

Summary of interim report for January-September 2016

Continued improvement of head-grade and recovery

Selective Mining introduced from early 2016 with reduced activities focused on high grade areas

HIGHLIGHTS Q3 2016 (Q3 2015)

- Gold production 83.0 kg (153.1)
- Milled ore 36,104 tonnes (90,143) at 2.7 g/t (2.0)
- Cash Cost 1,113 USD/oz (1,112)
- Revenues 27.4 MSEK (30.4)
- EBITDA 0.9 MSEK (-11.6)
- Profit after tax -12.3 MSEK (-18.7)
- Earnings per share -1.17 SEK (-2.95)

HIGHLIGHTS JANUARY – SEPTEMBER 2016

- Gold production 215.2 kg (411.0)
- Milled ore 108,724 tonnes (251,970) at 2.4 g/t (2.0)
- Cash Cost 1,265 USD/oz (1,276)
- Revenues 64.5 MSEK (85.2)
- EBITDA -10.7 MSEK (-48.3)
- Profit after tax -40.6 MSEK (-79.4)
- Earnings per share -4.12 SEK (-12.56)
- 66.6 MSEK raised in an equity issue
- Reverse split 100:1 completed in May 2016
- A new off-take agreement for deliveries of flotation concentrate signed with Boliden

SUBSEQUENT EVENTS

- No significant events to be reported

PRODUCTION GUIDANCE

During 2016 the Company expects to produce between 300 and 350 kg gold, unchanged since the beginning of the year.

Revenues, EBITDA, EBIT

Revenues, EBITDA, EBIT - Group MSEK	July-September			January-September		
	2016	2015	+/-	2016	2015	+/-
Flotation concentrate	25,4	28,2	-2,8	56,9	94,1	-37,1
Gravimetric concentrate	1,6	10,4	-8,8	6,9	21,2	-14,3
Total revenues from gold concentrate	27,0	38,6	-11,6	63,8	115,3	-51,4
Realised gold price hedge	0,0	-8,3	8,3	0,0	-30,5	30,5
Total sales	27,0	30,3	-3,3	63,8	84,8	-20,9
Other revenues	0,3	0,1	0,2	0,7	0,5	0,2
Total revenues	27,4	30,4	-3,1	64,5	85,2	-20,7
Total cost	-26,4	-42,0	15,6	-75,2	-133,5	58,3
EBITDA	0,9	-11,6	12,5	-10,7	-48,3	37,6
Unrealised result on derivatives	0,4	3,1	-2,8	1,3	-1,4	2,7
Depreciation	-13,7	-14,9	1,2	-31,2	-44,7	13,5
EBIT	-12,4	-23,4	11,0	-40,6	-94,4	53,9

Decimals are indicated by a comma

Comments to operations

Selective Mining from beginning of 2016

The production is, since the beginning of 2016, based on the Selective Mining principle. Mining takes place during weekdays only, while processing takes place bi-weekly. The reduced mining is focused on previously known as well as in 2015 and 2016 discovered high grade areas.

Key production figures	July-September			January-September		
	2016	2015	+/-	2016	2015	+/-
Milled ore (tonnes)	36 104	90 143	-54 039	108 724	251 970	-143 246
Head grade (Au gram/tonne)	2,7	2,0	0,7	2,4	2,0	0,4
Gold recovery (%)	85,3	82,7	2,6	82,8	83,5	-0,7
Hourly utilization (%)	34,0	93,3	-59,3	35,7	89,2	-53,5
Gold production (kg)	83,0	153,1	-70,1	215,2	411,0	-195,8
Gold production (oz)	2 669	4 922	-2 253	6 920	13 212	-6 292
Cost per milled ore tonne (EUR)	66	50	16	65	53	12
Cost per milled ore tonne (SEK)	624	468	156	608	495	113
Cash Cost (USD/oz)	1 113	1 112	1	1 265	1 276	-11

Decimals are indicated by a comma and thousands are separated by a space

Gold production during Q3 2016 amounted to 83.0 kg (153.1)

During the reporting period the overall head-grade and as a function of the same the recovery continued to improve. As compared to the previous quarter (Q2-2016) the head grade improved by 0.3 g/t to 2.7 g/t (2.4). Gold recovery improved by 2.5 %-points to 85.3 % (82.8).

Milled ore tonnage was 36,104. Cost per tonne was slightly lower in Q3-2016 as compared to the previous quarter Q2-2016. The positive development of Cash Cost since Q2-2016, reduced to 1,113 USD/oz, was mainly due to the increased gold production as a result of and in combination with an increased run of mine grade and metal recovery.

Gold production during January-September 2016 amounted to 215.2 kg (411.0).

Milled ore amounted to 108,724 tonnes (251,970) or 43 % of last year being in line with the reduced activities. The capacity utilization hours decreased according to the production strategy by 40% to 35.7 % (89.2). The head grade improved from 2.0 g/t to 2.4. Cost per milled ore tonne was 65 EUR/t (53) or 23 % higher than last year mainly due to increased fixed unit costs as a result of the reduced throughput.

Table: Quarterly key production figures 2015-2016

Key production figures by Q	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Milled ore (tonnes)	76 089	85 738	90 143	83 926	35 317	37 303	36 104
Head grade (Au gram/tonne)	2,1	1,8	2,0	1,7	2,1	2,4	2,7
Gold recovery (%)	83,8	84,1	82,7	81,4	80,2	82,8	85,3
Hourly utilization (%)	82,8	91,5	93,3	80,2	35,3	37,7	34,0
Gold production (kg)	131,3	126,6	153,1	118,5	58,5	73,7	83,0
Gold production (oz)	4 221	4 069	4 922	3 810	1 881	2 370	2 669
Cost per milled ore tonne (EUR)	59	50	50	45	58	71	66
Cost per milled ore tonne (SEK)	555	469	468	420	541	656	624
Cash Cost (USD/oz)	1 394	1 365	1 112	1 202	1 312	1 396	1 113
Average gold price (USD/oz)	1 220	1 193	1 125	1 105	1 179	1 258	1 335
LTIFR on a rolling 12 months basis	25	10	9	4	5	6	6

- Production figures for the last quarter are based on company in-house 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 bases resulting in one day/shift or more off work per 1 million hours worked. LTIFR has been calculated for the whole company including contractors
- Cash cost and other Alternative Performance Measures have been defined at the end of the complete quarterly report (in Swedish only)
- Decimals are indicated by a comma and thousands are separated by a space

Underground development and exploration since early 2016

Underground development and exploration at the Pampalo Deepes area was commenced and is ongoing. Currently the decline has advanced about 600 metres and as such the decline has progressed from the level +655 to the +720 level. In addition about 150 m of the exploration tunnel at +655 level and 20 meters at +682 level has been completed.

During 2016 260 drill holes with a total length of 16,533 metres have been drilled. Assaying is ongoing and results will be utilized in the resource and reserve statements to be updated at the year end.

Regional exploration activities in the Karelian Gold Line

Endomines drilling program for regional targets commenced late July and was completed in early September 2016. A total of thirty drill holes, with a total length of 2,835 meters, were drilled in the Poikopää, Pampalo North West, Hosko, Nenävaara and Muurinsuo areas. Assay results are pending.

Endomines base of till sampling program, which was started in August, was completed in late September 2016. A total of 718 samples were collected from Hosko, Sivakkovaara, Nenävaara, Muurinsuo North and Palosuo areas. Assay results are pending.

Endomines conducted boulder and outcrop prospecting in Hosko, Poikopää, Sivakkovaara and Muurinsuo areas during the summer 2016. A total of 179 samples were collected and sent for analysis. The results are pending. The prospecting was based on the results of the Endomines Layman Sample Competition in 2015. The most interesting result is a boulder trail indicating a potential gold mineralization north from Hosko.

Health, environment and safety

The Company's safety performance is on a good level. The overall strategy is a non-acceptance of accidents and adverse environmental incidents, a Zero Harm policy.

Personnel

As a result of the co-operation negotiations completed in December 2015 and the start of the Selective Mining principle the number of officers and workers were temporarily laid off starting from January 2016. The reported average number of employees in the Group was as a consequence reduced to 43 persons (73). At the end of September the number of temporary lay-offs was 18 persons.

Subsequent events

No significant subsequent events to report.

Outlook for 2016, Selective Mining

During 2016 the Company expects to produce between 300 and 350 kg gold based on the selective mining strategy and to mine and process approximately 150,000 tonnes of ore. Mining will therefore be concentrated to previously known, as well as in 2015 and 2016 discovered high-grade areas.

Cash Cost for the 4th quarter is estimated to be reduced below the current and forecasted gold price level.

Financial Calendar

- Year-end bulletin will be issued on Friday, February 17, 2017
- Annual report 2016 (in Swedish) is published during week 12, 2017 (March 20-24)
- Annual General Meeting to be held on Thursday, April 20, 2017
- Summary press releases in English on 2017 quarterly reports to be issued:

Q1 April 27, Q2 August 18, Q3 2017 November 9 (full interim in Swedish only)

END OF THE PRESS RELEASE

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About Endomines

Endomines is a gold concentrate producer with mining, development and exploration operations in Eastern Finland along the 40 kilometer long Karelian Gold Line. Through various regulatory approvals, Endomines controls the exploration rights to this entire area. Endomines vision is to participate in the future structural transformation and consolidation of the Nordic mining industry. The Company may therefore be involved in acquisitions of interesting deposits or companies, should such opportunities arise.

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

This news release may contain forward-looking statements, which address future events and conditions, which are subject to various risks and uncertainties. The Company's actual results, programs and financial position could differ materially from those anticipated in such forward-looking statements as a result of numerous factors, some of which may be beyond the Company's control. These factors include: the availability of funds; the timing and content of work programs; results of exploration activities and development of mineral properties, the interpretation of drilling results and other geological data, the uncertainties of resource and reserve estimations, receipt and security of mineral property titles; project cost overruns or unanticipated costs and expenses, fluctuations in metal

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prices; currency fluctuations; and general market and industry conditions.

Forward-looking statements are based on the expectations and opinions of the Company's management on the date the statements are made. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking
