



# INTERIM REPORT

JANUARY - MARCH 2023



# THE QUARTER IN SHORT

## HIGHLIGHTS OF FIRST QUARTER 2023

- Finished the quarter with a cash balance of SEK 18.3 million on 31 March 2022, up SEK 5.3 million from a prior balance of SEK 13.0 million at the end of the previous quarter, after completing a SEK 10.4 million financing (before transaction costs), and after incurring exploration-related and administrative costs, during the quarter.
- Scheduled remaining copper assays from 2022 drilling at the flagship Kopsa gold-copper project, that included 4,241m.
- Reported in press releases gold assay results for remaining 12 and a half drill holes from Kopsa 2022 drilling, after reporting gold assays for 10 drill holes from Kopsa during the prior quarter.
- Commenced an Induced Polarization (“IP”) geophysical survey that includes roughly 10km of ground survey lines across two target areas within the Kiimala Trend project area (Pääneva and Alakylä), to help guide 2023 core drilling.
- Planned 2023 drill programs, which includes more than 1,000m of planned soil drilling across Kopsa and Kiimala Trend for base-of-till and top-of-rock geochemical sampling to help guide core drilling, and also includes a planned 2,500m of core drilling to test both resource growth and earlier-stage targets at each of these projects.

## FINANCIAL INDICATORS AND SHARE DATA (GROUP, CONSOLIDATED)

	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Average equity for the period (KSEK)	42,813	27,350	21,983
Average total capital for the period (KSEK)	49,027	34,469	25,551
Return on equity (%)	-8.4	-11.0	-56.5
Return on total capital (%)	-7.5	-9.6	-50.5
Equity/assets ratio (%)	86.7	88.8	88.3
Earnings per share (SEK) (before dilution)	-0.3	-0.3	-1.2
Earnings per share (SEK) (after dilution)	-0.3	-0.3	-1.2
Equity per share (SEK)	4.2	4.2	3.2
Quick ratio (%)	708	1,172	665
Total number of shares (before dilution)	12,241,794	10,516,020	10,520,674
Total number of shares (after dilution)	12,561,294	10,835,520	10,840,174
Average number of shares (before dilution)	11,890,877	9,605,087	9,378,905
Average number of shares (after dilution)	12,210,377	9,924,587	9,698,405

### FINANCIAL HIGHLIGHTS OF FIRST QUARTER 2023 (GROUP, CONSOLIDATED)

- Net sales amounted to KSEK 0 (Q1 2022: KSEK 0).
- Operating profit/loss after financial items totalled KSEK -3,658 (Q1 2022: KSEK -3,026).
- Earnings per share after financial items amounted to SEK -0.3 (Q1 2022: SEK -0.3).
- Cash flow from operating activities was KSEK -2,519 (Q1 2022: KSEK -307).

### SIGNIFICANT EVENTS IN THE FIRST QUARTER

- Drill results extend the Kopsa deposit along strike to the west (16 January 2023).
- Northgold submits auxiliary mine area permit application for the Kopsa gold and copper project (26 January 2023).
- Northgold acquires Northern Aspect Resources Oy and carries out a directed issue of shares in connection with the acquisition (8 February 2023).
- Northgold resolves on a directed share issue of MSEK 10.4 to fund continued exploration and development activities (8 February 2023).
- Northgold announces remaining gold assays from 2022 drilling at Kopsa, including more broad-width low-grade and narrower high-grade intercepts (7 March 2023).

### SIGNIFICANT EVENTS AFTER THE PERIOD

- Northgold releases gold assays from 2022 drilling at Kiimala Trend, announces 2023 exploration plans, and commences drilling at flagship Kopsa project (13 April 2023).
- Copper assays from 2022 drilling at Kopsa gold-copper project result in a significant 20% increase in metal value to the previously reported gold assays (22 May 2023).



Base-of-till soil and top-of-rock chip samples from 2023 exploration program, ready to be sent to the assay lab. Results will be used to help define core drilling targets.

# MESSAGE FROM THE CEO

During the first quarter of 2023, Northgold continued executing its business objectives, including conducting early and advanced stage exploration activities on its gold projects in central Finland, with a goal of growing mineral resources and making new discoveries. During the quarter, after having received and reported all of gold assay results from 2022 drilling at Kopsa, the Company completed selection of Kopsa drill core intervals to also be assayed for copper, and completed scheduling of copper assay analyses at the lab. Copper assay results were reported following the quarter, and resulted in a solid 20% increase in the metal value of Kopsa’s resource expansion drilling.

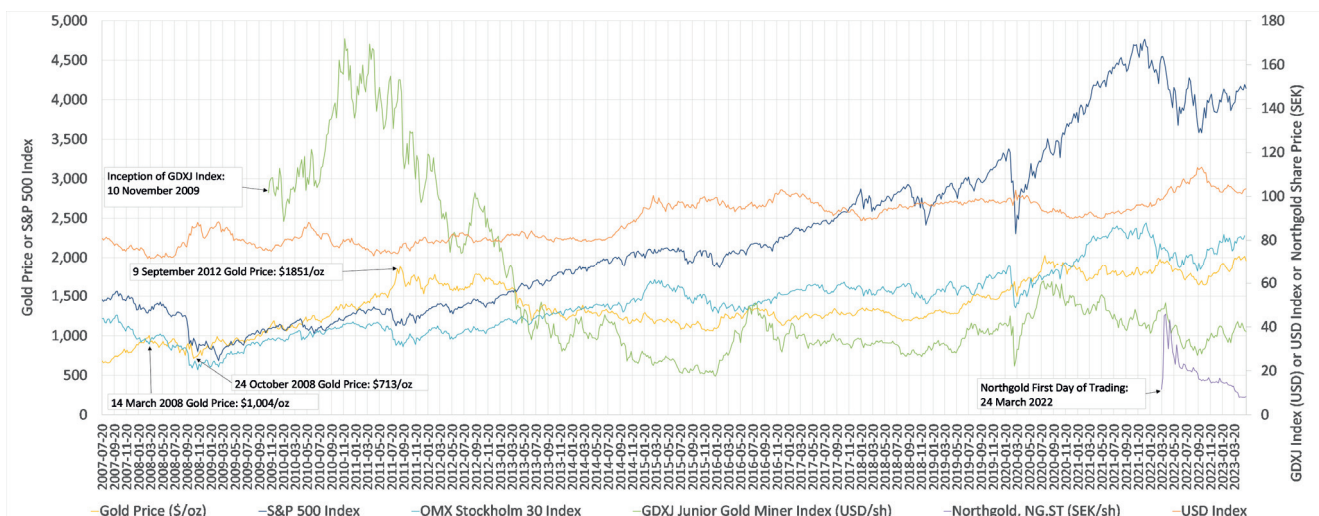
The gold price rose 9% during the quarter, to \$1,980/oz, on the back of continued strong investment by central banks, and also by institutional investors, accompanied by a looming risk of recession, persisting high inflation, and persisting geopolitical factors, which certainly helped gold producing companies, with producer-dominated Junior Gold Mining Index ETF (GDJ) rising 11% to \$39.5 per share. This strong performing gold price during Q1 has however largely not yet transferred over to higher share prices of gold producers’ smaller counterparts, gold explorers and developers, with our estimated peer group average enterprise values per ounce gold-equivalent falling during the quarter from EUR46/oz to EUR30/oz (and to EUR29/oz after the quarter) for gold explorers, and from EUR90/oz to EUR69/oz (and to EUR62/oz after the quarter) for gold developers, as the masses of

retail investors appear to continue directing much of their investment towards large-cap technology stocks, instead of junior gold stocks as many of them had in early 2022 when our estimated peer averages were much higher, at EUR69/oz for gold explorers and EUR149/oz for developers. This disconnect between gold price and junior gold share prices has resulted in these stocks trading at significant discounts to historic levels relative to the high and rising gold price, and we believe the persisting risk of recession, high-inflation, geopolitical factors including falling dominance of the USD, waning performance of large-cap tech stocks, and continued strong gold price performance, will ultimately attract more attention to the discounted junior gold stocks, such as Northgold, which has both a resource update for Kopsa, and multiple tranches of drill results from 2023 drilling, due for release in the coming months.

Sincerely,



**Mitchell J. Vanderydt,**  
P.Eng, MBA  
CEO, Northgold AB



Source: World Gold Council, Yahoo Finance

# EARNINGS AND SALES

## COMMENTS ON THE FIRST QUARTER, 1 JANUARY – 31 MARCH 2023 (GROUP, CONSOLIDATED)

### EARNINGS AND SALES

The company's net sales for the first quarter totalled KSEK 0 (Q1 2022: KSEK 0), and earnings after financial items totalled KSEK -3,575 (Q1 2022: KSEK -3,015).

Operating costs amounted to KSEK -3,658 (Q1 2022: KSEK -3,026). EBITDA for the first quarter was KSEK -3,658 (Q1 2022: KSEK -3,026). Financial items for the quarter amounted to KSEK 83 (Q1 2022: KSEK 11).

### INVESTMENTS

Investments in property, plant, and equipment in the fourth quarter totalled KSEK 162 (Q1 2022: KSEK 0). Investments in intangible assets amounted to KSEK 14,590 (Q1 2022: KSEK 0). Investments in non-current financial assets amounted to KSEK 0 (Q1 2022: KSEK 93).

### FINANCIAL POSITION

Cash and cash equivalents on 31 March 2023 amounted to KSEK 18,260 (March 31 2022: KSEK 37,045). Equity was KSEK 52,335 (31 March 2022: KSEK 44,024).

### CASH FLOW AND FINANCING

Cash flow from operating activities in the first quarter was KSEK -2,519 (Q1 2022: KSEK -307). Cash flow from investing activities was KSEK -14,752 (Q1 2022: KSEK -93), while cash flow from financing activities was KSEK 22,333 (Q1 2022: KSEK 36,380).

## COMMENTS ON THE FIRST QUARTER, 1 JANUARY – 31 MARCH 2023 (PARENT COMPANY)

### EARNINGS AND SALES

The company's net sales for the first quarter totalled KSEK 0 (Q1 2022: KSEK 0), and earnings after financial items totalled KSEK -1,941 (Q1 2022: KSEK -4,302).

Operating costs amounted to KSEK -1,939 (Q1 2022: KSEK -2,214). EBITDA for the first quarter was KSEK -1,939 (Q1 2022: KSEK -2,214). Financial items for the quarter amounted to KSEK -2 (Q1 2022: KSEK -2,088).

### INVESTMENTS

Investments in property, plant, and equipment in the first quarter totalled KSEK 0 (Q1 2022: KSEK 0). Investments in intangible assets amounted to KSEK 13,841 (Q1 2022: KSEK 0). Investments in non-current financial assets amounted to KSEK 0 (Q1 2022: KSEK 101).

### FINANCIAL POSITION

Cash and cash equivalents on March 31 2023 amounted to KSEK 17,187 (March 31 2022: KSEK 34,954). Equity was KSEK 54,067 (31 March 2022: KSEK 42,894).

### CASH FLOW AND FINANCING

Cash flow from operating activities for the first quarter was KSEK -2,000 (Q1 2022: KSEK -1,952). Cash flow from investing activities was KSEK -13,841 (Q1 2022: KSEK 0), while cash flow from financing activities was KSEK 22,333 (Q1 2022: KSEK 36,380).

## RELATED-PARTY TRANSACTIONS

There were no closely-related party transactions completed during the period.

## THE SHARE

The share capital of Northgold AB (publ) on 31 March 2023 amounted to SEK 862,095.75. The total number of shares outstanding was 12,241,794. The company was listed on Nasdaq First North on 24 March 2022. The share's ticker symbol is NG and its ISIN is SE0017131071.

## LIST OF SHAREHOLDERS AT MARCH 31 2023

Shareholder	Number of Shares	Percentage (%)
Magnus Minerals Oy	2,904,080	23.72 %
Richard Gazal	1,186,564	9.69 %
Rupert Resources Ltd.	1,116,000	9.12 %
Andrew Randall	826,157	6.75 %
Kimberly Wrixon	649,040	5.30 %
Other shareholders	5,559,953	45.42 %

# FINANCIALS

## INCOME STATEMENT (GROUP, CONSOLIDATED)

KSEK	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
<b>Operating income</b>			
Net sales	0	0	0
Other operating income	0	0	0
<b>Total operating income</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating costs</b>			
Other external costs	-2,803	-2,655	-9,706
Staff costs	-665	-245	-3,074
Depreciation of tangible assets	-190	-126	-127
<b>Operating profit/loss</b>	<b>-3,658</b>	<b>-3,026</b>	<b>-12,907</b>
Net financial items	83	11	480
<b>Profit/loss before tax</b>	<b>-3,575</b>	<b>-3,015</b>	<b>-12,427</b>
Tax on profit/loss for the year	0	0	0
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-3,575</b>	<b>-3,015</b>	<b>-12,427</b>

## BALANCE SHEET (GROUP, CONSOLIDATED)

KSEK	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>ASSETS</b>			
Intangible assets	40,881	11,891	23,504
Tangible assets	218	54	54
Financial assets	203	93	201
Other current assets	771	473	965
Cash and bank balances	18,260	37,045	12,997
<b>TOTAL ASSETS</b>	<b>60,333</b>	<b>49,556</b>	<b>37,721</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	52,335	44,024	33,291
Deferred tax	5,309	2,330	2,330
Current liabilities	2,689	3,202	2,100
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>60,333</b>	<b>49,556</b>	<b>37,721</b>

### CHANGES IN EQUITY (GROUP, CONSOLIDATED)

KSEK	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
<b>Equity at the beginning of the period</b>	<b>33,291</b>	<b>10,675</b>	<b>10,675</b>
New share issue	23,116	39,625	39,625
Costs for new share issue	-783	-3,245	-4,500
Translation differences	286	-16	-82
Profit/loss for the period	-3,575	-3,015	-12,427
<b>Equity at the end of the period</b>	<b>52,335</b>	<b>44,024</b>	<b>33,291</b>

### STATEMENT OF CASH FLOW (GROUP, CONSOLIDATED)

KSEK	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Operating profit/loss for the period	-3,575	-3,026	-12,907
Amortisation and depreciation	190	126	127
Financial items, etc.	83	-14	480
<b>Cash flow from operating activities before change in working capital</b>	<b>-3,302</b>	<b>-2,914</b>	<b>-12,300</b>
Change in operating receivables	194	-218	-709
Change in operating liabilities	589	2,825	1,723
<b>Cash flow from operating activities</b>	<b>-2,519</b>	<b>-307</b>	<b>-11,286</b>
<b>Cash flow from investing activities</b>	<b>-14,752</b>	<b>-93</b>	<b>-11,697</b>
<b>Cash flow from financing activities</b>	<b>22,333</b>	<b>36,380</b>	<b>35,125</b>
<b>Cash flow for the period</b>	<b>5,062</b>	<b>35,980</b>	<b>12,142</b>
Translation differences	201		-210
<b>Cash and cash equivalents at the beginning of the period</b>	<b>12,997</b>	<b>1,065</b>	<b>1,065</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>18,260</b>	<b>37,045</b>	<b>12,997</b>

## INCOME STATEMENT (PARENT COMPANY)

KSEK	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
<b>Operating income</b>			
Net sales	0	0	0
Other operating income	0	0	1,126
<b>Total operating income</b>	<b>0</b>	<b>0</b>	<b>1,126</b>
<b>Operating costs</b>			
Other external costs	-1,297	-1,969	-4,588
Staff costs	-642	-245	-3,074
Depreciation of tangible assets	0	0	0
<b>Operating profit/loss</b>	<b>-1,939</b>	<b>-2,214</b>	<b>-6,536</b>
Net financial items	-2	-2,088	-5,731
<b>Profit/loss before tax</b>	<b>-1,941</b>	<b>-4,302</b>	<b>-5,731</b>
Tax on profit/loss for the year	0	0	0
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-1,941</b>	<b>-4,302</b>	<b>-12,267</b>

## BALANCE SHEET (PARENT COMPANY)

KSEK	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>ASSETS</b>			
Financial assets	37,944	10,336	24,103
Other current assets	243	780	173
Cash and bank balances	17,187	34,954	10,695
<b>TOTAL ASSETS</b>	<b>55,374</b>	<b>46,070</b>	<b>34,971</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	54,067	4,894	33,675
Current liabilities	1,307	3,176	1,296
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>55,374</b>	<b>46,070</b>	<b>34,971</b>



## CHANGES IN EQUITY (PARENT COMPANY)

KSEK	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
<b>Equity at the beginning of the period</b>	<b>33,675</b>	<b>10,816</b>	<b>10,816</b>
New share issue	23,116	39,625	39,626
Costs for new share issue	-783	-3,245	-4,500
Profit/loss for the period	-1,941	-4,302	-12,267
<b>Equity at the end of the period</b>	<b>54,067</b>	<b>42,894</b>	<b>33,675</b>

## STATEMENT OF CASH FLOW (PARENT COMPANY)

KSEK	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Operating profit/loss for the period	-1,939	-2,214	-6,536
Financial items, etc.	-2	-1,987	-5,730
<b>Cash flow from operating activities before change in working capital</b>	<b>-1,941</b>	<b>-4,201</b>	<b>-12,267</b>
Change in operating receivables	-70	-579	29
Change in operating liabilities	11	2,828	948
<b>Cash flow from operating activities</b>	<b>-2,000</b>	<b>-1,952</b>	<b>-11,290</b>
<b>Cash flow from investing activities</b>	<b>-13,841</b>	<b>-0</b>	<b>-13,666</b>
<b>Cash flow from financing activities</b>	<b>22,333</b>	<b>36,380</b>	<b>35,125</b>
<b>Cash flow for the period</b>	<b>6,492</b>	<b>34,428</b>	<b>10,169</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>10,695</b>	<b>526</b>	<b>526</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>17,187</b>	<b>34,954</b>	<b>10,695</b>

# OTHER INFORMATION

## ACCOUNTING PRINCIPLES

Since 2020, Northgold AB has applied the Swedish Annual Accounts Act and Swedish Accounting Standards Board's general recommendation 2012:1 (K3) to the preparation of financial statements.

## AUDITOR'S REPORT

This interim report has not been subject to review by an auditor.

## CERTIFIED ADVISER

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## UPCOMING REPORTING DATES

The interim report for Q2 2023 will be published on August 25, 2023.  
 The interim report for Q3 2023 will be published on November 24, 2023.  
 The interim report for Q4 2023 will be published on March 22, 2024.

Reports and press releases, etc., are published on Nasdaq First North's website [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com) and on [www.northgoldab.com](http://www.northgoldab.com).

## MAY 2023

Northgold AB  
 Board of Directors

For further information, please contact CEO Mitch Vanderydt  
 Email: [ir@northgoldab.com](mailto:ir@northgoldab.com)

## DEFINITIONS OF KEY PERFORMANCE INDICATORS

Return on total capital:	Earnings after financial items plus financial expenses as a percentage of average total capital.
Return on equity:	Net profit according to the income statement as a percentage of average equity.
Equity/assets ratio:	Equity as a percentage of total assets.
Earnings per share:	Earnings after tax in relation to the average number of shares.
Equity per share:	Equity in relation to the number of shares on the balance sheet date.
Quick ratio:	Current assets excluding stock in relation to current liabilities.



Northgold AB is a Swedish gold exploration and development company with multiple resource-stage projects in the Middle Ostrobothnia Gold Belt of Central Finland.

[northgoldab.com](http://northgoldab.com)