



Northern Iron Corp. Closes Initial Public Offering

Toronto, Ontario, Canada – August 25, 2011 – Northern Iron Corp. (the "**Company**") announces that on August 23, 2011 it closed its initial public offering (the "**Offering**") of Non Flow-Through Units and Flow-Through Units for aggregate gross proceeds of \$14,140,190 pursuant to a prospectus of the Company dated August 11, 2011. Pursuant to the Offering, 27,967,299 Non Flow-Through Units were sold at \$0.30 per unit for gross proceeds of \$8,390,190 and 17,424,243 Flow-Through Units were sold at \$0.33 per unit for gross proceeds of \$5,750,000. The number of securities sold includes 2,272,728 Flow-Through Units and 2,967,299 Non Flow-Through Units that were sold pursuant to the exercise of a 15% over-allotment option that was included in the Offering. Each Non Flow-Through Unit is comprised of one common share in the capital of the Company (a "**Common Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share at a purchase price of \$0.50 for a period of 24 months from the closing of the Offering. Each Flow-Through Unit is comprised of one Common Share that qualifies as a "flow-through share" pursuant to the *Income Tax Act* (Canada) and one-half of one Warrant.

The Company became a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador on August 11, 2011.

The Company's Common Shares have been approved for listing and trading on the TSX Venture Exchange, and the Company has been advised that the listing will take effect on Friday, August 26, 2011, with the Company's Common Shares to be listed under the trading symbol "NFE".

The syndicate for the Offering was led by MGI Securities Inc. and included Stonecap Securities Inc. (MGI Securities Inc. and Stonecap Securities Inc. being collectively referred to as the "**Agents**") The Agents received a total cash commission of \$1,131,215.19, equal to 8% of the gross proceeds from the Offering. The Company also granted to the Agents 3,631,323 agent warrants (the "**Agent Warrants**"), equal to 8% of the total number of Non Flow-Through Units and Flow-Through Units sold under the Offering. Each Agent Warrant will be exercisable for one Non Flow-Through Unit at a price of \$0.30 for a period of 24 months from the closing of the Offering. The Company also paid MGI Securities Inc. a work fee of \$25,000 and a corporate finance fee that consists of \$100,000 and 333,333 Agent Warrants.

The Common Shares have not been, and will not be, registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws and may not be offered or sold in the United States or to U.S. Persons absent registration or an available exemption from the registration requirements of the U.S. Securities Act and applicable US state securities laws. This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful.



For further information regarding the Offering, the Company and the proposed use of proceeds from the Offering, please refer to the Company's prospectus dated August 11, 2011 filed on SEDAR and accessible at www.sedar.com.

About Northern Iron Corp.

The Company is a mineral resource company which is engaged in the exploration of high quality iron ore in the Red Lake mining division, district of Kenora, Ontario, Canada. The Company holds 100% interest in minerals claims covering approximately 14,672 hectares, comprised of the El Sol Property, the Griffith Property, the Karas Property, the Papaonga Property and the Whitemud-Slate Property.

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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