

Metallurgy Tests Produce 68.7% FE on KARAS Property

Davis Tube tests completed on 51 core samples from 20 drill holes at a grind of 325 mesh (44µm) produced an iron ore concentrate grading 98.1% Fe2O3 (68.7% Fe)

VANCOUVER, July 16, 2012 /CNW/ - **Northern Iron Corp ("Northern")** (TSX-V: **NFE**) (OTCQX: **NHRIF**) (**FRANKFURT: N8I**) today released results of Davis Tube (DT) metallurgy test work completed on 20 drill holes. The testing was completed in conjunction with the 2011/2012 drill program on the Karas property, Ontario. The whole rock analysis results from the tests performed by SGS Canada Inc., Lakefield, Ontario indicate an average iron content of 98.1% **Fe₂O₃** (68.7% Fe) in the concentrates at a grind of 325 mesh with a silica content of 3.9% SiO₂

"The final Davis Tube metallurgical test results confirm the potential of the Karas property and in conjunction with the past producing Griffith mine, will produce the high grade concentrate required as a feed stock for the production of Hot Briquetted Iron (HBI)" said Basil Botha, President & CEO. "Overall, the management team is extremely satisfied with these test results, as they are another necessary step in de-risking this project."

Average Davis Tube Test Results at 325 Mesh (44µm)

	Fe ₂ O ₃	Fe	SiO ₂	Al ₂ O ₃	MgO	TiO ₂	P ₂ O ₅	MnO	Cr ₂ O ₃	V ₂ O ₅	DTWR	Fe rec.
Average	%	%	%	%	%	%	%	%	%	%	%	%
Head Assay	32.09	22.46	50.36	8.11	2.67	0.27	0.21	0.09	0.02	0.01	-	-
325 Mesh	98.10	68.67	3.89	0.46	0.16	0.06	0.02	0.05	0.08	0.02	24.7	75.17

The 51 composite samples were selected to represent a range of ore grades from 10% to 32%Fe.

Of the 51 samples tested, several show individual Davis Tube concentrates containing Fe grades as high as 70% and silica as low as 1.75%.

Northern Iron is continuing to test the Karas ore to determine the best process for producing a direct reduction feed.

The drill program on the Karas property is now complete and assay results for drill holes KA-11-28, 29, 31, 32 and 33 and 34 are tabled below. The drill holes continue delineating and testing the true thickness of the magnetite mineralization in the central western and eastern part, and down dip extension and plunge of the magnetite mineralized zone. The magnetite mineralized zone remains open at depth.

The drill program consisted of 39 diamond drill holes, totaling over 17,000m, successfully delineated the magnetite mineralized zone. This is a tightly folded and steeply north westerly plunging magnetite banded iron formation (BIF) of the Algoma type (Taconite) within the boundaries of the 100% owned Karas property in Ear Falls, Red Lake mining division, Ontario, Canada.

The drill program covered an area of approximately 715 x 430 m, and reached depths of 460m below surface in the central part of the mineralized zone. The average depth for the program was 350m and is consistent with optimizing future open pit design during the mineral resource estimation and follows the pit design of the Company's nearby Griffith mine.

The drill plan was reviewed by Roscoe Postle & Associates consultants and designed to accomplish enough sample density for the production of a NI 43-101 measured and indicated mineral resource estimate. The drill plan consisted of parallel fences of drill holes 75m apart and within the proposed fences of holes, drill holes were collared 50m apart. All drill holes were collared in a south easterly direction and a consistent 50 degree dip.

Highlights of holes KA-11-28, 29, 31, 32, 33 and 34 are summarized in the table below.

Hole		From	To	Interval	Fe2O3
KA-11-28		4.56	113	108.44	28.75
	including	4.56	81.0	76.44	34.62
	and	234.32	264.94	30.62	15.08
	and	292.25	304.73	12.48	22.19
	and	408.22	477.65	69.43	26.09
KA-11-29		19.79	109.0	143.21	29.23
	including	22.0	109.0	87.0	33.44
	and	252.89	374.52	121.63	12.13
	and	381.75	536.0	155.83	19.02
	including	481.0	517.0	36.0	35.51
KA-11-31		25.75	289.0	263.25	25.45
	including	132.0	260.48	128.48	28.45
	Including	93.0	141.0	48.0	31.7
	including	208.0	241.0	33.0	34.15
	and	433.17	551.73	118.56	23.66
	including	487.0	529.0	42.0	33.93
KA-11-32		131.75	162.75	31.0	28.76
		178.0	339.38	161.38	28.74
	including	178.0	199.0	21.0	33.62
	and	216.0	308.0	92.0	32.32
	and	413.92	516.1	102.18	13.62
	and	524.25	643.0	118.75	22.90
	including	591.0	625.0	34	35.88
KA-11-33		264.0	385.75	121.75	30.61
	including	323.0	358.0	35.0	43.51

	and	427.8	464.0	36.2	25.17
	and	653.46	747.15	93.69	22.98
	including	690.0	742.75	52.75	28.80
KA-11-34		72.2	109.75	37.55	28.19
	and	113.0	202.4	89.4	29.39
	including	113.0	202.4	81.0	31.06
	including	146.0	195.0	49.0	33.52
	and	243.4	318.15	74.75	18.26
	including	268.55	310.0	41.45	26.35
	and	524.3	613.15	88.85	26.41
	including	553.0	588.8	35.8	35.94

All 2011 and 2012 drill holes were surveyed using a Reflex Maxibor II probe to monitor drill hole deviations in magnetic disturbed environments. All collars are surveyed using an APS differential GPS with 3cm accuracy immediately after the holes are completed. The QA/QC protocol system employed during the 2011-2012 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.

Stock Options Grant

Northern also announces that Alberto Hassan, David Miller and Paul Sarjeant, the directors of Northern, have been granted stock options exercisable to purchase an aggregate amount of 700,000 common shares in the capital of the Company at an exercise price of \$0.15 per share for a period of five years from the date of grant. All options vest immediately.

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, previously owned 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%.

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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