SHIELD GOLD INC.

INTERIM
FINANCIAL STATEMENTS

Period Ended January 31, 2009

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
As of January 31, 2009
(Prepared by Management- Unaudited)

	January 31, 2009	October 31, 2008
	(Unaudited)	
ASSETS		
CURRENT		
Cash	$542,198	$ 558,198
Accounts receivable	8,846	8,590
Prepaid Finance Fees	-	
	$ 551,044	$ 566,788
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$20,817	$ 28,944
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 4)	806,428	806,428
CONTRIBUTED SURPLUS (Note 4 (h))	37,839	37,839
DEFICIT	(314,039)	(306,423)
	530,227	537,844
	$ 551,044	$ 566,788

ON BEHALF OF THE BOARD:

"Paul Ankcorn"
Paul Ankcorn -- Director

"Howard Sinclair-Jones"
Howard Sinclair-Jones -- Director

See accompanying notes to the financial statements

SHIELD GOLD INC.
INTERIM STATEMENTS OF OPERATIONS AND DEFICIT
THREE MONTHS ENDED JANUARY 31, 2009

		3 Months Ended January 31, 2009		3 Months Ended January 31, 2008
		2009		**2008**
GENERAL AND ADMINISTRATIVE EXPENSES				
Professional fees		9,627		13,805
Registration and transfer agent fees		300		118
Shareholder Information		-		-
Office and general		15		15
Bank charges		-		-
Debt Forgiveness		-		-
Interest Income		(2,326)		13,938
Loss for the period	$	(7.616)		(13,938)
Deficit, beginning of period		(306,423)		(207,403)
Deficit, end of period	$	(314,039)	$	(221,341)
Loss per share – basic and diluted (note 1)	$	(.001)	$	(0.04)
Weighted average number of shares		12,343,236		5,285,880

See accompanying notes to the financial statements

SHIELD GOLD INC.

INTERIM STATEMENTS OF CASH FLOWS
(Prepared by Management - Unaudited)
Three Months Ended January 31, 2009

		Period Ended January 31, 2009		Period Ended January 31, 2008
		2009		**2008**
OPERATING ACTIVITIES				
Loss for the period	$	(7,616)		(13,983)
Changes in non-cash working capital				
Prepaid Finance Fees				
Decrease (increase) in accounts receivable		(256)		(880)
Increase (decrease) in accounts payable and accrued liabilities		(8,127)		(29,026)
Cash provided by (used in) operating activities		(15,999)		(43,844)
FINANCING ACTIVITIES				
Issuance of common shares for cash, net				3,142
Prepaid finance fees				26,854
Cash provided by financing activities				30,001
Increase (decrease) in cash during the period	$	(15,999)	$	(13,843)
Cash beginning of the period		558,198		70,455
Cash end of the period	$	542,199	$	56,612

SUPPLEMENTAL INFORMATION			
Income taxes paid	-	-	-
Interest paid	-	-	-

See accompanying notes to the financial statements

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 and is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of TSX Venture Exchange Inc. ("TSX-V"). The Company has no substantive assets other than cash and other receivable and proposes to identify and evaluate businesses and assets with a view to potentially acquire them or an interest therein as a result of the closing of a purchase transaction, the exercising of an option or any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the TSX-V rules by July 1, 2010 (the "Qualifying Transaction").

Where a Qualifying Transaction is warranted, additional funding may be required. The ability of the Company to complete a Qualifying Transaction and to fund its operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is no assurance that the Company will identify a Qualifying Transaction by July 1, 2010, at which time the TSX-V may suspend or de-list the Company's shares from trading.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. As the Company is a CPC, it has no revenues and its ability to continue as a going concern is dependent upon obtaining additional financing, completing a Qualifying Transaction and achieving profitable operations. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

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.

a. 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.

b. Revenue recognition

As of the year-end, the Company has not earned any revenue related to its nature of business. When the Company is in a position to earn revenue, it will follow the guidelines as detailed by CICA EIC # 141 "Revenue Recognition".

c. Financial instruments

Effective November 1, 2007, the Company adopted the new recommendations of CICA Handbook Section 3862, Financial Instruments – Disclosures

The provisions in Section 3862, Financial Instruments – Disclosure, increase the disclosures currently required that will enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about liquidity risk and market risk. The quantitative disclosures must also include a sensitivity analysis for each type of market risk to which an entity is exposed, showing how net income and other comprehensive income would have been affected by reasonably possible changes in the relevant risk.

All financial instruments are categorized into one of the following categories: held-for-trading, held-to-maturity, available-for-sale, loans and receivables and other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments disclosures depends on their initial categorization. For financial instruments other than those held-to-maturity, the Company's policy is to add transaction costs to the fair value:

Held-to-maturity assets, loans and receivables, and financial liabilities, other than held-for-trading financial liabilities, are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and losses due to impairment are included in current period net earnings.

Available-for-sale financial assets are measured at fair value. Changes in fair value are included in other comprehensive income (loss) until the gain or loss is recognized in income.

Held-for-trading financial instruments will be measured at fair value. All changes in fair value are included in net earnings (loss) in the period in which they arise.

All derivative financial instruments will be measured at fair value, even when they are part of a hedging relationship. All changes in fair value are included in net earnings (loss) in the period in which they arise, except for hedge transactions, which qualify for hedge accounting treatment, in which case gains and losses will be recognized in other comprehensive income. The Company has no derivative financial instruments.

d. Cash

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.

e. Income taxes

The company follows the liability method of accounting for income taxes. Under this method, income tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the amounts reported in the financial statements and their respective tax bases, using enacted and substantively enacted income tax rates for the years in which differences are expected to reverse. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in income in the period that the change occurs.

f. Loss per share

Basic losses per share are calculated on net income using the weighted average number of shares outstanding during the year.

g. Capital disclosure

Effective November 1, 2007, the Company adopted CICA Handbook Section 1535 Capital Disclosures, which specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Company has included disclosures recommended by the new Handbook section in Note 3 to these financial statements.

h. Financial instruments – presentation

Effective November 1, 2007, the Company adopted the new recommendations of CICA Handbook Section 3863, Financial Instruments – Presentation, which replaces the existing requirements on presentation of financial instruments. The Company classifies for presentation on the balance sheet its financial assets, financial liabilities and equity based upon the substance of the instrument at the date of issuance, and separately classifies the components of any instrument that contains elements of financial liability and equity while appropriately classifying costs or gains associated with issuing financial liabilities within the income statement and distributions to holders of equity instruments in the equity section of the balance sheet.

i. Hedging

CICA Handbook Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company does not engage in hedging transactions and therefore does not have any financial instruments, which are subject to hedge accounting.

j. Comprehensive income

CICA Handbook Section 1530 requires other comprehensive income to be presented below net income on the Consolidated Statements of Income, Comprehensive Income and Retained Earnings. Other comprehensive income includes unrealized gains and losses on translation of the Company's net investment in self-sustaining foreign operations and, to the extent that cash flow hedges are effective, the change in their fair value, net of taxes. Comprehensive income is composed of net income and other comprehensive income.

Accumulated other comprehensive income is a separate component of shareholders' equity which includes the accumulated balances of all components of other comprehensive income which are recognized in comprehensive income but excluded from net income.

The Company had no comprehensive income or loss transactions, other than its net loss, which are presented in the Statements of Loss and Deficit, nor accumulated other comprehensive income during the periods that have been presented. Accordingly a statement of comprehensive income has not been presented.

k. Future accounting changes – International financial reporting standards "IFRS"

In March 2008, the CICA confirmed its intent to replace GAAP with IFRS. As a publicly accountable enterprise, the Company must convert to IFRS no later than the year ended October 31, 2012, although earlier adoption may be available. The Company is currently evaluating the impact of the conversion to IFRS on its Financial Statements.

3. FINANCIAL INSTRUMENTS

a. Fair value

The fair value of cash, other receivable, prepaid expenses and accounts payable and accrued liabilities approximate carrying value due to the relatively short-term maturities of these instruments.

b. Risk management

The Company may be exposed to risks of varying degrees of significance, which could affect its ability to achieve its strategic objectives. The main objective of the Company's risk management processes is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed to are described below:

- **Capital risk**
  The Company manages its capital with the objective of providing adequate capital resources for the Company. The capital structure of the Company consists of shareholder's equity and depends on the ability of the Company to raise capital.

- **Credit risk**
  Credit risk is the risk that a client or vendor will be unable to pay or receive any amounts owed or owing by the Company. Management's assessment of the Company's credit risk is low as it is primarily attributable to funds held in Canadian banks.

- **Liquidity risk**
  Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

- **Interest rate risk**
  The Company has cash balances and no interest-bearing debt. The Company's current policy is to deposit excess cash in interest bearing accounts at its banking institutions.

c. Sensitivity analysis

The Company's cash is measured at fair value. Financial instruments included in accounts receivable and prepaid expenses are classified as accounts receivable, which are measured at cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at cost. As at January 31, 2009, the carrying and fair value amounts of the Company's financial instruments are the same.

Based on management's knowledge and experience of the financial markets, the Company believes that the movements in interest rates that are reasonably possible over the next twelvemonth period will not have a significant impact on the Company.

d. The Company's financial assets, financial liabilities and equity are classified and presented as follows:

- **Current assets**
  Cash and cash equivalents– earnings, gains and losses are included in income in the period in which they occur. Cash and cash equivalents are exposed to credit risk and these amounts are placed in major Canadian banks. There is no exposure to interest rate risk as the accounts are demand accounts or the maturities are kept very short term.

  Sundry receivable and prepaid expenses – the Company records no earnings on these, as they turn over frequently, are generally recovered quickly and are modest in nature. The associated credit risk is considered minimal since these amounts are for services to be rendered by major industry vendors in the next twelve months.

- **Financial liabilities**
  Accounts payable and accrued liabilities – interest expense, are included in income in the period in which they occur. The Company manages interest rate risk by settling in advance of interest charges.

- **Equity**
  Shareholders Equity-costs are included in income in the period in which they arise. The Company manages capital risk by maintaining relationships with sources of debt financing, and by ongoing discussions with potential strategic partners. The Company manages its liquidity risk by budgeting for future costs and project program expenditures and by negotiating investment of financing in time to meet them, although there can be no guarantee that such financings will be available on time or at all.

4. CAPITAL STOCK

- **Authorized Shares issued outstanding**

The Company is authorized to issue an unlimited number of common shares. Preference shares and special non-voting shares as may be determined by the Directors of the Company.

	Common shares	
Outstanding	**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)	(26,860)
Initial Public Offering June 2008 (Note g)	7,000,000	$543,620
Balance at January 31, 2009	12,343,236	$806,428

4. CAPITAL STOCK (CONTINUED)

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.

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.

g) The Company closed the Initial Public Offering in June 2008 for 7,000,000 units at $0.10 per share for gross proceeds of $700,000. After expenses of the issue the Company netted $543,620.

h) Contributed Surplus

	2009	**2008**
Beginning of year	$37,839	-
Common shares cancelled (c)	-	10,979
Common shares cancelled (f)	-	26,860
End of Period	$37,839	37,839

Escrow Agreement

As at January 31, 2009, 12,343,236 common shares are issued and outstanding as fully paid and non-assessable and no other shares are outstanding.

Under the Escrow Agreement, all of the 12,343,236 common shares outstanding as at January 31, 2009 were 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.

5. 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.

6. INCOME TAXES

	2008	**2007**
Loss before income taxes	$(99,020)	$(57,816)
Income Tax recovery at the combined federal and provincial tax rate of 33.5% (2008) and 36.12% (2007)	(33,171)	(20,883)
Share issue costs	(3,492)	-
Taxable benefit not recognized	36,663	20,883
Total Income Recovery	-	-

The tax effect at 29% of these losses and other temporary differences give rise to the future income tax assets against which a valuation has been applied as follows:

	2008	**2007**
Non capital loss carry forwards	$ 91,886	$60,147
Share issue costs	12,093	-
Valuation allowance	(103,979)	(60,147)
Net future income taxes	-	-

The potential tax benefit of these losses has not been recognized in these financial statements. The Company has recorded a valuation allowance in the financial statements since the Company does not consider it more likely than not that the future tax assets will be realized in the foreseeable future.

As of October 31, 2008, the Company has non–capital losses of approximately $316,848 (2007 - $207,403) available for deductions against future taxable income, the balances of which will expire as follows:

2015	$ 17,460
2026	14,298
2027	117,829
2028	57,816
2029	109,445
	$ 316,848

7. Comparative Figures

The loss per share from the preceding year has been restated to reflect the correct amount, and certain figures have been reclassified to conform to the current year's method of financial statement presentation.