



NORTHERN FINANCIAL PROVIDES FURTHER UPDATE ON FINANCIAL RESTRUCTURING

TORONTO, ONTARIO, August 28, 2013 – Northern Financial Corporation (TSX-V: NFC) (“**Northern Financial**” or the “**Company**”) announced a payment of \$100,800 in settlement of a \$504,000 debt owing to a judgment creditor, which payment represented 20% of the amount of the debt. The settlement payment to the creditor was financed by a loan of \$100,800 provided to the Company by Vic Alboini, Chairman and CEO.

The Company also announced changes to the terms of its \$200,000 secured loan. The maturity date of the \$200,000 secured loan has been extended to April 6, 2014, the interest rate has been reduced to 10% effective October 6, 2013, and the accrued interest owing is payable on October 6, 2014, and the lender has agreed that once the principal amount is fully paid, no interest will be payable on the amount of the accrued interest outstanding as long as the accrued interest is paid by October 6, 2014. The Company has paid down \$50,000 of the original \$250,000 principal amount.

The Company also announced that the unsecured lenders who are owed \$200,000 and \$570,759 have agreed to waive all historical and future accrued interest so that the amounts owing are limited to the respective principal amounts. The lender of \$570,759 is Mr. Alboini. The Company has not yet had an opportunity to finalize a restructuring of a \$500,000 unsecured loan owing to a third lender who is a former director and current shareholder of the Company.

Given the above restructuring developments, the Company is not expected to proceed with a share consolidation of one new share for up to 20 old shares.

About Northern Financial Corporation

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

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release. This press release may contain forward-looking statements with respect to the Company, its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward looking words such as “may”, “will”, “expect”, “estimate”, “anticipate”, “intends”, “believe” or “continue” or the negative thereof or similar variations. The actual results and performance of the Company discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under “Risk Factors” in the Management’s Discussion

and Analysis of the Company which is available at www.sedar.com. The cautionary statements qualify all forward-looking statements attributable to the Company and persons acting on their behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the Company has no obligation to update such statements.

FOR FURTHER INFORMATION PLEASE CONTACT:

Vic Alboini
647-352-8180