



ANNUAL REPORT

and Consolidated Financial Statements

2021



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LETTER TO SHAREHOLDERS

Nothgold's fiscal year (FY) 2021 was about company formation and preparing for its planned listing on the Nasdaq First North Growth Market exchange, which was completed following the period on 24 March 2022. I joined the company as CEO midway through the year on 1 July 2021, and began leading the preparation of initial marketing material, including the company presentation, website, and company prospectus. This material outlined the company's business objectives, which included 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, with an initial goal of growing its gold equivalent (AuEq) resources to an exploration target of 1 million ounces (oz) within 18 months from the listing. Key events during FY 2021 included Northgold's completion of the acquisition of Fennia Gold Oy, which holds Northgold's flagship asset, the Kopsa project, which holds the bulk of its existing 725,000 oz Au (informal). Following FY 2021, during the first quarter of 2022, the company ramped up planning efforts for its 2022 exploration program, which includes plans for 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. Also during Q1 2022, the Company began evaluating opportunities to continue consolidating additional exploration properties within the MOGB to further improve its already dominant land position in the region.

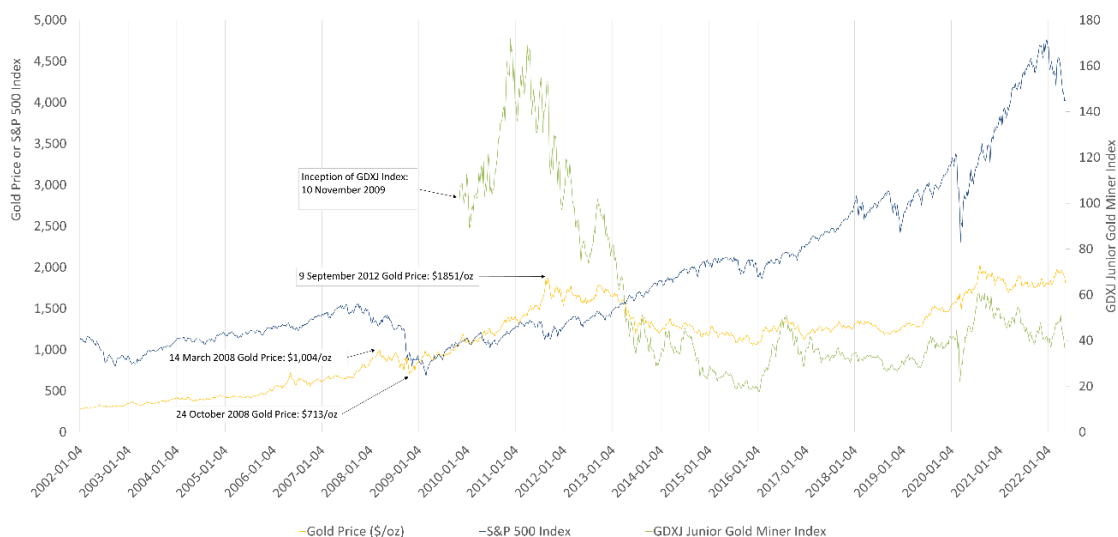
Market conditions for gold companies softened slightly during FY2021 on the back of a strong US dollar and equity market performance, led partly by strongly performing technology stocks. During the period, the gold price fell approximately 4.5% to \$1,806/oz and the GDJ VanEck Junior Gold Miner index price fell approximately 27% to \$39.24 per share, before rising as high as \$1,970/oz and 51.03 per share, respectively, following the period during the first quarter of 2022 on the back of geopolitical tensions and rising inflation (see Figure 1). Meanwhile, also during FY2021, the S&P 500 index price rose 22% to \$4,677, before dipping as low as \$4,204 during Q1 2022, before dipping further to as low as \$4,024 during Q2 2022.

Sincerely,

Mitchell Vanderydt
CEO, Northgold AB



Figure 1: Weekly gold price versus S&P 500 and GDJ Junior Gold Miner indices, 2002 to 2022



Source: World Gold Council, Yahoo Finance

MANAGEMENT'S REPORT

The Board of Directors and the Ceo of Northgold AB (publ), org.nr 559273-9626, will submit the following annual accounts and consolidated accounts for the business during the financial year 2021.

GENERAL INFORMATION ABOUT THE BUSINESS

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.

MISSION

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 resource estimates.

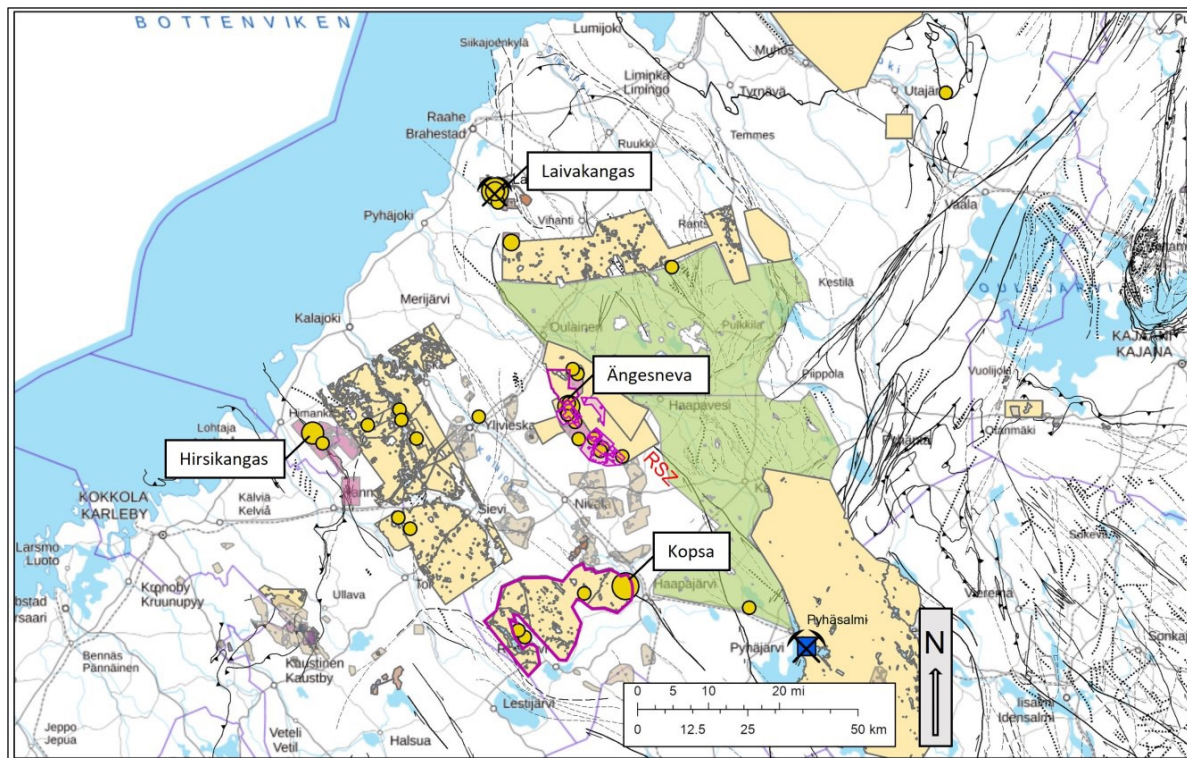
Table 1: Summary of Company mineral resources

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	--
Total	725,400	594,400	1.11	0.91	0.13

(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 MOGB.

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.


Group

The Group consists of the parent company and the wholly owned subsidiaries Fennia Gold Oy – 2839848-7 and Lakeuden Malmi Oy – 3155439-9 both subsidiaries based in Tampere Finland.

Head Office

The company's registered office is located in the Municipality of Stockholm.

The Share

The share capital in Northgold AB (publ) amounts to SEK 500,000 on 31 December 2021. The company was listed on Nasdaq First North on March 24, 2022. The ticker symbol for the share is NG and the ISIN code is SE0017131071.

Year	Event	Quota	Change in the number of shares	Change in share capital	Total number of shares	Total share capital
2020	Formation	0.50	50,000	25,000.00	50,000	25,000.00
2020	New share issue	0.50	50,000	25,000.00	100,000	50,000.00
2021	New share issue	0.50	66,667	33,333.50	166,667	83,333.50
2021	New share issue	0.50	6,667	3,333.50	173,334	86,667.00
2021	New share issue	0.50	15,000	7,500.00	188,334	94,167.00
2021	New share issue	0.50	166,667	83,333.50	355,001	177,500.50
2021	Bonus issue	0.00	0	322,499.50	355,001	500,000.00
2021	Share split 1/20	0.00	6,745,019	0.00	7,100,020	500,000.00



LIST OF SHAREHOLDERS AS OF DECEMBER 31ST, 2021

Shareholders	Number of shares	Share (%)
Magnus Minerals Oy	2,904,080	40.9%
Aurora Exploration Oy	603,400	8.5%
Andrew Randall	500,000	7.0%
Kimberly Wrixon	500,000	7.0%
Richard Gazal	500,000	7.0%
Other shareholders	2,092,540	29.5%
	7,100,020	100.00 %

Related party transactions

During the period, the result was charged with fees for work performed of 155 KSEK to Board member Roberto Garcia Martinez's company Nazgero Consulting Service LTD.

During the period, the result was charged with fees for work of 133 KSEK to Board member Petri Peltonen's company Aurora Exploration Oy.

During the period, earnings were charged with fees for work performed of 51 KSEK to Board member Timo Mäki's company Apofas Oy.

INCUMBENT BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Mitch Vanderydt, b 1986, CEO

Took over CEO 2021.

Shareholding: 133,340 shares

Roberto Garcia Martinez, b 1970, Board member.

Entry to the Board 2021.

Shareholding: 100,000 shares.

Board fee: 120 KSEK

Otto Persson, b 1970, Board member, Chairman

Entry to the Board 2021

Shareholding: 0 shares

Board fees: 240 KSEK

Henrik Löfberg, b 1977, Board member

Entry to the Board 2021

Shareholding: 331,340 shares

Board fees: 120 KSEK

Timo Mäki, b 1953, Board member, VVD

Entry into the Board of Directors 2020 and as Vice CEO 2021

Shareholding: 320,000 shares

Board fee: 120 KSEK

FINANCIAL OVERVIEW – GROUP

Profit and turnover

The company's net sales for the full year 2021 amounted to 0 KSEK (0 KSEK) and profit after financial items to - 3,899 KSEK (- 5 KSEK). Operating expenses amounted to -3,943 KSEK (-6 KSEK). EBITDA for the full year 2021 amounted to -3,898 KSEK (- 6 KSEK). Financial items for the period amounted to -1 KSEK (0 KSEK).

Investments

Investments in property, plant, and equipment during the full year 2021 amounted to 53 KSEK (0 KSEK). Investments in intangible fixed assets amounted to 12,129 KSEK (0 KSEK). Investments in Financial fixed assets amounted to 0 KSEK (0 KSEK).

Financial position

Cash and cash equivalents amounted to KSEK 1,066 (KSEK 50) as of December 31, 2021. Equity amounted to 10,674 KSEK (44 KSEK).

Cash flow and financing

Cash flow from operating activities during the full year 2021 amounted to - 3,657 KSEK (- 0 KSEK). Cash flow from investing activities was -9,842 KSEK (- 0 KSEK), cash flow from financing operations was 14,519 KSEK (50 KSEK).

Equity

At year-end, the Group's equity amounted to 10,674 KSEK (44 KSEK). During the year, a number of issues were carried out to a total of 15,077 KSEK. A total of 205,001 shares were issued. After completing shares split 1 to 20, at the end of the financial year there are 7,100,200 shares issued.

Equity

Group, consolidated (KSEK)	Share capital	Development Costs Fund	Other contributed capital	Other equity including profit for the year	Completely
Amount at the start of the year	50	0	0	-6	44
New share issues	450		14,627		15,077
Issue costs			-558		-558
Other contributed capital			0	0	0
Translation differences				10	10
Profit for the year				- 3,899	-3,899
Equity 31/12/2021	500	0	14,069	-3,895	10,674

Parent Company (KSEK)	Share capital	Development Costs Fund	Share premium account	Profit for the year lnk balanced	Completely
Amount at the start of the year	50	0	0	0	50
New share issues	450		14,627		15,077
Issue costs			-558		-558
Costs linked to new share issue					
Profit for the year				-3,753	-3,753
Equity 31/12/2021	500	0	14,069	-3,753	10,816

MULTI-YEAR REVIEW

Group	2021	2020
Net sales (KSEK)	0	0
Operating profit (KSEK)	-3,898	-6
Profit before tax (KSEK)	-3,899	-6
Balance sheet total (KSEK)	13,382	51
Intangible fixed assets (KSEK)	12,007	0
Equity ratio (%)	80	87
Number of employees (pcs)	1	0

Parent company	2021	2020
Net sales (KSEK)	0	0
Operating profit (KSEK)	-2,785	0
Profit before tax (KSEK)	-3,753	0
Balance sheet total (KSEK)	11,164	50
Intangible fixed assets (KSEK)	0	0
Shares and receivables group companies (KSEK)	102	0
Visible equity ratio (%)	97	100
Number of employees (pcs)	1	0
Number of shares at the end of the period (pcs)	7,100,020	100,000

Key figure definitions

Equity ratio: Equity and untaxed reserves (less deferred tax) in relation to the balance sheet total.

Significant events in 2021

During the year, Northgold raised a total of SEK 4.9 million in external capital.

In September 2021, Northgold acquired all the shares in Fennia Gold Oy.

Significant events after 2021

In connection with the listing of the company's shares, a new issue of 3,416,000 shares was carried out at a price of SEK 11.60 per share. In total, the issue raised SEK 39.6 million before transaction costs.

March 24, 2022, is the first day of trading for Northgold' shares on Nasdaq First North Growth Market.

Northgold announces the 2022 development plans for the Kopsa and Kiimala areas. The plan is to drill 5,000 meters starting in May.

EXPECTED FUTURE DEVELOPMENTS AND RISKS AND UNCERTAINTIES

The Board of Directors and the CEO's assessment are that the completed new share issues that were taken during the first quarter of 2022 are sufficient to ensure the company's working capital needs and financing for at least the next 12 months.

Proposal for appropriation of profits

Proposal for appropriation of the company's results:

Share premium account	14,068,632
Balanced earnings	0
Loss of the year	-3,752,611
	10,316,021

The Board of Directors proposes that SEK be carried forward in a new account 10,316,021

Regarding the company's results and position in general, reference is made to subsequent income statements and balance sheets and related notes. All amounts are in Swedish kronor where not otherwise stated.

INCOME STATEMENT - GROUP AND PARENT COMPANY

Income statement	Note	Group		Parent Company	
		2021	2020	2021	2020
Operating income					
Net sales		0	0	0	0
Other operating income		45,653	0	45,270	0
Total operating income		45,653	0	45,270	0
Operating costs					
Other external costs	5, 6	-2,686,474	-5,644	-1,694,921	0
Staff costs	6	-1,135,046	0	-1,135,046	0
Depreciation of tangible assets	10	-121,739	0	0	0
Total operating costs		-3,943,259	-5,644	-2,829,967	0
Operating profit/loss		-3,897,606	-5,644	-2,784,697	0
Profit/loss from financial items					
Interest income and similar items	7	0	100	0	0
Profit from shares in group companies	7	0	0	-967,914	
Interest expenses and similar items		-964	0	0	0
Total profit/loss from financial items		-964	100	-967,914	0
Profit/loss before tax		-3,898,570	-5,544	-3,752,611	0
Tax on profit/loss for the year		0	0	0	0
Profit/loss for the year		-3,898,570	-5,544	-3,752,611	0
Basic earnings per share		-38.98	-0.11	-37.52	0.00
Diluted earnings per share		-0.63	-0.00	-0.61	0.00

Profit/loss is attributable in full to Parent Company shareholders

Number of shares at beginning of year	100,000	50,000
Number of shares at end of year	7,100,020	100,000
Number of shares on average	3,600,010	75,000

BALANCE SHEET - GROUP AND PARENT COMPANY

	Note	Group 2021	2020	Parent Company 2021	2020
ASSETS					
Non-current assets					
Intangible assets					
Goodwill	8	695,429	0	0	0
Licences and mining concessions	9	11,311,950	0	0	0
Total intangible assets		12,007,379	0	0	0
Tangible assets					
Land	10	53,180	0	0	0
Total tangible assets		53,180	0	0	0
Financial assets					
Participations in Group companies	11	0	0	10,335,559	25,000
Receivables from Group companies		0	0	101,886	0
Total financial assets		0	0	10,437,445	25,000
Total non-current assets		12,060,559	0	10,437,445	25,000
Current assets					
Current receivables					
Other receivables		48,408	1,314	5,120	0
Prepaid expenses and accrued income	12	207,306	0	196,000	0
Total current receivables		255,714	1,314	201,120	0
Cash and bank balances		1,065,548	49,808	525,925	25,000
Total current assets		1,321,262	51,122	727,045	25,000
Total assets		13,381,821	51,122	11,164,490	50,000

BALANCE SHEET - GROUP AND PARENT COMPANY

	Note	Group		Parent Company	
		2021	2020	2021	2020
EQUITY AND LIABILITIES					
Equity					
Share capital		500,000	50,000		
Other contributed capital		14,073,040	0		
Other equity including profit for the year		<u>-3,898,570</u>	<u>-5,544</u>		
<i>Restricted equity</i>					
Share capital		0	0	500,000	50,000
Total restricted equity		0	0	500,000	50,000
<i>Unrestricted equity</i>					
Share premium reserve		0	0	14,068,632	0
Profit/loss for the year		0	0	-3,752,611	0
Total unrestricted equity		0	0	10,316,021	0
Total equity		10,674,470	44,456	10,816,021	50,000
Deferred tax	13	2,330,262	0	0	0
Current liabilities					
Trade payables		300,689	0	272,069	0
Current tax liabilities		0	0	0	0
Other current liabilities		0	6,666	0	0
Accrued expenses and deferred income	16	76,400	0	76,400	0
Total current liabilities		377,089	6,666	348,469	0
Total equity and liabilities		13,381,821	51,122	11,164,490	50,000

STATEMENT OF CASH FLOW – GROUP AND PARENT COMPANY

Statement of cash flow	Note	Group		Parent Company	
		2021	2020	2021	2020
Operating activities					
Profit/loss before financial items		-3,897,606	-5,544	-2,784,697	0
Amortisation and depreciation		121,739	0	0	0
Interest received/paid, etc.		-962	0	0	0
Cash flow from operating activities before change in working capital		-3,776,829	-5,544	-2,784,697	0
Change in working capital					
Change in current receivables		-243,427	-1,314	-201,120	0
Change in current liabilities		363,106	6,666	348,469	0
Change in working capital		119,679	5,352	147,349	0
Cash flow from operating activities		-3,657,150	-192	-2,637,348	0
Investing activities					
Investments in intangible assets		0	0	0	0
Investments in tangible assets		0	0	0	0
Investments in non-current financial assets		-9,842,038	0	-11,405,359	0
Cash flow from investing activities		-9,842,038	0	-11,405,359	0
Financing activities					
Share issues		15,076,954	50,000	15,101,954	25,000
Costs for share issue		-558,322	0	-558,322	0
Cash flow from financing activities		14,518,632	50,000	14,543,632	25,000
Change to cash and cash equivalents		1,019,444	49,808	500,925	25,000
Translation differences		-3,704			
Cash and cash equivalents at the beginning of the year		49,808	0	25,000	0
Cash and cash equivalents at end of year		1,065,548	49,808	525,925	25,000

NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

The company has prepared its annual report in accordance with the Annual Accounts Act and BFNAR 2012:1 Annual And Consolidated Accounts (K3).

Valuation principles, etc.

Assets, provisions, and liabilities have been valued at cost/nominal unless otherwise stated below.

Consolidated accounting principles

Northgold AB (publ) prepares consolidated financial statements. The company in which Northgold AB (publ) holds the majority of the votes at the Annual General Meeting and companies in which Northgold AB (publ) by agreement has a controlling interest is classified as a subsidiary and consolidated in the consolidated financial statements (see Note 2). Data on group companies can be found in the note on financial fixed assets. The subsidiaries are included in the consolidated financial statements as of the date on which control is transferred to the group. They are excluded from the consolidated financial statements as of the date on which control ceases.

The Consolidated financial statements are prepared in accordance with the acquisition method. The acquisition date is the time at which control is obtained. Identifiable assets and liabilities are initially measured at fair values at the acquisition date. Goodwill is the difference between the acquired identifiable net assets at the time of acquisition and cost, and is initially measured at cost.

Dealings between group companies are eliminated in full.

Group relations

Northgold AB (publ), org.nr 559273-9626, Stockholm, is the parent company of wholly owned subsidiaries Fennia Gold Oy, 2839848-7 and Lakeuden Malmi Oy, 3155439-9 both based in Tampere, Finland.

Definition of average number of shares

For the calculation of the average number of shares, the company starts from the ratio on the balance sheet date. If a split or merger of shares has been carried out during the year, the opening number of shares for the period is recalculated to reflect the ratio as of the balance sheet date.

Intangible fixed assets

Intangible fixed assets are reported at cost reduced by accumulated depreciation and amortization.

Depreciation is made on a straight-line line over the assessed useful life. The depreciation period for patents, licenses and internally generated intangible fixed assets amounts to five years. The Company's holdings consist of exploration permits, geological information and the cost of exploration. Since no extraction has begun, no depreciation is currently made.

Material fixed assets

Property, plant and equipment are reported at cost reduced by depreciation. Cost includes expenses directly attributable to the acquisition of the asset.

When a component of a fixed asset is replaced, any remaining part of the old component is disposed of and the cost of the new component is capitalized.

Additional expenses related to assets that are not broken down into components are added to cost if they are calculated to provide the entity with future economic benefits, to the extent that the asset's performance increases relative to the value of the asset at the acquisition date. Expenses for ongoing repair and maintenance are recognized as expenses.

Capital gain and capital loss on the sale of a fixed asset are reported as Other operating income and Other operating expense, respectively.

Property, plant and equipment are systematically depreciating over the assessed useful life of the asset. When determining the depreciable amount of the assets, the residual value of the asset is taken into account, where appropriate. Linear depreciation method is used for other types of tangible assets. The following depreciation periods are applied:

Depreciation of property, plant and equipment:
Fixtures, tools, and installations: 5 years

Receivables

Receivables have been raised at the amounts by which they are estimated to be based on deduction of individually assessed doubtful accounts receivable.

Foreign currency

Assets and liabilities in foreign currency are valued at the rate of the balance sheet date.

Other long-term securities holdings

Other long-term securities holdings are intended for long-term holdings and are accounted for at cost. If a long-term securities holding on the balance sheet date has a lower value than the book value, the asset is written down to this lower value if it can be assumed that the decline in value is permanent.

Income taxes

Recognised income taxes include tax payable or received in respect of the current year, adjustments to the current tax of previous years, and an interest in the tax of associated companies. Tax liabilities/receivables are valued at what according to the company's assessment should be paid to or received from the Swedish Tax Agency. The assessment is made according to the tax rules and rates that are decided or announced and will be determined with a high level of certainty. For items recognised in the income statement, related tax effects are also recognised in the income statement. Tax effects of items that are reported directly against equity are accounted for against equity.

Cash flow statement

The cash flow statement is drawn up according to the indirect method. The reported cash flow includes only transactions that involve Cash Receipts or Payments.

Cash and cash equivalents are classified as cash and cash equivalents, as well as short-term financial investments that are only exposed to insignificant risk of value fluctuations, are managed on an open market and have a shorter maturity than three months from the date of acquisition.

The accounting and valuation principles of the parent

The same accounting and valuation principles are applied in the Parent Company as in the Group, except in the cases set out below.

Shares and participations in subsidiaries

Shares and interests in subsidiaries are reported at cost after deduction of any impairment losses. The acquisition value includes the purchase price paid for the shares. Any capital contributions and group contributions are added to the cost when they are made. Dividends from subsidiaries are recognized as income.

Equity

Equity is divided into tied and unrestricted capital, in accordance with the division of the Annual Accounts Act.

Leasing

The Company currently and historically has no lease.



NOTE 2 ESTIMATES AND JUDGMENTS

The Company believes it is likely that the intangible and financial assets recognised will generate future economic benefits which will accrue to the Entity. No new assumptions about the future have been made that resulted in a significant risk of adjusting the carrying amounts of assets and liabilities.

NOTE 3 FINANCIAL RISKS IN THE GROUP

Risks and uncertainties

Northgold AB (publ)'s operations, like all entrepreneurship, are associated with risk. Risks can generally be divided into operational risks related to business operations and risks related to financial operations. In addition, operations must be evaluated in the light of the risks, costs and difficulties that exploration companies often face.

The two biggest risks, according to the Board's assessment, are financing needs and access to capital and exploration risk. The exploration industry is capital intensive and means that additional financing will be required for a favorable development of the company. The Board of Directors and management work continuously to secure the company's capital needs. In March 2022, a new share issue amounting to sek ca 39 million before issue costs was carried out. The Board of Directors and management believe that the measure will secure the company's ongoing capital needs over the next 12 months.

Operational risks

Exploration

The risks in an exploration company such as Northgold AB (publ) are primarily linked to the outcome of the exploration itself. Although the collected data is continuously analyzed and evaluated carefully, there is always the risk that positive results will not be delivered. Ore exploration is inherently a high-risk operation, where only a few areas surveyed lead to the expansion of producing mines and therefore involve a significant economic risk.

Northgold AB (publ) has found indications of occurrences of various metals in several places but has not yet been able to establish that the deposits have commercial potential. Even if careful reviews and assessments are made of deposits, the company cannot guarantee that commercial concentrations exist or that other obstacles arise.

Permit issues regarding exploration and obtaining the necessary permits and rights may also entail a risk.

Environment

Operations must take utmost account of environmental impact. This means that some deposits may not be exploited. One possible consequence will be a deterioration in the possibility of disposing of these.

Staff

Northgold AB (publ) is dependent on both internal and external qualified expertise. The organization of the company is currently limited. The ability to retain permanent or hired staff as well as the ability to recruit new ones is crucial for future development. The Board of Directors and management continuously evaluate alternative solutions to run the business optimally.

Competitors

Exploration companies may in some cases compete for the same object or area. Areas around existing ore fields and mines are usually most fiercely competitive. If Northgold AB (publ) is unable to find new deposits or mineralizations due to competition, this may have a negative impact on the company's position in the exploration market.

Legal requirements

Mining activities are regulated by laws and regulations and are carefully controlled by various government agencies. A particularly far-reaching regulation of activities exists in the environmental field. Permits are required for a large part of the business. Authorities, organisations, land and property owners can thereby delay or stop a project through a long processing time, appeals or not granting applications for exploration permits. Changes in the law can also be detrimental to the business.

Financial risks

Liquidity

Liquidity risk means that payment obligations cannot be met as a result of insufficient liquidity.

Commodity prices

In addition to the company's costs, the results of the mineral company are directly related to current mineral prices. Mineral prices are set on the international market and fluctuate over time depending on changes in the factors affecting supply and demand. Prolonged and sharp declines in relative mineral prices may result in losses for the Company and require restrictions or suspension of the Company's exploration and development activities.

Cyclical development

External factors such as supply and demand and recessions can have an impact on operating expenses, world market prices for metals and stock valuation. Future earnings and stock valuation may be affected by these factors, which are beyond the Company's control.

NOTE 4 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

In connection with the listing of the company's shares, a new issue of 3,416,000 shares was carried out at a price of SEK 11.60 per share. In total, the issue raised SEK 39.6 million before transaction costs.

March 24, 2022 is the first day of trading for Northgold' shares on Nasdaq First North Growth Market.

Northgold announces the 2022 development plans for the Kopsa and Kiimala areas. The plan is to drill 5,000 meters starting in May.

NOTE 5 REMUNERATION TO THE GROUP'S AUDITORS

(KSEK)

Baker Tilly MLT KB	2021	2020	2021	2020
Audit assignment	50	0	50	0
Auditing activities other than the auditing assignment	10	0	10	0
Total	60	0	60	0

NOTE 6 EMPLOYEES AND SALARIES AND BENEFITS

<i>Number of employees at the end of the year</i>	Group		Parent Company	
	2021	2020	2021	2020
Sweden	1	0	1	0
<i>Of which women %</i>	0%	0%	0%	0%
Total number of employees at the end of the year	1	0	1	0

Board and senior executives

Board	4	4	4	4
<i>Of which women %</i>	0%	0%	0%	0%
Senior executives	1	0	1	0
<i>Of which women %</i>	0%	0%	0%	0%
Total, Board and senior executives	5	4	5	4

Salaries, other benefits and social security contributions

(KSEK)	Group		Parent Company	
	2021	2020	2021	2020
Board and senior executives	996	0	996	0
Other employees	0	0	0	0
Social security contributions	139	0	139	0
Pension expenses	0	0	0	0
Total salaries and benefits	1,135	0	1,135	0
Invoiced consulting services from Board members	206	0	206	0
Total staff costs	1,341	0	1,341	0

No pensions or similar benefits were paid in 2021 or 2020.

NOTE 7 PROFIT/LOSS FROM FINANCIAL ITEMS

<i>Interest expenses and similar items</i>	2021	2020	2021	2020
Interest expenses and similar items	0	0	0	0
Depreciation participations in Group companies	0	0	967,914	0
Exchange rate losses	964	0	0	0
Total	964	0	0	0

NOTE 8 GOODWILL

	Group		Parent Company	
	2021	2020	2021	2020
Acquired opening cost through acquisition of subsidiaries	1,227,600	0	0	0
Purchases for the year	0	0	0	0
Closing accumulated cost	1,227,600	0	0	0
Opening amortisation	-410,442	0	0	0
Amortisation for the year	-121,729	0	0	0
Closing accumulated amortisation	-532,171	0	0	0
Closing residual value according to plan	695,429	0	0	0

NOTE 9 LICENCES AND MINING CONCESSIONS

<i>Land</i>	2021	2020	2021	2020
Opening cost	0	0	0	0
Purchases for the year	11,311,950	0	0	0
Closing accumulated cost	11,311,950	0	0	0
Opening amortisation	0	0	0	0
Amortisation for the year	0	0	0	0
Closing accumulated amortisation	0	0	0	0
Closing residual value according to plan	11,311,950	0	0	0

Refers to work on the preparation of geological information and exploration costs. As no extraction has begun there is no amortisation at this time.

NOTE 10 TANGIBLE ASSETS

	2021	2020	2021	2020
Acquired opening cost through acquisition of subsidiaries	53,180	0	0	0
Purchases for the year	0	0	0	0
Closing accumulated cost	53,180	0	0	0
Opening depreciation	0	0	0	0
Depreciation for the year	0	0	0	0
Closing accumulated depreciation	0	0	0	0
Closing residual value according to plan	53,180	0	0	0

NOTE 11 PARTICIPATIONS IN GROUP COMPANIES

Group	ID Number	Domicile	Share of capital (%)	Number of shares	Book value in Parent Company: 2021
Fennia Gold Oy	2839848-7	Tampere, Finland	100	281,000	10,310,559
Lakeuden Malmi Oy	3155439-9	Tampere, Finland	100	500	25,000
Book value in Parent Company					10,335,559

	Equity	Result
Fennia Gold Oy	1,206,794	-242,510
Lakeuden Malmi Oy	5 143	-978 324

Book value in Parent Company

Opening cost	25,000	0
Acquisition for the year	10,310,559	25,000
Shareholders' contribution for the year	967,914	0
Closing cost	11,303,473	25,000
Opening impairment	0	0
Disposals for the year	0	0
Impairment for the year	-967,914	0
Closing impairment	-967,914	0
Book value	10,335,559	25,000

The acquisition value of shares in subsidiaries includes estimated surplus values of concessions and permits

NOTE 12 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
	2021	2020	2021	2020
Prepaid rents	0	0	0	0
Other prepaid expenses and accrued income	207,306	0	196,000	0
Total prepaid expenses and accrued income	207,306	0	196,000	0

NOTE 13 DEFERRED TAX

	Group		Parent Company	
	2021	2020	2021	2020
Deferred tax on temporary differences, mining concessions	2,330,262	0	0	0
Tax losses	0	0		
Total	2,330,262	0	0	0

NOTE 14 ACCRUED EXPENSES

	Group		Parent Company	
	2021	2020	2021	2020
Accrued fees	70,000	0	70,000	0
Other accrued expenses	6,400	0	6,400	0
Total accrued expenses	76,400	0	76,400	0

NOTE 15 APPROPRIATIONS

The accumulated profit of 10 316 021 is at the disposal of the AGM. The Board of Directors proposes that the amount be carried forward.



Stockholm, June 8, 2022

Northgold AB (publ)

Otto Persson
Chairman

Mitchell Vonderydt
Chief Executive Officer

Timo Maki
Member

Henrik Lofberg
Member

Roberto Garcia Martinez
Member

My auditor's report was submitted on June 8th, 2022

Stein Karlsen
Authorised public accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Northgold AB (publ)
Corporate identity number 559273-9626

Report on the annual accounts and consolidated accounts

Opinions

I have audited the annual accounts and consolidated accounts of Northgold AB (publ) for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 4-21 in this document.

In my opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2021 and their financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

I therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

I conducted my audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the "Auditor's Responsibilities" section. I am independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 3. The Board of Directors and the Managing Director are responsible for this other information.

My opinion on the annual accounts and consolidated accounts does not cover this other information and I do not express any form of assurance conclusion regarding this other information.

In connection with my audit of the annual accounts and consolidated accounts, my responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure I also take into account my knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If I, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

My objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to my audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. I also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify my opinion about the annual accounts and consolidated accounts. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my opinions.

I must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. I must also inform of significant audit findings during my audit, including any significant deficiencies in internal control that I identified.

Report on other legal and regulatory requirements

Opinions

In addition to my audit of the annual accounts and consolidated accounts, I have also audited the administration of the Board of Directors and the Managing Director of Northgold AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

I recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

I conducted the audit in accordance with generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the "Auditor's Responsibilities" section. I am independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

My objective concerning the audit of the administration, and thereby my opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

My objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby my opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, I exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on my professional judgment with starting point in risk and materiality. This means that I focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. I examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to my opinion concerning discharge from liability. As a basis for my opinion on the Board of Directors' proposed appropriations of the company's profit or loss I examined whether the proposal is in accordance with the Companies Act.

Malmö 8 June 2022



Stein Karlson

Authorized Public Accountant Far



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