



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

**March 31, 2011
Saskatoon, Saskatchewan**

STAR - ORION SOUTH DIAMOND PROJECT CONSTRUCTION AGREEMENT SIGNED WITH SASKPOWER

George H. Read, P. Geo., Senior Vice President Exploration and Development, is pleased to announce that Shore Gold Inc. ("Shore" or "the Company") has entered into a Construction Agreement with the Saskatchewan Power Corporation ("SaskPower") to design and construct a 230 kilovolt power line of some 21 kilometres, to the Company's Star - Orion South Diamond Project (the "Project") by mid to late 2013.

Senior Vice President Exploration and Development, George Read, states: "The execution of this Construction Agreement with SaskPower is an important step in the process leading up to the development and operation of Saskatchewan's first diamond mine, and ensures SaskPower will have the generation capacity required for the Project's anticipated power requirements. This agreement with SaskPower maintains the Project development schedule proposed by the Prefeasibility Study released last year, which anticipates diamond production in 2016."

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 within the meaning of 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, statements related to the anticipated construction timelines of the SaskPower line, anticipated power requirement for the proposed diamond mine, and statements relating to the development schedule, operation and production of the Star-Orion South diamond mine.

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 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. Unless required by applicable securities legislation, Shore does not undertake to update any forward-looking statement that may be contained herein.

For further information please contact:

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