

NEWS RELEASE

Stock Symbol: SGF: TSX

**January 26, 2017
Saskatoon, Saskatchewan**

**STAR-ORION SOUTH DIAMOND PROJECT
UPDATE FROM SASKATCHEWAN MINISTER OF ENVIRONMENT
ON ENVIRONMENTAL ASSESSMENT**

George H. Read, P. Geo., Senior Vice President Exploration and Development of Shore Gold Inc. (“Shore” or the “Company”) announces that the Company has recently been informed by the Saskatchewan Minister of Environment that additional consultation is required between the government and First Nation and Métis communities for the government to meet its legal obligation with respect to duty to consult and accommodate process. The Company has been informed by the Minister that the government is proceeding with a work plan that they anticipate will enable them to complete this required consultation process within six months. To this end, an Order in Council by the province also announced that a grant, not to exceed \$137,000, is being provided to the James Smith Cree Nation for the purpose of consultation with the province for the period January 2017 to March 2017, relating to the duty to consult process.

Minister of Environment Scott Moe indicated to Shore that once consultations with potentially impacted First Nation and Métis communities are thorough and completed, all pertinent information will be reviewed before a decision under *The Environmental Assessment Act* is made.

Senior Vice President Exploration and Development, George Read, states: “The Company is pleased to receive this update from the Minister of Environment, which provides Shore and our shareholders with an approximate timeline for the completion the Environmental Impact Statement (“EIS”) review process by the province. Shore awaits the province to complete its duty to consult as presently no additional information or activity has been requested from Shore towards the approval of the EIS.”

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.

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 assumptions that environmental approval will be attained; plans, objectives and timelines relating to the environmental assessment process of the Star-Orion South Diamond Project; Shore's objectives for the

ensuing year including the environmental assessment, the optimization of the feasibility study, anticipated capital and operating cost savings and the anticipated positive change in the economic model for the Project; the aim of Shore to undertake additional studies and the potential updating 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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