

**STAR DIAMOND PROJECT
LARGE DIAMETER DRILLING DIAMOND GRADE RECONCILIATION**

George H. Read, P. Geo., Senior Vice President Exploration and Development, is pleased to announce the reconciliation of diamond grade results for the large diameter drilling (“LDD”) mini-bulk sampling with the underground (“UG”) bulk sampling. The reconciliation of LDD to UG results is necessary to incorporate the fact that diamond breakage and diamond loss occurs when sampling using LDD. The results for each principal kimberlite unit sampled by the LDD mini-bulk sampling and UG bulk sampling methods are shown in Tables 1 and 2, respectively.

Table 1. Diamond Results from LDD Mini-bulk Samples

Kimberlite Unit	Number of Holes	Kimberlite Metres	Processed Dry Tonnes	Total Carats	Total Stones	Grade (cpht)	Largest Stone (Carats)
Cantuar	25	391	613	102	661	17	24.86
Pense	16	365	553	88	986	16	6.43
EJF Inner	64	3,509	5,261	954	9,869	18	11.95
EJF Outer	29	1,110	1,658	178	2,969	11	1.87
MJF	21	837	1,288	67	1,039	5	3.17
LJF	56	761	893	11	225	1	0.62
Total		6,973	10,266	1,400	15,749	14	

Table 2. Diamond Results from UG Bulk Samples

Kimberlite Unit			Processed Dry Tonnes	Total Carats	Total Stones	Grade (cpht)	Largest Stone (Carats)
Cantuar	-	-	9,139	1,633	9,479	18	49.50
Pense	-	-	11,024	1,403	13,529	13	14.63
EJF Inner	-	-	38,892	6,814	51,639	18	19.70
EJF Outer	-	-	-	-	-	-	-
MJF	-	-	4,908	335	3,215	7	5.76
LJF	-	-	675	14	309	2	0.46
Total	-	-	64,638	10,199	78,171	16	

Table Notes

- Kimberlite Units: EJF: Early Joli Fou, MJF: Mid Joli Fou and LJF: Late Joli Fou
- EJF Inner and Outer based on geology and discussed below
- No UG bulk sampling occurred within EJF Outer

The Star Kimberlite is one of the largest diamond bearing kimberlites in the world, with a surface area totaling some 352 hectares situated within claims of both the Star Diamond Project (100 percent Shore) and the adjacent Fort a la Corne Joint Venture (FALC-JV: 60 percent Shore and 40 percent Newmont Mining Corporation of Canada Limited). A combination of UG bulk sampling and LDD mini-bulk sampling is required to rigorously evaluate such a large kimberlite, which is buried under some 100 metres of glacial overburden. The UG bulk samples provide accurate diamond grade and size distribution data which are considered representative of the area sampled for assessing the potential for future mining. However, economic and logistical parameters prohibit the collection of UG bulk samples across the entire kimberlite, hence, the necessity for the use of a combination of UG sampling and LDD. While the large (greater than 10,000 tonne) UG bulk samples are representative of the diamond population, diamond loss and diamond breakage occur (particularly of the large stones) in the case of the LDD mini-bulk samples. In addition, on-site

testing has shown that diamond breakage increases as kimberlite competency (hardness) increases. Therefore, both the diamond grade (“cpht”) and average price (\$/carat) are underestimated for the LDD mini-bulk samples.

The Shore technical team analyzed the LDD and UG diamond data in detail and determined a number of methods by which these two sets of diamond data can be reconciled and factored. These reconciliation factors have been calculated both by an independent qualified person as part of the Star resource update (Technical Report and Resource Estimate Update on the Star Diamond Project, Fort a la Corne Area, Saskatchewan, Canada. March 26, 2009 – see www.shoregold.com or www.sedar.com) and in-house, using the difference between size frequency distributions of the UG and LDD diamond populations. This method produces factors that range from 1.62 to 1.67 that are applied to the LDD grades to calculate the actual grade. It has also been determined that the easiest method of diamond grade determination for the LDD mini-bulk samples is the use of the processed tonnes, as opposed to the theoretical tonnes (calculated from callipered hole volumes and density measurements). This method produces a factor of 1.70 between the diamond grade derived from the processed tonnes and the grade derived from the theoretical tonnes. A more detailed discussion of these methods is available in the technical presentation “Large Diameter Drilling Grade Adjustment Factors for Resource Estimation in FALC Kimberlites”, which is available on the Company website at: www.shoregold.com.

The EJF Inner and Outer Kimberlite Units are based on detailed kimberlite geology recorded from core logging of the pattern drill program and diamond size data derived from LDD. Core logging information is combined with whole rock geochemistry data, geophysical and density measurements to identify the constituent kimberlite lithologies within Star and their volcanological features that form the Star Kimberlite crater. The EJF Inner Kimberlite Unit represents coarser grained EJF kimberlite that occurs within the volcanic cinder cone and the EJF Outer Kimberlite Unit includes finer grained EJF kimberlite that lies on and outside the cinder cone. UG bulk and LDD mini-bulk samples have shown that higher grades and larger diamonds are found within the EJF Inner Kimberlite Unit. The UG bulk sampling was carried out entirely within the EJF Inner Kimberlite Unit and is deemed representative of this unit.

Senior Vice President Exploration and Development, George Read, states: “The accurate reconciliation of LDD mini-bulk sampling diamond results to UG bulk sampling diamond results is a pivotal step in the understanding and evaluation of the large, buried kimberlites of the Fort a la Corne area. The key understanding of the relationship between processed and theoretical tonnes for LDD samples enables grade reconciliation factors to be determined for the Fort a la Corne kimberlites when only LDD mini-bulk samples are available. Now that this key understanding has been developed on the Star Kimberlite, it provides Shore with a powerful sampling tool which can be effectively used to evaluate the grade of other FALC kimberlites without the necessity of the more expensive UG bulk sampling programs required on Star.

Senior Vice President Exploration and Development, George Read, Professional Geoscientist in the Provinces of Saskatchewan and British Columbia, is Shore’s Qualified Person responsible for the verification and quality assurance of analytical results. 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”.

Caution Regarding Forward-Looking Statements

From time to time, Shore makes written or oral forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the Ontario Securities Act and the United States Private Securities Litigation Reform Act of 1995. Shore may make such statements in this press release, in other filings with Canadian regulators or the United States Securities and Exchange Commission, in reports to shareholders or in other communications. These forward-looking statements include, among others, statements with respect to Shore's objectives for the ensuing year, our medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. 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. In particular, statements regarding Shore's future operations, future exploration and development activities or other development plans contain forward-looking statements.

All forward-looking statements and information are based on Shore's current beliefs as well as assumptions made by and information currently available to Shore concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration, development and mining activities and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations,

estimates and intentions expressed in such forward-looking statements. These factors include, but are 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 and short form prospectus, and Shore's anticipation of and success in managing the foregoing risks.

Shore cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Shore, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise required by applicable securities legislation, Shore does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by Shore or on our behalf.

For further information please contact:

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