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(TSX: NTI; OTCBB: NTLNF)

For Immediate Release

NORTHCORE REPORTS SECOND QUARTER 2008 RESULTS

Toronto, ON – August 12, 2008 – Northcore Technologies Inc. (TSX: NTI; OTCBB:NTLNF), a global provider of core asset solutions, announced today its interim financial results for the second quarter ended June 30, 2008. All figures are reported in Canadian dollars.

Northcore reported second quarter revenues of \$207,000, an increase of 32 percent from the \$157,000 the Company generated in the first quarter of 2008, and a decrease of 27 percent from the \$285,000 that Company produced in the second quarter of 2007.

Northcore derives its revenues through fees from application hosting activities provided to customers, the sale of software licenses, and the delivery of application development, software customization and other technology services.

“While an improvement over Q1 results, until very recently Northcore did not have the funds to add people who can generate billable hours, but that is changing,” said Duncan Copeland, CEO of Northcore Technologies. “More tellingly, our important projects are still in process. It is these initiatives that will provide the revenues that I, and our shareholders, are looking for.”

Northcore reported a net loss for the second quarter of \$575,000 or \$0.01 per share, basic and diluted. This compares to a net loss of \$692,000 or \$0.01 per share, basic and diluted, in the first quarter of 2008. In the second quarter of 2007, Northcore reported a net loss of \$590,000 or \$0.01 per share basic and diluted.

Northcore also reported an EBITDA loss in the second quarter of 2008 of \$387,000. This compares to an EBITDA loss of \$526,000 in the first quarter of 2008 and an EBITDA loss of \$419,000 in the second quarter of 2007.

EBITDA loss is defined as losses before interest, taxes, depreciation and employee stock options. Northcore considers EBITDA to be a meaningful performance measure as it provides an approximation of operating cash flows.

As at June 30, Northcore held cash and cash equivalents of \$92,000, and accounts receivable of approximately \$171,000.

Subsequent to the quarter ended June 30, 2008, the Company raised gross proceeds of \$678,000 through the issuance of convertible debentures. The funds will be used for general working

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capital purposes and to sustain Northcore's operations so it can take advantage of the opportunities before it.

Operating Highlights

We realized a number of operating achievements in the period, notably:

- In partnership with GE, conducted a series of sales events for selected Fortune 1000 clients on the GEasset.com marketing portal. The site can be viewed at www.GEasset.com;
- Completed the initial delivery of a new version of The Asset Manager tool, optimized for industrial settings and delivered on rugged-ized mobile devices operating under Windows Mobile; and
- For the first time, offered consulting and development services directly from GE Asset Manager to selected industry leaders (completed the first engagement to a Fortune 100 food and beverage company).

Outlook

“In this challenging economic environment, companies are seeking to more aggressively “stretch” or otherwise make best use of their Capital Asset investments. The tools provided by Northcore and by extension, our joint venture GE Asset Manager, provide this capability in a powerful harmonized platform,” said Mr. Copeland. “As word of our solutions and successes continues to spread, we look forward to the emergence of new opportunities, which should manifest themselves as a steady improvement in our financial and operational results.”

Northcore will hold a conference call at 10:00 a.m. (Eastern time) on Wednesday, August 13 to discuss its financial results and review operational activities. Investors and followers of the Company can listen to a live broadcast of the call from the investor relations section of the Company's website, www.northcore.com.

About Northcore Technologies Inc.

Northcore provides core asset solutions that help organizations source, manage and sell their capital equipment. Northcore works with a growing number of customers and partners in a variety of sectors including oil and gas, government, and financial services. Current customers include GE Commercial Finance, Paramount Resources and Trilogy Energy Trust.

Northcore owns a 50 percent interest in GE Asset Manager, LLC, a joint business venture with GE.

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This news release may include comments that do not refer strictly to historical results or actions and may be deemed to be forward-looking within the meaning of the Safe Harbor provisions of the U.S. federal securities laws. These include, among others, statements about expectations of future revenues, cash flows, and cash requirements. Forward-looking statements are subject to risks and uncertainties that may cause Northcore's ("the Company") results to differ materially from expectations. These risks include the Company's ability to raise additional funding, develop its business-to-business sales and operations, develop appropriate strategic alliances and successful development and implementation of technology, acceptance of the Company's products and services, competitive factors, new products and technological changes, and other such risks as the Company may identify and discuss from time to time, including those risks disclosed in the Company's Form 20-F filed with the Securities and Exchange Commission. Accordingly, there is no certainty that the Company's plans will be achieved.

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(financial results to follow)

Northcore Technologies Inc.
Consolidated Balance Sheet
(expressed in thousands of Canadian dollars)
(Canadian GAAP, Unaudited)

	June 30 2008	June 30 2008	December 31 2007
	(Unaudited)	(Unaudited) (in US\$)	(Audited)
		translated into US\$ at Cdn\$ 1.0185 for convenience	
Cash	\$ 92	\$ 90	\$ 478
Other current assets	205	201	157
Other assets	34	34	52
Total assets	<u>\$ 331</u>	<u>\$ 325</u>	<u>\$ 687</u>
Accounts payable and accrued liabilities	\$ 742	\$ 729	\$ 577
Deferred revenue	92	90	52
Current portion of long term debts	1,379	1,354	378
Non-current portion of long term debts	506	497	1,280
Total shareholders' deficiency	<u>(2,388)</u>	<u>(2,345)</u>	<u>(1,600)</u>
Total liabilities and shareholders' deficiency	<u>\$ 331</u>	<u>\$ 325</u>	<u>\$ 687</u>

Northcore Technologies Inc.
Consolidated Statements of Operations and Comprehensive Income
(expressed in thousands of dollars, except per share amounts)
(Canadian GAAP, Unaudited)

	Three Months Ended			Six Months Ended		
	June 30			June 30		
	2008	2008	2007	2008	2008	2007
	(\$C)	(\$US)	(\$C)	(\$C)	(\$US)	(\$C)
		translated into US\$ at Cdn\$ 1.0185 for convenience			translated into US\$ at Cdn\$ 1.0185 for convenience	
Revenue	\$ 207	\$ 203	\$ 285	\$ 364	\$ 357	\$ 607
Operating expenses:						
General and administrative	398	391	448	841	826	895
Customer service and technology	175	171	178	353	346	350
Sales and marketing	21	21	78	83	81	149
Employee stock options	9	9	6	19	19	13
Depreciation	9	9	10	18	18	19
Total operating expenses	612	601	720	1,314	1,290	1,426
Loss from operations	(405)	(398)	(435)	(950)	(933)	(819)
Interest expense:						
Cash interest expense	80	79	67	148	145	131
Accretion of secured subordinated notes	90	88	88	169	166	191
Interest income	-	-	-	-	-	(1)
	170	167	155	317	311	321
Net loss and comprehensive loss for the period	\$ (575)	\$ (565)	\$ (590)	\$ (1,267)	\$ (1,244)	\$ (1,140)
Loss per share, basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding, basic and diluted (000's)	108,644	108,644	84,397	108,576	108,576	84,117