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FOR IMMEDIATE RELEASE

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Shield Gold Announces Closing of Private Placement and Provides Corporate Update

August 8, 2013, Toronto: Shield Gold Inc. (“**Shield**” or the “**Corporation**”) is pleased to announce that it has closed its non-brokered private placement (the “**Offering**”) previously announced on June 13, 2013. Gross proceeds of \$479,500 were raised in the Offering which consisted of 4,300,000 Flow-Through Units (the “**FT Units**”) at a price of \$0.05 per FT Unit and 5,290,000 non-flow-through Units (the “**Units**”) at a price of \$0.05 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 Warrant or FT Warrant will entitle the holder to acquire an additional common share at an exercise price of \$0.10 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. Post-Offering the Corporation has 36,627,819 shares issued and outstanding (49,452,975 fully diluted).

The Company paid finders’ fees of \$27,960 and issued 559,200 finders warrants. Each finders warrant is exercisable for one Unit at an exercise price of \$0.05 for a period of 18 months from the date of issuance.

The proceeds from the Offering will be used to commence Shield’s 2013 summer exploration program on its graphite properties in Québec.

Corporate Update

The Company is pleased to welcome Mr. Greg Murphy to Shield Gold’s Board of Directors. Mr. Murphy has joined the Company to take over from Larry Harrison, who resigned his director’s position to pursue other interests.

Mr. Murphy received his Bachelor of Arts degree in Economics from the University of Western Ontario in 1983. He has over 27 years of international investment industry experience in Toronto, London and New York. He is currently CEO of the Lakeshore Capital group of companies and advises Lionhart Investments in relation to their natural resources investment portfolio. Greg is a Director of Aurigin Resources, Benzu Gold and Benzu Resources. Previously held positions include: former head of equity derivatives at Midland Walwyn/Merrill Lynch Canada; First Marathon and Gordon Capital.

The Company and its shareholders would like to thank Mr. Harrison for all of his contributions and wish him well in his future endeavors.

Summer Property Development Program

Shield's Buckingham and Lochaber graphite properties are located in the Central Metasedimentary Belt of the Grenville geological province in the Outaouais region of southern Québec. The region is noted in historical reports as hosting occurrences of disseminated flake and, locally, vein or lump graphite. Graphite was mined from several deposits in the late 19th and early 20th Centuries. Shield's land position includes more than 70 mining claims representing some 3,500 hectares in four separate blocks. They are easily accessible, connected by paved road and lie within 15 km of each other.

Shield will be conducting a series of comprehensive metallurgical studies on bulk-sample material from its Buckingham property to properly assess the size and purity levels of natural flake graphite present on the property. An Ontario-based mineral services laboratory will be contracted to initiate the test program. The primary objective will be to develop a flow sheet based on a concentrate grading greater than 92% carbon while understanding flake size, grade and purity of the graphite within the concentrate. This testing will be extremely important as the results will assist Shield at such time that it can commission a Preliminary Economic Assessment (PEA) of the project as well as developing an understanding of the engineering design criteria for mineral recovery.

The metallurgical studies will also include chemical characterization, mineralogy, flake grindability and flotation testing on the bulk sample. The Company hopes to have the results of these tests available by the 4th quarter of this year.

Additionally, the Company will be undertaking an exploration program at its Lochaber Township properties. To this end, Shield Gold Inc. is pleased to report that it has contracted Prospectair Geosurveys Inc. of Gatineau, Québec, to carry out a helicopter-borne geophysical survey. The survey will include Magnetic, Spectrometric and Time-Domain Electromagnetic (TDEM) components; the survey specifications are identical to those that had been carried out previously over Shield's Buckingham properties. The current work will include more than 400 line-kilometers of flight lines at a nominal spacing of 75 m. The airborne work will be followed up with geological mapping and prospecting.

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

About Shield Gold Inc.: Shield is a junior exploration company involved in the discovery and development of high quality mineral resources. The Company's graphite exploration programs are located in the Buckingham and Lochaber Townships of southwestern Québec. The Company has also entered into option and joint venture agreements with Eloro Resources Inc. on the Summit-Gaber property located in the La Grande Greenstone Belt in the James Bay region of Québec. Further information regarding Shield can be found on the Company's website at: www.shieldgold.com.

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