



NEWS RELEASE

Stock Symbol: SGF: TSX

January 19, 2011

Saskatoon, Saskatchewan

**STAR - ORION SOUTH DIAMOND PROJECT
MEMORANDUM OF UNDERSTANDING SIGNED WITH WAHPETON DAKOTA NATION**

Eric Cline, Vice President Corporate Affairs of Shore Gold Inc. ("Shore" or the "company"), is pleased to announce that a Memorandum of Understanding ("MOU") has been signed by the company and Wahpeton Dakota Nation ("Wahpeton Dakota"). The terms of the MOU provide that the parties will engage in discussions concerning potential education and training, job and business opportunities for members of Wahpeton Dakota. Such discussions could lead to a further agreement containing specific processes or measures to promote such activities in the event environmental and other approvals are received, so that the Project may proceed to production.

Shore is working toward making a production decision which would lead to development of Saskatchewan's first diamond mine, approximately 60 kilometres east of Prince Albert in the Fort à la Corne forest in central Saskatchewan. The company recently filed an Environmental Impact Statement with Saskatchewan's Ministry of Environment and is engaged in other activities to advance the Project. The Fort à la Corne forest is asserted by Wahpeton Dakota to be part of its traditional territory.

Vice President Corporate Affairs Eric Cline stated: "We look forward to working with Wahpeton Dakota to explore possible ways to involve all members of the community, including nearby First Nations and Métis people, in diamond mining activity. Over the months ahead, we will discuss ways to best achieve that."

Wahpeton Dakota Nation reserve lands are located approximately 15 kilometres northwest of Prince Albert. 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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