

Northern Financial provides update on proposed financing

(TSX-V: NFC)

TORONTO, Jan. 22, 2013 /CNW/ - Northern Financial Corporation (TSXV: NFC) ("Northern" or the "Company") today provided an update on its proposed \$500,000 financing of common shares. The financing has not been successful to date and insiders are limited to participating to a maximum of 25% of the amount that is raised.

As previously announced, under a Consent Order dated December 14, 2012, Northern's wholly owned subsidiary Northern Securities Inc. ("NSI") no longer offers a sales function for retail and institutional accounts because NSI was unable to obtain a new carrying broker following the decision by its former carrying broker, Penson Financial Services Canada to discontinue its business on December 31, 2012. With the resulting transfer out of its retail business, NSI has currently 13 employees.

While the Consent Order permits NSI to carry on a "corporate finance" business, the ability of carrying on this business is seriously and substantially limited due to the sales prohibition.

Therefore NSI has applied to IIROC to permit NSI to sell securities in prospectus exempt financings including offerings to accredited investors. Historically, corporate finance and advisory revenue has been between 20% and 40% of total revenue at NSI. At the same time NSI is not in compliance with the risk adjusted capital requirement of IIROC. This non-compliance has resulted in IIROC financial staff referring the matter to enforcement staff at IIROC.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this 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.

SOURCE: Northern Financial Corporation

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For further information:

Ann Krallisch
Director, Business Development
Northern Securities Inc.
(416) 644-8113
Fax: (416) 644-0270
e-mail: akrallisch@northernsec.com

CO: Northern Financial Corporation

CNW 09:06e 22-JAN-13