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FOR IMMEDIATE RELEASE

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SHIELD GOLD ANNOUNCES OPTION TO ACQUIRE LOCHABER GRAPHITE PROPERTIES

September 20, 2012, Toronto: Shield Gold Inc. (the “**Company**”) is pleased to announce that it has signed agreements, subject to regulatory acceptance, to acquire a 100% interest in two properties representing 30 mining claims in Lochaber Township in southwestern Québec. The properties being acquired are located in the Central Metasedimentary Belt of the Grenville geological province and are noted in historical reports as hosting occurrences of disseminated flake graphite.

The Agreements: Shield Gold has options (the “**Options**”) to earn a 100% interest in the additional claims by making the following payments and issuing the following numbers of common shares of the Company to the vendors: (i) \$7,000 on or before the date of regulatory approval of the Options (the “**Payment Date**”); (ii) 630,000 shares within five (5) days of the regulatory approval of the Options; (iii) \$27,000 and 430,000 shares on or before the 1st anniversary of the Payment Date; (iv) \$43,000 and 430,000 shares on or before the 2nd anniversary of the Payment Date; and (v) \$67,000 and 430,000 shares on or before the 3rd anniversary of the Payment Date. In addition, the Company agrees to incur a work commitment totaling \$270,000 during the three-year term of the Options. The vendor will retain a 2% net royalty on each property, 1% of which may be purchased by the Company for \$1,000,000.

Howard Sinclair-Jones, President and CEO of Shield Gold notes that: *“We are pleased to have accumulated a very significant property position in the historic graphite-producing area of Buckingham and Lochaber townships. Our three properties now total 68 mining claims, representing 3,400 hectares, and are easily accessible within 15 km of each other. We have initiated our work program and will provide further details shortly via the Shield Gold website.”*

About Shield Gold Inc.: Shield Gold is a junior exploration company whose mission is the discovery and development of high quality precious metal, base metal and mineral resources. The Company has entered into option and joint venture agreements with Eloro 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’s graphite exploration programs are located in the Buckingham and Lochaber Townships of southwestern Québec.

The content of this press release has been reviewed and approved by Mr. John M. Siriunas, P.Eng., a Qualified Person as defined by National Instrument 43-101.

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