

SUMMARY OF YEAR-END REPORT 2016

The selective mining strategy has contributed to improved EBITDA and a reduced Cash Cost below the prevailing gold price

The full report, in Swedish only, is available on the Company's website, www.endomines.com

Highlights Q4/2016 (vs Q4/2015)

- Head grade was 3.1 g/t (1.7)
- EBITDA was 1.5 MSEK (-14.5)
- Gold production was 109.8 kg (118.5), -7 %
- Revenues were 37.5 MSEK (28.3), +33%
- Cash cost was 1,060 USD/oz (1,202)
- Assets were written down by 56.5 MSEK (31.6)
- Profit after tax was -84.5 MSEK (-85.5)
- Earnings per share amounted to -8.05 SEK (-13.52)

Highlights January-December 2016

- Head grade was 2.6 g/t (1.9)
- EBITDA was -9.2 MSEK (-62.8)
- Gold production in 2016 was 325.0 kg (529.5), -38 %, in line with the production guidance given in early 2016 when announcing the Selective Mining strategy
- Revenues were 102.1 MSEK (113.5), -10%
- Total Opex decreased by 65 MSEK to 111.2 MSEK (176.3)
- Assets were written down by 56.5 MSEK (31.6)
- Cash cost was 1,195 USD/oz (1,258)
- Profit after tax was -125.0 MSEK (-165.0)
- Earnings per share from SEK -12.49 (-26.08)

Subsequent events

No significant subsequent events

Production guidance and outlook 2017

During 2017 the Company expects to produce between 300 and 350 kg gold from the Pampalo underground mine by continuing the Selective Mining strategy

Key financial data

Key financial data MSEK	October-December			January-December		
	2016	2015	+/-	2016	2015	+/-
Total revenues	37,5	28,3	9,3	102,1	113,5	-11,4
Total cost	-36,0	-42,7	6,7	-111,2	-176,3	65,0
EBITDA	1,5	-14,5	16,0	-9,2	-62,8	53,6
Unrealised result on derivatives	0,2	-3,6	3,7	1,5	-5,0	6,4
Depreciation	-64,2	-44,1	-20,1	-95,4	-88,9	-6,6
EBIT	-62,6	-62,2	-0,4	-103,1	-156,6	53,5
Investments	11,6	6,4	5,1	38,4	38,5	-0,2

Comments to operations

EBITDA Improved by 16 MSEK during the 4th quarter och the Company reported a positive EBITDA. EBITDA did improve also for the full-year by 53.6 MSEK. The increased EBITDA is mainly due to the the transformation to Selective Mining strategy in combination with higher in-situ grade and during 2016 there were no effect from a gold price hedge. In 2015 the effect from the hedge was -38 MSEK.

A write-down of mining assets were posted during the 4th quarter by 56.5 MSEK (31.6). This write-down was based on a valuation on continued Selective Mining, estimated head grades and market development in general. The Company has still a very positive view on the future potential of the Karelian Goldline.

Pampalo Gold Mine

Key production figures	October-December			January-December		
	2016	2015	+/-	2016	2015	+/-
Milled ore (tonnes)	42 193	83 926	-41 733	150 917	335 896	-184 979
Head grade (Au gram/tonne)	3,1	1,7	1,4	2,6	1,9	0,7
Gold recovery (%)	83,0	81,4	1,7	82,9	83,0	-0,1
Hourly utilization (%)	43,5	80,2	-36,7	37,6	87,0	-49,4
Gold production (kg)	109,8	118,5	-8,7	325,0	529,5	-204,5
Gold production (oz)	3 530	3 810	-280	10 450	17 022	-6 572
Cost per milled ore tonne (EUR)	74	45	29	68	51	17
Cost per milled ore tonne (SEK)	720	420	300	639	476	163
Cash Cost (USD/oz)	1 060	1 202	-142	1 195	1 258	-63

- Decimals are indicated by a comma and thousands are separated by a space
- Production figures for the last quarter are based on company 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 bases resulting in one day/shift or more off work per 1,000,000 hours worked. LTIFR has been calculated for the whole company including contractors
- Definition of Cash Cost and other alternative (financial) performance measures, see the Company website

Operations during the 4th quarter 2016

Total gold production in the 4th quarter amounted to 109.8 kg, which again was an improvement from the previous period and according to plan. During the reporting period the head-grade continued to improve. The total milled tonnage and plant utilization also increased due to additional operating days at the plant.

Operations during the full year 2016

Total gold production in 2016 amounted to 325.0 kg which is in line with the production guidance given in early 2016. Gold production increased every quarter throughout the year from 58.5 kg during the first quarter to 109.8 kg in the last quarter. The main reason to the increased gold production from one quarter to the next has been the improvement of the head grade. The improvement is a result of an increased focus to high-grade areas, in accordance with the Selective Mining strategy. Due to the increased head grade the

gold recovery generally also has improved.

Gold production in 2015 was 204.5 kg higher than in 2016 mainly due to the Selective Mining approach in 2016. The low gold price was the main reason which led to the Selective Mining strategy started in the beginning of year 2016. The purpose of Selective Mining was by a smaller organization to increase cash flow in the production and to reduce Cash Cost below the current gold price.

Key production figures by Q	Q1	Q2	Q3	Q4	Full year
	2016	2016	2016	2016	2016
Milled ore (tonnes)	35 317	37 303	36 104	42 193	150 917
Head grade (Au gram/tonne)	2,1	2,4	2,7	3,1	2,6
Gold recovery (%)	80,2	82,8	85,3	83,0	82,9
Hourly utilization (%)	35,3	37,7	34,0	43,5	37,6
Gold production (kg)	58,5	73,7	83,0	109,8	325,0
Gold production (oz)	1 881	2 370	2 669	3 530	10 450
Cost per milled ore tonne (EUR)	58	71	66	74	68
Cost per milled ore tonne (SEK)	541	656	624	720	639
Cash Cost (USD/oz)	1 312	1 396	1 113	1 060	1 195
Average gold price (USD/oz)	1 179	1 258	1 335	1 220	1 248
LTIFR on a rolling 12 months basis	5	6	6	8	8

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

Rämepuro open pit

The Company's first satellite mine operation Rämepuro was closed early 2016. Mine rehabilitation works commenced during summer 2016. Some minor rehabilitation works remain for the summer period 2017.

Mining at Rämepuro open pit was started in 2013 with test mining. Up to the closure of the open pit mine, a total of 200,000 ore tonnes and 1 miljon waste rock tonnes were mined.

Regional Exploration and other Karelian Gold Line development

Regional exploration in the Karelian Gold Line was restarted in May. The exploration plan was compiled together with the Geological Survey of Finland and was mainly based on the Karelian Gold Rush 2015 global exploration competition.

The Diamond core drilling program for regional targets included a total of 30 drill holes, with a total length of 2,835 meters. The tested targets were located in Pampalo North West, Poikopää, Hosko, Nenävaara and Muurinsuo areas. All the results have been received and results are being interpreted.

The Base of Till sampling program completed in 2016 consist of a total of 718 samples. The samples were collected from the defined target areas along the Karelian Gold Line. All the assay results have been received. Interpretation of the results is in progress.

Endomines conducted boulder and outcrop prospecting in the Karelian Gold Line during summer 2016. A boulder trail indicating a potential gold mineralization north of Hosko was recognized.

Diamond core drilling targeting the Pampalo Deeps was continuing throughout 2016. Results from the drilling have been used in updating the mineral resource and ore reserve estimate. A total of 20,886 meters of diamond core drilling was completed underground during the year.

Resource and reserve estimates

The updated mineral resource and ore reserve estimate for a limited area of Pampalo Deeps was published on January 27, 2017. The table of Gold ore reserves and Mineral Resources is available on the Company website.

In the Pampalo underground mine almost all the ore reserve and resource mined in 2016 has been replaced by new ore reserves and resources. The data included results from the underground drilling campaign completed in 2016.

A new resource estimate has been prepared for Pampalo NW and Pampalonlammit. Although the resource estimates are relatively modest, it proves that it is still possible to find new resources near Pampalo.

Hosko and Muurinsuo were removed from ore reserves because the deposits are likely uneconomic with the current gold price. Hosko and Muurinsuo remain as mineral resources.

Health , environment and safety

During the fourth quarter, the Company's own workforce achieved a continuous period of 365 working days without any accident. This achievement clearly demonstrates Endomines' commitment to a safe working environment. The Company's safety performance continues on a good level. The overall "LTIFR" rate was 8, including contractors' personnel. The company remains committed to the overall safety target of "zero accidents – zero harm".

Personnel

As a result of the co-operation negotiations completed in December 2015 and the start of the Selective Mining principle a 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 44 persons (72). At the end of 2016 the number of temporary lay-offs was 10 persons.

Gold price development during the year

At the end of 2015 the gold price was at 1,062 USD/oz. The gold price recovered during the first six to eight months in 2016 but gradually lost momentum during Q3. The gold price touched a near 2½-year high in July of 1,370 USD/oz. During Q4 the gold price was declining and was back to a level 1,159 USD/oz at the end of the year. The average gold price in Q4 was 1,220 USD/oz. The 2016 full-year average gold price was 1,248 USD/oz or 8% higher than the 1,161 USD/oz in 2015. Gold prices converted to EUR were in average 1,127 EUR/oz vs. 1,046 EUR/oz or 8 % higher in 2016.

Subsequent events

No significant subsequent events.

Outlook for 2017, Selective Mining continues

During 2017 the Company expects to produce between 300 and 350 kg gold in Pampalo. Production in 2017 will as in 2016 be based on the selective mining principle. During 2017, the Company intends to mine and process approximately 150,000 tonnes of high-grade ore. Mining will be concentrated to high-grade areas, operating continuously during weekdays. Processing will take place in average every other week.

Active underground exploration in the Pampalo underground mine will continue.

Financial Calendar 2017

- Annual report 2016 (in Swedish only) will be 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)

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This information is information that Endomines AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, at 08:55 CET on FEBRUARY 17, 2017.

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).

Company's website www.endomines.com

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 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 statements.
