

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1. Reporting Issuer

Northern Financial Corporation ("Northern")
Commerce Court North, Suite 1450
25 King Street West
P.O. Box 223
Toronto, ON M5H 1J8

ITEM 2. Date of Material Change

June 11, 2013.

ITEM 3. Press Releases

Press release in the form of Schedule A attached hereto was disseminated on June 11 2013, via Filing Services Canada news service.

ITEM 4. Summary of Material Change

Northern has announced that it has agreed with Jaguar Financial Corporation ("Jaguar") to pay \$107,865 in full settlement of the \$541,328 debt and accrued interest owing by Northern to Jaguar.

It is anticipated that this settlement of \$0.20 on the dollar of the principal amount will be offered to other lenders of Northern with the exception of its bank loan and one secured loan. As an alternative to a cash settlement, it is anticipated that Northern Financial will offer these other lenders the opportunity to receive payment of their loans including their accrued interest in common shares of Northern. In order to offer the option of lenders receiving common shares, shareholder approval and regulatory approval will be required to carry out a consolidation of the issued shares of Northern in order that any shares issued to eliminate debt will be done at the minimum issue price of \$0.05 per share.

The independent directors of Northern and Jaguar approved the settlement with no materially contrary views or abstentions.

Jaguar relied upon the valuation and minority approval exemptions set forth in sections 5.5(a) and 5.7(1)(a) of Multi-lateral Instrument 61-101, respectively. Northern relied upon the valuation and minority approval exemptions set forth in sections 5.5(g) and 5.7(1)(e) of Multi-lateral Instrument 61-101, respectively.

Disclosure of this transaction is being made less than 21 days prior to the expected date of the closing of the transaction due to the financial difficulties in which Northern currently faces and the fact that the parties wanted to address these issues as soon as possible.

ITEM 5. Full Description of Material Change

See Schedule A attached.

ITEM 6. Reliance on subsection 7.1(2) 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
T: 416.644.8110

valboini@northernfi.com

ITEM 9. Date of Report

This report is dated this 14th day of June, 2013.

Schedule A



Northern Financial Corporation **NFC**
6/11/2013 6:36:00 PM

Northern Financial Agrees to Debt Settlement with Jaguar Financial Corporation

Toronto, Ontario CANADA, June 11, 2013 /FSC/ - Northern Financial Corporation (NFC - TSX Venture), ("Northern Financial" or the "Company") is pleased to announce that it has agreed with Jaguar Financial Corporation ("Jaguar") to pay \$107,865 in full settlement of the \$541,328 debt and accrued interest owing by Northern Financial to Jaguar.

It is anticipated that this settlement of \$0.20 on the dollar of the principal amount will be offered to other lenders of Northern Financial with the exception of its bank loan and one secured loan. As an alternative to a cash settlement, it is anticipated that Northern Financial will offer these other lenders the opportunity to receive payment of their loans including their accrued interest in common shares of Northern Financial. In order to offer the option of lenders receiving common shares, shareholder approval and regulatory approval will be required to carry out a consolidation of the issued shares of Northern Financial in order that any shares issued to eliminate debt will be done at the minimum issue price of \$0.05 per share.

The independent directors of Northern Financial and Jaguar approved the settlement with no materially contrary views or abstentions.

Northern Financial currently owns 6,020,315 Jaguar common shares or approximately 5.5% of the issued Jaguar common shares and Vic Alboini, Chairman and Chief Executive Officer of Northern Financial and of Jaguar, owns or controls 15,267,238 Jaguar Shares, representing approximately 15.8% of the Jaguar Shares.

Jaguar relied upon the valuation and minority approval exemptions set forth in sections 5.5(a) and 5.7(1)(a) of Multi-lateral Instrument 61-101, respectively. Northern Financial relied upon the valuation and minority approval exemptions set forth in sections 5.5(g) and 5.7(1)(e) of Multi-lateral Instrument 61-101, respectively.

Disclosure of this transaction is being made less than 21 days prior to the expected date of the closing of the transaction due to the financial difficulties in which Northern Financial currently faces and the fact that the parties wanted to address these issues as soon as possible.

About Northern Financial Corporation

Northern Financial Corporation is a financial advisory firm and merchant bank, with a specialization in mergers and acquisitions, merchant banking investments, risk arbitrage merger and acquisition investments, financial restructurings, proxy solicitation and information agent services.

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:

Vic Alboini
647 352-8180

To view this press release as a PDF, please click on the following link:
<http://www.usetdas.com/pr/northernfin06112013.pdf>

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Filing Services Canada
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