

SHIELD GOLD INC.

MANAGEMENT'S DISCUSSION & ANALYSIS (MD&A) FORM 51-102F1

For the period from May 1, 2007 to July 31, 2007

This management's discussion and analysis ("MD&A") should be read in conjunction with the unaudited interim financial statements for the period ended July 31, 2007 of Shield Gold Inc. ("Shield" or the "Corporation") and Shield's audited financial statements for the period ended October 31, 2006 including notes thereto. The audited statements are included in the Corporation's initial public offering Prospectus dated June 26, 2007 and posted on SEDAR at www.sedar.com.

The reporting and measurement currency is in Canadian dollars.

This MD&A contains forward-looking statements. Forward-looking statements are based on current expectations that involve a number of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the MD&A. Forward-looking statements are based on the estimates and opinions of Shield's management at the time the statements were made. Shield assumes no obligation to update forward-looking statements should circumstances or management's estimates change.

This MD&A is dated as of September 25, 2007.

OVERVIEW

Shield is a reporting issuer that has filed a prospectus and applied for listing on the TSX Venture Exchange Inc. (the "Exchange").

Shield was incorporated on February 4, 2004 under the *Business Corporation Act* (Ontario). The Corporation is classified as a Capital Pool Company as defined in Policy 2.4 (the "CPC Policy") of the Exchange. The Corporation had not commenced operations as at the balance sheet date.

Following successful completion of its initial public offering ("IPO") and listing on the Exchange, the Corporation intends to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any potential Qualifying Transaction must be accepted and approved by the Exchange and the shareholders, and in the case of a non-arm's length Qualifying Transaction is also subject to majority of the minority approval in accordance with the CPC Policy. The Qualifying Transaction may include an acquisition of interest in commercially viable businesses or assets, including the mining industry, but there is no assurance that this will in fact be the industry sector of a proposed Qualifying Transaction or of the Corporation following completion of the Qualifying Transaction.

The viability of the Corporation is dependent upon the Corporation finding and completing a Qualifying Transaction within 24 months from the date of listing on the Exchange. To date, the Corporation has not conducted material operations of any kind.

RESULTS OF OPERATIONS

For the Nine Month Period from November 1, 2006 to July 31, 2007

The Corporation is a Capital Pool Company without any operations. The activities of the Corporation will involve the identification, evaluation and negotiation of a Qualifying Transaction. During the period ended July 31, 2007, substantially all the Corporation's activities were involved in the preparation of the prospectus for the IPO and application for listing on the Exchange. All costs associated with these activities are considered financing costs and have been accumulated as deferred charges up to July 31, 2007. These deferred charges will be charged to share capital upon listing and trading of the Corporation's shares on the Exchange.

During the period, expenses of \$59,569 (\$58,710 for the prior period) were incurred for professional fees and \$13,660 (\$6,695 for the prior period) were incurred for registration and transfer agent fees. The professional fees incurred were similar to the professional fees incurred in the prior period and were related to the costs of preparing and filing the Corporation's prospectus for the IPO. Registration and transfer agent fees increased as a result of the Corporation receiving a final receipt for its IPO prospectus and the Corporation becoming a reporting issuer in British Columbia, Alberta and Ontario as a result.

For the Fiscal Years Ended October 31, 2006, 2005 and 2004

The Corporation was incorporated on February 4, 2004. During the period from incorporation to October 31, 2004, all of the Corporation's activities were involved in organizing the company and the raising of funds to finance a CPC prospectus and listing on the Exchange. Expenses of \$18,200 were incurred for professional fees related to these activities. During the fiscal year ended October 31, 2005, all of the Corporation's activities also related to organizing the company and the raising of funds. Expenses of \$6,674 were incurred for professional fees and expenses of \$10,726 were incurred for general and administration expenses and rent. During the fiscal year ended October 31, 2006, all of the Corporation's activities were involved in the preparation of the prospectus for the IPO. In October, 2006 the Corporation completed a private placement of 550,000 common shares to raise additional capital of \$55,000 to complete the IPO. Expenses of \$112,621 were incurred for professional fees and expenses of \$7,780 were incurred for general and administration expenses. The increase in professional fees from the fiscal year ended October 31, 2005 (\$6,674) was related to the costs of preparing the Corporation's prospectus for the IPO and the costs of the financing completed in October, 2006.

WORKING CAPITAL

At July 31, 2007, the Corporation had positive working capital of \$72,568 which is to be expended on completing the IPO and application for listing on the Exchange.

FINANCIAL INSTRUMENTS

The Corporation carries financial instruments as detailed on the balance sheet. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

LIQUIDITY

The Corporation finances its activities mainly through cash generated by share issuances. As of July 31, 2007, the Corporation had cash resources of \$88,998.

The Corporation does not have any purchase obligations and has not engaged in any off-balance sheet arrangements as at July 31, 2007.

CAPITAL RESOURCES

The Corporation's balance sheet remains free from long-term debt and leases. The Corporation has been able to raise funds through share issuances.

TRANSACTIONS WITH RELATED PARTIES

Related Parties are defined as individuals owning greater than 10% of the Corporation's issued and outstanding shares, or companies owned or controlled by such individuals. The Corporation has had no transactions with related parties.

OUTSTANDING SHARE DATA

Authorized:

Unlimited number of common shares without par value.

Issued common shares:

	Number of Shares	Amount
Issued for Cash	2,640,209	\$275,000

On November 24, 2004, the Corporation issued 2,200,000 common shares to its directors and officers for cash consideration of \$220,000. On October 16, 2006, the Corporation issued 550,000 common shares to its directors and officers for cash consideration of \$55,000. On May 29, 2007, the Corporation cancelled 109,791 common shares in connection with a waiver granted by the Exchange.

Pursuant to the IPO prospectus dated June 26, 2007, the Corporation is currently offering for sale to the public an maximum of 3,500,000 common shares and a minimum of 2,500,000 common shares at \$0.20 per share. The gross proceeds to the Corporation are anticipated to be \$700,000 if the maximum offering is achieved and \$500,000 if the minimum offering is achieved, before deducting commissions and expenses of the IPO.

PROPOSED TRANSACTIONS

There are no transactions proposed that will materially affect the performance of the Corporation.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Corporation's Chief Executive Officer and Chief Financial Officer (the "Certifying Officers") are responsible for the establishment and maintenance of a system of disclosure controls and procedures. This system is designed to provide reasonable assurance that information required to be disclosed by the Corporation under various securities legislation or the rules of regulatory agencies is appropriately reported within the time periods specified.

The Certifying Officers evaluate the system periodically throughout the year. They have concluded that the Corporation's disclosure controls are effective in providing in providing reasonable assurance that material information relating to the Corporation is accumulated, reviewed by management and reported within the time periods specified.

The Certifying Officers are also responsible for the establishment of a system of internal controls over financial reporting. This system is designed to provide reasonable regarding the reliability and timeliness of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principals.

Ultimate responsibility for the financial reporting rests with the Board of Directors. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and is composed of a majority of independent outside directors. It meets periodically with management and the external auditors to review accounting, auditing and internal control matters and regularly reports its findings and recommendations to the Board of Directors.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), 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 Corporation have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements.