



**NEWS RELEASE**

**Stock Symbol: SGF: TSX**

**May 13, 2010**

**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, 2010 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***

- Announced a National Instrument (“NI”) 43-101 compliant combined pre-feasibility study (“PFS”) and Mineral Reserve estimate on the Star and Orion South Kimberlites (“Combined PFS”) of 279 million tonnes at a weighted average grade of 12.5 carats per hundred tonnes (“cph”) containing 35 million carats
- Announced information gathering agreements with certain First Nation and Métis communities
- Working capital of \$33.8 million at March 31, 2010
- Issued and outstanding shares of 224,454,242 at March 31, 2010

**Overview**

***Combined Star – Orion South Diamond Project***

During the first quarter of 2010, the Company’s main focus was the completion of the Combined PFS on the Star – Orion South Diamond Project in central Saskatchewan. The Combined PFS includes the 100 percent Shore owned Star Diamond Project (“Star”), as well as Star West and the Orion South Kimberlite, which fall within the adjacent Fort à la Corne Joint Venture (“FALC-JV”), of which Shore has a 63 percent (2009 – 60 percent) interest. The FALC-JV partners are Shore and Newmont Mining Corporation of Canada Limited (“Newmont”) (37 percent) (2009 – 40 percent).

The Combined PFS includes Probable Mineral Reserves of 279 million tonnes at a weighted average grade of 12.5 carats per hundred tonnes (“cph”) containing 35 million carats (See SGF News Release February 10, 2010). The net present value (“NPV”) of the Combined PFS is \$1.3 billion (using a 7 percent discount rate) with an internal rate of return (“IRR”) of 16 percent before taxes and royalties and an after-taxes and royalties NPV of \$786 million with an IRR of 13.5 percent. The Technical Report that documents the Combined PFS can be viewed on the Company’s website ([www.shoregold.com](http://www.shoregold.com)) or on SEDAR ([www.sedar.com](http://www.sedar.com)).

An additional 70 million tonnes of inferred resources and 180 to 220 million tonnes of kimberlite designated by Shore as a ‘potential mineral deposit’ lie outside the current PFS pit design, which defines the mineral reserves and resources in the Star and Orion South Kimberlites. These additional tonnes are conceptual in nature, and are not a resource estimate and it is uncertain if additional exploration work would lead to the tonnes presently included in the ‘potential mineral deposit’ being upgraded to a resource category. This ‘potential mineral deposit’ cannot be relied upon when considering any project economics.

Shore is in the process of preparing an Environmental Impact Statement (“EIS”) to submit to provincial and federal authorities, as part of the Environmental Impact Assessment (“EIA”)

required by provincial and federal legislation for proposed developments. To assist in the process, the Company was pleased to announce it had reached agreements with Sturgeon Lake First Nation, Métis Nation – Saskatchewan Eastern Region II and Métis Nation – Saskatchewan Western Region II to gather information on traditional aboriginal land use and traditional knowledge in the Fort à la Corne forest (See SGF News Release April 1, 2010). This information will be used in preparation of Shore’s EIS for the Star – Orion South Diamond Project.

### Year to Date Results

For the quarter ended March 31, 2010, the Company recorded net income of \$0.4 million or \$0.00 per share compared to a net loss of \$3.9 million or \$0.02 per share for the same period in 2009. Net income during the quarter ended March 31, 2010 was primarily due to the impact the renunciation of flow-through expenditures had on the Company’s future income taxes. The net loss for the comparative period in 2009 was primarily due to the \$5.7 million write-down of certain mineral property expenditures incurred during that quarter.

### Selected financial highlights include:

<b>Consolidated Balance Sheets</b>	<b>As at March 31, 2010</b>	<b>As at Dec 31, 2009</b>
Current assets	\$ 36.7 M	\$ 40.5 M
Capital and other assets	233.4 M	230.8 M
Current liabilities	2.9 M	2.1 M
Long-term liabilities	1.5 M	1.5 M
Share capital	792.0 M	795.3 M
Contributed surplus	27.5 M	26.6 M
Deficit	553.8 M	554.2 M

<b>Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)</b>	<b>For the Quarter Ended March 31, 2010</b>	<b>For the Quarter Ended March 31, 2009</b>
Interest and other income	\$ 0.1 M	\$ 0.1 M
Operating expenses	2.0 M	1.3 M
Loss for the period before other items	(1.9) M	(1.2) M
Write-down of mineral properties	(0.4) M	(5.7) M
Change in fair value of investments	0.1 M	(0.3) M
Loss from Wescan Goldfields Inc.	(0.8) M	- M
Future income taxes	3.4 M	3.3 M
Net income (loss) for the period	0.4 M	(3.9) M
Income (loss) per share (basic and diluted)	0.00	(0.02)

<b>Consolidated Statements of Cash Flows</b>	<b>For the Quarter Ended March 31, 2010</b>	<b>For the Quarter Ended March 31, 2008</b>
Cash flows from operating activities	\$ (1.8) M	\$ (2.2) M
Cash flows from investing activities	3.7 M	(9.8) M
Net increase (decrease) in cash	1.9 M	(12.0) M
Cash – beginning of period	2.6 M	22.6 M
Cash – end of period	4.5 M	10.6 M

### Outlook

As of May 5, 2010, the Company had approximately \$33.7 million in cash and cash equivalents and short-term investments. The Company is focused on advancing a unitized Star – Orion South Diamond Project based on the positive results of the Combined PFS. The positive forecast for the future of diamond prices and related improved economics of the Combined PFS support the Company’s view that the Star and Orion South Kimberlites can be economically developed as a world class diamond mine.

The Company's cash and cash equivalents and short-term investments will be used to perform certain required exploration and engineering work based on recommendations in the Combined PFS which will facilitate a production decision on the Star – Orion South Diamond Project. This will include desk-top engineering, data analysis, geotechnical and hydrogeological drilling programs, updating the March 2008 diamond price valuation used in the Combined PFS and advancing the EIS. The Company's funds will also be used to complete planned exploration programs on Buffalo Hills and for general corporate matters. Cash and cash equivalents and short-term investments may also be used to fund various other exploration activities, to purchase certain construction assets or to acquire and explore additional properties as opportunities warrant.

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

This news release contains forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of Canadian securities legislation 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. Forward-looking statements in this news release include, but are not limited to, forecasts related to future diamond prices, the use of funds to fund exploration activities, the purchase of construction assets and the acquisition and exploration of additional properties.

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, news releases and technical reports. 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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