



NEWS RELEASE

Stock Symbol: SGF: TSX

August 18, 2010

Saskatoon, Saskatchewan

**STAR - ORION SOUTH DIAMOND PROJECT
INFORMATION GATHERING AGREEMENT
REACHED WITH THE THREE BANDS OF THE JAMES SMITH RESERVE**

Eric Cline, Vice President Corporate Affairs of Shore Gold Inc. ("Shore" or the "Company"), is pleased to announce that the Company has reached an agreement with James Smith Cree Nation, Chakastaypasin Band of the Cree and Peter Chapman First Nation ("the Bands") to gather information on aboriginal traditional land use and traditional knowledge in the Fort à la Corne ("FALC") forest. This information is to be used in preparation of Shore's Environmental Impact Statement ("EIS") related to the Star - Orion South Diamond Project, which is located in the FALC forest some 60 kilometres east of Prince Albert, Saskatchewan.

Shore is in the process of preparing an EIS to submit to the Saskatchewan Ministry of Environment and federal authorities, as part of the Environmental Impact Assessment ("EIA") required by provincial and federal legislation for proposed developments.

The agreement with the Bands, signed August 17, 2010, follows similar agreements concluded earlier this year with four other aboriginal parties, namely Sturgeon Lake First Nation, Métis Nation - Saskatchewan Eastern Region II and Western Region II, and Red Earth Cree Nation.

Vice President Corporate Affairs, Eric Cline, states: "We are pleased to be working with the bands of the James Smith reserve to learn about the potential impacts proposed mining activities could have on traditional uses or cultural sites of importance to these First Nations. Shore respects aboriginal rights and wants to ensure that we accurately assess affects on traditional aboriginal uses and sites, and describe them to government regulators in the EIS. This agreement will enable us to identify and describe impacts, in addition to avoiding adverse impacts where possible."

Aboriginal parties have an interest in building a database of traditional knowledge to record the history of their activities in asserted traditional territories. One advantage of the information gathering process is to record the knowledge of elders, for the benefit of First Nations and Métis people in the future. All information gathered is the property of the aboriginal party concerned, which retains intellectual property rights and control over distribution of the information. In addition to agreeing to a process for the gathering of information by consultants and community members selected by the bands, Shore has agreed to provide them with historical record reviews and archaeological and environmental studies already completed by consultants to the Company.

James Smith Cree Nation, Chakastaypasin Band of the Cree and Peter Chapman First Nation members share the lands of the James Smith reserve, approximately 30 km northwest of Melfort, Saskatchewan.

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

For further information please contact:

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