

## ASX ANNOUNCEMENT



**RELEASE DATE:** 3 May 2010

**TO:** **Manager Companies**  
**Australian Securities Exchange**  
**Company Announcements Office**

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**RE:** **Updated Presentation**

**PAGES:** **1 of 35**

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Dear Sir/ Madam

Please see attached Shield's presentation which has been updated with the Work Programme for the coming year.

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Apr 2010

A dark, low-angle photograph of a mining site at dusk or dawn. In the foreground, a white SUV is on the left and a white truck is on the right. In the background, a large, dark, peaked structure, possibly a tent or a piece of mining equipment, is visible against a hazy sky.

**Presentation  
By  
David G Netherway  
Managing Director & Chief Executive Officer**

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*The information in this presentation that relates to exploration results is based on information compiled by Mr Phil Fillis who is a member of the Australasian Institute of Mining and Metallurgy. Mr Fillis is a geologist consulting to the company, with over 30 years experience as a geologist.*

*Mr Fillis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Fillis consents to the inclusion in the report of the matters based on his information in the form and context in which it is used.*

## Overview

- A gold/base metal company
- Listed on Australian Securities Exchange as “SHX”
- A\$1.86 million in cash
- Selectively exploring in Mauritania

## Share Structure

- 73 million ordinary shares issued

# One Year Share Price

## SHIELD MINING

■ SHX.AX



# Our Board of Directors

- Alexander Burns - Chairman
- David Netherway – MD/CEO
- Bob Cornelius
- Schalk van der Merwe
- Lex Graefe



## David Netherway – MD/CEO

- Joined the Company on June 1st, 2006
- Australian mining engineer with over 30 years of experience, 15 of which were spent in Africa, mainly Guinea and Ghana.
- Involved with the exploration, feasibility and construction of 4 operating gold mines in West Africa:
  - Semafo Inc.- Kiniero Gold Mine, Guinea & Samira Hill, Niger
  - Ashanti Goldfields Ltd - Siguiri Gold Mine in Guinea
  - Golden Shamrock Mines Ltd - Iduapriem Gold Mine, Ghana
- As CEO of Afcan Mining Corp. (TSX), developed the Tanjianshan Gold mine in China and sold the company in 2005 to Eldorado Gold Corp. In production in November, 2006 at 150,000 oz/year.
- Chairman of GMA Ltd (AIM), African Aura Mining (TSX & AIM) and non executive director of Altus Resource Capital Ltd (ARCL:AIM)

## **OUR HIGHLY EXPERIENCED TEAM**

### **Phil Fillis – Exploration Director**

- Highly experienced gold geologist
- Has found and delineated many mines
- Worked extensively in West Africa
- Consultant to Ashanti Goldfields for 7 years

### **Moctar Keita – Exploration Manager, Geologist**

- Mauritanian geologist – Marrakesh University, 1996
- Speaks fluent English, French, Arabic and local languages
- Worked for SNIM for 8 years in Mauritania
- Joined Shield in Jan 2007

### **Trevor Harris – CFO and Company Secretary**

- CPA qualified accountant with 20 years experience in financial management, postgraduate qualification in Commercial Law and a Graduate Diploma in Corporate Governance





## Mauritania



- Peaceful elections held 18 July, 2009
- Population – 2.9 million
- Transparent exploration and mining licence application process
- One stop shop – Mining Cadastral Unit
- 3% royalty on gold
- 3 year income tax holiday then 25% tax
- Import duty exemption
- 10% Government holding for mining licence plus right to buy an additional 10%

# Mauritania Mining Sector

- Gold
  - Redback Mining's Tasiast mine in production at 230,000 oz/year Au
- Copper/gold
  - First Quantum - Guelb Moghrein – in production – 100,000 oz Au/year and 32,000 tonne Cu/year
- Iron Ore
  - SNIM – in production at 11-12Mt/a
  - Sphere Minerals Ltd - Askaf Sinter Feed, Guelb el Aouj DR Pellet & Lebtheinia BF Pellet Project
- Uranium
  - Forte Energy - exploring in the north

# Mauritania Gold Potential

## Tasiast Gold Mine

- Reserves: 5.0Moz 64% increase over 3 months
- Resources: 6.4Moz 21% increase over 3 months
- Total Resources (incl. Inferred) 7.7Moz.
- Production for 2009: 159,000 ozs
- Production for 2010: 260,000 ozs

## Guelb Moghrein

- Production for 2009: 93,000 ozs (& 32,000t Cu)

Main gold belts are Tasiast/Tijirit and Amsaga –  
Shield has Tijirit in this belt

Main gold/base metal belt is the Mauritanide Mobile  
Belt - Shield has Akjoujt and Saboussiri in this belt

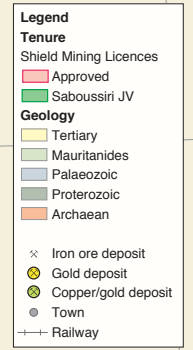
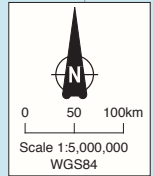
ALGERIA

MALI

WESTERN SAHARA

MAURITANIA

SENEGAL



**SHIELD MINING LIMITED**  
 Tenement Status - Mauritania  
 March 2010

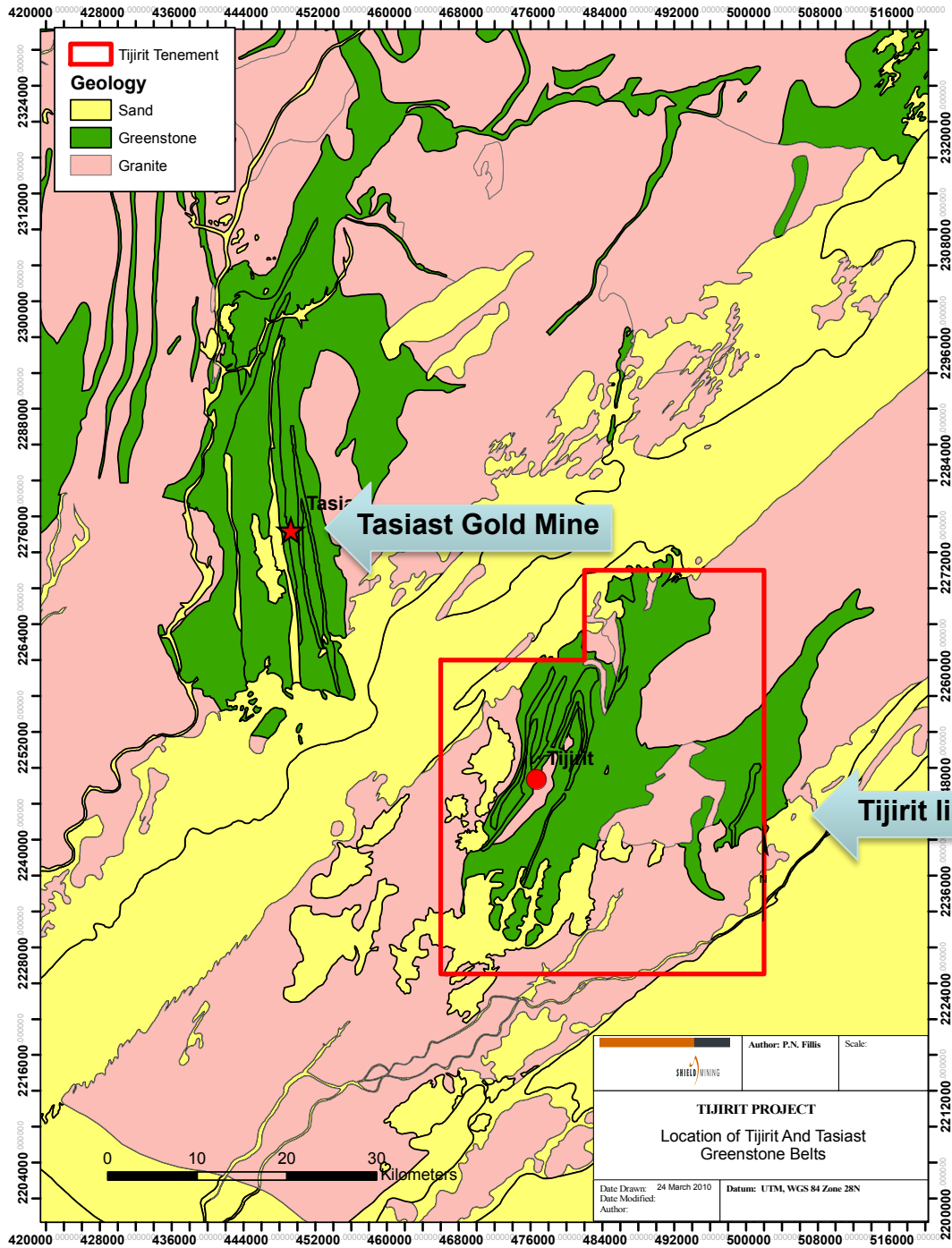
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# Our Exploration Targets

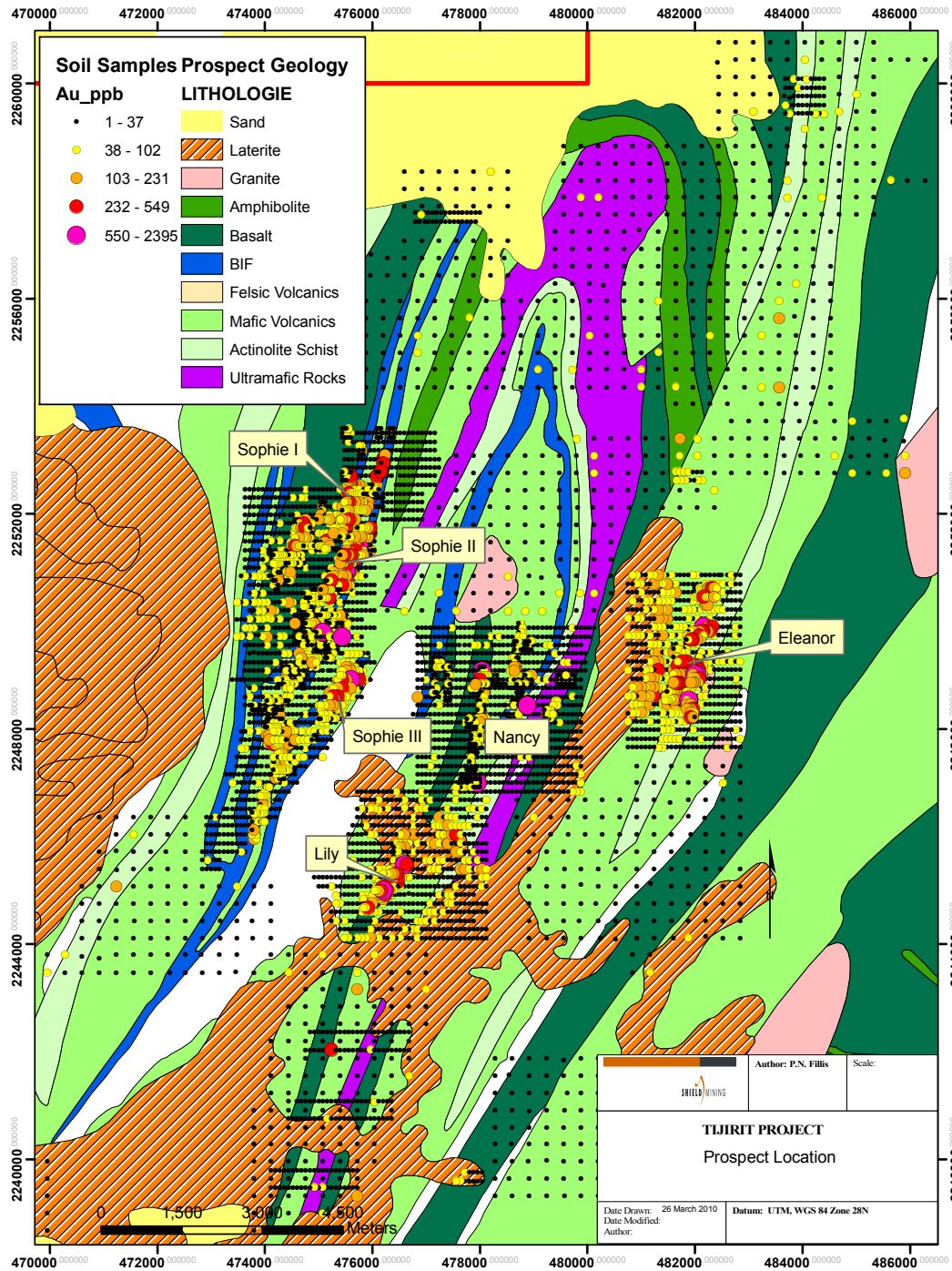
- Well set up in country with established office in Nouakchott
- 3 focused target areas
  - Tijirit (near Tasiast Gold Mine – 35km)
  - Akjoujt (near Guelb Moghrein mine)
  - Saboussiri (south of the country)

## EL 447 Tijirit Project

- look alike to Tasiast gold mine (35km to NW) in adjacent greenstone belt
- six robust coherent gold-in-soil anomalies (up to 1249 ppb Au) confirmed by trenching (6 m @ 5.46 g/t Au.) and now confirmed by drilling (6 metres @ 17.63 g/t Au)
- strike lengths of 1.0 – 2.2km
- IP geophysics confirms BIF association



## Location of Tjirit and Tasiast Gold Mine Greenstone Belts



## Prospect Location & Soil Sampling



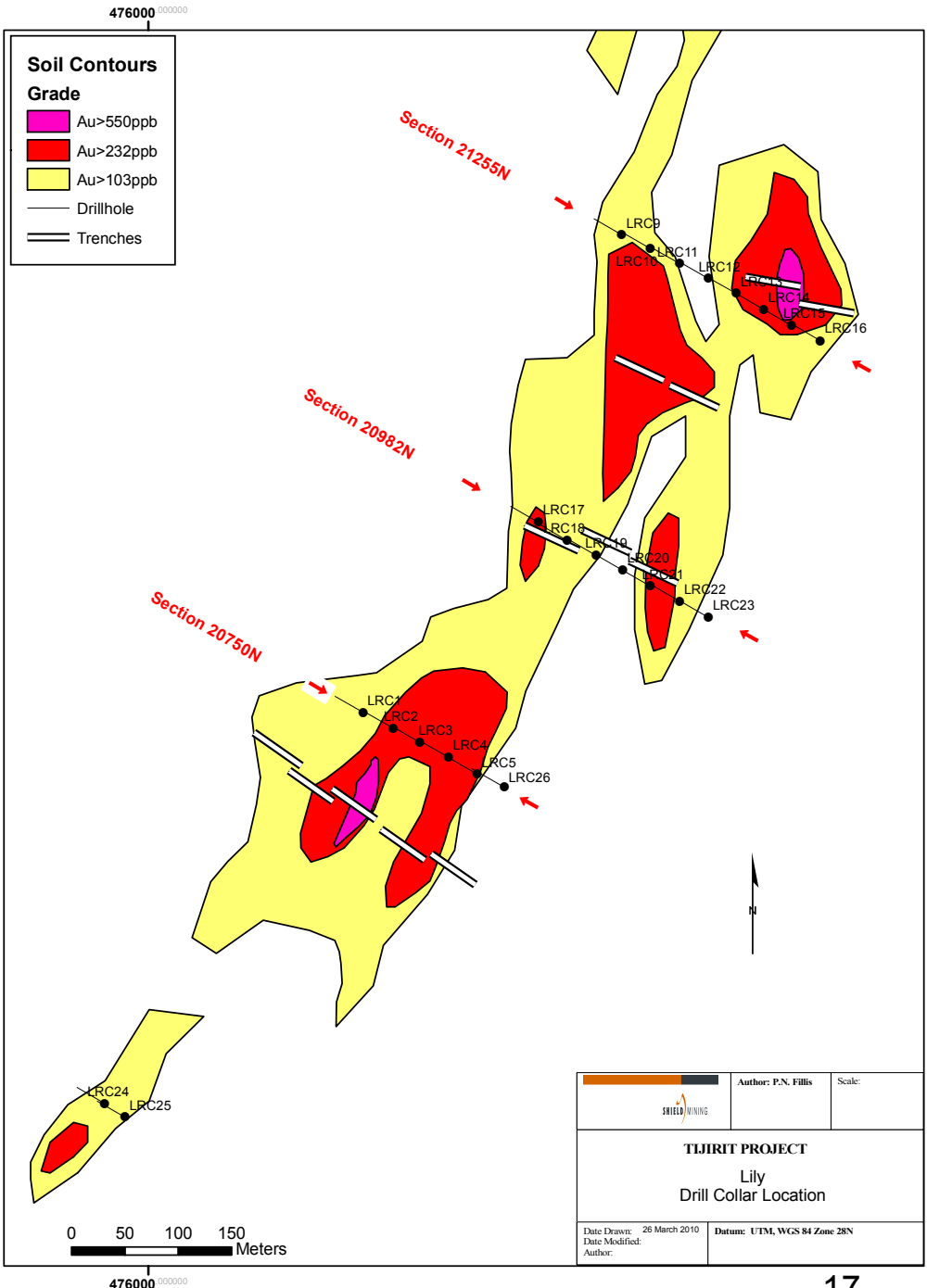
# Tijirit Project – Drill Results

## January–10 Programme

- 5026 metres of RC drilling
- **A wide consistent zone of low grade gold mineralisation containing higher grade intercepts delineated at the Lily prospect**
  - **30m @ 0.9 g/t Au & 38m @ 0.75 g/t Au.**
- **Best intercept is 8 metres @ 3.65 g/t Au at Sophie II prospect.**

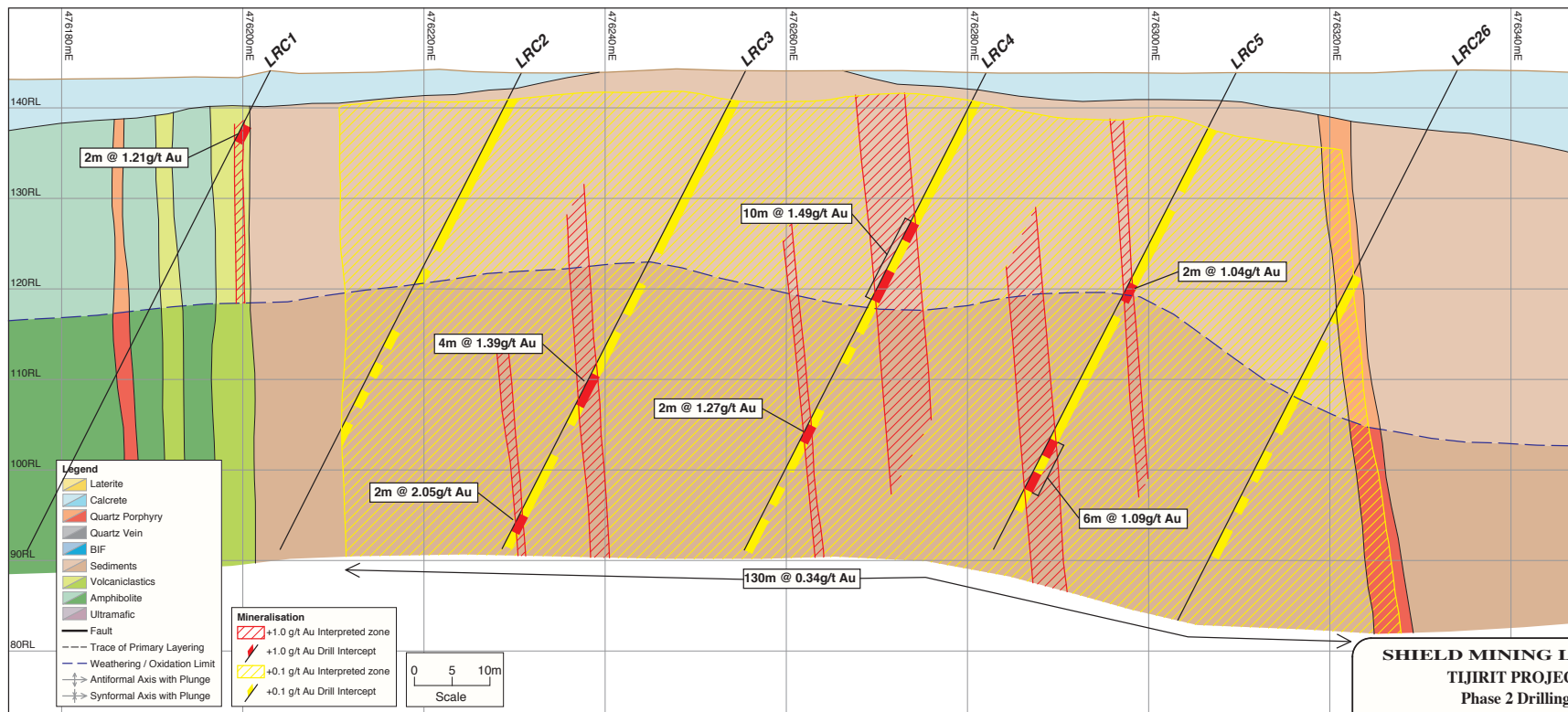
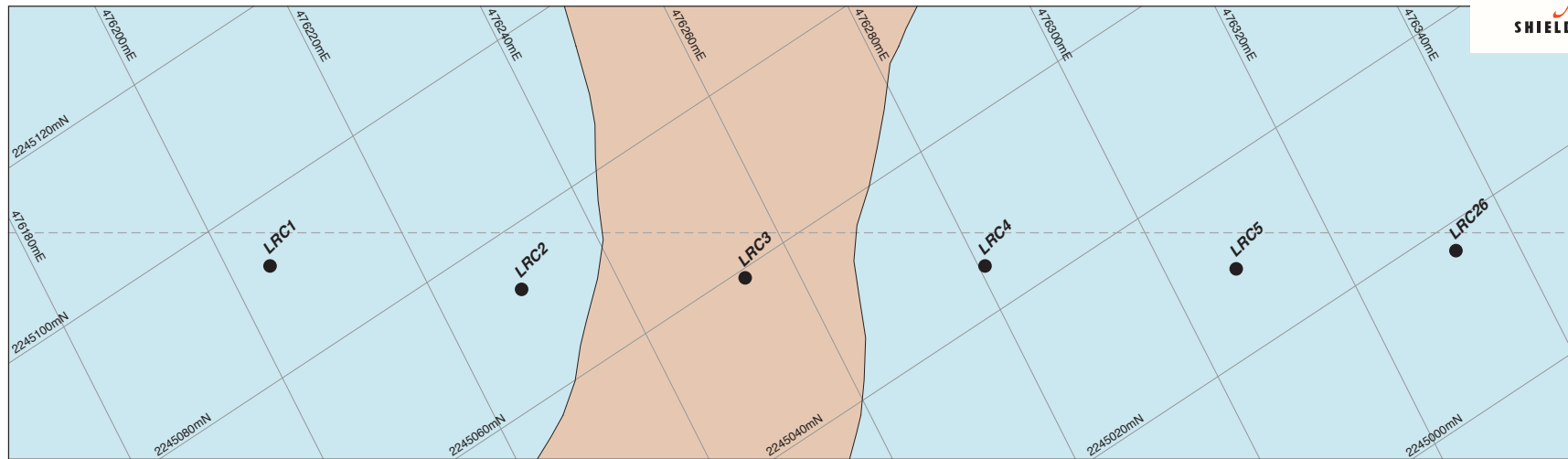
## June–09 Programme

- 3275 metres of RC drilling, best results:
  - 6 metres @ 17.63 g/t Au (from 10m to 16m depth in ERC4)
  - 6 metres @ 10.47 g/t Au (from 16m to 22m depth in SRC10)
  - 2 metres @ 24.90 g/t Au (from 56m to 58m depth in SRC24)



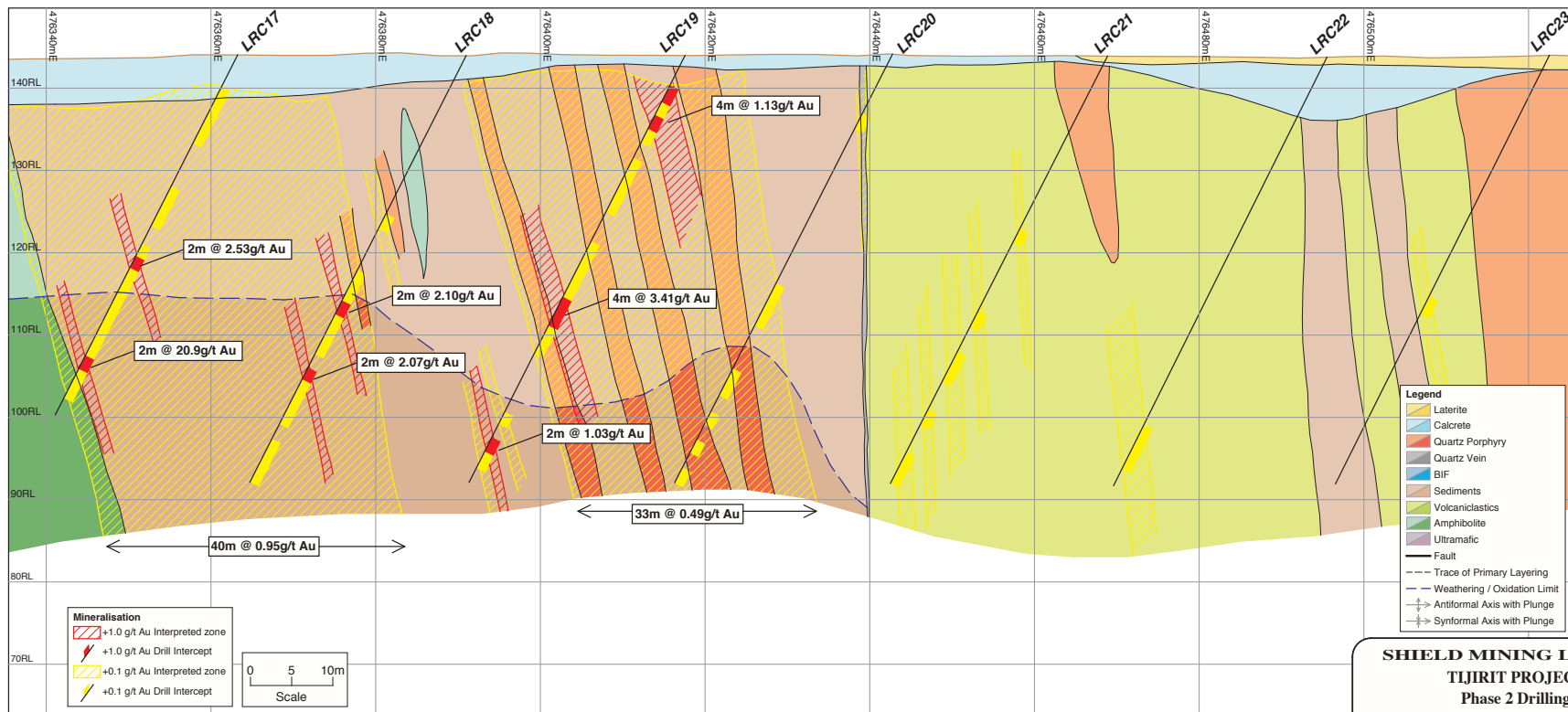
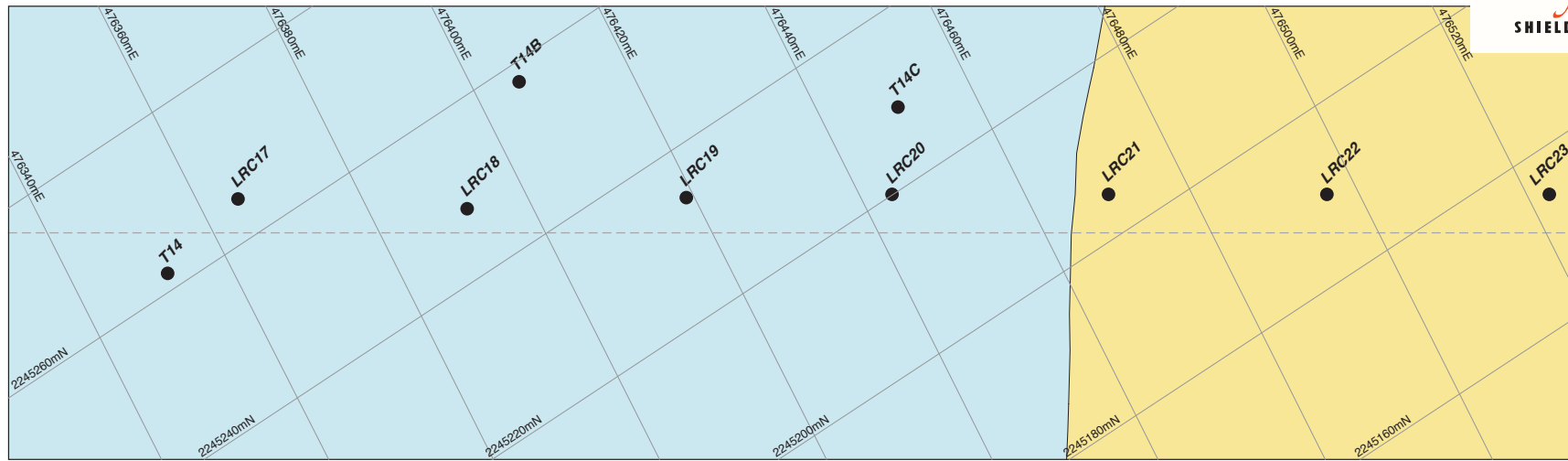
# Lily Drill Collar Location

	Author: P.N. Fillis	Scale:
<b>TLJIRIT PROJECT</b> Lily Drill Collar Location		
Date Drawn: 26 March 2010 Date Modified: Author:	Datum: UTM, WGS 84 Zone 28N	



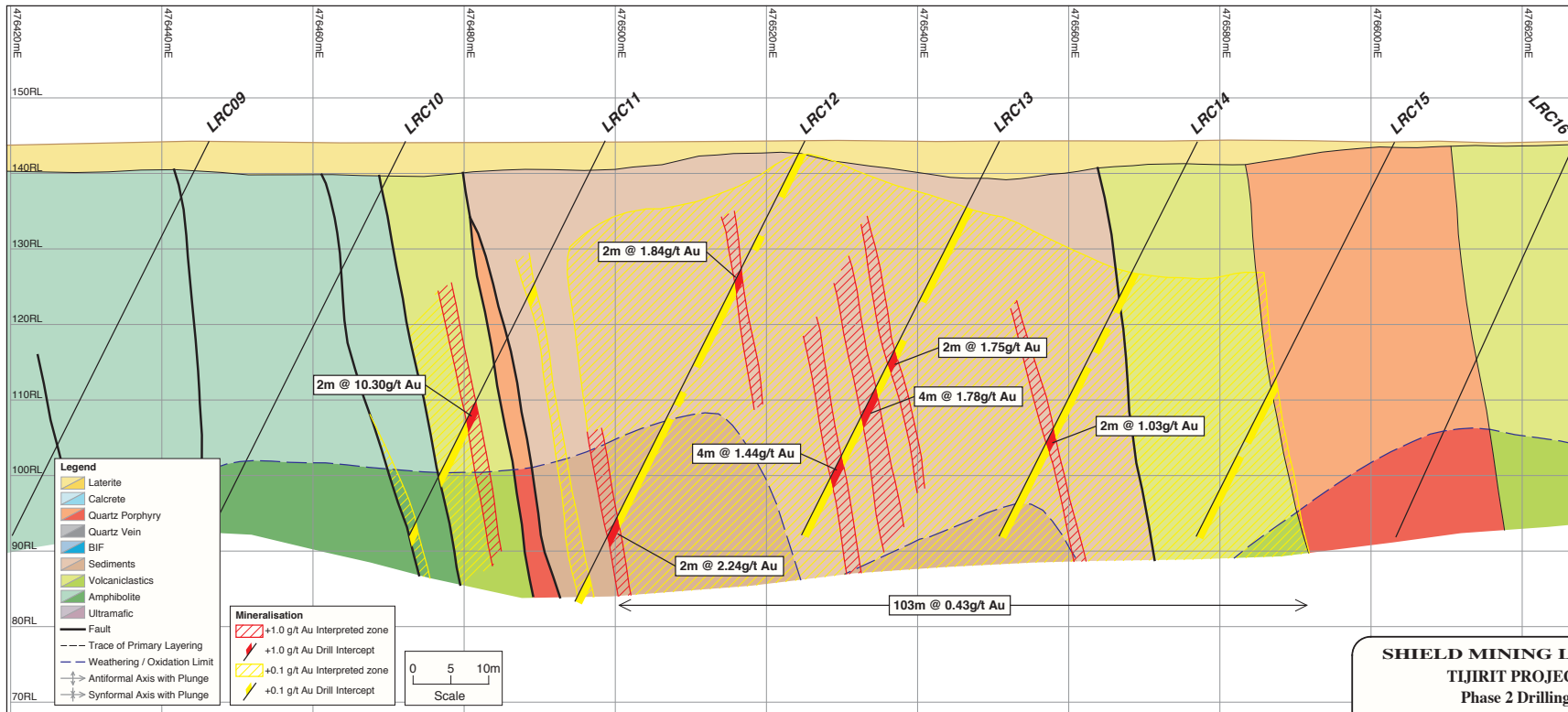
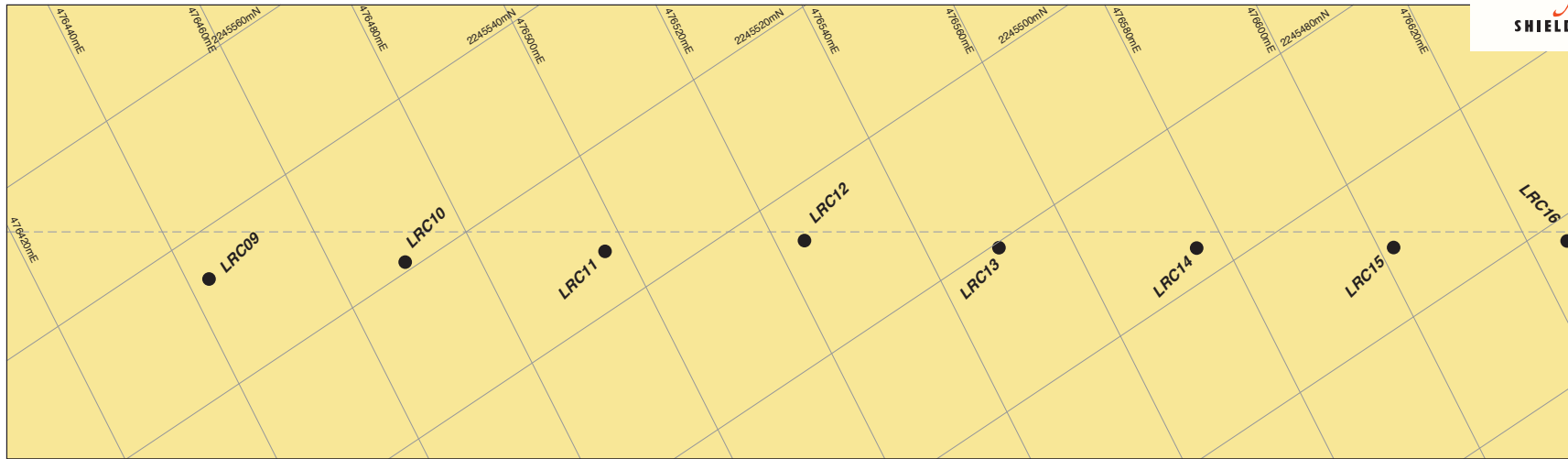
**SHIELD MINING LIMITED**  
**TIJIRIT PROJECT**  
 Phase 2 Drilling  
 Lily - Cross Section 20750N

Drawn: CAD Resources ~ Tel: +61 8 9246 3242 ~ Fax: +61 8 9246 3202 ~ www.cadresources.com.au ~ A3 ~ CAD Job No: 141206 ~ CAD Ref: Lily\_20750N.dgn ~ Rev: A ~ Date: March 2010



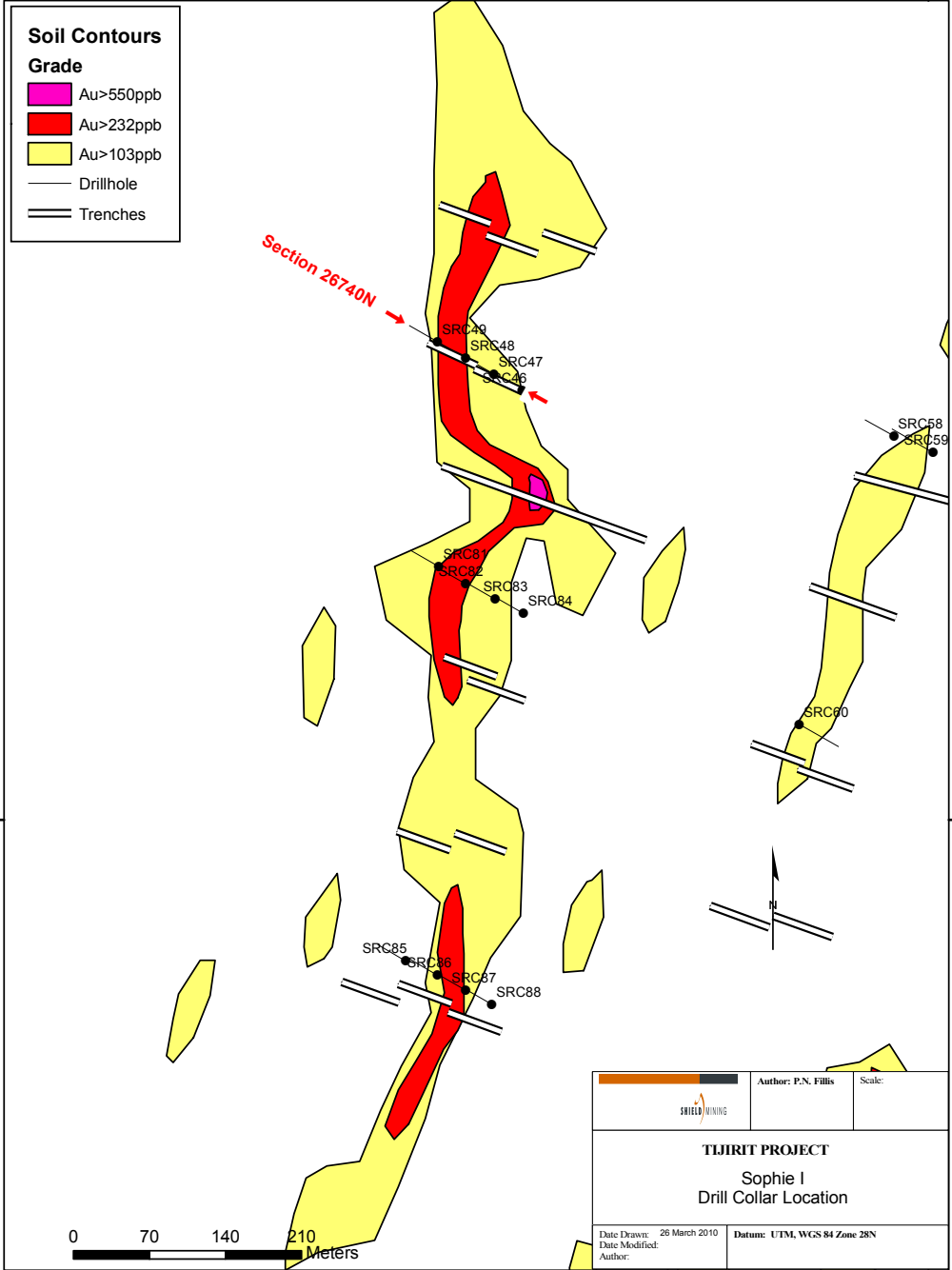
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**SHIELD MINING LIMITED**  
**TIJIRIT PROJECT**  
**Phase 2 Drilling**  
**Lily - Cross Section 20982N**



SHIELD MINING LIMITED  
 TIJIRIT PROJECT  
 Phase 2 Drilling  
 Lily - Cross Section 21255N

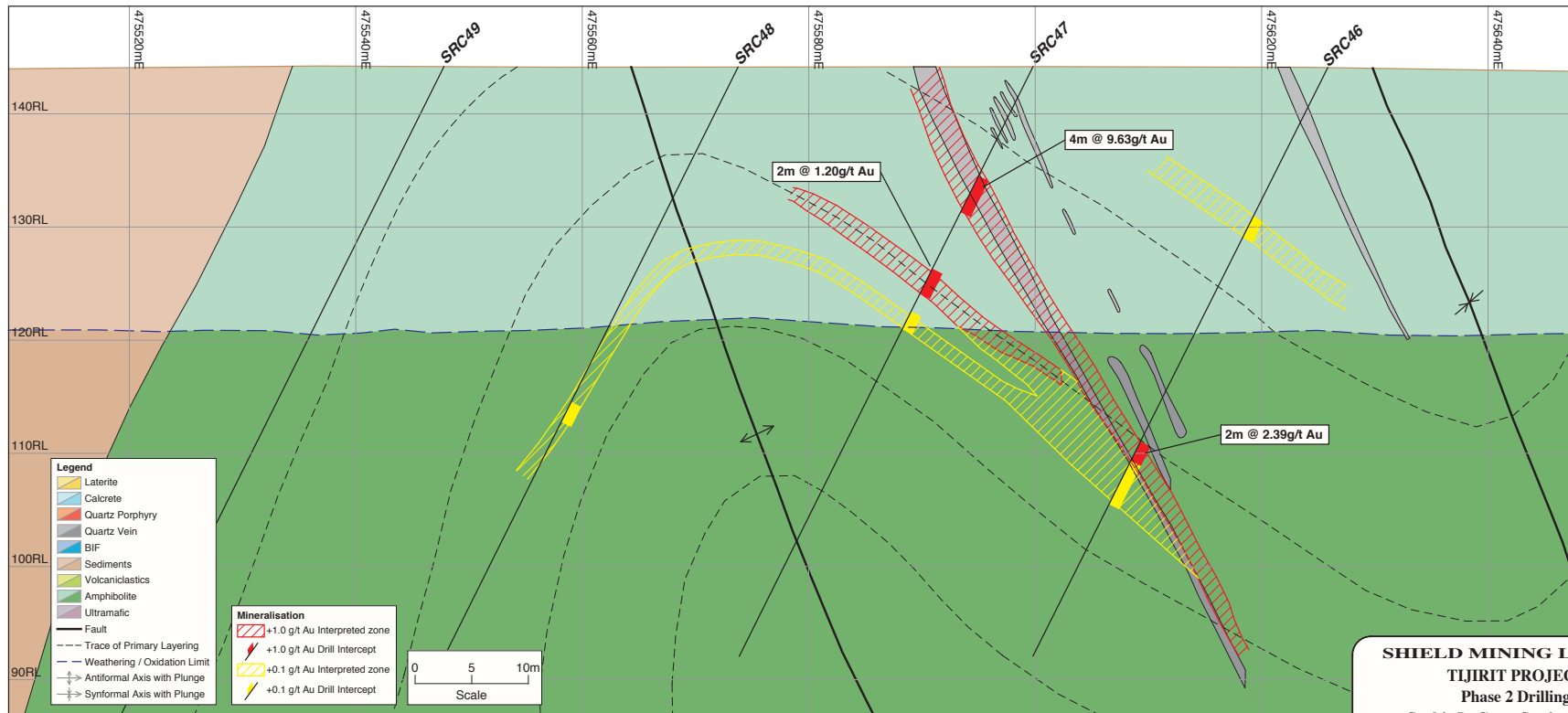
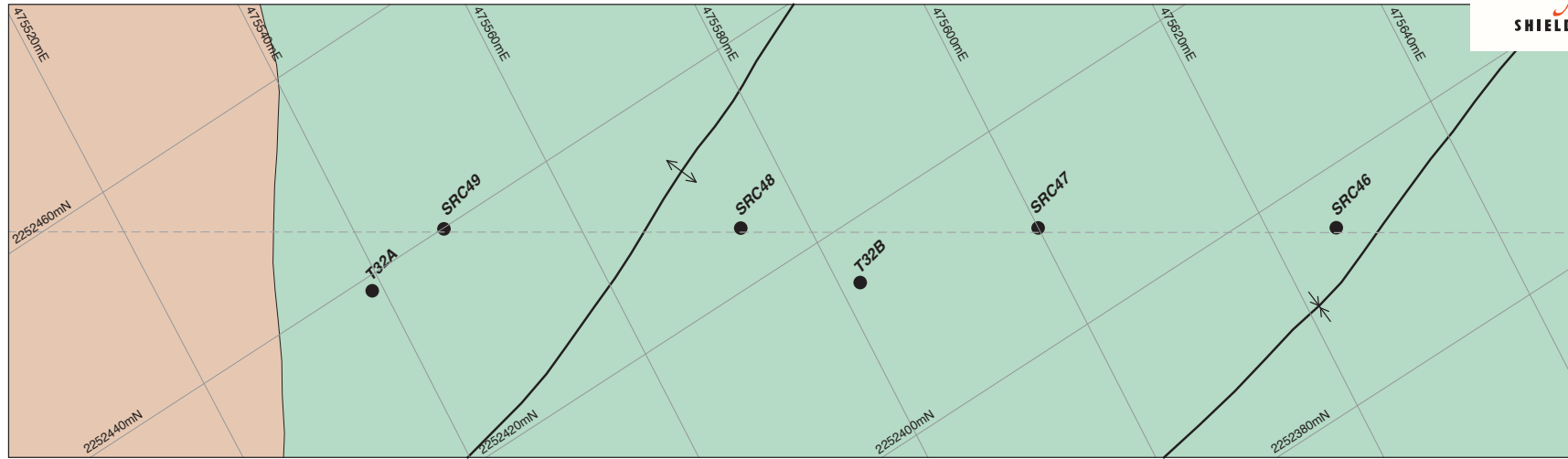
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# Sophie I Drill Collar Location

	Author: P.N. Ellis	Scale:
<b>TLJIRIT PROJECT</b>		
Sophie I Drill Collar Location		
Date Drawn: 26 March 2010	Datum: UTM, WGS 84 Zone 28N	
Date Modified:		
Author:		

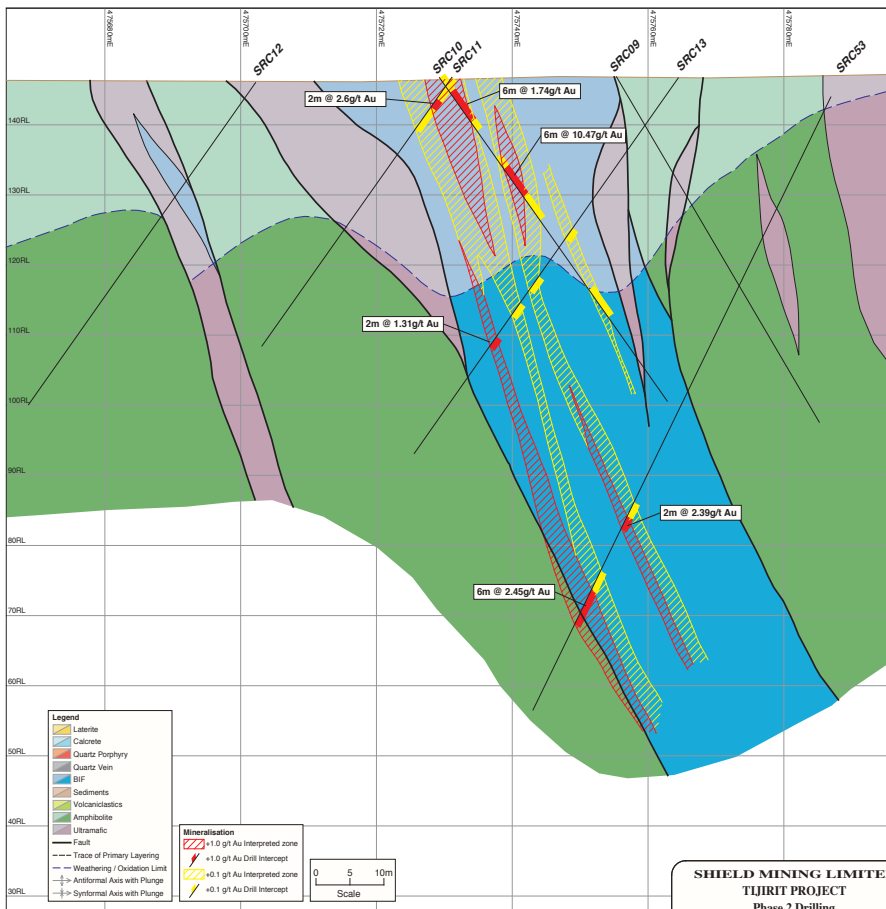
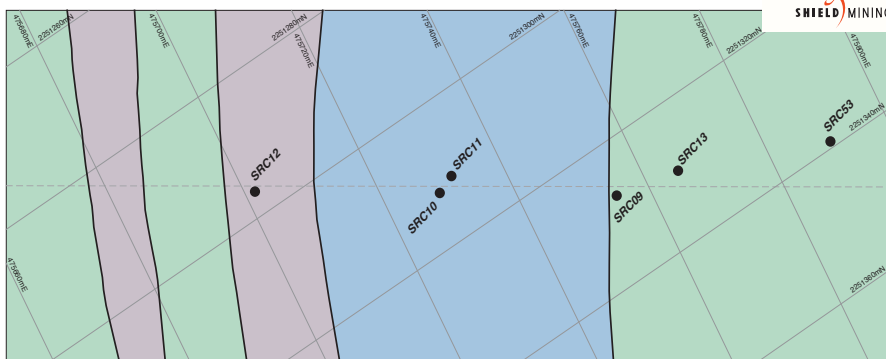
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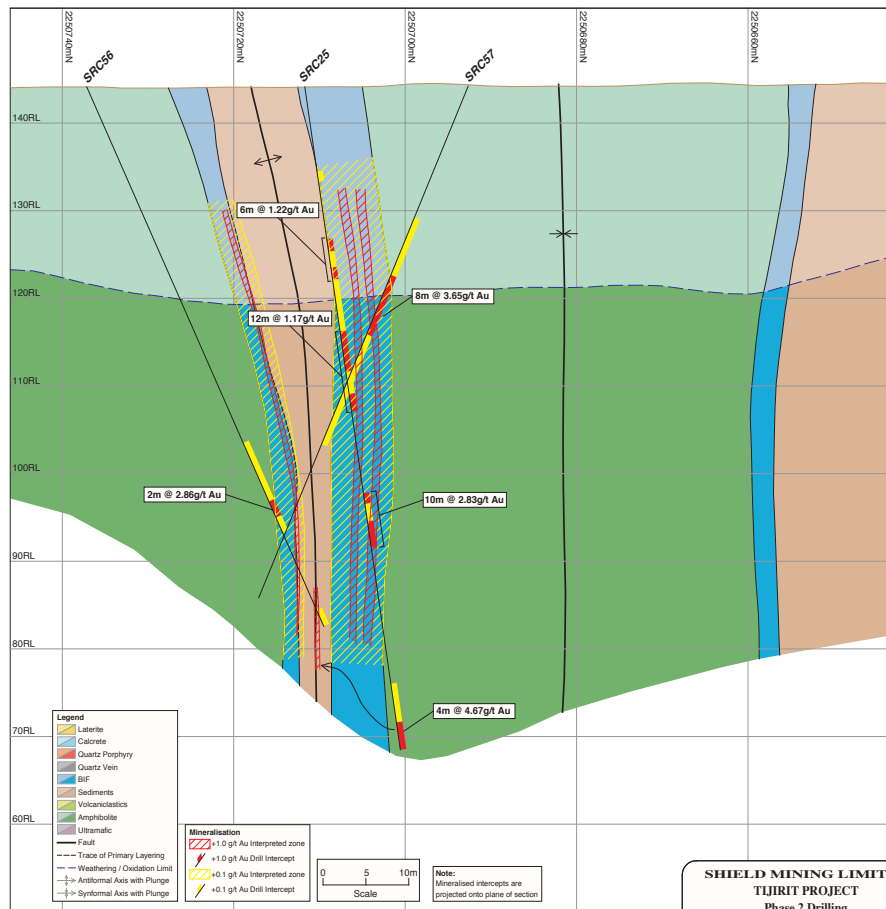
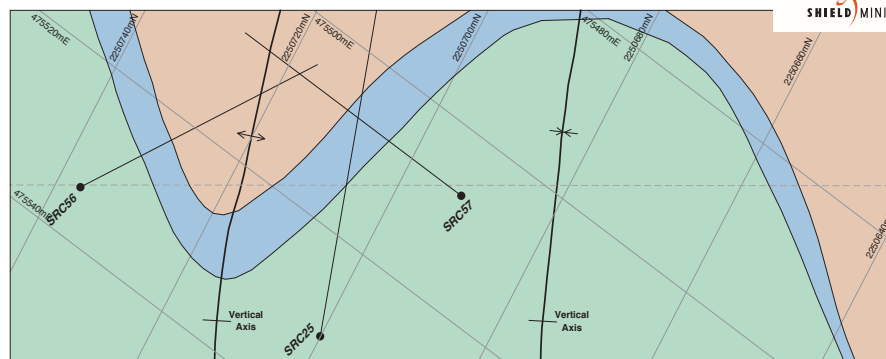
**SHIELD MINING LIMITED**  
**TIJIRIT PROJECT**  
 Phase 2 Drilling  
 Sophie I - Cross Section 26740N





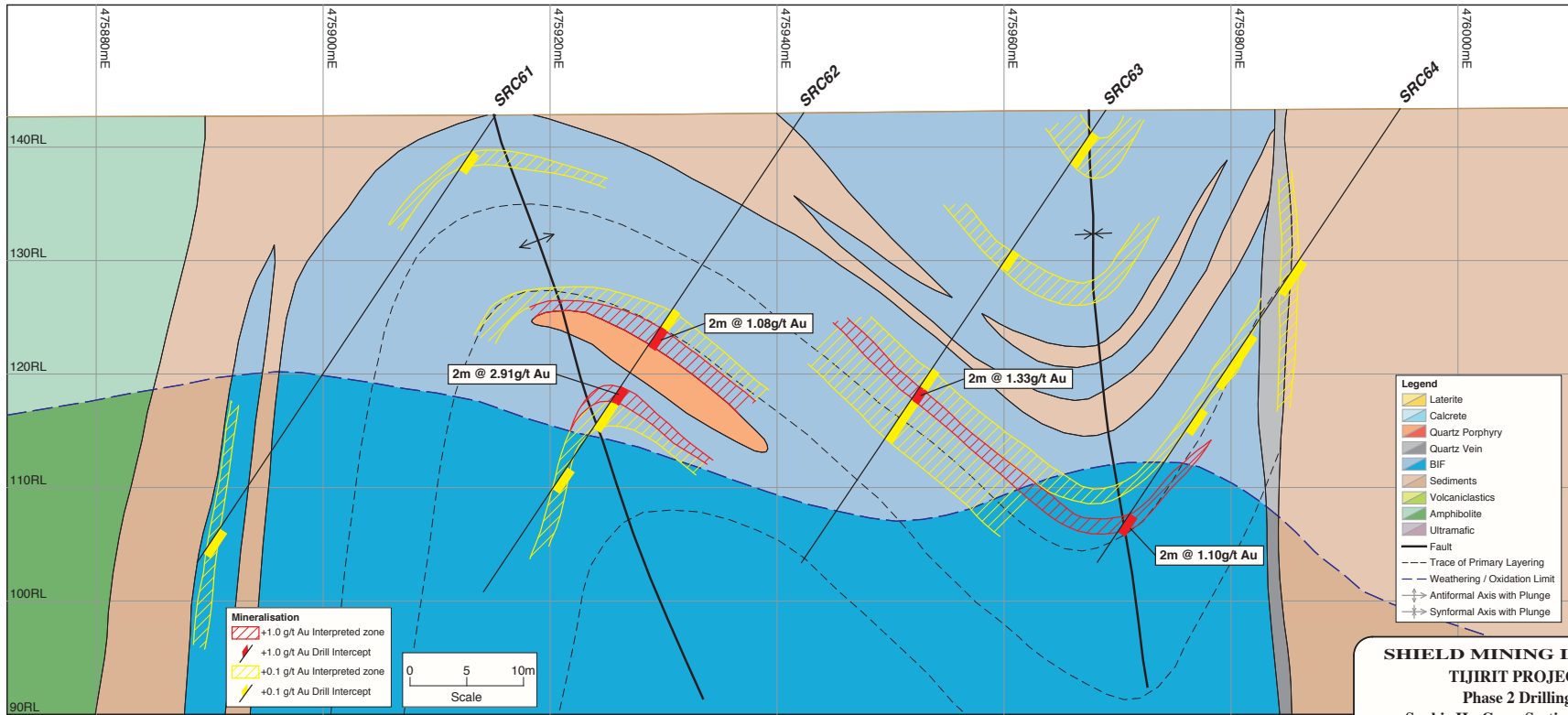


SHIELD MINING LIMITED  
TIJIRIT PROJECT  
Phase 2 Drilling  
Sophie II - Cross Section 25900N



SHIELD MINING LIMITED  
TIJIRIT PROJECT  
Phase 2 Drilling  
Sophie II - Cross Section 47556E

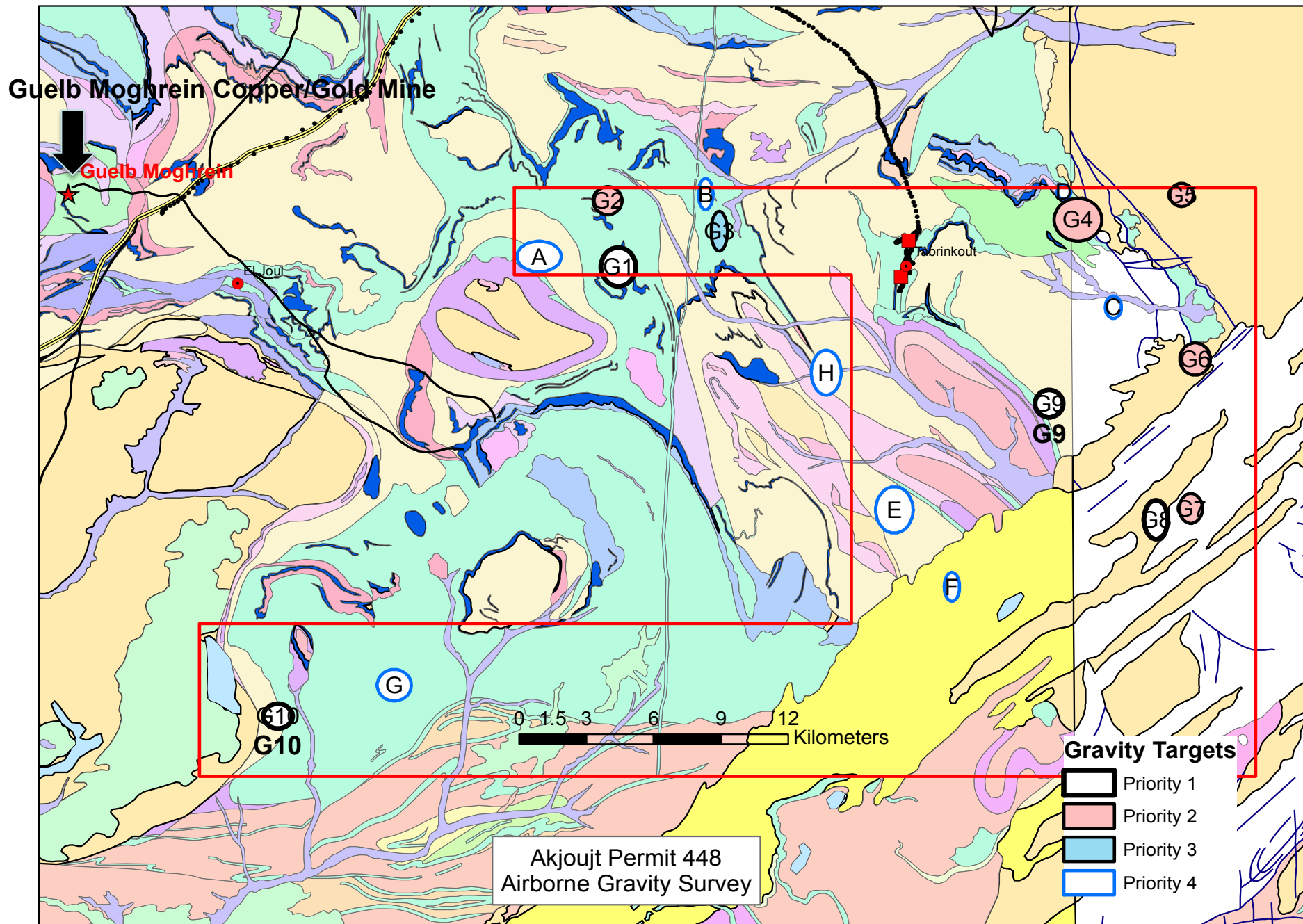
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# EL448 Akjoujt Project

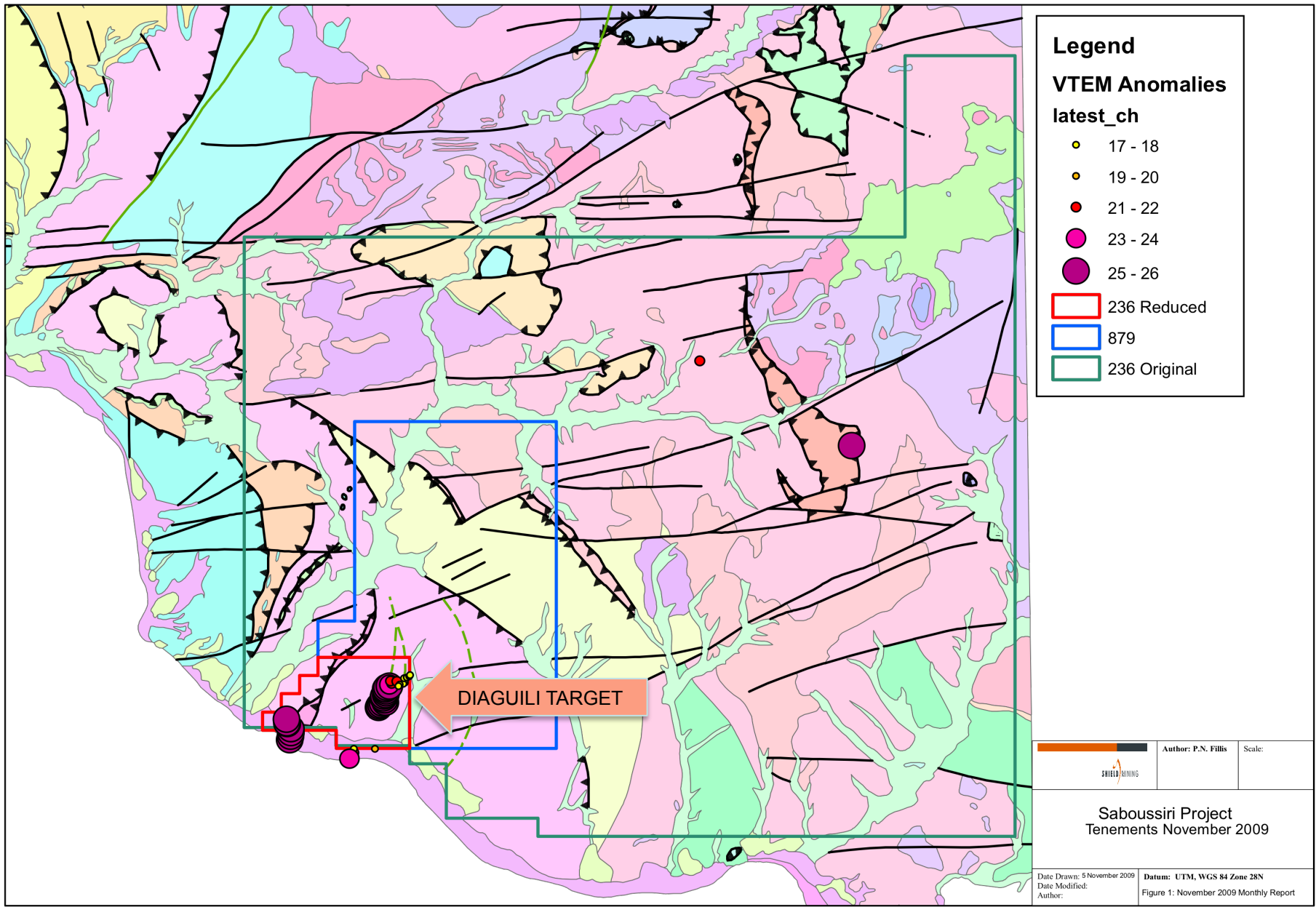
## Tabrinkout Prospect

- 33km from Guelb Moghrein copper/gold mine
- similar geochemical signature
- site of old tungsten mine & 1997 drilling by BGRM and Normandy/La Source
- Shield rockchip samples up to 17g/t au.
- Combined gravity survey Q1-10 with First Quantum
- results show interesting anomalies which now require groundwork



## EL 236 Saboussiri

- Shield flew VTEM geophysics in Jan-08 and indentified a very strong coherent anomaly
- VTEM target ready to drill at Diaguili
- Cu/Au anomaly, drilled by BHP with 12 m @ 1.76%Cu including 8.8 m @ 4.02%Cu
- 60% Shield JV with GMS S.A.



# 2010 Work Programme

<b>TIJIRIT</b>			
<b>Priority</b>	<b>Prospect</b>	<b>Target</b>	<b>Work Programme</b>
1	Lily	Wide, consistent zone of mineralised sediments	Drilling to test within strike (shallow holes 60 - 80m depth) and down dip (deeper holes to 150m). Follow zone north to Nancy.
2	Sophie II	Mineralised BIF's	Drill testing of selected BIF's and the interpreted antiform at SRC62 with shallow holes (60m - 80m depth).
3	Sophie I	Mineralised BIF	Drill testing of SRC81 intercept (6m@4.03g/t) & soil anomaly to west with shallow holes (60m - 80m)
4	Nancy	Gold-in-soil anomaly. Extension of Lily structures	Mapping, infill soil sampling and trenching
4	Eleanor West	Gold-in-soil anomaly.	Mapping, infill soil sampling and trenching
<b>SABOUSSIRI</b>			
1	Diaguili	VTEM Anomalies	Deep drilling (300m) to test anomalies.
<b>AKJOUJT</b>			
1	Akjoujt	Gravity anomalies from airborne survey.	Mapping, soil sampling, ground magnetics, gravity, trenching.
1	G9	Gravity anomaly along strike from Tabrinkout Cu-Au prospect with iron carbonate alteration.	Mapping, soil sampling, ground magnetics, gravity, trenching.
1	G10	Gravity anomaly on First Quantum's "Serpentine Structure" which hosts the Guelb Moghrein & El Joul IOCG deposits.	Mapping, soil sampling, ground magnetics, gravity, trenching.





Camp at Tijirit Project





Tijrit Project – Drilling

# Programme for 2010-11

- Saboussiri - drill geophysical target in May
- Tijirit Gold Prospect – drill in June, depending on rig availability
- Akjoujt – further explore potential of gravity anomalies



## Summary

- Cash of A\$1.86 million
- Highly experienced management
- Drilling on highly prospective targets near existing Tasiast Gold Mine
- Other prospective properties - one near Guelb Moghrein copper/gold mine