

# Northgold AB has successfully completed an accelerated bookbuilding of approximately SEK 7 million

The Board of Directors of Northgold AB ("Northgold" or the "Company") has, in accordance with the intention announced by the Company through a press release on 01-03-2024, proposed two directed issues of 1 925 137 shares (the "Directed Issues"). The first directed issue ("Transaction 1") is directed to a number of current shareholders and new investors (the "Investors"), including Kati Capital, Rapid Star and members of Starboard Global. The second directed issue ("Transaction 2") is directed to board member and the acting CEO Henrik Löfberg and Magnus Minerals Oy. The Directed Issues are subject to the subsequent decision of the extraordinary general meeting ("Extraordinary General Meeting"). The subscription price in the Directed Issues has been set to SEK 3,60 per share through an accelerated bookbuilding procedure carried out by Sedermera Corporate Finance AB ("Sedermera"). Notice of the extraordinary general meeting will be published through a separate press release.

## Background

The Company has decided to raise a total of SEK 7 million through the Directed Issues. Transaction 1 consists of 1 738 305 shares and is directed towards the Investors. Transaction 2 consists of 186 832 shares and is directed towards the Company's board member and acting CEO Henrik Löfberg and Magnus Minerals Oy (partially owned by Henrik Löfberg). The subscription price equals a discount of 24,2 percent to the volume weighted average price ("VWAP") 10 days before the board's decision. The price was determined through an accelerated bookbuilding procedure carried out by Sedermera.

With the financing, the Company intends to fund another 1 000-2 500M of drilling at the flagship project Kopsa aiming for a total target of 1 Moz of AuEq. With financing from the Directed Issues, the Company will be funded through 2024.

Henrik Löfberg, Northgold interim CEO, comments:

I am thankful for the support from our existing shareholders and from the new investors who are participating in this transaction. I am also happy that so many see the value in our project and want to be part of the journey ahead. We are now looking forward to strengthen the foundation for a PEA and a future standalone mine at Kopsa.

## Use of proceeds and motive

Through the Directed Issues, the Company will receive approx. SEK 7 million. The capital provided to the Company through the capitalization is primarily intended to fund:

- Drilling at the Kopsa Project
- Assays of drilling result at Kopsa Project
- Working capital to support drilling and exploration activities
- Marketing, G&A, tenement fees

### **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 Issues 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 Issues 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 Issues 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.

Prior to the proposal on the Directed Issues, the board of directors has put a lot of emphasis on the subscription price to ensure it is carried out at market terms. The subscription price corresponds to a discount of approximately 24,2 percent in relation to the VWAP 10 days before the board's decision to carry out the Directed Issues and has been determined through an accelerated bookbuilding procedure. Additionally, transactions within the same segment as the Company that have carried out transactions of similar structure have been executed at similar terms which strengthens the board's assessment of the subscription price being in line with market terms.

### **Terms for the Directed Issues**

The board of directors has today proposed two directed issues of totally 1 925 137 shares. Transaction 1 consists of 1 738 305 shares and Transaction 2 consists of 186 832 shares. The Directed Issues will initially provide the Company with approx. SEK 7 million before transaction costs.

The Directed Issues will increase the share capital by SEK 135 572,648547, from SEK 946 376,716212 to SEK 1 081 949,364759 and the total number of shares will increase by 1 925 137 shares, from 13 438 587 shares to 15 363 724 shares. Existing shareholders who don't participate in the Directed Issues will experience a dilution effect corresponding to approx. 12,5 percent of the votes and capital, calculated on the number of shares in the Company after the Directed Issues.

### **Advisors**

In connection with the Directed Issues, 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 Issues, please contact:**

Sedermera Corporate Finance AB

Phone: +46 (0)40 615 14 10

E-mail: [cf@sedermera.se](mailto:cf@sedermera.se)

[www.sedermera.se](http://www.sedermera.se)

**For further information about the Company, please contact:**

Henrik Löfberg

E-mail: [ir@northgoldab.com](mailto:ir@northgoldab.com)

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

**Certified Adviser**

Augment Partners AB

Phone: +46 8-604 22 55

E-mail: [info@augment.se](mailto:info@augment.se)

**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](http://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

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*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 19:41 CET.*

## Attachments

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