

Endomines resolves on a directed share issue to LDA Capital Limited

Endomines AB (publ), Stock Exchange Release 9 December 2021 at 17:00 CET

The Board of Directors of Endomines AB (publ) ("Endomines" or the "Company") has, based on the authorisation granted by the Annual General Meeting on 10 June 2021, resolved on a directed issue of 2,673,911 shares to LDA Capital Limited ("LDA") at a price of EUR 0.245 (corresponding to SEK 2.510¹) per share (the "Directed Issue"), providing total issue proceeds of EUR 655,108 (corresponding to SEK 6,711,123¹). The proceeds from the Directed Issue are intended to be used to fund the ongoing ramp-up at the Company's projects at the Friday mine in the US and the Pampalo mine in Finland.

The Directed Issue is carried out as part of the financing package which Endomines has entered into with LDA, which was communicated through a press release on 8 May 2021. The financing package comprises, *inter alia*, a put option agreement (the "Agreement") under which the Company has a right to request that LDA, at one or more occasions during the term of the Agreement, subscribes for shares in the Company for a total amount of up to EUR 8 million. The Company has utilised the Agreement on one occasion in October 2021, whereby LDA subscribed for 2,000,000 shares in the Company as per the Company's request. At the Annual General Meeting 2021, the shareholders in Endomines authorised the Board of Directors to resolve on directed issues, including to LDA in accordance with the Agreement. The Board of Directors has established that there is an additional need for funding relating to the ongoing ramp-up at the Company's projects at the Friday- and Pampalo mines, and has found that the Directed Issue is the most appropriate way for the Company to raise this capital; both from a cost perspective and a time perspective. As Endomines communicated through a press release on 26 November 2021, its subsidiary Endomines Finland Oyj has entered into a financing agreement with a group of Finnish investors providing a total funding of EUR 2.5 million, which contributes with necessary capital to the group. Since the ongoing ramp-ups of the mines are in capital-intensive phases, there is a need for additional funding, which the Board of Directors has deemed most appropriate to be procured through the Directed Issue.

The Board of Directors has evaluated various financing options and deems that an issue to LDA on market terms in accordance with the Agreement is currently the best option for the Company and its shareholders to get access to the required capital compared to other possible financing options. In light of the limited size of the issue amount, that the Company will get quick access to capital, subscription levels in previous rights issues and after consultation with major shareholders in the Company, the Board of Directors does not deem a rights issue to be an appropriate option.

The subscription price for the shares in the Directed Issue has been set to 90 percent of the volume weighted average price of the Company's shares on Nasdaq Helsinki during the period 11 October - 5 November 2021, which according to the Board of Directors' assessment is in line with the market value, with a customary discount. The total issue proceeds from the Directed Issue amounts to EUR 655,108. In accordance with the Agreement, Endomines shall, as previously disclosed, pay a fee of in total EUR 160,000 to LDA for its undertaking. Payment of the fee shall be made in two instalments of EUR 80,000 each of which the first instalment was made in connection with the issue to LDA previously during the autumn 2021. Endomines will pay the second and last instalment in connection with the Directed Issue, and therefore the net proceeds from the Directed Issue amount to EUR 575,108 (corresponding to SEK

¹ Based on the Swedish central bank's (Sw. *Sveriges Riksbank*) official EUR/SEK rate of 10.2443 on 8 December 2021.

5,891,579¹).

The Directed Issue is expected to be registered with the Swedish Companies Registration Office on or around 15 December 2021, and the first trading day of the new shares on Nasdaq Stockholm and Nasdaq Helsinki is expected to be on or around 22 December 2021. Following the registration of the Directed Issue, the share capital in Endomines will increase by SEK 5,347,822 to SEK 451,587,892, and the total number of outstanding shares and votes in Endomines will increase by 2,673,911 shares and votes to 225,793,946 shares and votes. The Directed Share Issue entails a dilution of approximately 1.2 percent of the number of votes and shares in the Company, based on the total number of shares and votes in Endomines after the Directed Issue.

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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 and Finland. 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 limited investments.

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