

For Immediate Release

NORTHERN FINANCIAL CORPORATION

(TSX: NFC)

NORTHERN FINANCIAL REPORTS FISCAL 2009 RESULTS

TORONTO, ONTARIO, June 19, 2009 – Northern Financial Corporation (TSX: NFC) (“Northern” or the “Company”) today reported its financial results for the fiscal year ended March 31, 2009. The Company reported a net loss of \$7,778,357 for fiscal 2009 compared to net income of \$311,791 in the prior year.

The unprecedented economic and capital markets turmoil of the past year was a direct contributor to the Company’s loss. What began as the asset-backed commercial paper issue and resulting credit crunch, soon became a full-scale global financial crisis. Credit markets deteriorated, disrupting global stock markets causing massive corrections and upheaval. Difficult liquidity conditions resulted in equity market volatility and lack of investor confidence. Despite central bank intervention, global markets stagnated through most of the year. Several major financial institutions in the United States were allowed to fail while others were sold at major discounts. The economy officially went into recession and governments around the world scrambled to implement recovery and stimulus plans. As a result, the entire financial services industry saw a major decline in business activity.

A significant portion of the net loss related to non-cash items. The Company equity accounts for its associated merchant banking company, Jaguar Financial Corporation (“Jaguar”). \$2,813,875 of the Company’s net loss was a non-cash loss representing the Company’s share of the loss of Jaguar compared to non-cash income of \$505,313 in the prior year. The Company also determined that its investment in Jaguar was impaired and recorded a non-cash write-down of its investment of \$418,675. As well, the large decline seen in capital markets throughout the year produced a downward non-cash valuation adjustment of \$1,050,000 in the Company’s broker warrant portfolio.

Notwithstanding the reported loss, the Company took significant steps to mitigate the impact of its reduced revenue. In early 2009, the Company implemented a series of measures to reduce its fixed cost base. Staffing levels were reduced by over 20% and unprofitable branch locations were closed. The senior management team took a major reduction in compensation and the Company’s variable compensation policies were adjusted. The Company’s online brokerage division, eNorthern, was sold. Numerous other cost saving measures were also put in place.

The Company’s investment dealer subsidiary, Northern Securities Inc. (“Northern Securities”), generated a loss of \$1,271,742 on revenue of \$12,343,347. The small loss in Northern Securities represented approximately 10% of its total revenue, which is respectable given the very negative market conditions in the past year. While future market conditions remain uncertain, the Company believes that there are some modest signs of improvement. The Company continues to take steps to reduce costs and to selectively grow the business by adding revenue producers in its major offices.

Total revenue for the year ended March 31, 2009, was \$12,044,857 compared with \$23,446,763 in the prior year. The decrease in revenue was seen in almost all major revenue categories. Commission revenue of \$5,527,107 for the year ended March 31, 2009, was down from the prior year amount of \$8,961,594 as investors remained on the sidelines, lacking confidence in the capital markets. Underwriting and advisory revenue decreased to \$4,286,015 from \$8,863,221 in 2008 as Northern participated in fewer financings with issuers delaying coming to market. Broker warrant revenue was a loss of \$768,030, as a result of the aforementioned non-cash valuation adjustment, compared to revenue of \$1,956,814 last year. Trading revenue was \$903,076 compared to \$505,364 in the prior year, as the Company was able to take advantage of volatile markets in its proprietary trading business. Interest revenue of \$1,031,159 was down from \$1,497,992 in 2008.

Merchant banking activities generated revenue of \$965,103 in fiscal 2009 compared to \$1,686,206 in the prior year. The Company participated in a successful merchant banking transaction involving High Desert Gold Corporation during the year while in the prior year it sold its investment in Lakeside Steel Inc. generating a gain of \$1,566,616.

About Northern Financial Corporation

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