

Northern Iron Corp. Acquires Five Contiguous Mineral Claims to the East and South of the Past Producing Griffith Mine, Red Lake, Ontario and Announces Stock Options Grant

TORONTO, Dec. 21, 2011 /CNW/ -

Mineral Claims Acquisition

Northern Iron Corp. (TSX-V: NFE) ("Northern Iron", or the "Company") (OTCQX: NHRIF) (Frankfurt: N8I) announces that it has signed an agreement with Mr. Larry Herbert (the "Vendor"), a private individual, whereby the Company will acquire a 100% interest in five mineral claims totaling 848 hectares (the "Claims").

The Claims are adjacent to the past producing Griffith mine, situated east and south of the claims acquired by the Company in January, 2010. The Griffith mine produced iron pellets and sponge iron from 1968 to 1986 before being shut down due to uneconomic iron prices.

In consideration for the 100% interest in the claims, Northern Iron will pay the Vendor \$6,000 in cash and issue 100,000 common shares of the Company at a deemed price of \$0.30 per share.

Stock Options Grant

The Company also announces that it has approved the grant of 1,125,000 stock options to officers, directors and consultants of Northern Iron. 700,000 of these options were granted to two directors of Northern Iron, namely Brian Thurston and Paul Sarjeant, and to Grant Smith, who acts as Chief Financial Officer of the Company. 425,000 stock options were granted to Consultants. Each option has a five year term and is exercisable for one common share of the Company at an exercise price of \$0.30 per share.

About Northern Iron Corp.

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 78.8 million 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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