



IIROC WITHDRAWS TWO OF FIVE ALLEGATIONS AGAINST NORTHERN SECURITIES AT HEARING

HEARING PANEL RULES ON REMAINING COUNTS IN ONE PAGE DECISION, BUT REFUSES TO ISSUE FINDINGS OF FACT AND REASONS FOR DECISION UNTIL AFTER PENALTY HEARING

TORONTO, ONTARIO, July 23, 2012 – Northern Financial Corporation (TSX-V: NFC) (“**Northern Financial**” or the “**Company**”) announced an update of the proceedings by IIROC in respect of its wholly owned subsidiary, Northern Securities Inc. (“**Northern Securities**”), its Chairman and Chief Executive Officer, Vice President and Chief Compliance Officer and former Senior Vice President and Chief Financial Officer (together, the “**Respondents**”).

IIROC Drops Two of Five Allegations

On May 7, 2012, the first day of the Hearing, IIROC Staff withdrew two of the five allegations set out in the Notice of Hearing dated July 29, 2011.

Interim Decisions by the Hearing Panel

During the course of the Hearing, the Hearing Panel made several interim decisions which were unfairly prejudicial to the Respondents’ ability to make full answer and defence.

IIROC Hearing Panel’s Decision on Remaining Counts

The Hearing Panel today issued its decision orally, and despite the Hearing lasting approximately four weeks, distributed a one page written decision consisting of one sentence conclusions against the Respondents, which simply repeat allegations in the Notice of Hearing.

The Hearing Panel has scheduled a penalty hearing on October 11 and 12, 2012, but the Hearing Panel has also ruled that it will not be providing the Respondents with written reasons and factual findings prior to the penalty hearing.

Appeal by the Respondents

Northern Securities, its Chief Executive Officer and Chief Compliance Officer will be appealing the decisions of the Hearing Panel.

About Northern Financial Corporation

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.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release. This press release may contain forward-looking statements with respect to the Company, its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward looking words such as “may”, “will”, “expect”, “estimate”, “anticipate”, “intends”, “believe” or “continue” or the

negative thereof or similar variations. The actual results and performance of the Company discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under “Risk Factors” in the Management’s Discussion and Analysis and Filing Statement of the Company which are available at www.sedar.com. The cautionary statements qualify all forward-looking statements attributable to the Company and persons acting on their behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the Company has no obligation to update such statements.

FOR FURTHER INFORMATION PLEASE CONTACT:

Ann Krallisch
Director of Business Development
416 644-8113