



NEWS RELEASE

Stock Symbol: SGF: TSX

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Saskatoon, Saskatchewan

**STAR - ORION SOUTH DIAMOND PROJECT
MEMORANDA OF UNDERSTANDING SIGNED WITH
METIS NATION - SASKATCHEWAN EASTERN REGION II AND WESTERN REGION II**

Eric Cline, Vice President Corporate Affairs of Shore Gold Inc. ("Shore" or the "Company") is pleased to announce that the Company has signed Memoranda of Understanding ("MOU") with both the Métis Nation - Saskatchewan Eastern Region II ("Eastern Region II") and the Métis Nation - Saskatchewan Western Region II ("Western Region II"), committing the parties to a process of discussion. It has been agreed that discussions will be held around issues of potential education and training and employment and business opportunities for Eastern Region II and Western Region II members. These discussions could lead to further agreements containing specific processes or measures to promote such opportunities. The MOUs follow earlier agreements between Shore and the Eastern Region II and Western Region II concerning information gathering about traditional aboriginal land use in the Fort à la Corne forest, where Shore hopes to develop Saskatchewan's first diamond mine. These information gathering agreements concern the preparation of an Environmental Impact Statement ("EIS"), while the MOUs begin a process contemplating potential opportunities for Métis people should a production decision be made by the Company following environmental approval.

The Company is working towards making a production decision on the Star – Orion South Diamond Project, which is some 60 kilometres east of Prince Albert. The Company is currently finalizing the preparation of an EIS for submission to the Saskatchewan Ministry of Environment. The area of the proposed mine site is asserted by Eastern Region II and Western Region II to be part of the traditional territory of their members.

Vice President Corporate Affairs Eric Cline stated: "We look forward to working with Eastern Region II and Western Region II to explore ways in which all members of the community, including nearby Métis and First Nations people, can benefit from the economic development diamond mining in Saskatchewan would bring. We feel that together, over the months ahead, we can agree on ways to work to achieve that end for members of the Eastern Region II and the Western Region II."

Eastern Region II covers a large portion of east-central Saskatchewan, and has its regional office at Archerwill, Saskatchewan. Western Region II covers a large portion of north-central Saskatchewan, and has its regional office at Prince Albert. 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".

For further information please contact:

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