SHIELD GOLD INC.

INTERIM FINANCIAL STATEMENTS

For the Six Months Ended
April 30, 2008

Unaudited – Prepared by Management

SHIELD GOLD INC.

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these financial statements.

SHIELD GOLD INC.
Balance Sheets
(Prepared by Management- Unaudited)

		April 30, 2008		October 31, 2007
		(Unaudited)		
ASSETS				
CURRENT				
Cash	$	51,994		$70,455
Accounts receivable		9,507		8,627
Prepaid finance fees (Note 5(a))		53,280		53,280
	$	114,781	$	132,362
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Note 6)		$41,292	$	69,118
SHAREHOLDERS' EQUITY				
CAPITAL STOCK (Note 3)		262,810		259,668
CONTRIBUTED SURPLUS (Note 3)				10,979
DEFICIT		(189,321)		(207,403)
		73,489		63,244
	$	114,781	$	132,362

ON BEHALF OF THE BOARD:

"Paul Ankcorn"
Paul Ankcorn

"Howard Sinclair-Jones"
Howard Sinclair-Jones

See accompanying notes to the financial statements

SHIELD GOLD INC.
STATEMENTS OF OPERATIONS AND DEFICIT
(Prepared by Management - Unaudited)

	Three Months Ended April 30, 2008	Three Months Ended April 30, 2007	Six Months Ended April 30, 2008	Six Months Ended April 30, 2007
REVENUES				
Interest income	$ -	$ -	$ -	$ -
GENERAL AND ADMINISTRATIVE EXPENSES				
Professional fees	1,200	15,630	15,005	24,446
Registration and transfer agent fees	4,589	13,159	4,707	13,159
Office and general	-	72	-	72
Travel				
Bank charges	29	15	44	30
Loss for the period	$ 5,818	28,876	19,756	37,707
Deficit, beginning of period	221,341	158,418	207,403	149,587
Deficit, end of period	$ 227,159	$ 187,294	$ 227,159	$ 187,294
Loss per share – basic and diluted (note 1)	$ (.010)	$ (0.01)	$ (0.01)	$ (0.02)
Weighted average number of shares	5,285,880	2,222,603	5,285,880	2,222,603

See accompanying notes to the financial statements

SHIELD GOLD INC.

STATEMENTS OF CASH FLOWS
(Prepared by Management - Unaudited)

	Three Months Ended April 30		Six Months Ended April 30	
	2008	**2007**	**2008**	**2007**
OPERATING ACTIVITIES				
Loss for the period	$ (5,818)	$ (28,876)	(19,756)	$ (37,707)
Changes in non-cash working capital				
Decrease (increase) in accounts receivable	-	1,635	(880)	(1,220)
Increase (decrease) in accounts payable and accrued liabilities	1,200	299	(27,826)	9,645
Cash provided by (used in) operating activities	(4,618)	(26,942)	(48,462))	(26,842)
FINANCING ACTIVITIES				
Changes in capital stock	-	-	3,142	-
Net changes in contributed surplus	-	-	26,849	-
Cash provided by financing activities	-	-	30,001	-
Increase (decrease) in cash during the year	$ (4,618)	$ (26,942)	$ (18,461)	$ (26,842)
Cash beginning of the period	56,612	136,318	70,455	136,218
Cash end of the period	$ 51,994	$ 109,376	$ 51,994	$ 109,376

SUPPLEMENTAL INFORMATION

Income taxes paid	-		-	-
Interest paid	-		-	-

See accompanying notes to the financial statements

SHIELD GOLD INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Six Months ended April 30, 2008
(Unaudited)

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of business

Shield Gold Inc. (the "Company") was incorporated under the laws of the Province of Ontario, by Articles of Incorporation dated February 4, 2004. The Company reviewed a final prospectus receipt on May 16, 2008.
The Company proposes to identify potential businesses or assets with a view to completing a Qualifying Transaction.

The unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operative results for the six-month period ended April 30, 2008 is not necessarily indicative of the results that may be expected for the year ending October 31, 2008.

The balance sheet at October 31, 2007 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The interim financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual financial statements for the year ended October 31, 2007.

Basis of presentation

These financial statements have been prepared on a going concern basis, which presumes the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company are in accordance with the Canadian Generally Accepted Accounting Principles. Outlined below are those policies considered particularly significant.

Use of Estimates

The preparation of financial statements in conformity with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the related reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents consist of cash and short term deposits with original maturity of ninety days or less and are recorded at cost, which approximate the market.

Revenue recognition

Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the Company's price to the customer is fixed or determinable and collection of the resulting receivable is reasonably assured.

Earnings (loss) per share

Basic and diluted earnings per share are computed by dividing the earnings for the year by the weighted average number of common shares outstanding. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. The assumed conversion of outstanding common share options and warrants has an anti-dilutive impact for the six months ended April 30, 2008 and 2007.

Financial instruments

In April 2005, the Accounting Standards Board issued three new accounting standards dealing with the recognition, measurement and disclosure of financial instruments, hedges and comprehensive income, together with many consequential amendments throughout the CICA Handbook. These new standards are effective and will be adopted in the Company's interim and annual financial statements beginning April 1, 2007:

i. Financial Instruments – Recognition and Measurement, Section 3855

   This standard prescribes when a financial asset, financial liability, or non-financial derivative is to be recognized on the balance sheet and whether fair value or cost-based measures are to be used to measure the recorded amount. It also specifies how financial instrument gains and losses are to be presented. The fair value of financial instruments presented in current assets approximates their book value because of their forthcoming maturity. The fair value of financial instruments presented in current liabilities approximates their book value because of their forthcoming maturity.

ii. Hedges, Section 3865

   The Company has no hedges in effect so this new standard will have no impact on the Company's financial results.

SHIELD GOLD INC.
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(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

iii. Comprehensive Income, section 1530

This new standard requires the presentation of a statement of comprehensive income and its components. Comprehensive income includes both net earnings and other comprehensive income. Currently, the Company has no components that would cause comprehensive income to differ materially from the Company's statement of operations.

Income Taxes

The Company accounts for income taxes by the asset and liability method. Under this method, future income taxes are determined based on the difference between the financial reporting and tax bases of assets and liabilities. These income tax assets and liabilities are measured using the substantially enacted tax rates in which the income tax assets or liabilities are expected to be settled or realized. A valuation allowance is provided to the extent that it is more likely than not that future income tax assets will not be realized.

2. CAPITAL STOCK

Authorized
Unlimited number of common, preferred and special shares

Outstanding	**Common shares** Number of shares	Amount
Balance at February 4, 2004	–	–
Issued for cash-units (note a)	2, 200,000	$220,000
Share issue costs	–	(4,353)
Balance at October 31, 2004	2,200,000	215,647
Shares issued	–	–
Balance at October 31, 2005	2,200,000	215,647
Issued for cash-units (note b)	550,000	55,000
Balance at October 31, 2006	2,750,000	270,647
Shares cancelled in May 2007 (note c)	(109,791)	(10,979)
Balance at October 31, 2007	2,640,209	259,668
Share split in December 2007 (note d)	2,640,209	–
Issued for cash Shares (note e)	600,000	30,000
Shares cancelled in January 2008 (note f)	(537,182)	(26,858)
Balance at April 30, 2008	5,343,236	$262,810

a) On November 30, 2004, the company completed a private placement of 2,200,000 common shares of the Company at a price $0.10 per share for the total proceeds of $220,000. Officers and directors acquired 1,000,000 common shares.

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3. CAPITAL STOCK (CONTINUED)

b) On October 16, 2006 the company completed a private placement of an additional 550,000 common shares of the Company at a price of $0.10 per share for the total proceeds of $55,000. Officers and directors acquired 450,000 common shares.

c) Due to the prior expenses incurred by the Company, the Company has exceeded the Restricted Expense Limit. Following discussion with the Exchange regarding the basis on which the Exchange would be prepared to grant a waiver of the Restricted Expense Limit, the directors of the Company agreed to cancel common shares registered in their own name (at $0.10 per share) equal to the amount by which the Company has exceeded its expense limit. Accordingly, on May 29, 2007, 109,791 common shares registered in the names of the directors were cancelled on a pro rata basis. In June 2007, the Exchange granted a waiver of the Restricted Expense Limit to the Company.

d) On December 14, 2007 at a special meeting of the shareholders, the shareholders unanimously approved a resolution subdividing the existing common shares on 2 for 1 basis. On December 19, 2007 articles of amendment for the Company were filed with the Ministry of Government Services giving effect to this resolution. Upon completion of the subdivision there were 5,280,418 common shares issued and outstanding. Also at that meeting, the shareholders approved a new general by-law for the Company.

e) To raise additional funds to complete the CPC offering on January 24, 2008, the Company completed a private placement of 600,000 common shares at an offering price of $0.05 per share for gross proceeds of $30,000. The subscribers in this private placement were the directors of the Company. Upon completion of this private placement there were 5,880,418 common shares issued and outstanding.

f) In its discussions with the TSX Venture Exchange concerning the additional delays in closing the CPC offering caused by the state of the capital markets, the Company again exceeded the Restricted Expense Limit. Accordingly, the Company has applied, concurrently to the filing of the Prospectus, for a waiver of the spending limit. Consistent with the previous actions, the directors of the Company agreed to cancel common shares registered in their own name (at $0.05 per share) equal to the amount by which the Company has exceeded its expense limit. Accordingly, on January 24, 2008, an additional 537,182 common shares registered in the names of the directors were cancelled on a pro rata basis. Upon completion of the share cancellation, there were 5,343,236 common shares issued and outstanding.

Escrow Agreement

The Company has recently filed a final prospectus with various regulatory authorities in Canada in respect of an initial public offering by the Company for a minimum of 5,000,000 to a maximum of 7,000,000 of its common shares for a minimum of $500,000 to a maximum of $700,000, respectively of gross proceeds.

As at April 30, 2008, 5,343,236 common shares are issued and outstanding as fully paid and non-assessable and no other shares are outstanding.

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NOTES TO THE FINANCIAL STATEMENTS
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3. CAPITAL STOCK (CONTINUED)

Under the Escrow Agreement, all of the 5,343,236 common shares outstanding as at April 30, 2008 will be deposited with the Trustee.

The Escrow Agreement provides for a three-year escrow release mechanism with:

a) 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin; and

b) 15% of the escrowed securities being releasable in 6 month intervals on each of 6, 12, 18, 24, 30 and 36 months after the Final Exchange Bulletin.

4. RELATED PARTY TRANSACTIONS

An aggregate of 600,000 common shares were issued to directors and officers of the Company for gross proceeds of $30,000 as part of the issuance of the common shares described in Note 3. The above transaction was in the normal course of operations and was measured at the exchange amount, which was the amount of consideration established and agreed to by the related parties.

5. FINANCING

In December 2005, the Company filed a preliminary CPC prospectus with Northern Securities Corporation acting as the agent for the offering. The Company incurred legal and other professional fees associated with this prospectus of approximately $66,320. In March of 2006 the Company was forced to terminate its relationship with its then current solicitor on account of previous regulatory decisions rendered against him. The prospectus was subsequently discontinued on April 20, 2006, when Northern Securities Corporation terminated its relationship with the Company. On September 19, 2006, the Company entered into an engagement with Global Securities Corporation ("Global") to appoint them as lead agent. Global is to provide the following services:

- Act as lead agent on the CPC offering for the Company;
- Complete an appropriate due diligence review in accordance with the policies of the Exchange; and
- Provide general corporate finance advice.

In exchange for the above services, the Company agreed to the following fees:

(a) The Company agreed to pay Global a non-refundable corporate finance fee and related costs of $40,000 (2006 - $15,000) plus GST, $10,000 of which was payable upon execution of said Agreement. The additional $25,000 was paid on January 15, 2008. The due diligence fee will not be credited against the commission payable noted in (b) below.

(b) The Company agrees to pay Global a commission of 10% of the gross proceeds of the CPC offering at closing. In addition, the Company will issue to Global at closing, broker warrants equal to 10% of the number of common shares of the Company sold pursuant to the CPC offering. Each broker warrant will entitle Global to purchase one common share of the Company at the issue price at any time prior to the date that is 24 months from closing.

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5. FINANCING (CONTINUED)

(c) Whether or not the CPC offering is completed, subject to Global's duty to mitigate, the Company will reimburse Global for reasonable out-of-pocket costs incurred in connection with the performance of its services including legal fees. The Company has paid a $40,000 retainer to Global in respect of such expenses. All fees and expenses are subject to GST where applicable.

In September of 2007, Global advised the Company that due to the state of the capital markets, Global would not be able to complete the CPC offering at an offering price of $0.20. After some discussion with Global, the Company decided to proceed with the offering at an amended offering price of $0.10 per share. This resulted in an amendment to the agency agreement on February 19, 2008, which states the issue and sale of a minimum of 5,000,000 Common Shares for $500,000 and a maximum of 7,000,000 Common Shares for $700,000.

6. ACCOUNTS PAYABLE

Accounts payable is comprised of amounts owing for legal fees pertaining to the previous prospectus.

In June 2007, the Company entered into an agreement with its former lawyer to reduce the legal fees owing of $35,000 to $10,000.

7. SUBSEQUENT EVENT

On May 16, 2008 the Ontario Securities Commission issued a final receipt for the amended and restated prospectus of the corporation dated May 9, 2008, which reflected amendments to the terms of the IPO. Pursuant to the Amended and restated Prospectus, the Corporation proposed to complete an IPO of a minimum of 5,000,000 Common Shares and a maximum of 7,000,000 Common Shares at a price of $0.10 per Common Share.