



20 Adelaide Street East, Suite 301, Toronto, ON M5C 2T6, Canada

**FOR IMMEDIATE RELEASE**

**TSX Venture Exchange Symbol: SHG**

**SHIELD GOLD ANNOUNCES COMPLETION OF NON-BROKERED PRIVATE PLACEMENT**

**July 31, 2012, Toronto:** Shield Gold Inc. (the “**Corporation**”) is pleased to announce that it has completed its non-brokered private placement (the “**Offering**”) previously announced on May 23, 2012. Total gross proceeds of \$197,500 were raised in the closing of the Offering which consisted of 1,500,000 Flow-Through Units (the “**FT Units**”) at a price of \$0.10 per FT Unit and 475,000 non-flow-through Units (the “**Units**”) at a price of \$0.10 per Unit.

Each FT Unit is composed of one flow-through common share in the capital of the Corporation and one-half of one common share purchase warrant (a “**FT Warrant**”). Each (non-flow-through) Unit is composed of one common share in the capital of the Corporation and one common share purchase warrant (a “**Warrant**”).

Each FT Warrant will entitle the holder to acquire an additional common share at an exercise price of \$0.15 per share for a period of 18 months from the date of issuance.

Each Warrant will entitle the holder to acquire an additional common share at an exercise price of \$0.12 per share for a period of 18 months from the date of issuance.

All securities issued in the Offering are subject to a hold period of 4 months and one day.

The proceeds from the FT Units of the Offering will be used for Shield Gold’s 2012 exploration program on its properties in Quebec. The immediate focus will be exploration of graphite properties in Buckingham Township. The claims are located in the Central Metasedimentary Belt of the Grenville geological province. The properties are noted in historical reports as hosting numerous occurrences of disseminated flake graphite. As the Corporation consolidates its land holdings in the area, information will be made available on the Corporation’s website at <http://www.shieldgold.com>.

The proceeds from the Units will contribute towards the general operational funds of the Corporation.

**About Shield Gold Inc.:** Shield Gold Inc. is a junior exploration company whose mission is the discovery and development of high quality precious, base metal and mineral resources. The company has entered into option and joint venture agreements with Eoro Resources Inc. on the Summit-Gaber property and with Virginia Mines Inc. on the La Grande Nord property. The contiguous properties are located in the La Grande Greenstone Belt in the James Bay region of Québec. The company has also signed an agreement and received regulatory approval to acquire a 100% interest in 22 mining claims in Buckingham Township in southwestern Québec.

**For more information, please contact:**

Howard Sinclair-Jones, President

Tel.: 416-654-1408

Email: [hsj@shieldgold.com](mailto:hsj@shieldgold.com)

Website: <http://www.shieldgold.com>

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