

Northern Iron agrees to sell two non-core iron ore properties for \$5,000,000

- Ontario Iron Mining Inc. executes an asset purchase agreement for El Sol and Whitemud Properties.
- Northern Iron and Ontario Iron Mining Inc. agree to work closely to create synergies and share infrastructure costs to develop the region's iron ore resources.

VANCOUVER, Nov. 13, 2012 /CNW/ - Northern Iron Corp. ("Northern" or the "Company") (TSXV: NFE) (OTCQX: NHRIF) (FRANKFURT: N8I) today announced the signing of an asset purchase agreement under which Ontario Iron Mining Inc. (OIMI) will acquire 100% of the El Sol and Whitemud Properties from Northern for \$5,000,000. The full sale price will be paid on successful completion of OIMI's exclusive four month due diligence and transfer of property titles.

This agreement represents the first step in OIMI and Northern's collaboration in developing the district and acquiring the strategic funding required for building the mining infrastructure in the area.

Basil Botha, Northern's President & CEO stated, "Our primary assets and focus are the Griffith Mine; a past producer, and Karas property, to produce hot briquetted iron (HBI). The El Sol and Whitemud properties have not been a part of the Company's business plan to produce HBI, and is why the board has considered the transaction. The sale of El Sol and Whitemud properties not only provides us with an extra \$5,000,000 in cash, it is also the beginning of an important strategic partnership with OIMI. "

Jonas Struthers, a spokesperson for OIMI said, "We will expect to work closely with Northern Iron to create synergies where we can share certain infrastructure costs that will benefit both companies and the region. We look forward to an expanding relationship with the Northern Iron team over the coming years."

As part of OIMI's due diligence period, OIMI plans to spend approximately \$2.5 million on diamond drilling, logging core and mapping the two properties.

The El Sol and Whitemud properties have not been part of Northern's business plan as all current exploration expenditures have been focussed on the Griffith and Karas properties. Under the terms of the agreement, should OIMI not conclude the sale, all exploration data will become the sole property of Northern.

The transaction is subject to TSX Venture Exchange approval.

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 OIMI

OIMI is a privately owned company, registered in Ontario, Canada. Its shareholders are the controlling shareholders of a leading Chinese commodity handler, trading house and asset manager, with core competency in the iron ore market and a focus on developing brownfield iron ore assets for domestic and international sales.

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. Sufficient work has not been completed by a qualified person to classify the historical estimate as mineral resources as defined by the National Instrument 43-101.

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.

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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CNW 09:30e 13-NOV-12