



**Stock Symbol: SGF: TSX
SHORE GOLD INC.**

**December 22, 2010
Saskatoon, Saskatchewan**

**STAR-ORION SOUTH DIAMOND PROJECT:
ENVIRONMENTAL IMPACT STATEMENT
SUBMITTED TO PROVINCIAL REGULATORS**

George H. Read, P. Geo., Senior Vice President Exploration & Development, is pleased to announce that the Environmental Impact Statement ("EIS") for the Star - Orion South Diamond Project ("the Project") has been submitted to the Saskatchewan Ministry of Environment. The Ministry is the lead agency on behalf of the province and the Canadian Environmental Assessment Agency ("CEAA"), which are jointly conducting an environmental assessment of the Project. Shore seeks regulatory approval of the Star - Orion South Diamond Project and associated infrastructure. The EIS will be reviewed as part of the Environmental Impact Assessment of the Project pursuant to the *Canadian Environmental Assessment Act* and Saskatchewan's *Environmental Assessment Act*.

The submission of the EIS is in furtherance of regulatory approval for the Project. Environmental assessment and approval of the open pit mining envisaged by the Project is required prior to development. Submission of the EIS is the culmination of over six years' work on detailed baseline studies and analysis of all aspects of the environment near the Project and in the region of the proposed mine site in the Fort à la Corne forest, some 60 kilometres east of Prince Albert in central Saskatchewan. In addition to presenting the predicted environmental effects, the EIS also documents several years of public engagement activities undertaken by Shore with local communities, stakeholders, and First Nations and Métis people.

Submission of the EIS enables provincial and federal authorities to fully review all environmental effects of the Project, and to engage the public concerning Project development decisions and any conditions government proposes to attach to any development approval. It will also be the subject of consultations between provincial and federal regulators and First Nations and Métis people who assert that the Project would be located on or near lands traditionally used by them for activities such as hunting, fishing and berry gathering.

Senior Vice President of Exploration & Development, George Read states: "The completion of baseline environmental studies, together with ongoing public and Aboriginal engagement activities, have enabled Shore to submit a comprehensive EIS to provincial and federal regulators. This document is the end result of years of rigorous work. We believe any development must proceed with respect for the environment and in consultation with communities. We look forward to working with federal and provincial regulators, and communities, during the review of the EIS. The submission of the completed EIS is a significant milestone in the Company's continued efforts to establish Saskatchewan's first diamond mine."

The review by both federal and provincial governments will run concurrently and will include notification to and dialogue with the public, as well as consultation with Aboriginal groups. The EIS review process is anticipated to continue throughout 2011 and into 2012. While provincial authorities have jurisdiction over most aspects of the Project, federal officials will conduct a Comprehensive Review of the EIS with particular focus on certain issues within federal jurisdiction, principally any effects on fish habitat, water diversions and water crossings. After full review, Saskatchewan's Ministry of Environment will issue Technical Review Comments and federal authorities will prepare a Comprehensive Study Report. Both documents will be made

available for public review and comment. Once all processes are complete, provincial and federal authorities may approve or deny development, and impose conditions on any development.

The EIS will be released for public comment by the Saskatchewan Ministry of Environment once the document has been reviewed and, if necessary, amended as may be required by the Ministry. It is anticipated that this will occur in the first quarter of 2011. The Executive Summary of the EIS can be viewed on the company's website: www.shoregold.com.

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

This news release contains forward-looking statements as defined by certain securities laws, including the "safe harbour" provisions of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project", "guidance", "may", "will", "should", "could", "estimate", "predict" or similar words suggesting future outcomes or language suggesting an outlook. In particular, statements regarding Shore's future operations, future exploration and development activities or other development plans constitute forward-looking statements. Forward-looking statements in this press release include, but are not limited to, the timing and nature of the review of the EIS, the potential impact of the review on the Project schedule, any revisions to the EIS as may be requested by the provincial and federal regulators, and any conditions related to the anticipated approval of the Project.

These forward-looking statements are based on Shore's current beliefs as well as assumptions made by and information currently available to it and involve inherent risks and uncertainties, both general and specific. Risks exist that forward-looking statements will not be achieved due to a number of factors including, but not limited to, the ability of the provincial and federal governments to undertake the required review, the impact of the public consultation period associated with the Environmental Impact Assessment process, 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. Shore's anticipation of and success in managing the foregoing risks could cause actual results to differ materially from what is anticipated in such forward-looking statements.

Although management considers the assumptions contained in forward-looking statements to be reasonable based on information currently available to it, those assumptions may prove to be incorrect. When making decisions with respect to Shore, investors and others should not place undue reliance on these statements and should carefully consider the foregoing factors and other uncertainties and potential events. Unless required by applicable securities law, Shore does not undertake to update any forward-looking statement that is made herein.

For further information please contact:

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