

## EXPLORATION UPDATE REPORT 21<sup>st</sup> DECEMBER 2015

### **Endomines reports further high grade intersections from Pampalo Deeps exploration project and publishes an update of Reserves and Resources**

Endomines has, since the last update on October 27<sup>th</sup> 2015, carried out further diamond core drilling at its properties along the Karelian Gold Line, near Ilomantsi, in Eastern Finland. The mineral rights of the drilled and sampled properties are fully owned by the Company.

Endomines is pleased to report further high grade results from the ongoing exploration campaign at Pampalo Deeps. Drilling results included very encouraging intersections from, amongst others, the drill hole T-1010 which intersected **5 meters at 6.1 g/t gold**, T-1025 which intersected **10 meters at 6,4 g/t gold** and T-1050 which intersected **5 meters at 4,7 g/t gold**

In total 13 new underground drill holes (1312m) have, between October 21<sup>st</sup> and December 1<sup>st</sup>, been drilled to the Pampalo Deeps extension area. The drilling project was, due to development drifting in the area, temporarily paused on December 1<sup>st</sup>, however will be reactivated prior to year-end.

Since last exploration reporting date October 27<sup>th</sup>, the company has received assay results from 22 underground drill holes. 15 of these drill holes have returned high grade (grade x length > 8 gram meters) intersections. Intersections are listed in the Table 1 below and illustrated in the figure 1.

All intersections are reported as down hole length. Results are partially derived from drill holes drilled prior to October 27<sup>th</sup>.

Holes with grades below 8 gram meters are located in what is referred to as, from a financial perspective, barren areas in between the currently interpreted gold lodes.

Table 1 - Diamond core drilling results 2015 from Pampalo underground mine at Karelian Gold Line, Finland

Hole ID	Northing	Easting	Elevation	Azimuth (°)	Dip (°)	Length (m)	From (m)	To (m)	Downhole length (m)	Au (g/t)	Gram Metres	
T-1010	5724,8	10131,2	-590,8	103,5	1,1	74,7	51,0	56,0	<b>5,0</b>	<b>6,1</b>	<b>30,7</b>	
						<i>Including</i>	51,0	52,0	<b>1,0</b>	<b>16,6</b>	<b>16,6</b>	
							58,0	60,0	2,0	2,9	5,9	
T-1012	5724,3	10131,3	-590,0	126,4	23,1	110,7	81,2	82,2	1,0	1,8	1,8	
								86,2	87,2	1,0	3,3	3,3
T-1013	5724,3	10131,2	-590,8	125,6	1,0	86,5	68,0	70,0	2,0	1,7	3,4	
							74,0	75,0	1,0	1,0	1,0	
T-1015	5668,3	10187,6	-531,8	19,2	-42,7	14,9	No significant intersections					
T-1015A	5668,2	10187,9	-531,8	58,7	-42,0	50,3	15,0	16,0	1,0	1,4	1,4	
T-1016	5668,5	10188,2	-530,2	58,6	19,2	50,0	10,0	11,0	1,0	1,5	1,5	
								14,0	20,0	<b>6,0</b>	<b>3,8</b>	<b>22,8</b>
								22,0	24,0	2,0	1,4	2,8
								26,0	27,0	1,0	2,3	2,3
								34,0	35,0	1,0	6,9	6,9
T-1017	5668,5	10188,3	-530,0	58,8	24,7	59,3	13,0	25,0	<b>12,0</b>	<b>2,2</b>	<b>26,3</b>	
								32,0	35,0	<b>3,0</b>	<b>4,2</b>	<b>12,7</b>
T-1019	5666,8	10189,0	-531,4	84,2	-16,3	27,2	No significant intersections					
T-1020	5667,0	10189,0	-530,1	84,8	23,9	38,6	9,0	10,0	1,0	3,9	3,9	
								13,0	14,0	1,0	1,1	1,1
								17,0	21,0	<b>4,0</b>	<b>3,3</b>	<b>13,3</b>
								25,0	30,0	5,0	1,5	7,6
T-1024	5659,9	10185,9	-531,6	137,5	-23,9	39,1	13,4	15,4	2,0	3,2	6,4	
								17,4	20,6	3,3	2,4	7,7
T-1025	5659,6	10185,4	-531,5	149,6	-18,3	53,2	19,8	20,8	1,0	3,1	3,1	
								24,0	34,0	<b>10,0</b>	<b>6,4</b>	<b>64,2</b>
							<i>Including</i>	31,0	32,0	<b>1,0</b>	<b>15,2</b>	<b>15,2</b>
								38,2	39,3	1,1	4,1	4,5
T-1027	5740,0	10131,4	-591,9	88,0	-45,6	83,8	57,0	64,0	<b>7,0</b>	<b>1,6</b>	<b>10,9</b>	
								67,0	68,0	1,0	3,4	3,4
T-1028	5741,0	10131,2	-591,7	84,1	-34,0	87,0	47,0	52,0	<b>5,0</b>	<b>3,5</b>	<b>17,4</b>	
								54,1	56,1	2,0	2,3	4,4
								58,1	59,1	1,0	1,2	1,2
T-1029	5741,9	10131,1	-591,7	70,8	-22,8	78,2	53,0	54,0	1,0	1,4	1,4	
								56,0	57,0	1,0	1,1	1,1
								61,0	65,0	<b>4,0</b>	<b>2,4</b>	<b>9,5</b>
								142,0	144,3	<b>2,3</b>	<b>4,2</b>	<b>9,5</b>
T-1034	5813,2	10130,6	-618,6	37,9	-7,7	152,0	65,7	66,7	1,0	1,6	1,6	
								79,0	80,0	1,0	1,4	1,4
								83,0	84,0	1,0	1,9	1,9
								98,6	104,2	<b>5,6</b>	<b>1,5</b>	<b>8,1</b>
								121,2	123,0	1,8	2,2	4,1
T-1035	5813,3	10130,4	-619,1	36,1	-24,3	149,2	71,0	72,0	1,0	1,6	1,6	
								78,0	79,0	1,0	1,2	1,2
								123,7	124,7	1,0	1,6	1,6
								131,5	138,0	<b>6,5</b>	<b>3,2</b>	<b>20,6</b>
T-1036	5813,3	10130,4	-619,1	36,0	-34,0	140,9	106,9	108,0	1,1	1,1	1,2	
								124,9	130,0	<b>5,2</b>	<b>1,8</b>	<b>9,2</b>
								133,3	134,3	1,0	4,9	4,9
T-1038	5812,3	10130,5	-618,5	62,4	-9,2	128,0	45,6	50,3	<b>4,7</b>	<b>4,1</b>	<b>19,4</b>	
							<i>Including</i>	45,6	46,6	<b>1,0</b>	<b>16,4</b>	<b>16,4</b>
								56,0	56,9	0,9	2,0	1,8
								82,3	84,5	2,3	3,2	7,1
								87,4	88,4	1,0	2,6	2,6
								95,4	100,0	<b>4,7</b>	<b>2,7</b>	<b>12,5</b>
								101,0	105,0	4,0	1,5	6,0
								111,0	112,0	1,0	1,1	1,1
T-1043	5811,0	10130,6	-618,0	81,5	12,7	120,0	47,3	50,5	<b>3,3</b>	<b>4,1</b>	<b>13,4</b>	
						T-1043	86,9	90,0	<b>3,1</b>	<b>3,6</b>	<b>11,1</b>	
T-1046	5800,5	10130,3	-619,5	135,8	-53,8	15,2	No significant intersections					
T-1050	5801,1	10130,5	-619,3	113,5	-48,7	95,9	49,4	54,4	<b>5,0</b>	<b>4,7</b>	<b>23,4</b>	
							<i>Including</i>	51,4	52,4	<b>1,0</b>	<b>11,5</b>	<b>11,5</b>
								59,1	60,0	0,9	7,8	7,0
T-1051	5801,0	10130,6	-619,3	112,9	-35.028	83,7	40,8	44,0	<b>3,2</b>	<b>4,1</b>	<b>13,1</b>	
								49,0	50,0	1,0	2,7	2,7
								52,0	53,8	<b>1,8</b>	<b>6,0</b>	<b>10,5</b>

Coordinates are in local Mine Grid

Intesection lenghts are reported as down hole length

Decimal separator in this table is ,

## Pampalo Deeps Exploration project- longitudinal projection

(illustrative – not in scale. Intersections after 27<sup>th</sup> October with red background)

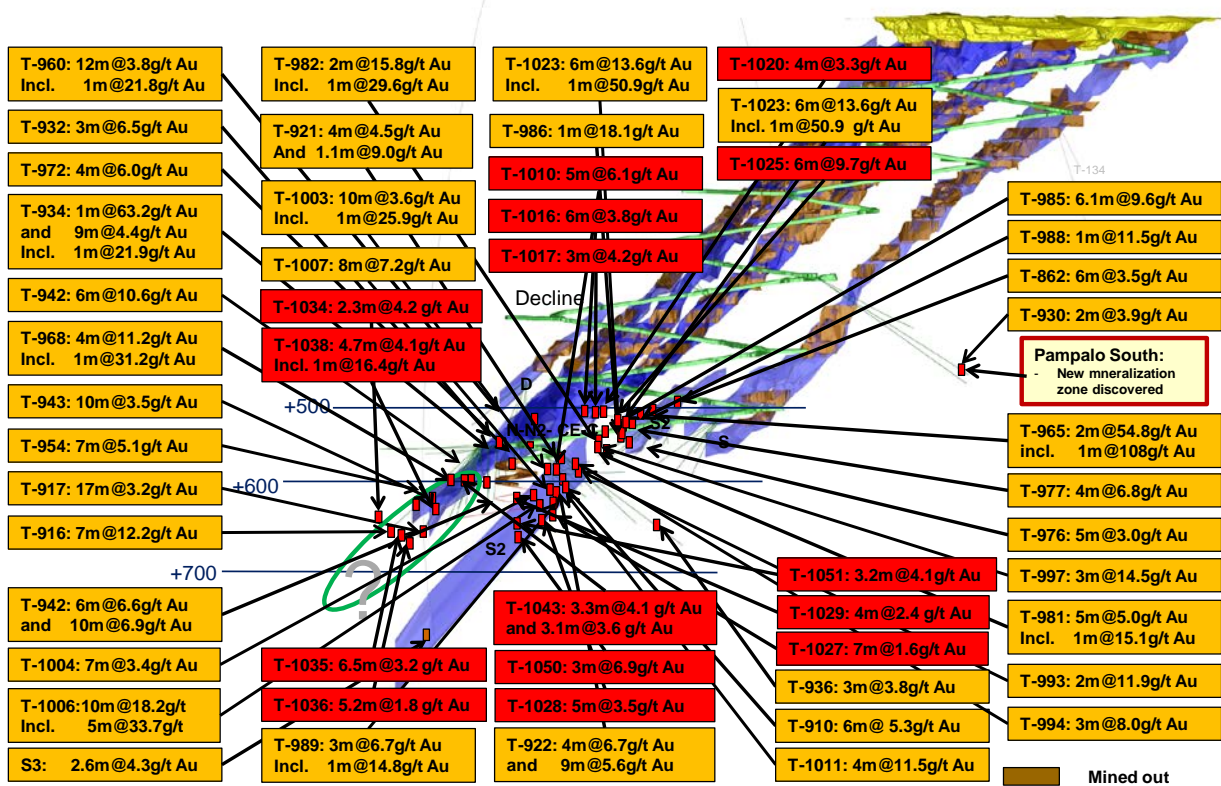


Figure 1. Location of most interesting drill core intercepts at Pampalo Deeps (assays within red boxes refer to this PR)

The company has engaged SRK Consulting (Finland) Oy to prepare an independent resource estimate for the Pampalo Deeps extension area. The estimate has been completed and the current combined resource (indicated and inferred) is **191 000 tonnes @ 4.1 g/t**. The company intends to convert resources to reserves in house.

SRK Consulting (Finland) Oy resource estimate report will be available from the company web-page prior to January 10<sup>th</sup> 2016.

A combined summary of all Karelian Gold Line reserves and resources is presented in the Table 4.

Endomines CEO Markus Ekberg comments the results: “These late drilling and resources estimation results confirm our view that we have discovered a new, high grade area within the Pampalo Deeps exploration project. The resource estimate by SRK Finland has been conducted at a very early stage of the drilling project and hence the tonnage 191 000 tonnes is modest at this stage. However, the resource grade 4.1 g/t is considerably higher compared to what we have been mining in recent years.”

## Other Diamond Core Drilling programs

### Pampalo North

A surface exploration drilling program at Pampalo North targeting the area between Pampalo and Pampalo NW has been completed. In total 10 holes with a combined length of 886 meters were drilled. All assay results are pending. Pampalo North is located within the Pampalo Mining lease area.

### Pampalo NW

Drilling program at Pampalo Northwest targeting the north and south extensions of the Pampalo NW mineralization. A program of 12 holes was previously completed with total length of 1,046 meters. Pampalo NW is located 1.5 kilometres northwest of Pampalo. Assay results from 2 drill holes have been received, results can be seen in the table 2 below. No significant intersections were received. All intersections are reported as down hole length.

Table - Diamond core drilling results 2015 from Pampalo NW at Karelian Gold Line, Finland

Hole ID	Northing	Easting	Elevation	Azimuth (°)	Dip (°)	Length (m)	From (m)	To (m)	Downhole length (m)	Au (g/t)	Gram Metres
P-388	5778,3	8960,1	-42,0	270,0	-60,0	121,8					
P-391	5625,4	8876,7	-44,0	270,0	-45,0	85,6					

Coordinates are in local Mine Grid      Intesection lenghts are reported as down hole length      Decimal separator in this table is ,

### Hosko

Drilling program at Hosko has been completed. Results are presented in the attached table 3. No significant intersections were received.

Table - Diamond core drilling results 2015 from Hosko at Karelian Gold Line, Finland

Hole ID	Northing	Easting	Elevation	Azimuth (°)	Dip (°)	Length (m)	From (m)	To (m)	Downhole length (m)	Au (g/t)	Gram Metres
HOS-88	7000450,0	710920,0	212,0	100,2	90,0	-45,0					
HOS-89	7000450,0	710945,0	212,0	100,2	90,0	-48,0	HOS-89	37,8	38,8	1,0	2,3
HOS-90	7000470,0	710854,0	204,0	161,3	89,0	-49,0	HOS-90	128,0	131,0	3,0	2,9
HOS-93	7000350,0	710910,0	212,0	93,1	90,0	-45,0					
HOS-94	7000470,0	710854,0	204,0	249,4	93,0	-70,0					
HOS-96	7000312,0	710915,0	213,0	98,7	90,0	-45,0	HOS-96	57,2	59,2	2,0	2,0

Coordinates are in ETRS-TM35FIN Grid      Intesection lenghts are reported as down hole length      Decimal separator in this table is ,  
Drill holes survey values are not precision measured.

## Reserves and Resources Summary

Endomines has prepared a summary of its updated mineral reserves and mineral resources estimates. The estimates have been prepared according to the 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (Joint Ore Reserve Committee - JORC-code) and Fennoscandinavian Review Board recommendations.

Various authors have prepared the updates. The update represents the production situation as at 30th November 2015.

Summary of mineral reserves and resources is presented in the table 4 below.

**Table 4. Endomines Mineral Reserves and Resources Summary**  
**Gold ore reserves - Karelian Gold Line (status Nov 30 2015)**

Deposit	Tonnes	Grade Au g/t	Oz	kg	Classification	Prepared by	Note
Pampalo	107 000	2,1	7 224	225	Proven	Endomines	(1)
	36 000	2,2	2 546	79	Probable	Endomines	(1)
SubTotal	143 000	2,1	9 771	304			(1)
Pampalo East	32 000	1,3	1 358	42	Probable	Endomines update (JK-Kaivossuunnittelu Oy design 201	(2)
<b>Pampalo Reserves total</b>	<b>175 000</b>	<b>2,0</b>	<b>11 129</b>	<b>346</b>			
Hosko	29 000	4,0	3 757	117	Probable	Endomines/Geoconsulting Parkkinen 2015/MAPTEK 20	(3)
Rämepuro	12 000	2,5	949	30	Probable	Endomines	(4)
Muurinsuo	68 000	2,5	5 356	167	Probable	MAPTEK 2009/ Endomines 2014 update	(5)
<b>Grand total</b>	<b>284 000</b>	<b>2,3</b>	<b>21 192</b>	<b>659</b>			

The Indicated and Inferred Mineral Resources are additional to the Ore Reserves

**Mineral Resources – Karelian Gold Line (status Nov 30 2015)**

Deposit	Tonnes	Grade Au g/t	Oz	kg	Classification	Prepared by	Note
Pampalo	139 900	4,2	18 846	586	Indicated	SRK Consulting	(6)
Pampalo	51 200	3,9	6 387	199	Inferred	SRK Consulting	(6)
Pampalo Deep resource	80 000	2,8	7 305	227	Inferred	Endomines	(7)
Pampalo D-zone	153 000	2,0	9 986	311	Inferred	Endomines	(7)
Pampalo East	199 000	1,8	11 452	356	Indicated	Endomines	(8)
Pampalo East	62 000	1,4	2 791	87	Inferred	Endomines	(8)
<b>Pampalo Resources total</b>	<b>685 100</b>	<b>2,6</b>	<b>56 767</b>	<b>1 766</b>			
Hosko	688 000	1,2	26 257	817	Indicated	Geoconsulting Parkkinen	(3)
Hosko	240 000	0,8	6 019	187	Inferred	Geoconsulting Parkkinen	(3)
Rämepuro	136 000	2,3	9 926	309	Inferred	Geoconsulting Parkkinen	(9)
Muurinsuo	301 000	1,9	18 774	584	Indicated	Endomines	(9)
Muurinsuo	230 000	1,4	10 353	322	Inferred	Endomines	(9)
Kuivisto East	37 000	3,2	3 807	118	Indicated	MAPTEK	
Kuivisto East	145 000	1,0	4 662	145	Inferred	MAPTEK	
Kuittila	275 000	2,6	22 988	715	Inferred	GSF, historical	
Korvilansuo	256 000	2,0	16 461	512	Inferred	Outotec (Finland) Oy	(10)
<b>Grand total</b>	<b>2 993 100</b>	<b>1,8</b>	<b>176 012</b>	<b>5 475</b>			

Reserves and Resources estimated according the JORC-code and Fennoscandian Review Board recommendations(except Kuittila)

All figures independently rounded

(1) Cut-off 1,5 g/t; top cut 10-20 g/t gold; waste rock dilution 10-20%; ore loss: stoping 5%; drifting not modelled separately

(2) Cut-off 0,5 g/t; top cut 7 g/t gold; waste rock dilution 15%; ore loss 10%

(3) Cut off 0,5 g/t; top cut 11 g/t (low grade domain) or 50 g/t gold (high grade domain)

(4) Cut-off 0,5 g/t; top cut 40 g/t gold; ore loss 5 %, waste rock dilution 15%

(5) Cut-off 1,0 g/t; ore loss 5%; dilution 15%

(6) Cut-off 1,0 g/t; top cut 25 g/t gold

(7) Cut-off 1,0 g/t; top cut 30 g/t gold

(8) Cut-off 0,5 g/t; top cut 7 g/t gold

(9) Cut-off 0,5 g/t; top cut 40 g/t gold

(10) Cut-off 0,5 g/t gold; no top cut

Troy ounce = 31,1035

## Assays and QA/QC procedures

The drill cores have been logged by Endomines own personnel. The preparation and assaying of the underground drillings core samples have been carried out at the Endomines laboratory in Pampalo, Finland or at the CRS Minlab Oy in Kempele, Finland. The sample procedure used at the laboratory was MPC's PAL1000 PULVERISE AND LEACH machine with AAS finishing. The used sample size was 500 g of crushed core.

The drill cores from surface drillings have been cut in half by Endomines before preparation for assaying, which has been carried out at the Endomines laboratory in Pampalo, Finland or at the CRS Minlab Oy in Kempele, Finland. The sample procedure used at the laboratory was MPC's PAL1000 pulverise and leach machine with AAS finishing. The used sample size was 500 g of crushed core. For Korvilansuo the preparation of half cores at CRS Minlab Oy in Kempele, Finland was done by (code RX1) crushing of sample to 90% under 2mm. splitting of 600g sample using rotary sample divider attached to the crusher. Grinding of 600g sample to 95% under 106µm. The sample procedure used at the Actlab laboratories in Canada was (code 1A2 – 50) Fire Assay of 50g subsample and determination of gold using AA method. Any assay with gold grades exceeding 5 g/t was re-assayed using a 50g Fire Assay method with gravimetric finish (code 1A3 – 50).

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.

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Competent Person: This statement has been controlled by Eurogeologist, MSc (Geol) Markus Ekberg acting as a Qualified Person in compliance with Fennoscandian Review Board -standards. Markus Ekberg is employed by Endomines as the Chief Executive Officer and owns 180 000 shares in Endomines.

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*This report 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.*