



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

**August 13, 2009**  
**Saskatoon, Saskatchewan**

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

Shore Gold Inc. (“Shore” or the “Company”) reports that the unaudited results of Shore’s operations for the quarter ended June 30, 2009 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***

- Continued positive progress on the Star Diamond Project pre-feasibility study
- Announced diamond results from Large diameter (“LD”) drilling previously performed on the Orion South, Orion North and Taurus Kimberlite clusters
- Announced release by the Environmental Assessment Branch of the Saskatchewan Ministry of Environment of draft project-specific guidelines for the Star - Orion South Diamond Project
- Working capital of \$19.0 million at June 30, 2009
- Issued and outstanding shares of 199,904,242 at June 30, 2009

### **Overview**

#### ***Star Diamond Project***

The Company is progressing on the Star Diamond Project pre-feasibility study. This primarily involves desk-top engineering studies and data analysis required to convert the Mineral Resource to a Mineral Reserve conforming to NI 43-101 and CIM standards. Shore anticipates the delivery of a final feasibility study on the Star Diamond Project by the end of the first quarter of 2010.

The Environmental Assessment Branch of the Saskatchewan Ministry of Environment, in anticipation of the environmental assessment of the Star - Orion South Diamond Project, recently made draft project-specific guidelines available for public review and comment (See SGF News Release July 13, 2009). The Company must conduct an Environmental Impact Assessment and prepare an Environmental Impact Statement, which the public and Ministry of Environment will use to evaluate the environmental implications of the proposed development.

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

During the second quarter of 2009, the Company announced diamond results from LD drilling programs performed to date on the FALC-JV’s Orion South (See SGF News Release May 6, 2009), Orion North (See SGF News Releases May 19, 2009 and June 16, 2009) and Taurus Kimberlite clusters (See SGF News Release June 4, 2009). The Early Joli Fou (“EJF”) Inner Area Kimberlite Units of these bodies have been identified by Shore as high priority targets for exploration. The EJF Inner Area Kimberlite Units represent coarser grained EJF kimberlite and the EJF Outer Area Kimberlite Units

include finer grained EJF kimberlite. Underground bulk and LD drilling mini-bulk samples of the Star Kimberlite and the FALC-JV's Orion South Kimberlite have shown that higher grades and larger diamonds are found within the EJF Inner Area Kimberlite Units. The following table summarizes the LD drilling results by ore body that were released during the quarter.

#### ***LD Drilling Mini-bulk Sampling Diamond Results Announced During the Quarter***

FALC-JV Kimberlite	Overall		EJF Inner Area Kimberlite Unit		Largest Diamond Recovered (carats)
	Grade (cpht)	Tonnes Processed	Grade (cpht)	Tonnes Processed	
<b>Orion South– K140/K141</b>	11	9,302	19	3,519	10.53
<b>Orion North – K120</b>	11	2,668	15	1,730	7.53
<b>Orion North – K147/K148</b>	8	2,284	12	1,088	6.89
<b>Taurus – K122</b>	9	1,153	11	610	7.99
<b>Taurus – K118</b>	11	889	13	464	3.42
<b>Taurus – K150</b>	10	677	12	498	2.85

#### ***Orion South***

The LD drilling and underground grade data both show that the EJF Inner Area Kimberlite Unit at Orion South has a similar grade to the EJF Inner Area Kimberlite Unit of the near-by Star Kimberlite. The Company is currently performing the necessary desktop engineering studies and data analysis for the pending initial NI 43-101 compliant Mineral Resource on Orion South. During the fourth quarter of 2008, a project proposal for a Star-Orion South Diamond Project was submitted to the Environmental Assessment Branch of the Saskatchewan Ministry of Environment and to various Federal agencies (See SGF News Release November 3, 2008). The project proposal contains a detailed project description of the Star-Orion South Diamond Project, which includes an open pit on the Star Kimberlite, a potential second open pit at Orion South, a common processing plant and associated infrastructure.

#### ***Orion North***

The Orion North Kimberlite Cluster ("Orion North") is one of the largest diamond bearing kimberlites in the world. Though a resource estimate has not yet been determined for Orion North, kimberlite tonnage estimates of 800-870 million tonnes of kimberlite, which are conceptual in nature, were published in the SGF News Release of November 21, 2006. No underground bulk sampling has been undertaken to date in Orion North.

The K120 Kimberlite within Orion North has a surface area totaling some 102 hectares situated within claims of the FALC-JV. The preliminary grade from LD drilling performed to date in the EJF Inner Area Kimberlite Unit of the K120 Kimberlite compares favourably with the grades of the EJF Inner areas in the Star and Orion South kimberlites. The EJF Inner Area Kimberlite Unit of the K120 Kimberlite is an extensive, relatively homogenous kimberlite unit that extends from the kimberlite-till interface to depths of more than 350 metres below surface. The extent and vertical continuity of this EJF Inner Area Kimberlite Unit are favourable factors in the event of future mining.

The K147-148 Kimberlite Complex located within Orion North has a surface area totaling some 394 hectares situated within claims of the FALC-JV. The drilling results from the EJF Inner Area Kimberlite Unit of the K147-148 Kimberlite Complex shows that large volumes of diamond bearing kimberlite exist and that these units require more detailed evaluation.

### **Taurus**

Taurus lies to the west of the Orion Cluster and includes eight coalescing kimberlites (K150, K118, K152, K218, K154, K155, K122 and K156) that result in over six kilometres of contiguous kimberlite (See SGF News Release February 25, 2008). While an initial geological model is currently in preparation for Taurus, examination of the internal geology, determined from core drilling, has confirmed extensive areas of EJF Inner Area Kimberlite Units within the K122, K118 and K150 Kimberlites. No underground bulk sampling has been undertaken to date in Taurus. The preliminary diamond grades and size of the largest stones recovered from the EJF Inner Area Kimberlite Units from the LD drilling performed to date confirm Taurus as a key target for future detailed exploration and evaluation.

### **Quarterly Results**

For the quarter ended June 30, 2009, the Company recorded a net loss of \$2.2 million or \$0.01 per share compared to a net loss of \$2.8 million or \$0.02 per share for the same period in 2008. Contributing to the loss during the quarter ended June 30, 2009 was the \$0.6 million write-down of mineral property expenditures incurred during the second quarter by the Company on certain of its mineral properties as well as the \$0.1 million impairment in fair value of long-term investments held by the Company. The loss for the quarter ended June 30, 2008 was primarily due to the \$2.0 million impairment in fair value of third-party asset-backed commercial paper (“ABCP”) held by the Company that was recorded during the quarter.

### **Year to Date Results**

For the six-month period ended June 30, 2009, the Company recorded a net loss of \$6.1 million or \$0.03 per share compared to a net loss of \$5.0 million or \$0.03 per share for the same period in 2008. Contributing to the loss during the six-month period ended June 30, 2009 was the \$6.3 million write-down of mineral property expenditures incurred by the Company on certain of its mineral properties as well as the \$0.5 million impairment in fair value of long-term investments held by the Company. For the six-month period ended June 30, 2009 the Company reported interest and other revenue of \$0.1 million compared to \$1.0 million for the six-month period ended June 30, 2008. This \$0.9 million decrease in revenue from the six-month period ended June 30, 2008 was from a reduction in the Company’s cash and cash equivalents after incurring on-going exploration expenditures on the Fort à la Corne and Buffalo Hills projects and from lower interest earned by the Company as a result of falling interest rates. The net loss for the comparative period in 2008 was primarily due to the fair value of stock-based compensation expensed (\$2.5 million) as well as the \$2.0 million impairment in fair value of ABCP.

## Selected financial highlights include:

<b>Consolidated Balance Sheets</b>	<b>As at June 30, 2009</b>	<b>As at Dec 31, 2008</b>
Current assets	\$ 19.6 M	\$ 35.4 M
Capital and other assets	227.3 M	231.6 M
Current liabilities	0.6 M	11.8 M
Long-term liabilities	1.6 M	1.6 M
Share capital	769.4 M	772.8 M
Contributed surplus	26.4 M	25.9 M
Deficit	551.1 M	545.1 M

<b>Consolidated Statements of Income</b>	<b>Three months Ended June 30, 2009</b>	<b>Three months Ended June 30, 2008</b>	<b>Six months Ended June 30, 2009</b>	<b>Six months Ended June 30, 2008</b>
Interest and other income	\$ - M	\$ 0.3 M	\$ 0.1 M	\$ 1.0 M
Operating expenses	1.5 M	1.5 M	2.7 M	4.5 M
Loss for the period before other items	(1.5) M	(1.2) M	(2.6) M	(3.5) M
Write-down of mineral properties	(0.6) M	- M	(6.3) M	- M
Change in fair value of investments	(0.1) M	(2.0) M	(0.5) M	(2.0) M
Loss from Wescan Goldfields Inc.	(0.1) M	(0.1) M	(0.1) M	(0.1) M
Future income taxes	0.1 M	0.5 M	3.4 M	0.6 M
Net and comprehensive loss for the period	(2.2) M	(2.8) M	(6.1) M	(5.0) M
Loss per share	(0.01)	(0.02)	(0.03)	(0.03)

<b>Consolidated Statements of Cash Flows</b>	<b>Three months Ended June 30, 2009</b>	<b>Three months Ended June 30, 2008</b>	<b>Six months Ended June 30, 2009</b>	<b>Six months Ended June 30, 2008</b>
Cash flows from operating activities	\$ (0.2) M	\$ (0.7) M	\$ (2.4) M	\$ (2.1) M
Cash flows from investing activities	(7.5) M	(1.2) M	(17.3) M	(9.9) M
Cash flows from financing activities	- M	0.5 M	- M	0.5 M
Net decrease in cash	(7.7) M	(1.4) M	(19.7) M	(11.5) M
Cash – beginning of period	10.6 M	21.7 M	22.6 M	31.8 M
Cash – end of period	2.9 M	20.3 M	2.9 M	20.3 M

## Outlook

As of August 5, 2009, the Company had approximately \$18.3 million in cash and cash equivalents and short-term investments. These funds will be used to complete the Star Diamond Project pre-feasibility study, to fund the planned FALC-JV and the Buffalo Hills Joint Venture exploration programs and for 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 Company continues with the Star Diamond Project pre-feasibility study. This primarily entails desk-top engineering studies and data analysis to convert the Mineral Resource to a Mineral Reserve conforming to NI 43-101 and CIM standards. The Company's intent is to have a NI 43-101 compliant Reserve estimate for the Star Diamond Project completed during the third quarter of 2009. Shore anticipates the delivery of a final feasibility study for the Star Diamond Project by the end of the first quarter of 2010. In addition, the Company anticipates an initial Mineral Resource estimate for Orion South to be available in the near term. It is the present focus to continue to evaluate the Star and Orion South Kimberlites to the point where a production decision can be made.

## **Technical Information**

All technical information in this press release has been prepared under the supervision of George Read, Senior Vice-President of Exploration and Development, Professional Geoscientist in the Provinces of Saskatchewan and British Columbia, and Shawn Harvey, Geology Manager, Professional Geoscientist in the Province of Saskatchewan, who are the Company's "Qualified Persons" under the definition of NI 43-101.

### ***Caution Regarding Forward-looking Statements***

This news release may contain 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 contain 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 it and involve inherent risks and uncertainties, both general and specific. Risks exist that 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. 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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