

# ENDOMINES

Listing on the official list of Nasdaq Helsinki Oy  
Offering of approximately EUR 13 million  
Subscription price EUR 5.00 per New Share

This prospectus (the “**Prospectus**”) has been prepared in connection with the issue and listing of shares in Endomines Finland Plc, a public limited liability company incorporated in Finland (“**Endomines Finland**” or the “**Company**”). The Company aims to raise gross proceeds of approximately EUR 13 million by offering a maximum of 2,600,000 new shares in the Company (the “**New Shares**”) for subscription (the “**Offering**”). In the event that the Offering is oversubscribed, the Board of Directors of the Company can increase the number of New Shares by a maximum of 1,000,000 New Shares (the “**Upsize Option**”). If the Upsize Option is exercised fully, the number of the New Shares can increase to a total of 3,600,000 shares.

The Offering consists of (i) a public offering of New Shares to private individuals and entities in Finland and Sweden (the “**Public Offering**”) and (ii) a personnel offering of New Shares to permanent employees of the Company as well as members of the Company’s Management and Board of Directors (the “**Personnel Offering**”); and (iii) the offering of New Shares to institutional investors in the European Economic Area and United Kingdom (the “**Institutional Offering**”), hereinafter together referred to as the “**Offering**”.

Subscription price per each New Share in the Institutional and Public Offering is EUR 5.0. In the Personnel Offering, the subscription price per share is 10 percent lower than in the Institutional and Public Offering, i.e. EUR 4.5 per New Share. In the Public Offering and the Personnel Offering, the subscription price must be paid in cash. In the Institutional Offering, the subscription price can be paid either in cash and/or by setting off one or more convertible loan (the “**Convertible Loan**”). In the Institutional Offering, holders of a Convertible Loan are entitled to set off a receivable (including interest receivables and unpaid fees) payable thereto by the Company based on the Convertible Loan against the subscription price of the New Shares either fully or in part.

The Company has received a commitment from Joensuun Kauppa ja Kone Oy, Mariatorp Oy, Wipunen varainhallinta Oy, Sijoitusrahasto Zenito Silver as well as certain other investors to subscribe for New Shares with EUR 12.2 million, EUR 3.4 million of which will be paid in cash. The subscription commitments are binding and irrevocable, subject to certain conditions that have been met by the date of this Prospectus. The subscription commitments correspond to approximately 2,446,112 New Shares and represent around 94.1 percent of the total amount of New Shares (provided that the Upsize Option is not exercised). See “*Terms and Conditions of the Offering – Subscription Commitments*”.

The lead manager for the Offering is Aktia Alexander Corporate Finance Oy (the “**Lead Manager**”).

The subscription period for the Offering will commence on November 30, 2022 at 9:30 a.m. (Finnish time) and end on or about December 9, 2022 at 4:30 p.m. (Finnish time), unless the subscription period is extended. Instructions for submitting the subscriptions as well as detailed terms and conditions of the Offering are presented in this Prospectus under “*Terms and Conditions of the Offering*”. The Offering is conditional on the implementation and registration of the Merger (as defined below) occurring in connection to the Offering. See “*Merger of Endomines AB and Endomines Finland*” and “*Terms and Conditions of the Offering – Conditionality of the Offering*”.

Prior to the Offering, the Shares of Endomines Finland (“**Share**” or “**Shares**”) have not been subject to trading on a regulated market or multilateral trading facility in Nasdaq Helsinki. The Company intends to submit a listing application to Nasdaq Helsinki Oy (“**Nasdaq Helsinki**”) to list the Shares on the official list of Nasdaq Helsinki under the share trading code PAMPALO (the “**Listing**”). Trading in the Shares is expected to commence on the official list of Nasdaq Helsinki on or about December 20, 2022.

All offers and sales outside the United States will be made in offshore transactions in compliance with Regulation S under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”).

The New Shares may not be offered or sold, directly or indirectly, in or into the United States, and the New Shares have not been, and will not be, registered under the U.S. Securities Act, or under the securities laws of any state of the United States and accordingly, may not be offered or sold, directly or indirectly, in or into the United States except in transactions exempt from registration under the U.S. Securities Act and any applicable United States state law. The New Shares are being offered and sold outside the United States in compliance with Regulation S under the U.S. Securities Act. See “*Important Information*”.

The distribution of the Prospectus may be restricted by law in certain jurisdictions. The Prospectus may not be distributed in the United States, Canada, New Zealand, Australia, Japan, Hong Kong, Singapore, South Africa or any other jurisdiction in which such distribution may lead to a breach of any law or regulatory requirement.

An investment in the New Shares involves risks. Prospective investors should read this entire Prospectus and, in particular, “*Risk Factors*”, when considering an investment in the New Shares.

Lead Manager

**Aktia Alexander**

## IMPORTANT INFORMATION

In connection with the Offering, the Company has prepared a Finnish language prospectus (the “**Finnish Prospectus**”) in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, (the “**Prospectus Regulation**”) Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended (Annexes 1 and 11) and Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301. The Finnish Prospectus has been approved by the Finnish Financial Supervisory Authority (“**FIN-FSA**”), which is the competent authority under the regulation (EU) 2017/1129. The FIN-FSA only approves the Finnish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the issuer that is the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The record number of the FIN-FSA's approval decision concerning the Finnish Prospectus is FIVA FIVA/2022/1593. The Finnish Prospectus has been prepared in Finnish and this Prospectus is a translation of the Finnish Prospectus. The FIN-FSA has not approved this English translation. In accordance with the Prospectus Regulation, a Swedish summary and Prospectus is submitted to the Swedish financial supervisory authority Finansinspektionen for the purpose of use in Sweden. The Company is liable for the translations of the Finnish Prospectus.

**This Prospectus is valid until trading in New Shares on the official list of Nasdaq Helsinki begins.** If a significant new factor, material mistake or material inaccuracy relating to the information included into this Prospectus arises, the obligation to supplement the Prospectus under the Prospectus Regulation will end when the Prospectus expires.

In this Prospectus, any reference to “**Endomines Finland**” and the “**Company**” means Endomines Finland Plc and “**Endomines AB**” means Endomines AB (publ). “**Endomines**” refers to the whole Endomines group either before or after the Merger, as the case may be. References to the shares or share capital of the Company or to the administration of the Company, respectively, shall refer to the shares, share capital or administration of Endomines Finland, unless otherwise stated.

The Company has prepared the Prospectus to offer New Shares for subscription by the public in the Offering and to submit a listing application to Nasdaq Helsinki to enable the listing of the New Shares on the official list of Nasdaq Helsinki. Nothing contained in this Prospectus shall constitute a promise or a representation by the Company or the Lead Manager regarding the future and the Prospectus should not be considered as such a promise or representation. Prospective investors should, prior to making an investment decision, carefully acquaint themselves with the entire Prospectus. In making an investment decision, prospective investors must rely on their own examinations of the Company and the terms and conditions of the Offering, including the benefits and risks involved in them. Investors should consult their own advisers, as they consider it necessary, before subscribing for or purchasing the New Shares. No person has been authorized to provide any information or to give any statements other than those contained in the Prospectus in connection with the Offering. If such information is provided or such statements are given, it should be considered not to have been approved by the Company or the Lead Manager. The distribution of the Prospectus or any offering or sale based thereon does not mean, under any circumstances, that the information contained in the Prospectus is accurate in the future or that there has been no change in the Company's business after the date of the Prospectus. The Company will supplement information given in the Prospectus as required pursuant to Article 23 of the Prospectus Regulation.

The Lead Manager is acting exclusively for the Company in connection with the Offering and the protection afforded by the Lead Manager applies only to the Company. The Lead Manager will not regard any other person (whether or not recipient of the Prospectus) as its respective client in relation to the Offering. The Lead Manager will not be responsible to anyone other than the Company for providing protection afforded to its clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to in the Prospectus.

With the exception of those duties and responsibilities of the Lead Manager under the Finnish law or under mandatory legislation of another jurisdiction in which the exclusion of liability would be illegal, invalid or unenforceable, the Lead Manager assumes no responsibility whatsoever for the contents of the Prospectus or for any statement that is made or purported to have been made by it or in connection with the Company, Endomines, the Offering or the New Shares. The Lead Manager accordingly disclaims any and all liability, whether arising in tort, contract or otherwise (save as referred to above), which they might otherwise have in respect of the Prospectus or any such statement.

The New Shares may not be offered or sold, directly or indirectly, in or into, and the Prospectus or any other material related to the New Shares or advertisements may not be distributed or published in any jurisdiction where this would be illegal or require actions in accordance with laws other than those of Finland. As a result, investors outside of Finland may not be permitted to accept the Prospectus or to purchase the New Shares. It is not the responsibility of the Company or the Lead Manager to acquire appropriate information regarding the above restrictions or to comply with the above restrictions. The Prospectus does not constitute an offer or a solicitation of an offer to purchase or subscribe for the New Shares in any jurisdiction where an offer or a solicitation would be illegal. The Company and the Lead Manager and their representatives accept no legal responsibility for violations of such restrictions, regardless of whether or not such restrictions are known to those considering investments in the New Shares. The Company reserves the right, in its sole and absolute discretion, to reject any subscription that the Company or its representatives, after due consideration, consider to result in a breach or violation of any law, rule or regulation.

The Offering is governed by Finnish law. Any disputes arising in connection with the Offering will be settled by a court of competent jurisdiction in Finland.

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## SUMMARY

### Introduction and Warnings

*This summary contains all information required by the regulation to be included in a summary. This summary should be read as an introduction to this prospectus (the “**Prospectus**”). Any decision to invest in the shares (the “**Shares**”) of Endomines Finland Plc (“**Endomines Finland**” or the “**Company**”) should be based on consideration of this Prospectus as a whole by the investor.*

*An investor investing in the Shares could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating the Prospectus before legal proceedings are initiated. Civil liability attaches to the Company with regard to the summary including any translation thereof only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Shares.*

The identity and contact details of the issuer are:

Company	Endomines Finland Plc
Business ID	3215519-7
Legal entity identifier (“ <b>LEI</b> ”)	7437004UOFZRIUWTUG97
Domicile	Espoo, Finland
Registered address	Pampalontie 11, FI-82967 Hattu
ISIN code of the shares	FI4000508023

The FIN-FSA has, in its capacity as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the “**Prospectus Regulation**”), approved the Finnish Prospectus on November 28, 2022. The record number of the FIN-FSA’s approval of the Finnish Prospectus is FIVA/2022/1593. The FIN-FSA’s address is P.O. Box 103, FI-00101 Helsinki, Finland, its telephone number is +358 9 183 51 and its email address is kirjaamo@finanssivalvonta.fi.

### Key information on the Issuer

#### **Who is the issuer of the securities?**

The registered company name of the issuer is Endomines Finland Oyj and its auxiliary company name is Endomines Finland Plc. Endomines Finland is a wholly-owned subsidiary of Endomines AB (publ) (“**Endomines AB**”). The objective is for Endomines AB to merge with Endomines Finland through a cross-border downstream merger estimated to take place on December 16, 2022 (the “**Merger**”).

Endomines Finland Plc, which will operate as the group’s parent company after the Merger and whose business ID is 3215519-7 and LEI is 7437004UOFZRIUWTUG97, was registered in the Finnish Trade Register on June 3, 2021. The Company is a public limited liability company established in Finland under the Finnish Liability Companies Act (624/2006, as amended) (the “**Companies Act**”), and the Company is subject to the laws of Finland. The Company’s Shares have been registered in the Finnish book-entry system maintained by Euroclear Finland Oy (“**Euroclear Finland**”). The domicile of the Company is Espoo.

Endomines is a mining and exploration company focusing on gold, and its main line of business entered in the Trade Register is support activities for other mining and quarrying. The Company practices mining activity at the Pampalo mine in Ilomantsi and exploration along the Karelian Gold Line in Eastern Finland. The company owns possessory rights to several deposits in Idaho and Montana in the United States. Of the Idaho deposits, the Friday mine and Orogrande beneficiation plant have been at the production start-up phase since early 2022. Activities in them are currently suspended. Endomines’ goal is to grow the company by increasing gold production in Pampalo, by developing known deposits especially in Eastern Finland, by focusing on exploration in the Karelian Gold Line area, and through a partnership model in the United States.

The Company's Board of Directors on the date of the Prospectus consists of Jukka-Pekka Joensuu (chairman), Jeremy Read, Eeva Ruokonen, Markus Ekberg and Jukka Jokela. On the date of the Prospectus, the Company's management includes CEO Kari Vyhtinen, Seppo Tuovinen, Mikko Sopanen, Sampo Hirvonen, Jani Rautio ja Vern Langdale<sup>1</sup>. The Company's auditor is the audit firm PricewaterhouseCoopers Oy, with Authorized Public Accountant Panu Vänskä as the principal auditor. The Merger does not result in any changes in the Company's Board of Directors or management.

On the date of the Prospectus, Endomines AB owns 100 percent of the Company's Shares, i.e. the Company is controlled by Endomines AB. Endomines AB's largest shareholders as at October 31, 2022, which will become shareholders in the Company following the Merger, provided that their holdings do not change before the implementation of the Merger, are presented in the table below:

Shareholder	Total number of shares	Share of shares and votes, %
Joensuun Kauppa ja Kone Oy .....	815,111	12.20
Clearstream Banking S.A., W8IMY(*) .....	786,423	11.77
Northern Trust Global Services SE(*) .....	750,673	11.24
Nordea Bank Abp(*) .....	389,335	5.83
Skandinaviska Enskilda Banken AB (publ) (*) .....	381,518	5.71
Evli Plc's Clients Account Finnish D(*) .....	247,948	3.71
Mariatorp Oy .....	210,000	3.14
Wipunen Varainhallinta Oy .....	206,000	3.08
K22 Finance Oy .....	132,025	1.98
Aktia Bank Abp(*) .....	103,251	1.55
Other shareholders .....	2,657,675	39.79
<b>Total</b> .....	<b>6,679,959</b>	<b>100</b>

<sup>\*)</sup> The operator of the nominee register. Clearstream Banking S.A., W8IMY is TVL Gold 1, LLC's nominee-registered holding.

### ***What is the key financial information regarding the issuer?***

The selected financial information on Endomines AB presented below is based on Endomines AB's unaudited interim report for the six months ended June 30, 2022, which was drawn up in accordance with the "IAS 34 Interim Financial Reporting" standard, including, as comparative data, selected unaudited financial information for the six months ended June 30, 2021 and audited consolidated financial statements for the financial years ended December 31, 2021, December 31, 2020 and December 31, 2019, which have been drawn up in accordance with the international financial reporting standards approved by the European Union ("**IFRS**"). The half-year interim reports are unaudited, but they have been reviewed in accordance with ISRE 2410.

Endomines AB is merging into Endomines Finland, which currently is a wholly-owned subsidiary of Endomines AB. Endomines Finland has been established specifically for the Merger, and it will become the new parent company of the group after the Merger. In the consolidated financial statements of Endomines, the Merger will be treated as an internal restructuring within the group and, as such, it will not entail a change of reporting entity with respect to the IFRS. Therefore, the book values in the future consolidated financial statements of the group's new parent company Endomines Finland continue in euros the book values that have been used in the consolidated financial statements of the earlier parent company Endomines AB in krona. On the Implementation Date, the equity accounting entries of the group describe the capital structure of Endomines Finland, which is the new parent company of the group.

In the accounting of the parent company, Endomines Finland will record the transferred assets and liabilities in its accounting as per the book values used by Endomines AB, taking into account any depreciations. Merger profit or loss, as well as Endomines Finland Plc's shares owned by Endomines AB, will be recorded against Endomines Finland Plc's earnings as stated in the merger plan. This follows the principle of continuity and gives a true and sufficient view of the financial content of the transaction in accordance with the Finnish Accounting Act.

As at and for the six months ended June 30	As at and for the year ended December 31
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<sup>1</sup> Vern Langdale's employment ends on February 28, 2023.



Consolidated income statement, balance sheet and cash flow statement information (SEK thousand, unless stated otherwise)	2022	2021	2021	2020	2019
	(IFRS)	(IFRS)	(IFRS)	(IFRS)	(IFRS)
	(unaudited)		(audited, unless stated otherwise)		
Revenue.....	59,083	12	24	10,824	6,037
EBITDA .....	-38,033	-40,272	-118,233	-108,049	-48,841
EBIT .....	-107,080	-95,454	-255,188	-184,715	-52,490
Profit/loss before tax .....	-51,827	-120,806	-261,127	-196,972	-76,790
<b>Net result for the period.....</b>	<b>-51,827</b>	<b>-120,808</b>	<b>-261,127</b>	<b>-196,864</b>	<b>-76,698</b>
<b>Revenue growth rate, %.....</b>	<b>492,358</b>	<b>-100</b>	<b>-100</b>	<b>79</b>	<b>-94</b>
EBIT, % <sup>(1)</sup> .....	-181	-795,450	-1,063,283	-1,707	-869
Net result for the period, % <sup>(1)</sup> .....	-88	-1,006,733	-1,088,029	-1,819	-1,270
Earnings per share (SEK) .....	-0.22	-0.59	-1.26	-1.67	-1.28
<b>Total assets .....</b>	<b>584,915</b>	<b>586,177</b>	<b>565,828</b>	<b>584,942</b>	<b>589,602</b>
<b>Total equity .....</b>	<b>329,433</b>	<b>442,194</b>	<b>310,015</b>	<b>330,695</b>	<b>336,026</b>
Net interest-bearing debt <sup>(1)</sup> .....	158,360	74,644	171,849	195,339	199,502
Cash flows from operating activities .....	-53,767	-84,115	-108,781	-76,904	-78,941
Cash flows from investing activities .....	-3,112	-15,491	-49,983	-26,567	-80,308
Cash flows from financing activities .....	80,999	116,123	159,708	99,093	-155,945
<b>Cash flows for the period .....</b>	<b>24,120</b>	<b>16,517</b>	<b>945</b>	<b>-4,431</b>	<b>-3,303</b>

1) Unaudited

Consolidated income statement, balance sheet and cash flow statement information (EUR million, unless stated otherwise)	As at and for the six months ended June 30	As at and for the year ended December 31
	2022	2021
	(unaudited)	
Revenue.....	5.6	0.0
EBITDA .....	-3.5	-11.6
EBIT .....	-10.1	-25.1
Profit/loss before tax .....	-5.0	-25.7
<b>Net result for the period.....</b>	<b>-5.0</b>	<b>-25.7</b>
Earnings per share (EUR) .....	-0.02	-0.12
<b>Total assets .....</b>	<b>54.7</b>	<b>55.3</b>
<b>Total equity .....</b>	<b>30.8</b>	<b>30.3</b>
Net interest-bearing debt (EUR million).....	14.8	16.8
Cash flows from operating activities .....	-5.2	-10.6
Cash flows from investing activities .....	-0.3	-4.9
Cash flows from financing activities .....	7.6	15.5
<b>Cash flows from the period .....</b>	<b>2.2</b>	<b>0.1</b>

#### What are the key risks that are specific to the issuer?

- The Company has historically been loss-making, and its business may never become profitable.
- Unfavorable developments in the price of gold may have an adverse effect on Endomines' profit.
- Cave-ins, flooding, environmental damage, fires, explosions and other similar events can cause an interruption in activities, production delays, damage, serious accidents or the destruction of mines.
- Mining activity and the development of mineral deposits involve various types of technical risks that are sometimes beyond Endomines' control.
- Exploration is uncertain by nature and involves financial risk-taking.
- Endomines may have estimated the mineral reserves and mineral resources of its mines incorrectly.

- Endomines' production plants may face natural disasters and extreme weather conditions that may adversely affect production or even lead to production being stopped.
- Integration processes may be more expensive or time-consuming than estimated.
- Russia's war of aggression against Ukraine and its effects on the overall market situation may have an adverse effect on Endomines' operations and financial flexibility.
- The conduct of Endomines' current and contemplated mining operations is dependent on agreements made with third parties.
- The Finnish Government has approved a government bill, any potential amendments to the Finnish Mining Act brought about by which may have adverse effects on Endomines' operations when the Company develops existing exploration projects or commences new mining projects.
- Endomines' operations are dependent on exploration, mining and environmental permits as well as other permits and rights.
- Endomines' operations involve environmental risks and environmental requirements.

## **Key Information on the Securities**

### ***What are the main features of the securities?***

Through the Offering, the Company intends to raise no more than around EUR 13.0 million in gross proceeds by offering for subscription no more than 2,600,000 new shares (the "**New Shares**") (the "**Offering**"). In the event of oversubscription, the Company's Board of Directors can increase the number of New Shares offered in the Offering by a maximum of 1,000,000 New Shares (the "**Upsize Option**"). If the Upsize Option is used in full, the number of New Shares offered cannot exceed 3,600,000 shares in total. The number of the Company's Shares can rise to 9,287,959 Shares as a result of the Offering and Merger without the Upsize Option, and to 10,287,959 Shares if the Upsize Option is used in full.

The Company's Shares are registered in the Finnish book-entry system maintained by Euroclear Finland. The Company has one series of shares, whose ISIN code is FI4000508023. The trading code of the Shares will be PAMPALO. The Shares have no nominal value and they are denominated in euros. The Shares are freely transferable.

The New Shares confer the same rights as the Company's existing Shares. The New Shares entitle their holders to dividends distributed by the Company and other distribution of funds as well as to other shareholder rights after they have been registered in the Finnish Trade Register and entered in the investor's book-entry account. The rights linked to the shares include, among other things, the pre-emptive right to subscribe for new shares in the Company, the right to take part in general meetings and to exercise voting rights in general meetings, the right to dividends and other distribution of reserves of unrestricted equity and the right to demand the redemption of Shares for a fair price from a shareholder that owns more than 90 percent of all Shares and votes as well as other rights as stipulated in the Companies Act. In the event of the issuer's bankruptcy or other insolvency proceedings, shareholders have the lowest priority in comparison to other investors.

Endomines' goal is primarily to achieve growth, whereby Endomines does not anticipate that it will distribute dividends in the short or medium term.

### ***Where will the securities be traded?***

Endomines Finland's Shares have not been subject to trading on a regulated market or a multilateral trading facility on Nasdaq Helsinki prior to the Offering. The Company will submit an application with Nasdaq Helsinki ("**Nasdaq Helsinki**") to have the Shares listed on the official list of Nasdaq Helsinki. Trading in the Shares is expected to begin on the official list of Nasdaq Helsinki on or about December 20, 2022.

### ***What are the key risks that are specific to the securities?***

- Endomines' ability to pay dividends or otherwise distribute unrestricted equity is dependent on the availability of distributable funds, and the Company does not expect to distribute dividends in the short or medium term.
- Current provisions regarding Finnish withholding tax may result in unidentified holders of nominee-registered shares having to pay more withholding tax.

## **Key Information on the Admission to Trading on a Regulated Market**

### ***Under which conditions and timetable can I invest in this security?***

The Offering consists of (i) the New Shares' public offering to private individuals and entities in Finland and Sweden (the "**Public Offering**") and (ii) the New Shares' offering to institutional investors in the European Economic Area and the United Kingdom (the "**Institutional Offering**") and (iii) the New Shares' personnel offering to the Company's employees in an employment or service relationship and the members of the Company's management and Board of Directors (the "**Personnel Offering**"). The minimum subscription in the Public Offering is 150 New Shares and the maximum is 20,000 New Shares. The minimum subscription in the Institutional Offering is 20,001 New Shares. In the Personnel Offering, the minimum subscription is 100 New Shares and the maximum is 20,000 New Shares. If an investor has more than one subscription, they are combined into one subscription, to which the above-mentioned maximum and minimum amounts apply.

### **Subscription price and its payment**

The subscription price for each New Share offered in the Institutional Offering and Public Offering is EUR 5.00. In the Personnel Offering, the subscription price per share is approximately 10 percent lower than the Institutional and Public Offering subscription price, i.e. EUR 4.50 for each New Share. The subscription price is based on the Company's Board of Directors' insight into the fair value of the New Shares, considering negotiations conducted with investors and the discount typically applied to directed share issues in relation to the share price formed in public trading. The subscription price for New Shares is entered in the Company's reserve for invested unrestricted equity. In the Public Offering and Personnel Offering, the subscription price must be paid in cash.

In the Institutional Offering, the subscription price can be paid either in cash and/or by setting off one or more convertible loans ("**Convertible Loans**"). The holder of a Convertible Loan has the right to use, for the payment of the subscription price for the New Shares in an Institutional Offering, its receivable based on the Convertible Loan at its nominal value from the Company either in full or in part. Interest receivables based on Convertible Loans used for the payment that have accumulated by November 28, 2022 and any of the loan's other unpaid fees can also be used to pay the subscription price. Where necessary, the number of shares given against the Convertible Loan's principal, interest receivables and fees are rounded down to the closest full share, and the remaining part exceeding this will not be refunded.

### **Subscription period**

The subscription period for New Shares begins on November 30, 2022 at 9.30 a.m. and ends on December 9, 2022 at 4.30 p.m. (the "**Subscription Period**"), unless the Subscription Period is extended. Any subscriptions arriving after the end of the Subscription Period will not be taken into account. The Company's Board of Directors has the right to extend the Offering's Subscription Period. The subscription periods for the Institutional Offering, Personnel Offering and Public Offering can be extended or not extended independently of each other. If the Subscription Period of the Institutional Offering, Personnel Offering or Public Offering is extended, the dates of the approval of the subscriptions made in the Offering, the payment term for the New Shares subscribed for in the Institutional Offering, the entering into the Trade Register of the New Shares and admission to trading of the New Shares will be changed accordingly. The stock exchange release concerning the extension of the Subscription Period must be published no later than on the estimated final date of the Offering subscription period as presented above.

### **Cancellation of subscriptions under certain circumstances**

According to the Prospectus Regulation, every significant new factor, material mistake or material inaccuracy relating to the information included in this prospectus (the "**Prospectus**") which may affect the assessment of the New Shares and which arises or is noted between the time when the Prospectus is approved and the closing of the offer period or the time when trading on a regulated market begins, whichever occurs later, must be mentioned in a supplement to the Prospectus without undue delay.

Investors who have already agreed to subscribe for New Shares before the supplement is published have the right, exercisable within three working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy arose or was noted before the closing of the offer period or the entry of the New Shares on the investors' book-entry account, whichever occurs first.

The Company will announce any measures and instructions linked to the withdrawal of a subscription in a stock exchange release. Once the time period entitling to the withdrawal of the subscription ends, the right to withdraw ends. If a subscription is withdrawn, the paid subscription price is refunded to the subscriber within an estimated five banking days of the withdrawal notification. No interest shall be paid on the refunded funds.

#### Fees and expenses

No fees or other charges shall be charged from the investor for making a subscription commitment or for subscribing for New Shares. The account operators charge a fee in accordance with their price list for maintaining the book-entry account and custody of shares. Transfer tax is not paid on the subscription for New Shares.

#### Dilution of the holdings

On the date of this Prospectus, the Company has issued a total of 8,000 Shares, and the Company will additionally issue a total of 6,679,959 Shares to Endomines AB's current shareholders as merger consideration in connection with the Merger. As a result of the Offering, the number of Shares, including the Shares issued in the Merger, cannot rise without the Upsize Option to more than 9,287,959 Shares and 10,287,959 Shares if the Upsize Option is used in full. The New Shares issued in the Offering (without the Upsize Option) correspond to approximately 38.9 percent of the Shares and approximately 38.9 percent of the votes they generated before the Offering (when taking into account the Shares issued in the Merger) and approximately 28.0 percent of the Shares and 28.0 percent of the votes they generate after the Offering (when taking into account the Shares issued in the Merger), provided that all of the New Shares preliminarily offered in the Offering are subscribed for in full without the Upsize Option, and 38.8 percent of the Shares and 38.8 percent of the votes they generate provided that the Upsize Option is used fully.

#### ***Why is this prospectus being produced?***

Endomines has drawn up this Prospectus in order to offer New Shares to the public in the Offering and to submit an application with Nasdaq Helsinki to have the New Shares listed on the official list of Nasdaq Helsinki.

#### Purpose of the Offering and the Offering's estimated gross proceeds and use of the funds

During 2022, Endomines has renewed its strategy, which focuses on exploration along the Karelian Gold Line. The measures required for implementing the strategy include extensive exploration drilling in the area, which means investments and expenses for the Company. The goal of the Offering is to enable extensive exploration drilling along the Karelian Gold Line and to create prerequisites for future growth and the implementation of the Company's strategy. The goal of the Offering is to expand the Company's ownership and increase the Company's visibility among investors. The Offering additionally strengthens the Company's capital structure, thus enabling a more diverse use of debt financing solutions in the future. If all of the New Shares are subscribed for in the Offering, the gross proceeds that the Company gains from the Offering will be approximately EUR 13.0 million (without the Upsize Option and before any fees possibly related to the Offering are taken into account). The Company intends to use the proceeds from the Offering for implementing its strategy and especially for exploration along the Karelian Gold Line, to strengthen its capital structure and for general business purposes.

#### Subscription commitments

The Company has received the commitments of Joensuun Kauppa ja Kone Oy, Mariatorp Oy, Wipunen varainhallinta Oy, Sijoitusrahasto Zenito Silver and Gold and certain other investors to subscribe for New Shares for EUR 12.2 million, and EUR 3.4 million of these will be paid in cash. The subscription commitments are binding and irrevocable, subject to certain conditions that have been met by the date of this Prospectus. The subscription commitments correspond to approximately 2,446,112 New Shares, and they represent approximately 94.1 percent of the total number of offered New Shares (presuming that the Upsize Option is not used). Joensuun Kauppa ja Kone Oy, Wipunen Varainhallinta Oy, Mariatorp Oy, K22 Finance Oy, Taloustieto Incrementum Oy, Eyemarker's Finland Oy and Vikakono Oy have each undertaken to subscribe for over 5 percent of the New Shares.

#### Conflicts of interest

The fees of Aktia Alexander Corporate Finance Oy (the "**Lead Manager**") are partly tied to the amount of funds acquired in the Offering. The Lead Manager and/or its related parties have offered and may in the future offer

to the Company advice, consultation and/or banking services as part of their ordinary business operations, for which they have received, or will receive, the customary fees and reimbursements.

## RISK FACTORS

*Potential investors should carefully review the following risk factors in addition to other information contained in this Prospectus.*

*The realization of any of the risk factors described below could have an adverse effect on the Company's business, operating results and/or financial condition and the value of the Company's Shares. Should these risks lead to a decline in the market price of the Company's Shares, investors who have invested in the Shares could lose part or all of their investment. The risk factor description is based on facts known to and estimated by the Company's Board of Directors and management at the date of the Prospectus, owing to which the description may not necessarily be comprehensive in nature.*

*The risks and uncertainties described below are not the only factors that affect the Company's operations. Other risks, facts and uncertainties currently unknown or deemed immaterial by the Company could also have a material adverse effect on the Company's business, results of operations and/or financial condition as well as on the value of the Company's Shares.*

*The merger of Endomines AB into Endomines Finland as a cross-border downstream merger (the "Merger") estimated to take place on December 16, 2022 will not change the group's day-to-day business operations. Unless the Merger and/or transactions contemplated in connection with the Merger are explicitly referenced, or the context clearly implies otherwise, the following risk factors apply to Endomines' business operations before and after the Merger.*

*The risk factors presented in this Prospectus have been divided into different categories based on their nature. Within each category, the first presented risk factor is estimated to be most material based on an overall evaluation of the criteria set out in the Prospectus Regulation. In each category, the order in which the risk factors are presented after the first risk factor is not intended to reflect relative probability or the potential impact of the materialization of such risks. The order of risk categories, when compared to risk factors in another risk category, does not in any way represent an evaluation of the materiality of the risk factors within that category.*

### **Risks Related to the Company's Business Operations**

#### ***Endomines may have estimated the mineral reserves and mineral resources of its mines incorrectly***

Endomines constantly appraises its mineral reserves and mineral resources based mainly on drill results, statistical analysis and computer modelling. Such appraisals remain preliminary by nature, however, until they have been confirmed in industrial production. A substantial proportion of the appraisals concerning American deposits is based on historical information, and substantial drilling and further investigation is required to determine the mineralizations.

There is a risk that production will remain lower than anticipated if the gold grade of the deposits proves to be lower than estimated. This is because no methods exist for confirming and classifying the exact tonnage and grade of a particular mineralization with absolute certainty. There is a risk that the mineral reserves and mineral resources do not contain the expected tonnage and the estimated grades or that the stated gold production levels are not reached. The information presented in this Prospectus on the mineral resources and mineral reserves must therefore be examined with this in mind. The mineral reserves and mineral resources which Endomines ultimately controls may thus differ from the estimates presented herein, and a grade that is lower than expected may lead to Endomines not reaching the estimated production volumes.

If the production volumes are lower than expected, it could have a material adverse effect on the Company's cash flow, operating results and financial condition as well as the continuity of operations.

#### ***Endomines' production plants may face natural disasters and extreme weather conditions that may adversely affect production or even lead to production being stopped***

Endomines' production plants may face natural disasters and extreme weather conditions, such as forest fires, quickly melting snow or heavy rainfall, which may adversely affect the water balance of Endomines' mines and increase the amount of excess water. In 2019, Endomines discovered that the lining of the tailings area of the Friday mine and certain load-bearing structures had been damaged over the winter months and by spring drainage. This meant that Endomines had to delay the start-up of mine production. Natural disasters and extreme weather conditions may therefore adversely affect or even stop production. Any suspension of

production could have material adverse financial impacts on Endomines' operation due to loss of profit, additional costs and investments required for the restoration of processing plants. There is a risk that Endomines then does not have sufficient financial resources to immediately make the necessary investments in repairs or otherwise to enable the restart of production. There is a further risk that Endomines will not receive full insurance compensation in the event of damage resulting from natural disasters or extreme weather conditions. Such damage may lead to Endomines losing sales in full or in part and for an indeterminable time, which may also affect existing client relationships.

***Integration processes may be more expensive or time-consuming than estimated***

In connection with possible corporate acquisitions and acquisitions of deposits, Endomines makes estimates and forecasts regarding expected integration costs along with the valuation of the target company or the deposit. Endomines also aims to secure its mining activities and the Company's growth in the long term through active exploration. Due to variables that cannot be determined in advance with certainty, such as costs and synergies that relate to, inter alia, carrying out organizational changes and integration of personnel, the calculations/forecasts concerning expected integration costs can deviate from the actual results. There is therefore a risk that the future integration processes may be more expensive or time-consuming than estimated. Even if such measures were carried out on time and according to plan, the synergies and benefits in reality created through the acquisition or cooperation could eventually materially deviate from Endomines' calculations or expectations. The integration costs could thus be higher than estimated, which may have a negative effect on Endomines' result.

***The conduct of Endomines' current and contemplated mining operations is dependent on agreements made with third parties***

The conduct of Endomines' current and contemplated mining operations is dependent on agreements made with third parties, such as agreements made with customers, suppliers, contractors, employees and other parties. Many of the investments Endomines has to make require capital, and Endomines' obligations may in many cases last for a very long time. Concluding such agreements entails long-term commercial risk-taking.

If any party decides to terminate their agreement with Endomines or new agreements are concluded under terms that are more unfavorable than previously, this may have an adverse effect on Endomines' business operations and production and may lead to increased costs.

**Risks Related to the Company's Operating Environment**

***Unfavorable developments in the price of gold may have an adverse effect on Endomines' profit***

Endomines' profit is affected by not only the Company's costs but also the price of gold at any given time. Gold prices are determined on international markets, and they vary depending on changes in factors affecting supply and demand. The price of gold, which affects Endomines' profit the most, fluctuates substantially and is affected by many factors beyond Endomines' control. These include mines' global gold production, gold sales/purchases by central banks, producers' hedging activities, inflation expectations, developments in the interest rate level, the relative exchange rate between USD and EUR, global and local demand, political and financial circumstances, as well as costs of production in different gold-producing areas. The price of gold has also occasionally experienced rapid, short-term changes due to speculation.

Considerable long-term decline in the price of gold could mean that Endomines would not be able to reach profitability, mining activity would not grow in accordance with Endomines' strategy, Endomines' mining, exploration and development activities would have to be restricted or interrupted, or Endomines' growth targets would not be reached.

***Cave-ins, flooding, environmental damage, fires, explosions and other similar events can cause an interruption in activities, production delays, damage, serious accidents or the destruction of mines***

Endomines' mining activity and ore beneficiation involve risks, such as cave-ins of the tunnels or walls, flooding, environmental damage, fires and explosions. Such events could lead to business interruptions, production delays, damage, serious accidents, or destruction of mines and/or processing plants which, in turn, may lead to a reduction in Endomines' cash flow financing and/or increased costs. Endomines has faced certain delays due to small local cave-ins and technical challenges relating to mine dewatering. The cave-ins

have also resulted in ore losses, dilution of the gold grade, and minor damage to production equipment. If any of the aforementioned were to take place in a greater scale, this could adversely affect Endomines' revenue.

***Mining activity and the development of mineral deposits involve various types of technical risks that are sometimes beyond Endomines' control***

A significant part of Endomines' business consists of mining activity and the development of mineral deposits, which involve various types of technical risks that are sometimes beyond Endomines' control. These include, inter alia, disruptions in production engineering resulting from rock mechanical or geotechnical conditions. Such disruptions may be, for example, of a mechanical, chemical or logistical nature, and they can lead to, inter alia, lower production, higher costs, lower profit and/or lower quality of the product. Many of these risks pertain to rock mechanical conditions, especially in underground mines. If the grade of the ore arriving at the beneficiation plant is lower than anticipated for example due to dilution, the production of concentrate will be lower and the mining and beneficiation costs higher per produced unit of metal, which will lower the profit margin. Lower than expected production levels at the beneficiation plant would have the same effect. Endomines has previously faced a situation in which waste rock mixed with ore as a result of a rock face caving in, which led to the dilution of the ore's gold grade. Mechanically weakened areas of rock have also been detected in certain production areas, which have necessitated the construction of various supporting structures to ensure safety. This has historically increased Endomines' production costs, and the same may also happen in the future, which, if realized, will have an adverse effect on Endomines' profitability.

***Exploration is uncertain by nature and involves financial risk-taking***

Exploration is uncertain by nature, and it involves financial risk-taking especially in early-stage projects. Endomines is currently engaged in exploration along the Karelian Gold Line in Eastern Finland.

Only a limited number of started exploration projects lead to the commencement of mining activities. It is possible that the grades and amounts of usable minerals occurring in the bedrock are not sufficient for commencing financially viable mining activities. The financial viability of a gold deposit also depends on many other factors, such as the market price of gold, exchange rates, the deposit's gold grade, concentrations of any other metals and detrimental elements in the deposit, the size and geometry of the deposit, yield from beneficiation, waste rock dilution, ore loss in connection with mining, mining and beneficiation costs, local infrastructure, financing costs, and governmental permits and other regulations.

It is unclear whether the started and future exploration and development projects lead to financially profitable production and whether the current mineral reserves and mineral resources can be maintained or expanded. Of Endomines' Finnish gold and industrial mineral deposits, operations have to date progressed to the mining phase only at the mineralizations of Pampalo and Rämepuro. Currently, Endomines is engaged in production only at the Pampalo mine at the Karelian Gold Line. As mentioned, operation at the Friday mine is currently suspended because additional drilling is still required to restart production at the Friday mine. Other deposits and exploration projects involve a risk that they cannot be taken into production even if additional investments are made into exploration. Unfavorable developments in exploration may have a negative effect on Endomines' revenue, growth and ability to raise capital for the purposes of future exploration.

***Russia's war of aggression against Ukraine and its effects on the overall market situation may have an adverse effect on Endomines' operations and financial flexibility***

The global market situation affects Endomines' business. Changes in the market value caused by global or local economic recession may have various adverse effects on Endomines' operations. Various factors – such as concern over geopolitical questions and changes in the geopolitical situation (for example acts of war), increased barriers to trade, inflation, availability and costs – may contribute to or prolong the large-scale recession. For example, Russia's war of aggression against Ukraine has led to great global uncertainty, significant increase in energy costs, and volatility in both global and local markets as well as deterioration in the general security situation. The war in Ukraine has already affected the global economy as well as the capital and credit markets. Considerable and large-scale financial recession could have a material effect on Endomines' market value. There is a risk that the price of Endomines Finland's Share will follow the general market developments regardless of whether Endomines meets or exceeds market expectations, which may have an adverse effect on Endomines Finland's future share price development. Further, there is a risk that a strong and/or long-term decline in the general economic climate may worsen Endomines' chances of obtaining financing in the future under conditions that are favorable for Endomines, and this may affect Endomines' ability to finance its necessary functions in the future.



### ***The proposed mining tax may affect the profitability of the Company's operations***

On November 17, 2022, the Finnish Government issued a bill for the new act on mining minerals tax. For more information, see *"Taxation in Finland – The New Act on Mining Minerals Tax"*.

A royalty-based tax could increase the Company's costs and reduce its profitability. It is also possible that the amount of tax (tax rate) will be raised in the future. The Finnish Government's bill does not propose that the tax be deductible in income taxation. A royalty-type tax is not directed only at the Company's net result but, instead, it will be payable regardless of the Company's taxable profits. As the tax is paid regardless of profit/loss, this may have a negative effect on the profitability of Endomines.

### **Risks Related to the Environment and Permits**

#### ***Endomines' operations are dependent on exploration, mining and environmental permits as well as other permits and rights***

Endomines is dependent on being able to retain in force its exploration, mining and environmental permits as well as other permits and rights required for exploration, mining and beneficiation within the limits of its current operations. Furthermore, Endomines is dependent on being able to obtain new permits for any future areas and deposits in the future, such as permits that are required for exploration and further development of deposits along the Karelian Gold Line as well as the deposits owned by Endomines Idaho, LLC in the United States in addition to the Friday mine for which the necessary permits have already been obtained. Failure to obtain a permit or cancelled permits or prolonged acquisition processes of any future permits could have an adverse effect on Endomines' operations or delay its development. Endomines' cash flow is dependent on it being able to obtain the permits for any new areas and deposits in the future as its production levels decrease over time when the existing deposits start to run out. Problems with the permits would have an adverse effect on Endomines' capabilities to carry out exploration and to maintain and increase its gold production.

The required permits are subject to permit conditions and restrictions, and they can be cancelled if they are misused. There is a risk that permits and rights may not be obtained in time or at all and that Endomines is not able to retain the permits previously obtained in force or that their conditions are changed. If the mining rights, exploration and mining permits granted to Endomines were cancelled or subjected to restricting conditions, it could result in Endomines not being able to carry out its operations at planned capacity or production levels or at all. The same applies if the current exploration or mining permits were not continued or if the future applications regarding new reservations, exploration or mining permits or their extensions were not approved.

The processes to obtain decisions on permits from authorities or on mining operations are time-consuming, and third parties may make objections and express opinions related to them or appeal such decisions to the competent court, which may cause unexpected delays or additional costs to Endomines and have an adverse effect on Endomines' operations.

Currently, there are two types of mining permits and mining rights in Idaho and Montana: patented mining claims and unpatented mining claims. In terms of the unpatented mining claims, the land surface belongs to the federal Government, and therefore any operations carried out on that type of land require additional permits in order to allow operations that might cause disturbance of surface resources. The permits and environmental permits granted by the federal government are not going to change, but the Company must take the aforementioned additional permits into account in its operations.

Endomines derives rights or benefits to many of its mineral properties from unpatented mining claims, leaseholds, or purchase option agreements, which require the payment of maintenance fees, rents, purchase price installments, or other fees. If Endomines fails to make these payments when they are due, the rights to the various properties may lapse. There can be no assurance that Endomines will always make payments by the requisite payment dates. Endomines' ability to purchase, transfer or sell rights to mineral properties may require government approvals or third-party consents, which may not be granted.

The same environmental laws and regulations apply both to patented mining claims and unpatented mining claims, but when the unpatented claims are concerned, any operations that might cause disturbance of surface resources in connection with mining activities and/or exploration require the approval from the federal authority that owns the land in question (US Forest Service or Bureau of Land Management). Depending on the extent of the operations, the federal authority may also take other factors into account (such as effects on recreational activities, historical structures, archaeological aspects) in addition to the environmental regulations.

If the Company is not able to obtain or maintain the necessary permits and rights, this could have a material adverse effect on the Company's cash flow, operating results and financial condition as well as the continuity of operations.

### ***Endomines' operations involve environmental risks and environmental requirements***

Endomines' environmental liabilities include, inter alia, statutory environmental liability for any contamination occurred, liability for decontaminating contaminated soil and groundwater if necessary, and obligation to see to the statutory measures related to the termination of activities after the mining operations or exploration have ceased. Obligations related to environmental liability may be realized at any stage of Endomines' operations, for example already in connection with preparatory studies and exploration.

Besides mining permits, Endomines' operations require environmental permits and other necessary permits which normally impose certain terms which have to be complied with. Environmental permits may also involve considerable waste treatment collaterals for the purpose of ensuring the organization of closure measures. The holder of the mining permit must also deposit a collateral referred to in the Mining Act to ensure the organization of after-care measures set out in the Mining Act.

The authorities may in some circumstances change the terms of the environmental and other permits in a way that may negatively affect Endomines' operations. Endomines' operations may cause contamination of, inter alia, soil, surface water and groundwater, or air. Moreover, its operations may damage buildings and cause, for example, odor and noise emissions. A breach of environmental regulation and Endomines' permit terms may lead to liability for damages, even towards third parties, as well as criminal liability in the form of fines, among others. Furthermore, any activity leading to contamination may lead to stricter terms of the environmental permits or other permits required by Endomines' operations. If areas in which Endomines operates or has previously operated proved to be contaminated, this could lead to a decontamination obligation and decrease the value of the contaminated area. Environmental pollution and any future demands for soil decontamination and remediation can be very expensive, and the estimated decontamination costs can prove to be incorrect, which is why it is difficult to estimate the costs. Carrying out such expensive measures and remediation could have a considerable effect on the Company's cash flow, financial condition and operating results.

### **Legal and Regulatory Risks**

***Endomines' operations are subject to an extensive body of legal provisions and regulation issued by the public authorities, which may have a negative impact on Endomines and thus result in higher costs, lower-than-planned production volumes, and a delay in or the prevention of the development of new deposits***

Endomines' operations are subject to an extensive body of legal provisions and regulation issued by the public authorities and other provisions that regulate e.g. exploration, development, production, terms and conditions of employment, the working environment and safety as well as the treatment of waste materials and toxic substances. Ensuring compliance with these laws and regulations increases costs incurred e.g. for planning, drilling, mining, ore processing, the final disposal of waste, and remediation measures after operations have been closed down.

Therefore, amendments made to applicable laws, provisions or regulations that apply to the business and operations of mining companies or any stricter interpretations thereof may have a negative impact on Endomines and result in higher costs, lower-than-planned production volumes, or a delay in or the prevention of the development of new deposits.

A significant number of legal provisions and regulation issued by the public authorities apply to Endomines' operations in the United States, and some of Endomines' operations require permits and other approvals. These provisions cause higher costs for the Company and may, in some circumstances, have a negative impact on production or even lead to its suspension.

If authorities were to conduct an inspection and rule that a breach of the applicable laws and regulations has occurred, Endomines may be subjected to a fine or a sanction, or if the alleged breach is material in nature, the Company's mining operations or its industrial plants may be closed temporarily or for a longer period of time. Many other state bodies regulate other matters that relate to the Company's operations, and the Company neglecting to abide by these statutory requirements may result in significant sanctions. Furthermore,

new laws and regulations are regularly enacted or issued and existing laws and regulations amended or reinterpreted, and these changes are difficult to predict. Changes of this nature could have a material adverse effect on the Company's cash flow, the result of its operations, and its financial status.

Amendments introduced to the laws, provisions or regulations that apply to mining companies' operations could have a material adverse effect on the Company's cash flow, the result of its operations, and its financial status in addition to the continuation of its business operations if the amendments result in higher costs, lower production volumes, and other delays.

***The Finnish Government has approved a government bill, any potential amendments to the Finnish Mining Act brought about by which may have adverse effects on Endomines' operations when the Company develops existing exploration projects or commences new mining projects***

On September 8, 2022, the Finnish Government proposed amendments to the existing Finnish Mining Act. The bill is currently being reviewed by the Finnish Parliament. According to the bill, the amendments are to enter into force on March 1, 2023 if the Finnish Parliament approves the bill. Amendments to the Mining Act do not have an immediate effect on Endomines' existing projects, but the amendments may adversely affect any projects that the Company may initiate in the future or the Company's chances of developing existing exploration projects.

The government bill currently being reviewed by the Finnish Parliament proposes, inter alia, that the extension of the validity of the exploration permit would in the future require the consent of the landowners in the exploration area after the exploration permit has been in force for at least ten years. The requirement would be met once landowners owning at least half of the total area of the exploration area have given their consent. According to the bill, the Finnish Government could upon application decide to extend the validity of the exploration permit without consent from the landowners if the operator demonstrated that the project was necessary on important public interest grounds.

In addition to the amendment described above, the government bill proposes that, with the exceptions set out in the transitional provisions, the granting of new mining permits would be subject to a legally binding local master plan or local detailed plan approved by the municipality.

If the government bill is approved in its current form, this could weaken the Company's opportunities to develop exploration projects, the exploration permits of which have been in force for at least ten years, in aggregate, or to obtain new mining permits.

**Risks Related to Endomines' Financial Status**

***The Company has historically been loss-making, and its business may never become profitable***

It is not guaranteed that Endomines' business becomes profitable, which may weaken Endomines' ability to maintain its business operations or acquire the necessary funding. Even if the Company's business were to become profitable, there is no guarantee that the Company would be able to maintain profitability in the future. The Company's income, EBIT and cash flow will probably fluctuate substantially because of the cyclical nature of mining activities. Hence, the financial results of the Company's various financial years are not always comparable and the EBIT for previous financial years is not indicative of the Company's future development. If the Company does not reach profitability, this could have a material adverse effect on the Company's business operations, financial condition, operating results and future prospects.

***Any impairment of the Company's assets can affect the Company's ability to pay dividend or negotiate on future financing***

The total fixed assets of Endomines were SEK 520,162 thousand on 30 June 2022. In the six-month period ended 30 June 2022, Endomines did a write-down of SEK 54,857 relating to the assets of Friday mine and in the financial year ended 31 December 2021 SEK 118,052 thousand. Endomines carries out impairment testing on all of its assets at the end of the year in accordance with the IAS 36 Impairment of Assets standard. Based on these impairment tests, the management assesses whether write-downs should be made. Write-downs may have to be made e.g. where a gold mineralization is more irregular than previously interpreted and where this has led to great variation in the amount and grade of ore. Endomines assesses its write-down needs on a rolling basis on the basis of various indications, and in the future it may have to make both write-ups and write-downs vis-à-vis its assets e.g. due to exploration results or disruptions in production.

Endomines also analyses the book values of its subsidiary shares and outstanding loans from subsidiaries. The value of subsidiary shares in group companies in the parent company balance sheet were SEK 257,115 thousand and of receivables from group companies were SEK 397,838 on 30 June 2022. If the impairment of Endomines' subsidiary shares and outstanding loans from subsidiaries were significant, this could have a material adverse effect on Endomines' distributable assets and thereby a negative impact on its ability to distribute profits. Significant write-downs could also have a material adverse effect on Endomines' market value, and such write-downs could weaken Endomines' ability to later acquire financing on market terms. If the Company's market value were to undergo a significant decrease e.g. due to a massive write-down, Endomines might be forced to renegotiate the terms and conditions for its financing, which could affect the terms and conditions on which Endomines is granted financing in the future and thereby on the Company's future financial development and profitability.

#### ***Fluctuations in exchange rates may have an adverse effect on Endomines' profit***

Endomines Finland's reporting currency is the euro and Endomines AB's is the Swedish krona, whereas the functional currency of the subsidiary Endomines Idaho, LLC is the US dollar, and the selling price of gold is determined in dollars. As such, some of the profits, costs, investments and balance sheet items are dollar-denominated. For example, in the first half of 2022, the SEK/USD exchange rate has fluctuated between 1.1374 and 1.0387. Endomines has not hedged itself against exchange rate risks.

The gold produced by Endomines is sold in dollars, which is why the Company's profitability is dependent on exchange rate fluctuations in this respect. Fluctuations in exchange rates may have an adverse effect on the Company's result.

#### ***Risks related to Endomines' external financing***

Endomines actively seeks to ensure the availability of external financing in order to secure its capability to implement the Company's long-term growth strategy, and different financing options are under constant review. The Company is dependent on external financing to finance its future strategy. Endomines' current financing is described below in section "*Information on the Company and its Business –Material Agreements of the Group*". The Company's financing consists primarily of a financing agreement with LDA (as defined below) which includes unused financial facility consisting of EUR 3.4 million convertible loans and EUR 6.8 million Put Option Agreement (as defined below) and of convertible loans issued mainly to Finnish investors, altogether approximately EUR 19.6 million. These financing arrangements and agreements are, together, sufficient to satisfy Endomines' current working capital needs. The full-scale implementation of the Company's long-term strategy, especially with regard to exploration, will require additional financing in 2022. The majority of the funds to be raised through the Offering will be used to finance exploration operations at the Karelian Gold Line. In the event that the Offering is only partially carried out or is not carried out at all, the exploration operations will slow down from the planned time frame and will be postponed. Investing in securities, such as convertible loans, always involves some risk-taking. External financing involves liquidity risks, including the Company potentially encountering difficulties in fulfilling its undertakings that relate to its financial liabilities. In the event that the potential risks described above with regard to the environment or permits are realized or if the price of gold undergoes a negative change, it could have an adverse effect on the Company's cash flow. Events such as these may also make it more difficult for the Company to acquire additional financing, which may result in the Company not being able to carry out and develop its business operations as planned.

#### ***Risks Related to the Merger***

##### ***If the implementation of the Merger fails or is delayed, it can have an adverse effect on Endomines' business operations***

Endomines AB's Board of Directors has decided to transfer Endomines' domicile from Sweden to Finland. The intention is to carry out the parent company's domicile transfer as a cross-border downstream merger where Endomines AB merges into the Finnish public limited liability company Endomines Finland. A failure to implement the Merger can have an adverse effect on Endomines' business operations, result and financial status. A large share of the costs incurred for the Merger must be paid regardless of whether the Merger is successfully implemented or not. A failure to successfully implement the Merger could also have an adverse effect on Endomines' reputation and affect how investors, financiers and business partners view Endomines in the future. A failure to implement the Merger can have a material adverse effect on Endomines' business operations, result and financial status. The Offering will not be carried out if the Merger is not implemented.

In the event that the Merger is implemented, the parent company will have to abide by Finnish regulation, which pertains to e.g. corporate governance and accounting. There is a risk that Endomines may not be able to comply with the applicable regulation after the Merger e.g. due to insufficient or deficient processes of the change.

### **Risks Related to Endomines' Shares**

***Endomines' ability to pay dividends or otherwise distribute unrestricted equity is dependent on the availability of distributable funds, and the Company does not expect to distribute dividends in the short or medium term***

Any potential distribution of proceeds and the amount thereof depend e.g. on Endomines' future operations, future prospects, result, financial status, distributable funds, cash flow, working capital needs, and general financial and legal restrictions. There are several risks that could have an adverse effect on Endomines' business operations, and if these risks materialize, Endomines may not be able to achieve a result that would enable it to distribute proceeds. Endomines' business has been loss-making. Endomines has not distributed any dividend to this date and does not expect to do so in the short or medium term.

***Concentration of ownership in the Company may affect the market price and liquidity of the Shares; major shareholders of the Company may have a significant influence on the Company's governance and the interests of major shareholders may differ from those of minority shareholders***

The interests of the Company's major shareholders may sometimes differ from the interests of other shareholders. Significant decisions to be made at the Company's general meetings include, among others, approving the financial statements, discharging the management of the Company from liability, deciding on the distribution of distributable assets and dividend payment, and election of the members of the Board of Directors and the auditor. This may have a material adverse effect on the position of other shareholders of the Company.

Further, concentration of ownership may also delay or prevent change of control in the Company, hinder the Company's shareholders' opportunity to receive a premium for their Shares in connection with a sale of the Company and affect the market price and liquidity of the Shares.

***Current provisions regarding Finnish withholding tax may result in unidentified holders of nominee-registered shares having to pay more withholding tax***

If a Finnish limited liability company pays dividend on nominee-registered shares, the dividend is first paid to a custodian who forwards the dividend paid on the nominee-registered shares to the beneficial owners of the dividend right.

If an unidentified recipient is paid dividend based on a Finnish publicly listed company's nominee-registered share, the payer is obliged to collect a withholding tax of 35% if the identity of the beneficial owner of the dividend is not known. If the identity of the recipient is known to a sufficient degree, a withholding tax of 35% will be collected from the identified recipient if it is otherwise unclear as to which withholding tax rate should be applied pursuant to the Finnish Withholding Tax Act.

In the event that shares are nominee-registered and the person entitled to dividend based on these shares resides in a country that has concluded a tax treaty on the elimination of double taxation with Finland ("**Tax Treaty**"), the provisions set out in the applicable Tax Treaty with regard to dividend can be applied to the recipient of the dividend once the payer of the dividend has received identifying information on the beneficial owner of the dividend, provided that the applicability of the provisions set out in the relevant Tax Treaty with regard to dividend has been ascertained in a sufficiently accurate and reliable manner. Some specific requirements regarding the custodian also apply.

A withholding tax of 50% must be paid for any dividend paid to a Finnish resident tax payers based on nominee-registered shares if no information regarding the beneficial owner of the dividend is disclosed. Therefore, storing shares in a book-entry account can result in the levy of a higher withholding tax if no information regarding the beneficial owner of the dividend is disclosed.

***Future large-scale issues, special rights issued in accordance with Chapter 10 Section 1 of the Companies Act or significant sales of Endomines Finland's shares can have an adverse effect on the market price of Endomines Finland's shares, and potential future large-scale share issues can dilute the existing shareholders' shareholding***

Endomines Finland may carry out issues of new shares or equity instruments in the future in order to acquire capital. Such issues may lead to a reduction in the relative shareholding and votes of Endomines Finland's shareholders as well as the result per share. Furthermore, potential issues of new shares can have an adverse effect on the market price of the shares. Holders of Endomines Finland's Shares should take into account the risk that future issues may decrease the price of Endomines Finland's Share and/or dilute their shareholding.

As of the date of this Prospectus, the Company has outstanding special rights referred to in Chapter 10 Section 1 of the Finnish Limited Liability Companies Act (the "**Companies Act**") and Convertible Loans as is described in section "*Information on the Company and its Business – Material Agreements of the Group*" and "*The Shares and Share Capital of the Company – Option Rights 2021:1, Option Rights 2020/2023: 1–2, Put Option Agreement and Convertible Loans*". In the event that the holders of the special rights decide to use their special rights or the Convertible Loans are converted into Shares, the Company runs the risk of its Shares being subjected to the dilution effect where the relative share of all votes at a general meeting held by a shareholder is weakened and the shareholders' share of the Company's capital, profits and potential surplus in liquidation is reduced in size, which may have an adverse effect on the market price of the Shares (see "*The Shares and Share Capital of the Company – Option Rights 2021:1, Option Rights 2020/2023: 1–2, Put Option Agreement and Convertible Loans*").

***Certain foreign shareholders may not necessarily be able to exercise the pre-emptive right conferred to them by the Companies Act or their other rights as a shareholder***

Pursuant to the Companies Act, the shareholders in a Finnish limited liability company have a pre-emptive right to subscribe for new shares or instruments entitling to the subscription of shares pro rata to the number of shares they held before the issue, unless the general meeting has decided otherwise. If Endomines Finland decides to issue new shares or other instruments entitling to the subscription of shares to Endomines Finland's shareholders, shareholders that reside in certain countries may be subject to restrictions that prevent them from participating in the issue or which otherwise limit their participation or make participation difficult. For example, shareholders residing in the United States may be prevented from exercising their pre-emptive right in cases where no exception from the registration obligation imposed by the US Securities Act applies. Other shareholders residing in countries other than Finland may be affected by similar factors. In connection with future issues, Endomines Finland is not obliged to apply for the registration set out in the US Securities Act or to file for a corresponding approval that applies to subscription rights or shares pursuant to the legislation of any country other than Finland. This could further prove to be impractical or expensive. To the extent that shareholders residing in countries other than Finland are unable to subscribe for new shares in an issue of new shares, their relative shareholdings in Endomines Finland will be reduced in size. In addition, a holder of nominee-registered Endomines Finland Shares is unable to directly exercise their right to vote at the Company's general meeting if the holder of such nominee-registered shares is not signed up to be temporarily recorded in Endomines Finland's shareholders' register no later than by the date disclosed in the summons to the general meeting.

***The market price of Endomines Finland's Shares may undergo significant fluctuations***

In addition to Endomines Finland's result, the price of Endomines Finland's Shares is dependent on several factors that are beyond Endomines Finland's control. Examples of such factors comprise e.g. the economic situation, the situation in the general share market, the market interest rate, gold price development, capital flows, political uncertainty, market behavior, and/or changes in the market's conceptions of Endomines Finland's operations, future prospects, financing solutions, or the transfer of domicile and the Merger. The chance that investors may encounter losses when selling Endomines Finland's Shares is therefore not precluded. The share market, in general, can be considerably volatile vis-à-vis prices and sales amounts.

***If the investor's local currency is not the euro, the investor is subject to certain foreign exchange risks when investing in the New Shares***

The Company's Shares will be submitted to public trading on the official list of Nasdaq Helsinki, after which a price will be determined for the Shares and they will be subjected to euro-denominated trading on the official list of Nasdaq Helsinki. Any dividend that may be paid in the future will be paid in euros. As a result, fluctuations

in the exchange rate of the euro have an impact on the value of any dividend that may be paid and on the value of any other distribution of assets that may be made from unrestricted equity for those shareholders whose main or local currency is not the euro. In addition, the market price of the Shares when disclosed in different foreign currencies varies partly due to fluctuations in exchange rates. This can have an impact on the value of the Shares and any dividend potentially paid on their basis for those shareholders whose main or local currency is not the euro. In addition, such investors may incur additional transaction costs when converting euros into another currency.

## **Risks related to the issue and listing of shares**

### ***The listing may be delayed***

On the date of this Prospectus, Endomines Finland's management believes that the Company fulfils the requirements imposed on a listing company but there is no guarantee that the listing will materialize in the way the Company has planned or at all. The listing may fail due to reasons the Company has not been able to foresee on by the date of this Prospectus, or on which the Company itself has not been able to have effect. It is also possible that Nasdaq Helsinki will not accept the Company's listing application, which may lead to delay or cancellation of the listing and to significant additional costs and administrative burden.

***Subscriptions cannot be canceled or altered, and investors may not necessarily be allocated an amount of New Shares corresponding to the subscription commitment and, on the other hand, it is possible that all New Shares are not subscribed for in the Offering or that the Company decides not to carry out the Offering***

The subscription commitments provided in connection with the Public Offering to subscribe for New Shares are binding, and they cannot be cancelled or amended otherwise than as described in section "*Terms and conditions of the Offering – The cancellation of subscriptions under certain circumstances*". In the Public Offering, the Company decides on the allocation of New Shares to investors in connection with the resolution on the implementation on the Offering. The Company resolves on the procedure in the event of possible oversubscription. The subscription commitments may be accepted or denied in full or in part, in which case the investor might not be allocated the number of New Shares that corresponds to the subscription commitment.

The New Shares subscribed in the public offering will be paid in connection with the subscription, unless otherwise provided in the terms and conditions of the Offering. Thus, investors have to make their investment decision before the final result and final allocation of the Offering is known.

It is also possible that all new Shares are not subscribed for in connection with the Offering due to insufficient demand. The Board of Directors of the Company has also the possibility to not go through with the Offering.

## **STATEMENT REGARDING INFORMATION IN THE PROSPECTUS**

The Company is responsible for the information included in the Prospectus. To the best knowledge of the Company, the information included in the Prospectus is in accordance with the facts and contains no omission likely to affect its import.

In Espoo, November 28, 2022

Endomines Finland Plc



## THE BOARD OF DIRECTORS, AUDITORS AND ADVISORS

### The Members of the Board of Directors of the Company

Name	Position
Jukka-Pekka Joensuu	Chairman
Jeremy Read	Member
Eeva Ruokonen	Member
Markus Ekberg	Member
Jukka Jokela	Member

The address of the Board of Directors is Endomines Finland Oyj, Ahventie 4, 02170 Espoo.

### Lead Manager

Aktia Alexander Corporate Finance Oy  
Pohjoisesplanadi 37 A  
FI-00100 Helsinki

### Legal Advisor to the Company

*With regard to Finnish law:*  
Borenus Attorneys Ltd  
Eteläesplanadi 2  
FI-00130 Helsinki

*With regard to Swedish law:*  
Advokatfirman Schjødt  
Hamngatan 27  
101 33 Stockholm, Sweden

### Auditor of the Company

PricewaterhouseCoopers Oy  
Itämerentori 2  
FI-00180 Helsinki

## CERTAIN MATTERS

### Forward-Looking Statements

The Prospectus includes forward-looking statements about, among other things, present views and expectations of the Company's management on the results, financial position, business strategy and plans and goals for future operations and objectives. Such statements are presented in "*Summary*", "*Risk Factors*", "*Information on the Company and its Business*", "*Operating and Financial Review*" and elsewhere in the Prospectus.

Forward-looking statements pertain to both the Company, such as certain financial goals that the Company has set for itself, and the sectors and industry in which it operates. Statements containing the expressions "aim", "anticipate", "assume", "believe", "come", "continue", "could", "estimate", "expect", "intend", "may", "plan", "predict", "seek", "target", "will", or other similar expressions express forward-looking statements.

All forward-looking statements in the Prospectus reflect the present views of the management of the Company of future events, and involve risks, uncertainties and assumptions concerning the Company's business operations, results, financial position, growth strategy and liquidity. Such risks and factors of uncertainty are described, for example, in section "*Risk Factors*", which should be read together with other cautionary statements in the Prospectus. These forward-looking statements apply only to the situation on the date of the Prospectus and the Company's actual business operations, results, financial position and liquidity could differ materially from those indicated in the forward-looking statements. Moreover, even if the results of the Company's operations, financial position and liquidity, as well as development in the sectors where the Company operates, were in line with the forward-looking statements presented in the Prospectus, the results and development are not necessarily indicative of the mentioned results and development of any future periods.

Unless otherwise required under the obligations set in applicable regulations (including the Prospectus Regulation), the Company will not update or re-evaluate the forward-looking statements in the Prospectus based on new information, future events or other factors. The statements made in this section apply to all subsequent written or oral forward-looking statements related to the Company or persons acting on behalf of it in their entirety. Persons considering investment should, prior to making an investment decision, carefully consider all factors mentioned in the Prospectus due to which the Company's actual business operations, results, financial position and liquidity may differ from expectations.

### Information from Third-Party Sources

This Prospectus contains statistics, data and other information relating to the markets, market size, market shares and market positions and other industry data pertaining to the Company's business and markets. The information is derived from multiple sources, mainly on information provided on the World Gold Council's website and the research material of the Geological Survey of Finland. Where certain information contained in this Prospectus has been derived from third party sources, such sources have been identified herein. The Company confirms that such third-party information has been appropriately reproduced herein and that as far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading.

However, the Company does not have access to all of the facts, assumptions and postulates underlying the market analyses, including information provided on the World Gold Council's website and the research material of the Geological Survey of Finland, or statistical information and economic indicators contained in sources of third-party information, and the Company is unable to verify such information. Moreover, market studies are frequently based on information and assumptions that may not be exact or appropriate, and their methodology is by nature forward looking and speculative. Therefore, changes in the postulates and their premises on which market studies are based, could have a significant influence on the analyses and conclusions made.

The statements in this Prospectus on the Company's market position and on other companies operating in its market areas are based solely on the experiences, internal investigations and assessments of the Company, as well as the reports and surveys it has commissioned, which the Company deems reliable. The Company cannot, however, guarantee that any of these statements are accurate or give an accurate description of the Company's position in its market, and none of the Company's internal investigations or information has been verified using external sources independent of those commissioned by the Company.

Unless otherwise identified, information in the Prospectus related to the quantity of Shares and votes as well as shareholders' equity have been calculated based on information that was registered in the Trade Register at latest by the date of the Prospectus.

### **Presentation of Financial Statements and Certain Other Information**

Certain financial information incorporated into this Prospectus are derived from Endomines AB's audited consolidated financial statements for the financial years ended December 31, 2021, 2020, and 2019 (the "**Audited Consolidated Financial Statements**"). The Audited Consolidated Financial Statements have been incorporated into this Prospectus by reference. The Audited Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"). The Audited Consolidated Financial Statements included in the Prospectus have been audited by PricewaterhouseCoopers AB, with Authorized Public Accountant Anna Rozhdestvenskaya as the auditor with principal responsibility for the financial year ended December 31, 2021, and Authorized Public Accountant Martin Johansson as the auditor with principal responsibility for the financial years ended December 31, 2020, and 2019. PricewaterhouseCoopers AB was elected as Endomines AB's auditor for the financial year ending December 31, 2022, with Authorized Public Accountant Anna Rozhdestvenskaya as the auditor with principal responsibility. PricewaterhouseCoopers Oy was elected as Endomines Finland's auditor for the financial year ending December 31, 2022, with Authorized Public Accountant Panu Vänskä as the auditor with principal responsibility.

In addition, Endomines Finland's audited financial statements for the financial year ended December 31, 2021, as well as Endomines Finland's half-year interim report from the half-year period ended June 30, 2022, have been incorporated into this Prospectus by reference. Endomines Finland's audited financial statements have been prepared in accordance with the Finnish Accounting Standards (FAS) and they have been audited by PricewaterhouseCoopers Oy, with Authorized Public Accountant Panu Vänskä as the Auditor with principal responsibility.

### **Description of the Conversion of Swedish Krona into Euro**

For illustrative purposes, certain parts of Endomines consolidated financial information for the financial period ended December 31, 2021, and the period of six months ended June 30, 2022 and for the period of nine months ended September 30, 2022 have been converted into euros in this Prospectus. The conversion of Swedish krona to euro has been carried out as follows: assets and liabilities as at December 31, 2021, June 30, 2022 and September 30, 2022 have been converted using the closing price of the balance sheet date, and the income statements for the financial periods ended December 31, 2021 and June 30, 2022 have been converted using the average rate for the period. Retained earnings and other equity items have been converted using historical rates as if they had always been presented in euros. The difference between the equity's historical rates and the rate of the balance sheet date has been recorded as a translation difference in the equity. Cash flow statement information has been converted using the average rate for the period, however the cash and cash equivalents at the beginning and at the end of period have been converted by using the balance sheet date price. Therefore, the cash flow statement items other items and effect of exchange rate changes on liquid assets include adjustments with the reconciling items due to conversion. As the figures converted into euros in this Prospectus have been drawn up for illustrative purposes, they may materially differ from the figures that Endomines will be presenting in its reporting after the Merger.

### **Treatment of the Merger in the Financial Statements**

The Merger constitutes a cross-border downstream merger in which Endomines AB merges into Endomines Finland, which currently is a wholly-owned subsidiary of Endomines AB. Endomines Finland has been established specifically for the Merger, and it will become the new parent company of the group after the Merger. In the consolidated financial statements of Endomines, the Merger will be treated as an internal restructuring within the group and, as such, it will not entail a change of reporting entity with respect to the IFRS. Therefore, the book values in the future consolidated financial statements of the group's new parent company Endomines Finland continue in euros the book values that have been used in the consolidated financial statements of the earlier parent company Endomines AB in krona. On the Implementation Date (as defined below), the equity accounting entries of the group describe the capital structure of Endomines Finland, which is the new parent company of the group.

In the accounting of the parent company, Endomines Finland will record the transferred assets and liabilities in its accounting as per the book values used by Endomines AB, taking into account any depreciations. Merger

profit or loss, as well as Endomines Finland Plc's shares owned by Endomines AB, will be recorded against Endomines Finland Plc's earnings as stated in the merger plan. This follows the principle of continuity and gives a true and sufficient view of the financial content of the transaction in accordance with the Finnish Accounting Act.

### **Alternative Performance Measures**

Endomines presents in this Prospectus certain alternative performance measures of historical financial performance, financial position and cash flows, which, in accordance with the "Alternative Performance Measures" guidance issued by the European Securities and Markets Authority ("**ESMA**") are not accounting measures defined or specified in IFRS (the "**Alternative Performance Measures**"). These Alternative Performance Measures are:

- Net interest-bearing debt
- Revenue growth rate
- EBIT
- EBITDA
- Operating margin
- Net margin
- Net gearing
- Return on equity
- EBITDA margin
- Equity ratio

The exact definitions for calculating these Alternative Performance Measures and the reason why Endomines believes that the use of each Alternative Performance Measure is beneficial are presented under "*Selected Financial Information – Key Performance Indicators*".

Endomines presents Alternative Performance Measures as additional information to measures presented in the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows prepared in accordance with IFRS. In the Company's view, Alternative Performance Measures provide the management, investors, securities market analysts and other parties with significant additional information related to Endomines' results of operations, financial position and cash flows.

Alternative Performance Measures should not be viewed in isolation or as a substitute to the measures under IFRS. All companies do not calculate Alternative Performance Measures in a uniform way, and therefore the Alternative Performance Measures presented in this Prospectus may not be comparable with similarly named measures presented by other companies.

Alternative Performance Measures are unaudited except for the EBIT and EBITDA of the financial period.

### **Exchange Rates**

The table below states the average, highest and lowest rate of the Swedish krona determined by the European Central Bank (ECB) as well as the closing rate in relation to euro for each date and period.

	Indicative exchange rates SEK/EUR			
	Average rate	Highest	Lowest	Closing rate
Calendar year 2019	0.09446	0.09818	0.09160	0.09572
Calendar year 2020	0.09542	0.09966	0.08967	0.09966
Calendar year 2021	0.09856	0.10100	0.09679	0.09756

The rates above have only been provided for the reader's convenience, and they may not necessarily be the same rates that have been used in the preparation of Endomines AB's financial statements. This Prospectus does not take a position on whether euros have been converted into Swedish krona using these or some other rates during these dates and periods.

### **Roundings**

Certain figures in the Prospectus, including financial data, have been rounded. Therefore, the sums of table columns and rows may not necessarily precisely correspond to the figures given as row or column totals. In

addition, certain percentages reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

### **Availability of the Prospectus**

The Finnish Prospectus will be available on or about November 28, 2022 on the website of the Company at [www.offering.endomines.com](http://www.offering.endomines.com) and of the Lead Manager at [www.alexander.fi/en/endomines](http://www.alexander.fi/en/endomines).

### **No Incorporation of Website Information**

The Prospectus, documents incorporated by reference to it, the possible supplements of the Prospectus, which will become part of the Prospectus, will be made available on the website of the Company. The other contents of the Company's website or any other website do not form a part of the Prospectus and the FIN-FSA has not reviewed or approved them. Prospective investors should not rely on such information in making their decision to invest in the New Shares.

## MERGER OF ENDOMINES AB AND ENDOMINES FINLAND

### Background of and Reasons for the Merger

Endomines' analysis has shown that because of Endomines AB's structure and the large number of shareholders domiciled in Finland, current national regulatory frameworks do not fully accommodate Endomines AB's business model and its shareholders. Because the acquiring company (Endomines Finland) is a Finnish public company whose Shares are intended to be listed on the official list of Nasdaq Helsinki, Endomines will operate under a regulatory framework that is better suited for the Company, its operations and shareholders and that is also expected to decrease administrative complexity, enhance efficiency and reduce administrative costs.<sup>2</sup>

In April 2020, Endomines AB issued a secured bond of EUR 3.4 million involving option rights. The option rights will cease to exist after the Merger, which is why Endomines Finland decided on October 21, 2022, by virtue of a shareholder's authorization granted on October 17, 2022, to issue 4,286,456 special rights referred to in Chapter 10 Section 1 of the Companies Act entitling their holders to subscribe for shares in Endomines Finland in connection with the Merger (see "*Information on the Company and its Business – Material Agreements of the Group – Option rights related to a secured bond of EUR 3.4 million*").

### General Overview of the Merger

Endomines AB's Board of Directors and the Board of Directors of Endomines AB's wholly-owned subsidiary Endomines Finland signed on August 18, 2022 a merger plan proposing that Endomines Finland assumes liability over Endomines AB's assets and liabilities in a cross-border downstream merger in accordance with the provisions of Chapter 23 Section 36 of the Swedish Companies Act and Chapter 16 Sections 19–28 of the Finnish Companies Act.

The Merger was approved in accordance with the merger plan in Endomines AB's extraordinary general meeting held on September 26, 2022, and after that by Endomines Finland's Board of Directors.

Endomines AB will automatically dissolve on the Implementation Date.

According to the merger plan, Endomines AB's new shareholders will receive as merger consideration one new Share in Endomines Finland per each share they hold in Endomines AB on the Implementation Date. The exchange ratio has been determined on the basis that Endomines Finland is Endomines AB's wholly-owned subsidiary with no operation of its own, which is why the value of all Shares in Endomines Finland will reflect the value of all shares in Endomines AB before the Merger. The merger consideration will be distributed to Endomines AB's shareholders on or about the first trading day after the Implementation Date (as defined below).

A condition for the completion of the Merger is that the implemented merger is entered in the Finnish Trade Register. The Merger will be entered in the Finnish Trade Register on the Implementation Date on or about December 16, 2022 ("**Implementation Date**").

Endomines Finland's shares issued as merger consideration will entitle their holders to distribution of profits and other funds of Endomines Finland as well as other shareholder rights as of the Implementation Date.

Nominee registration of Finnish securities owned by Finnish private individuals and companies is prohibited. Therefore, any Finnish persons and companies holding shares in Endomines AB must after the Merger open a Finnish book-entry account for Shares they hold in Endomines Finland in order to receive the Shares of Endomines Finland issued as merger consideration.

Endomines Finland will apply for the admission of the Company Shares to trading on the official list of Nasdaq Helsinki.

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<sup>2</sup> For more information, see Endomines AB's release issued on June 3, 2021 regarding the merger.

The Shares issued as merger consideration and Shares previously issued by Endomines Finland are expected to be listed and submitted to trading in Nasdaq Helsinki on or about December 20, 2022.

### ***Business Activities after the Merger***

Endomines' day-to-day business activities will remain unaffected by the Merger.

### ***Corporate Governance after the Merger***

Endomines Finland is a Finnish public limited liability company subject to the Finnish laws and, inter alia, the Finnish securities market regulation. The securities market regulation requires that the issuer presents a report on the company's corporate governance in their annual report or with a separate report. In Finland, recommendations on the content of the corporate governance report are given in the Corporate Governance Code published by the Securities Market Association.

According to the rules of Nasdaq Helsinki, all companies whose shares are listed on the official list of Nasdaq Helsinki must comply with the Corporate Governance Code for Finnish listed companies or, alternatively, the Corporate Governance Code of the home state of the stock exchange. Endomines AB has previously complied with the Swedish Corporate Governance Code. Endomines Finland will comply with the Finnish Corporate Governance Code as a result of the Merger.

### ***Board of Directors and the Management***

On the date of this Prospectus, Endomines AB's and Endomines Finland's Board of Directors consists of chairman Jukka-Pekka Joensuu as well as board members Jeremy Read, Eeva Ruokonen, Jukka Jokela and Markus Ekberg.

For information on the management team, see section "*The Company's Administration, Management and Auditors – CEO and Other Senior Management*".

### ***Personnel***

As of the Implementation Date at the latest, Endomines AB's employees will be directly employed by Endomines Finland. All of Endomines AB's rights and obligations relating to employment contracts and working conditions in force will thus be transferred to Endomines Finland (unless the parties agree that the employees will transfer to Endomines Finland at an earlier date).

### ***Conditions for the Implementation of the Merger***

The implementation of the Merger is subject to the satisfaction of the following conditions:

- Endomines Finland's Shares have been admitted to trading on Nasdaq Helsinki's regulated market;
- the Merger has not been prohibited nor do Endomines AB's and Endomines Finland's Boards of Directors consider there to be any barriers to the Merger to be considered significant arising from fully or partially applicable laws and regulations, administrative or judicial practices (including changes to interpretations and related laws and regulations) or for other reasons; and
- the completed Merger has been entered in the Finnish Trade Register.

See also "*Risk factors – Risks related to the Merger – If the implementation of the Merger fails or is delayed, it can have an adverse effect on Endomines' business operations*".

### ***Merger Consideration***

As merger consideration, Endomines AB's shareholders will receive one (1) new Share in Endomines Finland per each share they hold in Endomines AB. This means that the merger consideration will be given to the shareholders of Endomines AB in the proportion of their current shareholding with an exchange ratio of 1:1. The number of shares issued as the merger consideration is 6,679,959 calculated as per Endomines AB's current number of shares (6,679,959 shares). The exchange ratio has been determined on the basis that Endomines Finland is Endomines AB's wholly-owned subsidiary with no operation of its own, which is why the

value of all Shares in Endomines Finland will reflect the value of all shares in Endomines AB prior to the Merger.



## **BACKGROUND OF AND REASONS FOR THE SHARE ISSUE AND USE OF PROCEEDS**

During 2022, Endomines has renewed its strategy, focusing on exploration along the Karelian Gold Line. For more information, see section “*Information on the Company and its business – Strategy*”. Measures required for the implementation of the strategy include extensive exploration drilling in the area, which requires the Company to make investments and causes costs. It is central for the Company's strategy to, inter alia, centralize gold production at the Company's production plant in Pampalo, which will also see investments into maintaining production efficiency and modern infrastructure. In addition, a central priority in the Company's strategy is carrying out measures set out the sustainability program, such as building full-scale ESG reporting capabilities, which in turn requires investments into administrative operation and organization.

The Offering will be executed in connection with the Company's redomiciliation from Sweden to Finland and simultaneously the Company will be de-listed from Nasdaq Stockholm and the Shares shall be listed solely on Nasdaq Helsinki. Endomines AB's structure and the large number of shareholders domiciled in Finland means that the existing national regulatory framework does not fully accommodate Endomines AB's business model or its shareholders. As Endomines Finland will in the future be a Finnish public company listed on the official list of Nasdaq Helsinki, it will operate under a regulatory framework that is better suited for the Company, its operations and shareholders and that is also expected to decrease administrative complexity, enhance operational efficiency and reduce administrative costs.

The purpose of the Offering carried out in connection with the change of domicile is to enable extensive exploration drilling along the Karelian Gold Line and to create conditions for future growth and the implementation of the Company's strategy. The Offering aims to broaden the Company's ownership base and increase investors' awareness of the Company. The Offering also strengthens the Company's capital structure and therefore enables a more versatile utilization of debt financing solutions in the future.

### **Use of Proceeds**

If all New Shares are subscribed for in the Offering, the Company's gross proceeds from the Offering (including subscriptions that have been set off, partly or in full, by using receivables based on Convertible Loans) amount to around EUR 13 million (without the Upsize Option and before any fees related to the Offering have been taken into account). The Company estimates that it will pay around EUR 0.7 million in fees and other costs related to the Offering, meaning that the net proceeds received by the Company from the Offering amount to around EUR 12.3 million (without the Upsize Option).

The Company intends to use the proceeds received from the Share issue for the implementation of its strategy and especially for exploration along the Karelian Gold Line, for strengthening its capital structure, and for general business needs.

## CAPITALIZATION AND INDEBTEDNESS

The following table sets forth the Company's capitalization and indebtedness as at September 30, 2022, (i) as realized based on the Company's unaudited consolidated financial information for the 9 month period ended on September 30, 2022 and (ii) as adjusted to reflect the EUR 13 million (SEK 141,036 thousand) gross assets from the Offering, the EUR 0.7 million (SEK 7,383 thousand) transaction costs, the issue of EUR 0.3 million (SEK3,257 thousand) convertible loans on November 15, 2022 and the EUR 8.9 million (SEK 96,248 thousand) conversion of convertible notes based on subscription commitments assuming that the events presented as adjustments would have occurred on September 30, 2022. The euro-denominated adjusting items have been translated into SEK by using the closing rate of November 24, 2022. When reading the following table, it should be noted that the realization of the gross proceeds of the Offering is not certain.

The following table should be read together with "Selected Financial Information" and "Operating and Financial Review" as well as the Audited Consolidated Financial Statements included in this Prospectus.

SEK thousand	September 30, 2022	
	actual (unaudited)	adjusted (unaudited)
<b>Capitalization</b>		
<b>Total short-term financial liabilities</b>	<b>4,013</b>	<b>4,013</b>
Secured <sup>(2)</sup>	0.0	
Unsecured	4,013	4,013
<b>Total long-term financial liabilities</b>	<b>210,093</b>	<b>120,140</b>
Secured <sup>(2)</sup>	209,313	119,360 <sup>(3),(4)</sup>
Unsecured	780	780
<b>Total equity</b>	<b>402,403</b>	<b>537,360</b>
Share capital	534,397	534,397
Reserve for invested unrestricted equity	992,493	1,127,449 <sup>(4),(5)</sup>
Other assets	0	0
Translation differences	13,037	13,037
Retained earnings	-1,137,523	-1,137,523
<b>Total</b>	<b>616,508</b>	<b>660,209</b>
<b>Net Indebtedness</b>		
A Cash and cash equivalents	29,755	70,417 <sup>(3),(4),(5)</sup>
B Liquidity (A)	29,755	70,417
C Short-term financial liabilities <sup>(1)</sup>	4,013	4,013
D Short-term part of long-term financial liabilities		
<b>E Total short-term financial liabilities (E + F)</b>	<b>4,013</b>	<b>4,013</b>
<b>F Short-term net indebtedness (G – D)</b>	<b>-25,742</b>	<b>-66,405</b>
G Long-term financial liabilities (excl. short-term)	780	780
H Debt instruments	209,313	119,360 <sup>(3),(4)</sup>
I Long-term accounts payable and other liabilities	-	
<b>J Total long-term financial liabilities (I + J + K)</b>	<b>210,093</b>	<b>120,140</b>
<b>K Net indebtedness (H + L)</b>	<b>184,350</b>	<b>53,735</b>

EUR million	September 30, 2022	
	actual (unaudited)	adjusted (unaudited)
<b>Capitalization</b>		
<b>Total short-term financial liabilities</b>	<b>0.4</b>	<b>0.4</b>
Secured	0.0	0.0
Unsecured <sup>(1)</sup>	0.4	0.4
<b>Total long-term financial liabilities</b>	<b>19.2</b>	<b>11.0</b>
Secured	19.2	10.9 <sup>(3),(4)</sup>
Unsecured <sup>(1)</sup>	0.1	0.1
<b>Total equity</b>	<b>37.8</b>	<b>50.2</b>
Share capital	48.9	48.9
Reserve for invested unrestricted equity	90.9	103.4 <sup>(4),(5)</sup>
Other assets	0.0	0.0
Translation differences	25.3	25.3
Retained earnings	-127.3	-127.3
<b>Total</b>	<b>57.4</b>	<b>61.6</b>
<b>Net Indebtedness</b>		
A Cash and cash equivalents	2.7	6.5 <sup>(3),(4),(5)</sup>
B Liquidity (A)	2.7	6.5
C Short-term financial liabilities <sup>(1)</sup>	0.4	0.4
D Short-term part of long-term financial liabilities	-	-
<b>E Total short-term financial liabilities (E + F)</b>	<b>0.4</b>	<b>0.4</b>
<b>F Short-term net indebtedness (G – D)</b>	<b>-2.4</b>	<b>-6.1</b>
G Long-term financial liabilities (excl. short-term)	0.1	0.1
H Debt instruments	19.2	10.9 <sup>(3),(4)</sup>
I Long-term accounts payable and other liabilities	-	-
<b>J Total long-term financial liabilities (I + J + K)</b>	<b>19.2</b>	<b>11.0</b>
<b>K Net indebtedness (H + L)</b>	<b>16.9</b>	<b>4.8</b>

- 1) The structure of equity is based on Endomines AB equity structure, on the Implementation Date the equity accounting entries of the group describe the capital structure of Endomines Finland, which is the new parent company of the group.
- 2) Includes options entitling to the Company's shares that have not been included in the definition of the Company's net interest-bearing debt.
- 3) The Company has issued in November 2022 a total of EUR 0.3 million (SEK 3,257 thousand) new convertible loans, which increases convertible loans included in the long-term financial liabilities and cash and cash equivalents.
- 4) As part of the Offering the company has received subscription commitments from certain investors to convert the capital, certain unpaid fees and accumulated interests of Capita Loans amounting to a total of EUR 8.9 million (SEK 96,248 thousand) to shares issued by the Company (See "Terms and Conditions of the Offering – Subscription Commitments"). The conversion of Convertible Loans improves Company's capitalization by increasing the reserve for invested unrestricted equity by approximately EUR 8.9 million (SEK 96,248 thousand), which decreases Convertible Loans included in the long-term liabilities by approximately EUR 8.6 million (SEK 93,210 thousand) and fee and interest liabilities included in the accrued expenses and other liabilities by approximately EUR 0.3 million (SEK 3,038 thousand).

- 5) The Company aims to raise with the Offering EUR 13 million (SEK 141,036 thousand) gross proceeds (taking into account the 10 percent discount of the Personnel Offering and assuming that the Offering is fully subscribed), of which EUR 8.9 million (SEK 96,248 thousand) relates to the conversion of notes described above in point 4 above and the remaining proceeds is aimed to be raised by offering New Shares. The Company has received from certain investors subscription commitments amounting to approximately EUR 3.4 million (SEK 36,543 thousand) (See “*Terms and Conditions of the Offering – Subscription Commitments*”). The gross proceeds paid in cash from the Offering will improve Company's capitalization by increasing the reserve for invested unrestricted equity and cash and cash equivalents by EUR 4.1 million (SEK 44,788 thousand). The estimated transaction costs related to the Offering are EUR 0.7 million (SEK 7,383 thousand). The reserve for invested unrestricted equity has been adjusted with the EUR 0.6 million (SEK 6,080 thousand) listing costs and the amount of transaction costs to be recognized in the profit for the period is EUR 0.1 million (SEK 1,303 thousand).

With regards to the adjustments 3, 4 and 5 to cash and cash equivalents, it should be noted that cash and cash equivalents after the adjustments do not reflect the actual amount of the Company's cash and cash equivalents.

There have been no material changes in the Company's capitalization and indebtedness since September 30, 2022.

More information on the Company's conditional debts and certain other off-balance sheet liabilities is presented in section “*Operating and Financial Review – Equity and Liabilities and Other Contingent Liabilities*”.

### **Working Capital Statement**

In the opinion of the Company's management, the Company's working capital is sufficient for the Company's present needs for the next 12 months following the date of this Prospectus. The Company has included in the working capital estimate the minimum amount of EUR 3.4 million of the cash commitments of the subscription commitments received for the Offering, which would be realized in the event that only the shareholders who have given their subscription commitment as a cash commitment participate in the Offering.

## IMPORTANT DATES

Subscription period of the Offering commences	November 30, 2022 9:30 CEST
Subscription period of the Offering ends, on or about	December 9, 2022 16:30 CEST
Announcement of the final results of the Offering, on or about	December 13, 2022
Registration of the Merger into the Finnish Trade Register, on or about	December 16, 2022
New Shares subscribed for in the Offering registered in the investors' book-entry accounts, at the latest on or about	December 19, 2022
Trading in the New Shares commences on the official list of Nasdaq Helsinki, on or about	December 20, 2022

## TERMS AND CONDITIONS OF THE OFFERING

### Shareholder's Share Issue Resolution

Endomines Finland Plc (the "**Company**") resolved on October 17, 2022 by a shareholder's decision to authorize the Company's Board of Directors to resolve on issuing up to 10,000,000 new shares. On November 28, 2022, the Company's Board of Directors resolved on a directed share issue in which the Company issues, in deviation from the pre-emptive subscription rights of shareholders, initially up to 2,600,000 new shares for subscription by the public (the "**New Shares**") (the "**Offering**"). In the event of oversubscription, the Board of Directors of the Company may increase the number of New Shares issued by up to 1,000,000 New Shares (the "**Upsize Option**"). If the Upsize Option is exercised in full, the number of New Shares offered may be a maximum of 3,600,000 shares.

The purpose of the Offering is to collect funds for the implementation of the Company's strategy and especially for exploration along the Karelian Gold Line, as well as for general business needs and for strengthening the capital structure.

The purpose of the Offering is to enable the implementation of the Company's renewed strategy and to strengthen its capital structure, so there is a weighty financial reason for the Company to derogate from the shareholders' pre-emptive right.

### Subscription Right and Minimum Subscription

The Offering consists of (i) a public offering of New Shares to private individuals and entities in Finland and Sweden (the "**Public Offering**") and (ii) an offering of New Shares to institutional investors in the European Economic Area and in the United Kingdom (the "**Institutional Offering**") as well as (iii) an offering of New Shares to all permanent employees of the Company and members of the management and the Board of Directors of the Company (the "**Personnel Offering**"). In the Public Offering, the minimum subscription is 150 New Shares and the maximum subscription is 20,000 New Shares. In the Institutional Offering, the minimum subscription is 20,001 New Shares. In the Personnel Offering, the minimum subscription is 100 New Shares and the maximum subscription is 20,000 New Shares. If one investor makes more than one subscription, their subscriptions will be combined into one subscription to which the above-mentioned minimum and maximum subscriptions will apply.

### General Description of the Offering

The Public Offering will initially consist of a maximum of 130,000, the Personnel Offering of a maximum of 20,000 and the Institutional Offering of a maximum of 2,450,000 New Shares. In the Public Offering, the Personnel Offering and the Institutional Offering, the numbers of New Shares may be smaller or greater than those presented herein. The terms of the Public Offering also apply to the Personnel Offering, unless specifically stated otherwise.

The New Shares correspond to around 38.9 percent of all shares in the Company (the "**Shares**") and the votes attached thereto before the Offering and around 28.0 percent after the Offering, provided that all New Shares are subscribed for, and the Upsize Option is not exercised (calculations are based on the number of the Company's shares, 6,687,959 shares, after the Merger).

If the Offering is oversubscribed, the Board of Directors of the Company has the right to increase the number of New Shares by the Upsize Option, i.e. a maximum of 1,000,000 New Shares. If the Upsize Option is also subscribed for in full, a maximum total of 3,600,000 New Shares can be issued in the Offering, in which case the share of New Shares of all issued Company Shares and votes after the Offering is around 38.8 percent (calculations are based on the number of the Company's shares, i.e. 6,687,959 shares, after the Merger).

The lead manager for the Offering is Aktia Alexander Corporate Finance Oy (the "**Lead Manager**"). The address of the Lead Manager is Pohjoisesplanadi 37 A, FI-00100 Helsinki. The subscription venues of the Offering are Aktia Alexander Corporate Finance Oy and Nordnet Bank AB Finnish Branch ("**Nordnet**"). Aktia Alexander Corporate Finance Oy acts as the subscription venue of the Institutional Offering (for everyone except Nordnet's customers) and the Personnel Offering. Nordnet acts as the subscription venue of the Public Offering and, with respect to its own customers, as the subscription venue for the Institutional Offering.

## Approval of Subscriptions and the Allocation Principles

The Company's Board of Directors will on or about December 13, 2022 (unless the subscription period is extended) resolve on the execution of the Offering, on the final number of New Shares issued, and on the approval of the subscriptions made in the Offering in full or in part. The Company's Board of Directors will decide on the allocation of New Shares between the Public Offering, the Personnel Offering and the Institutional Offering.

The Company's Board of Directors will decide on procedure followed in the event of oversubscription and undersubscription, and it can also decide not to carry out the Offering. The Board of Directors will decide who has the right to subscribe for any New Shares not subscribed for in the Offering. In the event that the Offering is oversubscribed, the Board of Directors of the Company will decide on exercising the Upsize Option in full or in part as well as on the allocation of the New Shares between the Public Offering, the Personnel Offering and the Institutional Offering.

In the event of overallotment, the Board of Directors of the Company has the right to, before other subscribed subscribers, allocate New Shares to (i) Endomines AB (publ)'s ("**Endomines AB**") shareholders who have made a subscription and who on November 28, 2022 have been entered in the Company's shareholders' register maintained by Euroclear Sweden AB and for whom allocation in proportion to current holding is aimed to be enabled, and thereafter (ii) to subscribers who have issued a subscription commitment.

In the event of overallotment, the Board of Directors of the Company may reduce the subscriptions. The Board of Directors has the right to reduce large subscriptions proportionately more than small subscriptions. The Board of Directors also has the right to reduce subscriptions made under certain Convertible Loans by setting off payable subscriptions proportionately more than the subscriptions made under other Convertible Loans.

New Shares can be transferred between the Institutional Offering, the Personnel Offering and the Public Offering depending on, inter alia, the breakdown of demand between the Institutional, the Personnel and the Public Offering.

The Board of Directors also has the right to reject a subscription altogether. The Board of Directors of the Company has the right to reject a subscription in part or in full and reallocate the subscribed New Shares, if the subscription has not been paid in accordance with these terms and conditions and the instructions given to the subscriber.

## Conditionality of the Offering

The Company's Swedish parent company Endomines AB is merging into the Company (the "**Merger**"). The execution and registration of the Merger is expected to take place on December 16, 2022. The Offering is conditional on the execution and registration of the Merger. If the Offering does not take place as a result of a delay or cancellation of the Merger, the Company will report this and the paid subscriptions will be returned to the subscribers. The payments will be returned approximately within five banking days of the Board of Directors making the decision on the cancellation of the Offering, or at the latest two banking days later if the investor's bank account is in a different financial institution than the account to which the subscriptions have been paid. If a Nordnet customer has made the subscription through Nordnet, the refunded amount will be paid only to the customer's Nordnet cash account. No interest will be paid on the refunded amount. The Board of Directors of the Company may decide to postpone the execution of the Offering by a maximum of one week if the execution and registration of the Merger are delayed.

## Subscription Price and Method of Payment for Subscriptions

The subscription price for each New Share offered in the Institutional Offering and the Public Offering is EUR 5.0. The subscription price per share is approximately 10 percent lower in the Personnel Offering than in the Institutional and the Public Offering, i.e. EUR 4.50 per New Share. The subscription price is based on the view of the Board of Directors of the Company on the current value of the New Shares, considering negotiations conducted with investors and the discount typically applied to directed share issues in relation to the share price formed in public trading. The subscription price for New Shares shall be credited in the Company's reserve for invested unrestricted equity. In the Public Offering and the Personnel Offering, the subscription price must be paid in cash.

In the Institutional Offering, the subscription price can be paid either in cash and/or by setting off one or more of the convertible loans of the Company (together the “**Convertible Loans**”).

In the Institutional Offering, holders of a Convertible Loan are entitled to set off the nominal value of a receivable payable thereto by the Company based on the Convertible Loan against the subscription price of the New Shares either fully or in part. Interest receivables and any other potentially unpaid loan fees that have accumulated by November 28, 2022 for the holder’s principal that are set off against the aforementioned subscription price must also be used for payment of the subscription price. Where necessary, the number of shares granted against the principal, interest receivable and other unpaid fees will be rounded down to the closest full share and no excess will be refunded. On November 28, 2022 the principal, interest receivables and other unpaid loan fees of the Convertible Loans amount to a total of EUR 20,266,368.53.

### **Subscription Period**

The subscription period for New Shares will commence on November 30, 2022 at 9:30 a.m. Finnish time and end on December 9, 2022 at 4:30 p.m. Finnish time (the “**Subscription Period**”), unless the Subscription Period is extended. Subscriptions received after the end of the Subscription Period will not be taken into account. The Company’s Board of Directors is entitled to extend the Subscription Period of the Offering. The Subscription Periods for the Institutional Offering, the Personnel Offering and the Public Offering can be extended or not extended independently of one another. If the Subscription Period for the Institutional Offering, the Personnel Offering or the Public Offering is extended, the approval date of subscriptions made in the Offering, the payment period of New Shares subscribed for in the Institutional Offering, the entry of the New Shares in the Trade Register, and the commencement of trading in the New Shares will be postponed correspondingly. A stock exchange release concerning the extension of the Subscription Period must be published at the latest on the estimated end date of the subscription period for the Offering presented above.

### **Special Terms and Conditions of the Public Offering**

#### ***General***

Initially a maximum of 130,000 New Shares are offered in the Public Offering for subscription by private individuals and entities in Finland and Sweden. The number of New Shares offered in the Public Offering may be smaller or greater than that presented herein. New Shares can be transferred between the Public, Institutional and Personnel Offering depending on, inter alia, the breakdown of demand between the Public, Institutional and Personnel Offering.

#### ***Right to participate***

In the Public Offering, the minimum subscription is 150 New Shares and the maximum subscription is 20,000 New Shares. If one investor makes more than one subscription, their subscriptions will be combined into one subscription to which the above-mentioned minimum and maximum subscriptions will apply.

Investors with a permanent address or domicile in Finland or Sweden and making a subscription in Finland or in Sweden can participate in the Public Offering. A subscribing entity must have a valid LEI code. The subscriber must have a book-entry account with a Finnish account operator or an account operator operating in Finland, and the investor must specify the details of their book-entry account in connection with the subscription.

The Company’s Board of Directors, the Lead Manager and Nordnet have the right to reject a subscription in full or in part if it has not been made in accordance with these terms and conditions.

### **Subscription venues and payment of New Shares**

#### ***Finland***

The subscription venues of the Public Offering are:

- Nordnet’s online service at [www.nordnet.fi/endomines](http://www.nordnet.fi/endomines)
  - Making a subscription in the online service requires that the investor has online bank identifiers from Nordnet, Aktia, Danske Bank, Handelsbanken, Nordea, Oma Säästöpankki,



- Osuuspankki, POP Pankki, S-Pankki, Säästöpankki or Ålandsbanken. The subscription can also be made on behalf of an entity through Nordnet's online service.
  - Subscriptions to equity savings accounts are only possible through Nordnet and only to an equity savings account provided by Nordnet.
  - If separately agreed, the subscription can also be made at the office of Nordnet Bank AB Finnish Branch at the address Yliopistonkatu 5, FI-00100 Helsinki.
- Decedent's estates or persons under guardianship who are not Nordnet's own customers cannot make a subscription through Nordnet's online service and they must, instead, make the subscription in the aforementioned office.

The subscription will be considered to have been made once the signed subscription form has been submitted in the online service or at Nordnet's office and the subscription has been paid. When subscribing for New Shares, the payment must be made from a Finnish bank account, or at Nordnet from Nordnet's cash account, which is in the own name of the investor making the subscription.

The Company's Board of Directors, the Lead Manager and Nordnet have the right to reject a subscription if the payment for the subscription is not on the Company's bank account by the end of the subscription period.

A subscription is binding, and it may not be amended or cancelled, except as provided in section "*Cancellation of Subscriptions under Certain Circumstances*" of these terms and conditions.

### Sweden

The Public Offering's subscription venue for custody customers of Nordnet:

- Nordnet's online service with Nordnet's bank identifiers at [www.nordnet.se/endomines](http://www.nordnet.se/endomines)

More information on the subscription procedure is available at [www.nordnet.se/endomines](http://www.nordnet.se/endomines). Making the subscription through Nordnet's online service requires a valid investment service agreement with Nordnet.

Subscriptions by or on behalf of persons under the age of 18, or otherwise under guardianship, must in Sweden be made through Nordnet by their legal guardians or by a person with a power of attorney.

The payment of a subscription made through Nordnet's online service will be charged from the investor's cash account in Nordnet on the date of the decision to execute the Offering (i.e. about December 13, 2022).

Nordnet's customers with an account in Nordnet must have sufficient cash on their account for their subscription between December 9, 2022 at 3:00 p.m. (Swedish time) and the date of delivery (about December 19, 2022) in order not to forfeit their allocation right.

### ***Notification about the approval of the subscription***

A confirmation regarding the approval of the subscriptions and the allocation of New Shares will be sent to the investors who have participated in the Public Offering as soon as possible and on or about December 13, 2022 at the latest. Nordnet's own customers who have made subscriptions through Nordnet can see their subscriptions and the allocation of New Shares on the transaction page of Nordnet's online service. A subscription is binding regardless of the notice of confirmation and the receipt thereof.

## **Special Terms and Conditions of the Institutional Offering**

### ***General***

Initially a maximum of 2,450,000 New Shares are offered in the Institutional Offering for subscription by institutional investors in (i) Finland and Sweden; and (ii) elsewhere within the EEA and in the United Kingdom if any of the exceptions set out in Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and of the Council apply to the offer. The number of New Shares in the Institutional Offering may be smaller or greater than that presented herein. New Shares can be transferred between the Public, Institutional and Personnel Offering depending on, inter alia, the breakdown of demand between the Public, Institutional and Personnel Offering.

## ***Right to participate***

In the Institutional Offering, the minimum subscription is 20,001 New Shares. If one investor makes more than one subscription, the subscriptions will be combined into one subscription to which the above-mentioned minimum subscription will apply.

A subscribing entity must have a valid LEI code. The subscriber must have a book-entry account and specify the details of their book-entry account in connection with the subscription.

The Company's Board of Directors, the Lead Manager and Nordnet have the right to reject a subscription in full or in part if it has not been made in accordance with these terms and conditions.

## ***Subscription venues and payment of New Shares***

The subscription venues of the Institutional Offering are:

- Aktia Alexander Corporate Finance Oy's office at the address Pohjoisesplanadi 37 A, FI-00100 Helsinki, on workdays between 9:30 a.m. and 4:30 p.m., tel. +358 50 520 4098, [merkinnat@alexander.fi](mailto:merkinnat@alexander.fi).
  - Aktia Alexander Corporate Finance Oy acts as the subscription venue of the Institutional Offering for everyone except Nordnet's customers. The investor must prove their identity when making the subscription. A person making a subscription on behalf of an entity must also demonstrate their competence relating to the subscription.
- To Nordnet's own customers, Nordnet's online service at [www.nordnet.fi/endomines](http://www.nordnet.fi/endomines)
  - Subscription requires Nordnet's personal bank identifiers.
  - Subscriptions to equity savings accounts are only possible through Nordnet and only to an equity savings account provided by Nordnet.
- To Nordnet's own customers, if separately so agreed, Nordnet's office at Yliopistonkatu 5, FI-00100 Helsinki, tel. +358 20 198 5898.
  - The investor must prove their identity when making the subscription. A person making a subscription on behalf of an entity must also demonstrate their competence relating to the subscription.

Investors participating in the Institutional Offering shall pay the New Shares allocated to the investors as per the approved subscription in accordance with the instructions of the subscription venue so that the payment is on the Company's account at the latest on December 15, 2022 at 4:00 p.m. (Finnish time), unless the Subscription Period is extended. The Lead Manager and Nordnet have the right to, if necessary, upon receipt of the subscription or before the approval of the subscription, require the subscriber to provide an account of its ability to pay for New Shares corresponding to the subscription or require the payment of an amount corresponding to the subscription before the time mentioned above. The payable amount is in that case the subscription price multiplied by the number of New Shares as indicated in the subscription.

A subscription is binding, and it may not be amended or cancelled, except as provided below in "*– Cancellation of Subscriptions under Certain Circumstances*".

If the subscription price is paid by setting it off against the Convertible Loan in the Institutional Offering, the subscriber accepts that any unpaid interest and other potentially unpaid loan fees that have accumulated by November 28, 2022 for the principal used for the payment of the subscription price will be used to pay the subscription price and that the subscriber will no longer have these receivables from the Company after the subscription has been completed.<sup>3</sup>

## ***Notification about the approval of the subscription***

The Company's Board of Directors decides on the allocation of New Shares to the investors in the Institutional Offering. The subscriptions may be approved in full or in part, or they may be rejected. A confirmation of the approved subscriptions as well as payment instructions will be delivered of the approved subscriptions as soon as practically possible after the allocation of the New Shares, i.e. at the latest on or about December 13, 2022.

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<sup>3</sup> Fees refer to arrangement fees, see table in "*Information on the Company and its business – Material agreements of the Group*"

Nordnet's own customers who have made subscriptions through Nordnet can see their subscriptions and the allocation of New Shares on the transaction page of Nordnet's online service.

## **Special terms and Conditions of the Personnel Offering**

### ***General***

Initially a maximum of 20,000 New Shares are offered in the Personnel Offering for subscription by employees who are permanently employed by the Company during the Subscription Period and by members of the management and the Board of Directors of the Company. The number of New Shares in the Personnel Offering may be smaller or greater than that presented herein. However, the number of New Shares in the Personnel Offering may not exceed 100,000. New Shares can be transferred between the Public, Institutional and Personnel Offering depending on, inter alia, the breakdown of demand between the Public, Institutional and Personnel Offering.

### ***Right to participate in the Personnel Offering and lock-ups***

A subscription made in the Personnel Offering must concern at least 100 and at most 20,000 New Shares. If one investor makes more than one subscription, the subscriptions will be combined into one subscription to which the above-mentioned maximum number will apply. However, the subscriptions of a single investor will not be combined with subscriptions made in the Public and the Institutional Offering.

Participation in the Personnel Offering requires that such person's employment with the Company is still ongoing at the end of the subscription period and has not been terminated. The Company's management and members of the Board of Directors may also take part in the Personnel Offering.

Another condition for participating in the Personnel Offering is agreeing to be bound by a lock-up. Under the lock-up, those participating in the Personnel Offering may not without advance written permission from the Company or the Lead Manager sell or otherwise assign Company Shares that they have subscribed for in the Personnel Offering during the first 365 days following the end of the Offering. Lock-ups relating to the Personnel Offering are binding regardless of whether they have been entered on the investors' book-entry accounts.

The right to participate in the Personnel Offering is personal and non-transferable. Personnel entitled to participate may, however, make a subscription through an authorized representative. The subscription may, however, be made through an entity that an authorized person is controlling to participate in the Personnel Offering. The tax treatment of persons subscribing for Shares offered in the Personnel Offering depends on whether the party making the subscription is a natural person or a legal person and on other factors relating to the tax status of the party making the subscription.

The Company's Board of Directors and the Lead Manager have the right to reject a subscription in full or in part if it has not been made in accordance with these terms and conditions.

### ***Subscription venues and payment of New Shares***

The subscription venue for the Personnel Offering is:

- Aktia Alexander Corporate Finance Oy's office at the address Pohjoisesplanadi 37 A, FI-00100 Helsinki, on workdays between 9:30 a.m. and 4:30 p.m., tel. +358 50 520 4098, [merkinnat@alexander.fi](mailto:merkinnat@alexander.fi).
  - The investor must prove their identity when making the subscription. The subscription must be paid immediately in accordance with the instructions provided in the subscription form. In the Personnel Offering, a subscription cannot be made to an equity savings account.

The subscription will be considered to have been made once the signed subscription form has been submitted at the Lead Manager's office and the subscription has been paid. When subscribing for New Shares, the payment must be made from a bank account which is in the own name of the investor making the subscription.

The Company's Board of Directors and the Lead Manager have the right to reject a subscription if the payment for the subscription is not on the Company's bank account by the end of the subscription period.

### ***Notification about the approval of the subscription***

The Company's Board of Directors decides on the allocation of New Shares to the investors in the Personnel Offering. Investors who have made a subscription will be sent an electronic confirmation of the approved subscriptions on or about December 16, 2022 to the email address stated on the subscription form once the Merger has been carried out and entered in the Trade Register. A subscription is binding regardless of the notice of confirmation and the receipt thereof.

### **Subscription Commitments**

The Company has received undertakings from Joensuun Kauppa ja Kone Oy, Mariatorp Oy, Wipunen varainhallinta Oy, Sijoitusrahasto Zenito Silver and Gold and certain other investors to subscribe for New Shares for EUR 12.2 million, EUR 3.4 million of which will be paid in cash. The subscription commitments are binding and irrevocable, subject to certain customary conditions that have been met by November 28, 2022. The subscription commitments correspond to approximately 2,446,112 New Shares and represent approximately 94.1 percent of the total number of New Shares (provided that the Upsize Option is not exercised). Joensuun Kauppa ja Kone Oy, Wipunen Varainhallinta Oy, Mariatorp Oy, K22 Finance Oy, Taloustieto Incrementum Oy, Eyemarker's Finland Oy and Vikakono Oy have each undertaken to subscribe for over 5 percent of the New Shares.

### **Cancellation of Subscriptions under Certain Circumstances**

According to the Prospectus Regulation, every significant new factor, material mistake or material inaccuracy relating to the information included in this prospectus (the "**Prospectus**") which may affect the assessment of the New Shares and which arises or is noted between the time when the Prospectus is approved and the closing of the offer period or the time when trading on a regulated market begins, whichever occurs later, must be mentioned in a supplement to the Prospectus without undue delay.

Investors who have already agreed to subscribe for New Shares before the supplement is published have the right, exercisable within three working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy arose or was noted before the closing of the offer period or the entry of the New Shares on the investors' book-entry account, whichever occurs first.

The Company will disclose any measures related to the withdrawal of a subscription by a stock exchange release. Such a stock exchange release will also contain information on the investors' right to withdraw their subscriptions and provide more detailed instructions relating to the withdrawal. Any withdrawal of a subscription must concern the full number of shares covered by the individual investor's subscription. The withdrawal must be made at the office of the Lead Manager or by providing information thereon in writing by email. Investors who have submitted their subscriptions via Nordnet must send a written withdrawal request within the set time limit by email to [operations.fi@nordnet.fi](mailto:operations.fi@nordnet.fi) or deliver the withdrawal to the Nordnet's office with the following exceptions: A subscription submitted by Nordnet's own customers via Nordnet's online service can be cancelled through an authorized representative or via Nordnet's online service by accepting a separate cancellation of the subscription by using the Nordnet's bank identifier. After the time limit set for withdrawal has expired, the withdrawal right is no longer valid. If the subscription is withdrawn, the sum paid in accordance with the subscription will be refunded to the bank account indicated in connection with the subscription, approximately within five banking days of the notice of the withdrawal submitted to the subscription venue, or at the latest two banking days later if the investor's bank account is in a different financial institution than the account to which the subscriptions were paid. If a Nordnet customer has made the subscription through Nordnet, the refunded amount will be paid only to the customer's Nordnet cash account. No interest will be paid on the refunded amount.

### **Right to Cancel the Offering**

The Company's Board of Directors may cancel the Offering at any time before the execution of the Offering on the grounds of, inter alia, the market conditions, the Company's financial position, a material change in the Company's business, or some other reason. If the Board of Directors resolves to cancel the Offering, the sum paid in accordance with the subscription will be refunded to the bank account stated in connection with the subscription approximately within five banking days of the Board's decision, or at the latest two banking days later if the investor's bank account is in a different financial institution than the account to which the subscription price has been paid. If a Nordnet customer has made the subscription through Nordnet, the refunded amount

will be paid only to the customer's Nordnet cash account. No interest will be paid on the refunded amount. The Board of Directors of the Company may decide on the cancellation of the Personnel Offering separately until the execution and registration of the Merger, i.e. approximately until December 16, 2022. The Offering as a whole is still even after the implementation decision conditional on the execution and registration of the Merger, which is estimated to take place on December 16, 2022.

### **Information on the Approval of the Subscriptions and Trading in the Company's Shares**

An electronic confirmation of the approved subscriptions will be sent to investors on or about December 13, 2022 for the Public Offering and the Institutional Offering and on or about December 16, 2022 for the Personnel Offering (unless the Subscription Period is extended) to the email address stated on the subscription form. In addition, the Company will publish on or about December 13, 2022 for the Public Offering and the Institutional Offering and on or about December 16, 2022 for the Personnel Offering (unless the Subscription Period is extended) a stock exchange release stating the final result of the Offering and the total number of New Shares subscribed.

### **Entry of New Shares into Book-entry Accounts and Trading in the New Shares**

New Shares subscribed for in the Offering will be issued as book-entries within the book-entry securities system maintained by Euroclear Finland Oy. New Shares will be entered on the book-entry account of the subscriber once they have been entered in the Trade Register on or about December 19, 2022, unless the Subscription Period is extended.

The Company will apply for admission of the New Shares to public trading on the official list of Nasdaq Helsinki Ltd. Trading in the New Shares will commence on or about December 20, 2022, unless the Subscription Period is extended and provided that Nasdaq Helsinki Ltd approves the Company's listing application. The trading symbol of the Company's Shares (including New Shares) is PAMPALO and ISIN code is FI4000508023.

When trading begins, all New Shares issued in the Offering may not yet necessarily have been transferred to the investors' book-entry accounts. Where the investor is considering selling Company Shares or the intermediary is mandated by the investor to sell Company Shares, it must be confirmed that the investor has been allocated such a relevant number of Company Shares.

### **Refunding of Paid Amounts**

If a subscription is rejected or approved only in part, the paid sum or a part thereof will be refunded to the bank account indicated in connection with the subscription, approximately within five banking days of the allocation of New Shares, or at the latest two banking days later if the investor's bank account is in a different financial institution than the account to which the subscriptions were paid. If a Nordnet customer has made the subscription through Nordnet, the refunded amount will be paid only to the customer's Nordnet cash account. No interest will be paid on the refunded amount.

### **Shareholders' Rights**

New Shares will carry the right to dividend as well as other shareholders' rights after the New Shares have been entered in the Trade Register on or about December 19, 2022, unless the Subscription Period is extended. As of the date of registration, the New Shares will carry the same rights as other shares in the Company. Each New Share entitles to one vote in the Company's general meeting. For more information on the shareholders' rights, see section "*The Shares and Share Capital of the Company – Shareholders' Rights*" of the Prospectus.

### **Subscription Made Contrary to the Terms and Conditions or Regulations**

The Company's Board of Directors, the Lead Manager and Nordnet have the right to reject any subscription which the Company's Board of Directors, the Lead Manager or Nordnet deems to have been made in contravention of laws, regulations, provisions or these terms and conditions.

Under the Finnish Guardianship Services Act (442/1999), a guardian cannot make a subscription on behalf of a child without the permission of the registry office.

## **Equity Savings Account**

Subscriptions to equity savings accounts are only possible through Nordnet and only to an equity savings account provided by Nordnet.

## **Fees and Expenses**

The investors will not be charged any fees or other charges for making the subscription commitments or for subscribing for New Shares. Account operators charge fees in accordance with their fee schedules for the maintenance of book-entry accounts and for the custody of shares. No transfer tax is payable for the subscription of the New Shares.

## **Details**

The documents referred to in Chapter 5 Section 21 of the Finnish Limited Liability Companies Act are available on the Company's website at <https://listautumisanti.endomines.com/>.

## **Governing Law and Dispute Resolution**

The Offering shall be governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by the court of competent jurisdiction in Finland.

## **Other Matters**

The Board of Directors will decide on other technical matters relating to the issue of the New Shares and the Offering and practical measures relating thereto. The Company's Board of Directors may decide not to approve the subscriptions and not to carry out the Offering if the Board of Directors deems that carrying out the Offering no longer is in the interests of the Company. See also "*Plan of Distribution in the Offering*". By subscribing for New Shares in the Offering, each subscriber will be deemed to have authorized its account operator, asset manager or nominee to disclose any necessary personal information, the number of the subscriber's book-entry account and details regarding the subscription to such persons who take part in executing the subscription order or in the allocation and settlement of New Shares.

## MARKET AND INDUSTRY REVIEW

*The following is a generic description of the markets and industries in which Endomines operates. The description is based on information derived from third-party sources and the estimates of the Company's management. Where such information was derived from third-party sources, the relevant source has been specified. The following discussion also contains estimates regarding the Company's market position, not available from public sources. Such estimates are based on information available to the Company from non-public sources and the management's knowledge of the industries involved. For further information on the sources for the market and industry information, see "Certain Matters – Information Derived from Third-Party Sources".*

### The Gold Market<sup>4</sup>

Gold is a chemical element that has a lengthy history and that has been traditionally utilized primarily within the jewelry industry, as well as a value retainer. In the past decades, however, gold has become increasingly important in electronics and in other manufacturing industries. The distinctive characteristic of gold as both a factor of production and an investment object entails that the demand in the different sectors of the gold market is high/low in different stages of the economic cycle, rendering gold somewhat unique and causing it to balance out fluctuations in the demand.

Currently, there are just over 900 gold mines in operation in different parts of the world, producing in aggregate in excess of 3,000 tonnes of gold annually. Alongside mining production, passive and existing gold enters the market through recycling, sales and gold loans granted from official gold reserves. More and more time is being expended on discovering and bringing into production new major gold deposits, while the reserves found in the existing mines are being mined at an ever-accelerating pace as the technology is evolving in an increasingly efficient direction. Historically, an estimated 187,000 tonnes of gold has already been mined. Additionally, existing mines as well as verified gold deposits are estimated to contain 57,000 tonnes of gold.<sup>5</sup>

### Trends

Many of the world's measured major gold deposits contain an ever-diminishing quantity of gold reserves. This is exemplified by South-African mines that were producing the most gold in the world until 2007 and that have historically generated 50 percent of all the gold in the world. In some of these mines, mining is currently taking place in depths of up to 4,000 meters,<sup>6</sup> which is challenging and costly, for which reason such mines are often profitable only when the market price of gold is high.

The diminished global resources, together with the high prices of metals, have resulted in a surge of investments in exploration areas with a good infrastructure, stable political environment and, most importantly, solid geological prerequisites, such as in the Nordics and in the United States. Many of the regions that are estimated to possess the greatest potential for the discovery of new deposits are located in Africa and Siberia, i.e. in areas investors have previously shied away from owing to their often inadequate infrastructure and unstable political environment. In the said stable and developed countries, the responsibility standards are at a considerably higher level than in the traditional centers for gold production, such as Russia, China and South-Africa, which, in turn, has served to increase the responsibility requirements of the mining companies willing to operate in the said countries.

Since early 2019, the market price of gold has soured by approximately 34 percent, despite the roughly 5-percent decrease in 2022. In its market review report of July 2022, Citibank estimated the price of gold to reach USD 1,845 per ounce during the first quarter of 2023 and to continue to climb to up to USD 2,000 per ounce in 2024. Furthermore, in its report, Citibank mentions the possibility of concerns arising in the coming year concerning a downturn in the US economy, which, in turn, would serve to accelerate the increase in the price

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<sup>4</sup> Unless otherwise stated, the source utilized in this section is the World Gold Council (gold.org), (the information found on the website is not included in the Prospectus, nor has the Finnish Financial Supervisory Authority reviewed or approved same.)

<sup>5</sup> United States Geological Survey: How much gold has been found in the world? (<https://www.usgs.gov/faqs/how-much-gold-has-been-found-world>)

<sup>6</sup> Business Insider: [businessinsider.com/the-worlds-deepest-gold-mine-is-in-south-africa-2016-12?r=US&IR=T&IR=T](https://www.businessinsider.com/the-worlds-deepest-gold-mine-is-in-south-africa-2016-12?r=US&IR=T&IR=T) (the information found on the website is not included in the Prospectus, nor has the Finnish Financial Supervisory Authority reviewed or approved same.)

of gold<sup>7</sup>. Additionally, ABN-Amro estimated in its review concerning the gold market in August 2022 that the price of gold would reach USD 1,900 per ounce during 2023<sup>8</sup>.

The current higher price of gold entails that projects that a few years ago were unprofitable may become topical again. This applies both to new projects as well as to mines that were previously in production. One example of this is Endomines' Pampalo mine located in Finland that was put on care and maintenance in 2018 but whose production was successfully re-launched at the end of 2021. Underground drilling was also conducted in the deep extensions of the ore lenses at the end of 2021. In gold intersections, these generated the highest grades ever obtained from the Pampalo mine. Recently, the risks and environmental impacts of the mining industry have received more attention in the media and among the general public both locally and globally.

A growing trend in the demand for gold among investors and end users is the reliable tracing and authentication of the origin of gold in an effort to ascertain the responsibility aspects of the production and sourcing processes. Endomines' management believes that there is currently no reliable method for authenticating the origin of gold because foundries utilize gold from numerous different sources in the same melting process. Some early-stage companies and projects have, however, endeavored in the last few years to develop a process for tracing the origin of precious metals, and Endomines envisages in the future the possibility of selling demonstrably responsible gold from Pampalo directly to consumers.

### **Gold supply**

Since it is extremely difficult to destroy gold, just about all the gold ever produced still remains in one form or another. The best estimate of the amount of gold existing in the world is 205,000 tonnes, of which two thirds were produced after 1950<sup>9</sup>.

#### Gold production

According to the Company's management, gold grades of mined ores fluctuate considerably, but it can be generally said that the gold grade must be higher in underground mining than in open-pit mining.

The costs of production vary greatly depending on whether it is question of an underground mine or an open-pit mine. Material factors impacting production costs, according to the Company's management, include the gold grade of the ore, the geology of the mineralization, the overall production of crude ore and the metal yield of the beneficiation process. The majority of the world's gold is produced in open-pit mines, where the gold grade of the mined ore amounts to 1–4 grams per ton.

In 2021, China was the world's largest gold producer, with its proportion of the approximately 3,581 tonnes produced worldwide amounting to 9.3 percent. The next largest gold producing countries were Russia with a 9.2-percent, Australia with an 8.8-percent, Canada with a 5.4-percent and the United States with a 5.2-percent portion. The proportion of the other countries in the ten largest producer countries of the global production totaled 17.1 percent. Finland generated 0.3 percent and Sweden 0.2 percent of the total global production<sup>10</sup>.

A characteristic trend in the distribution of the production is that it has at least since 2007 been more and more diversified each year, illustrated by the fact that the proportion of the ten largest countries out of gold production has decreased year after year. The year 2018 was the first year when the proportion of the ten largest producing countries of the world's gold production did not exceed 60 percent, and in 2019, the proportion continued to decline to just under 58 percent. The report prepared by Fitch Solutions Country Risk & Industry Research shows that Russia is in the process of overtaking China as the world's largest gold producer. In 2021, Russia was already nearly at the same level with China in terms of gold production volumes.

Traditionally, South Africa has been a very notable producer of gold, but the country's production has declined by 40 percent since 2010, and in 2018, Ghana was Africa's largest gold producer for the very first time. Sudan, Burkina Faso, Congo, Zimbabwe and the Ivory Coast have more than doubled their gold production since 2010 and are currently among the 25 largest producers in the world.

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<sup>7</sup> Citibank: Monthly Market Update 7/2022

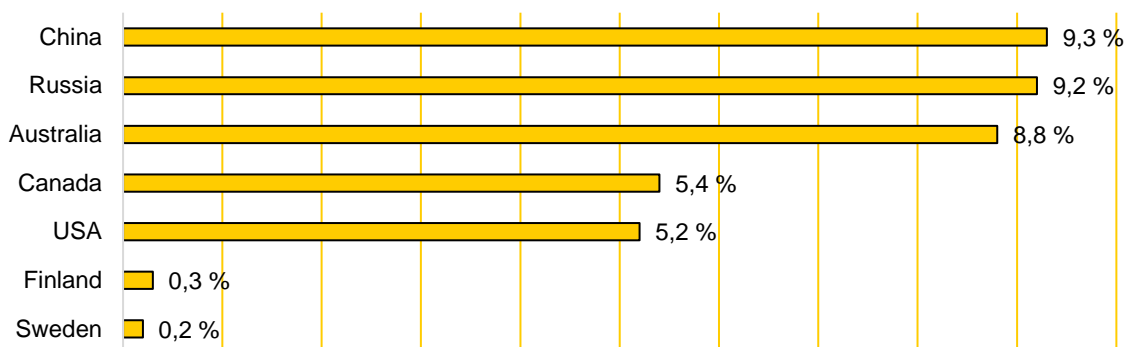
<sup>8</sup> ABN-Amro: Gold Watch 8/2022

<sup>9</sup> World Gold Council

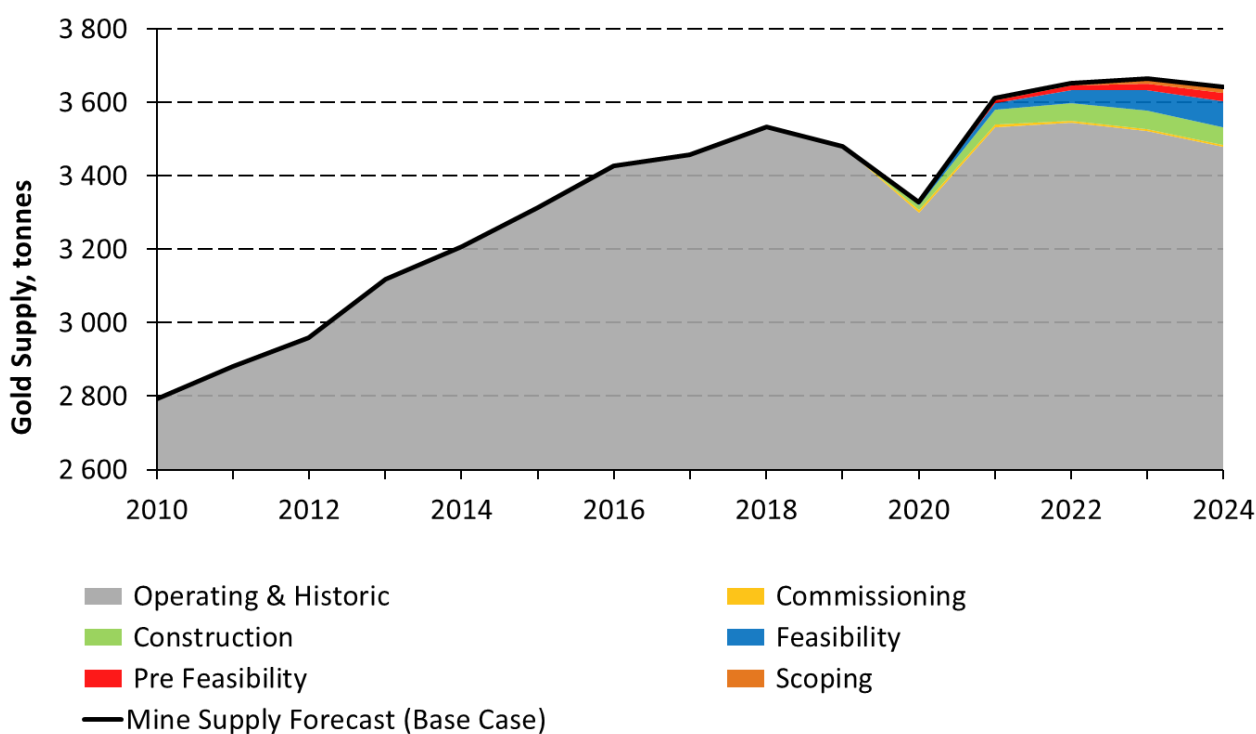
<sup>10</sup> World Gold Council (<https://www.gold.org/goldhub/data/gold-production-by-country>)



### Gold Production per Country in 2021



Source: World Gold Council: Gold Mining Production Volumes 2021



Source: Metal Focus: Gold 5-Year Forecasting Quarterly – April 2020

The above illustrates the view held by Metal Focus of the world's gold production during 2010–2024. According to its forecast, global production will be declining unless new mines are brought into production in the next few years.

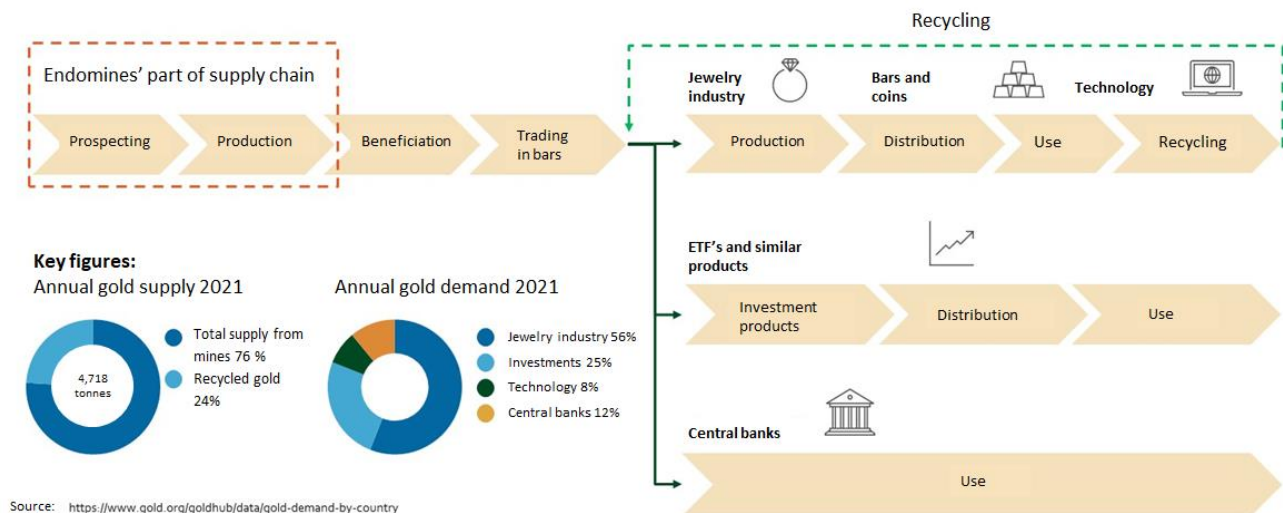
### **Demand for gold**

As concerns the demand for gold, the most defining factor has already for a long time been the jewelry industry.<sup>11</sup> In recent years, however, gold has been regaining its relevance as an investment. In 2021, demand for gold increased to 4,021 tonnes owing to the demand in the fourth quarter, soaring by nearly 50 percent, its

<sup>11</sup> World Gold Council (<https://www.gold.org/about-gold/gold-demand/by-sector>)

highest level in ten quarters. The demand compensated for a large percentage of the lost demand related to the COVID-19 pandemic in 2020. The consumer demand for gold in the jewelry and technology sector recovered throughout 2021 as a result of economic growth and the economic climate, and the purchases of the central banks were also considerably above those in 2020. Jewelry manufacturing continued to exhibit strong signs of recovery in 2021. It increased by 67 percent, to 2,221 tonnes, owing to the strong recovery in the consumer demand for jewelry, increasing in 2021 by 52 percent, to 2,124 tonnes. This was largely attributable to the demand in the fourth quarter, amounting to 713 tonnes, and to the highest quarterly jewelry consumption since the second quarter of 2013. In 2021, the global holdings of gold ETFs declined by 173 tonnes, having increased in 2020 by a record-breaking 874 tonnes. The outflow of the last quarter amounted to a mere 18 tonnes, being a fraction of the outflow witnessed in the last quarter of 2020.<sup>12</sup>

The following diagram depicts the gold production chain, the end uses of gold as well as the percentage of the different end users out of the demand for gold:



### Trading in gold

The global gold trade is primarily conducted directly between the different market participants. The transactions are executed as spot transactions and in different derivatives. The major centers for gold trade include London, New York and Zürich. The principal operators comprise central banks and mining companies.

### Pricing of gold

Gold is primarily priced in US dollars per troy ounce (toz) and at the purity of a minimum of 995 thousandths, corresponding to approximately 23.9 carats<sup>13</sup>. One ounce equals 31.103 grams.

Gold is traded in the global market, and what distinguishes it from other metals is its status as a monetary asset item. Over time, gold has constituted the foundation for a variety of currency systems, which is why it has seldom been priced like a customary raw material. The free pricing of gold was only introduced after the fall of the Bretton–Wood system in 1971.

Unexpected events in society are often reflected in the price of gold. Concerns over accelerating inflation and low real interest rates constitute two factors that are deemed to have a positive impact on the price of gold.<sup>14</sup> In uncertain times, gold is typically considered the safe haven of investment objects.

The price of gold has increased from the USD 1,515 per ounce in early 2020 to USD 1,701 per ounce as at October 5, 2022, despite the decrease in the price from the USD 1,806 per ounce in early 2022 and the USD 1,888 per ounce in early 2021. The mean price of gold for the entire 2021 amounted, however, to USD 1,799

<sup>12</sup> World Gold Council: Gold Demand Trends Full Year 2021 (<https://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-full-year-2021>)

<sup>13</sup> The London Bullion Market Association

<sup>14</sup> World Gold Council: Gold Mid-Year Outlook 2022 (<https://www.gold.org/goldhub/research/gold-outlook-2022-mid-year>)

per ounce, while being USD 1,770 per ounce in 2020.<sup>15</sup> Despite the minor decrease in 2021 and 2022, e.g. Citibank forecasts that in 2023, the price of gold will be reverting to its growth track and that in 2024, the price of gold will for the first time ever be reaching the threshold of USD 2,000 per ounce.<sup>16</sup>

## **Finland as a Mining Country**

### ***The mining industry in Finland and globally***

Mining activities have been conducted in the Nordic region for over a thousand years, and Finland boasts a strong tradition of ore mining and metal production. Interest in mineral projects in the Nordic region has been increasing, partly driven by the fact that Nordic countries host similar geological conditions as the strong mining nations of Australia and Canada<sup>17</sup>.

The Fennoscandian shield is a geological formation that stretches through Norway, Sweden and Finland and is considered to provide outstanding conditions for mineral deposits. This, together with other factors, such as infrastructure, legislation, and availability of relevant expertise, renders the Nordic region an attractive area for exploration. Although exploration has proliferated in recent years, the Nordic countries are considered to be under-explored compared to corresponding geological areas in, for example, Australia, Canada, Brazil and South Africa<sup>18</sup>. One of the reasons for the relatively limited extent of exploration in the Nordic region is that it was only in the 1990s that foreign exploration and mining companies were allowed to freely explore and extract minerals in the region<sup>19</sup>.

The trend within the mining industry is the declining number of mines and the growth in their size. The number of mines has been declining while the overall production of the mines has been increasing. Optimization measures and technical development have rendered this progress possible, despite the fact that the number of people employed by the mining industry is continuously decreasing.

### ***Mine production in Finland***

Mine production has historically played a major part in the Finnish industry. Increased international interest in the Finnish mining sector has resulted in a positive trend for exploration and mining. In 2021, some 9.1 tonnes of gold were extracted in Finland, making it the largest producer in Europe, immediately after Bulgaria<sup>20</sup>. The country's good infrastructure, the large sparsely populated areas and the availability of systematic, extensive and high-quality geological data produced by the Geological Survey of Finland render Finland an attractive mining country in the view of the Company's management. Furthermore, in the view of the Company's management, Finland's stable political and economic conditions and the country's well-functioning mining and environmental legislation are considered to be important positive factors.

In addition to active exploration and mining companies, leading internationally active mining technology suppliers, such as Metso Outotec, Normet, Forcit and Valmet, are also headquartered in Finland. Furthermore, there are a number of smaller consulting and contracting companies in the exploration and mining sector. In its annual survey of mining companies, the Fraser Institute has rated Finland as one of the 20 most attractive mining investment targets globally for eight consecutive years. In 2021, Finland was rated as the ninth and in 2020 as the tenth most attractive mining investment target in the world.

### ***Mining legislation in Finland***

#### **General**

Exploration and mining activities are governed in Finland by the Finnish Mining Act (621/2011) that entered into force on July 1, 2011. Three decrees have been adopted pursuant to the Mining Act: Government decrees

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<sup>15</sup> World Gold Council (<https://www.gold.org/goldhub/data/gold-prices>)

<sup>16</sup> Citibank: Monthly Market Update 7/2022

<sup>17</sup> Geological Survey of Finland – Mineral deposits and metallogeny of Fennoscandia ([arkisto.gtk.fi/sp/sp53/sp53.pdf](https://arkisto.gtk.fi/sp/sp53/sp53.pdf))

<sup>18</sup> Geological Survey of Finland – Mineral deposits and metallogeny of Fennoscandia ([https://tupa.gtk.fi/julkaisu/specialpaper/sp\\_053.pdf](https://tupa.gtk.fi/julkaisu/specialpaper/sp_053.pdf))

<sup>19</sup> Regeringen SOU 2000:89 (<https://www.regeringen.se/49bbb8/contentassets/4b2113b33c184703826b22d209af92c6/minerallagen-markagarna-och-miljon>)

<sup>20</sup> World Gold Council: gold-mining-production-volumes-data, Data as of 31 December 2021

on mining activities (391/2012) and mining safety (1571/2011) as well as the decree of the Ministry of Economic Affairs and Employment on hoisting installations in mines (1455/2011). Under the Mining Act, the Finnish Safety and Chemicals Agency (Tukes) acts as the competent authority in permit and supervision matters falling within the scope of the Mining Act, yet so that the Finnish Government resolves permit matters relating to redemption permits for a mining area as well as the production of uranium and thorium.

Parties eligible to apply for an exploration permit or mining permit are, as referred to in Section 1(1) or (2) of the Act on engaging in commercial activity (122/1919), natural persons of age who are not declared bankrupt and whose competency has not been restricted under the Guardianship Services Act (442/1999); as well as legal persons. Moreover, a government institution (in practice the Geological Survey of Finland) may apply for an exploration permit.

In addition to the Mining Act and the decrees adopted pursuant thereto, operations falling within the scope of application of the Mining Act are subject to other applicable legislation, such as the Finnish Act on Environmental Impact Assessment Procedure (252/2017), the Finnish Nature Conservation Act (1096/1996), the Finnish Environmental Protection Act (527/2014), the Finnish Land Use and Building Act (132/1999), the Finnish Water Act (587/2011), the Finnish Off-Road Traffic Act (1710/1995), and the Finnish Dam Safety Act (494/2009).

The primary purpose of the Mining Act is to maintain a permit system safeguarding the operators' priority to the deposit located in the area of the permit. The Mining Act also contains provisions on mining safety, compensation for damage, measures related to the termination of mining activity, matters concerning the right of use of the areas of the permit, as well as proceedings establishing a mining area and the compensations prescribed therein. The Mining Act further contains provisions under which holders of exploration permits and mining permits must make annual payments to the landowners.

The Environmental Protection Act and the Water Act include provisions on mining activities' emissions and effects on water bodies. In certain cases, exploration or mining activities may require a derogation granted under the Nature Conservation Act.

### Prospecting Work

Under the Finnish Mining Act, in order to find mining minerals, everyone has the right, even on another's land, to conduct geological measurements and make observations and to take minor samples, provided that the measures do not cause any damage or more than minor inconvenience or disturbance. The Mining Act contains separate provisions on areas in which prospecting work may not be carried out.

In addition to the Mining Act, other acts applicable to the operation, such as the Finnish Nature Conservation Act, the Finnish Environmental Protection Act and the Finnish Reindeer Husbandry Act must be complied with in prospecting work.

### Reservation System

The valid Mining Act includes a system separate from the permit procedure, which enables the reservation of a specific defined area for the purpose of preparation for the exploration permit. During the validity of the reservation, the party that has made the reservation has the preferential right to apply for an exploration permit for the area covered by the reservation. The reservation itself does not entitle its holder to carry out exploration in the area covered by the reservation.

### Exploration

Mining minerals form rare and randomly occurring deposits in bedrock. A deposit refers to such concentration of mining minerals in bedrock that has proven or potential financial value for mining activity.

Locating and investigating the degree of exploitation of a deposit require exploration.

Under the Mining Act, exploration is subject to a permit granted by the mining authority if exploration cannot be carried out as prospecting work or the property owner has not given consent to it.

By virtue of an exploration permit, an operator has the right to, even on another's land, perform geological investigations and surveys to locate an exploitable deposit.

A valid exploration permit gives its holder the preferential right to apply for a mining permit for the area covered by the permit during the validity of the permit.

Exploration occurring by virtue of an exploration permit and other use of the exploration area may not cause harm to people's health or a danger to public safety, essential damage to other industrial and commercial activity, significant changes in natural conditions, essential damage to rare or valuable natural occurrences, or significant damage to the landscape.

Under the Mining Act, an exploration permit will remain valid for a maximum of four years after the decision has become legally valid.

The exploration permit will expire at the end of the designated fixed term, but it is possible to extend the validity of the permit for a maximum of three years at a time. In total, the permit may remain valid for a maximum of 15 years.

The prerequisites for extension of the validity of an exploration permit are that exploration has been effective and systematic, further research is necessary in order to establish the possibilities for exploiting the deposit, the permit holder has complied with the obligations laid down in the Mining Act as well as the permit regulations, and extension to the validity will not cause an undue burden to public or private interests.

The owners of properties included in the exploration area are paid an annual exploration fee that can be considered to constitute a compensation for the limited right of use concerning the property owner's property. The amount of exploration fee per property is EUR 20 per hectare. In order to intensify exploration and to prevent areas from being unnecessarily covered by an exploration permit, the amount of exploration fee increases gradually; to EUR 30 after four years, to EUR 40 after the seventh year, and to EUR 50 after the tenth year.

The operator must fully compensate for any damage, such as felled trees, caused during exploration, and liability has not been limited in any other way, either.

Once an exploration permit has expired, the exploration permit's holder must:

- 1) restore the exploration area to the condition required by public safety, remove temporary constructions and equipment, attend to rehabilitation and tidying of the area, and restore the area to its natural status as far as possible;
- 2) within six months, submit to the mining authority an exploration work report, the information material pertaining to the exploration, and a representative set of core samples.

### Mining Activities

The Mining Act provides that the establishment of a mine and undertaking of mining activity are subject to a mining permit. In addition to the permits and administrative procedures required under other valid legislation, mining activities require a right of use to the area covered by the mining permit.

Operators can obtain a right of use to the area either by agreeing thereon with the landowner or by applying for a separate redemption permit for a mining area from the Government. The granting of a redemption permit for a mining area requires, inter alia, that the mining project is based on public need. The requirement of public need is assessed particularly on the basis of the impact of the mining project on the local and regional economy and employment, and the society's need for raw material supply.

A mining permit entitles its holder to exploit the mining minerals found in the mining area; the organic and inorganic surface materials, excess rock, and tailings generated as a by-product of mining activities (by-product of mining activity); and other materials belonging to the bedrock and soil of the mining area, insofar as the use thereof is necessary for the purposes of mining operations in the mining area.

The relationship of the mining area to other usage of land must be explained. Mining activity must be based on a legally binding plan, or, in view of the impacts of mining activity, the matter must be otherwise sufficiently explored in co-operation with the municipality, Regional Council, and Centre for Economic Development, Transport and the Environment. Pursuant to the preparatory works of the Act, regional land use plans are equated with legally binding plans. The holder of a mining permit must present

a sufficiently detailed and reliable plan on the basis of which the permit authority is able to assess that the applicant has the prerequisites for carrying out as well as the intention to initiate mining activities.

As a rule, a mining permit remains valid until further notice. For a justified reason, a mining permit may also be granted for a fixed term.

The permit authority must review the regulations of a fixed-term mining permit at the maximum interval of 10 years. A fixed-term mining permit may be in force for a maximum of ten years, and it can be extended until further notice or for a maximum of ten years at a time.

The mining permit will expire if mining activities or their preparations have not been initiated within the time limit specified in the permit or if the mining activities have been interrupted for a reason attributable to the permit holder for a minimum of five years.

The permit authority may postpone the expiry of a mining permit, twice at the most, and specify a new deadline for commencing mining activity or for continuing operations. The expiry of a permit can be postponed for a maximum of 10 years in all. A prerequisite for approval of the application is that the reason presented by the applicant be considered justified and the plan sufficiently detailed, and that the decision does not cause undue inconvenience to public or private interests.

If the possession of the mining area is based on the ownership of the holder of the mining permit or agreements made with the property owners, the mining authority may on application of the holder of the mining permit postpone the expiry of the mining permit even if the maximum of ten years has passed.

The mining permit also expires if the mining area has not transferred to the permit holder within the time limit and the preconditions for commencing mining activities therefore do not exist.

Mining activities cease when the mining permit expires or it is cancelled.

No later than within two years of the termination of mining activity, the operator must restore the mining area to a condition complying with public safety; ensure its restoration, cleaning, and landscaping; and perform the termination measures separately specified in the mining permit. The operator must also within two years remove from the area the mining minerals mined from the mine as well as the buildings and other constructions on the ground.

The mining permit holder must pay an annual excavation fee to the owners of properties included in the mining area. If there are several property owners in the mining area, the share of the excavation fee distributed to each of them should be in proportion to the share they have of the mining area.

The excavation fee would consist of a fixed part and of a part based on the value of the exploited ore. The amount of the fixed part is EUR 50 per hectare per year. For metallic mineral mines, the part based on the value of the exploited ore is 0.15 percent of the calculated value of the metallic mining minerals mined and exploited during the year.

If a permit authority postpones the expiry of a mining permit, the holder of the mining permit is obligated to pay the owners of the property an excavation fee of EUR 100 per hectare until mining activity is commenced or continued.

The existing Mining Act repealed the Mining Act that entered into force in 1965 (503/1965). Some mining rights granted under the 1965 Mining Act are still in force. A mining right is equated with a mining permit under the currently valid Mining Act. According to the transitional provisions of the Mining Act, a mining right granted under the repealed act will remain valid under the terms specified in the mining concession regulation and mining concession certificate. According to the transitional provisions of the Mining Act, the mining authority had to no later than within three years of the act entering into force (i.e. July 1, 2021) determine the type and amount of collateral, and set a time limit of a maximum of one year for the mining right holder to provide collateral. The mining authority also had to provide, no later than within three years of the act entering into force, the mining right holder with regulations necessary as regards public and private interests and define an interval for revising the regulations. In practice, this meant that the mining authority had to issue regulations concerning the mining right to, inter alia, prevent adverse effects caused by the termination of mining activities and by the mining activities.

An excavation fee payable on the basis the mining right will be determined in accordance with the repealed Mining Act, yet so that the annual amount of the mining concession fee is EUR 50 per hectare.

Mining rights issued under the repealed Mining Act are subject to what is provided in the valid Mining Act on the expiration of a mining permit. If the expiry of a mining right is postponed, any postponements granted under the repealed act are taken into account.

### *Collateral*

The holder of an exploration permit and a gold panner must provide a collateral for the compensation of any damage and harm as well as for the performance of any after-care measures set out in the Mining Act.

The holder of an exploration permit must also deposit a collateral for the purpose of termination and after-care measures of mining operations set out in the Mining Act as well as a financial guarantee for waste treatment operations under the Environmental Protection Act. The purpose of the collateral is to cover the costs arising from the termination measures in case the operator is unable to bear them.

### *Enforcement and Appealability of the Decisions*

As a rule, all administrative decisions, including permit decisions related to exploration and mining activities, are amenable to appeal and can be appealed to a competent administrative court. Permit decisions can be executed after they have become legally valid or if the permit authority has granted a separate order concerning the execution of the permit. However, measures based on the mining permit may not be initiated until the permit decision has become legally valid, the terms set out in the mining permit concerning initiation of measures have been fulfilled, the area covered by the mining permit is controlled by the operator, the collateral under the Mining Act has been deposited as ordered, and permits required by other legislation are legally valid, or the competent authority has authorized initiation of activity.

### *Legislative Project to Reform the Mining Act*

On 8 September 2022, the Finnish Government proposed amendments to the existing Finnish Mining Act. The bill is currently being reviewed by the Parliament. According to the bill, the amendments are to enter into force on March 1, 2023 if the Parliament approves the bill.

The government bill being reviewed by the Parliament proposes, among other things, improving the interested parties' right to obtain information. In practice, this would mean that the mining authority is obligated to organize an event open to the public on a permit application regarding a mining permit; that the holder of an exploration permit is obligated to annually organize an event open to the public in which the conducted exploration work, main findings and the effects of the exploration work, as well as future exploration measures, are gone through; and that the holder of a mining permit is obligated to annually organize a corresponding event on the schedule, extent and results of the exploitation of the deposit as well as the effects of the mining activities.

The bill contains a proposal according to which the mining authority should always be informed of exploration conducted with the consent of the landowner in writing before the commencement of exploration.

In relation to regulation concerning reservations, the bill proposes that a reservation fee would be introduced in Finland, whereby the party making the reservation would be obligated to pay the State a reservation fee of EUR 1 per hectare based on the surface area of the reservation area. The bill additionally proposes that the validity of the reservation decision is shortened from twenty-four months to twelve months. The reservation decision could be in force for a maximum of twenty-four months for specific reasons.

A change is proposed to the prerequisites for the extension of the validity of an exploration permit. According to the bill, a new prerequisite for the extension of the validity of an exploration permit would be that the permit holder has in all material respects conducted the exploration measures set out in the exploration plan described in the permit application. In addition, another prerequisite for the extension of the validity of the permit would be the consent of the landowners of the exploration area when the exploration permit has been in force for a minimum of ten years.

As for any exceptional situations, the operator could apply for an extension of the validity of the permit if exploration needs to be suspended during the validity of the permit on account of *force majeure* or for other specific reasons not attributable to the operator.

Amendments are proposed to the regulation on collaterals under the Mining Act. According to the bill, the collateral for the mining activities would cover the costs arising from safety measures of exceptional circumstances and compensations to landowners for a period of one year. The bill also proposes that the mining authority could on its own initiative revise the amount of collateral ordered under the Mining Act in certain situations.

Amendments are proposed into the prerequisites for the granting of a mining permit. If the Parliament approves the government bill for an act to amend the Mining Act in its current form, mining activities should in the future be based on a legally binding local master plan or local detailed plan in accordance with the Finnish Land Use and Building Act, excluding the exceptions in the transitional provisions. According to the transitional provisions, current regulation applies if it is question of a minor auxiliary area ordered for an existing mine or an area which is used to slightly extend an existing mine and the relevant application has been submitted within five years of the entry into force of the act proposed by the Government.

The bill contains proposals aiming to ensure that other businesses are taken into account more extensively than previously in the permit consideration under the Mining Act. The permit authority should also in both the mining and exploration permit pose permit regulations that promote the improvement of the level of environmental protection.

According to the bill, the mining authority could upon the applicant's request also order in the decision concerning the exploration permit that the measures specified in the permit could be taken while complying with the permit decision despite appeal.

According to the general transitional provision proposed in the bill, the mining authority will follow regulation in force on the day the matter becomes pending.

### **United States as a Mining Country – Focus on Idaho**

In the United States, Endomines' operations are governed by a comprehensive and complex set of laws and regulations that are subject to change and that state authorities and other governing bodies possessing extensive oversight authority may amend. As a mining company, adherence to the requirements of the environmental legislation constitutes an integral part of Endomines' operations, giving rise to considerable costs. In the United States, Endomines is subject to comprehensive federal, state and local environmental rules and regulations, including regulations issued in conjunction with the implementation of the US Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act and the Metal Mine Reclamation Act. Endomines is also subject to numerous permitting requirements registered for each operating unit, including those related to the protection of endangered and extremely endangered species pursuant to the US Endangered Species Act.

Endomines' activities are also encompassed by comprehensive regulation governing the health and safety of employees, including, *inter alia*, the requirements imposed by the US Occupational Safety and Health Act and comparable legislation in other jurisdictions. In the United States, Endomines' mining activities are subject to oversight by the U.S. Mine Safety and Health Administration (the "**MSHA**") pursuant to the Federal Mine Safety and Health Act (Mine Act) of 1977. The MSHA conducts regular inspections of Endomines' mines as well as issues exhortations and orders if it considers the Company to have breached the provisions of the Mine Act. Furthermore, different authorities in the United States have joint jurisdiction originating in federal law, stipulating upon the health and safety of employees and applicable to both Endomines' industrial plants and mines.

### **Mining industry in the United States and Idaho**

The discovery of the first gold nuggets in the Sacramento Valley at the beginning of 1848 marked the start of the American gold rush, and fifteen years later gold was found in what is today the state of Idaho. Mining has been one of the most important industries in Idaho since its inception and continues to be important today, but in recent decades the focus has been more on silver. As a result of the rising gold prices in the 2000s, interest in gold was rekindled in Idaho, resulting in the relaunching of gold mining in the old mines<sup>21</sup>. Idaho is a state

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<sup>21</sup> Idaho State University: [imnh.isu.edu/digitalatlas/geog/mining/minemain.htm](http://imnh.isu.edu/digitalatlas/geog/mining/minemain.htm)



of great gold resources: according to U.S. Geological Survey 1998, Idaho had 335 tonnes of gold resources in significant deposits, rendering it number eight among the U.S. states in terms of the amount<sup>22</sup>.

### ***Mine production in Idaho***

The trend of the recent years has been for mining companies to purchase the rights to abandoned mines from the 1800s and 1900s and to relaunch production in them. Examples of this include Midas Gold, in the process of launching the historic Stibnite mine<sup>23</sup>, and Excellon Idaho Gold, working to expand the Kilgore Gold Deposit<sup>24</sup>. Furthermore, in 2016, Liberty Gold (previously Pilot Gold) acquired the historic Black Pine mine and has been carrying out new drilling campaigns in the area<sup>25</sup>. Like Finland, Idaho is one of the best areas in the world for conducting mining activities. It was ranked as the 8<sup>th</sup> best region in the Fraser Institute's 2019 survey.

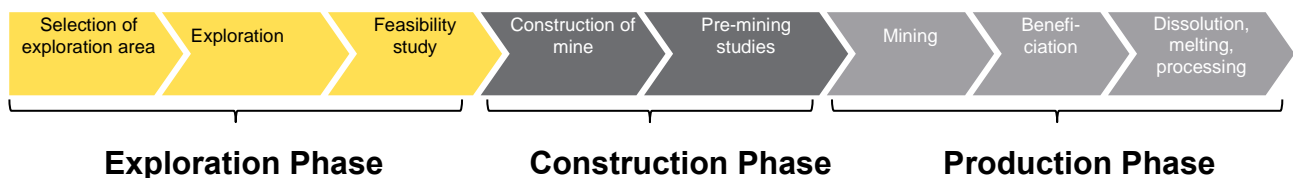
### ***Mining legislation in the United States and Idaho***

Currently, there are two types of mining licenses or mining rights in Idaho: patented mining claims and unpatented mining claims. A patented mining claim is issued by federal authorities and entails that the land becomes private. This reduces the requirement for permits and applicable regulations to conduct mining operations on the parcel of land in question. An unpatented mining claim is issued by the Bureau of Land Management (BLM) or the Forest Service, and this type of a right means that the owner of the land is entitled to the minerals but not to the land surface. The land surface remains subject to all the relevant requirements imposed by the federal authorities, including environmental impact assessments<sup>26</sup>.

### **From Exploration to Commercial Mining Activities**

The road from initial exploration to the production and sale of commercial products is long. Below is a description of the different elements of a project from prospecting to mining. The time frame from the selection of an exploration area and commencing exploration to mining production is estimated to be a minimum of 10 years for a smoothly progressing project that undergoes all of the development stages set forth in the figure below.

#### ***From exploration to mining activities***



### ***Exploration phase***

#### ***Prospecting and selection of the exploration area***

The prospecting phase targets areas with favorable geological conditions in which the possibilities of discovering ore deposits are estimated to be good. Prospecting work includes collecting geological, geochemical and geophysical data from the selected area and then compiling, analyzing and interpreting such data, and estimating based on the obtained results whether the area may be considered ore critical, i.e. whether the area is estimated to possess requirements for the discovery of ores eligible for mining. The social acceptability of mining activities has become an increasingly significant factor in mining area selection in recent years.

<sup>22</sup> U.S. Department of the Interior U.S. Geological Survey [pubs.usgs.gov/of/1998/0206a-b/pdf/of98-206a.pdf](https://pubs.usgs.gov/of/1998/0206a-b/pdf/of98-206a.pdf)

<sup>23</sup> Midas Gold: <https://midasgoldcorp.com/project/>

<sup>24</sup> Excellon Idaho Gold: <https://excellonidaho.com/kilgore-project/>

<sup>25</sup> Liberty Gold: <https://libertygold.ca/projects/black-pine.html>

<sup>26</sup> BLM: Mining Claims and Sites on Federal Land Brochure

### Further exploration phase

If the prospecting phase is successful, the exploration process proceeds into its next phase, involving, *inter alia*, geological mapping, boulder hunting and geophysical land surveys. Additionally, this phase often entails the conducting of geochemical studies, meaning, for instance, the extraction and analysis of till, plant or rock samples. If the results of this initial study are positive, the most expensive phase of the exploration is commenced, involving the carrying out of detailed and systematic mapping and core drilling to locate the mineralization as well as to estimate the size and concentrations of the chemical elements or minerals that are economically attractive. Mineralogical and metallurgical tests are commenced at the same time, considering also the beneficiation processing techniques in order to determine how and at what cost a sellable product may be manufactured.

### Project review and feasibility study

The profitability of the development of a deposit is determined through examining the technical and economic parameters. This work is typically commenced with an “in-house scoping” study. If the result of the study is positive, a pre-feasibility study” is conducted.

The final stage, before the decision concerning the commencement of mining activities can be made, constitutes the final feasibility study, which is usually conducted by an impartial expert organization. If the outcome is positive, work may be commenced to start financing the mining activities.

## **Construction phase**

### Construction of the mine and beneficiation plant

The processing facility consists of the mine, where mining can occur underground or as open-pit mining, as well as of a beneficiation plant, in which the ore is processed into a commercial concentrate. The commencement of underground production requires the construction of a decline or a shaft. Launching open-pit operations is often faster, because typically the mere removal of the surface soil is sufficient to be able to access the ore body.

### Pre-mining studies

In order to minimize ore losses and waste rock dilution during mining, the ore body must be examined in detail in order to identify the ore boundaries and concentrations. These studies include, *inter alia*, a geological survey, core drilling and KAX drilling. Geologists interpret the information obtained and prepare a mining and production plan together with mining experts.

## **Production phase**

### Ore production

Ore production may either occur on the surface as open-pit mining or underground. In moderate depths, open-pit mining is cheaper than underground mining. Since mining proceeds vertically, increasing quantities of waste rock are being mined, for which reason at a certain depth, it becomes more advantageous to switch to underground mining.

Underground ore production is considerably more complex than open-pit mining. The costs and the workload may vary significantly, depending on the conditions prevailing in the mining areas. Since ore bodies very seldom have mineralized homogeneously or are of a consistent scope, the cost-efficient mining thereof requires considerable planning. The preparatory works for future mining, such as tunneling through waste rock, may occasionally impact ore production. Additionally, the need for rock reinforcement, mine ventilation, electric systems, pumping works and the like may considerably vary in scope at different times. All such factors may have a material impact on the mining costs at a given time.

### Beneficiation

The crushed ore is milled at the beneficiation plant. Depending on the characteristics of the precious minerals, they are then concentrated using gravimetric, magnetic or surface-chemical methods. The end products are called concentrates, and they contain the majority of the precious minerals. The produced concentrates may either be further processed through the company's own efforts, or they may be sold to third parties.

### Dissolution, melting and processing

In many gold deposits, the fine ore or the produced concentrate must be dissolved in order to extract the gold and potentially certain other metals. Sodium cyanide is the substance primarily used to dissolve gold. From the solution, gold is precipitated using active coal, added as coarse granules. The gold is dissolved once more through dissolving the coal in a high temperature, whereafter it is coagulated, for instance, using steel wool, which is scorched in the following phase. The extracted gold is melted into bullions or 'doré bars' with a gold content of approximately 60–90 percent. The final purification is handled by third-party processing facilities, from which gold is delivered as bars with a purity of 999.9 thousandths of gold.

### **Classification of mineral resources and mineral reserves**

Endomines is a member of the Finnish Mining Association (FinnMin). The Finnish Mining Association is an organization comparable to SveMin, the employer and industry association for mining companies and mineral and metal producers in Sweden. For this reason, Endomines complies with the common recommendations issued by the Fennoscandian Association for Metals and Mining Professionals (FAMMP) concerning the publication standards for companies engaged in exploration and mineral mining.

The recommendations of the Fennoscandian Association for Metals and Mining Professionals are based upon the rules the CSA (Canadian Securities Administrators) requires mining and exploration companies to adhere to. The Canadian policy document National Instrument NI 43–101 describes the departure points and rules for the reporting. Guideline NI 43–101 recommends the application of the Canadian CIM code (Canadian Institute of Mining, Metallurgy and Petroleum) to the assessment and reporting of mineral resources and mineral reserves, but it also permits the application of one of the following standards:

- the Australian JORC Code (Joint Ore Reserves Committee);
- the US SEC Rules & Regulations (United States Securities and Exchange Commission);
- the European PERC Code (Pan-European reserves and resources reporting committee); or
- the South-African SAMREC Code (South African Mineral Resource Committee).

The Fennoscandian Association for Metals and Minerals Professionals (FAMMP) recommends that all communications of companies that are members of any of these associations should comply directly or through authorization with one of the above-mentioned policy documents. The purpose of the recommendation is to serve as guidelines for companies in their communications with their investors, the media and the stock market. The recommendations pertain to all types of communications, such as press releases, corporate websites, brochures, annual reports and other public documents.

Endomines reports on mineral resources and mineral reserves in accordance with the JORC Code, the NI 43–101 and the standards of the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") concerning mineral reserves and mineral resources. Additionally, Endomines has exploration projects classified as historical. Endomines does not treat historical calculations as mineral resources or mineral reserves defined under NI 43–101.

The JORC Code is an internationally recognized set of rules for the reporting of mineral reserves and mineral resources. The JORC Code is primarily a set of rules intended for reporting the status of the mineral resources, while the NI 43-101 is a set of rules concerning securities reporting. The NI 43–101 requires considerably more technical reporting to the markets than the JORC Code.

### Mineral resources

A mineral resource is a concentration of solid inorganic or fossil organic material in or on the Earth's crust in such form, quality and quantity that it has reasonable chances of being economically extractable.

### Classification of mineral resources

Mineral resources are divided into ascending geological categories in terms of the level of geological knowledge and confidence as follows:

- inferred mineral resources;
- indicated mineral resources; and

- measured mineral resources.

#### Inferred mineral resources

Inferred mineral resources constitute the portion of mineral resources the quantity and concentration of which have been estimated based on geological studies, limited sampling as well as geological connections and concentration connections deemed reasonable, but not ascertained. The assessment is based on limited knowledge and sampling obtained, for instance, from bare cliffs, outcrops, topsoil removal and drilling samples. Owing to the uncertainty associated with inferred mineral resources, it is not possible to require for the resource or a part thereof to be capable of being transformed in further studies into indicated or measured mineral resources. The certainty of the evaluation is inadequate for the economic assessment to be practical.

#### Indicated mineral resources

Indicated mineral resources constitute the portion of the mineral resources, the quantity, concentration, density, shape and physical characteristics of which may be evaluated with certainty sufficient to the extent of allowing technical and economic assessments to be conducted based on the same. The classification is based on the detailed studies and testing of information obtained using appropriate methods from, e.g. bare cliffs, topsoil removal and drilling samples.

A qualified person in accordance with the NI 43–101-standards (“**Qualified Person**”) may classify a mineralization as an indicated mineral resource if the material in terms of its quality, quantity and allocation is such that a reasonable interpretation may be made of the geology and of the continuity of the mineralization. Indicated mineral resources may be utilized in a preliminary feasibility study, based on which development decisions may be made.

#### Measured mineral resources

Measured mineral resources constitute the portion of the mineral resources, the quantity, concentration, density, form, physical properties etc. are so well known that they, together with well-reasoned technical and economic parameters, may be used as a basis for production planning and the economic extractability studies of the mineralization. The assessment is based on the detailed studies and testing of information obtained using appropriate methods from, e.g. bare cliffs, topsoil removal and drilling samples.

A Qualified Person may classify a mineralization as a measured mineral resource, if the material in terms of its quality, quantity and distribution is such that the tonnage and concentrations can be estimated at a good accuracy and that the fluctuations of the estimation do not materially impact the prospects of economic extraction. This category requires a high level of confidence, as well as an understanding of geology and of the parameters governing mineralization.

#### Mineral reserves

A mineral reserve is a portion of a measured or indicated mineral resource that has been affirmed through a feasibility study and has prospects for economic extraction. The study must contain adequate details of the mining, beneficiation, as well as of the metallurgical, financial and other pertinent factors and show that economic extraction is feasible at the time of reporting. The mineral reserve contains waste rock dilution and takes ore loss into account. The expression “mineral reserve” does not necessarily entail that the facilities/structures requisite for the exploitation of the deposit are ready or that all of the permits have been obtained. However, the outcome of the estimation must be that there is reasonable certainty of obtaining the permit.

#### Classification of mineral reserves

Mineral reserves are divided into ascending geological categories in terms of the level of geological knowledge and confidence as follows:

- probable mineral reserves; and
- proved mineral reserves.

#### Probable mineral reserves

A probable mineral reserve is a portion of an indicated and in certain cases measured mineral reserve with prospects for economic extraction that has been affirmed through no less than one preliminary feasibility study. The study must contain adequate details of the mining, processing methods, metallurgy, economic and other pertinent factors and show at the time of reporting that the mining is profitable.

*Proved mineral reserves*

A proved mineral reserve is a portion of a measured mineral reserve with prospects for economic extraction, affirmed by no less than one feasibility study. The study must contain adequate details of the mining, processing methods, metallurgy, economic and other pertinent factors, showing that economic extraction is feasible at the time of reporting. A Qualified Person has estimated that a proved mineral reserve has the highest level of confidence. The use of this expression must be limited to the portion of the deposit where production planning is on-going and where changes in the estimation do not entail any material repercussions for the calculated economic sustainability.

## INFORMATION ON THE COMPANY AND ITS BUSINESS

*Below is a general overview of the Endomines Group and of its business and unless is otherwise evident from the context, the purpose of the general overview is to describe the Endomines Group and its operations both prior to and after the Merger. For the purposes of this chapter, “Endomines” and the “Company” shall refer to the Endomines Group, unless otherwise evident from the context.*

### Endomines in Brief

Endomines is a mining and exploration company focusing on gold. Endomines carries on mining operations at the Pampalo mine in Ilomatsi, Finland, as well as exploration in the Karelian Gold Line region in Eastern Finland. Endomines owns possessory rights to several deposits in Idaho and Montana, USA. Its production at the Friday mine and the Orogrande beneficiation plant in Idaho has been suspended for the time being. Endomines is aiming to grow through ramping-up gold production in Pampalo, developing already known deposits particularly in Eastern Finland, focusing on exploration in the Karelian Gold Line region as well as through a partnership model in the United States.

Prior to the Merger, the shares of Endomines AB, acting as the parent company, are traded on Nasdaq Stockholm and the official list of Nasdaq Helsinki.

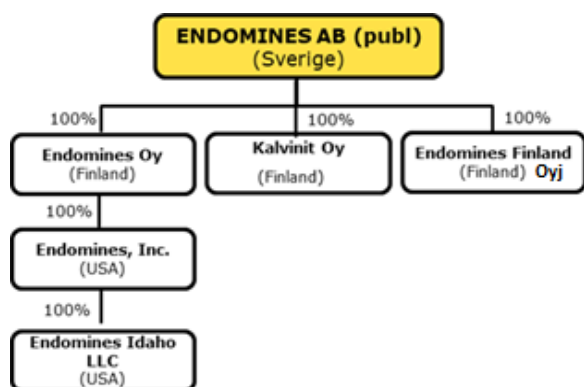
### Group Structure

Prior to the Merger, the Endomines Group consists of the parent company Endomines AB, of the three Finnish subsidiaries, Endomines Oy, Kalvinit Oy and Endomines Finland Plc, as well as of the two US-based subsidiaries, Endomines, Inc. and Endomines Idaho LLC. In the Merger, Endomines AB will be merging into Endomines Finland. The parent company, which following the Merger will be Endomines Finland Plc, shall encompass the central administration and strategic management, including financial functions, and shall be responsible for the publication of information to the stock market.

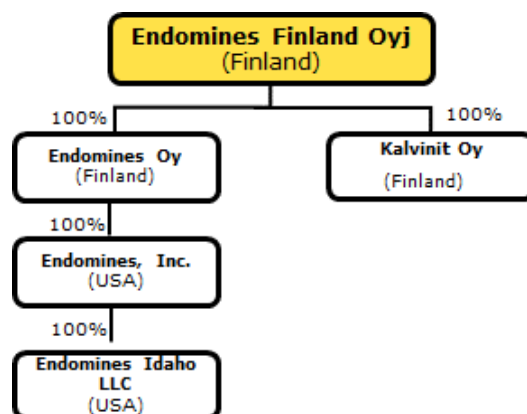
The US operations commenced when in early 2018 Endomines, Inc., a wholly-owned subsidiary of Endomines Oy, acquired the shares of the American mining company TVL Gold Idaho, LLC (currently Endomines Idaho, LLC), which owns the rights to five gold projects in Idaho, USA. Endomines Idaho, LLC also owns possessory rights to the US Grant mine and beneficiation plant in Montana, along with a purchase option to the Kearsarge gold project. These were acquired in October 2020. For a description, see “– Mineral Reserves and Mineral Resources – United States”.

In the past years, the ownership of the Endomines Group has been increasingly shifting from Sweden to Finland. This, combined with the ever increasing regulatory and reporting obligations, supports the streamlining of Endomines Group’s current group structure. On August 18, 2022, Endomines AB’s Board of Directors and the Board of Directors of its wholly-owned subsidiary Endomines Finland signed a merger plan according to which Endomines AB will be merged into its wholly-owned subsidiary Endomines Finland through a cross-border downstream merger.

The structure of the Endomines Group prior to and following the contemplated Merger is depicted below. The diagram states the name and domicile of the group company as well as Endomines’ holding in the subsidiary.



Structure of the Endomines Group prior to the Merger



Structure of the Endomines Group after the Merger

### **Endomines Finland Plc**

Endomines Finland Plc, the company that will be acting as the group parent company following the Merger, with its Business ID being 3215519-7 and LEI identifier being 7437004UOFZRIUWTUG97, was entered in the Finnish Trade Register on June 3, 2021. Endomines Finland is a public limited liability company established in Finland under the Companies Act, and it is subject to Finnish law. The Shares of Endomines Finland are registered in the Finnish book-entry system maintained by Euroclear Finland. The Company is domiciled in Espoo.

As at the date of the Prospectus, Endomines Finland's share capital is EUR 80,000 and the Company has issued 8,000 fully paid Shares. Each Share carries one vote in the Company's general meeting. The Shares have no nominal value. The Company has one series of shares. On the date of this Prospectus, the Company does not hold any of its own Shares.

Pursuant to the third clause in the Articles of Association, the Company's line of business is to carry out exploration, mining activities and consultancy within the mining industry as well as to trade in permits and metals, and to engage in related business activities. Following the Merger, the operations of Endomines Finland will be carried on through the wholly-owned Finnish subsidiary Endomines Oy and the US-based subsidiary Endomines Idaho, LLC. Additionally, Endomines Finland will have one wholly-owned Finnish subsidiary, Kalvinit Oy, that currently has no operations. Endomines Finland's address is Pampalontie 11, 82967 Hattu, and telephone number +358 50 544 6814.

### **Endomines AB (publ)**

The group's parent company (prior to the Merger) Endomines AB (publ), whose Swedish organization number is 556694-2974 and LEI identifier 549300F3KCKXAYOBIY58, was founded in Sweden on October 20, 2005 and entered in the Swedish trade register authority Bolagsverket on December 16, 2005. Endomines AB's corporate form is a limited liability company, and it is subject to the provisions of the Swedish Limited Liability Companies Act (2005:551) (the "**Swedish Companies Act**"). Endomines AB is a public limited liability company, and it is subject to Swedish law. Endomines AB's shares are registered in the Swedish book-entry system maintained by Euroclear Sweden AB ("**Euroclear Sweden**") and the Finnish book-entry system maintained by Euroclear Finland. The company's domicile is Stockholm, Sweden. Pursuant to the third clause in the Articles of Association, the company carries on exploration, mining activities and mining-industry related consultancy, trading in permits and metals as well as other compatible activities. The company's operations are carried on via the wholly-owned Finnish subsidiary Endomines Oy and the US-based subsidiary Endomines Idaho, LLC. Additionally, Endomines AB has two wholly-owned Finnish subsidiaries, Kalvinit Oy and Endomines Finland Plc. Kalvinit Oy currently has no operations. Endomines Finland Plc was founded on June 2, 2021 in order to enable the Merger. Endomines AB's address is Box 5822, 10248, Stockholm, Sweden, and telephone number + 358 50 544 6814.

Endomines AB was admitted to trading on the Small Cap list of Nasdaq Stockholm in 2012 and was dual-listed on the official list of Nasdaq Helsinki in 2013.

Endomines AB will automatically dissolve at the time of implementation of the Merger.

### **Endomines Oy**

Endomines Oy, a mining company which operates the Pampalo gold mine, holds mining rights and a mining permit to the deposits located near the mine. In addition to mining activities, the Company carries on exploration on the Karelian Gold Line, where it has been granted several exploration permits. The Company's exploration and mining permits are described in more detail in "*- Exploration Permits, Mining Rights and Permits and Environmental Considerations*"

### **Endomines, Inc. and Endomines Idaho, LLC**

Endomines' business in the United States consists of six gold projects in the Orogrande mining area in Idaho, USA, five of which originated in conjunction with the acquisition of TVL Gold Idaho, LLC (currently Endomines Idaho, LLC) in 2018, and one is a deposit Endomines is leasing from Unity GoldSilver Mines, Inc. ("**Unity**"). US Grant located in Montana was acquired in October 2020. The purchase option concerning the Kearsarge deposit was likewise acquired in October 2020. Endomines' gold project in the United States encompasses the Friday, Buffalo Gulch, Deadwood, Rescue, Kimberly, Unity and US Grant projects along with the purchase option of the Kearsarge project.

### **Kalvinit Oy**

Kalvinit Oy has abandoned its ilmenite projects, and Kalvinit Oy will not be continuing the mining concession procedure in the ilmenite areas of Central Ostrobothnia. The resolution follows from the parent company's strategic decision to focus on developing the Karelian Gold Line and the gold potential thereof.

### **Business Rationale**

Endomines' business operations aim to explore, develop and mine mineral deposits, focusing primarily on gold. Endomines is striving towards profitable, low-risk, responsible and environmentally sustainable production in Finland and in the United States.

### **Key Strengths**

Endomines' management believes that the following factors, in particular, represent some of the key strengths of the Company, affording it a competitive advantage:

#### ***High potential for discovering a gold deposit in excess of 1 million ounces on the Karelian Gold Line***

The Karelian Gold Line forms a part of the 300-kilometer long Ilomantsi-Kostamuksha greenstone belt, with many of its geological characteristics being similar to the other Archean greenstone belt areas acting as significant gold production regions, such as the Kalgoorlie region in Australia, Abitibi region in Canada and Witwatersrand region in South Africa. Numerous studies have been conducted at the Karelian Gold Line, highlighting the potential of the region as a gold production area.

The very first indications of the gold potential of the area were obtained through a national geochemical sample, in addition to which, when operating in the area in the 1980s, Outokumpu analyzed a soil sample from the Rämepuro area (currently Endomines' satellite deposit on the Karelian Gold Line), indicating a high gold grade of 93 grams per ton. Furthermore, the Geological Survey of Finland estimated in its study in 2015 that the Karelian Gold Line<sup>27</sup> has "a high, over 50-percent probability of discovering over 1 million ounces of gold".<sup>28</sup>

At the heart of Endomines' operations at the Karelian Gold Line is the Pampalo gold mine in Ilomantsi, housing also Endomines' processing facility and beneficiation plant. Additionally, the Company possesses six satellite deposits<sup>29</sup> on the Karelian Gold Line, to be brought into production over the years of 2022–2025. One of the

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<sup>27</sup> The assessment of the Geological Survey of Finland concerns the Hattu schist belt (geological term) and the Karelian Gold Line (commercial term) is located on the Hattu schist belt.

<sup>28</sup> Geological Survey of Finland: Report of Investigation 216, 2015.

<sup>29</sup> Pampalonlammit (exploration permit the extension application of which is pending ML2018:0090), East-Pampalo (located in the Pampalo mining concession, reg. 4847/1a-b), Rämepuro (valid mining concession, reg. 3831/1a), Hosko (valid mining concession, reg. 6926), Muurinsuo (valid mining concession, reg. K7977) and Korvilansuo (valid exploration permit ML2011:0070)



satellite deposits is Korvilansuo, in which Endomines holds an exploration permit. Korvilansuo is an area with a proven high gold potential based on previously drawn moraine samples and old drilling holes, but that has not undergone any major research. The Geological Survey of Finland was active in the area in the 1980s and 1990s, but exploration measures have not been carried out in the area since. Endomines has commenced exploration drilling in the area in the second half of 2022, and the exploration is also to be supported with the proceeds of the Offering. The Company's reported mineral reserves in the Karelian Gold Line are approximately 200,000 ounces in total.

***A renewed strategy focused on responsible gold production in Finland, a shift to a collaboration model in the United States***

Endomines has recently renewed its strategy, and in that renewed strategy, Pampalo will act as the epicenter of the Company's gold production. The Pampalo beneficiation plant has unused production capacity, giving rise to excellent opportunities for expanding production by bringing gold ore from the known satellite deposits to Pampalo for beneficiation. Furthermore, the strategy is aimed at strong growth, as a result of the exploration actions to be implemented at the Karelian Gold Line. The objective is to determine a gold deposit of over 1 million ounces at the Karelian Gold Line, which Endomines' management considers to be highly potential, because the Geological Survey of Finland's study from 2015 indicates an over 50-percent probability of a deposit in excess of one million ounces, and the region exhibits geological characteristics similar to those of several of the world's leading gold production areas.

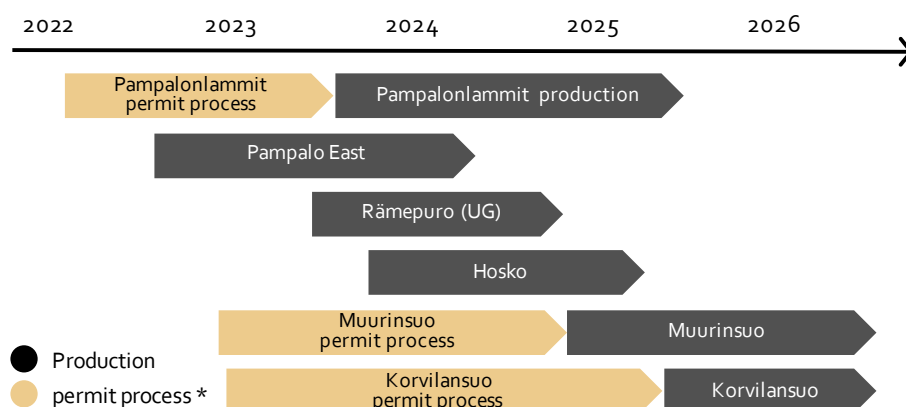
The mining activities in the United States, which comprised the core of the previous strategy, are to shift to a collaboration model, and one of Endomines' key strategic objectives in the short term is to identify a local partner organization so as to continue the US operations with the aid of better local knowledge and local funding. Endomines has selected an advisor for charting out collaboration partners in the area. With the shift to the collaboration model and with the ensuing transfer of the financing of the investments to a local operator, Endomines is not contemplating making any considerable investments into the US operations. In addition to shifting to the collaboration model, Endomines is also exploring other potential actions in its US business to maximize the materialization of the economic potential of the deposits and, simultaneously, minimize Endomines' need to invest in the area. The alternative may, for instance, be the sale of certain deposits to a third-party operator.

As part of its renewed business strategy, Endomines has recently renewed its ESG program, as a result of which its objective is to position itself as a forerunner of the mining industry in relation to responsibility matters. Short-term objectives under the new ESG program include, *inter alia*, the determination of science-based responsibility targets in the form of long-term performance indicators and targets, the adaptation of the ESG program based on interest groups' feedback and the construction of ESG reporting capabilities by 2024.

***Unused capacity at the Pampalo beneficiation plant allows for the expansion of operations to the other known gold deposits on the Karelian Gold Line***

The core of Endomines' production process are its processing facility and beneficiation plant in Pampalo, Ilomantsi, which is also the site of the Company's primary gold deposit. Furthermore, one of the key strategic focus areas comprises exploration at the Karelian Gold Line, focusing on six known satellite deposits: Pampalonlammit, Eastern Pampalo, Rämepuro, Hosko, Muurinsuo and Korvilansuo. According to the view of the Company's management, all six satellite deposits exhibit considerable production potential and evidence of promising measurement results. For instance, an analysis was conducted in the Rämepuro area in the 1980s by Outokumpu, where a sample found in the area exhibited a high gold grade of 93 grams per ton.

In 2022, only one half of the capacity of the Pampalo processing facility was in use, which allows for the expansion of the production from the satellite deposits to the Pampalo processing facility, when the satellite deposits are brought into production. Endomines possesses mining permits for the satellite deposits and, depending on the deposit, the timetable for bringing the same into production is during 2022–2026 (see diagram below). It is a question of a preliminary timetable which may change, *inter alia*, due to research results, development of gold price, construction costs and progression of permit processes. According to a preliminary plan, the Company estimates it will use around EUR 3–5 million between 2023 and 2026 to bring the satellite deposits into production.



\*Permit process refers to environment permit process regarding Pampalonlammit and Muurinsuo, and environment permit process as well as conversion to mining district regarding Korvilansuo.

### ***New management team with extensive experience in mining and the strong support of committed shareholders***

The management of Endomines was largely renewed during 2022, and with the new strategy, the management is well-prepared to turn Endomines around and to attain substantial growth and good profitability at the Karelian Gold Line. All members of the management possess considerable experience from executive positions in mining companies and strong educational backgrounds for succeeding in the demanding executive tasks of the mining industry. The new management enjoys particularly strong support from committed major shareholders, including significant Finnish investors.

### ***Responsible production process and the ambition to be among the leading mining companies in ESG matters***

Endomines' gold production in Pampalo occurs close to the end customer, minimizing the emissions caused by the transportation of the end product. The management further estimates that the production process is also responsible in comparison to the reference companies within the mining industry, because the process, for instance, does not utilize cyanide, and the water utilized in the process is recycled. Furthermore, in line with Endomines' renewed strategy, it is also persistently developing its production process so as to continuously correspond to the highest responsibility standards in the industry.

One of the cornerstones of Endomines' renewed strategy is to be one of the forerunners of the mining industry in terms of responsibility matters, whether in relation to the environment, people or good governance. Endomines has determined that its next step towards attaining its ambitious ESG targets is to carry out a materiality assessment with a third-party expert, which will allow Endomines to determine its science-based long-term ESG targets and a set of performance indicators. Furthermore, once the new ESG program is completed, Endomines is due to carry out an interest group survey related thereto, and based on the feedback received from the survey, the program will be adjusted so as to be better reflective of the views of the interest groups. Endomines is intending to develop full ESG reporting readiness by the year 2024.

Alongside its future responsibility targets, Endomines has already carried out numerous measures aiming to promote its positioning as the forerunner of the industry in responsibility matters. In the first half of 2022, Endomines:

- published a whistleblowing channel;
- updated its Code of Conduct and the Code of Conduct for Suppliers;
- reported the ESG parameters to Nasdaq's ESG database; and
- maintained an active relationship with the local residents in the Pampalo region.

### ***Steady demand for gold and possibility of selling the Pampalo gold directly to consumers***

Traditionally, demand for gold has been very steady and gold has numerous usages that are presumed to retain their significance also as the world changes in the future. The most common usage of gold is in the jewelry industry, equaling over 50 percent of the demand for gold, with the next highest proportion of the demand for gold originating in investment activities, at approximately 25 percent. Furthermore, gold is utilized in technological solutions as well as in the gold reserves of central banks. More specific information on the usages of gold and the distribution of demand between the different usages is available under “*Market and Industry Review – The Gold Market – Demand for Gold*”.

Gold tends to maintain its demand also in economically challenging times, such as during the prevalence of high inflation, because historically, the value of gold has increased as inflation has accelerated, while traditional currencies and numerous investment products decline in value. For this reason, many investors consider gold to be the safe haven of investment products, the demand for which increases as economic uncertainty increases. The price of gold has also historically followed an ascending trend despite occasional periods during which it has exhibited a negative price development. The price of gold has multiplied from the approximately USD 300/ounce in 2000 to the approximately USD 1,700/ounce at the present time.

As presented in this Prospectus under “*Market and Industry Review – The Gold Market – Trends*”, the upcoming demand trend in the market for precious metals among end-users and investors is the reliable tracing and authentication of the origin of precious metals in order to ascertain the responsibility of their exploration and production processes. According to Endomines’ management, in the long term, this creates considerable growth potential for Endomines through, in the future, selling consumers Pampalo gold that is demonstrably responsible and local.

### **Strategy**

For investors, Endomines is seeking to offer long-term growth and appreciation potential. Endomines’ primary objective is to achieve growth and, therefore, Endomines does not expect to distribute any dividends in the short or medium term.

Endomines renewed its business strategy in 2022. On August 18, 2022, Endomines announced its updated long-term strategy which Endomines believes will serve to create growth for Endomines that will significantly increase shareholder value. The renewed strategy is steering Endomines’ strategic focus away from the US business operations, bringing the exploration and gold production in Finland to the forefront of the new strategy. The renewed strategy can be summarized in the following four strategic focus areas:

### ***Pampalo’s production constitutes the basis for the business***

Endomines’ processing facility and beneficiation plant are located in Pampalo, Ilomatsi, the location of which in the middle of the Karelian Gold Line is optimal for Endomines in terms of centralizing gold production in Finland into one processing facility. The location is also close to the major customers, that is to Boliden and its branch in Harjavalta, which facilitates the sustainability of Endomines’ production process through minimizing the emissions caused from transportation. Additionally, around half of the total capacity is unused at the Pampalo beneficiation plant, enabling the expansion of gold production with the gold deposits found in the current satellite deposits located in close vicinity. The intention of the Company is to actively further develop its gold deposits and to bring already known deposits in the vicinity into production.

### ***Active exploration at the Karelian Gold Line to determine a deposit of over 1 million ounces***

According to the survey conducted by the Geological Survey of Finland in 2015, there is a “high, over 50-percent probability of discovering over 1 million ounces of gold at the Karelian Gold Line”. In terms of its geological characteristics, the Karelian Gold Line area is very similar to several of the world’s largest gold production regions, such as the Kalgoorlie region in Australia, Abitibi region in Canada and Witwatersrand region in South Africa, which illustrates the potential of the region to become a substantial gold deposit and production area.

Endomines is also endeavoring to secure its mining operations and its long-term growth through exploration. The Company’s exploration is focused in the Karelian Gold Line region. Endomines enjoys a strong position on the Karelian Gold Line owing to its processing facility located in Pampalo, and its satellite deposits with high production potential located in the area. The intention is to launch gold production in the satellite deposits

between 2022 and 2026, depending on the deposit. The Company considers the potential in the area to be very substantial based on prior investigations and expert opinions, and for instance, in the Korvilansuo region, numerous surveys were already conducted by the Geological Survey of Finland in the 1980s and 1990s, and the samples exhibited high gold grades. Further investigation in the area has, however, been at a standstill for decades, with the organizations previously active in the area, such as Outokumpu, focusing their operations on other business functions. The objective of the Company is to determine a deposit of over one million ounces of gold in the Karelian Gold Line region. The Company believes that such a deposit would enable considerable growth in shareholder value.

### ***Partnership model in the United States to increase local operative knowledge and financing***

Endomines currently owns possessory rights to seven gold deposits in the United States, five in Idaho and two in Montana, acquired over the years of 2018–2020 for a total of USD 44 million. Drilling has been carried out in the deposits indicating high gold grades, but additional drilling is required before launching production, which requires sizeable additional investments to be made into the area. The production potential of the area is high, however, because the known historical gold deposits in the Idaho areas are in excess of 500 000 ounces, in addition to which there is considerable exploration potential in the areas in the vicinity of the deposits.

Since Endomines' renewed strategy focuses on gold production and exploration at the Karelian Gold Line in Finland, the objective is to identify a partner organization for bringing the US gold deposits into production, creating additional value for the same in the form of local expertise and financing, for which reason Endomines is not contemplating making any substantial additional investments into its US operations. Furthermore, Endomines is also exploring other strategic alternatives for the exploitation of the deposits. Potential implementation methods include, for instance:

- the establishment of a joint venture with a local operator into which the local operator could bring local operative experience and funding;
- the selling off of certain deposits in their entirety, with the buyer undertaking to develop the deposit and the Company continuing to receive royalties for the deposit;
- the partial sale of certain deposits to a local operator, with Endomines remaining a part-owner; or
- a combination of the above alternatives.

Following the acquisition of the possessory rights to the deposits in the United States, the US operations were re-organized, as a result of which the operational costs in the United States are low. This allows Endomines to chart out potential partnership models carefully, without possible delays posing any financial risk to Endomines.

### ***Responsibility functions (ESG) steer the general evolution of the company***

Responsibility is a theme receiving a growing amount of attention in the mining industry, especially in developed and stable operating environments, such as Finland, and responsibility requirements and standards imposed upon gold producers are on the rise. Compared to the traditionally largest gold production countries in the world, Finland offers evident benefits for the development of responsible mining activities, because in the survey conducted by the Fraser institute in 2018, Finland was listed as the best legislative environment in the world in terms of the attractiveness of investing in mining activities. The assessment was based on the geological environment as well as on the impact of legislative factors concerning the attitude of the residents towards mineral exploration.

The Company launched its ESG program in 2022. Endomines considers the ESG program to constitute a pivotal development program for the Company, where short-term activities and long-term actions for the attainment of the objectives lay the foundation for the evolution of the Company.

In order to be able to position itself as a forerunner in responsibility matters within the mining industry as per its strategy, Endomines will in the future be carrying out its business development actions while taking the principles stipulated in its ESG program into account. In those principles, the key factor is the environmentally sustainable gold production process, the wellbeing of all the interest groups, particularly of the employees and the residents of the mining areas, and transparency in all operations in accordance with good governance practices. Measures supporting the responsibility principles of its strategy contemplated by the Company for the near future include, inter alia, the determination of science-based long-term responsibility targets and a set of performance indicators, the development of the responsibility program based on interest groups' feedback, as well as the construction of full-scale ESG reporting capabilities by the year 2024.

## Financial and Operative Targets

Endomines has defined its medium-term operational targets. The medium-term operational targets contain forward-looking statements that are not guarantees of future performance, and Endomines' actual operating results or operative performance may materially deviate from those expressed in connection with the forward-looking statements. Numerous factors, such as those mentioned under "*Certain Matters – Forward-Looking Statements*", "*Risk Factors*" and "*Operating and Financial Review – Key Factors Affecting Endomines' Operating Profit and Financial Status*", may impact Endomines' operating results and operative performance. All of the financial targets mentioned herein are merely targets, and should not, therefore, be construed as forecasts, estimations or calculations of Endomines' future performance.

Based on the aforementioned new strategy, the medium-term operational targets are:

- gold mineralization of over 1 million oz determined by the end of 2025;
- annual gold production at the level of 20,000 oz in Pampalo by the end of 2024;
- operational efficiency and financial result at a good level in comparison to peer companies;
- partnership agreement for the United States agreed by the end of 2023;
- among leading mining industry companies in ESG matters.

The Pampalo production was significantly increased in the first part of 2022, which, in turn, had a positive effect on financial profitability, as per the new strategy. In May 2022, Endomines decided to start developing deposits other than the underground mine, and the decision was made to open the eastern open pit. The Company estimates for this to increase gold production in Pampalo by 10–20 percent. Endomines is intending to continue the development of the other known and permitted portions of the Karelian Gold Line in an effort to further increase the Pampalo production volumes.

The fall of 2022 also witnessed the launch of exploration in the Karelian Gold Line region. In the first phase, attention will be directed to the further development of the already known areas, as well as to exploring areas that have been determined to exhibit potential based on historical studies.

## Responsibility

The Company is committed to acting responsibly and complying with ESG principles in its operations. The Company's ESG program lays the groundwork for responsible operations, being mindful of the environment, social responsibility and governance matters.

The Company is committed to complying with the following principles in its day-to-day decision-making:

- guaranteeing a safe and enjoyable workplace for employees and business partners;
- guaranteeing a good living environment for future generations;
- providing active partnership to local communities and supporting local businesses;
- showing respect towards partners and interest groups; and
- ensuring financially viable business operations.

The Company also requires subcontractors and partners to act responsibly and commit to Endomines' operating principles pertaining to ESG.

In the Company's ESG program, a materiality assessment is underway to determine which ESG themes are material for Endomines. According to the program, the analysis will be finished by the end of 2022 and long-term goals and metrics for the areas of environment, social responsibility and good governance will be created simultaneously. On the other hand, Endomines finds it extremely important to constantly carry out shorter-term measures and thereby continually improve its operation.

### Environment (E)

Endomines has set as its objective to minimize the adverse effects of its operations and to develop solutions that conserve the soil, waterbodies, the air and biodiversity. The Company complies with environmental legislation and seeks to exceed the statutory requirements at all times. At the Pampalo beneficiation plant, this entails, for instance, that the beneficiation process does not involve the use of cyanide or strong acids or

chemicals causing long-term environmental harm and that Endomines reuses as much of the utilized process water as possible.

In its ESG program, Endomines has committed to determining the carbon dioxide emissions from its operations by the end of March 2023. At the same time, potential means of reducing emissions will be explored.

### Social responsibility (S)

#### *Occupational safety*

Safety is the first and foremost priority of the Company. The Company wants its co-operation partners and employees to work in a safe environment, and the objective is to conduct operations with zero accidents.

The Company's work safety policy requires the personnel to immediately report any observations, hazardous situations and near-misses as well as to commit themselves to remedying the state of affairs in case high-risk activities are detected. Managers are expected to lead by example and to prioritize occupational safety in the daily operations. The Company is committed to providing the necessary training and the required tools to ensure safe operations.

The Company conducts regular work wellbeing assessments and makes decisions on the basis of such assessments to improve wellbeing at work.

The lost time injury frequency rate LTI (the number of accidents leading to absences per one million working hours) at Pampalo for the running 12 months amounted at the end of June 2022 to 0. In the United States, one accident resulting in absence from work occurred during the reporting period, as a result of which the Group's combined LTI rate at the end of June was 8.4.

#### *Community engagement and approval from local residents*

Good cooperation with local residents, entrepreneurs and other central operators lies at the heart of Endomines' operations. When selecting cooperation partners, the Company considers localness a significant criterion in the selection process. At least once a year, the Company organizes a public event for the residents of the surrounding areas where the Company describes its plans and engages in discussion with the participants.

#### *Well-being and training of employees*

Endomines is committed to measuring well-being at work annually. Endomines' operation is further developed based on the results, and conducted measures will be communicated to the personnel, for example in staff infos. Endomines is committed to constantly developing the competence and know-how of its personnel.

Endomines has adopted a zero-tolerance approach towards discrimination, harassment and bullying, and it encourages anyone observing activity or behavior involving any of these to report such activity or behavior through Endomines' whistleblowing channel.

### Corporate governance (G)

#### *Responsible supply chains*

Endomines is committed to treating its suppliers and partners respectfully and ethically. The Company operates with partners who comply with legislation and share the Company's view on the basic principles of the operation and the commitment to safety and ESG-related questions.

The Company prioritizes trading with local suppliers. This enables the creation of a business partner network and decreases risks related to supply chain disruptions.

#### *Transparent operations*

The Company aims for transparent operations. The Company complies with regulations and provisions governing listed companies in its reporting. In addition, Endomines reports ESG data to the Nasdaq ESG Data Hub and, as of 2023, a part of the annual report or a separate ESG report will be dedicated to ESG operations.

## Mineral Reserves and Mineral Resources – Pampalo and the Karelian Gold Line

On March 31, 2022, Endomines AB published updated estimates of the mineral reserves and mineral resources. The estimates for the Pampalo mine and the Karelian Gold Line were prepared in accordance with the 2012 Australian JORC (*Joint Ore Reserve Committee Code*) reporting code pertaining to the reporting of mineral reserves and mineral resources.

The Pampalo mine was re-started in 2021 after being on care and maintenance since 2018. The updated geological estimate for the deep extension area of Pampalo has a proven mineral reserve of 161,000 tonnes with a grade of 3.55 g/t gold containing a total 18,400 ounces of gold. The updated geological estimates are based on a supplementary drilling campaign of 6,850 meters, completed in 2021. Additional inferred mineral resources of 122,000 tonnes with a grade of 5.24 g/t gold and gold content of 20,600 ounces were reported for the area directly below the above-mentioned mineral reserves (Pampalo Deep). The deposit remains completely open at depth and Endomines has continued underground drilling in 2022, and future drilling results will be used to update the mineral reserves.

The ore processing in the Pampalo mine was recommenced in November 2021 and beneficiation plant test runs were carried out at the turn of the year. The first deliveries of gold concentrate to the foundry took place in January 2022. During the first half of 2022, the ramp-up of production proceeded as planned. In the first part of the year, the gold production amounted to 108.2 kilograms (i.e., 3,478 ounces). In the second quarter of 2022, gold production increased by 78 percent as compared to the first quarter of 2022. During the second quarter, gold production increased to 69.3 kilograms (2,227 ounces) compared to the 38.9 kilograms (1,251 ounces) in the first quarter.

In January 2022, Endomines began delivering gold concentrate to Boliden's branch in Harjavalta. In January 2022, Endomines also concluded a sales agreement with Boliden for the Pampalo gold concentrate production for the next two years.

The revenue of Pampalo's business operations increased to SEK 55.4 million in the first half of 2022. The increase in the amount of production entailed a growth in revenue from SEK 19.8 million in the first quarter to SEK 35.7 million in the second quarter. In the first half of the year, the operating expenses of the Pampalo mine increased to SEK -53.4 million and remained fairly unchanged across quarters, amounting to SEK -25.5 million in the first quarter and SEK -27.9 million in the second quarter. The EBITDA of the Pampalo operations amounted to SEK 2.0 million in the first half of 2022. The growth in revenue also improved the EBITDA, amounting to SEK 7.7 million during the second quarter, from the SEK -5.7 million of the first quarter of 2022.<sup>30</sup>

There have been no changes in the reported mineral resources for other deposits along the Karelian Gold Line. The known and indicated deposits of the Karelian Gold Line are estimated to amount in total to 56,204 ounces and inferred deposits to 47,465 ounces.

In the third quarter of 2022, Endomines reported new, high gold grade drilling results in the Pampalo gold mine, indicating that the grades and widths found in the current production area continue downwards, and the results also support the managements' positive outlook concerning the next contemplated production area. The Company, furthermore, commenced the second phase of the underground drilling program, encompassing a total of 4,000 meters at the Pampalo mine and seeks to deepen the deposit. In the third quarter of 2022, Endomines also launched a considerable surface ore drilling program in the Karelian Gold Line.

### Mineral reserves – Karelian Gold Line December 31, 2021

	Tonnes	Ore grade (g/t)	Ore quantity		Classification	Consultant
			Oz	Kg		
Pampalo <sup>1)</sup> .....	161,000	3.55	18,376	572	Proven	Endomines
Pampalo resources in total .....	161,000	3.55	18,376	572	Proven	Endomines
<b>Total .....</b>	<b>161,000</b>	<b>3.55</b>	<b>18,376</b>	<b>572</b>		

<sup>30</sup> The figures in the paragraph are from the Company's unaudited interim report from the six months' period ended June 30 2022 and, consequently, the figures are unaudited.

1) The mineral reserves estimate is based upon underground quarry and tunnel plans. Cut-off 1.5 g/t gold, top cut 10 g/t gold, waste rock dilution 15–30 percent and ore loss in the quarries 5 percent.

### Mineral resources (gold) – Karelian Gold Line December 31, 2021

#### Pampalo resources

Pampalo	Tonnes	Gold grade (g/t)	Gold quantity		Classification	Consultant
			Oz	Kg		
Pampalo East <sup>2)</sup> .....	229,000	1.8	12,897	401	Indicated	Endomines
Pampalo NW <sup>3)</sup> .....	29,000	2.5	2,284	71	Indicated	Endomines
<b>Pampalo Indicated in total .....</b>	<b>258,000</b>	<b>1.8</b>	<b>15,181</b>	<b>472</b>	<b>Indicated</b>	<b>Endomines</b>
Pampalo Deep <sup>1)</sup> .....	122,461	5.24	20,600	642	Inferred	Endomines
Pampalo D-zone <sup>1)</sup> .....	164,110	1.9	9,912	308	Inferred	Endomines
Pampalo East <sup>2)</sup> .....	62,000	1.4	2,791	87	Inferred	Endomines
Pampalonlammit <sup>3)</sup> .....	103,000	1.8	5,961	185	Inferred	Endomines
<b>Pampalo Inferred in total .....</b>	<b>451,571</b>	<b>2.7</b>	<b>39,264</b>	<b>1,222</b>	<b>Inferred</b>	<b>Endomines</b>

1) Cut-off 1.5 g/t; top cut 10–20 g/t gold

2) Cut-off 0.5 g/t; top cut 7 g/t gold

3) Cut-off 0.5 g/t; top cut 10 g/t gold

Troy oz = 31.1035 g

### Mineral resources (gold) – Karelian Gold Line December 31, 2021

#### Other resources in the Karelian Gold Line

Karelian Gold Line resources	Tonnes	Gold grade (g/t)	Gold quantity		Classification	Consultant
			Oz	Kg		
Hosko <sup>1)</sup> .....	35,000	4.1	4,557	142	Measured	Geoconsulting Parkkinen
Hosko <sup>2)</sup> .....	675,000	1.2	25,761	801	Indicated	Geoconsulting Parkkinen
Muurinsuo <sup>3)</sup> .....	354,000	1.9	22,080	687	Indicated	Endomines
Kuivisto East <sup>4)</sup> .....	37,000	3.2	3,807	118	Indicated	MAPTEK
<b>Karelian Gold Line Measured + Indicated total .....</b>	<b>1,101,000</b>	<b>1.6</b>	<b>56,204</b>	<b>1,748</b>	<b>Measured + indicated</b>	

Karelian Gold Line resources	Tonnes	Gold grade (g/t)	Gold quantity		Classification	Consultant
			Oz	Kg		
Hosko <sup>1)</sup> .....	240,000	0.8	6,019	187	Inferred	Geoconsulting Parkkinen
Räme puro <sup>2)</sup> .....	136,000	2.3	9,926	309	Inferred	Geoconsulting Parkkinen
Muurinsuo <sup>3)</sup> .....	231,000	1.4	10,398	323	Inferred	Endomines
Kuivisto East <sup>4)</sup> .....	145,000	1.0	4,662	145	Inferred	MAPTEK
Korvilansuo <sup>5)</sup> .....	256,000	2.0	16,461	512	Inferred	Outotec (Finland) Oy
<b>Karelian Gold Line Inferred in total.....</b>	<b>1,008,000</b>	<b>1.5</b>	<b>47,465</b>	<b>1,476</b>	<b>Inferred</b>	
<b>Karelian Gold Line historical resources..</b>	<b>Tonnes</b>	<b>(g/t)</b>	<b>Oz</b>	<b>Kg</b>	<b>Classification</b>	<b>Consultant</b>
Kuittila	275,000	2.6	22,988	715	Historical	GSF
<b>Karelian Gold Line Historical in total</b>	<b>275,000</b>	<b>2.6</b>	<b>22,988</b>	<b>715</b>	<b>Historical</b>	



- 
- 1) Cut off 0.5 g/t; top cut 11g/t (low grade area) or 50 g/t gold (high-grade area)
  - 2) Cut-off 0.5 g/t, top cut 40 g/t gold
  - 3) Cut-off 0.5 g/t, top cut 10 g/t gold
  - 4) Cut-off 0.5 g/t, top cut 20 g/t gold
  - 5) Cut-off 0.5 g/t gold; no top cut
- Troy oz = 31.1035 g

## **Mineral Reserves and Mineral Resources – United States**

The mineral resources reported for the Friday mine and the Buffalo Gulch project in Idaho, USA, have been classified in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”). The CIM standards were devised by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council on May 10, 2014.

During 2021, Endomines continued work to improve its understanding of the Idaho gold projects. In 2021, the Company focused on a drilling program to better determine the limits of the ore deposits and to confirm the continuity of the grades.

The mineral resources associated with the Deadwood, Rescue and Kimberly exploration projects are per definition historical, because they were defined before the introduction of today's standards. Endomines cautions that while the presented historical mineral resources for Kimberly, Rescue, and Deadwood appear to be in accordance with the definitions set out in Sections 1.2 and 1.3 of NI 43-101, a Qualified Person has not to a sufficient extent classified the historical estimates as current mineral resources, and, thus, Endomines is not treating the historical estimates as current or reliable.

No changes have occurred in the reported mineral resources of the other deposits in Idaho. In 2022, plans were made to update and verify the mineral resources. These updates will reflect an improved geological understanding of the resources as well as changes in the current market conditions.

In October 2020, Endomines completed the purchase of the possessory rights to the US Grant gold project and a purchase option for the Kearsarge gold project in Montana, USA. The US Grant is a high-grade, underground gold and silver project with a historical resource totaling 165,700 ounces of gold and 4.47 million ounces of silver contained in 346,000 tonnes of mineralized material. The US Grant mine has had gold and silver mined periodically between 1867 and 1984. The Kearsarge project is a high-grade, underground gold project with a historical resource totaling 380,700 ounces of gold contained in 4.1 million tonnes of mineralized material.

Production volumes at the Friday mine began increasing towards the end of the year 2021. It was discovered during the ramp-up that the gold mineralization was more irregular than was originally estimated and that further underground drilling would be required for the optimization of future production. For this reason, production was temporarily suspended in early 2022 and remains suspended. As mentioned above, Endomines focuses primarily on exploring partnership possibilities for the Friday mine and Orogrande processing plant. Endomines conducted impairment testing of the Friday mine and processing plant in connection with the half-year review. Based on this impairment testing, the Company has recorded an impairment loss of SEK 54.9 million in tangible assets.

The addition represented by these resources to the Company's historical resources amounts to 546,400 ounces of gold and 4.47 million ounces of silver with considerable potential for additional resources to be discovered through the exploration of the district. It is also possible that silver will be mined alongside gold. However, silver mining may not be of any major significance for Endomines' business. The significance of silver mining on Endomines' business will be ascertained during the mine's development phase.

Endomines is not treating the US Grant and Kearsarge historical estimates as either a mineral resource or mineral reserve as defined in NI 43-101.

There is a risk of the mineral resources and mineral reserves not containing the anticipated tonnage and the estimated grades or that the stated gold revenue levels cannot be attained. The information provided in this Prospectus concerning mineral resources and mineral reserves should be examined against this background. Consequently, the mineral reserves and mineral resources ultimately in Endomines' possession may deviate from the values stated in this Prospectus, and a lower-than-anticipated grade may entail that Endomines is not able to attain the estimated production volumes.

### Mineral resources – United States December 31, 2021

Friday resources	Tonnes	Gold grade	Gold quantity		Classification	Consultant
		(g/t)	Oz	Kg		
Measured <sup>(1)(2)</sup> .....	245,000	6.88	54,200	1,686	Measured	Hard Rock Consulting
Indicated <sup>(1)(2)</sup> .....	217,000	6.16	43,000	1,337	Indicated	Hard Rock Consulting
<b>Measured + Indicated<sup>(1)(2)</sup> .....</b>	<b>462,000</b>	<b>6.54</b>	<b>97,200</b>	<b>3,023</b>	<b>Measured + indicated</b>	<b>Hard Rock Consulting</b>
Inferred <sup>(1)(2)</sup> .....	296,000	4.91	46,700	1,453	Inferred	Hard Rock Consulting

Buffalo Gulch resources	Tonnes	Gold grade	Gold quantity		Classification	Consultant
		(g/t)	Oz	Kg		
Measured <sup>(1)(3)(4)</sup> .....	3,515,000	0.57	64,800	2,016	Measured	Hard Rock Consulting
Indicated <sup>(1)(3)(4)</sup> .....	3,230,000	0.48	49,900	1,552	Indicated	Hard Rock Consulting
<b>Measured + Indicated<sup>(1)(3)(4)</sup> .....</b>	<b>6,745,000</b>	<b>0.53</b>	<b>114,700</b>	<b>3,568</b>	<b>Measured + Indicated</b>	<b>Hard Rock Consulting</b>
Inferred <sup>(1)(3)(4)</sup> .....	2,128,000	0.38	25,700	799	Inferred	Hard Rock Consulting

1) The classification of the measured, indicated and inferred mineral resources is aligned with the definitions in the CIM Standard. Mineral resources that do not constitute mineral reserves do not have demonstrated economic viability and there is no guarantee that mineral resources will be converted into mineral reserves. Mineral resource tonnage and metal concentration have been rounded to reflect the accuracy of the estimate, and numbers may not add up due to rounding.

2) The mineral resource estimate was prepared by HRC based on data and information available as of March 1, 2016. The measured, indicated and inferred mineral resources are reported considering a base case estimate that applies a cutoff grade of 3.4 g/t Au based on the estimated operating costs, recoveries, and a USD 1,300/oz gold price.

3) The mineral resource estimate was prepared by HRC based on data and information available as of December 10, 2017. The measured, indicated and inferred mineral resources are reported considering a base case estimate that applies a cutoff grade of 0.14 g/t Au based on the estimated operating costs, recoveries, and a USD 1,300/oz gold price.

4) Mineral resources captured within the pit shell meet the test of reasonable prospect for economic extraction and can be declared a mineral resource. Pit optimization is based on the assumed gold price of USD 1,300/oz. and mining, processing and G&A costs of USD 15.20 per ton processed. Metallurgical recoveries for gold are assumed at 90 percent.

5) Endomines cautions that while the historical resources presented appear to be in general in accordance with those set out in NI 43-101 Sections 1.2 and 1.3, a Qualified Person has not to a sufficient extent classified the historical estimate as current mineral resources, and Endomines is not treating the historical estimate as current or reliable.

Troy ounce = 31.1035 g

### Historical mineral resources – United States December 31, 2021

Historical resources	Tonnes	Gold grade	Gold quantity		Classification	Consultant
		(g/t)	Oz	Kg		
Rescue <sup>(1)</sup> .....	67,000	21.35	45,980	1,430	Historical	Kimberly Mines (2004)
Kimberly <sup>(1)</sup> .....	261,000	19.18	160,930	5,005	Historical	Laczay (2010)
Deadwood <sup>(1)</sup> .....	2,375,000	0.77	58,601	1,823	Historical	BEMA Gold Corporation (1989)
US Grant <sup>(1)</sup> .....	346,000	14.89	165,700	5,152	Historical	McLeod, (1990)
Kearsarge <sup>(1)(2)</sup> .....	4,100,000	2.98	381,000	12,218	Historical	Transatlantic Mining, (2019)
<b>Historical in total<sup>(1)</sup> ....</b>	<b>7,149,000</b>	<b>3.58</b>	<b>812,211</b>	<b>25,628</b>		

1) Endomines cautions that while the historic resources presented appear to be in general in accordance with those set out in NI 43-101 Sections 1.2 and 1.3, a Qualified Person has not to a sufficient extent classified the historical estimate as current mineral resources, and Endomines is not treating the historical estimate as current or reliable.

2) The Company has a purchase option for the Kearsarge project.

### Historical silver resources – United States December 31, 2021

Silver grade  
Silver quantity

Historical resources	Tonnes	(g/t)	Oz	Kg	Classification	Consultant
US Grant <sup>(1)</sup> .....	346,000	402	4,470,00 0	139,03 3	Historical	McLeod (1990)

1) Endomines cautions that while the historic resources presented appear to be in general in accordance with those set out in NI 43-101 Sections 1.2 and 1.3, a Qualified Person has not to a sufficient extent classified the historical estimate as current mineral resources, and Endomines is not treating the historical estimate as current or reliable.

## Karelian Gold Line

### Operating History

Historically, Endomines' operations have been geographically concentrated in the Karelian Gold Line, passing through the municipality of Ilomantsi, located in Northern Karelia. The Karelian Gold Line constitutes a part of the Ilomantsi greenstone belt, located in the easternmost part of Finland, further stretching over to Russia. The belt is over 40 kilometers long, passes from the north to the south and is for the most part under five kilometers in width. The rock species of the belt are among the oldest in the Nordics, and its mineralizations are Archean in age, i.e. formed more than 2,500 million years ago. In the mineralizations located in connection with the Karelian Gold Line, mineralizations mostly occur as individual nuggets, or together with sulfites, oxides or tellurides in quartz veins, breccia or shear zones, often in the vicinity of younger granitoids. The mineralizations have formed when gold has seeped out from the surrounding rock species and precipitated again as a result of a great change in pressure and temperature in favorable structural or geological traps.

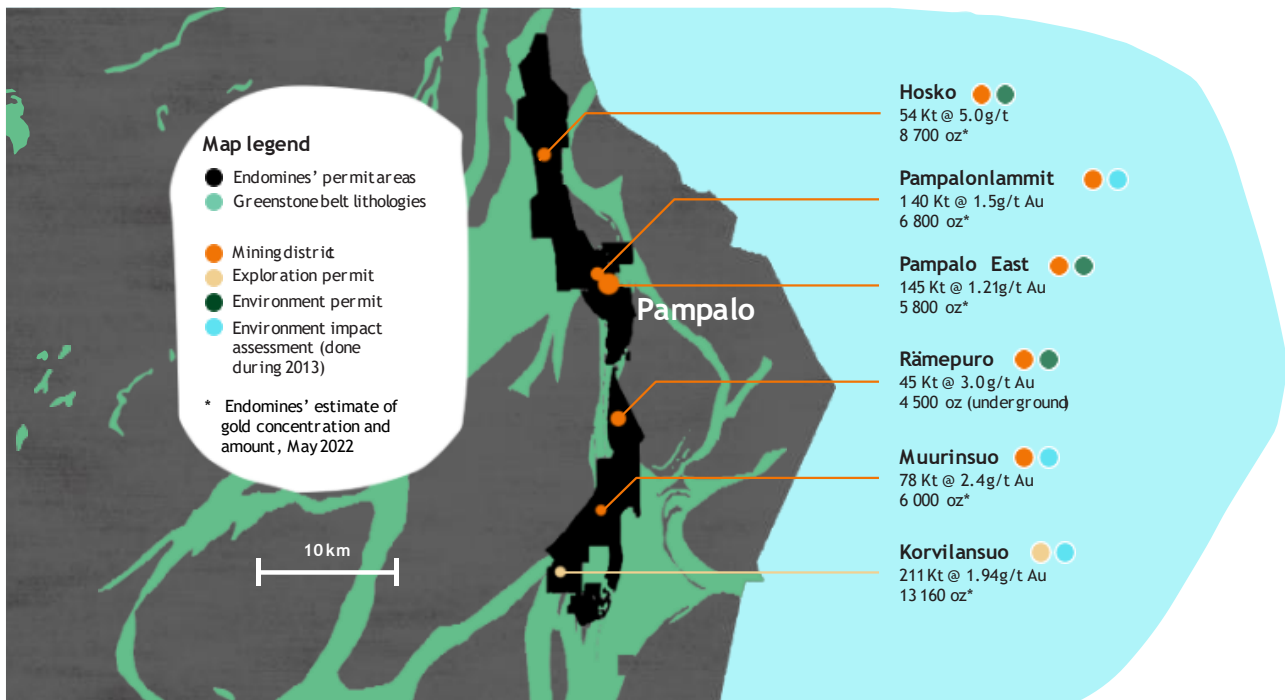
Endomines' exploration permits follow the Karelian Gold Line, spanning in the east from the Russian border through the Hattuvaara village, continuing into the north on the Russian side. Trafficability is suitable for heavy vehicles year-round, and an asphalt-covered highway follows the Karelian Gold Line from the south to the north. This road acts as the departure point for numerous forest roads, constituting the foundation for functioning logistics leading to Endomines' exploration areas.

In October 2009, Endomines decided to launch mining operations in Pampalo. The construction of the beneficiation plant, tailings area, electrical wiring and other infrastructure of the Pampalo mine was commenced in October 2009 and the entire complex was completed in November 2010, as scheduled and on budget. Mining activities and the industrial production of gold concentrate was carried on in Pampalo from February 2011 to October 2018.

Pampalo's overall gold production reached 331.3 kilograms in 2018 (398.1 kilograms for the entire year 2017). The lower production in 2018 resulted from the production at the mine being halted in October 2018. Of the production reported for 2018, 12.8 kilograms consisted of gold recovered from the clean-up of the beneficiation plant. In 2018, the average gold grade was 3.3 g/t, signifying a considerable improvement of 0.4 g/t compared to the previous year. The increase in the gold grade is primarily attributable to the higher regional concentration of the ore. Following the discontinuation of the mining, Endomines placed the mine and the beneficiation plant in care and maintenance mode. The mine is being kept dry *inter alia* to enable underground exploration drilling from existing tunnels in the vicinity. In 2021, the operation of the Pampalo mine was restarted and the first half of 2022 witnessed considerably higher production volumes as compared to the preceding years.

In the first half of the year, the Pampalo production amounted 108.2 kilograms, i.e. 3,478 ounces of gold. The production of the second quarter of 2022 increased by 78 percent, to 69.3 kilograms (i.e. 2,227 ounces), compared to the production volumes reached in the first quarter of 2022.

## Karelian Gold Line



### Mining activity in the Karelian Gold Line

Mining in the Pampalo mine has been taking place underground. The Pampalo mine, along with its beneficiation plant and the related crushing plant, tailings area, office buildings and other buildings, is located in a central location on what is called the Karelian Gold Line, which means that the transportation costs of ore from the other Karelian Gold Line deposits may in the future be minimized. The electrical maintenance of the buildings takes place via a power line spanning 48 kilometers, from Finland's national grid.

By the time the Rämeपुरo open-pit mine was closed in 2016, a total of 200,000 tonnes of ore had been mined, along with approximately one million tonnes of waste rock.

The Pampalo deposit was previously mined by Outokumpu. At that time, mining primarily took place at the open-pit mine, but towards the end, ore was also being mined underground, from a decline passing downwards from the bottom of the open-pit mine to the level of 280 meters. In the course of its mining activity, Endomines has extended the decline to the level of 750 meters. The underground mining occurring in Pampalo is executed in the form of bench blasting. All open pits are filled with waste rock.

### Background to the operative activities in Pampalo

No exploration or drilling took place in the deep extension area of the Pampalo mine during 2018–2020. The Pampalo mine was put in care and maintenance mode in 2018, when the global market price of gold was at a very low level (approximately USD 1,250 per ounce) and continuing with the operations would have required an investment into the deepening of the decline. At the price of gold at that time, the investment would not have been financially sound.

The decision to re-launch operations at the mine was attributable to the significant increase in the global market price of gold during 2020. At that time, the global market price of gold increased to the level of USD 1,800 per ounce, and according to the projections made at the time, the price was expected to remain at this level for an extended period of time. In January 2021, Endomines reported that the design and preparation work for deepening the decline was underway and that invitations to tender for the selection of the mining contractor as well as the supplier agreements were being drafted. Following negotiations conducted with a number of parties, Power Mining Oy was selected to renovate the existing decline and to ramp-up the tunnel to the first contemplated production levels. Power Mining Oy commenced work at the mine in March 2021, and in September 2021, the decline reached the base level of the new production area. The recruitment of the personnel for the beneficiation plant was commenced and key personnel were hired. In October 2021, the

underground mining program for the detailed determination of the quality and quantity of the ore in the new production area was completed. The results were finalized in the fourth quarter of 2021, and they contained the highest gold grades ever obtained from the Pampalo mine. December 2021 marked the successful completion of the maintenance program for the beneficiation plant, and the trial runs of the beneficiation plant were commenced.

### ***Pampalo in the first half of 2022***

Despite Russia's war of aggression on Ukraine which negatively affected the global economy, Endomines had a solid first half of 2022. The Pampalo ramp-up has progressed well and in the first half of the year, Endomines' production amounted to 108.2 kilograms, i.e. 3,478 ounces of gold. In the second quarter of 2022, production increased by 78 percent to 69.3 kilograms (i.e. 2,227 ounces) compared to the production volumes reached in the first quarter of 2022. The increased production volumes also resulted in an improved EBITDA. In the second quarter, the EBITDA for Pampalo amounted to SEK 7.7 million, meaning that the EBITDA margin was 21.6 as compared to the SEK -5.7 million, i.e. an EBITDA margin of -28.8, in the first quarter of 2022. In January 2022, Endomines also concluded a sales agreement with Boliden concerning the Pampalo gold concentrate production for the next two years.<sup>31</sup>

### ***Outlook***

Production is expected to continue to grow in Pampalo during 2022, and the ore production in the Eastern open-pit mine will serve to increase the production volumes by 10–20 percent. Endomines estimates that the production of the second half of 2022 will be 30–70 percent higher than of the first half of 2022. No gold production will materialize at the Friday mine in the second half of 2022 because the operation of the mine has been temporarily suspended. At the moment, the focus lies on exploring collaboration possibilities for the Friday mine and for the operation of the Orogrande processing facility.

In the third quarter of 2022, Endomines reported new, high-grade drill results from the Pampalo gold mine, indicating that grades and widths occurring in the current production area are continuing downwards and also supporting management's positive view of the next contemplated production area. The Company also commenced the second phase in the underground drilling program encompassing a total of 4,000 meters at the Pampalo mine that seeks to deepen the deposit. In the third quarter of 2022, Endomines also launched a significant surface ore drilling program at the Karelian Gold Line. The program is focused on the Pampalonlampi, Pampalo and Rämepuro regions, as well as selected regional exploration sites in the Korvilansuo and Kartitsa regions.

### ***Expected useful life***

Exploration in the Karelian Gold Line continues, and Endomines believes that persisting with the exploration will result in the extension of known deposits and the discovery of new deposits, prolonging the expected useful life of the the Pampalo mine and the satellite mines in its vicinity. It is difficult to estimate the exact expected useful life of the Pampalo mine because it is contingent on new discoveries made as a result of the exploration work.

### ***Historical production in brief***

	2021	2020	2019	2018	2017	2016	2015	2014
Gold production (kg)	14.3	16.7	-	331.3	398.1	325.0	529.0	761.9
Gold production (ounces)	460.3	538.1	-	10,651	12,799	10,450	17,022	24,497
Average price of gold (dollars/ounce)	1,820	1,771	1,394	1,265	1,259	1,248	1,161	1,274

### ***Exploration***

Endomines holds exploration permits in the area of the Karelian Gold Line located in Eastern Finland. The Karelian Gold Line is a 40-kilometer-long portion of an Archaean green stone belt that includes 23 already discovered gold deposits. Similar green stone belts around the world are known for their vast gold potential.

<sup>31</sup> The figures in the paragraph are from the Company's unaudited interim report from the six months' period ended June 30, 2022 and, consequently, the figures are unaudited.

### **Exploration and underground development at Pampalo**

The underground drilling program was launched in April 2022 and completed in June 2022. The results were publicized on August 26, 2022. The results were very promising, including drill core at 8.2 meters with the gold grade being 13.1 g/t, (4.8 g/t when cut at the grade of 20 g/t) in drilling hole T-1753 and a 4.3-meter intersection with the gold grade of 14.6 g/t (6.6 g/t when cut at the grade of 20 g/t) in drilling hole T-1756. The results of the drilling program will be utilized to update the mineral resources estimation and the mining plan. Ramping up production in Pampalo progressed well in the first half of 2022, and in that first half of 2022, the Pampalo production amounted to 108.2 kilograms, i.e. 3,478 ounces, of gold. The production in the second quarter of 2022 increased by 78 percent, to 69.3 kilograms (i.e. 2,227 ounces) as compared to the production volumes reached in the first quarter of 2022. The increased production volumes were also reflected in an improved EBITDA. In the second quarter, Pampalo's EBITDA amounted to SEK 7.7 million, meaning that the EBITDA margin was 21.6 percent, as compared to the SEK -5.7 million, i.e. an EBITDA margin of -28.8, in the first quarter of 2022.

### **Exploration results in the Karelian Gold Line area**

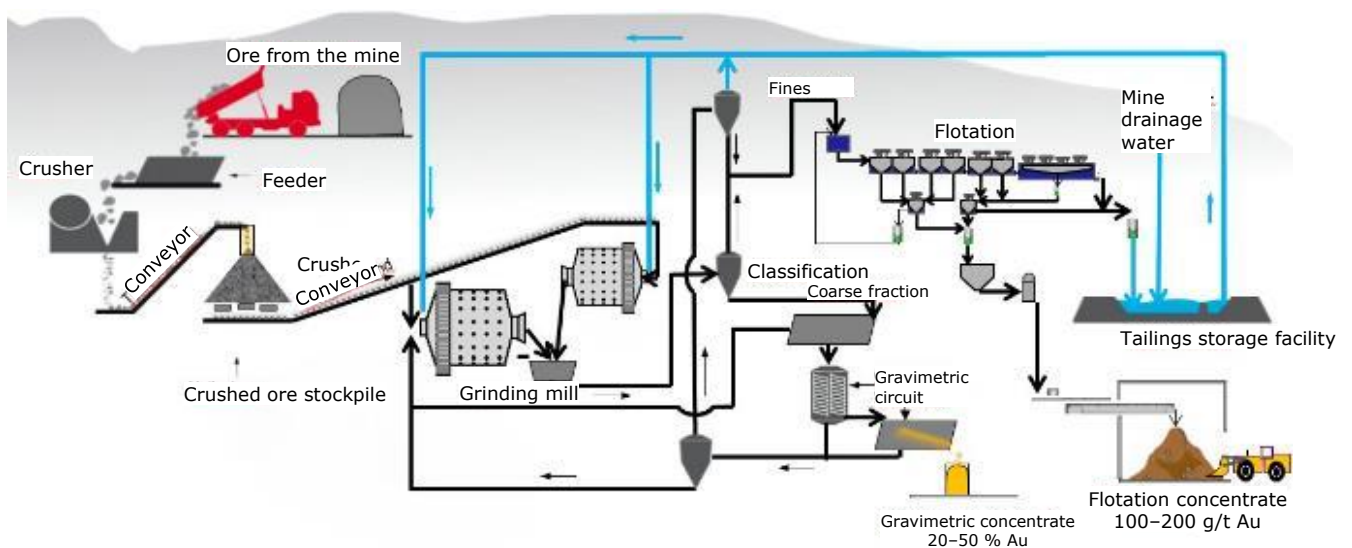
The first indications of gold in the Karelian Gold Line were observed in the till geochemistry studies conducted by the Geological Survey of Finland in the 1980s. The most well-known gold deposit of the area, Pampalo, was discovered as a result of exploration in 1995. The mining company Outokumpu conducted its own studies in the area, and the gold grade of 93 g/t analyzed from an old layman's sample containing chalcopyrite resulted in the discovery of the Rämepuro deposit in 1986.

As a main rule, Endomines has been conducting exploration activities in the Karelian Gold Line in the vicinity of known deposits. The year 2018 marked the completion of a drilling program encompassing 28 holes and a total of 3,332 meters at different sites in the vicinity of the Pampalo mine as well as in the Nenävaara and Palosuo regions. A total of 2,093 basal till samples were taken, and the sampling concentrated in the vicinity of Pampalo, as well as the regions north of Nenävaara and Hosko.

In 2021, both regional exploration works and exploration occurring in the vicinity of the mine were continued, along with the development and planning of future exploration programs. Six drill holes (a total of 1,609 meters) were drilled for the purposes of exploration under the Pampalo exploration program in order to examine gold mineralizations on the eastern and northern side of the Pampalo main mineralization. The geological reporting of the drill cores was completed in December 2021.

All and all, the results obtained from the exploration activities confirm the significant ore exploration potential of the Karelian Gold Line and indicate potential areas in the vicinity of the already existing mines.

### **Diagram of the Pampalo beneficiation process**



## Endomines United States

In February 2018, Endomines completed the acquisition of five gold deposits located in Idaho, USA, from TVL Gold Idaho, LLC (Friday, Rescue, Kimberly, Buffalo Gulch and Deadwood). The total purchase price amounted to USD 31.25 million. Endomines has changed the name of the acquired US-based unit to Endomines Idaho, LLC, and it comprises the US-based operative company of the Endomines group.

In the fall of 2021, mining and beneficiation activities were commenced at the Friday mine and beneficiation plant, and the ramp-up of production continued until the turn of the year. It was discovered in connection with the mining that the gold mineralization is more irregular compared to the previous interpretation, which has resulted in great variations in the quantity and grades of the ore. For this reason, production was suspended in early 2022 and remains suspended. At the moment, the focus is on exploring collaboration possibilities at the Friday mine and the Orogrande processing facility. The Company is not contemplating conducting any further underground drilling or any other major investments until the potential partnership alternatives have been explored.

In addition to the five aforementioned deposits, Endomines currently also controls the Unity deposit in Idaho. In June 2019, Endomines concluded an agreement with Unity GoldSilver Mines, Inc. to lease the Unity mine. Unity is located near Endomines' Rescue mining project in Warren County, Idaho, USA. Endomines' intention in the long term is for the Unity and Rescue projects to be carried on jointly, as one single project.

In addition to the deposits in Idaho, Endomines owns possessory rights to the US Grant deposit in Montana, as well as a purchase option to the Kearsarge deposit, located near US Grant in the United States. A technical and financial assessment was conducted in relation to all of the deposits in the United States in the first half of 2022 as part of the Company's strategy work. It was decided that in the new strategy, the model to be progressed in relation to the deposits in the United States would be the partnership model. The objective of the Company is to commence a collaboration with a partner possessing local experience during 2023. The Company is not contemplating any major investments into the United States in the foreseeable future.

## Personnel

The table below depicts the number of Endomines' employees for financial periods 2021, 2020 and 2019. On September 30, 2022, Endomines had 30 employees: 0 in Sweden, 23 in Finland and 7 in the United States. The changes in the geographical distribution of the employees after 2021 are due to Endomines focusing on the development of mining operations in Finland and the US operational activities being suspended. In the United States, Endomines focuses on finding a partner to carry out the new strategy and the number of employees has been adjusted to correspond to the new situation.

Average number of employees	September 30, 2022	2021	2020	2019
Sweden (Endomines AB)	0	3	5	5
Finland	23	15	9	12
United States	7	35	32	17
<b>Group</b>	<b>30</b>	<b>53</b>	<b>46</b>	<b>34</b>

## Material Agreements of the Group

Endomines Finland has outstanding convertible loans with principals amounting to a total of EUR 19.6 million ("**Convertible Loan**"). The loans have been issued to Finnish investors during the years 2021 and 2022.

The table below presents Endomines Finland's outstanding Convertible Loans as at the date of this Prospectus.

Loan <sup>(1)</sup>	Loan amount (EUR)	Accrued interests and payments (EUR) <sup>(2)</sup>	Maturity	Conversion price EUR 8/Share, or weighted average price for Q4 2022 <sup>(5)</sup>	Number of new shares if loans are fully converted into shares (calculated at a conversion price of EUR 8) <sup>(6)</sup>
Secured Convertible Loans 2021 .....	10,385,000.00	236,623.29	3 years <sup>(4)</sup>	EUR 8/Share	1,327,467
Secured Convertible Loans 2022 .....	6,271,954.25	271,407.41	2 years	EUR 8/Share	817,920
Secured Convertible Loans 2022 .....	2,900,000.00	201,383.56 <sup>(3)</sup>	2 years	EUR 8/Share, or weighted average price for Q4 2022	387,672
Total .....	<b>19,556, 954.26</b>	<b>709,414.27</b>			<b>2,533,060</b>

- 1) The conversion period of all bonds is the term of the loan.
- 2) Annual interest payable on the Convertible Loans is 10%.
- 3) The euro-denominated sum includes arrangement fees of a total of EUR 145,000 to creditors.
- 4) One Convertible Loan of EUR 100,000 has a maturity of 2 years, i.e. it falls due in 2023. The others fall due in 2024.
- 5) One Convertible Loan of EUR 100,000 has a conversion price of EUR 10/Share.
- 6) Calculated at a conversion price of EUR 8, which is the conversion price after the reverse split that took place on September 30, 2022. Calculated at a conversion price of EUR 10 with respect to EUR 100,000.

#### **Agreement entered into with LDA Capital for financing in the amount of EUR 14 million**

On 8 May 2021, Endomines AB entered into a financing agreement of EUR 14 million with LDA Capital Limited (“LDA”). The financing agreement contains a convertible loan amounting to EUR 6 million and a put option agreement (“**Put Option Agreement**”) of EUR 8 million as well as option rights. LDA is a global alternative investment group with expertise in complex, cross-border transactions worldwide. LDA has converted the entire drawn-down amount of the convertible loan into shares in Endomines AB in several tranches between January 24, 2022 and August 18, 2022.

The agreement concerning the convertible loans required Endomines AB to issue 14,000,000 option rights, each of which entitles their holder to subscribe for one share. On October 21, 2022, by virtue of the authorization issued by the shareholder on October 17, 2022, Endomines Finland resolved to, in connection with the Merger, issue to LDA a corresponding number of special rights referred to in Chapter 10 Section 1 of the Companies Act that entitle their holders to subscribe for a total of 280,000 Shares in Endomines Finland (the “**Option Right 2021:1**”). Each Option Right 2021:1 entitles its holder to subscribe for 0.02 new Shares in the Company, with the subscription price being EUR 14.41 per Share. If all Option Rights 2021:1 are used to subscribe for shares, the number of shares in Endomines Finland may increase by a maximum of 280,000 Shares. Subscriptions may be made until June 30, 2023 during certain time periods.

In connection with the convertible loan agreement, Endomines AB and LDA have negotiated upon the terms and conditions of the Put Option Agreement, stipulating that Endomines AB shall have the right, but not the obligation, to request LDA to subscribe for Shares in Endomines AB at a subscription price totaling EUR 8 million. EUR 6.8 million of this Put Option Agreement remains undrawn. The Merger has been taken into account in the financing agreement, and the agreement will continue unchanged for Endomines Finland. The subscription price per each share in euros is 90 percent of the volume-weighted average price of Endomines Finland’s share for the period during which the company decides to make use of the agreement. The maximum number of issued shares depends on the development of the Company’s share price at the moment of pricing.

#### **Option rights related to a secured bond of EUR 3.4 million**

In April 2020, Endomines AB issued a secured bond of EUR 3.4 million primarily to Finnish investors. The loan has been repaid. The bond involved option rights continuing after the repayment of the loan, on account of which Endomines Finland resolved on October 21, 2022, by virtue of the authorization issued by the



shareholder on October 17, 2022, to issue in connection with the Merger 4,286,456 special rights referred to in Chapter 10 Section 1 of the Companies Act that entitle their holders to subscribe for Shares in Endomines Finland (the “**Option Rights 2020/2023: 1–2**”). Each Option Right 2020/2023: 1–2 entitles its holder to subscribe for 0.03 new Shares in Endomines Finland, with the subscription price being EUR 29.20 per Share. If all Option Rights 2020/2023: 1–2 are used to subscribe for Shares, the number of Shares in Endomines Finland may increase by a maximum of 128,456 Shares. Subscriptions may be made until June 30, 2023.

#### ***Agreement on the purchase of the US Grant mine and factors pertaining to same***

In January 2020, Endomines AB entered into a Letter of Intent with Transatlantic Mining (“**Transatlantic**”) to purchase the US Grant mine and the possessory rights to its existing beneficiation plant as well as the option to purchase the Kearsarge Gold Project. Endomines paid Transatlantic a USD 550,000 down payment for the deposits. In October 2020, Endomines AB completed the transaction to purchase the US Grant mine and beneficiation plant, together with the purchase option of the Kearsarge Gold Project, and effected in connection with the same a directed issue, by which Endomines sought to improve its long-term growth opportunities by increasing exploration, production and corporate acquisitions.

The total consideration payable for the US Grant mine, beneficiation plant and for the purchase option of the Kearsarge Gold Project amounted to USD 12.4 million, of which around USD 7.8 million was paid in Endomines AB’s shares and the remaining portion in cash. The Endomines AB shares were paid to Transatlantic through a directed share issue encompassing 15,392,535 shares (corresponding to 11.72% of Endomines AB’s shares and votes following the share issue) with the subscription price per share being approximately SEK 4.60, i.e. a total of SEK 70,782,913. The remaining portion of the purchase price, approximately USD 4.6 million, was paid in cash. The first cash payment of USD 550,000 was paid to Transatlantic in conjunction with the signing of the Letter of Intent. The second cash payment in the amount of two million dollars was paid in connection with the closing of the transaction. The agreed purchase price was paid in full in several instalments between the second quarter of 2020 and September 2022.

#### ***Agreement on the acquisition of TVL Gold Idaho, LLC (currently Endomines Idaho, LLC)***

In February 2018, Endomines AB concluded the acquisition of the US-based mining company TVL Gold Idaho, LLC (currently Endomines Idaho, LLC). The target company possesses rights to five gold projects in Idaho, US. The aggregate purchase price for TVL Gold Idaho, LLC amounted to USD 31.25 million, of which USD 7.25 was paid in cash at the time of execution of the transaction. The remainder of the purchase price was paid for with a loan of approximately USD 3 million, whose maturity is 18 months and annual interest rate 3 percent as well as with a convertible loan. The loan was repaid in full in August 2019. The entire loan amount of the convertible loan was converted into a total of 33,490,597 shares in Endomines AB in January and February 2020.

The conversion was carried out in two tranches; one half was converted into shares on January 9, 2020 at the conversion rate of SEK 5.85 per share, and the remainder on February 25, 2020 at the conversion rate of SEK 6.0 per share. As a result of the conversions, the number of shares and votes in Endomines AB increased by 33,490,597.

#### ***Royalty agreements***

In 2006, Endomines Oy acquired the production and exploration permits for the Pampalo deposit from Polar Mining Oy, a subsidiary of Dragon Mining Ltd. According to the deed of sale, following the commencement of mining operations, Endomines Oy will pay Polar Mining Oy royalties amounting to one percent of the net smelter return, yet no more than EUR 1.5 million. The obligation to pay royalties arises only once an amount totaling 203,000 gold ounces (6,314 kilograms) has been mined.

By an agreement dated June 19, 1996, Endomines Oy has acquired claim rights under the repealed Mining Act located in the municipality of Ilomantsi: Sivako 1-3, mining register number 5188/1, 5340/1-2, Korpilampi 1-2, mining register number 5402/1-2, Korpi 1-5, mining register number 5356/1-4, 5840/3, Kuivisto 1, mining register number 5210/1, Kuivisto 2-3, mining register number 5356/5-6, Pihlajavaara 1-2, mining register number 5511/2-3 and Valkeasuo 1-4, mining register number 4853/1, 5511/1, 5840/4-5.

Of the current mining concessions or mining permits, the mining concessions of Hosko (based on claims Valkeasuo 1-2, mining register number 6926/1 and 7559/5) and Kuivisto (based on claims Korpi 1, mining

register number 7441/1, and Kuivisto 4, mining register number 7622/2) are located in the aforementioned areas.

If production is commenced in the aforementioned areas, Endomines Oy is obliged to pay the Finnish State an annual royalty of EUR 0.39 per tonne of ore used for processing up until two million tonnes of ore mined and, thereafter, EUR 1.31 per tonne of ore, yet no more than around EUR 2.5 million.

Endomines AB concluded the acquisition of TVL Gold Idaho (currently Endomines Idaho LLC), encompassing mining rights in Idaho, USA. During the years of 1 through 4, Endomines will be paying Kinross Gold USA Inc. a royalty for the sold ore and minerals mined from the Friday mine under the five mining rights. The amount of the royalty is 3 percent of the net smelter return, however, not exceeding USD 1 million. Furthermore, Endomines is paying an annual royalty to Del Steiner for the five mining rights to the Friday mine. The amount of the royalty is 1 percent of the net smelter return, however, not exceeding USD 1 million. During years 4 through 7, on the other hand, Endomines will be paying the property holder Premium Exploration USA, Inc. for the sold ore and minerals mined from the Friday mine under the five mining rights an annual royalty of 3 percent, as well as a royalty of 1 percent to Del Steiner. In addition to the Friday mines, Endomines is paying an annual royalty of 1 percent to Del Steiner for the ore and mineral mined from the area owned by Premium Exploration USA and sold, however, the royalty may not exceed USD 1 million (including the royalty payable for the five mining rights of the Friday mines), as well as 2 percent to Premium Exploration USA, Inc. When Del Steiner is no longer entitled to the royalties, Premium Exploration USA, Inc. will be paid an additional 1 percent (3% percent in total).

### ***Land purchase agreement***

On August 12, 2009, Endomines Oy concluded an agreement to acquire 292 hectares of land connected to the Pampalo mine from Metsähallitus, i.e. the whole mining concession area of Pampalo, which comprises the following deposits: Pampalo, Pampalo Deep, Pampalo D-zone ja Pampalo East. Because Endomines owns the land, it does not need to pay any excavation fee, and all ore from the satellite mines can be processed at the Pampalo beneficiation plant. The purchase price paid for the land amounted to EUR 435 000. Previously, different entrepreneurs have engaged in minor mining activities in the land in question, and there is a risk that such activities may have had an adverse effect on the land and on the environment. On December 30, 2010, the parties concluded an amendment agreement, stipulating that the State of Finland would be acquiring felling rights to the forest located on the property until December 30, 2050. In actual fact, the State of Finland was obligated to fell forest on the property by March 31, 2011, but since under the Finnish Forest Act a premature felling was not feasible, the parties were compelled to amend the agreement. As a result, the purchase price was reduced by EUR 247,000 to approximately EUR 188,000. The retention and felling of the forest must not, however, impact Endomines Oy's mining operations. If the felling must be carried out prior to the normal regrowth of the forest, Endomines Oy is obligated to compensate for the anticipated value. However, the amount of compensation cannot exceed approximately EUR 247,000 and it pertains to the sale and delivery of gravity-enriched gold.

### **Exploration Permits, Mining Rights and Permits and Environmental Considerations**

In its operations, Endomines is dependent on a variety of permits, such as, *inter alia*, exploration permits, mining rights, mining permits and environmental permits as well as various administrative procedures, such as environmental impact assessment and planning procedures. Permits granted to Endomines establish the prerequisites for carrying on and developing exploration and mining within the confines of Endomines' current business operations. Endomines is also dependent on its ability to, going forward, obtain new permits for future areas for which it currently does not have permits. To put it briefly, an exploration permit means that the holder of the same is granted the right to explore the deposits, for instance, so as to ascertain the quality, scope and exploitability thereof, as further specified in the exploration permit. A mining permit, in brief, is a permit conferring upon its holder the sole right to exploit the mining minerals found in the permit area. In addition to the mining permit, an enforceable environmental permit, which regulates, *inter alia*, emissions from the mine, is required for mining activities. Additionally, mining activities are directly and indirectly regulated by numerous laws and decrees pertaining to a number of environmental considerations.

## Endomines Oy

### Environmental permits of Endomines Oy

In 2015, Endomines was granted an environmental and water resources management permit for the operation of the Pampalo mine and beneficiation plant in the municipality of Ilomantsi as well as a water resources management permit granted in the same year for taking raw water as the process water of the Pampalo mine's beneficiation plant. The permit covers the mining and beneficiation of a maximum of 450,000 tonnes. The environmental permit is in force for the time being.

In 2014, Endomines was granted an environmental permit for the operations of Rämepuro satellite mine. In 2019, the Regional State Administrative Agency granted an environmental permit to the already closed Rämepuro mine for the completion of post-mining measures. Vesiluonnon Puolesta ry appealed against the decision to the Administrative Court of Vaasa which repealed the decision and returned the matter back to the Regional State Administrative Agency for reprocessing.

In 2015, Endomines was granted an environmental and water economy permit for the activities of the Hosko mine.

Endomines Oy has drafted an action plan to restore land at the mines of Pampalo and Rämepuro. On June 30, 2019, the provision made for the restoration costs amounted to EUR 1,210,000. The amount of the provision is assessed every time it is reported. As at September 30, 2022, the aggregate amount of the securities Endomines has lodged in relation to the mines amounted to EUR 531,500 and the security satisfies the applicable regulatory requirements and laws and Endomines possesses the permits required for the operations being carried on. The lodged securities are on a pledged account.

### Endomines Oy's Mineral Rights in Finland

#### *Mining rights and permits*

Endomines Oy has five mining rights granted under the repealed Mining Act; Pampalo, Rämepuro, Hosko, Kuivisto and Muurinsuo, and one mining permit; Pampalo NW. Mining activities are conducted in the Pampalo area.

All areas are located in the municipality of Ilomantsi, and the aggregate surface area of the areas is 549.72 hectares.

Endomines' mining rights and permits are detailed in the list below. Legislation applicable to mining activities is discussed in greater detail in section "Market and Industry Review – Mining legislation in Finland" of this Prospectus.

Name	Permit ID	Surface area (ha)	Granted on	Validity
Hosko	6926	63.657	December 5, 2012	For the time being
Kuivisto	K7441	43.4135	January 11, 2013	October 30, 2023
Muurinsuo	K7977	24.453	April 15, 2013	April 15, 2023
Pampalo	4847/1a-b	296.43		For the time being
Rämepuro	3831/1a	60.964	March 9, 1993	For the time being
Pampalo NW	KL2011:0003	60.8	July 11, 2013	For the time being

#### *Exploration permits*

Endomines has 12 valid exploration permits and 19 pending permit applications that are applications concerning the extension of the validity of exploration permits granted earlier. All areas concerning the exploration permits are located in the municipality of Ilomantsi, and the aggregate surface area of the granted permits is 9723.23 hectares.

Endomines' exploration permits are detailed in the list below. Legislation applicable to exploration is discussed in greater detail in section “*Market and Industry Review – Mining legislation in Finland*” of this Prospectus.

Name of permit	Permit ID	Surface area (ha)	Latest permit decision issued on	Validity of the permit as of it becoming legally valid (years)	Extension applied for (date pending)
Alexander	ML2013:0028	98.29	April 30, 2015	not in force	February 22, 2019
Hosko N	ML2016:0043	741.41	May 16, 2017	not in force	April 13, 2021
Ilokulta 10-13	ML2019:0069	255.66	June 22, 2021	3	
Ilokulta 14-15	ML2019:0068	173.47	January 11, 2022	3	
Ilokulta 1-5	ML2019:0067	281.52	January 10, 2020	3	
Ilokulta 17-47	ML2017:0105	2,842.9	June 28, 2018	not in force	May 25, 2021
Ilokulta 4-7	ML2019:0076	252.88	January 11, 2022	3	
Ilokulta 50-51	ML2019:0072	177.2	January 11, 2022	3	
Juttusuo	ML2017:0070	65.73	December 5, 2018	not in force	October 25, 2021
Kartitsa	ML2019:0099	1,245.59	January 16, 2020	4	
Korpi 1-5	ML2019:0020	248.66	August 2, 2019	not in force	June 29, 2022
Korvila 1-3	ML2011:0070	235.8	June 22, 2021	3	
Kuittila	ML2016:0028	122.99	June 22, 2021	4	
Kuivisto 4	ML2018:0076	92.283	September 10, 2019	4	
Kuivistonmäki 1-2	ML2012:0052	91.01	August 2, 2019	not in force	Extension not applied for
Kurvisenhuhta	ML2017:0073	92.58	December 5, 2018	not in force	October 25, 2021
Lintukangas	ML2017:0072	91.27	December 5, 2018	not in force	October 25, 2021
Länteenpään	ML2018:0103	147.26	June 10, 2019	4	
Lössä 1-4	ML2011:0063	56.6	August 14, 2017	not in force	July 23, 2020
Löytösuo	ML2012:0051	271.19	August 2, 2019	not in force	June 29, 2022
MaksiPoika	ML2018:0074	169.62	December 5, 2018	4	November 2, 2022
Mujusenkorpi	ML2019:0071	390.62	November 6, 2019	4	
Muuri	ML2013:0038	62.95	June 14, 2019	not in force	May 6, 2022
Nenäsuo	ML2017:0071	27.25	December 5, 2018	not in force	October 25, 2021
Pampalonlammit	ML2018:0090	106.96	June 14, 2019	not in force	May 6, 2022

Pihlajavaara	ML2014:0020	86.43	August 2, 2019	not in force	Extension not applied for
Pitkähattu	ML2011:0035	39.26	August 2, 2019	not in force	Extension not applied for
Pitkäsuo 1-2	ML2012:0050	154.41	August 2, 2019	not in force	Extension not applied for
Poiko 1-4	ML2011:0029	286.52	April 28, 2017	not in force	March 3, 2020
Sivakko	ML2011:0073	255.43	December 5, 2018	not in force	October 19, 2021
Sivakkoniilo	ML2017:0069	33.06	December 5, 2018	not in force	October 26, 2021
Tiittalanvaara	ML2014:0026	241.04	December 5, 2018	not in force	October 28, 2021
Tilkkukangas	ML2012:0049	203.59	August 2, 2019	not in force	June 29, 2022
Valkeasuot	ML2013:0037	81.8	June 14, 2019	not in force	May 6, 2022

### *Reservations*

Endomines has made two reservation notifications to the mining authority; Tappokangas and Ukkolanvaara.

Endomines' reservations and reservation notifications are detailed in the list below. Legislation applicable to reservations is discussed in greater detail in section “*Market and Industry Review – Mining legislation in Finland*” of this Prospectus.

Name of reservation	Permit ID	Surface area (km <sup>2</sup> )	Reservation notification filed on	Decision issued on	Validity
Tappokangas	VA2022:0039	19.57	June 1, 2022	August 18, 2022	May 31, 2024
Ukkolanvaara	VA2022:0065	32.83	September 12, 2022	November 10, 2022	September 11, 2024

According to the Finnish Mining Act, the exploration permit holder must deposit collateral for the purpose of offsetting potential damage and inconvenience and performing after-care measures, unless this can be deemed unnecessary in view of the quality and extent of operations, the special characteristics of the operating area, permit regulations issued for the operations, and the applicant's solvency. Correspondingly, the mining permit holder must deposit collateral, for the purpose of termination and after-care measures of mining operations, that is sufficient in view of the nature and extent of mining activity, the permit regulations issued for the activity, and collateral demanded by virtue of other legislation. The collateral must be deposited with the mining authority, which must oversee the interests of the recipient of compensation when lodging the security and, if necessary, act on matters related to the conversion of collateral into money and sharing of assets. The type and quantity of collateral shall be determined by the Finnish Safety and Chemicals Agency (“**Tukes**”) as the competent authority.

Tukes has determined and the Company deposited the following collaterals for the Company's mining concessions and mining permit: Hosko EUR 10,000, Rämepuro EUR 15,000, Pampalo (including Pampalo NW) EUR 100,000, Kuivisto EUR 1,000 and Muurinsuo EUR 1,000.

### ***Endomines Idaho, LLC***

All requisite permits have been obtained for operating the Friday mine and the Elk City beneficiation plant. Endomines was granted an exemption from obtaining permits related to air quality, stipulated under the applicable legislation of Idaho.

Endomines Idaho, LLC has applied to the United States Forest Service for a 'categorical exclusion' for renovating the entrance, underground investigation and restoration of the facility at the Rescue mine. Furthermore, a restoration plan has been submitted to the US Forest Service concerning the damage that has already occurred at the site. US Forest Service's approval for exploration and the restoration plan is still being processed.

An exploration plan was submitted to the US Bureau of Land Management concerning the commencement of underground research at the Kimberly mine. The plans encompass the restoration of the underground operations, development of drilling stations, improvement of passageways with the aid of a small rock storage area and the installation of LAD for the mine water. The matter is still being processed.

An action and a restoration plan were also submitted to the US Forest Service for the exploration program concerning surface drilling at Buffalo Gulch. The program was to be finalized in 2019, but Endomines has suspended this process for now.

### **Litigation and Arbitration**

As at the date of this Prospectus or in the 12 months preceding the date of this Prospectus, Endomines has not been party to any litigation or arbitration that may have or in the past 12 months has had a material effect on the financial standing or profitability of Endomines or the Group, nor is Endomines aware of any such pending or threatened proceedings.

### ***Any authority decisions having an adverse effect***

Apart from what has been set forth in this Prospectus, as at the date of this Prospectus Endomines is not aware of any public, financial, fiscal, monetary or other political actions that have or may have a material direct or indirect effect on Endomines' business.

## SELECTED FINANCIAL INFORMATION

The following section is a summary of Endomines' financial performance during the financial periods 2019, 2020 and 2021 and for the first halves of 2021 and 2022.

The audited consolidated financial statements and the unaudited half-year financial information are drawn up in compliance with the International Financial Reporting Standards (IFRS) as adopted by the EU, as well as in compliance with the Swedish Annual Accounts Act (Årsredovisningslagen, ÅRL) and Recommendation RFR 1. The financial statement information for 2019, 2020 and 2021 have been extracted from the financial statements for the years in question and the half-year interim reports June 30, 2022 and June 30, 2021. The half-year interim reports are unaudited, but they have been reviewed in accordance with ISRE 2410.

Certain portions of the consolidated financial information for the financial year that ended on December 31, 2021 and the six-month period ended on June 30, 2022 have been converted to EUR for illustrative purposes for presentation in this Prospectus.

The method used for converting SEK to EUR is introduced in section "Certain Matters – Description of the Conversion of Swedish Krona into Euro".

### Summarized consolidated income statement\*

(SEK thousand)	For the six months ended 30 June		For the year ended 31 December		
	2022	2021	2021	2020	2019
	(unaudited)		(audited)		
Revenue.....	59,083	12	24	10,824	6,037
Change in stock of finished goods and work in progress.....	-1,636	0	4,881	2,262	-1,779
Other income .....	3,232	84	80	24	1,542
Raw materials and supplies .....	-7,551	-3,319	-16,531	-10,242	-4,729
Costs for employee benefits.....	-22,820	-18,748	-49,336	-42,888	-19,369
Other expenses.....	-68,342	-18,301	-57,351	-68,029	-30,543
<b>EBITDA.....</b>	<b>-38,033</b>	<b>-40,272</b>	<b>-118,233</b>	<b>-108,049</b>	<b>-48,841</b>
Depreciation and impairment .....	-69,046	-55,182	-136,955	-76,666	-3,649
<b>Operating result .....</b>	<b>-107,080</b>	<b>-95,454</b>	<b>-255,188</b>	<b>-184,715</b>	<b>-52,490</b>
Financial income .....	71,559	0	10,191	3,355	3,098
Financial expenses .....	-16,307	-25,352	-16,131	-15,612	-27,398
<b>Net financial items .....</b>	<b>55,253</b>	<b>-25,352</b>	<b>-5,939</b>	<b>-12,257</b>	<b>-24,300</b>
<b>Profit/loss before tax .....</b>	<b>-51,827</b>	<b>-120,806</b>	<b>-261,127</b>	<b>-196,972</b>	<b>-76,790</b>
Income tax .....	-	-2	-	108	92
<b>Net result for the period .....</b>	<b>-51,827</b>	<b>-120,808</b>	<b>-261,127</b>	<b>-196,864</b>	<b>-76,698</b>

(EUR million)	For the six months ended 30 June		For the year ended 31 December	
	2022		2021	
	(unaudited)		(unaudited)	
Revenue.....	5.6		0.0	
Change in stock of finished goods and work in progress.....	-0.2		0.5	
Other income .....	0.3		0	
Raw materials and supplies .....	-0.7		-1.6	
Costs for employee benefits.....	-2.2		-4.9	
Other expenses.....	-6.3		-5.6	
<b>EBITDA.....</b>	<b>-3.5</b>		<b>-11.6</b>	
Depreciation and impairment .....	-6.6		-13.5	
<b>Operating result .....</b>	<b>-10.1</b>		<b>-25.1</b>	
Financial income .....	6.7		1.0	
Financial expenses .....	-1.6		-1.6	
<b>Net financial items .....</b>	<b>5.1</b>		<b>-0.6</b>	
<b>Profit/loss before tax .....</b>	<b>-5.0</b>		<b>-25.7</b>	
Income tax .....	-		-	

<b>Net result for the period</b> .....	-5.0	-25.7
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\* The Company will change the way the income statement is presented in its future consolidated financial statements for the financial period 2022 by removing the line "total revenue" from the income statement and has therefore retroactively removed the line in question from the Prospectus's summarized income statements for the presented periods.

## Summarized consolidated balance sheet

(SEK thousand)	For the six months ended 30 June		For the year ended 31 December		
	2022	2021	2021	2020	2019
	(unaudited)				
Total fixed assets .....	520,162	547,569	527,109	567,892	572,513
Total current assets .....	64,753	38,608	38,718	17,050	17,089
<b>Total assets</b> .....	<b>584,915</b>	<b>586,177</b>	<b>565,827</b>	<b>584,942</b>	<b>589,602</b>
<b>Total shareholders' equity</b> .....	<b>329,433</b>	<b>442,194</b>	<b>310,015</b>	<b>330,695</b>	<b>336,026</b>
Total long-term liabilities .....	184,200	53,829	134,791	109,997	56,367
Total short-term liabilities .....	71,282	90,154	121,022	144,250	197,209
<b>Total liabilities</b> .....	<b>255,482</b>	<b>143,983</b>	<b>255,813</b>	<b>254,247</b>	<b>253,576</b>
<b>Total shareholders' equity and liabilities</b> .....	<b>584,915</b>	<b>586,177</b>	<b>565,828</b>	<b>584,942</b>	<b>589,602</b>

(EUR million)	For the six months ended 30 June		For the year ended 31 December	
	2022	2021	2021	2020
	(unaudited)		(unaudited)	
Total fixed assets .....	48.6	51.5		
Total current assets .....	6.1	3.8		
<b>Total assets</b> .....	<b>54.7</b>	<b>55.3</b>		
<b>Total shareholders' equity</b> .....	<b>30.8</b>	<b>30.3</b>		
Total long-term liabilities .....	17.2	13.2		
Total short-term liabilities .....	6.6	11.8		
<b>Total liabilities</b> .....	<b>23.8</b>	<b>25.0</b>		
<b>Total shareholders' equity and liabilities</b> .....	<b>54.7</b>	<b>55.3</b>		

## Summarized consolidated cash flow statement

(SEK thousand)	For the six months ended 30 June		For the year ended 31 December		
	2022	2021	2021	2020	2019
	(unaudited)			(audited*)	
<b>Cash flows from operating activities</b>					
Profit/loss before tax .....	-51,827	-120,806	-261,127	-196,972	-76,790
Adjusted for:					
Depreciation .....	14,189	8,043	36,932	23,182	3,649
Impairment .....	54,857	47,062	100,024	53,484	-
Unrealized exchange rate differences on internal receivables and payables .....	-	-360	-3,852	-	-2,237
Financing income and expense .....	-55,253	5,189	11,220	9,477	-
Other items .....	-5,072	9,470	5,514	30,196	1,893
<b>Cash flows from operating activities before change in net working capital</b> .....	<b>-43,105</b>	<b>-51,402</b>	<b>-111,289</b>	<b>-80,633</b>	<b>-73,485</b>
Change in net working capital .....	-10,662	-32,713	2,508	3,729	-5,456
<b>Total cash flows from operating activities</b> .....	<b>-53,767</b>	<b>-84,115</b>	<b>-108,781</b>	<b>-76,904</b>	<b>-78,941</b>
<b>Cash flows from investing activities</b>					
Payments for intangible fixed assets .....	-325	-814	-1,620	-22,140	-6,975
Payments for tangible fixed assets .....	-2,787	-14,677	-48,363	-4,427	-73,333
<b>Total cash flows from investing activities</b> .....	<b>-3,112</b>	<b>-15,491</b>	<b>-49,983</b>	<b>-26,566</b>	<b>-80,308</b>
<b>Total cash flows before financing activities</b> .....	<b>-56,880</b>	<b>-99,606</b>	<b>-158,763</b>	<b>-103,471</b>	<b>-159,249</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of new shares .....	63,466	213,977	236,093	14,535	155,523



Share issue costs.....	-2,048	-9,347	-25,721	-1,694	-8,129
Proceeds from borrowings .....	64,911	-	80,793	96,510	55,041
Repayment of borrowings .....	-42,290	-81,659	-125,389	-1	-43,670
Finance lease payments .....	-3,040	-6,848	-6,067	-10,311	-2,820
<b>Total cash flows from financing activities .....</b>	<b>80,999</b>	<b>116,123</b>	<b>159,708</b>	<b>99,039</b>	<b>155,945</b>
<b>Net decrease/increase in liquid assets .....</b>	<b>24,120</b>	<b>16,517</b>	<b>945</b>	<b>-4,431</b>	<b>-3,303</b>
Liquid assets at the beginning of the period .....	12,258	11,259	11,260	15,727	18,931
Effect of exchange rate changes on liquid assets .....	521	233	53	-36	99
<b>Liquid assets in the end of the period.....</b>	<b>36,899</b>	<b>28,009</b>	<b>12,258</b>	<b>11,260</b>	<b>15,727</b>

\* = The Company has changed the presentation of the cash flow statement by adding item "Finance lease payments" which were included in the line "Repayment of borrowings" in the Group's audited financial statements, which means that the Cash flow statement item in question is unaudited.

(EUR million)	For the six months ended 30 June	For the year ended 31 December
	2022	2021
	(unaudited)	(unaudited)
<b>Cash flows from operating activities</b>		
Profit/loss before tax .....	-5.0	-25.7
<b>Adjusted for:</b>		
Depreciation .....	1.3	3.6
Impairment .....	5.2	9.7
Unrealized exchange rate differences on internal receivables and payables.....	-	-0.4
Financing income and expense .....	-5.2	1.1
Other items .....	0.0	0.9
<b>Cash flows from operating activities before change in net working capital.....</b>	<b>-3.7</b>	<b>-10.8</b>
Change in net working capital .....	-1.5	0.2
<b>Total cash flows from operating activities.....</b>	<b>-5.2</b>	<b>-10.6</b>
<b>Cash flows from investing activities</b>		
Payments for intangible fixed assets.....	0.0	-0.2
Payments for tangible fixed assets .....	-0.3	-4.7
<b>Total cash flows from investing activities .....</b>	<b>-0.3</b>	<b>-4.9</b>
<b>Total cash flows before financing activities .....</b>	<b>-5.5</b>	<b>-15.5</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of new shares .....	6.0	23.0
Share issue costs.....	-0.2	-2.5
Proceeds from borrowings .....	6.1	7.9
Repayment of borrowings .....	-4.0	-12.2
Finance lease payments .....	-0.3	-0.6
<b>Total cash flows from financing activities .....</b>	<b>7.6</b>	<b>15.5</b>
<b>Net decrease/increase in liquid assets .....</b>	<b>2.2</b>	<b>0.1</b>
Liquid assets at the beginning of the period .....	1.1	1.1
Effect of exchange rate changes on liquid assets .....	0.1	0.0
<b>Liquid assets in the end of the period.....</b>	<b>3.5</b>	<b>1.2</b>

## Key figures

Some of the key figures presented in this section are 'alternative performance measures'<sup>32</sup> that are not defined based on IFRS. In Endomines' view, they provide a better understanding of Endomines' financial development. Endomines considers that the key figures, alongside (but not instead of) the other presented key figures, are

<sup>32</sup> Alternative performance measures are used as financial measures of historical or future financial performance, financial position, financial result or cash flows, other than financial measures defined or specified in the applicable financial reporting framework such as IFRS.

important for investors' assessment of the Company. These key figures are indicated with a number. For further information, please see the section “– Reconciliation of alternative performance measures” below.

		For the six months ended June 30		For the year ended December 31		
		2022	2021	2021	2020	2019
		(unaudited)		(unaudited)		
<b>Production key figures*</b>						
Gold production (kg).....		108.2	10.1	14.3	16.7	0
Gold production (oz).....		3,478	326.1	460.3	538.1	0
<b>Financial key figures**</b>						
Revenue growth rate, (%) .....	(1)	492,358	-100	-100	79	-94
EBITDA margin, (%).....	(2)	-64	-335,600	-492,638	-998	-809
Operating margin, (%).....	(3)	-181	-795,450	-1,063,283	-1,707	-869
Net margin, (%).....	(4)	-88	-1,006,733	-1,088,029	-1,819	-1,270
Equity ratio, (%) .....	(5)	56.3	75.3	54.8	56.5	57.0
Net interest-bearing debt (SEK million) .	(6)	158.4	74.6	171.8	195.3	199.5
Net interest-bearing debt (EUR million).	(6)	14.8	-	16.8	-	-
Net gearing, (%).....	(7)	48.1	16.9	55.4	59.1	59.4
Return on equity, (%) .....	(8)	-	-31	-82	-59	-26
Average number of employees .....		-	-	53	46	34

\* Excluding recovered gold from Pampalo beneficiation plant.

\*\* The Company has changed the definitions of the EBITDA margin, operating margin and net margin so that, instead of total revenue, the Company's revenue will be used as the divisor. The key figures included in this Prospectus have been updated to correspond to the new definition.

## Per share figures

		For the six months ended June 30		For the year ended December 31		
		2022	2021	2021	2020	2019
		(unaudited)		(audited)		
Per share						
Equity per share (SEK) .....		1.24	2.00	1.37	2.52	4.2
Dividend per share (SEK) .....		0	0	0	0	-
Weighted average number of shares (thousand)..... (9)		235,175	206,151	207,698	117,811	59,705
Number of outstanding shares at the end of the period (thousand)..... (10)		264,198	221,120	225,794	131,305	79,957
Share price at the end of period (SEK) . (11)		2.12	2.6	2.66	2.79	5.6
Market capitalization at the end of period (SEK million) .....		561	575	600.6	366.3	451.0

		For the six months ended June 30	For the year ended December 31
		2022	2021
		(unaudited)	(unaudited)
Per share			
Equity per share (EUR thousand) .....		0.12	0.13
Dividend per share (EUR) .....		0	0
Weighted average number of shares (thousand) .....	(9)	235,175	207,698
Number of outstanding shares at the end of the period (thousand) .....	(10)	264,198	225,794
Share price at the end of period (EUR) .....	(11)	0.21	0.26
Market capitalization at the end of period (EUR million)		54.7	58.7

## Use and definitions of alternative performance measures

- “**Revenue growth rate**” is presented in order to provide investors with a better understanding of how the company's revenue has developed between different periods.
- “**EBITDA**” is a measure of a company's earnings before interest, taxes, depreciation, and amortization.

- **“EBIT”** is a key figure that represents the company’s earnings.
- **“Operating margin”** is presented in order to provide investors with a better understanding of Endomines’ chances of achieving profitability in line with the sector.
- **“Net margin”** is included to provide investors with a better understanding of Endomines’ profitability when all costs are considered.
- **“Equity ratio”** is presented in order to provide investors with a better understanding of Endomines’ capital structure.
- **“Net debt”** and **“Net gearing”** are presented to illustrate the capital that creditors have made available to the company, adjusted for liquidity, and that is used for calculating Endomines’ debt ratio.
- **“Weighted average number of shares”** and **“Number of outstanding shares at the end of the period”** are included to provide investors with a better understanding of the number of Endomines shares and how it has changed during the year.
- **“Share price at the end of period”** is presented to provide investors with a clear idea of what the share price was at the end of the period and therefore what their current holding is worth.

#### Definitions – Alternative performance measures

##### Definitions

<b>Revenue growth rate</b>	<b>(1)</b>	Revenue growth rate illustrates the percentual change in revenue in relation to the revenue of the previous accounting period
<b>EBITDA margin</b>	<b>(2)</b>	EBITDA as a percentage of revenue
<b>Operating margin</b>	<b>(3)</b>	Operating profit as a percentage of revenue
<b>Net margin</b>	<b>(4)</b>	Net result as a percentage of revenue
<b>Equity ratio</b>	<b>(5)</b>	Equity as a percentage of the balance sheet total
<b>Net interest-bearing debt</b>	<b>(6)</b>	Total borrowings less cash and cash equivalents
<b>Net gearing</b>	<b>(7)</b>	Net interest-bearing debt divided by equity
<b>Return on equity</b>	<b>(8)</b>	Earnings after tax as a percentage of average equity (opening and closing equity for the period)
<b>Weighted average number of shares</b>	<b>(9)</b>	Adjusted for the Offering where applicable
<b>Number of outstanding shares at the end of the period</b>	<b>(10)</b>	Adjusted for the Offering where applicable
<b>Share price at the end of period</b>	<b>(11)</b>	Adjusted for the Offering where applicable

#### Reconciliation of certain key figures and alternative performance measures

	For the six months ended June 30		For the year ended December 31		
	2022	2021	2021	2020*	2019*
	(unaudited)		(unaudited)		
Gold production (oz) for the period.....	3,478	0	0	0	0
<b>Revenue growth rate</b>					
Revenue (SEK thousand) .....	59,083	12	24	10,824	6,037
<b>Revenue growth rate, %</b> .....	<b>(1)</b>	<b>492,358</b>	<b>-100</b>	<b>79</b>	<b>-94</b>
<b>EBITDA</b>					
EBIT (SEK thousand).....	-107,080	-95,454	-255,188	-184,715	-52,490
Depreciation and impairment (SEK thousand) ..	-69,046	-55,182	-136,955	76,666	3,649
<b>EBITDA (SEK thousand)</b> .....	<b>-38,033</b>	<b>-40,272</b>	<b>-118,233</b>	<b>-108,049</b>	<b>-48,841</b>
<b>EBITDA margin</b>					
Revenue (SEK thousand) .....	59,083	12	24	10,824	6,037
<b>EBITDA margin, %</b> .....	<b>(2)</b>	<b>-64</b>	<b>-492,638</b>	<b>-998</b>	<b>-809</b>

<b>Operating margin</b>					
EBIT (SEK thousand) .....	-107,080	-95,454	-255,188	-184,715	-52,490
Revenue (SEK thousand) .....	59,083	12	24	10,824	6,037
			<b>-1,063,28</b>		
<b>Operating margin, % .....</b>	<b>(3)</b>	<b>-181</b>	<b>-795,450</b>	<b>3</b>	<b>-1,707</b>
					<b>-869</b>
<b>Net margin</b>					
Net result for the period (SEK thousand) .....	-51,827	-120,808	-261,127	-196,864	-76,698
Revenue (SEK thousand) .....	59,083	12	24	10,824	6,037
			<b>-1,088,02</b>		
<b>Net margin, % .....</b>	<b>(4)</b>	<b>-88</b>	<b>33</b>	<b>9</b>	<b>-1,819</b>
					<b>-1,270</b>
<b>Equity ratio</b>					
Equity (SEK thousand) .....	329,433	442,194	310,015	330,695	336,026
Total assets (SEK thousand) .....	584,915	586,177	565,828	584,942	589,602
<b>Equity ratio, % .....</b>	<b>(5)</b>	<b>56.3</b>	<b>75.4</b>	<b>54.8</b>	<b>56.5</b>
					<b>57.0</b>
<b>Net interest-bearing debt</b>					
Interest-bearing liabilities, total (SEK million) ....	195.3	102.7	184.1	206.6	215.2
- Cash and cash equivalents (SEK million) .....	36.9	28.0	12.3	11.3	15.7
<b>Net interest-bearing debt (SEK million) .....</b>	<b>(6)</b>	<b>158.4</b>	<b>74.6</b>	<b>171.8</b>	<b>195.3</b>
					<b>199.5</b>
<b>Net gearing</b>					
Net interest-bearing debt (SEK million) .....	158.4	74.6	171.8	195.3	199.5
Equity (SEK million) .....	329.4	442.2	310.0	330.7	336.0
<b>Net gearing, % .....</b>	<b>(7)</b>	<b>48.1</b>	<b>16.9</b>	<b>55.4</b>	<b>59.1</b>
					<b>59.4</b>
<b>Return on equity</b>					
Profit/loss before tax (SEK thousand) .....	-51,827	-120,806	-261,127	-196,972	-76,790
Average equity (opening and closing equity for the period) (SEK thousand) .....	319,724	386,445	320,355	330,361	293,859
<b>Return on equity, % .....</b>	<b>(8)</b>	<b>16.2</b>	<b>-31.3</b>	<b>-81.5</b>	<b>-59.6</b>
					<b>-26.1</b>

		For the six months ended June 30	For the year ended December 31
		2022	2021
		(unaudited)	(unaudited)
Gold production (oz) for the period.....		3,478	-
<b>Revenue growth rate</b>			
Revenue (EUR million).....		5.6	0.0
<b>Revenue growth rate, (%) .....</b>	<b>(1)</b>	<b>-</b>	<b>-</b>
<b>EBITDA</b>			
EBIT (EUR million) .....		-10.1	-25.1
Depreciation and impairment (EUR million) ....		-6.6	-13.5
<b>EBITDA (EUR million) .....</b>		<b>-3.5</b>	<b>-11.6</b>
<b>Equity ratio</b>			
Equity (EUR million) .....		30.8	30.3
Total assets (EUR million) .....		54.7	55.3
<b>Equity ratio, % .....</b>	<b>(5)</b>	<b>56.4</b>	<b>54.8</b>
<b>Net interest-bearing debt</b>			
Interest-bearing liabilities, total (EUR million)...		18.3	18.0
- Cash and cash equivalents (EUR million) .....		3.5	1.2
<b>Net interest-bearing debt (EUR million) .....</b>	<b>(6)</b>	<b>14.8</b>	<b>16.8</b>

**Net gearing**

Net interest-bearing debt (EUR million).....	14.8	16.8
Equity (EUR million) .....	30.8	30.3
<b>Net gearing, % .....</b>	<b>(7) 48.1</b>	<b>55.4</b>

**Return on equity**

Profit/loss before tax (EUR million) .....	-5.0	-25.7
Average equity (opening and closing equity for the period) (EUR million) .....	-	-
<b>Return on equity, % .....</b>	<b>(8) -</b>	<b>-</b>

## OPERATING AND FINANCIAL REVIEW

*The following review should be read together with the sections “Certain Matters – Presentation of Financial and Certain Other Information”, “Capitalisation and Indebtedness” and “Selected Financial Information” as well as those of Endomines’ financial reports which have been incorporated to this Prospectus by reference. Endomines group’s audited annual reports for the financial periods 2019, 2020 and 2021 as well as the unaudited half-year interim reports for the first halves of 2021 and 2022 have been prepared in accordance with the IFRS.*

*Some information presented below and in other parts of this Prospectus include forward-looking statements, which inevitably involve risks and uncertainty. See “Certain Matters – Forward-Looking Statements” and “Risk Factors”, which discuss important prevailing factors because of which the actual results may significantly differ from the results presented in this Prospectus as future prospects.*

### Overview

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. The Company also owns possessory rights to several gold deposits in Idaho and Montana, US. All operations in the US have, however, been suspended for the time being, and Endomines is seeking to establish a potential partnership model for these operations (see “*Information on the Company and its Business – Strategy*”).

Endomines strives to improve its long-term growth potential by ramping up production at the Pampalo production plant, by developing already known deposits towards production at the Karelian Gold Line, by expanding exploration activities along the Karelian Gold Line, and through partnership models in the US. Endomines has analyzed existing databases on the Karelian Gold Line and drawn up exploration plans for investigating potential target areas.

The Company estimates that its existing working capital is sufficient to cover the Company’s needs in the next twelve (12) months. As a rule, the Company does not require additional funding in order to continue its existing operations, and the Company intends to use the funds collected through the Offering for carrying out its strategy and especially for exploration along the Karelian Gold Line, for strengthening its capital structure, and for general business needs.

### Reporting by segment

The group reports on one segment because it currently has only one production facility in operation. This production facility is located in a key area on the Karelian Gold Line in the municipality of Ilomantsi in Eastern Finland, and the group’s result will be monitored and assessed as described in the annual report. The group’s new CEO started in his duties in March 2022. The group’s CEO is the group’s highest operative decision maker. The group continues the assessment of internal reporting to the CEO in the financial year 2023, and this may affect reporting by segment in the future.

### Key factors affecting Endomines’ operating profit and financial status

The primary factor affecting Endomines’ operating profit and financial status is the development of the Company’s production in Pampalo. Endomines is also exposed to fluctuations in the market price of gold and in the ore grade and amount of ore mined from the Pampalo mine. As for the United States, operating profit and financial status are affected primarily by the success of the partnership model.

### Significant events that have occurred after the period covered by the disclosed financial information

#### **Significant events that have occurred after June 30, 2022**

Endomines published its medium-term objectives on October 13, 2022 to support the implementation of its new strategy (“*Information on the Company and its business – Strategy*”).

On September 29, 2022, Endomines AB (publ) executed a reverse split on its shares where forty company shares were combined into one share. As a result of the reverse split, the number of shares in the company was reduced from 267,198,378 shares to 6,679,959 shares.

LDA has converted altogether EUR 2.6 million of its convertible loan into 12,333,003 shares in Endomines AB on several separate occasions between January 24, 2022 and August 18, 2022.

In August 2022, AJ EAB Value Hedge UCITS Fund converted EUR 0.1 million (i.e. SEK 1.0 million) of its convertible loan into a total of 500,000 shares in Endomines AB (which corresponds to 12,500 shares of Endomines AB after the reverse split). The said convertible loan was transferred from Endomines Finland Plc to Endomines AB, which accepted liability for it, on June 22, 2022.

In September 2022, Endomines Finland agreed upon a financing arrangement with a group of Finnish investors, which included a Convertible Loan of EUR 3 million. This financing was used to repay an interest-bearing debt of USD 2 million falling due in September 2022 and to make exploration-related investments on the Karelian Gold Line.

Endomines also agreed upon the extension of Convertible Loans issued in 2021 by a year with regard to EUR 10 million, and as a result of this arrangement, the loans will become due and payable during 2024 instead of 2023 as was previously agreed.

The consideration for the acquisition the possessory rights to the US Grant mine and the existing beneficiation plant was partly comprised of a payment of USD 2.0 million, which Endomines paid in September 2022. The transaction in question was concluded in 2020.

In addition to the aforementioned, no material changes have occurred in the financial position or result of Endomines since June 30, 2022.

### **Trends and Tendencies**

Many of the world's well-known large gold deposits contain increasingly smaller amounts of gold ore. This factor, together with higher metal prices, has resulted in more investments being made into exploration activities in the Nordic countries where good infrastructure and the stable political climate are considered attracting factors. The same could be said for the US market where investments are increasingly being made for the same reasons. The jewelry industry has long been the most important driver for the demand of gold. Gold has, however, also grown in importance as an investment target in the past few years. Gold has traditionally been considered a "safe" investment in uncertain times. The negative developments in general economic trends and the other factors arising from the COVID-19 pandemic that have affected financial operations have had a limited impact on Endomines' operations. Endomines has implemented several measures to monitor for and prevent the negative effects of the COVID-19 pandemic, such as occupational health and safety measures for its employees and securing the supply of materials that are crucial for its production process.

Russia's war in Ukraine has also increased uncertainty in terms of the economy and the general security situation especially in Europe. The existing restrictions on trade have affected the costs of raw materials and supply chains, such as fuels, explosives and steel. Endomines' management consistently implement measures to ensure a continuous supply of raw materials in order to secure its future production. The weakened economic situation affects especially the rising cost level and price of energy. At the moment, it is very difficult to assess how the costs of raw materials will develop in the future.

Production was commenced during the current financial period and the company has reported the production of the first six months. A guidance has been issued for the current six-month period concerning the amount of production, and the guidance has not been changed.

In the Company's operations, inventories are typically small, and they have not undergone any significant change after June 30, 2022. Once the production commenced during the financial period, it has correspondingly given rise to costs that have not existed during the previous accounting period. During the current financial period, the change in the price of electricity has been the most important factor affecting the rise in costs.

The sales price of the company's product, gold, is based directly on the world market price, which fluctuates daily. After the previous financial period, gold's USD-denominated market price has fluctuated between -8% and +13% when compared to the price at the end of the previous financial period. The current market price is close to the market price at the end of the previous financial period. The company operates in euros and

reports in Swedish krona, as a result of which the strengthening of the dollar has increased the sales price of gold significantly.

Endomines is otherwise not aware of any trends, uncertainties, potential receivables or other claims, undertakings or events that could be expected to have a material impact on Endomines' business prospects.

## **Income statement**

### Comparison of the half year periods ended June 30, 2022, and June 30, 2021.

The revenue for the first half of 2022 was SEK 59.1 million (0.01). The growth was due to the commencement of gold concentrate deliveries from Pampalo. The EBITDA was SEK -38.0 million (-40.3) and the EBIT SEK -107.1 million (-95.5). Depreciation and amortization was SEK -69.0 million (-55.2), which included Friday's SEK 54.9 million write-down of tangible assets. Operating expenses increased to SEK -98.7 million (-40.4). The increase in expenses when compared to the first half of 2021 was due to the commencement of operations at the Friday mine, maintenance costs, and the gradual commencement of production at the Pampalo mine. The net income for the review period was SEK -51.8 million (-120.8) and the earnings per share was SEK -0.22 (-0.59).

### Comparison of the financial years ended December 31, 2021, and December 31, 2020

Revenue amounted to SEK 0.02 million (10.8) in 2021. The EBITDA was SEK -118.2 million (-108.0), which was due to an increase in operating expenses incurred as a result of the gradual commencement of operations at the Pampalo and Friday mines in the second quarter and the production-related difficulties encountered at the Orogrande beneficiation plant.

The EBIT was SEK -255.2 million (-184.7). Depreciation and amortization amounted to altogether SEK -137.0 million (-76.7) and consisted of the depreciations commenced vis-à-vis the Friday mine in the second quarter and the write-downs that affected the Friday mine. The amortization recorded in the first half of the year amounted to SEK 47.7 million and to SEK 73.8 million at the end of the year.

Operating expenses were SEK -123.2 million (-121.1). The increase can primarily be attributed to an increase in the operating expenses of the Friday and Pampalo mines after the gradual recommencement of operations that was implemented in 2021.

The net amount of financial items was SEK -5.9 million (-12.3).

The result after taxes was SEK -261.1 million (-196.9). The earnings per share was SEK -1.26 (-1.67).

### Comparison of the financial years ended December 31, 2020, and December 31, 2019

Revenue grew by SEK 4.8 million and amounted to SEK 10.8 million (SEK 6.0 million in 2019), which corresponds to a growth of 79.3 percent. The average price of gold was 27 percent higher than in 2019, 1,771 USD/oz (1,394 USD/oz in 2019).

EBITDA was SEK -108.0 million (SEK -48.8 million in 2019), which constituted a decrease of SEK 59.2 million due to the gradual start-up of production at the Friday mine in the second quarter of 2020 as well as the technical challenges that occurred in the start-up of production at the Orogrande beneficiation plant. The EBIT was lower than in the previous year, SEK -184.7 million (SEK -52.5 million in 2019).

Depreciation and amortization amounted to SEK -76.7 million (SEK -3.6 million in 2019). The increase is due to the start-up of the Friday mine in the second quarter of 2020 as well as impairments registered at the end of the year, SEK 25.8 million of which related to the Friday project and SEK 27.3 million to the activated exploration costs at the Karelian Gold Line.

Operating expenses increased to SEK -121.1 million (SEK -54.6 million in 2019). The growth in operating expenses is due to the start-up of production at the Friday mine. The total amount of concentrated ore was 6,657.6 tonnes (0 tonnes in the first half of 2019).

The net financial result was SEK -12.2 million (SEK -24.3 million in 2019).



## Liquidity and Sources of Capital

### Liquidity

Besides the liquid assets on its balance sheet, Endomines' primary sources of liquidity are and will continue to be loan financing, share issues and issues of special rights referred to in Chapter 10 Section 1 of the Companies Act as well as cash flow from operations. The Company has unused financing facility consisting of EUR 3.4 million in convertible loans and a EUR 6.8 million Put Option Agreement with LDA. The arrangement is described above in section "Information on the Company and its Business – Material Agreements of the Group". Endomines' cash and cash equivalents were SEK 29,754 thousand and financial liabilities SEK 214,105 thousand on September 9, 2022. SEK 4,012.5 thousand of the financial liabilities constituted short-term financial liabilities (see "Capitalization and Indebtedness").

#### Comparison of the half year periods ended June 30, 2022, and June 30, 2021

Net interest-bearing debt was SEK 158.4 million at the end of the second quarter of 2022 (74.6). The growth was mainly due to investments in Pampalo and the growth of working capital as a result of the commencement of production in Pampalo during the first half of 2022. Equity amounted to SEK 329.4 million (442.2). As a result of the aforementioned changes in equity and net debt, Endomines group's net gearing rose to 48 percent (17). Total assets were SEK 584.9 million (586.2), and the equity ratio was 56 percent (75). Group cash amounted to SEK 36.9 million at the end of the second quarter of 2022 (28.0).

#### Comparison of the financial years ended December 31, 2021, and December 31, 2020

Net interest-bearing debt was SEK 171.8 million at the end of 2021 (195.3). The biggest items were the convertible loans issued during 2021, altogether SEK 99.4 million. Equity amounted to SEK 310.0 million (330.7), and Endomines group' net gearing was 55 percent (59). Total assets were SEK 565.8 million (584.9), and the equity ratio was 55 percent (57). Group cash amounted to SEK 12.3 million at the end of 2021 (11.3).

#### Comparison of the financial years ended December 31, 2020, and December 31, 2019

Net interest-bearing debt amounted to SEK 195.3 million at the end of 2020 (SEK 199.5 million at the end of 2019). The change was mainly attributable to the conversion of the convertible loan directed to TVL Gold LLC in the first quarter of 2020 and the conversion of the bridge loans issued in 2020. Equity amounted to SEK 330.7 million (SEK 336.0 million at the end of 2019). Endomines' net gearing remained unchanged at 59 percent (59 at the end of 2019).

Total assets were SEK 584.9 million (SEK 589.6 million at the end of 2019), and the equity ratio remained at 57 percent (57 percent at the end of 2019). Capital invested amounted to SEK 524.5 million (SEK 551.4 million at the end of 2019). Group cash amounted to SEK 11.3 million at the end of 2020 (SEK 15.7 million at the end of 2019).

### Cash flow

#### Comparison of the half year periods ended June 30, 2022, and June 30, 2021

Cash flow from operations before change in net working capital was SEK -43.1 million (-51.4) in the first half of 2022. Change in net working capital was SEK -10.7 million (-32.7). Cash flow from investments was SEK -3.1 million (-15.5). Cash flow from financing was altogether SEK 81.0 million (116.1). The most significant items consist of a rights issue from which Endomines AB obtained approximately SEK 63 million before transaction costs, new financing in the amount of SEK 34 million, draw-downs of SEK 20 million in January and of SEK 6 million in May from a convertible loan arrangement that are part of a financing package agreed with LDA in 2021, as well as part payments of loans. More information on the finance items is provided in the notes to the half-year interim report.

#### Comparison of the financial years ended December 31, 2021, and December 31, 2020

Cash flow from operations before change in net working capital was SEK -111.3 million (-80.6) in 2021. Change in net working capital was SEK -2.5 million (3.7). Cash flow from investments was SEK -50.0 million (-26.6) and consisted mainly of capital expenditure.

Cash flow from financing, including interests paid, amounted to SEK 159.7 million (99.0). Largest funds received consist of a net income of SEK 80.8 million from the convertible loans and of share issues whose net proceeds amount to SEK 236.1 million.

## Investments

Endomines' current investments focus on investigating the lower parts of the mine as well as on exploration along the Karelian Gold Line. Development measures were initiated during the first half of 2022 in order to deepen the Pampalo mine from level 815 to level 875 by the end of the year. The first production drilling campaign at the lower levels of the mine was also completed during the first half of 2022, and the results were very encouraging. The estimated remaining sum needed for Pampalo's investments is approximately EUR 1.6 million, and it will be financed with funds received from the Offering and, if necessary, the financing arrangement agreed with LDA (see section "*Information on the Company and its Business - Material Agreements of the Group*"). In 2022, the Company's investments will focus on the Pampalo mine, and the Company does not need any additional financing to continue these operations. The Company may, then again, collect additional funding to increase production in Pampalo and some of the funds received through the Offering may be used for this purpose.

Through the Offering, Endomines Finland collects funds mainly to fund exploration at the Karelian Gold Line.

Endomines does not intend to make significant investments in the development of the deposits in the US. With respect to these, the intention is to focus on partnership model negotiations.

(SEK million)	January 1 – June 30 2022 <sup>(1)</sup>	January 1 – December 31		
	(unaudited)	2021 <sup>(2)</sup> (audited)	2020 <sup>(3)</sup>	2019 <sup>(4)</sup>
Development of Friday <sup>5)</sup> .....	-	19.7	-	77.2
Development of the Pampalo mine <sup>6)</sup> .....	7.1	28.6	-	-
Exploration – Finland <sup>6)</sup> .....	0.7	1.7	3.3	6.9
Acquisition – US Grant and Kearsarge <sup>5)</sup> .....	-	-	114.0	-
Other investments .....	-	-	6.3	-
<b>Total investments</b> .....	<b>7.8</b>	<b>50.0</b>	<b>123.6</b>	<b>84.1</b>

1) Exchange rates in 2022 are USD/SEK: 10.2194 and EUR/SEK: 10.6801

2) Exchange rates in 2021 are USD/SEK: 9.0437 and EUR/SEK: 10.2269

3) Exchange rates in 2020 are USD/SEK: 9.2037 and EUR/SEK: 10.4867

4) Exchange rates in 2019 are USD/SEK: 9.4604 and EUR/SEK: 10.5892

5) Converted from USD to SEK. For Kearsarge it is question of a purchase option.

6) Converted from EUR to SEK

## Interest-bearing Debts and other Contingent Liabilities

### Short and long-term liabilities

Short-term liabilities as at September 30, 2022, altogether SEK 4.0 million, consist of liabilities to credit institutions, short-term leasing liabilities, other interest-bearing liabilities, other provisions, accounts payable, convertible loans, other short-term liabilities, and accrued expenses and advances received. The Pampalo mine is used as security for the Convertible Loans.

Long-term liabilities as at September 30, 2022, altogether SEK 210.1 million, consist of liabilities to credit institutions, long-term leasing liabilities, other interest-bearing liabilities and other provisions. In February 2022, Endomines executed a share issue of SEK 63 million to bond holders. In January 2022, Endomines drew down SEK 20 million and in May SEK 6 million from a convertible loan arrangement which is part of a financing package agreed with LDA in 2021. Endomines disclosed in June 2022 that it had agreed on a comprehensive financing package based on a Convertible Loan, which includes SEK 34 million in new funds and a preliminary plan on the conversion of earlier bridge loans and the payment of interest of up to SEK 39 million with a group of Finnish investors. Endomines has also agreed on similar new financing with the same group of investors earlier. The financing is described above in section "*Information on the Company and its Business – Material Agreements of the Group*".

LDA has converted some its convertible loan into shares in several tranches during 2022. One investor converted SEK 1.0 million of said Convertible Loan into shares on August 17, 2022.

The distribution of liabilities, including liabilities to credit institutions, is presented below.

Short- and long-term liabilities June 30, 2022

	SEK thousand
<b>Short-term<sup>1)</sup></b>	
Liabilities to credit institutions	2,079
Short-term leasing liabilities	1,897
Other interest-bearing liabilities	21,388
Other provisions	417
Accounts payable	26,739
Short-term convertible loan	5,340
Other short-term liabilities	2,182
Accrued expenses and advances received	11,239
<b>Total short-term liabilities</b>	<b>71,282</b>
<b>Long-term<sup>2)</sup></b>	
Liabilities to credit institutions	466
Long-term leasing liabilities	1,704
Other interest-bearing liabilities	167,725
Other provisions	14,305
<b>Total long-term liabilities</b>	<b>184,200</b>

<sup>1)</sup> Maturity less than 1 year

<sup>2)</sup> Maturity 1–5 years

The Company has decided to include only interest-bearing debts in the net gearing. Cash and cash equivalents amounted to SEK 36,899 thousand on June 30, 2022.

Maturity of financial liabilities June 30, 2022

	< 1 year	1–5 years	> 5 years	In total
SEK thousand				
Loan.....	26,728	167,725	0	194,453
Liabilities to credit institutions .....	2,079	466	0	2,545
Other financial liabilities .....	1,346	0	0	1,346
Lease financing.....	1,897	1,704	0	3,601
<b>In total .....</b>	<b>32,050</b>	<b>169,895</b>	<b>0</b>	<b>201,945</b>

\* Since June 30, 2022, the Company has renegotiated the terms of Convertible Loans issued in 2021. In this connection, the maturity of all except one loan amounting to EUR 100,000 in principal has been extended until 2024. Since June 30, 2022, new convertible loans maturing in 2024 have been issued with EUR 3 million in total. Short-term liabilities (<1 year) after the arrangements are SEK 4 012 thousand.

**Pledged securities**

The group has deposited collaterals of a total of EUR 531,500 (September 30, 2022) for the purpose of after-care of the mines and the environment in Finland.

Endomines has pledged as security for the repayment of Endomines Finland's convertible loans (i) mortgages over real estate 146-402-13-8 (including beneficiation plant, buildings, equipment and supplies on the real estate) and (ii) all mining rights, claim rights and exploration permits as well as an exploration permit application concerning Endomines Oy's investigations at the Karelian gold line in Finland.

## **Related Party Transactions**

Apart from what is presented below, during the period covered by the financial information up to the date of the Prospectus, no transactions that would individually or as a whole be material for Endomines have been executed between Endomines or its subsidiaries and related parties.

In the first quarter of 2019, Endomines AB issued a bond and in the second quarter of 2019 a short-term loan in which certain major shareholders of Endomines took part. For more information, see notes 20 and 22 to Endomines' 2019 annual report.

In January and February 2020, Endomines AB's convertible loan directed to TVL Gold 1, LLC was converted in its entirety to 33,490,597 shares in Endomines AB. Endomines' CEO of the time, Greg Smith, exercises control in TVL Gold 1, LLC. For more information, see note 21 to Endomines' 2019 annual report.

In April 2020, Endomines issued a loan of EUR 3.4 million to institutional investors, who included the chairman of Endomines' board and Endomines' CEO of the time.

In 2022, Endomines Finland issued a Convertible Loan in which certain major shareholders of Endomines took part.

Members of the board and the management and the CEO as well as their compensation and the shareholder loans they have granted have been described below in section "*The Company's Administration, Management and Auditors*".

## THE COMPANY'S ADMINISTRATION, MANAGEMENT AND AUDITORS

### General on Endomines Finland's Administration

Pursuant to the provisions of the Finnish Companies Act and the Company's Articles of Association, the management and control of the Company is divided between the shareholders, the Board of Directors and the CEO.

The shareholders participate in the administration and management of the Company through resolutions adopted at the general meeting of shareholders. In general, the Board of Directors convenes the general meeting of shareholders. In addition, a general meeting of shareholders must be held pursuant to the Companies Act when requested in writing by the Auditor of the Company or by shareholders representing at least one tenth of all the issued Shares.

### Board of Directors

This section provides information about the members of the Board of Directors of Endomines Finland as at the date of this Prospectus. The composition of the Board of Directors of Endomines Finland is the same as that of Endomines AB.

Pursuant to its Articles of Association, Endomines Finland's Board of Directors consists of a minimum of three (3) and a maximum of eight (8) ordinary members and a maximum of four (4) deputy members. The members of the Board of Directors of Endomines Finland are Markus Ekberg, Jukka-Pekka Joensuu, Jeremy Read, Jukka Jokela and Eeva Ruokonen until the end of the next Annual General Meeting. The Board of Directors shall take care of the company's administration and the proper organization of the company's operations. The responsibilities and obligations of the Board of Directors are defined primarily in the company's Articles of Association and the Companies Act. The Board's policies and rules are described in the Rules of Procedure adopted by the board. The company's Board of Directors appoints the CEO and a possible deputy for the CEO for the company.

As at the date of this Prospectus, the Board of Directors has the following 5 members:

Name	Year of Birth	Position	Board Member Since
Jukka-Pekka Joensuu	1966	Chairman	2021
Jeremy Read	1959	Board Member	2021
Eeva Ruokonen	1960	Board Member	2021
Markus Ekberg	1957	Board Member	2021
Jukka Jokela	1954	Board Member	2022

**Jukka-Pekka Joensuu** has been the Chairman of the Board of Directors since 2022 and a member of the Board of Directors since 2021. He has been a member of the Board of Directors of Administer Group Oyj since 2016 and Chair of the Board of Directors since 2018. In addition, he has been a member of the Board of Directors of Ficolo Ltd since 2022, member of the Board of Directors of Netox from 2021 to 2022 and Chair of the Board of Directors of Unified Chargers Ltd from 2017 to 2022. He has extensive legal experience in cross-border investments and corporate restructurings. He has had an impressive career in the fields of telecommunications and technology, and he has acted as a leading advisor to boards and institutional investors. Mr. Joensuu has held a position in the managing committee of an international turnaround association and acted as a partner and the Chief Operating Officer of PricewaterhouseCoopers Oy from 2009 to 2014. Currently he is a partner at Eversheds Attorneys Ltd. Mr. Joensuu holds a Master of Law degree from the University of Turku.

**Jeremy Read** has been a member of the Board of Directors since 2021 and acts as the Chair of the Audit Committee. He has been the managing director of Wentworth Family Office since 2012, a member of the Board of Directors of Alita Human Resources Solutions Ltd since 2017, a member of the Board of Directors of HR Maritime Consultants Ltd since 2017 and a member of the Board of Directors of Latin American Resources Ltd since 2018. In addition, he was a member of the Board of Directors of Wentworth Risk Management Ltd from 2017 to 2019, a member of the Board of Directors of JLK Tobacco SL from 2018 to 2021 and Head of Corporate Broking at Throgmorton Street Capital from 2008 to 2009, and has held a position in corporate finance at Jendens Securities Limited from 2009 to 2011. Mr. Read holds a bachelor's degree in business from the University of Bath.

**Eeva Ruokonen** has been a member of the Board of Directors since 2021 and acts as the Chair of the ESG Committee. She is an experienced leader within the metals and minerals industry with a strong technical and ESG-related understanding of the overall value chain built over 30 years. She was the sustainability manager of Ferrován Oy (former Mustavaaran Kaivos Oy) from 2015 to 2018 and the Chief Sustainability Officer of Talvivaara Mining Company Plc from 2010 to 2015. She has been a member of the Board of Directors and Chair of the Corporate Responsibility Committee of Finnish Minerals Group since 2018 and a member of the Board of Advisors of Nordic Talc Oy since 2020. She has degrees in both mining (M.Sc.) and in mineral processing (Lic.Sc.) as well as an MBA diploma in business excellence. Currently Ms. Ruokonen is finalizing her doctoral degree on sustainable mining at the Aalto University.

**Markus Ekberg** has been a member of the Board of Directors since 2021, and he acts as the chair of the Technology and Safety Committee. He has over 35 years of international experience in the examination, design, construction and management of mainly underground mines. He currently works as Managing Director, Chairman and co-owner of FinnCobalt Oy – a junior mine development company aiming to open a new cobalt-nickel-copper battery metals mine in Eastern Finland. Prior to his current duty, Mr. Ekberg was CEO of Endomines AB from 2009 to 2017. During that period, the Pampalo mine was developed and brought into production on budget and on schedule. Previously Mr. Ekberg held management positions and directorship in several mining companies and associations. He is the founder of Kodak Minerals AS, a Norwegian mineral development company listed on the London AIM market. Mr. Ekberg holds a master's degree in geological and earth sciences from the University of Turku.

**Jukka Jokela** has been a member of the Board of Directors since 2022. He is the founder of Joexco Oy and has acted as its CEO and a member of its Board of Directors since 2021, as well as a member of the Board of Directors of Sotkamo Silver since 2021 and a senior advisor at FinEx metals since 2022. From 2014 to 2021 he acted as Project Manager, CEO and Senior Adviser in Anglo American Sakatti Oy. Mr. Jokela holds a master's degree in geology and mineralogy from the University of Turku.

### ***Shareholders' Nomination Board***

The Nomination Board is tasked with preparing and presenting proposals to the following annual general meeting on the number of members of the Board of Directors and candidates as well as fees paid to the Board of Directors and auditors.

The Nomination Board consists of three members. Of these, two must represent the major shareholders and one is the Chairman of the Board. The Chairman of the Board may not be the Chairman of the Nomination Board. The two major shareholders, based on the ownership as at August 31 each year, have the right to appoint one member to the Nomination Board each.

### ***Committees of the Board of Directors***

This section provides information on the Committees of the Board of Directors of Endomines AB as at the date of this Prospectus. The same committees will continue in Endomines Finland.

The Board of Directors of Endomines has established three (3) committees comprising of members of the Board of Directors: the ESG Committee, Audit Committee and Technology and Safety Committee tasked with preparing matters concerning their respective areas of responsibility.

#### **ESG Committee**

The ESG Committee (Environmental, Social, Governance) assists the Board of Directors in ESG and remuneration matters and prepares matters concerning remunerations and other terms of employment for the Company's CEO and senior executives. In particular, the ESG Committee submits proposals for resolution by the Board of Directors regarding remuneration principles, remunerations and other terms of employment for the Company's management. Members of the ESG Committee are Ms. Eeva Ruokonen (Chair) and Mr. Jukka-Pekka Joensuu.

#### **Audit Committee**

The Audit Committee is responsible for assisting the Board of Directors in its work regarding quality assurance of the Company's financial reporting, internal control and risk management. Moreover, the Audit Committee reviews the audit of the annual accounts and consolidated financial statement, meets with the Company's

auditor on a regular basis, monitors the auditor's independency, evaluates the audit work, and assists the Nomination Board in compiling proposals for auditors and determining their remuneration.

Members of the Audit Committee are Mr. Jeremy Read (Chair) and Mr. Jukka-Pekka Joensuu.

#### Technology and Safety Committee

The Technology and Safety Committee is together with the Company's management tasked with reviewing the exploration and drilling plans and acting as a general advisor in questions regarding technology and safety.

The Technology and Safety Committee's members are Mr. Markus Ekberg (Chair) and Mr. Jukka Jokela.

### **CEO and Other Senior Management**

This section describes the senior management of the consortium on the date of the Prospectus. The composition of the senior management of the group is expected to stay the same as it was immediately prior the Merger also after the execution of the Merger.

The CEO manages and develops the Company's business and is in charge of the operative administration of the Company. The CEO of Endomines and the Board of Directors together draw up rules of procedure and reporting duties for the CEO. The instructions of the CEO are affirmed yearly at the first meeting of the Board of Directors after the annual general meeting.

The following persons are the members of the senior management as at the date of this Prospectus:

<b>Name</b>	<b>Year of Birth</b>	<b>Position</b>	<b>Member of the senior management since</b>
Kari Vyhtinen	1971	The CEO of Endomines AB and Endomines Finland Plc as of March 2022	2022
Seppo Tuovinen	1971	The CEO of Endomines Oy as of June 2019	2019
Mikko Sopanen	1977	The CFO of Endomines AB as of January 2022	2022
Sampo Hirvonen	1981	Mine manager of Pampalo as of June 2022	2022
Jani Rautio	1974	Head Geologist as of April 2022	2022
Vern Langdale <sup>1)</sup>	1962	Director of Operations	2021

<sup>1)</sup> The employment of Vern Langdale terminates February 28, 2023.

**Kari Vyhtinen** has been the CEO of Endomines AB and Endomines Finland Plc since March 2022. He has been the Chair of the Board of Directors of Pethotel Oy since 2022, the Chair of the Board of Directors of Nordeka Mining I.C. from 2019 to 2021 and a member of the Board of Directors of KPAB from 2018 to 2019. He was the Executive Vice President of new business from November 2019 to February 2022 and Chief Operations Officer from January 2017 to November 2019 at Nordkalk Corporation. He was also a member of the Executive Committee of Nordkalk Oy from 2017 to 2021. In addition, he has been in numerous management positions in the mining industry during the past 15 years. Mr. Vyhtinen holds a master's degree in mineral processing and mining from the Helsinki University of Technology as well as an Executive MBA degree from Aalto University.

**Seppo Tuovinen** has been the CEO of Enomines Oy since June 2019. Previously he has been the CEO of Endomines Idaho from August 2018 to June 2019 and the CEO of Endomines Oy from January 2017 to August 2018. He has been the CEO and member of the Board of Directors of STM Rakennus Oy since 2005, a member of the Board of Directors of New Paakkola Oy since 2022 and a co-owner and deputy member of the Board of Directors of Conrose Oy since 2021. Mr. Tuovinen holds a master's degree in mining technology from the Helsinki University of Technology and an MBA degree from the Henley Management College in the United Kingdom.

**Mikko Sopanen** has been the CFO of Endomines AB since January 2022. Previously he has been the CFO of Sotkamo Silver AB, from 2019 to 2022, and a consultant at PricewaterhouseCoopers from 2017 to 2019.

Mr. Sopanen holds a master's degree in finance and accounting from the University of Oulu as well as an Executive MBA degree from Aalto University.

**Sampo Hirvonen** has been the Mine Manager of Pampalo since June 2022. Previously he has been a Production Manager at Endomines from 2021 to 2022 and also held other positions (such as Local Manager and Mining Manager) in the Endomines group from 2012 to 2021. In addition, he has acted as a Production Manager at Bakelite Syntetics in 2021, and Hexion Oy from 2019 to 2021. Mr. Hirvonen holds a Bachelor of Engineering degree from the Karelia University of Applied Sciences.

**Jani Rautio** has been the Head Geologist of Endomines AB since April 2022. He has held other positions in Endomines AB since 2013. Previously he has acted as an independent consulting geologist from 2006 to 2013. In addition, he has been a senior geologist at Sotkamo Silver Oy from 2010 to 2012, and Mantle Diamonds Ltd from 2008 to 2010. Mr. Rautio holds a master's degree in geology and mineralogy from the University of Turku and is a Qualified Person in accordance with JORC and NI 43-101 codes.

## Corporate Governance

Endomines AB complies with applicable rules of the Swedish Corporate Governance Code concerning the independence of the Board of Directors.

After implementation of the Merger, Endomines will comply with the Finnish Corporate Governance Code, which means that the recommendations concerning the independence of the Board of Directors will also be applied. According to the Finnish Corporate Governance Code, majority of members of the Board of Directors must be independent of the company, and at least two of those independent of the company must be independent of major shareholders of the company as well. Endomines Finland is going to comply with the Finnish Corporate Governance Code's recommendations regarding the independence of the Board of Directors after the Merger and will evaluate the independence annually. As at the date of this Prospectus, all members of the Board of Directors of the Company are independent of Endomines and its management. Jeremy Read is not independent of TVL Gold 1, LLC, a major shareholder of the Company. Other members of the Board of Directors are independent of major shareholders of the Company.

## Conflicts of Interest

The provisions regarding the conflicts of interest of the management of a company are set forth in the Companies Act. Pursuant to Chapter 6 Section 4 and 4a of the Companies Act, a member of the Board of Directors may not participate in the handling of a matter that pertains to an agreement between themselves and the company. Nor may a member of the Board of Directors take part in the handling of a matter pertaining to an agreement between the company and a third party, should the member in question thereby stand to gain a material benefit, which may be in conflict with the company's interests. What is stated above with regard to agreements is correspondingly applicable to other legal act, legal proceeding and other right of action. These provisions also apply to the CEO. Additionally, a member of the Board of Directors of a listed company may not participate in the Board of Directors of the company or its subsidiary in the handling of an agreement to which their related party is a party, and the legal act is not part of the company's ordinary course of business or is not implemented under arms' length terms. There are no provisions regarding the conflicts of interest of the members of the management team in the Finnish Companies Act.

To the knowledge of the Company, the members of the Board of Directors, the members of the management or the CEO do not have other conflicts of interest between their duties to the Company and their private interests or their other duties than the ones mentioned above.

Related party transactions are described under "*Operating and Financial Review – Related Party Transactions*".

## Management Holdings

The following table sets forth the ownership of Shares in Endomines AB by the members of the Board of Directors, the members of the management and the CEO on November 15, 2022:



Name	Position	Shares	Proportion of Shares and votes %	Options
Jeremy Read	Member of the Board of Directors	0	0	0
Eeva Ruokonen	Member of the Board of Directors	0	0	0
Markus Ekberg	Member of the Board of Directors	0	0	0
Jukka-Pekka Joensuu	Chair of the Board of Directors	0	0	0
Jukka Jokela	Member of the Board of Directors	0	0	0
Kari Vyhtinen	CEO of Endomines AB and Endomines Finland Plc	1,250	0.02	0
Seppo Tuovinen	CEO of Endomines Oy	0	0	0
Mikko Sopanen	CFO	0	0	0
Sampo Hirvonen	Mine manager	0	0	0
Jani Rautio	Head Geologist	0	0	0
Vern Langdale	Director of Operations	0	0	0
<b>Total</b>		<b>1,250</b>	<b>0.02 %</b>	<b>0</b>

Like the rest of the shareholders of Endomines AB, a member of the Board of Directors or the member of the management of the group who owns shares in Endomines AB will receive one new Share of Endomines Finland for each share of Endomines AB owned on the Implementation Date of the Merger as merger consideration.

### Other Information on the Members of the Board of Directors and Members of the Senior Management

As at the date of the Prospectus, the members of the Board of Directors, the members of the senior management and the CEO have not during the previous five years prior to the publication of the Prospectus had any convictions in relation to fraudulent offences, acted in executive positions or been a senior manager or a member of the administrative, management or supervisory bodies in a company which has filed for bankruptcy, liquidation or restructuring proceedings (excluding such liquidation processes which have been voluntary in order to legally dissolve a limited liability company in accordance with the Companies Act in Finland), or been subject of prosecution or penalty by judicial or supervisory authority (including professional associations), and been disqualified by a court from acting as a member of administrative, management or supervisory bodies of any company or prohibited the person from acting in the management of any company or from managing the affairs at any company.

### Management Remuneration and Incentive and Pension Schemes

#### Endomines AB's Board of Directors

The 2021 annual general meeting of Endomines AB resolved to pay the Chair of the Board of Directors a fixed remuneration of SEK 350,000 per year as compensation, and SEK 200,000 per year to each other member of the Board of Directors who is not an employee of Endomines AB. Members of the Board of Directors who are employees of Endomines AB will not be compensated for their Board position. Further, it was resolved that members of the Board of Directors acting in the Remuneration and ESG Committee, Audit Committee and Technology and Safety Committee will be compensated SEK 25,000 yearly, for each seat held on one of the Committees. In addition, the Chairs of the Audit Committee and Technology and Safety Committee will be compensated SEK 50,000 yearly. A SEK 3,000 meeting fee is also paid to each member of the Board of Directors present at a meeting of the Board of Directors. Members of the Board of Directors are not entitled to any compensation after their mandate as a member of the Board of Directors has ended. Endomines Finland has made a decision on corresponding remunerations after the Merger.

The following table sets forth the annual remunerations (incl. those paid for committee work) paid to the members of Endomines AB's Board of Directors for the financial years indicated:

(SEK thousand)	1 January–31 December		
	2021	2020 (audited)	2019
Ingmar Haga .....	421	390	430
Jeremy Reed.....	274	228	125
Markus Ekberg.....	149	-	-
Eeva Ruokonen .....	131	-	-

Jukka-Pekka Joensuu .....	131	-	-
Rauno Pitkänen .....	-	300	280
Staffan Simberg .....	-	-	246
Thomas Hoyer .....	113	228	250
Michael Mattson, up until 28 October 2020 .....	-	158	125
<b>Total .....</b>	<b>1,217</b>	<b>1,303</b>	<b>1,455</b>

In addition to the fees paid to the Board of Directors' members, the Chair of the Board of Directors participated in the EUR 3,4 million loan issued by Endomines AB in April 2020.

### **CEO and senior management**

The compensation of the CEO and the vice CEO consists of basic salary, bonuses, other benefits, and pension contributions. The CEO's total yearly bonus can be a maximum of 70 percent of the basic yearly salary. The vice CEO's yearly bonus can be a maximum of 30 percent of the basic yearly salary. The basic salary forms the base of the total compensation, and it is proportional to the person's responsibilities and extent of authority. The CEO's notice period for termination is six months for the CEO and twelve months for the company, and the vice CEO's notice period for termination is three months for the vice CEO and six months for the company. Other members of the senior management have a notice period for termination of one or three months for the member of the senior management and six, three or two months for the company. After the termination of their contract, neither the CEO nor any other member of the senior management is entitled to any remuneration or compensation.

The group only has defined contribution pension schemes. Defined contribution pension schemes are pension schemes according to which the group contributes fixed fees to a separate legal entity. In defined contribution pension schemes, the group contributes to public or private pension insurance schemes in accordance with mandatory regulations or agreements or voluntarily. After the contributions have been made, the Group does not have any other payment liabilities.

The following tables set forth the compensation and employee benefits of the members of the senior management for the financial periods 2021, 2020 and 2019.

### **Compensation and other benefits 2021**

<b>(SEK thousand)</b>	<b>January 1–December 31</b>				
	<b>(audited)</b>				
	<b>Basic salary</b>	<b>Bonus</b>	<b>Other benefits</b>	<b>Pension contributions</b>	<b>Total</b>
Marcus Ahlström (interim CEO, vice CEO and CFO) <sup>(1)</sup> .....	1,919	243	2	541	2,706
Vern Langdale (Director of Operations) .....	1,111	0	2	278	1391
Seppo Tuovinen, CEO (Endomines Oy and interim CEO Endomines AB) <sup>(2)</sup> .....	1,283	0	139	355	1,777
<b>Total .....</b>	<b>4,313</b>	<b>243</b>	<b>143</b>	<b>1,175</b>	<b>5,874</b>

<sup>(1)</sup> Marcus Ahlström resigned as interim CEO on October 6, 2021.

<sup>(2)</sup> Seppo Tuovinen was named interim CEO of Endomines AB and Endomines Finland Plc on October 7, 2021.

### Compensation and other benefits 2020

(SEK thousand)	January 1 – December 12, 2020				
	(audited)				
	Basic salary	Bonus	Other benefits	Pension contributions	Total
Greg Smith (CEO) <sup>(1)</sup> .....	1,860	-	-	-	1,860
Rauno Pitkänen (interim CEO) <sup>(2)</sup> ...	170	-	-	42	212
Marcus Ahlström (interim CEO, vice CEO and CFO) .....	1,510	0	3	378	1,891
Seppo Tuovinen, CEO (Endomines Idaho LLC and Endomines Oy) .....	1,107	0	198	326	1,631
<b>Total</b> .....	<b>4,648</b>	<b>0</b>	<b>200</b>	<b>747</b>	<b>5,594</b>

<sup>1)</sup> Greg Smith resigned as CEO November 30, 2020.

<sup>2)</sup> Rauno Pitkänen was appointed as interim CEO on December 1, 2020.

### Compensation and other benefits 2019

(SEK thousand)	January 1 – December 12, 2019				
	(audited)				
	Basic salary	Bonus	Other benefits	Pension contributions	Total
Greg Smith (tj) .....	385	-	-	-	385
Saila Miettinen-Lähde (former CEO) <sup>(1)</sup> .....	2,880	604	1	871	4,356
Marcus Ahlström (interim CEO, vice CEO and CFO) .....	1,343	203	3	387	1,936
Seppo Tuovinen, CEO (Endomines Idaho LLC & Endomines Oy) .....	1,389	191	342	415	2,337
<b>Total</b> .....	<b>5,996</b>	<b>998</b>	<b>346</b>	<b>1,674</b>	<b>9,014</b>

<sup>1)</sup> Includes compensation for termination of employment contract corresponding to the salary and bonuses for 12 months for the year 2018.

### **Incentive Programs**

The Company has no ongoing incentive programs as at the date of this Prospectus.

### **Auditors**

According to Endomines Finland's Articles of Association, the Company must have an auditor that shall be an audit firm approved by the Finnish Patent and Registration Office. The term of the auditor expires at the end of the first annual general meeting of shareholders following their election. The auditor approved by the auditor oversight PricewaterhouseCoopers Oy, Authorized Public Accountants, has been elected to act as the Company's auditor until the end of the annual general meeting of 2023, with Authorized Public Accountant Panu Vänskä having been elected as the auditor with principal responsibility as of 2021.

## THE SHARES AND SHARE CAPITAL OF THE COMPANY

### General

As at the date of this Prospectus, Endomines Finland's share capital was EUR 80,000 and Endomines Finland had issued 8,000 fully paid Shares. Endomines Finland does not hold any treasury Shares of the Company. Endomines Finland has one series of shares, and each Share entitles its holder to one vote at the general meeting. On the date of this Prospectus, Endomines Finland's Articles of Association do not contain any provisions on the number of shares or the share capital.

By the date of this Prospectus, Endomines AB has issued a total of 6,679,959 shares, and Endomines AB's share capital is SEK 534,396,756. Endomines AB does not hold any treasury shares. All shares are fully paid. All shares carry the same voting rights, and each share entitles to one vote at Endomines AB's general meeting. The nominal value of the shares is quoted in Swedish krona, and the nominal value of each share is SEK 2. Endomines AB's shares have been issued pursuant to the laws of Sweden, and Euroclear Sweden has registered them electronically with ISIN code SE0008294334. Euroclear Sweden also maintains a shareholders' register (*aktiebok*) pursuant to the Swedish Companies Act. The shares are processed in the Finnish book-entry securities system through a processing link.

Endomines AB's shares are traded in Nasdaq Stockholm and Nasdaq Helsinki under the share trading codes ENDO and ENDOM.

After the Merger is implemented, the number of Endomines Finland's Shares will increase to 6,687,959<sup>33</sup> shares, as 6,679,959 new Shares will be issued as merger consideration. Endomines AB's extraordinary general meeting approved the merger plan on September 26, 2022 (see "*Merger of Endomines AB and Endomines Finland*"). If all New Shares offered in the Offering are subscribed for, the number of Shares in Endomines Finland is 9,287,959 after the Merger and the Offering.

Endomines Finland intends to apply for the listing of Endomines Finland's Shares on the official list of Nasdaq Helsinki. Trading in Endomines Finland's Shares on the official list of Nasdaq Helsinki is expected to begin on December 20, 2022. See also "*Merger of Endomines AB and Endomines Finland*".

### Changes in Endomines Finland's Share Capital and the Number of Shares

No changes have occurred in Endomines Finland's share capital during the period covered by the historical financial information.

### Changes in Endomines AB's share capital and the number of shares

Year	Transaction	Change in number of shares	Sum	Change in SEK	Total	SEK	Registered on
2019	Directed issue for the partial payment of convertible loan's interest to seller of TVL Gold Idaho, LLD <sup>(3)</sup>	259,703	35,407,488	2,077,624	283,259,904	8.00	January 22, 2019
2019	Reduction of share capital to cover losses	0	35,407,488	-43,102,799	240,157,105	6.78	July 12, 2019
2019	Reduction of share capital	0	35,407,488	-133,934,641	106,222,464	3.00	July 12, 2019
2019	Subscription rights issue, incl. transfer from share premium fund <sup>(4)</sup>	44,549,555	79,957,043	133,934,641	240,157,105	3.00	July 12, 2019
2020	Conversion no 1 <sup>(5)</sup>	16,957,264	96,914,307	50,932,441.70	291,089,546.70	3.00	January 9, 2020
2020	Conversion no 2 <sup>(6)</sup>	16,533,333	113,447,640	49,659,132.30	340,748,679	3.00	February 24, 2020
2020	Directed share issue <sup>(7)</sup>	2,465,000	115,912,640	7,403,816.37	348,152,495.37	3.00	April 22, 2020

<sup>33</sup> The calculation takes into account the set-off issue decided by Endomines AB's board of directors on August 17, 2022, which has not yet been registered in the Swedish Companies Registration Office (*Bolagsverket*), and the situation that follows the realisation of the reverse split as presented to the general meeting by Endomines AB's board of directors on September 26, 2022.

2020	Share issue <sup>(8)</sup>	15,392,535	131,305,175	46,232,658.24	394,385,153.61	3.00	October 12, 2020
2021	Reduction of share capital	0	131,305,175	-131,774,803.61	262,610,350	2.00	February 9, 2021
2021	Subscription rights issue <sup>(9)</sup>	85,590,860	216,896,035	171,181,720	433,792,070	2.00	February 9, 2021
2021	Share issue <sup>(9)</sup>	4,224,000	221,120,035	8,448,000	442,240,070	2.00	February 24, 2021
2021	Directed issue <sup>(10)</sup>	2,000,000	223,120,035	4,000,000	446,240,070	2.00	October 11, 2021
2021	Directed issue <sup>(10)</sup>	2,673,911	225,793,946	5,347,822	451,587,892	2.00	December 14, 2021
2022	Conversion of convertible loan <sup>(11)</sup>	3,409,090	229,203,036	6,818,180	458,406,072	2.00	January 25, 2022
2022	Conversion of convertible loan <sup>(11)</sup>	2,173,913	231,376,949	4,347,826	462,753,898	2.00	March 9, 2022
2022	Directed issue <sup>(12)</sup>	28,571,429	259,948,378	57,142,858	519,896,756	2.00	March 9, 2022
2022	Conversion of convertible loan <sup>(11)</sup>	1,250,000	261,198,378	2,500,000.00	522,396,756	2.00	March 16, 2022
2022	Conversion of convertible loan <sup>(11)</sup>	2,500,000	263,698,378	5,000,000	527,396,756	2.00	April 12, 2022
2022	Conversion of convertible loan <sup>(11)</sup>	500,000	264,198,378	1,000,000	528,396,756	2.00	June 27, 2022
2022	Conversion of convertible loan <sup>(11)</sup>	1,000,000	265,198,378	2,000,000	530,396,756	2.00	July 21, 2022
2022	Conversion of convertible loan <sup>(11)</sup>	1,000,000	266,198,378	2,000,000	532,396,756	2.00	August 23, 2022
2022	Conversion of convertible loan <sup>(11)</sup>	500,000	266,698,378	1,000,000	533,396,756	2.00	August 26, 2022
2022	Share issue <sup>(13)</sup>	500,000	267,198,378	1,000,000	534,396,756	2.00	September 12, 2022
2022	Reverse share split <sup>(14)</sup>	260,518,419	6,679,959	0	534,396,756	2.00	September 27, 2022

1) The subscription price for the 2018 subscription rights issue was SEK 9.00.

2) The subscription price for the 2018 directed issue was SEK 9.90.

3) The subscription price for the 2019 directed issue was SEK 8.00.

4) The subscription price for the 2019 subscription rights issue was SEK 3.50.

5) The conversion price was SEK 5.85.

6) The conversion price was SEK 6.00.

7) The subscription price for the 2020 directed issue was EUR 0.54.

8) The subscription price for the share issue was SEK 4.60.

9) The subscription price was SEK 2.50.

10) The subscription price was SEK 2.51.

11) The conversion price was SEK 2.00.

12) The subscription price was EUR 0.21. Of the share issue's 28,571,429 shares, 3,333,333 were registered on March 10, 2022.

13) The subscription price for the share issue was EUR 0.20. On the date of this Prospectus, the share issue has not been registered in the Swedish Companies Registration Office.

14) On September 26, 2022, the Board of Directors made a proposal on a reverse share split to the extraordinary general meeting of Endomines AB, and the first trading day for the shares that underwent reverse split was on September 30, 2022.

## Board Authorizations

Endomines Finland's Board of Directors has been granted the following authorizations that are valid on the date of this Prospectus.

The Company has by a shareholder's decision made on October 17, 2022 authorised the Board of Directors to decide on the issue of a maximum of 6,679,959 Shares in the Offering. By virtue of this authorization, the Company's Board of Directors on October 21, 2022 decided to issue a maximum of 6,679,959 new Shares as merger consideration in connection with the implementation of the Merger.

The same shareholder's decision of October 17, 2022 authorizes the Company's Board of Directors to decide on the Offering and the issue of special rights entitling to shares, and a maximum of 10,000,000 Shares may be issued by virtue of this authorization. By virtue of this authorization, the Company's Board of Directors decided on October 21, 2022 to, in connection with the Merger, issue 4,286,456 special rights referred to in Chapter 10 Section 1 of the Companies Act, i.e. Option Rights 2020/2023: 1–2, that entitle their holders to subscribe for Shares in Endomines Finland. Each Option Right 2020/2023: 1–2 entitles its holder to subscribe for 0.03 new Company Shares for a subscription price of EUR 29.20 per Share. If all Option Rights 2020/2023: 1–2 are used to subscribe for Shares, the number of Shares in the Company may increase by a maximum of

128,456 Shares. Subscriptions may be made until June 30, 2023. Option Rights 2020/2023: 1–2 will be issued to the holders of Option Rights 2020/2023: 1–2 issued by Endomines AB pro rata to their existing option rights. On October 21, 2022, Endomines Finland resolved by virtue of the shareholder's authorization of October 17, 2022 to, in connection with the Merger, issue to LDA special rights referred to in Chapter 10 Section 1 of the Companies Act (the "**Option Rights 2021:1**") entitling their holder to subscribe for a total of 280,000 Shares in Endomines Finland. Each Option Right 2021:1 entitles its holder to subscribe for 0.02 new Shares in the Company for a subscription price of EUR 14.41 per Share. If all Option Rights 2021:1 are used to subscribe for Shares, the number of Shares in the Company may increase by a maximum of 280,000 Shares. Subscriptions may be made until June 30, 2023 during certain time periods. Option Rights 2021:1 will be issued to LDA pro rata to the option rights entitling to Endomines AB's shares that they already have.

The shareholder's decision made on October 17, 2022 also authorizes the Company's Board of Directors to decide on the Offering in which a maximum of 10,000,000 Shares may be issued.

## Holdings

On the date of this Prospectus, Endomines AB owns all issued Shares in Endomines Finland. Endomines AB's shareholders will receive one new share in Endomines Finland per each share they hold in Endomines AB on the Implementation Date as merger consideration (the "**Merger Consideration**"). This means that the Merger Consideration will be provided to Endomines AB's shareholders pro rata to their existing holdings.

Endomines Finland may receive new shareholders through the Offering, and the existing proportional holdings of Endomines AB's shareholders may change.

## Option Rights 2021:1, Option Rights 2020/2023: 1–2, Put Option Agreement and Convertible Loans

Endomines Finland has issued or will issue Option Rights 2021:1, Option Rights 2020/2023: 1–2, the Put Option Agreement and Convertible Loans that are discussed in more detail under section "*Information on the Company and its Business – Material Agreements of the Group*".

These current financing arrangements of Endomines Finland and any further arrangements it will make in connection with the Merger may result in a dilution of the shareholders' holdings in Endomines Finland. As a result of the financing arrangements, the number of Endomines Finland's shares can increase by a maximum of 1,777,587 shares in the event that all rights are exercised, provided that the average price of the Company's share does not fall below EUR 8 between September 15, and December 31, 2022, which would result in the holdings of existing shareholders becoming diluted by around 16.1 percent calculated on the number of shares after the Merger and the Offering and provided that all shares of the Offering (excluding the Upsize Option) are subscribed for. It has also been taken into account in the calculation that, in the Offering, a commitment to subscribe for a total of 1,717,000 shares with the principal of the Convertible Loans has been made.

## Holdings in Endomines AB

According to Endomines AB's shareholders' register maintained by Euroclear Sweden, Endomines AB has altogether 8,546 shareholders. The table below discloses Endomines AB's ten largest shareholders as at October 31, 2022.

Shareholder <sup>1)</sup>	Number of shares	Proportion of shares and votes (%)
Joensuun Kauppa ja Kone Oy .....	815,111	12.20%
Clearstream Banking S.A., W8IMY .....	786,423	11.77%
Northern Trust Global Services SE .....	750,673	11.24%
Nordea Bank Abp .....	389,335	5.83%
Skandinaviska Enskilda Banken AB (publ) .....	381,518	5.71%
Evli Plc's Clients Account Finnish D .....	247,948	3.71%
Mariatorp Oy .....	210,000	3.14%
Wipunen Varainhallinta Oy .....	206,000	3.08%
K22 Finance Oy .....	132,025	1.98%
Aktia Bank Abp .....	103,251	1.55%
Other shareholders .....	2,657,675	39.79%
<b>In total</b> .....	<b>6,679,959</b>	<b>100%</b>

<sup>1)</sup> The operator of the nominee register. Clearstream Banking S.A., W8IMY is TVL Gold 1, LLC's nominee-registered holding.

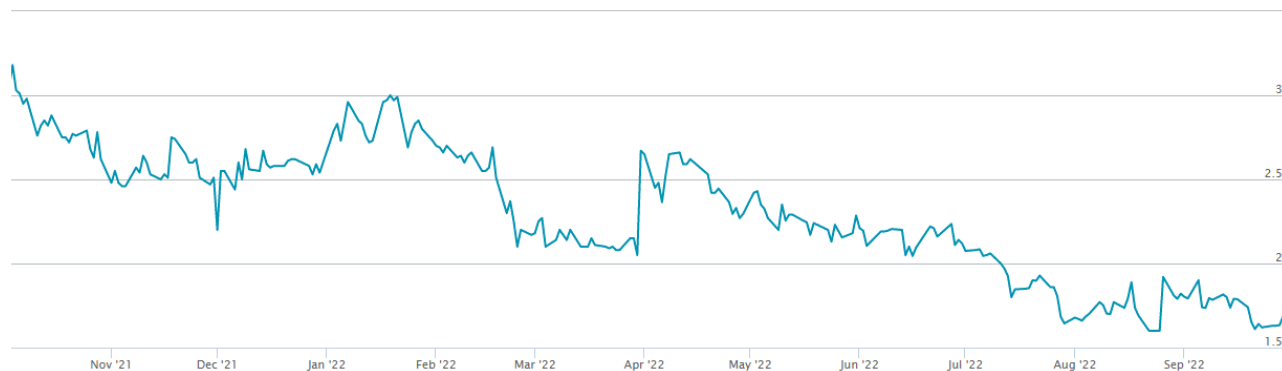
Endomines AB is not aware of any other shareholders who can exercise control over the Company than those listed above. Once Endomines Finland's share is admitted to trading in Finland after the completion of the Merger, all Finnish shareholders that currently own nominee-registered shares in Endomines AB will be required to register their holdings directly under their own name.

Neither Endomines AB's nor Endomines Finland's board is aware of any shareholders' agreements or other agreements concluded between the shareholders of Endomines AB and Endomines Finland whose purpose is to exercise joint control over the decisions made by Endomines AB or Endomines Finland. Neither board is also aware of any agreements or other corresponding arrangements that could result in a change in the control structure of Endomines AB or Endomines Finland.

### Share Price and Market Value

The table below discloses the development of Endomines AB's share price between October 1, 2021 and September 30, 2022<sup>34</sup> on Nasdaq Stockholm and Nasdaq Helsinki.

ENDO, ENDOMINES (SEK)



ENDOM, ENDOMINES (EUR)



### Market Making

Lago Kapital Ltd has served as the market maker for Endomines AB's share on Nasdaq Stockholm and Nasdaq Helsinki since March 2, 2020. Lago Kapital Ltd continues as Endomines Finland Plc's market maker in Nasdaq Helsinki after the Merger and the listing. The purpose of market making is to ensure the liquidity of the share and narrow down the gap between the sales price and the purchase price of the share. Lago Kapital Ltd's duty is to ensure smooth trading in Endomines' shares by constantly issuing sales and bid quotations for the shares.

<sup>34</sup> Nasdaq Nordic, <http://www.nasdaqomxnordic.com/>

Endomines Finland will file a listing application with Nasdaq Helsinki with the goal of having the Shares admitted to trading on the official list of Nasdaq Helsinki. Trading in the Company's Shares on the official list of Nasdaq Helsinki is expected to commence on or about December 20, 2022 under share trading code PAMPALO.

## **Shareholders' Rights**

### ***Shareholders' pre-emptive subscription right***

Under the Companies Act, the existing shareholders of Finnish companies have a pre-emptive right to subscribe for shares in the company in proportion to their shareholding, unless otherwise resolved by the general meeting in regard to the offering. Under the Companies Act, a resolution to deviate from the shareholders' pre-emptive subscription right is valid only if approved by at least two thirds of all votes cast and shares represented at the general meeting. The shareholders' pre-emptive subscription right may be deviated from if there is a weighty financial reason for the company to do so. A directed share issue may also be effected by means of a share issue without payment if this is justified by particularly weighty financial reasons from the perspective of the company and its shareholders.

Certain shareholders that reside in or which have a registered address in a country other than Finland may not be able to exercise their pre-emptive subscription rights in respect of their shareholding, unless the shares and connected subscription rights are registered in accordance with the securities legislation of the relevant country or an exemption from registration or other similar requirements applies.

### ***General meetings***

Pursuant to the Companies Act, shareholders exercise their power of decision in matters concerning the Company at the general meeting. The annual general meeting must be held annually on a date decided by the board of directors within six months from the ending date of the financial period.

The annual general meeting decides on, among others, the adoption of the financial statements, the distribution of dividends and the election of members of the board of directors and auditors and their respective remuneration. The annual general meeting also decides on the discharge from liability of the board of directors and the CEO.

In addition to the annual general meeting, extraordinary general meetings may also be held if necessary. Depending on the matter to be resolved, the qualified majority provisions set out in the Companies Act may apply. Pursuant to the Companies Act, decisions that require a qualified majority must be approved by two thirds of the votes cast and shares represented at the general meeting. A qualified majority is required for, inter alia, decisions regarding amendments of the Articles of Association, and the redemption and repurchase of the Company's treasury shares as well as for decisions regarding mergers and demergers. Neither the Companies Act nor the Company's Articles of Association set out any specific requirements with regard to the number of participants required in order for the general meeting to be considered to have a quorum.

Shareholders are entitled to have a matter that falls under the purview of the general meeting to be processed by the general meeting pursuant to the Companies Act if they submit a request to this effect to the board of directors in writing well in advance so that the matter can be included in the notice to the meeting. If either a shareholder or shareholders controlling at least 10 percent of the Shares or the Company's auditor requests that a certain matter be discussed at a general meeting, the board of directors must immediately convene a general meeting.

Under the Company's Articles of Association, the notice to the general meeting must be delivered to the shareholders no earlier than two (2) months and no later than three (3) weeks prior to the general meeting, however, no later than nine (9) days before the record date of the general meeting. In order for the shareholder to exercise their rights to speak and vote at the general meeting, they must give an advance notice of participation in the manner stated in the notice no later than on the date mentioned in the notice, which date may not be earlier than ten (10) days prior to the general meeting.

Shareholders who have been entered in the Company's shareholders' register maintained by Euroclear Finland no later than eight (8) business days prior to the general meeting (record date of the general meeting) and who have registered their attendance at the general meeting no later than on the date stated in the notice to the general meeting, or nominee-registered shareholders who have been temporarily entered in the



Company's shareholders' register to enable them to participate in the general meeting, have the right to participate in the general meeting. The notice concerning the temporary registration must be submitted no later than on the date stated in the notice to the general meeting, which must be after the record date of the general meeting. Nominee-registered shareholders are deemed to have registered for the general meeting if a notice has been submitted with regard to their temporary registration in the shareholders' register. Shareholders may attend the general meeting in person or through a proxy representative.

Shareholders may have several proxy representatives who represent them on the basis of shares held in different securities accounts. If a shareholder participates in the general meeting through several proxy representatives, the Shares by which each proxy representative represents the shareholder must be identified in connection with the registration for the general meeting. Proxy representatives must present a power of attorney or other reliable evidence of their authorization. In addition, each shareholder or proxy representative may use an assistant at the general meeting.

### ***Voting rights***

A shareholder may attend and vote at a general meeting in person or through a proxy representative. If holders of nominee-registered shares wish to attend the general meeting and exercise their voting rights, they must temporarily register the shares under their own name in the Company's shareholders' register maintained by Euroclear Finland. The notice concerning the temporary registration must be submitted no later than on the date stated in the notice to the general meeting, which must be a date subsequent to the record date of the general meeting. Neither the Companies Act nor the Company's Articles of Association set out any specific requirements with regard to the number of participants required in order for the general meeting to be considered to have a quorum.

Resolutions made at general meetings generally require a simple majority of votes. However, certain resolutions, such as amending the Articles of Association, issuing shares in deviation from the existing shareholders' pre-emptive subscription rights and, in certain cases, making decisions on mergers or demergers, require a majority of at least two thirds of the votes cast and of the shares represented at the general meeting. In addition, certain resolutions, such as the mandatory redemption of shares by the company in deviation from the shareholdings of the shareholders, require the consent of all shareholders.

### ***Dividend and other distribution of profit***

In accordance with the practice prevailing in Finland, dividends on shares in a Finnish company are generally paid once a year and dividends can only be paid after the general meeting has adopted the company's financial statements and resolved on the amount of dividend to be paid in accordance with the dividend distribution proposal of the Board of Directors. Pursuant to the Companies Act, the distribution of dividends may, however, also be based on the adopted financial statements prepared for that purpose during the financial year. The general meeting may also authorize the board of directors to resolve on the distribution of dividends. The authorization will be valid at the latest until the beginning of the next annual general meeting. A resolution on the distribution of dividends or granting of an authorization to the board of directors requires a majority decision at the general meeting.

The amount of dividend resolved on by the general meeting cannot exceed the amount proposed by the board of directors. However, under the Companies Act, shareholders that hold at least 10 percent of the company's shares may, regardless of the proposal for the distribution of dividend, demand at the annual general meeting that, within the limits of distributable profit, at least half of the previous financial year's profit be distributed as dividends, from which the non-distributable amount indicated in the Articles of Association must be deducted. However, the maximum amount that shareholders may demand to be paid as dividend is 8 percent of the company's equity.

Pursuant to the Companies Act, equity is divided into restricted and unrestricted equity. The division is relevant when determining the amount of distributable funds. Restricted equity consists of the share capital, revaluation surplus, the fair value reserve and revaluation reserves. The share premium reserve and the legal reserve are also included in restricted equity. Other equity reserves are included in unrestricted equity. The amount of dividend may not exceed the amount of distributable funds indicated in the company's adopted financial statements, on which the distribution decision is based, from which the funds that may not be distributed pursuant to the applicable provisions in the Articles of Association have been deducted. Losses from previous financial years and dividends distributed earlier during the same financial year reduce the amount of distributable funds. Any material changes that have occurred in the company's financial position after the

preparation of the previous financial statements must be taken into account when resolving upon the distribution of dividends. The amount of dividend that can be distributed is, at all times, subject to the condition that the company must remain liquid after the distribution of dividends. Consequently, no dividends may be distributed if it is known or should be known at the time of the distribution decision that the company is insolvent or that the distribution would cause the insolvency of the company.

Dividend and other distributions are paid to shareholders, or any parties designated thereby, that are entered in the shareholders' register on the record date of the payment of dividends. The shareholders' register is maintained by Euroclear Finland through the relevant book-entry account operators. In the Finnish book-entry system, dividends are paid through account transfers to the accounts of the shareholders that are recorded in the register. Dividends are not paid to shareholders that are not recorded in the shareholders' register. The right to dividends expires in three years from the payment date of the dividend. All shares carry equal rights to dividends and other distribution, including the distribution of the Company's assets in the event of liquidation.

### **Treasury Shares**

Under the Companies Act, a company may repurchase treasury shares. Resolutions on the repurchase of treasury shares must be adopted at the general meeting. The general meeting may also authorize the board of directors, for a specific period of time which cannot exceed 18 months, to decide on the acquisition of the treasury shares by using unrestricted equity. The general meeting may resolve on a directed acquisition of treasury shares in which case the shares are not acquired from the shareholders in proportion to their shareholding. There must be a weighty financial reason for the company to carry out a directed acquisition. A public limited liability company may hold directly or through its subsidiaries a maximum of 10 percent of the treasury shares. Treasury shares do not entitle the company to dividends or other rights attached to the shares. The Company does not hold any treasury shares as at the date of the Prospectus.

### **Transfer of Shares**

Upon a sale of shares through the Finnish book-entry securities system, the relevant shares are transferred from the seller's book-entry account to the buyer's book-entry account as an account transfer. The sale is registered as an advance transaction until settlement and payment, after which the buyer is automatically entered in the shareholders' register of the Company. If the shares are nominee-registered, the sale of the shares does not require any entries into the book-entry securities system, unless the nominee account holder changes as a result of the sale.

### **Foreign Exchange Control**

Foreign nationals may acquire shares in a Finnish limited liability company without separate exchange control consent. Foreign nationals may also receive dividends without separate Finnish exchange control consent, but the company distributing dividend is liable to withhold withholding tax from the assets being transferred from Finland, unless otherwise specified in an applicable tax treaty. Foreign nationals who have acquired shares in a Finnish limited liability company may receive shares pursuant to a bonus issue or participate in a new subscription without separate exchange control consent. Foreign shareholders may sell their shares in a Finnish company in Finland, and the proceeds of such sales may be transferred out of Finland in any convertible currency. Finland does not have valid exchange control regulations that would restrict the sale of shares in a Finnish company to another foreign national.

## FINNISH SECURITIES MARKETS

*The following summary is a general description of the Finnish securities markets and it is based on the laws in effect in Finland on the date of this Prospectus. The summary is not exhaustive.*

### General on the Finnish Securities Markets

The securities market in Finland is supervised by the FIN-FSA. The principal statute governing the Finnish securities market is the Finnish Securities Markets Act, which contains regulations with respect to company and shareholder disclosure obligations, prospectuses and public tender offers, among other things. The FIN-FSA and Nasdaq Helsinki have issued more detailed regulations and guidelines pursuant to the Securities Markets Act. Furthermore, the Market Abuse Regulation (EU) N:o 596/2014 of the European Parliament and of the Council, as amended, ("**MAR**") regulates, *inter alia*, insider dealing, unlawful disclosure of inside information, market manipulation and procedures relating to disclosure of inside information. The FIN-FSA monitors compliance with these regulations and may give more detailed regulations and guidelines under the Securities Markets Act and other acts.

The Finnish Securities Markets Act and the Prospectus Regulation specify minimum disclosure requirements for companies applying for listing on the official list of Nasdaq Helsinki, or making a public offering of securities in Finland. The information provided must be sufficient to enable a potential investor to make a sound evaluation of the securities being offered and the issuing company as well as of matters that may have a material effect on the value of the securities. In addition, Finnish listed companies have a continuing obligation to publish financial information on the company and to disclose any matters likely to have a significant effect on the prices of their securities. Pursuant to the MAR, the issuer of a publicly traded security has the obligation to inform the public as soon as possible of inside information which directly concerns that issuer. An issuer may delay disclosure to the public of inside information provided that all of the conditions set forth in the Market Abuse Regulation are met. The disclosed information has to provide an investor with adequate information for making an informed assessment of the security and its issuer.

A shareholder is required, without undue delay, to notify a Finnish listed company and the FIN-FSA when its voting interest in, or its percentage ownership of, the total number of shares in such Finnish listed company reaches, exceeds or falls below five percent, ten percent, 15 percent, 20 percent, 25 percent, 30 percent, 50 percent, 66.67 percent (2/3) or 90 percent, calculated in accordance with the Securities Markets Act, or when it has on the basis of a financial instrument the right to receive an amount of shares that reaches, exceeds or falls below any such threshold. Financial instrument also refers to financial instruments the value of which is determined on the basis of the company's share and which have a similar economic effect as a financial instrument that entitles its holder to receive the company's shares. A flagging notification must be made regardless of whether the underlying asset of the financial instrument will be settled physically or in cash. If a Finnish listed company receives information indicating that a voting interest or ownership interest has reached, exceeded or fallen below any of these thresholds, it must disclose such information without undue delay on its website and deliver it to the main media, the FIN-FSA and Nasdaq Helsinki. If a shareholder has violated its obligation to notify on voting interest or ownership, the FIN-FSA may, due to a weighty reason, prohibit the shareholder from using its right to vote or to be presented in the general meeting for the shares to which the violation relates.

Pursuant to the Securities Markets Act, a shareholder whose holding in a listed company increases, after the commencement of a public quotation of such shares, above 30 percent or above 50 percent of the total voting rights attached to the shares in the company, calculated in accordance with the Securities Markets Act, must make a public tender offer to purchase the remaining shares and other securities entitling holders to shares in such company for fair value. If the securities that caused the abovementioned limits to be reached have been purchased pursuant to a public tender offer that has been made for all shares in the target company and other securities entitling holders to shares in such company, or have been otherwise acquired during the tender offer period of such public tender offer, the obligation to make a tender offer is not triggered. If a company has a shareholder whose proportion of voting rights exceeds the bid threshold, the obligation to launch a mandatory bid shall not arise to another shareholder until their proportion of voting rights exceeds the proportion of voting rights of the first-mentioned shareholder. If a shareholder exceeds the abovementioned limit due solely to acts of the company or another shareholder, such shareholder is not required to make a tender offer before acquiring or subscribing for more shares in the target company or otherwise increasing its holding of voting rights in the target company. If the above-mentioned limit is exceeded due to the shareholders acting in concert when making a voluntary tender offer, the obligation to make a tender offer is not triggered if acting in concert is limited only to such tender offer. There is no obligation to make a tender offer if a shareholder or another

party who is acting in concert with such shareholder gives up its voting rights in excess of the abovementioned limit within one month after such limit was exceeded provided that the shareholder publishes its intention and voting rights are not used during such time. Under the Finnish Companies Act, a shareholder with shares representing more than 90 percent of all shares and voting rights attached to all shares in a company has the right to redeem other shareholders' shares in such company for fair value. In addition, any minority shareholder that possesses shares that may, pursuant to the Finnish Companies Act, be redeemed by a majority shareholder is entitled to require such majority shareholder to redeem its shares. Detailed rules apply for the calculation of the above proportions of shares and votes.

Under the Securities Markets Act, a Finnish listed company must directly or indirectly belong to an independent body, established in Finland, that broadly represents the business sector which has, in order to promote compliance with good securities markets practice, issued a recommendation which relates to the actions of the management of the target company regarding a public takeover bid and the contractual structures relating to the maintenance of control (the "**Helsinki Takeover Code**"). According to the Securities Markets Act, a listed company must provide an explanation in case it is not committed to complying with the Helsinki Takeover Code.

Net short positions relating to shares tradable on the official list of Nasdaq Helsinki must be disclosed to the FIN-FSA in accordance with regulation of the European Parliament and of the Council on short selling and certain aspects of credit default swaps ((EU) 236/2012). The obligation to disclose net short positions applies to all investors and market participants. A net short position regarding shares admitted to trading on a regulated market must be disclosed when the position reaches, exceeds or falls below 0.1 percent of the issued share capital of the target company. A new notification must be disclosed for each 0.1 percent exceeding the above threshold. The FIN-FSA publishes the notified net short positions on its website, if the net short position reaches, exceeds or falls below 0.5 percent of the issued share capital of the target company.

The Finnish Penal Code (39/1889, as amended) criminalizes the misuse of inside information, the unlawful disclosure of inside information, market manipulation and the breach of disclosure requirements. Pursuant to the Market Abuse Regulation, the Securities Markets Act and the Finnish Act on the Financial Supervisory Authority (878/2008, as amended), the FIN-FSA has the right to impose administrative sanctions to the extent the offence does not fall within the scope of the Criminal Code of Finland. The FIN-FSA can, for example, issue a public warning or impose administrative fines or penalty payments for the breach of the provisions relating to disclosure requirements, public tender offer, insider lists or market abuse. The disciplinary board of Nasdaq Helsinki may give a warning or reprimand or impose a disciplinary fine or order the company to be removed from the stock exchange list.

### **Trading and Settlement on Nasdaq Helsinki**

Share trading on Nasdaq Helsinki occurs through automatic order matching. In carrying out share trades, Nasdaq Helsinki uses the INET trading platform, which is an order-based system in which buying and selling orders are matched as trades when the price and the volume information as well as other conditions tally. In the INET trading platform, the trading day consists of the following main trading phases: pre-trading, continuous trading and post-trading.

For shares, pre-trading, during which orders may be entered, changed or deleted at the prices established during the previous trading day, begins at 9:00 a.m. and ends at 9:45 a.m. Trading with calls and continuous trading takes place from 9:45 a.m. to 6:30 p.m. Opening call begins at 9:45 a.m. and ends at 10:00 a.m. Orders entered during the pre-trading session and existing orders with several days' validity are automatically transferred into the opening call. Continuous trading begins immediately after the opening call ends at 10:00 a.m. when the first share is assigned its opening price and then becomes subject to continuous trading. After approximately ten minutes, the opening prices for all shares have been established and trading continues at prices based on market demand until 6:25 p.m., when the closing call is initiated. The closing call ends at approximately 6:30 p.m., when the closing prices are determined. In post-trading between 6:30 p.m. and 7:00 p.m., the only trades that may be registered are contract trades for shares in after-hours trading. The shares will be registered at the prices established during the trading day.

Trades are primarily cleared by determining them in the system of the central counterparty (for example European Central Counterparty N.V.) and by executing them in the system of Euroclear Finland on the second (2nd) banking day after the trade date (T+2) unless otherwise agreed by the parties.

Trading in securities on the official list of Nasdaq Helsinki and clearing of trades in Euroclear Finland takes place in euros, with the minimum tick size for trading quotations depending on the tick size table and being a minimum of EUR 0.0001. The price information is produced and published only in euros.

Nasdaq Helsinki is a part of Nasdaq group. Nasdaq also owns and maintains the stock exchanges in, among others, Stockholm, Copenhagen, Riga, Reykjavik, Vilnius and Tallinn. Nasdaq Nordic consists of four local stock exchanges, which are located in Copenhagen, Helsinki, Reykjavik and Stockholm. The four exchanges are separate legal entities in different jurisdictions; therefore, each exchange has its own rules and regulations. The companies listed on these four exchanges are presented on one common list – the Nordic List – with harmonized listing requirements.

## **The Finnish Book-Entry System**

### ***General***

Any issuer established in the EU that issues or has issued transferable securities which are admitted to trading or traded on trading venues, shall arrange for such securities to be registered in book-entry form. The issuer has the right to choose the Central Securities Depository in which its securities are recorded. At the date of this Prospectus, Euroclear Finland acts as the Central Securities Depository in Finland. Euroclear Finland maintains a book-entry securities register for both equity and debt securities. The registered address of Euroclear Finland is Urho Kekkosen katu 5C, FI-00100 Helsinki.

Euroclear Finland maintains a company-specific register of shareholders for each company participating in the book-entry securities system. The account operators, which may include, among others, credit institutions and investment firms are entitled to make entries in the book-entry register and administer the book-entry accounts.

### ***Registration***

All shareholders in companies participating in the book-entry securities system must open a book-entry account with an account operator or agree with a custodial account holder to maintain book-entry securities on a custodial nominee account. A Finnish shareholder is not entitled to hold their shares on a nominee-registered book-entry account in the Finnish book-entry system. Non-Finnish shareholders may deposit book-entries in a custodial nominee account, where the shares are registered in the name of a custodial account holder in the company's shareholders' register. A custodial nominee account must contain information on the custodial account holder instead of the beneficial owner and indicate that the account is a custodial nominee account. Book entry securities managed on behalf of one or more customers can be registered in a custodian nominee account. In addition, the shares owned by a foreigner, foreign entity or trust may be registered in a nominee-registered owner account, in which case the book-entry account is opened in its name, but the custodial account holder is entered in the company's shareholders' register.

All transfers of securities linked with the book-entry securities system are executed as computerized book-entry transfers. The account operator regularly submits to the holder of the respective book entry account, at least four times a year, a notification indicating book entries made to the account after the previous notification. The book-entry account holders also receive an annual statement of their holdings at the end of each calendar year.

Each book-entry account is required to contain certain information with respect to the account holder and other holders of rights to the book-entries entered into the account as well as information on the account operator administering the book-entry account. The required information also includes the type and number of book-entries registered as well as the rights and restrictions pertaining to the account and to the book-entries registered in the account. Euroclear Finland and the account operators are required to observe confidentiality. However, according to the Finnish Companies Act, a company must keep the shareholder register available to anyone at the company's head office or, when the shares of the company are entered into the book-entry securities system, at the office of the Central Securities Depository in Finland. The FIN-FSA is also entitled to certain information also on the holders of shares registered in a custodial nominee account upon request.

Each account operator is strictly liable for any errors and omissions in the book-entry register it administers, and for any unauthorized disclosure of information. If an account holder has suffered a loss as a result of a faulty registration or an amendment to or the removal of rights related to registered securities and the account operator is not able to compensate such loss, such account holder is entitled to receive compensation from the statutory registration fund. The capital of the registration fund must be at least 0.0048 percent of the average of the total market value of the book-entries kept in the book-entry securities system during the last

five years, however no less than EUR 20 million. The compensation to be paid to an injured party is equal to the amount of damage suffered subject to a limit of EUR 25,000 per account operator. The liability of the registration fund to pay damages in relation to each incident is limited to EUR 10 million.

### ***Custody of the Shares and Nominees***

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organizations approved by Euroclear Finland) to act on its behalf as a custodial nominee account holder. By virtue of nominee-registered shares, no other rights belonging to the owner in relation to the issuer as an owner of the book-entry can be used, than the right to withdraw funds, amend or change a book-entry and participate in a share issue or other book-entry issue. A beneficial owner wishing to attend general meetings of shareholders must seek a temporary registration in the shareholders' register. The notification regarding the temporary registration must be made by the date mentioned in the relevant notice of the general meeting, which date is after the record date of the general meeting. Temporary registration in the shareholders' register requires that the owner of the nominee-registered shares has, based on shares, the right to be registered in the company's shareholders' register on the record date. A holder of nominee-registered shares temporarily registered in the shareholders' register shall be deemed to have enrolled to the meeting.

Upon request by the FIN-FSA or the relevant company, a custodial nominee account holder is required to disclose the name of the beneficial owner of the shares registered in such custodial nominee's name, provided the beneficial owner is known, as well as the number of shares owned by such beneficial owner. If the name of the beneficial owner is not known, the custodial nominee account holder is required to disclose said information in respect of the representative acting on behalf of the beneficial owner and to submit a written declaration to the effect that the beneficial owner of the shares is not a Finnish natural person or a Finnish legal entity.

A shareholder who wished to hold shares in the book-entry system under their own name but does not have a book-entry account in Finland must open a book-entry account with an account operator, as well as a euro-denominated bank account.

### ***Compensation Fund for Investors and Deposit Guarantee Fund***

The Finnish Act on Investment Services (747/2012, as amended) sets forth a compensation fund for investors. Under this act, investors are divided into professional and non-professional investors. The fund does not compensate any losses by professional investors. The definition of professional investor includes business enterprises and public entities, which are deemed to understand the securities markets and their associated risks. An investor may also provide notice in writing that, on the basis of their professional skills and experience in the securities markets, they are a professional investor; however, natural persons are presumed to be non-professional investors.

Investment firms and credit institutions must belong to the compensation fund. The membership requirement does not apply to an investment firm who solely transmits orders, provides investment advisory services or organizes multilateral trading as investment service and who does not have client funds in its custody or under its management. The compensation fund safeguards payment of clear, indisputable and due claims of the investors when an investment firm or credit institution has been declared bankrupt, is undergoing a restructuring process or is otherwise, for a reason other than temporary insolvency, not capable of paying claims of the investors within a determined period of time. The compensation fund only compensates claims of non-professional investors. For valid claims, the compensation fund will pay 90 percent of the investor's claim against each investment firm or credit institution, up to a maximum of EUR 20,000. The compensation fund does not provide compensation for losses due to decreases in stock value or bad investment decisions, whereby the investors remain responsible for the consequences of their investment decisions. According to the Act on the Financial Stability Authority (1195/2014, as amended), depositary banks must belong to a deposit guarantee fund, which is intended to safeguard payments of receivables in the depositary bank's account or receivables in the forwarding of payments that have not yet been entered into an account if the depositary bank becomes insolvent and the insolvency is not temporary. The customers of a depositary bank can be compensated by the deposit guarantee fund up to a maximum of EUR 100,000. An investor's funds can be safeguarded either by the deposit guarantee fund or the compensation fund; however, an investor's funds cannot be safeguarded by both funds at the same time.

## TAXATION IN FINLAND

The following summary is based on tax laws of Finland, Finnish case law and Finnish tax practice as in effect and applied on the date of this Prospectus. Any changes in tax laws and their interpretation may affect taxation and they may also have a retroactive effect. The summary is not exhaustive and does not take into account or deal with the tax laws of any country other than Finland. Prospective investors considering subscribing for New Shares are advised to consult a tax advisor in order to obtain information about Finnish or foreign tax consequences resulting from the Offering as well as the subscription, ownership and disposition of the New Shares. Prospective investors should consult a tax advisor with respect to the Finnish or foreign tax consequences applicable to their particular circumstances.

The following is a description of the material Finnish income tax and transfer tax consequences that may be relevant with respect to the Offering. The description below is applicable to both Finnish resident and non-resident natural persons and limited liability companies for the purposes of Finnish domestic tax legislation relating to dividend distributions on Shares and capital gains arising from the sale of Shares.

The following description does not take into account or discuss tax laws of any other country than Finland and does not address tax considerations applicable to such holders of Shares that may be subject to special tax rules relating to, among others, different restructurings of corporations, controlled foreign corporations, non-business carrying entities, income tax exempt entities or general or limited partnerships. Furthermore, this description does not address Finnish inheritance or gift tax consequences.

This description is primarily based on:

- The Finnish Income Tax Act (1535/1992, as amended, the **"Finnish Income Tax Act"**);
- The Finnish Business Income Tax Act (360/1968, as amended, the **"Finnish Business Income Tax Act"**);
- The Act on the Taxation of Income of a Person Subject to Limited Tax Liability (627/1978, as amended); and
- The Finnish Transfer Tax Act (931/1996, as amended);
- The Finnish Act on Tax Assessment (1558/1995, as amended, the **"Finnish Tax Assessment Act"**).

In addition, relevant case law as well as decisions and statements made by the tax authorities in effect and available as at the date of this Prospectus have been taken into account.

The following description is subject to change, which change could apply retroactively and could, therefore, affect the tax consequences described below.

The investor's country of tax residence and the tax legislation of the Company's country of incorporation (Finland) may have effect on the proceeds from the New Shares.

### General on Taxation

Residents and non-residents of Finland are treated differently for tax purposes. The worldwide income of persons resident in Finland is subject to taxation in Finland. Non-residents are taxed on income from Finnish sources only. Additionally, Finland imposes taxes on non-residents for income connected with their permanent establishments situated in Finland. However, tax treaties may limit the applicability of Finnish tax legislation and also the right of Finland to tax Finnish source income received by a non-resident.

Generally, a natural person is deemed to be a resident in Finland if such person remains in Finland for a continuous period of more than six months or if the permanent home and abode of such person is in Finland. However, a Finnish national who has moved abroad is considered to be resident in Finland until three years have passed from the end of the year of departure unless it is proven that no substantial ties to Finland existed during the relevant tax year.

Earned income is taxed at progressive rates. At the date of this Prospectus, capital income tax rate is 30 percent. In addition, should the amount of capital income received by a resident natural person exceed EUR 30,000 in a calendar year, the capital income tax rate is 34 percent on the amount that exceeds EUR 30,000. Corporate entities established under the laws of Finland are regarded as residents in Finland and are, therefore, subject to corporate income tax on their worldwide income. Furthermore, foreign corporate entities that have their place of effective management in Finland are regarded as Finnish tax residents. In addition, non-residents are subject to Finnish corporate income tax on their income connected with their

permanent establishments situated in Finland. At the date of this Prospectus, the corporate income tax rate is 20 percent.

The following is a summary of certain Finnish tax consequences relating to the purchase, ownership and disposition of Shares by Finnish resident and non-resident shareholders.

### **Taxation of Dividends and Distribution of Funds from Unrestricted Equity Capital**

Distribution of funds from unrestricted equity capital by a publicly listed company as defined in the Finnish Income Tax Act ("**Listed Company**") is taxed as distribution of dividends. Therefore, the following applies also to the distribution of funds from unrestricted equity capital of the Company.

#### ***Resident Natural Persons***

If shares owned by a natural person are not included in the business activity (i.e., business income source) of such person, 85 percent of dividends paid by a Listed Company to such shareholder is considered capital income of the recipient, which is taxable at the rate of 30 percent (34 percent on the amount that exceeds EUR 30,000 in a calendar year), while the remaining 15 percent is tax exempt. 85 percent of dividends paid by a Listed Company to a natural person whose underlying shares belong to the business activity of such shareholder is taxable partly as earned income, which is taxed at a progressive rate, and partly as capital income, which is taxed at a rate of 30 percent (34 percent on the amount that exceeds EUR 30,000 in a calendar year), and the remaining 15 percent is tax exempt.

Distribution of dividends by a Listed Company to resident natural persons is subject to advance tax withholding. At the date of this Prospectus, the amount of the advance tax withholding is 25.5 percent of the amount of dividend paid. The advance tax withheld by the distributing company is credited against the final tax payable by the shareholder for the dividend received. Resident Natural Persons have to review their pre-filled income tax return form to confirm that the amount of dividend income reported is correct. In case the amount of dividend income or withheld tax reported in the pre-filled income tax return form is incorrect, the resident natural persons must correct these amounts to their tax returns and provide the corrected tax returns to the Finnish tax authorities.

#### ***Finnish Limited Liability Companies***

Taxation of dividends distributed by a Listed Company depends, among other things, on whether the Finnish company receiving the dividend is a Listed Company or not.

Dividends received by a Listed Company from another Listed Company are generally tax exempt. However, in cases where the underlying shares are included in the investment assets of the shareholder, 75 percent of the dividend is taxable income while the remaining 25 percent is tax exempt. Only banking, insurance and pension institutions may have investment assets.

Dividends received by a non-listed Finnish company (i.e., a privately held company) from a Listed Company are taxable income subject to 20 percent corporate income tax rate. However, in cases where the privately held company directly owns 10 percent or more of the share capital of the Listed Company distributing the dividend, the dividend received on such shares is tax exempt, provided that the underlying shares are not included in the investment assets of the shareholder.

#### ***Non-Residents***

As a general rule, non-residents of Finland are subject to Finnish withholding tax on dividends paid by a Finnish company. The withholding tax is withheld by the company distributing the dividend at the time of dividend payment and no other taxes on the dividend are payable in Finland. The withholding tax rate is 20 percent for non-resident corporate entities as income receivers and 30 percent for all other non-residents as income receivers, unless otherwise set forth in an applicable tax treaty.

Finland has entered into double taxation treaties with several countries pursuant to which the withholding tax rate is reduced on dividends paid to persons entitled to the benefits under such treaties. For example, in the case of the treaties with the following countries, Finnish withholding tax rate regarding dividends of portfolio shares is generally reduced to the following percentages: Austria: 10 percent; Belgium: 15 percent; Canada: 15 percent; Denmark: 15 percent; France: 0 percent; Germany: 15 percent; Ireland: 0 percent; Italy: 15 percent; Japan: 15 percent; the Netherlands: 15 percent; Norway: 15 percent; Spain: 15 percent; Sweden: 15 percent; Switzerland: 10 percent; the United Kingdom: 0 percent; and the United States: 15 percent (0 percent for



certain pension funds). This list is not exhaustive. A further reduction in the withholding tax rate is usually available to corporate shareholders for distributions on qualifying holdings (usually direct ownership of at least 10 or 25 percent of the share capital or votes of the distributing company). The reduced withholding rate benefit in an applicable tax treaty will be available if the person beneficially entitled to the dividend has provided a valid tax card or necessary details of its nationality and identity to the company paying the dividend.

The treatment of dividends paid to non-residents of Finland by a Finnish company has changed on January 1, 2021, when the Register of Authorised Intermediaries based on OECD's TRACE system was implemented in Finland. The new Register of Authorised Intermediaries has replaced the previously used Foreign Custodian Register. The previously used 'simplified procedure' applied to nominee-registered shares is no longer used in dividend taxation at source. Instead of the lowered withholding tax of the tax treaty, dividends paid to nominee-registered shares after January 1, 2021 will be subject to a 35 percent withholding tax if the identifying information of the recipient of dividends are not delivered to the company which pays dividends or the custodian of the shares, and therefore the end recipient cannot be identified. Dividends paid to nominee-registered shares are subject to a 30 percent withholding tax if the end recipient of the dividend can be identified, but there is no assurance as to the applicable withholding tax rate applicable to the end recipient of the dividend. If a withholding tax rate higher than the one set out in the tax treaty has been applied, refunding of the tax can be sought from the tax authority by presenting the required information on the recipient's nationality and identity.

### ***Certain Qualifying Non-Resident Corporate Entities Residing in EU Member States***

Under Finnish tax laws, no withholding tax is levied on dividends paid to foreign corporate entities that reside, and are subject to corporate tax, in an EU member state as specified in Article 2 of the Parent Subsidiary Directive (2011/96/EU, as amended), and that directly hold at least 10 percent of the capital in the distributing Finnish company.

### ***Certain Non-Resident Corporate Entities Residing Within the EEA***

Dividends paid to certain non-resident corporate entities residing within the EEA are either fully tax exempt or taxed at a reduced withholding tax rate, depending on how the dividend would be taxed if paid to a corresponding Finnish corporate entity.

In Finland, no withholding tax is levied on dividends paid by a Finnish company to a non-resident company provided that (i) the company receiving the dividend is resident in a country within the EEA; (ii) Council Directive 2011/16/EU on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC (as amended, the "**Mutual Assistance Directive**"), or an agreement regarding executive assistance and exchange of information in tax matters within the EEA, is applicable to the home country of the recipient of the dividend; (iii) the company receiving the dividend corresponds to a Finnish corporate entity as defined in Section 33d (4) of the Finnish Income Tax Act or in Section 6a of the Finnish Business Income Tax Act; (iv) the dividend would be fully tax exempt if paid to such corresponding Finnish company or entity (see "*– Finnish Limited Liability Companies*" above); and (v) the company receiving the dividend provides evidence (in the form of a certificate issued by the home country's tax authorities) that the paid withholding tax could not de facto be fully credited in the home country pursuant to the applicable double taxation treaty.

In cases where the dividend received by a foreign company fulfilling requirement set forth in point (iii) above and residing within a country fulfilling the requirements set forth in points (i) and (ii) above would be only partially tax exempt if paid to a corresponding Finnish entity (see "*– Finnish Limited Liability Companies*" above), the Finnish withholding tax is levied (see "*– Non-Residents*" above), but the withholding tax rate in respect of such dividends is reduced to 15 percent (instead of 20 percent). Therefore, exclusive of entities defined in the Parent Subsidiary Directive that qualify for a tax exemption through the direct ownership of at least 10 percent of the capital in the distributing Finnish company (see "*– Certain Qualifying Non-Resident Corporate Entities Residing in EU Member States*" above), the 15 percent withholding tax rate is applicable to dividends paid to non-resident companies fulfilling the requirement set forth in point (iii) above and residing within a country fulfilling the requirements set forth in points (i) and (ii) above if the underlying shares in the Finnish company distributing the dividend belong to the investment assets of the recipient company, or if the recipient is not a Listed Company. Depending on the applicable double taxation treaty, the applicable withholding tax rate can also be less than 15 percent (see "*– Non-Residents*" above).

## ***Certain Non-Resident Natural Persons Residing Within the EEA***

Instead of being subject to withholding tax as described under “– *Non-residents*” above, dividends paid to non-resident natural persons can be, upon request by such non-resident natural person, taxed pursuant to the Finnish Tax Assessment Act (i.e., taxed similarly to dividends paid to residents of Finland (see “– *Resident Natural Persons*” above) provided, however, that (i) the person receiving the dividend is resident in a country within the EEA; (ii) the Mutual Assistance Directive, or an agreement regarding executive assistance and exchange of information in tax matters within the EEA, is applicable to the home country of the recipient of the dividend; and (iii) the recipient of the dividend provides evidence (in the form of a certificate issued by the home country’s tax authorities) that any paid withholding tax could not de facto be fully credited in the home country pursuant to an applicable double taxation treaty.

## **Taxation of Capital Gains**

### ***Resident Natural Persons***

A capital gain or loss arising from the sale of shares that do not belong to the business activity of the shareholder is taxable in Finland as a capital gain or deductible as a capital loss for resident natural persons. At the date of this Prospectus, capital gains are taxed at a rate of 30 percent (34 percent on the amount that exceeds EUR 30,000 in a calendar year). If the shares belong to the business activity (business income source) of the seller, any gain arising from the sale is deemed to be business income of the seller, which will be divided according to the Finnish Income Tax Act to be taxed as earned income at a progressive tax rate and capital income at a rate of 30 percent (34 percent on the amount that exceeds EUR 30,000 in a calendar year).

Capital loss arising from the sale of shares that do not belong to the business activity of the shareholder in the year 2016 and thereafter is primarily deductible from the resident natural person’s capital gains and secondarily from other capital income of the same year and during the following five tax years. Capital losses are not taken into account when calculating the capital income deficit for the tax year, and they do not increase the amount of the deficit credit that is deductible from the taxes under the deficit crediting system. The deductibility of losses related to securities included in the seller’s business activity is determined as described under “– *Finnish Limited Liability Companies*” below.

Notwithstanding the above, capital gains arising from the sale of assets that do not belong to the business activity of the shareholder are exempt from tax provided that the proceeds of all assets sold by the resident natural person during the tax year do not, in aggregate, exceed EUR 1,000 (exclusive of proceeds from the sale of any assets that are tax exempt pursuant to Finnish tax laws). Correspondingly, capital losses are not tax deductible if the acquisition cost of all assets sold during the tax year does not, in aggregate, exceed EUR 1,000 (exclusive of proceeds from the sale of any assets that are tax exempt pursuant to Finnish tax laws) and also the proceeds of all assets sold by the resident natural person during the tax year do not, in aggregate, exceed EUR 1,000.

Any capital gain or loss is calculated by deducting the original acquisition cost and sales related expenses from the sales price. Alternatively, a natural person holding shares that are not included in the business activity of the shareholder may, instead of deducting the actual acquisition costs, choose to apply what is called a presumptive acquisition cost, which is equal to 20 percent of the sales price, or in the case of shares which have been held for at least ten years, 40 percent of the sales price. If the presumptive acquisition cost is used instead of the actual acquisition cost, any selling expenses are deemed to be included therein and cannot be deducted separately from the sales price.

Resident natural persons have to report information relating to the sale of the Shares on their income tax return of the tax year concerned.

### ***Finnish Limited Liability Companies***

The following applies only to Finnish limited liability companies that are taxed on the basis of the Finnish Business Income Tax Act. As a general rule, a capital gain arising from the sale of shares constitute taxable income of a limited liability company. From the beginning of the year 2020, most Finnish companies are taxed under the Finnish Business Income Tax Act.

Shares may be fixed assets, current assets, investment assets or financial assets of a limited liability company. The taxation of a disposal of shares and loss of value varies according to the asset type for which the shares qualify. Shares may also form part of what is called the Company’s “other assets”.

The sales price of any sale of shares is generally included in the business income of a Finnish company. Correspondingly, the acquisition cost of shares is deductible from business income upon disposal of the shares. However, an exemption for capital gains on share disposals is available for Finnish companies, provided that certain strictly defined requirements are met. Under this "participation exemption", capital gains arising from the sale of shares that are part of the fixed assets of a selling company that is not engaged in private equity activities are not considered as taxable business income and, correspondingly, capital losses incurred on the sale of such shares are not tax deductible provided, among other things, that (i) the selling company has directly and continuously for at least one year owned at least 10 percent of the share capital in the company whose shares are sold and such ownership of the sold shares has ended at the most one year before the sale and the shares sold belong to those shares; (ii) the company whose shares have been sold is not a real estate or residential housing company or a limited liability company whose activities, on a factual basis, mainly consist of ownership or possession of real estate; and (iii) the company whose shares are sold is resident in Finland or is a company located in another EU member state, as further specified in Article 2 of the Parent Subsidiary Directive (2011/96/EU, as amended), or is resident in a country with which Finland has entered into a double taxation treaty that is applicable to dividends.

Tax deductible capital losses pertaining to the sale of shares (other shares than shares sold under the participation exemption) that are part of the fixed assets of the selling company can only be deducted from capital gains arising from the sale of fixed assets shares in the same fiscal year and the subsequent five years. Capital losses pertaining to the sale of shares that are not part of fixed assets are tax deductible from taxable income in the same fiscal year and the subsequent ten years in accordance with the general rules concerning losses carried forward. However, capital losses from shares forming part of other assets can be deducted only from taxable capital gains from other assets during the tax year and the five following years.

### **Non-Residents**

Non-residents who are not generally liable for tax in Finland are usually not subject to Finnish taxes on capital gains realized on the sale of shares in a Listed Company, unless the non-resident taxpayer is deemed to have a permanent establishment in Finland for income tax purposes as referred to in the Income Tax Act and an applicable tax treaty and the shares are considered to be assets of that permanent establishment. Non-residents may also be subject to Finnish taxes on capital gains realized on the sale of shares in a Listed Company if more than 50 percent of the assets of the Listed Company consist of Finnish real estate, unless an applicable tax treaty limits the taxing right of Finland on capital gains.

In fall 2022, the Finnish Government gave a bill regarding capital gains taxation of shares in properties and real estate companies in the case of indirect ownership. The new provisions are due to come into force during early 2023, and they enable Finland to impose capital gains taxes on non-resident companies even when over half of the transferred company's assets are indirectly owned property assets located in Finland. According to the bill, however, trading in the shares of publicly traded companies would be exempt from the new tax.

### **Finnish Transfer Tax**

No transfer tax is payable in Finland in connection with the issuance and subscription of new shares.

No transfer tax is payable in Finland on transfers of shares admitted to trading on a public and regularly functioning marketplace and quoted on Nasdaq Helsinki, provided that the transfer is made against a fixed pecuniary consideration. The transfer tax exemption requires that an investment firm, a foreign investment firm or other party offering investment services, as defined in the Finnish Investment Services Act (747/2012), is brokering or acting as a party to the transaction, or that the transferee has been approved as a trading party in the market in which the transfer is executed. Further, if the broker or the counterparty to the transaction is not a Finnish investment firm, a Finnish credit institution, or a Finnish branch or office of a foreign investment firm or credit institution, the transfer tax exemption requires that the transferee submits a notification of the transfer to the Finnish tax authorities within two months of the transfer, or that the broker submits an annual declaration regarding the transfer to the Finnish tax authorities as set forth in the Finnish Tax Assessment Act.

Certain separately defined transfers, such as those relating to equity investments or distribution of funds or transfers in which consideration comprises in full or in part of work contribution, are not covered by the transfer tax exemption. Additionally, in case law it has been considered that if an incentive scheme remuneration of key persons is paid in cash and the receiver of the remuneration is obliged to purchase shares of the Listed Company with a part of the remuneration, consideration of the share purchase comprises in full or in part of work contribution and is thus subject to transfer tax.

Neither does the exemption apply to transfers carried out on the basis of an offer made after trading with the securities has ended or before the commencement of trading unless it concerns a share sale of old shares based on a combined purchase and subscription offer directly relating to a share issue carried out in connection with the listing of the shares and provided that subjects to be transferred are specified only after commencement of the trading and that the purchase price corresponds to the price to be paid for the new shares. In addition, the exemption does not apply to transfers carried out in order to fulfil the obligation to redeem minority shares under the Finnish Companies Act (see “*Finnish Securities Markets – General on the Finnish Securities Markets*”).

If the transfer or sale of the shares does not fulfil the above criteria for a tax exempt transfer, transfer tax at the rate of 1.6 percent of the sales price is payable by the purchaser. However, if the purchaser is neither a resident in Finland nor a Finnish branch or office of a foreign credit institution, investment firm, fund management company or EEA alternative investment fund manager, the seller must collect the tax from the purchaser and pay the tax to the Finnish tax authorities. If the broker is a Finnish investment firm or credit institution, or a Finnish branch or office of a foreign investment firm or credit institution, it is liable to collect the transfer tax from the purchaser and pay the tax to the Finnish tax authorities. If neither the purchaser nor the seller is tax resident in Finland or a Finnish branch or office of a foreign credit institution, foreign investment firm, foreign fund management company or EEA alternative investment fund manager, the transfer of shares will be exempt from Finnish transfer tax unless shares in a real estate company are transferred. No transfer tax is collected if the amount of the tax is less than EUR 10.

### **The New Act on Mining Minerals Tax**

On November 17, 2022, the Finnish Government issued a bill for the new act on mining minerals tax. The draft bill proposes that the act would first be applied in 2024. The total tax revenues from the mining tax are estimated to amount to around EUR 25 million annually. Around EUR 22 million of the total tax revenues would be collected from metallic mines and EUR 3 million from other mines. The mining tax would first be payable for the year 2025.

According to the draft bill, the tax rate would be 0.6% of the taxable value of the metal content present in the applicable mining mineral. The metal content of the applicable mining mineral would refer to the metal content present in the ore when the obligation to pay the tax arises. The term ‘metal content’ would refer to data that discloses the amount of precious metal present in the ore. The amount of payable tax would, therefore, be calculated as a percentage based on the metal content present in the metallic mineral and its taxable value. The taxable values of metallic minerals are determined based on their market prices during the previous year as detailed in the draft bill. Gold is one of the metallic minerals falling within the scope of application of the act.

The tax on non-metallic minerals (industrial minerals) would be levied based on quantities, and it would be EUR 0.2 per tonne.

## PLAN OF DISTRIBUTION IN THE OFFERING

### Fees and Expenses

The Company will pay the Lead Manager a commission which is determined for the Company based on the gross proceeds from the New Shares. Furthermore, the Company has agreed to reimburse the Lead Manager for certain expenses.

The Company will pay an estimated total of EUR 0.7 million in fees and expenses related to the Offering. Transfer tax is not levied in connection with the issue or subscription of New Shares in Finland. Account operators charge fees in accordance with their fee schedules for the maintenance of book-entry accounts and for the custody of Shares.

### Interests Relevant to the Offering

The Lead Manager and/or its related parties have offered, and may offer in the future, advisory and/or consulting services to the Company or its shareholders in the ordinary course of their business. In relation to the Offering, investors who are related parties to the Lead Manager may on their own account subscribe for part of the New Shares, and in this position, hold, buy or sell New Shares on their own account, and may offer or sell such securities outside the Offering in accordance with the applicable laws. The Lead Manager does not intend to disclose the scope of such investments or transactions unless obligated by regulation.

### Dilution

As at the date of this Prospectus, the Company has issued a total of 8,000 Shares, and the Company will additionally in connection with the Merger issue the current shareholder of Endomines AB a total of 6,679,959 shares. As a result of the Offering, the number of Shares could increase to a maximum of 9,287,959 Shares without the Upsize Option and to 10,287,959 Shares if the Upsize Option is exercised in full. The 8,000 shares in Endomines Finland Plc owned by Endomines AB are transferred to Endomines Finland Plc in connection with the Merger. The New Shares issued in the Offering (without the Upsize Option) correspond to around 38.9 percent of the Shares and around 38.9 percent of the related votes before the Offering and around 28.0 percent of the Shares and 28.0 percent of the related votes after the Offering, provided that all New Shares preliminarily offered in the Offering are subscribed for in full without the Upsize Option and 38.8 percent of the Shares and 38.8 percent of the related votes provided that the Upsize Option is exercised in full.

### Subscription Commitments

The Company has received undertakings from Joensuun Kauppa ja Kone Oy, Mariatorp Oy, Wipunen varainhallinta Oy, Sijoitusrahasto Zenito Silver and Gold and certain other investors to subscribe for New Shares for EUR 12.2 million, EUR 3.4 million of which will be paid in cash. The subscription commitments are binding and irrevocable, subject to certain conditions that have been met by the date of this Prospectus. No fee will be paid to those making a subscription commitment. Joensuun Kauppa ja Kone Oy, Wipunen Varainhallinta Oy, Mariatorp Oy, K22 Finance Oy, Taloustieto Incrementum Oy, Eyemarker's Finland Oy and Vikakono Oy have each undertaken to subscribe for over 5 percent of the New Shares.

### Information to distributors

Solely for the purposes of the product governance requirements contained within (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Shares have been subject to an approval process, which has determined that each of them is: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as separately defined in MiFID II (the "**Target Market Assessment**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II. Distributors should note that the value of the New Shares may decrease and investors may not regain all or part of the invested amount; New Shares do not guarantee revenue or capital protection; and investments in the New Shares are solely suited for investors who are not in need of a guaranteed revenue or capital protection, who (either alone or together with a suitable financial or other advisor) are capable of evaluating the benefits and risks associated with such an investment and have sufficient means to carry any

losses that may arise thereof. The Target Market Assessment does not affect the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

The Target Market Assessment should not be considered as (a) an eligibility or suitability evaluation in accordance with MiFID II; or (b) a recommendation to any investor or group of investors to invest in, obtain, or take any other action concerning the New Shares. Each distributor is responsible for its own Target Market Assessment concerning the New Shares and for determining the appropriate distribution channels.

## **DOCUMENTS ON DISPLAY**

Copies of the following documents may be inspected during the period of validity of this Prospectus on the website of the Company at <https://endomines.com/>:

- The Articles of Association of the Company
- The Audited Consolidated Financial Statements and the related Auditor's report
- The Finnish Prospectus

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated in this Prospectus by reference. Such parts of the documents that have not been incorporated into this Prospectus by reference are either not relevant for the investors or covered elsewhere in the Prospectus.

Document	Information incorporated by reference
<a href="#"><u>Half-year interim report 1–6/2022</u></a>	Endomines AB (publ)'s unaudited half-year interim report for the six months ended June 30, 2022 (in English)
<a href="#"><u>Half-year interim report 1–6/2022, page 19</u></a>	Auditor's report for Endomines AB (publ)'s unaudited half-year interim report for the six months ended June 30, 2022 (in English)
<a href="#"><u>Financial statement 2021</u></a> , pages 12–19	Endomines AB (publ)'s management report for the year 2021 (in English)
<a href="#"><u>Financial statement 2021</u></a> , pages 27–30	Endomines AB (publ)'s audited consolidated financial statements for the financial period ended December 31, 2021 (in English)
<a href="#"><u>Financial statement 2021</u></a> , pages 56–60	Endomines AB (publ)'s auditor's report for the year 2021 (in English)
<a href="#"><u>Financial statement 2020</u></a> , pages 25–28	Endomines AB (publ)'s audited consolidated financial statements for the financial period ended December 31, 2020 (in Swedish)
<a href="#"><u>Financial statement 2020</u></a> , pages 53–57	Endomines AB (publ)'s auditor's report for the year 2020 (in Swedish)
<a href="#"><u>Financial statement 2019</u></a> , pages 26–29	Endomines AB (publ)'s audited consolidated financial statements for the financial period ended December 31, 2019 (in English)
<a href="#"><u>Financial statement 2019</u></a> , pages 55–59	Endomines AB (publ)'s auditor's report for the year 2019 (in English)
<a href="#"><u>Half-year interim report 1–6/2022</u></a>	Endomines Finland Plc's unaudited half-year interim report for the six months ended June 30, 2022 (in Swedish)
<a href="#"><u>Financial statement 2021</u></a>	Endomines Finland Plc's audited financial statements for the financial period ended December 31, 2021 (in Swedish)
<a href="#"><u>Auditors' report 2021, pages 8-9</u></a>	Endomines Finland Plc's Auditor's report for the financial period ended December 31, 2021 (in Swedish)



## **APPENDIX A – ARTICLES OF ASSOCIATION OF ENDOMINES FINLAND PLC (UNOFFICIAL ENGLISH TRANSLATION)**

### **1 COMPANY NAME**

The name of the company is Endomines Finland Oyj. The parallel name of the company is Endomines Finland Abp in Swedish and Endomines Finland Plc in English.

### **2 DOMICILE**

The domicile of the company is Espoo, Finland.

### **3 LINE OF BUSINESS**

The company's line of business is to carry out exploration, mining activities and consultancy within the mining industry as well as to trade in permits and metals, and to engage in related business activities.

### **4 BOOK-ENTRY SECURITIES SYSTEM**

The shares of the company are entered in the book-entry securities system after the registration period decided by the board of directors has ended.

### **5 BOARD OF DIRECTORS**

The company's board of directors comprises a minimum of three (3) and a maximum of eight (8) ordinary members, and a maximum of four (4) deputy members. The board members' term of office will continue until the end of the annual general meeting following the election.

### **6 MANAGING DIRECTOR**

The company may have a managing director appointed by the board of directors.

### **7 FINANCIAL PERIOD**

The company's financial period is a calendar year.

### **8 AUDITOR**

The company must have an auditor that is an audit firm approved by the Finnish Patent and Registration Office. The term of the auditor expires at the end of the first annual general meeting following the election.

### **9 REPRESENTATION**

The members of the board of directors, two (2) together, represent the company. In addition, the chair of the board and the managing director, each alone, are entitled to represent the company. The board of directors can also grant a procuration or a right to represent the company to a specifically appointed person either alone or together with another person who is authorised to represent the company. The board of directors can revoke any authorisation to represent the company it has granted to a specific person at any given time.

### **10 NOTICE OF GENERAL MEETING**

Notices of general meetings are published on the company's website and, if the board of directors so decides, in one or more national newspapers designated by the board of directors no earlier than two months and no later than three weeks prior to the general meeting. However, the notice of general meeting must be delivered no later than nine (9) days before the general meeting record date referred to in the Finnish Companies Act.

### **11 REGISTRATION TO THE GENERAL MEETING**

In order to exercise his or her rights to speak and vote at the general meeting, the shareholder must notify the company of his or her attendance in the manner stated in the notice by the date specified in the notice, which may not be earlier than ten (10) days prior to the general meeting.

## 12 ANNUAL GENERAL MEETING

The annual general meeting must be held annually within six (6) months of the end of the financial period on a date to be determined by the board of directors.

At the meeting, the following must be presented:

1. financial statements;
2. the auditor's report;

the following resolved on:

3. the adoption of the financial statements, which in the parent company also includes the adoption of the consolidated financial statements;
4. the measures to which the profit or loss shown in the adopted balance sheet gives cause for;
5. discharge from liability for the board members and managing director;
6. the number of board members;
7. the remunerations of the board members and the auditors;

the following elected:

8. the members of the board of directors;
9. the auditor;

and the following discussed:

10. any other issues stated in the notice of the general meeting.

**THE COMPANY**

Endomines Finland Plc  
Pampalontie 11  
FI-82967 Hattu

**LEAD MANAGER**

Aktia Alexander Corporate Finance Oy  
Eteläesplanadi 37 A  
FI-00100 Helsinki

**LEGAL ADVISORS TO THE COMPANY**

*With regard to Finnish law:*

Borenus Attorneys Ltd  
Eteläesplanadi 2  
FI-00130 Helsinki

*With regard to Swedish law:*

Advokatfirman Schjødt  
Hamngatan 27  
101 33 Stockholm, Sweden

**AUDITOR OF THE COMPANY**

PricewaterhouseCoopers Oy  
Itämerentori 2  
FI-00180 Helsinki