

SHIELD GOLD INC.

55 Adelaide Street East, Suite 410, Toronto, Ontario, M5C 1K6

FOR IMMEDIATE RELEASE

TSX Venture Exchange Symbol: SHG.P

SHIELD GOLD INC. ANNOUNCES THE CLOSING OF ITS QUALIFYING TRANSACTION AND CONCURRENT PRIVATE PLACEMENT

July 20, 2010, Toronto: Shield Gold Inc. (“**Shield**” or the “**Company**”) is pleased to announce that it has completed its Qualifying Transaction (the “**Qualifying Transaction**”) described in the Company’s Filing Statement (the “**Filing Statement**”) dated effective March 31, 2010, a copy of which is available under the Company’s SEDAR profile at www.sedar.com. Effective at the opening of market on July 21, 2010, the trading symbol for the Company will change from SHG.P to SHG, and the common shares of the Company will resume trading on the TSX Venture Exchange (the “**Exchange**”). Pursuant to the policies of the TSX-V, the Company is no longer a Capital Pool Company and is now classified as a Tier 2 Mining Issuer.

Description of the Qualifying Transaction

The Company’s Qualifying Transaction consisted of entering into a Mineral Property Option Agreement with Eloro Resources Ltd (“**Eloro**”) dated October 15, 2009 as amended (the “**Agreement**”), pursuant to which the Company has an option (the “**Option**”) to acquire a 50% interest in Eloro’s Summit-Gaber property (the “**Property**”) in the La Grande Greenstone Belt, north-western Quebec. Eloro is a reporting issuer in British Columbia, Alberta and Ontario and is listed and traded on the Exchange under the symbol ELO. For further details of the Option and the Property, please see the Filing Statement and the Company’s news release dated August 4, 2009 (copies of which are available at www.sedar.com).

The Company intends on exercising the Option under the Agreement. The Option will be earned over a 3 year period. Upon final Exchange approval of the Qualifying Transaction, the Company is required to pay \$25,000 to Eloro (\$25,000 was paid to Eloro upon the execution of the Agreement) and issue 100,000 common shares in the capital of the Corporation to Eloro. Thereafter, the Corporation is required to incur aggregate exploration and development expenditures of \$1,500,000 and issue a total of 500,000 common shares in the capital of the Corporation to Eloro within 3 years of final Exchange approval.

Non-Brokered Private Placement

Concurrent with the completion of the Qualifying Transaction, the Company completed a non-brokered private placement (the “**Private Placement**”) of 2,600,000 flow-through units (the “**FT- Units**”) FT-Unit and 600,000 units (“**Units**”) of the Company at a price of \$0.05 per FT-Unit or Unit, as applicable, for aggregate gross proceeds of \$160,000. Each FT-Unit consists of one common share in the capital of the Company issued as a “flow through share” within the meaning of *Income Tax Act (Canada)* and one transferable share purchase warrant (each, a “**Warrant**”). Each Warrant will entitle the holder thereof to purchase one common share of the

Company at a price of \$0.10 per share up to and including July 16, 2012. Each Unit consists of one common share in the capital of the Company and one transferable Warrant.

The Company has paid a total of \$9,200 in cash and issued 220,000 compensation options (“**Compensation Options**”) to certain finders as finder’s fees (the “**Private Placement Finder’s Fees**”). The Private Placement Finder’s Fees represent approximately 8% of the total dollar value of FT-Units and Units and 10% of the FT-Units and Units subscribed for by investors introduced by the finders to the Company. Each Compensation Option is exercisable for one Unit of the Company at a purchase price of \$0.10 per Compensation Option up to and including July 16, 2012.

All securities issued under the Private Placement are subject to a statutory hold period expiring on November 17, 2010.

The proceeds from the Private Placement will be used to fund the remaining costs of the Qualifying Transaction, the completion of Phase 1 of the exploration program on the Property as recommended by a NI 43-101 compliant report and for general working capital purposes.

For more information, please contact:

Howard Sinclair-Jones, President

Tel.: 416-654-1408

Email: hsj@shieldgold.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.