Northland Receives Final Credit Approval for the Senior Loan

26.01.2011 | Globenewswire Europe

Luxembourg, January 26, 2011: Northland Resources S.A. (TSX: NAU, OSE: NAUR - "Northland" or "the Company") is pleased to announce that the three lead banks: Société Générale, WestLB AG, and UniCredit Bank AG as well as Caterpillar Financial have collectively given final credit approval for USD 175 million of commitments in the Senior Loan Facility. The approvals are subject to satisfactory legal documentation and customary conditions precedent.

The Senior Loan is for up to USD 400 million. Syndication will be launched during the second quarter 2011 and the first drawdown of the Senior Loan is planned for mid 2012. The Facility will be used to cover part of the capital expenditures for the Kaunisvaara Project.

In addition to its approval for the Senior Loan Facility, Caterpillar Financial has also given its credit approval for the previously announced financial lease facility of up to USD 50 million for mobile equipment.

"With the successful equity raise, the credit approvals from the three lead banks and Caterpillar; together with Caterpillar's approval for the financial lease and the Standard Bank and Stemcor facilities, we can now focus on finalising the negotiations with the suppliers of the process equipment and the civil works. As we move through the construction phase, keeping the project on budget and schedule remains a top priority." said Karl-Axel Waplan, Northland's Chief Executive Officer.

Northland is a development-stage mining company with a portfolio of iron projects in northern Sweden and Finland. Northland's Kaunisvaara Project contemplates the staged development of magnetite iron ore deposits that would provide feed to a single, multi-line processing facility in Sweden, producing a high-grade, high-quality magnetite iron concentrate. The results of the Feasibility Study on the Kaunisvaara Project were released September 27, 2010.

"Karl-Axel Waplan"
President & CEO
Northland Resources S.A.

For more information, please contact:
Karl-Axel Waplan, President and CEO: +46 705 104 239
Anders Hvide, Executive Chairman: +47 92 88 98 58
Eva Kaijser, Chief Financial Officer: +46 70 932 09 01
Marguerite Manshreck-Head, Investors Relations, Canada: + 1 647 224 7882

Or visit our website: www.northland.eu

This information is subject of the disclosure requirements acc. to §5-12 vphl (Norwegian Securities Trading Act) originality of the information contained therein.

Source: Northland Resources S.A. via Thomson Reuters ONE

[HUG#1482470]

Unternehmen: Northland Resources S.A. - ISIN: LU0488722801