

## Tianjin Materials & Equipment Group Orders 60,000 Tonnes of Hot Briquetted Iron

VANCOUVER, Sept. 5, 2012 /CNW/ - Northern Iron Corp. ("Northern" or the "Company") (TSX-V: NFE) (OTCQX: NHRIF) (FRANKFURT: N8I) announces the receipt of an order from Tianjin Materials & Equipment Group Corporation of China ("Tianjin Materials") for 60,000 metric tonnes of hot briquetted iron ("HBI") to be delivered in 2016 (the "Order").

The Normet Group of Hong Kong ("Normet Group") acted as the Company's agent in establishing Northern's relationship with Tianjin Materials and securing the Order.

Tianjin Materials is ranked 71 in the top 500 Enterprises of China and achieved sales income of RMB100 billion in 2010.

Basil Botha, Northern's President & CEO stated, "The order received from Tianjin Materials is significant for the company. This order together with the order from China Railway Materials proves there is increasing demand for a Canadian produced metallic feedstock for the steel industry. The order further de-risks our project and demonstrates that we have sophisticated customers willing to buy HBI from Canada. The use of HBI will allow Chinese steel makers to increase flexibility in raw materials sourcing and achieve a lower cost per tonne of liquid steel."

Mr. Botha continued, "The Normet Group has been instrumental in helping us to obtain the order from Tianjin Materials, together with the previous order for 900,000 tonnes from China Railway Materials, and continues to work towards filling our order book. The Normet Group has displayed an ability to connect Northern with large scale buyers in China capable of consuming everything we can potentially produce."

Mr. Li Wensheng, Chairman of the Normet Group said, "We are strong believers in Northern Iron's Red Lake project. We believe the logistics of Ontario are superior to many other Canadian iron ore locations. The Griffith mine location was a past producer and because of this, it has almost all of the necessary transportation infrastructure already in place to make this project an export success. I believe these facts made a difference to the Chinese state owned enterprises that placed these orders with Northern Iron. We look forward to an expanding relationship with the Northern Iron team over the coming months".

A feasibility study has not been completed and there is no certainty the proposed operation will be economically viable and successful in fulfilling the orders.

### About Normet Group

Normet Group is a privately owned, fully integrated commodity handler, trading house and asset manager, with core competency in the iron ore market. Their focus is on developing brownfield iron ore assets in politically stable countries, with existing infrastructure and solid logistics for domestic and international sales. Their customer base includes China's largest steel mills. The Normet Group was founded in 2004 by the directors who specialized in iron ore trading for two large state owned enterprises in China.

### About Tianjin Materials and Equipment Group Corporation

Tianjin Materials and Equipment Group Corporation (former Bureau of Materials), founded in 1993, is a large scale, state-owned, materials trading enterprise. The group consists of 135 companies with 4,717 employees.

The group's activities are focused on metal, energy, minerals, chemical materials, automobile & electromechanical field, cotton textiles, wood and building materials, modern logistics and real estate. Tianjin Materials has established long term, stable relationships with leading steel producers in China including but not limited to Anben Iron & Steel Group, Shougang Group, Jilin Ferroalloy Group Corporation Limited, Huludao Zinc Company, China FAW Group Corporation, Shenhua Group Corporation Limited.

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### About Northern Iron Corp.

The Company is a 100% owner of five iron ore properties in the Red Lake district containing over 500 million tonnes of historical resources. The Red Lake district is situated in an established mining area in Ontario, where the company has two near term development projects, the past producing Griffith mine and the Karas property.

A qualified person has not done sufficient work to classify the historical estimate as current mineral resources, the issuer is not treating the historical estimate as current mineral resources.

The Company is currently working towards the production of HBI, a transportable form of direct reduced iron. HBI is complementary and a viable metallic alternative to scrap steel. Quality scrap is a critical raw material in the steel making process. With the diminishing supply of quality scrap steel and ever increasing market demand, steel producers around the world will be looking to secure alternative supplies of metallic products.

As part of the business plan, the Company acquired the past producing Griffith mine, which produced pellets and sponge iron (Direct Reduced Iron/DRI) from 1968 to 1986. The mine was owned and operated by STELCO and supplied pellets and sponge iron to the Hamilton and Nanticoke steel mills in Ontario. The metallurgy of the deposit has been proven over eighteen years of production.

Almost the entire transportation infrastructure is currently in place to both produce HBI and to ship produced HBI into the North American market via rail and lake barges and into Asian markets via rail through the port of Prince Rupert. Existing infrastructure includes all weather roads, 115kV power line, natural gas line, rail bed and port facilities.

The Company is focusing on de-risking the project by seeking out potential joint venture partners, off-take agreements or a combination thereof.

### 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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