



**NEWS RELEASE**  
**Stock Symbol: SGF: TSX**

**October 21, 2008**  
**Saskatoon, Saskatchewan**

**FORT A LA CORNE JOINT VENTURE**  
**ORION SOUTH GEOLOGICAL MODEL UPDATED**  
**EJF TONNAGE INCREASES 20 PERCENT**

George H. Read, P. Geo., Senior Vice President Exploration and Development, is pleased to announce an update of the Orion South (OS) geological model that has resulted in a significant tonnage increase for the Early Joli Fou (EJF) Kimberlite, the EJF being the target lithology for diamonds in OS, which forms the southern part of the Orion Kimberlite Cluster within the Fort a la Corne Joint Venture (FALC-JV: Shore 60 percent, Newmont 40 percent). This update results from the recent integration of 2008 core drilling results into the OS geological model.

In 2008 a total of 17 PQ (75 millimetres) additional core holes were drilled in OS by Encore Coring and Drilling of Calgary. During this program 4,636 metres of core drilling was completed on OS, which included 2,181 metres of kimberlite. Shore geologists were responsible for detailed core logging, cross section preparation and the compilation of all the logging and section information into the three dimensional (3-D) geological model. The total OS tonnage and the tonnages estimated for each of the kimberlite lithologies within OS have been recalculated and, while the total estimated tonnage has decreased to between 333 and 375 million tonnes, the EJF tonnage estimate has increased to between 210 and 234 million tonnes. The previous tonnage estimate on OS was announced in the SGF News Release in March 2007. The revised OS tonnage estimate and supporting drilling information is listed in the following Table 1 and the revised 2008 tonnage estimates for each kimberlite lithology are listed in Table 2.

**Table 1.**

<b>Kimberlite Complex</b>	<b>Estimated Tonnage Range (Millions of Tonnes)</b>	<b>Number of Drillholes</b>	<b>Total Kimberlite Intersected (metres)</b>	<b>Maximum Kimberlite Intersect (metres)</b>
<b>Orion South</b>	333-375	129	14,800	339

**Table 2.**

<b>Kimberlite Lithology</b>	<b>2007 Estimated Tonnage Range (Millions of Tonnes)</b>	<b>2008 Revised Estimated Tonnage Range (Millions of Tonnes)</b>
<b>Viking</b>	15-17	15-19
<b>LJF</b>	49-54	28-31
<b>EJF</b>	176-196	210-234
<b>Pense</b>	112-124	75-84
<b>Cantuar</b>	8-9	5-7
<b>Total</b>	<b>360-400</b>	<b>333-375</b>

This OS tonnage estimate is conceptual in nature and is an estimate of the kimberlite within OS based on the drilling information presently available to the Company. The tonnage estimate is expressed as a range of values to emphasize that, with more detailed pattern drilling of OS, the present tonnage estimate could change. At this stage there has been insufficient exploration to define a mineral resource on this property and it is uncertain if further exploration will result in the property being delineated as a mineral resource. This geological estimate considers all kimberlite to a depth of 445 metres below surface and assumes an

average kimberlite density of 2.25 grams per cubic centimetre, which is the average density for the Orion South Kimberlite. At least three feeder vents in OS are open at depths below 445 metres.

The EJV Kimberlite is the primary target for bulk sampling within OS and significant volumes of EJV are located over feeder vents in the northwest and southeast of OS – see three dimensional representation of the lower surface of the EJV available at [www.shoregold.com](http://www.shoregold.com). The OS shaft was sunk approximately midway between these EJV vents in order to efficiently and cost effectively access EJV in the northwestern and southeastern parts of OS, from a single shaft. As noted in SGF News Releases of February 5 and March 4, 2008, the EJV intervals intersected by the upper part of the shaft show grades in the range of 13 to 20 cph as anticipated by Shore for the EJV of OS. The lower part of the OS shaft (below 150 metres from surface) and the station at 186 metres are located in fine grained, ash-rich Pense volcanoclastic kimberlite which has low diamond grade (2 to 4 cph as shown in SGF News Release of May 21, 2008) and forms the upper part of the cinder cone of the original kimberlite volcano. Diamond results of this Pense material will be published in a separate news release. Some 90 metres of lateral drift development has been completed in this low grade Pense material in order to access the target EJV Kimberlite to the southeast of the shaft. This is illustrated in the OS cross-section available on [www.shoregold.com](http://www.shoregold.com). Drift development is now underway in the EJV to the south of the shaft. Diamond results from the drift development and the Large Diameter Drilling program at OS started in early 2008 will be published when they become available. Pattern core drilling has encountered coarse grained Pense Kimberlite at deeper levels below the cinder cone and it is anticipated that elevated grades will be associated with the coarse Pense material.

Senior Vice President Exploration and Development, George Read, states: “Detailed pattern core drilling of OS has resulted in a more accurate definition of the constituent kimberlite lithologies and a 20 percent increase in the tonnage of the EJV, which is the principal target lithology for diamond sampling in OS. Shore’s current work continues to confirm the potential of OS within the FALC-JV. OS has a stratigraphy that is more amenable to mining, in that significant tonnage of the target EJV occurs in direct contact with the overlying glacial sediments. This would lower the stripping ratio of a potential open pit operation. Underground drift development is now active on three headings, which should result in the recovery of substantial tonnages of EJV material to assess the diamond grade and price.”

All core (historic core, 2006 and 2008 pattern drilling) used in the preparation of the 3-D geological model has been logged according to the quantitative core logging methods developed by Shore and used on the Star Kimberlite. Kimberlite lithologies within Orion South have been identified using a combination of detailed core logging, whole rock geochemistry, downhole geophysics and density measurements.

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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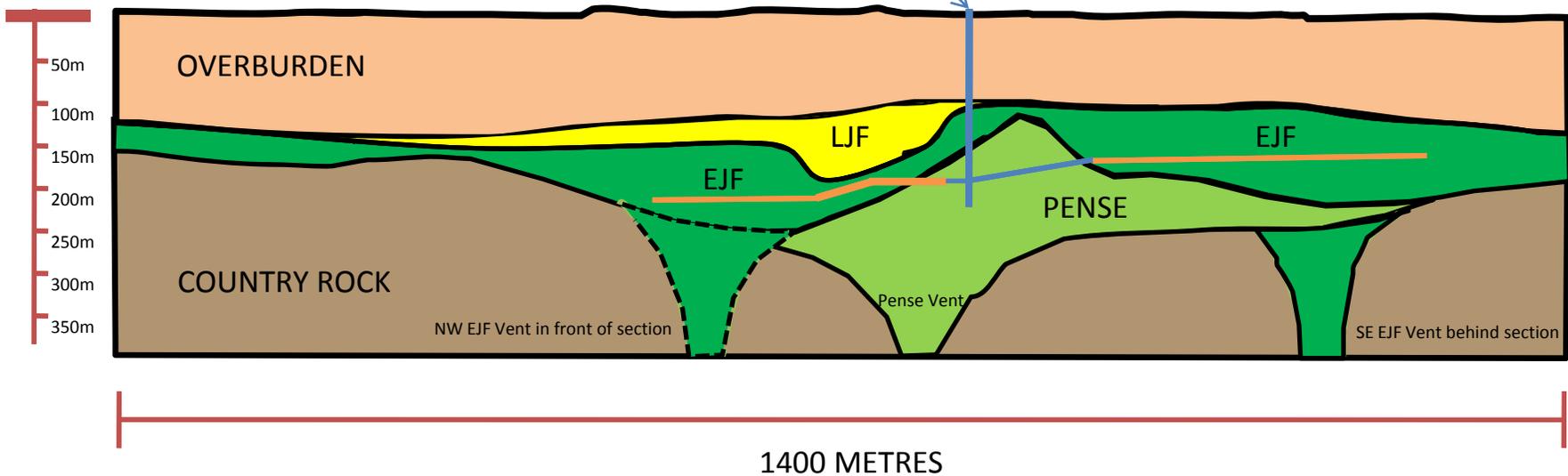
# Orion South N-S Section showing the Shaft, UG drifting, Kimberlite types and Country Rock

North

EJF = Primary Sampling Target

South

Shaft & UG Drifting (Blue = Complete, Orange = Planned)



# Orion South 3-D elevation of the base of the EJF with core holes and two EJF feeder vents

