

HudBay to Purchase 9.9% of Northern Shield

Ottawa (January 31, 2012) - Northern Shield Resources Inc. ("Northern Shield") [TSX-V: NRN] is pleased to announce that it has entered into a subscription agreement with HudBay Minerals Inc. (TSX: HBM)(NYSE: HBM) ("HudBay") pursuant to which HudBay has agreed to purchase 11,300,000 units of Northern Shield at a price of \$0.22/unit for gross proceeds of \$2,486,000. The transaction is subject to customary closing conditions, including final approval of the TSX Venture Exchange, and certain post-closing covenants.

Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable for one common share at a price of \$0.40 per common share for a period of 24 months after the closing of the private placement. If prior to the expiry date the volume weighted average trading price of the common shares on the TSX Venture Exchange is greater than \$0.50 per common share during any period of 20 consecutive trading days, the expiry date shall be five (5) trading days following the last trading day of the twenty day period. The units will have a hold period of 4 months from the date of issuance.

Upon completion of the private placement, HudBay will own 9.9% of the issued and outstanding common shares of Northern Shield on a non-diluted basis and 14.2% of the shares assuming full exercise of the warrants. The proceeds of the private placement will be used to, among other things, fund Northern Shield's exploration at its Wabassi and Storm properties.

HudBay is a Canadian integrated mining company with assets in North and South America principally focused on the discovery, production and marketing of base and precious metals.

"The investment by HudBay in Northern Shield is a very strong endorsement of the significant results attained to date from the Wabassi and Storm properties and the prospectivity thereof," comments Northern Shield President and CEO, Ian Bliss. "Six airborne VTEM targets have been tested to date on the Wabassi and Storm properties and four of these have turned out to be VMS occurrences. That's a very high success ratio and we look forward to getting back to drilling and testing the other targets."

Concurrent with the closing of HudBay's subscription, Northern Shield expects to raise an additional \$450,000 as part of a larger non-brokered private placement.

Northern Shield is an innovative, results-driven Canadian company focused on PGE exploration in Canada and Cu-Zn-Ag VMS on its Wabassi and Storm properties. Its 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 may ultimately be optioned, sold or developed for maximum return on investment. For further information on Northern Shield and its properties, please visit our website at www.northern-shield.com or contact:

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**No stock exchange, securities commission or other regulatory authority
has approved or disapproved the information contained herein.**

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Forward-Looking Statements Advisory

This news release contains statements concerning the exploration plans, results and potential for copper-zinc-silver VMS mineralization at the Wabassi and Storm properties, geological, geophysical and/or geometrical analyses of the Wabassi and Storm properties and the completion of the transaction with Hudbay, and other expectations, plans, goals, objectives, assumptions, information or statements about future events, conditions, results of exploration or performance that may constitute forward-looking statements or information under applicable securities legislation. Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect.

Although 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, risks associated with geological, geometrical and geophysical interpretation and analysis, the ability of Northern Shield to obtain financing, equipment, supplies and qualified personnel necessary to carry on exploration, the general risks and uncertainties involved in mineral exploration and general economic and market conditions.

The forward-looking statements or information contained in this news release 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