

## **NOTICE TO EXTRAORDINARY GENERAL MEETING OF ENDOMINES AB (PUBL)**

The shareholders of Endomines AB (publ), reg.nr. 556694-2974 ("**Endomines**") are hereby invited to the Extraordinary General Meeting to be held on Tuesday 10 December 2019 at 14.00 CET at Konferens Spårvagnshallarna, Birger Jarlsgatan 57A, 113 56 Stockholm.

### **Attendance and notification**

To be entitled to participate in the Extraordinary General Meeting, shareholders shall

- be entered into the share register kept by Euroclear Sweden AB on Wednesday 4 December 2019, and
- give notice of his/her intention to participate at the Extraordinary General Meeting no later than Wednesday 4 December 2019.

Notice of attendance may be made

- in writing to Endomines at Endomines AB (publ), "EGM 2019", Postbox 5822, 102 48 Stockholm, Sweden,
- by telephone +358 50 544 68 14, or
- by email to [anmalan@endomines.com](mailto:anmalan@endomines.com).

When giving notice of participation, the shareholder shall state name/company name, personal identification number or company registration number, address, telephone number, number of shares represented and, where applicable, number of representatives and advisors participating.

### **Proxy and nominee registered shares**

Shareholders participating through a proxy or a representative should submit their proxy, certificates of registration and other documents of authorisation to Endomines no later than Wednesday 4 December 2019, in order to facilitate the entry into the meeting. Any proxy must be submitted in original. A proxy form is available at [www.endomines.com](http://www.endomines.com).

Shareholders whose shares are nominee registered (including Finnish shareholders that are registered within the Finnish book-entry system at Euroclear Finland Oy) must, in order to be entitled to participate in the Extraordinary General Meeting, request to temporarily be registered into the share register kept by Euroclear Sweden AB in their own name. Such registration, so-called voting rights registration, must be completed no later than on Wednesday 4 December 2019, which means that shareholders must notify the nominee well in advance before this date.

## **Proposed agenda**

1. Opening of the meeting
2. Election of Chairman of the meeting
3. Preparation and verification of the voting list
4. Approval of the agenda
5. Election of one or two persons to verify the minutes
6. Establishment of whether the meeting has been duly convened
7. Resolution regarding amendment to the terms and conditions of the convertible loan
8. The Board of Directors' proposal to resolution of authorisation for the Board of Directors to resolve on issue of new shares, warrants and convertible bonds
9. Closing of the meeting

## Proposals

### **Item 7 - Resolution regarding amendment to the terms and conditions of the convertible loan**

#### ***Background***

Endomines, TVL Gold 1, LLC (the "**Convertible Holder**") and Joensuun Kauppa ja Kone Oy, Wipunen Varainhallinta Oy and Mariatorp Oy (together the "**Shareholders**") have entered into an agreement under which all of Endomines secured convertibles issued during 2018 (the "**Convertibles**") shall be converted to shares in Endomines within four months (i.e. conversion shall be mandatory and not optional) in accordance with the new terms and conditions set out below:

- annual interest of 10.0 per cent (previously 6.0 per cent) and that accrued interest shall be paid in cash,
- the Convertible Holder shall convert 50 per cent of the loan into new shares in Endomines at a conversion price of SEK 5.85 per new share in Endomines, three banking days after the new terms and conditions for the Convertibles have been registered with the Swedish Companies Registration Office and the remaining 50 per cent of the loan into new shares in Endomines at a conversion price of SEK 6.00 per share on 31 March 2020 by the latest (the "**Conversion**").

After the terms and conditions for the Convertible (the "**Convertible Terms**") have been amended and after the Conversion, the number of shares in Endomines will increase with up to 33,490,597 shares, and the share capital will increase with up to SEK 100,591,574 (after recalculation following the preferential rights issue to Endomines' shareholders which was made during the first half of 2019).

#### ***Amendments to the Convertible Terms***

To implement the agreed Conversion of the Convertibles, the Convertible Terms must be amended. The Board of Directors thereby propose that the general meeting resolves to amend §§ 2, 3, 5 and 9 in the Convertible Terms in accordance with the following:

*Current wording*

In the event of bankruptcy or liquidation of the Company, the convertible debentures will entitle to payment from the Company's assets after the Company's unsubordinated obligations and pari passu with other subordinated obligations, which are not expressly subordinated to this loan. For the sake of clarity, this subordination does not adversely affect the enforcement and other rights the Holder has under the Pledge Agreement.

The Loan shall become due through Conversion *or* repayment on 1 April 2021, as set out in section 5 below, *insofar as Conversion has not occurred by then.*

*Proposed wording*

#### **§ 2 Loan, payment undertaking and subordination fifth paragraph**

In the event of bankruptcy or liquidation of the Company, the convertible debentures will entitle to payment from the Company's assets after the Company's unsubordinated obligations and pari passu with other subordinated obligations, which are not expressly subordinated to this loan. For the sake of clarity, this subordination does not adversely affect the enforcement and other rights the Holder has under the Pledge Agreement, *to the extent the Pledge Agreement has not been terminated or the pledge released.*

#### **§ 3 Term, interest and payments**

The Loan shall become due through Conversion *on 31 March 2020 at the latest*, as set out in section 5 below.

The outstanding Convertible Debenture carries an annual interest rate of 10.0 per cent from and including

The outstanding Convertible Debenture carries an annual interest rate of 6.0 per cent from and including the day that the Holder subscribes for the Convertible Debentures up to and including 1 April 2021 (or up to Conversion if earlier). The annual interest rate shall be calculated based on the exact number of days elapsed on a 360 days/year basis. The interest shall become due on 30 June and 31 December each year, with the first payment due on 31 December 2018 and the last payment due in connection with the final repayment or Conversion of the Loan. In addition, the interest accrued on any part of the Convertible Debenture which is Converted is calculated pro rata to, and paid (as set below). When such part of the Convertible Debenture is Converted.

The Company shall pay the interest to the Holder within 15 days from the respective interest due date as set out above.

The interest shall, at the Company's discretion, be paid in cash or be Converted into new freely tradeable Shares at the applicable Conversion Price for such Conversion of interest at the respective time of payment of the interest, in accordance with section 5 below ("Conversion of Interest"). If the Holder wishes to sell the Shares received by it for payment of interest but is unable to do so within 60 days from receipt of those Shares at a price which is not less than 90% of the Conversion Price of those Shares, then the Company may not elect to pay the next interest payment in Shares to such Holder, but must pay the interest then due in cash.

In the event principal or interest cannot be paid in accordance with the above due to certain force majeure events which are beyond the control of the Company, including, by way of example, the following:

- (a) acts of God, flood, drought, earthquake or other nature disaster;
- (b) epidemic or pandemic;
- (c) terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;
- (d) nuclear, chemical or biological contamination or sonic boom;
- (e) any law or any action taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition, or failing to grant a necessary licence or consent;
- (f) collapse of buildings, fire, explosion or accident;
- (g) any labour or trade dispute, strikes, industrial action or lockouts (other than in each case by the party seeking to rely on this clause, or companies in the same group as that party);

10 December 2019 and up until Conversion occurs. The annual interest rate shall be calculated based on the exact number of days elapsed on a 360 days/year basis. The interest shall become due on Conversion. In addition, the interest accrued on any part of the Convertible Debenture which is Converted is calculated pro rata to, and paid (as set below), when such part of the Convertible Debenture is Converted.

The Company shall pay the interest to the Holder within 15 days from the respective interest due date as set out above.

The interest shall be paid in cash.

- (h) *non-performance by suppliers or subcontractors; and*
- (i) *interruption or failure of utility service.*

*The principal and/or interest shall be paid to the Holder as soon as such obstruction for payments has seized and interest shall accrue until payment of principal is actually made.*

## § 5 Conversion

The Convertible Debentures shall be converted into Shares on the terms set out in this § 5:

- (a) *The Holder is entitled to request Conversion of up to 50 per cent of the Loan into new Shares in the Company at a Conversion Price of SEK 12.76,*
  - i. *during the period 31 March 2019 – 30 March 2020 following which such Shares are freely tradeable upon Conversion; or*
  - ii. *before 31 March 2019, solely if the Board considers such early Conversion to be in the best interest of the Company.*
- (b) *The Holder is entitled to request Conversion of up to the entire outstanding Loan at the time into new Shares in the Company at a Conversion Price of SEK 13.91, during the period 31 March 2020 – 30 March 2021.*
- (c) *The Holder is entitled to request Conversion of the entire outstanding Loan at the time into new Shares in the Company at a Conversion Price of SEK 15.07, on 31 March 2021.*
- (d) *In case there is any outstanding Loan on 1 April 2021 that has not yet been Converted by the Holder, the Board has on such date regardless of any received request the right to effectuate Conversion of the entire outstanding Loan into new Shares in the Company at a Conversion Price of SEK 15.07.*

*In addition, the Company is entitled to Convert any due interest, as set out in section 3 above. The Conversion Price for Shares issued in consideration for the interest then due shall be the average closing price per Share during the preceding ten trading days prior to the date when Conversion of Interest is requested; however, such Conversion Price for Conversion of Interest shall not be less than SEK 8.00 per Share (or not be less than the quota value (par value) per share at such time, if higher).*

Accordingly, one new Share in the Company shall be received for each full amount corresponding to the applicable Conversion Price of the total nominal amount of the Convertible Debentures that the Holder wishes to convert at any one time. If this amount is not equally divisible by the Conversion Price, the excess amount shall be paid in cash on the

The Convertible Debentures shall be converted into Shares on the terms set out in this § 5:

- (a) *Conversion shall be made of 50 per cent of the Loan into new Shares in the Company at a Conversion Price of SEK 5.85, three Banking days after these terms have been registered with the Swedish Companies Registration Office.*
- (b) *Conversion shall be made of the remaining 50 per cent of the Loan into new Shares in the Company at a Conversion Price of SEK 6.00 on 31 March 2020, by the latest.*

Accordingly, one new Share in the Company shall be received for each full amount corresponding to the applicable Conversion Price of the total nominal amount of the Convertible Debentures that the Holder wishes to convert at any one time. If this amount is not equally divisible by the Conversion Price, the excess amount shall be paid in cash on the maturity date of the loan. The Conversion Price may be recalculated in the cases set forth in section 9 below.

Conversion is binding and may not be revoked by the Holder.

maturity date of the loan. The Conversion Price may be recalculated in the cases set forth in section 9 below.

Conversion is binding and may not be revoked by the Holder.

#### **§ 9 Recalculation of Conversion Price, etc.**

##### **first paragraph**

In the following situations, the following shall apply with respect to the rights which shall vest in Holders. *For the avoidance of doubt, the recalculation provisions of this section 9 do not apply to, or have any effect on the Conversion Price in the case of Conversion of Interest, unless to the extent that the provisions under 9.I are to be applied accordingly.*

In the following situations, the following shall apply with respect to the rights which shall vest in Holders.

In addition to the above stated amendments to the Convertible Terms, certain subsequent amendments are made as a consequence to the amendments.

The reason for the proposed amendments to the Convertible Terms, and the basis for the conversion price, is that the Board of Directors considers the Conversion to be a necessary component for the financing of Endomines, and that the share capital added to Endomines in the Conversion will be beneficial for the company.

*Item 8 - The Board of Directors' proposal to resolution of authorisation for the Board of Directors to resolve on issue of new shares, warrants and convertible bonds*

The Board of Directors proposes that the Extraordinary General Meeting authorises the Board of Directors, on one or more occasions during the period until the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, against cash payment, for payment in kind or by way of set-off, resolve to issue new shares, warrants and/or convertible bonds. Issuance pursuant to such authorisation may not correspond to an increase of Endomines' share capital of more than twenty (20) per cent of the total amount of shares in Endomines after the conversion of the secured convertibles issued in 2018, to a maximum of 33,490,597 shares. In respect of shares, the basis for the subscription price shall be the market value of the shares with any customary discount. The reasons for deviation from the shareholders' preferential rights are to enable directed issues primarily to enable structural transactions and to create an opportunity for the company to acquire capital, thereby promoting Endomines' ability to create additional value for all shareholders.

#### ***Miscellaneous***

##### **Specific majority requirements**

The Convertible Holder is controlled by Endomines' CEO Greg Smith. Hence, for a valid resolution of the Extraordinary General Meeting pursuant to item 7, it is required that the resolution of the Extraordinary General Meeting is supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the Extraordinary General Meeting. For a valid resolution of the Extraordinary General Meeting pursuant to item 8, it is required that the resolution of the Extraordinary

General Meeting is supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the Extraordinary General Meeting.

### **Authorisation**

The Board of Directors, or whomever the Board of Directors may appoint, is authorized to make such minor adjustments of the Extraordinary General Meeting's resolutions as may prove necessary in connection with the registration with the Swedish Companies Registration Office as well as Euroclear Sweden AB and Euroclear Finland Oy.

### **Number of shares and votes in Endomines**

As per the day of this notice, there is a total of 79,957,043 shares in Endomines, each carrying one vote, totalling 79,957,043 votes.

### **Shareholders' right to request information**

Upon request by any shareholder and where the Board of Directors believes that such may take place without significant harm to Endomines, the Board of Directors and the CEO should provide information at the Extraordinary General Meeting in respect of any circumstances which may affect the assessment of a matter on the agenda.

### **Documents**

The new Convertible Terms and a proxy form will be available at Endomines and at Endomines' website [www.endomines.com](http://www.endomines.com), from no later than Tuesday 19 November 2019. The documents will be sent by mail to the shareholders who request it and provide their postal address. Request is made to the same telephone number, e-mail or address as applicable for the notice of attendance.

### **Processing of personal data**

For information on how your personal data is processed, see the privacy notice available on Euroclear's website [www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf](http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf).

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Stockholm, November 2019

Endomines AB (publ)

*The Board of Directors*