OTTAWA, June 7, 2016 /CNW/ - Northern Shield Resources Inc. ("Northern Shield" or the "Company") [TSX-V: NRN] is very pleased to announce that it has signed a definitive Option Agreement and pre-negotiated Joint Venture Agreement with South32 Ltd. ("South32") regarding its Huckleberry Cu-Ni-PGE property in the Labrador Trough of Northern Quebec. Northern Shield currently owns 100% of the Huckleberry Property. Northern Shield discovered significant Cu-Ni-PGE mineralization at Huckleberry in 2015 with 97 samples averaging 1.0% Cu, 0.2% Ni and 0.72 g/t PGE+Au. Huckleberry is being explored as a large-scale segregated magmatic deposit.

Under the terms of the agreement South32 can earn a 50% interest in the Huckleberry property by incurring C$2,500,000 in exploration expenditures within the first two years of the agreement and by making an upfront cash payment to Northern Shield of C$200,000. On successfully earning a 50% interest, South32 can elect to increase its interest to 70% by incurring a further C$2,500,000 of exploration expenditures by the end of the third year. Northern Shield will be operator during the earn-in and be paid a management fee of 10% of the cost of all exploration programs. Northern Shield's interest will be free carried to the completion of a PEA (Preliminary Economic Assessment) study on the Huckleberry property. South32 will have a first right of refusal on Northern Shield's neighbouring Séquoi Property.

"We are extremely pleased to be partnering with South32 on our Huckleberry project, whom we believe sets the new standard for agility and dynamism amongst the globally diversified mining companies" explains Northern Shield President and CEO, Ian Bliss. "Perhaps more importantly we share the same philosophy and strategy regarding the science of, and a model driven approach to, exploration. Northern Shield has built up a significant and unparalleled knowledge of the Cu-Ni-PGE potential of the Labrador Trough and from the onset we have recognized that the geology and mineralization we see at Huckleberry stands out as being very different from the surrounding area and has positive indicators for large-scale magmatic Cu-Ni-PGE deposits. This transaction evidences that South32 shares the same optimism for Huckleberry."

South32 is a globally diversified metals and mining company based in Perth, Australia with regional hubs in Perth and Johannesburg and marketing offices in Singapore and London. It is a public company (trading on the Australian Securities Exchange (ASX), Johannesburg Stock Exchange (JSE), London Stock Exchange (LSE) and the NY American Depositary Receipts Program under the listing code of S32) which employs over 14,000 people. It has a market capitalization of nearly $US 6 billion and produced nearly US$6 billion of revenue, on an annualized basis, in the six months to 31 December 2016.

Northern Shield is also pleased to announce that its exploration crew are on the ground at Huckleberry. The exploration program as currently planned will include 2-3 weeks of outcrop sampling at Huckleberry followed by an airborne EM survey over Huckleberry and the recently acquired Séquoi property located 10 kilometers east of Huckleberry. The airborne EM survey will be used to guide diamond drilling under the option agreement planned for later on in the year.

The programs at Huckleberry and Séquoi will be overseen by Christine Vaillancourt, P. Geo., a Qualified Person under National Instrument 43-101.

Northern Shield Resources Inc. is a Canadian-based company focused on exploring for platinum group element ("PGE") and nickel-copper-PGE deposits. It is known as a leader in grass roots exploration for Ni-Cu-PGEs and the understanding of magmatic systems as it applies to exploration.

Forward-Looking Statements Advisory
This news release contains statements concerning the exploration plans, results and potential Cu-Ni-PGE and other mineralization at the Company's southern Labrador Trough properties, geological, and geometrical analyses of the southern Labrador Trough properties and comparisons of the properties to known Cu-Ni-PGE deposits, 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 and the general risks and uncertainties involved in mineral exploration and analysis.

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

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Contact
Northern Shield Resources Inc., Ian Bliss, President and CEO, Tel.: (613) 232-0459, Fax: (613) 232-0760, info@northern-shield.com