

Northgold AB has entered into an agreement to sell both its Finnish subsidiaries, including all associated gold projects

Northgold AB ("Northgold" or the "Company") has on the 10th of April 2025, entered into an agreement with Nordic Resources Limited ("Nordic Resources" or the "Buyer") regarding the sale of all shares in its wholly owned Finnish subsidiaries, Fennia Gold Oy and Lakeuden Malmi Oy (the "Transaction"). The consideration in the Transaction comprises a combination of 70,000,000 newly issued shares in Nordic Resources (the "Consideration Shares") and SEK 2,000,000 in cash (together, the "Consideration"). The total value of the Consideration amounts to approximately 34 MSEK, based on the volume weighted average price in Nordic Resources calculated on the last 15 trading days and the current exchange rate between the Australian Dollar and the Swedish Krona. According to an independent statement regarding the valuation of the Consideration, the Consideration is deemed to be fair from a financial point of view. The Transaction is subject to approval by extraordinary general meetings in both Northgold and Nordic Resources. Furthermore, the Transaction is subject to customary closing conditions, as well as a capital raising by the Buyer. Shareholders representing approximately 61.8 percent of the votes in Northgold have undertaken to vote in favor of the Transaction. Following completion of the Transaction, Northgold intends to work towards an orderly winding-up of the Company by proposing to the shareholders, at a general meeting, that the Company enters into voluntary liquidation and that the Consideration Shares and any excess cash be distributed to the shareholders as a distribution in liquidation.

Background

Northgold has entered into an agreement to sell both of its wholly owned subsidiaries in Finland, Fennia Gold Oy and Lakeuden Malmi Oy, including their associated assets: the Kopsa Project, Hirsikangas Project, and Kiimala Trend Project. The Transaction forms part of a strategic initiative to accelerate project development through better access to mineral exploration funding, increased operational efficiency and the realization of potential synergies with the assets of Nordic Resources.

The Buyer, Nordic Resources, is a mineral exploration and development company focused on the Nordic region. Its shares are listed on the Australian Securities Exchange (ticker: NNL). Nordic Resources is actively building a portfolio of high-potential projects in Finland, leveraging strong regional expertise and a firm commitment to sustainable and responsible resource development. Nordic Resources currently operates the Pulju nickel-copper-cobalt sulphide project in Finnish Lapland, which hosts the Hotinvaara deposit, already one of the largest undeveloped nickel-cobalt resources in Europe.

Roberto Garcia Martinez, Chairman of the Board in Northgold comments:

From Northgold's perspective, we are very pleased with this transaction. As further outlined in the section "The Transaction Committee" below, I am confident that this represents a strategically sound and value-enhancing next step for both Northgold and its shareholders.

The Transaction will enable the continued development of our projects under a stronger and better-capitalized entity, which in turn increases the likelihood of realizing their full potential at a faster pace. We believe this creates a more solid foundation for long-term success. Importantly, the structure of the transaction ensures that Northgold's shareholders will retain meaningful exposure to the future growth of the assets through their continued ownership in Nordic Resources. This allows our shareholders to remain part of the journey, now within a larger and more resourceful platform.

Robert Wrixon, Executive Director in Nordic Resources comments:

On behalf of Nordic Resources, I am pleased to announce this transaction and the opportunity to leverage the synergies between our two companies. Nordic Resources has followed the evolution of Northgold closely and have been impressed by the development and growth profile of the Kopsa gold-copper project in particular. Copper is a key focus for Nordic Resources at our Pulju project and the combination with Kopsa expands our company's offering to shareholders in this critical metal.

I am also glad that we have reached a solution to Northgold's financial situation, one that allows the continued development of the three Northgold projects and ensures their long-term potential can be realized. I warmly welcome Northgold's strong shareholder base to Nordic Resources and look forward to a future where we can reach greater heights together.

A fundamental aspect of this business combination is that Northgold shareholders will ultimately be left with a large shareholding in Nordic Resources. This will immediately provide Northgold shareholders with a significant financial interest in our world-class battery metals project at Pulju. In addition, Northgold shareholders will maintain significant exposure to the expected value appreciation as Kopsa obtains greater access to funding. This funding will allow the continued resource expansion of the (already) substantial gold-copper deposit at Kopsa and allow swifter progress towards potential near term gold and copper production.

The Transaction

The consideration in the Transaction comprises a combination of 70,000,000 newly issued shares in Nordic Resources and SEK 2,000,000 in cash, to be paid upon completion, which is expected to occur on or around 29 May 2025.

The Transaction is subject to approval by general meetings in both Northgold and Nordic Resources. It is also subject to customary closing conditions, as well as a capital raising by the Buyer, which is expected to be initiated following the publication of this press release.

Shareholders representing approximately 61.8 percent of the votes in Northgold have undertaken to vote in favor of the Transaction.

An information document containing more detailed information regarding the Transaction is expected to be published ahead of the general meeting in Northgold at which the Transaction will be voted upon.

The Transaction Committee

The Board of Directors of Northgold has appointed a transaction committee consisting of independent board members to represent Northgold in all matters related to the Transaction (the "**Transaction Committee**"). The Transaction Committee comprises Roberto Garcia Martinez and Benny Mattsson. The Transaction Committee was established because board member Henrik Löfberg has been deemed to have a conflict of interest due to his close affiliation with Magnus Minerals Oy, a shareholder in both the Buyer and Northgold. Magnus Minerals Oy has undertaken to vote in favor of the Transaction. Consequently, Henrik Löfberg has not participated, and will not participate, in any deliberations or decisions regarding the Transaction.

The independent board members of Northgold have recommended that shareholders of Northgold vote in favour of the proposed Transaction, see further information below.

Post-Transaction Plans

Provided that the Transaction is completed, the assets of Northgold will primarily consist of shares in Nordic Resources, and the Company will no longer have any operational business. In light of this, the Transaction Committee intends to work towards an orderly winding-up of the Company by proposing to the shareholders, at a general meeting, that the Company enters into voluntary liquidation and that the Consideration Shares and any excess cash be distributed to the shareholders as a distribution in liquidation.

Should the shareholders of the Company vote in favour of such proposal, the Transaction Committee would be required to apply for the delisting of the Company's shares from Nasdaq First North Growth Market.

Furthermore, following a resolution on voluntary liquidation, a liquidator would be appointed to ensure that the Consideration Shares, as well as any excess cash, are distributed to the shareholders of Northgold as a distribution in liquidation. As a result, shareholders in Northgold would receive shares in Nordic Resources, listed on the Australian Securities Exchange, pro rata to their holdings in Northgold upon completion of the liquidation.

For technical reasons, the Consideration Shares will initially be issued as so-called "Issuer Sponsored", meaning that the shares will be registered in Nordic Resources' share register and allocated to the underlying shareholders of Northgold as per the applicable record date. Assuming a successful completion of the liquidation, each shareholder will receive a physical holding statement by post and will thereafter have the option to transfer their shares to a securities account with a bank, broker, or other custodian in order to trade them. Issuer Sponsored shares may also be transferred and traded without a broker via an off-market transfer form executed directly with a direct counterparty, if preferred.

Any resolution on voluntary liquidation is subject to approval by the general meeting of Northgold and presupposes, as noted above, that the general meeting has first approved the Transaction, and that the Transaction has been completed. Should the general meeting ultimately resolve on voluntary liquidation and the Company's shares be delisted from Nasdaq First North Growth Market, the last day of trading in the Northgold share will be announced in due course prior to such delisting.

The Transaction Committee's Assessment

The Transaction Committee has, on behalf of the Company, negotiated the transfer agreement with Nordic Resources. The Transaction Committee considers that the agreement has been entered into on market terms. Prior to entering into the agreement, the Transaction Committee also permitted the Buyer to conduct a due diligence review of Fennia Gold Oy and Lakeuden Malmi Oy.

In evaluating the Transaction, the Transaction Committee has considered several key factors, including Northgold's business plan, current financial position, and prevailing market conditions. It has also assessed Northgold's expected future development, including related opportunities and risks. This assessment included a comparison of the Buyer's valuation of Northgold and its assets with valuations of comparable companies and assets.

The Transaction Committee has further examined the Company's ability to raise additional capital and, as an alternative to the Transaction, continue operating its current business. However, the Transaction Committee has concluded that securing new capital under current market conditions, while remaining listed on Nasdaq First North Growth Market, is highly challenging. Without the successful completion of the Transaction, the Transaction Committee believes that Northgold would face serious financial difficulties, which could ultimately result in insolvency. The cash component of the Consideration is expected to provide the liquidity required to meet the Company's obligations and to enable an orderly winding-up and distribution of the Consideration Shares to shareholders.

The Transaction Committee has also taken into account that shareholders representing approximately 61.8 percent of the votes in Northgold, including Magnus Minerals Oy, Rupert Resources Ltd, and Evli Fund Management, have undertaken to vote in favor of the Transaction.

Furthermore, the Transaction Committee has obtained an independent statement regarding the valuation of the Consideration (a so-called "**Fairness Opinion**") from Shark Communication ("**Shark**"). According to the Fairness Opinion, which is attached as an appendix to this press release, Shark considers the Consideration to be fair to the shareholders of Northgold from a financial point of view, based on the assumptions, qualifications, and limitations set out therein. Shark will receive a fixed fee for its services, which is not contingent upon the outcome or size of the Transaction.

Given Northgold's financial position and based on the assessment set out above (including the Fairness Opinion), the Transaction Committee unanimously recommends that the shareholders of Northgold vote in favor of the Transaction at the upcoming extraordinary general meeting (as further described below).

Extraordinary General Meeting

The Transaction is, as stated above, inter alia subject to approval by the general meeting of Northgold. An extraordinary general meeting for this purpose is intended to be held on the 22nd of May 2025. For the resolution to be valid, it must be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the meeting. Notice of the extraordinary general meeting will be published through a separate press release.

Ahead of the extraordinary general meeting, the Transaction Committee will provide shareholders with an information document to enable them to make an informed assessment of the Transaction. Such information document will be made available to shareholders in advance of the extraordinary general meeting.

Advisors

In connection with the Transaction, Northgold has engaged Sedermera Corporate Finance as project manager, Foyen Advokatbyrå as Swedish legal advisor, Magnusson Law as Finnish legal advisor, and PwC as tax advisor.

Nordic Resources has engaged Sedermera Corporate Finance as financial advisor and project manager, Fredersen Advokatbyrå as Swedish legal advisor, and Steinepreis Paganin as Australian legal advisor.

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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. Press release 2025-04-11

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.

The information, estimates, and forward-looking statements contained in this announcement are valid only as of the date of this announcement and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm, or publish any adjustments regarding any forward-looking statements to reflect events that occur or circumstances that arise regarding the content of this notice.

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 2025-04-11 00:00 CEST.

Attachments

[Northgold AB has entered into an agreement to sell both its Finnish subsidiaries, including all associated gold projects](#)
[Statement Northgold Final](#)