

Endomines Finland contemplates launching an offering to ramp up explorations at the Karelian Gold Line

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Endomines Finland Plc ("Endomines Finland" or "Company") contemplates launching an offering of shares (the "Offering") of EUR 13 million to ramp up explorations at the Karelian Gold Line. The purpose of the contemplated Offering is to enable extensive exploration drillings at the Karelian Gold Line and to create prerequisites for future growth and for the implementation of the previously announced new strategy. Additionally, the purpose of the Offering is to expand Endomines' ownership structure, increase Endomines' visibility among investors and to strengthen Endomines' capital structure thus enabling a more diverse use of debt financing solutions in the future.

Kari Vyhtinen, CEO of Endomines Finland:

"We have achieved a lot during this year. Our Company has a clear strategy and related objectives. The cornerstone of our strategy is the gold production in Pampalo and the gold deposits surrounding the area. Our financial situation is stable, our organization is strong, our production volume is growing, and our result has improved significantly.

We are now seeking funding especially for the implementation of our growth strategy. This is connected to the long-term exploitation at the Karelian Gold Line and the possibility to take a leap as a company to a larger scale. The area has a great deal of potential which is based on concrete research already conducted as well as on verified prospects. Our intention is to do responsible, stable growth business that takes into account our impact on the environment and people.

In addition to the upcoming Offering, we have decided to move our domicile from Sweden to Finland. We firmly believe it will bring benefits to our shareholders and contribute on the emphasis our strategy's focus, Finnish gold. We welcome our current as well as future owners onboard to participate in the construction of Endomines of the following years."

Information on the contemplated Offering

The Offering would consist of approximately EUR 13 million share issue as follows:

- A public offering of new shares to private individuals and entities in Finland and Sweden.
- An offering of new shares to institutional investors in the European Economic Area and in the United Kingdom. The subscription price can be paid at the investor's choice either in cash or by

setting off the nominal amount of a receivable payable thereto by the Company based on the convertible loans with accumulated interest and potentially unpaid loan premiums.

- In the event that the Offering is oversubscribed, the Board of Directors of the Company can increase the size of the Offering by a maximum of EUR 5 million. In the event of overallotment, the Board of Directors of the Company has the right to, before other subscribed subscribers, allocate new shares to Endomines AB (publ) ("**Endomines AB**", and jointly with Endomines Finland Plc, "**Endomines**") shareholders who have made a subscription.
- Together with the Offering, a personnel offering of new shares to permanent employees of Endomines Finland as well as members of the Endomines Finland Management Team and Board of Directors.

During November 2022, the Company has received subscription commitments from Joensuun Kauppa ja Kone Oy, Mariatorp Oy, Wipunen varainhallinta Oy, Sijoitusrahasto Zenito Silver and Gold as well as from some other investors of EUR 12.2 million in total to subscribe for new shares of the Company, subject to certain ordinary conditions and that the subscription price of the Company's share is not more than Endomines AB's share price at the end of the trading day on Nasdaq Helsinki Oy ("**Nasdaq Helsinki**") official list prior to the resolution on the Offering.

The Offering will be executed in connection with the contemplated merger and is conditional upon the implementation of the merger of the parent company Endomines AB and Endomines Finland.

Endomines' strategy and mid-term operational targets

On 18 August 2022, Endomines AB announced its renewed strategy. The implementation of the strategy was started in autumn 2022 by commencing explorations at the Karelian Gold Line and production in the Eastern open-pit mine. On 13 October 2022, Endomines AB disclosed the medium-term operational objectives under the new strategy, which are:

- Over 1 million oz gold mineralization defined on the Karelian Gold Line by the end of 2025;
- Annual gold production level of 20,000 oz at Pampalo by the end of 2024;
- Operational efficiency and profitability are at a good level compared to peer companies;
- Partnership agreement for the USA operations agreed by the end of 2023; and
- Among the leading mining companies in the field of ESG.

The strengths of Endomines

- High potential to locate over 1 million oz gold mineralization on the Karelian Gold Line
- Renewed strategy with focus on responsible gold production in Finland and a shift to a collaboration model in the United States
- Unused capacity at the at the Pampalo beneficiation plant allows for the expansion of operations to the other known gold deposits on the Karelian Gold Line
- New Management Team with extensive experience in mining and the strong support of committed shareholders

- Responsible production process and the ambition to be among the leading mining companies in ESG matters
- Steady demand for gold and possibility of selling the Pampalo gold directly to consumers

Redomiciliation to Finland

On 18 August 2022, Endomines AB announced the redomiciliation of the parent company from Sweden to Finland through a cross-border downstream merger. In the merger, the current parent company Endomines AB will merge into its wholly-owned subsidiary Endomines Finland, which will continue as the surviving company. According to the assessment of Endomines AB, a Finnish public company would be subject to a regulatory framework more suited for Endomines, its operations and shareholders. The redomiciliation is also expected to decrease administrative complexity and reduce administrative costs and enhance efficiency.

The merger will not have effect on the business activities, assets, liabilities and employees of Endomines. In the Merger, Endomines AB's shareholders will receive one new share in Endomines Finland for each share held in Endomines AB. The last day of trading of Endomines AB's shares on Nasdaq Stockholm and Nasdaq Helsinki is expected to be 14 December 2022. The Merger and the re-domiciliation are planned to become effective on or about 16 December 2022.

The schedule for the Offering

The Company intends to publish a prospectus for the Offering on or about 28 November 2022. The application for the admission to trading on the official list of Nasdaq Helsinki of the Company's shares subscribed in the Offering as well as the Company's shares issued as merger consideration will be done simultaneously. The trading in the shares subscribed in the Offering along with the Company's shares issued as merger consideration on Nasdaq Helsinki official list is expected to commence on or about 20 December 2022.

Advisors

Aktia Alexander Corporate Finance Ltd ("ACF") is acting as the lead manager in connection to the Offering. Borenus Attorneys and Advokatfirman Schjødt act as legal advisors to Endomines. Miltton Ltd is acting as the Endomines' communications adviser.

For further information, please contact:

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This information is information that Endomines AB (publ) 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 07:00 CET on 24 November 2022.

About Endomines

Endomines is a mining and exploration company with its primary focus on gold. Endomines is engaged in mining operations at the Pampalo mine in Ilomantsi, and in exploration activities along the Karelian Gold Line in Eastern Finland. Endomines also owns rights to several gold deposits in Idaho and Montana, US, where Endomines aims to continue the development work through partnership agreements.

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The Company has not authorized any offer to the public of securities in the United Kingdom or in any Member State of the European Economic Area other than Finland. With respect to the United Kingdom and each Member State of the European Economic Area other than Finland and which applies the Prospectus Regulation (each, a “**Relevant Member State**”), no action has been undertaken or will be undertaken to make an offer to the public of securities requiring publication of a prospectus in any Relevant Member State. As a result, the securities may only be offered in Relevant Member States (a) to any legal entity, which fulfils the requirements of a qualified investor as defined in the Prospectus Regulation; or (b) in any other circumstances falling within Article 1(4) of the Prospectus Regulation. For the purposes of this paragraph, the expression an “offer of securities to the public” means a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe for those securities. The expression “Prospectus Regulation” means Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended.

This communication is directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial

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Full terms, conditions and instructions for the contemplated offering will be included in the prospectus that will be prepared by the Company in connection with the contemplated offering. The Finnish prospectus and its unofficial English translation will be published on the website of the Company at endomines.com.

An investor is advised to read the prospectus before making an investment decision to fully understand the risks and rewards associated with the investment. The approval by the Finnish Financial Supervisory Authority of the prospectus shall not be considered as an endorsement of the securities offered.

FORWARD-LOOKING STATEMENTS

Certain statements in this release are “forward-looking statements.” Forward-looking statements include statements concerning plans, assumptions, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, the Company’s competitive strengths and weaknesses, plans or goals relating to financial position, future operations and development, its business strategy and the anticipated trends in the industry and the political and legal environment in which it operates and other information that is not historical information. In some instances, they can be identified by the use of forward-looking terminology, including the terms “believes,” “intends,” “may,” “will” or “should” or, in each case, their negative or variations on comparable terminology.

Forward-looking statements in this release are based on assumptions. Forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and the risk exists that the predictions, forecasts, projections, plans and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, you are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this release. Save as required by law, the Company does not intend to, and does not assume any obligation to, update or correct any forward-looking statement contained in this release.