



**NEWS RELEASE**  
**Stock Symbol SGF: TSX**

**August 22, 2006**  
**Saskatoon, Saskatchewan**

**DE BEERS' ACTION DISMISSED BY CONSENT**

Kenneth E. MacNeill, President and CEO of Shore Gold Inc. ("Shore") advised that the previously-announced action by De Beers Canada Inc. ("De Beers") against Shore, Kensington Resources Ltd. and two other defendants has been dismissed with the consent of all parties. This means that De Beers will not be able to pursue any further appeal and that the decision of the Court of Queen's Bench for Saskatchewan in favour of the defendants, which was confirmed by the Saskatchewan Court of Appeal, is the final determination of all claims made by De Beers in relation to the Voting Agreement for the Fort a la Corne Joint Venture.

Mr. MacNeill stated: "This dismissal puts an end to any potential appeal by De Beers to the Supreme Court of Canada and means that the Voting Agreement has been confirmed as a valid agreement by the courts. With this litigation behind us, we can now focus on working with our joint venture partners to maximize the potential of the FALC JV Project and the Fort a la Corne region as a whole."

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".

For further information please contact:

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