



Invitation to subscribe for shares in Endomines AB (publ)

Subscription period
11-25 January



This brochure is not and shall not be considered as a prospectus according to current law. The Prospectus, which has been approved and registered by Finansinspektionen, has been published and is available at Endomines AB (publ) ("Endomines" or "Company") and Evlis homepages, www.endomines.com and www.evli.com respectively. The Prospectus contains, among other things, a presentation of Endomines, the Rights Issue and risks associated with an investment in Endomines and participation in the Offering. This brochure is not intended to replace the prospectus as a basis for decision to subscribe for shares in Endomines and is not a recommendation to subscribe for shares in Endomines. Investors who wants to, or considers to, invest in Endomines are encouraged to read the Prospectus.





Summary of the Rights Issue

Endomines Board of Directors decided November 30, 2020 on a Rights Issue of shares to current shareholders (the "Rights Issue"). On January 4, 2021, the Extraordinary General Meeting approved the Board's decision.

The rights issue is for a maximum of 112,547,292 new shares at a subscription price of SEK 2.50 per share in Sweden and 0.25 EUR per share in Finland, meaning that the Company will receive approximately MSEK 281 before transaction costs through the Offer upon full subscription. The issue costs are estimated to amount to MSEK 21, provided that the guarantee compensation is paid in cash (MSEK 11) (see the Prospectus for more information).

The person who, on the record date of January 7, 2021, is registered as a shareholder in Endomines, is entitled to subscribe for shares in the Rights Issue with pre-emptive rights and will receive one (1) subscription right for each held share. Seven (7) subscription rights entitles to subscription of six (6) new shares. The subscription price for one share is SEK 2.50 in Sweden. The equivalent for subscription in Finland is 0.25 EUR. The Subscription period is January 11 – 25, 2021. Shareholders who choose not to participate in the Rights Issue will have their ownership diluted by up to approximately 46 percent, but have the opportunity to financially compensate for the dilution effect by selling their subscription rights.

Subscription and guarantee undertakings

A number of the Company's current shareholders, Joensuu Kauppa ja Kone Oy, Mariatorp Oy, Wipunen varainhallinta Oy, K22 Finance Oy, Kari Heikki Ilmari Kakkonen and Ingmar Haga, have signed undertakings to subscribe for shares in the Rights Issue, corresponding to approximately MSEK 58 in total, representing 21 percent of the Rights Issue. In addition, certain external guarantors, led by Formue Nord A/S, have entered into guarantee undertakings for a total amount of MSEK 110, corresponding to 39 percent of the Rights Issue. The guarantee undertakings can only be utilised up to a total maximum subscription in the Rights Issue of MSEK 168. This means that the Guarantors will have no obligation to subscribe for any additional shares under the guarantee commitments when the Rights Issue has been subscribed for in an amount corresponding to MSEK 168 million, regardless of whether the guarantee commitments have been used for subscription or not. The Rights Issue is thus covered by subscription and guarantee commitments up to MSEK 168, corresponding to 60 percent of the total issue proceeds. The subscription commitments and guarantee commitments are not secured.

IMPORTANT INFORMATION TO INVESTORS

For the information brochure and the offer according to the prospectus, Swedish law applies. Disputes arising from this information brochure, the offer and related legal relationships shall be settled exclusively by Swedish court. Endomines has not taken and will not take any measures to allow an offer to the public in any jurisdiction other than Sweden and Finland. The offer is not addressed to persons residing in the United States, Australia, Japan, Hong Kong, Singapore, New Zealand, Canada or in any other jurisdiction where participation would require additional prospectuses, registrations or actions other than those under Swedish law. Accordingly, this information brochure may not be distributed in or to those countries or any other country or jurisdiction where distribution or offer according to the prospectus requires such measures or otherwise violates the rules of such country or jurisdiction. Subscription of shares in breach of the above limitations may be invalid. No subscription rights, paid subscribed shares, newly issued shares, warrants or shares issued by Endomines have been registered or will be registered under the United States Securities Act of 1933 or securities law in any state or other jurisdiction in the United States.



The right to subscription

The person who, on the record date of January 7, 2021, is registered as a shareholder in Endomines, is entitled to subscribe for shares in the Rights Issue with pre-emptive rights. Seven (7) existing shares entitles to subscription of six (6) new shares. In addition, shareholders and the public are offered to subscribe for shares without pre-emptive rights, if shares are available after existing shareholders have got their allocation.

Subscription price

Payment for shares to be registered with Euroclear Sverige and traded on Nasdaq Stockholm shall be paid at SEK 2.50 per share. No brokerage fee will be charged

Record date

The record date at Euroclear for the determination of who is entitled to receive subscription rights is January 7, 2021.

Subscription rights

The right to subscribe for shares with pre-emptive rights is exercised through subscription rights. For each old share in Endomines held on the record date, one (1) subscription right will be obtained. Seven (7) subscription rights entitle to subscription of six (6) new shares.

Trading in subscription rights

Trading in subscription rights will be arranged at Nasdaq Stockholm. Trading will take place 11–19 January 2021. When selling subscription rights, pre-emptive rights will be transferred to the new holder of the subscription right. The ISIN code for subscription rights (TR) SE0015382023.

Subscription using subscription rights

Application to subscribe for shares through exercise of subscription rights shall be done by simultaneous cash payment during the period January 11–25, 2021. Use the pre-printed payment slip from Euroclear if all subscription rights are exercised. If not all subscription rights are utilized, use a special application form (No. 1). This can be obtained in the same way as the Application Form (No. 2), see below.

Subscription without subscription rights

Application to subscribe for shares without support of subscription rights (TR) is done through filling in and signing the special application form (No. 2) and sending it to Aktieinvest. The application form (No. 2) can be downloaded from the website (www.aktieinvest.se) or be ordered from Aktieinvest by e-mail, telephone. The application form (No. 2) can also be downloaded from Endomines' website (www.endomines.com) and Evli's website (www.evli.com).

Custodian registered shareholders

To subscribe for shares, follow instructions from your custodian.

Subscription of shares in Finland

For information on how to subscribe for shares in Finland, see the Prospectus or the information brochure in Finnish.

Risk factors

An investment in equities is always associated with risk. Factors beyond Endomines' control, as well as a number of factors whose effect the Company may influence through its actions, may affect the Company's operations, earnings and financial position adversely, which may reduce the value of the Company's shares and a shareholder may lose all or part of his invested capital. Investors are advised to read the Prospectus and pay attention to the section "Risk factors", before an investment is made. The prospectus is available on Endomines' website, www.endomines.com, and at www.evli.com. The prospectus can also be ordered free of charge from Evli, Regeringsgatan 67, Box 163 54, SE-103 26 Stockholm, by phone to +46 8 407 8000 or e-mail to emission@evli.se

Background and reasons

In October 2020, Endomines finalized the acquisition of the US Grant/Kearsarge gold properties in Montana, USA and advancing towards its goal of becoming a 100,000 oz per year gold producer. The Friday mine in Idaho, USA, started producing gold during 2020. In addition to continuing production ramp-up at Friday, the proceeds from this Rights Issue will be used to develop several other mines in the US as well as to re-start the Pampalo mine in Finland. The US Grant/Kearsarge, Rescue/Unity and Kimberly gold deposits will be developed and placed into production one by one. The company's intention is to increase the annual production to, in total, 100,000 oz gold.

Continued development of Friday

Endomines announced the first shipment of gold concentrate from the Friday Mine in April 2020 and continued the ramp-up of the Friday mine and mill during the summer months. Due to the very tight liquidity situation Endomines was forced to temporarily slow down operations and ramp-up after the summer months. During the slowdown period Endomines has focused on resolving the remaining technical issues at the mill mainly relating to tailings dewatering that have reduced the overall throughput at the mill. Plans to correct these issues have been finalized and the operation will continue as soon as financing is in place. Annual gold production at the Friday mine in Idaho, USA, is targeted at 9,000 oz with further expansion under evaluation, targeting more than 13,000 oz/p.a. "All-in sustaining cash cost", depending on the mining sequence, i.e. what area is being mined at a particular time is estimated to be in the range of 700–900 USD/oz, over the life of the mine.

Exploration and start-up of US Grant/ Kearsarge, Rescue, Unity and Kimberly

The US Grant/ Kearsarge properties will be explored and developed with phase-one production start-up in 2022. At Rescue and Unity, the next steps are to carry out further exploration and mine development to place both properties into production by 2024. Subject to final permitting, the current plan is to start production at Rescue by 2023 and Unity by 2024, provided that final environmental permits are obtained. At Kimberly, exploration, permitting and mine development will be done for a planned production start-up by 2024. Kimberly production potential will be confirmed based on drilling results received during 2021. A large part of the Rights Issue proceeds will be used for mine development and start-up of US Grant/ Kearsarge and Rescue as well as re-starting the Pampalo mine. With all the assets producing, Endomines estimates annual gold production to be approximately 100,000 oz.

Exploration and start-up of the Pampalo mine along the Karelian Gold Line

Endomines is planning to re-start gold production along the Karelian Gold Line by using its Pampalo mine that was put on care and maintenance in 2018. Part of the Rights Issue proceeds to finance the production start-up and continue exploration along the highly prospective Karelian Gold Line with the intent to increase the mineral resources in areas close to the mine.

Debt repayment

Endomines will use part of the Rights Issue proceeds to repay certain bridge loans to an amount of preliminary 60 MSEK, to the extent such bridge loans have not been set-off against the respective lender's subscription of shares in the Rights Issue or the directed share issues (for more information see the Prospectus).

Use of the Rights Issue proceeds

It is the Company's assessment that the existing working capital is insufficient for the current needs over the next twelve months. The company estimates that working capital need, including planned investments for the coming twelve-month period, amounts to approximately MSEK 150.

Provided that the Rights Issue is fully subscribed, the total proceeds amount to approximately MSEK 281 before transaction costs, which are estimated to amount to approximately MSEK 21, provided that the guarantee compensation is paid in cash (MSEK 11) (see the Prospectus for more information). Assuming that current metal prices remain unchanged the net proceeds will be used mainly to the following, in order of priority; debt repayment including accrued interests (MSEK 60), acquisition costs relating to US Grant and Kearsarge (MSEK 27), start-up of the Friday mine (MSEK 25), continued exploration and start-up of the Pampalo mine along the Karelian Gold Line (MSEK 38), development and start-up of the mines US Grant/ Kearsarge followed by the mines Rescue, Unity and Kimberly (financed by the company's cash flow), and further strengthen the Company's financial position (MSEK 20).

If the Rights Issue is subscribed for at least MSEK 171, the Board thus assesses that the Company's working capital will be sufficient for the next twelve months after the completion of the Rights Issue.

Endomines AB (publ)
Board of Directors

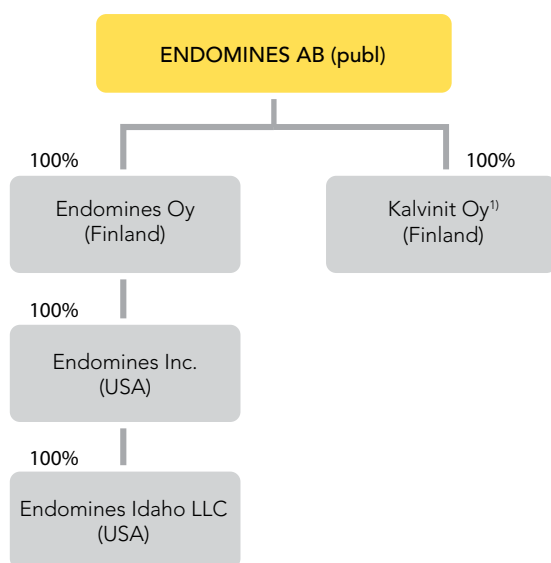
Business description

The company in brief

Endomines AB is a mining- and exploration company focused on gold. The company conducts mining operations in Idaho and Montana in the United States and conducts exploration in eastern Finland along the Karelian Gold Line. Endomines strives to improve its long-term growth opportunities through expanded exploration, production and company acquisitions. The first delivery of gold concentrate from the Friday mine was delivered on April 28, 2020.

Group structure

Endomines consist of the parent company Endomines AB, two Finnish subsidiaries, Endomines Oy and Kalvinit Oy, in addition to two American subsidiaries Endomines, Inc. and Endomines Idaho LLC. The parent company holds the central and strategic management, as well as finance, treasury and investor relations. The US operation is a result of the acquisition of TVL Gold Idaho, now "Endomines Idaho LLC", a US mining company that owns the rights to five gold projects in Idaho, USA, in early 2018. Endomines Idaho LLC also owns the US Grant mine with existing concentrator, as well as the Kearsarge gold project, which was acquired in October 2020 (see the Prospectus for more information).



1) Kalvinit Oy owns rights to ilmenite deposits in western Finland and is not in active development. JORC indicated and derived resources 7 Mtonnes with average 7.5% titanium dioxide (TiO₂)

Endomines Oy

Endomines Oy operates in geographical and geological environments along the Karelian Gold Line in eastern Finland, and in Idaho, the United States through the US subsidiaries.

Endomines, Inc. and Endomines Idaho LLC

Endomines' US operations consist of six gold projects in the Orogrande Mining District, Idaho, USA, five of which were acquired through the acquisition of TVL Gold Idaho, now Endomines Idaho LLC, 2018 and Unity is an asset Endomines is leasing from Unity GoldSilver Mines and). In October 2020 the Company also acquired the assets US Grant and Kearsarge, located in Montana.

Endomines' gold project in the USA includes:

- Friday
- Buffalo Gulch
- Deadwood
- Rescue
- Kimberly
- Unity
- US Grant
- Keasarge

Kalvinit Oy

Kalvinit Oy controls through exploration permits five ilmenite deposits, Koivu, Kaire, Perä, Riutta and Lyly in the Karleby area, in central Österbotten, Finland.

Business idea & strategy

Endomines is an agile and modern mining company. We are active in the exploration and mining of gold deposits in Finland and the United States. We aim to grow the value of our company by developing our assets into economically profitable mines in keeping with sustainable mining practices. We also seek growth through mergers, acquisitions and other co-operative arrangements.

Financial and operational goals

Endomines' long-term goals are to;

- Secure positive cash flow from operations in the US, Pampalo and along the Karelian Gold line
- Secure continued exploration activities financed by cash flow from operations
- Achieve a yearly gold production of 100,000 oz

Endomines' short term goal is to;

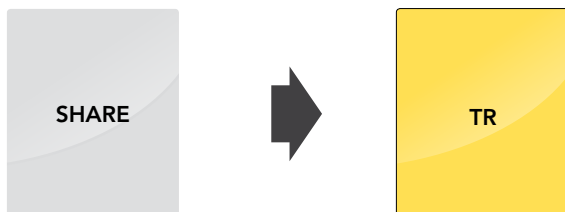
- to have Friday in full production in 2021

How to subscribe for shares in Sweden

How to subscribe for shares with subscription rights

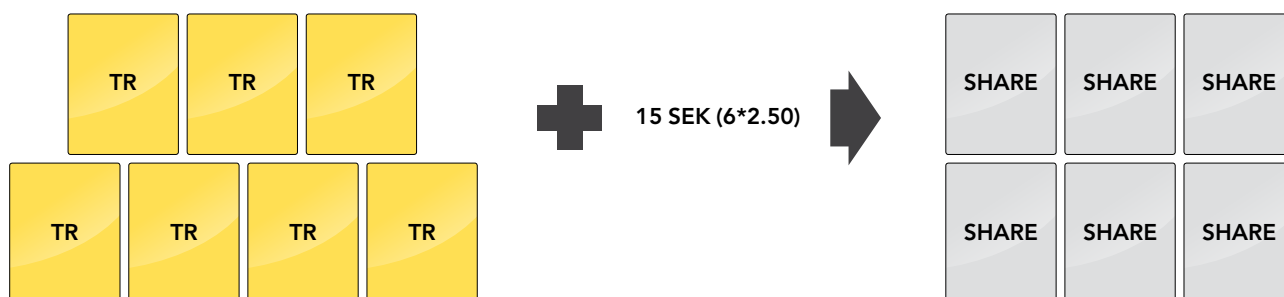
1. Subscription rights is allocated to you

For each share you own at the record date, the January 7, 2021 you will receive one (1) subscriptions right (Sw. Täckningsrätt, short "TR")

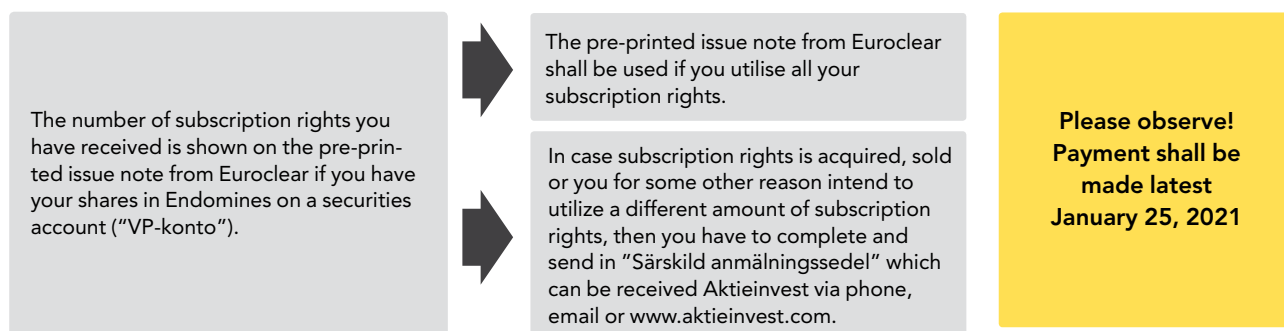


2. How to utilize your subscription rights

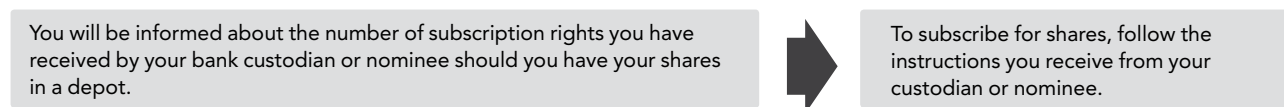
Seven (7) subscription rights entitles subscription of six (6) new shares for 2.50 SEK per new share.



If you have a securities account (Sw. Värdepapperskonto, short "VP-konto")

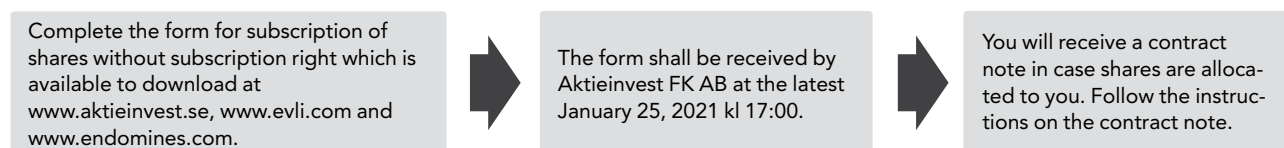


If you have a depot at a bank custodian or nominee



How to subscribe for shares without subscription rights

If you have a VP-account



If you have depot at bank, custodian or nominee

