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## Northgold updates their strategy and resolves on a rights issue of units of approximately SEK 15.2 million

The Board of Directors of Northgold AB ("Northgold" or the "Company") has today, decided on a new strategy for the Company based on dialogues with current shareholders and the prevailing market conditions. Furthermore, the Board of Directors has, with the support of the authorisation from the annual general meeting on 18 June 2024, resolved to carry out a rights issue of a maximum of 5,070,191 units (the "Rights Issue"). Existing shareholders will, for each (1) existing share in the Company, receive one (1) unit right. Three (3) unit rights entitle the holder to subscribe for one (1) unit. One (1) unit consists of three (3) shares and two (2) warrants of series TO2 ("Unit"). The subscription price in the Rights Issue is SEK 3.00 per Unit, corresponding to SEK 1.00 per share. Warrants of series TO2 are issued free of charge. Consequently, the Company will, upon full subscription in the Rights Issue, receive initial proceeds of an approximate amount of SEK 15.2 million, before deduction of issue costs. The subscription period starts on 10 September 2024 and ends on 24 September 2024. The Company will after the repayment of a bridge loan of SEK 1.3 million and issuing costs use the net proceeds from the Rights Issue to i) analyse the results from a drilling program completed this year, and ii) finance operating costs. The Company has received subscription and underwriting commitments to an approximate amount of SEK 7.6 million, corresponding to approximately 50 percent of the Rights Issue. The amount covered by subscription and underwriting commitments will ensure sufficient runway for the Company until June 2025.

### The Rights Issue in brief

- The Rights Issue will, upon full subscription, provide Northgold with initial gross proceeds of approximately SEK 15.2 million, before exercise of warrants and issue costs. In the event of full exercise of the warrants of series TO2, the Company can receive additional proceeds of approximately SEK 12.2 million, assuming full subscription in the Rights Issue.
- The subscription price in the Rights Issue is SEK 3.00 per Unit, corresponding to SEK 1.00 per share (the warrants of series TO2 are issued free of charge).
- For each (1) existing share held on the record date, one (1) unit right is received in the Right issue. Three (3) unit rights entitle the holder to subscribe for one (1) Unit. One (1) Unit consists of three (3) new shares and two (2) warrants of series TO2.

- The record date for the Rights Issue is on 6 September 2024, which means that the last day of trading in the Company's share including the right to participate in the Rights Issue is on 4 September 2024, and the first day of trading in the Company's share excluding the right to participate in the Rights Issue is on 5 September 2024.
- The subscription period in the Rights Issue starts on 10 September 2024 and ends on 24 September 2024. Trading in unit rights start on 10 September 2024 and ends on 19 September 2024.
- One (1) warrant of series TO2 will entitle the holder to subscribe for one (1) new share at a subscription price of SEK 1.20 per share during the period ranging from 1 April 2025 until and including 14 April 2025.
- The Rights Issue is covered by subscription commitments to approximately 11.5 per cent (approximately SEK 1.8 million) and by underwriting commitments to approximately 38.5 per cent (approximately SEK 5.9 million). Thus, the Rights Issue is covered by subscription and underwriting commitments amounting to approximately 50.0 per cent.
- The Company will after the repayment of a bridge loan of SEK 1.3 million and issuing costs of a maximum of SEK 2.5 million use the net proceeds from the Rights Issue to i) analyse the results from a drilling program completed this year, and ii) finance operating costs of the Company until at least June 2025.

### Background and motive in brief

Northgold is a Swedish gold exploration and development company with multiple resource-stage projects in the Middle Ostrobothnia Gold Belt (MOGB) of Central Finland. Since the listing of shares on Nasdaq First North Growth Market Sweden in March 2022, Northgold has grown its resources to over 1 million gold equivalent ounces, of which 0.99 million is compliant with the NI 43-101 and JORC-requirements.

The resources are distributed across the three projects:

- **Kopsa** gold-copper project is Northgold's flagship and includes conditionally approved mining concession. The deposit hosts compliant resources of 585,100 ounces gold, or 749,500 ounces gold equivalent including copper.
- **Kiimala Trend** gold project with the largest deposit, Ängesneva, hosts compliant resources of 147,300 ounces gold, and Vesiperä deposit hosts a non-compliant resource estimate of 23,500 ounces gold.
- **Hirsikangas** gold project was acquired by Rupert Resources Ltd. in 2023 and hosts compliant inferred resources of 89,000 ounces gold.

The Company's focus since the listing in 2022 has been to conduct drilling programmes, mainly at Kopsa, where additional 6,200 meters have been drilled. The drilling has resulted in a doubling of the resources to 750 thousand gold equivalent ounces from historical 330 thousand gold equivalent ounces.

Based on dialogues with current shareholders and the prevailing market conditions, the Board of Directors has decided on a new strategy for the Company going forward.

### *Northgold's new strategy*

According to the new strategy, the Company will maintain the current asset base in a cost-effective manner, while continuing to evaluate potential partnerships and collaborations as well as structured deals and opportunities. To maintain the asset base and control the operating costs, the Company will initiate further cost reductions and not conduct any new drilling programs for the time being. The Board of Directors assesses that the new strategy creates the best opportunities for maximising value for shareholders given the current circumstances.

### *Use of proceeds*

The Company is carrying out the Rights Issue and will, after the repayment of a bridge loan of SEK 1.3 million and issuing costs of a maximum of SEK 2.5 million, use the remainder of the net proceeds from the Rights Issue to i) analyse the results from a drilling program completed this year, and ii) finance operating costs. The amount covered by subscription and underwriting commitments will ensure sufficient runway for the Company until June 2025.

The Rights Issue includes warrants of series TO2 with exercise period in April 2025. The maximum gross proceeds from the warrants of series TO2 are approximately SEK 12.2 million, assuming full subscription in the Rights Issue and full exercise of the warrants. The additional net proceeds from the warrants of series TO2 will be used to extend the runway of the Company.

### **Terms of the Rights Issue**

The Board of Directors of Northgold has today, on 29 August 2024, with the support of the authorisation from the Annual General Meeting on 18 June 2024, decided to carry out the Rights Issue of a maximum of 5,070,191 Units (15,210,573 shares and 10,140,382 warrants of series TO2) with preferential rights for existing shareholders. The main terms of the Rights Issue are presented below:

- Anyone who is registered as a shareholder in Northgold on the record date, on 6 September 2024, will receive one (1) unit right for each (1) existing share. Three (3) unit rights entitle the holder to subscribe for one (1) Unit. One (1) Unit consists of three (3) new shares and two (2) warrants of series TO2.
- The last day of trading in the Company's share including the right to participate in the Rights Issue is on 4 September 2024. The first day of trading in the Company's share excluding the right to participate in the Rights Issue is on 5 September 2024.
- The unit rights will be traded on Nasdaq First North Growth Market Sweden from 10 September 2024 to 19 September 2024.
- Trading in paid subscribed units (BTU) is expected to take place from 10 September 2024 until the shares and warrants issued in the Rights Issue have been registered with the Swedish Companies Registration Office.

- The subscription price in the Rights Issue is SEK 3.00 per Unit, corresponding to SEK 1.00 per share (warrants of series TO2 are issued free of charge).
- The subscription period starts on 10 September 2024 and ends on 24 September 2024.
- The Rights Issue consists of a maximum amount of 15,210,573 new shares and 10,140,382 warrants of series TO2, implying gross proceeds of approximately SEK 15.2 million upon full subscription and before exercise of warrants of series TO2.
- Each (1) warrant of series TO2 issued in the Rights Issue will entitle the holder to subscribe for one (1) new share in the Company during the period from 1 April 2025 to 14 April 2025 at a subscription price of SEK 1.20 per share. Upon full subscription in the Rights Issue and full exercise of the warrants, the Company will receive additional gross proceeds of approximately SEK 12.2 million.
- Upon full subscription in the Rights Issue, the Company's number of shares will increase by 15,210,573, from 15,210,574 to 30,421,147 shares, and the share capital will increase by SEK 1,071,164.11, from SEK 1,071,164.18 to SEK 2,142,328.30. For existing shareholders who do not participate in the Rights Issue, the maximum dilution will be 50.0 per cent. Upon full exercise of warrants of series TO2, the number of shares in the Company will increase by an additional 10,140,382 shares and the share capital by an additional SEK 714,109.41, implying a further dilution of a maximum of 25.0 per cent, assuming full subscription in the Rights Issue.
- Under the condition of full subscription in the Rights Issue and full exercise of all warrants of series TO2, the maximum dilution amounts to approximately 62.5 per cent.

### Subscription and underwriting commitments

Prior to the publication of the Rights Issue, existing shareholders of the Company have provided subscription commitments of approximately SEK 1.8 million, corresponding to approximately 11.5 per cent, of the Rights Issue. In addition, a consortium of investors has provided underwriting commitments amounting to approximately SEK 5.9 million, corresponding to approximately 38.5 per cent, of the Rights Issue.

The subscription commitments do not entitle to any compensation. The underwriting commitments entitle to an underwriting fee amounting to twelve (12) per cent of the underwritten amount in cash, implying a maximum cash cost of approximately SEK 0.7 million for the Company, or alternatively, fifteen (15) per cent of the underwritten amount in the form of Units. The subscription price for each share in the Units referred to in the underwriting compensation corresponds to the volume-weighted average price of the share during the subscription period, but not less than the subscription price in the Rights Issue. This means that a further maximum of 292,625 Units may be issued in the form of a directed set-off issue to underwriters.

The subscription or underwriting commitments are not secured by bank guarantees, escrows, pledging or similar arrangements.

### Indicative timetable for the Rights Issue

4 September 2024

Last day of trading including unit rights

4 September 2024	Estimated date for publication of the memorandum
5 September 2024	First day of trading excluding unit rights
6 September 2024	Record date for the Rights Issue
10 September – 19 September 2024	Trading in unit rights on Nasdaq First North Growth Market
10 September – 24 September 2024	Subscription period
10 September 2024 until registration with the Swedish Companies Registration Office	Trading in paid subscribed units (BTU)
25 September 2024	Expected date for the announcement of the outcome of the Rights Issue

## Memorandum

The terms and conditions of the Rights Issue will be included in the Company's information memorandum, which is expected to be published on 4 September 2024. The memorandum and subscription form will be available on the Company's website, <https://northgoldab.com/>, Augment Partners AB's offerings page, [www.augment.se/offerings/](http://www.augment.se/offerings/) and Aqurat Fondkommission AB's website, [aqurat.se/aktuella-erbjudanden/](http://aqurat.se/aktuella-erbjudanden/).

## Advisers

[Augment Partners AB](#) is acting as the financial advisor and Schjødt is acting as the legal advisor to the Company in connection with the Rights Issue.

## Additional information

For further information, please contact:

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This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") and no prospectus has been or will be prepared in connection with the Rights Issue. The Company's information memorandum, which is expected to be published on 4 September 2024 will be held available on the Company's website, <https://northgoldab.com/>.

*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 2024-08-29 11:20 CEST.*

## Attachments

[Northgold updates their strategy and resolves on a rights issue of units of approximately SEK 15.2 million](#)