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Northland Has Reached Agreement with Key Stakeholders, Expects to Launch Bond Offering as Part of the Reorganisation

Luxembourg, April 29, 2013 – Northland Resources S.A. (OSE: NAUR, Frankfurt: NPK, Nasdaq OMX/First North: NAURo – together with its subsidiaries "Northland", "NRSA" or the "Company") **announces that it supports a bondholder-led restructuring of Northland. The contemplated bond offering enables the Company to complete its Kaunisvaara Project.**

The Company has reached agreements with representatives of the holders of the USD 370 million senior secured bonds issued in March 2012 by Northland Resources AB (publ), as well as the bondholders financial advisor, to restructure the existing bonds into a new second lien convertible bond with 4% interest p.a. (payable semi-annually) interest and maturity in 2020, and release the remaining amounts on the Debt Service Accounts ("DSA") to the Company

- The Company expects to launch a new USD 362 million senior secured bond offering with 12% interest and an Original Issue Discount ("OID") of 7%. Three existing restricted bondholders have signed commitment letters for an aggregate amount totaling approximately one quarter of the contemplated bond issue

- A bondholder meeting is to be held on May 3, 2013 to approve the terms of the Reorganisation and the main terms of the contemplated new bond

- The Company and the Administrator have also finalized a proposal regarding the repayment in part of the outstanding accounts payable in 2013, and the remaining outstanding amounts becoming interest bearing and repaid in accordance with a repayment plan. It is a condition to implementation of the proposal that the Reorganisation will have pre-acceptances from the requisite trade creditors in numbers and volume, needed to approve the reconstruction plan.

- Suppliers who has provided for short term credit after entering into Reorganisation and thereby being entitled to super priority right will be repaid in full on the implementation date which is scheduled to occur by May 24 (together with any interest accrued thereon) or as otherwise agreed.

- The Company is agreeing on fixed price contracts for the majority of outstanding capital expenditures with key suppliers

- The Company's Board of Directors will see certain revisions as part of the Reorganisation. Three existing Directors will resign from the Board. In the interim, Mr. Leif Christian Salomonsen and Mr. Runar Nilsen will be appointed to the Board of Directors as observers. Following completion of the reorganisation four new Directors are expected to be proposed by bondholders and key suppliers

- Based on the anticipated long term financing the Company will be fully funded and reach full production in second half of 2014

- The Company expects to be able to emerge from Reorganisation around early July 2013 following the completion of these actions

- Following the restructuring, existing shareholders will retain approximately 5.14% of the fully diluted equity of the Company. In addition the Company expects to offer existing shareholders the opportunity to participate in a repair issue of up to USD 25 million at the conversion price applicable to the new second lien convertible bond

- Discussions with key suppliers are at an advanced stage and the Company expects to receive their formal support for the proposals before the Bondholder meeting on May 3

Northland's President and CEO, Karl-Axel Waplan stated: "These proposed measures represent the best available source of financing to resolve Northland's short and long term liquidity requirements on a timely basis, and are expected to provide the required financing to bring the Kaunisvaara Project to full production in the third quarter of 2014. We are very grateful for the support offered by our existing bondholders, suppliers and employees which demonstrates their confidence in our business."

Conference Call
Today, Monday April 29, 2013, at 12:30 am CET / 06:30 am EST, Northland will host a webcast presentation and conference call in Swedish.

At 3:30 pm CET / 09:30 am EST, the Company will host a webcast presentation and conference call in English.

The conference calls will be webcasted at: http://northland.eu/en-us/investor-relations. A presentation in the form of a slideshow will be available in PDF format for download from the Company website: http://northland.eu/en-us/investor-relations.

The webcasts will be chaired by Mr. Anders Hvide, Executive Chairman, and Mr. Karl-Axel Waplan, Chief Executive Officer together with Eva Kaijser, CFO. The Administrator, Mr. Lars Söderqvist and Mr. Leif Salomonsen from Recore, advisor and nominated as future Director to the Board, will be present to answer questions.

Call-in details:

International Dial-in:	+1 855 753 2230
Local UK:	+44 20 336 453 74
Local Sweden:	+46 8 505 564 74
Local Norway:	+47 23500210

Please call in 5 to 10 minutes before the conference starts and stay on the line (an operator will be available to assist you).

Live audio cast on www.northland.eu -> Investor Relations. A replay of the conference call will be available approximately one hour after the completion of the conference call.

Bondholders that have not yet registered with Bingham McCutchen should get in touch with Margaret Murray at Bingham McCutchen to obtain voting materials at tel: +44 20 7661 5478, fax: + 44 20 7657 3134, email: margaret.murray@bingham.com

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Background

As stated in the press release dated January 24, 2013, Northland identified a significant additional funding need, and the planned equity and bond offerings in January 2013 were subsequently cancelled. On February 8, 2013, the Company's subsidiary Northland Resources AB (publ) filed for reorganisation with the Luleå District Court in Sweden based on a liquidity shortage, to allow Northland sufficient time to finalize negotiations for a long term restructuring solution (the "Reorganisation Proceedings"). Subsequently the Company's two other Swedish subsidiaries filed for reorganisation (Northland Sweden AB and Northland Logistics AB) on February 12, 2013. An administrator was appointed to all Northland's Swedish subsidiaries pursuant to the Swedish Act on Reorganisation *(Sw.: Lag (1996:764) om företagsrekonstruktion)* (the "Administrator"). Since filing for reorganisation, the Company has reduced operations and investments in order to retain the available cash for as long as possible.

Since the commencement of the Reorganisation Proceedings, Norsk Tillitsmann ("NTM") has made advances to the Company of a total of USD 16 million. In addition, key suppliers have each provided an amount of USD 5 million. This funding has provided Northland with sufficient liquidity to allow time to investigate restructuring options.

The Strategic Review

The Company initiated a broad strategic review in order to raise new capital and negotiate terms with its suppliers and creditors with the aim of securing stakeholders and the future of its Kaunisvaara project.

Immediately following the cancelled January 2013 offerings, the Company and its advisers engaged in discussions with potential third party financing sources, with a view to securing the funding needed to find a long term restructuring solution and completing the Kaunisvaara Project; all in a timely manner in order to avoid prolonged delays. The Company has run a competitive bidding process, with numerous potential third party financers conducting due diligence, performing site visits and discussing with Company management.

As part of this process, an informal ad hoc group of three bondholders holding approximately 25% of the principal amount of the bonds, agreed to sign confidentiality agreements with Northland, and has received confidential information in relation to Northland. Accordingly these bondholders have been in a position to indicate the extent to which they would support proposals for a restructuring of Northland (the "Restricted Bondholders").

By April 12, 2013, the Company had received final proposals from three interested parties, plus a further proposal formulated by the financial and legal advisors to the Bond Trustee in conjunction with the restricted bondholders (the "Bondholder-led" proposal).

Following consultation with Northland's key stakeholders, including the Restricted Bondholders, main suppliers, the Administrator and further discussions with the interested parties, the Company has determined that the other proposals it had received would either not be supported by bondholders, or were not capable of being delivered in the time available, relative to Northland's liquidity needs. Accordingly, it was decided to pursue the Bondholder-led proposal as the overall proposed restructuring solution for Northland (the "Restructuring Proposal"), on the basis that, relative to the alternatives, it is, in management's view, the most likely deliverable solution in the available time that would be accepted by the bondholders.

The Restructuring Proposal

In summary, the Restructuring Proposal provides (amongst other things) that (i) the funding shortfall affecting Northland will be addressed by the provision of long term first lien debt financing into Northland and (ii) the principal amount of the bonds will be retained in full on a second lien basis in the post-restructuring capital structure of Northland, subject to certain amendments to their terms, including the possible future conversion into equity. Each of these elements, together with other key terms of the Restructuring Proposal, is summarized below.

The implementation of the Restructuring Proposal is intended in the first instance to be undertaken on a fully consensual basis between all stakeholders, and therefore seeks certain approvals from the existing shareholders of Northland required to implement its terms (the “Shareholder Approvals”). However, if the Shareholder Approvals are not forthcoming, the Restructuring Proposal will be implemented without Shareholder Approval by way of enforcement of the share pledge over the shares in Northland Sweden AB, which have been pledged in favor of NTM on behalf of the Bondholders (the “Share Pledge Enforcement”). Thereafter, the Restructuring Proposal will be delivered on terms that substantially achieve the economic and legal framework envisaged by the Restructuring Proposal.

The Bondholder-led proposal requires the consent of the bondholders, expected to be obtained in a Bondholder meeting on May 3, 2013. However, further time is required to implement the principal elements of the funding structure of the Bondholder-led Proposal, which are scheduled to occur by May 24, 2013 (the “Implementation Date”), and the Company will require bridge financing to meet its short term liquidity needs during the period up to the Implementation Date. With this in mind, the Company has asked NTM on behalf of the bondholders to make available all funds held to the credit of the DSA in order to fund the ongoing liquidity needs of the Company through to the Implementation Date (See detail in point 4 below).

The Bondholder-led Proposal will provide Northland with funding in an amount of approximately USD 497 million, which will be constituted by the following elements: A new First Lien Bond with expected proceeds of USD 337 million, USD 114 million (exclusive of VAT) in supplier credit, USD 30 in DSA release and USD 16 million previously released by the bondholders from DSA.

1. **“First Lien Bonds” with expected proceeds of USD 336.6 million**
   Bondholders expected to be offered the opportunity to participate in a new issue of First Lien Bonds with the following structure:

   - Issue size: USD 362 million
   - Original Issue Discount: 7% discount to principal amount yielding net proceeds of USD 336.6 million
   - Issuer: Northland Resources AB (publ)
   - Maturity: July 15, 2019
   - Interest: 12% per annum
     - Paid on Payment In Kind (“PIK”) basis until and including 2015

    - In 2016 optional cash interest on a “pay if you can basis”, at the discretion of the Company, otherwise the interest will be capitalized
    - From 2017 interest will be mandatorily payable in cash
  - Call option: Non-call 3 years, callable at 107.5% in year 4, 105% in year 5, and 102.5% in year 6
- Warrants: Investors to receive warrants exercisable for (in aggregate) 14.2% of the post-restructuring pro forma equity of NRSA (the “Warrants”). Warrants to be issued as soon as practically possible after shareholder approvals are obtained
- Guarantors: In each case to the maximum extent permitted by law in each jurisdiction, Northland Resources S.A. (“NRSA”), Northland Sweden AB, Northland Logistics AB, Northland Logistics AS, and Northland Exploration Sweden AB
- Security: First-ranking fixed and floating security package that substantially replicates most of the elements of the security package currently securing the existing bonds (Additional security over Northland’s Finnish assets expected to be granted)
- The First Lien Bonds will benefit from Super Priority Status during the continuance of the Reconstruction Proceedings
- Tap issue: A further tranche of First Lien Bonds may be issued by NRSA at any time after the issuance of the First Lien Bonds, in an aggregate principal nominal amount of USD 50 million with a similar warrant structure
- Board representation: Holders of the First Lien Bonds may vote to propose one candidate as Director of the Board of Directors of Northland, the appointment of whom will be subject to approval of the shareholders of Northland.
- Listing: Intention to list the First Lien Bonds on the Oslo Børs
- Rating: The Company will seek to obtain ratings of the First Lien Bonds from Standard & Poor’s and Moody’s by December 31, 2013.

The Restricted Bondholders have indicated their intention to make significant investments in the First Lien Bonds and have signed commitment letters for an aggregate amount totaling approximately one quarter of the issue.

2. Rollover of the Existing Bonds into Second Lien Bonds

The existing USD 370 million senior secured bonds will be amended into a new second lien convertible structure, with the following expected key structural steps and terms:

- Existing 12.25% bonds and 13% bonds consolidated into one
- Existing bonds amended so that they first become second lien bonds, then shareholder approval will be sought for the convertible element

- Borrower to be changed to Northland Resources S.A. (“NRSA”) from Northland Resources AB
- Second Lien bond convertible into equity of NRSA at CAD 0.047 per share
- Maturity on October 15, 2020
- Interest: 4% per annum with effect from (and including) March 7 2013, payable semi-annually
    - Will be paid on a PIK basis in 2013, 2014 and 2015 and, thereafter, in cash and/or PIK in accordance with a waterfall structure, which provides for the use of free cash as defined (the “Waterfall”). In any case, payment of interest in cash in 2016 would only be allowed if interest on the First Lien Bonds has been paid in cash
- Conversion: Convertible on any interest payment date during the period commencing on their creation until their maturity date
    - A majority of holders of the Second Lien Bonds will have the power in a bondholders’ meeting to force the conversion of all of the Second Lien Bonds
    - Once two thirds of the Second Lien Bonds have been converted, the remainder will be subject to mandatory conversion
    - Assuming full conversion, and the exercise of the Warrants, the Second Lien Bonds will be convertible into shares equating to 80.53% of the post-restructuring pro forma equity of NRSA
    - The Company may trigger a mandatory conversion of all Second Lien Bonds at any time on or after July 16, 2018, in the event of a full refinancing of the First Lien Bonds.
- Guarantees: In each case to the maximum extent permitted by law in each jurisdiction, Northland Resources, NRSA, Northland Sweden AB, Northland Logistics AB and Northland Logistics AS.
- Security: A second-ranking fixed and floating security package over the same assets securing the First Lien Bonds. The Second Lien Bonds will be subordinated to the First Lien Bonds
- Board Representation: Following their creation, the holders of the Second Lien Bonds may vote to propose two candidates as Directors to the Board of Directors of Northland, the appointment of whom will be subject to shareholder approval
- Listing: The Issuer will use its reasonable endeavors to maintain the listing and admission of the Second Lien Bonds to trading on the Oslo Børs

3. **Debt Service Account Release of USD 30 million**

Approximately USD 33 million currently remains in the Debt Service Accounts (the “DSA”) for the bonds. In order to address the Company’s immediate liquidity needs pending the Issuer’s receipt of the other sources of funding pursuant to the Restructuring Proposal, the Company has requested that approximately USD 30 million standing to the credit of the DSA that currently secure the bonds be released from the DSA and made available to the Company immediately after the bondholders' meeting. Thereafter, the DSA will not be replenished and the DSA collateral structure currently benefitting the Bonds will be cancelled.

It is proposed that the remaining USD 3 million released from the DSA and not advanced to the Issuer shall be retained for use by NTM to cover any costs and expenses it may have in connection with the implementation of the Restructuring Proposal (including the Share Pledge Enforcement).

4. Supplier credit of USD 145 million (USD 114 excluding VAT)

Northland has accrued substantial liabilities of approximately USD 200 million including VAT owing to its trade creditors with respect to services and supplies provided to Northland as at the date of commencement of the Reorganisation Proceedings. The reorganisation plan that has been developed by the Administrator proposes that the liabilities of each trade creditor of Northland be repaid by December 31, 2013 up to a maximum, in respect of each creditor, of SEK 2.6 million.

In addition, a further USD 30 million will be available to repay trade creditors with claims exceeding SEK 2.6 million, who will each be repaid out of such funds on a pro rata basis by December 31, 2013. The total amount to be paid to trade creditors in 2013 is approximately USD 50 million.

The remaining trade claims (and accrued interest on such trade claims) will be subdivided into two categories:

- Remaining trade claims that are owed to main suppliers, which together represent approximately 93% of the remaining trade claims (the "M/P Outstanding Trade Payables"); and
- Remaining trade claims that are owed to other trade creditors (the "Other Outstanding Trade Payables" and, together with the M/P Outstanding Trade Payables, the "Outstanding Trade Payables").

The Outstanding Trade Payables are, subject to agreement with main suppliers, proposed to be as follows:

- Final Repayment Date:
    - M/P Outstanding Trade Payables: July 15, 2020, being three month before the maturity date of the Second Lien Bonds.
    - Other Outstanding Trade Payables: January 15, 2017.
- Repayment:
    - M/P Outstanding Trade Payables: 10 installments on each of the Payment Dates beginning on the January 15, 2016 Payment Date, subject to free cash flow as defined and in accordance with the Waterfall; final payment to be made on the July 15, 2020 Payment Date.

    - Other Outstanding Trade Payables: four installments on each of the Payment Dates beginning on the July 15, 2015 Payment Date, subject to free cash flow as defined and in accordance with the Waterfall; final payment to be made on the January 15, 2017 Payment Date.
- Interest: 4% per annum (calculated on a 30/360 basis) with effect from (and including) February 8, 2013. Interest will accrue from February 8, 2013 but will only become payable on the Payment Dates in accordance with and subject to the Waterfall.

Creditors who do not vote in favor of the plan to accept payment over a period exceeding one year as set forth above, will instead receive payment of 35% of their claims, minimum up to SEK 2.6 million by December 31, 2013 of the abovementioned USD 30 million by December 31, 2013 and any excess claim amount to be paid within 12 months of the approval of the plan by trade creditors.

Key suppliers would be able to propose one candidate as member of the board of directors of Northland, the appointment of whom will be subject to shareholder approval.

5. **Fixed Price Contracts**

The Company is in agreement with key supplier on fixed price contracts for the majority of outstanding capital expenditures. Approximately 75% of all contracted Capex from January 1, 2013 to December 31, 2014 will be fixed.

Company Update Since January 2013

The Company has produced 135,000 dry metric tonnes (“dmt”) of high quality iron ore concentrate until March 31 2013. The first vessel departed Narvik during first quarter 2013 carrying approximately 54,000 tonnes of concentrate. The second vessel departed Narvik in the beginning of April carrying 54,000 tonnes of concentrate.

Production at the mine and the plant has been satisfactory and ramp up has been successful despite the company being in Reorganisation. The supply chain capacity continues to increase gradually according to the original ramp up plan. The permanent storage building in Narvik has been completed

Further, certain major contracts related to both Capex and Opex have been reconfirmed.

Opex Update

Adjusted for a USD/SEK exchange rate of 6.45, the Life of Mine (“LoM”) operating cost has been estimated to USD 71.1/dmt, compared to the DFS update in 2012 of USD 55.4/dmt and January 2013 update of USD 67.1/dmt as shown in the table below:

	DFS 2012 update (USDSEK 8.125)	Jan 2013 update (USDSEK 6.90)	April 2013 update (USDSEK 6.45)
Mining	18.4	21.9	23.4
Processing	12.5	14.4	15.0
Maintenance	0.4	0.9	1.0
G&A	1.4	1.3	1.4
Logistics	22.4	28.3	30.0
Royalties	0.4	0.4	0.4
Total	**55.4**	**67.1**	**71.1**

The Company's budget supports the long-term operating cost (in SEK) from the DFS and the Royal Haskoning DVH report published on the Company's webpage; LoM operating cost is close to DFS cash cost adjusted for USD/SEK exchange rate.

Currency split for Opex is expected to be:

- SEK 85-90%
- NOK 5-7%
- USD 5-7%

Operating cost excludes corporate G&A which is expected to be USD 15-20 million per annum with 60-80% in SEK, and approximately USD 10 million corporate G&A related to Finland in 2013-2014.

Budgeting Update

The underlying budget assumptions used to estimate total capital need have been revised. Key assumptions are:

- Iron ore price USD 120/dmt realized FOB Narvik
- FX: USD/SEK 6.45

Changes in Capex/contingency – reduce risk and increase production

Key changes are:

- USD 37 million increased Capex due to converting open book and target cost for process line 2 and port construction together into fixed price contracts, substantially reducing over-run risk
- USD 10 million investment to upgrade process line 1 to increase capacity by approx. 30%
- USD 10 million additional contingency due to Reorganisation
- USD 10 million from additional costs incurred due to the Reorganisation
- USD 10 million in extra Capex due to the investment in upgrading of the first process line at Kaunisvaara to increase capacity by approximately 30%

Compared to the 2012 DFS update, the increase in Capex is USD 278 million until end 2014 to a total of USD 1,153 million. The increase in Capex consists of USD 257 million in Capex, USD 11 million in additional contingency and USD 10 million in possible costs related to the Reorganisation.

USD 655 million in Capex had been spent by year end 2012. A total of USD 498 million will be spent in 2013 and 2014 (USD 359 million in 2013, and USD 139 in 2014) for a total of USD 1,153 million. For a full breakdown of expected remaining Capex until end 2014, see below:

Logistics	**Contract Currency**	**USDm**	**Additions USDm**
Civil works Narvik	NOK	46	5
Norwegian rail upgrade	NOK	25	
Shiploader	EUR	12	
De-icing and unloading station	SEK	3	
Reloading terminal and access road Pitkäjärvi	SEK	5	
Railway Cars paid to YE - to be reimbursed	SEK	-8	
Miscellaneous	USD	5	
Total committed		**88**	**5**
Kaunisvaara			
Process systems and electrical installation	USD	135	10
Process systems installation increased cost	USD	31	36
Mobile mine equipment	USD/EUR	58	
Civil works Kaunisvaara	SEK	41	
Tapuli Mine Overburden	SEK	14	
Miscellaneous	USD	8	
Total committed		**287**	**46**
Water Systems phase 2	EUR	4	
Tailings Management Facility	SEK	15	(6)
Civil works line #2	SEK	10	2
Investments Operations	SEK	14	
Project team	USD/SEK	12	
Total uncommitted		**55**	**(4)**
Possible costs related to the Reorgansation		10	
Additional contingency		11	
Total		**451**	**47**

Comments to the breakdown of Capex until end 2014:

- *Incl. USD 10m upgrade of first process line*
- *Additional contingency of USD 11million, equivalent to 13% of uncommitted Capex*
- *Possible costs related to the Reorganisation of USD 10 million*
- *Exchange rates for the committed Capex have not been fixed, and USD amounts are based on the following exchange rates assumptions:*
    - *USDSEK: 6.90 (SEK denominated Capex represents 22% of expected Capex)*

    - *USDNOK: 5.73 (NOK denominated Capex represents 16% of expected Capex)*
- *FX adjustments for USD/SEK to 6.45 adds USD 7 million of Capex up to year end 2014*
- *Capex excludes rail cars cost of USD 32 million, assumed to be financed on an operating lease for which a term sheet has been provided*
- *Sustaining Capex expected to be about USD 7-10 million p.a. post completion of Sahavaara*

Additional Capex in 2015 and 2016 related to the development of Sahavaara mine (including flotation circuit, overburden removal, civil works, crushing station and conveyors and mine equipment) is estimated to be between USD 165-175 million.

Sources and Uses

See below for an updated overview of expected sources and uses from Jan 1, 2013 to end 2014:

Jan 2013 - Dec 2014 **Funding Requirements - Pre Financing**	**USDm**
Opening Cash at January 1, 2013	54
Capex excl. Contingencies but including Tapuli process line upgrade	(477)
Operating Cash Flow & Group Costs	79
Railcar Leases	(5)
Funding Need Pre-Adjustments, Contingencies, Trade Payments & Fees	**(349)**
Adjustments	
FX (USDSEK 6.90 -> 6.45) [1]	(31)
FOB Sales Price Adjustment (USD 130/dmt -> USD 120/dmt)	(40)
Funding Need Pre-Contingencies & Trade Credit Payments & Fees	**(420)**
Contingencies	
General Capex contingency	(11)
Possible costs related to the Reorganisation	(10)
Funding Need Pre-Trade Credit Payments & Fees	**(441)**
Payments to Trade Creditors	
Cash Collateral for main suppliers, Letter of Credit	(10)
Funding Need Before Fees	**(451)**
Q4 2014 cash flow backed out to arrive at Funding Need at Minimum Cash Point [2]	(23)
Transaction expenses	(16)
Gross Funding Need (at Minimum Cash Point)	**(490)**
DSA Funding to Date	16
Available DSA Release	30
Supplier credit, exclusive VAT [3]	114
Net Funding Need	**(330)**

Cash Funding from New Money (1st lien senior secured bond)	337
Cash cushion	7

Notes to expected sources and uses from Jan 1 2013 to end 2014:
1) USD 14 million upside if USD/SEK rate stays at current level of 6.65
2) Cash flow generated during Q4 2014 (USD 23m of free cash flow (sales less Opex and Capex)
3) Supplier loan breakdown:

	USDm
Parked debt inclusive of VAT	***207***
Adjustments supplier cost that cannot be deferred	*-13*
Payments to be made to suppliers on claims less than SEK 2.6m	*-10*
Payments to be made up to SEK 2.6m to suppliers with larger claims	*-6.4*
Payments to be made up to SEK 2.6m to main suppliers	*-2.6*
Payment pro rata to all suppliers above SEK 2.6m	*-30.0*
Parked debt inclusive of VAT net of 2013 payments	***145***
VAT adjustment for payments	*-31*
Parked debt exclusive of VAT for supplier loan	***114***

Items not included in the sources and uses table above:

- *USD 50 million Stemcor prepayment facility potential upside*
  - *Signed term sheet for a prepayment facility of up to USD 50 million, subject to achieving specified production and delivery milestones*
  - *Currently not included in the Sources & Uses*
- *USD 6 million Atlas Copco lease potential upside*
  - *Facility in place, draw down has been done during Reorganisation. Available but not included in the Sources & Uses.*
- *USD 35 million Caterpillar Finance lease potential upside*
  - *Draw stop. Needs to be reconfirmed after Reorganisation*
  - *Currently not included in the Sources & Uses.*
- *USD 22 million ship loader lease potential upside*
  - *Signed term sheet in place, awaiting credit committee approval and documentation.*
  - *Currently not included in the Sources & Uses*

Comments regarding the report from Royal Haskoning DHV available on the Northland website

Royal Haskoning DHV has issued a Technical Report which the Company has made available to the public on its website. The Company wants to make certain comments in order to clarify the numbers reported in the Royal Haskoning DHV report versus the numbers presented in this release.

Capital to end of the project reported as being USD 1,338 million will increase to USD 1,416 million subject to finalizing fixed commercial agreements on previous open book and target cost arrangements. The main updates are:

- USD 37 million fixed cost for previous open book arrangements and the Sahavaara delay
- USD 10 million capacity upgrade of first processing line
- USD 16 million for Sahavaara delay installation and erection

- USD 5 million fixed price for main parts of Narvik port construction
- USD 4 million related to construction of temporary tailings management facility phase II

Table 4.3 – CAPITAL TO END 2014 on p. 46-47 has since the report was compiled been updated to reflect new commercial agreements being negotiated that will result in fixed contract cost compared to previous open book arrangements.

- Additions in Capex and phasing of cash flow differences are in total USD 37 million
- USD 10 million investment for the first process line capacity upgrade has also been included in the updated Capex estimate
- Details of the USD 47 million total changes are discussed above under "Capex Update"

Issues with Mining equipment available on site but not in production consisting of CAT 6060 excavator and CAT 793F truck that is mentioned in several places within the report has been resolved. The equipment will be in production May 1, 2013.

Reorganisation Process

The Company's Swedish subsidiaries entered Reorganisation in early February 2013 (Northland Resources AB on February 8, 2013, and Northland Sweden AB and Northland Logistics AB on February 12, 2013). The Norwegian subsidiary Northland Logistics AS is part of the Reorganisation process, although on an informal basis and on and on the same assumptions as applies for the Swedish entities being part the Reorganisation. The Reorganisation process has allowed the Company time to develop a composition proposal for the unsecured creditors of the Swedish subsidiaries. The reorganisation proposal is expected to be distributed to creditors by the Administrator in the week starting May 13, 2013. A request for composition proceedings is expected to be made to the Court in the week starting May 13, 2013, and if adopted, a creditors meeting will be held within 3-5 weeks, in which unsecured creditors will vote on the composition proposal.

The proposal is approved if three-fourths of voting creditors by number and by aggregate claims vote in favor. If the proposal is approved by the requisite majority, it will bind all unsecured creditors of the Swedish subsidiaries. An application to terminate the Reorganisation will be made once the proposal is approved. Depending on the timing of the creditors meeting, the Swedish subsidiaries are expected to emerge from Reorganisation around early July 2013. Creditors not approving the proposal may file complaints with the Court, any such complaints may delay the process above.

The creditors in Norway have accepted the reorganisation plan in bi-lateral agreements.

Timeline

Below is the expected timeline for completion of the restructuring and Northland to emerge from restructuring:

Date	Event
Monday, April 29	Summons to bondholder meeting and public announcement
Friday, May 3	Bondholder meeting, subscription period expected to start, planned release of first portion of USD 30 million DSA funds
Monday, May 6	Invitation to Extraordinary General Meeting of Northland Shareholders
Friday, May 10	Expected closing of subscription period for contemplated bond offering
Friday, May 24	Implementation Date: Funding and Issue of contemplated new first Lien Bond, anticipated amendment of Existing bonds into Second Lien bonds, and expected repayment of the Trade Supplier Liquidity Funding
Friday, May 24	Extraordinary General Meeting of Northland Resources S.A. to seek certain approvals from existing shareholders needed for the Restructuring Proposal. If the EGM cannot be held due to quorum not being achieved, repeat notice to be distributed for an EGM to be held June 28, 2013. Dates to be confirmed
Early July	Expected emergence from Reorganisation
Monday, July 8	If the Shareholder Approvals were not obtained in the Extraordinary General Meeting, implement the Share Pledge Enforcement

Northland following Reorganisation

Following completion of the expected offerings, the Company expects to be financed until the Kaunisvaara process facility, and the logistics chain from Kaunisvaara to Narvik are completed, and to reach full production of approx. 4 dmtpa of concentrate based on ore from the Tapuli pit during the third quarter 2014 (excluding the capacity increase from the upgrade of the first process line.

The Company would also complete and announce the DFS for Hannukainen and Pellivuoma as soon as reasonably practical.

Both the new issue of First Lien Bonds, and the rollover of existing bonds have an equity element that requires shareholder approval.

Assuming shareholder approvals are forthcoming, all warrants exercised and the second lien bonds are fully converted into equity, the post restructuring pro forma equity of the Company will be held as follows:

Investor	Instrument	No. of shares, m	Ownership
Current shareholders	Common shares	514.2	5.26%
Current bondholders, Second Lien CB	Conversion rights	7,866.9	80.53%
New First lien Subscribers	Warrants	1,388.3	14.21%
Total		**9,769.4**	**100%**

The above share count is shown before consolidation of shares, and may be increased by:

- Shares corresponding to 5% of fully diluted share capital which can be issued at the discretion of the board
- Any warrants in any tap issue of the new First Lien Bond
- Any shares issued in the contemplated repair issue

The Company has suggested that a post restructuring repair issue of shares directed at existing shareholders will be carried out for up to approximately USD 25 million.

Based on the Restructuring Plan (and subject to final agreements being reached), four new board members are to be appointed, complemented by three of the existing board members. Thus the Composition of Northlands Board of Directors will be:

- Two board members to be nominated by holders of existing bonds
- One board member to be nominated by holders of the new senior secured bond
- One board member to be nominated by the holder of the Supplier Credit
- Three existing board members
- In the interim, Mr. Leif Christian Salomonsen and Mr. Runar Nilsen will be appointed as board advisors

Arctic Securities ASA and Pareto Securities AS are acting as financial advisers to the Company, while Blackstone is acting as financial advisers to NTM on behalf of the bondholders.

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For further information on the Company, the Kaunisvaara project, and the background for the additional funding need, please refer to previous press releases which has been posted on the Company's website: www.northland.eu.

[ON BEHALF OF THE BOARD]

"Karl-Axel Waplan"
President & CEO, Northland Resources S.A.

For more information, please contact:
Anders Hvide, Executive Chairman: +47 92 88 9858
Karl-Axel Waplan, President and CEO: +46 705 104 239
Eva Kaijser, CFO: +46 709 320 901
Anders Antonsson, Vice President – Investor Relations: +46 709 994 970
Hökerberg & Söderqvist: Lars Söderqvist, Administrator: +46 705 817 181,
Andreas Nordberg, lawyer: +46 705 847 1183, Bill Kronström, lawyer: +46 702 04 7847 and Erik Strömqvist, lawyer: +46 705 70 2514
Blackstone: David Riddell, Senior Managing Director / Shirish Joshi, Director: +44 20 7451 4000
Arctic Securities ASA, Arctic Fixed Income Sales: +47 21 01 32 31
Pareto Securities AS, Pareto Fixed Income Sales: +47 22 87 87 70

Or visit our website: www.northland.eu

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 and for the Pellivuoma deposit, which is located 15 km from the Kaunisvaara processing plant.

Cautionary Statement

This press release may include "forward-looking" statements within the meaning of applicable securities laws. These forward-looking statements 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. These forward-looking statements include 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, projected capital and operating expenditures, production and price forecasts, assumed exchange rates and the company's anticipated funding requirements and sources thereof. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such factors include, among others, those factors discussed in the section entitled "Risk Factors" in the Company's annual information form dated March 23, 2012, and the management's discussion and analysis of results of operations and financial condition ("MD&A") for the year ended December 31, 2011, and the MD&As for subsequent interim periods, and as updated in this press release. Readers are cautioned that forward-looking statements are not guarantees 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 statements 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 statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods.

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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)* as well as the requirements of the Luxembourgish Transparency Law.
