



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

**May 14, 2008  
Saskatoon, Saskatchewan**

## **SHORE GOLD INC. ANNOUNCES FIRST QUARTER RESULTS**

Shore Gold Inc. (“Shore” or the “Company”) reports that the unaudited results of Shore’s operations for the quarter ended March 31, 2008 will be filed today on SEDAR and may be viewed at [www.sedar.com](http://www.sedar.com) once posted. A summary of key financial and operating results for the quarter is as follows:

### ***Highlights***

- Expenditures of \$8.9 million on the Company’s share of the Fort à la Corne Joint Venture (“FALC-JV”) exploration program, \$1.9 million on the Star Diamond Project advanced exploration program and \$2.3 million on other properties (which includes \$2.1 million on the Buffalo Hills Joint Venture exploration program)
- Advancement of the shaft sinking on Orion South to its final depth of 210 metres below surface by mid-May
- First two sets of diamond results from samples collected from the Orion South shaft averaged 16.93 carats per hundred tonnes, including a 15.88 carat diamond
- Announcement of project budgets for 2008, consisting of \$7.0 million for the Star Diamond Project advanced exploration program, \$86.8 million for the FALC-JV exploration program, \$3.5 million for the Buffalo Hills Joint Venture exploration program and \$0.9 million for exploration drilling of other kimberlite targets contained within Shore’s mineral claims
- Working capital of \$51.8 million at March 31, 2008
- Issued and outstanding shares of 182,684,242 at March 31, 2008

### **Overview**

#### ***FALC-JV Exploration Programs***

During the first quarter of 2008, the first two sets of diamond results from underground bulk sampling of Orion South were announced earlier in 2008 (See SGF News Release February 5, 2008 and SGF News Release March 4, 2008), with diamond recoveries totaling 363.08 carats from 2,144.86 dry tonnes processed for an average of 16.93 carats per hundred tonnes (“cpht”). The underground bulk sampling diamond results were from samples collected from the sinking of the shaft from depths of 101.9 metres to 148.6 metres. Included in these results is a 15.88 carat diamond, the largest diamond recovered to date from any of the Orion kimberlites located within the FALC-JV. This 15.88 carat diamond is a freshly broken fragment, suggesting that this stone came from a considerably larger diamond. These initial bulk sample diamond results confirm that kimberlite with elevated diamond grade (greater than 15 cpht) occurs at high levels in Orion South, in close proximity (some 2 metres) to the overlying glacial sediments. EJV kimberlite was not only intersected at shallower depths than in the Star Kimberlite shaft, but the EJV sampled to date shows higher grades than the EJV sampled in the shaft on the Company’s Star Diamond Project. Existing LD drilling results suggest that the Pense will

have a lower grade than the EJF but the EJF is the dominant lithology in Orion South, accounting for more than 60 percent of the total rock volume. As of May 9, 2008 the shaft has reached its final depth of 210 metres below surface. Once the shaft is completed, lateral drifting will commence.

### ***Star Diamond Project Advanced Exploration Program***

The Star Diamond Project has now advanced from a capital intensive data gathering exercise to lower cost desk-top engineering studies and data analysis. The Company has collected all data required for the estimation of a Mineral Resource conforming to NI 43-101 and Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") standards and is awaiting the finalization of a NI 43-101 compatible resource estimation by its independent consultant. Completion of the resource estimate is required before a fully optimized, conceptual mine plan can be determined, operating and capital parameters set, and a financial model established. Based on current timelines the Company anticipates a Mineral Resource estimate to be defined within the second quarter of 2008, followed by a Mineral Reserve and a full feasibility study. The 2008 budget for the Star Diamond Project of \$7.0 million (100 percent Shore) includes all costs up to and including the delivery of a full feasibility study for the Star Diamond Project (See SGF News Release January 17, 2008).

### ***Buffalo Hills***

The Buffalo Hills Joint Venture participants are Shore (22.5 percent), Diamondex Resources Ltd. ("Diamondex") (22.5 percent), EnCana Corporation (43 percent) and Pure Diamonds Exploration Inc. (12 percent). Diamondex has been appointed operator of the Buffalo Hills Joint Venture. Shore and Diamondex have the option to increase their combined interest in the joint venture to 72.5 percent by funding the next \$15 million of exploration expenditures before April 30, 2010.

Following the review of historical geological data by a technical team from Shore and Diamondex, a 2008 exploration program and budget of \$7 million was determined of which Shore will fund \$3.5 million (See SGF News Release January 17, 2008).

A winter drill program was carried out during the quarter on two (K14 and K252) of the six kimberlite bodies (K91, K225, K14, K252, K6 and K5) of the central corridor of the Buffalo Hills property slated for drilling in the year as part of the approved 2008 exploration drill program. In total twenty-eight PQ sized core drill holes were completed for a total of over 4,600 metres. In addition, drill pads and access roads were prepared to many of the remaining planned drill sites. Further drilling on the remaining priority bodies is expected to occur in the third quarter once the ground has dried out sufficiently after spring thaw. Diamondex has requested Shore to perform core logging and process mini-bulk samples (378.22 tonnes from K6 and K14) on behalf of the Buffalo Hills Joint Venture, which Shore carried out during the quarter. The concentrates from these mini-bulk samples have been sent to a third party to process final diamond recoveries.

## Year to Date Results

For the quarter ended March 31, 2008, the Company recorded a net loss of \$2.2 million or \$0.01 per share compared to a net loss of \$4.2 million or \$0.02 per share for the same period in 2007. The net loss in 2008 was primarily due to the fair value of stock-based compensation expensed during the quarter (\$1.9 million). The Company generated lower interest income for the first quarter of 2008 compared to the same period in 2007 which was the result of having less cash on hand after spending over \$63.6 million on exploration projects and acquisitions (22.5 percent interest in the Buffalo Hills Joint Venture) during the previous year as well as \$17 million in third-party asset-backed commercial paper (“ABCP”) being frozen since August of 2007. The net loss during the quarter ended March 31, 2007 was primarily due to the fair value of stock-based compensation expensed during the quarter (\$4.2 million).

### Selected financial highlights include:

<b>Consolidated Balance Sheets</b>	<b>As at March 31, 2008</b>	<b>As at December 31, 2007</b>
Current assets	\$ 59.3 M	\$ 75.4 M
Capital and other assets	757.5 M	743.7 M
Current liabilities	7.5 M	10.1 M
Future income tax and other long-term liabilities	113.5 M	105.3 M
Share capital	760.2 M	768.3 M
Contributed surplus	24.9 M	22.5 M
Deficit	89.3 M	87.1 M

<b>Consolidated Statements of Income (Loss)</b>	<b>For the Quarter Ended March 31, 2008</b>	<b>For the Quarter Ended March 31, 2007</b>
Interest Income	\$ 0.6 M	\$ 1.3 M
Operating Expenses	2.9 M	5.3 M
Loss for the period before other items	(2.3) M	(4.0) M
Income tax recovery (expense)	0.1 M	(0.1) M
Other loss	- M	(0.1) M
Net loss for the period	(2.2) M	(4.2) M
Loss per share (basic and diluted)	(0.01)	(0.02)

<b>Consolidated Statements of Cash Flows</b>	<b>For the Quarter Ended March 31, 2008</b>	<b>For the Quarter Ended March 31, 2007</b>
Cash flows from operating activities	\$ (1.4) M	\$ (0.2) M
Cash flows from investing activities	(8.7) M	7.0 M
Cash flows from financing activities	- M	1.0 M
Net increase (decrease) in cash	(10.1)M	7.8 M
Cash – beginning of period	31.8 M	64.7 M
Cash – end of period	21.7 M	72.5 M

## Outlook

As of May 9, 2008, the Company had approximately \$48.8 million in cash and cash equivalents and short-term investments. These funds will be used to complete the advanced exploration program on the Star Kimberlite, to fund the Company’s portion of the FALC-JV and the Buffalo Hills Joint Venture exploration programs and general corporate matters. Cash and cash equivalents and short-term investments may also be used to fund various other exploration activities as well as acquisition and exploration of additional properties (as opportunities warrant). The advanced exploration program of the Star Kimberlite will be conducted in order to determine the project’s viability under

current economic conditions. This will entail desk-top engineering studies and data analysis which will integrate kimberlite tonnes and diamond data to define a Mineral Resource conforming to NI 43-101 and Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") standards. Based on current timelines the Company anticipates a Mineral Resource estimate to be defined within the second quarter of 2008, followed by a Mineral Reserve and a full feasibility study. The FALC-JV has similar objectives; however, based on the stage of current exploration programs on the Orion Cluster, a Mineral Resource estimate is not anticipated for any of the FALC-JV's diamondiferous kimberlite bodies until the end of 2009 or later.

### Caution Regarding Forward-looking Information

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 Securities legislation in Canada and the United States Private Securities Litigation Reform Act of 1995. Shore may make such statements in press releases, 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 nature 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 advanced evaluation 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 partner; 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.

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