



Stock Symbol: SGF: TSX
SHORE GOLD INC.

May 15, 2006
Saskatoon, Saskatchewan

SHORE GOLD INC. ANNOUNCES FIRST QUARTER RESULTS

Shore Gold Inc. (“Shore”) reports that the unaudited results of Shore’s operations for the quarter ended March 31, 2006 have been filed and may be viewed at www.sedar.com. A summary of key financial and operating results for the quarter are as follows:

Highlights

- Shore announced phase three of its pre-feasibility study on the Star Diamond Property.
- Shore and the Fort à la Corne Joint Venture (“FALC-JV”) participants announced a \$42.3 million, 2006 Exploration Program on the Joint Venture Property.
- De Beers Canada Inc. filed a statement of claim on February 6, 2006 which named Shore/Kensington, Cameco Corporation and UEM Inc. as defendants relating to the Voting Arrangement among the above entities – The favorable decision for Shore is currently being appealed and is scheduled to be heard on May 18, 2006.
- A valuation of a second parcel of diamonds was released March 20, 2006.
- Working capital of \$240.5 million at March 31, 2006.
- Issued and outstanding shares of 172,620,840 at March 31, 2006.

Star Diamond Property Pre-feasibility Program

In March 2006, the results of a second valuation exercise were released. The original 3,050 carat parcel of diamonds from the first valuation exercise done in the early part of 2005 were revalued together with the balance of the diamonds recovered from the initial bulk sample as well as the diamonds recovered from the second phase of bulk sampling. The total 5,950 carat parcel separated the diamond values between kimberlite types based on information gathered by Shore geologists. The kimberlite types identified during the bulk sample process included Early, Mid and Late Joli Fou, Cantuar and Pense. The Early Joli Fou was further broken down into two sub-types (Kimberlite Breccia & Pyroclastic). Of particular note was the 1,992.6 carats retrieved from the Early Joli Fou Kimberlite Breccia which had a modeled value of US\$173 per carat. This compares to a modeled value of US\$112 for the Early Joli Fou Pyroclastic kimberlite.

Thus far, the bulk sampling has focused on the Early Joli Fou kimberlite phase with approximately 80% of the tonnes recovered coming from this kimberlite type. Overall, the bulk sampling to date has been successful in meeting its objective of increasing confidence in the modeled diamond values announced in 2005 and these results will ultimately form part of a larger geological and economic model that will encompass all kimberlite types on the Star Diamond Property. The third phase of the Star pre-feasibility study will see a concerted effort on both the Pense and Cantuar kimberlite types. Shore believes, based on minerals and textures observed in the core drilling

intersections, that these two kimberlite types are highly prospective and could significantly impact the future economics of the Star Diamond Property. The third phase of the pre-feasibility program will also see additional infill drilling to better define areas containing Pense kimberlite with an objective of locating a Pense feeder vent. As part of the second phase of the pre-feasibility program, some 30,000 meters of PQ core (75 millimeter) drilling was completed in a total of 125 holes. There are a total of 30 infill holes proposed for the third phase and they will be concentrated in a ravine 600 metres east of the shaft. With the announcement of the third phase, the total pre-feasibility study on the Star Diamond Property now has a budget of approximately \$60 million.

FALC-JV Property 2006 Exploration Plan

The 2006 Exploration program on the FALC-JV property was unanimously agreed to by the Management Committee of the FALC-JV on April 21, 2006. The program will include some 318 core drill holes and 12 large diameter drill holes on the Orion Cluster of kimberlites, the Star West kimberlite and 3 other selected kimberlites. The Orion Cluster is made up of a group of eight defined kimberlites that are believed to form a seven-kilometer long continuous belt of kimberlite, while Star West is defined as the part of the Star Kimberlite that falls within the claim boundaries of the FALC-JV. Star West is presently estimated to include 22 percent of the Star Kimberlite. To put the magnitude of this program into perspective, the core drilling planned for the 2006 FALC-JV program is approximately twice that of the Star Property's 155 core drill holes that is to be completed as part of all three phases of the Star pre-feasibility study. The 2006 program is expected to cost \$43.2 million of which Shore, through its wholly owned subsidiary, Kensington, will fund 46.94%.

Quarterly results

For the quarter ended March 31, 2006, the Company recorded net income of \$0.4 million or \$0.00 per share compared to a net loss of \$1.6 million or \$0.02 per share for the same period in 2005. The difference between March 31, 2005 and 2006 is predominately related to two items. Firstly, the Company generated increased interest income for the first quarter of 2006 compared to the same period in 2005 which was the result of having excess cash on hand after the completion of two significant financings during 2005. Secondly, the fair-value of stock options expensed during the first quarter of 2005 was approximately \$1.3 million larger than the expense for the 2006 period. The increased interest revenue has resulted in the generation of income from operations; something not normally associated with an exploration company.

Selected financial highlights include:

Consolidated Balance Sheets	As at March 31, 2006	As at December 31, 2005
Current assets	\$ 250.4 M	\$ 267.4 M
Capital and other assets	527.0 M	509.3 M
Current liabilities	9.9 M	14.8 M
Future income tax liability	148.0 M	147.6 M
Share capital	610.8 M	600.4 M
Contributed surplus	25.4 M	31.0 M
Deficit	16.7 M	17.1 M

Consolidated Statements of Income (Loss)	For the Quarter Ended March 31, 2006	For the Quarter Ended March 31, 2005
Interest Income	\$ 2.1 M	\$ 0.3 M
Operating Expenses	1.4 M	1.9 M
Income (loss) before income taxes	0.7 M	(1.6) M
Net income (loss) for the period	0.4 M	(1.6) M
Income (loss) per share	0.00	(0.02)

Consolidated Statements of Cash Flows	For the Quarter Ended March 31, 2006	For the Quarter Ended March 31, 2005
Cash flows from operating activities	\$ 1.2 M	\$ 0.8 M
Cash flows from investing activities	(20.1) M	(6.3) M
Cash flows from financing activities	4.7 M	120.1 M
Net (decrease) increase in cash	(14.2) M	114.6 M
Cash – beginning of period	261.7 M	28.7 M
Cash – end of period	247.5 M	143.3 M

Outlook

As at May 15, 2006, the Company had approximately \$249.1 million in cash and cash equivalents. This will be used to complete certain aspects of the second phase and the recently announced third phase of the Star Diamond Property pre-feasibility study as well as to fund the Company's share of exploration of the FALC-JV Property. The exploration projects on both the Star Diamond Property and the FALC-JV Property will be conducted in order to assist in determining both projects' viability under current economic conditions. This will entail the collection of additional exploration information, such as geological, geotechnical, geometallurgical, geochemical, assaying and other relevant information to delineate and define the properties with a sufficient level of confidence, to estimate a Mineral Resource conforming to National Instrument 43-101 and Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") standards.

The balance of cash and cash equivalents will be used to fund various other exploration activities, acquisition and exploration of additional diamond properties (as opportunities warrant) as well as for general corporate matters.

Caution Regarding Forward-looking Information

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.

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