

# NORTHLAND

## Northland Announces Changes of Outstanding Bonds and Issuance of Warrants

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**Luxembourg, July 31, 2013 – Northland Resources S.A.** (OSE: NAUR, Frankfurt: NPK, Nasdaq OMX/First North: NAURo – together with its subsidiaries “Northland”, “NRSA” or the “Company”) **announces having received all required approvals for implementation of the consolidation of the two bond loans issued by Northland Resources AB into one new convertible bond with the Company as issuer.**

As previously announced, Northland’s Extraordinary General Meeting on July 31, 2013 approved all resolutions. The Board has therefore resolved to go through with the contemplated restructuring of the bond loans issued by Northland Resources AB (NORES01 and NORES02) with ISIN NO0010636137 and ISIN NO0010636194.

The bond loans previously issued by Northland Resources AB will be consolidated into one new convertible bond. The issuer of the new convertible bond will be the Company and not its Swedish subsidiary Northland Recourses AB. The convertible bond will be convertible into shares of the Company on January 15, 2014 at the earliest. The convertible bond is also subject to mandatory conversion when the Company has produced and sold 4 million dry metric tonnes of iron ore concentrate on a rolling 12 month basis or in July 2016. The date of registration of the new convertible bond loan in the Norwegian Central Securities Depository (Verdipapirsentralen) will be announced as soon as possible.

After full conversion of the new convertible bond loan and implementation of a reverse share split approved by the Extraordinary General Meeting on July 31, 2013, the total number of new shares will be 78,450,511. The implementation of the reverse share split by the Board will be announced at a later date but is expected to take place within the end of August.

As previously announced, Northland has issued a new first lien USD 335 million bond loan. The holders of the new bond will receive warrants representing 96,068,763 new shares, after reverse split. Fully diluted, this represents about 50 percent of the shares in the Company. The warrants are expected to be issued in the Norwegian Central Securities Depository (Verdipapirsentralen) on or about 1 August 2013. Issue of new shares upon exercise of warrants will take place at the end of each month. In order to receive shares upon exercise of warrants at the end of August, an exercise notice must be received by the Company within

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August 26, 2013. Further instructions concerning the exercise notice will be published on the Company's website soon.

The warrants will be listed on the Oslo Stock Exchange as soon as a listing prospectus has been approved by the CSSF in Luxembourg, which is expected to take place at the end of August.

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**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.

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#### **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 ability to meet its continuous disclosure and MCTO obligations, the likelihood of Northland rectify its default under Canadian Securities laws, 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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