

Northern Shield signs Option and Strategic Alliance Letter of Intent with Impala Platinum Holdings Limited

Ottawa (January 23, 2012) – Northern Shield Resources Inc. ("Northern Shield") (TSX-V: NRN) is pleased to announce that it has signed a letter of intent ("LOI") with Impala Platinum Holdings Limited of South Africa ("Impala") regarding an option on Northern Shield's 100% owned Idefix PGE property in Quebec. The LOI contemplates the parties signing "subject to South African regulatory approval) an Option and Joint Venture Agreement that would allow 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 the agreement. Impala can 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. The property expenditures to be incurred include a 10% project management fee to be paid to Northern who will be the operator of the projects. 50/50 joint ventures would be formed as interests are earned in each project

As announced in November 2011, Northern Shield collected twenty-one grab samples from a gabbro sill during the reconnaissance of the Idefix property of which nine returned assays greater than 1 g/t Pt+Pd+Au and 3 samples assayed greater than 7 g/t Pt+Pd+Au. The sample which contains the highest Pt+Pd+Au value of 8.8 g/t also returned 2.4% copper. Northern Shield's new analysis combined with previously reported data suggests a PGE-bearing zone approximately 7- 50 meters wide and with a strike length of 1,350 meters that is open at both ends.

"We are very pleased that Impala continues to recognize Northern Shield's expertise and dedication to PGE exploration in Canada and the significant results from Idefix. Northern Shield and Impala have worked together since 2005 and we look forward to advancing the Idefix project together," said Northern Shield's President and CEO, Ian Bliss.

Northern Shield is an innovative, results-driven Canadian company focused on Platinum Group Element (PGE) exploration in Ontario and Quebec and copper-zinc-silver at Wabassi and Tempest. 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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Forward-Looking Statements Advisory

This news release contains statements concerning the entering into of the Option and Joint Venture Agreement and the expected terms thereof, exploration plans, results and potential for PGE and copper mineralization at the Idefix property, geological, geophysical and/or geometrical analyses of the Idefix property and the assay results described above, 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 commercial risks associated with the entering into of the Option and Joint Venture Agreement on the terms currently being proposed and the general risks and uncertainties involved in mineral exploration.

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

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