



## **Northern Iron Corp. Announces Execution of Agreement for Lithium Marketing in Asia and Closing of First Tranche of Private Placement**

- **Strategic marketing across Asia, to lithium ion battery makers, with a strong focus on China.**
- **Marketing to strategic investors looking to invest in security of supply of quality lithium carbonate and lithium hydroxide.**

**VANCOUVER, BRITISH COLUMBIA, CANADA – October 13, 2016.**

**Northern Iron Corp. ("Northern Iron" or the "Company") (TSX-V: NFE) (FRANKFURT: N8I) today announced the signing of a lithium marketing agreement with OMC Investments Ltd. of Hong Kong ("OMC")**

Under the agreement, OMC will actively market the Company's lithium projects that are located in Nevada and Arizona to lithium ion battery makers across Asia, with a particular emphasis on China, where OMC already has strong contacts in the lithium market. OMC, on behalf of Northern Iron, will seek long term off-take agreements and strategic investments in the company from battery makers wishing to ensure security of supply.

Basil Botha, Executive Chairman of Northern Iron, said: "China is a critical but mostly underappreciated market for lithium with approximately 20 car manufacturers producing approximately 50 models of electric vehicles ("EV"). China Autoweb claims that there are approximately 200 additional companies actively developing approximately 5000 EV models in the Chinese market. Each new EV would consume approximately 40 to 80 kilograms of lithium. According to the China Association of Automobile Manufacturers, China had already sold 207,000 electric cars by July 2016, putting it on track to sell nearly 500,000 by the end of this year. This makes China already the world's largest market for electric cars, dwarfing sales of electric vehicles in the USA."

"China is targeting sales of 5,000,000 EVs by 2020. A 1% improvement in market penetration for EVs will consume an additional 70,000 tonnes of lithium. We believe China is the game changer

in this market and we intend to leverage the relationships we already have in that market as a result of six years of active marketing in China.”

### **Closing of First Tranche of Private Placement**

Northern Iron also announced the closing of the first tranche of a non-brokered private placement (the “**First Tranche**”) of units (“**Units**”) aimed at raising gross proceeds of \$1,500,000 (the “**Offering**”) at a price of \$0.05 per Unit. Each Unit consists of one common share in the capital of the Company (“**Common Share**”) and one Common Share purchase warrant (“**Warrant**”) with each Warrant entitling the holder thereof to acquire one Common Share at a price of \$0.10 per share for a period of three (3) years from the date of issuance.

A total of 3,100,000 Units were issued as part of the First Tranche for aggregate gross proceeds of \$155,000.

In consideration for the services of certain finders, the Company issued a total of 64,000 compensation options (“**Compensation Options**”) and paid cash commissions totalling \$3,200. Each Compensation Option is exercisable by the holder thereof into one Unit for a period of five (5) years from the date of issuance on the same terms and pricing as the Units.

The First Tranche is subject to the final acceptance of the TSX Venture Exchange, and all securities issued pursuant to the First Tranche are subject to a four month and one-day hold period in compliance with Canadian securities laws.

### **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.

*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.*

#### **Forward-looking statements**

Certain statements contained in this press release constitute “forward-looking statements”. All statements other than statements of historical fact contained in this press release, including, without limitation, those regarding the Company’s future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words “believe”, “expect”, “aim”, “intend”, “plan”, “continue”, “will”, “may”, “would”, “anticipate”, “estimate”, “forecast”, “predict”, “project”, “seek”, “should” or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company’s expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to the risk factors discussed in the Company’s annual MD&A for the year ended September 30, 2015. Management provides forward-looking statements because it believes they provide useful information to investors when considering their investment objectives and cautions investors not to place undue reliance on forward-looking information. Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary

statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this press release and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

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