



NEWS RELEASE

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STAR DIAMOND PROJECT: PHASE 3 CANTUAR DIAMOND RESULTS 16.59, 8.64, 7.86 AND 5.94 CARAT DIAMONDS IN 464.27 CARAT PARCEL

George H. Read, P. Geo., Senior Vice President Exploration and Development, is pleased to announce the fourth set of diamond results from Phase 3 of the underground bulk sampling of the Star Kimberlite (Phase 1 being the original 25,000 tonne bulk sample and Phase 2 being the 18,000 tonne bulk sample). The diamond recoveries total 464.27 carats from 2,752.92 dry tonnes processed. Included in this release are results for thirteen kimberlite batches of a total of approximately 50 kimberlite batches that will be processed as part of the Phase 3 bulk sampling program. A total of 2,388 commercial sized diamonds (greater than 1.18 millimetre square mesh screen), collectively weighing 463.32 carats, has been recovered from the thirteen batches. Seventy-nine diamonds greater than one carat have been recovered and the four largest stones are: 16.59, 8.64, 7.86 and 5.94 carats, respectively. In addition, 57 diamonds (0.95 carats) were recovered down to 0.85 millimetre square mesh. The colour of 55 percent of the diamonds has been classified as white, with a further 23 percent classified as off-white.

All of these kimberlite batches were recovered from the Cantuar Kimberlite, which was mined to the south and southwest of the shaft. Note that kimberlites batches 193A, 194, 195, 196, 197, 198, 199 and 200 have been sampled in drifts developed from the Star Diamond Project (100 percent Shore) into Star West, which is within the claims of the Fort a la Corne Joint Venture (FALC-JV: Shore 60 percent, Newmont 40 percent). The lower grades of kimberlite batches 183, 185, 193B and 194 are a result of a combination of higher proportions of pyroclastic kimberlite (as opposed to kimberlite breccia) and localized mudstone dilution. The X-ray Flowsort and grease table concentrates of Batches 176, 177, 178, 179, 180, 184, 187, 188, 189, 190, 191, 192, 201, 202, 203 and 204 have been dispatched to SGS Lakefield Research for final diamond recovery.

Kimberlite processed and diamond results for the thirteen sample batches are listed in the table below. Grades are expressed in carats per hundred tonnes (cpht).

Batch #	Location	Dry Tonnes	Diamonds Number of Stones	Total (carats)	Grade (cpht)	Largest Stone (carats)
181	SOUTH 9E (Star Diamond Project)	300.53	259	51.14	17.02	5.94
182	SOUTH 9F (Star Diamond Project)	121.58	93	17.08	14.05	2.06
183	SOUTH 9 DDST 1 (Star Diamond Project)	139.75	110	16.09	11.51	2.70
185	SOUTH 9 DDST 2 (Star Diamond Project)	160.50	129	20.58	12.82	2.50
193A	SOUTH 7 F (Star West FALC-JV)	50.52	46	8.43	16.69	2.96
193B	SOUTH 7 F (Star Diamond Project)	64.60	69	7.44	11.52	1.12
194	SOUTH 7 G (Star West FALC-JV)	203.06	229	21.56	10.62	1.35
195	SOUTH 7 H (Star West FALC-JV)	320.83	273	55.20	17.21	8.64
196	SOUTH 7 I (Star West FALC-JV)	261.19	274	47.01	18.00	3.21
197	SOUTH 7 J (Star West FALC-JV)	304.23	243	50.42	16.57	4.69
198	SOUTH 7 K (Star West FALC-JV)	266.04	266	51.95	19.53	4.60
199	SOUTH 7 L (Star West FALC-JV)	266.07	240	45.48	17.09	4.06
200	SOUTH 7 M & DDST (Star West FALC-JV)	294.02	214	71.89	24.45	16.59
Total		2,752.92	2,445	464.27	16.86	

Examination of the size frequency statistics for the Early Joli Fou (EJF) and Cantuar diamond populations shows that the Cantuar population has an even greater proportion of plus one carat goods than the EJF diamond population. Typically the bulk of the diamond value lies in the stones that are greater than one carat in size. Forty percent of the carats recovered from the Cantuar are greater than one carat in size, while 31 percent of the EJF carats are greater than one carat. The data used to generate these numbers are listed in the following table.

Kimberlite Lithology	Total Carats	Carats greater than 1 carat	Percentage greater than 1 carat
Early Joli Fou	6,774.56	2,113.16	31.19%
Cantuar	1,223.48	491.31	40.16%

The four largest stones are: 16.59 (Batch 200, Off White), 8.64 (Batch 195, Grey), 7.86 (Batch 200, Off White) and 5.94 (Batch 181, Grey) carats respectively. Forty-three diamonds exceed two carats and 79 diamonds exceed one carat, of which 31 are white, 27 are off-white, 15 are grey, 5 are brown and 1 is yellow. A total of 168 diamonds exceed 0.5 carats. Fifty-five percent of this diamond parcel is classified white in colour, with a further 23 percent classified as off-white. The diamond parcel includes 7 yellow stones. Ninety-nine percent of the carat weight of this parcel occurs in diamonds greater than 1.18 millimetre square mesh.

Senior Vice President Exploration and Development, George Read, states: "The high proportion of plus one carat diamonds and the resultant coarse size frequency distribution for the Cantuar diamond population will have a positive effect on the economics of this kimberlite lithology. The bulk sampling of the Cantuar and Pense Kimberlites is well advanced and while the underground bulk sampling of the Cantuar is almost complete, lateral drift development is still underway in the Pense Kimberlite. It is anticipated that all underground sampling on Star will be completed in the first quarter of 2007. Thereafter the underground workings on Star will be shut down. The collection of data which will be used to determine the presence of a National Instrument 43-101 compliant Mineral Resource is proceeding on schedule."

The diamond recovery procedure includes on-site processing of kimberlite through the modular Dense Media Separator (DMS), after which DMS concentrates are batch fed through an X-ray Flow-sort. In order to ensure the recovery of low luminosity diamonds, the Flow-sort tailings are processed over a grease table. Flow-sort and grease table concentrates are transported by a secure carrier to SGS Lakefield Research for final diamond recovery. The SGS Lakefield Research process includes drying, screening, magnetic separation, manual sorting and diamond weighing and description. SGS Lakefield Research is accredited to the ISO/IEC 17025 standard by the Standards Council of Canada as a testing laboratory for specific tests.

The Star Kimberlite is currently being evaluated using a combination of pattern core drilling, underground bulk sampling and large diameter drilling. This evaluation program, with a budget of some \$60 million, will determine the presence of a National Instrument 43-101 compliant Mineral Reserve for the Star Kimberlite. Senior Vice President Exploration and Development, George Read, Professional Geoscientist in the Provinces of Saskatchewan and British Columbia, is the 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 the anticipated results of Shore's pre-feasibility 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. 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:

Wade D. MacBain, Corporate Communications Manager at (306) 667-3503.

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