SHIELD GOLD INC.
(An Exploration Stage Company)

INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

FOR THE SIX MONTH PERIODS ENDED APRIL 30, 2012 AND 2011

Notice to Reader – From Shield Gold Inc.

The interim unaudited financial statements as at and for the six month period ended April 30, 2012 have not been reviewed by the Company's auditors.

SHIELD GOLD INC.
(An Exploration Stage Company)

INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

FOR THE SIX MONTH PERIODS ENDED APRIL 30, 2012 AND 2011

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SHIELD GOLD INC.
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INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

	As at	
	April 30, 2012	October 31, 2011 (Note 4)
ASSETS		
CURRENT		
Cash	$ 34,542	$ 262,883
Accounts receivable	82,784	-
HST recoverable	22,683	22,415
	140,009	285,298
MINERAL PROPERTIES (note 5)	656,055	772,570
	$ 796,064	$ 1,057,868
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (note 7)	$ 112,486	$ 357,385
Other liabilities (note 6(a)(ii))	-	73,011
	112,486	430,396
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (note 6(a))	1,248,026	1,200,326
RESERVE FOR WARRANTS (note 6(c))	115,128	132,673
RESERVE FOR SHARE-BASED PAYMENTS (note 6(b))	18,123	18,123
CONTRIBUTED SURPLUS (note 6(d))	109,539	74,295
DEFICIT	(807,238)	(797,945)
	683,578	627,472
	$ 796,064	$ 1,057,868

GOING CONCERN CONSIDERATIONS (note 1)
COMMITMENTS (note 5)

Approved by the Board

(signed) "*Paul Ankcorn*" , Director

(signed) "*Howard Sinclair-Jones*" , Director

The accompanying notes are integral part of these interim condensed financial statements.

SHIELD GOLD INC.
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INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE LOSS (INCOME)
(UNAUDITED)

	Three months ended		Six months ended	
	April 30, 2012	April 30, 2011 (Note 4)	April 30, 2012	April 30, 2011 (Note 4)
EXPENSES				
Professional fees	$ 9,405	$ 7,841	$ 24,032	$ 7,841
Management fees (note 7)	24,000	24,000	48,000	48,000
Transfer agent regulatory and filing fees	10,354	5,021	11,283	7,656
General and administrative	1,788	6,755	1,788	8,538
Consulting fees (note 7)	2,000	6,500	31,500	11,000
Interest and bank charges	132	266	302	306
Net loss before the undernoted	47,679	50,383	116,905	83,341
OTHER				
Deferred income tax recovery (note 6(a)(ii))	(107,612)	-	(107,612)	-
Interest income	-	-	-	(617)
NET (INCOME) LOSS AND COMPREHENSIVE (INCOME) LOSS FOR THE PERIOD	($ 59,933)	$ 50,383	$ 9,293	$ 82,724
Basic and diluted loss per share (note 2)	($ 0.003)	$ 0.003	$ 0.000	$ 0.005
Weighted average number of common shares outstanding	21,928,236	16,524,069	21,648,016	16,083,653

The accompanying notes are integral part of these interim condensed financial statements.

SHIELD GOLD INC.
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INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)

	Common stock		Reserves for				
	Shares	Amount	Warrants	Share based payments	Contributed surplus	Deficit	Total
Balance, November 1, 2011	20,928,236	$ 1,200,326	$ 132,673	$ 18,123	$ 74,295	($ 797,945)	$ 627,472
Issued for cash under private placement	1,000,000	100,000	-	-	-	-	100,000
Fair value ascribed to warrants issued in private placement	-	(17,699)	17,699	-	-	-	-
Premium on flow-through shares	-	(34,601)	-	-	-	-	(34,601)
Fair value of warrants expired during the period	-	-	(35,244)	-	35,244	-	-
Net loss for the period	-	-	-	-	-	(9,293)	(9,293)
Balance, April 30, 2012	21,928,236	$ 1,248,026	$ 115,128	$ 18,123	$ 109,539	($ 807,238)	$ 683,578
Balance, November 1, 2010	15,643,236	$ 873,578	$ 37,972	$ 18,123	$ 74,295	($ 599,079)	$ 404,889
Issued for cash under private placement	5,285,000	528,500	-	-	-	-	528,500
Fair value ascribed to warrants issued in private placement	-	(92,951)	92,951	-	-	-	-
Share issue costs - cash	-	(34,040)	-	-	-	-	(34,040)
Share issue costs – broker's warrants	-	(1,750)	1,750	-	-	-	-
Premium on flow-through shares	-	(73,011)	-	-	-	-	(73,011)
Net loss	-	-	-	-	-	(82,724)	(82,724)
Balance, April 30, 2011	20,928,236	$ 1,200,326	$ 132,673	$ 18,123	$ 74,295	($ 681,803)	$ 743,614

The accompanying notes are integral part of these interim condensed financial statements.

SHIELD GOLD INC.
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INTERIM CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the six month ended April 30, 2012	For the six month ended April 30, 2011 (Note 4)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Net loss and comprehensive loss for the period	($ 9,293)	($ 82,724)
Add item not affecting cash:		
Deferred income tax recovery	(107,612)	-
Net changes in non-cash working capital balances:		
Increase in HST recoverable	(268)	3,229
Increase in accounts receivable	(82,784)	-
Decrease in accounts payable and accrued liabilities	(244,899)	(29,761)
Cash used in operating activities	(444,856)	(109,256)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:		
Mineral property exploration costs	-	(4,132)
Changes in working capital related to investing activities	-	(63,519)
Recoveries of exploration expenditures	146,515	-
Mineral property acquisition costs	(30,000)	-
Cash provided by (used in) investing activities	116,515	(67,656)
CASH PROVIDED BY FINANCING ACTIVITIES:		
Issuance of common shares, net of issue costs	100,000	494,460
Cash provided by financing activities	100,000	494,460
(DECREASE) INCREASE IN CASH DURING THE PERIOD	(228,341)	319,548
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	262,803	223,502
CASH AT END OF THE PERIOD	$ 34,542	$ 541,050
SUPPLEMENTARY CASH FLOW INFORMATION		
Income taxes paid	$ -	$ -
Income taxes received	$ -	$ -
Interest paid	$ -	$ -
Interest received	$ -	$ 617
Non-cash activities:		
Fair value of warrants issued in private placement	$ 17,699	$ 92,951
Fair value of broker’s warrants	$ -	$ 1,750

The accompanying notes are integral part of these interim condensed financial statements.

SHIELD GOLD INC.
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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

FOR THE SIX MONTH PERIODS ENDED APRIL 30, 2012 AND 2011

1. NATURE OF BUSINESS AND GOING CONCERN CONSIDERATIONS:

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 is in the business of mineral exploration and is actively engaged in the acquisition and exploration of mineral properties in Canada. Substantially all of the efforts of the Company are devoted to these business activities. To date the Company has not earned significant revenue and is considered to be in the exploration stage. Shield Gold Inc. is a TSX Venture Tier 2 Company listed under the symbol "SHG". The Company's registered office is at 2 Queen St. East, Suite 1500, Toronto, Ontario, M5C 3G5.

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes the Company will continue in operation for the foreseeable future and it will be able to realize its assets and discharge its liabilities in the normal course of operations. The business of mining and exploring for minerals involves a high degree of risk and there is no guarantee that the Company's exploration programs will yield positive results or that the Company will be able to obtain the necessary financing to carry out the exploration and development of its mineral property interests.

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, undetected defects, unregistered claims, native land claims, and non-compliance with regulatory and environmental requirements.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, as explained in the following paragraph.

The Company had a working capital of $27,523 (October 31, 2011 – working capital deficiency of $145,098), including $34,542 (October 31, 2011 – $262,883) in cash as at April 30, 2012. At the same time, as at April 30, 2012, the Company has an accumulated deficit of $807,238 (October 31, 2011 – $797,945).

The Company anticipates having sufficient cash to meet its planned exploration work on its mineral property interests and meet its corporate administrative expenses for several months. However, the Company will require additional financing, through various means including but not limited to equity financing, to continue the exploration program and to meet its future option payment obligations and all of its general and administrative costs. There is no assurance that the Company will be successful in raising the additional required funds.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material

2. BASIS OF PRESENTATION:

In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and require publicly accountable enterprises to apply such standards effectively for years beginning on or after January 1, 2011.

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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
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2. BASIS OF PRESENTATION (continued):

Accordingly, the Company has commenced reporting on this basis in the interim financial statements for the three months ended January 31, 2012. In these interim condensed financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS. These interim condensed financial statements do not conform in all respects with Shield Gold Inc.'s Canadian GAAP annual financial statements for the year ended October 31, 2011. The disclosures concerning the transition from Canadian GAAP to IFRS are included in note 4.

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting*, and IFRS 1 *First time Adoption of International Financial Reporting Standards*. The accounting policies followed in these interim condensed financial statements are the same as those applied in the Company's interim condensed financial statements for the period ended January 31, 2012. The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. Note 4 discloses the impact of the transition to IFRS on the Company's balance sheet as at April 30, 2011 and the statements comprehensive loss for the three and six months ended April 30, 2011, including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the year ended October 31, 2011.

The accounting policies applied in these condensed interim financial statements are based on IFRS effective for the year ended October 31, 2012, as issued and outstanding as of June 29, 2012, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending October 31, 2012 could result in restatement of these interim financial statements, including transition adjustments recognized on changeover to IFRS.

These condensed interim financial statements should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended October 31, 2011, and the Company's condensed interim financial statements for the three month period ended January 31, 2012 prepared in accordance with IFRS applicable to interim financial statements

Basis of Measurement

The interim condensed financial statements have been prepared on a historical cost basis.

Presentation Currency

These interim condensed financial statements are presented in Canadian dollars, which is the presentation currency of the Company.

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FOR THE SIX MONTH PERIODS ENDED APRIL 30, 2012 AND 2011

2. BASIS OF PRESENTATION (continued):

Use of Estimates and Judgments

The preparation of interim condensed financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the interim condensed financial statements and related notes to the interim condensed financial statements. Actual results may differ from those estimates.

In preparing these interim condensed financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are expected to be the same as those to be applied in the first annual IFRS financial statements.

Significant estimates used in the preparation of these interim condensed financial statements include, but are not limited to, the recoverability of mineral properties, valuation of warrants, options and non-cash share issue costs, title to mineral property interests, deferred income tax valuation reserves, the recoverability of accounts receivable, the amounts recorded for related party transactions, estimate for accrued liabilities, the recording of liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, management going concern assessment, and the reported amounts of income and expenditures during the reporting period. Actual results could differ from management's best estimates.

3. FUTURE ACCOUNTING CHANGES:

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised standards and interpretations which are not yet effective for the relevant reporting periods.

- IAS 1 *Presentation of financial statements* was amended to require entities to group items within other comprehensive income that may be reclassified to profit or loss. This standard is effective for annual periods beginning on or after July 1, 2012.

- IFRS 7 *Financial instrument – disclosure*, was amended to provide guideline on the eligibility criteria for offsetting assets and liabilities as a single net amount in the balance sheets. This amendment is effective for annual periods beginning on or after January 1, 2013.

- IFRS 9 *Financial instruments*, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39, *Financial instruments – Recognition and Measurement*, for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognize in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39 except that fair value change due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This standard is effective for all annual periods beginning on or after January 1, 2015.

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3. FUTURE ACCOUNTING CHANGES (continued):

- IFRS 13 *Fair value measurement* is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. This standard is effective for all annual periods beginning on or after January 1, 2013.

- IAS 32 *Financial instrument: presentation was* amended to address inconsistencies in current practice when applying the offsetting criteria in IAS 32. Under this amendment, the meaning of "currently has a legally enforceable right of set□off" was clarified as well as providing clarification that some gross settlement systems may be considered equivalent to net settlement. This amendment is effective for annual periods beginning on or after January 1, 2014.

4. TRANSITION TO IFRS:

The Company's financial statements for the year ending October 31, 2012 will be the first annual financial statements that comply with IFRS and these condensed interim financial statements were prepared as described in note 2, including the application of IFRS 1. IFRS 1 requires an entity to adopt IFRS in its first annual financial statements, prepared under IFRS, by making an explicit and unreserved statement in those financial statements of compliance with IFRS. The Company will make this statement when it issues its 2012 annual financial statements.

IFRS 1 also requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was November 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be October 31, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adopters.

Set forth below are the IFRS 1 applicable exemptions and exceptions applied in the conversion from Canadian GAAP to IFRS.

IFRS Mandatory Exceptions:

Estimates - Hindsight is not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

IFRS Exemption Options:

Share-based payments - IFRS 2, Share-based Payments, encourages application of its provisions to equity instruments granted on or before November 7, 2002, but permits the application only to equity instruments granted after November 7, 2002 that had not vested by the Transition Date. The Company elected to avail itself of the exemption provided under IFRS 1 and applied IFRS 2 for all equity instruments granted after November 7, 2002 that had not vested by its Transition Date.

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4. TRANSITION TO IFRS (continued):

IFRS Exemption Options (continued):

Mineral property – IFRS 6 - Upon transition to IFRS, the Company retained its accounting policies and practices it has applied previously under Canadian GAAP, relating to the recognition of mineral property. The Company elected to use the cost model for its mineral property which is consistent with its policy under Canadian GAAP. The Company did not elect to measure mineral property at its deemed cost equivalent to fair value as at November 1, 2010 or revalue amounts previously determined under Canadian GAAP. Accordingly, the Company used the carrying values of its mineral properties and deferred exploration costs as the IFRS balances as at November 1, 2010.

Changes in accounting policies:

In addition to the exemptions and exceptions discussed above, the following narratives explain the significant differences between the previous historical Canadian GAAP accounting policies and the current IFRS policies applied by the Company.

a) Share-based compensation

IFRS 2 is effective for the Company as of November 1, 2010 and is applicable to stock options and grants that are unvested at that date. The transition rules in IFRS 1 and IFRS 2 as applied by the Company result in the following:

- Stock options and share grants prior to November 7, 2002 are not taken into account for IFRS 2;
- Stock options and share grants subsequent to November 7, 2002 are only taken into account if they have not vested as at November 1, 2010; and,
- From November 1, 2010, all stock options, share grants and other share-based payments will be expensed in accordance with the policy stated in note 3.

Forfeitures

Canadian GAAP - Forfeitures of awards are recognized as they occur.

IFRS – An estimate is required of the number of awards expected to vest, which is revised if subsequent information indicates that actual forfeitures are likely to differ from the estimate. No material difference was determined and consequently no adjustment was made.

Expiration of share-based compensation

Canadian GAAP **–** Under Canadian GAAP, the Company’s policy was to leave the value recorded for expired, unexercised stock options to contributed surplus.

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4. TRANSITION TO IFRS (continued):

Changes in accounting policies (continued)**:**

a) Share-based compensation (continued)

Expiration of share-based compensation (continued)

IFRS **–** The Company has changed its policy regarding expired share-based compensation whereby amounts recorded for expired, unexercised stock options transferred from reserve for share-based payments to contributed surplus on expiry. There is no impact on the unaudited condensed interim financial statements upon adoption of the change in the accounting policy.

b) Reserves

Canadian GAAP **–** Under Canadian GAAP – Prior to 2011, the Company recorded the value of share based payments and warrants issued to contributed surplus.

IFRS **–** IFRS requires an entity to present for each component of equity, reconciliation between the carrying amount at the beginning and end of the period, separately disclosing each change. IFRS requires a separate disclosure of the value that relates to "Reserves for warrants", "Reserves for share based payments" and any other component of equity.

c) Impairment of non-financial assets

Canadian GAAP – a write-down of the asset to estimated value is required only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

IFRS – a write-down of assets is required if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows.

The Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. There is no impact on the unaudited condensed interim financial statements.

d) Flow-though shares

Canadian GAAP – the resource expenditure deduction for income tax purposes related to exploratory and development activities funded by flow-through share arrangements are renounced to investors in accordance with tax legislation. The deferred income taxes relating to the temporary difference that arise when the qualifying expenditures are incurred were recorded at the time of filing the renunciation with the tax authorities. The recognition of the deferred income tax liability results in a corresponding reduction to the carrying value of the shares issued.

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4. TRANSITION TO IFRS (continued):

Changes in accounting policies (continued)**:**

d) Flow-though shares (continued)

IFRS – the obligation to renounce tax deductions at the time of issuance of flow-through shares is recorded as a liability in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* measured using a residual or a relative fair value method. This obligation is released into the statement of operations as a gain as and when the Company incurs qualifying expenditures (i.e. fulfilling its obligation to renounce tax attributes). A deferred tax liability is recognized (with a debit to the statement of operations), in accordance with IAS 12 *Income Taxes* in respect of the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position on its tax base.

As at April 30, 2011, $36,611 was debited to share capital, $36,400 was debited to future income tax recovery and $73,011 was credit to other liabilities.

e) Decommissioning liabilities

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions. IFRS also requires that the discount rate used should reflect the risks specific to the decommissioning liability, while Canadian GAAP requires the use of a discount rate that reflects the Company's credit adjusted risk free rate.

The Company's accounting policies related to decommissioning liabilities has been changed to reflect these differences. However, to date, the Company does not have any decommissioning liabilities and therefore there is no impact on the unaudited condensed interim financial statements.

f) Warrants

Canadian GAAP – the Company was determining fair value of warrants issued as part of private placement using residual value method.

IFRS – the Company has adopted relative fair value method of warrant valuation using the Black-Scholes option pricing model. This resulted in the retrospective adjustment to the reserve for warrants of $43,345 as at April 30, 2011, with corresponding amounts being debited to share capital.

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4. TRANSITION TO IFRS (continued):

g) Presentation

The presentation in accordance with IFRS differs from the presentation in accordance with Canadian GAAP. Please refer to the interim statements of financial position and interim statements of comprehensive loss, and changes in equity for the impact of the specific IFRS changes noted above.

Reconciliations of Canadian GAAP to IFRS

The reconciliations between the previously reported financial results under Canadian GAAP and the current reported financial results under IFRS are provided as follows:

- Reconciliation of the statement of financial position as at April 30, 2011;
- Reconciliation of the statement of comprehensive loss for the three months ended April 30, 2011; and
- Reconciliation of the statement of comprehensive loss for the six months ended April 30, 2011.

No reconciliation is required for the statement of cash flows as there are no significant adjustments to the net cash flows.

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4. TRANSITION TO IFRS (continued):

Reconciliation of the statement of financial position as at April 30, 2011:

	Canadian GAAP	IFRS adjustment	Reference	IFRS
ASSETS				
CURRENT				
Cash and cash equivalents	$ 541,050	$ -		$ 541,050
HST recoverable	12,809	-		12,809
	553,859	-		553,859
MINERAL PROPERTIES	290,752	-		290,752
	$ 844,611	$ -		$ 844,611
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	$ 27,986	$ -		$ 27,986
Other liabilities	-	73,011	(d)	73,011
	27,986	73,011		100,997
SHAREHOLDERS' EQUITY				
SHARE CAPITAL	1,280,282	(79,956)	(d), (f)	1,200,326
RESERVE FOR WARRANTS	89,328	43,345	(f)	132,673
RESERVE FOR SHARE-BASED PAYMENTS	18,123	-		18,123
CONTRIBUTED SURPLUS	74,295	-		74,295
DEFICIT	(645,403)	(36,400)	(d)	(681,803)
	816,625	(73,011)		743,614
	$ 844,611	$ -		$ 844,611

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4. TRANSITION TO IFRS (continued):

Reconciliation of the statement of comprehensive loss for the three months ended April 30, 2011:

	Canadian GAAP	IFRS adjustment	Reference	IFRS
EXPENSES				
Professional fees	$ 7,841	$ -		$ 7,841
Management fees	24,000	-		24,000
Transfer agent regulatory and filing fees	5,021	-		5,021
General and administrative	6,755	-		6,755
Consulting fees	6,500	-		6,500
Interest and bank charges	266	-		266
	50,383	-		50,383
OTHER INCOME				
Future income tax recovery	(36,400)	36,400	(d)	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ 13,983	$ 36,400		$ 50,383
Basic and diluted loss per share	$ 0.001			$ 0.003
Weighted average number of shares outstanding	16,524,069			16,524,069

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4. TRANSITION TO IFRS (continued):

Reconciliation of the statement of comprehensive loss for the six months ended April 30, 2011:

	Canadian GAAP	IFRS adjustment	Reference	IFRS
EXPENSES				
Professional fees	$ 7,841	$ -		$ -
Management fees	48,000	-		24,000
Transfer agent regulatory and filing fees	7,656	-		2,635
General and administrative	8,538	-		1,783
Consulting fees	11,000	-		4,500
Interest and bank charges	306	-		40
	83,341	-		32,958
OTHER INCOME				
Future income tax recovery	(36,400)	36,400	(d)	-
Interest income	(617)	-		(617)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ 46,324	$ -		$ 82,724
Basic and diluted loss per share	$ 0.003			$ 0.005
Weighted average number of shares outstanding	16,083,653			16,083,653

5. MINERAL PROPERTIES AND COMMITMENTS:

Accumulated mineral property costs have been incurred as follows:

Period ended April 30, 2012

	Balance, beginning of period	Acquisition	Exploration	Recoveries	Reclassification	Balance, end of period
Quebec						
Summit-Gaber (a)	$ 718,821	$ 30,000	$ -	($ 146,515)	($ 53,044)	$ 549,262
La Grande Nord (b)	53,749	-	-	-	53,044	106,793
	$ 772,570	$ 30,000	$ -	($ 146,515)	$ -	$ 656,055

SHIELD GOLD INC.
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5. MINERAL PROPERTIES AND COMMITMENTS (continued):

Period ended April 30, 2012 (continued)

During the period ended April 30, 2012, the Company reviewed its exploration data and it was determined that La Grande Nord expenditures of $53,044 were allocated to Summit-Gaber. A reclassification was made accordingly.

During the six months ended April 30, 2012, recoveries of mineral property costs with respect to the Summit-Gaber Property amounted to $146,515, in aggregate. Of the forgoing recoveries, $122,214 relate to recoveries from refundable mineral exploration tax credits as a result of the Company incurring mineral exploration expenses in Québec.

Year ended October 31, 2011

	Balance, beginning of year	Acquisition	Exploration	Recoveries	Reclassification	Balance, end of year
Quebec						
Summit-Gaber (a)	$ 267,639	$ -	$ 482,015	$ -	($ 30,833)	$ 718,821
La Grande Nord (b)	10,000	10,000	2,916	-	30,833	53,749
	$ 277,639	$ 10,000	$ 484,931	$ -	$ -	$ 772,570

During the year ended October 31, 2011, the Company reviewed its exploration data and it was determined that La Grande Nord expenditures of $30,833 were allocated to Summit-Gaber. A reclassification was made accordingly.

a) Summit-Gaber Property

On September 29, 2010, the Company entered into an Option and Joint Venture Agreement (the "Agreement") with Eloro Resources Ltd. to acquire a 50% interest over a three year period in certain mineral claims referred to as the Summit-Gaber Property in La Grande Greenstone Belt, Quebec. The property is subject to a 1% net smelter royalty. In order to earn a 50% interest in the Summit-Gaber Property the Company is required to fulfil the following commitments:

Due Date	Cash Payment	Shares	Exploration Expenditures
November 30, 2009	$ 25,000 (fulfilled)	-	$ -
September 29, 2010	25,000 (fulfilled)	100,000 (fulfilled)	-
September 29, 2011	30,000 (fulfilled)	-	250,000 (fulfilled)
September 29, 2012	-	200,000	450,000
September 29, 2013	-	300,000	800,000
	$ 80,000	600,000	$ 1,500,000

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5. MINERAL PROPERTIES AND COMMITMENTS (continued):

a) Summit-Gaber Property (continued)

Upon the satisfaction of the above mentioned commitments, the Company will have exercised the option and acquired an undivided 50% interest in the Summit-Gaber Property. Once the option has been exercised, the Company and Eloro Resources Ltd. intend on forming a joint venture for the purposes of further exploration and development of the Summit-Gaber Property.

Eloro Resources Ltd. and the Company have common directors.

b) La Grande Nord Property

On September 10, 2010, the Company entered into an Option and Joint Venture Agreement (the “Agreement”) with Virginia Mines Inc. to earn a 50% interest over a five year period in certain mineral claims referred to as the La Grande Nord Property located in the La Grande Greenstone Belt, Quebec.

The property is subject to a 1.5% net smelter royalty.

In order to earn a 50% interest in the La Grande Nord Property the Company is required to fulfil the following commitments:

Due Date	Cash or Shares Payment (see below)	Exploration Expenditures
October 10, 2010	$ 10,000 (fulfilled in cash)	$ -
September 10, 2011	10,000 (fulfilled in cash)	50,000 (fulfilled)
September 10, 2012	10,000	200,000
September 10, 2013	-	200,000
September 10, 2014	-	250,000
September 29, 2015	-	300,000
	$ 30,000	$ 1,000,000

The above mentioned option payments can be made in cash or shares at the discretion of the Company. The number of common shares to be issued by the Company and the price of issuance will be determined by dividing the cash payment owed to Virginia Mines Inc. by the weighted average closing price of the Company’s shares on the Exchange for the 3 trading days immediately preceding the date of payment pursuant to the Agreement, subject to regulatory approval.

Upon the satisfaction of the above mentioned commitments, the Company will have exercised the option and acquired an undivided 50% interest in the La Grande Nord Property. Once the option has been exercised, the Company and Virginia Mines Inc. intend on forming a joint venture for the purposes of further exploration and development of the La Grande Nord Property.

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6. SHARE CAPITAL:

a) Common shares

Authorized:

Unlimited number of common shares

Unlimited number of preferred shares issuable in series and classes as may be determined by the Directors of the Company

Unlimited number of special non-voting shares issuable in series and classes as may be determined by the Directors of the Company

Issued and outstanding:

	April 30, 2012		October 31, 2011	
	Shares	Amount	Shares	Amount
Balance, beginning of the period	20,928,236	$ 1,200,326	15,643,236	$ 873,578
Issued pursuant to flow-through private placement at $0.10 (2011 - $0.10; 2010 - $0.05) per unit (i)	1,000,000	100,000	4,650,000	465,000
Issued pursuant to private placement at $nil (2011 - $0.10; 2010 - $0.05) per unit (i)	-	-	635,000	63,500
Fair market value of warrants issued concurrently with above private placements (i)	-	(17,699)	-	(92,951)
Fair value of broker's warrants issued as finders' fees (i)	-	-	-	(1,750)
Premium on flow-through shares (iii)	-	(34,601)	-	(73,011)
Share issue costs	-	-	-	(34,040)
Balance, end of the period	21,928,236	$ 1,248,026	20,928,236	$ 1,200,326

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6. SHARE CAPITAL (continued):

a) Common shares (continued)

Issued and outstanding (continued):

i) Share issued in private placements

Period ended April 30, 2012

On December 22, 2011, the Company has completed a private placement and issued 1,000,000 flow-through units at a price of $0.10 per unit for gross proceeds of $100,000. Each unit is composed of one flow-through common share of the Company and one-half of one common share purchase warrant. Each full common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.15 per share for a period of 18 months from the date of issuance. The fair value of the warrants issued in connection with the above private placement was $17,699. The fair value of aforementioned warrants was calculated using relative fair value method with the use of Black-Scholes option pricing model.

Year ended October 31, 2011

In April 2011, the Company closed a $528,500 non-brokered private placement equity financing. The Company issued 4,650,000 flow-through units (“FT units”) and 635,000 non-flow-through units (“NFT units”), at a price of $0.10 per FT unit and NFT unit, for gross proceeds of $465,000 and $63,500 respectively (the “Financing”). Each FT unit consisted of one flow-through common share and one half of one common share purchase warrant. Each full warrant entitles the holder to purchase one common share at a price of $0.15 for a period of 24 months from the closing of the Financing. In addition, each NFT unit consisted of one common share and one common share purchase warrant which entitled the holder to purchase one common share at a price of $0.15 for a period of 24 months from the closing of the Financing. In connection with private placements, the Company issued 98,000 broker’s warrants with a fair value of $1,750 (see note 6(c) for warrant valuation information). Each broker’s warrant is exercisable for a two year period into one NFT unit at an exercise price of $0.10 per unit. In addition, finder’s fees of $31,370 were paid in connection with the above mentioned private placements. The fair value of the warrants and broker’s warrants issued in connection with the above private placements was $92,951 and $1,750, respectively. The fair value of the aforementioned securities was calculated as described in the Company’s accounting policies in note 3 to the interim condensed financial statements for the three month period ended January 31, 2012.

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6. SHARE CAPITAL (continued):

a) Common shares (continued)

Issued and outstanding (continued):

ii) Premium on flow-through shares

During fiscal 2011, exploration expenditures relating to proceeds of issuance of flow-through shares totalling $130,000 were renounced and as a result the Company no longer has the ability to use these expenditures for tax purposes. During the year ended October 31, 2011 and period ended April 30, 2012, the Company has issued flow-through shares for gross proceeds of $465,000 and $100,000 respectively. This resulted in a combined liability of $107,612 being recorded on the statement of financial position, which represent premium paid by investors for flow-through shares. Once appropriate filings are made with tax authorities, exploration expenditures for the gross amount of the aforementioned proceeds in the amount of $565,000 would be renounced for the benefit investors and balance of premium would be recorded as other income.

b) Stock options and stock-based compensation

The shareholders have approved a Stock Option Plan (the “Plan”) that provides for the issue of up to 10% (the “Threshold) of the number of issued and outstanding common shares of the Company to eligible employees, directors, officers and consultants of the Company (“Participants”). The issuance of stock options may exceed the Threshold if the Company receives the permission of the stock exchange.

The Plan authorizes the granting of options to purchase common shares of the Company at a price that is not less than that permitted under the rules of any stock exchange or exchanges on which the Company’s shares are then listed. The vesting of options is determined by the board of directors, but cannot exceed a maximum term of 10 years.

The number of options granted to any one consultant in a twelve month period shall not exceed 2% of the total number of issued and outstanding common shares.

The aggregate number of common shares reserved for issuance to any one Participant of the Plan shall not exceed 5% of the total number of issued and outstanding common shares of the Company in any twelve month period unless the Company receives the permission of the stock exchange.

The aggregate number of options granted to persons employed to provide investor relations activities shall not exceed 2% of the total number of issued and outstanding Shares in any twelve month period.

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6. SHARE CAPITAL (continued):

b) Stock options and stock-based compensation

The following summarizes the stock options that have been granted, exercised, forfeited or cancelled during the period ended April 30, 2012 and year ended October 31, 2011:

	April 30, 2012		October 31, 2011	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of the period	965,454	$ 0.10	965,454	$ 0.10
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited or cancelled	-	-	-	-
Balance, end of the period	965,454	$ 0.10	965,454	$ 0.10

The following table summarizes the options outstanding and exercisable at April 30, 2012:

Number of Options	Exercise Price	Expiry Date
965,454	$0.10	May 29, 2014

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

The fair value of stock options is comprised of the following during the period ended April 30, 2012 and year ended October 31, 2011:

	April 30, 2012	October 31, 2011
Balance, beginning of period	$ 18,123	$ 18,123
Fair value of options granted	-	-
Fair value of options cancelled	-	-
Fair value of options forfeited	-	-
Balance, end of period	$ 18,123	$ 18,123

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6. SHARE CAPITAL (continued):

c) Warrants

A summary of the status of the warrants as of April 30, 2012 and October 31, 2011 and changes during the periods are presented below:

	April 30, 2012		October 31, 2011	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of the period	6,478,000	$ 0.12	3,420,000	$ 0.10
Issued pursuant to private placements (note 6 (a)(i))	500,000	0.15	2,960,000	0.15
Broker's warrants issued (note 6(a)(i))	-	-	98,000	0.10
Exercised	-	-	-	-
Expired	(3,200,000)	0.10	-	-
Balance, end of the period	3,778,000	$ 0.15	6,478,000	$ 0.12

As of April 30, 2012, the following share purchase warrants were outstanding and exercisable:

Expiry Date	Number of Warrants	Weighted average exercise price	Fair value
July 16, 2012	220,000 (i)	$ 0.10	$ 2,728
April 7, 2013	2,960,000 (ii)	$ 0.15	92,951
April 7, 2013	98,000 (iii)	$ 0.10	1,750
May 22, 2013	500,000 (iv)	$ 0.15	17,699
	3,778,000		$ 115,128

i) In connection with private placements during the year ended October 31, 2010, the Company issued 220,000 broker's warrants. Each broker's warrant is exercisable until July 16, 2012 into one unit at an exercise price of $0.10 per unit. Each unit is comprised of one common share and one-half of one common shares purchase warrant (each whole warrant a "warrant"). Each warrant entitles the holder to acquire one common share for a purchase price of $0.10 up to July 16, 2012.

ii) Each warrant entitles the holder to purchase one common shares at a price of $0.15 for a period of two years.

iii) In connection with private placements during the year ended October 31, 2011, the Company issued 98,000 broker's warrants. Each broker's warrant is exercisable for a two year period into one unit at an exercise price of $0.10 per unit. Each unit consists of one common share and one common share purchase warrant which entitled the holder to purchase one common share at a price of $0.15 for a period of 2 years.

iv) Each warrant entitles the holder to purchase one common shares at a price of $0.15 for a period of 18 month.

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6. SHARE CAPITAL (continued):

c) Warrants (continued)

The fair value of warrants is comprised of the following during the period ended April 30, 2012 and year ended October 31, 2011:

	April 30, 2012	October 31, 2011
Balance, beginning of period	$ 132,673	$ 37,972
Warrants issued in connection with private placements (note 6(a)(i); see (i) below)	17,699	92,951
Broker's warrants issued in connection with private placements (note 6(a)(i); see (ii) below)	-	1,750
Fair value of warrants exercised	-	-
Fair value of warrants expired	(35,244)	-
Balance, end of period	$ 115,128	$ 132,673

i) The following assumptions were used for the Black-Scholes valuation of warrants issued as part of private placements during the period ended April 30, 2012 and year ended October 31, 2011:

	April 30, 2012	October 31, 2011
Risk-free interest rate	0.90%	1.88%
Expected life	1.5 years	2 years
Price volatility	110%	110%
Dividend yield	0.00%	0.00%

ii) The following assumptions were used for the Black-Scholes valuation of broker's warrants issued during the period ended April 30, 2012 and year ended October 31, 2011:

	April 30, 2012	October 31, 2011
Risk-free interest rate	Nil	1.78%
Expected life	Nil	2 years
Price volatility	Nil	100%
Dividend yield	Nil	0.00%

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6. SHARE CAPITAL (continued):

d) Contributed surplus

	April 30, 2012	October 31, 2011
Balance, beginning of period	$ 74,295	$ 74,295
Fair value of warrants cancelled	-	-
Fair value of warrants expired	35,244	-
Balance, end of period	$ 109,539	$ 74,295

e) Escrow agreement

Pursuant to the Escrow Agreement, as of April 30, 2012, 2,777,228 (October 31, 2011 – 3,702,971) common shares were held in escrow.

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

i) 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin; and
ii) 15% of the escrowed securities being releasable in 6 month intervals from October 31, 2010 on each of 6, 12, 18, 24, 30 and 36.

7. RELATED PARTY TRANSACTIONS:

The following related party transactions occurred and were reflected in the financial statements during the periods April 30, 2012 and 2011 as follows:

	2012	2011
Management fees expense:		
Management fees were charged by a company controlled by the Chief Executive Officer for corporate administrative and investor relations services	$ 36,000	$ 36,000,
Management fees were charged by the Chief Financial Officer for financial management services	$ 12,000	$ 12,000
Consulting fees expense:		
Consulting fees were charged by an officer for corporate administrative services	$ 24,000	$ 9,000

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7. RELATED PARTY TRANSACTIONS:

As at April 30, 2012, accounts payable and accrued liabilities include $40,000 (October 31, 2011 - $1,500) owing to an officers of the Company.

Refer to notes 5 and 6 for additional related party information.

Management believes these transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. CAPITAL MANAGEMENT:

The Company considers its capital to include components of shareholders' equity, which is comprised of share capital, reserve for warrants, reserve for share-based payments, contributed surplus and deficit, which as at April 30, 2012 amounted to $683,578 (October 31, 2011 – $627,472).

The Company's objectives in managing capital are: to maintain adequate levels of funding to support its expenditures arising from the Company's investments; to safeguard the Company's ability to continue as a going concern in order to pursue investments and new projects of merit; and to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will continue to assess its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended April 30, 2012. The Company is not subject to externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT:

Overview

The Company is engaged primarily in the mineral exploration field and accordingly it may be at risk for environmental issues and fluctuations in commodity pricing relating to the mineral extraction and exploration industry. The Company is subject to provincial and federal environmental regulations. Management has designed procedures and policies to provide for environmental compliance however, due to the diversity of environmental laws and regulations, compliance at all times cannot be assured.

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9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued):

Overview (continued)

Although management has taken steps to verify title on the properties on which it conducts exploration and in which it has an interest, these procedures may not guarantee the Company's title. Property title may be at risk from unregistered prior agreements, unregistered claims, other land claims and noncompliance with regulatory and environmental requirements.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity and funding risk
- Market risk

The Board of Directors approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's exposure to credit risk is on its cash. Cash consists primarily of cash bank balances held with a Canadian Chartered bank. The Company manages the credit exposure related to cash by holding its funds with reputable financial institutions. As of April 30, 2012, the Company's maximum credit exposure for cash is the aggregate carrying value of $34,542 (October 31, 2011 - $262,883).

Liquidity risk

Liquidity and funding risk is the risk that the Company will not have sufficient capital to meet short-term operating requirements, after taking into account the Company's holdings of cash and cash equivalents and committed cash.

As at April 30, 2012, the Company's working capital is $27,523 (October 31, 2011 – working capital deficiency of $145,098). In the case of cash deficit arising from exploration commitments and general operating budgets, the Company will have to seek debt or equity financing. There are no assurances that such financing will be available on terms acceptable to the Company.

The Company determined that it will require additional capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company is actively looking to raise cash funds from private placements. The Company's cash is invested in business accounts and is available on demand.

Market risk

Foreign currency risk – The Company is not exposed to any fluctuation in foreign exchange rates because the Company does not hold any foreign dominated financial assets or liabilities.

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9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued):

Interest rate risk – Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is not exposed to any significant interest rate risk.

Equity price risk – The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk – The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company. The Company monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period.

- Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability from mineral exploration depends upon the world market price of valuable minerals. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of minerals may be produced in the future, a profitable market will exist for them.

- The Company believes that the movements in interest rates that are reasonably possible over the next twelve month period will not have a significant impact on the Company.

As of April 30, 2012, the Company is not a producer of minerals. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

10. SEGMENTED INFORMATION:

The Company operates in one operating reporting segment, being mineral exploration and development. In addition, all of the Company's assets and expenses are in Canada.

11. COMPARATIVE FIGURES:

Certain figures shown for comparative purposes have been reclassified to conform to the classifications adopted in the current period.

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12. INCOME TAXES:

a) The Company's provision for income taxes differ from the amounts computed by applying the basic current rates to loss for the year before taxes, as shown in the following table:

	For six month period ended April 30, 2012	April 30, 2011
Net loss before income taxes	(116,905)	(82,724)
Expected income tax recovery at the combined Federal and Provincial statutory tax rate of 26% (2011 – 28%)	(30,395)	(23,163)
Difference resulting from:		
Deductable share issue costs	(2,900)	(1,085)
Non-deductable expenditures entertainment	-	285
Unrecognized tax losses	33,295	23,963
Future income tax (recovery)	-	-

b) The tax effects of non-capital losses and other temporary differences that give rise to future income tax assets at the enacted income tax rates (April 30, 2012 – 26%; October 31, 2011 – 28%) to which a valuation allowance has been applied at April 30, 2012 and October 31, 2011 are as follows:

	April 30, 2012	October 31, 2011
Future tax assets (liabilities)		
Non-capital loss carryforward	$ 266,558	$ 231,823
Mineral properties	(36,400)	(36,400)
Share issue costs	16,976	25,671
	247,134	221,094
Less: valuation allowance	(247,134)	(221,094)
Net future income tax asset	-	-

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.

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12. INCOME TAXES:

c) As of April 30, 2012, the Company has non-capital losses in Canada of approximately $955,999 (October 31, 2011 - $827,941) available for deductions against future taxable income, the balances of which will expire as follows:

2024	$	17,460
2025		14,298
2026		117,829
2027		57,816
2028		99,020
2029		119,232
2030		184,431
2031		217,855
2032		128,058
	$	955,999

13. SUBSEQUENT EVENTS:

a) In June 2012, the Company completed a non-brokered flow-through private placement and issued 1,050,000 flow-through units at a price of $0.10 per unit for gross proceeds of $105,000. Each unit is comprised of one flow-through common share and one-half of one common share purchase warrant. Each full common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.15 per share for a period of 18 months.

b) In June 2012, the Company completed a non-brokered private placement and issued 125,000 units at a price of $0.10 per unit for gross proceeds of $12,500. Each unit is comprised of one common share and one common share purchase warrant. Each common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.12 per share for a period of 18 months.

c) On May 14, 2012, the Company entered into an agreement, subject to regulatory approval, to acquire a 100% interest in 22 mining claims representing 1,100 hectares in Buckingham Township in south-western Quebec. The 100% earn-in requires the Company to make the following payments and issue the following number of common shares of the Company to the property vendors: (i) $7,000 on or before the date of regulatory approval of the option agreement (the "Payment Date"); (ii) $15,000 and 400,000 shares within 30 days of the Payment Date; (iii) $25,000 and 400,000 shares on the 1st anniversary of the Payment Date; (iv) $45,000 and 400,000 shares on the 2nd anniversary of the Payment Date; and (v) $50,000 and 400,000 shares on the 3rd anniversary of the Payment Date. In addition, the Company has a work commitment totaling $235,000 during the three year term of the option agreement. The property vendor will retain a 2% NSR, 1% of which may be purchased by the Company for $1,000,000.

d) Subsequent to April 30, 2012, the Company granted 1,200,000 stock options to officers and directors of the Company. The options are exercisable at $0.10 per share for a period of five years.