

Lapland Goldminers informs about the ongoing restructuring process

As part of the ongoing restructuring process for Lapland Goldminers, the company has obtained the necessary prior approvals from the creditors included in the composition. Lapland Goldminers will therefore submit an application for composition agreement to Lycksele district court. In addition the company has established a balance sheet for liquidation purposes under the framework of the ongoing restructuring process.

According to a Lapland Goldminers AB (publ) (the "Company") press release dated February 17th, 2014 the Board of the company prepared a composition proposal in which the company's subordinated creditors were offered full payment up to a maximum amount of SEK 6,000 and an additional 30% of the amount of the outstanding claim exceeding SEK 6,000. The Company's subordinated creditors consist primarily of the Company's convertible bond holders whose claims in the composition agreement amounts to about SEK 124 million. The composition proposal is subject to a decision, on an upcoming extraordinary general meeting, to execute a subsequent set-off issue directed towards the creditors under the Company's outstanding convertible loan, who are offered to settle the remaining debt (after the implementation of the composition agreement) to new shares in the Company at a subscription price of one (1) SEK/share. Thereafter, the Company intends to conduct a, fully or to the main part, underwritten rights issue of approximately SEK 34-42 million.

As part of the Company's application for the composition agreement, it has, among other things established a restructuring report together with a statement from the administrator, a composition agreement and an estate inventory. These documents have been provided to the Company's creditors by way of a dispatch executed on March 3rd, 2014. The documents are also made available on the Company's website www.laplandgoldminers.se.

In combination with the preparation of the application for the composition agreement, the Board has reviewed the values of the Company's assets accounted for in the balance sheet. This review has resulted in that the Board has found it necessary to make substantial impairments of the values related to Fäboliden project, amongst others. Based on the current market for mineral projects and the present gold price, the Fäboliden project has been impaired with SEK 177 million to SEK 0 in the balance sheet of the subsidiary, Lapland Goldmines Fäboliden AB. As a result of this impairment the receivable related to Fäboliden in balance sheet of the Company, Lapland Goldminers AB, has been impaired correspondingly. In addition, the main part of the Company's claim on its Finnish subsidiary Lapland Goldminers Oy has been converted to an unconditional shareholder's contribution as a consequence of the restructuring program approved in Finland. As a result hereof the Company's receivable on its Finnish subsidiary amounts to SEK 9 million. The Board considers SEK 20 million to be fair value of the shares in the Finnish subsidiary in the balance sheet of the Company.

Given the impairments decided by the Board, the Company reports a negative equity of about SEK 130 million, resulting in that the Company's Board prepared a balance sheet for liquidation purposes showing an equity deficit of the corresponding amount, of about SEK 130 million.

As a result of the deficit in equity the Company will propose to an upcoming Extraordinary General Meeting, to decide upon the matter of continued operation or if the Company shall go into liquidation. Provided that the Board's refinancing plan is implemented, the Company's equity will be restored by the Board of Directors' proposed measures. The Company's Board will therefore propose to the Extraordinary General Meeting to decide to continue with the Company's operation.

Lapland Goldminers AB (publ)

For additional information, please visit: www.laplandgoldminers.se or contact:

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Lapland Goldminers AB is a producing mining company with significant exploration activities. The Company is listed on the market place First North Premier in Sweden under the name GOLD, with Mangold Fondkommission AB, www.mangold.se, +46-8-503 015 50, as Certified Adviser.

Lapland Goldminers' strategy is to develop mineral deposits into profitable producing mines. The Company is strategically positioned with the fully permitted Fäboliden gold project in northern Sweden. The Pahtavaara gold operation is located in the north of Finland. Lapland Goldminers is a member of SveMin, the Swedish association for mines, minerals and metal producers, and follows SveMin's reporting rules for public mining and exploration companies.