

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Northern Shield Resources Inc. (the **Company**)  
440 – 55 Metcalfe Street  
Ottawa, ON K1P 6L5

**Item 2. Date of Material Change**

December 20, 2017

**Item 3. News Release**

On December 20, 2017, a press release relating to the material change was issued and disseminated through the services of CNW Group.

**Item 4. Summary Of Material Change**

The Company announced that, through a wholly owned subsidiary, it has signed an option agreement and joint venture agreement (**Option Agreement**) with a prospector (**Prospector**) that gives the Company the right to acquire up to an 80% interest in the Shot Rock Gold Property (**Property**) in Nova Scotia, which is being explored for conglomerate-hosted and epithermal-type gold mineralization.

**Item 5. Full Description Of Material Change**

Under the terms of the Option Agreement, which is subject to TSX Venture Exchange approval, the Company can earn a 50% interest in the Property by incurring \$500,000 in expenditures on the Property within two years. The Option Agreement also contains provisions for cash payments totaling \$50,000 and share issuances totaling 650,000 common shares in the capital of the Company (**Common Shares**) to the Prospector over three installments during the initial two-year period.

Over an additional two-year period, the Company can increase its interest in the Property to 80% by incurring \$1.5M in expenditures, while making \$50,000 in cash payments and issuing 500,000 Common Shares to the Prospector.

The Prospector will retain a 1% NSR of which half (0.5%) can be bought back by Northern Shield for \$1M.

The Shot Rock Gold Property consists of 200 claims covering a 25 kilometre strike-length of a previously unknown unconformable, quartz-pebble conglomerate. While outcrop is generally poor in the area, the Prospector has consistently panned gold from streams that transect a certain area of the Property. Prospecting also resulted in the discovery of quartz-adularia-pyrite veins moderately anomalous in gold and epithermal pathfinder elements including mercury, arsenic and antimony.

Approximately 70 kilometres to the west of the Property, geologists from the Nova Scotian Department of Natural Resources (**DNR**) have also identified epithermal-type mineralization and they have drawn similarities to the gold belts in Nevada, USA. The area in Nova Scotia has temporarily been withdrawn from staking as the DNR seeks proposals from interested mining companies. The Company believes that the rocks and mineralization discovered on the Property are part of the same system as those described by the DNR to the west.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

No information has been omitted on the basis that it is confidential information.

**Item 8. Executive Officer**

Ian Bliss, President and CEO, at 613.232.0459.

**Item 9. Date of Report**

December 27, 2017.

**FORWARD LOOKING INFORMATION**

*This report contains statements concerning the exploration plans, results and potential and other mineralization at the Company's Highland Gold Property in Nova Scotia and geological, and analyses of the Highland Gold property and surrounding area and other expectations, plans, goals, objectives, assumptions, information or statements about future events, conditions, results of exploration or performance that may constitute forward-looking statements or information under applicable securities legislation. Such forward-looking statements or information are based on a number of assumptions, which may prove to be incorrect.*

*Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking statements or information. These risks and uncertainties include, but are not limited to, risks associated with geological, geometrical and geophysical interpretation and analysis, the ability of the Company to obtain financing, equipment, supplies and qualified personnel necessary to carry on exploration and the general risks and uncertainties involved in mineral exploration and analysis.*

*The forward-looking statements or information contained in this material change report are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*