

# Group of investors presents proposal to Northland's major creditors

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Luxembourg, November 20, 2014 - [Northland Resources SE](#) (OSE: NAUR, Frankfurt: NPK, Nasdaq OMX/First North: NAURo - together with its subsidiaries "Northland", "NRSE" or the "Company") announces that a group of Swedish investors with industrial competence have presented a proposal to purchase debt from the major creditors of the Company, including the Company's bondholders. If the proposal is successful, this will be an important part of the ongoing refinancing process and could allow for activities to be carried out during December in order to resume operations.

A group of Swedish investors with industrial competence (the "Investors") have presented a proposal to purchase debt from the Company's bondholders and major trade creditors (the "Proposal"). The Investors aims to ensure a future for the Company and enable a restart of operations and the Investors have therefore presented the Proposal as a first step. The Proposal includes a potential purchase of up to 100 percent of the outstanding Super Senior Bridge Bonds and up to 90 percent of the outstanding First Lien and Second Lien Bonds. The current Proposal also includes certain provisions with respect to conversion of debt to share capital with the effect that the Investors could become major shareholders of the Company and the holdings of current shareholders could as a consequence be significantly diluted post implementation of the Proposal. The Proposal also includes a purchase of parts of the supplier debt from 2013.

The Investors have initiated discussions with the major creditors and its advisors in order to reach an agreement around the commercial terms of the Proposal. The contents of any agreement, based on the Proposal, will depend on the outcome of such discussions. The aim is to agree upon the final terms within a near future but no assurance can be given with respect to the final outcome of such discussions.

Any agreement based on the Proposal, if and when formally presented to relevant stakeholders, is expected to be made subject to an appropriate minimum level of acceptance from the bondholders as well as bondholder meeting and shareholder meeting approvals to the extent required for the implementation of such offer. The Proposal is furthermore conditional upon the creditor's approval of the composition proposal, in accordance with the Company's announcement on November 11, 2014, and, if accepted, the Proposal will enable the Company to continue discussions of securing funding needed to fulfill the proposed composition and restart operations.

If the Proposal is successful, this will constitute an important part of the process of securing financing required to resume operations and to continue with the operational strategy which the Company commenced implementation of during summer 2014, i.e. operations would initially be resumed from the existing processing line and construction work for completion of the second processing line would be resumed at a later stage. The Proposal, in combination with a successful completion of the ongoing reorganizations of the Company's subsidiaries, could provide the Company a solid base to build its future operations on.

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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 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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