

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Northern Financial Corporation (“Northern”) Suite 2020, 145 King St. West, Toronto, ON M5H 1J8

Item 2 Date of Material Change

December 24, 2012

Item 3 News Release

A press release was issued through Canada NewsWire on December 24, 2012, a copy of which is attached as **Schedule A** hereto.

Item 4 Summary of Material Change

Northern announced that its wholly owned subsidiary, Northern Securities Inc., has entered into agreements to assign client accounts to other brokerage firms and Northern can confirm that such assignment has now taken place.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

See **Schedule A** hereto.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For additional information on this material change report or related press release, please contact:

Vic Alboini
Chairman & Chief Executive Officer
Northern Financial Corporation
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Item 9 Date of Report

March 20, 2013

Schedule A



NORTHERN SECURITIES ENTERS INTO AGREEMENTS TO ASSIGN CLIENT ACCOUNTS TO TWO BROKERAGE FIRMS BY BULK TRANSFER AND ANTICIPATES REMAINING CLIENT ACCOUNTS TO BE ASSIGNED TO UP TO THREE ADDITIONAL BROKERAGE FIRMS

TORONTO, ONTARIO, December 24, 2012 – Northern Financial Corporation (TSX-V: NFC) (“**Northern Financial**” or the “**Company**”) announced that its wholly-owned subsidiary, Northern Securities Inc. (“**NSI**”) has entered into agreements to assign certain client accounts to two brokerage firms by bulk transfer. The first brokerage firm has agreed to employ the 16 investment advisors who are responsible for the client accounts that are to be transferred to the first firm. The 16 investment advisors are eight investment advisors in Calgary, four investment advisors in Vancouver, two investment advisors in Brandon and one investment advisor in each of Nanaimo, British Columbia and Toronto.

A second brokerage firm has agreed to employ the three investment advisors in Toronto who are responsible for the client accounts being transferred to the second firm.

In addition to the above client account transfers, NSI anticipates that eight investment advisors will be transferred to up to three additional brokerage firms, along with their client accounts. NSI anticipates that it will enter into agreements with the additional brokerage firms for such firms to accept the client accounts of the eight investment advisors.

All of the client account transfers are being done pursuant to a consent order, agreed upon by IIROC and NSI, issued by an IIROC Hearing Panel (“**Order**”) on December 14, 2012. The Order was issued as a result of NSI being unable to obtain an alternative carrying broker or other alternative arrangement to replace Penson Financial Services Canada Inc. (“**Penson**”), which is discontinuing its carrying broker business as of December 31, 2012.

As of the close of business on December 31, 2012, NSI will limit its activities to mergers and acquisitions, corporate finance and research, and cease any sales and advisory activity for retail or institutional accounts. However, NSI may seek approval from IIROC for any other registrable activities and is required to seek approval for any change in business.

About Northern Financial Corporation

Northern Financial Corporation wholly owns Northern Securities Inc., a dealer member of IIROC that provides investment banking services to small capitalization companies.

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.

FOR FURTHER INFORMATION PLEASE CONTACT:

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