

Notice of Annual General Meeting in Northgold AB

Shareholders in Northgold AB, reg. no. 559273-9626 (the "Company"), are hereby convened to the Annual General Meeting on 18 June 2024, 09:30 CEST at Advokatfirman Schjødt, Hamngatan 27, in Stockholm. Registration for the Annual General Meeting will commence at 09:00 CEST.

Participation in the Annual General Meeting

Shareholders who wish to participate in the Annual General Meeting must (i) be recorded in the share register maintained by Euroclear Sweden AB on 10 June 2024 and (ii) no later than 12 June 2024 give notice by post to Northgold AB, Strandvägen 7A, 114 56 Stockholm or by e-mail to ir@northgoldab.com. When providing such notice, the shareholder should set forth the name, address, telephone number (daytime), personal/corporate identity number, the number of shares held and, when applicable, information about representatives and assistants.

If a shareholder is represented by proxy, a written, dated proxy for the representative must be issued. Should the right to vote for the shares be divided among different representatives, the representatives, together with information on the number of shares each representative is entitled to vote for. A proxy form is available on the Company's webpage, www.northgoldab.com. If the proxy is issued by a legal entity, a certificate of registration or equivalent certificate of authority should be enclosed. To facilitate the registration at the Annual General Meeting, the proxy and the certificate of registration or equivalent certificate of authority should be sent to Northgold AB, Strandvägen 7A, 114 56 Stockholm, or by e-mail to ir@northgoldab.com, so that it is received no later than on 12 June 2024.

Nominee-registered shares

A shareholder whose shares are held with a nominee must, through the nominee, register its shares in its own name so that the shareholder is registered in the share register kept by Euroclear Sweden AB as of 10 June 2024 to be entitled to participate in the Annual General Meeting. Such registration may be temporary (so called voting right registration). A shareholder who wishes to register its shares in its own name must, in accordance with the nominee's procedures, request that the nominee carries out such voting right registration. Voting right registrations completed no later than 12 June 2024 are taken into account when preparing the meeting's register of shareholders.

Proposed agenda

1. Opening of the meeting
2. Election of chairman of the meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to verify the minutes
6. Determination whether the meeting has been duly convened

7. Presentation of the annual report and the audit report as well as the consolidated accounts and the consolidated audit report
8. Resolutions on:
 - a. Adoption of the income statement and the balance sheet, as well as the consolidated income statement and the consolidated balance sheet
 - b. Allocation of the Company's result according to the adopted balance sheet
 - c. Discharge from liability of the board members and the Chief Executive Officer
9. Determination of fees to the board of directors and auditor
10. Election of the board of directors and auditor
11. Resolution to amend § 7 in the articles of association
12. Resolution to amend the limits for the share capital and the number of shares in the articles of association
13. Resolution on employee stock option program
14. Authorisation for the board of directors to resolve on new issues
15. Closing of the meeting

PROPOSALS FOR RESOLUTION

Resolution on allocation of the Company's result according to the adopted balance sheet (item 8 b))

The board of directors proposes that the Company's result shall be carried forward.

Determination of fees to the board of directors and auditor (item 9)

The shareholder Magnus Minerals Oy (the "Shareholder") proposes that an aggregate annual fee of SEK 480,000 shall be paid to the board members, of which SEK 240,000 to the chairman of the board of directors and SEK 120,000 to each of the other board members elected by the Annual General Meeting.

The Shareholder proposes that fees to the auditors, for a period until the end of the next Annual General Meeting, are to be paid as per approved invoice.

Election of the board of directors and auditor (item 10)

The Shareholder proposes that the board of directors shall consist of three persons and no deputies. The Shareholder proposes that the number of auditors shall amount to one.

The Shareholder proposes re-election of Roberto Garcia Martinez, Henrik Löfberg and Benny Mattsson as board members until the end of the next Annual General Meeting. The Shareholder proposes re-election of Roberto Garcia Martinez as chairman of the board of directors.

The Shareholder proposes re-election of Baker Tilly MLT Kommanditbolag with the certified auditor Stein Karlsen as responsible auditor for a period until the end of the next Annual General Meeting.

Resolution to amend § 7 in the articles of association (item 11)

Due to a legislative change, which came into effect on 1 January 2024, it is now permitted for general meetings to be conducted entirely digitally. With the aim of utilizing the options provided by the Swedish Companies Act, regarding the possibility for general meetings to be conducted digitally, the board of directors proposes that a new second paragraph of § 7 in the articles of association is inserted as follows.

§ 7 second paragraph (proposed wording)

The board of directors may resolve that the general meeting can be held digitally.

The board of directors or the CEO shall have the right to make such minor adjustments to this resolution as may prove necessary in connection with registration with the Swedish Companies Registration Office.

A valid resolution requires the support of shareholders who represent at least two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

Resolution to amend the limits for the share capital and the number of shares in the articles of association (item 12)

To achieve suitable limits for the share capital and the number of shares in the articles of association, the board of directors proposes that the general meeting resolves that the limits to the share capital and the number of shares in the articles of association be amended.

§ 4 in the articles of association is proposed to have the following wording.

Current wording

The share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000. The number of shares shall be not less than 7,100,020 and not more than 28,400,080.

Proposed wording

The share capital shall be not less than SEK 1,000,000 and not more than SEK 4,000,000. The number of shares shall be not less than 15,000,000 and not more than 60,000,000.

Resolution on employee stock option program (item 13)

The board of directors proposes that the Annual General Meeting resolves on:

(A) implementation of employee stock option program for Seppo Tuovinen (Chief Executive Officer of the Company) – employee stock option program 2024; and

(B) hedging arrangements in respect of the employee stock option program 2024, consisting of a directed issue of warrants and approval to transfer the warrants.

Objectives and reasons for the proposal

The purpose of employee stock option program 2024 is to reward long term commitments of the participant and to ensure that the Company's long term value increase is reflected in the remuneration for the participant of the program. In view of the terms proposed below, the size of the allotment and other circumstances, the board of directors assesses that employee stock option program 2024 is well-balanced and that it will be beneficial for the Company and its shareholders.

To secure the Company's commitments under the employee stock option program 2024, the board of directors also proposes that the Annual General Meeting resolves on a directed issue of warrants and to approve the transfer of warrants in accordance with item B below.

Proposed resolution regarding implementation of employee stock option program 2024 (Item (13 A))

The board of directors proposes that the Annual General Meeting resolves to implement employee stock option program 2024, according to the following main principles:

- a. Employee stock option program 2024 shall include Seppo Tuovinen. A maximum of 450,000 employee stock options will be allotted in employee stock option program 2024.
- b. Each employee stock option shall initially entitle the holder to subscribe for one new share in the Company. The subscription price and the number of shares for which each employee stock option entitles the holder to subscribe may be subject to recalculation pursuant to a bonus issue, share split, new issue with preferential rights and similar measures, whereby conventional terms and conditions for recalculation shall be applied.
- c. Allotted employee stock options shall be offered free of charge. Such offer shall be made within 10 banking days from the date the resolution on allotment is made. Allotment may take place during the period until the end of the next Annual General Meeting. Over-allocation may not occur.
- d. 100,000 of the employee stock options may be exercised to subscribe for new shares during the period 1 July 2026 – 31 December 2028 to a subscription price of SEK 5 per share ("**Employee Stock Options of Series A**"), 150,000 of the employee stock options may be exercised to subscribe for new shares during the period 1 July 2027 – 31 December 2029 to a subscription price of SEK 8 per share ("**Employee Stock Options of Series B**") and 200,000 of the employee stock options may be exercised to subscribe for new shares during the period 1 July 2028 – 31 December 2030 to a subscription price of SEK 12 per share ("**Employee Stock Options of Series C**"). The reason for the duration of the Employee Stock Options of Series A being less than three years is that the board of directors has made the assessment that a longer duration than the proposed not sufficiently would contribute to the ability to reward the contribution of the participant.
- e. The holder shall be entitled to exercise the employee stock options during the periods set out above, provided that the holder concerned at the time of exercise (i) is still employed by the Company or by any company within the group and (ii) has not received notice of dismissal (Sw. *avsked*) or termination (Sw. *uppsägning*) from his or her employment in the Company or in any company within the group for reasons other than scarcity of work (Sw. *arbetsbrist*). The board of directors assesses that the aligned interests between the

Company and the participant which are created by the program are sufficient to promote the long-term value-creation of the Company, which is why the program is not conditional upon any performance.

- f. Upon exercise, each employee stock option will entitle the holder to receive one warrant immediately exercisable for one share against payment of the subscription price.
- g. For participation in employee stock option program 2024 it is required that such participation is legally possible, and that such participation in the board of directors' opinion is possible at reasonable administrative costs and with reasonable financial resources.
- h. Issued employee stock options do not constitute securities and may not be transferred, pledged or otherwise disposed of by the holder.
- i. In other respects, the board of directors shall establish the general terms for participation in the program and, in the event of company related events, market conditions, local legislation or other rules, regulatory changes, or other events, the board of directors shall be entitled to make deviations from and adjustments of the terms and conditions of employee stock option program 2024. However, the participant shall not participate in the board of directors' establishment of the terms of employee stock option program 2024.

Directed issue of warrants and approval of transfer of warrants to secure the Company's commitments under employee stock option program 2024 (Item 13 (B))

To enable the Company's delivery of shares pursuant to employee stock option program 2024 the board of directors proposes that the Annual General Meeting resolves on a directed issue of warrants and to approve the transfer of warrants on the following terms:

- a. A maximum of 450,000 warrants shall be issued. 100,000 of the warrants, corresponding to a maximum share capital increase of SEK 7,042.233802, are intended to enable delivery of shares upon exercise of Employee Stock Options of Series A ("**Warrants of Series A**"), 150,000 of the warrants, corresponding to a maximum share capital increase of SEK 10,563.350703, are intended to enable delivery of shares upon exercise of Employee Stock Options of Series B ("**Warrants of Series B**") and 200,000 of the warrants, corresponding to a maximum share capital increase of SEK 14,084.467604, are intended to enable delivery of shares upon exercise of Employee Stock Options of Series C ("**Warrants of Series C**").
- b. Right to subscribe shall, with deviation from the preferential right for existing shareholders, reside in the Company.
- c. Subscription must be completed no later than three weeks after the resolution on issue of warrants. The board of directors shall be entitled to extend the subscription period.
- d. The warrants shall be issued free of charge.
- e. Each warrant shall entitle the holder to subscribe for one new share in the Company. The subscription price and the number of shares for which each warrant entitles the holder to subscribe may be subject to recalculation pursuant to a bonus issue, share split, new issue with preferential rights and similar measures, whereby conventional terms and conditions for recalculation shall be applied.
- f. Warrants of Series A may be exercised to subscribe for new shares during the period 1 July 2026 – 31 December 2028 to a subscription price of SEK 5 per share, Warrants of Series B may be exercised to subscribe for new shares during the period 1 July 2027 – 31 December

2029 to a subscription price of SEK 8 per share and Warrants of Series C may be exercised to subscribe for new shares during the period 1 July 2028 – 31 December 2030 to a subscription price of SEK 12 per share. The share premium shall be transferred to the unrestricted premium reserve.

g. Other terms and conditions for the warrants are kept available on the Company's website.

The reason for the deviation from the shareholders' preferential right is that the issue forms part of the implementation of employee stock option program 2024. In view of what is set forth under *Objectives and reasons for the proposal* above, the board of directors is of the opinion that it is of benefit to the Company and its shareholders that Seppo Tuovinen is offered to participate in employee stock option program 2024.

The board of directors further proposes that the Annual General Meeting resolves to approve that the Company transfers warrants to the participant in employee stock option program 2024.

Finally, the board of directors proposes that the board of directors, or anyone appointed by the board of directors, should be authorised to make such minor adjustments to the above proposal that may be necessary in connection with the registration procedures with the Swedish Companies Registration Office, and possible registration of the warrants with Euroclear.

Costs and effects on important key ratios

Costs related to employee stock option program 2024 will be accounted for in accordance with K3 which stipulates that the allocated stock options shall be recorded as a personnel expense in the income statement during the vesting period. The calculation has been made based on the following assumptions: (i) a market price of Northgold's share of SEK 3.14, (ii) an expected dividend of 0 percent per year, and (iii) an employee turnover of 0 percent per year. In total, this can lead to maximum costs for the employee stock option program 2024 of approximately SEK 566,000, excluding social security costs. The costs for social security charges are estimated to a maximum of approximately SEK 177,837.

The expected annual costs of the employee stock option program 2024 would have corresponded to approximately 7 percent of Northgold's total annual employee costs 2023.

The employee stock options do not have a market value since they are not transferable. However, the board of directors has calculated a theoretical value of the employee stock options using the Black & Scholes valuation model. The calculations have been based on the term of the employee stock options, the subscription price, an assumed share price of SEK 3.14 per share, an assumed average volatility of 69.6 percent, and an expected dividend of 0 percent per year. The calculations for Employee Stock Options of Series A have been based on an average risk-free interest rate of 2.461 percent, the calculations for Employee Stock Options of Series B have been based on an average risk-free interest rate of 2.313 percent and the calculations for Employee Stock Options of Series C have been based on an average risk-free interest rate of 2.308 percent. In accordance with this valuation, the value of the Employee Stock Options of Series A in the employee stock option program 2024 is approximately SEK 1.39 per option, the value of the Employee Stock Options of Series B is approximately SEK 1.26 per option and the value of the Employee Stock Options of Series C is approximately SEK 1.19 per option.

The board of directors' opinion is that the effect of employee stock option program 2024 on the Company's key ratios is marginal.

The board of directors deems that the positive effects on earnings that are expected to result from increased share ownership of Seppo Tuovinen outweighs the costs related to the employee stock option program 2024.

Dilution

Upon full exercise of all employee stock options, 450,000 new shares can be issued, which corresponds to a dilution of approximately 2.9 percent of the total number of shares and votes in the Company, however, subject to any potential adjustment which may occur under the terms and conditions for the warrants. Accordingly, the program offers the participant the possibility to increase his shareholding in the Company to the corresponding figure.

Preparation of the matter

The proposal regarding employee stock option program 2024 has been prepared by the board of directors in consultation with external advisors. Seppo Tuovinen has not participated in the preparation of the matter or the determination of the terms of employee stock option program 2024.

Other share related incentive programs etc.

The Company has no other ongoing share related incentive programs.

Authorization for the board of directors

The board of directors proposes that the Annual General Meeting authorizes the board of directors to execute the resolutions in accordance with the above and to ensure that the Company carries out the transfer of the warrants in accordance with the above.

Majority requirements

A decision according to the proposal is valid only when supported by shareholders holding not less than nine-tenths (9/10) of both the votes cast and of the shares represented at the Annual General Meeting.

Authorisation for the board of directors to resolve on new issues (item 14)

The board of directors proposes that the Annual General Meeting resolves to authorise the board of directors to, on one or several occasions until the next Annual General Meeting, with or without deviation from the shareholders' pre-emptive rights, against payment in cash, non-cash consideration or through set-off, resolve on new issues of shares, convertibles and/or warrants.

The board of directors or the CEO shall have the right to make the minor adjustments in this resolution that may be necessary in connection with registration of the resolution with the Swedish Companies Registration Office.

A valid resolution requires the support of shareholders who represent at least two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

Shareholders' right to request information

If a shareholder so requests and the board of directors considers it possible without this resulting in material damage to the Company, the board of directors and the CEO must provide information concerning conditions that could influence the assessment of items on the agenda, information concerning conditions that could influence assessments of the financial condition of the Company or subsidiaries as well as the Company's relationship with another Group company.

Documents

Documents according to the Swedish Companies Act will be available for shareholders at the Company and on the Company's website as above, no later than three weeks before the Annual General Meeting. All of these documents will also, without charge, be sent to shareholders who so request and state their address.

Processing of personal data

For information on how personal data is processed in connection with the Annual General Meeting, see the integrity policy that is available at Euroclear's webpage,

<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Stockholm in May 2024

Northgold AB

The board of directors

Attachments

[Notice of Annual General Meeting in Northgold AB](#)