

Northern Iron acquires additional claims in the Red Lake mining district, Ontario

VANCOUVER, Oct. 11, 2012 /CNW/ - Northern Iron Corp. ("Northern" or the "Company") (TSX-V: NFE) (OTCQX: NHRIF) (FRANKFURT: N8I) announces that it has acquired a 100% interest in four mineral claims located in the Red Lake mining district of Ontario ("Karas Claims"). These claims are strategic and extend Northern's claims around the Karas property. In consideration for the 100% interest in the Karas Claims, Northern will issue to a vendor 100,000 common shares of the Company at a deemed price of \$0.10 per share.

In addition, Northern has acquired a 100% interest in two mining claims, along with surface rights, adjacent to the past producing Griffith Mine ("Griffith Claims"). In consideration for the Griffith Claims, the Company will issue 1,500,000 common shares at a deemed price of \$0.10 per share.

Basil Botha, Northern's President & CEO stated, "These additional claims are strategically important for Northern Iron. The Karas Claims extend the area we control around the Karas property and the additional Griffith Claims provide us access to a large quantity of rock at surface."

"The installation of a portable crushing and screening plant will give us an opportunity to sell aggregate into the surrounding area where there is significant development in mining and road construction, let alone for the roads in the winter. We see this project as an early cash generator for the Company", concluded Botha.

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 completed 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.

SOURCE: Northern Iron Corp.

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For further information:

Basil Botha
President & CEO
Northern Iron Corp.

Tel: 604-566-8570
Fax: 604-602-9868

Email: bbotha@northernironcorp.com
Website: www.northernironcorp.com

Follow us on Twitter: [@NorthernIC](https://twitter.com/NorthernIC)

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CNW 09:51e 11-OCT-12