



NEWS RELEASE

Stock Symbol: SGF: TSX

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Saskatoon, Saskatchewan

**STAR-ORION SOUTH DIAMOND PROJECT PROPOSAL
SUBMITTED TO SASKATCHEWAN MINISTRY OF ENVIRONMENT**

George H. Read, P. Geo., Senior Vice President Exploration and Development, is pleased to announce that a project proposal for a joint Star-Orion South Diamond Project has been submitted to the Environmental Assessment Branch of the Saskatchewan Ministry of Environment, in addition to the following Federal agencies: Fisheries and Oceans Canada, Health Canada, Indian and Northern Affairs Canada and Transport Canada. The project proposal is the first step in the Environmental Impact Assessment (EIA) process and initiates discussion about the implications of the project with regulators and the public. The Star-Orion South Diamond Project Proposal includes the 100 percent Shore owned Star Diamond Project together with the Orion South Kimberlite, which is part of the Fort a la Corne Joint Venture (FALC-JV: 60 percent Shore and 40 percent Newmont). The project proposal contains a detailed project description of the Star-Orion South Diamond Project, which includes an open pit on the Star Kimberlite (based on the NI 43-101 compliant resource estimate - SGF News Release June 9, 2008), a potential second pit at Orion South (dependent on the results of underground bulk sampling and large diameter drilling currently underway), a common processing plant and associated infrastructure. The project footprint is estimated to be between 3,000 and 4,000 hectares (or 2.3 to 3.0% of the Fort a la Corne Provincial Forest), depending on the inclusion of Orion South. The project proposal document includes considerable detail under the principal headings of: Potential Development Description; Description of the Environment; Potential Environmental Impacts and Mitigative Measures; Monitoring; Decommissioning, Reclamation and Closure; Stakeholder Engagement and Employment and Procurement, in addition to a series of maps which show the conceptual project layout and extent of the proposed mine infrastructure. The document is available on the Shore website: www.shoregold.com.

The information contained in the project proposal is intended to provide the Ministry with sufficient project and environmental information to initiate the EIA process and develop Project Specific Guidelines (PSGs). The PSGs outline the scope of the EIA. The satisfactory completion of the EIA, which will have assessed the environmental, social and economic impacts of the proposed Project, will then be the basis of potential Ministerial Approval, which if granted would allow the Company to consider a production decision. In the event of a positive production decision, the Company could apply for the requisite construction and other permits. The project description presents project alternatives for discussion with Provincial and Federal regulators and the public, particularly the neighbouring communities. Throughout the EIA process, these alternatives will be assessed from an environmental, social and economic perspective to determine an optimized project.

Senior Vice President Exploration and Development, George Read, states: "The preparation and submission of the Star-Orion South Diamond Project Proposal is an important step in the evolution of these projects into a potential diamond mine. The project proposal provides a clear description of our current understanding of the requirements of Saskatchewan's first potential diamond mine and also includes a detailed statement of the environment around the potential mine site, in addition to potential environmental impacts of mining and the mitigative measures under consideration to reduce those impacts. The Company acknowledges the hard work of its employees, consultants and contractors that has led to accomplishing this milestone."

The Project Proposal was prepared in-house by Shore's Manager of Environment, Mr. Ethan Richardson, M.Sc., P.Eng, and other Shore staff, with assistance from AMEC Earth and Environmental and with input into specific technical sections by CanNorth Environmental Services LP, Golder Associates Ltd., and Ecodynamics Consulting Group International Inc. Newmont has reviewed and participated in the finalization of the document, particularly with reference to the Orion South Kimberlite. 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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