NORTHERN IRON SHAREHOLDER REPORT

Vancouver, British Columbia, Canada – November 12, 2013.

Northern Iron Corp. ("Northern" or the "Company") (TSX-V: NFE) (OTCQX-NHRIF) (FRANKFURT: N8I) is pleased to provide an update on the activities of the Company.

Shareholder Update

Although commodities and the global mining industry in general are facing market headwinds, Northern Iron (the "Company") is continuing activities to bring in a strategic partner to develop the past producing Griffith mine.

Since June of 2013 all field activities have ceased and deep cost cutting measures have been adopted to preserve capital. At the current burn rate the Company has sufficient cash reserves until mid 2016. There are additional cost cutting measures that come about in May 2014 that will provide the Company with additional cash into January 2017.

"The advent of the shale gas revolution in North America is sparking the resurgence of industrial development in a variety of industries and in particular the demand for metallics (HBI/DRI). The past producing Griffith mine is well placed to take advantage of these developments." says Basil Botha, President and CEO of Northern Iron.

Market Development

The Company is focusing the majority of its efforts in introducing the Griffith mine project to prospective industry partners in North America. It is the intention of management to attract a large industry partner into the project to provide expertise and capital to advance the project.

Voestalpine recently announce the construction of a $661 million 2 million ton per year Hot Briquetting Plant (HBI) in Texas to supply their Austrian steel mills, along with Nucor's announcement that they are soon to open a $750 million plant in a Louisiana bayou that will produce 2.5 million tons of direct reduced iron per year highlights a new raw materials production trend in the North American steel industry. DRI and HBI plants have steadily been shuttered over the last 20 years as they became less competitive against imported product. With the advent of shale gas development in North America, this has changed the dynamics, whereby industrial manufactures are now energy competitive.

The projects are jumbo-sized examples of a steady expansion of cheap natural gas use by a wide range of manufacturers, from chemicals and steel to glass and fertilizers.

The comparatively cheap price of North American natural gas compared to European and Asian prices is currently a huge advantage for U.S. firms that depend on it and one of the reasons foreign investment is coming back to North America. Natural gas in North America, sells for approximately 30% of what it fetches in China.

Shale Gas the new industrial revolution for North America

"The real ramp-up in industry's demands for gas has already started in 2013 and goes through 2018," says Bentek Energy senior analyst Darrell Proctor. "There are hundreds of new industrial projects that are proposed for that period."

As a result of the abundance of shale gas, there is a clear indication that by 2020 the United States will require, for internal use, in the order of 9 to 10 million tonnes of DRI/HBI. DRI and HBI save energy in the production of steel and also provide steel plants with a more consistent raw material than scrap steel. These facts enable Electric Arc Furnace operators, the predominant steel production process in North America to produce ever-improving quality steels.

The past producing Griffith mine project is well placed and management are working closely with industrial users of HBI and DR pellets to take advantage of this opportunity.

Aggregate

It is estimated, following nearly twenty years of mining operations at the past producing Griffith mine, that there are approximately one hundred million tonnes of waste rock on site.

The waste rock, provided it is crushed and screened, could be used for road building, road resurfacing, as an aggregate for concrete mixes and a variety of other applications and could provide a valuable income source to the Company.

Essentially, this is free rock for the Company and a comprehensive analysis and bulk sample will be undertaken in the spring to determine the viability of saleable aggregate in the region.

About Northern Iron Corp.

The Company is a 100% owner of five iron ore properties in the Red Lake district. 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 supplement 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.

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