



NEWS RELEASE

Stock Symbol: SGF: TSX

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Saskatoon, Saskatchewan

**COMBINED STAR - ORION SOUTH FEASIBILITY STUDY
NPV OF \$2.1 BILLION AND IRR OF 16 PERCENT
34.4 MILLION CARAT MINERAL RESERVE AT US\$242 PER CARAT**

George H. Read, P. Geo., Senior Vice President Exploration and Development of Shore Gold Inc. (“Shore”), is very pleased to announce the positive results of the combined Feasibility Study (“FS”) on the Star - Orion South Kimberlites, which include the 100 percent Shore owned Star Diamond Project, as well as Star West and the Orion South Kimberlite, which fall within the adjacent Fort à la Corne Joint Venture (FALC-JV: 66 percent Shore and 34 percent Newmont Mining Corporation of Canada Limited (“Newmont”). The FS was led by Shore with significant contributions from independent mining, processing and design consultants which include: P&E Mining Consultants Inc. (“P&E”); Metso Minerals Industries Inc. (“Metso”) and AECOM Canada Ltd. (“AECOM”). A number of other independent consulting firms and potential vendors also provided their study results to Shore and P&E for use in developing the FS. All currency amounts are quoted in Canadian Dollars, unless otherwise stated. The FS aims to present an economic model which is within +/-15 percent accuracy. Since work commenced on the FS, the price of rough diamonds has continued to increase and our diamond consultants, WWW International Diamond Consultants Ltd. (“WWW”), inform us that current rough diamond prices are on average approximately 30 to 35 percent higher than the February 2011 pricebook used in this FS and as such, are in agreement that the FS is presented as a Base Case using the more conservative February 2011 pricebook Model diamond prices plus 15 percent, and Case 1, which is calculated using the February 2011 pricebook High Model diamond prices. Case 1 is presented for comparative purposes only.

President and CEO, Kenneth MacNeill, states: “Shore is very pleased with the positive results of the FS. The robust economics confirm that a world class diamond mine is feasible in central Saskatchewan. The FS takes a conservative approach to the economic model, which still produces strong positive values. Shore Management and Directors acknowledge the extensive and diligent work that has been performed by Shore’s technical team and associated consultants to reach this most important milestone in the successful evaluation of the Star and Orion South Kimberlites.”

The Combined Star - Orion South FS Highlights Include:

- Probable Mineral Reserves of 279 million diluted tonnes at a weighted average grade of 12.3 carats per hundred tonnes (“cpht”) containing 34.4 million carats at a weighted average price of US\$242 per carat over the Life of Mine (“LOM”);
- Total diamond production of 34.4 million carats over a 20 year LOM;
- Robust project economics over a 20 year LOM due to proximity to infrastructure (electric power, paved highways, railroads, water and labour) in Saskatchewan;
- The Base Case FS has a Net Present Value (“NPV”) of \$2.1 billion (using a 7 percent discount rate) for an Internal Rate of Return (“IRR”) of 16 percent before taxes and royalties and an after-taxes and royalties NPV of \$1.3 billion with an IRR of 14 percent;
- The Case 1 FS has an NPV of \$3.0 billion (using a 7 percent discount rate) for an IRR of 19 percent before taxes and royalties and an after-taxes and royalties NPV of \$1.9 billion with an IRR of 16 percent;

- Pre-production capital cost of \$1.9 billion with a total capital cost of \$2.5 billion (including direct, indirect costs and contingency) over the LOM and an initial capital cost payback period of 5.3 years.

Senior Vice President Exploration and Development, George Read, states: “The combined FS shows that the Star and Orion South Kimberlites can be economically developed as a world class diamond mine. This positive FS includes a number of conservative parameters including highly conservative geotechnical parameters resulting in shallow pit slopes and very cautious trafficability constraints. The cautious trafficability constraints require the use of lower efficiency 150 tonne haul trucks. Collectively, the shallow pit slopes and cautious trafficability constraints result in some 70 to 100 million tonnes of potentially economic kimberlite falling outside the final FS pit designs. It is estimated that this kimberlite that remains in the ground at the completion of the proposed pits will contain between 5.9 and 10.4 million carats of diamonds. The potential value of this remaining kimberlite makes it a target for future investigations which will commence immediately to aid with the detailed design scheduled to start during the later part of this year. In addition, NI 43-101 regulations do not permit the reporting of potential revenue from the mining of Inferred Resources: an estimated total of 80 million tonnes of Inferred Resources containing an estimated 9.1 million carats are excavated by the FS pit designs for the Star and Orion South Kimberlites. However, the FS economic model only includes the cost of excavation but does not include the processing costs of, or the potential revenue derived from, these Inferred Resources. The NI 43-101 compliant Technical Report that summarizes the FS and mineral reserve estimate will be posted on the Shore website www.shoregold.com and SEDAR www.sedar.com as soon as it is available.”

Star – Orion South Feasibility Study Results

The Star - Orion South FS cash flow model is based on developing two open pits, initially on Star and subsequently on Orion South. The cash flow model assumes one processing plant and infrastructure that will serve both open pits and assumes the project has a five-year pre-production development period followed by a 20 year production period. The model assumes on-site construction would start in Q3-2012 with full-scale ore production commencing in early 2017 and ceasing in 2036. The financial evaluation in the FS is done on a 100 percent basis and does not separate the cash flows of the joint venture partners. The economic criteria used in the cash flow model are listed in Table 1.

Table 1. Economic criteria used in FS cash flow model

Area	Criterion	Base Case (Model Price + 15 percent)	Case 1 (High Model Price)
Project Start Date	Assumed date of corporate approval to proceed with project	Q4, 2011	Q4, 2011
Production Parameters	Process plant functional	Q4, 2016	Q4, 2016
	Projected start of ore production	Q4, 2016	Q4, 2016
	No. of operating days per year	350 days per year	350 days per year
	Process plant availability	87 percent	87 percent
	Processing rate	45,000 tpd ore	45,000 tpd ore
	Estimated LOM total plant feed	279 Mt ore at a weighted average 12.3 cpht grade	279 Mt ore at a weighted average 12.3 cpht grade
	Diamond recovery	100 percent	100 percent
Revenue	Source of revenue	Rough diamond sales	Rough diamond sales
	Revenue per tonne of ore processed (includes escalation)	\$54.24	\$63.12
	Net revenue per tonne of ore processed after capital cost recovery	\$19.92	\$25.60
	Weighted average diamond price per carat (February 2011 valuation)	US\$210 plus 15% = US\$242	US\$281
Escalation	Projected diamond price escalation	3.5 percent	3.5 percent
Cost Assumptions	Cost escalation	0 percent	0 percent
	Exchange rate	\$1.00=US\$0.945	\$1.00=US\$0.945
	Marketing costs	2 percent of gross revenue	2 percent of gross revenue
	Royalties	Based on Saskatchewan royalty regime	Based on Saskatchewan royalty regime

Area	Criterion	Base Case (Model Price + 15 percent)	Case 1 (High Model Price)
Operating Costs	Mining (includes waste removal cost)	\$8.58 / tonne processed	\$8.58 / tonne processed
	Ore processing	\$3.01 / tonne processed	\$3.01 / tonne processed
	General and Administration	\$2.48 / tonne processed	\$2.48 / tonne processed
Capital Costs	Capital over LOM	\$8.99 / tonne processed	\$8.99 / tonne processed
Marketing	Marketing cost	\$1.08 / tonne processed	\$1.26 / tonne processed
Royalties	Royalties cost	\$2.87 / tonne processed	\$3.81 / tonne processed
Closure	Mine closure cost	\$0.31 / tonne processed	\$0.31 / tonne processed
Taxes	Tax cost	\$6.98 / tonne processed	\$9.08 / tonne processed
Contingency	Applied to pre-production and mining operating expenditures; mine, plant and facilities capital costs	\$253 million	\$253 million
Level of Accuracy		+/- 15 percent	+/- 15 percent

Abbreviations: Mt – Million tonnes; tpd – tonnes per day.

Pre-production Capital Expenditure

The pre-production capital of \$1.9 billion is detailed in Table 2.

Table 2. Pre-production Capital

Area	Amount
Processing Plant	\$553 million
Site Facilities	\$329 million
Pre-strip of sand and clay	\$368 million
In Pit Crush and Convey System (“IPCC”)	\$478 million
Mobile Equipment	\$191 million
Total	\$1,919 million

Economic Analysis

The Base Case assumes a conservative 15 percent increase above the February 2011 Model diamond price due to the current 30 to 35 percent increase in price of rough. The cash flows utilize a 3.5 percent diamond price escalation that is applied from 2011 to 2036. The Canadian-US dollar exchange rate is based on a five year historical average (Cdn\$1.00 = US\$0.945). The economic model includes a \$253 million contingency over the LOM. Pre-tax and after-tax results of the economic analysis are shown in Table 3 for comparison. The economic analysis assumes that diamond prices will increase at a rate faster than costs due to long-term diamond supply / demand fundamentals.

Table 3. Economic analysis results of discounted cash flow model for Base Case.

Item	Pre-Tax & Royalty Basis	After-Tax & Royalty Basis
Undiscounted Net Cash Flow	\$8,307M	\$5,558M
NPV (4%)	\$3,887M	\$2,494M
NPV (5%)	\$3,199M	\$2,014M
NPV (6%)	\$2,622M	\$1,612M
NPV (7%)	\$2,136M	\$1,272M
NPV (8%)	\$1,725M	\$985M
NPV (9%)	\$1,378M	\$742M
NPV (10%)	\$1,084M	\$535M
IRR	16.4%	13.7%
Payback (years)	5.3	5.3

Sensitivity Analysis

Economic risks were assessed using base case cash flow sensitivities to recovered grade, diamond prices, CDN\$/US\$ exchange rate, capital costs and operating costs. Each of the sensitivity items were independently adjusted up and down by 10 percent, 20 percent and 25 percent to project the impact on the NPV at a 7 percent discount rate. The NPV after each sensitivity item was adjusted by 75 percent, 80 percent, 90 percent, 110 percent, 120 percent and 125 percent of the base and are presented in Table 4. The sensitivity analysis shows that a combined Star – Orion South FS is most sensitive to CDN\$/US\$ exchange rate fluctuations on the positive side while Recovered Grade and Diamond Price have the most significant negative effect. The FS economic model uses conservative values for both Recovered Grade and Diamond Price.

Table 4. Base Case Sensitivity Analysis Results (pre-tax & royalty basis, NPV at a 7 percent discount rate)

	75%	80%	90%	100%	110%	120%	125%
Recovered Grade (cpht)	\$730	\$1,011	\$1,573	\$2,136	\$2,698	\$3,260	\$3,541
Diamond Price	\$730	\$1,011	\$1,573	\$2,136	\$2,698	\$3,260	\$3,541
CDN\$/US\$ Exchange Rate	\$3,984	\$3,522	\$2,752	\$2,136	\$1,632	\$1,211	\$1,027
Capital Costs	\$2,596	\$2,504	\$2,320	\$2,136	\$1,952	\$1,768	\$1,676
Operating Costs	\$2,576	\$2,488	\$2,312	\$2,136	\$1,960	\$1,783	\$1,695

Mineral Reserve Estimate

The Star – Orion South FS Mineral Reserve Estimate (Table 5) was derived from the Mineral Resource \$/tonne block models for both Star and Orion South. Utilizing operating costs for mining, processing, G&A and engineered pit slopes, pit optimizations were undertaken to derive pit shells to be used as guides for final pit design purposes. This sequential pit design includes vehicle access ramps, conveyor ramps and berms. Pit design surfaces were created to determine which mineralization from the Resource models were to be converted to reserves by \$/tonne value cut-off with the inclusion of ore losses and dilution. All reserves estimated for the Star and Orion South Kimberlites are in the Probable category and no additional evaluation is required prior to commencement of mining operations. These Probable reserves are estimated from the Indicated resource category only.

Table 5. Mineral Reserve Estimate in the Probable Category for the Star – Orion South Kimberlites

Kimberlite	Kimberlite Unit	Tonnes (000's)	Carats (000's)	Grade (cpht)
Star	Cantuar	9,460	1,440	15.2
	EJF-Inner	88,364	13,554	15.3
	EJF-Outer	33,783	3,039	9.0
	Pense	7,802	1,203	15.4
	MJF	22,403	1,057	4.7
	LJF	4,078	93	2.3
Star Total		165,890	20,386	12.3
Orion South	EJF Inner	62,040	9,986	16.1
	EJF Outer	17,362	1,680	9.7
	Pense Inner	33,688	2,328	6.9
Orion South Total		113,090	13,994	12.4
Combined Star – Orion South Total		278,980	34,380	12.3

Table Notes

1. The Mineral Reserves have a 1 millimetre bottom screen size cut-off.

Inferred Resources

In addition to the entire Mineral Reserve, an estimated total of 80 million tonnes of Inferred Resources containing a total of approximately 9.1 million carats are excavated by the FS pit designs for the Star and Orion South Kimberlites (Table 6). The cost of excavation of these Inferred Resources is included in the FS but processing costs and resultant revenue cannot be included, as NI 43-101 only permits revenue derived from Indicated Resources to be reported.

Table 6. Inferred Mineral Resource Estimate for the Star – Orion South Kimberlites

Kimberlite	Kimberlite Unit	Tonnes (000's)	Carats (000's)	Grade (cpht)
Star	Cantuar	3	0.4	13.4
	EJF-Inner	1,821	294	16.1
	EJF-Outer	9,210	790	8.6
	Pense	534	76	14.2
	MJF	-	-	-
	LJF	53	1	1.8
Star Total		11,621	1,161	10.0
Orion South	EJF Inner	21,790	4,231	19.4
	EJF Outer	24,977	2,095	8.4
	Pense Inner	10,963	1,021	9.3
	Pense Outer	584	34	5.8
	Cantuar	52	2	3.7
	LJF	9,928	523	5.3
	Viking	277	26	9.5
	SAK	108	7	6.3
Orion South Total		68,679	7,939	11.5
Combined Star – Orion South Total		80,300	9,100	11.3

Table Notes

1. The Inferred Mineral Resources have a 1 millimetre bottom screen size cut-off.

Potential Mineral Deposits

Highly conservative geotechnical estimates result in considerable volumes of potentially economic kimberlite remaining in the ground at the completion of the final phases of the FS pits on both Star and Orion South. These potential mineral deposits are estimated to include between 70 and 100 million tonnes of kimberlite containing between 5.9 and 10.4 million carats. These potential mineral deposits are conceptual in nature, are not part of the resource estimate and it is uncertain if additional exploration work would lead to the kimberlite presently included as potential mineralization being upgraded to any resource category. These potential kimberlite mineral deposits cannot be relied upon when considering any project economics. However, the potential future value of the diamonds contained in these potential mineral deposits make them targets for future re-evaluation of the geotechnical parameters.

Diamond Prices

Diamond prices used in this combined FS are based on valuations by WWW using their February 2011 price book. While High Model prices were used in the August 2009 reserve estimate for the Star Kimberlite, the September 2009 resource estimate for Orion South and the February 2010 combined Star and Orion South reserve estimate, the Base Case FS uses the more conservative Model prices plus 15 percent for each kimberlite unit within Star and Orion South. WWW are in agreement with the use of the Model Prices plus 15 percent for the FS. The Case 1 FS uses High Model prices for comparative purposes. The details of the February 2011

valuation of the Star and Orion South diamond parcels were published in Shore News Release dated March 2, 2011 and the parcel and model prices for the Star and Orion South diamonds used in this FS are listed in Tables 7 and 8. According to WWC, current rough diamond prices are on average some 30 to 35 percent higher than the February 2011 pricebook.

Table 7. The Parcel and Model Price Details for the Star Kimberlite

Star Kimberlite Unit	Carats	Parcel Price (US\$/carat)	Model Price (US\$/carat)	Model Price plus 15% (US\$/carat)	Minimum Model Price (US\$/carat)	High Model Price (US\$/carat)
Cantuar	1,667.96	287	355	408	281	499
Pense	1,410.47	133	175	201	131	224
EJF	7,124.74	162	225	259	176	296
MJF-LJF	91.28	193	198	228	106	290

Table 8. The Parcel and Model Price Details for the Orion South Kimberlite

Orion South Kimberlite Unit	Carats	Parcel Price (US\$/carat)	Model Price (US\$/carat)	Model Price plus 15% (US\$/carat)	Minimum Model Price (US\$/carat)	High Model Price (US\$/carat)
EJF	1,400.01	149	192	221	149	258
Pense	581.47	73	129	148	94	177

Weighted average diamond prices calculated using the carat proportions of the Star and Orion South Mineral Reserve estimates (See Tables 7 & 8) result in the values listed in Table 9.

Table 9. Weighted Average Model and High Diamond Prices for the Star and Orion South Kimberlites

Kimberlite	Weighted Average Model Price (US\$/carat)	Weighted Average Model Price plus 15% (US\$/carat)	Weighted Average High Model Price (US\$/carat)
Star	\$230	\$264	\$306
Orion South	\$182	\$209	\$245
Combined Star – Orion South	\$210	\$242	\$281

Mining

Comprehensive mining optimization simulations completed by P&E determined that the optimal economic approach to the mining of the combined Star – Orion South reserves is to commence with four phases over twelve years of mining on Star, followed by two phases over eight years of mining on Orion South for a total LOM of 20 years. The pit plans incorporate the geotechnical and hydrogeological design criteria developed through extensive site investigations and modeling.

Conventional hydraulic excavators and haul trucks will be used to strip the upper sand and clay layers of the overburden, followed by an In-Pit Crush and Convey (“IPCC”) system to excavate the remaining till layers and waste rock materials thus exposing the kimberlite ore in Star and Orion South. The excavator and truck fleet will be used to mine the ore and to remove associated overburden and waste rock to another, smaller IPCC system. The ore and waste rock will be separately sized in the pit and subsequently conveyed to the processing plant ore stockpile and to the overburden pile, respectively.

Processing Plant and Infrastructure

The Star – Orion South FS assumes that the processing facility will be optimally located near the Star and Orion South pit edges. The facility is designed to treat 45,000 tonnes of kimberlite per day employing autogenous milling as the primary diamond liberation method, followed by spiral classifiers and dense media separation. The recovery section employs magnetic separation and x-ray technology with grease as the scavenging technology to recover the low luminescence diamonds. Single particle sorters using both x-ray technology and laser Raman are used to further concentrate the material before hand-sorting. Extensive ore dressing investigations on drill core samples and pilot scale testing on underground bulk samples, coupled with detailed computer simulations, show that autogenous milling of the Star and Orion South Kimberlites offers the most efficient and cost effective method of diamond liberation. Furthermore, when the autogenous mills are operated within the simulated design specifications, diamond breakage and diamond damage is minimal.

Electrical service will be provided to the site by a 16 kilometre transmission line at 230 kilovolts, connecting to the existing provincial grid to the southeast of the site and crossing the Saskatchewan River. Shore has executed a Construction Agreement with the Saskatchewan Power Corporation to fund the design and construction of the appropriate power line for the Star - Orion South Diamond Project. This agreement also ensures that SaskPower will have the generation capacity required for the Project's anticipated power requirements. Site road access will be accomplished by utilizing the provincial grid road to the northern boundary of the Fort à la Corne forest, and then follows the optimal construction route through the forest to the plant site. Other support facilities include an administration/change house building, warehouse, maintenance shops, fuel storage, water treatment facilities, overburden pile and processed kimberlite containment areas.

Environment, Permitting and Closure

The Environmental Impact Assessment ("EIA") process for the Star-Orion South Diamond Project ("Project") has been on-going since the Project Proposal was filed in November 2008. The Environmental Impact Statement ("EIS"), which describes the potential environmental and socio-economic effects of the Project, was submitted to provincial and federal regulators in December 2010. Provincial, federal, and other reviewers have provided technical comments on the EIS, and Shore is currently working to address the questions and comments received. Once the regulators are satisfied with the responses, the EIS will be released for public comment. Anticipated provincial and federal EIA process timelines are accounted for in the FS.

Shore currently has all necessary licences and permits for present on-site activities. The permits that will be required for the construction and operation of the proposed mine will be applied for following provincial and/or federal Ministerial approval upon conclusion of the EIA. While the majority of permits will be required from provincial authorities, permits required from the federal government include authorization from the Department of Fisheries and Oceans to allow anticipated changes to fish and fish habitat, permits from Natural Resources Canada for the explosives storage site and authorizations from Environment Canada and Transport Canada. This permitting phase is also accounted for in the FS schedule.

Progressive reclamation of the overburden will proceed throughout the LOM and is accounted for in the G&A cost. Final site reclamation and closure, including the removal of site facilities, will be performed at the end of the LOM in accordance with Saskatchewan's *Reclaimed Industrial Sites Act*. The conceptual closure plan is based on a target end land use of self-sustaining forest.

Community Relations

Since January 2007, Shore has listened to community concerns and ideas and provided information updates on development plans at regular meetings of the Diamond Development Advisory Committee ("DDAC"). The DDAC is a community-based committee comprised of approximately two dozen representatives of cities, towns, villages, rural municipalities and Aboriginal parties in the vicinity of the Fort à la Corne forest. As well, the general public has been widely consulted. Community Open House meetings conducted by Shore in furtherance

of the Star-Orion South Diamond Project were successfully conducted in February 2009, and in June 2010, with local communities showing overwhelming support for the Project at both rounds of Open Houses. The meetings, held both years in six communities throughout the region of the proposed site, attracted hundreds of citizens and were part of the Environmental Impact Assessment process underway as a result of the filing of the Project Proposal. In addition, Shore hosted an Environmental Interests Workshop in Prince Albert in October 2010 at which potential environmental impacts arising from the project were presented, possible mitigation measures explored and input sought from a wide variety of community, environmental and government representatives. A description of extensive community engagement activities forms part of the Environmental Impact Statement submitted to the Saskatchewan Ministry of Environment and federal agencies in December 2010. Development of a mine will bring substantial economic development to the cities of Prince Albert and Melfort, as well as other communities in the surrounding district. The mine is expected to provide direct employment for hundreds of people throughout the construction phase and in excess of 500 people continuously over its 20 year operating life.

Project Timeline

The FS assumes the following Project timelines:

- Detailed design planned to commence in second half of 2011;
- Permitting activities to support a Q3, 2012 construction start;
- SaskPower supply to site Q4, 2013;
- Processing plant commissioning approximately 4 years after acquiring the necessary permits to proceed with construction.

Qualified People

Mr. George Read, P.Geo (B.Sc. (Hons.) University of Cape Town) is the Senior Vice President of Exploration and Development at Shore Gold Inc. and is the lead in-house Qualified Person responsible for the preparation and reporting of the FS on the Star – Orion South Diamond Project, including mine geotechnical, dewatering and hydrology aspects, as well as project economic evaluation. Mr. Read is a registered Professional Geoscientist in the provinces of Saskatchewan (APEGs #12665) and British Columbia (APEGBC #24070), a Fellow of the Geological Association of Canada and a member of the American Geophysical Union. Mr. Read has worked as a diamond exploration geologist for over 27 years, the first 12 years of which were spent with De Beers on projects in both southern Africa and Canada. Since early 1997 Mr. Read has worked as a diamond exploration consultant on projects across Canada and in Greenland and Brazil.

Mr. Shawn Harvey, P.Geo. (M.Sc. University of Regina), Geology Manager with Shore Gold Inc, is a registered Professional Geoscientist in the province of Saskatchewan (#11778), and was responsible for the geological exploration and evaluation of the Star and Orion South kimberlite deposits. Mr. Harvey has over 10 years experience in diamond exploration, evaluation and research with emphasis on kimberlite emplacement, resource evaluation and preparation of NI 43-101 compliant reports. Prior to joining Shore Gold Inc. in 2005, Mr. Harvey was an industrial minerals geologist with the Saskatchewan Geological Survey.

Mr. Ethan Richardson, P.Eng. (M.Sc. University of Saskatchewan), Manager of Environment with Shore Gold Inc., is a registered Professional Engineer in the province of Saskatchewan (#09541), and supervised the preparation of the environmental, social, water management and tailings design components. Mr. Richardson has over 14 years experience with environmental impact assessments, permitting and mine development. He has contributed to many environment impact assessments for large scale mining projects and supervised the preparation of the Star-Orion South Diamond Project Environmental Impact Statement submitted in December 2010. Prior to joining Shore Gold Inc. in 2007, Mr. Richardson was a consultant with Golder Associates Ltd.

Mr. Fred Brown CPG, PrSciNat, Senior Geological Associate of P&E Mining Consultants Inc., is the independent Qualified Person who was responsible for the Star and Orion South Kimberlite resource estimates upon which the reserves were developed. Mr. Brown, a Certified Professional Geologist (#11015) with the American Institute of Professional Geologists and a registered Professional Natural Scientist with the South African Council for Natural Scientific Professions (#400008/04), has over 21 years of worldwide experience in mining resource and reserve assessments and related work and has worked on diamond mines in southern Africa for De Beers. His specialties include resource estimation, ore deposit modeling, due diligence reviews, project evaluation, mining geology, geostatistical studies and preparation of NI 43-101 compliant reports. He is regarded as one of the leading authorities in diamond resource evaluation and diamond geostatistics.

Mr. David Orava, P.Eng. (McGill University), a Senior Associate of P&E Mining Consultants Inc., was responsible for the mine optimization, design, production plans, mine capital and mine operating costs for the Star and Orion South pits. Mr. Orava has over 30 years experience in mine evaluation, planning, development and operation. His specialties include open pit and underground planning and design, mine equipment selection and mine infrastructure. While a Senior Associate of P&E for the past three years, he has also been the president of Orava Mine Projects. Mr. Orava was previously employed by SENES Consultants, Dennis Netherton Engineering, UMA Engineering, Eagle Mine Contractors, Dynatec Mining and JS Redpath.

Mr. Eugene Puritch, P.Eng. (Haileybury School of Mines, Queen's University), President of P&E Mining Consultants Inc., who supervised the preparation of the Mineral Reserve estimates for the Star and Orion South Kimberlites, has more than 30 years of experience in mine evaluation and resource estimating for some of Canada's largest mining companies. He has undertaken more than 120 resource estimates and mine designs in his career, many of which formed the basis for feasibility studies and subsequent production decisions. Prior to co-founding P&E, Mr. Puritch was regularly under contract to provide his services to Micon International Ltd., Aker Solutions Canada Inc., A.C.A. Howe International Ltd. and Strathcona Mineral Services.

Dr. Wayne Ewert, P.Geo. (PhD, Geology, Carleton University, Ottawa, Canada and B.Sc. University of Waterloo, Canada) a principal of P&E, has over 40 years of worldwide experience in diversified exploration, project evaluation and resource based geological modeling. He has over 18 years of international consulting experience in support of project acquisitions and related financing activities. His experience includes involvement with the evaluation and assessment of diamond projects in Lesotho and South Africa on behalf of A.C.A. Howe International.

Mr. A. S. (Al) Hayden, P.Eng. is a metallurgical engineer with a B.A.Sc. from the University of British Columbia and is a licensed Professional Engineer and Designated Consulting Engineer in the Province of Ontario, Canada was responsible for reviewing and approving the process design, plant capital and operating costs. He has over forty years of hydrometallurgical and mineral processing experience, including ten years of operating experience with Eldorado Nuclear and the balance consulting with A. H. Ross & Associates of Toronto, EH Associates and EHA Engineering Ltd. He is President of EHA and a Senior Associate of P&E.

Mr. Hugh Rudolf, P. Eng. (University of Saskatchewan), is a Senior Project Manager with AECOM and was responsible for the feasibility engineering and cost estimating input for the building and site infrastructure facilities components of the Star - Orion South Diamond Project. Mr. Rudolf has forty years experience in the engineering and management of mining and industrial projects. His experience includes ten years working in mine plant and mine mechanical engineering and maintenance for mining companies and thirty years with consulting engineering firms. He has assumed senior lead roles on major mining projects for base metals, industrial minerals, uranium, coal and potash.

P&E Mining Consultants Inc. is an established and internationally recognized geological and mine engineering consulting firm specializing in resource estimates, scoping, prefeasibility studies and participation with other consulting firms on feasibility studies, with over 125 projects undertaken in the last 7 years. P&E has Certificates of Authorization from the Association of Professional Geoscientists of Ontario and Professional Engineers Ontario, the Association of Professional Engineers and Geoscientists of Saskatchewan and

Professional Engineers and Geologists of Newfoundland and Labrador. P&E consents to the statement of Probable mineral reserves contained herein.

AECOM is a global provider of professional, technical and management support services to a broad range of markets, including mining, transportation, facilities, environmental, energy, water and government. With approximately 45,000 employees around the world, AECOM is a leader in all of the key markets that it serves. AECOM provides a blend of global reach, local knowledge, innovation and technical excellence in delivering solutions that create, enhance and sustain the world's built, natural, and social environments. A *Fortune 500* company, AECOM serves clients in approximately 125 countries and had revenue of \$7.3 billion during the 12 months ended March 31, 2011.

Shore commissioned the combined NI 43-101 compliant Mineral Reserve estimate, FS and related Technical Report for the Star and Orion South Kimberlites and, as such, the FS and Technical Report are the sole responsibility of Shore. Newmont did not participate in the preparation, supervision or review of the work associated with this exercise and takes no responsibility for the content or information included in this press release.

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

Caution Regarding Forward-Looking Statements

This news release contains forward-looking statements as defined by certain securities laws, including the "safe harbour" provisions of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project", "guidance", "may", "will", "should", "could", "estimate", "predict" or similar words suggesting future outcomes or language suggesting an outlook. In particular, statements regarding Shore's future operations, future exploration and development activities or other development plans constitute forward-looking statements.

Forward-looking statements in this press release include, but are not limited to, anticipated diamond price adjustments, the anticipated Project schedule and attendant timelines, assumptions made in the cash flow model, assumptions made respecting capital and operating costs, anticipated diamond production, anticipated revenue from rough diamond sales, assumptions made respecting diamond price increases resulting from long-term supply/demand fundamentals, the anticipated economic impact of the Project on surrounding communities and anticipated employment opportunities which may result from the Project.

The Project schedule includes an estimated 5 year long pre-production period and a 20 year long mine production phase followed by mine closure. These durations were developed based on currently projected timelines for power distribution line design and construction; equipment and material procurement, deliveries, assembly and commissioning; environmental assessment and review; permitting and other factors. The assumed dates and timing of milestone events such as the 2017 commencement of full-scale ore production, and the 2036 cessation of operations were based on available information and the time lines between the assumed dates are reasonable based on the envisaged Project. There is a possibility the assumed dates such as the date for corporate approval to proceed with the Project will shift forward into the future for a multitude of reasons including, but not limited to, longer than projected time lines for environmental assessment and public consultation, engineering, procurement, construction and commissioning, availability of project financing.

The cash flow model includes estimates of future federal, provincial and local government taxes. Federal and provincial (Saskatchewan) corporate income taxes payable on pre-tax cash flows were estimated based on future tax rates. The values of future property and school taxes were calculated based on estimates provided by the Saskatchewan Assessment Management Agency ("SAMA"). Diamond royalty payments were estimated based on the royalty regime announced by the Government of Saskatchewan in 2010. Additionally, the cash flow model utilizes selected estimated deductions available to the Project from unclaimed costs carried forward for tax purposes (e.g. tax pools) including Canadian exploration expenses and Canadian development expenses.

The estimated capital and operating costs (\pm 15 percent estimation) were derived from first principles and supported by budget quotations and/or cost information derived from relevant cost databases and/or contractor quotations, and assumptions. The cash flow model includes capital contingencies.

These forward-looking statements are based on Shore's current beliefs as well as assumptions made by and information currently available to it and involve inherent risks and uncertainties, both general and specific. In making the forward-looking statements contained in this news release, Shore has utilized diamond valuations completed in February 2011. Consultant WWW estimates current diamond prices to be 30 to 35 percent higher than the February 2011 prices.

Risks exist that forward-looking statements will not be achieved due to a number of factors including, but not limited to, developments in world diamond markets, changes in diamond prices, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar, changes in exploration, development or mining plans due to exploration results and changing budget priorities of Shore or its joint venture partners, the effects of competition in the markets in which Shore operates, the impact of changes in the laws and regulations regulating mining exploration, development, closure, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the additional risks described in Shore's most recently filed Annual Information Form, annual and interim MD&A. Shore's anticipation of and success in managing the foregoing risks could cause actual results to differ materially from what is anticipated in such forward-looking statements.

Although management considers the assumptions contained in forward-looking statements to be reasonable based on information currently available to it, those assumptions may prove to be incorrect. When making decisions with respect to Shore, investors and others should not place undue reliance on these statements and should carefully consider the foregoing factors and other uncertainties and potential events. Unless required by applicable securities law, Shore does not undertake to update any forward-looking statement that is made herein.

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