



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

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Saskatoon, Saskatchewan**

**STAR – ORION SOUTH DIAMOND PROJECT
RISING ROUGH DIAMOND PRICES STRENGTHEN PROJECT ECONOMICS**

George H. Read, P. Geo., Senior Vice President Exploration & Development, is pleased to announce the completion of a revaluation of the diamond parcels from the Star and Orion South Kimberlites. The parcel prices show increases between 11 and 19 percent above the March 2008 prices that are used in the current financial model and mineral reserve estimate for the Star – Orion South Diamond Project. Modeled prices ranging between US\$116 and US\$344 per carat have been determined for the diamond populations of the major kimberlite units that make up the Star and Orion South Kimberlites. These updated modeled diamond prices will have a significant positive effect on the future economics of the Star – Orion South Diamond Project. The effect of increased diamond prices on Project economics is twofold: increased diamond prices enable recalculation of the Star and Orion South open pits resulting in a probable increase in mineral reserves as well as an immediate positive effect of increased diamond prices in the financial model, which is very sensitive to diamond prices. All price figures are expressed in US dollars.

Five principal kimberlite units are included in the mineral resource and reserve estimates for the Star Kimberlite: Cantuar, Pense, Early Joli Fou (EJF), Mid Joli Fou (MJF) and Late Joli Fou (LJF). Diamond parcels representative of these individual kimberlite units have been re-valued to determine modeled diamond prices that are to be used in updated mineral resource and reserve calculations for the Star Kimberlite. MJF and LJF diamonds were combined during original mining due to the small sample size. The results are as follows:

Star Kimberlite Unit	Carats	Parcel Price (\$/carat)	Model Price (\$/carat)	Minimum Price (\$/carat)	High Price (\$/carat)	Parcel Price Percentage Increase from March 2008
Cantuar	1,126.32	229	344	278	482	19
Pense	1,410.73	92	116	98	144	17
EJF	7,123.10	136	194	160	258	19
MJF-LJF	80.09	97	118	83	173	16

Two principal kimberlite units account for most of the resource estimate for the Orion South Kimberlite: Pense and Early Joli Fou (EJF). Diamond parcels representative of these individual kimberlite units have been re-valued to determine modeled diamond prices that are to be used in the updated mineral resource and reserve calculation for the Orion South Kimberlite. The results are as follows:

Orion South Kimberlite Unit	Carats	Parcel Price (\$/carat)	Model Price (\$/carat)	Minimum Price (\$/carat)	High Price (\$/carat)	Parcel Price Percentage Increase from March 2008
EJF	1,400.32	114	144	119	207	17
Pense	581.93	63	121	100	148	11

These parcel and modeled prices were determined by WWW International Diamond Consultants Limited (“WWW”), an industry leading rough diamond valuation and consulting company. In this current valuation exercise WWW have applied their April 13, 2010 price book to parcels that have previously been valued in October 2007 and March 2008 for Star, and June 2009 for Orion South.

These valuations were determined on underground diamond parcels totaling 10,309.07 carats for Star and 2,320.20 carats from Orion South. Star diamonds weighing 509.25 carats (mixed EJF-Cantuar material) and 59.58 carats (surface stockpile clean-up) have not been included in the diamond populations used for the determination of these modeled prices to ensure the integrity of the parcels and the accuracy of the modeled prices. This explains the difference between this total of 9,740.24 carats and the overall Star parcel total of 10,309.07 carats. Orion South diamonds weighing 331.42 carats (OS-Transitional EJF-Pense) and 6.47 carats (LJF) have not been included in the diamond populations used for the determination of these modeled prices. This explains the difference between this total of 1,982.31 carats and the overall Orion South parcel total of 2,320.20 carats. The 10,309.07 carat Star parcel is currently valued at \$1,498,889.00 which gives an average parcel price of \$145 per carat. The latest diamond parcel price for Star is 38 percent higher than the parcel price determined for the same parcel in October 2007.

The 2,320.20 carat Orion South parcel is currently valued at \$203,775.00 which gives an average parcel price of \$101 per carat. The parcel price is the price in US dollars per carat at which these valued goods would currently sell in a diamond trading centre such as Antwerp, Belgium. The following two tables document the evolution of the parcel price for the total parcels from Star and Orion, as well as for the individual kimberlite units.

Star Kimberlite	October 2007 (\$/carat)	March 2008 (\$/carat)	April 2010 (\$/carat)	Percentage Increase Oct 2007 to Apr 2010
Star Total (10,309.07 carats)	105	122	145	38
Cantuar	166	193	229	38
Pense	69	79	92	33
EJF	99	115	136	37
MJF/LJF	74	84	97	31

Orion South Kimberlite	March 2008 (\$/carat)	April 2010 (\$/carat)	Percentage Increase Mar 2008 to Apr 2010
Orion South Total (2,320.20 carats)	86	101	17
EJF	98	114	16
Pense	57	63	11

The modeled price is determined using statistical methods to estimate the average value of diamonds that will be recovered from potential future production from the Star and Orion South Kimberlites based on the valuation of the parcels for each lithology at current diamond prices. The difference between the parcel price and the modeled price results from under sampling of the top end (plus 5 carat) of the diamond size frequency distribution by the current bulk sample. The Star Cantuar modeled price of \$344 lies between a “minimum” of \$278 and a “high” of \$482. While the \$278 minimum is a base price below which the Cantuar price is not expected to fall, the \$482 is referred to as a “high” and not a “maximum” as there is potential to rise above this high price. Diamond price inevitably rises once production commences due to representative recovery of the large, high value goods, thus making the “high” value attainable.

Richard Wake Walker of WWW International Diamond Consultants, who participated in all the valuations, states: “As noted at previous valuations, WWW observed in its report that the Shore Gold

samples are commercially very attractive. They are characterised by well-formed models with relatively few broken pieces. In the better quality diamonds there were both rounded dodecahedrons as well as fine shaped crystals. There were relatively few dark yellow or dark brown diamonds and also very little boart. The quantity of clean, well shaped sawables in the smaller sizes was surprisingly high. Although the overall colour is not as high as in some other Canadian productions, the number of stones larger than 10 carats in the Cantuar sample is remarkable.”

Senior Vice President Exploration & Development, George Read, states: “Shore is very pleased with these strong modeled diamond prices, which will enable the recalculation the Star - Orion South Diamond Project Mineral Reserve using increased revenue per tonne values. The diamond populations from both Star and Orion South EJV Kimberlites and Star Cantuar Kimberlite have unusually coarse size frequency distributions and large stones (greater than 100 carats) are anticipated in future production. The Star – Orion South Diamond Project processing plant, which is in the final stage of planning, is designed to recover diamonds between 1 and 45 millimetres, which will accommodate stones up to 800 carats, depending on their shape. The current high price of rough is a function of supply and demand, which may become more pronounced in the future as old mines decline in production and close and limited new projects are developed to take their place. The Star – Orion South Diamond Project will play a significant role in future diamond production.”

Senior Vice President Exploration and Development, George Read, Professional Geoscientist in the Provinces of Saskatchewan and British Columbia, is Shore’s 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

This news release contains forward-looking statements as defined by certain securities laws, including the "safe harbour" provisions of the Ontario Securities Act and the United States Private Securities Litigation Reform Act of 1995. 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, and, in particular, statements regarding Shore's future operations, future exploration and development activities or other development plans containing forward-looking statements.

These forward-looking statements are based on Shore's current beliefs as well as assumptions made by and information currently available to Shore and involve inherent risks and uncertainties, both general and specific, 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.

Risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved due to a number of factors including, but 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. 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 may be made.

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