

Nunaminerals Anxious To Work With The New Government

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The Company continues ongoing effort to resolve shortfall in liquidity

Nuuk, 2014-12-17 (GLOBE NEWSWIRE) -- With reference to company announcement of 3 December 2014, [NunaMinerals](#) (the "Company") is pleased to have obtained short term funding of a total of DKK 4.5 million from the Government of Greenland to maintain liquidity to finance its operations through January 2015, thereby permitting the Company the opportunity to continue its discussions with the new Government in its search for longer term funding. NunaMinerals has been actively seeking additional new funding from global sources to alleviate the cash shortfall that has been reported since 31 March 2014.

"We remain confident that the new coalition Government and the Company will have the opportunity to examine various options to maintain NunaMinerals' liquidity and move the Company forward successfully" says the Chairman of the Board, Birks Bovaird.

The stated policy of the new coalition is to welcome foreign mining and exploration investments and to promote a strengthening of Greenland's competitiveness including lowering of corporate taxes and improved depreciation rules. The importance of guarantees, loans and capital to encourage investments is also highlighted.

The management and board of directors of NunaMinerals continue to pursue viable funding alternatives. Greenland is viewed as an attractive geologic environment with a progressive government that understands the importance of exploration and the development necessary to move the economic base of the country forward.

Outlined below are terms and conditions related to the Government's loan to the Company:

- The board of directors of the Company shall call for an extraordinary general meeting to propose a share capital restructuring of NunaMinerals which is expected to include a share capital decrease to cover losses. It is expected by the Government that the share capital can be reduced to DKK 0.
- At the same extraordinary general meeting, the board of directors shall propose to carry out a subsequent share capital increase of at least DKK 500,000 and to authorise the board of directors to carry out a rights issue through contribution of cash, or a directed issue at market price through conversion of debt by the Government of Greenland and possibly Greenland Holding A/S and other creditors, or combination thereof. Depending on the final structure of the capital increase, NunaMinerals may be required to publish a prospectus.
- It is suggested by the Government not to have the new shares admitted to trading and official listing on any regulated market, and NunaMinerals would thereby as consequence have to apply for a delisting on NASDAQ OMX Copenhagen A/S.

The capital restructuring as proposed by the Government can only be implemented with the approval of at least 2/3 of the votes cast and share capital represented at an extraordinary general meeting which is tentatively scheduled to be held in January 2015.

Depending on the result of the capital restructuring, current shareholders who choose not to participate in the subsequent capital issue will either be significantly diluted or may even be deleted as shareholders of NunaMinerals.

The Government has indicated to NunaMinerals that at such extraordinary general meeting, the Government contemplates subscribing to such number of new shares at a market price yet to be determined for an amount equal to the loan amount either through cash payment or through conversion of debt for the part of the DKK 4.5 million loan that at the time is outstanding, with accrued interest. It is also contemplated that Greenland Holding A/S' loan of DKK 3.5 million could similarly be used for the subscription of shares at same price by way of debt conversion.

As also agreed with the Government, NunaMinerals is undertaking the annual valuation of the exploration

portfolio to be approved by the Company's accountant. This will be carried out by independent valuation expert, SRK (Sweden), based on the present value of all capitalised exploration costs recognised at market value. The valuation will take due consideration of the Company's ability to meet the obligations incurred under the licences and to maintain and exploit these rights in the Company's present situation.

As has been consistently reported to the market, NunaMinerals has been actively seeking additional new funding from global sources to alleviate the cash shortfall that has been reported. NunaMinerals will continue its on-going search for further funding of its operations, however, if no further support is obtained from the Government before the end of January 2015, NunaMinerals may have to cease all operations and initiate actions to dissolve the Company or perhaps even be forced to file for insolvency proceedings.

Management is cautiously optimistic that given current progress in relation to joint venture activity and newly expressed interest by potential funding sources, combined with a new Government in Greenland, that there may be an opportunity to secure the extended financial viability of the Company. It is also possible that the Company's shareholders might choose not to vote in favour of the proposed changes to the capital structure should it appear that an alternative exists.

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ABOUT NUNAMINERALS

NunaMinerals A/S is Greenland's leading company in the exploration of precious and base metals as well as strategic metals. Firmly rooted in Greenland, the company is well positioned to exploit the mineral potential of one of the world's few remaining unexplored regions. The geology of Greenland has a number of similarities with that of long-established mining jurisdictions such as Canada, Scandinavia, South Africa and Australia, which all have substantial mineral deposits of gold, platinum, nickel and copper, among other commodities. Setting up partnerships that would bring further technical and financial expertise to the development of the company's exploration prospects is a key element of NunaMinerals' business model. NunaMinerals began operations in 1999 and is headquartered in Nuuk, Greenland. The company is listed at NASDAQ OMX Copenhagen A/S under the symbol "NUNA" (Copenhagen: NUNA.CO). For more information, please visit our website: www.nunaminerals.com.

Forward-looking statements contained in this announcement, including descriptions of NunaMinerals' exploration and development projects, strategy and plans, as well as expectations for future revenue and earnings, reflect NunaMinerals' current views and assumptions with respect to future events and are subject to certain risks, uncertainties and assumptions. There are many factors that may cause actual results achieved by NunaMinerals to differ materially from expectations for future results and expectations that may be expressed in or form an assumption of such forward-looking statements. Such factors include risks related to exploration, development and mining activities, uncertainties related to the results of NunaMinerals' exploration and development projects, including risks of delays or closure of projects, price falls, currency fluctuations and changes in concession terms, legislation and administrative practices, as well as competition risk and other unforeseen factors. If one or more of such risks or factors of uncertainty were to materialise, or should one or more of the statements provided prove to be incorrect, actual developments may differ materially from the forward-looking statements contained in this announcement. NunaMinerals is not under any duty to update the forward-looking statements contained in this announcement or to adjust such statements to actual results, except as may be required by law.

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