



Ellis Lake Capital, LLC
444 Madison Ave., 40th Fl.
New York
NY 10022
USA

OUR REFERENCE
13/9041

YOUR REFERENCE

DATE
27.06.2014

Decision of surrender of gain

1. Introduction

Reference is made to Ellis Lake Capital LLC 's ("**Ellis Lake**") sale of shares in Northland Resources S.A. ("**NAUR**") and previous correspondence. Finanstilsynet gave notice of its preliminary decision of a surrender of gain in letter of 4 June 2014. Lawyer Jon Petter Haaland at Advokatfirmaet Wiersholm, representing Ellis Lake, has pr. telephone 20 June 2014, expressed that the surrender of gain will be accepted.

In accordance with the Norwegian Securities Trading Act (the "**NSTA**") section 17-2, Finanstilsynet has decided to order Ellis Lake to surrender the gain obtained through the sale of 80,020 NAUR shares on 21 August 2013 in violation of the NSTA section 3-14.

The size of the gain to be surrendered amounts to **NOK 482,161**.

Finanstilsynet gave an account for the factual background and the legal basis for the surrender of gain in the preliminary decision. This is, in essence, the following:

2. The factual background

The holders of a new bond loan issued by NAUR were entitled to receive warrants representing new shares. According to the terms and conditions for the warrants issue, after receipt of an exercise notice, NAUR was under the obligation to allot and issue the warrants to the warrant holders "*on or prior to the last Business Day of the month in which the Notice of Exercise is received by the Issuer*".

Ellis Lake delivered its exercise notice on 19 August 2013. On 21 August Ellis Lake sold a total number of 80,020 NAUR shares at an average price of NOK 39.082500 per share. Ellis Lake was obliged to deliver the shares on T+3 on 26 August 2013, but failed to deliver before 27 August 2013.

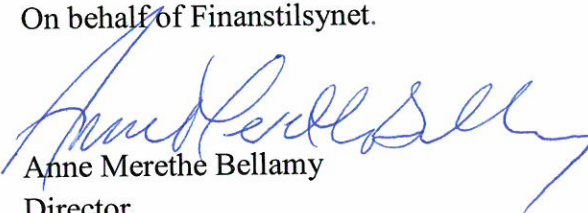
3. Legal basis

The legal basis for the surrender of gain is the NSTA section 3-14 (*Sale of financial instruments not owned by the seller*) and section 17-2 (*Surrender of gain*).

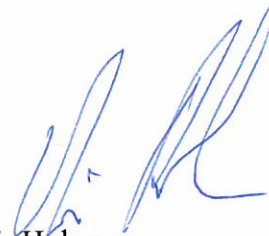
4. Acceptance of the surrender of gain

Ellis Lake is asked to decide whether or not to accept the decision of surrender of gain and return the enclosed copy of this letter with the relevant signatures in the form below within 15 August 2014. If Finanstilsynet's decision is accepted, a new letter stating the time limit for the payment along with relevant payment information will be sent.

On behalf of Finanstilsynet.



Anne Merethe Bellamy
Director



Geir Holen
Head of section

Copy:
Wiersholm, Mellbye & Bech

Surrender of gain is **accepted**

Surrender of gain is **not accepted**

For Ellis Lake Capital LLC *

For Ellis Lake Capital LLC *

Name in block letters

Name in block letters

Date:

Date:

* Copy of certificate of incorporation or other document that states the authority to commit the company must be enclosed

