

Northern Iron to pump 2.5 million cubic meters of water in the first phase from the Griffith Mine Pit

- First phase of dewatering 60% complete
- Water level in the pit has dropped by 2.1 metres (7 feet)
- Dewatering to continue into the third week of December

VANCOUVER, Dec. 3, 2012 /CNW/ - Northern Iron Corp. ("Northern" or the "Company") (TSX-V: NFE) (OTCQX- NHRIF) (FRANKFURT: N8I) today announced that dewatering operations on the Griffith Mine pit continue to progress as planned and water is being pumped at an approximate rate of 53,000 litres per minute. The pumps have been winterized and preparations have been made to keep the dewatering program running into December.

Basil Botha, President and CEO said; "Dewatering the Griffith mine pit will allow our drills to get onto the first tier of benches and the drill program should be completed over the summer months in 2013. The data will provide the necessary information to work towards a preliminary economic assessment and take us another step closer to achieving our objective of putting this past producing mine back into production."

To date, an estimated 1.5 million cubic meters of water has been pumped from the pit and the team is working towards pumping a further million cubic metres for a total of 2.5 million cubic metres before shutting down for the winter.

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 with grades ranging from 22% to 31% Fe. 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.

SOURCE: Northern Iron Corp.

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