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NEWS RELEASE

Stock Symbol: SGF: TSX

**September 21, 2016
Saskatoon, Saskatchewan**

SHORE GOLD ANNOUNCES CLOSING OF PRIVATE PLACEMENT

Shore Gold Inc. (TSX:SGF) ("Shore") is pleased to announce the successful closing today of a private placement (the "Offering") of 5,000,000 Units at a price of \$0.20 per Unit, for aggregate gross proceeds of \$1,000,000. Each Unit consists of one Common Share and one Common Share purchase warrant ("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. The Offering is subject to TSX acceptance of requisite regulatory filings. The proceeds from the Offering will be used by Shore for general working capital purposes.

Shore is a Canadian based corporation engaged in the acquisition, exploration and development of mineral properties. Shares of Shore trade on the TSX Exchange under the trading symbol "SGF".

Caution Regarding Forward-Looking Statements

This press release contains "forward-looking statements" and/or "forward-looking information", within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expect", "is expected", "in order to", "is focused on" (a future event), "estimates", "intends", "anticipates", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", or the negative connotation thereof. Forward-looking statements included or implied in this press release include the use of the proceeds of the Offering. These forward-looking statements are based on Shore's current beliefs as well as assumptions made by and information currently available to Shore. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are 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 partner, the effects of competition in the markets in which Shore operates, the impact of changes in the partners or the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings, and operational and infrastructure risks.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. The Common Shares will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

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

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