

**For Immediate Release**

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

**NORTHERN FINANCIAL ANNOUNCES CLOSING OF SECOND TRANCHE OF PRIVATE  
PLACEMENT**

Toronto, August 1, 2012 – Northern Financial Corporation (TSX-V: NFC) (“Northern” or the “Company”) today announced that the Company has closed a second tranche of its previously announced non-brokered private placement. The second tranche closing consists of 2,000,000 common shares at a price of \$0.05 per common share for gross proceeds of \$100,000. The Company anticipates closing an additional tranche of \$100,000 prior to August 15, 2012.

Combined with the first closing under the private placement on June 29, 2012, of 4,000,000 common shares for gross proceeds of \$200,000, the Company has raised aggregate gross proceeds of \$300,000 through the issuance of a total of 6,000,000 common shares.

In accordance with applicable securities legislation, the common shares issued will be subject to a hold period of four months plus one day from the date of closing, expiring December 1, 2012.

The Company intends to use the proceeds of the private placement for its general working capital and investment in Northern Securities Inc, the Company’s wholly-owned subsidiary.

**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](http://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:**

Vic Alboini  
Chairman and CEO  
(416) 644-8110