



**NORTHLAND**  
RESOURCES INC.

TSX: NAU  
Oslo Børs: NAUR  
Frankfurt: NBS

## **Pellivuoma Resource to Extend Life of Planned Kaunisvaara Mill Complex**

April 29, 2009: Northland Resources Inc. (Northland) is pleased to announce that the first NI 43-101 compliant resource estimate on the Company's Pellivuoma project has been completed, confirming the presence of a substantial tonnage of surface-minable magnetite (*a naturally occurring magnetic iron oxide; a source of ore for iron*) at Pellivuoma. This advances Northland's vision of developing the Kaunisvaara Mill complex, a centralized processing facility that would take feed from several iron ore projects, including Tapuli and Stora Sahavaara. With the addition of Pellivuoma, the life of the Kaunisvaara Mill would be significantly extended, and capital costs can be distributed over larger accumulated production. The combined Measured and Indicated iron resources at Tapuli, Stora Sahavaara and Pellivuoma total 249.68 Mt, and the Inferred iron resources are 89.74 Mt. Also, as recently announced, metallurgical test results show that a high-grade, high-quality iron concentrate can be produced from the iron mineralisation at Pellivuoma that is compatible with the iron products that can be produced from Tapuli and Stora Sahavaara.

Vladimir Benes, Vice President of Exploration of Northland commented, "The results of the resource estimate support Northland's vision of developing a centralized processing and transportation facility, to be located between Pajala, Sweden and Kolari, Finland. Pellivuoma has both the tonnage and the quality of magnetite to be a positive factor in advancing the centralized mill concept. There are several other exploration targets to be tested in the immediate area which have the potential to add additional resources for Kaunisvaara. Pellivuoma was chosen as one of the first potential satellite deposits to be tested because of the historic information available and it was fast-tracked this winter because of the encouraging results received from initial drill testing. The airborne geophysical survey flown for Northland by the Geological Survey of Finland (GTK) in 2006 indicates other magnetic anomalies within Northland-controlled areas. Northland plans to continue its exploration program in the Kaunisvaara area to further test known targets and to develop additional targets for the future."

The iron resources at Pellivuoma expressed below exceed the Geological Survey of Sweden's historical estimate of 43 million tonnes. The latest 20 drill holes from the 2009 winter drill campaign have not been included in the current resource model, but will be used in an updated resource estimate later in 2009. The spacing of the additional 20 drill holes is anticipated to increase the confidence in the resource category and move a portion of these resources to the measured category.

Pellivuoma Mineral Resource Estimate, April 20, 2009			
Cut off grade 20%Fe			
Category	Million tonnes	Fe [%]	S [%]
Measured	--		
Indicated	33.8	30.1	0.56
Inferred	57.0	29.8	0.99

A NI 43-101 compliant report on the Pellivuoma resource calculation will be filed on www.sedar.ca within 45 days. The resource calculation methodology is described in detail, later in this press release.

### Iron Ore Resources at Tapuli, Stora Sahavaara and Pellivuoma

<b>Tapuli 15% cut off, Dec 2008</b>	<b>Mt</b>	<b>Fe %</b>
Measured	59.33	27.8
Indicated	34.85	24.1
Total Measured & Indicated	94.18	26.4
Inferred	9.74	23.7

<b>Stora Sahavaara 25% cut off, June 2006</b>	<b>Mt</b>	<b>Fe %</b>
Measured	77.06	43.3
Indicated	44.64	43.3
Total Measured & Indicated	121.70	43.3
Inferred	23.00	42.0

<b>Pellivuoma 20% cut off, April 2009</b>	<b>Mt</b>	<b>Fe %</b>
Measured	---	---
Indicated	33.80	30.1
Total Measured & Indicated	33.80	30.1
Inferred	57.00	29.8

<b>All Projects</b>	<b>Mt</b>	<b>Fe %</b>
Measured	136.39	36.6
Indicated	113.29	33.4
Total Measured & Indicated	249.68	35.2
Inferred	89.74	32.3

### Geology of Pellivuoma

Pellivuoma is a skarn hosted iron oxide mineralization developed at the contact between older carbonate rocks and intruding granite some 1800 million years ago. In the plan view the mineralization covers an area of c. 700 x 600 meters.

Mineralization consists of several lenses, 20 to 100-m-thick, dipping approximately 50 degrees to the southwest. Lenses are gently folded and generally conformable with the footwall granite contact. Magnetite-rich skarn rocks are interleaved with non-mineralized clinopyroxene-

actinolite-serpentine skarn. The mineralization is cut by several low-angle and sub-vertical faults.

The main ore mineral is magnetite that is generally free of gangue mineral inclusions. Portions of the magnetite mineralisation are characterized by an elevated sulfur-content. The majority of the sulfur is present as sulfide minerals pyrite, pyrrhotite, and chalcopyrite.

Current resource estimates include 5 ore blocks within a 700m long and up to 300m wide zone to the depth of 400m. Roughly 2/3 of the estimated ore volume is contained in the central zone. Mineralization remains open at depth and along the strike.

### Resource Calculation Methodology

The mineral resource estimate is based upon the following key inputs and assumptions:

- Pellivuoma mineral resources are defined primarily by diamond core drilling. Drilling was conducted on a grid of 50 m x 100 m to 100 m x 100 m. A total of 49 holes, totalling 9,644 metres, with 5,095 assayed sections, have been used in estimating the resources.
- Mineralisation was defined delineating areas with greater than 20% Fe.
- The mineralisation was divided into five zones based on location and geology.
- Drill core samples were assayed for Fe and S (among other elements). Drill samples are generally 1.0 to 2.0 m in length, assays have been regularised to 2 m composites.
- Block grades were interpolated for Fe and S using the Inverse distance squared using search radii based on an isotropic search. Block cell size is 15\*15\*12 m in view of the Smallest Mining Unit planned for the exploitation.

Block Model Estimation Parameters				
Classification	Maximum Search Radius (m)	Minimum Number of Composites	Maximum Number of Composites	Maximum Number of Composites per Drill Hole
Measured	50	5	10	1
Indicated	75	3	5	2
Inferred	<i>Sufficient to fill model</i>	1	3	3

### Discussion

The first estimates for Pellivuoma have a great impact on the company's exploration and development strategy. Northland acquired the project in mid-2007 as an exploration prospect with an historic resource estimated at 43 million tonnes by the Geological Survey of Sweden between 1969-1971. Following initial drill testing and geophysical modeling conducted in 2008, Northland fast-tracked the project and despite limited access by winter road was able to progress the exploration program from an early stage towards resource development within the short period of one year. New global resources have doubled in size compared to historical estimates and support the company's belief that major ore bodies can be found outside the Pajala-Kolari Sheer Zone, historically considered to be a primary controlling structural feature and host to major iron ore deposits in this region. Being within hauling distance to our development projects, Pellivuoma should provide additional mine life to Kaunisvaara, the proposed Tapuli-Stora Sahavaara iron ore processing facility. Compact geometry and sharp boundary of the ore body at 20% Fe cut-off, together with the central ore zone being exposed under only 10 m-20 m thick overburden make the deposit an ideal target for open-pit mining.

Furthermore, during the first half of April the company conducted additional infill drilling in the central part of Pellivuoma using a 50 m x 50 m grid which should provide for a better confidence in ore body continuity, as well as for upgrading a portion of indicated resource category into measured, as required for a pre-feasibility study. New infill drill holes are being logged, cut and sent for assays. Assays are pending.

### **Analysis**

The core was split in half by sawing by Northlands technicians at Äkäsjokisuuu, Finland or at the Pajala core facility. The split core from Pellivuoma was prepared at ALS Chemex Lab in Piteå, Sweden and analyzed at ALS Chemex, Vancouver. Copper and iron were analyzed by Sodium Peroxide Fusion multi element analysis, ICP-AES Method ME-ICP81. Gold was analyzed by Lead Fire Assay Pre-concentration with ICP-AES Method Au-ICP21 finish.

### **Qualified Person**

The exploration program at Pellivuoma was prepared and executed under the supervision of Dr. Vladimir Benes, Vice President Exploration for Northland Resources Inc. He is a member of the Australasian Institute of Mining and Metallurgy (Member #300308) and a "Qualified Person" in accordance with National Instrument 43-101.

Mineral resources at Pellivuoma have been prepared and categorised for reporting purposes by Mr. Thomas Lindholm following the guidelines of the JORC Code. Mr. Lindholm is a member of the Australasian Institute of Mining and Metallurgy (Member # 230476), employed by GeoVista AB and a Qualified Person as defined in NI 43-101 on the basis of training and experience in the exploration, mining and estimation of mineral resources of ferrous deposits.

### **FOR MORE INFORMATION, CONTACT:**

Anders Hvide, Executive Chairman, Oslo: Tel. +47 92 88 98 58

Deborah Craig, Vice President, Northland Resources AB, Stockholm: Tel. +46 70 638 4300

### **Northland Resources Inc. in brief**

Northland is preparing to supply iron, copper and gold to Europe's metal-hungry markets. In Sweden and Finland, Northland controls one of the continent's last major undeveloped iron ore provinces. Iron ore is essential to steel fabrication, a key element of European heavy industry.

**Visit our website: [www.northlandresourcesinc.com](http://www.northlandresourcesinc.com)**