



NORTHERNSHIELD
RESOURCES INC.

(A Development Stage Company)

Northern Shield Resources Inc.
Management Discussion and Analysis
for the year ended December 31, 2014

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 year ended December 31, 2014.

The following information should be read in conjunction with the Company's audited condensed consolidated interim financial statements for the year ended December 31, 2014. The policies applied in the financial statements are based on International Financial Reporting Standards (IFRSs) issued and effective as at April 21, 2015 for periods ending on or before December 31, 2014.

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 April 21, 2015.

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") is an active junior mining company primarily engaged in the exploration for platinum group element (PGE) and associated metals in Canada. 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 is focusing its exploration efforts on under-explored regions of northern Ontario and Quebec, as management believes the chances of success in finding significant ore deposits are greatly increased by exploring outside of existing mining camps. The majority of both provinces is underlain by "shield" rocks, a geologic terrain favourable for a variety of mineral deposits including platinum, diamonds, gold and base-metals. The two provinces also possess an attractive economic and investment climate, in particular due to the advent of the "super" flow-through tax structure and relatively advanced infrastructure. On a regional scale, the Company's grass roots exploration strategy is driven by the understanding and interpretation of geological and exploration modeling. That is, what should a deposit look like; where should it form; and what controls its formation or emplacement. The perspective of this model is then adapted to reflect the observed geological environment. The exploration programs that the Company then implements to test these models are a balance between aggressiveness and dynamism, which allows for cost effective exploration yet retains the ability to adapt the exploration programs as the Company's understanding of the target evolves.

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

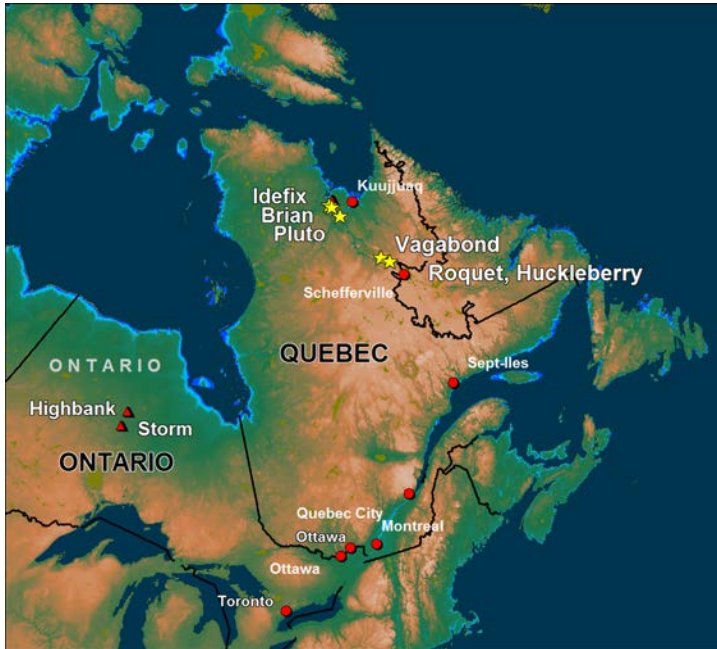
Over the past several years the Company has lost confidence in the provincial government to facilitate the development of projects in far northern Ontario (Ring of Fire) and due to such reduced prospects and to increase the Company's liquidity, in June of 2014 the Company sold its remaining interest in the Wabassi and Max properties to Great Lakes Resources LLC ("Great Lakes"), a private US based company, for \$1.4 million cash and royalties. Under the terms of the sale agreement, the Company transferred its 49% interest in the Wabassi property and its 59% interest in the neighboring Max property to Great Lakes for a cash payment of \$1.4 million. The Company will maintain a 0.5% net smelter return ("NSR") royalty on the Wabassi property and a 0.6% NSR royalty on the Max property. Half of each NSR royalty are subject to a buy-back.

Due to uncertainty in the stock markets and general negative sentiment towards the junior mining industry as a whole the Company elected to limit cash expenditures over the year and undertook relatively low budget exploration and reconnaissance. This led to the discovery of a Cu-Ni-(PGE) target in the southern Labrador Trough that the Company has since staked (Huckleberry) that will be followed up with a more intensive program in 2015. The Company also signed an Option agreement with two prospectors near Baie Comeau, Quebec to acquire a 100% interest in the K67 Property. Under the terms of the agreement, Northern Shield can earn a 100% interest in the claims by paying \$6,000 and issuing 200,000 shares on signing the agreement, paying a further \$20,000 and 200,000 shares on the first anniversary of the agreement and a further \$25,000 and 200,000 shares on the second anniversary of the agreement.

Importantly, on-going interpretation of Idefix, aided by additional rock samples collected in the third quarter, indicates a model for a Noril'sk-type Ni-Cu-PGE deposit that would underlie the PGE reef identified in drilling in 2014. The confidence level of this interpretation is high and is based on geochemical, mineralogical and geological data. The new interpretation has attracted the attention of several producing mining companies that are currently conducting due diligence on the project. Discussions are now on-going between the Company and these third parties as potential partners at Idefix.

During the year, Mr. Jeffery Boyce resigned from the Company's Board of Directors to focus his attention on other business matters.

3. MINERAL PROPERTIES



The Company conducts the majority of its exploration in northern Ontario and Quebec.

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/UNITS/AREA</u>
IDEFIX	PGEs, Ni-Cu	100%	NA/922/425 sqkm
STORM	Cu-Zn-Ag	100%	105/1,657/265 sqkm
K67	Ni-Cu-(Co)	0%	5/-/4 sqkm
HUCKLEBERRY	Cu-(Ni-PGE)	100%	35/-/ 28 sqkm
IKERTOQ, GREENLAND	Ni-Cu-Co	0%	NA/NA/124 sqkm

OTHER PROPERTIES

HIGHBANK; BRIAN; PLUTO; VAGABOND; ROQUET; HUCKLEBERRY

RECENTLY-DIVESTED PROPERTIES

<u>PROPERTY</u>	<u>COMMODITIES</u>	<u>INTEREST</u>	<u>NUMBER OF CLAIMS/UNITS/AREA</u>
WABASSI	Cu-Zn-Ag, PGEs, Ni-Cu	NSR	171/2,484/394 sqkm
MAX	PGEs, Ni-Cu	NSR	30/443/71 sqkm

3.1 PRINCIPAL PROPERTIES

3.1.1 IDEFIX –PGES

The Idefix property originally consisted of 7 units though the Company has since expanded the property to 30 units. The property covers known PGE occurrences first identified in 2001 by a third party. The mineralization is associated with disseminated sulphides hosted by a differentiated gabbro 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. Northern Shield is in discussions with various interested parties regarding an option on the Idefix property.

Q4'14 Update

No exploration was undertaken at Idefix during the fourth quarter however significant advancements were made in the understanding of the geology and geochemistry. 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 escarpment with grades up to 16 g/t Pt+Pd at a ratio of 1:3. Drilling and surface sampling in 2013 proved the existence of true reef type mineralization averaging 0.2-0.4 g/t PGE over 16-34 meters widths that can be traced continuously for 3.5 km and intermittently for a further 3.5 km.

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 400 meters east of the Idefix Ridge. This is supported by a north-south magnetic anomaly that underlies this area

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.

Under the terms of the Idefix option agreement signed with Impala on May 2, 2012, exploration was conducted at Idefix and within the Area of Mutual Interest (AMI) over three phases during the 2012 field season. In total, 914 samples were collected and assayed with a further approximately 50 sites visited and documented. The results continue to show the Idefix Property as a target with potential to host a viable PGE deposit based on the presence of some high-grade PGE values and the continuous nature of the PGE mineralization. Grab and channel sampling along the grid at Idefix during 2012 has defined a zone of continuous PGE mineralization that can be traced for 1.3 kilometres. Two-thirds of the 332 samples collected at Idefix assayed greater than 0.1 g/t Pt+Pd and 27 of those assayed greater than 1 g/t. Importantly, many of the higher grade PGE assays from Idefix, were sawn channel samples taken over widths of 1 meter. These include assays of 15.6, 10.5, 7.6, and 6.4 g/t Pt+Pd, all over one-meter width. All the mineralization is hosted within the Idefix Gabbro, which structurally underlies melagabbronite, melanorite and pyroxenites of a differentiated unit.

Further grab sampling 1.8 kilometers further north of the grid has also identified high grade PGE mineralization (9.1 g/t Pt+Pd). A one-kilometer stretch of Idefix Gabbro has also been sampled at 100-200 meter intervals south of the grid with results showing that the gabbro here is also continuously mineralized with grades between 0.1 and 2.3 g/t Pt+Pd. Thus the Idefix mineralization could have a total strike length of over 4 kilometers. It appears that the higher grade mineralization (over 3 g/t Pt+Pd) within this zone forms at specific magmatic horizon based on various geochemical signatures. However, at this point, it is unclear if these high grade zones represent a narrow continuous reef or a series of lenses with dimensions on the order of 100 x 1-5 meters along the same horizon.

Numerous other claims were staked throughout the summer field program based on visual identification of prospective geology and helicopter activity nearby presumed to be competing mining companies. However, the sulphide at Snowball and labradorite at Milou and small showings at Odie and Scooby returned disappointing PGE results despite the presence of significant and continuous sulphide mineralization in rock-types otherwise appearing attractive for PGE potential.

The Brian Property, which was staked during the field program, contains several areas of disseminated chalcopyrite-pyrrhotite mineralization often associated with patches or pegmatoidal gabbro. Although the mineralization appears to be continuous over a 600-meter strike length that was heavily sampled throughout the Brian Property, the grades were lower than expected, typically in the 0.25-0.5 g/t Pt+Pd. Of interest, are the high Pt/Pd ratios and the geochemical signature that suggests it may be related to the mineralized Idefix Gabbro. This is supported by a few rock samples on the eastern edge of the Idefix Property that display the "Brian Gabbro" signature. Hence, if the stratigraphy is consistent between Idefix and the Brian Property, then mineralized Idefix Gabbro might underlie the Brian Gabbro at Brian.

As part of the 2013 field program, fourteen drill-holes totaling 1,501 meters were completed along with surface sampling (129 sawn channel samples and 90 grab samples). A total of 951 samples of drill-core from the program were submitted for analysis.

Significant new PGE mineralization was discovered immediately south of the Idefix Ridge at La Colline. At this location, 41 of 92 surface samples collected over an outcrop measuring approximately 220 meters by 50 meters 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 31.35 meters within which there is a higher grade zone averaging 1.9 g/t Pt+Pd+Au, 0.38% Cu and 0.13% Ni over 15.85 meters (see Tables 1 and 2). True widths are unknown at this time. Three drill-holes were completed at La Colline but these are all located east of a fault that appears to separate the western mineralized block from the un-mineralized eastern block.

Also of significance are several grab sample collected 900 meters 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.

All ten of the drill-holes completed along the Idefix Ridge intersected the Upper Zone, which ranges from 16.5 to 33.7 meters thick with grades between 0.22 and 0.39 g/t Pt+Pd+Au (see Table 3). A one-meter thick reef at, or near the stratigraphic base of the Upper Zone, is also seen in all drill-holes and typically averages 0.8 g/t Pt+Pd+Au. Two of the three drill holes that were completed at La Colline intersected mineralization similar and perhaps analogous to the Upper Zone ranging between 19 and 31 meters in width and 0.14 and 0.21 g/t Pt+Pd+Au.

Fourteen other grab and channel samples from the Idefix Ridge returned assays between 1 and 16 g/t Pt+Pd+Au and 0.14 and 1.6% Cu. (see Table 4). A boulder grading 0.7% Ni, 0.4% Cu and 0.33 g/t Pt+Pd+Au was also discovered within the Idefix Property.

Table 1: La Colline Continuous Channel Sample

Sample	Sample type	Interval (m)	Ni (%)	Cu (%)	Pd (g/t)	Pt (g/t)	Au (g/t)	Pd+Pt+Au (g/t)
		31.35	0.10	0.28	1.01	0.33	0.06	1.41
<i>including</i>		15.8	0.13	0.38	1.41	0.45	0.09	1.94
	<i>composed of the following intervals</i>							
421062	channel	1.5	0.07	0.17	0.45	0.16	0.03	0.64
421063	channel	1.7	0.11	0.29	0.89	0.29	0.07	1.25
421064	channel	0.7	0.08	0.17	0.46	0.17	0.04	0.67
421065	channel	0.9	0.12	0.34	1.20	0.38	0.09	1.67
421066	channel	1.2	0.07	0.16	0.46	0.19	0.04	0.68
421067	channel	1.0	0.07	0.16	0.74	0.30	0.05	1.09
421068	channel	1.0	0.02	0.07	0.34	0.08	0.02	0.43
421069	channel	0.45	0.01	0.00	0.00	0.00	0.00	0.01
421070	channel	1.0	0.05	0.14	0.21	0.07	0.02	0.30
421071	channel	1.0	0.05	0.17	0.52	0.18	0.05	0.74
421072	channel	0.6	0.09	0.26	0.85	0.28	0.07	1.20
421073	channel	1.0	0.08	0.17	0.70	0.23	0.04	0.97
421074	channel	1.0	0.08	0.25	1.08	0.32	0.07	1.47
421075	channel	0.7	0.13	0.35	1.24	0.48	0.10	1.82
421076	channel	1.0	0.11	0.26	1.46	0.47	0.08	2.01
421077	channel	0.3	0.16	0.51	2.72	0.80	0.16	3.68
421078	channel	1.1	0.17	0.46	1.77	0.54	0.10	2.41
421079	channel	0.8	0.13	0.33	1.18	0.41	0.07	1.66
421080	channel	1.0	0.21	0.68	1.94	0.64	0.13	2.71
421081	channel	1.0	0.19	0.57	2.08	0.62	0.11	2.80
421082	channel	1.0	0.11	0.27	0.97	0.31	0.05	1.33
421083	channel	0.7	0.17	0.52	1.63	0.48	0.11	2.22
421084	channel	0.9	0.14	0.41	1.33	0.42	0.08	1.83
421085	channel	0.8	0.14	0.44	1.46	0.50	0.12	2.08
421086	channel	0.9	0.14	0.45	1.54	0.50	0.11	2.14
421087	channel	0.8	0.09	0.23	0.92	0.29	0.05	1.25
421088	channel	1.0	0.10	0.22	1.44	0.45	0.07	1.96
421089	channel	0.7	0.14	0.40	1.19	0.46	0.08	1.73
421090	channel	1.0	0.11	0.29	1.00	0.34	0.09	1.43
421091	channel	1.1	0.10	0.31	1.09	0.34	0.06	1.49
421092	channel	0.6	0.07	0.15	0.65	0.28	0.03	0.96
421093	channel	0.9	0.05	0.11	0.48	0.16	0.02	0.66
421094	channel	1.1	0.07	0.19	0.66	0.23	0.05	0.94
421095	channel	0.9	0.08	0.24	0.81	0.29	0.05	1.15

Table 2: Other Significant Samples from La Colline

Sample	Sample type	Length (m)	Ni (%)	Cu (%)	Pd (g/t)	Pt (g/t)	Au (g/t)	Pd+Pt+Au (g/t)
421041	grab	n/a	0.10	0.31	0.83	0.26	0.03	1.1
421043	grab	n/a	0.09	0.43	2.09	0.58	0.09	2.8
421046	grab	n/a	0.07	0.62	1.71	0.46	0.09	2.3
421048	grab	n/a	0.04	0.12	1.88	0.57	0.09	2.5
421051	grab	n/a	0.06	0.31	1.45	0.29	0.08	1.8
421052	grab	n/a	0.04	0.16	0.77	0.26	0.03	1.1
421053	grab	n/a	0.07	0.25	0.94	0.48	0.04	1.5
421054	grab	n/a	0.07	0.28	1.03	0.37	0.04	1.4
421099	grab	n/a	0.03	0.21	1.18	0.32	0.07	1.6
421100	grab	n/a	0.12	0.41	1.53	0.49	0.07	2.1
421104	grab	n/a	0.04	0.12	1.11	0.32	0.03	1.5
421105	grab	n/a	0.05	0.18	0.92	0.34	0.04	1.3
421108	channel	1.0	0.05	0.30	1.30	0.38	0.06	1.7
421109	channel	1.0	0.15	0.50	1.34	0.54	0.06	1.9
421111	channel	1.0	0.13	0.52	1.32	0.52	0.09	1.9
421112	channel	1.0	0.11	0.40	0.99	0.38	0.05	1.4
LT13-2012A	grab	n/a	0.25	0.73	2.05	0.46	0.22	2.7
LT13-7040A	grab	n/a	0.11	0.31	2.21	0.67	0.09	3.0
LT13-7041A	grab	n/a	0.03	0.38	1.30	0.41	0.16	1.9

Table 3: PGE Intersections from Drill-holes

Drill Hole	From (m)	To (m)	Interval (m)	Pd (g/t)	Pt (g/t)	Au (g/t)	Pd+Pt+Au (g/t)
13ID-01	27	47	20.0	0.29	0.09	0.02	0.40
<i>including</i>	28	29	1.0	0.44	0.18	0.03	0.65
13ID-02	34	58	24.0	0.19	0.06	0.01	0.26
<i>including</i>	34	35	1.0	0.64	0.22	0.04	0.90
13ID-03	28	48	20.0	0.22	0.08	0.01	0.31
13ID-04	24	41	17.0	0.21	0.07	0.03	0.31
<i>including</i>	34	35	1.0	0.63	0.20	0.34	1.18
13ID-05	35	52	17.0	0.26	0.08	0.02	0.35
<i>including</i>	35	36	1.0	0.48	0.16	0.02	0.67
13ID-06	29	46	17.0	0.25	0.08	0.02	0.36
<i>including</i>	30	33	3.0	0.49	0.16	0.03	0.68
13ID-07	21.3	25	3.7	0.31	0.10	0.01	0.42
<i>including</i>	24	25	1.0	0.57	0.18	0.02	0.77
13ID-08	29	70	31.0	0.1	0.03	0.1	0.14
13ID-09	69.5	71	1.5	1.11	0.34	0.06	1.50
13ID-09	78	97	19.0	0.15	0.05	0.01	0.21
13ID-10							
13ID-11	28.5	43	14.5	0.18	0.06	0.01	0.25
13ID-12	47	49	2.0	0.35	0.12	0.01	0.48
13ID-13	111	145	34.0	0.24	0.08	0.01	0.34
13ID-14	11.2	12.2	1.0	0.46	0.14	0.01	0.61

Table 4: Significant Assays from Idefix Ridge

Sample	Sample type	Length (m)	Ni (%)	Cu (%)	Pd (g/t)	Pt (g/t)	Au (g/t)	Pd+Pt+Au (g/t)
LT13-3029A	grab	n/a	0.42	1.31	10.60	5.52	0.35	16.5
LT13-5025A	grab	n/a	0.18	1.66	10.45	3.52	0.45	14.4
LT13-3030A	grab	n/a	0.13	0.57	4.03	0.87	0.21	5.1
421019	channel	1.0	0.11	0.38	2.91	0.72	0.08	3.7
421008	channel	1.0	0.09	0.25	2.61	0.99	0.49	4.1
LT13-8114A	grab	n/a	0.03	0.41	1.85	1.70	0.44	4.0
421026	channel	1.0	0.07	0.24	1.53	0.45	0.08	2.1
421089	channel	1.0	0.14	0.40	1.19	0.46	0.08	1.7
LT13-3071A	grab	n/a	0.03	0.08	0.77	0.79	0.01	1.6
421047	grab	n/a	0.11	0.19	1.19	0.37	0.06	1.6
LT13-2011A	grab	n/a	0.05	0.21	1.08	0.41	0.07	1.6
421025	channel	1.0	0.03	0.23	1.17	0.22	0.03	1.4
421023	channel	1.0	0.07	0.32	1.00	0.28	0.08	1.4
LT13-8111A	grab	n/a	0.05	0.13	0.96	0.25	0.04	1.3
421020	channel	1.0	0.05	0.15	0.81	0.22	0.03	1.1

3.1.2 STORM CLAIM GROUP – COPPER-ZINC-SILVER

The Storm Claim Group was staked after the discovery of significant copper-zinc-silver VMS mineralization at Wabassi in 2011. The claim group, adjacent to the Wabassi property, consists of 6 claim blocks (Tempest, Typhoon, Blizzard, Squall, Monsoon and Gale) composed of 102 claims (1632 units).

Title

The Company holds 100% ownership of all of the Storm properties.

On November 15, 2012 the Company entered into a royalty option agreement with Callinan Royalties Corporation ("Callinan") whereby Callinan paid the Company \$300,000 to acquire a royalty option on one of the six Storm properties of its choosing. The royalty option allows Callinan to acquire a 1% Net Smelter Returns royalty by paying the Company \$2 million at any time up to the later of five years or the mine development stage. The Company will also grant to Callinan a Right of First Refusal on the sale of any other royalties on the Storm property group owned by the Company.

The Company granted Great Lakes a First Right of Refusal on the Storm Property pursuant to the Wabassi purchase and sale agreement in June 2014.

Q4'14 Update

No fieldwork was undertaken within the Storm Claim Group during the period.

Historical Exploration

In 2011, a 7,200 line-kilometer airborne VTEM survey was completed over the newly acquired claims at Wabassi and the Storm Claim Group. The survey identified the presence of 20 electromagnetic conductors on the Tempest property along with several other conductors occurring on the neighboring Typhoon property.

In October, 2011 the Company conducted the first drilling at Tempest which resulted in the discovery of VMS-type mineralization at Tempest including the intersection of 19 g/t Ag over 104.2 meters in drill-hole 11TP-02. The silver mineralization is associated with stringer, semi-massive and massive sulphides dominated by pyrite and pyrrhotite and hosted by intensely altered volcanic rocks commonly observed on the flanks of or capping copper-zinc VMS deposits. The top portion of the target appears to have undergone supergene enrichment, a beneficial weathering process not often observed in Canada.

During the early summer of 2012 the Company completed a six drill-hole, 2,100-meter drill program at Tempest. The program was designed to follow-up from 2011 drill results at the tempest 1 Target and test several regional targets within the property.

Drill-holes 11TP-01 extension, 12TP-04 and 07 were completed on the Tempest 1A anomaly; 12-TP-08 was completed on the 1B anomaly immediately adjacent to 1A and 12TP-05 and 06 tested two other VTEM anomalies within the property.

Drill-hole 11TP-01 was extended a further 120 meters in the drill program to test a down-hole geophysical target that was identified beyond the end of hole as completed last year. The drill-hole intersected 1 meter of 3% Zn and 16.7 meters of 29.6 g/t Ag including 66.5 g/t Ag over 5.74 meters and 157 g/t Ag over 2 meters. This intersection is located approximately 260 meters down-dip from where 11TP-02 intersected 104 meters of 19 g/t Ag last year and the continuity of this zone will be further tested in future drilling.

Drill-hole 12TP-07 intersected a first zone of 4.4 g/t Au and 36.2 g/t Ag between 127.1 and 131.1 meters including 12.4 g/t Au and 69.4 g/t Ag over one meter, and a second zone of 3.8 g/t Au over 1.6 meters between 143.25 and 144.83 meters. The gold mineralization is hosted in a silicified zone with minor quartz veining and associated with trace (less than 0.5%) sulphides. Such small amounts of sulphides not only make the mineralized zone very subtle but suggest the gold and silver may be in native form. Sampling has been undertaken on similar intervals from other holes at Tempest that may have been overlooked during the initial logging due to their inconspicuous nature. Drill results from last year suggest that gold is higher in the zone of supergene enrichment that caps the Tempest 1 target compared to the same rocks below it. Future drilling will test this new gold zone where it projects into the supergene cap.

Drill-hole 12TP-08 intersected short intervals of significant silver mineralization and contained elevated zinc hosted in a thick sequence of rhyolite. The geology, geochemistry and alteration are indicative of close proximity to VMS-type mineralization. Down-hole geophysics will be conducted on this hole when exploration continues after break-up to vector in on the target during follow-up drilling.

While no significant assays are reported for drill-holes 12TP-05 and 06, both holes intersected sulphides. Drill-hole 12TP-06 intersected sulphides, alteration and rock-types typical of gold and VMS bearing greenstone regions. A review of the assay data was made by Dr. Jim Franklin who concluded that the chemistry of drill-hole 12TP-06 was highly indicative of a Matagami-type VMS occurrence and encouraged further evaluation of this target. Down-hole geophysics shows an off-hole conductor at the same level of the intrusive rocks. Further drilling is currently being planned for the fall to continue to test Tempest 1 and other targets within the property

Approximately 40 grains of visible gold, hosted in a laminated quartz vein, were observed in the drill core from a short interval near the top of drill-hole 12TP-12 and assayed 134.5 g/t Au (4.3 ounces/tonne) from 65.45 m to 65.78 m and 58 g/t Au (1.9 ounces/tonne) from 65.78 m to 65.93 m. The same drill-hole also intersected 50.43 meters of 32.6 g/t Ag from 231.85 to 282.28 followed by a second 7.2 meter zone from 294.05 to 301.25 assaying 29.7 g/t Ag. The first zone included a 1.1 meter interval assaying 537 g/t Ag (17.3 ounces/tonne) and 0.82 g/t Au.

3.1.3 K67 NICKEL-COPPER-(COBALT)

On December 22, 2014 Northern Shield signed an Option Agreement with two prospectors regarding the K67 Property 60 kilometers north of Baie Comeau, Quebec. Under the terms of the agreement, Northern Shield can earn a 100% interest in the claims by paying \$6,000 and issuing 200,000 shares on signing the agreement, paying a further \$20,000 and issuing 200,000 shares on the first anniversary of the agreement and paying a further \$25,000 and issuing 200,000 shares on the second anniversary.

Title

The Company currently holds no interest in the K67 property but has the option of earning a 100% interest.

The Ni-Cu showing was discovered when a newly constructed forestry road revealed the mineralization. Only a few samples have been collected from the showing which measures approximately 50 x 300 meters. To date the most significant assays include 0.67% Cu and 0.12% Ni, 0.27% Cu and 0.3% Ni and 0.1% Cu and 0.32% Ni.

Q4'14 Update

No fieldwork was undertaken within the K67 property during the period.

3.1.4 HUCKLEBERRY COPPER-NICKEL-PGE

In July 2014 Northern Shield acquired 37 claims, through staking, covering mineralization hosted within a glomeroporphyritic gabbro at the southern end of the Labrador Trough about 100 km north of Schefferville. The mineralization includes disseminated chalcopyrite and pyrrhotite contained within the mafic portion of the gabbro. Four samples collected from the showing assayed:

Cu (%)	Ni (%)	PGE+Au
0.4	0.08	0.26
1.2	0.17	0.65
1.2	0.16	0.57
0.63	0.18	0.49

Title

The Company currently holds a 100% interest in Huckleberry.

Q4'14 Update

No fieldwork was undertaken within the Huckleberry property during the period.

3.1.5 Ikertoq, Greenland – Nickel-Copper-Cobalt

The Ikertoq property is located in west Greenland, 60 west of Kangerlussuaq International Airport and 8 kilometres from ice free tide-water and currently covers an area of 152 square kilometres though an application has been made to expand the property to 388 square kilometres.

Title

The property is currently owned by Greenland Gold Resources Inc. Northern Shield has the option to earn a 50% interest in the Ikertoq property by incurring €1,000,000 (\$CDN 1,350,000) by February 25th 2014 and a further €1,750,000 (\$CDN 2,400,000) of exploration expenditures on the project by February 25, 2016. The first year's exploration must include a minimum of 1,250 meters of diamond drilling. On completion of the earn-in, Northern Shield and Greenland Gold will explore the project under a 50/50 joint venture. Northern Shield will be the Operator of the Project.

Q4'14 Update

No fieldwork was undertaken on Ikertoq during the period.

Historical Exploration

The nickel mineralization at Ikertoq was discovered by two Danish geologists in 2009 after following up on a reference to nickel at the location in a report from 1966 that had otherwise been lost in the archives. Sampling in 2009 and 2010 identified nickel at surface with grades up to 5% nickel, 2% copper and 0.3% cobalt. The average of 14 mineralized samples were 2.5% Ni, 0.3% Cu and 0.1% Co.

In 2012, Greenland Gold completed an airborne VTEM survey over the showing and surrounding area. The results show a strong and significant conductive body underlying the nickel showing at

100-meter depth. This strongly suggests that the disseminated nickel mineralization continues and expands at depth and likely transitions from disseminated to semi-massive or massive sulphides. Eleven other VTEM targets (designated A to L) exist within the property. The strong EM responses to these targets generally coincide with areas of increased magnetism.

In the quarter ending September 30th 2013 the Company completed nine drill-holes totaling 2124 meters along with surface sampling (73 grab samples) and regional mapping and reconnaissance. A total of 355 samples of drill-core from the program have been sent for analysis. Six of the holes were drilled on the eastern portion of Target A, two into the central portion and one at Target B to the south of Target A. (see website)

Lower than expected concentrations of nickel and copper sulphide were intersected and nothing was seen in the core to explain the conductors identified from the previously completed VTEM survey. No significant copper or nickel assays are reported.

A bore-hole electromagnetic survey (BHEM) and surface pulse electromagnetic (PEM) survey were undertaken near the end of the drill program to better explain the VTEM anomalies, which were the target of the drill program. The results suggest that the anomalies in Target A are likely caused by narrow, highly conductive sub-horizontal ribbons or tubes (conductivity-thickness measurements are up to 10,000 Siemens). To date, no minerals have been intersected in drill core that are conductive. However, a rock sample collected on surface in between drill-holes 13IQ-02 and 06 that assayed 3.2% nickel and 11% chrome (results based on portable XRF analysis) is highly conductive. This could represent the source of the EM anomalies.

Northern Shield successfully met the first year requirement of the option agreement with Greenland Gold. No further commitments are required until February 25th, 2016. During the upcoming months, the Company will re-evaluate the project and determine any further exploration if warranted.

3.1 DIVESTED PROPERTIES

3.1.3 WABASSI – ZINC-COPPER-SILVER, PLATINUM GROUP ELEMENTS, NICKEL-COPPER-(PGES)

Pursuant to a purchase and sale agreement with Great Lakes, the Company divested itself of its Wabassi property. The Company retained a 0.5% NSR on the property, half of which is subject to a buy-back.

The two previous agreements – between the Company and Discovery Harbour Resources Corp. and Great Lakes – were superseded and extinguished by the transaction.

3.1.6 MAX –NICKEL-COPPER-(PGES), PLATINUM GROUP ELEMENTS

Pursuant to a purchase and sale agreement with Great Lakes, the Company divested itself of its Max property. The Company retained a 0.6% NSR on the property, half of which is subject to a buy-back.

A previous agreement between the Company and Rainy Mountain was superseded and extinguished by the transaction.

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, as a result, 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 \$4,495,426 for the year ended December 31, 2014 (2013 - \$4,295,632).

4.1.1 MINERAL PROPERTY ACTIVITIES

	Highbank Lake	Wabassi	Max	Storm	Idefix	Ikertoq	Lac D'Argent	Other Properties	Total
January 1, 2013 Balance	\$ 1,296,580	\$ 1,460,491	\$ 2,234,823	\$ 3,394,995	\$ 13,565	\$ -	\$ 140,405	\$ 93,604	\$ 8,634,463
Expenditures									
Acquisition:	\$ -	\$ 10,333	\$ -	\$ 5,187	\$ 5,301	\$ 7,434	\$ -	\$ 42,706	\$ 70,961
Exploration:									
Sample Analysis	\$ -	\$ 75,356	\$ -	\$ 8,245	\$ 64,342	\$ 140,543	\$ -	\$ 7,142	\$ 295,628
Airborne Geophysics	\$ -	\$ -	\$ -	\$ 55,002	\$ -	\$ 9,615	\$ -	\$ -	\$ 64,617
Ground Geophysics	\$ -	\$ 266,793	\$ -	\$ -	\$ -	\$ 84,326	\$ -	\$ -	\$ 351,119
Geology Remuneration	\$ 4,693	\$ 177,085	\$ -	\$ 31,160	\$ 137,209	\$ 56,682	\$ -	\$ 39,530	\$ 446,359
Drilling/Sampling	\$ -	\$ 835,156	\$ -	\$ -	\$ 147,438	\$ 279,823	\$ -	\$ -	\$ 1,262,418
Mob/Demob	\$ 3,400	\$ 1,355,640	\$ 300	\$ (1,341)	\$ 529,894	\$ 1,209,363	\$ -	\$ 126,201	\$ 3,223,457
Travel/Accom	\$ -	\$ 27,377	\$ -	\$ 3,162	\$ 66,694	\$ 47,520	\$ -	\$ 1,802	\$ 146,555
Total Exploration	\$ 8,093	\$ 2,737,407	\$ 300	\$ 96,228	\$ 945,578	\$ 1,827,872	\$ -	\$ 174,675	\$ 5,790,153
Total Property Expenditures	\$ 8,093	\$ 2,747,740	\$ 300	\$ 101,415	\$ 950,879	\$ 1,835,306	\$ -	\$ 217,381	\$ 5,861,114
External Funding	\$ -	\$ (2,511,338)	\$ -	\$ -	\$ (950,879)	\$ -	\$ -	\$ -	\$ (3,462,217)
Expensed Exploration & Property Write-Down	\$ (804,673)	\$ -	\$ (1,985,123)	\$ -	\$ -	\$ -	\$ (140,405)	\$ (166,315)	\$ (3,096,516)
December 31, 2013 Balance	\$ 500,000	\$ 1,696,893	\$ 250,000	\$ 3,496,410	\$ 13,565	\$ 1,835,306	\$ -	\$ 144,670	\$ 7,936,844
Expenditures									
Acquisition:	\$ -	\$ 765	\$ -	\$ 765	\$ 12,510	\$ -	\$ -	\$ 52,030	\$ 66,070
Exploration:									
Sample Analysis	\$ -	\$ 3,978	\$ -	\$ (747)	\$ -	\$ 477	\$ -	\$ 21,962	\$ 25,670
Airborne Geophysics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ground Geophysics	\$ -	\$ 7,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,752
Geology Remuneration	\$ -	\$ 40,314	\$ 846	\$ 4,619	\$ 29,865	\$ 8,971	\$ -	\$ 66,960	\$ 151,575
Drilling/Sampling	\$ -	\$ 37,388	\$ -	\$ -	\$ -	\$ 40,500	\$ -	\$ 9,897	\$ 87,785
Mob/Demob	\$ -	\$ 58,487	\$ -	\$ 12,090	\$ (4,380)	\$ 119,941	\$ -	\$ 181,705	\$ 367,843
Travel/Accom	\$ -	\$ 527	\$ -	\$ 1,466	\$ -	\$ -	\$ -	\$ 60,004	\$ 61,997
Total Exploration	\$ -	\$ 148,446	\$ 846	\$ 17,428	\$ 25,485	\$ 169,889	\$ -	\$ 340,528	\$ 702,622
Total Property Expenditures	\$ -	\$ 149,211	\$ 846	\$ 18,193	\$ 37,995	\$ 169,889	\$ -	\$ 392,558	\$ 768,692
External Funding	\$ -	\$ (1,368,460)	\$ (100,000)	\$ (25,000)	\$ (37,995)	\$ -	\$ -	\$ -	\$ (1,531,455)
Expensed Exploration & Property Write-Down	\$ (500,000)	\$ -	\$ (136)	\$ (872,400)	\$ -	\$ (1,755,195)	\$ -	\$ (337,259)	\$ (3,464,990)
Loss on Disposal of Property	\$ -	\$ (477,644)	\$ (150,710)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (628,354)
December 31, 2014 Balance	\$ -	\$ -	\$ -	\$ 2,617,203	\$ 13,565	\$ 250,000	\$ -	\$ 199,969	\$ 3,080,737

As at December 31, 2014, the Company's resource asset carrying value was \$3,080,737 (2013 - \$7,936,844).

Gross exploration expenditures were \$768,692 for the year ended December 31, 2014 (2013 - \$5,861,114).

The Company incurred \$337,395 worth of prospecting activity during the year ended December 31, 2014 (2013 - \$166,315).

Property write-downs of \$3,127,595 were recorded during the year ended December 31, 2014 (2013 - \$2,930,201).

Pursuant to a now-extinguished agreement with Discovery, the Company received \$64,024 during the year ended December 31, 2014 (2013 - \$1,409,232). At December 31, 2014, \$37,525 of unreimbursed expense was due from Discovery and recorded as unbilled receivables (December 31, 2013 - \$17,916).

Pursuant to a now-extinguished agreement with Great Lakes, the Company received \$78,278 during the year ended December 31, 2014 (2013 - n/a). At December 31, 2014 \$51,854 of unreimbursed expense was due from Great Lakes and recorded as unbilled receivables (December 31, 2013 - \$10,156).

Pursuant to a now-extinguished agreement with Impala, the Company received \$950,879 of external funding for work performed during the year ended December 31, 2013. No reimbursements were received in 2014.

4.1.2 ADMINISTRATIVE ACTIVITIES

Gross general and administrative expenses of \$1,092,928 were incurred during the year ended December 31, 2014 (2013 - \$1,534,743).

A G&A recovery of \$38,230 was generated during the year ended December 31, 2014 (2013 - \$335,615). These recoveries are predominantly pursuant to the now expired property exploration agreements with Discovery, Great Lakes and Impala.

The details of the year-on-year comparative amounts for the years ended December 31, 2014 and 2013 are summarized in the following table:

	2014	2013	Change	as %
Remuneration and consulting fees	506,252	561,466	(55,214)	-10%
Share-based compensation	9,500	114,500	(105,000)	-92%
Office expenses	270,621	290,674	(20,053)	-7%
Travel expenses	79,666	130,653	(50,987)	-39%
Marketing expenses	66,841	186,758	(119,917)	-64%
Professional fees	101,566	189,126	(87,560)	-46%
Public company expenses	31,145	34,565	(3,420)	-10%
Insurance expenses	27,337	27,001	336	1%
	1,092,928	1,534,743	(441,815)	-40%
General and administrative recovery	(38,230)	(335,615)	297,385	-89%
	1,054,698	1,199,128	(144,430)	-14%

- Employee salaries were lower due to two parental leaves taken by employees.
- Share-Based Compensation was lower because no grants were made in 2013 or 2014.
- Office expenditures were modestly lower due to general decreased activity.
- Administrative travel costs decreased as marketing activities were reduced.
- Marketing costs dropped because no investor relations firm was engaged in 2014.
- Professional fees were lower due to decreased transactional activities.
- Public Company expenses were lower because of decreased market activity.
- Annual insurance rates were comparable year to year.
- G&A recoveries were lower due to the termination of mineral property agreements.

4.2 SUMMARY OF QUARTERLY RESULTS

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

	2014			
	Mar 31	Jun 30	Sep 30	Dec 31
Total Revenues	-	-	-	-
G & A Expense	\$246,353	\$300,789	\$198,118	\$309,438
Expensed Exploration*	\$17,820	\$117,450	\$201,473	\$3,128,247
(Loss)/Income for the period	(\$264,173)	(\$1,182,340)	(\$399,591)	(\$2,649,322)
Basic and diluted loss per share	(\$0.00)	(\$0.01)	(\$0.01)	(\$0.01)

	2013			
	Mar 31	Jun 30	Sept 30	Dec 31
Total Revenues	-	-	-	-
G & A Expense	\$425,507	\$359,393	\$196,383	\$217,845
Expensed Exploration*	\$10,827	-	\$128,252	\$2,957,437
(Loss)/Income for the period	(\$436,334)	(\$359,393)	(\$324,635)	(\$3,175,270)
Basic and diluted loss per share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.03)

* 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. At April 21, 2015, the Company had negative working capital of approximately \$225,000.

At December 31, 2014 the Company had working capital of \$327,307 (2013 – negative working capital of \$104,720).

4.4 Capital Resources

At December 31, 2014, the Company was not involved in any active property option agreements for which it had commitments to satisfy any expenditure requirements.

4.5 Acquisitions and Dispositions of Resources Properties and Write-offs

During the year ended December 31, 2014, the Company divested itself of two properties, Wabassi and Max (see Note 3.1), which resulted in losses of \$628,354 (2013 – nil). The Company also wrote down three other properties, Highbank Lake, Storm and Ikertoq in the amount of \$3,127,595 (2013 – \$2,930,201).

During the same period, the Company acquired an option on the K67 property near Baie Comeau, Quebec.

4.6 Related Party Transactions

The following table presents the legal fees that the Company incurred with a law firm at which one of the Company's directors is a partner and the Company's corporate secretary is an associate. All transactions were made on terms equivalent to those that prevail in arm's length transactions.

	2014	2013
Fees incurred during the year	\$ 66,024	\$ 142,092
Amounts payable as at year end	\$ 8,141	-

4.7 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, in the event that 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 determining the various commitments and contingencies accrued in the consolidated statement of financial position; and
- the inputs used in accounting for warrant value associated to reserves.

4.8 Financial Instruments

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

4.9 Internal Controls Over Financial Reporting

During the year ended December 31, 2014, there have been 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.

5. RISK FACTORS

5.1 Exploration and Development

Exploration for PGEs and other ore 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 diamonds or ore. 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 a number of factors, which are beyond the control of the Company.

5.2 Financing

The Company is presently exploring its projects for economically viable 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 of 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 future 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 PGEs and Base Metals

PGE and base metal exploration and development are speculative businesses, which involve a high degree of risk. The marketability of 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 PGEs and Base Metals

The value of the Company and its common shares will depend in some degree on the prevailing prices obtainable for PGEs and base metals 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 price of PGEs and base metals cannot be accurately predicted.

5.7 Environmental Requirements

To date the Company has conducted all of its exploration activities in the provinces of Ontario and Quebec. All phases of its operations have been subject to the environmental legislation of the provinces of Ontario and Quebec 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. Since the Company will shortly commence exploration in Greenland, it will be subject to Greenland's environmental laws as well.

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 and Greenland are subject to extensive governmental. Future changes in government regulation could adversely affect mining in Canada and Greenland. 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 has not purchased 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 year ended December 31, 2014, the price of the Company's shares fluctuated between \$0.02 and \$0.06. There can be no assurance that significant price fluctuations will not continue.

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.

Northern Shield currently has a signed Letter of Understanding (LOU) with the Marten Falls First Nations (MFFN) which is the closest Native reserve to the Highbank Lake property. The Highbank Lake property is located on Crown land and has been staked and is being explored under the Mining Act of Ontario.

The Company has conferred with the Ministry of Northern Development and Mines of Ontario (MNDM) regarding its exploration at Highbank Lake given the proximity of the MFFN and has received confirmation from the MNDM that the Company has acted and continues to be acting

within the laws governing mining exploration in Ontario, including those laws which deal with Native rights and claims.

The July 2006 ruling by the Ontario Superior Court in the Platinex case (Platinex Inc. v. Kitchenuhmaykoosib Inninuwug First Nation) restraining Platinex Inc. from continuing its exploration activities on Crown lands which the Kitchenuhmaykoosib Inninuwug First Nation ("KI") claimed was their traditional territory pending consultation between the Province of Ontario and KI is evidence of, and highlights, the risks faced by mining companies exploring on Crown lands in Ontario, like the Company, where the Province of Ontario has not consulted with affected aboriginal groups in relation to such exploration as the Province is required to do. Accordingly, despite the fact that the Company has been proactive in consulting with the MFFN and requesting that the Province of Ontario do so, there is a risk that the Company could be restrained from its exploration activities at Highbank Lake or its other properties as a result of a failure to consult by the applicable provincial government.

Outstanding Share Data as of April 21, 2015

Common Shares

Issued and Outstanding	152,622,093
Options	6,730,000
Warrants	1,818,182
Fully Diluted	161,170,275

Options Outstanding

Exercise Price	Qty	Expiry Date	Potential Proceeds
\$0.175	2,055,000	29-Oct-15	359,625
\$0.25	2,450,000	5-Oct-16	612,500
\$0.25	1,850,000	26-Mar-17	462,500
\$0.20	375,000	3-Jul-17	75,000
	6,730,000		\$ 1,509,625

Warrants Outstanding

Exercise Price	Qty	Expiry Date	Potential Proceeds
\$0.11	1,818,182	9-May-15	200,000
	1,818,182		\$ 200,000

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 a number of 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 a number of 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 as a result 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
Dr. Neil Bliss
Marcus Archer

Compensation Committee

Marcus Archer (Chair)
William Kiff
Scott Jobin-Bevans

Officers

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

Audit Committee

William Kiff (Chair)
Scott Jobin-Bevans
Dr. Neil Bliss

Technical Committee

Scott Jobin-Bevans
Dr. Neil Bliss

Listing

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

Capitalization (April 21, 2015)

Shares Issued: 152,622,093
Fully Diluted: 161,170,275

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