



# INTERIM REPORT

JANUARY - MARCH 2022





# THE QUARTER IN SHORT

## HIGHLIGHTS OF FIRST QUARTER 2022

- Completed initial public offering, issuing 3,416,000 shares at a price of SEK 11.60 per share, raising approximately SEK 39.6 million before transaction costs.
- Completed the quarter with a cash balance of SEK 37.0 million on 31 March 2022, after incurring administrative and geologic consulting costs related to the initial public offering.

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

	2022 Jan-Mar	2021 Jan-Mar (1)	2021 Jan-Dec (1)
Average equity for the period (KSEK)	27,350	1,738	5,359
Average total capital for the period (KSEK)	31,469	1,950	6,716
Return on equity (%)	-11.0	-35.3	-83.1
Return on total capital (%)	-9.6	-35.0	-67.0
Equity/assets ratio (%)	88.8	89.2	79.8
Earnings per share (SEK) (before dilution)	-0.3	-0.2	-0.6
Earnings per share (SEK) (after dilution)	-0.3	-0.2	-0.6
Equity per share (SEK)	4.2	1.2	1.5
Quick ratio (%)	1,172	925	350
Total number of shares (before dilution)	10,516,020	2,975,007	7,100,020
Total number of shares (after dilution)	10,835,520	2,975,007	7,100,020
Average number of shares	8,808,020	1,750,004	3,812,510

(1) Fennia Gold Oy was acquired by Northgold AB during the second half of 2021.

## FINANCIAL HIGHLIGHTS OF FIRST QUARTER 2022 (GROUP, CONSOLIDATED)

- Net sales amounted to KSEK 0 (Q1 2021: KSEK 0).
- Operating profit/loss after financial items totalled KSEK -3,026 (Q1 2021: KSEK -683).
- Earnings per share after financial items amounted to SEK -0.3 (Q1 2021: SEK -0.2).
- Cash flow from operating activities was KSEK -307 (Q1 2021: KSEK -233).

## SIGNIFICANT EVENTS IN THE FIRST QUARTER

- Northgold has been approved for listing on Nasdaq First North Growth Market (18 March 2022).
- First day of trading in Northgold's shares on Nasdaq First North Growth Market (24 March 2022), after completing an initial public offering, issuing 3,416,000 shares at a price of SEK 11.60 per share, raising approximately 39.6 million before transaction costs.

## SIGNIFICANT EVENTS AFTER THE PERIOD

- Northgold Outlines Details of 2022 Exploration Plans at Kopsa and Kiimala Trend Projects: 5,000 Metre Drill Program is Set to Commence in Early May (27 April 2022).

## MESSAGE FROM THE CEO

Following its share listing on the Nasdaq First North Growth Market exchange on 24 March 2022, Northgold set out to begin achieving its business objective of conducting early and advanced stage exploration on its gold projects in its region of focus, the under-explored Middle Ostrobothnia Gold Belt (MOGB) of central Finland. During this first quarter of 2022, the company ramped up planning efforts for its 2022 exploration program, which includes core drilling and geophysical surveys at both its flagship Kopsa and earlier stage Kiimala Trend projects, and which was initiated at Kopsa after the quarter during May 2022. Also during Q1 2022, the Company began evaluating potential opportunities to continue consolidating additional exploration properties within the MOGB to further improve its already dominant land position in the region.

Planned core drilling being completed as part of Northgold's 2022 exploration program amounts to 5,000m, largely focused at flagship Kopsa but also including some focus at earlier-stage Kiimala Trend, intends to expand known mineralization and advance the Company closer to its initial exploration target of 1 million ounces (oz) of gold equivalent (AuEq) resources within 18 months of listing. Planned geophysical surveys as part of the 2022 exploration program aims to identify deep drill targets at Kopsa at greater depths where past drilling has been limited, and to refine and define drill targets at some of the Company's early-stage prospects at Kiimala Trend, including Alakyla and Pirttineva (see release dated 27 April 2022).

Market conditions for gold companies remained strong during Q1 on the back of geopolitical tensions and rising inflation, with the gold price rising approximately 8% to \$1,949/oz during the quarter, which appeared to help the GDXJ VanEck Junior Gold Miner index rise approximately 17% to \$48.20 per share during the same period. Since the end of Q1, the gold price and GDXJ index have both decreased somewhat along with the equity markets, as was similarly witnessed during the 2008 global financial crisis (see Figure 1).



**Mitch Vanderydt**  
CEO, Northgold AB



Source: World Gold Council, Yahoo Finance

# COMMENTS ON THE FIRST QUARTER, 1 JANUARY–31 MARCH 2022 (GROUP, CONSOLIDATED)

## EARNINGS AND SALES

The company's net sales for the first quarter totalled KSEK 0 (Q1 2021: KSEK 0), and earnings after financial items totalled KSEK -3,015 (Q1 2021: KSEK -613). Operating costs amounted to KSEK -3,026 (Q1 2021: KSEK -683). EBITDA for the first quarter was KSEK -3,026 (Q1 2021: KSEK -683) Financial items for the quarter amounted to KSEK 11 (Q1 2021: KSEK 70).

## INVESTMENTS

Investments in property, plant, and equipment in the first quarter totalled KSEK 0 (Q1 2021: KSEK 0). Investments in intangible assets amounted to KSEK 0 (Q1 2021: KSEK 0). Investments in non-current financial assets amounted to KSEK 93 (Q1 2021: KSEK 0).

## FINANCIAL POSITION

Cash and cash equivalents amounted to KSEK 37,045 (Q1 2021: KSEK 3,817) on 31 March. Equity was KSEK 44,024 (Q1 2021: KSEK 3,433).

## CASH FLOW AND FINANCING

Cash flow from operating activities in the first quarter was KSEK -307 (Q1 2021: KSEK -233). Cash flow from investing activities was KSEK -93 (Q1 2021: KSEK 0), while cash flow from financing activities was KSEK 36,380 (Q1 2021: KSEK 4,000).

## THE SHARE

The share capital of Northgold AB (publ) on 31 March 2022 amounted to SEK 740,562.71. The total number of shares outstanding was 10,516,020.

The company was listed on Nasdaq First North on 24 March 2022. The share's ticker symbol is NG and its ISIN is SE0017131071.

## RELATED-PARTY TRANSACTIONS

The first quarter 2022, earnings were charged with fees of KSEK 215 paid to Board member Roberto García Martínez's company Nazgero Consulting Service LTD for work carried out.

Finally, earnings were impacted during the first quarter 2022 by fees of KSEK 66 paid to Board member Timo Mäki's company SLP Group OY for work carried out.

## LIST OF SHAREHOLDERS AT 31 MARCH 2022

Shareholder	Number of Shares	Percentage (%)
Magnus Minerals Oy	2,904,080	27.62 %
Richard Gazal	1,158,551	11.02 %
Andrew Randall	822,484	7.82 %
Kimberly Wrixon	619,950	5.90 %
Aurora Exploration Oy	603,400	5.74 %
Other shareholders	4,407,555	41.91 %

## RECAP OF BUSINESS DESCRIPTION

Northgold, founded in 2020, is a gold exploration and development company that holds exploration rights for a number of areas within the under-invested Middle Ostrobothnia Gold Belt (“MOGB”) of central Finland, including the Kopsa project and the nearby Kiimala Trend project (Figure 1), both of which contain mineral resources and earlier stage prospects.

Northgold’s purpose is to move forward through the discovery and advancement of feasible gold mining projects. The Company’s strategy is to bring capital and knowledge into mineral exploration projects that:

- Have low risk due to significant prior investment and discovery.
- Demonstrate potential for high-value mineralization on a district scale.
- Have the opportunity to create added value through further exploration and technical studies.

Northgold focuses on exploration and development of gold deposits that create leverage for the growth of gold as a long-term investment instrument. The Company’s business model is to create value by expanding mineral resources through exploration and increasing their probability of extraction through technical studies. Once sufficient mineral resources have been delineated and a positive feasibility study has

been completed, the Company ultimately plans to develop its deposits into economically profitable mines.

### PROJECTS

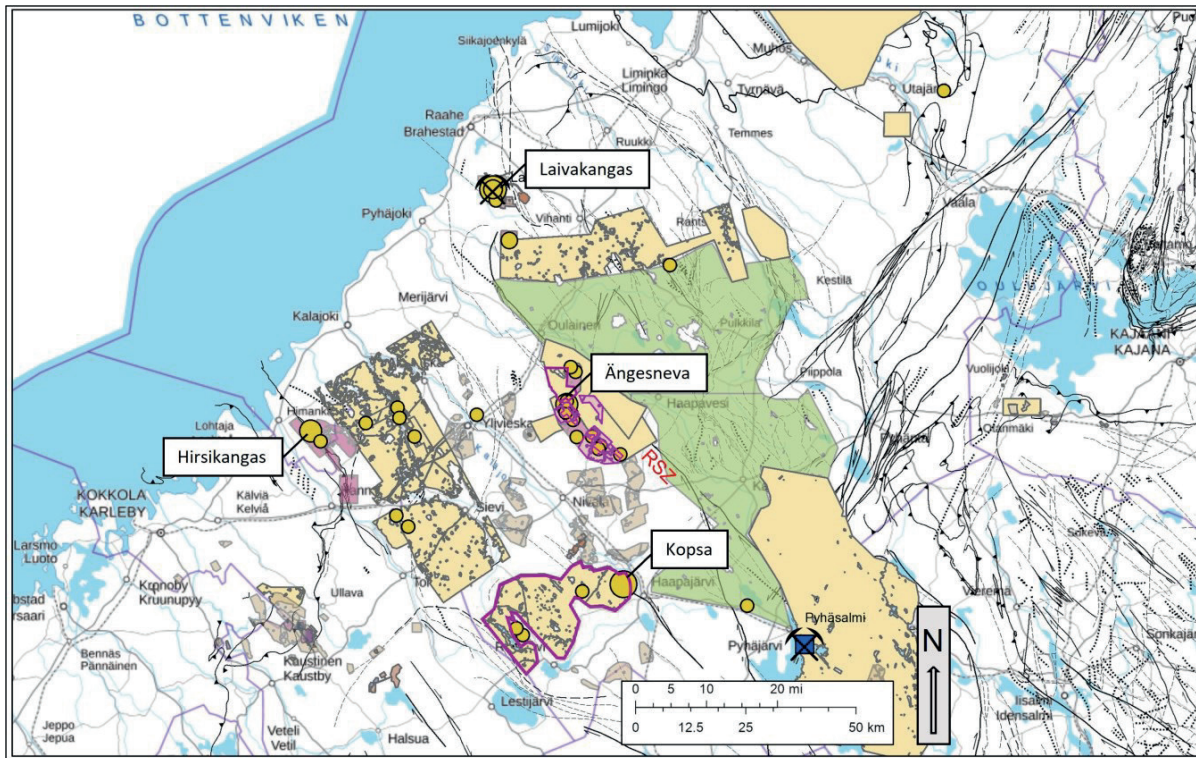
Northgold currently has an existing informal gold resource of more than 725,000 ounces (Table 1):

- Kopsa hosts NI 43-101 compliant measured and indicated mineral resources of 13.6 million tonnes (Mt) at 0.81 part per million (ppm) gold and 0.15% copper for 354,200 ounces (oz) gold (Au) or 459,100 oz gold equivalent (AuEq) including copper credits, plus inferred mineral resources of 2.7 Mt at 1.1 ppm gold and 0.2% copper for 69,400 oz Au or 95,500 oz AuEq including copper credits.
- The Ängesneva deposit within the Kiimala Trend project hosts NI 43-101 compliant indicated mineral resources of 3.85 Mt at 1.19 ppm Au for 147,300 oz Au, and another Kiimala Trend prospect (Vesiperä) hosts a non-compliant historical, inferred mineral resource estimate of 0.29 Mt at 2.52 ppm Au for 23,500 oz Au. Copper mineralization was also detected at these Kiimala Trend deposits, but was excluded from these historic resource estimates.

**TABLE 1: SUMMARY OF COMPANY MINERAL RESOURCES (1)**

	AuEq (oz)	Au (oz)	AuEq (g/t)	Au (g/t)	Cu (%)
NI 43-101 compliant Measured and Indicated Resources	606,400	501,500	1.08	0.89	0.12
NI 43-101 compliant Inferred Resources	95,500	69,400	1.26	0.97	0.18
Historic / Non-compliant Resources	23,500	23,500	2.52	2.52	--
<b>Total</b>	<b>725,400</b>	<b>594,400</b>	<b>1.11</b>	<b>0.91</b>	<b>0.13</b>

(1) One licence at the Kiimala Trend project, currently containing 147,300 oz Au of the measured and indicated resources and the entirety of the 23,500 oz Au non-compliant resources, is subject to an ongoing public appeals process.



**FIGURE 1: MAP OF THE MGB.**

The Company's tenements are outlined in purple. For reference, the main gold resources of the region are indicated: Laivakangas (Laiva Gold Mine, Otso Gold Ltd), Kopsa (Fennia Gold Oy, subsidiary of Northgold AB), Ängesneva (Lakeuden Malmi Oy, subsidiary of Northgold AB) and Hirsikangas (Rupert Resources Ltd). Gold deposits are denoted by yellow circles. Map produced from the GTK MDaE map service on 25.01.2022.

**INCOME STATEMENT (GROUP, CONSOLIDATED)**

KSEK	2022 Jan-Mar	2021 Jan-Mar (1)	2021 Jan-Dec (1)
<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	-2,655	-683	-3,240
Staff costs	-245	0	-1,135
Depreciation of tangible assets	-126	0	-122
<b>Operating profit/loss</b>	<b>-3,026</b>	<b>-683</b>	<b>-4,497</b>
Net financial items	11	70	45
<b>Profit/loss before tax</b>	<b>-3,015</b>	<b>-613</b>	<b>-4 452</b>
Tax on profit/loss for the year	0	0	0
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-3,015</b>	<b>-613</b>	<b>-4 452</b>

(1) Fennia Gold Oy was acquired by Northgold AB during the second half of 2021.

**BALANCE SHEET (GROUP, CONSOLIDATED)**

KSEK	31 Mar 2022	31 Mar 2021 (1)	31 Dec 2021 (1)
<b>ASSETS</b>			
Intangible assets	11,891	0	12,007
Tangible assets	54	0	54
Financial assets	93	0	0
Other current assets	473	32	255
Cash and bank balances	37,045	3,817	1,066
<b>TOTAL ASSETS</b>	<b>49,556</b>	<b>3,849</b>	<b>13,382</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	44,024	3,433	10,675
Deferred tax	2,330	0	2,330
Current liabilities	3,202	416	377
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>49,556</b>	<b>3,849</b>	<b>13,382</b>

(1) Fennia Gold Oy was acquired by Northgold AB during the second half of 2021.



## CHANGES IN EQUITY (GROUP, CONSOLIDATED)

KSEK	2022 Jan-Mar	2021 Jan-Mar (1)	2021 Jan-Dec (1)
<b>Equity at the beginning of the period</b>	<b>10,675</b>	<b>45</b>	<b>45</b>
New share issue	39,625	4,000	15,077
Costs for new share issue	-3,245		
Translation differences	-16		5
Profit/loss for the period	-3,015	-612	-4,452
<b>Equity at the end of the period</b>	<b>44,024</b>	<b>3,433</b>	<b>10,675</b>

(1) Fennia Gold Oy was acquired by Northgold AB during the second half of 2021.

## STATEMENT OF CASH FLOW (GROUP, CONSOLIDATED)

KSEK	2022 Jan-Mar	2021 Jan-Mar (1)	2021 Jan-Dec (1)
Operating profit/loss for the period	-3,026	-683	-4,497
Amortisation and depreciation	126	0	122
Financial items, etc.	-14	70	44
<b>Cash flow from operating activities before change in working capital</b>	<b>-2,914</b>	<b>-613</b>	<b>-4,331</b>
Change in operating receivables	-218	-30	-254
Change in operating liabilities	2,825	410	370
<b>Cash flow from operating activities</b>	<b>-307</b>	<b>-233</b>	<b>-4,215</b>
<b>Cash flow from investing activities</b>	<b>-93</b>	<b>0</b>	<b>-9,852</b>
<b>Cash flow from financing activities</b>	<b>36,380</b>	<b>4,000</b>	<b>15,082</b>
<b>Cash flow for the period</b>	<b>35,980</b>	<b>3,767</b>	<b>1,015</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,065</b>	<b>50</b>	<b>50</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>37,045</b>	<b>3,817</b>	<b>1,065</b>

(1) Fennia Gold Oy was acquired by Northgold AB during the second half of 2021.



**INCOME STATEMENT (PARENT COMPANY)**

KSEK	2022 Jan-Mar	2021 Jan-Mar (1)	2021 Jan-Dec (1)
<b>Operating income</b>			
Net sales	0	0	0
Other operating income	0	0	45
<b>Total operating income</b>	<b>0</b>	<b>0</b>	<b>45</b>
<b>Operating costs</b>			
Other external costs	-1,969	-499	-2,253
Staff costs	-245	0	-1,135
Depreciation of tangible assets	0	0	0
<b>Operating profit/loss</b>	<b>-2,214</b>	<b>-499</b>	<b>-3,343</b>
Net financial items	-2,088	83	-968
<b>Profit/loss before tax</b>	<b>-4 302</b>	<b>-416</b>	<b>-4,311</b>
Tax on profit/loss for the year	0	0	0
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-4,302</b>	<b>-416</b>	<b>-4 311</b>

(1) Fennia Gold Oy was acquired by Northgold AB during the second half of 2021.

**BALANCE SHEET (PARENT COMPANY)**

KSEK	31 Mar 2022	31 Mar 2021 (1)	31 Dec 2021 (1)
<b>ASSETS</b>			
Financial assets	10,336	25	10 437
Other current assets	780	943	201
Cash and bank balances	34,954	3,065	526
<b>TOTAL ASSETS</b>	<b>46,070</b>	<b>4,033</b>	<b>11,164</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	42,894	3,634	10,816
Current liabilities	3,176	399	348
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>46,070</b>	<b>4,033</b>	<b>11,164</b>

(1) Fennia Gold Oy was acquired by Northgold AB during the second half of 2021.

## CHANGES IN EQUITY (PARENT COMPANY)

KSEK	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
<b>Equity at the beginning of the period</b>	10,816	50	50
New share issue	39,625	4,000	15,077
Costs for new share issue	-3,245		
Profit/loss for the period	-4,302	-416	-4,311
<b>Equity at the end of the period</b>	<b>42,894</b>	<b>3,634</b>	<b>10,816</b>

## STATEMENT OF CASH FLOW (PARENT COMPANY)

KSEK	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Operating profit/loss for the period	-2,214	-499	-3,343
Financial items, etc.	-1,987	83	-968
<b>Cash flow from operating activities before change in working capital</b>	<b>-4,201</b>	<b>-416</b>	<b>-4,311</b>
Change in operating receivables	-579	-943	-201
Change in operating liabilities	2,828	399	348
<b>Cash flow from operating activities</b>	<b>-1,952</b>	<b>-960</b>	<b>-4,164</b>
<b>Cash flow from investing activities</b>	<b>0</b>	<b>0</b>	<b>-10,437</b>
<b>Cash flow from financing activities</b>	<b>36,380</b>	<b>4,000</b>	<b>15,102</b>
<b>Cash flow for the period</b>	<b>34,428</b>	<b>3,040</b>	<b>501</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>526</b>	<b>25</b>	<b>25</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>34,954</b>	<b>3,065</b>	<b>526</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

Augment Partners AB  
 Telephone: +46 8-604 22 55  
 Email: info@augment.se

### UPCOMING REPORTING DATES

The interim report for the January to June period will be published on 27 August 2022.

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 2022

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)