



Northern Iron Corp.

NORTHERN IRON RECEIVES PERMIT TO DEWATER THE GRIFFITH MINE PIT

Vancouver, British Columbia, Canada – November 18, 2014 – **Northern Iron Corp. (TSX-V: NFE) (FRANKFURT: N8I) ("Northern")** announces that on November 17, 2014 the Ministry of the Environment of Ontario issued the Permit to Take Water from the former Griffith Mine North Pit. The permit allows Northern to dewater the North Pit to a maximum depth of 25 metres, and is valid until November 16, 2015.

“The issuance of the dewatering permit for the North Pit is important news as it enables our drill crews to drill from the upper benches of the pit and our consulting team to determine both the amount and quality of the ore remaining in the Griffith pit. The pumps and pipes to complete the program have already been purchased. It is estimated that pumping will begin at the end of April 2015.” said Basil Botha, President & CEO.

Northern has entered into an investment agreement (the “**Investment Agreement**”) with OMC Investments Limited, of Hong Kong (“**OMC**”).

Pursuant to the terms of the Investment Agreement, on closing of the intended transaction, the Company has agreed to issue 19,048,000 units to OMC (a “**Unit**”) by way of private placement at a price of \$0.05 per Unit, for aggregate gross proceeds of \$952,400 (the “**Private Placement**”). Each Unit will consist of one common share in the capital of Northern Iron (“**Common Share**”) and one Common Share purchase warrant, with each warrant (“**Warrant**”) being exercisable by OMC for a period of three years from the date of closing of the Private Placement at a price of \$0.05 per Common Share.

The completion of the Private Placement is conditional on (i) the TSX Venture Exchange (“**TSXV**”) completing standard background (PIF searches) on certain principals of OMC and (ii) satisfactory due diligence by OMC. It is anticipated that closing (“**Closing**”) of the transactions will be contemplated prior to the end of November 2014.

The TSXV has conditionally approved the transactions contemplated herein.

Investment of OMC in CIM; Shareholders' Agreement

The Parties will enter into a shareholders agreement that contemplates the construction of a fully integrated operation to product Hot Briquetted Iron (HBI) and or Direct Reduced Iron (DRI) comprising the mine, concentration plant, pelletizing plant, direct reduction plant, briquetting plant and related auxiliary systems.

Concurrent with the Closing of the Private Placement, and subject to the terms of a subscription agreement to be dated as of Closing, OMC has agreed to subscribe for 15% of the common shares in the capital of CIM, with Northern Iron holding the remaining 85%.

The shareholders agreement addresses the organization and affairs of CIM and the funding of key developmental steps in relation to the Griffith Claims and the Karas Claims. The shareholders agreement provides for three phases of funding and allows OMC to progressively earn equity in the project. On the provision of:

- \$8.2 million in funding for dewatering, resource drilling and environmental permitting (“Resource Definition Funding”), OMC will earn an additional 30% in the project;
- \$2.0 million in funding for a preliminary economic assessment, OMC will earn an additional 5% in the project;
- \$20 million in funding for bankable feasibility study, OMC will earn an additional 20% in the project.

Northern Iron will be required to contribute pro-rata to both the Preliminary Economic Assessment and Bankability Feasibility Study but receives a free carry up to completion of Resource Definition Funding.

El Sol Option Agreement

In connection with the Private Placement, Northern Iron has also agreed to enter into an option agreement with OMC (the “**Option Agreement**”) pursuant to which OMC or an affiliate thereof has:

- the right to acquire up to 80% of the issued and outstanding shares of a wholly-owned subsidiary of the Company (the “**Subsidiary**”) to be incorporated by the Company to hold the mineral rights comprising the Company’s El Sol property, Whitemud property or Papaonga property if and only if OMC funds the entirety of the \$8.2 million Resource Definition Funding (the “**80% Interest**”); and

- if OMC earns the 80% Interest, the further right to increase its interest in the Subsidiary to 90% of the issued and outstanding shares if, within the five year period during which OMC earns the 80% Interest, OMC funds an additional \$1.5 million of exploration work on such property.

Appointment of Felipe Carvalho to Board of Directors

Northern Iron also announces that, in connection with the Closing of the Private Placement, Felipe Carvalho will be appointed to the Board of Directors of Northern Iron to hold office until the next annual general meeting.

The Private Placement is subject to the final approval of the TSX Venture Exchange. Pursuant to applicable securities laws, all securities issued pursuant to the Private Placement will be subject to a four month and one day statutory hold period running from Closing.

About Northern Iron Corp.

Northern 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 Northern has two near term development projects, the past producing [Griffith](#) mine and the [Karas](#) property.

Northern 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, Northern 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.

Northern 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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