

NEWS RELEASE

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Saskatoon, Saskatchewan**

**Star - Orion South Diamond Project
Orion South Large Diameter Drilling Diamond Results
Including 3.25, 1.15, 1.09 And 1.04 Carat Stones**

George H. Read, P. Geo., Senior Vice President Exploration and Development of Shore Gold Inc. (“Shore” or the “Company”) is pleased to announce the diamond results for the 12 hole Large Diameter Drilling (“LDD”) program which was recently completed on the Orion South (“OS”) Kimberlite and which are detailed and explained in Table 1.

“We are very encouraged by these LDD results on the OS Early Joli Fou (“EJF”) and Pense kimberlite units relative to the three key goals we established with this program:

1. All of the current LDD holes were strategically located to target OS Inferred Mineral Resources with the aim of generating diamond grade results with the objective of moving these resources to the Indicated Mineral Resource category for inclusion in the Probable Reserves of a Revised Feasibility Study. The addition of these Inferred Mineral Resources to the Indicated Mineral Resource category would significantly improve the economics of the Star-Orion South Diamond Project (“Project”);
2. Revision of the OS Mineral Resource estimate requires additional grade results. These unfactored EJF (4.67-19.49 cpht)⁴ and Pense grades (2.90-6.23 cpht) compare favourably to the modeled grades in the original 2011 Feasibility Study (“FS”) of 14.7 cpht and 6.9 cpht, respectively for these same kimberlite units in the OS Probable Mineral Reserves.
3. These twelve 24 inch LDD holes have been sited to enable the appropriate consideration in the upcoming revised Mineral Resource estimate of eleven LDD holes (ten 48 inch and one 24 inch LDD hole) that were outside the FS Indicated Resource estimate. These eleven LDD holes were omitted from, or partially utilized in the FS Indicated Resource estimate due to stringent resource estimation parameters - see map of OS LDD hole positions on Company website.

We are confident that the diamond grades determined from this LDD program will enable a substantial kimberlite tonnage to be added to the Indicated Mineral Resource category when the Revised Mineral Resource estimate is determined in the coming months”, commented Mr. Read.

Table 1. Diamond results for each kimberlite type intersected in large diameter drill holes 1 to 12.

Hole #	LDD Hole #	Kimberlite Type ¹	Drill Intercept (metres)	Drilled tonnes ²	Carats (+1 DTC) ³	Grade (cpht) ⁴	Stones (+1 DTC) ³	Stones per tonne	Largest Stone (ct)
EJF Intersections									
1	141-15-019	EJF	171.55 - 227.95	36.38	5.49	15.09	98	2.69	1.15
2	140-15-022	EJF	102.35 - 153.20	32.46	2.69	8.29	76	2.34	0.24
3	141-15-020	EJF	137.02 - 180.00	27.33	2.99	10.94	38	1.39	1.04
4	141-15-021	EJF	136.80 - 191.40	35.30	4.27	12.10	109	3.09	0.27
5	141-15-022	EJF	150.00-217.60	43.89	4.35	9.92	106	2.42	0.35
6	141-15-023	EJF	163.00-213.90	32.89	3.88	11.80	96	2.92	0.75
7	141-15-024	EJF	160.19-179.60	12.63	2.28	18.06	32	2.53	0.76
7	141-15-024	EJF	188.90-222.00	21.48	1.74	8.10	24	1.12	1.09
8	140-15-023	EJF	132.00-183.00	32.74	6.38	19.49	67	2.05	3.25
9	140-15-024	EJF	162.10-194.80	21.31	1.01	4.74	23	1.08	0.21
10	140-15-025	EJF	99.70-199.00	63.67	8.75	13.75	137	2.15	0.82
11	140-15-026	EJF	107.30-113.00	3.64	0.17	4.67	7	1.92	0.05
12	140-15-027	EJF	130.05-194.00	40.59	4.60	11.34	86	2.12	0.78
12	140-15-027	EJF	207.10-220.00	8.32	0.85	10.22	20	2.40	0.12
Totals and Averages		EJF		412.63	49.45	12.0⁵	919	2.23⁵	3.25

Hole #	LDD Hole #	Kimberlite Type ¹	Drill Intercept (metres)	Drilled tonnes ²	Carats (+1 DTC) ³	Grade (cpht) ⁴	Stones (+1 DTC) ³	Stones per tonne	Largest Stone (ct)
Pense Intersections									
2	140-15-022	Pense	153.20-204.90	32.64	1.49	4.57	44	1.35	0.13
3	141-15-020	Pense	180.00-221.10	26.27	1.64	6.23	27	1.03	0.25
9	140-15-024	Pense	194.80-221.00	16.97	0.53	3.13	19	1.12	0.09
11	140-15-026	Pense	113.00-191.20	50.44	1.46	2.90	48	0.95	0.23
12	140-15-027	Pense	194.00-207.10	8.50	0.40	4.71	12	1.41	0.03
Totals and Averages		Pense		134.82	5.52	4.1⁵	150	1.11⁵	0.25
Other Intersections									
1	141-15-019	FG VK	147.55 - 171.55	15.48	0.14	0.91	9	0.58	0.02
1	141-15-019	RVK	227.95 - 234.85	4.45	0.02	0.45	1	0.22	0.02
3	141-15-020	FG VK	126.02 - 137.02	6.83	0.01	0.15	1	0.15	0.01
4	141-15-021	FG VK	191.40 - 204.40	8.39	0.10	1.20	4	0.48	0.04
5	141-15-022	FG VK	127.50-150.00	14.62	0.41	2.81	19	1.30	0.04
5	141-15-022	RVK	217.60-227.60	6.45	0.14	2.17	5	0.78	0.06
6	141-15-023	FG VK	143.10-163.00	12.94	0.26	2.01	15	1.16	0.05
7	141-15-024	FG VK	139.60-160.19	13.39	0.47	3.51	19	1.42	0.08
7	141-15-024	SAK	179.60-188.90	6.04	0.01	0.17	1	0.17	0.01
8	140-15-023	FG VK	183.00-197.75	9.61	0.02	0.21	1	0.10	0.02
9	140-15-024	FG VK	140.00-162.10	14.36	0.18	1.26	13	0.91	0.02
11	140-15-026	P1	191.20-194.00	1.81	0.02	1.11	1	0.55	0.02
Totals and Averages				114.37	1.78	1.6⁵	89	0.78⁵	0.08

Notes

1. Kimberlite Types: EJF: Early Joli Fou Kimberlite; Pense: Pense Kimberlite; RVK: Reworked Volcaniclastic Kimberlite, FG VK: Fine Grained Volcaniclastic Kimberlite, P1: Early Pense Kimberlite
2. Drilled tonnes are calculated using the callipered drillhole volumes and the average OS Kimberlite densities (EJF: 2.21 gcm⁻³; Pense: 2.22 gcm⁻³) that were used in the Feasibility Study. These are equivalent to dry tonnes.
3. Commercial diamonds are defined as diamonds that will not pass through a +1 DTC screen, which has round apertures of 1.09 millimetres.
4. cpht: diamond grade in carats per hundred tonnes.
5. Weighted average values.

The LDD program included twelve 24 inch holes totaling 2,560.50 metres of drilling that sampled a total of 1,028.53 metres of kimberlite units within the OS Kimberlite. A map of the LDD hole positions of this program, in relation to all other drilling and underground bulk sampling, is available on the Company website: www.shoregold.com. All the EJF and most of the Pense grades determined from the LDD intersections exceed the cut-off grades that discriminate ore and waste kimberlite in the OS open pit of 2.54 cpht for EJF and 3.78 cpht for Pense, as used in the FS. Preliminary calculations using all available LDD and underground data, suggest that a significant quantity of diamond bearing kimberlite can be added to the OS Indicated Resource category in the still to be completed revised Mineral Resource estimate; this is conceptual in nature and the actual estimate of Indicated Mineral Resources in the OS Kimberlite will only be determined by the revised Mineral Resource estimate scheduled to be completed in the coming months.

The largest stones recovered from these samples are: 3.25 carats (White LDD-141-15-019 EJF), 1.15 carats (Pale Brown LDD-141-15-023 EJF), 1.09 carats (White LDD-141-15-024 EJF) and 1.04 carats (Pale Brown LDD-141-15-020 EJF). The presence of these greater than one carat stones in this relatively small diamond parcel supports the coarse size frequency distribution of the diamond population in the OS Kimberlite. An image of the ten largest stones recovered from this LDD program is available on the Company website: www.shoregold.com. Some 45 percent of the diamonds recovered are white, with the balance dominated by pale brown and brown stones, a small component of grey and five yellow stones. The diamond shapes are dominated by dodecahedra, octahedra and irregularly shaped fragments. Rare cubes and macles are also present.

The Mineral Reserve estimate of the 2011 Feasibility Study has shown that most of the diamonds in the Mineral Reserve will be sourced from EJF kimberlite units within the Orion South Kimberlite, with a smaller contribution from the Pense kimberlite units. These 2015 LDD results show that the EJF samples have the best grade, highest stones per tonne and the largest stones.

This complete set of diamond results from the recent LDD program confirms that Foraco Canada Limited's 24 inch reverse flood large diameter drilling system is an effective tool for the recovery of mini-bulk samples of kimberlite for grade estimation. These results show that this drilling method produces diamond grade results that are comparable to those used in the Feasibility Study Mineral Reserve Estimate. No diamond loss or breakage factor has been applied to these results, although some diamond breakage inevitably occurs with all LDD methods. A more in depth comparison of the diamond results from the current and previous LDD programs will be conducted as part of the Revised Mineral Resource estimate on Orion South.

The large diameter drill rig disaggregates the kimberlite using a tricone bit and the broken kimberlite is returned to surface by the reverse flood method, which pumps a slurry containing the kimberlite into a cyclone, which deposits the material onto a vibrating 0.85 millimetre screen and all plus 0.85 millimetre material is fed from the screen into cubic metre bulk bags. The bulk bags are sealed with numbered seals and delivered by truck to Rio Tinto Canada Diamond Exploration Inc's. Thunder Bay Mineral Processing Laboratory (ISO 9001: 2008 Certified) in loads of approximately 20 tonnes. This laboratory was chosen for the macrodiamond (+0.85 millimetre square mesh) recovery from the LDD kimberlite samples as its sample processing flow-sheet closely replicates that used in the past by the Shore on-site bulk sampling plant.

The diamond recovery process at Thunder Bay Mineral Processing Laboratory begins with on-site processing at its plant in Stanley, Ontario. The bulk sample plant is rated at 10 tonnes per hour and includes an ore preparation circuit to scrub and size sample material. The processed sample is subsequently run through a Dense Media Separator ("DMS") cyclone to generate the high density "Sinks" material, which is collected and labeled as "Concentrate" for further processing through the Recovery circuit. The plant also has a high pressure rolls crusher ("HPRC") re-crush circuit to re-process lighter "Float" material. The Recovery circuit consists of an Ultrasort SW-3 X-ray sorter to produce a final "Accepts" concentrate from which any diamonds are subsequently removed by hand during the final Observation phase in secure facilities at Thunder Bay Mineral Processing Laboratory. As part of observation, X-ray reject materials are scanned to ensure full recovery. The quality program for this project includes regular tracer tests to confirm DMS cyclone separation density, spiking every sample with density tracers or faceted natural diamonds of varying sizes to ensure complete recoveries and audits of sample reject material. All 97 samples from the OS LDD project processed at the Thunder Bay Laboratory were spiked using either distinct, faceted natural diamonds or synthetic tracers for QA/QC purposes. The Laboratory achieved a 100 percent recovery rate for all spikes and tracers. A total of 16 Float audits were conducted. The Floats include +0.85-6.0 mm size fraction that is rejected by the DMS and does not pass through the diamond recovery process. Five stones with a combined carat weight of 0.1140 carats were recovered. In addition 16 samples of the 1.0-2.0 mm magnetic fraction were audited. The magnetic fraction includes material that does not pass through the final diamond recovery process. Ten stones with a carat weight of 0.2365 carats were recovered. These audit results are not significant and are well within recovery tolerances acceptable for Mineral Resource estimation.

In early June 2015, A.C.A. Howe International Limited Mining and Geological Consultants ("Howe") conducted an on-site third party audit of the LDD procedures, chain of custody and data collection procedures. In addition, Howe visited the Thunder Bay Mineral Processing Laboratory to review the sample processing procedures and protocols, including chain of custody and sample integrity. Howe concluded that the LDD program and sample processing were conducted at a high standard and that the results generated from this work program are satisfactory under National Instrument 43-101 of the Canadian Securities Administrators (NI 43-101) for the purposes of diamond Mineral Resource estimation.

Senior Vice President Exploration and Development, George Read, further commented: "These diamond results from the LDD holes in Orion South confirm that this 24 inch Foraco drill is a valid sampling method for grade estimation of these Fort a la Corne Kimberlites. This drilling system, combined with the rigorous diamond recovery methods at the Thunder Bay Mineral Processing Laboratory, has produced results that will enable accurate grade estimation for the Revised Resource estimate on Orion South. This LDD program on the Orion South Kimberlite aims to provide diamond grade information at new grid locations and this additional diamond grade information will be used to revise the Mineral Resource estimate for Orion South. The Company plans to re-optimize the open pit on Orion South using the updated Mineral Resource estimate and updated diamond prices. Thereafter, we aim to optimize the existing FS with a revised mine plan, where Orion South is mined first. Preliminary calculations suggest that such an optimized FS, with a new mine plan, can positively change the economic model for the Project by increasing the Mineral Resource Estimate and decreasing the pre-production capital costs and the time to achieve diamond production."

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 Feasibility Study and Updated Mineral Reserve for the Star-Orion South Diamond 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.

All technical information in this news 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 the ability to consider previous LDD holes that were outside the OS Indicated Resources; the anticipated completion of a Revised Feasibility Study and a revised Mineral Resources estimate; the anticipated upgrade of Inferred to Indicated Resources; the anticipated improvement in the Mineral Resource estimate; the re-optimization of the OS open pit; the revised mine plan; the optimization of the Feasibility Study; the reduction of pre-production capital costs and the time to achieve diamond production; 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; the Mineral Resource estimates for the Star and OS Kimberlite deposits; Inferred Resources for the Star and OS Kimberlite deposits; range of tons of kimberlites not included in the TFFE; the aim of Shore to undertake additional studies and the potential upgrading of the feasibility study and the anticipated upgrade of Inferred to Indicated Resources

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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