Northern Iron Corp to Focus on Chinese Market for Lithium Brines Projects in Nevada and Arizona

- **Under China's "New Energy Plan," the country has called for 3 million electric cars on the road by 2025** Source: *a1
- "**China Leads Lithium Race: Electric Cars Sales Doubled For July To 36,000 With 207,000 EVs Already Sold In 2016"** Source: Inside EVs
- **Northern Iron provides an outline of its exploration plans.**

VANCOUVER, BRITISH COLUMBIA, CANADA – September 26, 2016

Northern Iron Corp. ("Northern Iron" or the **"Company") (TSX-V: NFE) (FRANKFURT: N8I)** today announced its intention to focus attention on the lithium market in China. The Company will leverage its existing relationship with current Chinese partners OMC Investments ("OMC"), who currently own 19.9% of Northern Iron. (Press Release)

OMC will cover all of Asia, but will primarily focus on the Chinese market in order to take advantage of China's New Energy Plan requirements. The New Energy Plan is a subset of China's current 5 Year Plan. Under this plan China has declared a target of 3,000,000 electric vehicles on the road by 2025. China's 5 Year Plan sets the requirements for state departments to implement and is closely followed by all government departments and at all levels.

According to several sources, including Bloomberg and Inside EVs there are already 25 companies, making 51 models of electric cars in China right now. In addition, there are also currently around 200 companies developing an estimated 4,000 models of electric vehicle in China.

Several companies, including Panasonic, BYD, CATL, Foxconn, Boston Power, and LG Chem, are building megafactories in China to produce lithium ion batteries.

Basil Botha, President & CEO, said; "The future for growth in the lithium market is clearly pointed at China and the Company, through its joint venture partner, OMC, will be leveraging their relationships with Chinese battery manufacturers, as the electric car industry is booming in China and these companies are interested in security of supply

over the long term. Most of our lithium competitors are focusing on Western opportunities. We know China and are well connected in China as a result of over 8 years of work developing critical relationships."

"At the Chengdu Auto Show, held earlier this month in Sichuan Province, Southwest China, electric vehicles were seen just about everywhere. Chinese and foreign automakers were showcasing their latest electric innovations. When one consider that the average EV requires 60-80KG of lithium hydroxide, Western demand pales in comparison,"

"We are also reviewing a range of processing technologies complementary to our projects as we believe that this will play a big role from a cost and efficiency standpoint as this market evolves."

The company aims to be amongst the first to fill the supply gap in the market with a high quality product.

The geological and structural setting as well as the weathering history and brine at Northern Iron's Jackpot Lake are highly analogous to the Clayton Valley, where Albemarle has its Silver Peak lithium-brine operation. Albermarle, the world's largest lithium producer, has been in continuous production of lithium carbonate and lithium hydroxide products from Clayton Valley brines since 1967.

Proposed Exploration on the Jackpot Lake lithium property, Nevada

Groundwork will be based on a USGS survey conducted in 1976 whereby 129 core samples, all of which encountered lithium with values up to 550 ppm and an average of 175 ppm are likely contained in buried permeable rock reservoirs.

Assuming this is the case, the objective will be to determine the full depth of the sediment basin with seismic surveys. However it will be much cheaper to do this with gravity surveys. Gravity traverses across the basin can be modelled in 2D to determine basement depth and variations. It would be fairly typical to expect pinching units of intermediate density within the sedimentary sequence. This complexity would be dealt with in modeling by consulting reference wells drilled to the bottom of the sequence, or perhaps other data types. Gravity is by far the cheapest of the technologies under consideration and should provide the necessary data to determine the extent and location of the buried rock reservoirs.

After reviewing the historic data, it has been determined that the logical steps required to locate the brine resource within the sequence will be through gravity surveys and with this information in hand, the permeability of the resource needs to be determined through pump tests, in order that a well plan can be outlined.

Proposed Exploration on the Wilcox Playa Basin lithium property, Arizona

Following a USGS survey report in 1976, the Wilcox Playa was noted as one of the most prospective locations for undiscovered lithium brines and most analogous 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 and would begin with a gravity survey to determine the extent and location of the buried rock reservoirs followed by pump tests.

Proposed exploration on the Little Rock, Arizona property.

The target was first identified during a helicopter-borne VTEM electromagnetic survey conducted 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. The exploration will begin with a grid pattern of soil sampling together with a hand augering down to a level of three metres. The lithium-rich claystone samples will then be bench tested to substantiate the recovery yield of lithium carbonate directly from the mineralized claystones.

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.

*China Association of Automobile Manufactures, the state's council for Made-in China Plan.

About Northern Iron Corp.

Northern Iron Corp has 3 highly prospective lithium properties in Nevada and Arizona.

Jackpot Lake –Moapa Valley, Nevada

- 100% owned -2800 acres – 140 claims;
- 35 km NE of Las Vegas;
- 1976 USGS completed 129 core samples;
- Spectrographic and atomic-absorption analyses of 135 stream sediment samples confirmed potential for lithium mineral deposits;
- Highest Lithium value was 550ppm, average 175 ppm.

Wilcox Playa –Arizona

- 1400 acres on shore of Wilcox Playa – Dry lake bed

- In 1976 USGS identified this area as one of the most prospective locations for lithium brines and highly analogous to Clayton Valley
- USGS has identified a 22 sq. mile anomaly with high electrical conductivity, interpreted as subsurface brine field with no hydrological outlet.

Little Rock Lithium Target - Yavapai County – Arizona

- High grade, lithium rich lacustrine clay
- Target is 2500 metres along strike ~ 20 metres thick
- Identified via electromagnetic survey in 2007
    - Large, highly electrically conductive body
    - Clay-altered rhyolite tuff.
- Grab sample 172 ppm Li
    - Clayton Valley sediments are between 73 and 220ppm

Timothy Marsh PHD, P. Eng QP prepared the disclosures and reports related to these projects

Northern Iron is also 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 region where Northern Iron has two near term development projects, the past producing Griffith mine and the Karas property.

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