



Northern Iron Corp.

Northern Iron Corp signs co-operation agreement with Danieli Centro Metallics; a world leader in steel and HBI/DRI plant equipment manufacturing

- **Danieli to be Northern Iron's technology partner and exclusive engineering and procurement supplier;**
- **Danieli and Northern Iron to promote the Griffith project to strategic partners, financiers and final product off-takers;**
- **Agreement includes 500,000 tonne per annum "take or pay" off-take agreement;**

Vancouver, British Columbia, Canada – May 7, 2014.

Northern Iron Corp. ("Northern" or the "Company") (TSX-V: NFE) (FRANKFURT: N8I) today announced the signing of a co-operation agreement with DANIELI & C. Officine Meccaniche S.p.A. of Buttrio (Udine), Italy ("Danieli").

Under the cooperation agreement **Northern and Danieli** agree to co-operate on re-developing the past producing Griffith Iron Ore Mine. Although no feasibility study has been completed, the scope of the agreement contemplates the installation of a fully integrated operation to produce Hot Briquetted Iron (HBI) comprising a concentration plant, pelletizing plant, an Energiron direct reduction plant, briquetting plant and related auxiliary systems.

[DANIELI](#) will be Northern's technological partner for marketing and promoting the Project to possible strategic partners, financiers and final product off-takers that can provide the necessary funding to cover the expenses up to and including a bankable feasibility study ("BFS") for the Griffith and Karas projects. In addition, Danieli will provide technical data and support for the completion of the BFS.

Basil Botha, President and CEO of Northern said; "By completing this agreement we have aligned ourselves with one of the world's leading direct reduction technology providers and plant equipment suppliers to the steel industry. Danieli's "take or pay" off-take commitment is a huge vote of confidence in the quality of product that was produced historically prior to mine closure in 1986. Overall, the agreement with Danieli is a strong commitment that they believe in the potential of the past producing Griffith mine."

“Moreover, Danieli has undertaken to introduce Northern to their client base of steel mills around the world who are already investigating DRI and HBI plants with the intent of securing a large steel manufacturer as a strategic partner. Steel mills, the world over, are interested in direct ownership of raw material production as a way of keeping raw material costs under control and ensuring security of supply. ”

“In addition, Danieli will provide Northern with market know how along with technical data and specifications, at its own cost, until the completion of the bankable feasibility study, potentially saving Northern millions of dollars in consulting fees.”

About Danieli

With 2013 revenues in excess of € 2,7 billion, 11,000 employees and €140 million in R&D investment, DANIELI is one of the world’s top 3 manufacturers and suppliers of iron making, direct reduction and steel making plant and equipment. Danieli’s product line covers the whole technology spectrum from iron ore processing to flat and long steel finished product processing.

Danieli plays the role of main contractor within the Energiron alliance with Tenova. Energiron is the innovative gas-based Direct Reduction Technology jointly developed by Tenova and Danieli that provides an extremely productive and flexible process, combined with high energy efficiency and the lowest environmental impact.

Danieli is considered an expert in process development, equipment design, engineering, manufacturing, erection and commissioning of fully integrated iron and steel making plants.

Danieli has established business relationships with many of the world’s largest steel makers and has a large installed base of direct reduction plants around the world. During 2013 Danieli started up new plants in 23 different countries including China, Korea, Japan, USA, Mexico, Russia, UAE, India and several European countries.

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.

The geological information in the news release has been verified by Raul Sanabria, P.Geo., who is the Qualified Person for Northern Iron Corp. under NI 43-101.

Northern will be holding a conference call on May 8, 2014 to cover the agreement details and to provide an opportunity for Q and A. Interested investors, brokers and analysts are invited to dial in on May 8 at 1.00pm EST . Call details are as follows:

Conference dial in: North America 1-888-619-1583. International 1-800-148-223.

Participant code 267180#

About Northern Iron Corp.

The Company is a 100% owner of five iron (magnetite) properties in the Red Lake district. The Red Lake district is 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.

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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