

Endomines concludes employee co-operation negotiations at the Pampalo mine

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Endomines Oy has concluded the employee co-operation negotiations which it commenced on 18 April 2018 with its whole personnel at the Pampalo mine in Ilomantsi, Finland. The negotiations concerned reduction of workforce.

As announced at the commencement of the co-operation negotiations, continuation of production in Pampalo after September 2018 would require a sizeable investment in the deep extension of the mine. According to the Company's estimates, the investment would not be profitable at the prevailing market price of gold.

Following the negotiations, the Company has now decided to postpone the investment. Consequently, production in Pampalo will be temporarily suspended, significantly reducing the need for workforce at the mine. It is estimated that 26 employees will be laid off for more than 90 days and 4 will be terminated. The lay-offs and terminations will be staged over the coming months with the majority being implemented after September. The negotiations concerned approximately 40 employees and were initially estimated to lead at most to the lay-off and/or termination of 32 employees on production or economic grounds.

Most of the personnel remaining in Pampalo will focus on the extensive exploration project being carried out on the Karelian Gold Line and targeting to enable profitable gold production in Ilomantsi in the longer term.

"We have now concluded our employee co-operation negotiations and subsequently taken the difficult decision to temporarily suspend production in Pampalo after the coming September. Although we will regrettably have to reduce our workforce significantly, I am pleased to note that the negotiations were carried out in a constructive manner.

I hope the market situation will allow us to deepen the Pampalo mine later. In addition, I would like to emphasize that we are now focusing on exploration along the Karelian Gold Line and I believe there is good potential for us to find new deposits that can contribute to a profitable mining activity in the area at large", says **Saila Miettinen-Lähde**, CEO of Endomines.

Contact person

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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 11:15 CEST on 5 June 2018.

About Endomines

Endomines is a mining and exploration company with its primary focus on gold. The Company operates a gold mine in Pampalo, has exploration activities along the Karelian Gold Line in Eastern Finland and develops mining operations in Idaho, USA. Endomines aims to improve its long-term growth prospects by increasing its exploration activities and through acquisitions. Endomines aims to acquire deposits that are situated in stable jurisdictions and can be brought to production rapidly with limited investments.

The shares trade on Nasdaq Stockholm (ENDO) and Nasdaq Helsinki (ENDOM).