

Northland Resources S.A.: Update on Financing Process and Production

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LUXEMBOURG, LUXEMBOURG--(Marketwired - Feb 4, 2014) - [Northland Resources S.A.](#) (OSLO:NAUR)(FRANKFURT:NPK)(OMX:NAURo) - (together with its subsidiaries "Northland", "NRSA" or the "Company") **announces an updated time schedule for the financing process. The Company intends to present a financing proposal by the end of March 2014.**

Reference is made to the press release dated November 14, 2013, where the Company announced that the Board of Directors had decided to set a target for financial headroom. During December, the Company initiated constructive discussions with a number of important stakeholders.

However, the Company's production and operations have experienced certain adverse developments:

- Ramp-up of production levels to design capacity is taking longer than expected. Considerable temperature variations are causing lower availability in the processing plant.
- Break downs on two occasions of one motor in the secondary grinding circuit have resulted in lower production during repairs.
- Inventories are exceeding targeted levels, which contributes to increased working capital being tied up in the business.
- Disruptions in the logistics chain due to periods of considerable cold in Northern Sweden.

Due to these developments, the Company's liquidity is experiencing increasing strain. Since additional liquidity is likely to be needed earlier than previously anticipated, the Company will seek to accelerate the work with securing additional financing.

On November 14, 2013, it was announced that a financing proposal would be presented no later than May 2014. Considering the present liquidity situation, the Company intends to present a financing proposal by the end of March 2014. It should be noted that, even after taking the above mentioned disruptions into account, the targeted USD 150 million remains sufficient for reaching the targeted financial headroom.

Northland is a producer of iron ore concentrate, with a portfolio of production, development and exploration mines and projects in northern Sweden and Finland. The first construction phase of the Kaunisvaara project is complete and production ramp-up started in November 2012. The Company expects to produce high-grade, high-quality magnetite iron concentrate in Kaunisvaara, Sweden, where the Company expects to exploit two magnetite iron ore deposits, Tapuli and Sahavaara. Northland has entered into off-take contracts with three partners for the entire production from the Kaunisvaara project over the next seven to ten years. The Company is also preparing a Definitive Feasibility Study ("DFS") for its Hannukainen Iron Oxide Copper Gold ("IOCG") project in Kolari, northern Finland.

Forward-Looking Information

This announcement may include "forward-looking" information within the meaning of applicable securities laws. This forward-looking information can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative, or other variations or comparable terminology. This forward-looking information includes all matters that are expectations concerning, among other things, Northland's results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which it operates. By their nature, forward-looking information involves risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward-looking information is not a guarantee of future performance and that Northland's actual results of operations, financial condition and liquidity, and the development of the industry in which it operates may differ materially

from those made in or suggested by the forward-looking information contained in this press release. In addition, even if Northland's results of operations, financial condition and liquidity, and the development of the industry in which Northland operates are consistent with the forward-looking information contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods.

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