



For Immediate Release

NORTHERN FINANCIAL CORPORATION

(TSX: NFC)

NORTHERN CLOSES THIRD TRANCHE OF PUBLIC OFFERING

TORONTO, ONTARIO, May 26, 2011 – Northern Financial Corporation (TSX: NFC) (“Northern” or the “Company”) is pleased to announce that it has closed the third tranche of its short form prospectus offering by issuing 1,500,000 common shares (the “Common Shares”) at a price of \$0.30 per Common Share.

The Common Shares were issued for total gross proceeds of \$450,000 (the “Offering”). The Common Shares were issued pursuant to the Company’s short form prospectus dated February 25, 2011. The Offering was sold on an agency basis by a syndicate comprised of Northern Securities Inc. and Byron Capital Markets Ltd. (the “Agents”).

In connection with the Offering, the Agents were paid a cash commission equal to 7% of the gross proceeds received by the Company in respect of the Offering. In addition, the Company issued broker warrants which entitle the holders to purchase 7% of the number of Common Shares sold in the Offering, representing 105,000 Common Shares, at a price of \$0.30 per Common Share on or prior to May 26, 2013.

After giving effect to the Offering, Northern has 30,081,305 issued and outstanding common shares.

On March 30, 2011, Northern closed the first tranche of its short form prospectus offering issuing an aggregate of 11,384,998 common shares and retired \$3.2 million in debt. On April 21, 2011, Northern closed the second tranche of its short form prospectus offering issuing an aggregate of 2,916,166 common shares. To date, Northern has raised aggregate gross cash proceeds of approximately \$3.32 million under its short form prospectus.

The Company may have an additional closing, although the date of such closing is not yet known. A copy of Northern’s final prospectus is available at www.sedar.com.

The securities offered have not been, and will not be, registered under the United States 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 United States persons absent registration or any applicable exemption from the registration requirement 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, 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 wholly owns Northern Securities Inc., 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 the Company discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under “Risk Factors” in the Management’s Discussion and Analysis and Filing Statement of the Company which are available at www.sedar.com. The cautionary statements qualify all forward-looking statements attributable to the Company and persons acting on their behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the Company has no obligation to update such statements.

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