



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

**June 2, 2010  
Saskatoon, Saskatchewan**

## **SHORE WELCOMES SASKATCHEWAN GOVERNMENT ANNOUNCEMENT OF DIAMOND ROYALTY**

George H. Read, P. Geo., Senior Vice President Exploration & Development, is pleased to report that Shore Gold Inc. welcomes the development of a competitive diamond royalty system in the Province of Saskatchewan. This royalty system has been developed in consultation with the mining industry and is consistent with the parameters already used in the financial model developed during the prefeasibility study for the Star – Orion South Diamond Project. The full release by the Province of Saskatchewan is available at: <http://www.gov.sk.ca/news?newsId=3982b9cb-1ff9-471a-a943-49b77140e23f>

Saskatchewan's royalty regime features:

- a one per cent base royalty on the value of mine production, with an initial five-year holiday;
- a stepped royalty rate on profits to a maximum of 10 per cent once capital investment is fully recovered; and,
- full-cost recognition including a 100 per cent depreciation rate of capital costs and a processing allowance.”

Senior Vice President Exploration & Development, George Read, states: “We believe the announcement of a competitive royalty system in the mining-friendly jurisdiction of Saskatchewan brings us another step closer to our goal of establishing Saskatchewan's first diamond mine. Shore considers the royalty system fair and compliments the government on the consultative approach that they used to develop the royalty parameters.”

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 press release contains forward-looking statements within the meaning of 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 information in this press release includes, but is not limited to, the anticipated timing of operation of the proposed project.

All forward-looking statements and information are based on Shore's current beliefs as well as assumptions made by and information currently available to Shore concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration, development and mining activities and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, developments in world diamond markets, changes in diamond valuations, 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 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 and annual and interim MD&A, and Shore's anticipation of and success in managing the foregoing risks.

Shore cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Shore, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise required by applicable securities legislation, Shore does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by Shore or on our behalf.

For further information please contact:

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