

Northgold AB intends to conduct a directed issue of approximately SEK 7 million

Northgold AB ("Northgold" or the "Company") announces today, the 01-03-2024, that the Company intends to carry out a directed issue of shares of approximately SEK 7 million directed to Swedish and international institutional and professional investors (the "Directed Issue"). Northgold has engaged Sedermera Corporate Finance AB ("Sedermera") as Sole Bookrunner in connection with the Directed Issue.

Directed Issue

The Directed Issue is intended to be carried out with a deviation from the shareholders' preferential rights, subject to the decision of an extraordinary general meeting which is expected to be held during March 2024. The Company has engaged Sedermera to investigate the conditions for the Directed Issue through an accelerated bookbuilding procedure.

The subscription price and the number of newly issued shares in the Directed Issue will be determined through an accelerated bookbuilding procedure which will be initiated immediately after the publication of this press release. The outcome of the accelerated bookbuilding procedure, pricing, and announcement of allocation of new shares is expected to take place before the start of trading on the Nasdaq First North at 09.00 CET on 04-03-2024. The time for the last declaration of interest, pricing, and allocation in the accelerated bookbuilding procedure is determined by the Company and the Company may at any time shorten, extend, reduce, or cancel and fully or partially refrain from carrying out the Directed Issue.

The net proceeds from the Directed Issue are intended to primarily finance further drilling at the Company's flagship Kopsa Project as well as other activities connected to the drilling at Kopsa.

Reasons for deviation from existing shareholders' preferential rights

The Company's Board of Directors has made an overall assessment and carefully considered the possibility of raising capital through a rights issue. The conclusion of this assessment is that the Directed Issue is objectively the best alternative for the Company and its shareholders. The reasons for that, and for deviating from the shareholders preferential rights, are (i) that a rights issue would take a significantly longer time to complete and increase the risk for an adverse effect on the share price, especially in light of the current market volatility and the challenging market conditions for smaller companies, (ii) to diversify and strengthen the Company's shareholder base with institutional and new private investors, (iii) to carry out the Directed Issue can be made at a significantly lower cost and with less complexity than a rights issue and because of current market conditions, the board of directors has assessed that a rights issue would also require external underwriting from guarantors that would entail additional significant costs.

Considering the above, the board of directors has made the assessment that the Directed Issue with deviation from the shareholders' preferential right is the most favorable alternative for Northgold to finance the announced objectives, it creates value for the Company and is in the best interest of the Company's shareholders.

By the fact that the subscription price in the Directed Issue will be determined through an accelerated bookbuilding procedure, the board considers that the market value of the subscription price is ensured.

Extraordinary general meeting

If the board decides on the Directed Issue, an extraordinary general meeting of Northgold will be convened and held during March 2024 to decide on the board's proposal of the Directed Issue.

Advisors

In connection with the Directed Issue, Northgold has assigned Sedermera Corporate Finance AB as financial advisor, Markets & Corporate Law Nordic AB as legal advisor, and Nordic Issuing AB as issuing agent.

For more information about the Directed Issue, please contact:

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About Northgold

Northgold is a Swedish gold exploration and development Company with multiple resource-stage projects in the Middle Ostrobothnia Gold Belt (MOGB) of Central Finland, including the Kopsa Gold-Copper project, the Kiimala Trend Gold project, and the Hirsikangas Gold project. The Company strives to find and extract gold from under-prospected areas in Finland. More information is available on www.northgoldab.com.

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Forward-looking statements

This announcement may contain certain forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies, and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies, and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this announcement.

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Press Release
01 March 2024 17:35:00 CET



This information is information that Northgold AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-03-01 17:35 CET.

Attachments

[Northgold AB intends to conduct a directed issue of approximately SEK 7 million](#)