

NEWS RELEASE

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Saskatoon, Saskatchewan

**STAR DIAMOND PROJECT
NI 43-101 INDICATED MINERAL RESOURCE:
123 MILLION TONNES, 13.6 CPHT, 17 MILLION CARATS**

George H. Read, P. Geo., Senior Vice President Exploration and Development, is pleased to announce the NI 43-101 compliant, risk adjusted, Mineral Resource estimate for the explored portion of the Star Kimberlite as prepared by an independent Qualified Person (“QP”) from AMEC Americas Limited (“AMEC”). The Mineral Resource estimate, received from AMEC on June 2, 2008, includes Indicated Resources of 122.7 million tonnes at a grade of 13.6 carats per hundred tonnes (“cpht”) and Inferred Resources of 30.3 million tonnes at a grade of 13.1 cpht. The following table summarizes the details of the NI 43-101 Mineral Resource as prepared by AMEC.

Table 1. Mineral Resource Statement for the Star Kimberlite including the Star Diamond Project (100% Shore) and Star West (60% Shore, 40% Newmont). Reported Lithologies: Cantuar, Pense, Early Joli Fou (EJF), Mid Joli Fou (MJF) and Late Joli Fou (LJF).

Resource Category	Kimberlite Lithology	Dry Tonnes (x1,000)	Grade (cpht)	Carats (x1,000)	Price (US\$/carat)	Percentage Carats Star/Star West
Indicated	Cantuar	10,521	13.4	1,410	420	42/58
Indicated	Pense	6,273	13.6	853	126	100/0
Indicated	EJF	90,240	14.9	13,446	216	69/31
Indicated	MJF	15,653	6.0	939	152	1/99
Indicated	LJF	0	3.5	0	152	0
Indicated	Total	122,687	13.6	16,648	225	63/37
Inferred	Cantuar	2,777	13.3	369	420	35/65
Inferred	Pense	2,769	14.6	404	126	100/0
Inferred	EJF	24,640	12.9	3,179	216	65/35
Inferred	MJF	88	4.9	4	152	0/100
Inferred	LJF	0	2.8	0	152	0
Inferred	Total	30,274	13.1	3,956	226	61/39

In addition to the Mineral Resource estimate determined by AMEC, a further 100 to 120 million tonnes of the Star Kimberlite is designated a ‘potential mineral deposit’, as detailed core logging, whole rock geochemistry, geophysical and density measurements confirm the geological continuity from the Inferred Resource into this part of the kimberlite, which is contained within the 276 million tonnes originally defined in the geological model for the Star Kimberlite (Shore News Release Oct 17, 2006). The 100 to 120 million tonne potential mineral deposit, at a present estimated grade of 10 to 13 cpht, is conceptual in nature and is not a resource estimate. Further exploration work is under consideration for the Star Kimberlite, but it is uncertain if additional exploration work will lead to the kimberlite presently included in the potential mineral deposit being upgraded to a resource category.

The Star Kimberlite is one of the largest diamond bearing kimberlites in the world, with a surface area totaling some 352 hectares situated within claims of both the Star Diamond Project (100 percent Shore) and the adjacent Fort a la Corne Joint Venture (FALC-JV: 60 percent Shore and 40 percent Newmont Mining Corporation of Canada Limited (“Newmont”), referenced in this news release as “Star West”). The Mineral Resource estimate prepared by AMEC includes kimberlite volume, density and tonnage data collected during the surface and underground core drilling program comprising 270 surface core holes (18,020 metres of kimberlite) and 211 underground core holes (15,933

metres of kimberlite), diamond and tonnage data from underground bulk sampling (69,056 dry tonnes, 10,582 carats and 80,669 stones) and diamond and tonnage data from the mini-bulk samples recovered from the extensive large diameter drilling (“LDD”) program on Star (88 holes, 8,447 metres of kimberlite, 18,956 dry tonnes, 1,337 carats and 14,433 stones). This Mineral Resource estimate uses a 1.0 millimetre bottom diamond size cut-off and considers all kimberlite above 71 metres above sea level or to a depth of 350 metres below surface. Diamond values are based on the March 2008 high modeled price by WWW International Diamond Consultants Ltd (“WWW”).

CIM standards and securities commission disclosure regulations require that a resource can only be declared on a mineral deposit which has “reasonable prospects of economic extraction”. The reported mineral resources for the Star deposit are constrained using a Lerchs-Grossmann (“LG”) economic pit shell, generated using the Whittle software package. The economic assumptions used are as follows:

1. **Diamond Prices:** Due to the positive performance of rough diamond prices in early 2008, the Star diamond parcel was revalued by WWW in March 2008 and the revised modeled diamond prices have been used in this resource estimate – see Table 2. Further price increases have been reported in the rough diamond market since this valuation in March 2008. The ‘High’ price valuations were used for pit shell generation.

Table 2. March 2008 Re-price of Star Diamond Parcel

Kimberlite Lithology	Carats	Parcel Price (\$/carat)	Model Price (\$/carat)	Minimum Price (\$/carat)	High Price (\$/carat)
Cantuar	1,126.32	\$193	\$309	\$247	\$420
Pense	1,410.73	\$79	\$103	\$88	\$126
EJF	7,123.10	\$115	\$167	\$138	\$216
MJF-LJF	80.09	\$84	\$105	\$75	\$152
Total	9,740.24	\$120	\$172	\$141	\$225

2. **Grade:** An essential component of the Mineral Resource estimate relies on the reconciliation of the diamond grades from the underground samples with those calculated for the LDD samples. The LDD sampling method underestimates the true diamond grade and price due to limited sample size, diamond breakage and diamond loss. Factors were calculated for the LDD results to reconcile them with the higher diamond grades reported from the underground bulk sampling. However, in their resource estimate, AMEC have applied two levels of risk adjustment to lower the factors with increasing distance from the central part of the Star Kimberlite.
3. **Metallurgical Recovery:** 100 percent.
4. **Process and Overhead Costs:** \$5.08 per tonne processed.
5. **Mining Cost:** \$0.99 per tonne mined for overburden and \$1.34 per tonne mined for kimberlite and country rock. These costs include a sustaining capital allowance of \$0.11 per tonne mined and a dewatering cost of \$0.03 per tonne mined. Waste rock received an additional waste rehabilitation cost of \$0.02 per tonne.
6. **Pit slopes:** Pit slopes used were 18 degrees in the overburden and 30 degrees in the kimberlite and country rock. The waste to ore strip ratio is 5.87 on a partial block (undiluted) mineralization basis.
7. **Marginal Break-even Cut-off:** The marginal break-even cut-off for each kimberlite lithology was calculated as the sum of the mining, process and overhead costs divided by the diamond price, such that all material above cut-off is capable of covering the operational costs. The marginal cut-off grades applied in the resource estimate are Cantuar 1.21 cpht, Pense 4.03 cpht, EJF 2.35 cpht and MJF and LJF 3.34 cpht.

As part of the assessment of ‘reasonable prospects for economic extraction’, AMEC investigated whether the identified resource had the potential to pay back the capital on an undiscounted cash flow basis. A preliminary financial analysis was performed which achieved this objective, supporting the resource declaration. The Mineral Resource reported in Table 1 therefore comprises the kimberlite that is constrained within the Whittle pit and exceeds the economic cut off as determined by the parameters above.

Senior Vice President Exploration and Development, George Read, states: “The publication of this NI 43-101 resource estimate for the Star Kimberlite is a significant milestone in the evolution of the Star Diamond Project. This resource estimate relies significantly on LDD diamond results due to the distribution of LDD results across Star, in contrast to the more limited extent of the underground bulk samples. However, the Shore geological team is confident that the underground bulk sample results are a representative estimate of the diamond grades of a

significant portion of the kimberlite lithologies contained in Star – in particular the EJF, Cantuar and Pense Kimberlites. In addition, considerable upside exists in the 100 to 120 million tonnes of potential mineral deposit for which grades have not accurately been defined. The in situ revenue (Carats multiplied by Price), estimated for carats contained in the Indicated Resource, valued at current market prices, exceeds the revenue of many former and present diamond producers. An NI 43-101 compliant Technical Report on the Star Diamond Project that contains details of the resource estimate will be posted on SEDAR within 45 days of the publication of this news release.”

Shore commissioned the NI 43-101 Mineral Resource estimate for the Star and Star West properties pursuant to its obligation under NI 43-101 to prepare and file Technical Reports and as such, the Technical Report is the sole responsibility of Shore. Newmont did not participate in the preparation, supervision or review of the work associated with this exercise and takes no responsibility for the content or information included in the Technical Report or this press release. Shore is the exclusive owner of the Star Diamond Project. The Star West property is held by the Fort a La Corne Joint Venture between Shore as the operator and 60 percent owner and Newmont as the owner of a 40 percent interest.

Mr. Ken Brisebois (B.A.Sc., Geological Engineering, University of Waterloo, Canada) (P.Eng.) of AMEC is the independent Qualified Person who supervised the preparation of the Mineral Resource estimate for the Star Kimberlite. Mr. Brisebois has 22 years of worldwide experience in mining resource and reserve assessments and related work and has worked on several diamond resource estimates in North America. His specialties include technical resource and reserve risk assessment, resource and reserve audits, geostatistical and geological modeling, ore and grade control, resource classification, groundwater and contaminant modeling, scientific data 3D visualization and geoscience computer software design. Dr. Harry Parker of AMEC and Mr. M.M. (Tinus) Oosterveld, with a combined resource estimation experience of over 80 years, were closely involved in the Mineral Resource estimation process for the Star Kimberlite. Dr. Parker (B.Sc. and PhD. Geology, Stanford University (1967, 1975), A.M. Geology, Harvard University (1969), M.Sc. Statistics, Stanford University (1974)) has more than 40 years of experience in geological studies, and specializes in geostatistics and in resource/reserve evaluation to support project financing, acquisitions and privatization. He is an internationally recognized expert in geology/mining ore reserve studies, geostatistical analyses, audits and feasibility studies. Dr. Parker pioneered the use of conditional simulation to predict recoverable reserves, and to develop new grade control techniques. He has worked on projects in dozens of countries and 15 US states. Mr. Oosterveld (M.Sc., Mining Engineering, Delft Technical University, Netherlands) was employed by Anglo American Corporation and De Beers Consolidated Mines Ltd. for more than 30 years, during which time he was in charge of De Beers' Mineral Resource Department and responsible for the assessment of kimberlite deposits throughout the world. Mr. Oosterveld also has more than a decade of experience as an independent diamond resource consultant. He is regarded as one of the leading authorities in diamond resource evaluation and diamond geostatistics. AMEC consents to the statement of Indicated and Inferred mineral resources contained herein.

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

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 the Ontario Securities Act and the United States Private Securities Litigation Reform Act of 1995. Shore may make such statements in this press release, 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 import are intended to identify forward-looking statements. In particular, statements regarding Shore's future operations, future exploration and development activities 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 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, 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.

For further information please contact:

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