

Endomines resolves on a directed set-off issue to guarantors following the rights issue

Endomines AB, Stock Exchange Release 23.2.2021 at 12:00 CET

Endomines AB (publ) ("Endomines" or "the Company") has, as previously communicated, completed the rights issue of shares that provided the Company with approximately SEK 214 million, which was announced on 28 January 2021 (the "Rights Issue"). In accordance with the guarantee agreements entered into in connection with the Rights Issue, a set-off issue of a total of 4,224,000 shares is now being carried out to those guarantors in the Rights Issue that have chosen to receive guarantee compensation in the form of newly issued shares in the Company (the "Guarantee Issue"). The subscription price in the Guarantee Issue is, in accordance with the guarantee agreements, SEK 2.50 per share, which also corresponds to the price per share in the Rights Issue, and, according to the Board of Directors' assessment, is in line with the market value. Payment is made by way of set-off of each guarantor's claim for guarantee compensation.

As communicated in connection with the Rights Issue, the guarantors had the right, in accordance with the guarantee commitments, to choose to receive the guarantee compensation in cash or newly issued shares in Endomines. All of the guarantors have chosen to receive shares in the Company, some of which have chosen to receive part of the compensation in shares and part in cash. The total guarantee compensation amounts to SEK 12,760,000, of which SEK 10,560,000 is paid through newly issued shares in Endomines and SEK 2,200,000 is paid in cash.

Against this background the Board of Directors has, by the use of an authorization from the Extraordinary General Meeting held on 4 January 2021, resolved upon the Guarantee Issue, which comprises 4,224,000 shares in total, directed to the guarantors in the Rights Issue, i.e. Formue Nord Markedsneutral A/S, Gerhard Dal, Råsunda Förvaltning AB, Modelio Equity AB and Oscar Molse. The reason for the deviation from the shareholders' preferential rights is to fulfil the Company's obligations towards the guarantors under the respective guarantee undertakings that the guarantors have entered into for the benefit of the Company in connection with the Rights Issue.

The issue is expected to be registered by the Swedish Companies Registration Office around 25 February 2021, and the first trading day for the new shares on Nasdaq Stockholm and Nasdaq Helsinki is expected to be around 26 February 2021. After registration of the Guarantee Issue, the share capital in Endomines will increase by SEK 8,448,000 to SEK 442,240,070, and the total number of outstanding shares and votes in Endomines will increase by 4,224,000 shares and votes to 221,120,035 shares and votes. The dilution effect with respect to the Guarantee Issue is approximately 1.9 percent.

Contact person

Marcus Ahlström, CFO, +358 50 544 68 14, marcus.ahlstrom@endomines.com

This information is information that Endomines AB is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication through the contact person set out above at 12:00 CET on 23 February 2021.

About Endomines

Endomines is a mining and exploration company with its primary focus on gold. The Company explores for gold along the Karelian Gold Line in Eastern Finland and develops mining operations in Idaho, USA. Endomines aims to improve its long-term growth prospects by increasing its exploration activities and through acquisitions. Endomines aims to acquire deposits that are situated in stable jurisdictions and can be brought to production rapidly with

STOCK EXCHANGE RELEASE ENDOMINES AB
STOCKHOLM 23 FEBRUARY 2021
10/2021



limited investments.

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

In case of differences between the Swedish, Finnish and English language versions of this press release, the Swedish language version shall prevail.