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Northern Shield Closes Private Placement for \$2,692,000 and Forms Strategic Partnership with Crescat Capital LLP

Ottawa, Ontario (August 21, 2020 - Northern Shield Resources Inc. (“Northern Shield” or the “Company”) [TSX-V: NRN] is pleased to announce that it has closed a multi-faceted, non-brokered private placement financing of 17,938,461 units (each a “Unit”) for total proceeds of \$2,692,000 (the “Offering”).

The Offering comprises 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. Proceeds from the Offering will be used primarily for working capital purposes and to incur eligible exploration expenses at the Shot Rock and Root & Cellar properties.

Crescat Capital LLP (“Crescat”) 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 so as to maintain Crescat's pro-rata ownership of the Company.

“We are pleased to welcome Crescat as a significant shareholder of Northern Shield. Crescat is a US based, long term investor, that brings financial and technical expertise to Northern Shield as well as exposure to the US market. We feel that Crescat’s value driven equity model fits well with our model-driven approach to exploration. The partnership allows us to simultaneously tap into the geological expertise of Dr Quinton Hennigh and the financial acumen of Crescat – a rare opportunity. We look forward to working together.”

- Northern Shield President and CEO, Ian Bliss

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

About Crescat Capital LLC

Crescat is a global macro asset management firm headquartered in Denver, Colorado, which deploys tactical investment themes based on proprietary value-driven equity and macro models. Crescat's investment goals are to provide industry leading absolute and risk-adjusted returns over complete business cycles with low correlation to common benchmarks and they apply their investment process across a mix of asset classes and strategies. Crescat is taking activist stakes in the precious metals exploration industry today as one of its key macro themes.

About Northern Shield

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

Northern Shield Resources Inc.

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

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

Cautionary Statement Regarding Forward-Looking Statements

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