



NEWS RELEASE

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Saskatoon, Saskatchewan

SHORE GOLD INC. ANNOUNCES YEAR END RESULTS

Shore Gold Inc. (“Shore” or the “Company”) reports that the audited results of its operations for the year ended December 31, 2009 will be filed today and may be viewed at www.sedar.com once posted. A summary of key financial and operating results for the year are 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 (“cpht”) containing 35 million carats
- Received final Project-Specific Guidelines for the preparation of an Environmental Impact Statement (“EIS”) for the Combined Star-Orion South Project
- Incurred expenditures of \$10.8 million advancing the Company’s mineral properties
- Completed a private placement of 14.3 million Common Shares and 10.0 million flow-through shares of the Company for gross proceeds of \$27.5 million
- Had working capital of \$38.4 million at December 31, 2009
- Had issued and outstanding shares of 224,454,242 at December 31, 2009

Overview

Combined Star-Orion South Diamond Project

The Company recently announced the completion of the Combined PFS. Orion South is part of the FALC-JV, of which Shore has a 63 percent (2008 – 60 percent) interest. The FALC-JV partners are Shore and Newmont Mining Corporation of Canada Limited (“Newmont”) (37 percent) (2008 – 40 percent). The Star Kimberlite includes the portion of the Star Kimberlite owned 100 percent by Shore as well as Star West, the portion of the Star Kimberlite which falls within the FALC-JV. The Combined PFS and Mineral Reserve estimate, led by independent Qualified Persons from P&E Mining Consultants Inc. (“P&E”), includes Probable Mineral Reserves of 279 million tonnes at a weighted average grade of 12.5 cpht containing 35 million carats (See SGF News Release February 10, 2010). Shore commissioned the Combined PFS and related Technical Report for the Star Kimberlite (which includes Star West) and the Orion South Kimberlite and, as such, the PFS and Technical Report are the sole responsibility of Shore. The Technical Report that documents the Combined PFS can be viewed on the Company’s website (www.shoregold.com) or on SEDAR (www.sedar.com). The Combined PFS was derived from the Mineral Resources from both the Star and Orion South Kimberlites and; when combined into a single project resulted in certain of the resource categories being re-categorized which ultimately resulted in cumulative tonnages, grades and carats differing from the sums reported for each of the Star and Orion South Kimberlites individually.

An additional 70 million tonnes of inferred resource 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 kimberlite mineral deposit cannot be relied upon when considering any project economics.

The Company announced in the fourth quarter of 2009 that the Environmental Assessment Branch of the Saskatchewan Ministry of Environment, in anticipation of an environmental assessment for a Combined Star-Orion South Project, published final Project-Specific Guidelines for the preparation of an EIS (See SGF News Release November 20, 2009). Shore is required to conduct an Environmental Impact Assessment ("EIA") and prepare and submit an EIS to the Minister of Environment for technical and public review. The Project-Specific Guidelines have been prepared to assist Shore with the conduct of the EIA and preparation of the EIS. The guidelines reflect issues identified by provincial and federal officials as well as First Nations and Métis communities regarding the proposed development.

Star Diamond Project

Prior to the completion of the Combined PFS, the Company announced a PFS and Reserve estimate on the Star Kimberlite which included Probable Mineral Reserves of 171 million tonnes at a grade of 12 cpht containing 20 million carats (See SGF News Release August 27, 2009).

The main activities for Star during the year were the desk-top engineering studies and data analysis required to convert the Mineral Resource to a Mineral Reserve, the completion of the Star Kimberlite PFS and work required for the Combined PFS. Overall, 2009 expenditures on Star (excluding expenditures associated with Star West) were \$2.3 million, \$0.2 million below budget primarily due to lower than budgeted site related costs incurred.

FALC-JV Exploration Programs

Activities for the FALC-JV during 2009 focused on Orion South, which is located at the southern end of the Orion Kimberlite Cluster. Prior to the announcement of the Combined PFS, the Company announced the completion of a Mineral Resource estimate for the explored portion of Orion South which included indicated resources of 84 million tonnes at a grade of 14 cpht for a total of approximately 12 million carats and inferred resources of 98 million tonnes at a grade of 13 cpht for a total of approximately 13 million carats (See SGF News Release September 10, 2009).

The expenditures on the FALC-JV programs during the year primarily related to underground bulk sampling, large diameter ("LD") drilling, sample processing, diamond analyses and consulting costs to complete the Mineral Resource estimate for Orion South. Costs were also incurred relating to the recently completed Combined PFS. Overall, 2009 expenditures on the FALC-JV (expenditures on a 100 percent basis, including costs associated with Star West) were \$9.3 million, \$1.2 million below budget, primarily as a

result of lower than anticipated costs incurred for the completion and decommissioning of the Orion South underground bulk sampling and large diameter drilling programs.

Year to Date Results

For the year ended December 31, 2009, the Company recorded a net loss of \$9.1 million or \$0.04 per share compared to a net loss of \$458.0 million or \$2.48 per share for 2008. Contributing to the loss during 2009 was the \$6.3 million write-down of expenditures incurred by the Company on certain of its mineral properties, the fair value of stock-based compensation expensed (\$0.5 million), and the \$0.4 million reduction in the fair value of long-term investments held by the Company. For 2009, the Company reported interest and other revenue of \$0.1 million compared to \$1.6 million for 2008. This \$1.5 million decrease in revenue from 2008 was primarily from falling interest rates experienced and a reduction in interest earning investments for the majority of the year. The loss during 2008 was primarily due to the write-down of certain previously capitalized mineral property expenditures (\$561.1 million before tax), a reduction in the fair value of third-party asset-backed commercial paper (“ABCP”) (\$2.9 million) and the fair value of stock-based compensation that was expensed during the year (\$2.7 million).

Total operating costs for the year ended December 31, 2009 were \$5.9 million compared to \$7.1 million for the year ended December 31, 2008. After removing the effect of accounting for stock-based compensation, expenses for the year ended December 31, 2009 increased by \$1.0 million to \$5.4 million from \$4.4 million during the year ended December 31, 2008. This increase was primarily due to a higher proportion of operating costs being borne by Shore as a result of Newmont’s decision to not fully participate in the FALC-JV work programs during 2009 which resulted in the dilution of Newmont’s interest in the FALC-JV by approximately 3 percent.

During the fourth quarter, the Company completed a private placement of 14.3 million Common Shares and 10.0 million flow-through shares of the Company for gross proceeds of \$27.5 million.

Selected financial highlights include:

Consolidated Balance Sheets	As at December 31, 2009	As at December 31, 2008
Current assets	\$ 40.5 M	\$ 35.4 M
Capital and other assets	230.8 M	231.6 M
Current liabilities	2.1 M	11.8 M
Long-term liabilities	1.5 M	1.6 M
Share capital	795.3 M	772.8 M
Contributed surplus	26.6 M	25.9 M
Deficit	554.2 M	545.1 M

Consolidated Statements of Loss	Year Ended December 31, 2009	Year Ended December 31, 2008
Interest and other income	\$ 0.1 M	\$ 1.6 M
Operating expenses	5.9 M	7.1 M
Loss before other items	(5.8) M	(5.5) M
Write-down of mineral properties	(6.3) M	(561.1) M
Change in fair value of investments	(0.4) M	(2.9) M
Other loss	(0.1) M	(0.5) M
Future income taxes	3.5 M	112.0 M
Net loss for the period	(9.1) M	(458.0) M
Loss per share (basic and diluted)	(0.04)	(2.48)

Consolidated Statements of Cash Flows	Year Ended December 31, 2009	Year Ended December 31, 2008
Cash flows from operating activities	\$ (4.3) M	\$ (2.9) M
Cash flows from investing activities	(41.5) M	(18.5) M
Cash flows from financing activities	25.8 M	12.2 M
Net decrease in cash	(20.0)M	(9.2)M
Cash – beginning of period	22.6 M	31.8 M
Cash – end of period	2.6 M	22.6 M

Outlook

As of March 24, 2010, the Company had approximately \$36.6 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. In addition, rough diamond prices, which have a significant impact on the project economics, have recovered and are now estimated to be some 20 percent higher than diamond prices used in the Combined PFS. The positive forecast for the future of diamond prices and the robust 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 and Orion South Diamond Project. These 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.

Technical Information

All technical information in this press release has been prepared under the supervision of George Read, Senior Vice-President of Exploration and Development, Professional Geoscientist in the Provinces of Saskatchewan and British Columbia, and Shawn Harvey, Geology Manager, Professional Geoscientist in the Province of Saskatchewan, who are the Company's "Qualified Persons" under the definition of NI 43-101.

Caution Regarding Forward-looking Information

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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