



NEWS RELEASE

Stock Symbol: SGF: TSX

April 21, 2011

Saskatoon, Saskatchewan

**STAR - ORION SOUTH DIAMOND PROJECT
INFORMATION GATHERING AGREEMENT REACHED
WITH MUSKODAY FIRST NATION**

Eric Cline, Vice President Corporate Affairs of Shore Gold Inc. ("Shore" or the "company"), is pleased to announce that an Information Gathering Agreement has been signed by the company and Muskoday First Nation ("Muskoday"), to gather information on Aboriginal traditional land use and traditional knowledge in the Fort à la Corne ("FALC") forest, which includes the proposed site of the Star-Orion South Diamond Project, located some 60 kilometres east of Prince Albert, Saskatchewan.

The agreement with Muskoday, effective April 19, 2011, follows similar agreements concluded last year with James Smith Cree Nation, Chakastaypasin Band of the Cree, Peter Chapman First Nation, Red Earth Cree Nation, Sturgeon Lake First Nation and Métis Nation -- Saskatchewan Eastern Region II and Western Region II.

Shore is working toward making a production decision which would lead to development of Saskatchewan's first diamond mine at the proposed site, which is centrally located in Saskatchewan. The company recently filed an Environmental Impact Statement with Saskatchewan's Ministry of Environment and federal authorities and is engaged in other activities to advance the Project including preparation of a Final Feasibility study. The Fort à la Corne forest is asserted by Muskoday to be part of its traditional territory.

Vice President Corporate Affairs Eric Cline stated: "We look forward to working with Muskoday to learn more about its members' traditional activities in the area. As well, as we move forward we hope to explore possible ways to involve all members of the community, including nearby First Nations and Métis people, in diamond mining activity. Over the months ahead, we will discuss ways to best achieve that."

Muskoday reserve lands are located approximately 15 kilometres southeast 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:

Joseph Dickson, Investor Relations Manager at (306) 667-3505 and www.shoregold.com

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