



**NEWS RELEASE**

**Stock Symbol: SGF: TSX**

**May 17, 2010**

**Saskatoon, Saskatchewan**

**STAR - ORION SOUTH DIAMOND PROJECT  
MEMORANDUM OF UNDERSTANDING  
SIGNED WITH STURGEON LAKE FIRST NATION**

Eric Cline, Vice President Corporate Affairs of Shore Gold Inc. ("Shore" or the "Company"), is pleased to announce that the company has signed a Memorandum of Understanding ("MOU") with the Sturgeon Lake First Nation ("Sturgeon Lake"). The MOU commits both parties to a process for the discussion of potential education and training, job and business opportunities for members of Sturgeon Lake. The result of such discussions could be a further agreement containing specific processes or measures to promote such activities. The MOU follows an earlier agreement between Shore and Sturgeon Lake concerning information gathering about traditional aboriginal land use. The information gathering agreement concerns the preparation of an Environmental Impact Statement which is required to be submitted to provincial and federal authorities for government and public review, while the MOU begins a process contemplating First Nations opportunities should a production decision be made in the event of environmental approval.

Shore is working towards making a production decision to establish Saskatchewan's first diamond mine in the Fort à la Corne region in central Saskatchewan, approximately 60 kilometres east of Prince Albert. The Company is currently preparing an Environmental Impact Statement and is engaged in other activities toward that end. The area of the proposed mine site is asserted by Sturgeon Lake to be part of its traditional territory.

Vice President Corporate Affairs Eric Cline stated: "We welcome the opportunity to work with Sturgeon Lake to find ways to ensure all members of the community, including nearby First Nations and Métis people, benefit from diamond mining in Saskatchewan. We are confident that over the months ahead we can agree on the best ways to work together to achieve that end for members of Sturgeon Lake First Nation."

Sturgeon Lake First Nation reserve lands are located approximately 55 km northwest of 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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