



NEWS RELEASE

Stock Symbol: SGF: TSX

March 22, 2007

Saskatoon, Saskatchewan

SHORE GOLD INC. ANNOUNCES YEAR END RESULTS

Shore Gold Inc. (“Shore” or the “Company”) reports that the audited results of Shore’s operations for the year ended December 31, 2006 have been filed and may be viewed at www.sedar.com. A summary of key financial and operating results for the year are as follows:

Highlights

- Acquisition of remaining 57.755% interest in the Fort a la Corne Joint Venture (“FALC-JV”)
- Sale of 40% interest in FALC-JV to Newmont Mining Corporation of Canada Limited (“Newmont”)
- Announced a \$66.5 million exploration program for 2006/2007 on the FALC-JV once Newmont became partner
- Spending of \$55.5 million on the Star Kimberlite advanced exploration program and \$23.1 million spent on the Company’s share of the FALC-JV exploration program
- Tonnage estimates of 275 million tonnes of kimberlite on the Star/Star West Kimberlite and 1.2 billion tonnes of kimberlite on FALC-JV kimberlites (Orion North and South)
- Working capital of \$118.1 million at December 31, 2006
- Issued and outstanding shares of 176,762,460 at December 31, 2006

FALC-JV Interest Purchases and Sale and Exploration Programs

On September 25, 2006 (see SGF News Release September 25, 2006), Shore announced that Kensington, a 100% wholly-owned subsidiary, had entered into agreements to acquire De Beers Canada Inc.’s (“De Beers”) 42.245% participating interest in the FALC-JV for \$180 million and to acquire Cameco Corporation’s (“Cameco”) and UEM Inc.’s (“UEM”) remaining interests for a combined cash price of \$66.1 million giving Kensington 100% ownership. Concurrent with these acquisitions, Kensington sold a 40% interest in the FALC-JV to Newmont for \$170.4 million on the same terms and conditions as those associated with the De Beers, Cameco and UEM acquisitions.

These transactions resulted in Kensington holding a 60% interest in the FALC-JV with Shore maintaining a sufficient cash position to fund exploration programs on both Star and the FALC-JV through to the anticipated timeframe of completing a bankable feasibility study on the Star Property (expected to be achieved by the end of 2008). Kensington also became operator of the FALC-JV which has allowed for a more synergistic use of resources in moving both properties forward.

Before the change in ownership took place, the former joint venture participants had come to a unanimous agreement on a \$43.2 million budgeted program for the 2006 fiscal year of which Shore would have been responsible to fund approximately \$20 million. By late June 2006, the core pattern-drilling program (that was part of the previously approved \$43.2 million budget) had commenced on the Orion Kimberlite Cluster of the FALC-JV. That program was budgeted to consist of over 200 core drill holes and between five to nine large diameter (“LD”) holes. Scheduled completion of the program was projected to be in late December, however, with the change in ownership in the FALC-JV in late September, the program was reevaluated to more aggressively explore the property. The technical teams from Shore and Newmont met to reevaluate all available FALC-JV data to reassess the balance of the 2006 exploration program and to establish a program and budget for 2007. On November 8, 2006 (see SGF News Release November 8, 2006), Shore announced a \$20.3 million budget on the FALC-JV property for the last quarter of 2006 and a \$46.2 million budget for the 2007 exploration program. The primary focus of these programs is the Orion Cluster of kimberlites, with emphasis on performing core and LD drilling to define the best location for a new shaft which would enable a bulk sample to be extracted. The original \$43.2 million budget for 2006 had a similar focus and as a result of the modifications by the new JV participants the total budget increased to \$45.2 million. The addition of LD drilling holes to the program was the main reason for the increase in budget.

As a result of the core drilling already completed, a tonnage estimate of 800-870 million tonnes of kimberlite for Orion North was recently released (see SGF News Release November 24, 2006) and more recently (see SGF News Release March 2, 2007) a tonnage estimate for Orion South was estimated to be 360-400 million tonnes. Though neither estimate is a Resource or a Reserve, the tonnage estimates are based on the significant core drilling performed to date. Based on the drilling results to date, the tonnage estimate for Orion South has more than doubled from the previous September 2004 estimate of 134 million tonnes. The announcements to date bring the total estimate of kimberlite to 1.2 billion tonnes from seven of the sixty known kimberlites on the FALC-JV.

Star Diamond Property Advanced Exploration Program

Considerable advancement was also achieved on Shore’s 100% owned Star Kimberlite Property’s advanced exploration program. The Company announced that a geological model estimate of approximately 275.8 million tonnes of kimberlite (see SGF News Release October 17, 2006) had been constructed for the Star Kimberlite including the portion referred to as Star West (the portion of the kimberlite that falls within the FALC-JV). This tonnage estimate will continue to be refined as recovered diamonds from Phase 3 bulk sampling and LD drilling are valued and incorporated into the model. The completion of certain aspects of the Star advanced exploration program have been deferred as the LD drilling rigs have temporarily been moved to the Orion Kimberlite Cluster on the FALC-JV property in order to expedite results from this area. Once the first phase of LD drilling on the Orion Kimberlite Cluster has been completed in early 2007, the LD drilling rigs will return to the Star Kimberlite to complete the remaining LD holes. According to the current schedule, and assuming the results from the remaining samples are positive, management anticipates that a Mineral Resource estimate may be available for the Star Kimberlite in early to mid 2008 and that the work required for

converting the Mineral Resource to a Mineral Reserve is expected to be achieved by mid to late 2008.

Year End Results

For the year ended December 31, 2006, the Company recorded a net loss of \$77.5 million or \$0.44 per share compared to a net loss of \$8.5 million, or \$0.08 per share for 2005. The reason for the large loss in 2006 compared to 2005 relates to the disposition of a 40% interest in the FALC-JV property resulting in a loss of \$124.5 million net of a \$55.9 million future income tax recovery. This loss was offset by a \$44.9 million future income tax recovery that was recorded during the second quarter of 2006 resulting from the federal and provincial governments enacting a decrease in corporate income tax rates. Furthermore, a \$6.1 million increase in interest and other income was offset by a \$2.1 million increase in operating cash expenditures. The increase in interest revenue is indicative of the level of investments the Company held after the completion of two significant financings in 2005 that were undertaken to fund expanding exploration efforts. These expanding exploration efforts include operating two multi-million dollar exploration programs which has required the Company to rapidly expand its personnel and administrative support over the past twelve months. Non-cash expenses in 2006 of approximately \$0.6 million related to the fair value of stock-based compensation were significantly less than the \$9.0 million in 2005. After the effects of the mineral property sale and the corporate income tax rate change have been removed, the increased interest income this year has resulted in the Company creating taxable income of approximately \$4.2 million that led to a non-cash future income tax expense of \$1.3 million.

Selected financial highlights include:

	As at December 31, 2006	As at December 31, 2005
Consolidated Balance Sheets		
Current assets	\$ 130.0 M	\$ 267.4 M
Capital and other assets	657.5 M	679.5 M
Current liabilities	11.9 M	14.8 M
Future income tax and other long-term liabilities	117.5 M	216.8 M
Share capital	733.5 M	693.0 M
Contributed surplus	19.2 M	39.4 M
Deficit	94.6 M	17.1 M

	Year Ended December 31, 2006	Year Ended December 31, 2005
Consolidated Statements of Loss		
Interest Income	\$ 9.5 M	\$ 3.4 M
Operating Expenses	6.3 M	12.4 M
Income (loss) for the period before other items	3.2 M	(9.0) M
Loss on sale of property interest	(180.4) M	-
Income tax recovery (expense)	99.5 M	(0.4) M
Other income	0.2 M	0.9 M
Net loss for the period	77.5 M	8.5 M
Loss per share	0.44	0.08

	Year Ended December 31, 2006	Year Ended December 31, 2005
Consolidated Statements of Cash Flows		
Cash flows from operating activities	\$ 3.5 M	\$ (0.8) M
Cash flows from investing activities	(219.7)M	(20.9) M
Cash flows from financing activities	19.2 M	254.7 M
Net increase (decrease) in cash	(197.0)M	233.0 M
Cash – beginning of period	261.7 M	28.7 M
Cash – end of period	64.7 M	261.7 M

Outlook

As at March 15, 2007, the Company had approximately \$110 million in cash and cash equivalents and short-term investments. These funds will be used to complete the advanced exploration program on the Star Kimberlite Property and to fund the Company's portion of the FALC-JV exploration programs. The advanced exploration program of the Star Kimberlite Property will be conducted in order to determine the project's viability under current economic conditions. This will entail the collection of additional exploration information, such as geological, geotechnical, geometallurgical, geochemical, assaying and other relevant information to delineate and define the Star Kimberlite, with a sufficient level of confidence, to estimate a Mineral Resource conforming to National Instrument 43-101 and Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") standards. Based on current timelines the Company anticipates a Mineral Resource estimate to be defined by early to mid 2008, followed by a Mineral Reserve and a bankable feasibility study. The FALC-JV has similar objectives; however, based on the stage of current exploration programs a Mineral Resource estimate would not likely be available until approximately 2010.

With current exploration plans, cash balances are expected to last until the end of 2008. Alternative sources of financing will be required beyond this point to continue exploration and development efforts.

Caution Regarding Forward-looking Information

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 Securities legislation in Canada 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 nature 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 advanced evaluation 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 partner; 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:

Mr. Kenneth MacNeill
Chief Executive Officer and President
300 – 224 4th Avenue South
Saskatoon, SK S7K 5M5
PH: (306) 664-2202
FAX: (306) 664-7181

OR

Mr. Harvey Bay
Chief Financial Officer and
Chief Operating Officer
300 – 224 4th Avenue South
Saskatoon, SK S7K 5M5
PH: (306) 664-2202
FAX: (306) 664-7181