

Lapland Goldminers files for bankruptcy

The Board and the Chief Executive Officer of Lapland Goldminers AB (publ) ("the Company") have decided to file a petition of bankruptcy for the Company. The trading of the shares has been halted.

The Company has previously submitted an application for a composition proceeding at the Lycksele District court, scheduled to April 1st 2014. The composition proposal is conditioned by that the subsequent set off issue and preferential rights issue can be executed, strengthening the balance sheet and providing the Company with SEK 40 million in new capital to secure a continued going concern.

The set off issue and the subsequent preferential rights issue are subject to that the current gold production and associated costs thereto are in line with the projections made under the restructuring plan for the Finnish subsidiary operating the mine.

The achieved gold grades from production in the Finnish subsidiary have, since end of February 2014, been significantly lower than projected, which has affected the gold production of the Company negatively. This has resulted in that the Finnish subsidiary does not have coverage for their production cost and, consequently, the company will be unable to generate the necessary liquidity required to meet the financial assumptions on which the restructuring program for the Finnish subsidiary is based.

Based on the financial position of the Parent company at present, the prerequisites to successfully execute the planned share issues, which is imperative for the company to be able to conclude the ongoing restructuring process and to secure going concern, are missing.

The Board of the Company has, for this reason, made the assessment that the only realistic alternative is a liquidation of the Company and its operations by way of a bankruptcy proceeding. The petition for bankruptcy will also be submitted for the Swedish subsidiary Lapland Goldminers Fäboliden AB.

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. The Company is listed on the market place First North Premier in Sweden under the name GOLD.

Lapland Goldminers' strategy is to develop mineral deposits into 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.