

Resolutions by Endomines AB's Extraordinary General Meeting on 8 January 2018

Extraordinary General Meeting in Endomines AB (publ) has been held on 8 January 2018.

Reduction of the share capital for loss coverage

The EGM resolved to reduce the company's share capital by SEK 41,935,361, without withdrawal of shares, for loss cover. The share capital will be reduced from SEK 262,156,875 to SEK 220,221,514 through the reduction.

Rights issue

The EGM resolved to approve the Board of Directors' resolution on a rights issue. To facilitate the completion of the rights issue, the AGM further resolved, in accordance with the Board of Directors' proposal, on amendment of the Articles of Association, reduction of the share capital and bonus issue.

Under the terms of the rights issue each existing ordinary share held on the record date 10 January 2018, entitles to two (2) subscription rights, and one (1) subscription rights entitle to subscription for one (1) new share. The subscription price is SEK 9 per share which, at full subscription, will result in total issue proceeds of no more than SEK 188 752 950 before issue costs. The subscription period is expected to run 12-26 January 2018.

For further information on the rights issue, please refer to previous press releases published on 22 November 2017. Further information on the rights issue will also be included in the prospectus which is expected to be published on or around 11 January 2018.

Directed share issue

The EGM resolved to authorise the Board of Directors during the period up until the next AGM, to resolve on a directed share issue to Joensuun Kauppa and Kone Oy ("JKK") against payment by way of set-off. The authorization includes the issue of shares at a subscription price of SEK 9.90 per share, up to a total amount corresponding to the company's outstanding debt at the time of the issue, approximately 3.6 MEUR, which JKK then has taken over from the company's current lenders.

Acquisition

The EGM resolved to approve that the Board enters into an agreement to acquire all shares in TVL Gold 1 LLC at a total purchase price of not more than USD 34 million (approximately SEK 286 million) (the "Purchase Price"). Approximately one third of the purchase price is intended to be paid at the time of closing, which is expected to take place in March 2018, with up to approximately USD 8 million in cash, and by up to approximately USD 3.3 million by issuing a promissory note. The remaining part of the purchase price is intended to be paid through the issuance of a convertible loan. It was noted that the negotiations had not been completely finalised.

The EGM further resolved to authorise the Board of Directors during the period up until the next AGM, to decide to issue a convertible loan of not more than two thirds of the Purchase Price to the holder of the purchase price claim.

Contact person

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This information was submitted for publication through the contact person set out above at 17:25 CET on 8 January 2018.

About Endomines:

Endomines AB is a mining and exploration company with its primary focus on gold. The Company operates a gold mine in Pampalo and has exploration activities more broadly along the Karelian Gold Line in Eastern 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 Company's shares trade on Nasdaq Stockholm (ENDO) and Nasdaq Helsinki (ENDOM).