



NEWS RELEASE
Stock Symbol: SGF: TSX

March 27, 2014
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, 2013 will be filed today and may be viewed at www.sedar.com once posted. The financial statements for the year ended December 31, 2013 are the Company's first annual consolidated financial statements prepared in accordance with International Financial Reporting Standard ("IFRS") issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. A summary of key financial and operating results for the year is as follows:

Highlights

- Prepared and submitted responses for comments and information requests on the Revised Environmental Impact Statement for the Star – Orion South Diamond Project ("Project")
- Received notice that the Environmental Effects Summary document was made available for public review and 30-day comment period
- Continued to seek opportunities for Project development capital
- Working capital of \$4.2 million at December 31, 2013
- Issued and outstanding shares of 224,739,242 at December 31, 2013

Overview

During 2013, the Company's main focus was work relating to the environmental assessment process for the Project and continuing to seek opportunities for development capital for the Project. The Project is situated in the Fort à la Corne kimberlite field in central Saskatchewan. The Project includes the 100 percent Shore owned Star Diamond Project, as well as Star West and the Orion South Kimberlite, which fall within the adjacent Fort à la Corne Joint Venture ("FALC-JV"). Shore has a 68 percent interest in the FALC-JV and Newmont Canada FN Holdings ULC ("Newmont") has a 32 percent interest.

The Company has completed a National Instrument ("NI") 43-101 compliant Technical Report ("Feasibility Technical Report") documenting the Feasibility Study and Mineral Reserve for the Project ("Feasibility Study"), the results of which were announced in July 2011 (See SGF News Release dated July 14, 2011). The Feasibility Study includes a cash flow model Base Case net present value ("NPV") of \$2.1 billion (using a 7 percent discount rate) for an Internal Rate of Return ("IRR") of 16 percent before taxes and royalties and an after-taxes and royalties NPV of \$1.3 billion with an IRR of 14 percent. The full details of the Feasibility Technical Report can be viewed on the Company's website (www.shoregold.com) or on SEDAR (www.sedar.com).

The Revised Environmental Impact Statement ("EIS"), which describes the potential environmental and socio-economic effects of the Project, was submitted to Provincial and Federal regulators on August 10, 2012 (See SGF News Release dated August 10, 2012). The Saskatchewan Ministry of Environment ("Ministry") is the lead agency on behalf of the Province and the Canadian Environmental Assessment Agency ("CEAA") is the lead agency for the Federal government, which are jointly conducting the environmental assessment of the Project. The Environmental Effects Summary document, prepared by the CEAA, was made available in August 2013 for public review and comment for a period of thirty days (See SGF News Release dated August 14, 2013). The preparation of the Environmental Effects Summary and public

comment period are part of the Federal comprehensive study type environmental assessment of the Project. The CEAA invited the public to comment on the potential environmental effects of the Project and the proposed measures to prevent or mitigate those effects as described in the Environmental Effects Summary. Subsequent to this period of public comment, the CEAA will prepare the Comprehensive Study Report (“CSR”), with input from the public, Federal departments and Aboriginal groups. The CSR will outline the Agency’s conclusions regarding the potential environmental effects of the project, the proposed mitigation measures and the significance of the remaining adverse environmental effects. The CSR will also be made available for public comment, after which the Ministry will take into consideration the CSR and all comments received and will issue its environmental assessment decision statement.

The Company recently announced an estimate of the Target For Further Exploration (“TFFE”, formerly known as “Potential Mineral Deposit”) for five partially evaluated kimberlites and the portions of the Star and Orion South Kimberlites which fall outside the Indicated and Inferred Resources previously estimated (See SGF News Release dated March 6, 2014).

Year to Date Results

For the year ended December 31, 2013, the Company recorded a net loss of \$5.6 million or \$0.02 per share compared to a net loss of \$9.3 million or \$0.04 per share in 2012. These losses were primarily due to ongoing operating costs and exploration and evaluation expenditures incurred by the Company exceeding interest revenue earned on cash and cash equivalents and short-term investments. This decrease was primarily due to the nature of exploration and evaluation expenditures performed in 2013 compared to 2012 as well as reductions to the Company’s personnel that took place in early 2012. Also contributing to the loss in 2012 was a \$518 thousand decrease to the carrying value of the Company’s investment in Wescan Goldfields Inc.

Selected financial highlights include:

	As at December 31, 2013	As at December 31, 2012
Consolidated Balance Sheets		
Current assets	\$ 4.6 M	\$ 9.0 M
Capital and other assets	2.6 M	4.1 M
Current liabilities	0.4 M	0.4 M
Long-term liabilities	0.9 M	1.4 M
Shareholders’ equity	5.9 M	11.3 M
 Consolidated Statements of Loss and Comprehensive Loss		
Interest and other income	\$ 0.1 M	\$ 0.2 M
Expenses	(5.6) M	(9.0) M
Loss for the period before other items	(5.5) M	(8.8) M
Change in available-for-sale financial instruments	(0.1) M	(0.5) M
Net and comprehensive loss for the year	(5.6) M	(9.3) M
Net loss per share for the year (basic and diluted)	(0.02)	(0.04)
 Consolidated Statements of Cash Flows		
Cash flows from operating activities	\$ (5.8) M	\$ (7.3) M
Cash flows from investing activities	4.9 M	1.8 M
Net increase (decrease) in cash	(0.9) M	(5.5) M
Cash – beginning of year	1.7 M	7.2 M
Cash – end of year	0.8 M	1.7 M

Outlook

The Company is proceeding with the completion of the environmental permitting process and continuing to seek opportunities for development capital through participation in the Project by a third party or a syndicate of investors. Measures taken since early 2012 will help enable the Company to conserve its cash position and provide an extended operating window in which Shore can complete the environmental permitting process and continue to seek opportunities for development capital. In addition, Shore aims to undertake additional microdiamond studies on the Orion South Kimberlite with the objective of potentially upgrading Inferred to Indicated Resources on Orion South. This microdiamond work on Orion South may provide statistically sound models for future calibration of certain other kimberlites not included in the current TFFE estimate, from which TFFE level macrodiamond grade and contained carats may be estimated.

As of March 27, 2014, the Company had approximately \$3.6 million in cash and cash equivalents and short-term investments (excluding \$1.1 million in restricted cash). A portion of the Company's cash and cash equivalents and short-term investments will be used to advance certain aspects of the project, including the EIA and related permitting. The Company continues to evaluate opportunities for development capital.

Diamond prices increased rapidly in 2011, reaching a peak in early August of that year, when the price of rough softened as a result of world financial uncertainties, particularly in Europe. Rough prices rose during the first quarter of 2012 but the world financial situation once again caused the price of rough to decrease during the second and third quarters of 2012. Rough prices have, however, increased since the end of the third quarter of 2012 with overall rough diamond prices at the end of 2012 increasing slightly from rough diamond prices at the end of 2011. Rough prices have been increasing since the beginning of 2014 and presently show a 6 percent year-on-year increase. Current rough prices are estimated to be close to the price used in the 2011 Feasibility Study.

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 related to the Feasibility Study; 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; and the Company's intention to undertake additional microdiamond studies and other exploration and development activities.

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 please contact:

Mr. Kenneth E. MacNeill, Chief Executive Officer and President

Or

Mr. Greg P. Shyluk, Chief Financial Officer

300 – 224 4th Avenue South

Saskatoon, SK S7K 5M5

PH: (306) 664-2202

FAX: (306) 664-7181

Website: www.shoregold.com