



NEWS RELEASE

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STAR DIAMOND PROJECT: DIAMOND RESULTS 6.37, 5.86 AND 5.25 CARAT DIAMONDS IN 558 CARAT PARCEL

George H. Read, P. Geo., Senior Vice President Exploration and Development, is pleased to announce the ninth and last set of diamond results from Phase 2 of the underground bulk sample (Phase 1 is the original 25,000 tonne bulk sample) collected from the Star Kimberlite as part of the prefeasibility study. The diamond recoveries total 557.69 carats from 4,133.54 dry tonnes processed. Included in this release are results for sixteen kimberlite batches of a total of 75 kimberlite batches that have been processed as part of the Phase 2 bulk sampling program. A total of 3,573 commercial sized diamonds (greater than 1.18 millimetre square mesh screen), collectively weighing 556.64 carats, has been recovered from the sixteen batches. Seventy-six diamonds greater than one carat have been recovered and the four largest stones are: 6.37, 5.86, 5.25 and 4.80 carats, respectively. In addition, fifty-nine diamonds (1.05 carats) were recovered down to 0.85 millimetre square mesh. The colour of 65 percent of the diamonds has been classified as white, with a further 16 percent classified as off-white. These results conclude Phase 2 of the underground bulk sampling on Star, which totals 18,272 tonnes of kimberlite from which 19,918 diamonds weighing 3,016 carats have been recovered.

Thirteen of these kimberlite batches have been recovered from the Early Joli Fou Kimberlite, which was mined to the south of the shaft (Batches 136, 139, 140, 141, 142, 143, 144, 146, 147 and 148) and on the ramp from the 235 metre level to the drill station on the 215 metre level (Batches 137, 138 and 145). Batches 149, 150 and 151 represent a clean up of all loose kimberlite in active drifts at the end of Phase 2. The grades of Batches 137 and 140 have been lowered by localized country rock mudstone dilution. This is caused by occasional mudstone xenoliths, from the country-rock, that have fallen into the kimberlite.

Kimberlite processed and diamond results for the sixteen sample batches are listed in the table below. Grades are expressed in carats per hundred tonnes (cpht).

Batch #	Location	Dry Tonnes	Diamonds Number of Stones	Total (carats)	Grade (cpht)	Largest Stone (carats)
136	SOUTH 12 BENCH	25.60	25	4.39	17.15	1.75
137	SOUTH 16E	323.27	268	44.80	13.86	6.37
138	SOUTH 16C	350.18	235	35.60	10.17	2.95
139	SOUTH 8E	320.99	273	52.64	16.40	3.34
140	SOUTH 5C	181.00	104	12.99	7.18	0.94
141	SOUTH MAIN SLASH	261.86	286	35.96	13.73	0.89
142	SOUTH MAIN SLASH	202.42	195	29.17	14.41	5.86
143	SOUTH MAIN	296.59	230	43.31	14.60	4.26
144	SOUTH MAIN	358.30	320	50.00	13.95	2.56
145	SOUTH 16A	310.00	346	41.42	13.36	2.73
146	SOUTH MAIN SLASH B	227.70	255	36.76	16.14	2.69
147	SOUTH 8 DDST 1	95.33	86	16.44	17.24	3.19
148	SOUTH 13C	322.79	304	43.12	13.36	4.80
149	DRIFT CLEAN-UP #1	95.23	90	13.77	14.46	2.48
150	DRIFT CLEAN-UP #2	319.08	287	48.29	15.13	4.02
151	DRIFT CLEAN-UP #3	443.20	328	49.03	11.06	5.25
Total		4,133.54	3,632	557.69	13.49	

The four largest stones are: 6.37 (Batch 137, White), 5.86 (Batch 142, Off white), 5.25 (Batch 151, Grey) and 4.80 (Batch 148, Off white) carats, respectively. Twenty-eight diamonds exceed two carats and 76 diamonds exceed one carat, of which 36 are white, 22 are off-white, 10 are grey, 7 are brown and 1 is yellow. A total of 200 diamonds exceed 0.5 carat. Sixty-five percent of this diamond parcel is classified white in colour, with a further 16 percent classified as off-white. The diamond parcel includes 5 pink stones, 6 yellow stones and 2 amber stones. 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: "On-site processing of all batches of Phase 2 (Batches 79 – 151) of the underground bulk sampling has been completed resulting in an average grade of 16.51 cpht which compares to an average grade of 16.03 cpht for Phase 1 (Batches 1 – 78). The diamond populations seen in Phase 2 continue to show coarse size frequency distributions. Phase 3 of the underground development, which will include bulk sampling of the Cantuar and Pense Kimberlite, is underway. Twelve geotechnical drill holes have been completed in the South 11 Drift and the rig has been moved to South 9 for additional drilling prior to drift development into the Cantuar Kimberlite. The first five 120 metre holes have been completed from the drill station on South 16 out to the Pense Kimberlite. A fan of holes will be completed from this drill station prior to drift development to bulk sample the Pense. The collection of prefeasibility data which will be used to determine the presence of a National Instrument 43-101 compliant Mineral Resource is proceeding on schedule."

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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