



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

**March 25, 2008
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, 2007 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

- Spending of \$25.8 million on the Star Diamond Project advanced exploration program and \$27.4 million on the Company’s share of the Fort à la Corne Joint Venture (“FALC-JV”) exploration program
- Modeled price estimate of US\$170 per carat for the completed Star Kimberlite underground bulk sampling program
- Commencement of the shaft sinking on Orion South
- Announcement of geological estimates for Orion South (between 360 and 400 million tonnes of diamondiferous kimberlite) and Orion Centre (between 150 and 167 million tonnes of diamondiferous kimberlite), completing the geological modeling of the FALC-JV’s Orion Kimberlite Cluster (including Orion North), which is now estimated to contain between 1.3 and 1.5 billion tonnes of kimberlite
- Acquisition of a 22.5% interest in the Buffalo Hills Joint Venture (Buffalo Hills, Alberta) for \$8.75 million
- Announcement of project budgets for 2008, consisting of \$7.9 million for the Star Diamond Project, \$86.8 million for the FALC-JV and \$3.5 million for the Buffalo Hills Joint Venture
- Working capital of \$65.2 million at December 31, 2007
- Issued and outstanding shares of 182,684,242 at December 31, 2007

Overview

Star Diamond Project Advanced Exploration Program

Shore’s underground bulk sampling program of the Star Kimberlite, which commenced in 2003, was completed in April 2007 (See SGF News Release April 24, 2007). In total, three phases of underground bulk sampling were performed on the Star Kimberlite, resulting in 71,956 tonnes of kimberlite being processed. This processed kimberlite produced 82,390 diamonds (+0.85 millimetre) weighing a total of 10,843 carats.

On November 5, 2007, the Company announced valuation results for the complete Star Kimberlite underground bulk sampling diamond parcel (See SGF News Release November 5, 2007). An overall modeled price estimate of US\$170 per carat was determined by WWW International Diamond Consultants Limited, who together with their aboriginal partners ADG through Diamonds International Canada (DICAN), are the valuers to the Federal Government of Canada for the Canadian diamond mines in the

Northwest Territories and Nunavut. The modeled price of US\$170 per carat is a twenty-six percent increase over the previously announced valuation exercise that was performed at the end of Phase 2. The valuation exercise incorporated the five principal kimberlite lithologies within the Star Kimberlite: Cantuar, Pense, Early Joli Fou (“EJF”), Mid Joli Fou (“MJF”) and Late Joli Fou (“LJF”). Diamond parcels recovered from these individual lithologies were valued to determine modeled diamond prices that will be used in the Mineral Reserve calculation for the Star Kimberlite.

The Star Diamond Project has now advanced from a capital intensive data gathering exercise (underground bulk sampling, core drilling and large diameter drilling) to lower cost desk-top engineering studies and data analysis. The Company anticipates a Mineral Resource estimate for the Star Kimberlite to be defined by approximately the first quarter of 2008.

FALC-JV Exploration Programs

During 2007, the major activities on the FALC-JV Project were the commencement of the sinking of a shaft on Orion South, LD drilling programs on Orion South, Orion North and Star West, the processing of samples from the LD drill programs and the underground bulk sampling from Star West.

In July of 2007, the final diamond results from a four-hole LD drilling program on the Orion South Kimberlite were announced. A total of 78.22 carats were recovered from the processing of 1,448.05 dry tonnes of kimberlite from this LD drilling (See SGF News Release June 25, 2007). Kimberlite with elevated grades (7.00 to 28.50 carats per hundred tonnes (“cphT”)) was encountered at various depths in all four holes. This four-hole program targeted the Pense lithology (estimated to be 112-124 million tonnes), since previous drill programs had targeted the EJF lithology (estimated to be 176-196 million tonnes). The elevated grades found in the Pense lithology, along with the significant estimated volumes of EJF and Pense diamond bearing kimberlite, justified the next phase of exploration on Orion South. On October 17, 2007, the Company announced that the FALC-JV participants approved the sinking of a shaft for underground bulk sampling of Orion South (See SGF News Release October 17, 2007). The shaft will enable the collection of bulk samples from the three predominant kimberlite phases within Orion South (EJF-1, EJF-2 and Pense). Shaft sinking currently underway on Orion South intersected kimberlite at 102.6 metres below surface on December 29, 2007 and is currently at a depth of some 185 metres below surface. The shaft will reach a depth of 210 metres below surface and current scheduling suggests this depth will be attained in the second quarter of 2008.

The Company also announced geological estimates for Orion South (between 360 and 400 million tonnes of diamondiferous kimberlite) and Orion Centre (between 150 and 167 million tonnes of diamondiferous kimberlite) (See SGF News Releases dated March 2, 2007 and November 2, 2007). These estimates completed the geological modeling of the FALC-JV’s Orion Kimberlite Cluster, which is now estimated to contain between 1.3 and 1.5 billion tonnes of kimberlite (including the geological estimate for Orion North of between 800 and 870 million tonnes, which was announced in 2006) and is the world’s largest known accumulation of contiguous diamondiferous kimberlite. The tonnage estimates are conceptual in nature and are not mineral resources as there has not been sufficient exploration carried out to date to define mineral resources on these properties.

Presently, it is uncertain if further exploration will result in any of these properties being delineated as a mineral resource. This tonnage estimate for the Orion Cluster does not include other kimberlites located within the claims of the FALC-JV such as the Taurus Kimberlite Cluster, which is the next area of interest for the FALC-JV program. The Taurus Kimberlite Cluster lies to the west of the Orion Cluster and includes eight coalescing kimberlites that result in over six kilometres of contiguous kimberlite.

Buffalo Hills

On July 24, 2007, Shore and Diamondex Resources Ltd. (“Diamondex”) completed a transaction with Ashton Diamonds (Canada) Inc. and Ashton Mining of Canada Inc. (collectively, "Ashton") (wholly owned subsidiaries of Stornoway Diamond Corporation) to acquire Ashton’s 45 percent interest in the Buffalo Hills Property in northern Alberta for a total consideration of \$17.5 million. Under the agreement Shore paid \$8.75 million in cash and Diamondex paid \$6.25 million in cash and issued Ashton 6,031,363 of its common shares with a value of \$2.5 million. Pursuant to the acquisition, Shore and Diamondex each acquired a 22.5 percent interest in the Buffalo Hills Joint Venture, in which EnCana Corporation holds a 43 percent interest and Pure Diamonds Exploration Inc. holds the remaining 12 percent interest. Diamondex has been appointed operator of the Buffalo Hills Joint Venture.

Year to Date Results

For the year ended December 31, 2007, the Company recorded net income of \$7.5 million or \$0.04 per share compared to a net loss recognized for accounting purposes of \$77.5 million, or \$0.44 per share for 2006. This net income was due to the \$16.0 million future income tax recovery that was recorded during the year ended December 31, 2007 primarily resulting from the federal government substantively enacting a decrease in corporate income tax rates. This was offset by the fair value of stock-based compensation expensed during the year (\$5.2 million) and the \$2.0 million impairment in fair value of third-party asset-backed commercial paper (“ABCP”) held by the Company. The loss for the year ended December 31, 2006 primarily related to the loss recognized for accounting purposes on the sale of a 40 percent interest of the FALC-JV to Newmont of \$124.5 million (net of a \$55.9 million future income tax recovery), offset by an additional future income tax recovery of \$44.9 million resulting from decreases to the federal and provincial income tax rates. The Company generated lower interest income for 2007 compared to 2006 which was the outcome of having less cash on hand after incurring on-going exploration expenditures on the Fort à la Corne projects, the acquisition of a 22.5 percent interest in the Buffalo Hills Joint Venture as well as the 17.755 percent acquisition of the FALC-JV during the third quarter of 2006.

Selected financial highlights include:

Consolidated Balance Sheets	As at December 31, 2007	As at December 31, 2006
Current assets	\$ 75.4 M	\$ 130.0 M
Capital and other assets	743.7 M	657.5 M
Current liabilities	10.1 M	11.9 M
Future income tax and other long-term liabilities	105.3 M	117.5 M
Share capital	768.3 M	733.5 M
Contributed surplus	22.5 M	19.2 M
Deficit	87.1 M	94.6 M

	Year Ended December 31, 2007	Year Ended December 31, 2006
Consolidated Statements of Income (Loss)		
Interest Income	\$ 4.0 M	\$ 9.5 M
Operating Expenses	10.2 M	6.3 M
Income (loss) for the period before other items	(6.2) M	3.2 M
Impairment in fair value of ABCP	(2.0) M	- M
Loss on sale of property interest	- M	(180.4) M
Income tax recovery	16.0 M	99.5 M
Other income (loss)	(0.3) M	0.2 M
Net income (loss) for the period	7.5 M	(77.5) M
Income (loss) per share (basic and diluted)	0.04	(0.44)

	Year Ended December 31, 2007	Year Ended December 31, 2006
Consolidated Statements of Cash Flows		
Cash flows from operating activities	\$ (0.2) M	\$ 4.6 M
Cash flows from investing activities	(63.1) M	(220.5)M
Cash flows from financing activities	30.6 M	19.2 M
Net increase (decrease) in cash	(32.7)M	(196.7)M
Cash – beginning of period	65.0 M	261.7 M
Cash – end of period	32.3 M	65.0 M

Outlook

As of March 20, 2008, the Company had approximately \$56 million in cash and cash equivalents and short-term investments. These funds will be used to complete the advanced exploration program on the Star Kimberlite and to fund the Company's portion of the FALC-JV and Buffalo Hills exploration programs. Amounts budgeted for these three principal projects for 2008 are: Star Diamond Project \$7.0 million (100 percent Shore), FALC-JV \$86.8 million (of which 60 percent will be funded by the Company) and Buffalo Hills Joint Venture \$3.5 million (which represents Shore's 50 percent cost share). Also budgeted for 2008 is \$0.9 million for exploration drilling of other kimberlite targets contained with Shore's mineral claims. The advanced exploration program of the Star Kimberlite will be conducted in order to determine the project's viability under current economic conditions. This will entail desk-top engineering studies and data analysis which will integrate kimberlite tonnes and diamond data to define a Mineral Resource conforming to NI 43-101 and Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") standards. Based on current timelines the Company anticipates a Mineral Resource estimate to be defined by approximately the first quarter of 2008, followed by a Mineral Reserve by mid-2008 and a bankable feasibility study by the end of 2008. 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 kimberlite bodies until approximately 2009 or later.

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 Securities legislation in Canada 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 nature 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 evaluation 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 partner; 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. 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.

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