

## Northern Iron Corp. drill results continue defining magnetite mineralization on The Karas Property

VANCOUVER, Jan. 17, 2012 /CNW/ - Northern Iron Corp. (TSXV: NFE) ("Northern Iron") (OTCQX: NHRIF) (Frankfurt: N8I) today released assay results for drill holes KA-11-20, 21 and 22 on the Karas property. The drill holes continue testing the true thickness of the magnetite mineralization in line with the previously released holes, testing the western part and down dip extension and plunge of the magnetite mineralized zone, which is still open at depth.

"These results continue to indicate that the Karas property is an extensive tightly folded banded iron formation and each new hole increases our confidence in the extent of the mineralized zone both in size and depth," said Basil Botha, President & CEO.

Hole KA-11-20 tests the down dip extension and plunge of the magnetite mineralized zone, and intersects a continuous mineralized interval of magnetite mineralization from the hanging wall contact of 370m averaging 32.95% Fe<sub>2</sub>O<sub>3</sub>. The hole is directed as perpendicular as possible to the mineralized zone. The zone remains open at depth.

Hole KA-11-21 was intended to test the down dip and plunge of the magnetite zone towards the west of hole Ka-11-20.

Hole KA-11-22 was directed as a delineation hole collared east of previously released holes KA-11-7, 8, 9, 10, 11 and 12, testing the footwall contact of the mineralized zone towards the south end.

Highlights of Hole KA-11-18 are summarized in the table below.

| Hole     |           | From   | To     | Interval | Fe <sub>2</sub> O <sub>3</sub> |
|----------|-----------|--------|--------|----------|--------------------------------|
| KA-11-20 |           | 135.55 | 506.0  | 370.45   | 32.95                          |
|          | including | 431    | 488.0  | 57.0     | 43.25                          |
|          |           |        |        |          |                                |
| KA-11-21 |           | 67.8   | 137.8  | 70       | 25.06                          |
|          | and       | 184.05 | 219.4  | 35.35    | 31.15                          |
|          | and       | 291.72 | 425.16 | 133.54   | 31.98                          |
|          |           |        |        |          |                                |
| KA-11-22 |           | 129.6  | 176.6  | 47       | 29.38                          |
|          |           | 209.25 | 330    | 120.75   | 25.83                          |

To date, 26 drill holes have been completed on Northern's 100% owned Karas property, located 15 km northeast of the town of Ear Falls, Red Lake mining district, Ontario. The 10,000 metre drill program has been extended due to the results encountered to date and is being completed to define a mineral resource on the property by Q1 2012.

All 2011 drill holes were surveyed using a Reflex Maxibor II probe to monitor drill hole deviations in magnetic disturbed environments. Northern's personnel were trained "on-site" by Reflex personnel to operate the instrument and process the survey data. All collars are surveyed by Northern'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 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.

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