



For Immediate Release

**NORTHERN FINANCIAL CORPORATION
(TSX: NFC)**

**NORTHERN SECURITIES TO PARTICIPATE IN FINANCING FOR ROYAL COAL CORP.
OF UP TO \$30,000,000**

TORONTO, ONTARIO – February 2, 2011 – Northern Securities Inc. (“Northern Securities”), a wholly owned subsidiary of Northern Financial Corporation (TSX:NFC), is pleased to announce that it has accepted an invitation to participate in a syndicate to raise up to \$30,000,000 in an offering of special warrants for Royal Coal Corp. (TSXV:RDA) (“Royal Coal”) on a best efforts basis (the “Offering”). The syndicate will be led by Cormark Securities Inc. and also include Haywood Securities Inc. (including Northern Securities, collectively, the “Agents”). Royal Coal has also granted to the Agents an option, exercisable at any time prior to the closing of the Offering, to sell up to an additional 15% of the Special Warrants sold under the Offering for additional gross proceeds of approximately \$4.5 million (the “Agents’ Option”).

Royal Coal is a coal exploration and production company, headquartered in Toronto, Ontario, Canada with a regional office in Hazard, Kentucky, U.S.A. whose primary business focus is developing producing surface coal mining operations in the Central Appalachian coal producing region of the United States, which includes parts of West Virginia, Virginia, Kentucky, Ohio, and Tennessee.

Pursuant to the Offering, the Agents will offer the Special Warrants at a price of \$0.25 per Special Warrant for gross proceeds of up to \$34.5 million, assuming full exercise of the Agents’ Option. Upon the exercise or deemed exercise thereof, each Special Warrant will entitle the holder to receive one unit (a “Unit”) without payment of any additional consideration. Each Unit will consist of one common share of Royal Coal (a “Common Share”) and one-half of one Common Share purchase warrant (each whole warrant a “Warrant”). Each Warrant will entitle the holder to acquire one Common Share at a price of \$0.335 per Common Share for a period of two years following the date of closing of the Offering, subject to adjustment as described below.

Royal Coal will use its commercially reasonable best efforts to file a prospectus qualifying the distribution of the Common Shares and Warrants and to have a receipt for a final prospectus issued by the securities commissions in Canada on or before the date which is 60 days following the closing of the Offering (the “Clearance Date”). In the event that Royal Coal has not received a receipt for a final prospectus on or before the Clearance Date, the exercise period of the Warrants will be extended from two years to five years from the date of closing of the Offering.

The net proceeds of the Offering will be used to fund asset acquisitions, capital expenditures to expand operations, debt repayment and for general corporate and working capital purposes. The Offering is expected to close on or about February 23, 2011 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange.

The securities offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Northern Financial Corporation

Northern Financial Corporation ("Northern Financial") wholly owns Northern Securities, a full service investment dealer that provides financial advisory services to retail and institutional clients and investment banking services to small capitalization companies.

The Toronto Stock 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 Northern Financial discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under "Risk Factors" in the Management's Discussion and Analysis and Annual Information Form of Northern Financial which are available at www.sedar.com. The cautionary statements qualify all forward-looking statements attributable to Northern Financial and persons acting on their behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and Northern Financial has no obligation to update such statements.

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