

ASX ANNOUNCEMENT



RELEASE DATE: 10 August 2009

TO: Manager Companies
Australian Securities Exchange
Company Announcements Office

CONTACT: Lexton Graefe (08 9 322 8393)

RE: Shield Completes Rights Issue & Placement

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Shield Mining Limited
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Dear Sir/ Madam

Please see attached press release covering the completion of Shield's Rights Issue and concurrent private placement.

Yours sincerely

A handwritten signature in black ink, appearing to read "L Graefe", written in a cursive style.

Lexton Graefe
Company Secretary



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SHIELD COMPLETES RIGHTS ISSUE AND ANNOUNCES A PRIVATE PLACEMENT

Shield Mining Limited (Company) is pleased to advise that its non-renounceable rights issue closed on Wednesday 5 August 2009 with strong shareholder support. In addition, a private placement was undertaken.

- **A\$1.73 million raised in rights issue**
- **A\$0.40 million raised in private placement**

A total of 15,913,143 shares and 15,913,143 free attaching options, each with an exercise price of A\$0.20 expiring on 31 August 2011, were taken up by shareholders, representing 92% of the shares on offer, leaving a shortfall of 1,390,301 shares and 1,390,301 free attaching options. The shortfall has been taken up entirely by shortfall applicants.

In total, the rights issue raised approximately A\$1.73 million before costs of the issue.

Holding statements will be despatched on 13 August 2009, in accordance with the previously advised timetable.

The Company has also today placed a further 4,009,700 shares, and 4,009,700 unlisted options, each with an exercise price of A\$0.20 expiring on 31 August 2011 with professional and sophisticated investors under the company's 15% placement capacity, raising an additional A\$0.40 million, before costs.

"We are very pleased that our shareholders have supported this issue so convincingly. We are now planning the next campaign of drilling to further explore the exciting prospects at Tijirit in Mauritania." Shield's Chief Executive Officer, Mr David Netherway, said today.

Proposed Use of Proceeds

It is intended that the funds raised by the offer will be used primarily to fund further exploration work on the Company's Tijirit prospect (EL447) in Mauritania and possibly for further exploration work on the Saboussiri prospect (EL 236).

The drilling results, together with soil, rock chip sampling and trenching all demonstrate that Tijirit is host to gold mineralised structures in a style similar to that seen at the Tasiast gold mine in an adjacent greenstone belt 35kms to the northwest. The Tasiast mine is owned by Redback Mining and is producing 230,000 ounces of gold per year. The Tijirit area had not been tested before in the subsurface prior to Shield's drilling programme in April. The permit has been sparsely explored to date and continued exploration is warranted not only on the mineralised structures defined but also on the untested portion of the permit where no soil sampling has yet been carried out.

Shield will undertake additional drilling at Sophie II, Sophie III as well as initial drilling at Sophie I, Lily, Nancy and Eleanor West prospects. Regional work will also continue with extension of the soil sampling grid to cover those structures and BIF's not previously sampled by BRGM/Normandy La Source.

Plans and sections of the recent drilling are available on the Company website: www.shieldmining.com

Shield Mining Limited (SHX:ASX) is an West Africa focused gold and base metals explorer that is listed on the Australian Securities Exchange.

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