

**NEWS RELEASE**

**Stock Symbol: SGF: TSX**

**July 19, 2016**

**Saskatoon, Saskatchewan**

**2016 CORE DRILLING AND GEOTECHNICAL PROGRAMS COMPLETED**

George H. Read, P. Geo., Senior Vice President Exploration and Development of Shore Gold Inc. (“Shore” or the “Company”) is pleased to announce that Shore has completed the 2016 NQ (48 millimetre) core drilling program, consisting of eight holes and totaling 1,592.75 metres of drilling, on the western margin of the Orion South Kimberlite located within the claims of the Fort a la Corne Joint Venture (“FALC-JV”). This core drilling is required to further expand the internal stratigraphy of the Orion South Kimberlite, extending and in-filling geological continuity from the previous programs. The core drilling program was conducted by Newmac Industries Ltd. of Prince Albert, Saskatchewan. Shore geologists are responsible for the supervision of the drilling programs and subsequent detailed core logging. The details of the Orion South drilling are documented in the following table.

Orion South Core Drilling		Kimberlite Intersection		
Drillhole #	Total Depth (m)	From (m)	To (m)	Total (m)*
140-16-105C	188.06	152.20	178.92	21.8
140-16-106C	191.06	110.05	181.96	42.36
140-16-107C	194.21	131.48	182.70	19.55
141-16-102C	197.26	134.35	188.23	16.12
141-16-103C	200.30	136.85	194.62	38.78
141-16-104C	209.40	126.85	203.99	59.99
141-16-105C	212.45	124.80	204.50	42.60
141-16-106C	200.00	122.55	197.00	36.88
<b>Totals</b>	<b>1,592.74</b>			<b>278.08</b>

\*The Total only includes potential diamond bearing kimberlite and does not include intercalated shale units and reworked volcanoclastic kimberlite units, which make up the balance of the displacement between the From and To.

Shore also conducted a geotechnical program to investigate the Lower Colorado shale unit, which overlies the majority of the Star Kimberlite, and the outer edges of the Orion South Kimberlite. The purpose of this program was to augment the data collected during the 2011 Feasibility Study geotechnical programs with a more robust method of collecting in situ rock mass characteristics through the use of a downhole pressure meter. This tool allows the determination of rock mass parameters for use in pit slope stability analyses. A total of 10 tests were conducted in one borehole at Star, in a zone selected for a thick intercept of the Lower Colorado shale, between the proposed pit and the Saskatchewan River valley. The results of this testing will be used to potentially improve the factor of safety of the pit slope against the Saskatchewan River, and/or improve the pit slope angle resulting in a reduction of the total waste material to be moved in an open pit design.

Senior Vice President Exploration and Development, George Read, states: “The 2016 core drilling program on Star West (SGF News Release March 29, 2016) and Orion South is an important extension to the 2015 core drilling program. The selected locations of these core holes augment the 100 metre grid drilling program already completed on the Orion South Kimberlite and previous drill programs on the Star Kimberlite and can assist in further extending the mineral resources and geological models of both the Star and Orion South Kimberlites. It is most encouraging to encounter some 60 metres of kimberlite in drillhole #141-16-104C on the western margin of Orion South. This 60 metre kimberlite intersection suggests continuity some distance to the west of this drillhole. The in-situ measurements collected in the geotechnical program have defined a cost effective and well constrained method of testing the mechanical properties of the overlying Lower Colorado Shale. This in-situ testing will be implemented during the detailed design of the open pits, following the Updated Feasibility Study. The Company is presently conducting work towards updating the previous Feasibility Study. This Updated Feasibility Study will be based on the 55.4 million carat Revised Resource Estimate completed in 2015. Capital and operating cost savings

are possible through the application of new technology to the overburden removal and a redesign of the diamond processing plant, using XRT technology.”

The Star-Orion South Diamond Project is located in central Saskatchewan some 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 Technical Report on the Revised Resource Estimate for the Star-Orion South Diamond Project dated November 9, 2015 provided an updated Mineral Resource Estimate for the Star and Orion South kimberlite deposits: Indicated Mineral Resource of 393 million tonnes containing 55.4 million carats of diamonds at a weighted average price of US\$210 per carat. In addition to the Indicated Mineral Resource Estimate, the Star and Orion South Kimberlites include Inferred Resources containing 11.5 million carats.

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.

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 as defined by certain securities laws, including the "safe harbour" provisions 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", "forecast", "target", "project", "guidance", "may", "will", "should", "could", "estimate", "predict" or similar words suggesting future outcomes or language suggesting an outlook. In particular, statements regarding Shore's future operations, future exploration and development activities or other development plans constitute forward-looking statements. By their nature, statements referring to mineral reserves, mineral resources or TFFE constitute forward-looking statements.

Forward-looking statements in this press release include, but are not limited to statements with respect to Shore's objectives for the ensuing year including, the optimization of the feasibility study and the anticipated positive change in the economic model for the Project; the aim of Shore to undertake additional studies and the potential upgrading of the Feasibility Study.

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 prices, 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, development, closure, 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. 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 is made herein.

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