

24 June 2009

## **SHIELD LODGES PROSPECTUS FOR RIGHTS ISSUE**

Shield Mining Ltd (Company) has lodged with the ASX a prospectus for a non-renounceable, pro-rata rights issue to its shareholders. Highlights of the issue are:

- 1 new share for every 3 shares held;
- an issue price of A\$0.10; and
- 1 free new option for each new share issued, exercisable at A\$0.20 and expiring on 31 August 2011.

The pro-rata non-renounceable entitlement offer is being made on the basis of one (1) new share (New Share) for every three (3) shares held by eligible shareholders as at 5.00pm WST on 1 July 2009 (Record Date), at an issue price of A\$0.10 per New Share plus one free new option with an exercise price of A\$0.20 and an expiry date of 31 August 2011 for every new share issued (New Option), in order to raise up to A\$1.730 million initially and up to a further A\$3.46 million over the following two year period through the exercise of the New Options (Offer).

“Following the successful preliminary drilling campaign at Tijirit, we would like to take the opportunity to reward our shareholders for their loyalty by offering them shares under a rights issue, to enable us to undertake further drilling at Tijirit.” Shield’s Chief Executive Officer, Mr David Netherway, said today.

### **Proposed Use of Proceeds**

After meeting the costs of the Rights Issue, 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 (EL236).

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 35 kms to the northwest. 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.

## **The Offer**

The Offer will be made pursuant to a Prospectus. Shareholders who wish to participate in the Offer must complete the personalised Entitlement and Acceptance Form that will accompany the Prospectus and is being mailed to shareholders.

The offer will not be underwritten, and any shortfall will be offered to shareholders and members of the public. Shareholders who wish to apply in the shortfall should do so in their personalised Entitlement and Acceptance Form. Members of the public who wish to apply for the shortfall should download and complete the shortfall application form attached to the Prospectus by following the instructions on the form. The Prospectus and shortfall application form can be downloaded on the Company's website at [www.shieldmining.com](http://www.shieldmining.com). Alternatively applicants may contact the Company to obtain a copy of the Prospectus and shortfall application form free of charge.

Shareholders and applicants should consider the Prospectus before making a decision on whether to apply for New Shares and New Options under the Offer.

## **Permit status**

In view of the exploration results as discussed above, the Company has now decided to focus its efforts on the Tijirit, Saboussiri and Akjoujt licences. Consequently the Company has surrendered or allowed to expire all other remaining licences in Mauritania namely EL243, 244, 245, 246, 365, 366 & 367.

*The information in this Report that relates to exploration results is based on information compiled by Mr Phil Fillis who is a Fellow 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.*

**Shield Mining Limited (SHX:ASX) is an Africa-focused gold and base metals explorer listed on the Australian Stock Exchange. Shield is active in Mauritania where it holds 100% of 2 and 60% of 1 exploration licences, covering a total area of 2,242km<sup>2</sup>.**

## **CONTACT:**

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