



**Stock Symbol: SGF: TSX  
SHORE GOLD INC.**

**November 13, 2008  
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, 2008 will be filed today on SEDAR and may be viewed at [www.sedar.com](http://www.sedar.com) once posted. A summary of key financial and operating results for the quarter is as follows:

### ***Highlights***

#### **Overview**

- Continued desk-top engineering studies and data analysis to convert the Star Diamond Project Mineral Resource to a Mineral Reserve and a feasibility study conforming to NI 43-101 and Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) standards
- Continued underground bulk sampling on the Orion South Kimberlite, located within the Fort à la Corne Joint Venture (“FALC-JV”)
- Released the fourth and fifth sets of diamond results from the Orion South underground bulk sampling, which included the recovery of a 45.95 carat diamond
- Submission of a project proposal for a joint Star-Orion South Diamond Project to the Saskatchewan Ministry of Environment
- Incurred expenditures of \$9.3 million on the Company’s share of the Fort à la Corne Joint Venture (“FALC-JV”) exploration program and \$3.0 million on the Star Diamond Project advanced exploration program
- Had working capital of \$27.3 million at September 30, 2008
- Had issued and outstanding shares of 183,234,242 at September 30, 2008

#### ***Star Diamond Project Advanced Exploration Program***

The Company continues to assess the Star Diamond Project Advanced Exploration Program. This primarily involves desk-top engineering studies and data analysis required to convert the Star Diamond Project Mineral Resource to a Mineral Reserve and a feasibility study conforming to NI 43-101 and CIM standards. During the third quarter, the Company also drilled eight additional large diameter (“LD”) drill holes on the Star Kimberlite (including three LD drill holes on Star West – the portion of the Star Kimberlite within the FALC-JV). Results from these LD drill holes are awaited and will be incorporated into the desk-top engineering studies and data analysis currently in progress. In total, 1,368.8 metres of LD drilling was performed, with a total of 306.2 metres of kimberlite intersected.

#### ***FALC-JV Exploration Programs***

During the third quarter of 2008, the major activities on the FALC-JV Project were the continuing underground bulk sampling on Orion South, LD drilling and sample processing.

The Company recently announced an updated geological model for the Orion South Kimberlite, which forms the southern part of the Orion Kimberlite Cluster within the FALC-JV (See SGF News Release October 21, 2008). This updated model has resulted in a significant tonnage increase for the Early Joli Fou (EJF) Kimberlite, the EJF being the target lithology for diamonds in Orion South. The primary goal of the underground bulk sampling program on Orion South is to collect 5,000 carats from the EJF for valuation purposes.

Underground bulk sampling is well underway with results of this progress being recently released. During October, the fourth set of diamond results from the underground bulk sampling of Orion South was announced (See SGF News Release October 24, 2008). Total diamond recoveries were 288.36 carats from 5,673.82 dry tonnes processed, or 5.08 cpht. Included in these results was a 45.95 carat diamond which is a fragment of a larger stone and is the largest diamond recovered from the Orion Cluster to date. All fifteen kimberlite batches included in this set of results were from the Pense Kimberlite which generally has a lower diamond grade than the EJF (see SGF News Release October 21, 2008). Drifting through this Pense material was necessary to access the target EJF Kimberlite located to the south and north of the shaft. A substantial amount of this fine grained Pense material had to be excavated to develop the necessary underground infrastructure for future bulk sampling of EJF Kimberlite. The occurrence of the 45.95 carat stone within the Pense Kimberlite confirms the prospects of coarser grained parts of this kimberlite lithology and the large stone potential of Orion South.

The fifth set of diamond results from the underground bulk sampling of Orion South was also announced during October (See SGF News Release October 29, 2008). Total diamond recoveries were 330.54 carats from 2,809.11 dry tonnes processed. All batches reported were collected during lateral drifting between 150 and 200 metres from the shaft station at 186 metres below surface. Three kimberlite lithologies comprising this set of results included Pense Kimberlite, a transitional zone of mixed EJF and Pense Kimberlite, and EJF Kimberlite. The batches comprised of only EJF Kimberlite averaged 17.39 cpht. These grades compare favourably with the EJF grade encountered at higher levels in the shaft (See SGF News Releases of February 5 and March 4, 2008).

In addition to the underground development, LD drilling continued on Orion South and Taurus during the third quarter of 2008. Shore anticipates the completion of the FALC-JV's current LD drilling programs by late January 2009. The drilling during this time will focus on the Taurus Kimberlite cluster to allow for future evaluation. As well, additional LD drilling is expected to be performed on Orion South which, in combination with the underground bulk sampling results, is expected to fulfill the necessary requirements for a resource definition on this body. The anticipated completion of the LD drilling program in the FALC-JV is a major milestone in the evaluation of these large diamondiferous kimberlites. While the numerous kimberlites within the FALC-JV will require additional LD drilling further into the future, it is the present focus to evaluate the Star and Orion South Kimberlites to the point where a production decision can be made.

### ***Buffalo Hills***

The Buffalo Hills Joint Venture program expenditures to date have been comprised of a winter drill program completed during the first quarter of 2008 on two (K14 and K252) of the six kimberlite bodies (K91, K225, K14, K252, K6 and K5) of the central corridor

of the Buffalo Hills property. A summer drill program was then completed on the K6 body during the second and third quarters from which thirteen holes (2,173 metres) were completed. To date, the 2008 drilling on the Buffalo Hills central corridor has resulted in a total of 41 PQ (75 millimetre) drill holes (6,818 metres) having been completed. Also during the third quarter, Shore, on behalf of the Buffalo Hills Joint Venture, completed logging of more than 1,600 metres of drill core from the 2008 Buffalo Hills drilling program. This work resulted in the development of a preliminary three dimensional model for the K14 Kimberlite which recognised six different eruptive phases. Other models on the K252 and the K6 Kimberlites are still being developed.

Further exploration expenditures were incurred processing bulk sample material collected by the previous operator. A total of 27.42 carats was recovered from 368.89 tonnes of the K6 and K14 Kimberlites, producing average grades of 7.0 cpht and 8.1 cpht respectively. However, further bulk sampling will need to be undertaken to gain a true representative sample now that a geological model has been established for the K14 Kimberlite.

### **Quarterly Results**

For the quarter ended September 30, 2008, the Company recorded a net loss of \$0.8 million or \$0.00 per share compared to a net loss of \$2.4 million or \$0.01 per share for the same period in 2007. The loss for the quarter ended September 30, 2008 was due to ongoing operating costs incurred by the Company exceeding interest revenue earned on cash and cash equivalents and short-term investments during the period. The net loss for the third quarter of 2007 was primarily due to the \$2.0 million impairment in fair value of Canadian third party asset-backed commercial paper (“ABCP”) held by the Company.

### **Year to Date Results**

For the nine-month period ended September 30, 2008, the Company recorded a net loss of \$5.8 million or \$0.03 per share compared to a net loss of \$4.8 million or \$0.03 per share for the same period in 2007. The loss during the first nine months of 2008 was primarily due to the \$2.7 million in fair value of stock-based compensation that was expensed, as well as the \$2.0 million impairment in fair value of ABCP held by the Company that was recorded during the second quarter of 2008. The Company also generated lower interest income for the nine-month period of 2008 compared to the same period in 2007 which also contributed to the nine-month loss. The net loss for the nine-month period ended September 30, 2007 was due to the fair value of stock-based compensation expensed during the period (\$4.8 million) and a \$2.0 million impairment in fair value of ABCP held by the Company. This was offset by an income tax recovery of \$1.9 million recognized during the second quarter of 2007 after the federal government enacted a reduction to income tax rates.

## Selected financial highlights include:

<b>Consolidated Balance Sheets</b>	<b>As at September 30, 2008</b>	<b>As at December 31, 2007</b>
Current assets	\$ 35.1 M	\$ 75.3 M
Capital and other assets	779.4 M	743.7 M
Current liabilities	7.8 M	10.1 M
Future income tax and other long-term liabilities	112.9 M	105.2 M
Share capital	760.9 M	768.2 M
Contributed surplus	25.8 M	22.6 M
Deficit	92.9 M	87.1 M

<b>Consolidated Statements of Loss</b>	<b>Three months Ended September 30, 2008</b>	<b>Three months Ended September 30, 2007</b>	<b>Nine months Ended September 30, 2008</b>	<b>Nine months Ended September 30, 2007</b>
Interest and other income	\$ 0.3 M	\$ 0.9 M	\$ 1.4 M	\$ 3.4 M
Operating expenses	1.3 M	1.4 M	5.9 M	8.2 M
Loss for the period before other items	(1.0) M	(0.5) M	(4.5) M	(4.8) M
Loss from Wescan Goldfields Inc.	(0.1) M	(0.0) M	(0.2) M	(0.1) M
Impairment in fair value of ABCP	0.0 M	(2.0) M	(2.0) M	(2.0) M
Income tax recovery	0.3 M	0.1 M	0.9 M	2.1 M
Net and comprehensive loss for the period	(0.8) M	(2.4) M	(5.8) M	(4.8) M
Loss per share	(0.00)	(0.01)	(0.03)	(0.03)

<b>Consolidated Statements of Cash Flows</b>	<b>Three months Ended September 30, 2008</b>	<b>Three months Ended September 30, 2007</b>	<b>Nine months Ended September 30, 2008</b>	<b>Nine months Ended September 30, 2007</b>
Cash flows from operating activities	\$ (0.5) M	\$ 0.2 M	\$ (2.5) M	\$ 0.3 M
Cash flows from investing activities	(2.8) M	(0.8) M	(12.9) M	(38.6) M
Cash flows from financing activities	0.0 M	0.2 M	0.5 M	1.4 M
Net decrease in cash	(3.3) M	(0.4) M	(14.9) M	(36.9) M
Cash – beginning of period	20.3 M	28.2 M	31.9 M	64.7 M
Cash – end of period	17.0 M	27.8 M	17.0 M	27.8 M

## Outlook

As of November 5, 2008, the Company had approximately \$21.4 million in cash and cash equivalents and short-term investments. These funds will be used to complete the Star Diamond Project Advanced Exploration Program, to fund the Company's portion of the FALC-JV and the Buffalo Hills Joint Venture exploration programs and general corporate matters. Cash and cash equivalents and short-term investments may also be used to fund various other exploration activities as well as acquisition and exploration of additional properties (as opportunities warrant). In addition to these funds, the Company has entered into an agreement for the private placement of 16.67 million Flow-Through Common Shares for gross proceeds of \$12.5 million which will be used by Shore to incur Canadian exploration expenses prior to December 31, 2009.

The work currently underway on the Star Kimberlite is the assessment of the Star Diamond Project Advanced Exploration Program. This primarily entails desk-top engineering studies and data analysis to convert the Mineral Resource to a Mineral Reserve and a feasibility study conforming to NI 43-101 and CIM standards. The FALC-JV has similar objectives; however, based on the stage of current exploration programs on the Orion Cluster, a Mineral Resource estimate is not anticipated for any of the FALC-JV's diamondiferous kimberlites until late in 2009. It is the present focus to evaluate the Star and Orion South Kimberlites to the point where a production decision can be made.

## **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, who is the Company's "Qualified Person" under the definition of NI 43-101.

## **Caution Regarding Forward-looking Information**

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 press releases, 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 the anticipated results of Shore's advanced exploration study 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 laws, Shore does not undertake to update any written forward-looking statements that may be made from time to time by Shore or on our behalf.

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