

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1. NAME AND ADDRESS OF ISSUER

NORTHERN IRON CORP. ("Northern Iron" or the "Issuer")
Unit 1001 - 409 Granville Street
Vancouver, BC V6C 1T2

ITEM 2. DATE OF MATERIAL CHANGE

December 1, 2014

ITEM 3. NEWS RELEASES

The press release was disseminated through TNW-ACCESSWIRE and filed on SEDAR December 1, 2014.

ITEM 4. SUMMARY OF MATERIAL CHANGE

Northern Iron has issued 19,048,000 units to OMC Investments Limited (each 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 consists of one common share in the capital of Northern Iron (each a "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. All of the securities issued pursuant to the private placement are subject to a statutory four month and one day hold period expiring on March 29, 2015. OMC Investments Limited will progressively earn equity in the project upon provision of additional capital as follows:

- Phase 1: \$8.2 million in funding for dewatering, drilling and environmental permitting;
- Phase 2: \$2.0 million in funding for a prefeasibility study; and
- Phase 3: \$20 million in funding for a feasibility study.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

Please see the attached press release dated December 1, 2014.

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS

Not applicable.

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Nothing in this form is required to be maintained on a confidential basis.

ITEM 7. OMITTED INFORMATION

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. EXECUTIVE OFFICER

Contact: Lisa Maxwell, Corporate Secretary
Telephone: (604) 839-7985

ITEM 9. DATE OF REPORT

December 9, 2014

NORTHERN IRON CORP.

By:

"Lisa Maxwell"

Corporate Secretary

(Official Capacity)

Lisa Maxwell

(Please print here name of individual whose
Signature appears above.)



Northern Iron Corp.

NORTHERN IRON CORP. AND OMC INVESTMENTS LIMITED

CLOSE PRIVATE PLACEMENT AND JOINT VENTURE

Private Placement and Joint Venture first announced on October 16th 2014 provide for:

- Private placement of 19,048,000 common shares @ 0.05 cents for \$952,400;
- OMC Investments Limited to progressively earn equity in the project upon provision of additional capital as follows:
 - Phase 1: \$8.2 million in funding for dewatering, drilling and environmental permitting;
 - Phase 2: \$2.0 million in funding for a prefeasibility study; and
 - Phase 3: \$20 million in funding for a feasibility study.

Vancouver, British Columbia, Canada – December 1, 2014.

Northern Iron Corp. ("Northern Iron" or the "Company") (TSX-V: NFE) (FRANKFURT: N8I) today announced that it has received TSX Venture Exchange approval for, and has closed the [Private Placement and Joint Venture](#) announced on October 16th 2014, with OMC Investments Limited, of Hong Kong ("**OMC**").

Pursuant to the terms of the Investment Agreement (the "**Investment Agreement**"), Northern Iron has now issued 19,048,000 units to OMC (each 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 consists of one common share in the capital of Northern Iron (each a "**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 Private Placement is subject to the final acceptance of the TSX Venture Exchange, and all of the securities issued pursuant to the private placement are subject to a statutory four month and one day hold period expiring on March 29, 2015.

Basil Botha, President and CEO of Northern Iron said; "The Investment Agreement, Option Agreement, Subscription Agreement and Shareholders' Agreement entered into at closing are significant for the following reasons:

- The Private Placement was completed at a significant premium to the 30 day volume weighted average price;
- The initial tranche of capital from the Private Placement secures Northern Iron's short-term working capital needs;
- The \$30.2 million in further capital provided for in the underlying agreements will, if raised, bring the project to the completion of the bankable feasibility study stage;
- These transactions also provide Northern Iron with a clear path forward at a time when financing for juniors is extremely difficult; and
- The Company is now aligned with Danieli Centro Metallica, one of the world's leading equipment suppliers to the steel industry, (see press release dated May 7, 2014 regarding Co-operation Agreement with Danieli) and also with OMC, a firm that has access to significant investors as well as being a reputable supplier of raw materials, in its own right, to many Chinese steel mills."

"Steel mills in North America and around the world are currently looking for a reliable source of value added raw materials that can assist in the production high quality steels, while reducing emissions, being more energy efficient and producing less waste. Canadian HBI produced in Northern Ontario can accomplish this and we have the transportation infrastructure in place to make it happen."

With the acquisition of 19,048,000 Common Shares pursuant to the Investment Agreement, OMC now owns 19.89% of Northern Iron's issued Common Shares. OMC did not own any Common Shares of the Company prior to completing the Private Placement. As stated above, OMC now also holds Warrants to acquire an additional 19,048,000 Common Shares of the Company which, if exercised by OMC (and assuming no further exercise of any other convertible securities of the Company), would raise OMC's equity interest in the Company to 33.19%. In connection with the closing of the Private Placement, as previously announced, Felipe Carvalho, a principal of OMC, has now joined the Board of Directors of Northern Iron with immediate effect. The purchase of Units in connection with the Private Placement was for investment purposes. Other than OMC's right to acquire additional Common Shares under the Warrants described above, OMC has no present intention to increase or decrease its ownership of securities of the Company. OMC will file an Early Warning Report respecting the Private Placement on the System for Electronic Document Analysis and Review ("**SEDAR**") under Northern Iron's profile and can be viewed at www.sedar.com

Further details of the structure of the agreements can be found at: <http://www.northernironcorp.com/news>

About OMC Investments Limited

OMC Investments Limited ("**OMC**") is a Hong Kong incorporated investment company focusing on iron ore, steel and agricultural investments with a connection to China and Asia.

About Northern Iron Corp.

Northern Iron is a 100% owner of five iron (magnetite) properties in the Red Lake District in the Province of Ontario. The Red Lake District is an established mining area in Ontario where Northern Iron has two near term development projects, the past producing [Griffith](#) mine and the [Karas](#) property.

Northern Iron is currently working towards the production of Hot Briquetted Iron ([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 Iron has 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.

Transportation infrastructure is currently in place 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.

To date, Northern Iron has focused 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.

For further information, please contact:

Basil Botha
President & CEO
Northern Iron Corp.
Tel: 604-566-8570
Fax: 604-602-9868

Email: bbotha@northernironcorp.com

Website: www.northernironcorp.com

For up to the minute news, industry analysis and feedback follow us on [Facebook](#), [Twitter](#), [LinkedIn](#) and [YouTube](#).