



ASX ANNOUNCEMENT

RELEASE DATE: 31 May 2010

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

CONTACT: **Trevor Harris (08 9 322 8393)**

RE: **Shield Placement to Raise Over A\$3 Million**

PAGES: 1

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Dear Sir/ madam

Shield Mining Limited (ASX: **SHX**) is pleased to announce that, with the assistance of lead broker Paradigm Capital Inc and GMP Securities LP, it has completed a placement of 22,565,565 fully-paid ordinary shares to sophisticated and institutional clients and investors at an issue price of A\$0.15 per share to raise \$3,384,845 (before issue related costs) in two tranches (Tranche 2 is subject to shareholder approval) as follows:

Tranche 1 – unconditional

10,983,520 shares to raise \$1,647,528 (before issue related costs); and

Tranche 2 – conditional

The issuing of the balance of 11,582,045 shares to raise \$1,737,307 (before issue related costs) exceeds the Company's 15% placement capacity and is therefore subject to the approval of Shield shareholders. A Notice of Meeting will be despatched shortly to set the meeting date to seek shareholder approval for Tranche 2.

The funds raised will be used to further the Company's current exploration programmes on its properties in Mauritania and for working capital purposes.

Yours sincerely

A handwritten signature in black ink, appearing to read "T. Harris", with a stylized flourish at the end.

Trevor Harris
Company Secretary