



## **NEWS RELEASE**

Stock Symbol: SGF: TSX

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Saskatoon, Saskatchewan

### **STAR DIAMOND PROJECT: PHASE 3 PENSE DIAMOND RESULTS 14.63, 9.09, 7.34 AND 6.50 CARAT DIAMONDS IN 678.56 CARAT PARCEL**

George H. Read, P. Geo., Senior Vice President Exploration and Development, is pleased to announce the fifth 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 678.56 carats from 5,443.77 dry tonnes processed. Included in this release are results for eighteen 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 5,515 commercial sized diamonds (greater than 1.18 millimetre square mesh screen), collectively weighing 676.25 carats, has been recovered from the eighteen batches. Seventy-nine diamonds greater than one carat have been recovered and the four largest stones are: 14.63, 9.09, 7.34 and 6.50 carats, respectively. In addition, 131 diamonds (2.31 carats) were recovered down to 0.85 millimetre square mesh. The colour of 70 percent of the diamonds has been classified as white, with a further 15 percent classified as off-white.

All of these kimberlite batches were recovered from the Pense Kimberlite, which was mined to the northeast of the shaft, at the end of the ramp and drive (South 16) to the 215 metre level. All Pense kimberlite batches with grades less than 10 carats per hundred tonnes were sampled from finer grained Pense Kimberlite, near the boundary with the Early Joli Fou (EJF). The higher grade Pense batches (Batch 205 and 209) were samples some 75 metres into the Pense, from the point where the South 16 drive initially crosses the EJF-Pense contact.

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

<b>Batch #</b>	<b>Location</b>	<b>Dry Tonnes</b>	<b>Diamonds Number of Stones</b>	<b>Total (carats)</b>	<b>Grade (cpht)</b>	<b>Largest Stone (carats)</b>
186	South 17 Diamond Drill Station	302.65	328	35.68	11.79	2.44
187	South 17B	413.42	485	53.63	12.97	3.74
188	South 17A	347.35	443	57.69	16.61	9.09
189	South 16 Diamond Drill Station Right	88.31	81	6.09	6.90	0.49
190	South 16 Diamond Drill Station Left	90.31	101	12.41	13.74	2.94
191	South 16W	216.50	243	20.56	9.50	1.59
201	South 16X	350.60	204	19.24	5.49	2.29
202	South 17C	396.48	437	52.97	13.36	4.05
203	South 16Z	318.28	307	33.46	10.51	2.50
204	South 17D	393.12	339	26.39	6.71	1.74
205	South 17H (pile A)	196.80	255	57.58	29.26	14.63
206	South 17E	305.60	184	21.35	6.99	2.25
207	South 16AA	300.78	240	39.31	13.07	3.77
208	South 17G	280.69	370	54.34	19.36	4.92
209	South 17H (pile B)	338.40	459	70.85	20.94	7.34
210	South 28A	330.73	373	38.40	11.61	2.48
211	South 16Y	364.93	324	35.09	9.62	4.07
212	South 17F	408.82	473	43.52	10.65	1.99
<b>Total</b>		<b>5,443.77</b>	<b>5,646</b>	<b>678.56</b>	<b>12.46</b>	

The four largest stones are: 14.63 (Batch 205, off white), 9.09 (Batch 188, grey), 7.34 (Batch 209, white) and 6.50 (Batch 205, white) carats respectively. Thirty-one diamonds exceed two carats and 79 diamonds exceed one carat, of which 40 are white, 18 are off-white, 16 are grey, 2 are brown and 3 other. A total of 176 diamonds exceed 0.5 carats. Seventy percent of this diamond parcel is classified white in colour, with a further 15 percent classified as off-white. 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: "Approximately 11,000 tonnes of Pense Kimberlite has been collected in Phase 3 of the underground bulk sampling program. These results provide the details of the 678.56 carats of diamonds recovered from the initial 5,443.77 tonnes processed. The balance of the Pense Kimberlite sampled includes 1509.89 tonnes (Batches 213 to 217) which have been processed through the on-site plant and concentrates dispatched to SGS Lakefield for final diamond recovery, and approximately 4,000 tonnes that still remain to be processed on site. Shore geologists are encouraged by the positive relationship that exists between coarse grained Pense Kimberlite and higher diamond grade, as this will have a positive impact on the future economics of the Star Diamond Project. The Pense Kimberlite sampled and drilled increases in coarseness from the EJF-Pense contact towards the northeast. The available results represent less than half of the total sampled and only when the full Pense Kimberlite results are available, is it expected to be representative of the overall Pense Kimberlite coarseness. 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:

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