STAR DIAMOND PROJECT
LETTER AGREEMENT SIGNED WITH SASKPOWER

George H. Read, P. Geo., Senior Vice President Exploration and Development, is pleased to announce that a Letter Agreement has been signed between Shore and the Saskatchewan Power Corporation ("SaskPower") to provide services in connection with planning a potential electrical power supply for Shore's Star Diamond Project ("Project"). Specifically Shore requires SaskPower to carry out the preliminary engineering and environmental studies required to begin to determine preferred routing options for the location of power lines to connect the Project to the SaskPower transmission system in order for SaskPower to serve Shore's future anticipated power requirements (collectively, the "work").

Shore has authorized SaskPower to perform the work and to incur such costs and expenses for the account of Shore, as SaskPower may deem necessary or appropriate, up to a maximum amount of $500,000 to the end of June 2010, at which time the parties contemplate entering into a further Construction Agreement that would include any work not completed by June 30, 2010.

Senior Vice President Exploration and Development, George Read, states: "The execution of this Letter Agreement with SaskPower is an important step in the process leading up to a production decision and the potential establishment of a diamond mine in central Saskatchewan. This Agreement will expedite the provision of electrical power to the site in the event a production decision is made. The accessibility of abundant, low cost power to the Star Diamond Project significantly improves Project economics."

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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