

Northern Iron Corp. releases assay results for the fourth set of three drillholes on the Karas Property

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Northern Iron Corp. Drills 214.55 Metres of Magnetite Mineralization Grading 29.9% Fe₂O₃, Including 163.55 Metres Grading 31.73% Fe₂O₃, and 154.9m Metres Grading 29.69% Fe₂O₃, Including 29 Metres Grading 42.88 % Fe₂O₃

VANCOUVER, Oct. 4, 2011 /CNW/ - Northern Iron Corp ("Northern Iron") (TSX-V: NFE) today released assay results for the fourth set of 3 drill holes on the Karas property. The drill holes continue testing the magnetite mineralization north and in line with the previously released holes KA-11-07, 08 and 09, reaching the southern end (footwall) of the iron formation, which is still open towards the north and at depth. Magnetite mineralization continues to be very consistent between drill holes and shows good correlation.

"Thus far we have released results for 12 drill holes of the 19 holes drilled on the Karas property and the results continue to be consistent in grade and the mineralization is open at depth." said Basil Botha, President & CEO.

To date, 19 of the planned 30 drill holes (approximately 10,000 metre program) have been completed on Northern Iron's 100% owned Karas property, located 15km northeast of the town of Ear Falls, Red Lake mining district, Ontario. The 10,000 metre drill program is being completed to define a mineral resource on the property by the end of 2011.

Highlights of the third set of three holes are summarized in the table below.

| Hole | | From | To | Interval | Fe2O3 |
|----------|-----------|-------------|--------------|---------------|-----------------|
| KA-11-10 | | 4 | 158.9 | 154.9 | 29.69161 |
| | including | 118 | 147 | 29 | 42.88276 |
| | and | 301.3 | 380.3 | 79 | 27.64 |
| | including | 314 | 366 | 52 | 31.28 |
| | | | | | |
| KA-11-11 | | 5.45 | 220 | 214.55 | 29.99 |
| | including | 5.45 | 169 | 163.55 | 31.73 |
| | including | 82 | 121 | 39 | 38.66 |
| | and | 361 | 452.45 | 91.45 | 25.66167 |
| | including | 361 | 415 | 54 | 32.249 |
| | | | | | |
| KA-11-12 | | 9 | 208 | 199 | 29.634 |
| | including | 58 | 73 | 15 | 42.12 |

*True thickness in all holes to be determined.

Holes KA-11-10, 11 and 12 were drilled north of the previously released holes KA-11-07, 08 and 09 (see press release dated Tuesday, September 20th, 2011), following a fence of holes oriented at 160 degrees (southeast, perpendicular to the fold axes that strike NE-SW with a northerly dip) and spaced 50m along the drill sections.

All released drill holes intersect the southern end (footwall) of the Iron Formation for better delineation of the magnetite rich mineralized zone. The true thickness of the Iron Formation cannot be determined yet in the current drilled section, as the recently drilled holes, north of the ones released today, are still collared in magnetite mineralization after a visual inspection of the drill core, and within the ground magnetic anomaly. Folding of the Iron Formation also prevents reporting of true thickness at this stage of the drill program.

Karas property QA/QC

All 2011 drill holes were surveyed using a Reflex Maxibor II probe to monitor drill hole deviations in magnetic disturbed environments. Northern Iron's personnel were trained "on-site" by Reflex personnel to operate the instrument and process the survey data. All collars are surveyed by Northern Iron's personnel using an APS differential GPS with 3cm accuracy immediately after the holes are completed. The QA/QC protocol system employed during the 2011 exploration program included procedures for monitoring the chain-of-custody of samples and the insertion of blank samples in every batch of samples. Cross-check analyses are planned to be conducted at a second external laboratory from blind duplicate samples. Drill core samples are being prepared at SGS Canada Inc. in Red Lake, Ontario and assayed at SGS Canada Inc., in Lakeview, Ontario.

Raul Sanabria, P. Geo., is the Qualified Person for the purposes of National Instrument 43-101 for the Karas Exploration Project. Mr. Sanabria has verified and approved the contents of this news release.

About Northern Iron

Northern Iron is a mineral resource company engaged in reviving a past producing iron mine and concurrent exploration of high quality iron ore resources in the Red Lake mining division, district of Kenora, Ontario, Canada.

Northern Iron holds 100% interest in minerals claims covering approximately 14,672 hectares, comprised of the El Sol Property, the past producing Griffith Property, the Karas Property, the Papaonga Property and the Whitemud-Slate Property.

The Griffith Mine owned at the time by Stelco, produced 78.8million tonnes of iron ore for conversion to pellets and DRI from 1968-1989. Total magnetic iron recovery was 86.26%

The Red Lake area is accessible year round by Highway 105, which joins the Trans Canada highway at Vermillion Bay, 175 km south and 100 km east of Kenora. Commercial air services operate to Red Lake from Thunder Bay, Ontario and Winnipeg, Manitoba

Cautionary Statement

The foregoing information may contain forward-looking statements relating to the future performance of the Company. Forward-looking statements, specifically those concerning future performance, are subject to certain risks and uncertainties, and actual results may differ materially from the Company's plans and expectations. These plans, expectations, risks and uncertainties are detailed herein and from time to time in the filings made by the Company with the TSX Venture Exchange and securities regulators. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

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