



NEWS RELEASE

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STAR DIAMOND PROJECT: PHASE 1 & 2 DIAMOND RESULTS 19.58, 15.30, 3.97 AND 3.30 CARAT DIAMONDS IN 103.45 CARAT PARCEL

George H. Read, P. Geo., Senior Vice President Exploration and Development, is pleased to announce a set of diamond results from a clean-up sample of Phase 1 and 2 underground bulk sample stockpile areas (Phase 1 being the original 25,000 tonne bulk sample and Phase 2 being the 18,000 tonne prefeasibility study). The diamond recoveries total 103.45 carats from 1,634.94 dry tonnes processed. A total of 466 commercial sized diamonds (greater than 1.18 millimetre square mesh screen), collectively weighing 103.17 carats, has been recovered from Batch 173. Nine diamonds greater than one carat have been recovered and the four largest stones are: 19.58, 15.30, 3.97 and 3.30 carats, respectively. In addition, 15 diamonds (0.28 carats) were recovered down to 0.85 millimetre square mesh. The colour of 60 percent of the diamonds has been classified as white, with a further 15 percent classified as off-white.

Batch 173 is composed of material recovered from a clean-up of the stockpile areas subsequent to the completion of the processing of the Phase 1 and 2 samples. This clean-up material had been stockpiled on site until such time as the backlog of underground and large diameter drill (LDD) kimberlite had been processed. Batch 173 is estimated to contain some 75 percent of surface sand, significantly affecting the true grade of this batch. The kimberlite remnants in Batch 173 are dominated by EJF material. A grade calculation is inappropriate for this batch due to the significant sand dilution.

Material processed and diamond results for Batch 173 are listed in the table below.

Batch #	Location	Dry Tonnes	Diamonds Number of Stones	Total (carats)	Largest Stone (carats)
173	PHASE 1 & 2 CLEAN UP	1,634.94	481	103.45	19.58

The four largest stones are: 19.58 (White), 15.30 (Grey), 3.97 (Grey) and 3.30 (White) carats, respectively. The 19.58 carat stone is a broken octahedron estimated to have originally weighed 24.50 carats. Five diamonds exceed two carats and 9 diamonds exceed one carat, of which 3 are white, 1 is off-white, 4 are grey, and 1 is pink. A total of 27 diamonds exceed 0.5 carats. Sixty percent of this diamond parcel is classified white in colour, with a further 15 percent classified as off-white. The diamond parcel includes 1 pink stone and 1 amber stone. A 2.74 carat pale pink diamond was recovered from Batch 173. 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: "Batch 173 has produced diamonds of significant size (19.58 and 15.30 carats) which will play a very important role in the future economics of the Star Diamond Project."

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 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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