

## **ENDOMINES ISSUES SHARES TO JOENSUUN KAUPPA JA KONE AND A CONVERTIBLE LOAN TO THE SELLER OF TVL GOLD**

*Endomines Ab, press release March 6, 2018 at 17:30 CEST*

Endomines' Board of Directors has today resolved on directed set-off issues of shares and convertibles to Joensuun Kauppa ja Kone Oy ("JKK") and the seller of TVL Gold, respectively, in accordance with the authorisation given by the extraordinary general meeting on 8 January 2018.

As previously communicated, the company's lender, JKK, has agreed to offset Endomines' full 3.6 MEUR loan against a directed share issue in Endomines. The Board has today resolved upon a directed issue of 3,688,960 shares to JKK, corresponding to 10.5 per cent of the total number of shares in Endomines after the issue, at a subscription price of 9.90 SEK per share. The number of shares in Endomines will, after registration of the share issue to JKK, increase from 31,458,825 to 35,147,785 and the share capital will increase from 251,670,600 SEK to 281,182,280 SEK. Following the directed share issue, Endomines will have no further debt to JKK.

Further, the Board of Directors has today resolved upon a directed issue of convertibles to the owner of TVL Gold, the US mining company, the acquisition of which Endomines completed on 27 February 2018. As previously communicated, 20.67 MUSD (170,826,528 SEK) of the total purchase price of 31.25 MUSD shall be paid through a convertible loan.

The convertible loan of 170,826,528 SEK in total runs with a yearly interest of 6.0 percent that, at Endomines' discretion, can be paid in cash or in shares. Half of the convertible loan can be converted during the period 31 March 2019 – 30 March 2020 (or at an earlier time if Endomines Board of Directors resolves that such early conversion is in the company's best interest) at a conversion price of 12.76 SEK per new share. The remaining part of the convertible loan can be converted during the period 31 March 2020 – 30 March 2021 at a conversion price of 13.91 SEK per new share. If conversion has not taken place before 1 April 2021, Endomines has the right to execute conversion of the remaining part of the convertible loan at a conversion price of 15.07 SEK per share.

If conversion is made after approximately 12 and 24 months in accordance with the description above, the holder of the convertible will get in total 12,834,250 shares in Endomines, corresponding to approximately 26.8 per cent of the total number of shares in the company, after said conversion and the share issue to JKK as set out above (calculated without conversion into new shares of the interest). As a result of conversion, the holder's total shareholding in Endomines cannot exceed 29.9 percent.

### **Contact person**

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*The information was submitted for publication, through the agency of the contact persons set out above, at 17:30 CEST on 6 March 2018.*

### **About Endomines**

*Endomines is a gold concentrate producer with mining, development and exploration operations in Eastern Finland along the 40 kilometer long Karelian Gold Line. Through various regulatory approvals, Endomines controls the exploration rights to this entire area. Endomines vision is to participate in the future structural transformation and consolidation of the Nordic mining industry. The Company may therefore be involved in acquisitions of interesting deposits or companies, should such opportunities arise.*

*The shares trade on Nasdaq Stockholm (ENDO) and Nasdaq Helsinki (ENDOM).*