

For Immediate Release

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

**NORTHERN FINANCIAL REPORTS FIRST QUARTER OF FISCAL 2012
RESULTS**

TORONTO, ONTARIO, August 30, 2011 - Northern Financial Corporation (TSX: NFC) ("Northern" or the "Company") today reported a loss of \$584,873 for its first quarter ended June 30, 2011, in its 2012 fiscal year, compared to a loss of \$1,064,031 in the prior year. Included in net income was income of \$333,387 representing the Company's share of the earnings of Jaguar Financial Corporation ("Jaguar"), compared to \$215,828 in the prior year. The net loss included a negative, non-cash valuation adjustment of \$259,247 on the Company's broker warrant portfolio.

Total revenue for the Company increased from \$1,458,309 in the prior year to \$1,666,868 in the quarter ended June 30, 2011, while expenses were reduced from \$2,738,168 to \$2,585,128.

The Company's wholly owned subsidiary, Northern Securities Inc. ("Northern Securities") reported improved results from the prior year, recording a loss of \$63,215 in the quarter ended June 30, 2011, compared to a loss of \$161,444 in the prior year.

The recent United States debt-ceiling crisis, concerns over potential slowdowns for the United States and other major economies, and sovereign debt fears in Europe have resulted in a significant pull back and extreme volatility in the global stock markets. The S&P/TSX Composite Index declined 6% from March 31, 2011 to June 30, 2011, while the S&P/TSX Venture Composite Index declined 17% over the same period. Issuers held off coming to market and retail investors took to the sidelines. Industry conditions therefore remain difficult with variable levels of investment banking activity and client trading volumes.

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.

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