



ASX ANNOUNCEMENT

16 October 2015

by e-lodgement

Sydvaranger Gruve AS – Update

Northern Iron Limited (“NFE” or “the Company”) is pleased to provide the following update in relation to developments affecting the Company and its wholly-owned Norwegian subsidiary, Sydvaranger Gruve AS (“SVG”).

As previously announced, the Group continues to engage with its financiers, stakeholders and potential new investors to explore opportunities to raise additional working capital for the business and restructure its liabilities to improve the Group’s financial position and ensure the continuation of the Group’s operations as a going concern. It is however apparent that further time will be necessary to identify a potential financing solution.

In order to provide additional time for the ongoing processes and discussions to be pursued, offers have been received from SVG’s financiers, DNB Bank and Innovation Norway, for supportive measures to be extended for the period up until 15 December 2015 (previously 31 October 2015), subject to completion of documentation. Such support includes the extension of waivers on servicing debt facility obligations and associated covenants. The Tschudi group has previously provided SVG with an offer of support enabling the deferral of payment obligations associated with its port lease, office rental and land leases for the six months July through to December 2015.

With these agreements, it is expected that the Group’s financial position will be sustained over the coming weeks at a level sufficient to maintain normal operations and the activities of the business.

The NFE Board and management appreciate the continued support being advanced by DNB Bank, Innovation Norway and the Tschudi group to enable the Group to continue the ongoing process in pursuing potential new sources of capital as well as improving the outlook for enabling a long term solution to be implemented. The Company also recognizes and thanks our employees and the local Kirkenes community for their continuing support as we strive to ultimately establish the Sydvaranger operation as a profitable and sustainable business.

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