



NEWS RELEASE

Stock Symbol: SGF: TSX

December 3, 2014

Saskatoon, Saskatchewan

**STAR - ORION SOUTH DIAMOND PROJECT
POSITIVE ENVIRONMENTAL DECISION FROM FEDERAL MINISTER OF
ENVIRONMENT**

The Canadian Environment Assessment Agency (“CEAA”) has announced an Environmental Assessment Decision for Shore Gold Inc.’s (“Shore” or the “Company”) Star-Orion South Diamond Project (“the Project”). 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”. Full text of the announcement can be found at <http://www.ceaa-acee.gc.ca/>.

George H. Read, P. Geo., Senior Vice President Exploration and Development states: “This Federal decision marks a major positive milestone in the development of a world-class diamond mine in Saskatchewan. This milestone is the result of significant work and effort by our technical team and consultants and represents our commitment to our stakeholders and the community surrounding the Project.”

The Project is located in central Saskatchewan approximately 60 kilometres east of the city of Prince Albert. The Project is in close proximity to established infrastructure, including paved highways and the electrical power grid, which provide significant advantages for future mine development. The NI 43-101 compliant Technical Report on the Feasibility Study and Updated Mineral Reserve for the Project dated July 14, 2011 provided an updated Mineral Reserve Estimate for the Star and Orion South kimberlite deposits: Probable Mineral Reserves of 279 million tonnes containing 34.4 million carats of diamonds at a weighted average price of US\$242 per carat, that can be profitably mined over 20 years. In addition to the Mineral Reserve Estimate, the Star and Orion South Kimberlites have been estimated to include Inferred Resources containing 15.7 million carats.

The Project includes a four-year construction period followed by the excavation of two open-pit mines and processing of approximately 45,000 tonnes of kimberlite rock per day over a projected 20-year period. Shore’s plans for decommissioning include progressive reclamation activities beginning within five years from the start of construction and will continue beyond the operations phase of the Project.

In March 2014 an estimate was made 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 July 14, 2011). The TFFE for these seven Fort à la Corne Kimberlites is estimated to include between 983 million and 1.17 billion tonnes of kimberlite containing between 52 and 90 million carats of diamonds. The TFFE is conceptual in nature and is not a Mineral Resource and it is uncertain whether further exploration work will result in the TFFE being delineated as a Mineral Resource.

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

This news release contains forward-looking statements within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe",

"expect", "plan", "intend", "scheduled", "forecast", "target", "project", "guidance", "may", "will", "should", "could", "estimate", "predict" or similar words suggesting future outcomes or language suggesting an outlook.

Forward-looking statements relate to future events or future performance and reflect current expectations or beliefs regarding future events. Forward-looking statements in this press release include, but are not limited to, the CEEA decision, the development and construction of the Project, receipt of permits and authorizations, statements referring to mineral reserves or resources, the TFFE, the range of quantity, range of grade and range of carats for the TFFE, Shore's future operations, future exploration and development activities or other development plans, the mineral resource estimate for the Star and Orion South kimberlite deposits, inferred resources for the Star and Orion South kimberlite deposits, range of tons of kimberlites not included in the TFFE, the aim of Shore to undertake additional microdiamond studies and the potential upgrading of inferred to indicated resources. These forward-looking statements are based on certain factors and assumptions regarding, among other things, receipt of governmental and other approvals, the estimation of mineral reserves and resources, the environment in which Shore will operate in the future, including the price of diamonds and anticipated costs, the realization of resource estimates, the timing of future exploration and development expenditures, the progress of exploration and development activities, the receipt of necessary regulatory approvals and assumptions with respect to currency fluctuations, environmental risks and other similar matters.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results or achievements of Shore to be materially different from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, risks inherent in the exploration and development of mineral deposits, changes in regulatory laws, developments in world diamond markets, changes in diamond prices, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar, risks related to current global financial conditions, uncertainties inherent in the estimation of mineral resources, operational risks inherent in the conduct of mining activities, increases in the costs of proposed capital and operating expenditures, changes in project parameters as plans continue to be refined, regulatory risks including risks relating to the acquisition of the necessary licenses and permits, 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, development, closure, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks. Additional risk factors are described in Shore's current annual information form and annual and interim management's discussion and analysis and other disclosure documents available under the Company's profile at www.sedar.com. 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. Shore cautions that the foregoing list of factors that may affect future results is not exhaustive.

Although management considers the assumptions contained in forward-looking statements to be reasonable based on information currently available to it, there can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. When making decisions with respect to Shore, readers should not place undue reliance on these statements and should carefully consider the foregoing factors and other uncertainties and potential events as a number of risk factors could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, estimates, assumptions and intentions expressed in such forward-looking statements. The forward-looking statements herein are made as of the date of this press release and unless required by applicable securities law, Shore does not undertake to update any forward-looking statement that is made herein.

For further information please contact:

Joseph Dickson, Investor Relations Manager at (306) 667-3505 and www.shoregold.com

- END -