



For Immediate Release

NORTHERN FINANCIAL CORPORATION

(TSX: NFC)

NORTHERN FINANCIAL REPORTS A LOSS IN FISCAL 2010

**NORTHERN SECURITIES REPORTS PROFITABLE THIRD AND FOURTH
QUARTERS IN FISCAL 2010**

**NORTHERN SECURITIES ANTICIPATES SUBSTANTIAL PROFITABILITY IN
FIRST QUARTER OF FISCAL 2011**

TORONTO, ONTARIO, June 22, 2010 – Northern Financial Corporation (TSX: NFC) (“Northern” or the “Company”) today reported its financial results for the fiscal year ended March 31, 2010 and the financial results of its wholly owned subsidiary, Northern Securities Inc. (“Northern Securities”).

Northern Securities has substantially improved its financial results by reducing its loss from \$1,271,742 in fiscal 2009 to \$290,839 in fiscal 2010. Most importantly, Northern Securities was profitable for the third quarter ended December 31, 2009 and the fourth quarter ended March 31, 2010.

Northern Securities has substantially increased its Capital Markets business in raising capital for small cap and mid cap companies and providing merger and acquisition services. Northern Securities expects a good increase in profitability for its first quarter ending June 30, 2010. Accordingly, Northern Securities will experience profitability for the nine month period ending June 30, 2010.

The Capital Markets Group at Northern Securities supports small cap and mid cap companies in raising capital, providing mergers and acquisition services, providing research coverage, marketing companies to institutional accounts, and the trading of shares of such companies on an agency and principal basis.

The Capital Markets Group at Northern Securities is well known for its ability to identify undervalued and underappreciated high quality companies that require the support of a securities firm specializing in the small cap arena. Northern Securities has a keen and committed understanding of the needs and objectives of small cap companies and their management teams. When Northern Securities supports a small cap company, the full resources of the Capital Markets Group will stand behind the company.

Northern Securities took steps in fiscal 2009, which continued in fiscal 2010, to reduce its fixed cost base by reducing the number of its employees from 112 to the current 71 employees, reducing salaries, renegotiating office leases and vendor agreements, and implementing other cost saving measures.

“The costs reductions are largely done although we are always on the lookout for ways to be more efficient operationally. Our focus is top-line revenue growth by growing our key business lines of raising capital for small cap companies, providing mergers and acquisition services and serving our institutional and retail clients by identifying excellent small cap companies for investment,” stated Vic Alboini, Chairman and CEO of Northern Securities.

“Our focus is to maintain and enhance profitability at Northern Securities, and we may realize losses, although reduced losses, in the Company on a consolidated basis in the next year or possibly two years, due to our public company costs and the stock compensation expense we incur by allocating common shares under our Equity Incentive Plan and the Employee Share Purchase Plan”, added Mr. Alboini.

On a consolidated basis, taking into account our legal and accounting fees, our public company expenses, interest expense, the Company reported a much improved loss of \$2,968,329 for fiscal 2010 compared to the loss of \$7,778,357 in the prior year. The Company expects a much lower loss for fiscal 2011 on a consolidated basis and, depending on the revenue growth, it is possible the Company could be profitable on a consolidated basis.

Total revenue for the Company for the year ended March 31, 2010, was \$10,338,844 compared with \$12,044,857 in the prior year. Commission revenue of \$5,952,798, was up from the prior year amount of \$5,527,107 as a result of the solid results in the Private Client Group. Underwriting and advisory revenue decreased to \$2,169,664 from \$4,286,015 in fiscal 2009, although broker warrant revenue increased substantially to \$1,203,803 in fiscal 2010 compared to a loss of \$768,030 in the prior year. Trading revenue dropped to \$233,633 compared to \$903,076 in the prior year, as the Company reduced the size of its proprietary trading business in the Private Client Group. Interest revenue of \$106,638 was down from \$1,031,159 with reduced interest rate margins in a substantially lower interest rate environment. Merchant banking activities generated revenue of \$334,663 compared to revenue of \$965,103 in the prior year.

The Company’s cost reduction measures were successful in reducing total expenses from \$16,590,664 in fiscal 2009 to \$13,338,190 in fiscal 2010.

Included in net income was income of \$31,017 representing the Company’s share of the earnings of Jaguar Financial Corporation (“Jaguar”), compared to a loss of \$3,232,550 in the prior year.

The financial results presented in this document are unaudited.

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.

The Toronto Stock Exchange does not accept responsibility for the adequacy or accuracy of this news release. This press release may contain forward-looking statements with respect to the Company, its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward looking words such as “may”, “will”, “expect”, “estimate”, “anticipate”, “intends”, “believe” or “continue” or the negative thereof or similar variations. The actual results and performance of the Company discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under “Risk Factors” in the Management’s Discussion and Analysis and Filing Statement of the Company which are available at www.sedar.com. The cautionary statements qualify all forward-looking statements attributable to the Company and persons acting on their behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the Company has no obligation to update such statements.

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