



INTERIM REPORT

APRIL – JUNE 2023

THE QUARTER IN SHORT

HIGHLIGHTS OF SECOND QUARTER 2023

- Finished the quarter with a cash balance of SEK 8.0 million on 30 June 2023, after incurring exploration costs related to the 2023 core drilling program completed during the quarter.
- Core logging and sampling continues and will conclude during the third quarter, with assays pending for release for all 11 drill holes, to be announced during the third and fourth quarters.
- Completed 2023 core drilling started in April 2023 and concluded in May 2023, and included 2,274m (1,993m across 9 holes at Kopsa project and 281m across two holes at Kiimala Trend project).
- Additional, early-stage exploration activities completed during the quarter included two Induced Polarization (“IP”) geophysical surveys at Kiimala Trend, and nearly 1,000m of overburden drilling for base-of-till & top-of-rock geochemical sampling at Kopsa and Kiimala Trend.

FINANCIAL INDICATORS AND SHARE DATA (GROUP, CONSOLIDATED)

	2023 Jan-Jun	2022 Jan-Jun	2023 Apr-Jun	2022 Apr-Jun	2022 Jan-Dec
Average equity for the period (KSEK)	50,594	25,524	41,072	42,198	21,983
Average total capital for the period (KSEK)	58,667	29,465	47,360	47,552	25,551
Return on equity (%)	-8.5	-21.5	-19.2	-5.9	-56.5
Return on total capital (%)	-7.4	-17.8	-16.7	-5.2	-50.5
Equity/assets ratio (%)	85.7	88.6	85.7	88.6	88.3
Earnings per share (SEK) (before dilution)	-0.69	-0.52	-0.35	-0.24	-1.2
Earnings per share (SEK) (after dilution)	-0.67	-0.51	-0.34	-0.23	-1.2
Equity per share (SEK)	3.98	3.8	3.98	3.8	3.2
Quick ratio (%)	3,375	1,041	3,375	1,041	665
Total number of shares (before dilution)	12,264,487	10,516,020	12,264,497	10,516,020	10,520,674
Total number of shares (after dilution)	12,583,987	10,835,520	12,583,987	10,835,520	10,840,174
Average number of share (before dilution)	11,392,581	8,808,020	12,253,146	8,808,020	9,378,905
Average number of shares (after dilution)	11,712,081	8,808,020	12,572,641	8,808,020	9,698,405

FINANCIAL HIGHLIGHTS OF SECOND QUARTER 2023 (GROUP, CONSOLIDATED)

- Net sales amounted to KSEK 0 (Q2 2022: KSEK 0).
- Operating profit/loss after financial items totalled KSEK -4,319 (Q2 2022: KSEK -2,477).
- Earnings per share after financial items amounted to SEK -0.4 (Q2 2022: SEK -0.2).
- Cash flow from operating activities was KSEK -5,025 (Q1 2022: KSEK -3,675).

FINANCIAL HIGHLIGHTS OF FIRST HALF YEAR 2023 (GROUP, CONSOLIDATED)

- Net sales amounted to KSEK 0 (6M 2022: KSEK 0).
- Operating profit/loss after financial items totalled KSEK -7,894 (6M 2022: KSEK -5,492).
- Earnings per share after financial items amounted to SEK -0.6 (6M 2022: SEK -0.5).
- Cash flow from operating activities was KSEK -7,627 (6M 2022: KSEK -3,957).

SIGNIFICANT EVENTS DURING THE PERIOD APRIL-JUNE 2023

- Northgold releases gold assays from 2022 drilling at Kiimala Trend, announces 2023 exploration plans, and commences drilling at flagship Kopsa project (13 April 2023).
- Northgold releases Copper assays from 2022 drilling at Kopsa gold-copper project result in a significant 20% increase in metal value to the previously reported gold assays (22 May 2023).
- Northgold completes 2023 drill program across the Kopsa and Kiimala Trend projects in central Finland (29 June 2023).

SIGNIFICANT EVENTS AFTER THE PERIOD

- Northgold announces mineral resource estimate for flagship Kopsa project (9 August 2023).
- Announced drill core observations may suggest a near doubling of the Kopsa deposit depth (21 August 2023).



Nivala Drilling core drilling rig operating at Kiimala Trend's Alakylä prospect during the quarter.



Mitta Oy crew and base-of-till and top-of-rock sampling rig operating at Kiimala Trend's Pääneva prospect during the quarter.

MESSAGE FROM THE CEO

We are proud to have successfully completed our second ever drill program during the quarter ending 30 June 2023, and in a safe, timely, and environmentally responsible fashion, with assays pending for release.

For gold exploration companies such as Northgold, environmental stewardship involves actions such as minimizing impact to the environment caused by drilling equipment, and baseline monitoring of nearby surface water bodies, all of which we are doing diligently. And should Northgold advance to a gold developer or even producer before being acquired by an intermediate or major gold producer, the Company commits to completing the necessary engineering and environmental monitoring and analysis undertakings to minimize or prevent impacts to surrounding water bodies from mining activities. The Company also commits to relying on low-emission energy to the extent possible, which could include use of electric haul trucks currently beginning to be developed (which would be powered by low-emissions sources through Finland's grid, including wind and nuclear).

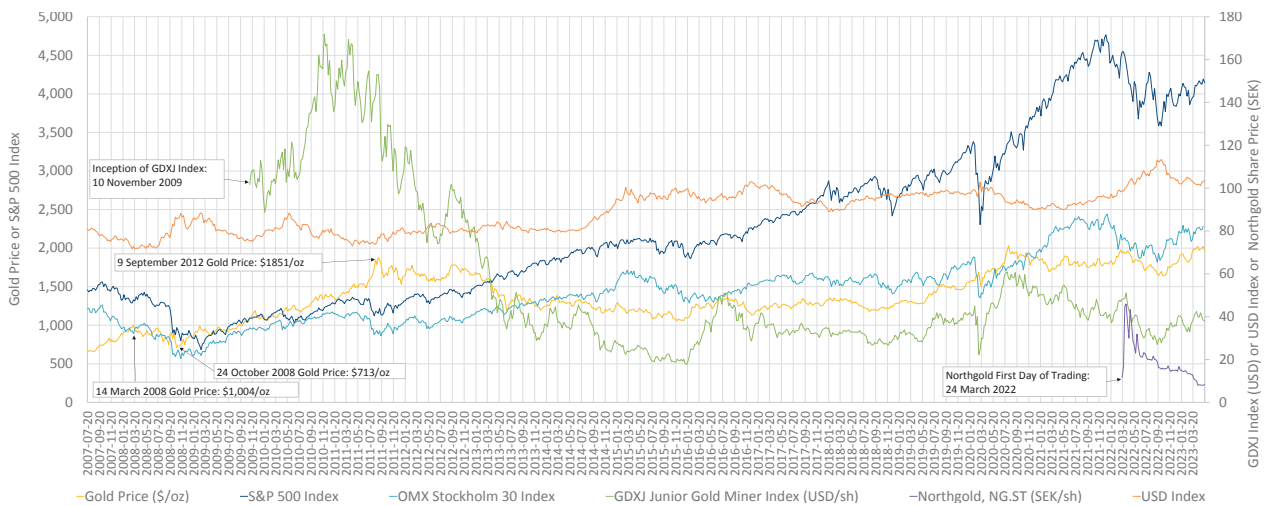
Overall during the quarter, market conditions for gold mining companies were weak – particularly for junior gold mining companies. During the quarter, the gold price slipped 2.4% to 1,921/oz (after locally peaking at just over 2,000/oz in April-May), while the US dollar and overall equity markets remained strong, as investors appeared to continue largely preferring highly-valued blue-chip technology stocks, on hopes that

near-term interest rates will remain steady or fall, and on hopes that a recession can be avoided. The small drop in gold price during the quarter was accompanied by a 10% drop in the producer-dominated Junior Gold Mining Index ETF (GDXJ) to \$35.66/sh, with our tracked gold explorer and developer peer group average enterprise values per gold resource ounce decreasing substantially during the quarter by 30% to €28/oz for explorers and by 73% to €60/oz for developers, which by mid-August had slipped even further by another 14% to €24/oz (gold explorers) and by another 40% to €36/oz (gold developers), with valuations for many junior gold mining companies sitting near four or five year lows, appearing poised for a reversal (especially if the gold price rises and/or recession fears intensify).

Sincerely,



Mitchell J. Vanderydt,
P.Eng, MBA
 CEO, Northgold AB



Source: World Gold Council, Yahoo Finance, Nasdaq

EARNINGS AND SALES

COMMENTS ON THE SECOND QUARTER, 1 APRIL – 30 JUNE 2023 (GROUP, CONSOLIDATED)

EARNINGS AND SALES

The company's net sales for the second quarter totalled KSEK 0 (Q2 2022: KSEK 0), and earnings after financial items totalled KSEK -4,319 (Q2 2022: KSEK -2,477). Operating costs amounted to KSEK -4,206 (Q2 2022: KSEK -2,207). EBITDA for the second quarter was KSEK -4,206 (Q2 2022: KSEK -2,207) Financial items for the quarter amounted to KSEK -113 (Q2 2022: KSEK -270).

INVESTMENTS

Investments in property, plant, and equipment in the second quarter totalled KSEK 0 (Q2 2022: KSEK 0). Investments in intangible assets amounted to KSEK 6,120 (Q2 2022: KSEK 3,870). Investments in non-current financial assets amounted to KSEK 0 (Q2 2022: KSEK 99).

FINANCIAL POSITION

Cash and cash equivalents on June 30, 2023 amounted to KSEK 7,952 (June 30, 2022: KSEK 28,316). Equity was KSEK 48,853 (June 30, 2022: KSEK 40,372).

CASH FLOW AND FINANCING

Cash flow from operating activities in the second quarter was KSEK -5,025 (Q2 2022: KSEK -3,675). Cash flow from investing activities was KSEK -6,120 (Q2 2022: KSEK -3,879), while cash flow from financing activities was KSEK 2 (Q2 2022: KSEK -1,175).

COMMENTS ON THE FIRST HALF YEAR, 1 JANUARY – 30 JUNE 2023 (GROUP, CONSOLIDATED)

EARNINGS AND SALES

The company's net sales for the first half year totalled KSEK 0 (6M 2022: KSEK 0), and earnings after financial items totalled KSEK -7,894 (6M 2022: KSEK -5,492). Operating costs amounted to KSEK -7,864 (6M 2022: KSEK -5,233). EBITDA for the first half year was KSEK -7,864 (6M 2022: KSEK -5,233). Financial items for the first half year amounted to KSEK -30 (6M 2022: KSEK -259).

INVESTMENTS

Investments in property, plant, and equipment in the first half year totalled KSEK 164 (6M 2022: KSEK 0). Investments in intangible assets amounted to KSEK 20,518 (6M 2022: KSEK 3,870). Investments in non-current financial assets amounted to KSEK 2 (6M 2022: KSEK 192).

FINANCIAL POSITION

Cash and cash equivalents on June 30, 2023 amounted to KSEK 7,952 (June 30, 2022: KSEK 28,316) on June 30, 2023. Equity was KSEK 48,853 (6M 2022: KSEK 40,372).

CASH FLOW AND FINANCING

Cash flow from operating activities in the first half year was KSEK -7,627 (6M 2022: KSEK -3,957). Cash flow from investing activities was KSEK -20,684 (6M 2022: KSEK -3,856), while cash flow from financing activities was KSEK 22,335 (6M 2022: KSEK 35,063).

COMMENTS ON THE SECOND QUARTER, 1 APRIL – 30 JUNE 2023 (PARENT COMPANY)

EARNINGS AND SALES

The company's net sales for the second quarter totalled KSEK 0 (Q2 2022: KSEK 0), and earnings after financial items totalled KSEK -2,426 (Q2 2022: KSEK -574). Operating costs amounted to KSEK -2,429 (Q2 2022: KSEK -1,333). EBITDA for the second quarter was KSEK -2,429 (Q2 2022: KSEK -573) Financial items for the quarter amounted to KSEK 3 (Q2 2022: KSEK -1).

INVESTMENTS

Investments in property, plant, and equipment in the second quarter totalled KSEK 0 (Q2 2022: KSEK 0). Investments in intangible assets amounted to KSEK 0 (Q2 2022: KSEK 0). Investments in non-current financial assets amounted to KSEK 8,305 (Q2 2022: KSEK 101).

FINANCIAL POSITION

Cash and cash equivalents on June 30, 2023 amounted to KSEK 6,187 (June 30, 2022: KSEK 26,619). On June 30, 2023. Equity was KSEK 51,643 (June 30, 2022: KSEK 41,066).

CASH FLOW AND FINANCING

Cash flow from operating activities for the second quarter was KSEK -2,697 (Q2 2022: KSEK -7,111). Cash flow from investing activities was KSEK -8,305 (Q2 2022: KSEK 101), while cash flow from financing activities was KSEK 2 (Q2 2022: KSEK -1,325).

COMMENTS ON THE FIRST HALF YEAR, 1 JANUARY – 30 JUNE 2023 (PARENT COMPANY)

EARNINGS AND SALES

The company's net sales for the first half year totalled KSEK 0 (6M 2022: KSEK 0), and earnings after financial items totalled KSEK -4,367 (6M 2022: KSEK -4,876). Operating costs amounted to KSEK -4,368 (6M 2022: KSEK -3,547). EBITDA for the first half year was KSEK -4,368 (6M 2022: KSEK -2,787). Financial items for the first half year amounted to KSEK 1 (6M 2022: KSEK -2,089).

INVESTMENTS

Investments in property, plant, and equipment in the first half year totalled KSEK 0 (6M 2022: KSEK 0). Investments in intangible assets amounted to KSEK 0 (6M 2022: KSEK 0). Investments in non-current financial assets amounted to KSEK 22,146 (6M: KSEK 101).

FINANCIAL POSITION

Cash and cash equivalents on June 30, 2023 amounted to KSEK 6,187 (June 30, 2022: KSEK 26,619) on June 30, 2023. Equity was KSEK 51,643 (6M 2022: KSEK 41,066).

CASH FLOW AND FINANCING

Cash flow from operating activities in the first half year was KSEK -4,697 (6M 2022: KSEK -9,134). Cash flow from investing activities was KSEK -22,146 (6M 2022: KSEK 101), while cash flow from financing activities was KSEK 22,335 (6M 2022: KSEK 35,126).

RELATED-PARTY TRANSACTIONS

During the half-year, earnings were charged with fees of SEK 99 thousand paid to board member Roberto García Martínez's company Nazgero Consulting Service LTD, and SEK 134 thousand paid to board member Timo Mäki, for work carried out.

THE SHARE

The share capital of Northgold AB (publ) on June 30, 2023 amounted to SEK 863,693.85 The total number of shares outstanding was 12,264,487.

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

LIST OF SHAREHOLDERS AT JUNE 30, 2023

Shareholder	Number of Shares	Percentage (%)
Magnus Minerals Oy	2,904,080	23.68 %
Brown Brothers Harriman & Co Ltd.	1,230,076	10.03%
Bank Julius Baer & Co Ltd.	1,186,564	9.67 %
Andrew Randall	826,157	6.74 %
Nordea Bank ABP	677,103	5.52 %
Kimberly Wrixon	649,040	5.29 %
Aurora Exploration Oy	603,400	4.92 %
Citibank London	531,935	4.34 %
Zenito Silver and Gold	449,800	3.67 %
Henrik Löfberg	331,340	2.73 %
Other shareholders	2,874,992	23.44 %

FINANCIALS

INCOME STATEMENT (GROUP, CONSOLIDATED)

KSEK	2023 Jan-Jun	2022 Jan-Jun	2023 Apr-Jun	2022 Apr-Jun	2022 Jan-Dec
Operating income					
Net sales	0	0	0	0	0
Other operating income	0	0	0	0	0
Total operating income	0	0	0	0	0
Operating costs					
Other external costs	-5,888	-4,247	-3,085	-1,592	-9,706
Staff costs	-1,786	-860	-1,121	-615	-3,074
Depreciation of tangible assets	-190	-126	-0	0	-127
Operating profit/loss	-7,864	-5,233	-4,206	-2,207	-12,907
Net financial items	-30	-259	-113	-270	480
Profit/loss before tax	-7,894	-5,492	-4,319	-2,477	-12,427
Tax on profit/loss for the year	0	0	0	0	0
PROFIT/LOSS FOR THE PERIOD	-7,894	-5,492	-4,319	-2,477	-12,427

BALANCE SHEET (GROUP, CONSOLIDATED)

KSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
Intangible assets	47,001	15,671	23,504
Tangible assets	218	54	54
Financial assets	203	192	201
Other current assets	1,626	1,314	965
Cash and bank balances	7,952	28,316	12,997
TOTAL ASSETS	57,000	45,547	37,721
EQUITY AND LIABILITIES			
Equity	48,853	40,372	33,291
Deferred tax	5,309	2,330	2,330
Current liabilities	2,838	2,845	2,100
TOTAL EQUITY AND LIABILITIES	57,000	45,547	37,721

CHANGES IN EQUITY (GROUP, CONSOLIDATED)

KSEK	2023 Jan-Jun	2022 Jan-Jun	2023 Apr-Jun	2022 Apr-Jun	2022 Jan-Dec
Equity at the beginning of the period	33,291	10,675	52,335	44,024	10,675
New share issue	23,118	39,626	2	1	39,625
Costs for new share issue	-783	-4,500	0	-1,255	-4,500
Translation differences	1,121	63	835	79	-82
Profit/loss for the period	-7,894	-5,492	-4,319	-2,477	-12,427
Equity at the end of the period	48,853	40,372	48,853	40,372	33,291

STATEMENT OF CASH FLOW (GROUP, CONSOLIDATED)

KSEK	2023 Jan-Jun	2022 Jan-Jun	2023 Apr-Jun	2022 Apr-Jun	2022 Jan-Dec
Operating profit/loss for the period	-7,864	-5,233	-4,206	-2,207	-12,907
Amortisation and depreciation	190	126	0	0	127
Financial items, etc.	-30	-259	-113	-270	480
Cash flow from operating activities before change in working capital	-7,704	-5,366	-4,319	-2,477	-12,300
Change in operating receivables	-661	-1,059	-855	-841	-709
Change in operating liabilities	738	2,468	149	-357	1,723
Cash flow from operating activities	-7,627	-3,957	-5,025	-3,675	-11,286
Cash flow from investing activities	-20,684	-3,856	-6,120	-3,879	-11,697
Cash flow from financing activities	22,335	35,063	2	-1,175	35,125
Cash flow for the period	-5,976	27,250	-11,143	-8,729	12,142
Translation differences	931	0	835	0	-210
Cash and cash equivalents at the beginning of the period	12,997	1,066	18,260	37,045	1,065
Cash and cash equivalents at the end of the period	7,952	28,316	7,952	28,316	12,997

INCOME STATEMENT (PARENT COMPANY)

KSEK	2023 Jan-Jun	2022 Jan-Jun	2023 Apr-Jun	2022 Apr-Jun	2022 Jan-Dec
Operating income					
Net sales	0	0	0	0	0
Other operating income	0	760	0	760	1,126
Total operating income	0	760	0	760	1,126
Operating costs					
Other external costs	-2,852	-2,687	-1,555	-718	-4,588
Staff costs	-1,516	-860	-874	-615	-3,074
Depreciation of tangible assets	0	0	0	0	0
Operating profit/loss	-4,368	-2,787	-2,429	-573	-6,536
Net financial items	1	-2,089	3	-1	-5,731
Profit/loss before tax	-4,367	-4,876	-2,426	-574	-5,731
Tax on profit/loss for the year	0	0	0	0	0
PROFIT/LOSS FOR THE PERIOD	-4,367	-4,876	-2,426	-574	-12,267

BALANCE SHEET (PARENT COMPANY)

KSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
Financial assets	46,249	10,336	24,103
Other current assets	267	4,814	173
Cash and bank balances	6,187	26,619	10,695
TOTAL ASSETS	52,703	41,769	34,971
EQUITY AND LIABILITIES			
Equity	51,643	41,066	33,675
Current liabilities	1,060	703	1,296
TOTAL EQUITY AND LIABILITIES	52,703	41,769	34,971

CHANGES IN EQUITY (PARENT COMPANY)

KSEK	2023 Jan-Jun	2022 Jan-Jun	2023 Apr-Jun	2022 Apr-Jun	2022 Jan-Dec
Equity at the beginning of the period	33,675	10,816	54,067	42,894	10,816
New share issue	23,118	39,626	2	1	39,626
Costs for new share issue	-783	-4,500	0	-1,255	-4,500
Profit/loss for the period	-4,367	-4,876	-2,426	-547	-12,267
Equity at the end of the period	51,643	41,066	51,643	41,066	33,675

STATEMENT OF CASH FLOW (PARENT COMPANY)

KSEK	2023 Jan-Jun	2022 Jan-Jun	2023 Apr-Jun	2022 Apr-Jun	2022 Jan-Dec
Operating profit/loss for the period	-4,368	-2,787	-2,429	-573	-6,536
Financial items, etc.	1	-2,089	3	-1	-5,730
Cash flow from operating activities before change in working capital	-4,367	-4,876	-2,426	-574	-12,267
Change in operating receivables	-94	-4,613	-24	-4034	29
Change in operating liabilities	-236	355	-247	-2,503	948
Cash flow from operating activities	-4,697	-9,134	-2,697	-7,111	-11,290
Cash flow from investing activities	-22,146	101	-8,305	101	-13,666
Cash flow from financing activities	22,335	35,126	2	-1,325	35,125
Cash flow for the period	-4,508	26,093	-11,000	-8,335	10,169
Cash and cash equivalents at the beginning of the period	10,695	526	17,187	34,954	526
Cash and cash equivalents at the end of the period	6,187	26,619	6,187	26,619	10,695

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

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UPCOMING REPORTING DATES

The interim report for Q3 2023 will be published on November 24, 2023.
 The interim report for Q4 2023 will be published on March 22, 2024.

Reports and press releases, etc., are published on Nasdaq First North's website www.nasdaqomxnordic.com and on www.northgoldab.com.

AUGUST 2023

Northgold AB
 Board of Directors

For further information, please contact CEO Mitch Vanderydt
 Email: 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