

Northland Launches USD 50-75 Million Super Senior Bridge Bond Offering

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[Northland Resources S.A.](#) (OSLO:NAUR)(FRANKFURT:NPK)(OMX:NAURo) - (together with its subsidiaries "Northland", "NRSA" or the "Company") **will today launch a USD 50-75 million super senior secured bridge bond offering to be issued by Northland Resources AB (publ.) as part of the ongoing refinancing process of the Company.**

In a press release dated November 14, 2013, Northland announced that the board had decided to set a target for financial headroom, leading to a funding requirement of up to approximately USD 150 million.

The Company has now decided to propose an offering of super senior secured bonds (the "**Bridge Bonds**") by Northland Resources AB (publ.) ("**NRAB**"). The Bridge Bonds will firstly be offered on a pro rata basis to existing holders of the Company's outstanding First Lien Bonds, according to the allocation procedure set out in the Term Sheet for the contemplated issue. The lower amount of USD 50 million has been pre-committed by certain existing bondholders, guaranteeing a successful bond issue. The Bridge Bonds shall have a term of 6-12 months and accrue PIK interest at 11% per annum. For more information on the proposed terms and conditions, and an operational update, please refer to an investor presentation dated March 21 (the "**Investor Presentation**") that will be made available on Northland's website.

The Bridge Bonds constitute a short-term component of meeting Northland's funding requirement of up to approximately USD 150 million. The Company still aims to secure long-term funding for the entire required amount, and intends to present a long-term financing proposal later in 2014. The proceeds from the Bridge Bonds are expected to provide sufficient liquidity until long-term financing is in place.

As part of and subject to the contemplated long-term financing, certain bondholders in the First Lien Bond have committed to convert approximately USD 60 million of their First Lien holdings either to shares in NRSA, or a new unsecured fully subordinated bond. Such a bond would be issued by NRSA, have a tenor for three years, carry PIK interest only and be mandatorily convertible to equity with a strike price of 35% above the share price at the establishment of the new bond.

Also as part of and subject to the contemplated long-term financing, approximately USD 60-65 million of trade debt will be converted to shares in NRSA.

Northland has today called a bondholders' meeting to seek approval from its bondholders to issue the Bridge Bonds on the contemplated terms.

Arctic Securities ASA and Swedbank are acting as Joint Lead Managers and Bookrunners.

Northland is a producer of iron ore concentrate, with a portfolio of production, development and exploration

mineral deposits 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.

Contact

[Northland Resources S.A.](#)

Jonas Lundstrom
Vice President Investor Relations & Corporate Communication
+46 705 49 33 38
ir@northland.eu

[Northland Resources S.A.](#)

Johan Dagertun
Vice President Financing and Business Control
+46 920 779 00
www.northland.eu

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