



NEWS RELEASE

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STAR KIMBERLITE GEOLOGICAL MODEL 275.80 MILLION TONNES

George H. Read, P. Geo., Senior Vice President Exploration and Development, is pleased to announce the results of the geological modeling of the Star Kimberlite. The geological model has been compiled from surface and underground drilling information combined with density measurements. Based on the currently available information, the geological model estimates that the Star Kimberlite contains a total of 275.80 million tonnes of kimberlite. The geological model includes the total of the Star Kimberlite being both that portion of the Star Kimberlite on Shore's 100% owned property and Star West – the portion of the Star Kimberlite that falls within the Fort a la Corne Joint Venture (FALC-JV: Shore Gold Inc., 60%, Newmont Mining Corporation of Canada Limited 40%).

Interpretation of the detailed quantitative core logs, underground mapping, downhole geophysics and kimberlite whole rock chemistry analysis enabled Shore geologists to define five principal phases of kimberlite within the Star Kimberlite, namely: Cantuar, Pense, Early Joli Fou (EJF), Mid Joli Fou (MJF) and Late Joli Fou (LJF). In addition there are kimberlite debris flows (KDF) which represent marine reworked material mostly derived from the LJF. The geological model has been determined for all kimberlite above an elevation of 70 metres above sea level, which corresponds to a depth of approximately 350 metres below surface. Two drillholes in proximity to the shaft indicate that the EJF/MJF kimberlite feeder vent extends more than 600 metres below surface and, at the 600 metre level, the vent has a diameter in excess of 80 metres. Limited deep drilling restricts the modeling of Star to the kimberlite above the 350 metre level.

The geological model has enabled Shore geologists to assign volume estimates to each of these kimberlite phases and, when combined with the many bulk density measurements, enable the calculation of tonnage estimates for the respective kimberlite phases. The tonnage estimates for the kimberlite phases are listed in Table 1.

Table 1. Kimberlite Tonnage Estimates – all values in millions of tonnes

| Kimberlite | Star (100% Shore) | Star West (FALC-JV) (60% Shore 40% Newmont) | Total |
|-------------------|------------------------------|--|---------------|
| KDF | 13.36 | 7.06 | 20.42 |
| LJF | 18.00 | 12.45 | 30.45 |
| MJF | 2.16 | 11.60 | 13.76 |
| EJF | 121.32 | 41.19 | 162.51 |
| Pense | 25.56 | 0.15 | 25.71 |
| Cantuar | 13.94 | 9.01 | 22.95 |
| Total | 194.34 | 81.46 | 275.80 |

The geological model was compiled using Gemcom software by a team of geologists from Shore together with consultants from each of A.C.A. Howe International Limited and SRK Consulting. Table 2 summarizes the drillhole and density statistics used to compile the model. The drillhole spacing is usually 100 metres in the central, thick part (greater than 50 metres) of the kimberlite and 200 metres in the thinner (less than 50 metres) periphery portions of the kimberlite. Underground drilling is routinely carried out ahead of drift development.

Table 2. Drillhole and Density Statistics used in the Geological Model

| Drillhole Group | Number of Holes | Total Metres Drilled | Number of Density Measurements |
|-----------------------------------|------------------------|-----------------------------|---------------------------------------|
| Star Surface Drilling | 184 | 43,389.8 | 988 |
| Star Underground Drilling | 98 | 7,482.7 | 0 |
| Star West Surface Drilling | 29 | 7,486.2 | 62 |
| Total | 311 | 58,358.7 | 1,050 |

The geological model has been reviewed by project engineers, AMEC Americas Limited, and they have concluded: "AMEC is of the opinion that the geological model is adequate for Pre-feasibility level resource estimation but additional drilling and interpretation will be needed for Feasibility resource estimation". Since the compilation of the geological model, some thirty-five additional holes have been drilled in the Star Kimberlite. The information collected from these additional holes will all be added to the geological model in due course. An additional 15 holes are planned in and around the ravine that drains to the southeast across the Star Kimberlite as are five more holes in Star West.

Senior Vice President Exploration and Development, George Read, states: "The geological model provides Shore with a well constrained tonnage estimate for the Star Kimberlite. This tonnage estimate will continue to be refined as additional information is made available through further drilling. Grade and diamond value data for the bulk sampled kimberlites combined with grade and value estimates from the large diameter drilling program will be added to this geological model as soon as they are available in 2007 to define a NI43-101 compliant Mineral Resource for Star. Business transactions completed by Shore over the past year bring Shore to a position where the Company now owns 90% of the combined EJF, Pense and Cantuar kimberlite defined within Star."

The prefeasibility study on Star, with a budget of approximately \$60 million, is now the largest work program outlined for any of the Fort a la Corne kimberlites. The aim of the prefeasibility study is to define 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 the anticipated results of Shore's pre-feasibility study 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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