

Endomines AB (Publ)

(Company registration no. 556694-2974)

Interim report 1 January- 31 March 2018

This interim report is a translation from the Swedish original which was published on 17 May 2018. In the event of difference between the English translation and the Swedish original, the Swedish interim report shall prevail.

Financing and TVL Gold acquisition successfully completed – project development in Idaho advancing

Q1 2018 (vs Q1 2017)

Operational highlights

- Gold production was 92.1 kg (97.9)
- Milled ore was 37,568 tons (40,804) at head grade of 3.0 g/t (2.9)
- Cash Cost was 1,276 USD/oz (1,205)

Financial highlights

- Net sales were 27.4 MSEK (28.5)
- EBITDA was -8.5 MSEK (-1.3)
- Total cash flow was 87.1 MSEK (-11.6)
- Earnings per share was 0.06 SEK (-0.80)

Strategic highlights

- Endomines' rights issue was successfully completed with 189 MSEK gross proceeds
- Endomines executed transactions relating to the rearrangement and repayment of its bank debt; 2 MEUR (20 MSEK) of the outstanding debt of 7.6 MEUR was written off, 2 MEUR repayment was made to the lender and the remaining debt of 3.6 MEUR was taken over by Joensuun Kauppa ja Kone and later converted to Endomines shares
- Acquisition of TVL Gold with five gold projects in Idaho, USA, was completed on 27 February 2018; operating entity with the assets renamed as Endomines Idaho LLC

Significant subsequent events

- Endomines announced an extensive and systematically planned exploration project in the Karelian Gold Line in Eastern Finland. The intention is to conduct the project over several years. The activities planned for 2018 will largely be carried out during the next 6 months with an exploration budget of approximately 2 MEUR.
- Endomines commenced co-operation negotiations with its whole personnel at the Pampalo mine in Iломantsi, Finland, on reduction of workforce. The negotiations concern approximately 40 employees and according to initial estimates may at most lead to the lay-off for more than 90 days and/or termination of 32 employees on productional or economic grounds.

Production guidance for 2018:

Endomines anticipates producing 250-300 kg gold in Pampalo in January-September 2018. Production in October-December requires investment in a decline into the deep extension of Pampalo. Decision on the possible investment is expected to be made during the second quarter 2018.

Key figures (Consolidated)	JAN-MAR		
	2018	2017	+/-
<i>MSEK if not otherwise stated</i>			
Revenue	29.4	33.5	-4.1
Cost	-37.9	-34.8	-3.1
EBITDA	-8.5	-1.3	-7.2
Depreciation and write-downs	-11.3	-9.6	-1.7
EBIT	-19.9	-10.9	-9.0
Net result for the period	1.9	-12.2	14.1
Earnings per share (SEK)	0.06	-0.80	0.86
Cash flows from operating activities	-12.9	-3.0	-9.9
Investments	-60.6	-7.8	-52.8
Financing	160.6	-0.7	161.3
Total cash flow	87.1	-11.5	98.6
Liquid assets at the end of the period	103.6	17.9	85.7
Personnel at the end of the period	43	43	-

CEO Saila Miettinen-Lähde:

"The first quarter of 2018 saw us conclude many strategically important transactions that laid the foundation for our future development and growth: we successfully completed a 189 MSEK rights issue, eliminated all bank debt, and Joensuun Kauppa ja Kone Oy became a significant investor in the Company. Furthermore, we completed the acquisition of TVL Gold that holds five gold assets in Idaho, USA, thereby expanding our international presence.

Operations at our Pampalo mine proceeded according to plan during the first quarter with gold production amounting to 92.1 kg. As we had expected, production output was impacted by challenging rock conditions during the first weeks of the quarter. From mid-February onwards, the underground conditions have again improved and production as well as the gold head grade have recovered and even exceeded our budgeted levels. Overall, we are well on our way to meeting our guided production range of 250-300 kg of gold for January-September 2018.

Our financial performance also reflected the challenging mining conditions, with net sales amounting to 27.4 MSEK and EBITDA to -8.5 MSEK. Following our recent financing, our financial position remains solid and allows us to proceed with our planned projects both in the USA and Finland.

In April, we regrettably had to commence co-operation negotiations with our whole personnel at the Pampalo mine on reduction of workforce. Continuation of production in Pampalo after September requires a sizeable investment in the deep extension of the mine, but the current gold price appears not to support the investment decision. We therefore consider postponing the investment and temporarily suspending gold production in Pampalo. Decisions on the matter will be taken subject to the ongoing co-operation negotiations during the second quarter.

Going forward, we look forward to progressing our project development in Idaho with the aim of commissioning the first of the five mines there within one year from the acquisition. During the current year, we are also planning to invest approximately 2 MEUR in exploration along the Karelian Gold Line in Eastern Finland with the target of enabling profitable gold production in the region in the longer term.”

Production

Total gold production in Pampalo in Q1 2018 amounted to 92.1 kg (97.9).

Endomines’ ore production, milled ore tons and gold production in the first quarter of 2018 were somewhat lower than the year before largely due to challenging rock conditions in the first weeks of the year and an equipment breakage in the gravity circuit of the concentrator. The rock conditions were largely known at the time of production planning, hence the gold production in Q1 2018 was in line with the Company’s expectations. The gold head grade was 3.0 g/t in Q1 and 0.1 g/t higher than in the corresponding period in 2017. The improvement in the head grade primarily derives from a higher in-situ grade of ore and from successful production practices implemented in 2017.

Production figures	JAN-MAR		
	2018	2017	+/-
Milled ore (tonnes)	37,568	40,804	-3,236
Head grade (Au gram/tonne)	3.0	2.9	0.1
Gold recovery (%)	82.7	83.6	-0.9
Hourly utilization (%)	35.3	41.0	-5.7
Gold production (kg)	92.1	97.9	-5.8
Gold production (oz)	2,961	3,148	-187
LTIFR	8.4	8.0	-0.4
Average gold price (USD/oz)	1,331	1,219	112
Cash Cost (USD/oz)	1,276	1,205	71

Production figures for the last quarter are based on Company’s own assaying and not confirmed by any external laboratory. Figures are individually rounded off.

LTIFR = The Lost Time Injury Frequency Rate is based on reported lost time injuries on a rolling 12-month basis resulting in one day or more off work per 1,000,000 hours worked. LTIFR has been calculated for the whole company including contractors.

Exploration and underground development in Pampalo

The underground drilling program focusing on the 2018 production area was completed in October 2017; hence, no exploration drilling in the deep extension of the Pampalo mine was conducted in the first quarter of 2018.

The results of the 2017 drilling campaign indicate that there are sufficient ore tonnages for approximately 1-1.5 years’ production within the next 100 vertical meters below the current production area. The gold grade of that resource is slightly higher compared to the gold grades in the upper level. Production in the deep extension requires investment in a decline, which at the current gold price does not appear profitable. Decisions relating to the investment will be taken subject to employee co-operation negotiations during the second quarter of 2018.

Regional exploration activities along the Karelian Gold Line

Endomines has since the summer of 2017 worked with the Australian geological consultancy Model Earth with the aim of constructing a three-dimensional structural model of the area and defining detailed exploration targets. The first phase of the model, which is based on a substantial amount of already existing drill core, geophysical and till sampling data, was completed in March.

Based on the model, Endomines has decided, as announced shortly after the end of the first quarter, to commence an extensive and systematically planned exploration project on the Karelian Gold Line in Eastern Finland. Endomines intends to conduct the project over a period of several years. The activities planned for 2018 will largely be carried out between May and October with an exploration budget of approximately 2 MEUR.

The exploration plan for the current year comprises 5,000 meters of surface diamond drilling, 3,500 base of till (BOT) samples, and geophysics covering an induced polarization (IP) survey, gravimetric ground survey and a drone magnetic survey. In addition, further information will be obtained from the hyperspectral scanning project, which is being conducted with GTK and analyzes previously taken drill cores from the Karelian Gold Line.

Acquisition of TVL Gold

Endomines completed the acquisition of TVL Gold, the US mining company that holds rights to five gold projects in Idaho, USA, in February 2018. The total purchase price of TVL Gold was 31.25 MUSD, of which 7.25 MUSD was paid in cash at closing. The remainder of the purchase price will be paid by a 3.33 MUSD, 18-month loan note and a 20.67 MUSD (170,826,528 SEK) convertible note. For further information on the terms of the acquisition and related loan instruments, see Note 12 in the financial section.

The Company has changed the name of the acquired US entity that holds the assets to Endomines Idaho LLC. Endomines Idaho will be the US operating entity within the Endomines Group structure.

Project development at the Idaho, USA projects

Endomines started active development of the Idaho, USA gold assets immediately after the completion of the acquisition in February 2018. Based on the technical and permitting work conducted since, the previously announced target of commencing production at the Friday mine, as the first of five deposits, within one year from the acquisition remains intact.

Endomines has recruited a core team of four technical managers to coordinate the mine projects. The team's expertise covers geology, mining, ore processing and construction, whilst permitting is supported by an external consultant familiar with the projects as well as the local regulatory environment.

The key achievements relating to the Friday mine include metallurgical testing, in which gold recoveries of over 90 per cent have been consistently achieved. The ore has also proven very amenable to flotation concentration, and process design for equipment selection is already well advanced. Capital expenditure is anticipated to remain at the previously announced level.

The planned underground operations of the Friday mine are already permitted. Permitting of the plant site is ongoing, and it is estimated that construction at the site could commence during the second quarter of 2018. Operating permits for the plant are anticipated to be obtained this year.

The other four projects of the Idaho assets, Rescue, Kimberly, Buffalo Gulch and Deadwood are, subject to further study, anticipated to be taken into production within the next 2-5 years. It is estimated that the permitting process of the underground operations at Rescue and Kimberly will take approximately one year, while obtaining permits for the planned open pit mining and heap leach

operations at Buffalo Gulch and Deadwood are likely to take 3-5 years. No active development at these sites has yet taken place with the exception of evaluations relating to permitting.

Health, environment and safety

Endomines' strategy relating to health, environment and safety is a non-acceptance of accidents and adverse environmental incidents, a Zero Harm policy. In 2017, the adoption of LEAN methodology significantly improved the overall housekeeping at the mine site. The rolling twelve-month LTI rate (lost-time injuries per one million working hours) at the end of Q1 2018 was 8.4.

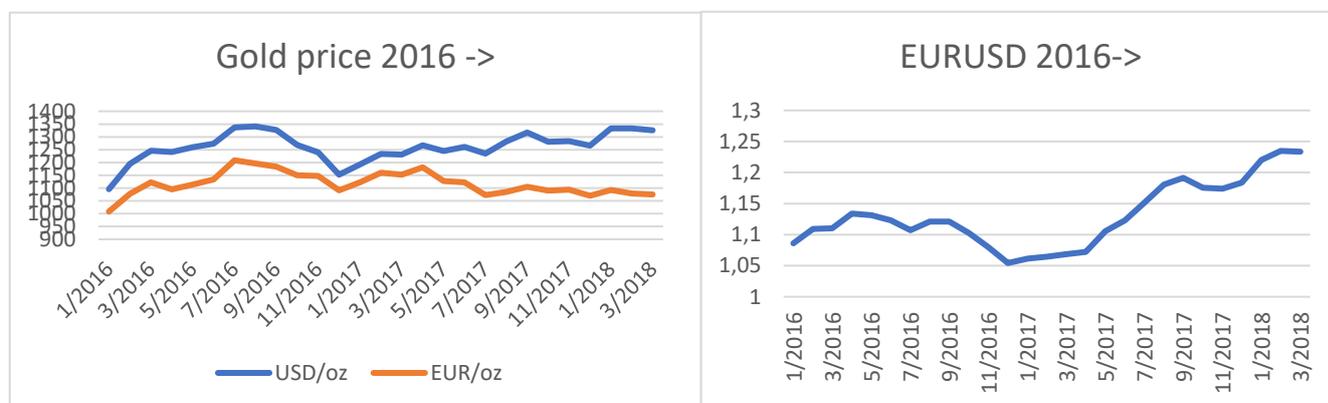
Gold price and EURUSD exchange rate

At the end of Q1 2018 the gold price was 1,326 USD/oz, an increase of 8 per cent compared to 1,231 USD/oz at the end of Q1 2017 (LBMA AM on 28 March 2018). The average gold price for Q1 2018 was 1,331 USD/oz (1,219), representing an increase of 9 per cent over the corresponding period the year before.

The average gold price in euro for Q1 2018 was 1,082 EUR/oz (1,145), representing a decrease of 6 per cent over Q1 2017. The positive development of the gold price in USD was largely offset by the significant appreciation of EUR against USD from 1.06 to 1.22.

With its current gold production solely in Finland, Endomines incurred virtually all its production costs in euro. The EUR/USD exchange rate thus has a significant impact on the Company's revenue and profitability, with a stronger euro against the US Dollar impacting revenue negatively.

Graph: Average gold price and EURUSD exchange rate



Comments on the financial results

Q1 2018

Key figures (Consolidated)	JAN-MAR		
	2018	2017	+/-
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Revenue	29.4	33.5	-4.1
Cost	-37.9	-34.8	-3.1
EBITDA	-8.5	-1.3	-7.2
Depreciation and write-downs	-11.3	-9.6	-1.7
EBIT	-19.9	-10.9	-9.0
Net result for the period	1.9	-12.2	14.1
Earnings per share (SEK)	0.06	-0.80	0.86

Total revenue, including change in inventory, for the first quarter amounted to 29.4 MSEK (33.5). Net sales amounted to 27.4 MSEK (28.5), representing a 1.1 MSEK, or 3.9 per cent decrease compared to Q1 2017. The delivered gold content in concentrate amounted to 92.1 kg (97.9), or 2,961 oz (3,148), which was 5.9 % less than in the corresponding period 2017.

EBITDA decreased to -8.5 MSEK (-1.3), due to the lower volume of deliveries combined with a weaker USD as well as higher administrative costs relating primarily to the recently acquired USA assets.

Depreciations amounted to 11.3 MSEK (9.6).

Operating expenses increased to 37.9 MSEK (34.8). Operating expenses per milled ore ton at the Pampalo mine decreased from previous year's level to 70 EUR/ton (76). Cash Cost increased to 1,276 USD/oz (1,205). The increase in cash cost came mainly from a weaker US dollar compared to Euro, which impacted the cash cost negatively, as well as lower gold production compared to the corresponding period of 2017.

Net financial result amounted to 21.8 MSEK (-1.3). The increase came mainly from the 2 MEUR (19.9 MSEK) write down of the Nordea loan.

Profit after tax was 1.9 MSEK (-12.2), with income taxes amounting to 0.0 MSEK (0.0).

Investments

Investments into intangible and tangible fixed assets amounted to 258.5 MSEK (9.7), of which the acquisition of TVL Gold which was completed in Q1 2018 was 257.8 MSEK.

Cash flow and financing

Cash flow from operations before change in net working capital was -8.4 MSEK (-2.5). Net working capital increased by 4.5 MSEK (0.6). Cash flow after investments was -73.5 MSEK (-10.9). Total cash flow from financing amounted to 160.6 MSEK (-0.7). Main items comprise net proceeds from the rights issue of 181 MSEK and the 19.9 MSEK repayment of loans related to the restructuring of the outstanding bank loans.

Endomines had no outstanding bank loans at the end of the first quarter 2018.

Financial position

Net debt, including the debt portion of the convertible note issued to the sellers of TVL Gold, amounted to 101.5 MSEK (67.7) at the end of Q1 2018. Total equity amounted to 271.7 MSEK (45.4). Gearing decreased to 37 per cent (149) mainly due to the restructuring of the outstanding bank debt and the completed rights emission.

Balance sheet total amounted to 509.5 MSEK (160.6), and equity ratio increased to 53 per cent (28). Capital employed amounted to 476.8 MSEK (128.9).

Employees

Total head count at the end of Q1 2018 was 43, of which 37 at the Pampalo Mine and 4 in Endomines Idaho LLC. In addition, three employees were temporarily laid off. YTD average head count was 42 (42).

The parent company Endomines AB

The parent company has mainly an administrative role, with costs reflecting expenses relating to capital raisings and financing of subsidiaries, listing costs in both Sweden and Finland, IR-activities, Board and Group management expenses, auditing and occasional project costs.

The parent company's operating expenses amounted to 3.2 MSEK (2.5), an increase of 0.8 MSEK or 21 per cent. Other external expenses amounted to 2.4 MSEK (1.5) including costs for the group CEO. From May 2017 all the expenses for the group CEO have been carried by the parent company, which increased the total costs in Q1 2018 compared to the year before. Personnel expenses amounted to 0.8 MSEK (1.0), including Board remuneration.

Cash at the end of Q1 2018 amounted to 98.7 MSEK (1.5), and total cash flow was 96.7 MSEK. Cash paid for the acquisition of TVL Gold were 57.1 MSEK and other cash flow was 153.8 MSEK net. Equity was 392.0 MSEK (174.2), including share capital of 282.2 MSEK (262.2).

For more information, see the profit and loss statement and the statement of financial position of the parent company.

Changes in Group Management

Marcus Ahlström was appointed as Endomines' CFO as of January 2018.

Risks in Endomines operations

All mining and exploration companies are subject to several risks, e.g. technical, commercial, environmental as well as financial. Various circumstances may delay or prevent exploration of a target or production from an existing mine, thereby also substantially impacting the Company's financial performance and liquidity. In addition, foreign operations may expose the Company to various risks relating to e.g. currency exchange risks, and operational or legal requirements specific to the foreign jurisdictions in question. For further information on risks and uncertainties, see the latest Annual Report. Management is continuously monitoring, assessing and managing risks.

Related party transactions

With the exception of Board fees, no transactions affecting the Company's position and result took place between Endomines and related parties.

Endomines share capital and the share

The share capital of Endomines AB amounts to 281,182,280 SEK, consisting of 35,147,785 shares at a quota value of 8 SEK per share. According to Endomines' articles of association, the share capital shall amount to not less than 100 MSEK and not more than 400 MSEK.

The total number of shares traded during the first three months of the year on the stock exchange was 7.8 million, representing 22.2 per cent of the total number of shares. The relative liquidity of the share in Nasdaq Helsinki was 51.3 % and 48.7 % in Nasdaq Stockholm. In the first quarter of 2018, 81 % of the outstanding shares were registered in Nasdaq Helsinki and 19 % in Nasdaq Stockholm.

The share price at the end of 2017 was 11.46 SEK and 9.04 SEK as at 29 March 2018, closing at highest on 8 January 2018 at 15.7 SEK and lowest on 26 March 2018 at 7.86 SEK.

Future liquidity development

Due to the successful rights emission completed in February 2018 with proceeds before transaction costs of 189 MSEK and the elimination of all previously outstanding bank loans amounting to ca. 75 MSEK, the Company has a solid financial position.

Company strategy

Endomines is a mining and exploration company with its primary focus on gold. The Company invests in exploration along the Karelian Gold Line in Eastern Finland with the aim of enabling long-term profitable gold production in the area, utilizing the existing production infrastructure at the Pampalo mine.

Endomines also aims to improve its growth prospects through mergers and acquisitions. The Company intends to broaden its resource base by acquiring assets in stable jurisdictions, preferably with relatively short time to production and limited capital expenditure requirements. As the first step, Endomines acquired in February 2018 TVL Gold, which holds the rights to five gold projects in Idaho, USA.

Interim Report preparation principles

The Consolidated Accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU, and with the Swedish Financial Reporting Board recommendation, RFR1, complementary accounting rules for Groups, which specifies the supplementary information required in addition to IFRS standards, pursuant to the provisions of the Swedish Annual Accounts Act. This Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting, and in accordance with the Swedish Annual Accounts Act, while the Parent Company accounts have been prepared in accordance with the Swedish Annual Accounts Act. The accounting principles and calculation methods have remained unchanged from those applied in the 2017 Annual Report.

Definitions

The company presents certain financial metrics in the Interim Report that are not defined in accordance with IFRS. The Company believes these metrics provide valuable complementary information for investors and the Company's management, in that they enable an evaluation of the Company's performance. Not all companies calculate financial metrics in the same way, so the metrics used by Endomines are not always comparable with those used by other companies, and these metrics should, therefore, not be regarded as a replacement for metrics defined in accordance with IFRS. These financial metrics are calculated in accordance with the definitions presented on page 7 of the 2017 Annual Report as well as on our website (both Swedish and English). Definitions and calculations are not reproduced in this report.

Changes in reporting principles as of January 1, 2018

As of January 1, 2018, the company applies IFRS 9 financial instruments and IFRS 15 revenues from contracts with customers.

IFRS 9, Financial Instruments

This standard is applied from January 1, 2018. Endomines applies IFRS 9 as of January 1, 2018. IFRS 9 replaces IAS 39, financial instruments; accounting and valuations. IFRS 9 changes how financial assets are classified and valued, introduces an impairment model for losses on receivables and a change of principles for hedging instruments. The implementation of IFRS 9 has no significant impact on Endomines reported figures.

IFRS 15, Revenues from Contracts with Customers

This standard is applied from January 1, 2018. Endomines applies IFRS 15 as of January 1, 2018. IFRS 15 is the standard for revenue recognition and replaces IAS 18 Revenues and IAS 11 Construction Contracts.

Endomines has evaluated its contracts with its current customers and the conclusion is that the revenue recognition will not significantly be impacted after the transition to IFRS 15 and hence no adjustments have been made.

Annual general meeting (AGM) and financial calendar

- 22 May 2018 *Annual General Meeting*
- 16 August 2018 *Interim report Q2 2018*
- 14 November 2018 *Interim report Q3 2018*
- 14 February 2019 *Interim report Q4 2018 and full year 2018*

Auditors review

This interim report is unaudited.

Contact person

Saila Miettinen-Lähde, CEO of Endomines AB, +358 40 548 36 95

Financial information

This information is information that Endomines AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 07:30 CEST on 17 May 2018.

In Stockholm on 17 May 2018

Endomines AB (Publ)

Staffan Simberg
Chairman of the Board

Ann Zetterberg Littorin
Member of the Board

Rauno Pitkänen
Member of the Board

Michael Mattsson
Member of the Board

Saila Miettinen-Lähde
CEO

Consolidated statement of profit and loss and other comprehensive income

KSEK	Note	January-March	
		2018	2017
Net sales	1	27 338	28 479
Change in stock of finished goods and work in progress		2 058	4 734
Other income		6	261
Total revenue		29 402	33 474
Raw materials and supplies		-6 031	-7 190
Personnel expenses	2	-7 511	-7 256
Other expenses	3	-24 406	-20 352
EBITDA		-8 546	-1 324
Depreciation and impairment	4	-11 349	-9 618
Operating result		-19 895	-10 942
Financial income	5	22 988	–
Financial expenses	5	-1 240	-1 258
Net financial items		21 748	-1 258
+Profit/(-) loss before taxes		1 853	-12 200
Net result for the period		1 853	-12 200
Other comprehensive income that will be classified to profit/loss			
Translation differences		6 359	-130
		6 359	-130
Comprehensive income for the period		8 212	-12 330
Net result 100 % attributable to the parent company		1 853	-12 200
100% of total comprehensive income is attributable to the parent company		8 212	-12 330
Earnings per share (SEK)	7		
before and after dilution effect		0,06	-0,80
Average number of shares	7		
before and after dilution effect		31 045 006	15 275 357

Parent company statement of profit and loss

KSEK	January-March	
	2018	2017
Net sales	–	117
Total revenue	0	117
Other external expenses	-2 350	-1 542
Personnel expenses	-806	-1 005
Operating result	-3 156	-2 430
Financial income	3 080	154
Financial expenses	-34	-34
Net financial items	3 046	120
+Profit/(-) loss before taxes	-110	-2 310
Net result for the period	-110	-2 310
Comprehensive income for the period	-110	-2 310

Consolidated balance sheet

KSEK	Note	31 March 2018	31-Dec 2017
Intangible fixed assets	8	328 093	63 061
Tangible fixed assets	8	53 385	62 237
Financial fixed assets	9	5 423	5 171
Total fixed assets		386 901	130 469
Inventories		4 053	2 182
Trade receivables		1 322	7
Other receivables		542	2 500
Prepaid expenses and accrued income		13 047	9 589
Liquid assets		103 601	15 813
Total current assets		122 565	30 091
TOTAL ASSETS		509 466	160 560
Shareholders' equity			
Shareholders' equity			
Share capital		281 182	262 157
Other capital provided		541 419	343 873
Reserves		11 766	5 407
Retained earnings		-562 684	-566 056
Shareholders' equity attributable to the parent company shareholders		271 683	45 381
Total shareholders' equity		271 683	45 381
Liabilities			
Liabilities to credit institutions	11	32 635	75 917
Convertible bond	12	168 880	0
Other provisions		8 295	7 724
Total long-term liabilities		209 810	83 641
Liabilities to credit institutions	11	3 568	7 641
Other provisions		401	384
Accounts payable		13 824	11 630
Other current liabilities		3 321	4 491
Accruals and other		6 859	7 392
Total current liabilities		27 973	31 538
Total liabilities		237 783	115 179
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		509 466	160 560

Parent company balance sheet

KSEK	31 March 2018	31-Dec 2017
Shares in group companies	445 618	132 714
Receivables from group companies	51 466	49 249
Other receivables	8 008	5 356
Liquid assets	98 702	1 516
Total assets	603 794	188 835
Shareholders' equity	392 032	174 215
Payables to group companies	7 761	7 427
Other liabilities	204 001	7 193
Total shareholder's equity and liabilities	603 794	188 835

Consolidated changes of shareholders' equity

KSEK	Share capital	Other capital provided	Reserves	Retained earnings	Total shareholders' equity
All shareholders' equity is attributable to the parent company					
Opening balance 1 Jan 2017	262 157	343 873	5 310	-496 804	114 536
Net result for the period	-	-	-	-12 200	-12 200
Other comprehensive income	-	-	-130	-	-130
Total comprehensive income for the period	-	-	-130	-12 200	-12 330
Transactions with the shareholders					
Closing balance as of 31 March 2017	262 157	343 873	5 180	-509 004	102 206
Opening balance 1 Jan 2018	262 157	343 873	5 407	-566 056	45 381
Net result for the period	-	-	-	1 853	1 853
Other comprehensive income	-	-	6 359	-	6 359
Total comprehensive income for the period	-	-	6 359	1 853	8 212
Transactions with the shareholders					
Rights issue, conversion of loan	29 512	6 029	-	-	35 541
Rights issue	167 779	20 973	-	-	188 752
Rights issue costs	-	-7 722	-	-	-7 722
Decrease of quota value	-178 267	178 267	-	-	-
Reclassification of equity part of convertible	-	-	-	1 519	1 519
Total transactions with the shareholders	19 024	197 547	-	1 519	218 090
Closing balance as of 31 March 2018	281 181	541 420	11 766	-562 684	271 683

Consolidated statement of cash flows

KSEK	January-March	
	2018	2017
Cash flows from operating activities		
+Profit/(-) loss before taxes	1 853	-12 200
Adjusted for:		
Depreciation	11 349	9 618
Unrealised exchange rate differences on internal receivables and payables	-1 895	117
Remission of loan	-19 928	–
Other items	217	–
Cash flows from operating activities before change in net working capital	-8 404	-2 465
Change in net working capital	-4 522	-558
Total cash flows from operating activities	-12 926	-3 023
Cash flows from investing activities		
Payments for intangible fixed assets	-678	-1 232
Payments for tangible fixed assets	-1	-8 501
Proceeds from tangible fixed assets	-59 875	–
Change in other long-term receivables	-19	1 901
Total cash flows from investing activities	-60 573	-7 833
Total cash flows before financing activities	-73 499	-10 856
Cash flows from financing activities		
Proceeds from issue of new shares	188 753	–
Share issue costs	-7 722	–
Repayment of borrowings	-19 928	–
Finance lease payments	-496	-671
Total cash flows from financing activities	160 607	-671
Net (decrease)/increase in liquid assets	87 108	-11 527
Liquid assets at the beginning of the period	15 813	29 440
Effect of exchange rate changes on liquid assets	680	-56
Liquid assets in the end of the period	103 601	17 858

Notes to the interim financial reports

Exchange rates EUR/SEK	January-March	
	2018	2017
Conversion of profit and loss statements	9,9641	9,5065
Conversion of closing balance at end of previous year period	10,2931	9,5464
Conversion of closing balance at end of previous year		9,8497

Source: Riksbanken

Note 1 Net sale by geographical market	January-March	
	2018	2017
KSEK		
EU (flotation concentrate)	26 040	26 584
Norway (gravimetric gold concentrate)	1 298	1 896
Net sales	27 338	28 479

Note 2 Remuneration to employees	January-March	
	2018	2017
Average number of employees	42	42
Total personnel expenses including Board fees	KSEK 7 511	7 256
Average per person and month	SEK 60 000	58 000

Note 3 Other expenses	January-March	
	2018	2017
External services, production	12 834	13 999
Energy, production	2 943	2 654
Other	8 629	3 699
Total other expenses	24 406	20 352

Note 4 Depreciation and impairment	January-March	
	2018	2017
Depletion based on production of ore	7 991	5 888
Other depreciation	3 358	3 730
Total depreciation	11 349	9 618
Total depreciation and impairment charges	11 349	9 618

Note 5 Financial income and expense	January-March	
	2018	2017
Remission of loan	19 928	–
Total financial income	19 928	–
Interest expense	-1 240	-1 136
Financial exchange rate differences	3 060	-122
Total financial expense	1 820	-1 258
Net financial items	21 748	-1 258

Note 6 Income taxes

Management is re-assessing the Group's outlook on generating taxable income over the next 2-3 years. As at 31 March 2018, the Group has not recognized any deferred tax assets.

Note 7 Earning per share	January-March	
	2018	2017
<i>KSEK if not otherwise stated</i>		
Before and after dilution effect:		
Net result 100 % attributable to the parent company	1 853	-12 200
Weighted average number of issued shares	31 045 006	15 275 357
Earning per share	0,06	-0,80
Number of shares:		
Number of shares at end of period	35 147 785	10 486 275

Note 8 Intangible and tangible fixed assets KSEK	January-March	
	Intangible assets	Tangible assets
Opening net book amount	63 061	62 237
Additions	678	1
Aquisitions	257 818	30
Exchange differences	6 536	2 466
Depreciation	–	-11 349
Closing net book amount	328 093	53 385
Note 9 Financial fixed assets	31 March 2018	31 Dec 2017
Other receivables		
Pledged liquid assets due to environmental guarantees	5 423	5 171
Note 10 Financial instruments (KSEK)	31 March 2018	31 Dec 2017
Loan and trade receivables:		
Trade receivables and other receivables excluding accruals	7 287	7 678
Liquid assets	103 601	15 813
	110 888	23 491
Other financial liabilities:		
Bank loans	–	74 759
Finance lease	6 085	6 314
Loans with special terms	2 597	2 485
Subtotal borrowings	8 682	83 558
Bridge loan to finance advance payment for acquisition	–	2 223
Accounts payables and other current liabilities excluding non-financial liabilities	14 776	11 629
Total	23 458	97 410
Note 11 Borrowing and net debt KSEK	31 March 2018	31 Dec 2017
Long-term		
Bank loans	0	70 819
Convertible	168 880	–
Acquisition loan	27 520	–
Loans with special term	2 597	2 485
Lease financing	2 517	2 613
Total long-term liabilities	201 514	75 917
Short-term		
Bank loans	0	3 940
Lease financing	3 568	3 701
Total short-term liabilities	3 568	7 641
Total borrowings (all amounts are EUR-denominated)	205 082	83 558
Net debt		
Liquid assets	103 601	15 813
Total borrowings	-205 082	-83 558
Net interest-bearing debt	-101 481	-67 745
Shareholders' equity	271 683	45 381
Net gearing (net debt divided by equity)	37,4%	149,3%

Bank Loans

Endomines' bank debt rearrangement and repayment executed on 14 February 2018

As of 14 February 2019, the Company has no outstanding bank debt in accordance with an agreement dated 22 November 2017.

Not 12 Convertible	31 mar 2018	31 dec 2017
KSEK		

The Group

Convertible	168 880	-
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The convertible loan of 170,826,528 SEK in total runs with a yearly interest of 6.0 percent that, at Endomines' discretion, can be paid in cash or in shares. Half of the convertible loan can be converted during the period 31 March 2019 – 30 March 2020 (or at an earlier time if Endomines Board of Directors resolves that such early conversion is in the company's best interest) at a conversion price of 12.76 SEK per new share. The remaining part of the convertible loan can be converted during the period 31 March 2020 – 30 March 2021 at a conversion price of 13.91 SEK per new share. If conversion has not taken place before 1 April 2021, Endomines has the right to execute conversion of the remaining part of the convertible loan at a conversion price of 15.07 SEK per share.

If conversion is made after approximately 12 and 24 months in accordance with the description above, the holder of the convertible will get in total 12,834,250 shares in Endomines, corresponding to approximately 26.8 per cent of the total number of shares in the company, after said conversion and the share issue to JKK as set out above (calculated without conversion into new shares of the interest). As a result of conversion, the holder's total shareholding in Endomines cannot exceed 29.9 percent.

Note 13 Pledged assets and contingent liabilities	31 March 2018	31 Dec 2017
KSEK		

The Group

Pledged assets for liabilities to credit institutions	-	2 110
Pledged cash deposits due to environmental guarantees	5 423	5 171
Pledgeds assets	5 423	7 281
Contingent liabilities	41 407	39 624

Pledged assets Endomines Idaho

The assets of Endomines Idaho has been pledged against the transaction loan and the convertible

The parent company

Pledged assets for liabilities to credit institutions	-	129 914
Contingent liabilities	None	None

Note 14 Analyses of change of EBIT	Januari-mars	
MSEK	2018	2017

EBIT as reported	-19,9	-10,9
Change of EBIT	-9,0	
<i>Change of EBIT per category</i>		
Total Revenue	-4,1	
Cost of raw materials	1,2	
Employee cost	-0,3	
Other cost	-4,1	
Total Cost	-3,2	
EBITDA	-7,2	
Depreciation	-1,7	
+Incr/-Decr of EBIT	-9,0	

End of notes