



Rights issue of units in Northgold AB

Subscription period 10 September - 24 September 2024

Investor teaser

All investments in securities involve risk. The information memorandum (the "Memorandum") prepared for the ongoing rights issue of units (the "Rights Issue" or "Offering") by Northgold AB ("Northgold" or the "Company") outlines the potential risks related to the Company's business and its securities. Prospective investors are encouraged to review the Memorandum in full before making any investment decisions.

The Memorandum provides a comprehensive overview of the Company, the Offering, and the risks associated with investing in Northgold and participating in the Offering. It has been prepared by Northgold's Board of Directors, with Augment Partners AB serving as the financial advisor for the Offering. The Memorandum is available on the Company's website at www.northgoldab.com, on Augment Partners AB's website at www.augment.se/offerings/, and on Aqurat Fondkommission AB's website at <https://aqurat.se/aktuella-erbjudanden/>.

This investor teaser is not intended to serve as a substitute for the Memorandum when making decisions about subscribing for units in Northgold, nor does it constitute a recommendation to do so. Investors considering an investment in Northgold should carefully review the Memorandum.



Augment
PARTNERS
Financial advisor

Background and motive

Northgold is a Swedish gold exploration and development company with multiple resource-stage projects in the Middle Ostrobothnia Gold Belt of central Finland. Since the listing of shares on First North 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.

In the geographical setting of Northgold's projects, the Middle of Ostrobothnia in central Finland, the investment opportunities are attractive. The land position has a district-scale potential in an under-explored and emerging gold belt together with proper local infrastructure, including road access to project areas that connect railways and ports. The projects show a high-value mineralisation with near-surface existing resources, implying low discovery costs and suitability for open pit mining.

Along with a suitable geographical setting, Northgold is dependent on the development of the gold price. During 2024, the gold price reached all-time high in nominal terms, driven by geopolitical uncertainty, strong demand from central banks, and expected future interest rate cuts.

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.

According to the new strategy, the Company 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. 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.

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 remaining 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 of SEK 7.6 million, which is 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 potential gross proceeds from the warrants of series TO2, a maximum of SEK 12.2 million assuming full subscription in the Rights Issue and full exercise of the warrants, will be used to extend the runway of the Company.

Business overview

Northgold is a Swedish gold exploration and development company advancing resource-stage projects in the Middle Ostrobothnia Gold Belt (MOGB) of central Finland. Northgold currently holds three assets: the Kopsa gold-copper project, the Kiimala Trend gold project, and the Hirsikangas gold project. The Company currently holds existing informal combined resources of over 1 million gold equivalent ounces, of which 0.99 million is compliant with NI 43-101 and JORC-requirements. The Company aims to identify and ultimately extract gold from underexplored areas in Finland.

Strategy and objectives

Northgold's team of industry experts aims to deploy capital and knowledge on projects that:

- have low risk due to significant prior investment and discovery,
- demonstrate potential for high-value mineralisation on a district scale,
- and will generate significant uplift through further successful exploration and enhanced technical studies.

The Company focuses on exploration and development of gold deposits that create leverage for the growth of gold as a long-term investment instrument. Northgold's business model is to create value by expanding the 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.

On 29 August 2024, the Company decided on a new strategy. According to the new strategy, the Company 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. 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.



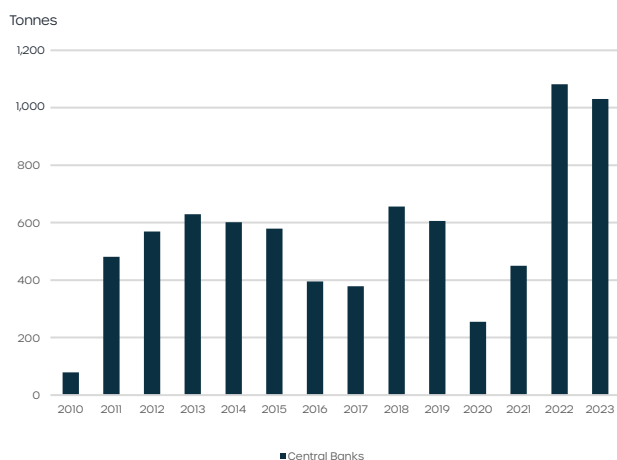
Project	Exploration permit status	Deposit	Resource type	Resource category	M tonnes	Au (g/t)	Cu (%)	AuEq (g/t)	Au (oz)	AuEq (oz)
Kopsa	Granted	Main	JORC-compliant	Measured and indicated	14.44	0.88	0.16	111	406,400	513,700
				Inferred	6.24	0.89	0.19	118	178,700	235,700
Project total					20.68	0.87	0.17	1.13	585,100	749,500
Kiimala Trend	Granted	Ängesneva	NI 43-101 / JORC-compliant	Indicated	3.85	119	-	119	147,300	147,300
		Vesiperä	Historic / non-compliant	n/a	0.29	2.52	-	2.52	23,500	23,500
Project total					4.14	1.28	-	1.28	170,800	170,800
Hirsikangas	Granted, subject to a permit renewal process	Hirsikangas	NI 43-101 compliant	Inferred	2.27	1.2	-	1.20	89,000	89,000
Project total					2.27	1.2	-	1.20	89,000	89,000
Company total (including historic / non-compliant)					27.90	0.96	0.13	1.37	844,900	1,009,300
Company total (only JORC-compliant or 43-101 compliant)					27.61	0.94	0.13	1.36	821,400	985,800

The gold market

Gold continues to be a major force in global investment, offering a hedge against inflation and currency fluctuations. Strong demand for gold from central banks, investors, and industries, combined with limited supply growth, supports favourable long-term price trends. As a strategic resource, gold's value is expected to remain resilient, due to its role as a high-quality asset during periods of systematic market risk.

Gold price at all-time highs

Following the COVID-19 pandemic, central banks have driven record demand for gold, purchasing over 1,000 tonnes in both 2022 and 2023. Gold's role as a key reserve asset is underpinned by its safety, liquidity, and return characteristics, with central banks holding an average of 12.5 per cent of their reserves in gold. A 2024 World Gold Council survey revealed that 29 per cent of central banks plan to increase their gold reserves, the highest level since 2018.¹ Gold's appeal as an inflation and currency hedge, particularly during periods of market uncertainty, enhances its demand, while its ability to reduce portfolio volatility further solidifies its importance as a strategic asset.²

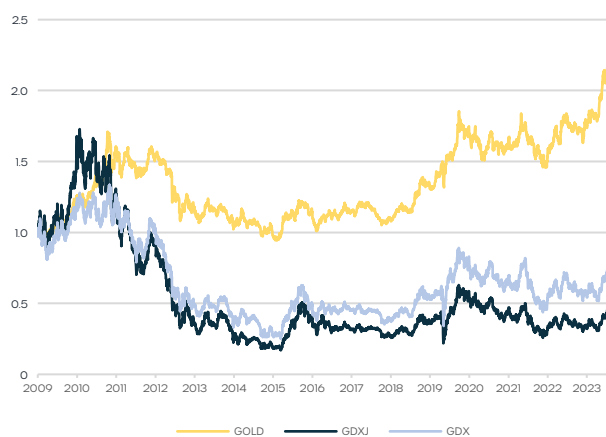


Central banks gold purchasing from 2010 to 2023.

In 2024, gold prices reached an all-time high in nominal terms, driven by geopolitical uncertainty, strong demand from central banks, and anticipated future interest rate cuts. There is a strong negative correlation between bond yields and the price of gold; as yields on safe assets decrease, the attractiveness of gold typically increases, driving up its price.³

Nordic gold mining potential

Despite record-high gold prices, junior mining companies (GDJX) are underperforming compared to both the price of gold and senior gold miners (GDJ).



Gold price vs senior (GDJ) and junior miners (GDJX).

The gold mining industry faces increasing difficulties in maintaining production growth due to the scarcity of new gold deposits. Discovering new sources has become significantly challenging, with many projects located in remote regions requiring substantial infrastructure investment, driving up construction and financing costs.⁴

As global gold reserves decline, the Nordic region, particularly Finland, is emerging as an attractive area for exploration. Finland boasts the highest concentration of gold mineralisation in Europe, with substantial deposits confirmed by foreign companies from established mining nations like Canada and Australia.⁵ Its stable political environment, well-developed infrastructure, and favourable geological conditions make it an increasingly attractive destination for mining investment.

¹ World Gold Council, 2024 Central Bank Gold Reserves Survey, <https://www.gold.org/goldhub/data/2024-central-bank-gold-reserves-survey>

² World Gold Council, Why Invest in Gold? Gold's Role in Long-Term Strategies

³ World Gold Council, GRAM, <https://www.gold.org/goldhub/tools/gold-return-attribution-model>

⁴ FastForward (2024), Gold Mining Industry Struggles with Declining Production Growth, <https://fastforward.com.cy/breakthrough/gold-mining-industry-struggles-declining-production-growth>

⁵ Fraser Institute (2024), Annual Survey of Mining Companies, 2023,

Information about the Offering

Maximum number of newly issued units	5,070,191 units (15,210,573 shares and 10,140,382 warrants of series TO2)
Terms	One (1) share entitles the holder to one (1) unit right. Three (3) unit rights entitles the holder to one (1) unit. One (1) unit contains three (3) new shares and two (2) warrants of series TO2
Subscription price	SEK 3.00 per unit, corresponding to SEK 1.00 per share, warrants are issued free-of-charge
Issue volume	Approximately SEK 15.2 million
Pre-money valuation	Approximately SEK 15.2 million
Subscription commitments and underwriting commitments	50 per cent (subscription commitments of approximately SEK 1.8 million and underwriting commitments of approximately SEK 5.9 million)
Trading in unit rights	10 September 2024 - 19 September 2024
Subscription period	10 September 2024- 24 September 2024
Estimated date for the announcement of issue outcome	25 September 2024

Other information

ISIN code	SE0017131071
LEI code	549300MAQNIY0H5MS433
Short name	NG
Marketplace	Nasdaq First North Growth Market Sweden

Timetable



10 September

First day of subscription period

Trade in unit rights begins



19 September

Trade in unit rights ends



24 September

Last day of subscription period



25 September

Estimated date for the announcement of issue outcome

Instructions for participation

Unit rights

1. Allocation of unit rights

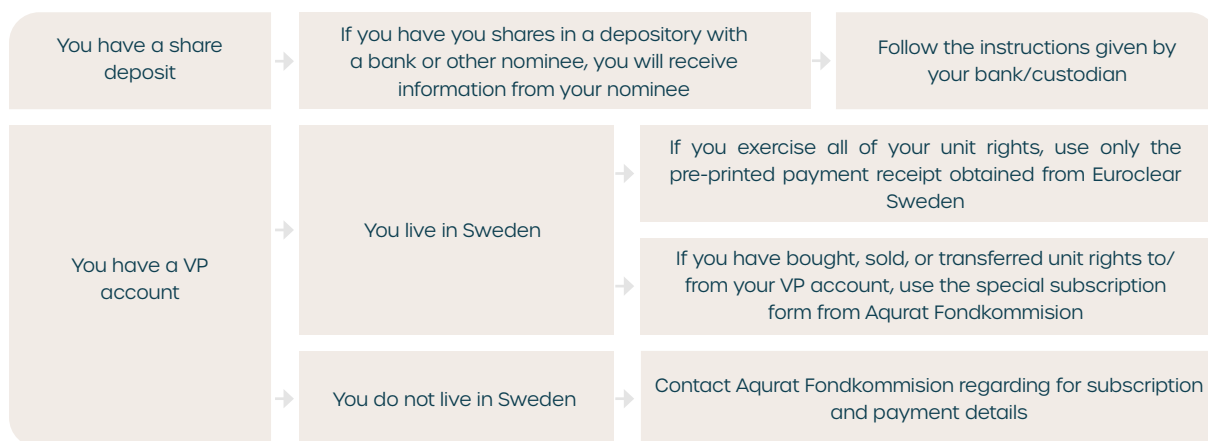
Shareholders of the Company will receive one (1) unit right for each existing share held on the record date 6 September 2024.

2. Exercise of unit rights

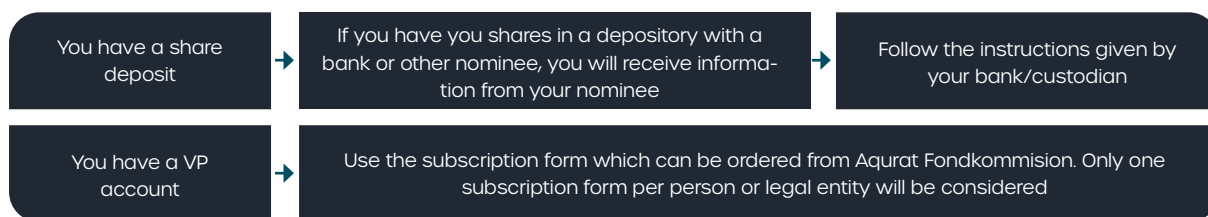
Three (3) unit rights entitles the holder to one (1) unit at a subscription price of SEK 3.00 per unit, corresponding to SEK 1.00 per share. Subscription takes place from 10 September to 24 September 2024.

One (1) unit contains three (3) new shares and two (2) warrants of series T02.

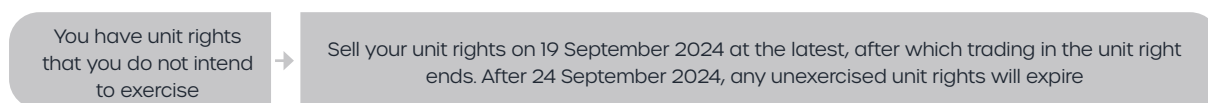
Subscription with unit rights



Subscription without unit rights



Unexercised unit rights



Please note that banks and other nominees may have different deadlines for the last day of subscription.
Please contact your bank/custodian for information about your subscription

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