

# Northland halts operations

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## NORTHLAND

Luxembourg / TNW-ACCESSWIRE / October 7, 2014 - [Northland Resources SE](#) (OSE: NAUR, Frankfurt: NPK, Nasdaq OMX/First North: NAURo - together with its subsidiaries "Northland", "NRSE" or the "Company") announces that its operations will be halted indefinitely, as a consequence of the Company's extremely constrained liquidity. For the same reason, the Company is forced to give most of its employees a notice of termination.

As announced on September 30, 2014, the recent deterioration in iron ore prices has put further pressure on Northland's liquidity. The Board of Directors (the "Board") has therefore requested that the holders of the Super Senior Bridge Bond ("SSBB") release funds currently held in escrow.

Northland did not receive enough support to access the requested funds. The Board has therefore decided to halt the Company's operations in a controlled manner and intends to complete delivery of the concentrate already produced. The decision is made in order to preserve liquidity and to allow for operations to be resumed when long-term financing has been secured. As a result of the operational halt, Northland will be able to continue working towards securing a long-term financing solution and try to finalize ongoing discussions with financial and industrial investors.

Since the Company may lack the ability to fulfill commitments associated with any future deliveries due to the constrained liquidity, all deliveries to the Company will be stopped. The intention is to pay costs incurred up until the time of this decision to halt operations.

As a consequence of the decision to halt operations, the Company is regrettably forced to give most of its employees a notice of termination. Discussions with the relevant labor unions have been initiated.

"Given the extremely challenging market climate, the Board's decision to halt operations is at this stage the only way forward to avoid bankruptcy and the resulting value destruction, even though it still means that many skilled and committed employees will have to leave. All of our employees have worked hard to secure a viable future for Northland, and I am humbled by the dedication shown even in these challenging times," commented Johan Balck, CEO.

"Northland has been strengthened by the operational changes and cost-cutting activities performed in the past few months. However, the Company did not receive adequate support to access funds needed to continue operations. Given Northland's extremely constrained liquidity, and the challenging market climate, the Board has decided to halt operations until conditions improve and a long-term solution has been secured," said Olav Fjell, Chairman of the Board.

The Company will today host a press conference at 14.00 CET at Pajala Folkets Hus.

For more information please call: +46 978 126 60

Or visit our website: [www.northland.eu](http://www.northland.eu)

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

mineral resources 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 has also finalized 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.

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