

SHANE RESOURCES ANNOUNCES SALE OF ITS ASSETS, DE-LISTING AND PROPOSED LIQUIDATION

December 18, 2013 - Saskatoon, Saskatchewan – Shane Resources Ltd. (NEX: SEI.H) (“**Shane**” or the “**Company**”), announced today that it has entered into an asset purchase agreement (the “**Purchase and Sale Agreement**”) with Star Minerals Group Ltd. (“**Star**”) (TSXV: SUV) whereby Star has agreed to purchase the Don’s Lake, Munroe and Brownell claims held by Shane, as well as a net smelter royalty granted by Golden Band Resources Inc. (the “**Purchased Assets**”), subject to certain conditions.

Kyle Kozuska, President and Chief Executive Officer of Shane stated “The decision to sell substantially all of Shane’s assets is the result of extremely difficult capital markets for junior exploration companies and the relatively large capital requirements to further explore Shane’s properties. The interest shown by Star in the properties and the offer made by Star to purchase Shane’s assets for a combination of cash and shares represents an opportunity for Shane shareholders to continue to participate in future development of these properties as well as the properties currently in Star’s portfolio.”

Under the terms of the Purchase and Sale Agreement, Star has agreed to purchase substantially all of the assets of Shane for an aggregate of \$655,000, payable as to \$55,000 in cash and the balance in common shares of Star (the “**Consideration Shares**”). The deemed price of the Consideration Shares will be \$0.05 in accordance with the terms of the Purchase and Sale Agreement, representing the minimum allowable issuance price of the Consideration Shares as prescribed by the policies of the TSX Venture Exchange as determined at the date of the Purchase and Sale Agreement, resulting in an aggregate of 12,000,000 Consideration Shares to be issued. The Consideration Shares will be subject to a four month hold period pursuant to applicable securities laws.

The closing is subject to customary conditions precedent and closing conditions, including (i) Shane shareholder approval; and (ii) in respect of the Don’s Lake property, Claude Resources Inc. having waived its right of first refusal or allowed it to lapse; and (iii) applicable regulatory approvals. Shane shareholders will be asked to approve the transactions contemplated by the Purchase and Sale Agreement at the annual and special meeting of shareholders (“**AGSM**”), scheduled for January 31, 2014.

Under the Purchase and Sale Agreement, Star has been granted typical deal protection provisions, including a right to match any superior proposal that is received by Shane on an unsolicited basis. The transaction contemplated by the Purchase and Sale Agreement are considered to be Non-Arm’s Length pursuant to the policies of the NEX board of the TSX Venture Exchange due to Mr. Kozuska being a director of both companies.

At the AGSM, the Company will also seek shareholder approval for the delisting of its common shares from the NEX board of the TSX Venture Exchange prior to the proposed winding up of the Company.

Furthermore, the Board of Directors of Shane will be proposing the voluntary winding up of the Company pursuant to *The Business Corporations Act* (Saskatchewan). This will involve the discontinuance of the business of the Company and the satisfaction of all liabilities of the Company. The Company intends to settle liabilities by first using available cash on hand, followed by liquidation of a portion of the Consideration Shares if required. At this time the Company projects that the cash from the sale proceeds may be sufficient to settle outstanding liabilities. Following the satisfaction of all such liabilities, the

liquidation plan will contemplate the distribution to shareholders, on a pro rata basis, the remaining funds and assets of the Company, if any, which distribution the Company anticipates would consist primarily of the Consideration Shares. At the AGSM, shareholders will be asked to approve a plan of liquidation and distribution to take all necessary steps to effect the voluntary winding up of the Company. A one time distribution to shareholders is not expected before the end of Q1 2014.

Both the approval by shareholders of the transactions contemplated by the Purchase and Sale Agreement and the voluntary winding up of the Company will require the approval of two thirds of the votes cast at the AGSM. The Shareholders will receive additional details on the transaction contemplated by Purchase and Sale Agreement, the delisting of Shane's common shares and the winding up process in the management information circular to be sent to shareholders as part of the AGSM materials.

Neither the NEX Exchange nor its regulation services provider (as that term is defined in the policies of the NEX Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information, please contact Kyle Kozuska, President at (306) 933-0664. Email inquiries should be made to info@shaneresources.com and the Company's website is located at www.shaneresources.com. Inquiries by direct mail should be addressed to Shane Resources Ltd., Suite 272 – 2366 Avenue C North, Saskatoon, SK S7L 5X5.

Certain information set out in this News Release constitutes forward-looking information. Forward-looking statements (often, but not always, identified by the use of words such as "expect", "may", "could", "anticipate" or "will" and similar expressions) may describe expectations, opinions or guidance that are not statements of fact and which may be based upon information provided by third parties. Forward-looking statements are based upon the opinions, expectations and estimates of management of the Company as at the date the statements are made and are subject to a variety of known and unknown risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. Those factors include, but are not limited to, the ability of the Company to complete the transaction contemplated by the Purchase and Sale Agreement and to satisfy the conditions precedent thereto, the uncertainty of the value of the non-cash consideration anticipated to be received and the ability of the Company to satisfy its liabilities, uncertainties and other factors that are beyond the control of the Company, risks associated with the industry in general, commodity prices and exchange rate changes, operational risks associated with exploration, development and production operations, delays or changes in plans, risks associated with the uncertainty of reserve or resource estimates, health and safety risks and the uncertainty of estimates and projections of costs and expenses. In light of the risks and uncertainties associated with forward-looking statements, readers are cautioned not to place undue reliance upon forward-looking information. Although the Company believes that the expectations reflected in the forward-looking statements set out in this press release or incorporated herein by reference are reasonable, it can give no assurance that such expectations will prove to have been correct. The Company does not undertake to update any forward-looking statements except as required by law.