



**NEWS RELEASE**

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**STAR DIAMOND PROJECT: UPDATED NI 43-101 MINERAL RESOURCE  
23 PERCENT INCREASE IN INDICATED TONNES AND CARATS**

George H. Read, P. Geo., Senior Vice President Exploration and Development, is pleased to announce an updated NI 43-101 compliant Mineral Resource estimate for the explored portion of the Star Kimberlite (“Star”), which supersedes the previously published resource estimate. This updated resource estimate includes the diamond results of eight additional large diameter drillholes: 5 holes on Star and 3 holes on Star West, totaling 1,368 metres of drilling with 306 metres in kimberlite. This updated resource estimate also incorporates additional diamonds recovered from concentrate and tailings audits as well as the geology’s influence on the diamond distribution within Star. The updated resource estimate has been prepared by an independent Qualified Person (“QP”) from P&E Mining Consultants Inc. (“P&E”). The Mineral Resource estimate includes Indicated Resources of 152 million tonnes at a grade of 14 carats per hundred tonnes (“cpht”) and Inferred Resources of 26 million tonnes at a grade of 12 cpht. This updated resource estimate increases the indicated tonnage and contained carats for Star by 23 percent when compared to the initial resource estimate published in June 2008 (SGF News Release June 9, 2008 and Technical Report July 22, 2008, which are available on [www.sedar.com](http://www.sedar.com) and [www.shoregold.com](http://www.shoregold.com)). Tables 1 to 3 summarize the details of the updated NI 43-101 Mineral Resource as prepared by P&E.

**Table 1. Mineral Resource Estimate for the Star Kimberlite including the Star Diamond Project (100% Shore) and Star West (60% Shore, 40% Newmont). Reported Kimberlite Units: Cantuar, Pense, Early Joli Fou (EJF), Mid Joli Fou (MJF) and Late Joli Fou (LJF).**

<b>Resource Category</b>	<b>Kimberlite Unit</b>	<b>Tonnes x1000</b>	<b>Grade cpht</b>	<b>Carats x1000</b>
Indicated	Cantuar	11,500	15	1,700
Indicated	Pense	8,000	16	1,300
Indicated	EJF Inner	80,500	17	13,400
Indicated	EJF Outer	32,200	10	3,100
Indicated	MJF	18,600	5	1,000
Indicated	LJF	900	4	36
<b>Indicated</b>	<b>TOTAL</b>	<b>151,700</b>	<b>14</b>	<b>20,536</b>
Inferred	Cantuar	400	8	32
Inferred	Pense	3,200	14	500
Inferred	EJF Inner	2,700	16	400
Inferred	EJF Outer	19,900	11	2,200
Inferred	MJF	0	5	0
Inferred	LJF	0	4	0
<b>Inferred</b>	<b>TOTAL</b>	<b>26,200</b>	<b>12</b>	<b>3,132</b>

**Table Notes apply to Tables 1, 2 and 3**

- (1) Mineral resources are accumulated within an optimized floating-cone pit shell.
- (2) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.
- (3) The quantity and grade of reported inferred resources in this estimate is conceptual in nature. There is no guarantee that all or any part of the mineral resource will be converted into a mineral reserve.
- (4) 1 millimetre bottom diamond size cut-off assumed.
- (5) W&W International Diamond Consultants Ltd. (“W&W”) High modelled price scenario.
- (6) Grade values rounded to nearest whole number.

**Table 2. Mineral Resource Statement for the Star Diamond Project (100% Shore) only.**

<b>Resource Category</b>	<b>Kimberlite Unit</b>	<b>Tonnes x1000</b>	<b>Grade cpht</b>	<b>Carats x1000</b>
Indicated	Cantuar	5,000	13	600
Indicated	Pense	8,000	16	1,200
Indicated	EJF Inner	58,900	17	9,800
Indicated	EJF Outer	27,400	10	2,700
Indicated	MJF	1,600	5	100
Indicated	LJF	200	5	10
<b>Indicated</b>	<b>TOTAL</b>	<b>101,100</b>	<b>14</b>	<b>14,410</b>
Inferred	Cantuar	300	6	18
Inferred	Pense	3,200	14	500
Inferred	EJF Inner	1,300	17	200
Inferred	EJF Outer	17,800	11	1,900
Inferred	MJF	0	5	0
Inferred	LJF	0	4	0
<b>Inferred</b>	<b>TOTAL</b>	<b>22,600</b>	<b>12</b>	<b>2,618</b>

**Table 3. Mineral Resource Statement for Star West (60% Shore, 40% Newmont) only.**

<b>Resource Category</b>	<b>Kimberlite Unit</b>	<b>Tonnes x1000</b>	<b>Grade cpht</b>	<b>Carats x1000</b>
Indicated	Cantuar	6,500	17	1,100
Indicated	Pense	0	16	0
Indicated	EJF Inner	21,600	17	3,600
Indicated	EJF Outer	4,700	9	500
Indicated	MJF	17,000	6	900
Indicated	LJF	800	4	32
<b>Indicated</b>	<b>TOTAL</b>	<b>50,600</b>	<b>12</b>	<b>6,132</b>
Inferred	Cantuar	100	15	15
Inferred	Pense	0	14	0
Inferred	EJF Inner	1,400	15	200
Inferred	EJF Outer	2,100	10	200
Inferred	MJF	0	5	0
Inferred	LJF	0	3	0
<b>Inferred</b>	<b>TOTAL</b>	<b>3,600</b>	<b>12</b>	<b>415</b>

The EJF Inner and Outer Kimberlite Units are based on detailed kimberlite geology recorded from core logging of the pattern drill program. 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 represents coarser grained EJF kimberlite that occurs within the volcanic cinder cone and the EJF Outer includes finer grained EJF kimberlite that lies on and outside the cinder cone. Underground bulk sampling and large diameter drilling (“LDD”) have shown that higher grades and larger diamonds are found within the EJF Inner Kimberlite Unit. The underground bulk sampling of the EJF is deemed representative of the EJF Inner and also produced an average grade of 17 cpht for the EJF, similar to the resource estimate for the EJF Inner Kimberlite Unit.

An essential component of the Mineral Resource estimate relies on the reconciliation of the diamond grades from the underground samples with those calculated for the LDD samples. The LDD sampling method underestimates the true diamond grade and price due to limited sample size, diamond breakage, diamond loss and dilution of LDD grade by overburden falling down LDD holes. Detailed analysis of diamond results from LDD and underground bulk sampling has been undertaken, and reconciled with kimberlite geology defined by core drilling, in order to define rigorously constrained factors that are applied to diamond grade results from LDD.

CIM standards and securities commission disclosure regulations require that a resource can only be declared on a mineral deposit which has “reasonable prospects of economic extraction”. The reported mineral resource for Star is constrained using a floating-cone economic open pit shell. The Mineral Resources reported in Tables 1, 2 and 3 comprise the kimberlite that is constrained within the floating-cone pit shell and exceeds the economic cut-off as determined by the parameters in Table 4.

**Table 4. Economic Parameters**

Exchange Rate	Cdn\$1.00 = US\$0.85
Stripping Cost	Cdn\$1.00/tonne
Mining Cost	Cdn\$1.34/rock tonne
Processing Cost	Cdn\$3.58/ore tonne
General & Administration	Cdn\$1.50/ore tonne
Overall Pit Slope Angle	25°
Internal Cut-off	C\$5.08/ore tonne

Diamond values for this resource statement are based on the March 2008 High modeled prices determined by WWW International Diamond Consultants Ltd (“WWW”) and are detailed in Table 5. The High modeled prices were also used in the June 2008 resource estimate and the use of the High modeled prices in this resource update facilitates comparison. The diamond prices used in this resource update will be reassessed for use in the reserve estimate scheduled for completion in late 2009.

WWW states “It should be noted that current diamond prices have been substantially reduced by the present world financial crisis with rough prices falling from their peak in August 2008 by around 40%, dependent upon size and quality. That said, and acknowledging the high degree of uncertainty around the diamond market and other commodities, WWW’s view of future supply demand fundamentals is positive in relation to current prices. However, we do not see prices returning to March 2008 levels for some considerable time.”

**Table 5. Diamond Prices**

Kimberlite Lithology	Carats	Parcel Price (\$/carat)	Model Price (\$/carat)	Minimum Price (\$/carat)	High Price (\$/carat)
<b>Cantuar</b>	1,126.32	\$193	\$309	\$247	\$420
<b>Pense</b>	1,410.73	\$79	\$103	\$88	\$126
<b>EJF</b>	7,123.10	\$115	\$167	\$138	\$216
<b>MJF-LJF</b>	80.09	\$84	\$105	\$75	\$152
<b>Total</b>	<b>9,740.24</b>	<b>\$120</b>	<b>\$172</b>	<b>\$141</b>	<b>\$225</b>

As a test of the sensitivity of the Star resource to market fluctuations, the resource model was also run with the pit shell using the WWW Low and Model price scenarios. The results suggest that the Star resource is relatively insensitive to moderate diamond price fluctuations. The variations in tonnes, grade and carats for the three WWW diamond price scenarios are listed in Table 6.

**Table 6. Diamond Price Sensitivity at a Cdn\$5.08 cut-off**

WWW Price Scenario	Resource Category	Tonnes x1,000	Grade cpht	Carats x1,000
Minimum	Indicated	138,500	14	19,900
	Inferred	26,100	12	3,100
Model	Indicated	146,000	14	20,300
	Inferred	26,100	12	3,100
High	Indicated	151,700	14	20,500
	Inferred	26,200	12	3,100

In addition to the Mineral Resource estimate determined by P&E, a further 60 to 70 million tonnes of the Star Kimberlite is designated a ‘potential mineral deposit’, as detailed core logging, whole rock geochemistry, geophysical

and density measurements confirm the geological continuity from the Inferred Resource into this part of the kimberlite, which is contained within the 276 million tonnes originally defined in the geological model for the Star Kimberlite (Shore News Release Oct 17, 2006). The 60 to 70 million tonne potential mineral deposit is conceptual in nature and is not a resource estimate. It is uncertain if additional exploration work would lead to the kimberlite presently included in the potential mineral deposit being upgraded to a resource category.

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 (“Newmont”), referenced in this news release as “Star West”). The Mineral Resource estimate prepared by P&E includes kimberlite volume, density and tonnage data collected during the surface and underground core drilling program comprising 285 surface core holes (18,259 metres of kimberlite) and 211 underground core holes (15,933 metres of kimberlite), diamond and tonnage data from underground bulk sampling (66,988.29 dry tonnes, 10,597.58 carats and 81,773 stones) and diamond and tonnage data from the mini-bulk samples recovered from the extensive LDD program on Star (97 holes, 11,495.01 processed tonnes, 1,416.69 carats and 15,987 stones). This resource estimate uses a 1.0 millimetre bottom diamond size cut-off and considers all kimberlite above 71 metres above sea level or to a depth of 350 metres below surface.

Senior Vice President Exploration and Development, George Read, states: “The publication of this updated NI 43-101 Mineral Resource estimate for the Star Kimberlite is a significant milestone in the evolution of the Star Diamond Project. This updated resource estimate has increased the carats contained in the Indicated Resource by 23 percent and we believe that this increase will have a significant effect on the future economics of the Star Diamond Project. This updated resource estimate will be used in determining the NI 43-101 compliant Mineral Reserve estimate for Star. The reserve estimate will include a reasonable estimate of the operating cost and capital of a potential mine at Star. We are on track to deliver the reserve estimate on Star by late 2009.”

Shore commissioned the NI 43-101 Mineral Resource estimate and related Technical Report for the Star and Star West properties and as such, the Technical Report is the sole responsibility of Shore. Newmont did not participate in the preparation, supervision or review of the work associated with this exercise and takes no responsibility for the content or information included in the Technical Report or this press release.

Shore anticipates publication of the Technical Report as soon as it is available, within the regulated 45 day period after this news release. Shore is the exclusive owner of the Star Diamond Project. The Star West property is held by the Fort a La Corne Joint Venture between Shore as the operator and 60 percent owner and Newmont as the owner of a 40 percent interest.

Mr. Fred Brown CPG, PrSciNat, of P&E is the independent Qualified Person who supervised the preparation of the updated Mineral Resource estimate for the Star Kimberlite. Mr. Brown, a Certified Professional Geologist (#11015) with the American Institute of Professional Geologists and a registered Professional Natural Scientist with the South African Council for Natural Scientific Professions (#400008/04), has over 21 years of worldwide experience in mining resource and reserve assessments and related work and has worked on diamond mines in southern Africa for De Beers. His specialties include resource estimation, ore deposit modeling, due diligence reviews, project evaluation, mining geology, geostatistical studies and preparation of NI 43-101 reports. He is regarded as one of the leading authorities in diamond resource evaluation and diamond geostatistics. P&E Mining Consultants Inc. is an established and internationally recognized geological and mine engineering consulting firm specializing in resource estimates, scoping, pre-feasibility studies and participation with other consulting firms on feasibility studies, with over 70 projects undertaken in the last 5 years. P&E has Certificates of Authorization from the Association of Professional Geoscientists of Ontario and Professional Engineers Ontario. Mr. Eugene Puritch, P.Eng. (Haileybury School of Mines, Queen’s University), a principal of P&E Mining Consultants Inc., has more than 30 years experience in mine evaluation and resource estimating for some of Canada’s largest mining companies. He has undertaken more than 120 resource estimates and mine designs in his career, many of which formed the basis for feasibility studies and subsequent production decisions. Prior to co-founding P&E Mining Consultants Inc., Mr. Puritch was regularly under contract to provide his services to Micon International Ltd., Aker Solutions Canada Inc., A.C.A. Howe International Ltd. and Strathcona Mineral Services. Dr. Wayne Ewert, P.Geo. (PhD, Geology, Carleton University, Ottawa, Canada and B.Sc. University of Waterloo, Canada) a principal of P&E Mining Consultants, has over 40 years of worldwide experience in diversified exploration, project evaluation and resource based geological modeling. He has over 18 years of international consulting experience in support of project acquisitions and related financing activities. His experience

includes involvement with the evaluation and assessment of diamond projects in Lesotho and South Africa on behalf of A.C.A. Howe International. P&E consents to the statement of Indicated and Inferred mineral resources contained herein.

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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