



NEWS RELEASE

Stock Symbol: SGF: TSX

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Saskatoon, Saskatchewan

**STAR - ORION SOUTH DIAMOND PROJECT
INFORMATION GATHERING AGREEMENT
REACHED WITH RED EARTH CREE NATION**

Eric Cline, Vice President Corporate Affairs of Shore Gold Inc. ("Shore" or the "Company"), is pleased to announce that the Company has reached agreement with the Red Earth Cree Nation ("Red Earth") 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") for 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 Red Earth, signed May 12, 2010 in Nipawin, follows similar agreements concluded earlier this year with Sturgeon Lake First Nation and Métis Nation -- Saskatchewan Eastern Region II and Western Region II.

Vice President Corporate Affairs, Eric Cline, states: "We welcome the opportunity to gain insight from Red Earth along with the other aboriginal parties we are working with. One objective of EIA is to understand the impact the Project may have on traditional uses or spiritual or cultural sites of importance to aboriginal people who view the forest as part of their traditional territory. We respect and appreciate aboriginal rights and the need to accurately inform government regulators about the impact Shore's activities could have on the environment, including any impact on aboriginal uses or sites. In addition, the gathering of such information can provide ways to mitigate or eliminate any adverse impacts of the Project."

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 will be 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 Red Earth, Shore has agreed to provide the First Nation with historical record reviews and archaeological and environmental studies conducted by consultants the Company has engaged.

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:

Joseph Dickson, Investor Relations Manager at (306) 667-3505 and www.shoregold.com

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