



## **ONTARIO IRON MINING INC. AGREEMENT TO PURCHASE NORTHERN IRON PROPERTIES WILL NOT PROCEED AT THIS TIME**

Vancouver, British Columbia, Canada – May 30, 2013

Northern Iron Corp ("Northern" or the "Company") (TSX-V: NFE) (OTCQX- NHRIF) (FRANKFURT: N8I) today announced that Ontario Iron Mining Inc. (OIMI) has notified Northern of its decision not to conclude the purchase of Northern's El Sol and Whitemud properties at this time. The asset purchase agreement (the **Agreement**) signed on November 12th 2012 is set to expire on May 31<sup>st</sup> 2013.

OIMI spokesperson, Jonas Struthers, cited "Difficult market and trading conditions in China's steel industry" as the primary reason despite satisfactory due diligence on the property. He went on to say; "We believe in the location and established infrastructure of this project as being ideal for export to Asia in general and China in particular. There is still significant interest in the properties and in Northern Iron's business plan, but the timing is not right for us to conclude the purchase."

Basil Botha, Northern's President & CEO stated, "This announcement is a disappointment for Northern and it's shareholders. Fortunately, we have established good relationships with several other parties with whom we are discussing options ranging from direct investment to joint ventures and we continue to be well positioned to bring in an interested party in the not too distant future."

"In the meantime, we have taken a number of cost cutting measures that will ensure Northern retains sufficient cash to carry us through these difficult times. The cost cutting measures include; salary cuts, lay-offs, and a halt to work programs. Going forward, our total focus will be on securing a strategic partner."

It's with regret that the Company will be discontinuing the services of Michael Hepworth, VP Corporate Development, Raul Sanabria, VP Exploration and Cameron Tymstra, Operations Officer and wish them all the success in the future.

### **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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