

Northgold presents the new strategy and comments on the gold price

In connection with the rights issue of units of approximately SEK 15.2 million (the "Rights Issue"), decided on 29 August 2024 by Northgold AB ("Northgold" or the "Company"), the Company unveiled a new strategic direction. Notably, during the latest weeks, the gold price has reached all-time highs.

Historically, gold has been viewed as a safety asset, particularly during periods of uncertainty. During geopolitical or financial crises, investors turn to gold to hedge against the market volatility, which often drives the price higher. Together with a strong demand for gold from central banks and anticipated interest rate cuts, this trend has held true in 2024, with gold prices recently surpassing USD 2,500 per ounce, marking new all-time highs.

"Despite the all-time highs in the gold price, valuations of junior gold exploration companies remain at very low levels relative to the gold price. This disparity has prompted us to act, and we have adjusted our strategy", says Seppo Tuovinen, CEO of Northgold.

Based on dialogues with current shareholders and considering the prevailing market conditions for junior gold exploration companies, the Board of Directors has decided on a new strategy for the Company. According to the new strategy, Northgold will maintain the current main asset base in a cost-effective manner, while continuing to evaluate potential partnerships and collaborations as well as structured deals and opportunities.

"We are carrying out the ongoing rights issue to ensure operating costs as part of our new strategy – to maintain our assets in central Finland, a country which boasts the highest concentration of gold mineralisation in Europe. We will also continue to evaluate opportunities that arise, and with our NI 43-101/JORC compliant asset base of 1 million gold equivalent ounces, we are an interesting player in the industry", says Seppo Tuovinen.

The net proceeds from the Rights Issue will also be used to analyse the results from a drilling program completed at Kopsa earlier this year. The results are expected to be announced during the fourth quarter 2024.

"Our long-term vision of the projects within the Middle Ostrobothnia Gold Belt and its great potential remains unchanged. This year's gold rush only underscores gold's enduring importance as a critical commodity for many decades to come", Seppo Tuovinen concludes.

With the increased demand for gold and the new strategy with a focus on cost-effective maintenance alongside evaluating structured deals and opportunities, the Company is optimistic about the time ahead.

See attachment for the gold price development over the past two years.

Further information

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Northgold is a Swedish-listed gold exploration and development Company focused on advancing multiple, co-located, 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 grow its gold mineral resources, make new gold discoveries, and ultimately extract gold from these under-explored areas in Central Finland. www.northgoldab.com. Augment Partners AB, tel. +46 8-604 22 55 info@augment.se, is acting as the Company's Certified Adviser.

Attachments

[Gold Price Development](#)

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