

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 the Corporation’s offices located at Suite 2020, 145 King Street West, Toronto, Ontario on Thursday, September 1, 2011, at 4:00 p.m. local time, for the following purposes:

1. to receive and to consider the consolidated financial statements of the Corporation for the year ended March 31, 2011, together with the auditors’ report thereon and the annual report to the shareholders;
2. to set the number of directors at 4 (four);
3. to elect directors of the Corporation;
4. to re-appoint auditors and to authorize the directors to fix their remuneration;
5. to consider, and if thought advisable, pass a special resolution as more particularly set forth in the Management Information Circular, approving the reduction of the stated capital account for the common shares of the Corporation by an amount of \$4,290,348 and correspondingly reducing the accumulated deficit of the Corporation; and
6. 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.

All holders of common shares in the capital of the Corporation registered on the books of the Corporation at the close of business on August 2, 2011, are entitled to receive notice of the Meeting. Each holder is entitled, either in person or by proxy, at the Meeting or any adjournment thereof, to vote such common shares in accordance with the *Business Corporations Act* (Ontario).

If you are unable to attend the Meeting in person, you are requested to complete and sign the enclosed form of proxy. An addressed envelope for the return of the form of proxy is enclosed.

To be valid, forms of proxy must be deposited with the Corporation’s agent, at the address on the envelope provided, not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the Meeting or any adjournment thereof, or with the Chairman of the Meeting prior to commencement of the Meeting or any adjournment thereof.

By Order of the Board

Toronto, Ontario
July 29, 2011

Vic Alboini
Chairman and Chief Executive Officer