



## **NEWS RELEASE**

**Stock Symbol: SGF: TSX**

**November 8, 2006  
Saskatoon, Saskatchewan**

### **FORT A LA CORNE JOINT VENTURE APPROVES \$66.5 MILLION BUDGET**

George H. Read, P. Geo., Senior Vice President Exploration and Development, is pleased to announce that the Management Committee meeting for the Fort a la Corne Joint Venture (FALC-JV) has taken place and that Shore Gold Inc. (Shore) and Newmont Mining Corporation of Canada Limited (Newmont) have reached unanimous agreement on budgets for the remainder of the 2006 as well as for the 2007 exploration programs. The technical teams from each of Shore and Newmont have thoroughly examined all available FALC-JV information and as a result, an aggressive work program has been defined that focuses on the Orion North Kimberlites with the short-term goal of sinking a shaft in 2007 for the recovery of an underground bulk sample. Significant additional work will also be completed on Orion South and Star West. Budgets of \$20.3 million (2006-Q4) and \$46.2 million (2007) have been approved by the FALC-JV Management Committee and these budgets will be funded 60 percent by Shore through Kensington Resources Ltd. (the Operator) and 40 percent by Newmont. The 2006-Q4 budget supercedes the budget originally announced for the 2006 FALC-JV exploration program on April 21, 2006 by Shore (SGF News Release April 21, 2006) and the former FALC-JV participants. A total of \$24.9 million of the original 2006 FALC-JV budget of \$43.2 million had been spent at the time that Newmont joined the FALC-JV in late September and the rescheduled total for 2006 now stands at \$45.2. The revised 2006-Q4 program includes significantly more mini-bulk sampling on Orion North than was originally scheduled.

#### **Orion North**

The major components of the 2006-Q4 work program for Orion North include 36 PQ (75 millimetre) core drillholes and 10 large diameter (LD) drillholes (1.2 metre) and associated mini-bulk sample processing. The aim of the infill drilling program is an accurate understanding of the internal geology and structure of the kimberlite. The LD drilling aims to recover macrodiamond parcels, from the major kimberlite lithologies recognized within Orion North, for early stage grade and valuation modeling purposes. Both LD drills are currently drilling kimberlite in holes #3 and #4 on Orion North. In addition geotechnical work and ore dressing studies will be completed as part of these drill programs.

Both the PQ core and the LD drill programs will continue into 2007 with an additional 25 core holes scheduled for drilling when currently inaccessible drill sites have frozen. An additional 10 LD drillholes are planned for Orion North and will provide sufficient kimberlite mini-bulk samples for initial diamond grade and valuation estimates. The information obtained from core and LD drilling will be integrated into an initial geological model that will be used to justify and determine the optimum location for a shaft for underground bulk sampling. The drilling of 23 holes for the shaft freeze wall in the overburden is scheduled to commence in April 2007 and it is estimated that shaft sinking will be completed in the third quarter of 2008. Based on the results from core, LD drill programs and underground bulk sampling, it is anticipated that Orion North will move into Prefeasibility thereafter to be completed in early 2010, followed by a full Bankable Feasibility scheduled for completion by the end of 2010.

## **Orion South**

Prior to the formal approval of the amended 2006 budget, Newmont and Shore agreed to five PQ core drillholes that were completed in October. Microdiamond analysis of recently drilled core will continue into 2007. Ten LD drillholes are planned for the last quarter of 2007. These LD holes will target two significant kimberlite lithologies that have been identified and mapped by the core drilling. The LD drilling will enable the recovery of mini-bulk kimberlite samples from these two significant units where additional macrodiamonds are required for diamond modeling purposes and the mini-bulk samples will provide initial estimates of diamond grade and value. Orion South has been the target of extensive exploration with core and LD drilling in the past by the previous operator of the FALC-JV and therefore, less work is required to build a geological model on which a decision can be made to move Orion South to Prefeasibility and commence shaft sinking in 2008.

## **Star West**

Star West is defined as that part of the Star Kimberlite that falls within the claim boundaries of the FALC-JV. Underground bulk sampling of Cantuar Kimberlite, which is presently underway, will continue into January 2007. Five PQ core drillholes are planned for 2006-Q4 and five LD drillholes are scheduled for August and September 2007. Star West core and LD drilling information, in addition to underground drilling and bulk sampling data will be included in the geological model for the Star Kimberlite that will ultimately be used for the resource estimate.

## **FALC-JV Programs**

In addition to the core and LD drilling scheduled for Orion North, South and Star West, a major hydrogeological investigation will commence within the FALC-JV in 2006-Q4, in preparation for future open pit design. A laser altimeter (LIDAR) survey covering 365 square kilometres of the FALC-JV has recently been completed. This survey provided an accurate digital terrain model which will be used as a base map for future mine infrastructure planning and development. With the approval of the 2006-Q4 and 2007 budgets, the environmental impact assessment for the future FALC-JV mine lease will proceed and is estimated to take 18 months to complete.

Senior Vice President Exploration and Development, George Read, states: "These aggressive and ambitious exploration programs have been defined through the extensive efforts and cooperation of Shore and Newmont. Shore acknowledges the hard work of the respective technical and financial teams that have compiled all the information required to develop this work program and the associated detailed budget. The successful exploration methods (pattern core drilling, mini-bulk sampling using LD drills and underground bulk sampling) developed on the Star Diamond Project can now be confidently applied to these large, prospective kimberlites of the Orion Kimberlite Cluster. Shore looks forward to working with Newmont on the FALC-JV and is confident that Newmont's significant bulk mining expertise will play a major role in the successful development of the FALC-JV kimberlites."

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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