

## Northern Iron and Ontario Iron Mining Inc. sign MOU to fund development of Ear Falls/Red Lake iron ore properties.

- Both firms to share costs on rail, power and reduction facilities.
- NFE will manage mining and production on both NFE and OIMI assets.
- OIMI will focus on sourcing the entire capital investment from Asian investors.
- OIMI to market iron products in Asia.

VANCOUVER, March 5, 2013 /CNW/ - Northern Iron Corp. ("Northern" or the "Company") (TSX-V: NFE) (OTCQX- NHRIF) (FRANKFURT: N8I) today announced the signing of a non-binding Memorandum of Understanding with Ontario Iron Mining Inc. (OIMI). The MOU outlines how both firms will work together to bring the properties OIMI has agreed to purchase subject to satisfaction of certain conditions and the properties currently owned by NFE to the production stage.

"The assets where we have agreed to share costs are the most capital intensive part of bringing this area into production. This MOU is a further step in de-risking the development of the Griffith mine," says Basil Botha, President and CEO of Northern Iron. "We believe that by working together we can create hundreds of quality jobs and re-develop an area of Canada that was a historic iron mining region. The Red Lake-Ear Falls area will benefit from this partnership and our access to deep pocketed investors in Asia."

Jason Li, CFO of OIMI said, "We view the logistics of this area to be the most favourable of any Canadian iron ore deposit that we have investigated. Our investors appreciate the existing infrastructure and the political stability of Canada. We also believe that there is minimal downside risk as the area is a past producer."

Both firms agree that they will benefit mutually from shared: rail, power supply and production facilities and have agreed under the MOU to cooperate as follows:

1. Share capital costs to rebuild and update the rail, power and production facilities.
2. Each firm will work towards mining iron ore from their wholly-owned properties however Northern Iron will manage mining, crushing and beneficiation at all the properties as they come into production.
3. Ore from satellite properties will be processed at the Griffith property and processed into Hot Briquetted Iron (HBI) for export.
4. OIMI will endeavour to fund the project's capital requirements from Asian investors and will manage the marketing of HBI to Asian markets where they already supply a number of state owned enterprises in China with iron ore.

In order to facilitate this process, Northern Iron has agreed to extend the deadline for closing on the properties that OIMI contracted to purchase in October 2012, until May 31<sup>st</sup> 2013.

### 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.

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