

**For Immediate Release**

**NORTHERN FINANCIAL CORPORATION  
(TSX: NFC)**

**NORTHERN FINANCIAL REPORTS THIRD QUARTER OF FISCAL 2012  
RESULTS AND ANNOUNCES APPOINTMENT OF NEW DIRECTOR**

TORONTO, ONTARIO, February 14, 2012 – Northern Financial Corporation (TSX: NFC) ("Northern" or the "Company") today reported results for its third quarter ended December 31, 2011, of its fiscal 2012 year.

For the three months ended December 31, 2011, the Company reported a loss of \$498,549, compared to net income of \$163,864 in the prior year. Included in the net loss was income of \$47,157 representing the Company's share of the net income of Jaguar Financial Corporation ("Jaguar"), compared to a loss of \$44,159 in the prior year. The net loss also included a negative, non-cash net valuation adjustment of \$285,588 on the Company's broker warrant portfolio.

Total revenue for the Company decreased from \$4,167,251 in the prior year to \$2,205,911 in the quarter ended December 31, 2011, while expenses were reduced from \$3,959,228 to \$2,751,617.

For the nine months ended December 31, 2011, the Company's net loss was \$3,128,452 compared to a loss of \$1,341,940 in the prior year. Revenue decreased to \$5,348,716 from \$8,378,467 while expenses decreased to \$8,194,031 from \$9,823,646. The Company's non-cash share of the loss of Jaguar was \$283,137, compared to earnings of \$138,205 in the prior year. The net loss also included a negative, non-cash net valuation adjustment of \$1,286,082 on the Company's broker warrant portfolio.

The Company's wholly owned subsidiary, Northern Securities Inc. ("Northern Securities") reported a loss of \$109,177 in the three months ended December 31, 2011, and a loss of \$268,878 for the nine months ended December 31, 2011, compared to net income of \$456,266 and \$385,511 in the respective periods in the prior year.

The Company's results were adversely affected by current and prospective economic and market conditions. While the third quarter experienced a modest recovery in global equity markets, ongoing economic and market volatility continued to create difficult market conditions. Issuers delayed coming to market, with TSX and TSX Venture financing volumes in the mining sector down 79% in the quarter from the prior year and down 13% from the second quarter. Retail investors remained on the sidelines with trading volumes well below the norm. The S&P/TSX Composite Index declined 15% from March 31, 2011, while the S&P/TSX Venture Composite Index declined 35% over the same period.

The Company is pleased to announce that John Reid has been appointed to the Board of Directors of the Company. Mr. Reid is the principal of Woodward and Company Ltd., a sales agency operating in the marine, recreational vehicle and industrial markets.

Northern Financial Corporation wholly owns Northern Securities Inc., a full service investment dealer that provides financial advisory services to retail and institutional clients and investment banking services to small capitalization companies.

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