

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

Item 1. Name and Address of Company

Northern Shield Resources Inc. (the "**Company**")
500– 55 Metcalfe Street
Ottawa, ON K1P 6L5

Item 2. Date of Material Change

December 30, 2020

Item 3. News Release

On December 31, 2020, a press release relating to the material change was issued and disseminated through the services of CNW Group.

Item 4. Summary Of Material Change

On December 31, 2020 the Company announced that it had closed of a non-brokered private placement of an aggregate of: (i) 4,125,000 units ("**Units**") at a price of \$0.08 per Unit for aggregate gross proceeds of \$330,000, with each Unit comprised of one common share in the capital of the Company (a "**Common Share**") and one-half of one Common Share purchase warrant (a "**Warrant**"); and ii) 1,700,000 Common Shares issued on a flow-through basis within the meaning of the *Income Tax Act* (Canada) (each a "**Flow-Through Share**") at \$0.10 per share for aggregate gross proceeds of \$170,000 (the "**Offering**"). Each whole Warrant is exercisable for one Common Share at a price of \$0.11 per share for a period of 24 months from closing.

All securities issued to purchasers and finders under the Offering are subject to a four-month holding period from the date of issuance of the securities, pursuant to applicable securities legislation and the policies of the TSX Venture Exchange.

Item 5. Full Description Of Material Change

The full details of the material change are set forth in the news release attached hereto as **Schedule A**. The news releases, including the cautionary notes regarding forward looking information contained therein, are incorporated by reference into this report.

Insider Participation

Each subscription by an "insider" of the Company is considered to be a "related party transaction" for purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and Policy 5.9 – *Protection of Minority Security Holders in Special Transactions* of the TSX Venture Exchange. Details of the security holdings in the Company of each insider participating in the Offering prior to and following the Offering are set out in **Schedule B** attached hereto.

The Company did not file the material change report more than 21 days before the expected closing date of the Offering as the details of the Private Placement and the participation therein by each "related party" of the Company were not settled until shortly prior to the closing of the Offering, and the Company wished to close the Offering on an expedited basis for sound business reasons.

The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements available under MI 61-101. The Company is exempt from the formal valuation requirement in section 5.4 of MI 61-101 in reliance on section 5.5(b) as no securities of the Company are listed or quoted for trading on prescribed stock exchanges or stock markets. Additionally, the Company is exempt

from the minority shareholder approval requirement in section 5.6 of MI 61-101 in reliance on section 5.7(b) as the fair market value of the transaction, insofar as it involves interested parties, is not more than the 25% of the Company's market capitalization.

The Offering was unanimously approved by the board of directors of the Company. In connection with the Offering, the Company entered into a subscription agreement with each participant in the Offering (including insiders of the Company) which included standard terms and conditions in respect of such participant's investment. The Company confirms it will send a copy of this material change report to any shareholder of the Company who requests it.

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 31, 2020.

Schedule A

NOT FOR DISTRIBUTION TO UNITED STATES NEWSPAPER SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Northern Shield Closes Private Placement for \$500,000

Ottawa, Ontario (December 31, 2020 - Northern Shield Resources Inc. ("**Northern Shield**" or the "**Company**") [TSX-V: NRN] is pleased to announce that it has closed a multi-faceted, non-brokered private placement financing of 5,825,000 common shares on a non-flow-through and flow-through basis for total proceeds of \$500,000 (the "**Offering**").

The Offering was comprised of i) 4,125,000 units ("**Units**") at \$0.08 per unit for aggregate gross proceeds of \$330,000 with each Unit consisting of one common share in the capital of the Company (a "**Common Share**") and one-half of one Common Share purchase warrant (a "**Warrant**"); and ii) 1,700,000 Common Shares issued on a flow-through basis within the meaning of the *Income Tax Act* (Canada) (each a "**Flow-Through Share**") at \$0.10 per Flow-Through Share, for aggregate gross proceeds of \$170,000. Each whole Warrant is exercisable for one Common Share at a price of \$0.11 per share within 24 months of the closing. Proceeds from the offering will be used primarily for working capital purposes and to incur eligible exploration expenses at the Shot Rock and Root & Cellar Properties.

Crescat Capital LLP or its affiliates subscribed for 3,000,000 Units of the offering. Crescat is a global macro asset management firm headquartered in Denver, Colorado. Crescat maintains a conditional right to participate in equity financings of Northern so as to maintain its pro-rata ownership of the securities of the Company.

An insider of the Company acquired 200,000 Flow-Through Shares for proceeds of approximately \$20,000. The issuance of securities to an insider pursuant to the Offering (the "**Insider Participation**") constitutes a related party transaction within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 ("**MI 61-101**"). The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of the Insider Participation as neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Insider Participation, insofar as it involved related parties, exceeded 25% of the Company's market capitalization. Further details will be included in a material change report to be filed by the Company in due course. The material change report will not be filed more than 21 days prior to the closing of the Offering as the level of insider participation was not known at that time.

Securities issued under the Offering are subject to restrictions on resale for a period of four months from the date of closing. The Offering is subject to final approval of the TSX Venture Exchange.

None of the securities sold in connection with the Offering will be registered under the United States Securities Act of 1933, as amended, and no such securities may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Northern

Northern Shield Resources Inc. is a Canadian-based company focused on generating high-quality exploration programs with experience in many geological terranes. It is known as a leader in executing grass roots exploration programs using a model driven approach. Seabourne Resources Inc. is a wholly-owned subsidiary of Northern Shield focussing on epithermal gold and related deposits in Atlantic Canada.

Northern Shield Resources Inc.
Ian Bliss

President and CEO
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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statement Regarding Forward-Looking Statements

This news release contains forward-looking information which is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ from those projected in the forward-looking statements. Forward looking statements in this press release but are not limited to, statements with respect to the expectations of management regarding the Offering, the expectations of management regarding the use of proceeds of the Offering, closing conditions for the Offering, and TSX Venture Exchange final approval of the Offering. These forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Risks that could change or prevent these statements from coming to fruition include the TSX Venture Exchange may not provide final approval of the Offering; the proceeds of the Offering may not be used as stated in this news release; the funds raised from the sale of the Flow-Through Shares may not be renounced in favour of the holders; the Company may be unable to satisfy all of the conditions to the closing required by the TSX Venture Exchange. The forward-looking information contained herein is given as of the date hereof and the Company assumes no responsibility to update or revise such information to reflect new events or circumstances, except as required by law.

Schedule B

Ownership of Securities of the Company Pre-Offering and Post-Offering

Insider	Insider Relationship	Common Shares Held Prior to the Offering	Securities Convertible into Common Shares Held Prior to the Offering	Percentage Held Prior to the Offering (Basic Basis)	Percentage Held Prior to the Offering (Partially Diluted Basis)	Flow-Through Shares Purchased	Securities Convertible into Common Shares held after the Offering	Percentage held after the Offering (Basic basis)	Percentage held after the Offering (Partially Diluted Basis)
Christine Vaillancourt	Officer	236,803	1,750,000	0.09%	0.72%	200,000	1,750,00	0.16%	0.78%