



**NEWS RELEASE**

**Stock Symbol: SGF: TSX**

**January 6, 2009**

**Saskatoon, Saskatchewan**

**2009 BUDGET \$17.9 MILLION**

George H. Read, P. Geo., Senior Vice President Exploration and Development, announces that, as a consequence of the current state of the world financial and diamond markets, Shore has approved a significantly reduced 2009 budget of \$17.9 million, which includes \$2.5 million for Star, \$1.0 million for Star West and \$9.5 million for the Fort a la Corne Joint Venture (FALC-JV). The budget enables Shore to focus on the completion of the prefeasibility study and the delivery of a National Instrument 43-101 compliant reserve estimate for the Star Diamond Project during 2009. Shore anticipates the delivery of a full bankable feasibility study on Star by the first quarter of 2010. On the FALC-JV (Shore 60 percent, Newmont 40 percent) large diameter drilling (LDD) currently underway will be completed in late January and underground bulk sampling will terminate at the end of January. It is anticipated that the combined underground bulk sampling and LDD will yield a diamond parcel sufficient for the initial NI 43-101 resource estimate on the Orion South Kimberlite, within the FALC-JV. Newmont has elected not to participate in the 2009 FALC-JV budget beyond the completion of the LDD in late January.

This reduced 2009 budget combined with Shore's current cash position and an agreement in principle for a credit facility against the Company's investment in asset backed commercial paper (ABCP) will ensure the Company's financial stability through 2010, when a production decision is anticipated.

The limited underground and the completion of the LDD sampling on Orion South together with the tightly constrained 2009 budget, necessitates a considerable staff reduction on-site. The budget enables Shore to maintain a core group of personnel who will be instrumental in moving the Star Diamond Project to a production decision by the first quarter of 2010 and concurrently preparing the initial resource estimate for Orion South.

Senior Vice President Exploration and Development, George Read, states: "In the current uncertain financial markets, Shore believes it is important that we carefully manage our cash position while moving our projects toward a production decision in line with the schedule defined by the Star – Orion South Project Proposal (SGF News Release November 3, 2008). We are convinced that the 2009 budget enables us to make significant progress towards a production decision on Star while simultaneously estimating a resource on Orion South. This approach unfortunately comes at the expense of a considerable reduction in the size of our staff. Many alternative work programs have been exhaustively considered prior to making this decision. The Shore management acknowledges the hard work, diligence and loyalty of our staff, consultants and contractors that have enabled us to evaluate these kimberlites to date."

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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