

NORTHERN FINANCIAL CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "**Meeting**") of shareholders of Northern Financial Corporation (the "**Corporation**") will be held at 77 King Street West, Suite 3000 on the 27th day, September, 2013, at 4:00 p.m. Toronto time, for the following purposes:

1. to receive and to consider the consolidated financial statements of the Corporation for the year ended March 31, 2013, together with the auditors' report thereon and the annual report to the shareholders;
2. to set the number of directors at three and to elect directors of the Corporation;
3. to re-appoint auditors and to authorize the directors to fix their remuneration;
4. to consider, and if thought advisable, to pass an ordinary resolution with or without variation, as more particularly set forth in the Management Information Circular, to re-approve the Employee Share Purchase Plan;
5. to consider, and if thought advisable, to pass a special resolution with or without variation, approving, subject to regulatory approval, the consolidation of all of the common shares of the Corporation on the basis of one (1) new common share for up to every twenty (20) pre-consolidation common shares issued and outstanding as more particularly set forth in the accompanying Management Information Circular prepared for the purpose of the Meeting;
6. to consider, and if thought advisable, to pass an ordinary resolution with or without variation, approving, subject to regulatory approval, the issuance of post-consolidation common shares in satisfaction and payment of up to \$1,204,000 in debt plus accrued interest owing by the Corporation to various arm's length lenders, as more particularly set forth in the accompanying Management Information Circular prepared for the purpose of the Meeting;
7. to consider, and if thought advisable, to pass an ordinary resolution with or without variation, approving, subject to regulatory approval, the issuance of post-consolidation common shares in satisfaction and payment of up to \$469,959 in debt plus accrued interest thereon owing by the Corporation to Vic Alboini, as more particularly set forth in the accompanying Management Information Circular prepared for the purpose of the Meeting;
8. to consider, and if thought advisable, to pass a special resolution with or without variation, to change the name of the Corporation to Added Capital Inc. or such other name as the directors may determine, as more particularly set forth in the accompanying Management Information Circular prepared for the purpose of the Meeting;
9. to consider, and if thought advisable, to pass a special resolution with or without variation to authorize the disposition of 6,000,000 common shares in the capital of Jaguar Financial Corporation to Vic Alboini, Chairman and Chief Executive Officer of the Corporation, in settlement and full payment of the principal amount of a \$150,000 loan made to the Corporation by Mr. Alboini, as more particularly set forth in the accompanying Management Information Circular prepared for the purpose of the Meeting; and
10. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

The accompanying management information circular provides additional information relating to the matters to be

dealt with at the Meeting and is deemed to form part of this notice.

This year, as described in the notice and access notification mailed to shareholders of the Corporation, the Corporation has decided to deliver the Meeting materials to shareholders by posting the Meeting materials on the following website: <http://noticeinsite.equityfinancialtrust.com/NorthernFinancialASM2013> (the "Website") The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Corporation's printing and mailing costs. The Meeting materials will be available on the Website as of August 28, 2013, and will remain on the Website for one full year thereafter. The Meeting materials will also be available on SEDAR at www.sedar.com.

No shareholders will receive paper copies of the Meeting materials unless they specifically request paper copies. Instead all shareholders will receive a notice and access notification which will contain information on how to obtain electronic and paper copies of the Meeting materials in advance of the Meeting. If you wish to receive a paper copy of the Meeting materials or have questions about notice-and-access please call 1-866-393-4891. In order to receive a paper copy in time to vote before the meeting, your request should be received by September 18, 2013.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is August 16, 2013 (the "**Record Date**"). Shareholders whose names have been entered in the register of shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment or postponement thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited at the office of the Registrar and Transfer Agent of the Corporation, Equity Financial Trust Company at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1, Attention: Proxy Department, or be faxed to (416) 595-9593, not later than forty-eight (48) hours (Toronto time), excluding Saturdays, Sundays and holidays prior to the time of the Meeting or any adjournment thereof. Late instruments of proxy may be accepted or rejected by the Chairman of the Meeting in his discretion and the Chairman is under no obligation to accept or reject any particular late instruments of proxy.

By Order of the Board

Toronto, Ontario
August 16, 2013

(signed) Vic Alboini
Chairman and Chief Executive Officer

NORTHERN FINANCIAL CORPORATION

Management Information Circular

This circular (the "Information Circular") is furnished in connection with the solicitation by the management of Northern Financial Corporation (the "Corporation") of the proxies to be used at the annual and special meeting of shareholders of the Corporation (the "Meeting") referred to in the accompanying notice of meeting (the "Notice of Meeting") to be held at the time and place and for the purposes set forth in the Notice of Meeting. The solicitation will be made primarily by mail, but proxies may be solicited personally or by telephone by officers, directors or employees of the Corporation at nominal cost. The cost of solicitation will be borne by the Corporation. The information contained herein is given as of August 16, 2013, except as otherwise noted. No director or officer of the Corporation intends to oppose any action taken by management at the Meeting.

In accordance with National Instrument 54-101 Communications with Beneficial Owners of Securities of a Reporting Issuer, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation. The record date to determine the registered shareholders entitled to receive notice of and vote at the Meeting is August 16, 2013.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors or officers of the Corporation. Each shareholder has the right to appoint a person other than the persons named in the enclosed form of proxy, who need not be a shareholder of the Corporation, to represent the shareholder at the Meeting. This right may be exercised by inserting that person's name in the blank space provided in the form of proxy or by completing another proper form of proxy. All instruments of proxy must be deposited with Equity Financial Trust Company at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 or by fax at (416) 595-9593 not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment thereof. The Chairman of the Meeting may refuse to recognize any instrument of proxy received after such time.

A shareholder who has given a form of proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such form of proxy and, in addition to revocation in any other manner permitted by law, may do so by depositing an instrument in writing revoking the form of proxy executed by such shareholder or such shareholder's attorney authorized in writing at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the form of proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

EXERCISE OF DISCRETION BY PROXIES

Shares represented by properly executed forms of proxy in favour of the persons named in the enclosed form of proxy will be voted on any ballot that may be called for, and where the person whose proxy is solicited specifies a choice with respect to the matters identified in the form of proxy, the shares will be voted for or against the matters set out in the form of proxy in accordance with the specification so made. **Where shareholders have not specified in the form of proxy the manner in which the named proxy holders are required to vote the shares represented thereby, such shares will be voted for the approval of the matters identified in the proxy.**

The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to the other matters that may properly come before the Meeting. As at the date hereof, management of the Corporation knows of no such amendments, variations, or other matters to come before the Meeting.

ADVICE TO BENEFICIAL HOLDERS

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold common shares in the capital of the Corporation ("Common Shares") in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The CDS Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

All references to Shareholders in this Circular and the accompanying instrument of proxy and Notice of Meeting

are to registered Shareholders unless specifically stated otherwise.

NOTICE AND ACCESS

This year, as described in the notice and access notification mailed to shareholders of the Corporation, the Corporation has decided to deliver the Meeting materials to shareholders by posting the Meeting materials on the following website: <http://noticeinsite.equityfinancialtrust.com/NorthernFinancialASM2013> (the "Website"). The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Corporation's printing and mailing costs. The Meeting materials will be available on the Website as of August 28, 2013, and will remain on the Website for one full year thereafter. The Meeting materials will also be available on SEDAR at www.sedar.com.

No shareholders will receive paper copies of the Meeting materials unless they specifically request paper copies. Instead all shareholders will receive a notice and access notification which will contain information on how to obtain electronic and paper copies of the Meeting materials in advance of the Meeting. If you wish to receive a paper copy of the Meeting materials or have questions about notice-and-access please call 1-866-393-4891. In order to receive a paper copy in time to vote before the meeting, your request should be received by September 18, 2013.

The Corporation will not send its proxy-related materials directly to non-objecting beneficial owners under National Instrument 54-101. The Corporation does not intend to pay for proximate intermediaries to forward the proxy-related materials and the voting instruction form to objecting beneficial owners under National Instrument 54-101.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth herein, the Corporation is not aware of any persons who have a material interest in any of the specific matters to be acted upon at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

44,320,135 Common Shares are entitled to be voted at the Meeting, which number represents all of the issued and outstanding Common Shares of the Corporation as of August 16, 2013. Each Common Share carries the right to one vote per Common Share so that there are a maximum of 44,320,135 votes attached to this class of shares. Holders of Common Shares registered on the books of the Corporation at the close of business on August 16, 2013, (the "**Record Date**") are entitled to vote their shares at the Meeting or at any adjournment thereof.

To the knowledge of the directors and executive officers of the Corporation, there are no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation other than Vic Alboini who owns or has control or direction over 13,756,137 Common Shares which represents approximately 31.1% of the total issued Common Shares. The officers and directors of the Corporation together beneficially own, directly or indirectly, or exercise control or direction over, approximately 31.2% of the issued and outstanding Common Shares of the Corporation.

PART I

PARTICULARS OF MATTERS TO BE ACTED UPON

1. FINANCIAL STATEMENTS

The Shareholders will receive and consider the audited consolidated financial statements of the Corporation for the fiscal year ended March 31, 2013 together with the auditor's report thereon.

2. NUMBER OF DIRECTORS

According to the Articles of the Company, the Company may have between three and ten directors.

Management intends to place before the Meeting, for approval, with or without modification, a resolution fixing the Board at three (3) members.

In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the resolution fixing the number of directors of the Company within the minimum and maximum numbers of directors provided for in the Articles of the Company at three (3).

3. ELECTION OF DIRECTORS

The persons named in the enclosed form of proxy intend to cast the votes to which the shares represented by such proxy are entitled in favour of setting the number of directors at three and in favour of all the proposed nominees whose names are set forth below, unless the shareholder who has given the proxy has directed that the shares be otherwise voted or withheld from voting in respect of the election of the directors. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for other nominees at their discretion. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed.

The following table sets out the names of management's nominees for election as directors of the Corporation, each nominee's municipality of residence, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Corporation and the number of Common Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date of this Information Circular. The following information relating to the nominees as directors is based on information received by the Corporation from said nominees.

Name and Municipality of Residence	Principal Occupation(s) for Last Five Years ⁽¹⁾	Position with the Corporation	Director Since	Number of Common Shares Beneficially Owned or Controlled ⁽²⁾
Vic Alboini ⁽³⁾ <i>Toronto, Ontario, Canada</i>	Chairman, President and Chief Executive Officer of the Corporation and Jaguar Financial Corporation	President, CEO, and Director	October 24, 1997	13,756,137 ⁽⁵⁾
William Grant ⁽³⁾⁽⁴⁾ <i>Toronto, Ontario, Canada</i>	Consultant; former Insurance Broker; former Director, Lakeside Steel Inc.; formerly President and Director, Loyalist Insurance Company; formerly Director, Commonwealth Insurance Company and Federated Insurance Company; formerly President, Markel Insurance Company.	Director	September 1, 2005	76,000 ⁽⁶⁾
Donald Rogers <i>Toronto, Ontario, Canada</i>	Consultant providing refinancing advice and assistance negotiating financing/business restructurings and asset disposals. Previously was Sr. Director Portfolio Management at CIBC.	Nominee Director	NA	Nil

Notes:

- (1) The information as to principal occupation, business or employment of the respective nominees is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees. Unless otherwise indicated, each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) The information as to Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees. Information regarding voting securities held does not include voting securities issuable upon the exercise of options, warrants or other convertible securities of the Corporation. Information furnished by the respective director nominees.
- (3) Current member of the Audit Committee.
- (4) Current member of the Compensation Committee
- (5) Includes 249,829 Common Shares owned by Mr. Alboini's spouse, Lesley Alboini.
- (6) Includes 9,750 Common Shares owned by Mr. Grant's spouse, Emily Grant.

Penalties and Sanctions

As of the date hereof, other than as set out below, no director to be nominated for election at the Meeting:

- (a) is at the date of this Information Circular, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,
- (b) is at the date of this Information Circular, or has been, within 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while such nominee was acting in that capacity, or within a year of such nominee ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such nominee.

For the purposes of the above section, the term "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

In addition, as of the date hereof, no director to be nominated for election at the Meeting has been subject to:

- (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Vic Alboini was formerly a director of Blue Note Mining Inc. ("**Blue Note**") until his resignation from the Blue Note Board of Directors on February 19, 2009. On June 12, 2009, after Mr. Alboini ceased to hold any position with Blue Note, Blue Note announced that it had obtained an initial order from the Quebec Superior Court providing for creditor protection under the *Companies' Creditors Arrangement Act*.

In November 2012 an IIROC Hearing Panel fined Mr. Alboini \$625,000, ordered Mr. Alboini to pay costs of \$125,000 and required that he disgorge certain commissions earned by him for certain trades completed through Northern Securities in the period from August 2008 to November 2008. In addition, the Hearing Panel suspended Mr. Alboini from all registration capacities at IIROC for a period of two years and required that Mr. Alboini no longer be an Ultimate Designated Person registrant at an IIROC dealer member.

The Hearing Panel decision was appealed to the Ontario Securities Commission ("OSC"). All of the sanctions imposed by the IIROC Hearing Panel on Mr. Alboini have been stayed pending the decision of the OSC.

Conflicts of Interest

The directors are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests that they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Corporation's knowledge, and other than disclosed herein, there are no known existing or

potential conflicts of interest among the Corporation, its promoters, directors and officers or other members of management of the Corporation or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies.

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE IN FAVOUR OF SETTING THE BOARD AT THREE AND FOR THE ELECTION OF SAID PERSONS TO THE BOARD UNLESS OTHERWISE DIRECTED.

4. APPOINTMENT OF AUDITORS

Management recommends the appointment of McGovern, Hurley, Chartered Accountants, of Toronto, Ontario, the present auditor, as the auditor of the Corporation to hold office until the close of the next annual meeting of the shareholders.

The Directors first appointed McGovern Hurley to be auditor of the Corporation on April 5, 2013. Prior to the appointment of McGovern Hurley, Grant Thornton LLP served as auditor from April 8, 2011 to February 14, 2013 and Deloitte & Touche LLP served as the Corporation's auditor from March 9, 2007 until April 7, 2011.

Aggregate fees paid to Grant Thornton LLP during the fiscal years ended March 31, 2013 and March 31, 2012 are set out below.

The change of auditor notices are attached to this Information Circular as Schedule H.

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE IN FAVOUR OF THE APPOINTMENT OF MCGOVERN HURLEY AS AUDITORS OF THE CORPORATION FOR THE ENSUING YEAR UNLESS OTHERWISE DIRECTED.

5. APPROVAL OF EMPLOYEE SHARE PURCHASE PLAN

The Corporation has an Employee Share Purchase Plan (the "ESPP") designed to (i) support employee investment in the Corporation; (ii) attract new employees; and (iii) retain and compensate existing employees.

The ESPP allows employees of the Corporation to participate in the ESPP once they have completed six (6) months of employment at the Corporation (the "Qualifying Employees").

On August 1 in each year, Qualifying Employees are entitled to purchase Common Shares from treasury for an aggregate subscription price of up to eight percent (8%) of their compensation received from the Corporation in the six (6) month period ending June 30 of that year, subject to a maximum subscription of \$4,000. Similarly, on February 1 in each year, Qualifying Employees are entitled to purchase Common Shares from treasury for an aggregate subscription price of up to eight percent (8%) of their compensation received from the Corporation in the six (6) month period ending December 31 of the preceding year, subject to a maximum subscription of \$4,000. Accordingly, the maximum amount that can be invested by a Qualifying Employee under the ESPP in any calendar year is \$8,000. The subscription price of the Common Shares under the ESPP is the volume weighted average price for the twenty (20) trading day period ending on June 30 or December 31, as applicable.

On each of August 1 and February 1, the Corporation will issue to each participating Qualifying Employee the same number of Common Shares (the "Matching Shares") as were subscribed for by the Qualifying Employee at no cost to the Qualifying Employees. The Matching Shares will be issued to Qualifying Employees in equal annual instalments over a three (3) year period following the date of the subscription of the Common Shares by the Qualifying Employee, as long as the Qualifying Employee is an employee of the Corporation at that time (subject to certain exceptions).

The ESPP includes the following restrictions applicable to insiders:

- (a) the number of securities issuable to insiders, at any time, under all security based compensation arrangements, cannot exceed 10% of the Corporation's issued and outstanding securities; and
- (b) the number of securities issued to insiders, within any one-year period, under all security based compensation

arrangements, cannot exceed 10% of the Corporation's issued and outstanding securities.

Under the ESPP, the Corporation may issue Common Shares to participating employees who meet certain conditions as set out in the ESPP. On September 25, 2008, shareholders approved an amendment to the ESPP to give the Corporation the ability to, in its discretion, provide shares to eligible participating employees under the ESPP through open market purchases as well as through issuances from treasury.

On September 16, 2010, shareholders approved amendments to the ESPP to, without further requirement to seek shareholder approval, provide the Board with the authority to waive or increase the maximum participation limit applicable to participants, from time to time, subject to the condition that the aggregate maximum participation under the ESPP is not exceeded and subject to compliance with the restrictions on insider participation set out in the ESPP. Shareholders also approved amendments to the ESPP to, without further requirement to seek shareholder approval, provide the Board with the authority to set participation dates and vesting periods for the issuance of matching shares under the ESPP provided that, under no circumstances shall the Board be entitled to lengthen the vesting periods for the issuance of Matching Shares in respect of ESPP participation that occurred prior to the date hereof, and the purchase price of the Common Shares under the ESPP is the volume weighted average price for the 20 trading day period ending 30 days prior to the participation date. Shareholders also approved an amendment to more clearly set out that the maximum number of Common Shares that can be issued under the ESPP in a given fiscal year cannot exceed 10% of the Corporation's issued and outstanding shares calculated at the last day of the prior fiscal year.

As at March 31, 2013, 342,907 Common Shares were reserved for issuance under the ESPP, representing less than 1% of the then total issued and outstanding Common Shares.

Shareholders are being asked to approve the ESPP. **Insiders are entitled to vote their Common Shares in respect of the approval of the ESPP.**

The ESPP and the shares authorized for issuance thereunder have been approved by resolutions of the Board and the ESPP is believed by the Board to be in the best interest of the Corporation. **The ESPP must be approved by ordinary resolution of the Corporation's shareholders in order to remain effective. To pass, an ordinary resolution requires the affirmative vote of not less than a simple majority of the votes cast by the Corporation's shareholders present at the Meeting in person or by proxy.** The complete text of the proposed ordinary resolution which management intends to place before the Meeting, for approval, confirmation and adoption, with or without modification, including the full text of the ESPP, is set out at **Schedule A** hereto (the "**ESPP Resolution**").

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE IN FAVOUR OF THE APPROVAL OF THE ESPP RESOLUTION UNLESS OTHERWISE DIRECTED.

6. CONSOLIDATION OF COMMON SHARES

The Board believes that it is in the best interest of the Corporation to carry out a consolidation of its Common Shares on the basis of providing one (1) post-consolidation Common Share ("**Post-Consolidation Share**") for up to every twenty (20) pre-consolidation Common Shares ("**Pre-Consolidation Shares**"), primarily to issue Post-Consolidation Shares to settle debt of the Corporation plus accrued interest subject to regulatory approval and to raise future equity capital also subject to regulatory approval. Subject to certain limited exceptions, the minimum issue price for shares issued from treasury by a TSX Venture listed company, such as the Corporation, is \$0.05 per share. The Common Shares of the Corporation have been trading recently at prices less than \$0.05 per share.

The specific consolidation ratio will be determined by the Board in its sole discretion, in accordance with regulatory requirements for listing.

As at August 16, 2013 a total of 44,320,135 Common Shares were issued and outstanding. If the consolidation is implemented on a 20 to 1 basis, the Corporation will have approximately 2,216,007 Post-Consolidation Shares issued and outstanding, subject to the treatment of fractional Post-Consolidation Shares. The Corporation is currently authorized to issue an unlimited number of Common Shares and if the consolidation is implemented, there will continue to be no maximum number of authorized Common Shares.

The implementation of the proposed consolidation is conditional upon the Corporation obtaining the necessary regulatory consents including the TSX Venture Exchange. **In order to be effective, approval of the consolidation requires approval by a special resolution passed by the shareholders of the Corporation. A special resolution is a resolution passed by a majority of not less than two-thirds of the votes cast in person or by proxy.**

If approved and implemented, the consolidation will affect all shareholders uniformly and will not affect any shareholder's percentage ownership interest in the Corporation, except to the extent that the consolidation would otherwise result in any shareholder owning a fractional Post-Consolidation Share. No fractional Post-Consolidation Shares will be issued. Where the consolidation will result in a fractional share that is less than one-half of a Post-Consolidation Share, such fractional share will be cancelled, without further compensation. Where the consolidation will result in a fractional share that is more than one-half of a Post-Consolidation Share, such share will be converted to one whole Post-Consolidation Share.

If approved, the consolidation will be effected on a consolidation ratio of not more than twenty (20) Pre-Consolidation Shares for every one (1) Post-Consolidation Share and at a time as determined by the Board, but the Consolidation Resolution (as defined below) also authorizes the Board to revoke the resolution before it is acted on, if the Board determines at a later date that the proposed consolidation is no longer in the best interest of the Corporation.

If the Consolidation Resolution is passed by the requisite number of shareholders at the Meeting and receives the required regulatory approvals, and if the directors do not revoke the Consolidation Resolution before it is acted upon, then upon filing the Articles of Amendment to implement the consolidation, the Pre-Consolidation Shares will be consolidated into Post-Consolidation Shares at a ratio determined by the Board. Provided the Corporation obtains the requisite shareholder approval at the Meeting, the consolidation will be effective on the date on which the Board determines to carry out the consolidation, as approved by the TSX Venture Exchange.

Mechanics of the Consolidation

Following an announcement of the effective date of the consolidation and the final consolidation ratio as determined by the Board, it is anticipated that a letter of transmittal containing instructions with respect to the surrender of share certificates representing the Pre-Consolidation Shares will be furnished to registered shareholders. This letter of transmittal will contain instructions on how to surrender the certificates representing the Pre-Consolidation Shares in order to receive certificates representing the Post-Consolidation Shares. Following the return of a properly completed and executed letter of transmittal, together with the share certificates for the Pre-Consolidation Shares, the certificates for the appropriate number of Post-Consolidation Shares will be issued.

Non-Registered Shareholders

Non-registered shareholders holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the consolidation than those that will be put in place by the Corporation for registered shareholders. Following implementation of the consolidation, shareholders holding Common Shares with such a bank, broker or other nominee are encouraged to contact the nominee holding the shareholder's Common Shares.

Effect on Stock Options

The exercise price and the number of Common Shares issuable under any outstanding stock options of the Corporation will be proportionately adjusted upon implementation of the consolidation, in accordance with the terms of such stock options, based on the consolidation ratio determined by the Board.

No Dissent Rights

Under the *Business Corporations Act* (Ontario), shareholders do not have any dissent or appraisal rights with

respect to the proposed consolidation.

Board Recommendation

The Board has determined the consolidation is in the best interests of the Corporation and its shareholders and recommends that shareholders vote in favour of the consolidation. If named as proxy, the management designees intend to vote the Common Shares represented by such proxy in favour of the consolidation, unless otherwise directed in the proxy.

The complete text of the proposed special resolution which management intends to place before the Meeting, for approval, confirmation and adoption, with or without modification, is set out at **Schedule B** hereto (the "**Consolidation Resolution**").

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE IN FAVOUR OF THE CONSOLIDATION RESOLUTION UNLESS OTHERWISE DIRECTED.

7. SHARES FOR DEBT – ARM'S LENGTH AND NON ARM'S LENGTH

The Corporation has loans with various lenders as outlined below. With the exception of the Corporation's bank credit facility, which will be maintained and the WR Loan (as defined below) each of which will be retired in full, the Corporation will offer the remaining lenders outlined below two options to settle their collective debt of \$1,673,959 plus accrued interest.

1. The lender can receive a cash payment of 20 cents on the dollar for the principal amount of the debt. The accrued interest on the debt will be waived (the "**Cash Option**"); or
2. The lender can receive payment in full for the principal amount of the debt plus accrued interest in Post-Consolidation Shares, subject to approval of the Consolidation Resolution and regulatory approval (the "**Share Option**"). The Share Option is subject to shareholder approval being sought hereunder and to regulatory approval. The deemed price of the shares issued under the Share Option will be no less than the discounted market price permitted by the TSX Venture Exchange. The maximum permitted discount for shares issued by a TSX Venture Exchange listed company is 25% when the price of the issuer's shares is up to \$0.50 per share 20% when the issuer's share price is between \$0.51 and \$2.00 and 15% when the issuer's share price is above \$2.00.

It is proposed that the discount would be based on the post consolidation market price of the Corporation's common shares.

None of the lenders below are required to accept either the Cash Option or the Share Option. Furthermore, shareholder approval and regulatory approval of the Share Option does not mean that any lender will accept the Share Option. The Corporation may enter into debt settlements with lenders on terms that are different than the Cash Option or the Share Option, provided regulatory approval is provided.

If lenders accept the Cash Option or the Share Option, the total debt of the Corporation will be substantially reduced. Conversely if none of the lenders accept either the Cash Option or the Share Option, the Corporation will have a substantial amount of debt with little, if any, present ability to repay such debt.

Bank Debt

The Corporation has a \$300,000 revolving line of credit with a chartered bank at prime plus 1.75%, secured by a general security agreement covering all assets of NFC and by a guarantee provided by Vic Alboini and by his personal investment company. The Corporation proposes to maintain this credit facility.

Jaguar Debt Retired

The Corporation owed Jaguar Financial Corporation ("**Jaguar**") \$541,328 plus accrued interest. Jaguar was offered the two options noted above. The independent directors of Jaguar elected to receive the Cash Option and accordingly the Corporation paid Jaguar \$108,865 in full settlement of the principal amount of \$541,328 plus all accrued interest. The cash payment made by the Corporation to Jaguar was financed by a loan of \$150,000 made by Vic Alboini to the Corporation.

WR Loan

The Corporation is indebted to Mr. Wes Roitman in the amount of \$210,000 (the "**WR Loan**"). The WR Loan bears interest at a rate of 12% per annum and had an original maturity date of April 9, 2013. The principal and accrued interest associated with the WR Loan will be \$239,424.12 as at September 30, 2013. The maturity date for the WR Loan was extended to October 9, 2013. The WR Loan is secured by a guarantee by Vic Alboini, and by the pledge of his 5,881,893 Jaguar shares. The WR Loan will be retired in full by a cash payment. The Corporation proposes to pay the accrued interest on the WR Loan in cash or by the issuance of Post-Consolidation Shares subject to Shareholder approval of the Consolidation Resolution and regulatory approval.

Arm's Length

JK Loan

The Corporation is indebted to Mr. John Kearney in the amount of \$200,000 (the "**JK Loan**"). The JK Loan bears interest at a rate of 12% and matured on March 31, 2013. The principal and accrued interest associated with the JK Loan will be \$224,197.26 as at September 30, 2013. The maturity date of the JK Loan has been extended to an unspecified date. JK has been offered the Cash Option or the Share Option.

JR Loan

The Corporation is indebted to John Reid in the amount of \$500,000 (the "**JR Loan**"), which bears interest at a rate of 10%. The principal and accrued interest associated with the JR Loan will be \$542,343.66 as at September 30, 2013. JR has been offered the Cash Option or the Share Option.

Settlement Liability

In March 2010 the Corporation entered into a settlement agreement to resolve a legal dispute with a plaintiff. Under the terms of the settlement the Corporation paid the plaintiff a total amount of \$296,000 to February 15, 2013 and the amount owing to the plaintiff is \$504,000. The plaintiff has obtained a judgment against the Corporation in the amount of \$504,000. The plaintiff has been offered the Cash Option and the Share Option.

Non-Arm's Length

VA Loan

The Corporation is indebted to Vic Alboini, its Chairman and Chief Executive Officer and his investment company in the amount of \$469,959 (the "**VA Loan**"). The VA Loan bears interest at a rate of 10% and is payable on demand. The principal and accrued interest associated with the VA Loan will be \$501,655 as at September 30, 2013. Mr. Alboini has been offered the Cash Option or the Share Option.

The VA Loan does not include a \$150,000 loan from Vic Alboini which will be satisfied by the transfer of 6,000,000 common shares of Jaguar that are owned by the Corporation, subject to shareholder approval and regulatory approval. This \$150,000 loan is the subject of a proposed resolution for consideration at the Meeting by the shareholders of the Corporation as detailed below under the heading "*Transfer of Common Shares of Jaguar in Settlement of \$150,000 Debt*".

The common shares of the Corporation trade at a price \$0.005 as of the date hereof. If the Corporation completes a 20 to 1 consolidation and the common shares thereafter trade at \$0.10 per share, the Corporation may issue the common shares as part of the Share Option at a deemed issue price of \$0.075 (being a 25% discount). If the consolidation is completed on a 20 to 1 basis, the Corporation will have approximately 2,216,007 common shares outstanding thereafter.

Based on the foregoing assumptions,

(i) if Mr. Kearney elects for the Share Option he will be issued 2,989,297 common shares, meaning that his ownership of the Corporation would be approximately 57%, assuming no other lenders elect for the Share Option. If other lenders elect for the Share Option this percentage will be reduced accordingly;

(ii) if Mr. Reid elects for the Share Option he will be issued 7,231,249 common shares, meaning that his ownership of the Corporation would be approximately 77%, assuming no other lenders elect for the Share Option. If other lenders elect for the Share Option this percentage will be reduced accordingly;

(iii) if the plaintiff elects for the Share Option it will be issued 6,720,000 common shares, meaning that its ownership of the Corporation would be approximately 75%, assuming no other lenders elect for the Share Option. If other lenders elect for the Share Option this percentage will be reduced accordingly; and

(iv) if Mr. Alboini elects for the Share Option his current holdings will be reduced to 687,806 common shares following the consolidation and he will be issued an additional 6,687,739 common shares, meaning that his ownership of the Corporation would increase from approximately 31% to approximately 83%, assuming no other lenders elect for the Share Option. If other lenders elect for the Share Option, this percentage will be reduced accordingly.

As can be seen from the above, it is possible that any of the foregoing creditors may become a control block shareholder of the Corporation if the shareholders approve these arrangements.

The complete text of the two proposed ordinary resolutions which management intends to place before the Meeting, for approval, confirmation and adoption, with or without modification, is set out as **Schedule C** hereto (the "**Non-VA Debt Resolution**") and at **Schedule D** hereto (the "**VA Debt Resolution**").

The Non-VA Debt Resolution may be voted on by all shareholders of the Corporation and deals with the collective debt in the amount of \$1,204,000 plus accrued interest owing to all lenders (including accrued interest in respect of the WR Loan) other than Vic Alboini and his investment company.

The VA Debt Resolution may be voted on by all shareholders of the Corporation other than Vic Alboini, his investment company and members of his family, and relates only to the debt of \$469,959 plus accrued interest owing to Mr. Alboini and his investment company.

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE IN FAVOUR OF THE NON-VA DEBT RESOLUTION AND THE VA DEBT RESOLUTION (SUBJECT TO THE VOTING PROHIBITION ON THIS RESOLUTION AS NOTED IN THE PREVIOUS PARAGRAPH) UNLESS OTHERWISE DIRECTED.

8. Change in Name of the Corporation

At the Meeting, shareholders will be asked to consider, and if thought advisable, to pass with or without variation a special resolution (the "**Name Change Resolution**") to change the name of the Corporation (the "**Name Change**") to Added Capital Inc. or such other name as the Board may determine.

For the Name Change to be completed the Name Change Resolution must be passed by two-thirds of the votes cast with respect to the Name Change Resolution by the shareholders of the Corporation present in person or by proxy at the Meeting. The Name Change is subject to approval by the TSX Venture Exchange. Unless otherwise

directed, management designees, if named as proxy, intend to vote such proxies in favour of approving the Name Change Resolution.

If the Name Change Resolution is approved at the Meeting by the requisite majority and all other required approvals are received, the Name Change will be effected at a time determined by the Board and announced by a press release of the Corporation. Notwithstanding the approval of the special resolution by shareholders at the Meeting or the receipt of all other approvals, the Corporation may determine not to proceed with the Name Change at the discretion of the Directors of the Corporation.

If the Name Change is implemented, shareholders of the Corporation will not be required to surrender their share certificates representing Common Shares in exchange for new certificates reflecting the Name Change and may continue to hold their current share certificates.

The complete text of the Name Change Resolution which management intends to place before the Meeting, for approval, confirmation and adoption, with or without modification, is set out at **Schedule E** hereto.

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE IN FAVOUR OF THE NAME CHANGE RESOLUTION UNLESS OTHERWISE DIRECTED.

9. Transfer of Common Shares of Jaguar in Settlement of \$150,000 Debt

On June 17, 2013, Vic Alboini, Chairman and Chief Executive Officer of the Corporation loaned \$150,000 to the Corporation in order for the Corporation to make a payment of \$108,865 to Jaguar in settlement of the \$541,328 debt owing to Jaguar plus all accrued interest, with the balance of the loan to pay for certain operating expenses of the Corporation.

The \$150,000 loan will be settled by the transfer of 6,000,000 common shares in the capital Jaguar owned by the Company at a deemed price of \$0.025 per share being the market price for Jaguar shares at the time the loan was made, subject to regulatory approval and disinterested shareholder approval at the Meeting. The terms of the loan were approved by the independent director of the Corporation.

As the disposition of these shares may constitute a sale of all or substantially all of the Corporation's assets shareholders are entitled to dissent in respect of this matter. A dissenting shareholder in respect of this matter is entitled to be paid the fair value of its Common Shares in accordance with Section 185 of the Business Corporations Act (Ontario).

The complete text of the special resolution (the "**Debt Settlement Resolution**") which management intends to place before the Meeting, for approval, confirmation and adoption, with or without modification, is set out at **Schedule F** hereto. In order to be approved the Debt Settlement Resolution must be passed by two-thirds of the votes cast with respect to the Debt Settlement Resolution by the shareholders of the Corporation present in person or by proxy at the Meeting, excluding shares owned or controlled, directly or indirectly, by Mr. Alboini.

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE IN FAVOUR OF THE DEBT SETTLEMENT RESOLUTION UNLESS OTHERWISE DIRECTED.

10. Other Matters

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying the Information Circular. However, if any other matter properly comes before the Meeting, the instruments of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

PART II

INFORMATION CONCERNING THE CORPORATION

The Corporation is required, under applicable securities laws, to disclose to shareholders details of compensation paid to its directors and officers. The following fairly reflects all material information regarding compensation paid to the Corporation's directors and executive officers.

Compensation of the Corporation's executive officers and senior management consists of these elements: (1) base salaries; (2) commissions; and (3) bonuses. Previously the Corporation issued stock options as compensation under the Corporation's Stock Incentive Plan (the "**Plan**"); however, effective August 28, 2003, the Corporation discontinued the issuance of stock options under the Plan. Options that were granted prior to August 28, 2003 have now all expired without being exercised. The Corporation's executive compensation policies are designed to support an appropriate relationship between executive pay and the creation of shareholder value. Essentially, the objectives of the policies are as follows:

- to provide compensation comparable to similar investment banking firms, thereby enabling the Corporation to attract and retain talented executives critical to the Corporation's long-term success;
- to align the interests of executives with the long-term interests of shareholders by providing executives with equity incentives, the value of which depends over time on the market value of the Corporation's Common Shares;
- to award cash bonuses to senior employees based on meritorious performance; and
- to motivate and retain key officers to achieve strategic business initiatives and reward them for their achievement.

The directors believe that the Corporation's executive compensation facilitates the long-term success and growth of the Corporation through the attraction, motivation and retention of outstanding executives.

The Board has appointed a compensation committee (the "**Compensation Committee**") comprised entirely of independent directors. The members of the Compensation Committee were William Grant, John Reid and Ian Bradley until the resignations of John Reid on May 8, 2013 and Ian Bradley in August 2012. The Compensation Committee is currently comprised of Mr. William Grant and it is proposed that Mr. Rogers, if elected will also serve on the Compensation Committee. The members of the Compensation Committee over the past year have had significant business management experience, which provides them with an understanding of the factors that are required in evaluating compensation.

Mr. Grant has been involved in the financial services sector as the former President of Markel Insurance Company and President of Loyalist Insurance Company. In these capacities he has had direct experience in negotiating and setting terms of executive compensation. Mr. Grant was also a director of Lakeside Steel Corporation and a member of the Compensation Committee of the Board of Directors of Lakeside Steel Corporation. In this capacity he had experience in negotiating the compensation for senior executives.

Mr. Rogers has had substantial experience in carrying out business restructurings. Mr. Rogers was Senior Director of Portfolio Management at the Canadian Imperial Bank of Commerce from May 2010 to March 2012. Prior thereto from July 2001 to May 2010, he was Senior Vice-President of CIT Canada responsible for Asset Backed Lending Business.

As a Principal of Woodard & Company Ltd, Mr. John Reid had direct experience in negotiating and finalizing compensation levels for various senior executives. Mr. Reid is an investor in several companies including those in the financial services sector.

Ian Bradley, a director of the Corporation until August 2012 has had direct experience in compensation matters at a senior executive level given his previous roles as President of Mattel Canada, President and Chief Executive Officer of Lakeside Steel Corporation, President and Chief Executive Officer of Grand Toys International Inc., and Chief Financial Officer of PBB Global Logistics Income Fund and Chief Financial Officer of Forbes Medi-Tech Inc. In all of these positions Mr. Bradley had direct experience relevant to his responsibilities in determining executive compensation levels for senior executives at his various employers.

Overall the skills and experience of the members of the Compensation Committee over the past year include (i) direct management experience as Chief Executive Officers and/or Chief Financial Officers of public and private issuers, (ii) direct financial experience as a Chief Financial Officer, (iii) specific experience in setting compensation levels for senior executives in their capacities as senior officers and directors of various public and private companies and (iv) specific experience in setting compensation levels for senior executives in the financial services sector.

Each year the Compensation Committee and the Board review the base salaries of all executive officers to determine whether adjustments are appropriate to bring their salaries to a competitive level and to reflect their responsibilities as executives of a public corporation. In conducting this review, the Board considers comparative data for executives having similar responsibilities in competitive organizations, taking into account size, location and appropriate differentiating factors. Given the limited number of public entities having businesses similar to the Corporation's business, the foregoing comparisons were made to junior public issuers generally and to institutional knowledge of investment dealer compensation practices generally. No specific firms are used on an ongoing basis for the purpose of these comparisons.

The Compensation Committee determines the appropriate mix of a base salary and variable compensation. In the retail brokerage business a payout of 50% of the revenue generated by investment advisors had been the payment standard which applied for investment advisors while Northern Securities Inc. ("**Northern Securities**") had a retail business or private client group. The retail business was transferred to other brokerage firms on December 31, 2012 pursuant to an order issued by an IROC Hearing Panel dated December 14, 2012 ("**Order**").

In the capital markets business the payout structure involved the establishment of a capital markets pool (the "**Capital Markets Pool**") which consisted of an allocation to the Capital Markets Pool of 50% of the revenue generated by the capital markets group. The Capital Markets Pool would recover the salaries of the capital markets employees, other than members of the research group, prior to payout of the balance of the Capital Markets Pool to participating employees. Payments from the Capital Markets Pool would be made to employees who initiated business for the capital markets group, and employees who carried out the engagements for the capital markets group. As a result of the Order, Added Capital, a division of the Corporation carries on a mergers and acquisitions and restructuring advisory business. The previous business carried on in the Capital Markets Group of Northern Securities has been discontinued.

In addition to the payout structure for the retail group and the capital markets group in Northern Securities which businesses were discontinued on December 31, 2012, the Corporation provided additional wealth creation compensation incentives for members of both groups based on meeting specific performance targets. These wealth creation incentives were designed to offer enhanced payouts commensurate with higher production levels.

Mr. Alboini's involvement in the Private Client Group was as an investment advisor who handled his clients' business in the same manner as any other investment advisor. Mr. Alboini did not run the Private Client Group. In the case of the Capital Markets Group, Mr. Alboini was substantially involved in bringing business to Northern Securities in the form of financings and financial advisory mandates. Mr. Alboini would not be involved in financings or financial advisory mandates where he did not bring in the business or his involvement was not considered necessary by his team members.

The Compensation Committee is also focused on aligning the interests of employees with the interests of shareholders. In this regard the Compensation Committee adopted an Employee Share Purchase Plan (the "**ESPP**") where employees who have been at Northern Securities or the Corporation for at least six months could invest a total of 8% of their annual compensation in common shares of the Corporation which would be matched by the Corporation over a three year vesting period. In addition to the ESPP, the Compensation Committee established an Equity Incentive Plan ("**EIP**") to issue common shares of the Corporation to retain and attract employees. Shares issued under the EIP would vest over specific periods. The EIP was discontinued when the Corporation's shares were listed on the TSX Venture Exchange.

Compensation Risks

The Compensation Committee of the Corporation and the Board of Directors have considered the implications of the risks associated with the compensation policies and practices of the Corporation and Northern Securities and believe that such policies and practices are unlikely to expose the Corporation to inappropriate or excessive risks.

This analysis was based on a review of the forms of compensation paid to the officers and the calculation thereof as well as the policies in place that mitigate these risks. Specifically, the Compensation Committee noted that the team-oriented pool based sharing of compensation among members of the capital markets and private client groups helped ensure that no one officer or employee would take excessive risks in respect of any particular transaction or trade due to the fact that such individual would only be entitled to a portion of the compensation resulting therefrom. Furthermore, the Compensation Committee reviewed the policies in place at Northern Securities which ensured that any new financings are approved by a Names Committee comprised of members of the Capital Markets Group. The Compensation Committee was of the view that this policy helped alleviate the concern that a financing may be approved by a single officer to ensure an increase in such officer's compensation. Finally, in respect of the Private Client Group, the Compensation Committee noted that the prohibition on discretionary accounts and the review procedures in place in respect of trading in accounts helped to ensure that unnecessary trading was not occurring in client accounts simply to ensure an increase in compensation.

The Corporation has no policy that precludes an officer or director from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly or indirectly, by the officer or director.

Bonus Compensation

The amount of bonus compensation awarded to employees is determined on an exceptional basis for outstanding performance.

Chief Executive Officer's Compensation

Vic Alboini has served as Chief Executive Officer of the Corporation since August 2000. Pursuant to his employment contract, Mr. Alboini is entitled to a base salary of \$300,000. Mr. Alboini is entitled to variable compensation for the overall performance of the Corporation as well as a variable commission based on his participation in fees and commissions. Effective January 1, 2013, Mr. Alboini is paid an annual salary of \$60,000 by the Corporation.

The amount of "All Other Compensation" payable to Vic Alboini as referred to in the Summary Compensation Table below for the fiscal year ended March 31, 2013 consists of retail commissions and Capital Markets Group payouts totalling \$134,295. The retail commission payment is 50% of the total commission generated by Mr. Alboini, which is the standard 50% payout structure for retail commissions referenced above. The capital markets payout represents Mr. Alboini's share of the Capital Markets Pool payout for the fiscal year ended March 31, 2013, which is based on the same factors in determining payouts for all members of the Capital Markets Pool, namely, payouts for initiation of revenue and payouts for implementation of transactions.

Summary Compensation Table

The following table sets forth, to the extent required by applicable securities laws, information with respect to executive compensation paid by the Corporation to the Named Executive Officers indicated for the financial years ended March 31, 2013, 2012 and 2011. "Named Executive Officers" means the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), regardless of the amount of compensation of those individuals, the Corporation's three most highly compensated executive officers or individuals acting in similar capacities, other than the CEO and CFO, who were serving as such on March 31, 2013, and whose total compensation exceeded \$150,000, and any individual who would have been a Named Executive Officer but was not serving as an executive officer, or acting in a similar capacity, on March 31, 2013.

Name and Principal Position	Year Ended Mar. 31	Salary (\$) ⁽²⁾	Share-Based Awards (\$) ⁽⁵⁾	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$) ⁽⁴⁾	Total Compensation (\$)
					Non-Equity Incentive Plans	Long-Term Incentive Plans			
Vic Alboini CEO/CFO	2013	70,000	24,346	Nil	5,000	Nil	Nil	134,295	233,641
	2012	58,500	25,152	Nil	155,000	Nil	Nil	406,298	644,950
	2011	Nil	149,210 ⁽³⁾	Nil	Nil	Nil	Nil	610,169	759,379
Doug Chornoboy ⁽¹⁾ CFO	2013	33,333	Nil	Nil	5,000	Nil	Nil	2,000	40,333
	2012	164,583	1,137	Nil	65,000	Nil	Nil	12,000	242,720
	2011	150,000	3,135	Nil	20,000	Nil	Nil	12,000	185,135

1. Mr. Chornoboy resigned from the Corporation on June 15, 2012 and Mr. Alboini has served as the acting Chief Financial Officer since that date.
2. Compensation amounts payable to Mr. Alboini include amounts payable to Stature Inc., a corporation wholly-owned by Mr. Alboini, and also include payments made on behalf of Northern Securities. On January 1, 2013, Mr. Alboini's annual base salary was adjusted \$60,000.
3. Awards made under the Equity Incentive Plan of which \$8,477 vested on February 15, 2011, \$50,000 vested on July 20, 2011, \$8,477 vested on August 15, 2011, and \$8,476 vested on February 15, 2012. Includes \$125,430 in contributions from the EIP. This amount had previously been reported as \$102,540 in the Corporation's 2011 Management Information Circular.
4. Includes amounts attributed to Mr. Alboini's entitlement to variable commissions based on his participation in fees and commissions, and includes amounts received on account of automobile reimbursement expenses.
5. Amounts shown under Share-Based Awards include the Corporation's contributions under the ESPP, including for the 2011 fiscal year which has been adjusted from the management information circulars previously filed for the 2011 fiscal year.

Outstanding Share-Based Awards and Option-Based Awards

Effective August 28, 2003, the Corporation ceased to grant new stock options under the Plan. Options that were granted prior to August 28, 2003 have now all expired without being exercised.

Equity Incentive Plan

In connection with listing the Common Shares on the TSX Venture Exchange, the Corporation terminated its Equity Incentive Plan (the "EIP"). Awards under the EIP for 1,546,063 Common Shares which were outstanding and unvested as of March 15, 2012, continued to vest in accordance with the terms of the respective awards and the terms of the EIP. However, these Common Shares are no longer issuable as the employees to whom the awards were made have all joined other brokerage firms in accordance with the Order and as a result the Common Shares otherwise issuable cannot be vested. No new awards may be granted under the EIP. Below is a description of the EIP which is being provided due to the fact that certain previously granted awards remain outstanding.

Under the Corporation's EIP, Common Shares of the Corporation may be granted, issued and distributed, subject to conditions, to certain new or existing employees of the Corporation or its subsidiaries, at the discretion of the Board, as a means of attracting and retaining exceptional employees.

The deemed issue price for any Common Shares granted and issued under the EIP is the closing market price on the trading day immediately preceding the later of (i) the date of the grant of the award to the employee; and (ii) the date of receipt of all applicable regulatory approvals. Any employee of the Corporation was entitled to participate in the EIP.

Awards granted to employees vested on such terms as were specified by the Board at the time of the grant. Upon vesting, an award was immediately convertible into one Common Share (subject to certain adjustments). In the event the Corporation terminates the employment of an employee without cause or as a result of his or her death or disability, any unvested awards remain in full force and effect and will vest in accordance with their terms. In the event an employee resigns from the Corporation or is terminated for cause, any unvested awards will terminate as of the date of such resignation or termination.

Any Common Shares issuable under the EIP pursuant to awards granted in a particular fiscal year must be issued within 9 months of the end of that fiscal year unless the vesting period extends beyond such period. Any awards issued under the EIP are non-transferable.

The EIP included the following restrictions applicable to insiders:

- (a) the number of securities issuable to insiders, at any time, under all security based compensation arrangements, could not exceed 10% of the Corporation's issued and outstanding securities; and
- (b) the number of securities issued to insiders, within any one-year period, under all security based compensation arrangements, could not exceed 10% of the Corporation's issued and outstanding securities.

On September 25, 2008, shareholders approved amendments to the EIP to give the Corporation the ability to, in

its discretion, provide shares under the EIP to eligible parties through open market purchases as well as through issuances from treasury.

On September 16, 2010, in order to provide the Corporation with additional flexibility in respect of the EIP and to further encourage employee share ownership, shareholders approved amendments to the EIP to increase the maximum number of Common Shares issuable from treasury in a given year under the EIP from 6% of the issued and outstanding Common Shares to 10%.

Termination of Employment, Change in Responsibilities and Employment Contracts

Vic Alboini

Vic Alboini is employed as the Chairman, President and Chief Executive Officer of the Corporation. While Mr. Alboini is Chairman, President and Chief Executive Officer of Northern Securities, Northern Securities has been suspended as a brokerage firm pursuant to the Order and has not carried on an active business since January 1, 2013.

Pursuant to Mr. Alboini's employment contract, he is entitled to an annual base salary of \$300,000. In addition, Mr. Alboini is entitled to variable compensation for the overall performance of the Corporation as well as a variable commission based on his participation in fees and commissions. Effective January 1, 2013 Mr. Alboini's annual base salary was adjusted to \$60,000.

In the event of termination by the Corporation or Northern Securities without cause, Mr. Alboini is entitled to receive as a severance payment payable on the date of termination an amount equal to two times his average annual compensation from the Corporation and Northern Securities over the previous two years, including any bonuses or commissions. If Mr. Alboini is terminated without cause at any time following a change of control, he is entitled to receive as a severance payment payable on the date of termination an amount equal to three times his average annual compensation from the Corporation and Northern Securities over the previous three years, including any bonuses or commissions. For the purposes of his employment contract, a change of control is defined as being the acquisition by a third party or third parties acting in concert of at least 40% of the issued and outstanding Common Shares or, otherwise, of a sufficient number of Common Shares to enable the third party or third parties to cause the election of the majority of the Board. For the purpose of termination payments, compensation includes the car allowance payable by the Corporation. There are no other perquisites included in the determination of compensation. The Corporation maintains a health care benefit plan which typically is extended for a period not exceeding three months following termination of employment.

As provided in Mr. Alboini's employment contract, cause means (i) fraud, (ii) breach of the non-competition covenants, (iii) committing an act of willful misconduct which materially adversely affects the interest of the Corporation which Mr. Alboini fails to remedy within 30 days of receiving written notice by the Board, or (iv) a material breach of the employment contract which Mr. Alboini fails to remedy or commence to remedy within 30 days of receiving written notice by the Board.

Mr. Alboini's non-competition covenant in his employment contract applies for a period of 12 months from the date of termination of his employment, however caused. The non-competition covenant prohibits Mr. Alboini from being engaged in any business which is the same as, or competitive with, the business of the Corporation being certain former businesses of the Corporation including the sale of gemstones over the Internet, an Internet e-commerce business involving online securities trading, an e-commerce business providing for online mergers and acquisitions, and online offerings of securities within Canada. However, the non-competition covenant does not apply to any traditional securities business with no substantial online business in which Mr. Alboini may be involved in any capacity that is not conducted online.

Under the terms of the ESPP, all matching shares that Mr. Alboini is entitled to under the terms of the ESPP would be forfeited on the termination of his employment for any reason whatsoever, including voluntary resignation, termination by the Corporation with or without cause. Despite the foregoing, upon the death of any participant in the ESPP, matching shares that would have been issued to such employee as a result of the purchase of common shares of the Corporation under the ESPP as at the date of death will continue to be issued by the Corporation to the estate of the participant over the three year matching period.

Mr. Alboini is not entitled to any shares under the EIP. No new awards may be made under the EIP as a result of the listing of the Corporation's shares on the TSX Venture Exchange.

If Mr. Alboini's termination had been terminated on March 31, 2013, the final day of the Corporation's preceding year end he would have been entitled to payments of approximately \$1,757,182.

Compensation of Directors

The Corporation's Board currently consists of two directors with a third director nominated for election at the Meeting. Directors are reimbursed for out-of-pocket expenses incurred in attending Board and committee meetings. Directors are entitled to receive compensation from the Corporation to the extent that they provide services to the Corporation. Any such compensation is based on rates that would be charged by such directors for similar services to arm's length parties. A director who is also an employee of the Corporation receives no additional consideration for serving as a director. The Corporation paid an aggregate of nil to the Directors in respect of the fiscal year ended March 31, 2013.

The annual fee for acting as a director is \$12,500 and the fee for attending meetings of the directors is \$750 per meeting. These fees were not paid for the fiscal year ended March 31, 2013 given the Corporation's financial circumstances.

The following table summarizes the compensation provided to the directors for the Corporation's most recently completed financial year but will accrue and be paid if and when the Corporation's finances improve.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Vic Alboini	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ian Bradley	\$9,000	Nil	Nil	Nil	Nil	Nil	\$9,000
William Grant	\$17,750	Nil	Nil	Nil	Nil	Nil	\$17,750
John Reid	\$17,000	Nil	Nil	Nil	Nil	Nil	\$17,000

Notes: 1. Mr. Reid joined the Board on February 14, 2012 and resigned on May 8, 2013.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS							
Option-based Awards					Share-based Awards		
Name of Director	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Vic Alboini	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ian Bradley	Nil	Nil	Nil	Nil	Nil	Nil	Nil
William Grant	Nil	Nil	Nil	Nil	Nil	Nil	Nil
John Reid	Nil	Nil	Nil	Nil	Nil	Nil	Nil

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING YEAR			
Name of Director	Option-based awards – Value vested during year (\$)	Share-based awards – Value vested during year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Vic Alboini	Nil	Nil	Nil
Ian Bradley	Nil	Nil	Nil
William Grant	Nil	Nil	Nil
John Reid	Nil	Nil	Nil

Indebtedness of Directors and Executive Officers

There are no outstanding loans granted by the Corporation to any director or executives nor has any guarantee been provided by the Corporation for the benefit of any director or executive.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. National Policy 58-201 Corporate Governance Guidelines ("NP 58-201") establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101"), the Corporation is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

Board of Directors

- (a) The sole independent director of the Board is William Grant; Mr. Rogers will be the second independent director if elected.
- (b) The non-independent director is Vic Alboini, who is the Chairman, President, Chief Executive Officer, and Chief Financial Officer of the Corporation.
- (c) If Mr. Rogers is elected at the Meeting, a majority of the Board members are independent.
- (d) The small size of the Board facilitates open and candid discussion amongst its members. The Compensation Committee, which is made up entirely of outside, unrelated directors, meets independently of management members of the Board to discuss and approve executive compensation related matters, and any other matters deemed significant in their discretion, on at least an annual basis.
- (e) Although the Chairman of the Board is an insider, a majority of the Board will be made up of outside, unrelated directors if Mr. Rogers is elected at the Meeting. The Board considers it important that the individual serving as its Chairman has a management-level understanding of the day-to-day operations of the Corporation. As the Board currently has only one representative of management, and that representative is the Chief Executive Officer and Chief Financial Officer, this individual serves the roles of Chairman, President, Chief Executive Officer, and Chief Financial Officer. The Board does not have an independent "lead director", but the small size of the Board provides the ability for the independent directors to perform their duties appropriately.
- (f) The following table sets forth the number of Board and committee meetings held and attendance by directors for the year ended March 31, 2013:

<u>Director</u>	<u>Board of Directors and Committee Meetings Attended (in person or by telephone)</u>
Vic Alboini	8 of 8
Ian Bradley	4 of 4
William Grant	7 of 9
John Reid ⁽¹⁾	6 of 9

1. Mr. Reid joined the Board on February 14, 2012 and resigned from the Board on May 8, 2013.

Board Mandate

The mandate of the Board is to supervise the management of the business and affairs of the Corporation and to act with a view to the best interests of the Corporation and its shareholders. The Board fulfils its mandate directly and through committees. To assist it in fulfilling this responsibility, the Board has specifically recognized its responsibility for the following areas:

- (a) reviewing and approving the Corporation's strategic plan and business initiatives and monitoring the implementation by management of the strategic plan;

- (b) reviewing and approving the Corporation's expenditure policy as well as those expenditures which exceed the limits for management approval;
- (c) reviewing and approving significant operational and financial matters and providing direction to management on these matters;
- (d) overseeing the Corporation's integrity, ethics and compliance with laws and financial reporting requirements;
- (e) ensuring that appropriate succession planning and management development plans are in place;
- (f) monitoring the Corporation's operating results and financial condition;
- (g) understanding and assessing the risks facing the Corporation and monitoring the management of those risks; and
- (h) assessing the performance of the officers and senior management of the Corporation and setting executive compensation accordingly, as well as reviewing and approving corporate objectives and goals applicable to senior management.

Position Descriptions

(a) Board and Committee Chairs

The Board has not developed written position descriptions for the chair and the chairs of its two committees (Audit Committee and Compensation Committee). The Board operates within the mandate noted above. The Audit Committee operates within its written mandate attached hereto as Schedule "G". The Chair of the Board and of each of the committees is responsible for establishing the agenda for each meeting in consultation with other Board members and executive management.

(b) Chief Executive Officer

The Board has not developed a written position description for the Chief Executive Officer. The Chief Executive Officer is a director of the Corporation. The mandate of the Board includes setting objectives for executive management and assessing performance against these objectives.

Orientation and Continuing Education

Management, along with the Board, provides all new directors with a briefing on the history of the Corporation, the current financial position and operational strategy of the Corporation, and the structure and operation of the Board. Senior management and the Corporation's auditors make periodic presentations to the Board to ensure they are aware of business conditions, industry practices and emerging issues.

Ethical Business Conduct

The Board has adopted a written Code of Ethics ("**Code**") of the Corporation, which guides all directors, officers, and employees of the Corporation. The Code forms part of the Corporation's Policy and Procedures Manual and addresses the following issues:

- | | |
|--|--|
| (a) compliance with laws, rules and regulations; | (m) anti-money laundering/terrorist financing; |
| (b) compliance with the Code; | (n) fraud; |
| (c) fair and honest dealing; | (o) record retention; |
| (d) anti-discrimination and harassment; | (p) access to information; |
| (e) substance abuse; | (q) conflicts of interest; |
| (f) safety and security; | (r) outside activities; |
| (g) supervision of employees; | (s) gifts and entertainment; |
| (h) inside information; | (t) personal trading, borrowing and lending; |
| (i) improper use of knowledge; | (u) privacy and confidentiality; |
| (j) use of client information; | (v) protection and proper use of company assets; |
| (k) standard of care in investment management; | (w) internal and external examinations, audits and investigations; and |
| (l) improper influence; | (x) reporting of potential violations of the Code. |

The Board is responsible for monitoring the Code, reviewing management's monitoring of compliance with the Code, and receiving reports from the Chief Financial Officer of the Corporation and the Chief Compliance Officer of Northern Securities with regard to the Code.

A copy of the Code is available for review at the Corporation's registered office.

To ensure that directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest, the Board's practice is that the interested director is not permitted to vote on any resolution to approve the matter.

Nomination of Directors

The Board does not currently have a formal committee for nominating new directors or assessing directors. In the event a new director is required, the Board considers a nominee's track record in business management, special expertise in an area of interest to the Corporation, the nominee's ability to devote sufficient time, and whether the nominee has shown support for the Corporation's mission and strategic objectives.

Compensation

The Board has appointed a Compensation Committee comprised entirely of independent directors. Each year, the Compensation Committee and the Board review the base salaries of all executive officers to determine whether adjustments are appropriate to bring their salaries to a competitive level and to reflect their responsibilities as executives of a public corporation. In conducting this review, the Board considers comparative data for executives having similar responsibilities in competitive organizations, taking into account size, location and appropriate differentiating factors.

Assessments

The Board as a whole assesses the effectiveness of the Board and individual members at least annually. The process by which this assessment is done is on an informal basis. Due to the small size of the Board, a formal committee has not been considered necessary or efficient to conduct this assessment.

Board Committees

The Corporation presently has an Audit Committee and a Compensation Committee.

Audit Committee

The Audit Committee assists the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process, and the Corporation's process for monitoring compliance with laws and regulations and the code of conduct.

The responsibilities of the Audit Committee include:

- Being available to assist and provide direction in the audit planning process when and where appropriate;
- Meeting with the auditors as necessary and prior to release and approval of the consolidated financial statements to review audit, disclosure and compliance issues;
- Where necessary, reviewing matters raised by the auditors with appropriate levels of management, and reporting back to the auditors their findings;
- Making known to the auditors any issues of disclosure, corporate governance, fraud or illegal acts, non-compliance with laws or regulatory requirements that are known to them, where such matters may impact the consolidated financial statements or auditors report;
- Providing guidance and direction to the auditors on any additional work they feel should be undertaken in response to issues raised or concerns expressed;
- Making such enquiries as appropriate into the findings of the auditors with respect to corporate governance, management conduct, cooperation, information flow and systems of internal controls;
- Reviewing the draft consolidated financial statements prepared by management including the presentation, disclosures and supporting notes and schedules, for accuracy, completeness and appropriateness, and approve same to be passed to directors for approval; and
- Pre-approving all professional services and allowable consulting services to be provided by the auditors.

At no time since the commencement of the Corporation's most recently completed fiscal year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the

Board.

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services.

The Audit Committee members are Mr. Grant and Mr. Alboini. It is expected that Mr. Rogers will join the Audit Committee if elected as a director at the Meeting. Other than Mr. Alboini each of the members of the committee are independent, as such term is defined in Multilateral Instrument 52-110 Audit Committees.

All the members of the Committee are "financially literate" and have:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

The following is a brief summary of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member:

- **Mr. Alboini** – Mr. Alboini has been in the securities industry for a total of 18 years and is experienced in mergers and acquisitions in his role as an investment banker and as an officer and director. Mr. Alboini has been a securities lawyer at McCarthy & McCarthy (now McCarthy Tetrault), President of Prenor Financial Inc., Managing Director Loewen, Ondaatje & McCutcheon, Executive Vice President. Mergers and Acquisitions at Yorkton Securities Inc. and Chairman and Chief Executive Officer of the Corporation and Northern Securities. Mr. Alboini is also Chairman and Chief Executive officer of Jaguar Financial Corporation. Mr. Alboini has a Masters of Law (Corporate Finance) from Osgoode Hall, a Bachelor of Laws from the University of Toronto, and a Bachelor of Arts (Political Science) at the University of Toronto.
- **Mr. Grant** – Mr. Grant is an active investor in many companies with financial experience resulting from his long career in the insurance industry. Mr. Grant was formerly the President and a Director of Loyalist Insurance Company, formerly a Director of Commonwealth Insurance Company and Federated Insurance Company, and formerly the President of Markel Insurance Company.

The Audit Committee meets on a quarterly basis and holds special meetings, as circumstances require.

Audit Fees

The fees charged to the Corporation by its external auditor in each of the last two fiscal years are as follows:

	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2012
Audit Fees ⁽¹⁾	\$60,000	\$147,000
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees	Nil	Nil

Notes:

- (1) Audit fees include fees for services related to the audit of the Corporation's financial statements or other services that are normally provided by the external auditors in connection with statutory or regulatory filings or engagements. These fees also include fees for comfort letters, statutory audits, attest services, consents and assistance with the preparation and review of documents filed with regulators, as well as in connection with the interpretation of accounting and financial reporting standards.
- (2) Audit-related fees include assurance and related services that are performed by the Corporation's auditors. These services also include accounting consultations in connection with divestitures and internal control reviews.
- (3) Tax fees include fees for assistance with tax planning, during restructurings and when taking a tax position, as well as preparation and review of income and other tax returns and tax opinions.

The Corporation is relying on the exemption in section 6.1 of National Instrument 52-110 – *Audit Committees* and Audit Committee charter is attached hereto as Schedule "B".

Compensation Committee

The Corporation's Compensation Committee is comprised entirely of independent directors. Since the resignation of John Reid, the only member of the Compensation Committee has been William Grant. It is expected that Mr. Rogers will join the Compensation Committee if elected as a director at the Meeting. The members of the Compensation Committee have had significant business management experience, which provides them with an understanding of the factors that are required in evaluating compensation.

INSURANCE COVERAGE

The Corporation's directors and officers are not covered under directors and officers' insurance policies.

ADDITIONAL INFORMATION

Additional information about the Corporation, including the Corporation's current annual information form, MD&A and financial statements can be found on the SEDAR website for Canadian regulatory filings at www.sedar.com. Shareholders may also contact the Corporation at 647-352-8180 to request copies of the Corporation's financial statements and MD&A. Financial information is provided in the Corporation's comparative financial statements and MD&A for its most recently completed financial year.

The contents and sending of this Information Circular have been approved by the Board of the Corporation.

By Order of the Board.

August 16, 2013

"Vic Alboini"

Vic Alboini

Chairman and Chief Executive Officer

SCHEDULE A

ORDINARY RESOLUTION OF THE SHAREHOLDERS OF NORTHERN FINANCIAL CORPORATION (the "Corporation")

RE-APPROVAL OF EMPLOYEE SHARE PURCHASE PLAN

BE IT RESOLVED as an ordinary resolution of the Corporation that:

1. The Employee Share Purchase Plan, the text of which is set out below, is hereby confirmed, approved and adopted; and
2. Any one or more directors or officers be and are hereby authorized, upon the board of directors of the Corporation resolving to give effect to this resolution, to take all necessary acts and proceedings, to execute and deliver and file any and all applications, declarations, documents and other instruments and to do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution.

Text of Employee Share Purchase Plan:

"EMPLOYEE SHARE PURCHASE PLAN

1. Northern Financial Corporation ("NFC") has established an Employee Share Purchase Plan ("ESPP") for the benefit of the employees of NFC and Northern Securities Inc. ("NSI"). NFC and NSI are sometimes collectively referred to as "**Northern**".
2. Employees qualify to participate in the ESPP once they have completed six months of employment at Northern. These employees are referred to as "**Qualifying Employees**".
3. On August 1 in each year, Qualifying Employees can purchase common shares of NFC up to 8% of their compensation in the six-month period ending June 30, subject to a maximum amount of \$4,000.
4. Similarly on February 1 in each year, Qualifying Employees can purchase common shares of NFC up to 8% of their compensation in the six-month period ending December 31, subject to a maximum amount of \$4,000.
5. Accordingly, the maximum amount that can be invested by a Qualifying Employee in any year is \$8,000.
6. The purchase price of the NFC shares under the ESPP is the volume weighted average price for the 20 trading day period ending on the applicable June 30 or December 31 date.
7. On each August 1 and February 1 NFC will match the number of common shares purchased by Qualifying Employees (the "**Employee Shares**") by issuing the same number of common shares (the "**Matching Shares**") at no cost to the Qualifying Employees.

8. The Matching Shares are issued to Qualifying Employees equally over a three-year period following the date of the purchase of the Employee Shares, as long as the Qualifying Employee is an employee of Northern at that time. Therefore Qualifying Employees earn one-third of their Matching Shares one year following the date of issue of the Employee Shares, a further one-third of their Matching Shares two years following the date of issue of the Employee Shares, and the final one-third of their Matching Shares three years following the date of issue of the Employee Shares.
9. If the employment of any Qualifying Employee is terminated for any reason whatsoever, including voluntary resignation, termination by Northern with or without cause, the Matching Shares that have not been issued to the Qualifying Employee are forfeited by such Employee. Despite the foregoing, upon the death of a Qualifying Employee, Matching Shares that would have been issued to such employee as a result of the purchase of Employee Shares as at the date of death will continue to be issued by NFC to the estate of such Qualifying Employee over the three year period referred to above.
10. The Employee Shares are freely tradable by Qualifying Employees on or after the date of their issue. Matching Shares may not be traded by Qualifying Employees until the dates such shares are issued as noted above.
11. The number of securities issuable to insiders, at any time, under all security based compensation arrangements, cannot exceed 10% of issued and outstanding securities and the number of securities issued to insiders, within any one year period, under all security based compensation arrangements, cannot exceed 10% of issued and outstanding securities.
12. NFC may satisfy its obligations under the ESPP to issue Employee Shares and Matching Shares, in whole or in part, through the issuance of securities from treasury and/or by delivery of previously issued common shares acquired on a public market such as the TSX. NFC reserves the right to discharge any and all of its obligations under the ESPP through the use of a plan administrator or other third party service provider.
13. The ESPP may be amended from time to time by the directors of the Corporation. For greater certainty and without limiting the foregoing, without requirement to seek shareholder approval:
 - i) the directors of the Corporation may, from time to time, waive or increase the participation limits set out in any of paragraphs 3, 4, and 5 of the ESPP provided that the aggregate participation of all eligible employees in respect of the participation date on which the waiver or increase applies shall not exceed the aggregate maximum participation that would otherwise apply had the waiver or increase not been granted and the restrictions set out in paragraph 11 are complied with; and
 - ii) the directors of the Corporation may, from time to time, set participation dates and vesting periods for the issuance of Matching Shares under the ESPP different than those set out in paragraphs 3, 4, 7 and 8 of the ESPP provided that, (A) under no circumstances shall the Board be entitled to lengthen the vesting periods for the issuance of Matching Shares in respect of ESPP participation that occurred prior to the date hereof, and (B) the purchase price of the NFC shares under the ESPP is the volume weighted average price for the 20 trading day period ending 30 days prior to the participation date.
14. The maximum number of Common Shares that can be issued under the ESPP in a given fiscal year cannot exceed 10% of the Corporation's issued and outstanding shares calculated at the last day of the prior fiscal year."

SCHEDULE B

SPECIAL RESOLUTION OF THE SHAREHOLDERS OF NORTHERN FINANCIAL CORPORATION (the "Corporation")

APPROVAL OF SHARE CONSOLIDATION

BE IT RESOLVED as a special resolution of the shareholders (the "Shareholders") of the Corporation, that:

1. the Corporation's authorized share capital be altered by consolidating all of the 44,320,135 issued and outstanding common shares of the Corporation (the "consolidation") on the basis of up to twenty (20) pre-Consolidation common shares (each a "Pre-Consolidation Share") for one (1) post-Consolidation common share (each a "Post-Consolidation Share");
2. if the Consolidation would otherwise result in the issuance of a fractional Post-Consolidation Share, no fractional shares will be issued but rather the number of Post-Consolidation Shares registered in the name of the Shareholder will be rounded up to the nearest whole Post-Consolidation Share for registered Shareholders holding 0.5 or more fractional Post-Consolidation Shares and shall be rounded down to the nearest whole Post-Consolidation Share for any registered Shareholder holding less than 0.5 of a fractional Post-Consolidation Share without any payment or other compensation being made to any Shareholder in respect thereof;
3. the Board of Directors of the Corporation is hereby authorized, at any time in its absolute and sole discretion, to determine the specific Consolidation ratio, such ratio not to exceed twenty (20) Pre-Consolidation Shares for one (1) Post-Consolidation Share;
4. this resolution shall not take effect until the Corporation has received approval from the TSX Venture Exchange for the Consolidation and until the Board of Directors determines to implement the Consolidation;
5. upon the date determined by the Board of Directors to implement the Consolidation, any one director or officer of the Corporation be and is hereby authorized and directed for and in the name of and on behalf of the Corporation to prepare, execute and file the Articles of Amendment of the Corporation in the prescribed form in order to give effect to this special resolution, and to execute and deliver all such other documents and instruments and perform such other acts as may be necessary or desirable to give effect to this special resolution;
6. notwithstanding the approval of the Shareholders of the Corporation as herein provided, the Board of Directors of the Corporation may, in its sole discretion, abandon the Consolidation and any or all of the actions authorized by this special resolution at any time prior to completion thereof in the sole discretion of the Corporation without further approval, ratification or confirmation of the Shareholders of the Corporation; and
7. any one director or officer of the Corporation be and is hereby authorized and directed for and in the name of and on behalf of the Corporation to take all necessary steps and proceedings

and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this resolution.

SCHEDULE C

**ORDINARY RESOLUTION OF THE SHAREHOLDERS
OF
NORTHERN FINANCIAL CORPORATION
(the "Corporation")**

**APPROVAL OF ISSUANCE OF POST-CONSOLIDATION SHARES TO SATISFY DEBT
OWING TO LENDERS IN THE TOTAL AMOUNT OF \$1,204,000 PLUS ALL ACCRUED
INTEREST**

BE IT RESOLVED as an ordinary resolution of the shareholders (the "Shareholders") of the Corporation, that:

1. subject to the approval of the TSX Venture Exchange, the Board of Directors of the Corporation may issue Post-Consolidation Shares (as such term is defined in the management information circular dated August 16, 2013 (the "Circular")) to any or all of the following lenders (as such are described and defined in the Circular) in order to retire their total aggregate principal amount of up to \$1,204,000 plus all accrued interest thereon and the interest on the loan from Wesley Roitman
 - a. Wesley Roitman interest
 - b. John Kearney \$200,000 loan plus interest
 - c. John Reid \$500,000 loan plus interest
 - d. Settlement Liability \$504,000;
2. any one director or officer of the Corporation be and is hereby authorized and directed for and in the name of and on behalf of the Corporation to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this resolution.

SCHEDULE D

**ORDINARY RESOLUTION OF THE SHAREHOLDERS
OF
NORTHERN FINANCIAL CORPORATION
(the "Corporation")**

**APPROVAL OF ISSUANCE OF POST-CONSOLIDATION SHARES TO SATISFY DEBT
OWING TO VIC ALBOINI AND HIS INVESTMENT COMPANY IN THE TOTAL
AMOUNT OF \$469,959 PLUS ALL ACCRUED INTEREST**

BE IT RESOLVED as an ordinary resolution of the shareholders (the "Shareholders") of the Corporation, that:

1. subject to the approval of the TSX Venture Exchange, the Board of Directors of the Corporation may issue Post-Consolidation Shares (as such term is defined in the management information circular dated August 16, 2013 (the "Circular")) to Vic Alboini and his investment company in order to retire the total principal amount of \$469,959 plus all accrued interest thereon owing to him; and
2. any one director or officer of the Corporation be and is hereby authorized and directed for and in the name of and on behalf of the Corporation to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this resolution.

SCHEDULE E

**SPECIAL RESOLUTION OF THE SHAREHOLDERS
OF
NORTHERN FINANCIAL CORPORATION
(the "Corporation")**

**APPROVAL OF THE NAME CHANGE OF THE CORPORATION TO
ADDED CAPITAL INC.**

BE IT RESOLVED as a special resolution of the shareholders (the "Shareholders") of the Corporation, that:

1. the Corporation be authorized to undertake a change in the name of the Corporation to Added Capital Inc. or such other name as the directors of the Corporation may in their sole discretion determine and that the articles of the Corporation be amended to change the name of the Corporation ("Name Change") to Added Capital Inc. or such other name as the directors may, in their sole discretion, determine;
2. notwithstanding the approval by the shareholders of the execution of such documents and instruments in this special resolution, the directors are hereby authorized by resolution at any time in their absolute discretion to determine not to proceed with the Name Change without further approval, ratification or confirmation by the shareholders of the Corporation;
3. any one director or officer of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such documents and instruments and take all such other actions as such director or officer may determine necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced or the taking of such actions.

SCHEDULE F

**SPECIAL RESOLUTION OF THE SHAREHOLDERS
OF
NORTHERN FINANCIAL CORPORATION
(the "Corporation")**

**APPROVAL OF THE TRANSFER OF JAGUAR SHARES IN SETTLEMENT
OF \$150,000 DEBT**

BE IT RESOLVED as a special resolution of the shareholders (the "Shareholders") of the Corporation, that:

1. the Corporation is authorized to transfer 6,000,000 common shares of Jaguar Financial Corporation to Vic Alboini in full repayment of the \$150,000 loan owing to him by the Corporation; and
2. any one director or officer of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such documents and instruments and take all such other actions as such director or officer may determine necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced or the taking of such actions.

SCHEDULE "G"
CHARTER
OF THE AUDIT COMMITTEE OF
NORTHERN FINANCIAL CORPORATION (the "Corporation")

Mandate

To assist the board of directors of the Corporation in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process, and the Corporation's process for monitoring compliance with laws and regulations and the code of conduct.

Authority

The audit committee has authority to conduct or authorize investigations into any matters within its mandate. It is empowered to:

- Retain outside counsel, accountants or others to advise the committee.
- Seek any information it requires from employees – all of whom are directed to co-operate with the committee's requests – or external parties.
- Meet with the Corporation's officers, external auditors or outside counsel and review Corporation books and records, as necessary.

Composition

The audit committee will consist of three members of the board of directors. The board will appoint committee members and the committee chair. In the absence of the chair at any particular meeting, the other committee members shall appoint a member for such purpose. Any member of the committee may be removed or replaced at any time by the board and shall cease to be a member of the committee upon ceasing to be a director. Subject to the foregoing, each member of the committee shall hold office as such until the next annual meeting of shareholders.

Subject to applicable exemptions, each committee member will be both independent of management and is an unrelated director, and shall be able to read and understand a balance sheet, an income statement and a cash flow statement. At least one member shall have accounting or related financial expertise, which shall be defined as having sufficient experience, in the opinion of the board, to be able to appreciate the significance of the information in the financial statements.

Meetings

The committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via teleconference; however, two members of the audit committee, present in person or via teleconference, will constitute a quorum. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors and meetings with management. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared by the secretary of the committee (who shall be appointed from among its members and may include the chair of the committee). Subject to the foregoing, the times of meetings and the places where meetings of the committee shall be held and the calling of, and procedures at, such meetings shall be determined from time to time by the committee, provided that meetings shall be convened with the auditors of the Corporation whenever requested by them in accordance with the *Business Corporations Act* (Ontario) and generally accepted auditing standards. Meetings with the Corporation's auditors shall, in any event, occur at least annually and with the Corporation's management, at least four times

a year.

Duties

The committee will carry out the following duties in furtherance of its mandate:

Financial Statements

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understanding their impact on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered, and resolving disagreements between management and the external auditors regarding financial reporting.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Review other sections of the annual report (including annual management discussion and analysis) and related securities regulatory filings (including the annual information form) before release and consider the accuracy and completeness of the information.
- Review with management and the external auditors all matters which the external auditors communicate to the committee pursuant to generally accepted auditing standards.
- Understand how management develops interim financial information, and the nature and extent of external auditor involvement.
- Review interim financial reports (including interim management discussion and analysis) with management and the external auditors, before filing with regulators, and consider whether they are complete and consistent with the information known to committee members.

Internal Control

- Consider effectiveness of the Corporation's internal control over the conduct of financial transactions and over annual and interim financial reporting, including information technology security and control.
- Understand the scope of external auditors' review of internal control over the conduct of financial transactions and over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

External Audit

- Review the external auditors' proposed audit scope and approach.
- Review the performance of the external auditors, and exercise final approval on the recommended appointment or discharge of the auditors, who are ultimately accountable to the board and the audit committee as representatives of shareholders.
- Review and confirm the independence of the external auditors by obtaining written statements, at least annually, from the auditors on all relationships between the auditors and the Corporation, including non-audit services, and the fees paid or payable with respect thereto, and discussing the relationships with the auditors.
- Pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the Corporation's external auditors, delegate a member of the committee to perform such pre-approval function, or establish policies and procedures with respect to the provision of non-audit services in accordance with applicable law.
- On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

Compliance

- Review the effectiveness of the system of monitoring compliance with laws and regulations relating to financial reporting and securities law matters and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to Corporation personnel, and for monitoring compliance therewith.
- Review the procedures relating to the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential submissions by employees of concerns regarding questionable accounting or auditing matters.
- Obtain regular updates from management and Corporation's legal counsel regarding compliance with laws and regulations relating to financial reporting and securities law matters and other matters that may have a material impact on financial statements.

Reporting Responsibilities

- Regularly report to the board of directors about committee activities, issues and related recommendations.
- Provide an open avenue of communication between the external auditors and the board of directors.
- Review any other reports the Corporation issues that relate to committee responsibilities.
- Other Responsibilities
- Perform other activities related to this charter as requested by the board of directors and as required by law.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the Corporation's present and former external auditors.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the committee's and individual members' performance on a regular basis.

Limitations

While the committee has the responsibilities and powers set forth in this charter, it is not the duty of the committee to plan or conduct audits or to determine that generally accepted accounting principles have been utilized in generating the Corporation's financial statements. This is the responsibility of management and the independent auditor. Nor is it the duty of the committee to conduct investigations or to assure compliance with laws and regulations and the business conduct guidelines of the Corporation.

SCHEDULE "H"

CHANGE OF AUDITOR DOCUMENTATION

April 5, 2013

Grant Thornton LLP
McGovern, Hurley, Cunningham, LLP

Re: Notice of Change of Auditors

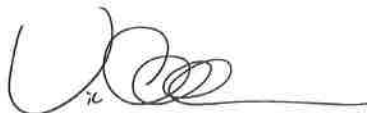
In compliance with section 4.11 of National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102"), please be advised as follows:

1. On February 14, 2013, Grant Thornton LLP resigned as Northern Financial Corporation's ("NFC") auditors. On April 5, 2013 McGovern, Hurley, Cunningham, LLP was appointed as NFC's successor auditors.
2. Grant Thornton resigned on its own initiative as a result of a restructuring of the amounts owing to it by NFC.
3. The board of directors of NFC and its audit committee accepted the resignation of Grant Thornton LLP.
4. None of Grant Thornton's reports on NFC's financial statements for the financial years ended March 31, 2011 or March 31, 2012 nor for any period subsequent thereto for which an audit report was issued, preceding the date of this notice, contained any reservations.
5. The Board of Directors is of the opinion that there are no "reportable events" as such term is defined in section 4.11(1) of NI 51-102.

Please review this letter and advise the Board of Directors of the Corporation in writing whether you agree, disagree (including the reasons why) or have no basis to agree or disagree with each statement contained in this Notice.

It is further requested that you address your response to the relevant securities regulatory authorities (list of addresses attached hereto) and deliver the response to us as soon as possible.

NORTHERN FINANCIAL CORPORATION



Per: _____

Vic Alboini
Chief Executive Officer

List of Addresses

Alberta Securities Commission
4th Floor, 300-5th Avenue, S.W.
Calgary, AB T2P 3C4

Ontario Securities Commission
Box 55, 1903
20 Queen Street West
Toronto, ON M5H 3S8

British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, BC V1Y 1L2

Authorite des Marches Financiers
800, Square Victoria, 22e etage
C.P. 246, Tour de la Bourse
Montreal, QU
H4Z 1G3

New Brunswick Securities Commission
85 Charlotte Street, Suite 300
Saint John, NB E2L 2J2

Nova Scotia Securities Commission
P.O. Box 458
Halifax, NS B3J 2P8

Saskatchewan Financial Services Commission
Suite 601-1919 Saskatchewan Drive
Regina, SK S4P4H2

The Manitoba Securities Commission
500-400 St. Mary Avenue
Winnipeg, MB R3C 4K5

TSX Venture Exchange
10th Floor, 300 – 5th Avenue SW
Calgary, AB T2P 3C4



April 5, 2013

Alberta Securities Commission
British Columbia Securities Commission
New Brunswick Securities Commission
Saskatchewan Financial Services Commission
Ontario Securities Commission
Autorité des Marchés Financiers
Nova Scotia Securities Commission
The Manitoba Securities Commission
TSX Venture Exchange

Grant Thornton LLP
Royal Bank Plaza
19th Floor, South Tower
200 Bay Street, Box 55
Toronto, ON M5J 2P9
T +1 416 366 0100
F +1 416 360 4949
www.GrantThornton.ca

Dear Sirs/Mesdames:

As required by subparagraph (5)(a)(ii) of section 4.11 of National Instrument 51-102, we have reviewed the change of auditor notice of Northern Financial Corporation dated April 5, 2013 (the "Notice") and, based on our knowledge of such information at this time, we agree with each statement contained in the Notice.

Yours sincerely,

A handwritten signature in black ink that reads "Grant Thornton LLP".

Chartered Accountants
Licensed Public Accountants

McGovern, Hurley, Cunningham, LLP

Chartered Accountants

2005 Sheppard Avenue East, Suite 300
Toronto, Ontario
M2J 5B4, Canada
Phone 416-496-1234
Fax 416-496-0125
Email info@mhc-ca.com
Web www.mhc-ca.com

April 5, 2013

Alberta Securities Commission
British Columbia Securities Commission
New Brunswick Securities Commission
Saskatchewan Financial Services Commission
Ontario Securities Commission
Autorite des Marches Financiers
Nova Scotia Securities Commission
The Manitoba Securities Commission
TSX Venture Exchange

Dear Sirs:

Re: NORTHERN FINANCIAL CORPORATION

We have reviewed the information contained in the Change of Auditor Notice of Northern Financial Corporation dated April 5, 2013 (the "Notice"). Based on our knowledge as of the date hereof, we agree with the statements contained in the Notice. We have no basis to agree or disagree with the comments in the notice relating to Grant Thornton LLP.

Yours truly,

MCGOVERN HURLEY CUNNINGHAM, LLP



Chartered Accountants
Licensed Public Accountants

/PC