

NORTHLAND

Northland Resources Operational Update – May 2013

Luxembourg, May 30, 2013 – Northland Resources S.A. (OSL: NAUR, Frankfurt: NPK, STO: NAURo – “Northland” or the “Company”) announces its eight bi-monthly operational and construction update on the Kaunisvaara project. During this period, March 23 – May 30, 2013, Northland has among other things delivered three shipments of iron ore concentrate.

- The second shipment with approximately 54,000 tonnes iron ore concentrate left the Port of Narvik on April 29 for Arcelor Mittal in Ghent, Belgium
- The third ship departed Narvik on May 4, loaded with approximately 56,000 tonnes iron ore concentrate destined for Sahaviriya Steel Industries in the United Kingdom
- On May 29 the fourth ship left Narvik, with approximately 57,000 tonnes of iron ore concentrate destined for Tata Steel in IJmuiden
- The storage building in Narvik was operational mid-March, allowing a more cost-efficient loading of ships
- The Company plans to produce 1.2 million tonnes in 2013 and to reach the production capacity of approximately 4.0 million tonnes per annum at the end of third quarter of 2014
- Due to the current financial situation and the ongoing reorganization of Northland's three Swedish subsidiaries, the Company has reduced its capital expenditure program to a level adapted to the situation
- On May 24, Northland halted its operations after a decision by the bond trustee to accelerate and enforce the bank account pledge. The operations are expected to resume following the bondholders' meeting to be held on Tuesday June 4, 2013. More details are available in the press release dated May 29
- The Company announced on May 29 that it has received a significant new commitment of USD 108 million for a subscription in a bond on commercially the same terms as those announced in the press release dated May 20, 2013. The commitment comes from a consortium consisting of Folksam, Metso Corporation, Norrskenet AB and Peab AB. In addition, the three existing bondholders who previously intended to subscribe for a quarter of the cancelled bond issue, reconfirms and increases their intended subscription in the Offering to at least USD 120 million. Together with the commitment from the consortium, the Company believes it will be in a position to complete the bond offering totaling USD 335 million. The subscription period for the offering will end today at 10:00 p.m. CET.

THE MINE AND PROCESSPLANT

- The first Kaunisvaara process line is in production

PRODUCTION

- Due to the decision by the bond trustee on May 24, Northland has currently halted its operations. During the latter part of the ramp-up period the Company were producing approximately 3,000 tonnes of iron ore concentrate per day
- The quality of the product is well in line with planned specifications
- In the beginning of May, the Company started to operate a Cat hydraulic shovel, model 6060. This big shovel will, in combination with the four 793 trucks, allow a more cost efficient production

THE LOGISTICS CHAIN

- The logistics chain is operating as planned. In total, approximately 265,000 tonnes of iron ore concentrate have been transported to Narvik
- The rented box cars will be used until the arrival of the specially designed railcars from Kiruna Wagon in July 2013
- To date 40 railcars have been manufactured according to Northland specification. Kiruna Wagon is currently manufacturing two rail cars per week. The first train with Northland's rail cars will have 28 railcars and is expected to start operating in the third quarter
- Approximately 220,000 tonnes of iron ore concentrate has been shipped out of the Port of Narvik

Pitkäjärvi trans-loading terminal

- The Pitkäjärvi trans-loading terminal is now fully operational

The Port

- Permits necessary for a temporary solution for the Fagernes Terminal in the Port of Narvik are in place
- The terminal is operated by Grieg Logistics AS
- Construction of the permanent Fagernes Terminal remains on schedule and is expected to be completed in August, 2013
 - Construction of the storage building is completed
 - Quay construction is completed
 - One out of two boom stackers has been delivered
 - Unloading facilities expected to be operational in July 2013
 - The ship-loader is expected to be operational in the third quarter 2013

Health & Safety

Lost Time Injury Frequency Rate ("LTIFR"), according to the Swedish standard from the end of April 2012 until end of April 2013 was 5.06 (4.32) for the previous rolling twelve month period. The corresponding number according the international standard for the same period was 0.76 per 200,000 worked hours (previous period: 0.74)

There were three lost time injuries reported, both according to International and Swedish standards, during four months of 2013 (January-April 2012: 1 incident). A total of 108 near hits were reported for the period January-April 2013 (January-April: 69 near hits).

About the Operational Update

As Northland is currently finalizing its long term funding, which includes a new first-lien bond, this edition of the Operational Update is the final issue in this format.



The Cat hydraulic shovel, model 6060, and the drill rig from Atlas Copco in operation.



Set for blasting in the Tapuli mine.

Unloading of rail cars in Narvik.



The new storage building in Narvik.

Genco Hunter left Narvik on May 29, destined for Tata Steel.

Additional photos and video clips are available on Northland Resources' website, www.northland.eu

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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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This press release may include “forward-looking” statements and “forward-looking information” within the meaning of applicable securities laws. These forward-looking statements and forward-looking information may 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. Forward-looking statements and forward-looking information 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 and forward-looking information 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 28, 2013, and the Company’s management discussion and analysis of results of operations and financial condition (“MD&A”) for the year ended December 31, 2012 and as updated in this press release. Readers are cautioned that forward-looking statements and forward-looking information 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 and 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 statements and 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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