



NORTHERN REPORTS ON APPLICATION FOR STAY AND RISK ADJUSTED CAPITAL ISSUES, AND UPDATES SHAREHOLDERS ON PROGRESS IN REPLACING THE CARRYING BROKER FOR NORTHERN SECURITIES

TORONTO, ONTARIO, November 26, 2012 – Northern Financial Corporation (TSX-V: NFC) (“**Northern Financial**” or the “**Company**”) announced that its wholly-owned subsidiary, Northern Securities Inc. (“**NSI**”) and NSI’s Chief Executive Officer, former Chief Compliance Officer, and former Chief Financial Officer were granted an interim stay by the Ontario Securities Commission (“**Commission**”) regarding all sanctions and penalties imposed by the Hearing Panel of IIROC in its decision dated November 10, 2012. The interim stay will continue until December 18, 2012 or further order of the Commission. The stay motion was otherwise adjourned to December 17, 2012 to set a date for the hearing of the stay motion. NSI has applied for a stay until the date of the Commission’s decision on the appeal of the Hearing Panel’s decision. If an extension of the stay is not granted, the sanctions and penalties imposed by IIROC will become enforceable, and trading of the Company’s shares on the TSX Venture Exchange may become halted.

On November 20, 2012, at the request of IIROC, NSI filed a calculation of its risk adjusted capital or regulatory capital (“**RAC**”), which was positive. Although not requested by IIROC, NSI also included in its filing RAC estimates for the weeks ended November 2 and 9, which reported a deficiency of \$11,000 and \$3,000, respectively. Based on the accounting for RAC employed by NSI, NSI had believed that its RAC for each of the weeks mentioned was positive. Nonetheless, NSI currently has positive RAC, has raised additional capital and intends to raise further capital to account for reduced revenues in the continuing negative macro market that has impacted securities firms in the industry, including NSI. NSI is currently working cooperatively with IIROC to ensure that IIROC’s reporting requirements and restrictions are properly complied with.

Further to the Company’s press release dated November 14, 2012, NSI continues to seek alternative arrangements in order to replace Penson Financial Services Canada as NSI’s carrying broker. NSI has been in active discussions with a number of other carrying brokers and self-clearing firms that could provide NSI with clearing, settlement, and custodian services. The Company believes it is likely that NSI will enter into an arrangement with a self-clearing firm or a carrying broker to replace Penson by Penson’s desired date for termination of its services, which is December 31, 2012, or such later date that may be agreed upon by Penson and NSI. In the unlikely event that NSI is not able reach a suitable arrangement with another firm prior to the date agreed upon with Penson, NSI may seek an order from the courts to require Penson to provide 180 days notice of its decision to exit the clearing business in Canada or NSI would continue with its capital markets business and may be restricted in its ability to process trades for its retail and institutional clients. NSI’s position is that Penson was required to give NSI 180 days’ notice (not 90 days’ notice as given by Penson); however, NSI and Penson are currently acting cooperatively in pursuing an alternative arrangement by the earliest date possible.

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