

NORTHLAND

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Toronto Stock Exchange: NAU | Oslo Børs: NAUR | Börse Frankfurt: NPK

Northland Completes USD 350 million offering of Senior Secured Bonds

Luxembourg, March 7, 2012: Northland Resources S.A. (TSX: NAU, OSE: NAUR, Frankfurt: NPK – “Northland” or the “Company”) is pleased to announce that its subsidiary Northland Resources AB (publ) has completed the offering of senior secured bonds (the “Bonds”) in an amount equivalent to USD 350 million (the “Bond Issue”).

The Bond Issue has been split in two tranches, of which one tranche consists of Bonds with an aggregate principal amount of USD 270 million and the other tranche consists of Bonds with an aggregate principal amount of NOK 460 million. The coupon rate for the Bonds is 13 percent per annum with semiannual interest payments. Final maturity date for the Bonds is March 6, 2017. The Bond Issue has been guaranteed by the Company and certain of its subsidiaries.

Net proceeds from the Bond Issue will be used for development of the Kaunisvaara project, including the logistics solution for the transportation of iron ore concentrate, working capital and general corporate purposes.

Following completion of the Bond Issue, an application will be made to list the Bonds on Oslo Børs or another reputable market. The Bonds will not be listed on the Toronto Stock Exchange and may not be sold, transferred, hypothecated or otherwise traded in Canada or to or for the benefit of a Canadian resident for a period of four months and one day from the later of (i) the date of the closing of the Bond Offering and (ii) the date that the issuer, Northland Resources AB (publ), becomes a reporting issuer in any province or territory of Canada.

Pareto Securities AS is acting as Global Coordinator and Sole Bookrunner for the Offering, Standard Bank Plc. is acting as Joint Lead Manager (outside the United States), Haywood Securities Inc. is acting as Canadian Lead Agent and Ocean

Equities Ltd. and Arctic Securities ASA acted as Co-Lead Managers for the Offering. Ondra Partners is financial advisor to Northland.

ON BEHALF OF THE BOARD

“Karl-Axel Waplan”

President & CEO, Northland Resources S.A.

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Or visit our website: www.northland.eu

Northland is a development-stage mining company with a portfolio of iron ore projects in northern Sweden and Finland. The Company's Kaunisvaara Project will exploit two magnetite iron ore deposits in Sweden. The process is expected to yield a high-grade, high-quality magnetite iron concentrate. The construction of the Kaunisvaara project is underway and production is planned to start in the fourth quarter of 2012. Northland has entered into industrial off-take contracts for the entire production from Kaunisvaara. The Company is also preparing a Definitive Feasibility Study for its Hannukainen Iron Oxide Copper Gold Project in Kolari, northern Finland. The results of the study are expected to be released towards the end of the first quarter of 2012.

Important Notice

The contents of this announcement have been prepared by and are the sole responsibility of the Company. The Managers are acting exclusively for the Company and no one else, and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, or for advice in relation to the Bond Issue, the contents of this announcement or any of the matters referred to herein.

The Bond Issue and the distribution of this announcement and other information in connection with the Bond Issue may be restricted by law in certain jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions. Persons into whose possession this announcement or such other information should come are required to inform themselves about and to observe any such restrictions. This announcement may not be used for, or in connection with, and does not constitute, any offer of securities for sale in the United States.

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This information is subject of the disclosure requirements according to section 5-12 of the Norwegian Securities Trading Act (*Norwegian: verdipapirhandelloven*).