

## Exploration update: The majority of holes have intersected gold mineralizations

Endomines has carried out further exploration drilling at its properties along Karelian Gold Line, near Ilomantsi, in Eastern Finland. The mineral rights of the drilled properties are fully owned by the Company. Endomines is pleased to release assay results received until 20th of August 2013 received.

The present year has been very favourable time for exploration works due to the general recession in mining business. Drilling rigs and assay services have been available with reasonable rates when most companies have reduced their exploration programs.

This recent drilling stage 1 aimed to discover new or extend the previously discovered target areas. So far 61 diamond core holes, 7,799 m in total, have been drilled. Some 6,000 meter of cores has been logged and 5,091 samples have been sent for assays. Assay results of 3,990 samples have been received until 20th of August.

Almost 90% of all exploration drill holes have intersected gold mineralizations, which clearly confirm the great ore potential of Karelian Gold Line. The drillings have been carried out at and in the vicinity of Hosko, Rämepuro and Muurinsuo-Korvilansuo areas.

"It is very encouraging that the majority of the holes across the whole area have intersected gold mineralization. This confirms our view that large scale ore forming processes have been in place along Karelian Gold Line. We are looking very positively forward to our future exploration program. Korvilansuo-area will remain our main target as it has returned good grade intersections close the bedrock-surface. However, we will also continue exploration of other targets so that we can fully explore the whole potential of the Karelian Gold Line ", comments Markus Ekberg, CEO of Endomines.

The second drilling stage has started and the aim of that is to extend the current mineral reserves at Pampalo, Rämepuro and Hosko areas as well as extend the previous mineral resources at Korvilansuo-Muurinsuo area. The Stage 2 drilling will be carried out with 3 drilling rigs to speed up the performance. The total amount of drilling meters during Stage 2 campaign is estimated to be around 9,000 m.

### **2013 Exploration programme Stage 1**

The drilling program stage 1 has been conducted mostly with 2 rigs from Pöyry Finland Oyj. The used core drill bit has been WL-66 giving 50.5 mm core. At Hosko area the drillings have anyway been carried out by the third rig, contractor MK-Drilling Oy, with coarser (WL-76, core 57.5mm)) drill bit due to the previously discovered problems with gold nuggets.

The drill cores have been logged and sawed by Endomines own personnel. Sample preparation and assays have been carried out by Labtium Oy (Finland). The used assay- and QA/QC methods are described at the end of this release.

## **Hosko**

Totally 20 diamond core drill holes (2,772.8 m) were drilled at Hosko.

### ***Depth extension***

Seven of the drill holes (Hos43-Hos49) were drilled to extend the known mineral resource down wards. All seven cores intersected the ore zone consisting of tourmaline-quartz breccia with arsenopyrite-gold mineralization at a depth below 110 m from surface. Assay results of four of those half cores are available. The Hosko depth extension drilling program has yielded following intercepts:

	Hole-ID	From	To	Length	Grade	Purpose
•	Hos43	121.4	123.6	2.2	1.3 g/t gold	Depth ext.
•	Hos43	145.2	150.2	4.0	2.9 g/t gold	Depth ext.
•	Hos44	Assays pending				Depth ext.
•	Hos45	127.9	133.0	5.1	1.5 g/t gold	Depth ext.
•	Hos46	153.1	154.3	1.2	1.2 g/t gold	Depth ext.
•	Hos47	Assays pending				Depth ext.
•	Hos48	Assays pending				Depth ext.
•	Hos49	Assays pending				Depth ext.

Because all previous assay results have shown fluctuating influence of nugget effect have all anomalous samples sent in for 1 kg Screen Fire Assay.

### ***Scouting North***

Nine of the drill holes (Hos50-Hos58) are scout drillings in the northernmost part of the claim area. Some of these intersected rock associations which are very similar the “Hosko type” mineralization’s with abundant quartz tourmaline breccia and varying amounts of sulfides. In some of these cores abundant galena has been observed. Assays are pending.

### ***Scouting South***

Four holes were drilled as scouting in the southernmost part of the claim area without great success. Assays are pending

### ***Other***

A technical hole was drilled under the planned waste rock area.

## **Rämepuro**

### ***Technical drillings***

Three geotechnical core drilling holes (Ha169-Ha171), totalling 370.3 m were carried out for pit slope design and under the planned waste rock area.

## **Depth extension**

Nine diamond core holes (Ha141-Ha149) were drilled to explore the deep extension of the Rämepuro Mineralization. The total amount of meters for those holes was 1,112.3 m. All of the cores has been logged and assayed totally 1,040 samples was sent to laboratory for assay. All of the holes intersected the ore zone but in some holes the gold mineralization was very week.

The Rämepuro depth extension drilling program has yielded following intercepts:

Hole-ID	From	To	Length	Grade	Purpose
• Ha141	67.2	68.7	1.5	1.4 g/t gold	Depth ext.
• Ha142	74.3	75.3	1.0	4.8 g/t gold	Depth ext.
• Ha142	94.0	95.0	1.0	1.1 g/t gold	Depth ext.
• Ha142	102.0	103.0	1.0	1.7 g/t gold	Depth ext.
• Ha143	No significant intersections				Depth ext.
• Ha144	101.5	102.5	1.0	2.0 g/t gold	Depth ext.
• Ha144	110.6	112.8	2.2	8.1 g/t gold	Depth ext.
• Ha145	18.4	19.9	1.5	2.5 g/t gold	Depth ext.
• Ha145	80.5	82.0	1.5	1.4 g/t gold	Depth ext.
• Ha145	87.0	92.9	5.9	3.2 g/t gold	Depth ext.
• Ha146	105.2	106.7	1.5	1.2 g/t gold	Depth ext.
• Ha146	112.7	114.2	1.5	2.2 g/t gold	Depth ext.
• Ha147	30.2	31.2	1.0	12.4 g/t gold	Depth ext.
• Ha147	44.2	45.2	1.0	5.3 g/t gold	Depth ext.
• Ha147	98.2	105.0	6.8	2.1 g/t gold	Depth ext.
• Ha148	55.6	56.6	1.0	1.7 g/t gold	Depth ext.
• Ha148	69.8	73.8	4.0	3.0 g/t gold	Depth ext.
• Ha149	75.7	76.7	1.0	1.5 g/t gold	Depth ext.
• Ha149	87.7	90.7	3.0	3.1 g/t gold	Depth ext.

## **Other**

Stripping of the Rämepuro has been done and the replacement of the Rämepuro creek has also started.

The Power line to the area has been build and other infra-structure works are proceeding according to plan. The planned test mining of 20,000 tons will be done in September.

## **Muurinsuo-Korvilansuo**

Holes Mu30-Mu33 were drilled at Muurinsuo, totalling 516.4 m.

## **Depth extension**

Three of the holes were drilled to explore the depth extension of the mineralization. All of the depth holes intersected the mineralized zone about 100 m below the surface. The mineralized zone consists of tourmaline quartz rich amphibole schist with abundant sulfides. The Muurinsuo depth extension drilling program has yielded following intercepts:

Hole-ID	From	To	Length	Grade	Purpose
• Mu30	118.4	121.4	3.0	3.8 g/t gold	Depth ext.
• Mu30	151.6	152.6	1.0	2.2 g/t gold	Depth ext.
• Mu31	116.0	118.7	2.7	1.6 g/t gold	Depth ext.
• Mu31	120.6	124.0	3.4	2.3 g/t gold	Depth ext.
• Mu33	90.7	95.3	4.7	3.5 g/t gold	Depth ext.

One scouting hole was drilled in north east of the mineralized zone. The hole was not successful.

- Mu32      No significant intersections      Scout East

## **Scouting Elinsuo**

The first three scouting holes (441.2 m) were drilled at the Elinsuo south of Muurinsuo. Elinsuo is an area, which is connecting the Muurinsuo and Korvilansuo areas. All of the holes intersected gold mineralized zones. The gold sulfide mineralizations exist in quartz tourmaline veins in vicinity of tonalitic dykes.

	Hole-ID	From	To	Length	Grade	Purpose
•	Eli1	37.0	39.2	2.2	1.3 g/t gold	Scout
•	Eli1	64.4	67.1	2.7	1.1 g/t gold	Scout
•	Eli1	101.1	102.9	1.8	3.1 g/t gold	Scout
•	Eli1	117.7	119.8	2.1	1.3 g/t gold	Scout
•	Eli1	149.9	150.9	1.0	2.2 g/t gold	Scout
•	Eli2	17.8	21.0	3.2	2.5 g/t gold	Scout
•	Eli2	23.0	24.0	1.0	1.1 g/t gold	Scout
•	Eli2	81.0	83.0	2.0	1.0 g/t gold	Scout
•	Eli3	38.1	42.1	4.0	1.5 g/t gold	Scout
•	Eli3	45.1	46.1	1.0	1.7 g/t gold	Scout
•	Eli3	65.2	69.3	4.1	2.1 g/t gold	Scout

## **Scouting Korvilansuo**

Drilling at Korvilansuo area was carried out to find out the extensions of the former discovered mineralization. 2,580.8 meter has been drilled in 23 different holes with diamond core technique. Drill core from last year's geotechnical hole Kvs16 has been also assayed.

### **South extension Korvilansuo**

	Hole-ID	From	To	Length	Grade	Purpose
•	Kvs30	Assays pending				Scout South ext.
•	Kvs31	Assays pending				Scout South ext.
•	Kvs32	85.4	87.4	2.0	1.3 g/t gold	Scout South ext.
•	Kvs33	No significant values				Scout South ext.
•	Kvs34	17.6	18.8	1.2	1.5 g/t gold	Scout South ext.
•	Kvs36	Assays pending				Scout South ext.
•	Kvs37	No significant values				Scout South ext.
•	Kvs38	27.5	29.5	2.0	1.6 g/t gold	Scout South ext.
•	Kvs38	48.1	57.1	9.0	1.8 g/t gold	Scout South ext.
	incl.	56.1	57.1	1.0	13.0 g/t gold	Scout South ext.

## ***East extension Korvilansuo***

Hole-ID	From	To	Length	Grade	Purpose
• Kvs27	Assays pending				East extension
• Kvs28	33.2	34.2	1.0	5.3 g/t gold	East extension
• Kvs28	49.7	50.7	1.0	4.5 g/t gold	East extension
• Kvs28	58.5	64.5	6.0	4.7 g/t gold	East extension
• Kvs28	67.7	69.7	2.0	1.6 g/t gold	East extension
• Kvs28	87.5	91.0	3.5	1.5 g/t gold	East extension
• Kvs29	Assays pending				East extension
• Kvs35	10.3	11.3	1.0	1.1 g/t gold	East extension
▪ Kvs35	14.8	16.8	2.0	2.8 g/t gold	East extension
▪ Kvs35	29.4	30.5	1.1	1.5 g/t gold	East extension
▪ Kvs35	38.7	39.9	1.2	1.8 g/t gold	East extension
▪ Kvs35	84.4	85.5	1.1	1.5 g/t gold	East extension
▪ Kvs35	100.2	101.3	1.1	1.0 g/t gold	East extension

## ***Depth extension Korvilansuo***

• Kvs39	129	137.3	8.3	5.4 g/t gold	Depth extension
• Kvs40	41.6	42.6	1.0	1.7 g/t gold	Depth extension
• Kvs40	47.3	48.3	1.0	2.3 g/t gold	Depth extension
• Kvs40	66.15	67.2	1.0	5.1 g/t gold	Depth extension
• Kvs40	79.4	81.4	1.0	1.3 g/t gold	Depth extension
• Kvs40	89.6	91.6	2.0	2.6 g/t gold	Depth extension
• Kvs40	100.7	101.7	1.0	1.6 g/t gold	Depth extension
• Kvs40	126.6	135.3	8.7	2.8 g/t gold	Depth extension
• Kvs41	5.9	21.6	15.7	1.6 g/t gold	Depth extension
or	14.5	17.5	3.0	3.7 g/t gold	Depth extension
• Kvs41	34.6	35.7	1.1	2.3 g/t gold	Depth extension
• Kvs41	39.7	41.1	1.4	3.8 g/t gold	Depth extension
• Kvs41	44.9	46.0	1.1	2.3 g/t gold	Depth extension
• Kvs41	59.6	60.5	0.9	2.4 g/t gold	Depth extension
• Kvs41	89.1	90.5	1.1	3.4 g/t gold	Depth extension
• Kvs41	110.3	111.3	1.0	2.5 g/t gold	Depth extension
• Kvs42	64.8	68.9	4.1	1.1 g/t gold	Depth extension
• Kvs42	89.5	95.4	5.9	2.5 g/t gold	Depth extension
• Kvs42	59.6	60.5	0.9	2.4 g/t gold	Depth extension
• Kvs43	Assays pending				Depth extension
• Kvs44	32.0	35.0	3.0	3.8 g/t gold	Depth extension
• Kvs44	46.0	50.6	4.6	1.6 g/t gold	Depth extension
• Kvs44	63.6	65.6	2.0	2.1 g/t gold	Depth extension
• Kvs45	90.4	94.1	3.7	3.5 g/t gold	Depth extension
or	90.4	103.8	13.4	1.4 g/t gold	Depth extension
• Kvs46	21.8	25.9	4.1	1.9 g/t gold	Depth extension
• Kvs46	102.7	104.6	1.9	3.2 g/t gold	Depth extension
• Kvs46	Assays pending				Depth extension
• Kvs47	Assays pending				Depth extension
• Kvs48	36.5	37.5	1.0	1.5 g/t gold	Depth extension
• Kvs48	66.0	69.3	3.3	4.2 g/t gold	Depth extension
• Kvs48	81.8	82.8	1.0	3.9 g/t gold	Depth extension
• Kvs49	12.1	20.3	8.2	1.1 g/t gold	Depth extension
or	17.3	20.3	3.0	2.7 g/t gold	Depth extension

The core from 2012 drilled geotechnical hole was also assayed and gave following results.

	Hole-ID	From	To	Length	Grade	Purpose
•	Kvs16	40.1	42.1	2.0	2.0 g/t gold	Geotechnical hole
•	Kvs16	106.1	120.1	14.0	2.1 g/t gold	Geotechnical hole
•	Kvs16	136.1	146.1	10.0	3.0 g/t gold	Geotechnical hole

### **Other**

The Karelian Gold Line Environmental Impact Assessment Study has been filed and the authority statement is expected to be issued during autumn 2013. The study covers the whole 40 km long Karelian Gold Line and includes all currently known deposits or advanced exploration targets Hosko, Kuivisto, Rämepuro, Muurinsuo, Korvilansuo and Kuittila.

The environmental permit application for the Rämepuro deposit has been filed in June 2013. The permit application was prepared by Pöyry Finland Oy.

Further information concerning exploration drilling results is available from the company web-page and pdf-report.

The locations and other technical parameters of all presented holes can be found on Endomines web pages (<http://www.endomines.com/index.php/karelian-gold-line/exploration-2013>).

### **Drilling technical and QA/QC procedures**

All drilling has been carried out by Pöyry Finland Oy and MK-Drilling Oy, using WL-66 or WL-76 tubes, resulting in cores of 50.5 mm or 57.5 mm in diameter. The locations of the drill holes have been surveyed using GNSS-GPS equipment. Azimuth and dip deviations have been measured using the Reflex Maxibor Borehole Survey System or Deviflex<sup>TM</sup> Survey tool. All cores have been orientated with Reflex ACT equipment.

The preparation and assaying of the half-core samples cut by Endomines have been carried out at the Labtium laboratory in Rovaniemi, Finland. The sample procedure used at the Labtium laboratory was Pb - Fire Assay of 50g subsample, and determination of gold using the ICPOES method (Labtium code 705P). Any assay with gold grades exceeding 10 g/t was re-assayed using a 50 g Fire Assay method with gravimetric finish (Labtium code 705G).

Normal QA/QC (Quality Assurance/Quality Control) procedures have been adhered to on all the samples, with standards, blanks and duplicates routinely submitted as part of the sampling program. The quality of sample preparation, security, integrity and chemical assays was equal to, or exceeded, current industrial standards and the requirements of the JORC-code.

Competent Person: The technical aspects of this news release have been prepared by MSc (geology) Jaakko Liikanen, who is acting as Competent Person with respect to this release. Jaakko Liikanen is Chief Technical Officer of Endomines AB and owns 1,120,892 shares (1.3%) of the company. The data supporting this news release has been provided in a Surpac database and has been verified against the original laboratory assay certificates. The Competent Person has not undertaken any independent sampling of the drill core, but has reviewed the QA/QC procedures, and considers the results to be within expected margins of error.

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## **About Endomines AB**

*Endomines AB is a Nordic mining and exploration company with its first operating gold mine in production since February 2011. The mine is located in Eastern Finland, on the Karelian Gold Line, a 40 km long gold critical belt, where Endomines controls all currently known gold deposits.*

*The company's business practices and mining operations are based on sustainable principles and on minimizing the impact on the environment.*

*Endomines applies SveMin's & FinnMin's respective rules for reporting (public mining & exploration companies). It has chosen to report mineral resources and ore reserves according to the JORC-code, which is the internationally accepted Australasian code for reporting ore reserves and mineral resources.*

*The shares of Endomines AB are quoted on NASDAQ OMX Stockholm under ticker ENDO and on NASDAQ OMX Helsinki under ticker ENDOM. Pareto Öhman acts as Liquidity Provider on the Stockholm Stock Exchange.*

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*Endomines AB discloses the information provided herein pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 08:45 CET on August 27th, 2013.*