



**Stock Symbol: SGF: TSX
SHORE GOLD INC.**

**February 3, 2011
Saskatoon, Saskatchewan**

**STAR – ORION SOUTH DIAMOND PROJECT
2011 BUDGET APPROVED: FINAL FEASIBILITY STUDY NEARING COMPLETION**

George H. Read, P. Geo., Senior Vice President Exploration & Development, is pleased to announce that Shore Gold Inc. (“Shore”) has approved a budget of \$12.5 million, including \$4.4 million for the Fort a la Corne Joint Venture (FALC-JV). The budget enables Shore to focus on the completion of a final Feasibility Study on the Star-Orion South Diamond Project, and provides for on-going site administration, reclamation, care and maintenance, as well as site power design and engineering costs and general working capital purposes.

The final Feasibility Study is anticipated to be completed in the second quarter of 2011. Upon completion and due consideration of the study, Shore will be in a position to make a production decision and, if positive, determine a development plan for the Star-Orion South Diamond Project. The budget allows Shore to continue with the Environmental Impact Assessment process, including continued public engagement and consultation.

Newmont Mining Corporation of Canada Limited (“Newmont”) has elected not to participate in the 2011 budget. The parties have agreed that Newmont’s interest in the FALC-JV (Shore 66 percent, Newmont 34 percent) will continue to dilute through completion of the final Feasibility Study.

Senior Vice President Exploration and Development, George Read, states: “This budget allows Shore to focus its 2011 activities on the work required to complete the Feasibility Study and consider a production decision, in furtherance of our goal to establish Saskatchewan’s first diamond mine.”

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, the anticipated timing of the completion of the feasibility study and following production decision and development plan.

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. Risks exist that forward-looking statements will not be achieved due to a number of factors including, but not limited to, the ability of the provincial and federal governments to undertake the required review, the impact of the public consultation period associated with the Environmental Impact Assessment process, 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 and development, 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.

For further information please contact:

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