



FACSIMILE TRANSMITTAL SHEET

To: Sebastian Bednarczyk (9 224 0000)
Company: ASX
Fax number: 9 221 2020
Re: Breach of LR3.19
Date: 29 June 2010
From: Trevor Harris
Total: 1 of 1

Shield Mining Limited
ACN 108 267 063

680 Murray Street
West Perth, WA 6005
Tel: +61 (8) 9322 8383
Fax: +61 (8) 9322 5444
Web: www.shieldmining.com
Email: info@shieldmining.com

Dear Sebastian

We reply with reference to your letter dated today to Shield Mining Limited's (Company) Appendix 3X in breach of Listing Rule 3.19:

- 1. Please explain why the Appendix 3X was lodged late.

The securities holdings in question were issued in 2006 to the then Chief Financial Officer (CFO). This holding was disclosed to the market on its issue on 5 September 2006, and in the 2007, 2008 and 2009 Shield Mining Limited Annual Reports. When the CFO was appointed to the Board in September 2009, the need for the form 3X was overlooked in the transition. When the omission came to light due to our own internal review programs, the issue was corrected. There was no intention to conceal any information, material or otherwise.

- 2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

The Company has a Board level Market Disclosure Committee that is responsible for the compliance with ASX listing rule 3. This committee is supported by the Company Secretary and internal support staff. Appropriate documented workflows are in place. When the directors notify the Company of any changes which affects them (material or otherwise), workflow instructions are checked to ensure that (any) required compliance matters are adhered to.

- 3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Workflow documentation has been reviewed, and we are making sure that at least two staff will be double-checking that the required compliance is adhered to.

The Company remains committed to good corporate governance and compliance with the various protocols of being a listed company.

Yours sincerely

Trevor Harris
Company Secretary

**ASX**

AUSTRALIAN SECURITIES EXCHANGE

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25 June 2010

Trevor Harris
Shield Mining Limited
680 Murray Street
PERTH WA 6000

By Facsimile: 9322 5444

Dear Trevor,

SHIELD MINING LIMITED (the "Company") Appendix 3X – Director's Interest Notice.

We refer to the following;

1. The Appendix 3X lodged by the Company with ASX Limited ("ASX") on 25 June 2010 for Lexton Mark Graefe; and
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
 - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
 - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix 3X indicated that a change in the director's relevant interests occurred on 1 October 2009, it appears that the Appendix 3X should have been lodged with the ASX by 8 October 2010. As the Appendix 3X was lodged on 25 June 2010, it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears that there may have been a breach of S205G of the Corporations Act by the director concerned.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

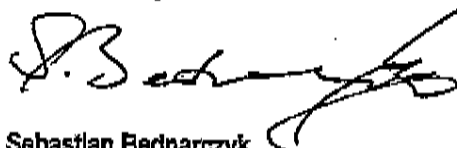
1. Please explain why the Appendix 3X was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (i.e. before 7.30 a.m. W.S.T.) on **Wednesday, 30 June 2010**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately

Yours sincerely,



Sebastian Bednarczyk
Adviser, Issuers (Perth)