



NEWS RELEASE
Stock Symbol SGF: TSX

September 25, 2006
Saskatoon, Saskatchewan

**SHORE ACQUIRING COMECCO'S AND UEM'S INTERESTS
IN THE FALC JV AND SELLING A 40% INTEREST TO NEWMONT**

Kenneth E. MacNeill, President and CEO of Shore Gold Inc. ("Shore") is pleased to announce that Shore has entered into agreements with Cameco Corporation ("Cameco") and UEM Inc. ("UEM") whereby Kensington Resources Ltd. ("Kensington"), a wholly-owned subsidiary of Shore, will acquire Cameco's 5.51% participating interest and UEM's 10% participating interest in the Fort á la Corne Joint Venture ("FALC JV") for a cash price of \$23.5 million to Cameco and \$42.6 million to UEM, for a total of \$66.1 million.

Shore has also entered into an agreement with Newmont Mining Corporation of Canada Limited ("Newmont") whereby Kensington will sell a 40% Participating Interest in the FALC JV to Newmont for a cash price of \$170.4 million.

The Cameco, UEM and Newmont transactions have been closed in escrow and will be automatically released when the previously-announced acquisition from De Beers is released from escrow and completed.

On completion of these transactions (including the purchase from De Beers), Kensington will have acquired a net additional 17.755% participating interest in the FALC JV for a net price of \$75.7 million, bringing its total Participating Interest to 60%. In addition, upon completion of these transactions, Kensington will become the new operator for the FALC JV.

Mr. MacNeill stated "I am very pleased to welcome Mr. Pierre Lassonde and Newmont as our new Joint Venture partner in the FALC JV. The benefits to be gained from our assuming the operatorship of FALC; the mining expertise available from Newmont and the fact that we have well established operations and people in place with our existing Star Diamond project all combine to provide a much more efficient and focused opportunity for the FALC region as a whole. We remain confident in the potential for this region and will continue to focus on maximizing its potential."

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

For further information please contact:

Kenneth E. MacNeill, President and CEO or Harvey J. Bay, COO & CFO at (306) 664-2202.

-END-