



For Immediate Release

NORTHERN FINANCIAL CORPORATION

(TSX: NFC)

NORTHERN ANNOUNCES RESTRUCTURING OF DEBENTURES AND PROPOSED FINANCING

TORONTO, ONTARIO, November 16, 2010 – Northern Financial Corporation (TSX: NFC) (“Northern” or the “Company”) today announced an agreement in principle with the holders of an aggregate of \$3,163,000 of its debentures to repay the total principal amount by a combination of cash and by conversion into common shares. Under the agreement, Northern will repay \$1,627,500 of the total principal amount on or before a targeted date of December 20, 2010 (“Closing Date”). Northern intends to complete a common share financing to fund all or part of the \$1,627,500 cash payment to the debenture holders.

The debenture holders will also receive \$1,535,500 in common shares of Northern to repay the remaining principal amount of the debentures. The common shares will be issued to the debenture holders at the same issue price in the common share financing. The amount and pricing of the common share financing will be announced prior to the Closing Date. It is proposed that any amount raised in excess of the \$1,627,500 cash payment to the debenture holders, after deduction of expenses in the common share offering, will be invested in Northern Securities Inc., Northern’s wholly owned investment bank and brokerage firm.

Upon repayment of the debentures, Northern will have no debt other than its bank line of credit. The restructuring of the debentures and proposed financing are subject to receipt of all required approvals, including approval of the Toronto Stock Exchange.

Northern has 13,518,717 shares issued and outstanding as at November 16, 2010.

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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