

For Immediate Release

**NORTHERN FINANCIAL CORPORATION
(TSX: NFC)**

**NORTHERN FINANCIAL REPORTS FIRST QUARTER OF FISCAL 2010
RESULTS**

TORONTO, ONTARIO, August 5, 2009 - Northern Financial Corporation (TSX: NFC) ("Northern" or the "Company") today reported a loss of \$614,580 for its first quarter ended June 30, 2009, in its 2010 fiscal year, compared to a loss of \$1,794,473 in the prior year.

While revenue of \$3,020,535 for the quarter ended June 30, 2009, remained consistent with revenue of \$3,024,875 in the prior year, the Company's implementation of operating efficiencies in fiscal 2009 contributed to the substantially lower comparable loss.

Revenue in the Company's wholly-owned subsidiary, Northern Securities Inc. ("Northern Securities") was \$2,954,461 and its loss was \$125,774. Merger and acquisition advisory business continued to be very active in the first quarter. The Company's new Division, Northern Shareholder Services, was active in the quarter with several proxy solicitation assignments for clients.

The Company realized a gain of \$247,000 on its merchant banking investment in African Aura Resources and also a mark to market gain of \$125,000 on another merchant banking investment. Northern recorded a gain from its broker warrant portfolio of \$338,803 in the first quarter.

Northern owns 12.6% of the issued shares of Jaguar Financial Corporation ("Jaguar"). Northern's non-cash share of the net loss of Jaguar was reduced to \$32,875 in the June 30, 2009 quarter from \$440,755 in prior year.

Total expenses for the quarter ended June 30, 2009, were \$3,602,240 compared with expenses of \$4,378,693 in the prior year. Brokerage operations costs decreased to \$3,044,108 from \$3,968,174 in the prior year. The decrease is largely attributable to the expense reduction measures enacted by the Company in fiscal 2009. Merchant banking expenses were \$49,217 compared to \$nil in the prior year. Interest expense decreased to \$94,344 from \$196,158 in the prior year, attributable to a lower balance of loans outstanding. General and administrative expenses increased to \$347,784 from \$148,495 in the prior year due to the non-cash cost of the Company's equity incentive plan.

Northern purchased 381,500 of its shares pursuant to its Equity Incentive Plan and subsequent to the June 30 quarter allocated such shares and made incentive cash payments to 11 senior producers.

Northern Financial Corporation wholly owns Northern Securities Inc., a full service investment dealer that provides financial advisory services to retail and institutional clients and investment banking services to small capitalization companies.

FOR FURTHER INFORMATION PLEASE CONTACT:

Ann Krallisch
Director, Business Development
Northern Securities Inc.
(416) 644-8113
Fax: (416) 644-0270
e-mail: akrallisch@northernsi.com