



NEWS RELEASE

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Saskatoon, Saskatchewan

**STAR DIAMOND PROJECT: PHASE 3 FINAL PENSE DIAMOND RESULTS
12.32, 4.54, 4.47 AND 4.21 CARAT DIAMONDS IN PARCEL TOTALING 724.39 CARATS**

George H. Read, P. Geo., Senior Vice President Exploration and Development, is pleased to announce the seventh set of diamond results from Phase 3 of the underground bulk sampling of the Star Kimberlite (Phase 1 being the original 25,000 tonne bulk sample and Phase 2 being the 18,000 tonne bulk sample). The diamond recoveries total 724.39 carats from 5,580 dry tonnes processed. Included in this release are results for 15 kimberlite batches of a total of 87 kimberlite batches that have been processed as part of the Phase 3 bulk sampling program. A total of 7,484 commercial sized diamonds (greater than 1.18 millimetre square mesh screen), collectively weighing 717.18 carats, has been recovered from the 15 batches. Seventy-two diamonds greater than one carat have been recovered and the four largest stones are: 12.32, 4.54, 4.47 and 4.21 carats, respectively. In addition, 399 diamonds totaling 7.21 carats were recovered down to 0.85 millimetre square mesh. The colour of 71 percent of the diamonds has been classified as white, with a further 18 percent classified as off-white.

These kimberlite batches were recovered from the Pense Kimberlite, which was mined at the north-east end of the underground development, some 300 metres northeast of the shaft, within Shore's 100% owned portion of the Star Kimberlite. All sampling of the Pense Kimberlite was completed on the 215 metre level which was accessed by a ramp from the 235 metre level where most of the Star underground bulk sampling was completed. The lower grades associated with Batches 213, 215, 218, 221, 222 and 223 are a function of a localized zone of fine grained, ash-rich Pense Kimberlite. The pattern core drilling program has shown that extensive volumes of coarse grained Pense Kimberlite (similar in nature to the kimberlite associated with Batches 214, 217, 224, 227, 228, 229, 230, 231 and 232) occur to the east of this localized fine grained zone. Results from the final Early Joli Fou, Cantuar and clean-up batches will be reported once they become available from SGS Lakefield.

Table 1: Kimberlite processed and diamond results for the 15 sample batches are listed in the table below. Grades are expressed in carats per hundred tonnes (cpht).

Batch #	Location	Dry Tonnes	Diamonds Number of Stones	Total (carats)	Grade (cpht)	Largest Stone (carats)
213	SOUTH 21A	340.18	382	32.29	9.49	1.18
214	SOUTH 19 D	352.83	463	56.02	15.88	2.61
215	SOUTH 22 B	348.78	202	12.36	3.54	1.45
217	SOUTH 19C	389.74	523	80.20	20.58	12.32
218	SOUTH 20B	321.31	291	23.39	7.28	0.80
221	SOUTH 19E	330.43	336	24.47	7.41	0.92
222	SOUTH 21B	325.32	405	21.15	6.50	0.57
223	SOUTH 22A	358.88	535	25.95	7.23	1.23
224	SOUTH 16 AB	322.98	387	53.10	16.44	4.21
227	SOUTH 19 F	472.70	688	71.97	15.23	3.84
228	SOUTH 18B	431.48	658	57.54	13.34	2.50
229	SOUTH 18C	443.56	914	64.31	14.50	2.12
230	SOUTH 19A	388.93	685	78.54	20.19	4.47
231	SOUTH 19B	402.35	712	60.74	15.10	1.94
232	SOUTH 20A	351.04	702	62.36	17.76	4.54
Total		5,580.51	7,883	724.39	12.98	

The four largest stones are: 12.32 (Batch 217, white), 4.54 (Batch 232, grey), 4.47 (Batch 230, off white) and 4.21 (Batch 224, grey) carats respectively. Twenty-two diamonds exceed two carats and 72 diamonds exceed one carat, of which 28 are white, 28 are off white, 10 are grey, 5 are brown and one is yellow. A total of 178 diamonds exceed 0.5 carat. Seventy-one percent of this diamond parcel is classified white in colour, with a further 18 percent classified as off-white. Ninety-nine percent of the carat weight of this parcel occurs in diamonds greater than 1.18 millimetre square mesh.

Senior Vice President Exploration and Development, George Read, states: "These results are the final batches of Pense Kimberlite processed for the underground bulk sample. A total of 11,024 tonnes of Pense Kimberlite was sampled underground and processed to recover a total of 1,403 carats, giving an average grade for the Pense bulk sample of 12.73 cph and a range of grades from 3.54 (Batch 215) to 29.26 (Batch 205). We have achieved our objective of this Pense bulk sampling exercise by obtaining a diamond parcel in excess of 1,000 carats, which will be used for diamond price estimation purposes for the Pense Kimberlite. The diamond valuation of the total underground bulk sample from Star is scheduled for the fourth quarter of 2007."

The diamond recovery procedure includes on-site processing of kimberlite through the modular Dense Media Separator (DMS), after which DMS concentrates are batch fed through an X-ray Flow-sort. In order to ensure the recovery of low luminosity diamonds, the Flow-sort tailings are processed over a grease table. Flow-sort and grease table concentrates are transported by a secure carrier to SGS Lakefield Research for final diamond recovery. The SGS Lakefield Research process includes drying, screening, magnetic separation, manual sorting and diamond weighing and description. SGS Lakefield Research is accredited to the ISO/IEC 17025 standard by the Standards Council of Canada as a testing laboratory for specific tests.

The Star Kimberlite is currently being evaluated using a combination of pattern core drilling, underground bulk sampling and large diameter drilling. This evaluation program, with a budget of some \$60 million, is intended to determine the presence of a National Instrument 43-101 compliant Mineral Reserve for the Star Kimberlite. Senior Vice President Exploration and Development, George Read, Professional Geoscientist in the Provinces of Saskatchewan and British Columbia, is the Qualified Person responsible for the verification and quality assurance of analytical results. 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

From time to time, Shore makes written or oral forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the Ontario Securities Act and the United States Private Securities Litigation Reform Act of 1995. Shore may make such statements in this press release, in other filings with Canadian regulators or the United States Securities and Exchange Commission, in reports to shareholders or in other communications. These forward-looking statements include, among others, statements with respect to Shore's objectives for the ensuing year, our medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," and words and expressions of similar import are intended to identify forward-looking statements. In particular, statements regarding Shore's future operations, future exploration and development activities or other development plans contain forward-looking statements.

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, annual and interim MD&A and short form prospectus, 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. 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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