



NEWS RELEASE

Stock Symbol: SGF: TSX

March 26, 2015

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, 2014 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 the closing of a bought deal private placement of 21.9 million Flow-Through Common Shares for aggregate gross proceeds of \$5.5 million on December 30, 2014
- Announced large diameter drilling (“LDD”) program for 2015
- Announced the Environmental Assessment Decision for the proposed Star – Orion South Diamond Project (“Project”) by the Environment Minister, which stated 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”
- Announced the submission of the Final Environmental Impact Statement (“EIS”) of the proposed Project
- Announced the signing of a Memorandum of Understanding (“MOU”) by the Company and James Smith First Nation, Peter Chapman Cree Nation and Chakastaypasin Cree Nation
- Continued to seek opportunities for Project development capital
- Working capital of \$6.4 million at December 31, 2014
- Issued and outstanding shares of 246,665,942 at December 31, 2014

Overview

During 2014, 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 Company recently announced that Shore will commence an LDD program consisting of up to twelve 24 inch holes on the Orion South Kimberlite (see SGF News Release dated February 19, 2015). This LDD program aims to estimate macro-diamond grade information from strategically located drillholes and this diamond grade information will be used to augment the Mineral Resource estimate for the Orion South Kimberlite. The kimberlite chips collected at the drill will be stored in bulk bags and regularly shipped to an offsite commercial laboratory for the recovery

of macro-diamonds greater than 0.85 millimetres. This LDD program is the first step in a process designed to improve the Mineral Resource estimate on the Orion South Kimberlite. 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.

Events relating to the Star - Orion South Diamond Project

During 2014 the Canadian Environmental Assessment Agency ("CEAA" or the "Agency") completed their technical review of the proposed Project and released the final Comprehensive Study Report ("CSR") (See SGF News Release dated June 25, 2014). The CSR contains CEAA's conclusions about the potential environmental effects of the Project, based on information presented in Shore's Revised Environmental Impact Statement ("REIS") and supplemental information submitted to the Agency in September 2012, April, June, August, December 2013, and April and May 2014. Within the CSR, CEAA concluded that the Project is not likely to cause significant adverse environmental effects when the implementation of proposed mitigation measures is taken into account.

In December 2014, the CEAA 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 Company recently announced that it has filed the final EIS for the Project to the Saskatchewan Ministry of Environment ("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.

During 2014 the Company also announced that a MOU has been signed by the Company and James Smith First Nation, Peter Chapman Cree Nation and Chakastaypasin Cree Nation, collectively referred to as the James Smith Cree Nation ("JSCN") (See SGF News Release dated May 5, 2014). The terms of the MOU provide that the parties will engage in discussions concerning potential education and training, job, business and participation opportunities for members of JSCN. These discussions aim to establish mutually agreeable terms for a participation agreement in anticipation of the proposed Project.

In 2014 the Company also 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, 2014, the Company recorded a net loss of \$3.0 million or \$0.01 per share compared to a net loss of \$5.6 million or \$0.02 per share in 2013. 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 decrease was primarily due to lower exploration and evaluation expenditures incurred during 2014 due to the nature of work performed as well as measures taken to reduce operating expenses. Administration, consulting and professional fees and corporate development expenditures also decreased from the prior year primarily due to measures taken to reduce operating expenses.

Selected financial highlights include:

	As at December 31, 2014	As at December 31, 2013
Consolidated Statements of Financial Position		
Current assets	\$ 6.8 M	\$ 4.6 M
Capital and other assets	2.2 M	2.6 M
Current liabilities	0.4 M	0.4 M
Long-term liabilities	0.6 M	0.9 M
Shareholders' equity	8.0 M	5.9 M

	Year Ended December 31, 2014	Year Ended December 31, 2013
Consolidated Statements of Loss and Comprehensive Loss		
Interest and other income	\$ 0.0 M	\$ 0.1 M
Expenses	(2.9) M	(5.6) M
Loss for the period before other items	(2.9) M	(5.5) M
Change in available-for-sale financial instruments	(0.1) M	(0.1) M
Net and comprehensive loss for the year	(3.0) M	(5.6) M
Net loss per share for the year (basic and diluted)	(0.01)	(0.02)

	Year Ended December 31, 2014	Year Ended December 31, 2013
Consolidated Statements of Cash Flows		
Cash flows from operating activities	\$ (2.6) M	\$ (5.8) M
Cash flows from investing activities	2.4 M	4.9 M
Cash flows from financing activities	5.0 M	0.0 M
Net increase (decrease) in cash	4.8 M	(0.9) M
Cash – beginning of year	0.8 M	1.7 M
Cash – end of year	5.6 M	0.8 M

Outlook

Additional exploration and evaluation on the Orion South Kimberlite is being carried out during 2015. The proposed LDD program is the first step in a process designed to improve the Mineral Resource estimate on the Orion South Kimberlite. 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 26, 2015, the Company had approximately \$5.9 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 complete the recently announced LDD program as well as advance certain aspects of the project, including the environmental assessment process, as well as general corporate matters. 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 increased in 2014 up until September when prices softened. Current rough prices show a three percent year-on-year increase and are estimated to be somewhat above 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; the proposed LDD program and Shore's objectives for the ensuing year including the anticipated improvement in the Mineral Resource Estimate, the re-optimization of the open pit, the re-estimation of mineral resources, the optimization 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 please contact:

Mr. Kenneth E. MacNeill, Chief Executive Officer and President or Mr. Greg P. Shyluk, Chief Financial Officer at (306) 664-2202 and www.shoregold.com

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