



Northern Iron Corp Closes Acquisition Of Lithium Brines Projects In Nevada And Arizona

VANCOUVER, BRITISH COLUMBIA, CANADA – August 12, 2016.

Northern Iron Corp. ("Northern Iron" or the "Company") (TSX-V: NFE) (FRANKFURT: N8I) today announced the closing of the previously announced acquisition of three lithium projects in Nevada and Arizona for an aggregate purchase price of approximately 40 million NFE common shares and \$390,000 in cash (see press release [dated July 28, 2016](#)), subject to any post-closing adjustments. The Company issued 2,650,000 common shares as finder's fees in connection with the transaction. The property shares and finder's fee shares are subject to a four month hold period expiring December 11, 2016.

Two of the projects that the Company has acquired are brines and the other lithium project is hosted in volcanic clays. Approximately two-thirds of global lithium production are derived from brines, salts and clays. While brines are considerably lower grade in lithium than spodumene, the saleable products (lithium carbonate, lithium chloride and other lithium compounds) are generally of higher grade and purity and are subsequently used in battery manufacturing, pharmaceuticals and polymers.

The lime soda or solar evaporation process simplistically involves the pumping of lithium-bearing brines out of a reservoir and into a series of shallow ponds where the brine is left to evaporate.

NEVADA

Northern Iron Corp. has acquired 140 mineral claims comprising 2,800 acres in Clark County, Nevada. The contiguous 'Jackpot Lake' claim group is located 39 miles NE of Las Vegas.

Highlights/Geology - Jackpot Lake

The USGS conducted a survey in 1976 taking 129 core samples, all of which encountered lithium with values up to 550 ppm and an average of 175 ppm.

The geological and structural setting as well as the weathering history and brine at Jackpot Lake is highly analogous to the Clayton Valley, where Albemarle Corporation (NYSE: ALB) has its Silver Peak lithium-brine operation.

Albermarle has been in continuous production of lithium carbonate and lithium hydroxide products from Clayton Valley brines since 1967.

The Jackpot Lake property is ideally situated to take advantage of, amongst other things, the solar energy zone in Nevada, and immediate highway access, with associated logistical and infrastructural advantages.

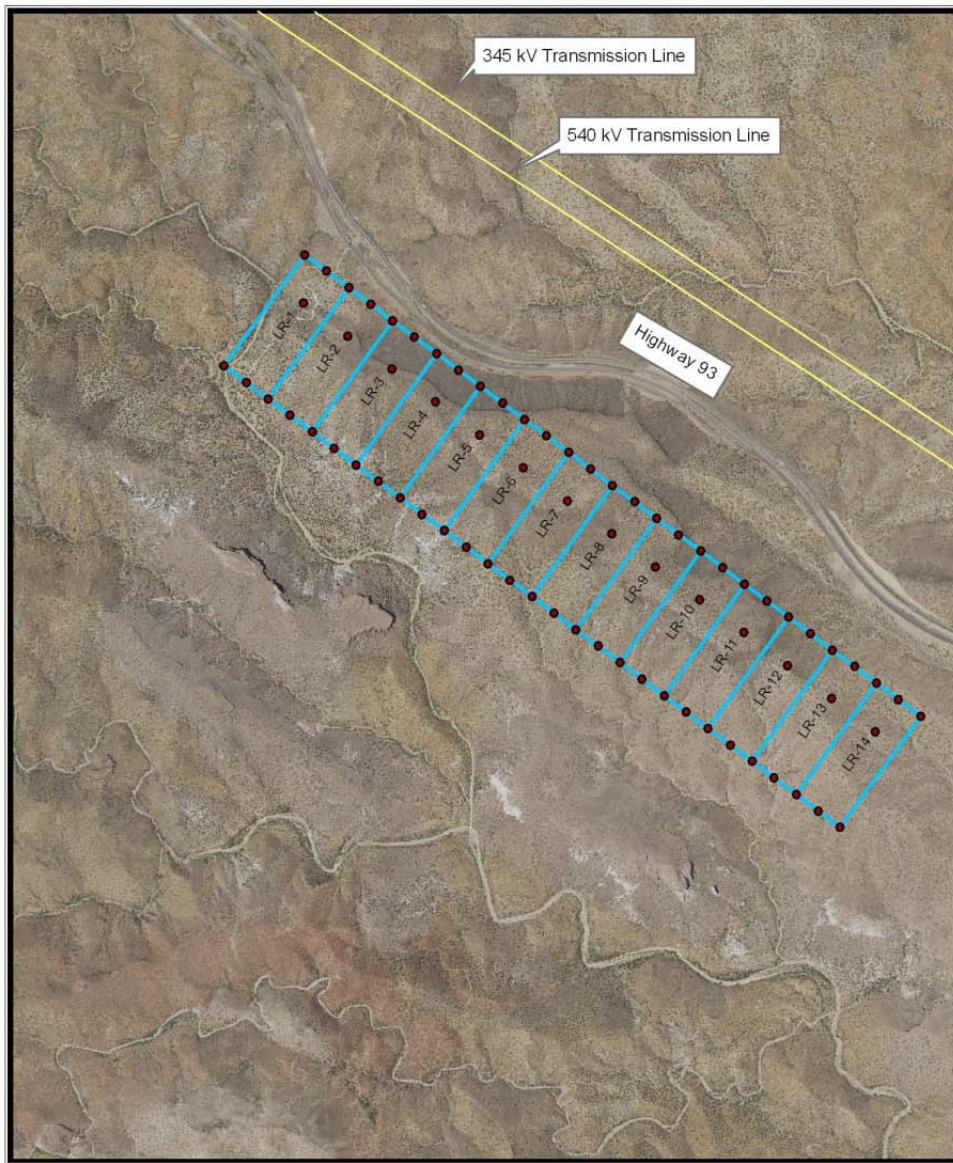


Jackpot Lake claims cover the entire dry lake bed.

ARIZONA

The Company has also acquired two land packages in Arizona, consisting of 1,434 acres in the Wilcox Playa Basin; a large dry lakebed in southeastern Arizona, and 289 acres in the Little Rock Target in Yavapai County, Arizona.

"LR" Claim Block Yavapai County, Arizona



Ararastra Mountain NE 7.5'
USGS Topographic Quadrangle Map
UTM grid NAD83 Zone 12 meters



Timothy M. Marsh, PhD, P.E.
March 4, 2016

Highlights/Geology - Wilcox Playa

The Wilcox Playa lithium brine target, as per the USGS 1976 report, consists of one of the most prospective locations for undiscovered lithium brines, being similar to the currently exploited brine field in Clayton Valley, Nevada. Airborne electromagnetic prospecting by the USGS identified a 22-square-mile anomaly characterized by high electrical conductivity. The USGS

interpreted this anomaly to be caused by a subsurface brine field hosted in sediments beneath the dry playa surface. Arizona Department of Water Resources records show that wells in the vicinity of this anomaly generally report water tables within 60 feet of the playa surface.

The combination of a gravity survey showing a closed gravity low coincident with the zone of high electrical conductivity reinforces the concept that an accumulation of brine is present beneath Willcox Playa and that no hydrological outlet allows the accumulated brine to escape. High evaporation rates relative to precipitation in this desert environment allows any brine to become increasingly concentrated over time.

A likely source area for lithium is located to the south, up the hydrological gradient from Willcox Playa in the felsic volcanic rocks at Three Sisters Buttes. Hot spring activity at Sulphur Springs, three miles up the hydrological gradient from the Arizona land permits, provides an ongoing mechanism for alteration and leaching of lithium-bearing felsic volcanic rocks. Subsurface drainage of this hydrothermal discharge will flow directly to Willcox Playa in the vicinity of the Arizona land permits.

Highlights/Geology - Little Rock

The Little Rock target was first identified serendipitously during a helicopter-borne VTEM electromagnetic survey conducted by Bell Copper Corporation in 2007 while searching for massive copper sulfide deposits. A large, highly electrically conductive body at the south end of the survey area was checked on the ground and found to be a strongly clay-altered rhyolite tuff mostly concealed by a basalt flow.

Geological mapping to the west shows a similar bimodal rhyolite-basalt volcanic association that has been dated between 12 Ma and 8.8 Ma (Late Miocene, Moyer, 1990).

Recognizing that the clay body had potential to be a lithium clay deposit, a reconnaissance sampling campaign was done to understand the extent of the target and the presence, if any, of lithium. Clear evidence was found of a closed, lacustrine paleoenvironment, including thinly bedded rhyolitic claystone and ripple-marked rhyolitic sandstone.

Prior to emplacement of the capping basalt flow, hydrothermal fluid controlled by the basin bounding fault altered the rhyolitic glass to lithium-enriched clay, and then probably discharged into a shallow lakebed. In order to capture the projected basin-bounding fault and the potential volume of hot spring discharge into a closed basin beneath the capping basalt flow, 14 unpatented lode mining claims were staked.

The conceptual dimensions of the target are about 2500 meters along the strike of the basin-bounding fault, about 300 meters perpendicular to the fault, by about 20 meters thick.

Hectorite clay (LR-6) from an active bentonite mine located in the same late Miocene lacustrine and volcanic strata 40 kilometers to the east carries over 2700 ppm lithium.

Timothy Marsh PHD, P. Eng, a qualified person as defined in NI 43-101, prepared the disclosures reports related to the above three projects.

NI-43-101 reports have not been prepared on these properties; and the Company has not verified the geological statements referred to above, which are based on historical data.

About Northern Iron Corp.

Northern Iron is the 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.

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