



NEWS RELEASE

Stock Symbol: SGF: TSX

March 23, 2016

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, 2015 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 is as follows:

Highlights

- Announced Revised Mineral Resources for the Star and Orion South Kimberlites;
- Announced an updated valuation of the diamond parcels from the Star – Orion South Diamond Project (“Project”);
- Announced drilling results of the core and large diameter drilling (“LDD”) programs on the Orion South Kimberlite;
- Announced the closing of a bought deal private placement of 11.5 million Flow-Through Common Shares and 3.7 million Common Shares for aggregate gross proceeds of \$3.3 million;
- Announced the closing of a private placement for gross proceeds of \$2.0 million;
- Continued to seek opportunities for Project development capital;
- Working capital of \$4.0 million at December 31, 2015;
- Issued and outstanding shares of 274,286,765 at December 31, 2015

Overview

During the fourth quarter of 2015, the Company announced Revised Mineral Resource estimates for the Star and Orion South Kimberlites (see SGF News Release dated November 9, 2015 and Technical Report filed December 21, 2015). Accordingly, the mineral resources and economic assessment previously disclosed by Shore for the Project should no longer be relied upon. These Revised Mineral Resource estimates resulted in substantial increases in tonnes, grade and carats in the Indicated Resource category:

- Indicated Mineral Resource for the Star Kimberlite has increased 38 percent to 28.2 million carats and the grade has increased 11 percent to 15 carats per hundred tonnes (“cpht”).
- Indicated Mineral Resource for the Orion South Kimberlite has increased 134 percent to 27.1 million carats and the grade has increased 1 percent to 14 cpht.

In addition to the Indicated Mineral Resource Estimate, the Star and Orion South Kimberlites include Inferred Resources containing 11.5 million carats.

The Company also announced an updated valuation of the diamond parcels from the Project (see SGF News Release dated October 21, 2015). This updated diamond valuation was required for the Revised Mineral Resource estimates for the Star and Orion South Kimberlites. The Parcel Prices show increases between 31 and 125 percent above the March 2008 prices. Model Prices ranging between \$161 and \$333 per carat have been determined for the diamond populations of the major kimberlite units that make up the Star and Orion South Kimberlites. The decline in the value of the Canadian dollar against the US dollar since January 2013 works in favour of Project economics and the increase in Model Prices is even greater in Canadian dollar terms.

During 2015 the Company announced a large diameter drilling (“LDD”) program (see SGF News Release dated February 19, 2015) as well as a related core drilling program (see SGF News Release dated March 27, 2015) on the Orion South Kimberlite. The core drilling was required to accurately document the internal stratigraphy of the Orion South Kimberlite prior to the commencement of the LDD program. The LDD drilling program aimed to provide diamond grade information at new grid locations and this additional diamond grade information was used in the revised Mineral Resource estimates. The original evaluation of the Orion South Kimberlite, using underground bulk sampling and LDD mini-bulk sampling, was curtailed by the world financial crisis of late 2008.

In June 2015 the Company announced that both the core and LDD drilling programs had been successfully completed (see SGF News Release dated June 15, 2015). The LDD program included twelve 24 inch holes totaling 2,560.5 metres that sampled a total of 1,028.53 metres of kimberlite units within the Orion South Kimberlite (see SGF News Release dated September 2, 2015). The samples were processed at Rio Tinto Canada Diamond Exploration Inc’s Thunder Bay Mineral Processing Laboratory. The core drilling program included 18 vertical NQ (48 millimetre) diamond drill holes totaling 3,617 metres that intersected 1,208 metres of Early Joli Fou (“EJF”) and Pense kimberlite, confirming significant new intersections of kimberlite on the western flank and southern part of the Orion South Kimberlite. These significant new kimberlite intersections (up to 112 metres) extended the existing 100 metre grid drilling program already completed on Orion South. Since Newmont elected to not participate in the 2015 FALC-JV programs, their interest in the FALC-JV diluted by 1 percent to 31 percent (2014 – 32 percent).

The Company recently announced the commencement of the 2016 core drilling programs (See SGF News Release dated February 23, 2016). This core drilling is required to further expand the internal stratigraphy of the Orion South and Star Kimberlites extending and in-filling geological continuity from the 2015 drilling programs.

During December 2014, the Canadian Environmental Assessment Agency (“CEAA” or the “Agency”) announced an Environmental Assessment Decision for the proposed Project (See SGF News Release dated December 3, 2014). The Honourable Leona Aglukkaq, Environment Minister, announced that the Project “is not likely to cause significant adverse environmental effects when the mitigation measures described in the Comprehensive Study Report are taken into account”. The CEAA is the lead agency for the Federal government and Saskatchewan Ministry of Environment (“Ministry”) is the lead agency on behalf of the Province, which are jointly conducting the environmental assessment of the proposed Project. The Company filed the final Environmental Impact Statement (“EIS”) for the Project to the Ministry and the CEAA (See SGF News Release dated August 6, 2014). The EIS was prepared at the request of the Ministry and includes all updates, revisions, information requests and the Company’s responses. The final EIS was released for public comment by the Ministry in January 2015. The public was invited to comment on the EIS and the Ministry’s technical review comments. The Ministry is continuing to work on fulfilling the province’s duty to consult responsibilities with First Nation and Métis communities potentially impacted by the proposed Project.

During 2015 the Company completed a private placement of 10.0 million Units at a price of \$0.20 per Unit, for aggregate gross proceeds of \$2.0 million (see SGF News Release dated June 12, 2015). Each Unit consisted of one common share and one common share purchase warrant. Each warrant will entitle the holder thereof to purchase one common share at a price of \$0.25 for a period of 18 months from the date of issuance. On December 30, 2015, the Company completed a bought deal private placement of 11.5 million flow-through common shares and 3.7 million common shares, for total gross proceeds of \$3.3 million (See SGF News Release December 30, 2015). Gross proceeds of \$2.6 million from the flow-through common shares will be used on exploration and evaluation activities prior to December 31, 2016.

During 2014, the Company raised \$5.5 million from flow-through financing activities to be used on exploration and evaluation activities before the end of 2015. The Company has fulfilled this obligation as of December 31, 2015.

Year to Date Results

For the year ended December 31, 2015, the Company recorded a net loss of \$9.1 million or \$0.04 per share compared to a net loss of \$3.0 million or \$0.01 per share in 2014. These losses were primarily due to ongoing operating costs and exploration and evaluation expenditures incurred by the Company exceeding interest income earned on cash and cash equivalents and short-term investments. This increase was primarily due to higher exploration and evaluation expenditures incurred during 2015 due to the nature of work on the Star – Orion South Diamond Project. Exploration and evaluation expenditures incurred during the year ended December 31, 2015 primarily related to expenditures relating to the drilling programs.

Selected financial highlights include:

Consolidated Statements of Financial Position	As at December 31, 2015	As at December 31, 2014
Current assets	\$ 4.3 M	\$ 6.8 M
Capital and other assets	1.7 M	2.2 M
Current liabilities	0.3 M	0.4 M
Premium on flow-through financings	0.5 M	0.0 M
Long-term liabilities	0.6 M	0.6 M
Shareholders' equity	4.6 M	8.0 M

Consolidated Statements of Loss and Comprehensive Loss	Year Ended December 31, 2015	Year Ended December 31, 2014
Interest and other income	\$ 0.0 M	\$ 0.0 M
Expenses	(9.1) M	(2.9) M
Loss for the period before other items	(9.1) M	(2.9) M
Change in available-for-sale financial instruments	(0.0) M	(0.1) M
Net and comprehensive loss for the year	(9.1) M	(3.0) M
Net loss per share for the year (basic and diluted)	(0.04)	(0.01)

Consolidated Statements of Cash Flows	Year Ended December 31, 2015	Year Ended December 31, 2014
Cash flows from operating activities	\$ (7.6) M	\$ (2.6) M
Cash flows from investing activities	0.9 M	2.4 M
Cash flows from financing activities	5.1 M	5.0 M
Net increase (decrease) in cash	(1.6) M	4.8 M
Cash – beginning of year	5.6 M	0.8 M
Cash – end of year	4.0 M	5.6 M

Outlook

The additional exploration and evaluation carried out during 2015 were steps required for the recently completed Revised Mineral Resource estimates on the Orion South and Star Kimberlites. The recently announced 2016 core drilling program is required to further expand the internal stratigraphy of the Orion South and Star Kimberlites extending and in-filling geological continuity from the successful programs of 2015. The Company intends to update the previous Feasibility Study with a revised mine plan, where new technology is applied to more efficiently remove the sand and clay of the overburden, in addition to the application of new technology in the processing plant. Preliminary calculations suggest that such an optimised Feasibility Study, with a new mine plan, can positively change the economic model for the Project by increasing the Mineral Resource estimate and reducing the pre-production capital costs and schedule to diamond production.

In addition, the Company is proceeding with the environmental assessment process and is continuing to seek opportunities for development capital through participation in the Project by a third party or a syndicate of investors.

As of March 23, 2016, the Company had approximately \$3.1 million in cash and cash equivalents and short-term investments (excluding \$1.0 million in restricted cash). A portion of the Company's cash and cash equivalents and short-term investments will be used to complete the recently announced core drilling programs as well as advance certain aspects of the Project, including the environmental assessment process, as well as for general corporate matters.

Technical Information

All technical information in this press release has been prepared under the supervision of George Read, Senior Vice-President of Exploration and Development, Professional Geoscientist in the Provinces of Saskatchewan and British Columbia and Mark Shimell, Project Manager, Professional Geoscientist in the Province of Saskatchewan, who are the Company's "Qualified Persons" under the definition of NI 43-101.

Caution Regarding Forward-looking Information

This news release contains forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. 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, and, in particular, statements regarding Shore's future operations, future exploration and development activities or other development plans contain forward-looking statements. Forward-looking statements in this news release include, but are not limited to, statements relating to mineral resources and/or reserves; statements related to the approval of the development of the Star - Orion South Diamond Project; statements relating to future development of the Star - Orion South Diamond Project and associated timelines; the environmental assessment and permitting process; the Company's intention to seek developmental capital through participation by a third party or syndicate of investors; Shore's objectives for the ensuing year, including the proposed drill programs and the re-optimisation of the open pit, the optimisation of the Feasibility Study and the anticipated positive change in the economic model for the Project; TFFE; the range of quantity, range of grade and range of carats for the TFFE; mineral resource estimate for the Star and Orion South kimberlite deposits; inferred resources for the Star and Orion South kimberlite deposits; and range of tons of kimberlites not included in the TFFE.

These forward-looking statements are based on Shore's current beliefs as well as assumptions made by and information currently available to it and involve inherent risks and uncertainties, both general and specific. Risks exist that forward-looking statements will not be achieved due to a number of factors including, but 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, news releases and technical reports. Shore's anticipation of and success in managing the foregoing risks could cause actual results to differ materially from what is anticipated in such forward-looking statements.

Although management considers the assumptions contained in forward-looking statements to be reasonable based on information currently available to it, those assumptions may prove to be incorrect. When making decisions with respect to Shore, investors and others should not place undue reliance on these statements and should carefully consider the foregoing factors and other uncertainties and potential events. Unless required by applicable securities law, Shore does not undertake to update any forward-looking statement that may be made.

For further information: shoregold@shoregold.com or (306) 664-2202
www.shoregold.com

- END -