

Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee ASA.

**To the bondholders in:**

**ISIN: NO0010709199 - 11 per cent. Northland Resources AB (publ.) Super Senior Secured Bond Issue 2014/2015**

Oslo, 21 October 2014

### **Status of the Bonds**

Nordic Trustee ASA, formerly known as Norsk Tillitsmann ASA (the “**Bond Trustee**”) acts as bond trustee for the holders of the 11 per cent. Northland Resources AB (publ.) Super Senior Secured Bond Issue 2014/2015 (the “**Bonds**”) issued by Northland Resources AB (publ.) (the “**Issuer**”, and together with its subsidiaries, the “**Northland Group**”).

All capitalised terms used herein but not otherwise defined shall have the meanings assigned to them in the bond agreement for the Bonds between, amongst others, the Issuer and the Bond Trustee (acting for and on behalf of the holders of the Bonds (the “**Bondholders**”)) dated 7 April 2014 (the “**Bond Agreement**”).

### **Reconstruction, put and payment in kind**

On 3 July 2014 the Bondholders’ meeting authorized and instructed the Bond Trustee to exercise the Conditional Mandatory Redemption as contemplated by Clause 10.7 of the Bond Agreement upon the Bond Trustee receiving a written instruction from inter alia the holder of at least 50% of the Bonds. The Conditional Mandatory Redemption was exercised 14 July 2014 upon instruction from holder of more than 50% of the Bonds with the effect that the Bonds matured on 14 July 2014. On the same day the Northland Group filed for reorganization with the Luleå District Court, followed by the Court’s approval of the application.

If the Conditional Mandatory Redemption had not been exercised the Bonds would have matured on 7 October 2014. The Bond Trustee has been made aware of that, passing the maturity date 14 July 2014, incurred interest is, after instruction of the Issuer, paid by way of issuance of additional bonds as a payment in kind (“**PIK**”), based on the original interest rate of 11% and not including interest of late payment incurred after 14 July 2014. The number of new bonds issued was 3,324,619 bringing the total number of Bonds outstanding to 63,772,258. This exercise was not carried out according to the terms of the Bond Agreement and **has not been accepted by the Bond Trustee.**

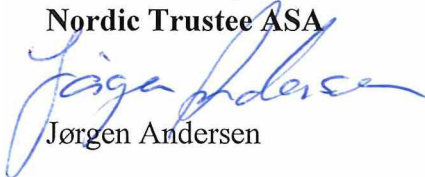
The outstanding principal amount under the Bonds should still be USD 60,447,639 plus a premium of 10 % (as set out in clause 10.7 of the Bond Agreement), plus accrued interest and interests for late payment from 14 July 2014.

The Bond Trustee has been informed that there are no sufficient procedures to reverse the PIK which at same time make sure that the reverse will have no undesirable effects for the Bondholders.

The number of bonds will therefore remain 63,772,258 and the Paying Agent will, when making future disbursements to the Bondholders, distribute the amounts received from Issuer to 63,772,258 Bonds.

Yours sincerely

**Nordic Trustee ASA**



Jørgen Andersen