

ENDOMINES Year-end report 2019

Ramp-up of Friday continued successfully

Endomines AB, Stock Exchange Release 13 February 2020 at 08:30 CET

Full year 2019 (vs. Full year 2018)

Operational highlights

- Friday Orogrande processing facility successfully commissioned
- Taking over full operational control of the Friday Underground mining activities successfully completed
- No injuries reported in the last 12 months; LTIFR 0 (11)

Financial highlights

- Total revenue was 5.8 MSEK (105.3)
- EBITDA was -48.8 MSEK (-5.5)
- Total cash flow was -3.3 MSEK (0.4)
- Earnings per share was -1.28 SEK (-1.01)

Significant subsequent events

- On January 9th, 2020, half of the convertible bond issued to the sellers of TVL Gold Idaho was converted to Endomines AB shares, in accordance with bond's updated terms and conditions that were resolved on an Endomines AB extraordinary general meeting on 10th December 2019. After the conversion, Endomines' AB total number of shares and votes amounts to 96,914,307 and share capital to 291,089,546.70 SEK.
- On January 28th, 2020, Endomines announced that it had signed a Letter of Intent with Transatlantic Mining to purchase the US Grant Mine including mill and the Kearsarge Gold Project.
- On February 4th, 2020, Endomines announced that as of yearend it has successfully completed taking over full operational control of the mining activities while also achieving successful commissioning of its Orogrande Processing Facility ("OPF") at the Friday Underground Mine in Idaho County, Idaho, USA. Progress at the mine has been good and the company is now expecting to achieve commercial production in the beginning of March 2020.

Production guidance for 2020:

Endomines was able to achieve significant operational milestones at its Friday Mine in Idaho, USA. In the 4th quarter Endomines focused its efforts on commissioning the mill and taking over operational control of the mine. In December Endomines took over all mining activities from the mining contractor at Friday after acquiring the necessary equipment to operate the underground mine. At the end of December Endomines had completed all pre-production development in preparation of drilling the first mining stope in January 2020. In addition to the successes at the mine Endomines was able to commission the processing facility. During the month of December Endomines was able to process 420.5 tonnes of mineralized material with a head grade of 2.65 g/t Au, resulting in 2.65 tonnes of concentrate grading 189.2 g/t Au. The processed material came from stockpiles of low-grade pre-production development ore and does not represent typical Friday high-grade ore. Endomines is expecting to ramp up to design capacity (3,445 tonnes per month) in March of 2020.

Endomines management team is in the process of updating the life of mine projections based on the commissioning of the plant and the updated mining methods. Once completed, Endomines will release an updated production guidance for the Friday mine.

Key figures (Consolidated)	Jan-Dec		
MSEK if not otherwise stated	2019	2018	+/-
Total revenue	5.8	105.3	-99.5
Cost	-54.6	-110.7	56.1
EBITDA	-48.8	-5.5	-43.3
Depreciation and write-downs	-3.6	-43.0	39.4
EBIT	-52.5	-48.5	-4.0
Net result for the period	-76.7	-37.4	-39.3
Earnings per share (SEK)	-1.28	-1.01	-0.27
Cash flow from operating activities	-78.9	-7.6	-71.3
Cash flow from investing activities	-80.3	-158.9	78.6
Cash flow from financing activities	155.9	166.9	-11.0
Liquid assets at the end of the period	15.7	18.9	-3.2
Personnel at the end of the period	43	24	19
LTIFR	0	11	-11

LTIFR = The Lost Time Injury Frequency Rate is based on reported lost time injuries resulting in one day or more off work per 1,000,000 hours worked on a rolling 12-month basis. LTIFR has been calculated for the whole company including contractors

CEO Greg Smith: “During the fourth quarter Endomines solved the remaining issues relating to the commissioning of the mill at Friday and also successfully took over full operational control of the Friday mining activities. Our announced target of commercial production from the mine in March 2020 represents a significant step forward for the company. This has been achieved by hard work and the highest commitment from all of our staff. We are currently operating in a unique and favorable gold market and are actively developing our next high-grade underground mine assets as well as reaching our full potential at Friday.

In January we announced that we had signed a LoI with Transatlantic mining corporation to purchase the US Grant Mine and Mill in conjunction with acquiring the Lease Assignment of the Kearsarge Gold Project in the Virginia City Mining District in Montana, USA. The addition of the assets from Transatlantic represents a major step towards our initial target of producing 40,000 oz Au per year and provides Endomines an avenue to become a 100,000 oz Au per year producing company within the next 24-36 months.

We are also currently reviewing and searching for the best possibilities how to continue our operations in Finland at the Karelian Gold Line.”

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This information is information that Endomines AB is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication through the contact persons set out above at 08:30 CET on 13 February 2020.

About Endomines

Endomines is a mining and exploration company with its primary focus on gold. The Company explores for gold 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).