozak, A., and Taylor, G., 2008: Shore Gold Inc. Star Diamond Project Fort à la Corne, Saskatchewan, Canada, NI 43-101 Technical Report, Effective Date 9 June 2008.

Jellicoe, B., 2005: Summary of Exploration and Evaluation of the Fort à la Corne Kimberlite Field, East-Central Saskatchewan: report prepared for Shore Gold, Effective Date 9 November 2005.

Leroux, D., 2005: Amended Technical Review of the Shore Gold Inc. Diamond Exploration Project, Fort à la Corne Saskatchewan, Canada: report prepared by A.C.A. Howe International Ltd. for Shore Gold, Effective Date 16 March 2005.

Leroux, D., 2005: Amended and Restated Technical Review of the Shore Gold Inc. Diamond Exploration Project, Fort à la Corne Saskatchewan, Canada: report prepared by A.C.A. Howe International Ltd. for Shore Gold, Effective Date 15 December 2005.

Leroux, D.C. 2007b: Technical Report on the Fort à la Corne Joint Venture Diamond Exploration Project, Fort à la Corne Area Saskatchewan, Canada for Kensington Resources Ltd. Report prepared by A.C.A. Howe International Limited for Kensington Resources Ltd, Effective Date 15 March 2007.

Leroux, D., 2007a: Technical Report On The Fort à la Corne Joint Venture Diamond Exploration Project, Fort à la Corne Area Saskatchewan, Canada for Kensington Resources Ltd. Report prepared by A.C.A. Howe International Limited for Kensington Resources Ltd, Effective Date 20 March 2008.

Leroux, D., 2008b: Technical Report on the Fort à la Corne Joint Venture Diamond Exploration Project, Fort à la Corne Area Saskatchewan, Canada: report prepared by A.C.A. Howe International Ltd. for Shore Gold, Effective Date 20 March 2008.

Leroux, D., 2008a: Technical Report on the Star Diamond Project, Fort à la Corne Area Saskatchewan, Canada: report prepared by A.C.A. Howe International Ltd. for Shore Gold, Effective Date 20 March 2008.

Patrick, D.J., 2003: Technical Review of the Shore Gold Inc. Diamond Exploration Project, Fort à la Corne Saskatchewan, Canada: report prepared by A.C.A. Howe International Ltd. for Shore Gold, Effective Date 25 July 2003.

Patrick, D.J., and Leroux, D., 2004: Technical Review of the Shore Gold Inc. Diamond Exploration Project, Fort à la Corne Saskatchewan, Canada: report prepared by A.C.A. Howe International Ltd. for Shore Gold, Effective Date 17 May, 2004.

2.1 UNITS AND CURRENCY

All units of measurement used in this report are metric unless otherwise stated. Dry tonnages for the FALC-JV underground bulk sampling program and large diameter drilling ("LDD") mini-bulk sampling program were measured in dry metric tonnes. Diamond grade values are reported in carats per hundred (100) metric tonne ("cpht"). Diamond weights are reported in carats. The Canadian dollar ("CAD") is used in this report unless otherwise stated. Diamond valuations are quoted in US dollars ("US"). The Canadian – US dollar exchange rate as of February 19, 2009 was US$1.00=CAD$1.26.

3.0 PROPERTY DESCRIPTION AND LOCATION

The FALC-JV Project is contained within NTS map sheet 73H. A legally surveyed claim block covering much of the main trend of kimberlites lies approximately 65 kilometres east of Prince Albert and extends northward from the Saskatchewan River to a few kilometres north of Shipman. An additional smaller claim (also legally surveyed) covers magnetic anomalies near Snowden, located some 120 kilometres northeast of Prince Albert, Saskatchewan.

Claims which fall within the surveyed (southern) portion of the province are defined in terms of legal sections or subdivisions. Road allowances, typically 20 m in width, fall between sections and are separate legal entities. In November 2001, Saskatchewan Energy and Mines (now Saskatchewan Ministry of Energy and Resources) amended the description of mineral claims in the surveyed portion of the province to allocate road allowances to adjacent claim holders so that claim coverage can be seamless. The FALC-JV land holdings are spread across portions of township blocks from T.49 to T.52 and R.18 to R.21. Approximately 70% of the claims are within the boundaries of the Fort à la Corne Provincial Forest Reserve (Government of Saskatchewan Crown lands) and the remainder is under private landholders' surface rights, but without freehold mineral rights. Surface access to private land is by negotiation, usually resulting in payment of an access fee. A map indicating kimberlite outlines and the FALC-JV's land holdings is shown in **Figure 1**. A total of 63 kimberlite bodies are held by the FALC-JV at this time. After ten years, the annual expenditure requirement to maintain good standing for claims increases from $12 to $25 per hectare. Grouping of contiguous claims is allowed to a maximum block size of 10,000 hectares. Reports submitted in support of assessment fillings are held confidential by Saskatchewan Ministry of Energy and Resources for a period of 3 years.

In agricultural areas, surface access must be negotiated with individual landholders, and with the approval of the Rural Municipality (in this case, the RM of Torch River, with offices in White Fox, Saskatchewan). Rural municipalities commonly impose heavy vehicle restrictions (road bans) during spring thaw (2-3 weeks). Permits for all exploration field activities are administered by Saskatchewan Ministry of Environment (SME), in this case from their Prince Albert office. No part of the project lands are subject to specific environmental liabilities above or beyond those responsibilities assumed under permitting of exploration programs.

As of February, 2009, land holdings held under the FALC-JV agreement included 121 claims totalling 22,544 hectares that are divided into four groups for assessment purposes (**Appendix A**). The property status for the FALC-JV land holdings is listed in Appendix A. All claims were acquired by the previous FALC-JV operators during the period 1988-1990 and are subject to assessment rates prescribed for claims older than 10 years. All disposition groups are protected until at least 2009, with the main claims of interest in Group 44961 being protected until at least 2021. Assessment credits for Group 44961 were not applied for in 2002 for the 2001 expenditures, given consideration of recent Saskatchewan Mining legislation that puts a maximum on the number of years to hold an exploration disposition (21 years total, from 2002 onwards). Assessment reports were prepared for exploration work conducted in 2002 and 2003 and credits were received and applied to the appropriate claim groups. Suitability of application for assessment credits will be reviewed by the FALC-JV partners on a yearly basis.

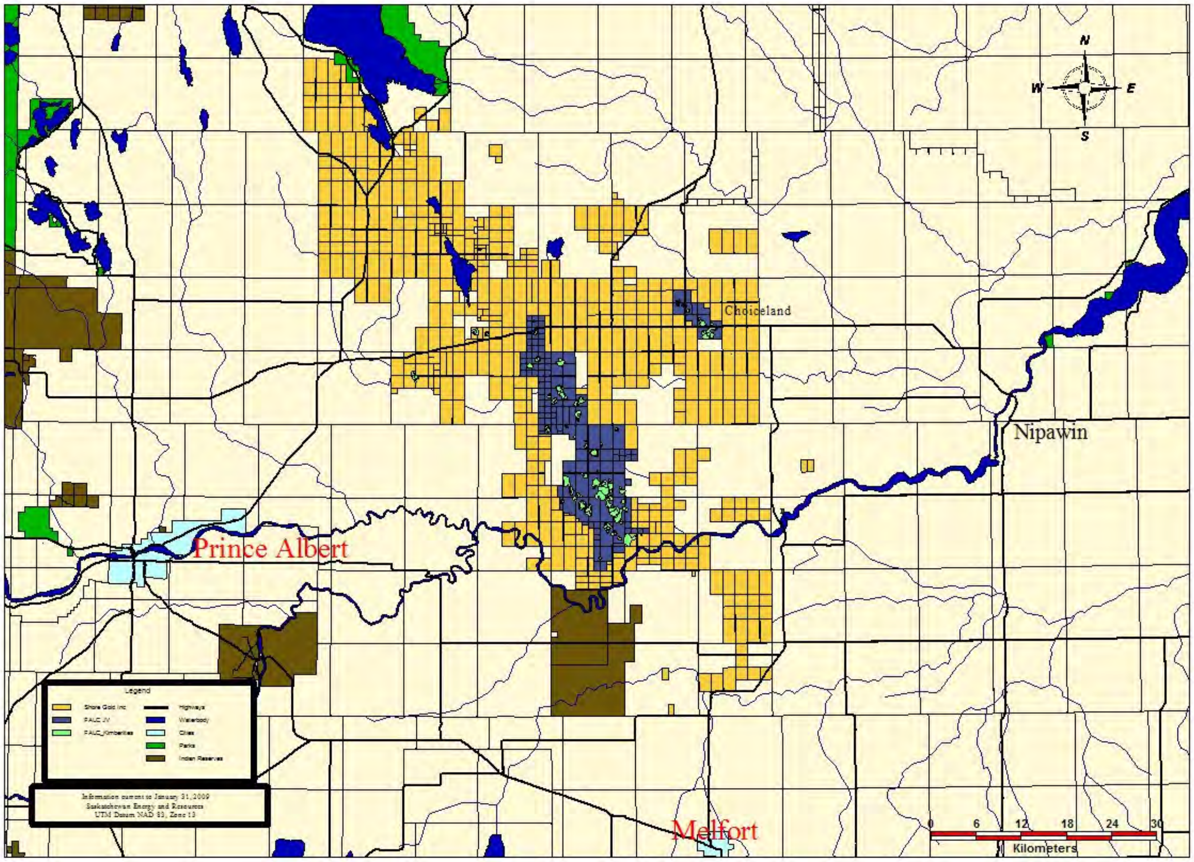


FIGURE 1. Location map of the FALC-JV's mineral dispositions (claim areas in blue) and FALC-JV kimberlites – Fort à la Corne Area (Shore Gold claims in yellow; kimberlites shown in green)

4.0 ACCESSIBILITY, PHYSIOGRAPHY, CLIMATE, LOCAL RESOURCES AND INFRASTRUCTURE

Accessibility, physiography, climate, local resources and infrastructure are described in detail in Jellicoe (2005), Leroux (2007b), Leroux (2008b) and Eggleston et al. (2008). Readers are encouraged to review those references for detailed information.

5.0 HISTORY

Table 1 summarises the diamond exploration work carried out on the FALC-JV from 1988 to 2008. Work largely completed to the end of 2007 is reported in Jellicoe (2005), Leroux (2007b), Leroux (2008b) and Eggleston et al. (2008). Those reports can be reviewed in NI 43-101 compliant technical reports filed on SEDAR and are listed in the Sources of Information.

TABLE 1. Summary of previous exploration activities – FALC-JV

Year	Exploration Work
1988 - 1999	-Various geophysical surveys (aeromagnetic- ground surveys); -Diamond drilling; -Microdiamond analysis.
2000	-Geophysical surveys (aeromagnetic- ground surveys); -Diamond drilling; -Microdiamond analysis.
2001	-Diamond drilling; -Large diameter drilling and mini-bulk sampling; -Macrodiamond and microdiamond recovery and analysis; -Microdiamond breakage study.
2002	-Geophysical surveys; -Diamond drilling; -Large diameter drilling and mini-bulk sampling; -Macrodiamond and microdiamond recovery and analysis; -Grade forecasts, revenue models.
2003	-Airborne and ground gravity geophysical surveys; -Diamond drilling; -Geological modelling; -Microdiamond sampling and analysis.
2004	-Geological modelling and grade forecasts; -Diamond drilling; -Large diameter drilling and mini-bulk sampling.
2005	-Geological modelling and grade forecasts; -Diamond drilling; -Large diameter drilling and mini-bulk sampling.
2006	-regional Light Detection and Ranging System (LIDAR) survey completed over FALC area; -Geological modelling; -Diamond drilling; -Orion North Large diameter drilling and mini-bulk sampling; -Star West underground bulk sampling.
2007	-Geological modelling; -Diamond drilling; -Orion North, South and Star West Large diameter drilling and mini-bulk sampling; -Initiation of Orion South Underground Bulk Sample Program.
2008	-Geological modelling; -Diamond drilling; -Orion North, Orion South, Star West and Taurus Large diameter drilling and mini-bulk sampling; -Orion South Underground Bulk Sample Program.

Recent work (2006-present) has been focussed on the Orion cluster of kimberlites (Orion South, Orion Central and Orion North), Star West and the Taurus cluster (situated 2 kilometres west of Orion). Work has included grid-pattern core drilling (100 metre grid spacing on the thicker portions of Star West, Orion South and North and 200 m on the thinner portions of those kimberlites and all of Taurus and Orion Centre). In order to recover appreciable quantities of diamonds for grade and value estimation, underground bulk sampling has been completed on both Star West and Orion South. LDD mini-bulk sampling was also completed on Star West, Orion South, Orion North and Taurus.

6.0 GEOLOGICAL SETTING

6.1 REGIONAL AND LOCAL GEOLOGICAL SETTING

The regional and local geological setting are described in previous Technical Reports (Jellicoe, 2005, Leroux, 2007b; Leroux, 2008b; and Eggleston et al., 2008) and readers are encouraged to review those references for detailed information.

6.2 PROPERTY GEOLOGICAL SETTING

The FALC-JV kimberlites have been deposited within the Cretaceous-age sediments of the Lower Colorado and Mannville groups, which unconformably overlie Palaeozoic age limestone and dolostone. The glacial overburden thickness ranges from 75 to 130 metres in thickness. The major portions of the FALC-JV kimberlites have erupted through the Mannville and into early parts of the Lower Colorado Group sediments. Regionally, the Lower Colorado and Mannville interface is situated approximately 190 metres below ground level, while the Mannville-Paleozoic carbonate contact is 320 metres below ground level.

6.2.1 GEOLOGY OF THE FORT A LA CORNE KIMBERLITES

All available core holes have been logged by Shore geologists in order to conform to the geological descriptions utilized on the Star Kimberlite. In general, the larger kimberlite bodies, including Star, Orion South, Central and North along with the Taurus kimberlites, are kimberlite complexes that are comprised of several kimberlite eruptive units. These kimberlite units were deposited contemporaneously from *ca* 105-94 million years during continental, marginal marine to fully marine sedimentation along the edge of the Cretaceous seaway. Individual kimberlite complexes consist of cross-cutting and overlapping eruptive units that erupted episodically over 1-10 million years. Critically, each of these eruptive units has the potential to have different diamond grades, values and kimberlite tonnages. As such, it is paramount to identify, characterize and map these eruptive units in three dimensions for tonnage allocations along with proper planning of bulk and/or mini-bulk sampling programs.

These kimberlite units are well constrained within the Cretaceous stratigraphy in which they were deposited. As such, the eruptive phases are given time-stratigraphic nomenclature associated with the stratigraphic package in which they were deposited. For example, those kimberlites deposited during Cantuar Formation time (part of the Mannville Group) are considered to be Cantuar age-equivalent kimberlite and are termed Cantuar Kimberlite (“CPK”). Similarly, kimberlite deposited during early Joli Fou Formation time (part of the Lower Colorado Group) is Early Joli Fou age-equivalent kimberlite and are termed Early Joli Fou Kimberlite (“EJF”). It is important to note that the stratigraphic age-equivalence nomenclature is also used on other kimberlite of the FALC area and that two stratigraphically equivalent kimberlite packages (e.g. Pense kimberlite on Star and Orion South) may not have any genetic relationship and that they each may have very different diamond grade and value characteristics.

As an example of the local kimberlite geology, Orion South is briefly described below.

6.2.2 ORION SOUTH KIMBERLITE

Since 1992 several drill programs have been completed on the Orion South Kimberlite. Up to June 2008, 147 (37,213 m of drilling) surface exploration holes were completed on Orion South on a 100 m grid spacing on the thicker portion of the kimberlite and 200 m spacing on the thinner periphery (**Figure 2**). In general, drilling has revealed that the kimberlite is comprised of multiple eruptive units (or phases), each of which is texturally, mineralogically, physically and chemically distinct. Within the kimberlite, the units have cross-cutting relationships near conduits, but are stacked vertically within the volcanic edifice and crater/extra-crater deposits. Several conduits, feeding different units, have been identified on Orion South.

During Cantuar (Mannville Group) deposition, thought to be a time of continental fluvial-deltaic deposition (Zonneveld *et al*., 2004), kimberlite was deposited and reworked. Drilling has revealed that the Cantuar-aged kimberlite deposits are generally thin (<30 m thick) sheets occurring at multiple (up to 3) horizons within the Cantuar sediments. The bulk of the kimberlite deposits are confined within the marginal-marine to marine sedimentary strata (Zonneveld *et al*., 2004) of the Upper Manville (Pense Formation) and the Lower Colorado (Joli Fou Formation) groups. These kimberlite deposits are associated with the main crater excavation and crater fill. Proximal to the conduits and in close proximity to the base of the Mannville Group sandstone (Scott-Smith *et al*., 1998) the conduits flare at a steep angle giving way to shallow angles near the margin of the craters.

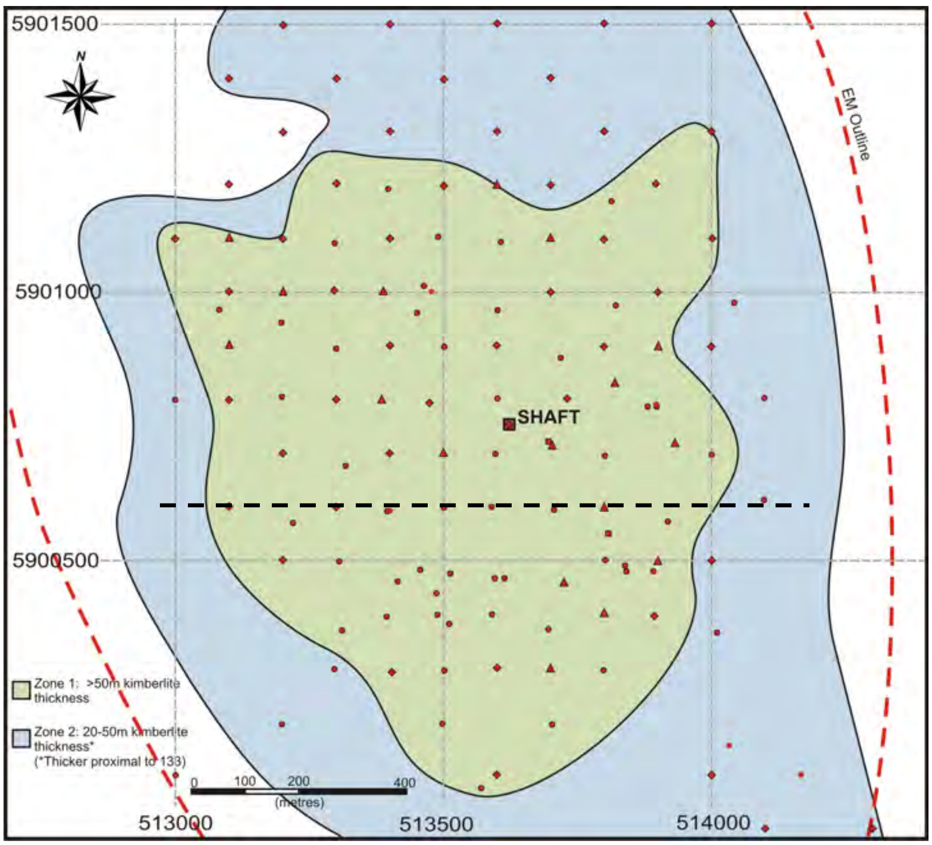


FIGURE 2. Plan view – Orion South Kimberlite with drill hole collar locations and cross-section line shown (see Figure 3)

In detail, 5 main eruptive units have been identified on Orion South and are listed below (from oldest to youngest):

1. Cantuar Kimberlite (CPK);

2. Pense Kimberlite;

3. Early Joli Fou Kimberlite (EJF);

4. Late Joli Fou Kimberlite (LJF); and

5. Viking Kimberlite (VPK).

In more general terms, three main types of volcaniclastic kimberlite form the bulk of the Orion South Kimberlite (**Figure 3**): 1.) A fine- to medium-grained, matrix-rich, poorly sorted, massive to weakly bedded volcaniclastic kimberlite that forms a positive relief tephra cone (Pense age-equivalent). 2.) A variably fine- to coarse-grained, olivine-clast-rich, moderately to well sorted, bedded volcaniclastic kimberlite of early Joli Fou age ("EJF"). The EJF deposits consist of multiple fining-up beds with medium- to very coarse-grained bases and finer-grained tops. Commonly the bases are xenolith-rich kimberlite breccia. These deposits represent the bulk of the vent/crater fill, tephra ring and distal (extra-crater) deposits. Two separate EJF conduits (vents) cross-cut the earlier Pense unit with vent fill, proximal and distal EJF volcaniclastic deposits overlying the Pense tephra cone. EJF volcaniclastic rocks are fine ash-sized component depleted, resulting in clast-supported, olivine-rich kimberlite deposits. This type of kimberlite is dominant on Orion South. 3.) A very fine- to fine-grained, well sorted, massive to weakly bedded volcaniclastic kimberlite of late Joli Fou equivalent age ("LJF"). The LJF matrix consists of closely-packed, sub-1 mm olivine grains. The LJF has a spatially restricted, narrow feeder conduit that cut through the pre-existing kimberlite deposits and has thick proximal deposits that thin distally. Epiclastic deposits form minor volumes of the upper periphery of the kimberlite and vary from olivine-rich kimberlitic sandstones through to weakly kimberlitic siltstones.

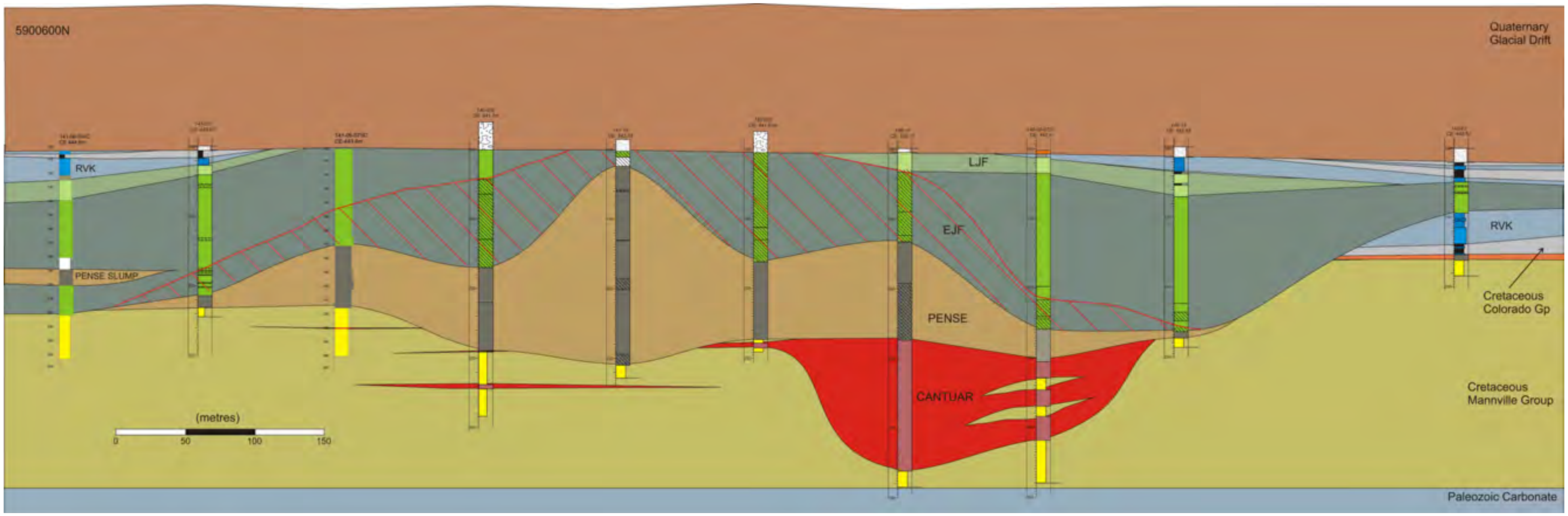


FIGURE 3. **Orion South Kimberlite west to east cross-section along UTM line 5900600N. Note breccia-dominated (xenoliths-rich) zone demarcated by red cross-hatching. Note RVK = resedimented volcaniclastic kimberlite.**

6.2.3 3D GEOLOGICAL MODEL

In October, 2008 the FALC-JV updated the Orion South Kimberlite geological model based on an additional 17 core holes (4,636 metres of drilling) completed in 2008. The Orion South tonnages estimated for each of the kimberlite lithologies within Orion South were updated and, while the total estimated tonnage decreased to between 333 and 375 million tonnes, the high priority EJF tonnage estimate increased to between 210 and 234 million tonnes (**Table 2**). This geological estimate considers all kimberlite to a depth of 445 metres below surface and assumes an average kimberlite density of 2.25 grams per cubic centimetre, which is the average density for the Orion South Kimberlite.

TABLE 2. Geological tonnage estimate for Orion South

Kimberlite Lithology	2007 Estimated Tonnage Range (Millions of Tonnes)	2008 Revised Estimated Tonnage Range (Millions of Tonnes)
Viking	15-17	15-19
LJF	49-54	28-31
EJF	176-196	210-234
Pense	112-124	75-84
Cantuar	8-9	5-7
Total	**360-400**	**333-375**

The geological model was compiled by Shore using GEMCOM mining software (**Figure 4**). The drillhole spacing was usually 100 metres in the central, thick part (greater than 50 metres) of the kimberlite and 200 metres in the thinner (less than 50 metres) periphery portions of the kimberlite. All of the core holes were drilled vertically (–90° inclination).

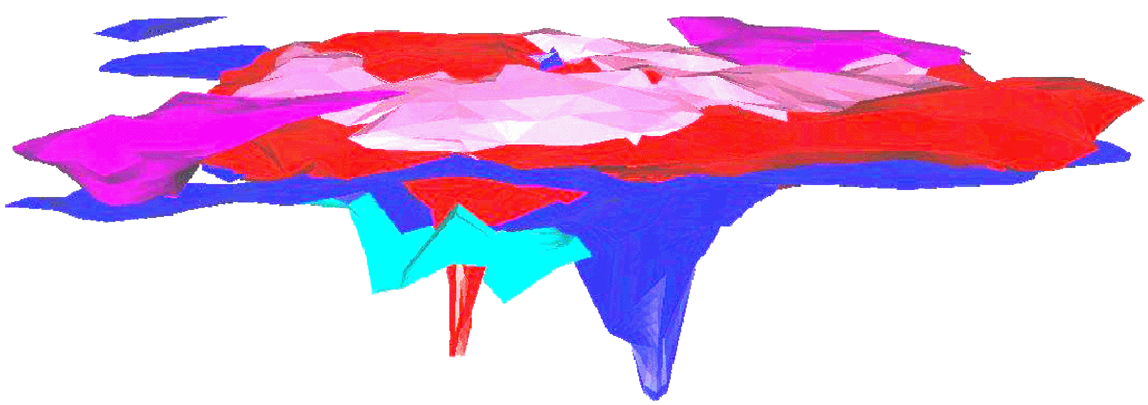


FIGURE 4. 3D northwest-view of the Orion South Kimberlite geological model. Light Blue: Cantuar kimberlite; Blue: Pense kimberlite; Red: Early Joli Fou kimberlite; Pink: Late Joli Fou kimberlite; Magenta: Viking Kimberlite

The volume/tonnage estimate of the Orion South Kimberlite is conceptual in nature and insufficient analysis has been completed, to date, to define a NI 43-101compliant Mineral Resource.

7.0 DEPOSIT MODELS

An overview of kimberlite and the FALC diamond deposits has been described in previous Technical Reports (e.g. Jellicoe, 2005; Leroux, 2007b; Leroux, 2008b; and Eggleston et al., 2008). Readers are encouraged to review those references for detailed information.

8.0 MINERALIZATION

An overview of mineralization and the FALC diamond deposits has been described in previous Technical Reports (e.g. Jellicoe, 2005; Leroux, 2007b; Leroux, 2008b; and Eggleston et al., 2008). Readers are encouraged to review those references for detailed information.

9.0 SURFACE EXPLORATION BY THE FORT A LA CORNE JV (OCTOBER 2007-PRESENT)

Apart from drilling and sampling (as detailed in sections 9 and 10) there was no exploration work carried out during the period referenced by this report. Pre-2008 exploration programs are described in previous Technical Reports (e.g. Jellicoe, 2005; Leroux, 2007b; Leroux, 2008b; and Eggleston et al., 2008). Readers are encouraged to review those references for detailed information.

9.1 CORE DRILLING

9.1.1 STAR WEST AND ORION SURFACE CORE DRILLING PROGRAMS

Surface core drilling completed in 2008 was part of two drilling programs (**Table 3**). From March to December, 2008, a total of 22 PQ (75 mm diameter) core holes totalling 6,356 m were completed on the Orion South Kimberlite. In addition, one shaft pilot hole (total drilling depth of 241 m) was completed in July 2007. Encore Coring and Drilling Inc. ("Encore") of Calgary Alberta was contracted to carry out the PQ core drilling program. One petroleum drill rig with auxiliary mudplant was utilized to carry out the drill program and dedicated to the removal of drill casing. These drill holes were carried out in order to obtain geological, geotechnical and hydrological information, as well as acting as LDD pilot holes for the Orion South Kimberlite.

TABLE 3. FALC-JV drilling statistics

Location	# of Holes	Total Drilling Depth (m)	Total Kimberlite Intersection (m)
Orion South	23	6,597	3,403
Star West	7	1,361	20
Total	**30**	**7,958**	**3,423**

In October through November, 2008 Shore completed a core drilling program around the periphery of the Star Kimberlite. Seven core holes were completed on FALC-JV property (**Table 3**). There was a total of 1,361 metres drilled, with 6 of the holes being vertical holes (drilling depths ranging from 79 to 261 metres) and one being an inclined hole drilled to depth of 287 metres. The purpose of this core drilling program was to collect data to facilitate a geotechnical feasibility study of the overburden and sub-overburden (country rock) stratigraphy to aid in the determination of potential pit slope angles designed to the feasibility level for the Star Kimberite. This work involved drilling HQ sized core holes (two of them oriented) which were geotechnically logged and sampled for unconfined compressive strength (“UCS”), direct shear, soil classification and carbonate content laboratory testing (**Table 4**).

The geohydrological program, lead by SRK Consulting (“SRK”), was combined with the geotechnical investigation, lead by Clifton Associates Ltd. (“Clifton”), both of which were designed to collect site-specific geohydrological data. This data is being incorporated into a feasibility level hydrogeological model allowing comprehensive updates to the numerical groundwater flow model. This required drilling HQ sized core holes (drilled in combination with geotechnical studies) and installing both standpipe and vibe-wire transducer piezometer wells to provide sites for both short- and long-term monitoring of the groundwater levels in the area. The piezometer wells will be monitored to provide baseline information from within the proposed Star pit outline as well as to provide further information on changes that may occur in the elevation and quality of the groundwater from a regional perspective. In addition, during drilling, conventional wire-line packer-injection testing was performed at regular intervals in the different lithologies to determine the hydraulic conductivities of the clayey till, mudstone and sandstone lithological units at depths ranging from 41.2 m-250.5 m.

The core was logged geotechnically with sampling for in-situ and laboratory test work, which included moisture, soil classification, grain size analysis, clay content, shear strength, pore pressure and carbonate testing.

TABLE 4. Summary of the fall 2008 geotechnical/hydrogeological drilling program on the Star (West) Kimberlite

Hole ID	Property	Total Depth (m)	# of Geotech Samples	Vibrating Wires	Piezometers Installed	Packer Tests
SGT-08-003	FALC-JV	150.00	76			
SGT-08-004	FALC-JV	138.00	70			
SGT-08-007	FALC-JV	286.50	75			
SHP-08-006	FALC-JV	250.50	66		2	6
SHP-08-007	FALC-JV	128.50	4	Yes	0	
SHP-08-008	FALC-JV	261.00	69		2	6
SHP-08-009	FALC-JV	145.50	No samples	Yes	0	

9.1.2 SITE PREPARATION AND RIG SET-UP

The Orion and Star West surface core holes were first planned on section plan maps and the corresponding collar coordinates were then manually pegged in the field either by Tri-City Surveys of Melfort, Saskatchewan with the use of a Trimble 4800 differential GPS unit with base station instrument, or by Shore’s surveyor using local survey points placed by Tri-City Surveys.

The drill sites were surveyed with respect to heritage and rare plant assessment with the data being provided to Saskatchewan Ministry of Environment (“SME”). Once approval from SME was obtained, the drill sites were inspected once again by the Shore geologist in order to evaluate the access and drill pad requirements for the core drill and ancillary equipment (i.e. mudplant, road access, mechanical shop, etc.). The core drill rig was then moved into the designed drill collar position and the Shore geologist would verify that the mast inclination was correct prior to core drilling for the inclined holes.

The initial 90+ metres of glacial till were typically tricon-drilled and cased until the till-kimberlite contact was reached. Once the core drill hole reached the till-kimberlite contact, the drill rods were pulled out of the hole in order to change the drill bit (from tricone to a serrated drill tooth bit). Core drilling resumed until the core hole intersected the kimberlite-Mannville sediment contact. At this point, the core holes were generally drilled an extra 30 m into the Mannville sediments for geological contact determination and modelling purposes.

9.1.3 SURFACE CORE HOLE DOWNHOLE SURVEYING

Downhole surveying was completed using a magnetic multi-shot wireless surveying tool. The multi-shot surveying tool was utilized below the kimberlite (in non-magnetic sediments) and throughout the borehole.

The multi-shot surveying instrument has three accelerometers and three magnetometers in all three axis (X, Y, and Z). Using these sensors, the instrument determines the azimuth, inclination, magnetic intensity, magnetic dip, gravity roll, magnetic tool face, gravity intensity, temperature, shot history with date and time and timer setting. The multi-functional instrument has an onboard memory chip which records all of the data from shots taken every nine seconds. Before a survey is started, the instrument clock and the PDA clock are synchronized to enable a determination of which tests are good or bad. The operator has the PDA on surface and determines when to take a test by pressing the record shot button using the PDA. After the survey is done, the instrument is aligned with the PDA. Using infrared data link, the PDA retrieves only the data that is good and deletes the rest.

All of the downhole survey data (generated in ASCII format) was digitally acquired and recorded as Microsoft® Excel files on a bi-weekly to monthly basis by Shore personnel. Shore personnel would review the raw downhole survey data and incorporate it into Shore’s database.

Using the magnetic intensity and dip readings, the site crew can then qualify the azimuth. Since the azimuth is determined by magnetic north, the magnetic declination is accounted for.

9.1.4 CORE LOGGING PROCEDURES AND SAMPLE SELECTION

Throughout the surface and core drilling programs, the geotechnical and geological core logging was carried out at the main exploration core logging facility. Once a core hole was completed, all of the drill core boxes were transported to the main exploration core logging facility and stockpiled on a per hole basis.

All of the geotechnical logging and photographic records were undertaken by SRK before the core was marked and cut for detailed core logging and sampling.

Once a core hole was geotechnically logged, the Shore geologist completed all geological descriptions into SQL-based logging software. All geological descriptions were encoded and standard codes were utilized during the program. For each core hole, the following samples and testwork were carried out for each major kimberlite facies/lithological break:

1. bulk density samples;
2. whole rock geochemistry samples; and
3. ore dressing – communition samples: drop test samples (“T10”) and scrubbability (“Ta”) samples and unconfined compressive strength (“UCS”) samples.

All core was digitally photographed. For each photograph, the wooden depth markers denoting the driller’s runs as well as a marker board bearing the hole number, date, wet or dry state of the core, box numbers and interval were recorded onto the photograph. The photographs for each completed core drill hole were downloaded as individual JPEG computer files and saved in individual drill hole folders and incorporated into the project database.

During the geological core logging process, the following information/data collection was recorded:

- main lithological units and sub-units:
  - pyroclastic kimberlite;
  - volcaniclastic kimberlite;
  - kimberlite breccia;
  - resedimented volcaniclastic kimberlite;
  - magmatic kimberlite; and
  - other: shale, limestone, etc.
- proportion of constituents (quantitatively captured);
- average grain size;
- support: matrix or clast supported;
- sorting: poorly or well sorted;
- fabric: bedded, massive, granular;
- country rock dilution percentages (crustal xenolith size, shape, alteration, percentage that is quantitatively captured);
- kimberlitic indicator minerals (type, size, percentage that is quantitatively captured);
- nature of contacts: sharp, undulating, gradational; and
- rock quality designation ("RQD").

9.2 LARGE DIAMETER DRILLING PROGRAMS

From December, 2007 to December, 2008, a total of 61 – 1.20 metre diameter LDD holes totalling 14,101 metres were completed on the FALC-JV property (**Table 5**). The bulk of those, 34, were completed on the Orion South Kimberlite , had a total drilling length of 8,268 m and a total kimberlite sample intersection of 4,513 m. Fifteen holes were completed on the Taurus cluster, southwest of the Orion cluster. Five holes in each of kimberlite anomalies 118, 122 and 150 were completed. Nine holes were completed on Orion North with a total drilling length of 2,004 metres, while 3 holes completed on Star West drilled a total depth of 550 metres. Nuna Logistics Limited was contracted to carry out the LDD mini-bulk sampling program. Two Bauer Machinen GmbH ("Bauer") BG-36 RC dual purpose Kelly and reverse circulation ("RC") drill rigs (Rig 1 - # 4985, Desander 1 - #4901, Rig 2 - #4989, Desander 2 - # 4902) were utilized to carry out the LDD drill program (**Figure 5**). The LDD holes were completed to obtain geological and diamond grade information of the various kimberlite facies previously identified from core drilling programs.

TABLE 5. Summary of FALC-JV LDD on Orion, Star West and Taurus

Location	# of LDD	Total Depth (m)	Sample Thickness (m)
Orion North	9	2,003.6	1,028.7
Orion South	34	8,267.9	4,512.6
Star West	3	550.4	116.8
Taurus -118	5	1,159.0	612.6
Taurus -122	5	1,060.5	468.0
Taurus -150	5	1,059.3	543.4
TOTAL	**61**	**14,100.7**	**7,282.1**

9.2.1 LDD SITE PREPARATION, RIG SET-UP AND DRILLING METHODS

The planning and site preparation of the LDD was carried out by Shore's geological team. Actual LDD hole locations were established in the field, based on the geological core logging and interpretation of the quantitative data capture information obtained from the core holes. Collar co-ordinates were manually pegged in the field at a distance of approximately 2.0 m from the drill hole collar.

Once the location of the LDD sites were confirmed and inspected, the LDD drill rig and ancillary equipment was moved into place.

The Bauer BG-36 drilling rig was designed to carry out two methods/modes of drilling:

1) Kelly drilling; and
2) Air-assisted fluid flush reverse circulation ("RC") drilling.

The Kelly drilling mode (**Figure 5**) consists of drilling/excavating overburden material with the use of Kelly bars and a bucket-like drill tool and hoisting the material up to surface. Whilst Kelly bar drilling to a depth of 40 metres, a 1.20 m diameter BV 1320 casing is emplaced. The Kelly drilling continues until it reaches its maximum depth of 85 m, at which depth the rig is converted to RC mode to continue the LDD hole to its completion.

FIGURE 5. LDD rig in Kelly drill mode (note casing and support equipment)

9.2.2 LDD RC DRILLING AND SAMPLE RECOVERY DESCRIPTION

The Bauer BG-36 drilling rig is designed to carry out air-assisted RC drilling, utilizing a drill string consisting of 6 metre-long dual walled drill rods, heavy weights (which provide downward pressure on the bit), stabilizers and a rotating drill bit assembly.

The RC drilling is assisted through the introduction of compressed air which is forced down through the outer annulus of the dual walled drill rods so as to assist the drill cuttings ("product") and the mud in returning to the surface through the inner tube of the drill rods. The product then reports to the decelerating cyclone, which is located within a separate, adjacent Desander Plant. The sample then exits from the cyclone and discharges onto the coarse shaker screen for initial sizing at 3 mm. The +3 mm size fraction and drill muds report to twin densifying cyclones and dewatering screens (nominal 0.85 mm) to separate the drill solids from the drilling mud/fluid. The drill solids (+0.85 mm) are then washed and report for sample collection while the drill muds (-0.85 mm) are reinstated and then returned downhole for recycling.

Sample material is collected in one cubic metre dual-walled, woven polypropylene bags, which are labelled, securely sealed then loaded onto a trailer for shipment to the secure storage area at the Star site. The material is then processed through Shore's on-site process plant.

9.2.3 LDD RC DOWNHOLE CALIPER SURVEYING

A downhole calliper survey was completed on each of the LDD holes by DGI Geoscience Inc. ("DGI"). The LDD calliper surveys measure the diameter of the drillhole along its length and use those measurements to calculate the volume (in cubic metres) of material removed from the LDD hole. This calculation, coupled with diamond recovery data, is then used for estimating the sample grade for each of the LDD samples. The data were presented as a graphic 3-D downhole log and a downhole Excel spreadsheet.

Actual sample weights of material recovered from the drilling cannot be used for grade estimates because the material is screened after it exits the hole and fine material smaller than 0.85 mm is not collected. There is also loss of material to downhole fractures and joints. Therefore, this necessitates a theoretical estimation of sample volume using the calliper data and the density data measured on core from the pilot core holes.

Eggleston et al. (2008) recalculated the volumes of several holes and found the volumes provided by DGI to be accurately calculated and were of the opinion that the calliper surveys provide reliable hole diameters.

10.0 UNDERGROUND BULK SAMPLING PROGRAMS

10.1 UNDERGROUND SAMPLING PROCEDURES AND SAMPLE SECURITY

Shore's sampling methods and procedures are designed to optimise the precision and accuracy of the sample results in order to quantify the representative diamond grade within the sampled interval area. Efforts to reducing sample contamination during the underground mucking process were monitored daily by Shore geologists.

The following is a description of the sampling method(s) used and sampling methodology and procedures applied during the underground bulk sampling programs.

10.1.1 SHAFT AND LATERAL DRIFT SAMPLING DEVELOPMENT

In the shaft sinking phase, miners drill, blast and muck out on a bench by bench basis. Benches vary between 4 to 6 feet in depth depending on ground conditions. A clam and a 2 cubic metre bucket are used to load the material out of the shaft and hoist it up to surface. The bucket is emptied into the ore chute located on the head frame and the muck is then shipped to the fenced, secure area by orehaul trucks under the control of Shore security personal. In the lateral drifts, the miners drill, blast and muck out each drift round (4 to 8 feet in length with variable width and height) with the use of a slusher until there is enough room to lower, install and operate the LHD scoop tram.

10.1.2 BULK SAMPLE KIMBERLITE STORAGE, SAMPLING METHOD AND APPROACH

Kimberlite was stored as individual batch sample piles within the dedicated storage facility areas. Each batch sample was identified with a sign denoting the drift it was from. All batch samples were then recorded by mapping of the pile locations. The kimberlite muck was piled on top of a sand/clay rich base.

Individual batches were designed to provide representative samples of the different geological units encountered, while keeping individual sample batches similar in size where possible. Geological control of the sampling has enabled these kimberlite units to be individually sampled with very little contamination by other kimberlite types, the results of which provide invaluable diamond content data to model variations in diamond quality and abundance throughout the different phases of the Star and Orion South kimberlites.

During the entire underground bulk sampling program, underground mapping and sample batch changes were carried out by Shore geologists following each of the drift developments on a daily basis. Individual batch sample intervals were determined to reflect major geological breaks while keeping individual batch sample sizes to 250-350 dry tonnes. Underground geological mapping on both drift walls and faces as each individual drift advanced was conducted on a daily basis.

In the process of mapping, geologists identified many of the major geological units encountered in nearby drill cores. These kimberlite units are found throughout the vertical extent of many of the core holes throughout the Cantuar, Pense and EJF kimberlite phases. Shore geologists were also able to identify and map, in detail, many distinctive kimberlite units following individual kimberlitic pyroclastic flow units and geologically distinct kimberlite phases, both massive and layered in extent.

In accordance with the information obtained from underground mapping, on-site geologists continuously refined the sample separation process. Sample batches thus changed from the optimum planned size, and some of the larger batches were subdivided into smaller batches for processing in the plant.

The following quality assurance and quality control ("QA/QC") protocols were conducted and adhered to by Shore and its contractors during the bulk sampling program:

- Shore geologists verified that all sample material for each sample interval was cleanly mucked out by TMCC;
- to avoid sample mix-ups, Shore geologists verified that the kimberlite for each batch hoisted to surface was transported to its specified location;

- all TMCC miners and Shore's loader operators were given specific instructions not to overload their buckets when transporting kimberlite, to avoid sample spillage; and
- in order to maintain sample integrity and security of all extracted kimberlite from the underground workings, a Shore security officer was present at all times during the movement of kimberlite muck from the head frame to the storage facility.

10.2 STAR WEST UNDERGROUND BULK SAMPLE PROGRAM

Shore's Star Kimberlite underground bulk sampling program, which began in 2003 was completed in April 2007. Thyssen Mining Construction of Canada Ltd. ("TMCC") was contracted to develop the exploration shaft and extract the bulk sample from a network of lateral drifts. Details of this sampling are described in previous Technical Reports (Patrick and Leroux, 2004; Leroux, 2005 a, b, c; Leroux, 2007a; Leroux, 2008a; and Eggleston et al., 2008). In summary, a total of fifteen (15) underground batch samples totalling 4,173 dry tonnes of kimberlite from the Star West portion of the Star Kimberlite were processed through the process plant from November, 2006 to October, 2007.

10.3 ORION SOUTH UNDERGROUND BULK SAMPLING PROGRAM

In July 2007, Shore announced the commencement of freeze drilling on Orion South in preparation for development of a vertical shaft and lateral drifting. The freeze wall drilling included 20 eight-inch (203 millimetre) tricone holes drilled to a depth of about 125 metres. The freeze holes were preceded by a 241 metre pilot hole. The shaft was sunk to a depth of 210 metres below surface. The shaft collar was cast in concrete and shaft sinking at surface commenced with the upper reaches of the shaft being excavated with a clam shell excavator. The head frame from the Star Diamond Project was erected over the shaft in November 2007 and, thereafter, shaft sinking proceeded with a Galloway stage and Cryderman clam hanging from the head frame. The excavated diameter of the shaft is 5.1 metres with the concrete lining resulting in an internal diameter of 4.5 metres.

The primary kimberlite eruptive unit targeted on the Orion South Kimberlite is the EJF unit, with the secondary target being the Pense Kimberlite unit. Approximately 7,000 tonnes of kimberlite were recovered from the shaft alone, prior to the development of lateral drifts. Initial kimberlite sampled in the shaft (**Figure 6**) was a thin (<2 m) LJF horizon followed by about 45 metres of EJF kimberlite breccia and pyroclastic kimberlite followed by 60 metres of Pense volcaniclastic kimberlite.

Lateral drifting was initiated at a depth of 186 m (259 masl) (**Figure 7**). Drifting commenced in an eastward direction, with side drifts developed along its length accompanied by a second main drift towards the south with associated side drifts. Initial kimberlite sampled on the 186 metre level was Pense volcaniclastic kimberlite. Further from the shaft the EJF kimberlite was sampled along with a transitional zone (mixed Pense and EJF kimberlite) between the two main targets.

On Orion South, drifting was completed in February, 2009, with on-site processing of the kimberlite being completed in March, 2009. As of March 4th, 2009 the results from 62 underground batches have been received (**Figure 7**) from a total of 20,511 dry tonnes of processed kimberlite, with the recovery of 1,816 carats giving a processed grade of 8.9 cpht. The largest stone recovered to date was a 45.95 carat stone. The final thirteen batches, 2,899 dry tonnes of kimberlite, have been processed through Shore's bulk sample plant with final diamond results pending.

FIGURE 6. Orion South shaft geological map (cylindrical tube opened to a flat 2D surface (upper 89 metres of overburden not shown))

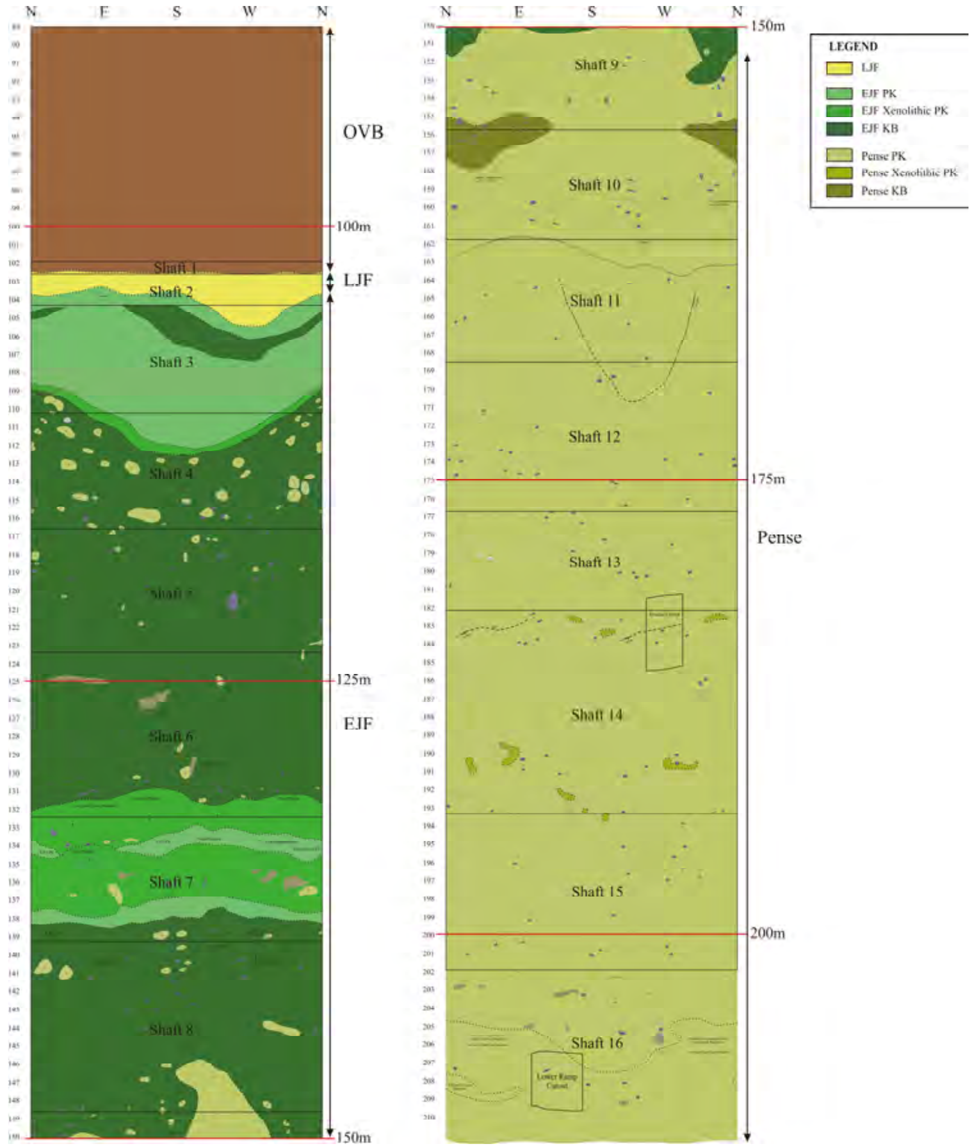
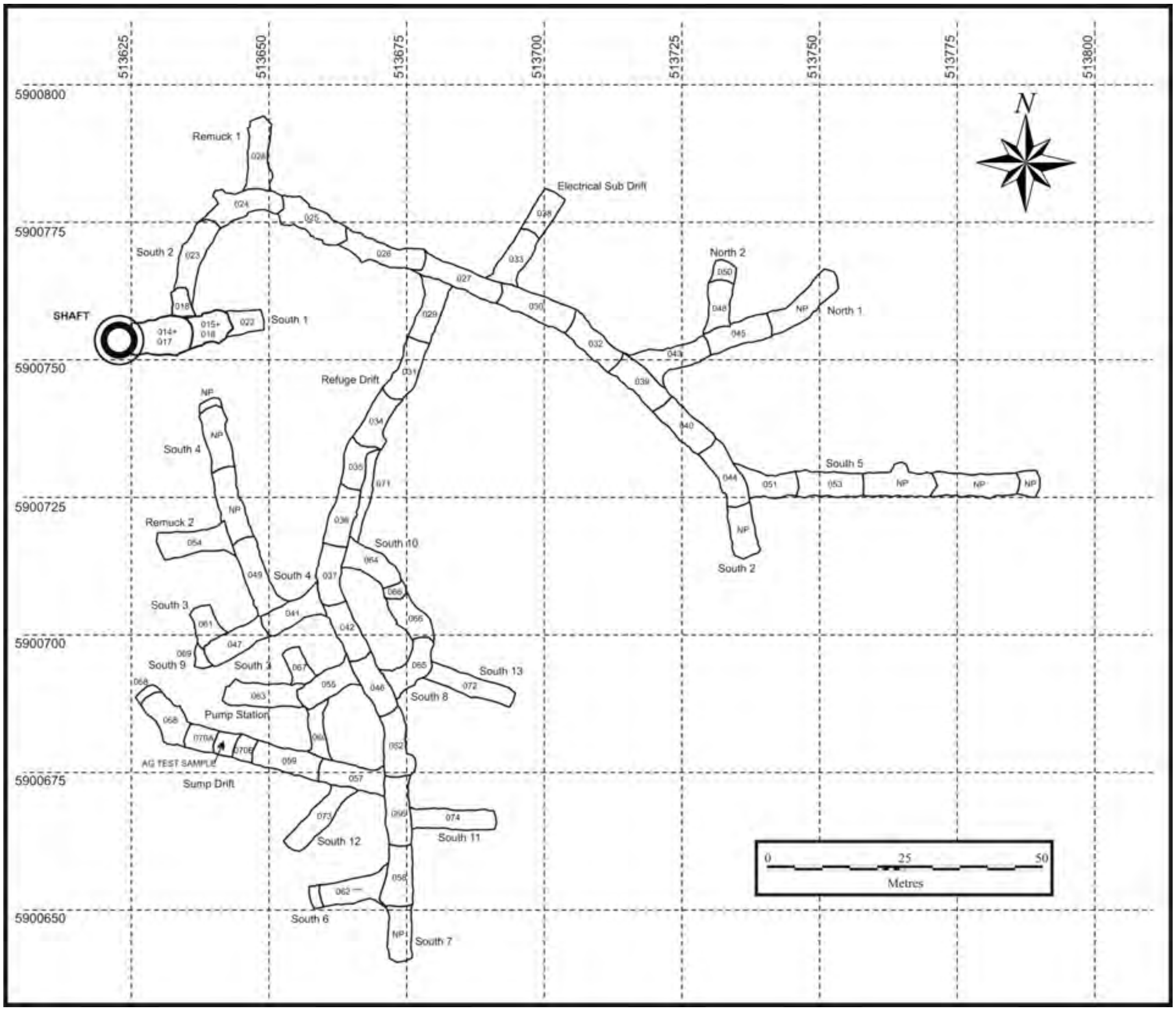


FIGURE 7. Orion South 186 metre level batch sample plan-view map showing batch locations. Note NP= Not Processed at time of report writing; Batch 062 was partially processed.



11.0 SAMPLE PREPARATION, MINERAL PROCESSING, ANALYSES AND SECURITY – PROCESS PLANT

11.1 INTRODUCTION TO THE MINERAL PROCESSING AND RECOVERY OF DIAMONDS FROM THE PROCESS PLANT

In order to process a significant amount of kimberlite, Shore purchased and commissioned a batch sampling process plant in order to process and recover diamonds. The process plant (and subsequent results) was designed to simulate a commercial kimberlite ore treatment plant.

Shore's process plant was designed and constructed by Bateman Engineering PTY Limited ("Bateman") of South Africa. Shore's Bateman process plant (Bateman Reference Number M7007) consists of the following circuits:

1. a 30 t/h crushing circuit;
2. a 10 t/h Dense Media Separation ("DMS") circuit which consists of a 250 mm DMS cyclone; and
3. a recovery circuit consisting of a Flow Sort® X-Ray diamond sorting machine ("Sortex") and a grease table.

11.2 SHORE'S SAMPLE PROCESSING CIRCUIT

Figures 8 and 9 show a schematic flowsheet for the processing of kimberlite samples from both the underground and LDD drill programs. A detailed description of Shore's processing and diamond recovery circuits can be found in Eggleston et al. (2008).

11.2.1 PROCESSING PLANT – CRUSHING AND SCRUBBING CIRCUIT

The underground kimberlitic material (stored as individual batches or piles on surface) to be processed is hauled by a large capacity (2 m^3) front-end loader from the storage facility area to the primary static feed bin. As for the LDD mini-bulk samples, each sample interval is processed individually through the process plant.

The horizontal square screen aperture of the primary static feed bin is 250 millimetres. When the primary static feed bin is full (approx. 15 – 20 tonnes), the primary kimberlitic material from the pan feeder belt is then fed at a constant rate onto the run of mine conveyor belt ("ROM"). The primary kimberlitic material on the ROM belt is then weighed and recorded by a Ramsey belt scale system (i.e. weightometer). The primary kimberlitic material is then delivered directly to the +60 millimetre vibrating grizzly. The flow of the material from the pan feeder belt onto the ROM conveyor belt is controlled by a variable speed drive motor whereby the feed rate capacity of the material through the vibrating grizzly and jaw crusher is controlled. All of the +60 millimetre material reports to the Metso® C80 jaw crusher whereby all the primary material is crushed to -30 millimetres. The -60 millimetre material reports directly to the scrubber.

All material (-60 millimetres) reporting to the scrubber - primary double deck vibrating classifying screen unit is attrited, washed and screened to remove the fines. The material from the scrubber passes over the primary double deck vibrating classifying screen. The slimes (-1 millimetre) material passes over both the -22 millimetre square aperture top screen and the -1 millimetre dewatering bottom screen for de-sliming. The resultant size fraction that reports to the Dense Media Separator (DMS) circuit is +1.0 millimetre to -20 millimetre.

At this point, the -1.0 millimetre degrit and slimes report to the slimes pump box and are pumped directly to the degrit plant's cyclone and vibrating de-sliming screen. This screening reduces the amount of fines reporting to the dense media separation circuit, thus aiding in the stabilization of the specific gravity of the ferrosilicon circulating medium ("CM"). The +0.5 millimetre to -1.0 millimetres material reports to the degrit - floats conveyor belt (i.e. coarse reject kimberlite tailings) whereas the -0.5 millimetres fines are treated in a thickener tank with flocculent and are then pumped to the settling pond.

The +20 millimetre oversize material retained on the primary double deck classifying screen reports to the secondary cone crusher conveyor belt to be crushed to -13 millimetre size by a Metso® HP 100 cone crusher. The crushed material from both the jaw and cone crushers then report to the combined crusher product conveyor belt in order to be re-introduced into the scrubber unit.

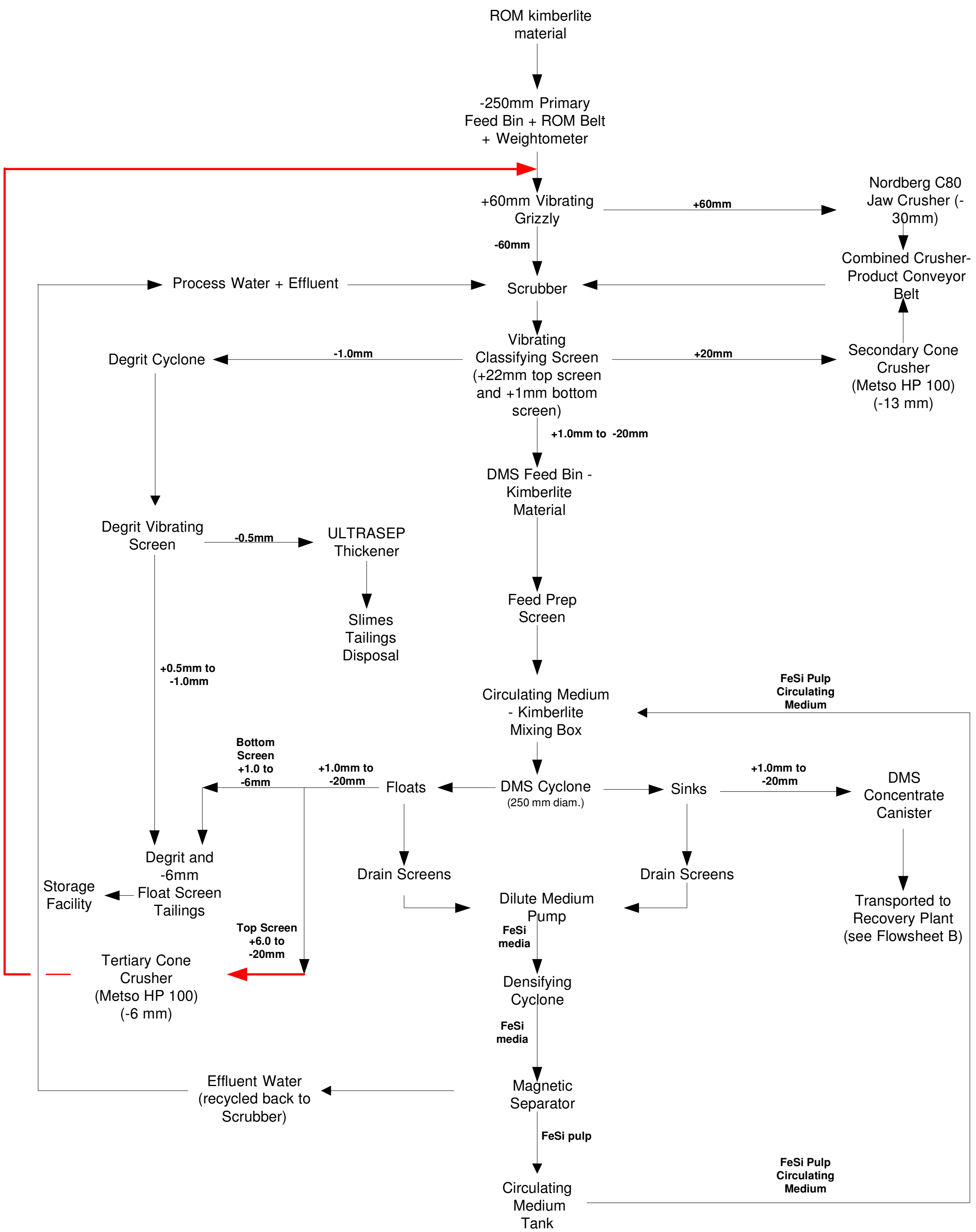


FIGURE 8. Process plant flow sheet – Primary kimberlite processing

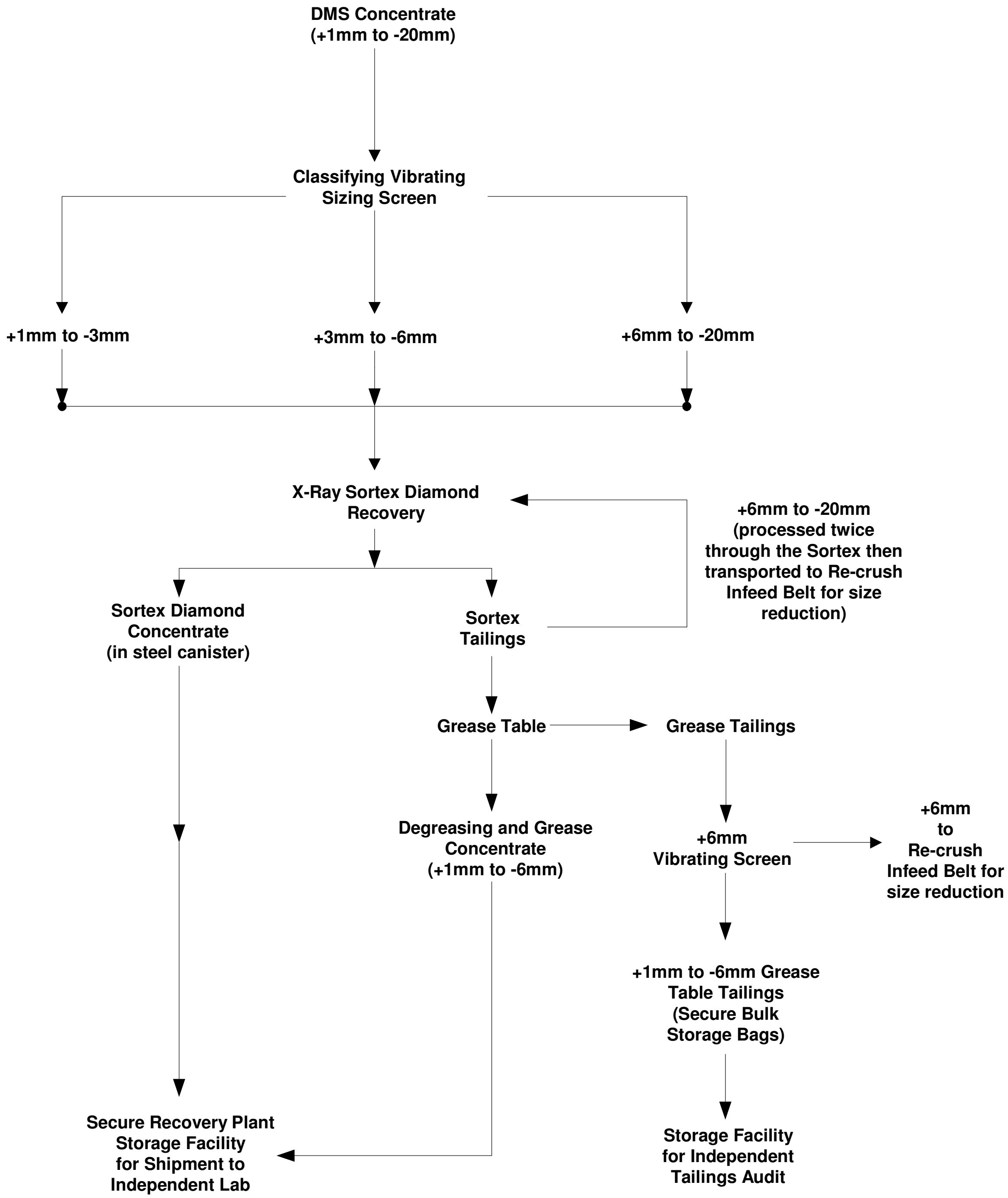


FIGURE 9. Recovery plant flow sheet

11.2.2 DMS CIRCUIT

The +1.0 millimetre to -20 millimetre sized kimberlitic material from the primary double deck vibrating classifying screen is pumped from the transfer pump box, dewatered and then stored into a 5 tonne capacity DMS surge bin for product separation into light and heavy mineral fractions. The material is then fed in a wet state to the DMS circuit by the combined vibrating pan feeder and DMS feed pump and dewatered once again by a vibrating feed prep screen. The kimberlite material is mixed with a dense circulating medium ("CM") consisting of ferrosilicon powder ("FeSi") and water. Both the kimberlite material and CM is introduced into a mixing box which is then pumped at a constant cyclone inlet velocity pressure to the 250 millimetre diameter cyclone mounted atop the DMS circuit. Separation of the "heavy" and "light" particles (i.e. product) is achieved on the basis of the specific gravity of the minerals.

Both the heavy and light products exiting the cyclone are screened and then washed to recover the FeSi. The CM recovered from both the floats and sinks screens report to the dilute medium pump box FeSi recovery circuit. The diluted CM is pumped to a densifying cyclone for separation and then recovered as a thick pulp by the magnetic roll separator unit. The FeSi pulp is then re-directed back via gravity to the CM tank for reuse.

The +1.0 millimetre to -20 millimetre heavy mineral concentrate ("DMS concentrate") that reports to the sinks screen is collected in 40 litre stainless steel canisters. When a steel canister is full, the canister is locked, then transported and escorted to the recovery plant for particle sizing and diamond recovery by the plant Lead Hand and Shore security personnel. Prior to January, 2007 this process was completed by Howe personnel and two Shore security personnel. The +1.0 millimetre to -6 millimetre light fraction product ("coarse reject kimberlite") is disposed outside of the process plant via conveyor belt. A front-end loader is then used to transport the coarse reject kimberlite to a dedicated storage area and stockpiled on a per batch basis.

During the Phase 1 processing program, the DMS's +6 mm oversize light fraction product from the floats screen reports by conveyor to a dedicated re-crush storage facility. Once the primary material for a batch has been fed into the process plant, this re-crush material is then re-inserted into the crushing circuit via the primary static feed bin. The re-crush material reports to the ROM belt where it is then weighed and recorded by the Ramsey belt scale system (i.e. weightometer). The re-crush material is then fed by the ROM conveyor belt to the vibrating grizzly which then reports directly to the scrubber. From the scrubber, the re-crush material reports to the primary double deck vibrating classifying screen fitted with a 6 millimetre square aperture top screen. Since all of the re-crush material is +6 millimetre to -16 millimetre in size, the material reports directly to the Metso® HP100 cone crusher where it is wet crushed to -6 millimetre. The wet crushed product reports back via the combined crusher product conveyor to the scrubber unit and DMS circuit for reprocessing to recover possible locked diamonds. As with the primary kimberlitic material, all -1 millimetre slimes generated by the re-crush material report to the degrit plant. Any remaining +6 millimetre re-crush material is returned to the Metso® HP100 secondary cone crusher until all material passes through the primary double deck vibrating classifying screen's +6 millimetre square aperture top screen.

Modifications to the re-crush flow sheet were carried out by Shore in the summer of 2005 in order to eliminate the separate re-crush processing cycle for plant availability efficiencies. The revised flow sheet set-up is such that the +6 millimetre oversize product from the float screen can be crushed and re-inserted simultaneously into crushing-scrubbing circuit with incoming kimberlite ROM feed from the same batch sample. As such, the +6 millimetre oversize product from the float screen reports via conveyor to a tertiary cone crusher to be crushed to -6 millimetre size by a Metso® HP 100 cone crusher. The crushed –

6 mm sized material reports back to the scrubber and DMS circuit via the outfeed conveyor belt and ROM belt for reprocessing to recover possible locked diamonds.

The specific gravity ("SG") of the CM is monitored electronically and in real time with a DebTech® dense medium controller system, and manually with a densitometer scale. Density tracer tests are carried out with the use of cube-shaped epoxy tracers with specific gravities ranging from 2.70 to 3.53 and sizes from 2 millimetre, 4 millimetre and 8 millimetre. Density tracer tests are carried out on a daily basis to monitor the separating effectiveness of the DMS cyclone. The density tracers that report to the floats or sinks screen are counted separately and a Tromp curve is plotted in order to obtain the percentage of density tracers versus particle specific gravity. An estimate of the effective separation of light and heavy fractions, including diamond, can be determined from the shape and slope of the Tromp curve. The separating specific gravity (or cut point) is determined as the point where the curve has a value of 50%.

11.2.3 SLIMES TAILINGS AND SETTLING POND

The -1.0 millimetre degrit material from the primary double deck vibrating classifying screen is pumped to a dewatering cyclone for handling ease and disposal. The +0.5 millimetre to -1.0 millimetre degrit material from the dewatering cyclone reports to a vibrating dewatering screen, whereas the -0.5 millimetre slimes material from the dewatering cyclone is pumped to a thickening tank. The -0.5 millimetre slimes contained in the thickening tank are doused with flocculent and, when the desired specific gravity of the slimes is reached, the slimes are then pumped out to the settling pond located south and southeast of the process plant.

11.2.4 DIAMOND RECOVERY PLANT SAMPLE HANDLING AND PROCESSING PROCEDURES

As soon as a full canister of DMS concentrate arrives in the recovery plant, the gross weight (wet) and arrival time is taken and then recorded on a pre-designed sheet by Howe (pre-January, 2007) and Shore security personnel. The DMS concentrate canister is then loaded by Howe (pre-January, 2007) and Shore recovery personnel into a steel cradle, hoisted up with an electric chain block, and the contents then emptied into the recovery plant hopper.

The DMS concentrate is then separated into three particle size fractions by a vibrating classifying screen deck unit beneath the recovery plant hopper (**Figure 9**). The size fractions obtained are +1 to -3 millimetre, +3 to -6 millimetre and +6 to -20 millimetre respectively. During the sizing process, the respective size fractions are collected in individual 40 litre stainless steel canisters located below the vibrating classifying screen deck. Once the particle sizing is completed, each sized canister is left to dewater as much as possible. The gross weight (wet) of each sized canister is then weighed and recorded on a pre-designed sheet by Howe (pre- January, 2007) and/or Shore security personnel and readied for diamond processing.

X-ray Sortex Diamond Sorter

All of the DMS concentrate size fractions (+1 to -3 millimetre, +3 to -6 millimetre and +6 to -20 millimetre) are processed separately and wet via a Flowsort® X-Ray Diamond Sorter Unit (Model XR 2/19 DW) ("Sortex"). All three individual sized fractions are manually fed to the Sortex receiving hopper for processing. Only the +6 to –20 millimetre sized fraction is processed twice through the Sortex unit.

The Sortex unit is designed on the principle of diamonds fluorescing/luminescing when bombarded by x-rays. The wet diamond bearing concentrates slide past photomultiplier tubes that detect fluorescent material (i.e. particles emitting light) which has been irradiated by x-rays. Excitation of the photomultiplier tubes triggers the ejector gate doors to open, forcing the diamond (and other fluorescent material plus gangue) into a separate stainless steel canister from the gangue minerals. The Sortex tailings are collected in a 40 litre steel canister to be reprocessed by the grease table.

Each size fraction is processed individually. However, the diamonds that are ejected for each size fraction are collected in a single stainless steel canister that is locked in place below the Sortex unit. Once a batch sample has been processed, the stainless steel canister is removed, locked, escorted and then stored in Shore's secure safe-house facility located within the recovery plant by Shore's security personnel under Howe's supervision (pre-January, 2007), and kept under video surveillance until it is delivered to SGS Lakefield Research ("SGS Lakefield"), SGS Canada Inc. ("SGS Saskatoon") and/or Mineral Services Canada Inc. ("MSC") for diamond sorting. Since January 2007, the sample handling procedures are carried out by Shore personnel with no third party involvement. Since January 2007 Howe has acted as an external QA/QC provider and has made periodic audits of the Shore processing plant.

Grease Table (Oleophillic) Diamond Recovery

A two-stepped (1 m wide) grease table is employed to concentrate the three sized Sortex tailings in the following order +3 to -6 millimetre and +1 to -3 millimetre. The larger size fraction (+6 millimetre to -20 millimetre) is not processed through the grease table, but processed twice through the Sortex. Most diamonds are hydrophobic (i.e. non-wettable) and thus will adhere to grease specially formulated for diamond recovery.

Each individual size fraction is manually fed into the grease table receiving hopper for processing. The two-stepped grease table surface is covered with an evenly coated layer of grease approximately four (4) to six (6) millimetres thick. Warm water heated by a 30 litre hot water heater forces and assists in the movement of the wetted material across the grease. A feed control gate is used to manually control the feed rate of material onto the grease table. The diamonds adhere to the grease on first contact and the flow of concentrate over the adhering diamonds causes them to be pushed further into the grease.

All non-adhering (i.e. hydrophyllic) material reports to the grease table tailings belt for storage in 1.0 m^3 canvas bulk sample storage bags.

The removal and application of fresh grease is dependent upon the amount of grease adherent material in the concentrate. More particles adhering to the grease reduces the effective surface area for diamonds to adhere to. When the effective surface area is <50%, the grease and grease concentrates are scraped off the grease table and placed into pre-numbered, sealed plastic buckets and shipped to SGS Lakefield, SGS Saskatoon and/or MSC for diamond recovery.

Chain of Custody and Security Protocols

During the processing plant commissioning period of the bulk sampling program in 2004, Shore and Howe representatives developed security protocols that were designed to enhance the chain of custody and maintain the integrity of the sampling program, as a whole, from the extraction of kimberlite from underground to the shipment of diamond concentrate to SGS Lakefield Research Limited ("SGS Lakefield"), SGS Canada Inc. laboratory in Saskatoon ("SGS Saskatoon") and MSC for final diamond picking. Shore's chain of custody and security protocols were designed around a three-lock system, requiring three individuals be present at the removal, transport and escort of all concentrate at all times. A video surveillance camera system was designed and installed in the process plant to follow the movement and processing of DMS concentrate from the DMS to the fenced-in recovery plant area. The video surveillance system was monitored 24 hours, seven days a week by Shore's security. All security images were backed up for potential security reviews by a third party security auditor.

Howe and Shore developed security and chain of custody protocols for both surface core and LDD drilling and sample processing programs. In 2006, Shore reviewed its security procedures and modifications such as a new closed-circuit TV and access card systems were installed.

In October, 2006, a number of security system enhancements were implemented to heighten the overall site and process/recovery plant security measures. The enhancements to the security systems included the building of a security entrance building on the north side of the process/recovery plant. The attached plant security entrance building allowed for the monitoring of persons entering the process/recovery plant and a more effective search capability for those persons leaving the plant. The plant security building also included male and female changing facilities. All plant employees and authorized visitors were required to change into designated pocketless coveralls before entering the process/recovery facilities. The plant security entrance also housed the security control area, which allowed for a secure environment for the security officers to monitor all high risk areas, utilizing the digital video (CCTV) and door accesses recorded on the security management system.

A new main site access security building and security gate were constructed and placed in a location to afford tighter monitoring, recording and control of persons and vehicles accessing the main site. All vehicle parking was placed outside of the designated high security area, and only authorized vehicles were allowed entrance. All vehicles and persons leaving the designated high security areas were searched before being allowed to exit.

Enhanced security protocols were also implemented within the process/recovery plant operations area. These protocols defined the role of security officers working within the plant areas and ensured that security maintained the integrity of all personnel and protected company assets by monitoring and recording the work being performed. Dual accountability, which included a Shore security officer, was maintained at all times when employees could come in contact with any material in the processing stream. With the advent of security cameras in the recovery safe house proper, three-person accountability was maintained with the presence of one recovery operator or technician and one security officer. On entrance to the recovery safe house, personnel in the recovery safe house were subject to continual focused video monitoring by a second security officer from the security control room. All persons entering the recovery plant area and/or the recovery safe house were recorded on the security management system via proximity card readers which recorded dates and times. All recorded security video from the process/recovery plant was backed up and secured for reviews by a third party security auditor.

11.3 PROCESS PLANT PRODUCTION STATISTICS AND SAMPLING

The following process and recovery plant production statistics were recorded daily and summarized on a per batch sample basis. They are:

- tonnes of kimberlite processed (wet tonnes);
- DMS concentrate weight (in kgs);
- +1 to -3 mm, +3 to -6 mm and +6 to -20 mm sized fraction material for Sortex processing (in kgs);
- +1 to -3 mm, +3 to -6 mm and +6 to -20 mm sized fraction material for grease table processing (in kgs);
- +1 to -6 mm grease table tailings in secured bulk canvas bags (in kgs);
- +6 mm grease table tailings for re-crush (in kgs);

- coarse kimberlite reject material (i.e. degrit and float tailings (in tonnes));
- slimes volume (in dm3); and
- moisture content determinations of the kimberlitic material.

From August, 2003 to January, 2007, Howe was involved in the processing, chain of custody and sample integrity of Shore's underground bulk sample program and LDD mini-bulk sampling program. Since January, 2007, Howe has been providing third party review and audits of the process plant production data for Shore's ongoing underground and LDD mini-bulk sample treatment programs for the Star and Orion kimberlites.

11.4 DIAMOND PICKING AND SORTING PROCEDURES

Since February 27, 2007, a total of 2,434 diamond concentrate samples (22 underground Sortex, 8 underground grease table concentrate, 1,164 LDD Sortex, 1,164 LDD grease table concentrate) were shipped in 51 sample submission batches to SGS Lakefield and/or SGS Saskatoon. SGS Lakefield is accredited to the ISO/IEC 17025 standard by the Standards Council of Canada, while SGS Saskatoon has followed the same quality protocols in preparation for accreditation.

Since February 27, 2007, a total of 218 diamond concentrate samples (145 underground Sortex, 73 grease table concentrate) were shipped in 39 sample submission batches to Mineral Services Canada ("MSC"), located in Vancouver B.C. MSC is not currently accredited to the ISO/IEC 17025 standard by the Standards Council of Canada as a testing laboratory for specific tests; however, the MSC facility, process and quality assurance procedures have been audited and ratified by an independent industry expert (Ryans, 2006; Harry Ryans, Process Specialist of AMEC).

Sample shipments were carried out on a weekly and/or bi-weekly basis. For each sample shipment, the diamond concentrate samples were secured in wooden boxes. The sample submission would be completed and the wooden boxes would be sealed and prepared for off-site shipment by a secure carrier. The samples were then freighted by the secure carrier to SGS Lakefield, SGS Saskatoon and/or MSC.

When a sample submission was expedited, a spreadsheet containing the following sample information was updated:

- sample submission number;
- sample batch number;
- diamond concentrate sample number;
- security tag numbers;
- sample type (primary/re-crush Sortex concentrate, primary/re-crush grease concentrate);
- type and size of sample container;
- gross weight (wet) in kgs; and
- analysis type (i.e. diamond sorting).

The information contained in sample submission sheets provided to SGS Lakefield, SGS Saskatoon, and/or MSC are:

- sample submission number;
- diamond concentrate sample number;
- security tag numbers;
- sample type (primary/re-crush Sortex concentrate, primary/re-crush grease concentrate);

- type and size of sample container;
- gross weight (wet) in kgs;
- analysis type (i.e. diamond sorting);
- number of and gross weight (in kgs) of the wooden shipping boxes shipped; and
- Total gross weight (in kgs) of the sample shipment.

Upon reception, SGS Lakefield, SGS Saskatoon, and/or MSC verifies that the chain of custody documents (i.e. sample submission sheet) are cross-referenced with the sample shipment received, that both the wooden boxes and sample containers arrive intact and that none of Shore's security features show signs of tampering.

Once all of the security checks have been completed, SGS Lakefield, SGS Saskatoon, and/or MSC carries out the following laboratory test work:

- processing and sorting of the Sortex concentrate; and
- processing and sorting of the grease concentrate.

The processing of the Sortex concentrate consists of drying, screening, magnetic separation, manual sorting, diamond weighing and description. Processing of the grease table concentrate consists of melting the grease in kettles, washing of the concentrate followed by drying, screening, magnetic separation, manual sorting, diamond weighing and description.

The diamond summary reports provided to Shore by SGS Lakefield, SGS Saskatoon, and MSC conform to the CIM guidelines for the reporting of diamond exploration results (CIM, 2003) and, as such, SGS Lakefield, SGS Saskatoon, and MSC have provided Shore with the following sample result information:

- diamond count: total number of diamonds recovered on a per sieve size (mm square mesh);
- diamond weight: total weight of diamonds recovered on a per sieve size (mm square mesh) basis; and
- diamond characteristics: crystal habit, colour, resorption (percent preservation), and breakage.

All of the sample information from SGS Lakefield and SGS Saskatoon is electronically entered in SGS's Laboratory Information Management System ("LIMS"). Similarly, relevant sample information is electronically entered into MSC's Laboratory Data Management System. These systems are used to record all relevant sample processing and diamond information for individual samples as they advance through the diamond recovery process from arrival until final reporting.

11.5 GREASE TABLE TAILINGS AUDIT PROGRAM

In order to confirm that the recovery plant circuit at Shore's process plant facility was working efficiently and that no diamonds of significance were being missed in the recovery process, grease table tailings bulk sample bags from both the underground sampling and the LDD mini-bulk sampling programs were shipped to MSC for tailings audits with recovered diamonds being added to the Shore diamond database.

For each sample shipment, the grease tailings samples were secured in one cubic metre-sized bulk sample bags. A sample submission sheet (with the original copy of the sample submission sheet filed) was completed and the bulk samples were secured for off-site shipment by a transport carrier. The bulk samples were then transported by the secure transport carrier to MSC.

When a grease tailings audit sample submission was expedited, a spreadsheet file containing the following sample information was completed:

- sample submission number;
- sample batch number;
- grease tailings sample number;
- security tag numbers;
- sample type (grease table tailings);
- type and size of shipping container (bulk bag);
- gross weight (wet) in kgs; and
- analysis type (i.e. recovery of free and locked diamonds >0.85 mm).

The information contained in sample submission sheets provided to MSC were as follows:

- sample submission number;
- grease tailings sample number;
- security tag numbers;
- sample type (primary grease table tailings);
- type and size of shipping container (bulk bag);
- gross weight (wet) in kgs; and
- analysis type (i.e. recovery of free and locked diamonds >0.85 mm).

Upon reception, MSC verified that the chain of custody documents (i.e. sample submission sheets) were cross-referenced with the bulk sample bags, that the bulk sample bags arrived intact and that none of Shore's security features showed signs of tampering.

Once all of the security checks were completed, MSC then carried out the following laboratory audit test work methodology:

- wet screen the sample into 3 fractions (-6 +4 mm; -4 +2 mm and -2 +1 mm);
- record the weight of the -6 +4 mm fraction (wet) and sort for diamonds under 10X magnification;
- dry the remaining two fractions in drying ovens and record the weight;
- remove ferromagnetic minerals using a Carpco Model MOS (10) 111-15 separator. Record the weight of the ferromagnetic fraction;
- pass the material remaining from the previous step over an Eriez RE5-1 rare earth roll permanent magnetic separator and record the weight of the resultant para-magnetic and non-magnetic fractions. Diamonds report to the non-magnetic fraction;
- hand sort the -4 +2 mm and -2 +1 mm non magnetic fractions for diamonds using a binocular microscope; and
- all potential diamonds recovered to be confirmed by lab supervisor, then weighed, described, recorded in a diamond log and immediately locked in secure storage.

MSC has stated that the above method has been demonstrated to be effective and reliable in the recovery of diamonds through a series of tests run using natural diamond spikes on test sample material provided by Shore. Four independent tests achieved 100% recovery of spike diamonds in the size range -4 +2 mm.

The diamond summary reports provided by MSC conform to the CIM guidelines for the reporting of diamond exploration results (CIM, 2003) and, as such, MSC has provided Shore with the following sample result information:

- diamond count: total number of diamonds recovered on a per sieve size (mm square mesh);
- diamond weight: total weight of diamonds recovered on a per sieve size (mm square mesh) basis; and
- diamond characteristics: crystal habit, colour, resorption (percent preservation), and breakage.

As well MSC provided a summary table of the weights recorded at the various stages of the process on a per size fraction basis (underground or LDD sample). Such information included:

- sample number; and
- total weight of the magnetic, para-magnetic and non-magnetic fractions.

All relevant sample information was electronically entered into MSC's Laboratory Data Management System.

Results from the grease table tailings audits (**Table 6**) completed by MSC indicate that the carats recovered in the audit process from underground batches on Orion South added less than 1% to the total carat weight of the batches audited. Carats recovered in the audit process from LDD batches added about 7% of the total carat weight for both Orion South and Orion North LDD samples.

TABLE 6. DMS grease tailings audit results from underground and LDD sample batches on Orion South and Orion North

Sample Type	Batches Tested	Total Carats recovered in Batches (plant recovery)	Carats recovered in DMS Audit	%
OS UG Batches	15	409.69	3.29	100.8%
Orion South LDD	65	92.8	6.46	107.0%
Orion North LDD	249	311.3	20.75	106.7%

Any diamonds recovered at this audit stage were reported separately by MSC. The diamond counts and total carat weight for each batch sample, however, have been incorporated into a merged diamond results database containing the results from MSC for final diamond grade reporting.

11.6 X-RAY CONCENTRATE AUDIT PROGRAM

In order to evaluate the final picking of x-ray concentrate by SGS Lakefield and SGS Saskatoon, final concentrate audits were completed by MSC on both underground and LDD sample batches (**Table 7**). Concentrate picking completed by SGS Lakefield and SGS Saskatoon on LDD material was audited by MSC. Auditing resulted in recovery of minor amounts of additional stones. Carats recovered in the audit process from underground batches on Orion South added approximately 1.2% to the total carat weight. Carats recovered in the audit process from LDD batches added less than, or near, 1% of the total carat weight for Orion South, Orion North and Star West LDD samples.

TABLE 7. Final (picked) x-ray concentrate audit results from Orion South underground and LDD sample batches on Orion South, Orion North and Star West

Sample Type	Batches Tested	Total Carats recovered in Batches (plant recovery)	Carats recovered in pick concentrate Audit	%
OS UG Batches	33	892.86	10.62	101.2%
Orion South LDD	65	92.8	0.36	100.4%
Orion North LDD	250	311.3	2.01	100.6%
Star West LDD	158	264.6	2.66	101.0%

Any diamonds recovered at this audit stage were reported separately by MSC and SGS Lakefield and SGS Saskatoon. The diamond counts and total carat weight for each batch sample, however, have been incorporated into a merged diamond results database containing the results for final diamond grade reporting.

12.0 DATA VERIFICATION

12.1 INTRODUCTION

A QA/QC program covering the database management of underground shaft and drift sampling of Shore's underground bulk sampling, LDD mini-bulk sampling, and diamond processing program was administered and monitored on a number of levels throughout the program. In the author's opinion, the sampling and processing procedures and QA/QC program for the underground bulk sampling, LDD mini-bulk sampling and diamond processing program is being well documented by Shore, and meets industry standards.

From January, 2003 to January, 2007, Howe provided third party supervisory and monitoring services to Shore in the sample processing, chain of custody and sample integrity of Shore's underground bulk sample program and LDD mini-bulk sampling program. Howe believes that the quality of the diamond processing data is reliable and that the sample preparation, analysis and security were carried out in accordance with exploration best practices and industry standards.

Shore and Howe developed operating QA/QC protocols to monitor and quantify the efficiency and recovery of the process plant; these are discussed in detail in Eggleston et al. (2008) and outlined in the section below.

12.2 PROCESS PLANT

The following QA-QC operating protocols have been established by Shore and Howe for the efficient operation of the DMS and recovery circuits.

12.2.1 DMS QA-QC OPERATING PROTOCOLS

During the operation of the DMS circuit, the operating parameters were strictly monitored by Shore and Howe in order to achieve proper kimberlite material separation:

- the specific gravity ("S.G.") of the circulating medium ("CM") was measured manually every 15 minutes with a densitometer and in real time with a DebTech® dense medium controller system. Since the commissioning of the DMS circuit, the operating range, determined by numerous density tracer tests over several S.G. values was between S.G. 2.30 and S.G. 2.50;

- CM specific gravity readings of both the DMS cyclone overflow and underflow collected periodically;

- the operating range of the cyclone inlet velocity pressure was maintained at a constant pressure and it was ensured that the inlet velocity pressure remained constant (i.e. no surging);

- it was ensured that the volumetric ratio between kimberlite material feed and CM fed to the mixing box was such that the loss of diamonds to the floats screen (due to the overfeeding of material through the cyclone) was negligible;

- periodic wet screening checks of the CM for fines from the kimberlitic material were carried out in order to verify the presence, quantity and size of non-magnetic contaminants that could increase the viscosity of the CM;

- periodic dry screening checks of the CM particle size analysis were carried out in order to determine the coarsening of the CM due to a reduction of fine ferrosilicon particles;

- periodic checks of the +1 to -6 mm float material exiting the process plant for any >1 mm sized kimberlitic indicator minerals ("KIMs") such as pyrope garnet (S.G. 3.50), eclogitic garnet (S.G. 3.50) and Cr-diopside (S.G. 3.20); and

- density tracer tests were carried out on a daily basis to monitor the separating effectiveness of the DMS cyclone.

12.2.2 SORTEX QA-QC OPERATING PROTOCOLS

In order for the Sortex to maintain operating efficiency, the unit was calibrated weekly by conducting marble tracer tests. As well, a preventive maintenance schedule for the Sortex unit was strictly followed on a regular basis.

12.2.3 GREASE TABLE QA-QC OPERATING PROTOCOLS

During the underground bulk sampling and processing program, auditing of the grease table efficiency and recovery with the use of "test or spiked diamonds" inserted directly into the grease concentrate feed was not carried out. However, when processing grease table concentrate, the following operating parameters were strictly followed:

- the water temperature must be between 25 to 30°C prior to processing the Sortex tailings concentrate so that the grease surface remains firm and "sticky"; and

- each Sortex tailings size fraction is fed manually over the grease table in such a manner that the material arrives at the greased, stepped portions in a non-clustered monolayer, thus allowing diamonds to be in direct contact with the grease.

12.2.4 PROCESS PLANT – PREVENTATION OF SAMPLE CONTAMINATION

Contamination of samples by diamonds from previously run samples can adversely affect sample results and subsequent economic decisions. Therefore, strict guidelines were followed by Shore to prevent batch sample cross-contamination.

12.3 HOWE BULK SAMPLE PROCESSING AUDIT (2008)

An ideal audit of bulk sample processing and diamond recovery efficiency is to continuously run natural and/or synthetic diamond spikes through the entire process. In practice this is rarely done for diamond treatment, while it is standard operating procedure to insert blind standards and blanks in analytical work for metals analyses. Random periodic spiking, which could substitute for continuous spiking, was performed twice at Shore's plant. Results of the audit performed in September and December, 2008 are detailed below.

12.3.1 SAMPLES AUDITED BY HOWE

The following two samples were chosen by Howe for auditing:

- a LDD batch sample, composed of nine bulk bags weighing 12.59 wet tonnes. The resultant concentrate samples were represented by grease concentrate sample number 19379 and x-ray concentrate sample number 19380; and
- an underground batch sample, weighing 453.99 wet tonnes or 412.81 dry tonnes. The resultant concentrate samples were represented by grease concentrate sample number 19381 and x-ray concentrate sample number 19382.

Howe placed 4 natural and 14 synthetic diamond tracers in the LDD mini-bulk sample, which was observed through the entire treatment process. In the underground bulk sample, Howe placed 16 natural and 99 synthetic diamond tracers.

The tracer diamonds are natural diamond crystals with at least one polished face and the tracer number and weight in carats laser-etched onto the polished face. These tracers also have known luminosity properties for x-ray recovery, and are of a variety of weights and shapes similar to what might be expected to occur naturally in a bulk sample. The synthetic tracers are resin cubes of the same density as diamond (3.53 g/cc), different sizes, and different levels of luminosity within the range of those shown by natural diamonds. The tracers were placed at random intervals into the raw sample feed just as it exited from the feed hopper and before it dropped onto the primary feed belt.

Howe received sample consignment information for the secure shipping to SGS Saskatoon (LDD sample) and MSC (underground sample). SGS Saskatoon routinely performs all x-ray and grease concentrate processing and diamond sorting (selection) of LDD samples, audit samples, and in the past has treated underground samples. MSC has been routinely treating the underground samples and audit samples.

Howe was present for the diamond sorting of the two audited samples at their respective laboratories. Chain of custodies, sample seals and sample integrity were checked. Procedures, operations, security and documentation were reviewed and observed. No issues were noted by Howe.

The procedures at each of the above laboratories are largely similar. The detailed procedure at each laboratory is described below.

SGS Saskatoon Procedure

The sample was received, the security seals and shipping weight checked, and the chain of custody was completed and faxed back to Shore. Under secure conditions the shipping box and the sample containers were weighed and opened. The x-ray concentrate sample was transferred to drying trays and placed in a drying oven at approximately 140^{o} C until dry. SGS Saskatoon removed all visible larger diamonds and placed these in vials for reporting. The dry sample was removed, weighed and sized for observation and diamond selection. SGS Saskatoon sieved to +6 mm, -6 +3 mm, -3 +0.85 mm and -0.85 mm fractions. All size fractions were weighed, and were bagged and labelled. The +6 mm fraction was ready for sorting, and the -0.85 mm fraction was retained but not sorted. If sufficient sample was present in the middle fractions, these were subject to magnetic separation using rare earth magnets in a permroll belt separator. SGS Saskatoon used an Inprosys permroll, which provided three products – a non-magnetic fraction (that contains the majority of the diamonds), a para-magnetic fraction (this was re-run a second time) and the magnetic fraction. The machines were regularly calibrated and cleaned. The magnetic and size fractions were all weighed, labelled, documented and delivered to the sorting lab.

The grease table concentrate sample, which was generally quite small, was scraped from the sample container for degreasing. At SGS Saskatoon, this was melted in a water bath, which separated the grease in a screen by using boiling water and degreasing detergent. The processes resulted in a sufficiently clean concentrate for sorting. The resultant degreased product was then dried, weighed, labelled, documented and delivered to the sorting lab. As the product was generally quite small, it was not sieved or magnetically separated.

The samples were received and logged in the sorting room. Trained mineral observers sort each fraction for diamond selection. The non-magnetic fractions of each size were picked under a binocular microscope and diamonds were removed for verification and later classification. Each of the non-magnetic fractions was then re-sorted by another observer for quality control. The para-magnetic fraction was similarly sorted, but not all received a QC second sort. Generally the magnetic fractions were not sorted, but some percentage was sorted for QC purposes. The majority of the diamonds were recovered from the first sort of the non-magnetic fractions. The grease concentrate was sorted, and re-sorted for QC, as a single fraction. However there were often intermediate stages to separate rubbish material (plastic, metal, etc) from the concentrate grains.

All diamonds were verified, counted and weighed individually and were preliminarily described as requested by Shore. The diamonds were classified by size fractions using both square mesh Tyler sieves and round hole DTC sieves. For each sieve type, each size fraction was counted and weighed and reported.

Mineral Services Canada Procedure

The sample was received, the security seals and shipping weight checked, and the chain of custody was completed and faxed back to Shore. Under secure conditions the shipping box and the sample containers were weighed and opened. The x-ray concentrate sample was transferred to drying trays and placed in a drying oven at approximately 140^{o} C until dry. The dry sample was removed, weighed and sized for observation and diamond selection. MSC sieved to +6 mm, -6 +4 mm, -4 +2 mm, -2 +0.85 mm and -0.85 mm fractions. At this point MSC removed any +6 mm visible diamonds and placed these in a bag for reporting. All size fractions were weighed, and were bagged and labelled. The +6 mm fraction was ready for sorting, and the -0.85 mm fraction was retained but not sorted. If sufficient sample was present in the middle fractions, these were subject to magnetic separation using rare earth magnets in a permroll belt separator. MSC used an Eriez permroll, which was modified to provide an initial step of scalping of the most magnetic material. The permroll provided three products – a non-magnetic fraction (that contains the majority of the diamonds), a para-magnetic fraction (this was re-run a second time) and the magnetic fraction. The machines were regularly calibrated and cleaned. The magnetic and size fractions were all weighed, labelled, documented and delivered to the sorting lab.

The grease table concentrate sample, which was generally quite small, was scraped from the sample container for degreasing. At MSC the grease sample was melted in a drying oven, decanted, and placed in a screen into a commercial ultrasonic degreasing machine. The process resulted in a sufficiently clean concentrate for sorting. The resultant degreased product was then dried, weighed, labelled, documented and delivered to the sorting lab. As the product was generally quite small, it was not sieved or magnetically separated.

The samples were received and logged in the sorting room. Trained mineral observers sorted each fraction for diamond selection. The non-magnetic fractions of each size were picked under a binocular microscope and diamonds were removed for verification and later classification. Each of the non-magnetic fractions was then re-sorted by another observer for quality control. The para-magnetic fraction was similarly sorted, but not all received a QC second sort. Generally the magnetic fractions were not sorted, but some percentage was sorted for QC purposes. The majority of the diamonds were recovered from the first sort of the non-magnetic fractions. The grease concentrate was sorted, and re-sorted for QC, as a single fraction. However, there were often intermediate stages to separate rubbish material (plastic, metal, etc) from the concentrate grains.

All diamonds were verified, counted and weighed individually and were preliminarily described as requested by Shore. The diamonds were classified by size fractions using both square mesh Tyler sieves and round hole DTC sieves. For each sieve type, each size fraction was counted and weighed and reported.

Results Summary

As can be seen in **Table 8**, all natural diamond tracers placed in the samples were recovered by Shore's bulk sample plant, and all from the x-ray concentrate. The synthetic tracers were mostly recovered, with the loss of three 2 mm and one 4 mm tracers. Three of the 2 mm tracers were recovered on grease.

TABLE 8. Summary of tracer recovery statistics on LDD and underground batch samples

LDD Batch: Samples 19379 and 19380			
Tracer Type	**# of Tracers Tested**	**# of Tracers Recovered**	**Percent Recovery**
Natural	4	4	100%
8mm Synthetic	7	7	100%
4mm Synthetic	4	4	100%
2mm Synthetic	3	1	33.3%
Total	**18**	**16**	**88.9%**
Underground Batch: Samples 19381 and 19382			
Tracer Type	**# of Tracers Tested**	**# of Tracers Recovered**	**Percent Recovery**
Natural	16	16	100%
8mm Pink Synthetic	16	16	100%
8mm Brown Synthetic	18	18	100%
8mm Violet Synthetic	18	18	100%
4mm Pink Synthetic	16	15	93.8%
2mm Pink Synthetic	14	14	100%
2mm Green Synthetic	17	16	94.1%
Total	**115**	**113**	**98.3%**

Notes:
LDD Batch Sample: Grease Concentrate Sample #19379; X-Ray Concentrate Sample #19380
Underground Batch Sample: Grease Concentrate Sample #19381; X-Ray Concentrate Sample #19382

12.3.2 HOWE COMMENTS ON PROCESS PLANT AND QA/QC

Overall, the audit exercise revealed a well-operated and documented operation of the treatment of bulk samples. There were no issues of sample integrity. Audit results indicate a high efficiency of diamond recovery. The bulk sampling plant facility established and operated by Shore conforms to industry standards. The audit results for the recovery plant tailings were good, as expected, and tailings data are accepted with no problems. Based on the review of the historical density tracer tests of the DMS cyclone as well as results obtained by Howe during its audit, Howe is satisfied with the DMS circuit efficiency.

Howe considers that the QA/QC program and results obtained were adequate to ensure quality data to support Mineral Resource Estimation work.

12.4 LABORATORY AUDITS

Howe conducted a laboratory audit of SGS Lakefield on November 4, 2005 during Phase 1 of the underground bulk sample program. AMEC carried out a laboratory audit of MSC in November, 2007. Details of these earlier audits are presented in Eggleston et al. (2008).

From July, 2008 to December, 2008, Howe conducted an audit (MSC and SGS Saskatoon) in order to:

- review and audit the SGS Saskatoon facility;
- review and audit the grease table tailings audit program (MSC);
- review and audit MSC's processing facility for final diamond recovery from Sortex and grease concentrates.

During the audits, the chain of custody, handling, sorting, and security protocols were reviewed by Howe and were determined to provide reasonable assurance of the adequacy of the quality of operations at each facility. No material deficiencies were identified.

12.5 PROJECT SITE AUDITS

As part of Shore's current work program, AMEC, a supplier of consultancy, engineering and project management services to the world's energy, power and process industries, carried out site visits of the Star and FALC-JV's diamond projects. The audits were dedicated to review the operation of the process plant and examination of the kimberlite material and to conduct regular visits in order to review all aspects of the technical work and QA/QC being carried out on the project (i.e. LDD and underground sampling and processing, geological core logging, etc.) and data verification reviews.

As part of the advanced exploration programs, Howe carried out several site visits to the FALC-JV and Star diamond projects. As with the previous AMEC audits, Howe's audits reviewed the operation of the Shore process plant and examination of the kimberlite material. Howe conducted regular visits in order to review all aspects of the technical work and QA/QC being carried out on the project (i.e. LDD and underground sampling and processing, geological core logging, etc.) and data verification reviews.

12.6 DENSITY DETERMINATIONS

Density determinations, utilizing segments of core samples for each kimberlite facies and waste rock were determined utilizing a water displacement method. The sample was weighed as received, wrapped in thin plastic wrap, weighed in water, the plastic wrap then removed, and the sample then dried at 230 degrees Fahrenheit (110 degrees Celsius) and weighed. The dry density was calculated as the dry mass divided by the difference between the dry mass and the mass of the sample suspended in water. This procedure is somewhat different than typical density determinations, where the sample is weighed as received, dried, weighed, sealed, and weighed while in water. The different order of the procedure is used because much of the kimberlite was friable and disaggregates when it dries.

Bulk density, as it is used in this report, is the density of the in-situ rock, including fracture porosity and other types of porosity. This procedure does not account for fracture porosity, which reduces the bulk density somewhat. Review of the core done previously by AMEC, Howe and P&E indicates that most fractures are tight, and that there is little open space in these rocks. Fracture porosity will thus have little impact on the bulk density. P&E is of the opinion that the density determined on rock samples at the Star Kimberlite adequately estimates the in-situ bulk density and that no adjustments are required to account for fracture porosity.

This procedure is commonly used in the industry and is, in many cases, the only method that works for friable samples. AMEC observed the procedure and was of the opinion that the procedure is consistent with industry-standard procedures and that the data are adequate for advanced exploration programs (Eggleston et al., 2008).

13.0 ADJACENT PROPERTIES

The main FALC-JV property is located within the 50 kilometres long by 30 kilometres wide FALC kimberlite province. At least 69 kimberlitic bodies have been drilled to date in the province, but there is no current production from any of the kimberlites. The Star Kimberlite is comprised of the 100% Shore-owned portion and the FALC-JV's Star West portion and is two kilometres south-east of the Orion South Kimberlite.

14.0 RESULTS OF THE UNDERGROUND BULK SAMPLING AND LDD MINI-BULK SAMPLING PROGRAMS

14.1 PRODUCTION AND SAMPLING RESULTS – UNDERGROUND BULK SAMPLING PROGRAMS

14.1.1 STAR WEST UNDERGROUND SAMPLING PROGRAM

On Star West, a total of 4,173 dry tonnes of kimberlite were processed, with a total carat recovery of 747.4, giving a grade of 17.9 cpht. Details of this sampling and processing can be reviewed in Eggleston et al. (2008) and readers are encouraged to review that reference for further information.

14.1.2 ORION SOUTH UNDERGROUND SAMPLING PROGRAM

Initial diamond recoveries were reported in February, 2008 and by March 4th, 2009 the results from 62 underground batches had been received from processing of 20,511 dry tonnes of kimberlite with the recovery of 1,816 carats (**Table 9**). The largest stone recovered to date is a 45.95 carat stone. Processing at Shore's bulk sample plant was completed in March, 2009 with a total tonnage processed equalling 23,400 dry tonnes. As such, 2,899 dry tonnes remain to have final picking completed by MSC and SGS Saskatoon.

TABLE 9. Underground bulk sampling results – FALC-JV Orion South Kimberlite

Batch #	Location	Dry Tonnes	# of Stones	Total carats	Grade (cpht)	Largest Stone (carats)
OS-001	Shaft 1: 101.9-102.6 mbs	29.66	1	0.22	0.74	0.22
OS-002	Shaft 2: 102.6-104.3 mbs	86.17	88	6.31	7.32	0.38
OS-003	Shaft 3: 104.3-110.2 mbs	243.1	468	49.66	20.43	6.31
OS-004	Shaft 4: 110.2-116.6 mbs	245.86	248	40.87	16.62	3.21
OS-005	Shaft 5: 116.6-123.4 mbs	289.78	248	39.55	13.65	2.76
OS-006	Shaft 6: 123.4-132.5 mbs	392.98	514	71.65	18.23	2.74
OS-007	Shaft 7: 132.5-139.1 mbs	372.19	439	71.64	19.25	15.88
OS-008	Shaft 8: 138.1-148.6 mbs	485.12	531	83.18	17.15	8.29
OS-009	Shaft 9: 1458.58-155.78 mbs	330.67	222	28.46	8.61	1.63
OS-010	Shaft 10: 155.78-161.77 mbs	343.05	164	20.18	5.88	2.22
OS-011	Shaft 11: 161.77-170.69 mbs	366.01	145	14.65	4.00	0.86
OS-012	Shaft 12: 170.69-178.94 mbs	404.74	162	13.32	3.29	0.43
OS-013	Shaft 13: 178.94-184.31 mbs	367.21	160	13.42	3.65	1.03
OS-014	185 Station A	450.2	153	14.66	3.26	1.19
OS-015	185 Main Station B	291.84	91	6.58	2.25	1.19
OS-016	185 Main Station Clean-up #1	109.66	29	4.09	3.73	0.4
OS-017	185 Station C	373.06	92	10.03	2.69	2.59
OS-018	185 Station D	430.29	103	11.29	2.62	0.9
OS-019	Shaft 14: 184.3-193.4 mbs	472.78	256	19.08	4.04	1.43
OS-020	Shaft 15: 193.4-201.9 mbs	416.31	176	14.18	3.41	1.28
OS-021	Shaft 16: 201.9-211.4 mbs	523.86	249	22.76	4.34	1.38
OS-022	South 1A	141.87	46	4.44	3.13	0.85
OS-023	South 2A	357.85	101	10.3	2.88	0.83
OS-024	South 2B	388.15	118	12.06	3.11	1.01
OS-025	South 2C	363.5	88	10.87	2.99	3.12
OS-026	South 2D	382.81	121	10.94	2.86	1.13
OS-027	South 2E	345.21	148	10.83	3.14	1.25
OS-028	Remuck-OS-001	410.35	122	13.35	3.25	1.21
OS-029	Refuge-OS-001	305.13	133	20.29	6.65	4.63
OS-030	South 2F	405.23	227	21.17	5.22	1.11
OS-031	Refuge-OS-002	406.08	189	24.42	6.01	2.85
OS-032	South 2G	373.61	167	28.24	7.56	4.92
OS-033	Elec SS-OS-001	381.08	204	65.43	17.17	45.95
OS-034	Refuge-0S-003	326.7	224	29.99	9.18	1.1
OS-035	Refuge-0S-004	236.47	193	33.26	14.07	2.93
OS-036	Refuge-0S-005	340.31	323	50.44	14.82	1.79
OS-037	Refuge-0S-006	304.7	262	43.31	14.21	2.71
OS-038	Elec SS-OS-002	261.76	98	13	4.97	3.66
OS-039	South 2H	342.78	184	17.1	4.99	1.58
OS-040	South 2I	391.44	164	19.79	5.06	3.2
OS-041	South 4A	326.85	335	79.14	24.21	15.86
OS-042	Refuge-0S-007	278.1	250	44.51	16.01	2.95
OS-043	North 1A	412.81	199	19.6	4.75	3.03
OS-044	South 2J	422.75	223	21.05	4.98	33
OS-045	North 1B	368.94	215	27.46	7.44	1.61
OS-046	Refuge-008	305.01	281	40.04	13.13	1.73
OS-047	South 3A	344.22	349	57.64	16.75	2.66
OS-048	North 2A	255.74	126	14.2	5.66	2.66
OS-049	South 4B	447.27	337	53.86	12.04	3.61
OS-050	North 2B	138.25	62	6.15	4.45	0.52

OS-051	South 5A	301.53	202	29.09	9.65	1.76
OS-052	Refuge-009	289.18	225	35.75	12.36	1.66
OS-053	South 5B	361.04	184	28.86	7.99	1.26
OS-054	Remuck-002	421.49	177	25.09	5.95	2.54
OS-055	Pump Station-001	337.46	318	39.59	11.73	3.31
OS-056	OS-Refuge-010/EJF	305.26	206	44.79	14.67	4.77
OS-057	Sump Station-001A/EJF	324.06	218	63.25	19.52	7.16
OS-058	OS-Refuge-011/EJF	317.33	168	43.88	13.83	9.37
OS-059	Sump Station -001B/EJF	335.29	258	50.64	15.1	3.95
OS-060	Sump Station -001B/EJF	217.27	184	31.18	14.35	2.67
OS-061	South 3B/Transitional Pense/EJF	153.96	64	5.36	3.48	0.4
OS-063	Pump Station -001C/EJF	357.37	298	60.19	16.84	5.42
TOTAL		**20,511**	**12,530**	**1,816.33**	**8.86**	

** OS-001 consisted of 95% overburden (till) material and 5% kimberlite*

14.2 PRODUCTION AND SAMPLING RESULTS – LDD MINI-BULK SAMPLING PROGRAMS

14.2.1 ORION AND TAURUS KIMBERLITES LDD SAMPLING PROGRAM

As of February 24, 2009, 1,010 batch sample results have been processed from Orion North, Orion South, and Taurus. Diamond concentrate samples had been dispatched by Shore and are being processed for final diamond recovery (**Table 10**).

TABLE 10. LDD batch sample processing summary on FALC-JV kimberlites

Location	# of Holes Processed	# of Sample Batches Processed
Orion North	12	333
Orion South	34	515
Taurus	15	162
TOTAL	**61**	**1,010**

14.2.2 STAR KIMBERLITE LDD SAMPLING PROGRAM

A total of 15 LDD holes were drilled on the Star West kimberlite prior to 2008, with three additional holes being completed in 2008. As of February 2009, all LDD diamond results were collected. A total of 280.37 carats of commercial sized diamonds >0.85 mm were recovered from a total of 2,282 processed dry tonnes[3] of kimberlite representing 4,157 in-situ tonnes[4] from the LD drilling. The kimberlite was processed through Shore Gold's processing plant giving an average in-situ grade of 6.74 cpht (**Table 11**).

[3] Processed sample mass refers to excavated kimberlite chips greater than one millimetre that were recovered in mini-bulk bags for diamond recovery in the processing plant.

[4] Calculated tonnage is based on hole diameter measured by caliper and volumes calculated from those measured diameters and/or a modelled uniform cylinder for the drill hole and measured density values from pilot core holes. Calculated and processed tonnages differ because samples are screened at the drill and all sample that is less than one millimeter is discarded.

TABLE 11. LDD mini-bulk sample details and diamond recovery on Star West

Hole ID	Total Carats	Total Stones	Calculated Tonnage	Processed Tonnage	Grade* (cpht)
LDD-STW-07-001	30.2	263	245.41	125.46	12.31
LDD-STW-07-002	16.31	205	222.02	115.12	7.35
LDD-STW-07-003	19.13	170	268.36	141.89	7.13
LDD-STW-07-004	9.44	112	146.31	73.04	6.45
LDD-STW-07-005	19.11	189	176.52	96.19	10.83
LDD-STW-07-006	23.66	288	520.51	270.96	4.55
LDD-STW-07-007	11.17	200	287.84	153.34	3.88
LDD-STW-07-008	15.03	248	464.52	249.84	3.24
LDD-STW-07-009	23.39	221	229.33	125.82	10.2
LDD-STW-07-010	13.7	155	283.03	164.33	4.84
LDD-STW-07-011	2.85	42	222.09	131.68	1.28
LDD-STW-07-012	6.63	73	139.75	83.66	4.74
LDD-STW-07-013	21.03	148	210.15	127.64	10.01
LDD-STW-07-014	13.8	172	191.23	111.33	7.21
LDD-STW-07-015	39.01	192	251.95	152.76	15.48
LDD-STW-08-016	3.58	69	82.43	46.34	4.34
LDD-STW-08-017	6.11	72	69.14	40.71	8.84
LDD-STW-08-018	6.22	88	146.7	71.79	4.24
Total	**280.37**	**2,907**	**4,157.29**	**2,281.90**	**6.74**

15.0 MINERAL RESOURCE ESTIMATION

On February 27, 2009 Shore released a NI 43-101 compliant Mineral Resource Estimate Update on the Star Kimberlite that was prepared by an independent Qualified Person ("QP") from P&E Mining Consultants Inc. ("P&E"). Importantly, this Resource Estimate Update included material on the FALC-JV's Star West property. P&E utilized results from 285 surface diamond core drillholes, 213 underground diamond core drillholes, 96 LDD holes that reported recovery of 1,416.69 carats, and 66,545.09 tonnes of underground bulk sample material that produced 10,547.87 carats. The LDD diamond recoveries were factorized in order to account for diamond loss due to breakage in the LDD process. P&E sub-divided the EJF kimberlite unit into an Inner and Outer area. The EJF Inner and Outer sub-units are based on detailed kimberlite geology recorded from core logging of the pattern drill program. Core logging information is combined with whole rock geochemistry data, geophysical and density measurements to identify the constituent kimberlite lithologies within Star and their volcanological features that form the Star Kimberlite crater. The EJF Inner represents coarser grained EJF kimberlite that occurs within the volcanic cinder cone and the EJF Outer includes finer grained EJF kimberlite that lies on and outside the cinder cone. Underground bulk sampling and LDD have shown that higher grades and larger diamonds are found within the EJF Inner sub-nit. The underground bulk sampling of the EJF is deemed representative of the EJF Inner and also produced an average grade of 17 cpht for the EJF, similar to the Resource Estimate for the EJF Inner sub-unit.

The Mineral Resource estimate includes Indicated Resources of 151.7 million tonnes at a grade of 14 cpht and Inferred Resources of 26.2 million tonnes at a grade of 12 cpht. Within that overall Star Resource a total of 50.6 million tonnes of Indicated Resource at a grade of 12 cpht were identified on Star West, with an additional 3.6 million tonnes of Inferred Resource at a grade of 12 cpht. The following tables summarize the details of the NI 43-101 Mineral Resource as prepared by P&E (**Tables 12 and 13**).

Table 12. Mineral Resource Estimate for the Star Kimberlite including the Star Diamond Project (100% Shore) and Star West (60% Shore, 40% Newmont). Reported Kimberlite Units: Cantuar, Pense, Early Joli Fou (EJF), Mid Joli Fou (MJF) and Late Joli Fou (LJF).

Resource Category	Kimberlite Unit	Tonnes x1000	Grade cpht	Carats x1000
Indicated	Cantuar	11,500	15	1,700
Indicated	Pense	8,000	16	1,300
Indicated	EJF Inner	80,500	17	13,400
Indicated	EJF Outer	32,200	10	3,100
Indicated	MJF	18,600	5	1,000
Indicated	LJF	900	4	36
Indicated	**TOTAL**	**151,700**	**14**	**20,536**
Inferred	Cantuar	400	8	32
Inferred	Pense	3,200	14	500
Inferred	EJF Inner	2,700	16	400
Inferred	EJF Outer	19,900	11	2,200
Inferred	MJF	0	5	0
Inferred	LJF	0	4	0
Inferred	**TOTAL**	**26,200**	**12**	**3,132**

Table Notes apply to Tables 12 and 13

(1) Mineral resources are accumulated within an optimized floating-cone pit shell.
(2) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.
(3) The quantity and grade of reported inferred resources in this estimate is conceptual in nature. There is no guarantee that all or any part of the mineral resource will be converted into a mineral reserve.
(4) 1 millimetre bottom diamond size cut-off assumed.
(5) WWW International Diamond Consultants Ltd. ("WWW") High modelled price scenario.
(6) Grade values rounded to nearest whole number.

TABLE 13. Mineral Resource Estimate for that portion of the Star Kimberlite within the FALC-JV Property (Star West), Effective Date 27 February, 2009

Resource Category	Kimberlite Unit	Tonnes x1000	Grade cpht	Carats x1000
Indicated	Cantuar	6,500	17	1,100
Indicated	Pense	0	16	0
Indicated	EJF Inner	21,600	17	3,600
Indicated	EJF Outer	4,700	9	500
Indicated	MJF	17,000	6	900
Indicated	LJF	800	4	32
Indicated	**TOTAL**	**50,600**	**12**	**6,132**
Inferred	Cantuar	100	15	15
Inferred	Pense	0	14	0
Inferred	EJF Inner	1,400	15	200
Inferred	EJF Outer	2,100	10	200
Inferred	MJF	0	5	0
Inferred	LJF	0	3	0
Inferred	**TOTAL**	**3,600**	**12**	**415**

An essential component of the Mineral Resource Estimate relies on the reconciliation of the diamond grades from the underground samples with those calculated for the LDD samples. The LDD sampling method underestimates the true diamond grade and price due to limited sample size, diamond breakage, diamond loss and dilution of LDD grade by overburden falling down LDD holes. Detailed analysis of diamond results from LDD and underground bulk sampling has been undertaken, and reconciled with kimberlite geology defined by core drilling, in order to define rigorously constrained factors that are applied to diamond grade results from LDD.

CIM standards and securities commission disclosure regulations require that a resource can only be declared on a mineral deposit which has "reasonable prospects of economic extraction". The reported Mineral Resource for Star is constrained using a floating-cone economic open pit shell. The Mineral Resources reported in **Tables 12 and 13** comprise the kimberlite that is constrained within the floating-cone pit shell and exceeds the economic cut-off as determined by the parameters in **Table 14**.

Table 14. Economic Parameters

Exchange Rate	CAD$1.00 = US$0.85
Stripping Cost	CAD$1.00/tonne
Mining Cost	CAD$1.34/rock tonne
Processing Cost	CAD$3.58/ore tonne
General & Administration	CAD$1.50/ore tonne
Overall Pit Slope Angle	25°
Internal Cut-off	CAD$5.08/ore tonne

16.0 OTHER RELEVANT DATA AND INFORMATION

16.1 STAR-ORION SOUTH PROJECT PROPOSAL

In November, 2008, Shore announced that a Project Proposal for the Star-Orion South Diamond Project was submitted to the Environmental Assessment Branch of the Saskatchewan Ministry of Environment. The Project Proposal is the first step in the Environmental Impact Assessment (EIA) process and initiates discussion with regulators and the public about the implications of the project. The Project Proposal contains a detailed project description of the Star-Orion South Diamond Project, which includes an open pit on the Star Kimberlite (based on the NI 43-101 compliant Resource Estimate - SGF News Release February 23, 2009), a potential second pit at Orion South (dependent on the results of underground bulk sampling and large diameter drilling), a common processing plant and associated infrastructure. The project footprint is estimated to be between 3,000 and 4,000 hectares (or 2.3 to 3.0% of the Fort à la Corne Provincial Forest), depending on the inclusion of Orion South. The Project Proposal document includes considerable detail under the principal headings of: Potential Development Description; Description of the Environment; Potential Environmental Impacts and Mitigative Measures; Monitoring; Decommissioning, Reclamation and Closure; Stakeholder Engagement; and Employment and Procurement, in addition to a series of maps which show the conceptual project layout and extent of the proposed mine infrastructure.

The information contained in the Project Proposal is intended to provide the Ministry of Environment with sufficient project and environmental information to initiate the EIA process and develop Project Specific Guidelines (PSGs), which outline the scope of the EIA. The satisfactory completion of the EIA, which will have assessed the environmental, social and economic impacts of the proposed Project, will then be the basis of potential Ministerial Approval, which if, granted, would allow the Company to consider a production decision. In the event of a positive production decision, the Company could apply for the requisite construction and other permits. The project description presents project alternatives for discussion with Provincial and Federal regulators and the public, particularly the neighbouring communities. Throughout the EIA process, these alternatives will be assessed from an environmental, social and economic perspective to determine an optimized project.

Shore Gold has commissioned studies by external consultants in the following areas, which are expected to be completed in late early 2009.

16.1.1 ENVIRONMENTAL ASSESSMENT

AMEC and Canada North Environmental Services (CanNorth) have been retained to prepare an Environmental Impact Assessment for the Star Diamond Project. Baseline data collection is expected to be complete in 2009. The EIA is expected to be completed in 2009/2010.

16.1.2 HYDROGEOLOGY

As part of the Environmental Impact Assessment process, construction of a groundwater flow model will be undertaken. Water management issues, such as open pit dewatering and dealing with large volumes of water that may potentially be high in total dissolved solids are also to be assessed.

16.1.3 GEOTECHNICAL

The geotechnical assessment is to be undertaken by SRK and Clifton. Collection and summary of geotechnical data from the sampling programs has been completed. SRK and Clifton are currently completing a geotechnical model, which will be incorporated in recommendations for open pit design.

16.1.4 MINING AND PROCESS STUDIES

P&E has been retained to evaluate mining options and prepare mine plans based on the preferred option. AMEC has been retained to provide an order-of-magnitude assessment of the costs of constructing processing facilities at the mine site for one selected production rate. These studies include:

- conduct a mining method trade-off study to evaluate open pit mining alternatives;
- develop preliminary mine design criteria;
- select base case mining method(s);
- conduct a trade-off study to determine optimum project production rate;
- develop mine layout including mining parameters, a stockpiling strategy, mineral reserves, and the production forecast/phasing;
- develop options for overburden containment/storage;
- establish basis for mineral reserve calculation (dilution, ore recovery, cut-off grade) and subsequently develop the mineral reserve estimate;
- develop basis for mine scheduling;
- prepare development and production schedules;
- develop mining equipment requirements (mobile and fixed);
- develop manpower plan;
- review and summarize bulk sample plant and test work data;
- develop preliminary process design criteria based upon the production rate provided in the mine design, in consultation with Shore;
- develop flowsheets and mass balances for production rates;
- prepare process equipment sizing and specifications;
- obtain mechanical equipment budget pricing;
- develop equipment list for production rates;
- develop general arrangement and site plan drawings;
- conduct high-level trade off study to evaluate the potential benefit of autogenous milling versus conventional crushing circuits; and
- complete trade-off studies for various process and equipment options.

17.0 INTERPRETATIONS AND CONCLUSIONS

The following conclusions are based on available reports, the results of the Shore-Newmont FALC-JV underground bulk sampling and surface exploration (core drilling and LDD) programs, along with the Orion South and Star West underground programs.

- an updated 3-D geological model for Orion South with a geological tonnage estimate of 333-375 million tonnes has been completed increasing the prospective EJF unit tonnage by 20%;

- seven geotechnical/geohydrological core holes were completed on Star West as a part of a larger program on the Star Kimberlite to examine the potential pit slope angles;

- shaft sinking and lateral drifting at the Orion South Kimberlite was completed in February, 2009 with on-site processing of the kimberlite being completed in March, 2009. As at Shore's Star Kimberlite, the goal of the large-scale underground bulk sampling program was to determine the diamond grade of the various Orion South Kimberlite phases and to recover a macrodiamond parcel for diamond valuation purposes.

- as of March 4th, 2009 a total of 1,816 carats of commercial sized diamonds >0.85 mm have been recovered from a total of 20,511 dry tonnes of kimberlite material from 62 batches that were processed through Shore's batch sampling process plant. Results for 13 sample batches (2,899 tonnes) are pending; and

- between December, 2007 and December, 2008 a total of 61 LDD holes totalling 14,100 metres were completed on Orion North, Orion South, Star West and Taurus. Results from Star West have been received and those from the remaining bodies have been processed through Shore's processing plant and are awaiting final diamond picking and auditing.

The author has been involved with the generation of, and has performed an extensive review of, the geoscientific data being collected by Shore. The author has reviewed and audited core drilling geological logs, examined kimberlite core and kimberlite samples collected from the underground bulk sampling program, LDD sampling logs and LDD sample chips, underground mapping, and has reviewed the third party audits of processing procedures.

18.0 RECOMMENDATIONS AND PROPOSED WORK PROGRAM

Based on the technical data obtained to date from its infill core drilling, 3-D geological modelling, LDD and underground bulk sampling of the Orion North, Orion South and Star (West) kimberlites, it is Shore's opinion that the Orion and Star diamond projects warrant additional work. A 2009 budget of $1.0 million has been assigned for Star West to enable Shore to focus on the completion of the prefeasibility study and the delivery of a National Instrument 43-101 compliant Reserve Estimate for the Star Diamond Project during 2009. Shore anticipates the delivery of a full feasibility study on Star by the first quarter of 2010. The budget also includes $9.5 million for the FALC-JV. This will go towards completion of the LDD and underground bulk sample program (including processing). It is anticipated that the combined underground bulk sampling and LDD will yield a diamond parcel sufficient for the initial NI 43-101 Resource Estimate on the Orion South Kimberlite. In addition to the bulk sampling and LDD programs, the FALC-JV budget includes amounts for site administration, site services, safety and security, environmental impact assessments and related costs.

If there is a Mineral Resource estimated on Orion South, qualifying factors such as the proposed mining method, metallurgy, geotechnical, hydrological, environmental, location, marketing, legal, revenue, costs, capital and social implications will assist in redefining the economically mineable part of the Indicated or Measured Mineral Resource to a Mineral Reserve as part of a FALC-JV prefeasibility study.

The Star Diamond Project has moved from a capital-intensive data gathering exercise (underground bulk sampling, core drilling and large diameter drilling) to lower cost, desk-top engineering studies and data analysis, which integrates kimberlite tonnes and diamond data in order to define a National Instrument 43-101 compliant Mineral Resource released in June of 2008, followed by an updated Mineral Resource released effective as of February 23, 2009 described in a news release issued February 27, 2009. Since part of the Star Kimberlite is on FALC-JV property the studies involved will include both properties with costs being split between the two.

The studies currently on-going include (costs will be split by Shore and the FALC-JV):

- preliminary plant, pit and infrastructure design, as part of a prefeasibility study. This program commenced in the latter part of 2008. The program is estimated at $1.8 million;

- detailed geotechnical investigations around the design pit perimeter, including 14 holes for approximately 3,250 metres of drilling, piezometer installations and analysis. This program commenced in the latter part of 2008. The program is estimated at $1.2 million;

- detailed groundwater geophysics and modelling to complete the hydrogeology program started in 2007. The program is estimated at $200,000; and

- baseline environmental studies, including, but not limited to, large animal surveys, riparian habitat surveys, heritage assessments, noise/dust monitoring, revegetation plots, rare plant assessments and acid-based accounting test work. The program is estimated at $2.1 million.

In the author's opinion, the quality of the geoscientific data generated from the geological core drilling program, LDD mini-bulk and underground sampling and diamond processing data is reliable and the sample preparation, analysis and security were carried out in accordance with exploration best practices and industry standards. This data is appropriate for the advanced exploration stage and Resource Estimation. In the author's opinion, the drill density of the geological core holes with the use of the average in-situ bulk density measurement is acceptable for the generation of a 3D geological model in order to determine volumes and tonnages for the various kimberlite pipes found on the FALC-JV.

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CERTIFICATE OF AUTHOR

I, Shawn Harvey, P.Geo. (SASK), do hereby certify that:

1. I am Geology Manager of Shore Gold Inc., 300-224 4th Avenue South, Saskatoon, Saskatchewan, Canada, S7K 5M5.

2. I graduated with a Bachelor of Science, Geology degree from University of Regina in 1998. In addition, I have obtained a Master of Science, Geology degree from University of Regina in 2004.

3. I am a Professional Geoscientist (P.Geo.) registered with the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS, No. 11778).

4. I have worked as a geologist for a total of 8 years since my graduation from university.

5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

6. I am responsible for the overall preparation of the technical report titled: "Technical Report on the Fort à la Corne Joint Venture Diamond Exploration Project, Fort à la Corne, Saskatchewan, Canada for Kensington Resources Ltd." dated March 19, 2009 relating to the Fort à la Corne Joint Venture Diamond Exploration Project, Fort à la Corne, Saskatchewan, Canada. I have visited the Fort à la Corne Joint Venture Diamond Exploration Project, Saskatchewan, Canada on a weekly to bi-weekly schedule since May, 2005.

7. I have had prior involvement with the property that is the subject of the Technical Report. The nature of my prior involvement is through overseeing the acquisition and interpretation of geological information while assisting in planning and implementing drilling and underground sampling programs.

8. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

9. I am not independent of the issuer applying all of the tests in section 1.4 of National Instrument 43-101. I have acted as Geology Manager for Shore Gold Inc. since October of 2005 and prior to that as Project Geologist with Kensington Resources Ltd, a wholly owned subsidiary of Shore Gold Inc. since October, 2005.

10. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

11. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public.

Dated this 19th Day of March, 2009.

"Shawn Harvey"

Shawn Harvey, M.Sc., P.Geo. (SASK)

APPENDIX A. FALC-JV CLAIMS DISPOSITIONS TABLE

Disposition Number	Area (Hectares)	NTS Map Reference	Effective Date	Grouping Certificate	Next Work Due
S-124553	768	73-H-07	12-Aug-88	GC #45130	11-Aug-09
S-124554	768	73-H-07	12-Aug-88	GC #45130	11-Aug-09
S-124555	768	73-H-07	12-Aug-88	GC #45130	11-Aug-09
S-124556	768	73-H-07	12-Aug-88	GC #44961	11-Aug-09
S-124557	768	73-H-07	12-Aug-88	GC #44961	11-Aug-09
S-124561	512	73-H-02 & 73-H-07	12-Aug-88	GC #44961	11-Aug-09
S-124562	512	73-H-02 & 73-H-07	12-Aug-88	GC #44961	11-Aug-09
S-124563	512	73-H-02 & 73-H-07	12-Aug-88	GC #44961	11-Aug-09
S-124568	512	73-H-02	12-Aug-88	GC #44961	11-Aug-09
S-124573	256	73-H-07	12-Aug-88	GC #45031	11-Aug-09
S-124574	256	73-H-07	12-Aug-88	GC #45031	11-Aug-09
S-124639	192	73-H-07	16-Aug-88	GC #45131	15-Aug-09
S-124640	384	73-H-07	16-Aug-88	GC #45131	15-Aug-09
S-124641	384	73-H-07	16-Aug-88	GC #44961	15-Aug-09
S-124646	576	73-H-07	16-Aug-88	GC #44961	15-Aug-09
S-124647	384	73-H-07	16-Aug-88	GC #45131	15-Aug-09
S-124649	512	73-H-07	16-Aug-88	GC #44961	15-Aug-09
S-124651	768	73-H-07	16-Aug-88	GC #44961	15-Aug-09
S-124652	768	73-H-07	16-Aug-88	GC #44961	15-Aug-09
S-124653	768	73-H-07	16-Aug-88	GC #45130	15-Aug-09
S-125981	256	73-H-07	20-Jul-89	GC #45031	19-Jul-09
S-125983	128	73-H-07 & 73-H-10	20-Jul-89	GC #45031	19-Jul-09
S-126003	256	73-H-07	20-Jul-89	GC #44961	19-Jul-09
S-126004	256	73-H-07	20-Jul-89	GC #45131	19-Jul-09
S-126007	256	73-H-07	20-Jul-89	GC #44961	19-Jul-09
S-126008	256	73-H-07	20-Jul-89	GC #44961	19-Jul-09
S-126009	256	73-H-07	20-Jul-89	GC #44961	19-Jul-09
S-126010	256	73-H-07	20-Jul-89	GC #44961	19-Jul-09
S-126038	64	73-H-07	18-Aug-89	GC #45131	17-Aug-09
S-126039	64	73-H-07	18-Aug-89	GC #45131	17-Aug-09
S-126040	64	73-H-07	18-Aug-89	GC #45131	17-Aug-09
S-126041	64	73-H-07	18-Aug-89	GC #45131	17-Aug-09
S-126042	64	73-H-07	18-Aug-89	GC #45131	17-Aug-09
S-126043	64	73-H-07	18-Aug-89	GC #45131	17-Aug-09
S-126044	64	73-H-07	18-Aug-89	GC #45131	17-Aug-09
S-126045	64	73-H-07	18-Aug-89	GC #45131	17-Aug-09
S-126046	64	73-H-07	18-Aug-89	GC #45131	17-Aug-09
S-126047	64	73-H-07	18-Aug-89	GC #45131	17-Aug-09
S-126048	64	73-H-07	18-Aug-89	GC #45131	17-Aug-09
S-126049	64	73-H-07	18-Aug-89	GC #44961	17-Aug-09
S-126095	64	73-H-07	28-Aug-89	GC #45131	27-Aug-09
S-126096	64	73-H-07	28-Aug-89	GC #45131	27-Aug-09
S-126097	64	73-H-07	28-Aug-89	GC #45131	27-Aug-09

Disposition Number	Area (Hectares)	NTS Map Reference	Effective Date	Grouping Certificate	Next Work Due
S-126098	64	73-H-07	28-Aug-89	GC #45131	27-Aug-09
S-126099	64	73-H-07	28-Aug-89	GC #45131	27-Aug-09
S-126100	64	73-H-07	28-Aug-89	GC #45131	27-Aug-09
S-126101	64	73-H-07	28-Aug-89	GC #45131	27-Aug-09
S-126102	64	73-H-07	28-Aug-89	GC #45131	27-Aug-09
S-126103	64	73-H-07	28-Aug-89	GC #45131	27-Aug-09
S-126104	64	73-H-07	28-Aug-89	GC #45131	27-Aug-09
S-126105	64	73-H-07	28-Aug-89	GC #45131	27-Aug-09
S-126106	64	73-H-07	28-Aug-89	GC #45131	27-Aug-09
S-126112	64	73-H-02	6-Sep-89	GC #44961	5-Sep-09
S-126113	64	73-H-07	6-Sep-89	GC #44961	5-Sep-09
S-126114	64	73-H-07	6-Sep-89	GC #44961	5-Sep-09
S-126115	64	73-H-07	6-Sep-89	GC #45131	5-Sep-09
S-126116	64	73-H-07	6-Sep-89	GC #45131	5-Sep-09
S-126117	64	73-H-07	6-Sep-89	GC #45131	5-Sep-09
S-126118	64	73-H-07	6-Sep-89	GC #45131	5-Sep-09
S-126119	64	73-H-07	6-Sep-89	GC #45131	5-Sep-09
S-126120	64	73-H-07	6-Sep-89	GC #45131	5-Sep-09
S-126121	64	73-H-07	6-Sep-89	GC #45131	5-Sep-09
S-126122	64	73-H-07	6-Sep-89	GC #45131	5-Sep-09
S-126123	64	73-H-07	6-Sep-89	GC #45131	5-Sep-09
S-126124	64	73-H-07	6-Sep-89	GC #45131	5-Sep-09
S-126221	64	73-H-07	13-Sep-89	GC #45131	12-Sep-09
S-126257	64	73-H-07	21-Sep-89	GC #44961	20-Sep-09
S-127085	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127086	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127087	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127088	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127089	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127090	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127091	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127092	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127093	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127094	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127095	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127096	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127097	32	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127098	64	73-H-07	2-Jan-91	GC #45131	2-Jan-09
S-127099	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127100	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127101	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127102	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127103	64	73-H-07	2-Jan-91	GC #45131	1-Jan-09
S-127104	64	73-H-07	2-Jan-91	GC #44961	1-Jan-09
S-127105	64	73-H-07	2-Jan-91	GC #44961	1-Jan-09
S-127106	64	73-H-07	2-Jan-91	GC #44961	1-Jan-09

Disposition Number	Area (Hectares)	NTS Map Reference	Effective Date	Grouping Certificate	Next Work Due
S-127107	64	73-H-07	2-Jan-91	GC #44961	1-Jan-09
S-127108	64	73-H-02	2-Jan-91	GC #44961	1-Jan-09
S-127109	64	73-H-02	2-Jan-91	GC #44961	1-Jan-09
S-127110	64	73-H-02	2-Jan-91	GC #44961	1-Jan-09
S-127111	64	73-H-02	2-Jan-91	GC #44961	1-Jan-09
S-127112	32	73-H-02	2-Jan-91	GC #45130	1-Jan-09
S-127113	64	73-H-02	2-Jan-91	GC #45130	1-Jan-09
S-127114	64	73-H-02	2-Jan-91	GC #45130	1-Jan-09
S-127115	64	73-H-02	2-Jan-91	GC #45130	1-Jan-09
S-127116	64	73-H-02	2-Jan-91	GC #45130	1-Jan-09
S-127117	64	73-H-02	2-Jan-91	GC #45130	1-Jan-09
S-127118	64	73-H-07	2-Jan-91	GC #44961	1-Jan-09
S-127145	64	73-H-07	20-Feb-91	GC #44961	19-Feb-09
S-127146	64	73-H-07	20-Feb-91	GC #44961	19-Feb-09
S-127147	64	73-H-07	20-Feb-91	GC #44961	19-Feb-09
S-127148	64	73-H-07	20-Feb-91	GC #44961	19-Feb-09
S-127183	352	73-H-07	12-Aug-88	GC #45130	11-Aug-09
S-127184	496	73-H-02 & 73-H-07	12-Aug-88	GC #45130	11-Aug-09
S-127185	256	73-H-02 & 73-H-07	12-Aug-88	GC #44961	11-Aug-09
S-127186	448	73-H-02	12-Aug-88	GC #44961	11-Aug-09
S-127187	192	73-H-07	16-Aug-88	GC #45131	15-Aug-09
S-127188	256	73-H-07	16-Aug-88	GC #44961	15-Aug-09
S-127189	256	73-H-07	16-Aug-88	GC #45131	15-Aug-09
S-127190	192	73-H-07	16-Aug-88	GC #45130	15-Aug-09
S-127191	480	73-H-02	16-Aug-88	GC #45130	15-Aug-09
S-127192	768	73-H-07 & 73-H-10	13-Sep-88	GC #45031	12-Sep-09
S-127193	128	73-H-07	20-Jul-89	GC #45031	19-Jul-09
S-127194	192	73-H-07	20-Jul-89	GC #45031	19-Jul-09
S-127195	32	73-H-07	6-Sep-89	GC #45131	5-Sep-09
S-127196	192	73-H-07 & 73-H-10	20-Jul-89	GC #45031	19-Jul-09
S-127275	192	73-H-02	5-May-92	GC #45130	4-May-09
S-127341	192	73-H-02	12-Jun-92	GC #45130	11-Jun-09
TOTAL	**22,544**				