



NEWS RELEASE

Stock Symbol: SGF: TSX

November 8, 2012

Saskatoon, Saskatchewan

SHORE GOLD INC. ANNOUNCES THIRD QUARTER RESULTS

Shore Gold Inc. (“Shore” or the “Company”) reports that the unaudited results of Shore’s operations for the quarter ended September 30, 2012 will be filed today on SEDAR and may be viewed at www.sedar.com once posted. A summary of key financial and operating results for the quarter is as follows:

Highlights

- Submitted Revised Environmental Impact Statement (“Revised EIS”), which describes the potential environmental and socio-economic effects of the Star – Orion South Diamond Project (“Project”), to Provincial and Federal regulators
- Received comments on the Revised EIS from Provincial and Federal regulators
- Continues to seek opportunities for development capital through participation in the Project by a third party or a syndicate of investors

Overview

During the third quarter of 2012, the Company’s main focus was the completion and submission of the Revised EIS for the Project while also continuing to seek opportunities for development capital through participation in the Project by a third party or a syndicate of investors. The Company has completed a National Instrument (“NI”) 43-101 compliant Technical Report (“Feasibility Technical Report”) documenting the Feasibility Study and Mineral Reserve for the Project (“Feasibility Study”), the results of which were announced in July 2011 (See SGF News Release dated July 14, 2011). The Feasibility Study includes a cash flow model Base Case net present value (“NPV”) of \$2.1 billion (using a 7 percent discount rate) for an Internal Rate of Return (“IRR”) of 16 percent before taxes and royalties and an after-taxes and royalties NPV of \$1.3 billion with an IRR of 14 percent. The full details of the Feasibility Technical Report can be viewed on the Company’s website (www.shoregold.com) or on SEDAR (www.sedar.com).

The Revised EIS, which describes the potential environmental and socio-economic effects of the Project, was submitted to Provincial and Federal regulators on August 10, 2012 (See SGF News Release dated August 10, 2012). The Company recently announced that comments on the Revised EIS have been received from Provincial and Federal regulators (See SGF News Release dated October 30, 2012). The Revised EIS has generated an additional 56 Federal comments and information requests and 73 Provincial comments and information requests. Many of these comments are expected to be addressed by Shore personnel using existing information. A limited number of comments will require further discussion and, potentially, additional work. Shore is actively engaged with the Saskatchewan Ministry of Environment to resolve the comments from Provincial regulators and continues to work with the Canadian Environmental Assessment Agency to resolve their additional comments given that there are no specific Federal regulations in place for diamond mines.

Quarterly Results

For the quarter ended September 30, 2012, the Company recorded a net loss of \$1.7 million or \$0.01 per share compared to a net loss of \$2.7 million or \$0.01 per share for the same period in 2011. The losses during these quarters were due to operating costs and exploration and evaluation expenditures incurred by the Company exceeding interest revenue earned on cash and cash equivalents and short-term investments. The loss during the quarter ended September 30, 2012 was lower than the same period in 2011 primarily due to lower share-based payment costs as well

as lower costs as a result of the reductions to the Company's directors, officers and personnel that took place earlier in the year (See SGF News Release dated February 29, 2012).

Year to Date Results

For the nine months ended September 30, 2012, the Company recorded a net loss of \$7.7 million or \$0.03 per share compared to a net loss of \$8.0 million or \$0.04 per share for the same period in 2011. The losses were primarily due to ongoing operating costs and exploration and evaluation expenditures incurred by the Company exceeding interest revenue earned on cash and cash equivalents and short-term investments. The sale of certain investments for \$1.3 million over the carrying value reduced the Company's net loss for the nine months ended September 30, 2011.

Selected financial highlights include:

Consolidated Statement of Financial Position	As at September 30, 2012	As at December 31, 2011
Current assets	\$ 10.8 M	\$ 16.6 M
Capital and other assets	4.1 M	5.9 M
Current liabilities	0.6 M	0.7 M
Long-term liabilities	1.4 M	1.4 M
Shareholders' equity	12.9 M	20.4 M

Consolidated Statements of Loss and Comprehensive Loss	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Interest and other income	\$ 0.0 M	\$ 0.1 M	\$ 0.1 M	\$ 0.2 M
Expenses	1.6 M	2.8 M	7.3 M	9.4 M
Loss for the period before other items	(1.6) M	(2.7) M	(7.2) M	(9.2) M
Investment in Wescan Goldfields Inc.	(0.1) M	- M	(0.5) M	- M
Change in fair value of investments	- M	- M	- M	1.3 M
Net loss for the period	(1.7) M	(2.7) M	(7.7) M	(7.9) M
Other comprehensive loss	- M	(0.4) M	- M	(0.8) M
Comprehensive loss for the period	(1.7) M	(3.1) M	(7.7) M	(8.7) M
Net loss per share for the period (basic and diluted)	(0.01)	(0.01)	(0.03)	(0.04)
Comprehensive loss per share for the period (basic and diluted)	(0.01)	(0.01)	(0.03)	(0.04)

Consolidated Statements of Cash Flows	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Cash flows from operating activities	\$ (6.3) M	\$ (11.1) M
Cash flows from investing activities	(0.2) M	9.8 M
Net increase (decrease) in cash	(6.5) M	(1.3) M
Cash – beginning of period	7.2 M	2.8 M
Cash – end of period	0.7 M	1.5 M

Outlook

The Company is proceeding with the completion of the environmental permitting process and continuing to seek opportunities for development capital through participation in the Project by a third party or a syndicate of investors. Measures taken earlier in the year will enable the Company to conserve its cash position and provide an extended operating window in which Shore can complete the environmental permitting process and continue to seek opportunities for development capital.

Diamond prices used in the Feasibility Study were based on valuations by the Company's diamond consultants, WWW International Diamond Consultants Ltd. using their February 2011 price book. The details of the February 2011 valuation of the Star and Orion South diamond parcels were published in Shore's News Release dated March 2, 2011. The results of the Feasibility Study show that the economic model is particularly sensitive to diamond prices and the Project's NPV increases rapidly with rising diamond prices, as shown in Table 4 of the Shore July 14, 2011 News Release (See SGF News Release dated July 14, 2011). Diamond prices

increased rapidly in 2011, reaching a peak in early August, when the price of rough softened as a result of world financial uncertainties, particularly in Europe. Rough prices rose during the first quarter of 2012 but the world financial situation once again caused the price of rough to decrease during the second and third quarters. Rough prices have, however, increased since the end of the third quarter. Current rough prices are slightly below the price used in the Feasibility Study.

As of November 8, 2012, the Company had approximately \$9.5 million in cash and cash equivalents and short-term investments (excluding \$1.8 million in restricted cash). A portion of the Company's cash and cash equivalents and short-term investments will be used to advance certain aspects of the project, including the EIA and related permitting. The Company continues to evaluate opportunities for development capital and is optimistic these will allow construction to commence in the future.

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, statements related to the Feasibility Study; statements and assumptions made regarding buoyancy in world diamond markets and changes in diamond supply and demand; statements related to the approval of the development of the Star - Orion South Diamond Project; statements relating to future development of the Star - Orion South Diamond Project and associated timelines; availability of project financing; and the use of funds to fund the continuation of the EIA process.

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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