

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

**CHAIRMAN AND CEO ACQUIRES ADDITIONAL COMMON SHARES OF NORTHERN AND
NORTHERN CLOSES REMAINDER OF PRIVATE PLACEMENT IN ESCROW**

TORONTO, August 3, 2012 – Northern Financial Corporation ("Northern" or the "Company") (TSX-V:NFC) announced the acquisition of 2,000,000 common shares of Northern (TSX-V:NFC) on July 31, 2012, by Mr. Vic Alboini, Chairman and Chief Executive Officer of Northern under Northern's previously announced private placement. Northern also announces the issuance of an additional 2,000,000 common shares of Northern in escrow at a price of \$0.05 per common share, completing the previously announced non-brokered private placement.

Mr. Alboini acquired 2,000,000 common shares of Northern, representing approximately 4.9% of Northern's total issued shares. Prior to the transaction and upon the completion of the first tranche of the private placement, Mr. Alboini owned 9,340,236 common shares representing approximately 25.5% of the then issued and outstanding common shares.

Mr. Alboini owns or has control or direction over 11,340,236 common shares representing approximately 27.9% of the issued and outstanding Common Shares.

The common shares were issued to Mr. Alboini under a private placement of common shares by Northern previously announced on June 28, 2012, at a cost of \$0.05 per common share. Mr. Alboini may, directly or indirectly, depending on market and other conditions, acquire beneficial ownership of, control or direction over, additional common shares, through market transactions, private agreements or otherwise. Mr. Alboini may, depending on market and other conditions, sell any or all of the common shares.

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:

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