



NORTHERNSHIELD
RESOURCES INC.

(An Exploration Stage Company)

Northern Shield Resources Inc.

Management Discussion and Analysis
for the three and nine-month periods ended September 30, 2020



Set out below is a review of the activities, results of operations and financial condition of Northern Shield Resources Inc. ("Northern Shield", or the "Company") for the three and nine-month periods ended September 30, 2020.

The following information should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2019. The policies applied in the financial statements are based on International Financial Reporting Standards ("IFRSs") issued and effective as at November 24, 2020 for periods ending on or before September 30, 2020.

All dollar figures included in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated. This MD&A has been prepared as at November 24, 2020.

The Company is a reporting issuer in British Columbia, Quebec, Alberta and Ontario, and has its head office in Ottawa, Ontario and its registered office in Calgary, Alberta.

The Company is incorporated pursuant to the Canada Business Corporations Act and trades on the TSX Venture Exchange under the symbol "NRN" and on the Frankfurt (Germany) Stock Exchange under the symbol "N9S".

Additional information related to the Company is available on SEDAR at www.sedar.com.

1. DESCRIPTION OF BUSINESS

Northern Shield Resources Inc. ("the Company" or "Northern Shield", which includes all wholly owned subsidiaries) is an active junior mining company primarily engaged in the exploration for gold, platinum group elements ("PGEs"), nickel and copper. Northern Shield's mission is to create a successful mineral exploration company through technical excellence and efficient management, where success is measured by the identification and development of high-quality mineral exploration projects, which ultimately may be optioned, sold or developed for maximum return on investment.

The Company was built from the ground up as a Ni-Cu-PGE explorer and has considerable knowledge and understanding of magmatic systems. The Company utilizes this knowledge and science as part of its exploration strategy which allows it to effectively discriminate prospective magmatic systems and quickly vector in on the mineralization. As such, the Company focuses its exploration efforts on under-explored regions to generate targets and, early-stage projects that can quickly benefit from Northern Shield's knowledge and experience in this field and in a cost-effective way.

Through its recently created, wholly owned subsidiary, Seabourne Resources Inc. ("Seabourne"), the Company has expanded its model driven approach in exploration to epithermal gold and related mineralization in under-explored regions of eastern Canada.

The information in this Management Discussion and Analysis ("MD&A") contains forward-looking statements. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. See "Cautionary Statement" at the end of this MD&A. This MD&A has been prepared in accordance with the requirements of National Instrument 43-101, "Standards of Disclosure for Mineral Projects", and National Instrument 51-102, "Continuous Disclosure Obligations."

2. CORPORATE DEVELOPMENTS

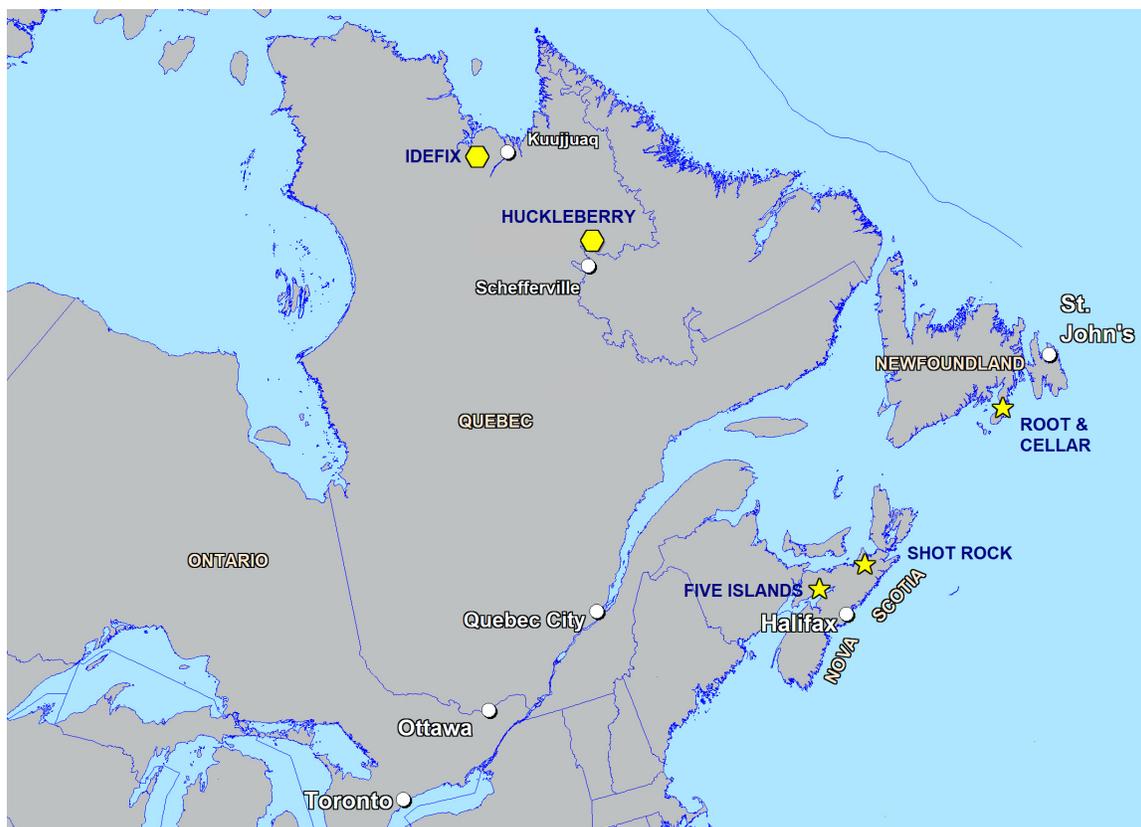
During the period ending September 30, 2020, the company closed a financing for total proceeds of \$2,692,000. The Offering comprised i) 9,938,461 Units at \$0.13 per Unit for aggregate gross proceeds of \$1,292,000, with each Unit consisting of one common share in the capital of the Company (a "Common Share") and one-half of one Common Share purchase warrant (a "Warrant"); and, ii) 8,000,000 Units at \$0.175 per Unit for aggregate gross proceeds of \$1,400,000, with each Unit consisting of one Common Share and one-half of one Warrant both issued on a flow-through basis within the meaning of the Income Tax Act (Canada). Each whole Warrant is exercisable for one Common Share at a price of \$0.20 per share within 24 months of the closing of the Offering.

Crescat Capital LLP subscribed for 13,230,769 of the offered Units. Crescat is a global macro asset management firm headquartered in Denver, Colorado. In connection with the acquisition of Units by Crescat, the Company has granted Crescat, for as long as Crescat and its affiliates hold at least 3% of the Company's Common Shares (on a non-diluted basis), a right to participate in future equity financings of the Company to maintain Crescat's pro-rata ownership of the Company.

The Company also announced that it has acquired two licences through online-staking and, through an option agreement, also acquired the right to earn a 100% interest in an adjacent licence (the “Merashen Option”) on Merashen Island in Placentia Bay, Newfoundland, about 60 km northeast of the Company’s Root & Cellar gold project. Collectively, the three licences now known as the “Merashen Property” cover 27 square kilometres. The Property is being explored for gold and silver with local anomalous lead and zinc.

Under the terms of the Option Agreement, which is subject to TSX-V approval, Northern Shield can earn a 100% interest in the Merashen Option by incurring \$2,000,000 in expenditures within four years. The Option Agreement also contains cash payments totalling \$115,000 and share issuances totalling 1,600,000 Company shares to the vendor over five installments during the four-year period. The vendor will retain a 1.5% NSR of which 1% can be bought back by Northern Shield for \$2M.

3. MINERAL PROPERTIES



The Company conducts the majority of its exploration in Eastern Canada.

The Company has not yet determined whether its properties contain economically recoverable mineral reserves. Recoverability is dependent upon the reserve's existence, the ability of the Company to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from the disposition of the properties. Until such time as it is able to consistently monetize its mineral property holdings, the Company's ability to continue its operations as a going concern is dependent on its ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

PRINCIPAL PROPERTIES

<u>PROPERTY</u>	<u>COMMODITIES</u>	<u>INTEREST</u>	<u>NUMBER OF CLAIMS/AREA</u>
SHOT ROCK	Au-Ag	80%*	1,739 / 272 km ² *
ROOT & CELLAR	Au-Ag	0%**	127 / 32 km ² **
HUCKLEBERRY	Ni-Cu-PGE	100%	111 / 54 km ²
IDEFIX	Ni-Cu-PGE	100%	40 / 18 km ²

*Subject to option agreement described in Section 3.1.1

**Subject to option agreement described in Section 3.1.2

3.1 PRINCIPAL PROPERTIES

3.1.1 SHOT ROCK - GOLD

The Shot Rock property is located along the Trans-Canada Highway between New Glasgow and Antigonish and covers an epithermal gold setting of a type not previously recognized in Nova Scotia.

The project was brought to the Company's attention by a prospector who was following up on historic heavy mineral concentrate samples with up to 44,000 ppb Au. This was substantiated by the prospector whom continued to identify gold panned from streams in the area. Prospecting also identified low grade gold bearing rocks but with pathfinder elements which are often associated with low sulphidation epithermal gold mineralization. As such a system had never been discovered in Nova Scotia before, the Company recognized the opportunity for a new discovery and "first mover."

During the year ending December 31st, 2018 the Company confirmed the discovery a low sulphidation epithermal gold system on its Shot Rock Property.

Title

The Company currently owns a 80% interest in the Property after having successfully met all conditions under the Option Agreement.

The prospector will retain a 1% NSR of which half (0.5%) can be bought back by Northern Shield for \$1,000,000.

The Company current holds its interest in the Shot Rock property through Seabourne Resources.

Q3'20 Update

During the quarter ending September 30, 2020, the Company completed a second phase of drilling at Shot Rock consisting of eight diamond drill holes, 20SR-09 through 20SR-16, totalling just over 2,800 metres. Although large intersections of quartz veins and breccias were observed in three drill-holes, only anomalous gold values, with a high of 0.52 g/t Au were returned from all holes. These large quartz veins coincide with targeted zones of anomalously low magnetic response observed in airborne magnetic data and interpreted to be regions where trace magnetite has been destroyed by hydrothermal fluids associated with the mineralizing hot spring system.

On-going studies of mineral textures and alteration assemblages from the vein encountered during the drill program suggests that the veins are possibly above or on the fringe of the prospective boiling zone where higher gold grades would be expected.

During the quarter ending September 30, 2020, the Company also planned a controlled-source audiomagnetotellurics ("CSAMT") geophysical survey at Shot Rock to assist in further drill targeting. This work was originally scheduled to begin in September but was delayed due to changes in filing for work exemptions under Nova Scotia COVID-19 policy.

Historical Exploration

Exploration commenced at Shot Rock in June 2018. The initial phases focused on stream sediment sampling while at the same time getting a better understanding of the geology of the area. Over the season stream sediment samples were collected. The results:

- confirmed the presence of anomalous gold in the streams in the Barney's River South area, where historic sampling in the 1970s had identified highly anomalous gold in heavy mineral concentrate samples;
- identified highly anomalous gold in what is now termed the Highway Zone where the two highest gold assays (1,015 and 1,045 ppb Au) from the stream sediment sampling program are located;

- identified several other areas anomalous in gold and/or pathfinder elements often associated with epithermal systems.

Continued exploration resulted in the discovery of large, well-banded low sulphidation, epithermal quartz veins, up to 45 centimetres thick in outcrop, within the Highway Zone. Intensive stockwork veining and breccias were also found in outcrop. Dozens of similarly composed angular boulders (up to 1m) have been uncovered in the area, some exhibiting multiple phases of veining, stockwork and brecciation.

Mapping and interpretation were undertaken in 2019. The local geology is dominated by mudstones, siltstones and lesser sandstones and conglomerates but numerous gabbroic to dioritic sills and dykes were also identified and are spatially associate with much of the epithermal veining and mineralization. Interpretation of the fieldwork suggests four separate fluid cells (epithermal systems) along the ridge overlooking the highway including the newly identified Crystal Hill located 500m east of the Highway Zone. These fluid cells are defined by geochemistry, mineralogy and various alteration and silicification indices. In the western-most cell (Windmill Zone), although anomalous gold and pathfinder elements are present, significant quartz veining or gold mineralization has not been identified to date. Moving eastward, the Middle Zone contains the highest gold grade identified to date at 5.3 g/t Au and is spatially well confined. A further 1,000m east, the Highway Zone possesses the largest footprint to date measuring approximately 600m x 280m. Based on the understanding of these four known occurrences and applying results from previously completed airborne magnetics, Lidar survey, stream sediment geochemistry and prospecting, further cells are expected to exist east of Crystal Hill, and could be associated with gold mineralization at depth.

The textures and mineralogy of the quartz veins in outcrop and boulders from the Highway Zone are believed by the Company to be consistent with the upper levels of epithermal gold systems, likely above the boiling cap. In typical epithermal systems, only modestly anomalous gold is expected to be seen above the boiling cap. If higher grades exist, they are usually found below, or at the level of the boiling cap.

The Company completed the maiden drill program on the Property in March 2020. The most significant intercepts occurred in drill-hole 20SR-04 with intervals of 4.24 g/t Au and 2.4 g/t Ag over 3.15 metres including 22.1 g/t Au and 8.8 g/t Ag over 0.4 metres and 12.6 g/t Au and 9.1 g/t Ag over 2.45 metres including 17.3 g/t Au and 10.3 g/t Ag over 1.0 metre (see Figure 2 & 3). The top of drill hole 20SR-04 also intersected anomalous gold (0.025 to 0.78 g/t Au) from surface to a depth of 39.7 metres averaging 0.09 g/t Au. Importantly, this drill hole exemplifies the rapid increase in gold grade as a function of depth that LSE deposits are known for, from approximately 0.1 g/t Au at surface (silica cap) to 22 g/t Au at a vertical depth of 112 metres below surface. Four other drill holes intersected anomalous gold values between 0.025 g/t and 0.547 g/t Au. The intervals comprise quartz-adularia veins hosted in highly altered and brecciated gabbroic to intermediate sills.

Drill-Hole 20SR-04

	<u>From (m)</u>	<u>To (m)</u>	<u>Interval (m)</u>	<u>Au (g/t)</u>	<u>Ag (g/t)</u>
	136.60	140.00	3.15	4.24	2.43
<i>Including:</i>	136.60	137.50	0.90	1.66	0.90
	137.75	138.70	0.95	1.33	1.70
	138.70	139.10	0.40	22.10	8.80
	139.10	140.00	0.90	1.97	1.00
	163.20	165.65	2.45	12.58	9.10
<i>Including:</i>	163.20	164.20	1.00	8.11	5.20
	164.20	165.20	1.00	17.30	10.30
	165.20	165.65	0.45	12.00	15.10

3.1.2 ROOT & CELLAR – GOLD-SILVER

The Property consists of 12 mineral licenses covering approximately 30 square kilometres and located near Marystown and Creston on the Burin Peninsula, both of which provide deep water ports.

The Property is being explored for low and intermediate sulphidation epithermal-type gold mineralization and also has potential for copper porphyry style mineralization.

Title

The Company current holds no interest in the Root & Cellar property. However, the Company has signed an Option Agreement with prospector Jeffery Brushett that gives the Company the right to acquire a 100% interest in the Root and Cellar Gold Project.

Under the terms of the Option Agreement, Northern Shield can earn a 100% interest in the Property by incurring \$2,150,000 in expenditures on the Property within four years. The Option Agreement also requires cash payments totaling \$165,000 (of which, \$15,000 has been paid) and share issuances totaling 3,000,000 shares (of which, 300,000 have been issued).

The Prospector will retain a 2.5% NSR of which 1% can be bought back by Northern Shield for \$1,500,000.

The Option Agreement with respect to the Root & Cellar property is between Mr. Brushett and Seabourne.

Q3'20 Update

During the quarter ended September 30th, 2020, the Company completed an extensive soil sampling program at Root & Cellar contemporaneous with a mapping program. The soil sample program consisted of 1143 samples collected over a grid measuring approximately 5 x 2 kilometres. In summary, the results show a large area moderately anomalous in copper near the western end of soil grid; a series of 6 well defined “corridors” of anomalous gold to the north and east of the copper anomaly, and an area of more irregularly distributed gold anomalies that form a halo along the western margin of the copper anomaly in association with a distinct series of pathfinder elements (see images A&B).

Of the six “corridor” anomalies, four are of particular interest as they are all about 150 meters wide and trend ESE which is consistent with recently mapped structures.

- Conquest West: The Conquest West soil anomaly is about 600 meters in length and hosts a gold showing previously discovered by the prospector with grades of up to 47 g/t Au.
- Conquest East: The eastern soil anomaly is a new area of interest and with a strike length of about 600 meters.
- Little Pond: The anomaly lies one kilometer north of Conquest and occurs at the intersection of ESE and ENE trending structures. This is another newly identified gold target that includes the highest gold assay from the soil sample program of 493 ppb Au.
- Red Rock. The Red Rock soil anomaly is the longest to date at over 1 kilometer in length. Previous prospecting at one specific location along this corridor identified gold-bearing boulders which assayed up to 2.4 g/t Au (see image D). However, the length of the soil anomaly suggests that there could be additional mineralization to be found. The Red Rock “corridor” differs from the others in that it also hosts sporadic but highly anomalous copper with soils assaying up to 1170 ppm Cu.

Historical Exploration

The Property includes five distinct showings of which four were the result of the sustained and diligent work of Mr. Brushett.

Drop Zone: a low-sulphidation setting with the three highest grab samples grading:
45.5 g/t Au and 1,365 g/t Ag;
37.8 g/t Au and 1,000 g/t Ag; and
25.8 g/t Au and 487 g/t Ag.

The host rock is a felsic to intermediate fragmental volcanic that exhibits strong silica-pyrite alteration crosscut by veining and related localized brecciation. The breccia zone appears to contain fragments rimmed by comb-textured quartz followed by pale beige chalcedonic silica which produces a “cockade”-style breccia. The above reported results are select samples and are not necessarily representative of the mineralization hosted on the property.

Conquest Zone: a low sulphidation setting with 85 of 153 samples assaying greater than 100 ppb Au in an area measuring 550m x 650m, with localized higher grades including channel samples assaying 47.9 g/t Au and 5.6 g/t Au, each over 0.5m. Mineralization is associated with comb-textured quartz and pale beige chalcedonic silica similar to that observed at the Drop Zone.

Red Rock Zone: up to 2.2 g/t Au hosted in a boulder adjacent to strongly hematized quartz breccia. Such rocks are often observed at the top of low-sulphidation systems.

Discovery Zone/Discovery Zone North: up to 10.5% Cu associated with anomalous Mo, Ag, Zn and Pb and hosted in epidote and hematite altered veins in what may be a porphyry style setting. Within these zones 3 sample assayed greater than 5% Cu, 11 samples between 1% and 5% Cu and 40 samples between 0.1% and 1% Cu.

Braxton-Bradley Zone: possible intermediate-sulphidation setting with deformed silicified hydrothermal breccias and anomalous bedrock gold assays up to 0.9 g/t Au and 2.3 g/t Au in angular samples of float. Other associated assays reported from this zone include 1.8 oz/t Ag (62 g/t Ag) to 4 oz/t Ag (137 g/t Ag), 0.3% Pb, 1.9% Zn, and 1.7% Cu.

A pilot scale till sampling survey covering the central and western portion of the property as well as several structures deemed of interest was completed in 2019. The soil sample results at Drop Zone paint a compelling case of a series of three or four sub-parallel zones that could host further mineralization to that already exposed at the Drop Zone discovery along with a two-kilometre-long gold in till anomaly at Conquest.

The Drop Zone showing is characterised by high silver to gold ratios (approximately 25:1) and the presence of tellurium-bearing minerals including hessite (silver-telluride). A hessite-bearing boulder has also been found recently south of the Drop Zone at a location that coincides with the southernmost silver soil anomaly trend. Three of the anomalous trends coincide with topographic highs. The two shortest trends, including that which hosts the Drop Zone showing have a strike length of approximately 250m. The zone immediately north of the showing has a strike-length of 500m and is open at both ends. A fourth zone defined from the till sampling is just apparent at the northern end of the survey grid.

3.1.3 HUCKLEBERRY COPPER-NICKEL-PGE

Northern Shield first acquired claims in the Huckleberry area after discovering copper mineralization hosted within a glomeroporphyritic gabbro (“GPG”) at the southern end of the Labrador Trough about 100 km north of Schefferville. Further exploration identified significant and extensive Cu-Ni-PGE mineralization in several different zones.

Huckleberry is being explored as a large-scale, segregated magmatic Cu-Ni-PGE deposit. Similar deposits include Kevitsa and Sakatti in Finland, the Duluth Complex, and Noril’sk-Talnakh. These deposits form when copper-rich fluids segregate from the nickel during unusually slow cooling of the magma. Although the copper-rich portions may be economic on their own, the nickel-rich portion may be contiguous (at depth) with the copper seen on surface or in a separate body.

Title

In 2016, the Company signed an option agreement and pre-negotiated joint venture agreement with South32 Limited of Perth, Australia (“South32”) regarding its Huckleberry property. Under the terms of the agreement South32 could have earned a 50% interest in the Huckleberry property by incurring \$2,500,000 in exploration expenditures within the first two years of the agreement with an option to its interest to 70% by incurring a further \$2,500,000 of exploration expenditures by the end of the third year. However, after successfully meeting 50% earn-in requirements South32 elected to terminate the option agreement. The Company currently holds a 100% interest in Huckleberry.

Q3’20 Update

No exploration was undertaken on the Huckleberry property in the quarter ending September 30, 2020.

Historical Exploration

Initial prospecting at Huckleberry in 2014 and 2015 identified two main mineralized zones of which the Western Zone could be traced for 3 kilometres with average grades of grab samples of 1.0% Cu, 0.2% Ni and 0.72g/t PGE and highs of 14% Cu, 17 g/t PGE+Au and 1.2% Ni. Sporadic copper mineralization was also found in the Eastern Zone but with generally lower associated Ni and PGEs.

The high Cu:Ni ratios in the mineralization found on surface at Huckleberry is indicative of a segregated deposit whereby the copper has separated from the nickel. As such, Huckleberry is being explored as a large-scale, segregated magmatic Cu-Ni-PGE deposit. Similar deposits include Kevitsa and Sakatti in Finland, the Duluth Complex, and Noril’sk-Talnakh. These deposits form when copper-rich fluids segregate from the nickel during unusually slow cooling of the magma. A magma can only cool so slowly if it is part of a very large magma chamber or if there is constant influxes of fresh hot magma. Either method has very positive implications for the presence of large-scale Ni-Cu-PGE mineralization. Although the copper-rich portions may be economic on their own, the nickel-rich portion may be contiguous (at depth) with the copper seen on surface or in a separate body. However, the discovery of a large xenolith hosting nickel-bearing semi-massive sulphides suggests that nickel-rich sulphides does, or at least did exist, within the magmatic system.

Geological observations indicate the magmatic history of the host rocks to the mineralization at Huckleberry to be dynamic, violent, episodic and long-lived. These are common characteristics of many giant Cu-Ni-PGE deposits. The evidences are the presence of: 1) various magmatic breccias throughout the intrusion; 2) flow-banding in some of the ultramafic layers; 3) multiple phases of mineralization; 4) a variety of mineralized host rocks; 5) xenoliths, including mineralized metasedimentary country rock and nickel-rich semi-massive sulphides; and 6) sulphide globules.

To date, exploration at Huckleberry has included mapping, sampling, a VTEM survey, a ground gravity survey, a drone magnetic survey and diamond drilling.

Geology

The magmatic geology and geochemistry of the Huckleberry Complex is challenging and somewhat atypical. The Complex consist of multiple phases of mafic/ultramafic intrusions, some of which have

undergone in-situ fractionation and/or differentiation; the parental magma from which these were all derived was highly differentiated (basaltic). There is considerable inter-mixing of at least two of the phases of magma; faulting and deformation was on-going during time of intrusion and, some of the mineralization and sills are the result of downward “injection” of magma.

The three main phases at Huckleberry are an anorthosite-rich Glomeroporphyritic Gabbro (GPG), unit which has been intruded by the Layered Gabbroic Sequence (LGS), and the Layered Noritic Sequence (LNS), which includes the lower olivine websterite unit which forms at, or just below the base of the LNS. The LGS is approximately 100m thick and the LNS is 200m-250m thick. The base of the LNS is often strongly interlayered with the GPG.

It is the Lower Olivine Websterite unit that hosts much of the mineralization in the western zone though some mineralization has percolated into the surrounding GPG.

Western Copper Zone

The principal mineralized zone is in the western portion of the property and includes the Discovery Zone.

Drill holes HK16-01, 02, 06 and 07 and HK17-08,09,12 and 16 tested various aspects of the Lower Olivine Websterite (LOW) in the Western Copper Zone. All drill the above-mentioned drill holes intersected mineralization in the LOW which can now be traced through drilling and surface sampling for a 3,000m strike-length and a down-dip extension of over 1,200m. It remains open along strike to the north and south and, down-dip to the east. The thickness of the mineralized Lower Olivine Websterite increases down-dip (eastward) from 9.46m in drill hole 16HK-01 (Discovery Zone area) through 15.08m in drill hole 17HK-08 to a total of 31.85m in 17HK-12 where the zone bifurcates.

Perhaps significantly, average, Ni, Cu and PGE grades increase down-dip as does Ni and PGE tenor whereas Cu tenor decreases. This could indicate a vector to the feeder in this direction.

A large gabbro xenolith (approx. 0.5m to 1m -long) hosting semi-massive sulphides was observed at one location in the Discovery Zone at the base of the LOW. A sample of the xenolith assayed 1.17% Ni, 0.83% Cu and 1.08 g/t PGE+Au. The presence of the xenolith indicates that nickel-rich, semi-massive sulphides exist somewhere nearby in the magmatic system. Also of importance is the discovery of a large angular boulder within the property consisting of an anorthosite breccia cemented by chalcopyrite that assayed 4.04% Cu. Coarse bronzite crystals have also formed between the fragments. The fragments of anorthosite that compose the breccia also contain finely disseminated chalcopyrite and are identical to mineralized anorthosite seen elsewhere within the property. Thus the boulder is very likely to originate from within the Huckleberry property and suggests that there is more high-grade copper mineralization yet to be found at Huckleberry.

Eastern and Other Zones

Drill holes HK16-03 and 04 and HK17-10,13,14 and 15 were collared in the Eastern Copper Zone to target surface mineralization and test for potential upward “leakage” of Ni-Cu-PGE mineralization through a fault zone from a magma chamber at depth. Drill holes HK17-13 and 15 both intersected widespread, weakly to moderately disseminate pyrrhotite and chalcopyrite that could be consistent with upward permeating sulphides through a co-magmatic fault zone. The Eastern Copper Zone is generally poor in Ni and PGE compared to the Western Zone.

Further sampling in the Eastern Zone in 2017 identified several new copper occurrences (0.71%, 0.72% and 0.75% Cu). Some of this mineralization is hosted within ultramafic rocks, which is the first time this lithology has been seen in the eastern Copper Zone. The Eastern Copper Zone is separated from the Western Copper Zone by a structural corridor and the relationship between the two is not yet fully understood by the Company. The high copper to nickel ratio in the east could be the result of the remobilization of copper up through (co-magmatic) fault structures or the result of magmatic segregation.

3.1.4 IDEFIX – NI-CU-PGE

The Idefix property is being explored for PGEs and Ni-Cu-PGEs hosted by a differentiated gabbro-norite sill.

Title

The Company holds 100% ownership of the Idefix property.

On May 5, 2012, the Company signed an Option and Joint Venture Agreement with Impala Platinum Holdings Limited of South Africa (“Impala”) allowing Impala to earn a 50% interest in Idefix by making cash payments to Northern Shield totaling \$300,000 over two years and incurring \$3.2 million in exploration expenditures at Idefix or the surrounding area over three years, with total expenditures of \$1,950,000 committed for the first two years. Impala had the right to also earn a 50% interest in up to two additional “designated properties” within an agreed upon area of mutual interest in Quebec by incurring a further \$1.25 million of expenditures per additional property. For budgetary reasons Impala elected not to pursue the option at Idefix and never earned an interest in the property.

Q3’20 Update

No exploration was undertaken on the Huckleberry property in the quarter ending September 30, 2020.

Historical Exploration

A two-day reconnaissance of the Idefix property was conducted in early September 2011. Twenty-five rock samples were collected from the property of which twenty-one were from the mafic-ultramafic sill with four coming from the country rock. These results led to the option agreement signed with Impala Platinum Holdings Limited in May 2012.

The original focus at Idefix was for reef-type PGE mineralization after the discovery of significant and extensive PGE mineralization in 2012 along a gabbro-norite escarpment with grades up to 16 g/t Pt+Pd at a ratio of 1:3. Significant new PGE mineralization was discovered 900m immediately south of the Idefix Ridge at La Colline in 2013. At this location, 41 of 92 surface samples collected over an outcrop measuring approximately 220m by 50m assayed over 1 g/t Pt+Pd+Au. This includes a zone defined by 34 continuous sawn channel samples which average 1.4 g/t Pt+Pd+Au, 0.28% Cu and 0.1% Ni over 31.35m within which there is a higher-grade zone averaging 1.9 g/t Pt+Pd+Au, 0.38% Cu and 0.13% Ni over 15.85m. Also of significance are several grab samples collected 900m east of Idefix Ridge which assayed 11.1 g/t PGE+Au (4.6 g/t Pt, 3.8 g/t Pd, 2.7g/t Au) and 0.92% Cu and 2.8 g/t PGE+Au (1.3 g/t Pt, 1.1 g/t Pd, 0.4 g/t Au) and 0.26% Cu. This occurrence differs from others within the Idefix property as it has a 1:1 Pt:Pd ratio (compared to a 1:3 Pt:Pd ratio found along the Idefix Ridge). This discovery is suggestive of yet another PGE zone, or perhaps reef, on the eastern side of Idefix, which has seen very little exploration in the past.

In 2013, fourteen drill holes totaling 1,501m were completed at Idefix. Drilling did not intercept similar grades of PGEs as seen on surface but did prove the existence of reef type mineralization (*sensu stricto*) averaging 0.2-0.4 g/t PGE over 16m-34m widths that can be traced continuously for 3.5km and intermittently for a further 3.5km. Of the 1,614 samples collected at Idefix, 934 assays greater than 0.1 g/t PGE+Au. This highlights the significant enrichment of PGE at Idefix.

However, the presence of large Ni-Cu-PGE bearing sulphide globules seen in nearly every drill hole completed along the Idefix Ridge points to the possible existence of massive magmatic sulphides, perhaps similar to Noril’sk-type model.

Based on analysis with a hand-held XRF analyzer, these globules average 3-5% Ni, 2-3% Cu and over 20 g/t Pd. Globules form from bubbles of then liquid sulphide being transported away from a pool of massive sulphide by an injecting pulse of magma during the formation of the sill; somewhat akin to a pebble being transported down-stream in a river. Globules are dense and fragile, and research has shown that they travel very short distances, typically on the order of a few hundred metres. Thus, it can be concluded from this information alone, that at the time of formation of the Idefix Gabbro sill, a pool of liquid sulphide (massive sulphide) existed nearby with high grades of Ni,

Cu and PGE. The uncertainties are: 1) does the massive sulphide still exist or did the pulse of magma that formed the Idefix gabbro completely destroy the pool of massive sulphide and 2), if the massive sulphide still exists, where is it located relative to the drill holes. These globules are also very similar to those seen adjacent to the massive sulphides at Noril'sk.

The possible existence of massive sulphides is supported by the geochemical signatures of the Ni-Cu-PGE mineralization seen at La Colline. The mineralization at La Colline was first thought to be a continuation of the reef-type mineralization seen in drill-core along the Idefix Ridge. However, La Colline does not possess the same reef-type signature as seen along the ridge, but instead has a signature more commonly attributed to massive sulphides. Hence, it is interpreted that the disseminated mineralization at La Colline represents the fringe of a massive sulphide lens that extends northwards and located about 400m east of the Idefix Ridge. This is supported by a north-south magnetic anomaly that underlies this area.

4. FINANCIAL UPDATE

The Company's financial success is dependent upon the discovery of properties that could be economically viable to develop. Such development could take years to complete and the resulting income, if any, is difficult to determine. The sales value of any mineralization discovered by the Company is dependent upon factors beyond its control. The Company is not aware of any trends, uncertainties, demands, commitments, or events affecting Northern Shield in particular and not all junior mining companies, which are reasonably likely to have a material effect on the Company's capital resources or that would cause reported financial information not necessarily to be indicative of future operating results.

4.1 Operational Results

The level of operational expenditures is related to the financing and exploration activities that are being conducted by the Company, which in turn may depend on the Company's recent exploration experience and prospects, as well as the general market conditions relating to the availability of funding for exploration-stage resource companies. Consequently, the Company does not acquire properties or conduct exploration work on a pre-determined basis and, thus, there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with prior years may not be meaningful. The Company has no operating revenue to date as its mineral properties are all in the exploration and analysis stage.

The Company incurred a comprehensive loss of \$240,410 for the three-month period (2019 - \$184,374) and \$715,170 for the nine-month period (2019 - \$903,657) ended September 30, 2020.

4.1.1 MINERAL PROPERTY ACTIVITIES

	QC Idefix	QC Huckleberry	QC Séquoï	NS Shot Rock	NL Root&Cellar	Other	Total
January 1, 2019 Balance	\$ 81,148	\$ 180,392	\$ 790,512	\$ 318,892	\$ -	\$ 81,330	\$ 1,452,274
Expenditures							
Acquisition:	2,295	2,700	-	71,892	44,005	35,692	156,584
Exploration:							
Sample Analysis	-	1,238	-	79,111	4,420	-	84,769
Airborne Geophysics	-	-	-	61,905	1,120	-	63,025
Ground Geophysics	-	-	-	9,750	-	-	9,750
Geology Remuneration	963	413	-	174,390	26,889	5,200	207,855
Drilling/Sampling	-	-	-	26,040	11,437	-	37,477
Mob/Demob	-	-	-	30,584	1,262	13,173	45,019
Travel/Accom	-	1,498	-	64,510	17,723	-	83,731
Total Exploration	963	3,149	-	446,290	62,851	18,373	531,626
Total Property Expenditures	3,258	5,849	-	518,182	106,856	54,065	688,210
Government Assistance	-	-	-	(29,440)	-	-	(29,440)
Expensed current exploration	-	-	-	-	-	(4,156)	(4,156)
Property write-down	-	-	(790,512)	-	-	(73,501)	(864,013)
December 31, 2019 Balance	\$ 84,406	\$ 186,241	\$ -	\$ 807,634	\$ 106,856	\$ 57,738	\$ 1,242,875
Expenditures							
Acquisition:	3,288	7,124	-	3,410	56,105	41,480	111,407
Exploration:							
Sample Analysis	-	-	-	104,235	71,157	8,840	184,232
Airborne Geophysics	-	-	-	-	70,650	-	70,650
Ground Geophysics	-	-	-	-	-	-	-
Geology Remuneration	213	5,500	-	295,763	99,775	22,225	423,476
Drilling/Sampling	-	-	-	776,486	-	-	776,486
Mob/Demob	-	-	-	208,821	14,251	5,811	228,883
Travel/Accom	-	-	-	47,699	23,718	1,253	72,670
Total Exploration	213	5,500	-	1,433,004	279,551	38,129	1,756,397
Total Property Expenditures	3,501	12,624	-	1,436,414	335,656	79,609	1,867,804
Government Assistance	-	-	-	(73,211)	-	-	(73,211)
Expensed Current Exploration	-	-	-	-	-	(24,776)	(24,776)
Property write-down	-	-	-	-	-	-	-
September 30, 2020 Balance	\$ 87,907	\$ 198,865	\$ -	\$ 2,170,837	\$ 442,512	\$ 112,571	\$ 3,012,692

As at September 30, 2020, the Company's resource asset carrying value was \$3,012,692 (December 31, 2019 - \$1,242,875).

Gross exploration expenditures were \$1,878,804 for the nine-month period ended September 30, 2020 (2019 - \$531,795).

The Company incurred \$24,776 worth of prospecting activity during the nine-month period ended September 30, 2020 (2019 - \$4,156).

During the nine-month period ended September 30, 2019, the Company wrote down a number of small properties, resulting in a charge of \$60,534.



4.1.2 ADMINISTRATIVE ACTIVITIES

General and administrative expenses of \$216,796 were incurred during the three-month period ended September 30, 2020 (2019 – \$181,551) and of \$690,394 during the nine-month period ended September 30, 2020 (2019 - \$562,967).

The details of the comparative amounts for the nine-month periods ended September 30 are summarized in the following table:

	2020	2019	Change	as %
Remuneration and consulting fees	\$ 251,460	\$ 242,692	8,768	4%
Office expenses	73,327	65,871	7,456	11%
Travel expenses	16,975	56,656	(39,681)	-70%
Marketing expenses	184,055	54,857	129,198	236%
Professional fees	65,971	66,798	(827)	-1%
Public company expenses	56,150	31,468	24,682	78%
Insurance expenses	13,458	13,855	(397)	-3%
Amortization	28,998	30,770	(1,772)	-6%
	\$ 690,394	\$ 562,967	127,427	23%

- Remuneration in 2020 included one additional employee.
- Office activity was modestly higher across most expense types in 2020.
- Administrative travel was reduced primarily due to the COVID-19 pandemic.
- Marketing costs increased due to the addition of the services of a marketing agency.
- Professional fees were comparable period to period.
- Public company expenses increased due increased market activity and fees around capital issuances.
- Annual insurance rates were reduced modestly from the previous year.
- Amortization costs reduced as assets were amortized without significant replacements or additions required.

4.2 SUMMARY OF QUARTERLY RESULTS

The following table sets forth financial information for the Company's recently completed quarters:

	2020			
	Mar 31	Jun 30	Sep 30	
Total Revenues	-	-	-	
G & A Expense*	\$231,687	\$241,911	\$216,796	
Expensed Exploration**	\$312	\$850	\$23,614	
(Loss)/Income for the period	(\$110,071)	(\$206,327)	(\$157,679)	
Basic and diluted loss per share	(\$0.00)	(\$0.00)	(\$0.00)	

	2019			
	Mar 31	Jun 30	Sep 30	Dec 31
Total Revenues	-	-	-	-
G & A Expense*	\$181,098	\$201,606	\$181,990	\$223,277
Expensed Exploration**	\$1,333	\$60,534	\$2,823	803,479
(Loss)/Income for the period	(\$159,540)	(\$535,428)	(\$168,013)	(\$1,026,756)
Basic and diluted loss per share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)

	2018
	Dec 31
Total Revenues	-
G & A Expense*	\$250,775
Expensed Exploration**	(\$3,487)
(Loss)/Income for the period	(\$382,685)
Basic and diluted loss per share	(\$0.00)

* excluding share-based compensation

** including write-downs of previously capitalized property expenditures

4.3 Liquidity

The Company is presently exploring its projects for economically viable mineral deposits. None of the Company's projects are yet in production and consequently do not produce revenue. The Company currently funds all operations with its working capital. On November 24, 2020, the Company had working capital of approximately \$1,325,000.

On September 30, 2020, the Company had working capital of \$1,737,771 (December 31, 2019 – \$1,040,837).

4.4 Capital Resources

At September 30, 2020, the Company was not involved in any agreements for which it had commitments to satisfy any expenditure requirements.

4.5 Acquisitions and Dispositions of Resources Properties and Write-offs

The Company also announced that it has acquired two licences through online-staking and, through an option agreement, also acquired the right to earn a 100% interest in an adjacent licence (the "Merashen Option") on Merashen Island in Placentia Bay, Newfoundland, about 60 km northeast of the Company's Root & Cellar gold project. Collectively, the three licences now known as the "Merashen Property" cover 27 square kilometres. The Property is being explored for gold and silver with local anomalous lead and zinc.

Under the terms of the Option Agreement, which is subject to TSX-V approval, Northern Shield can earn a 100% interest in the Merashen Option by incurring \$2,000,000 in expenditures within four years. The Option Agreement also contains cash payments totalling \$115,000 and share issuances totalling 1,600,000 Company shares to the vendor over five installments during the four-year period. The vendor will retain a 1.5% NSR of which 1% can be bought back by Northern Shield for \$2M.

4.6 Off-Balance Sheet Arrangements

As at September 30, 2020 and as of the date of this report, the Company does not have any off-balance sheets arrangements.

4.7 New and Revised Accounting Policies

IFRS 16 Leases (“IFRS 16”)

The Company has prospectively adopted IFRS 16 – Leases (“IFRS 16”) effective January 1, 2019. IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

At January 1, 2019 the Company recorded \$83,490 in right-to-use assets and lease obligations, comprised solely of the Company’s office premises lease.

4.8 Key Management Compensation

The following table presents the compensation earned by key members of management during the nine-month periods ended September 30, noted below:

	2020	2019
Salaries	\$ 180,908	\$ 175,063
Benefits	4,774	34,956
Share-based compensation	-	55,200
	\$ 185,682	\$ 235,219

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Board of Directors and corporate officers, including the Company’s Chief Executive Officer and Chief Financial Officer.

4.9 Related Party Transactions

The following table presents the legal fees that, during the nine-month periods ended September 30, the Company incurred with two law firms which, at one, a Director of the Company is a partner and at the other, the Company’s corporate secretary is a partner.

	2020	2019
Board Member	\$ 2,452	\$ 5,620
Corporate Secretary	62,616	36,169

Amounts owed to the two related-party firms at the dates indicated:

	September 30, 2020	December 31, 2019
Board Member	\$ -	\$ 2,769
Corporate Secretary	424	6,822

4.10 Significant Accounting Estimates

The preparation of these annual consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position date, which could result in a material adjustment to the carrying amounts of assets and liabilities, if actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of amounts receivable and prepayments which are included in the consolidated statement of financial position;
- impairment of non-financial assets;
- the estimated useful lives of property, plant and equipment which are included in the consolidated statement of financial position and the related depreciation included in the consolidated statement of comprehensive loss;
- the inputs used in accounting for share-based compensation expense in the consolidated statement of comprehensive loss;
- the inputs used in accounting for warrant value associated to reserves.

4.11 Financial Instruments

The fair value of the Company's cash, unbilled receivables, amounts receivable, accounts payable and accrued liabilities and lease liability approximates their carrying amount due to the short-term nature of these instruments.

4.12 Internal Controls Over Financial Reporting

During the nine-month period ended September 30, 2020, there were no changes in the design of the Company's internal controls over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

4.13 Subsequent Events

None.

5. RISK FACTORS

5.1 Exploration and Development

Exploration for minerals is a speculative venture involving substantial risk. There is no certainty that the expenditures to be made by the Company with respect to its properties will result in discoveries of potentially minable deposits. Few properties that are explored for minerals are ultimately developed into producing mines.

The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by several factors, which are beyond the control of the Company.

5.2 Financing

The Company is presently exploring its projects for economically viable gold, PGE, Ni-Cu, Cu-Zn-Ag and other ore deposits. None of the Company's projects are yet in production and consequently do not produce revenue. Accordingly, the Company's ability to conduct operations, including the acquisition, exploration and development of mineral properties, when it doesn't have sufficient working capital to do so is based on its ability to raise funds, primarily through equity issuances and potentially through proceeds from the disposition of its properties.

There can be no assurance that the Company will succeed in obtaining required financing, now or in the future. Failure to raise additional financing could cause the Company to suspend exploration and eventually to sell or forfeit its interest in some or all its properties and could result in the Company ultimately ceasing to continue as a going concern.

The ability of the Company to obtain financing is somewhat dependent on the equity market conditions. The trading price of the common shares of the Company may be subject to wide fluctuations in response to variations in operating results, results of exploration programs and other events and factors outside of the control of the Company. In addition, the stock market has experienced extreme price and volume fluctuations that have particularly affected the market price for many junior mining companies like the Company. These broad market fluctuations may adversely affect the market price of the common shares of the Company and hence its ability to raise funds or to create significant dilution from funds raised.

5.3 Mining Operations

Mining operations involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions may arise. The Company may become subject to liability for pollution, abandonment and reclamation and environmental or other hazards against which it cannot insure or against which it may elect not to insure. Such liabilities may have a material adverse effect on the Company's financial position and prospects.

5.4 Economics of Developing Mineral Properties

Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineral deposit, no assurance can be given that minerals will be discovered in sufficient quantities or grades to justify development of the deposit, or that the funds required for development can be obtained at all or, if attainable, can be obtained on a timely basis.

5.5 Marketability of Gold, PGEs, Gold and Base Metals

Gold, PGEs and base metal exploration and development are speculative businesses, which involve a high degree of risk. The marketability of gold, PGEs and/or base metals acquired or discovered by the Company (if sufficient amounts are acquired or discovered) will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, government

regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting and environmental protection. The exact effect of these factors cannot be accurately predicted, and the combination of these factors may result in the Company receiving insufficient returns on invested capital. Additionally, depending on the price of minerals produced, the Company may determine that it is not commercially feasible to commence or continue commercial production.

5.6 Prices for Gold, PGEs and Base Metals

The value of the Company and its common shares will depend in some degree on the prevailing prices obtainable for mineral commodities in the market. The price of those commodities can fluctuate, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, economic conditions globally and nationally, global or national consumption patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the prices of any commodities cannot be accurately predicted.

5.7 Environmental Requirements

To date the Company has conducted all its exploration activities in the provinces of Ontario, Quebec, Nova Scotia and Newfoundland. All phases of its operations have been subject to the environmental legislation of each of the provinces and of the Government of Canada. Even though the Company does not operate a mine and is not developing a mine, at the current 'exploration' stage of its business cycle it must still abide by numerous laws and regulations relating to the environment. Environmental legislation is evolving; more corporate responsibility, stricter fines and penalties, and more stringent guidelines, could in the future, adversely affect the Company's operations. The cost of compliance with these changes could have a material adverse effect on the Company, its financial condition and prospects.

5.8 Competition

The mining industry (exploration and development) is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities and expertise than itself for the acquisition and exploration of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified management and employees.

5.9 Title

While the Company has registered its claims, licenses and leases with the appropriate mining authorities and has filed all pertinent information to industry standards, this should not be construed as a guarantee of title. The Company's properties may also be subject to prior unregistered agreements or transfers or native land claims, and the Company's title may be affected by these and other undetected defects. The Company's properties may include recorded third-party mineral claims, which have not been surveyed, and therefore, the precise area and location of such claims and licenses may be in doubt. The Company may also lose entitlement to claims if certain exploration expenditures are not made by certain set dates as required by provincial mining regulators and regulations.

5.10 Mining Regulation

Mining operations in Canada are subject to extensive governmental regulations. Future changes in government regulation could adversely affect mining in Canada. The development of mines and related facilities is contingent upon government approval, which must be obtained through statutory review processes. The Company does not have and has not applied for approvals for the development of any of its properties.

5.11 Required Capital and Ongoing Business

The Company has not yet generated any earnings or cash flow to fund its operations and there can be no assurance that the Company will generate any earnings or cash flow in the future. If the Company does not generate cash flow in the future, additional external funding will be required to finance the Company's ongoing operations. This funding may not be available at all or, if available, may not be available on terms acceptable to the Company and could result in the Company ultimately ceasing to exist as a going concern.

5.12 Dilution

Shareholders will suffer dilution with respect to future private and/or public offerings of the Company's common shares (or securities convertible into common shares).

5.13 Key Management

The Company does not hold any "key man" insurance with respect to any of its directors, officers or key employees to the date hereof. The loss of the Company's President and Chief Executive Officer could have an adverse impact on the Company and its business, financial position and prospects.

5.14 Conflicts of Interest

Certain of the directors and officers of the Company currently, and may in the future, serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director and officer of such other companies. The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

5.15 Market Volatility

In the past, there has been limited trading in the Company's common shares. Additionally, the trading price of the common shares may be subject to wide fluctuations in response to variations in operating results, results of exploration programs, market conditions and other events and factors outside the control of the Company. In addition, the stock market has experienced extreme price and volume fluctuations, which have particularly affected the market price for many junior resource companies. During the nine-month period ended September 30, 2020, the price of the Company's shares fluctuated between \$0.05 and \$0.18. There can be no assurance that significant price fluctuations will not occur.

5.16 Aboriginal Claims

Aboriginal rights may be claimed on Crown or other types of tenure with respect to which mining rights have been granted. The Company is fully aware of the mutual benefits afforded by cooperative relationships with indigenous people in conducting exploration activity and is fully supportive of measures established to achieve such cooperation.

5.16 Global Pandemics and Outbreaks of Communicable Diseases

The Company's business, operations and financial condition could be adversely impacted by the effects of COVID-19 or other health epidemics and/or outbreaks of communicable diseases. Such epidemics and/or outbreaks of communicable diseases could significantly disrupt the Company's exploration and development activities and may have a material adverse effect on Company's business and financial condition. The World Health Organization declared a global pandemic in March 2020 related to COVID-19 and as a result global travel and workplace restrictions have been implemented. The extent to which COVID-19 impacts the Company's business, including the Company's operations and the market for the Company's securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, including the duration,

severity and scope of the COVID-19 outbreak and the actions taken to contain or treat the outbreak. In particular, the continued or perceived spread of COVID-19 globally could materially and adversely impact the Company's business including, without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, and/or stoppage or suspension of its operations in Canada. Further restrictions include restrictions to the Company's drilling, development and exploration programs and/or the timing to process drill and other metallurgical testing and other factors that will depend on future developments beyond the Company's control, which may have a material adverse effect on the Company's business, financial condition and results of operations. Moreover, the actual and threatened spread of COVID-19 globally could have a material adverse effect on the regional economies in which the Company operates; continue to negatively impact stock markets, including the trading price of the Company's common shares; adversely impact the Company's ability to raise capital; cause continued interest rate volatility and movements that could make obtaining financing more challenging or more expensive; adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for base and precious metals and the Company's future prospects; and result in any operations affected by COVID-19 becoming subject to quarantine. Any of these developments, and others, could have a material adverse effect on the Company's business and results of operations. There can also be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately see all or a portion of its operations suspended, workforce productivity reduced or incur increased medical costs and/or insurance premiums as a result of these health risks.

Outstanding Share Data as of November 24, 2020

Common Shares

Issued and Outstanding	273,562,715
Warrants	25,425,158
Options	15,800,000
Fully Diluted	314,787,873

Warrants Outstanding

Exercise Price	Qty	Expiry Date	Potential Proceeds
\$0.10	2,066,667	6-Mar-21	206,667
\$0.14	1,700,000	19-Jun-21	238,000
\$0.14	1,593,750	31-Jul-21	223,125
\$0.10	7,287,963	9-Dec-21	728,793
\$0.10	1,750,000	17-Dec-21	175,000
\$0.11	157,546	17-Dec-21	15,755
\$0.18	1,666,667	27-Jan-22	300,000
\$0.10	233,333	27-Jan-22	23,333
\$0.20	4,969,232	21-Aug-22	993,846
\$0.20	4,000,000	21-Aug-22	800,000
	25,425,158		3,704,522

Options Outstanding

Exercise Price	Qty	Expiry Date	Potential Proceeds
\$0.16	6,450,000	10-Jun-21	1,032,000
\$0.17	350,000	15-Jul-21	59,500
\$0.10	5,000,000	30-Jun-22	500,000
\$0.10	4,000,000	25-Jun-24	400,000
	15,800,000		\$ 2,026,500

Additional information on the Company is available on its website www.northern-shield.com or on SEDAR www.sedar.com.

Cautionary Statements

Certain statements included in this Management Discussion and Analysis constitute forward-looking statements under applicable securities legislation. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", or similar words suggesting future outcomes or statements regarding an outlook. Forward looking statements or information in this Management Discussion and Analysis include, but are not limited to, statements regarding:

- business objectives, plans and strategies;
- exploration objectives, plans and strategies; and
- certain geological interpretations and expectations.

Such forward-looking statements or information are based on several assumptions which may prove to be incorrect. In addition to other assumptions identified in this Management Discussion and Analysis, assumptions have been made regarding, among other things:

- the ability of Northern Shield to continue to fund its operations through financings, options and joint ventures;
- the ability of Northern Shield to obtain equipment, services and supplies in a timely manner to carry out its activities;
- the level of exploration activities;
- the ability of Northern Shield to retain and access its mineral claims; and
- current and future mineral commodity prices.

Although Northern Shield 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 Northern Shield 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 several risks and uncertainties which could cause actual results to differ materially from those anticipated by Northern Shield and described in the forward-looking statements or information. These risks and uncertainties include but are not limited to:

- the ability of management to execute its business and exploration objectives, plans and strategies;
- the risks of the mining industry, such as operational risks in exploring for minerals and market demand;
- risks and uncertainties involving geology of mineral deposits;
- potential delays or changes in plans with respect to exploration projects;
- Northern Shield's ability to retain and access its mineral claims;
- fluctuations in current and future mineral commodity prices;
- health, safety and environmental risks;
- uncertainties as to the availability and cost of financing;
- general economic, business and market conditions;
- the possibility that government policies or laws may change;
- aboriginal claims; and
- other risks and uncertainties described elsewhere in this Management Discussion and Analysis or in Northern Shield's other filings with Canadian securities authorities.

The forward-looking statements or information contained in this Management Discussion and Analysis are made as of the date hereof and Northern Shield undertakes no obligation to update publicly or revise any forward-looking statements or information, whether because of new information, future events or otherwise, unless so required by applicable securities laws.

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Ian Bliss (President & CEO)
Scott Jobin-Bevans
Marcus Archer
Don Bubar

Compensation Committee

Marcus Archer (Chair)
Russell M. Richards
Don Bubar

Officers

Ian Bliss (President & CEO)
Sam Legg (Chief Financial Officer)
James O'Sullivan (Corporate Secretary)

Audit Committee

Russell M. Richards (Chair)
Scott Jobin-Bevans
Marcus Archer

Technical Committee

Scott Jobin-Bevans (Chair)
Don Bubar

Listing

TSX Venture: "NRN"
Frankfurt (Germany) Exchange: "N9S"

Capitalization (August 25, 2020)

Shares Issued: 273,562,715
Fully Diluted: 314,787,873

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