

## Endomines AB Half-year interim report 2020 – First shipments of gold concentrate from the Friday mine

Endomines AB, Stock Exchange Release 27 August 2020 at 08:30 CET

### H1 2020 (vs. H1 2019)

#### Operational highlights

- Endomines announces first shipments of gold concentrate from the Friday mine
- Endomines announces agreement with Transatlantic Mining to buy US Grant mine and mill and Kearsarge Gold Project
- No injuries reported in the last 12 months; LTIFR 0 (11)

#### Financial highlights

- Total revenue was 10.5 MSEK (3.5)
- EBITDA was -45.3 MSEK (-20.8)
- Total cash flow was -12.3 MSEK (-13.2)
- Earnings per share was -0.61 SEK (-0.57)

#### Outlook:

The COVID-19 pandemic continues to severely impact the production ramp-up, principally due to supply chain disruptions and slowdowns in hiring for the Orogrande Processing facility.

Production guidance remains challenging to specify due to the complexity of the operating environment, particularly during ramp-up activities at Friday.

Key figures (Consolidated)	Jan-Jun		
	2020	2019	+/-
<i>MSEK if not otherwise stated</i>			
Total revenue	10.5	3.5	7.0
Cost	-55.8	-24.3	-31.5
EBITDA	-45.3	-20.8	-24.5
Depreciation and write-downs	-11.7	-1.5	-10.2
EBIT	-56.9	-22.3	-34.6
Net result for the period	-68.0	-30.1	-37.9
Earnings per share (SEK)	-0.61	-0.57	-0.04
Cash flow from operating activities	-59.5	-29.8	-29.7
Cash flow from investing activities	-18.6	-36.8	18.2
Cash flow from financing activities	65.9	53.4	12.5
Liquid assets at the end of the period	3.4	5.7	-2.3
Personnel at the end of the period	48	36	12
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 second quarter Endomines strengthened its financial position by issuing 2 bridge loans and a directed share issue used mainly to speed up the ongoing ramp-up at the Friday mine. During the second quarter we delivered our first shipment of concentrate which constitutes a big milestone for our operations at Friday.

We have, however, still encountered some technical challenges at the mill still reducing our throughput and thus not enabling us to reach the design capacity at the Friday mill by the end of Q2. Also, the COVID-19 pandemic continued to cause challenges recruiting staff and difficulties sourcing certain critical spare parts and components which further complicated operations in Idaho. We are determined to solve the issues we have faced so far and are hopeful that we will be able to reach near design capacity at the Friday mill during Q4.

We are in the process of finalizing the Transatlantic transaction which will be an excellent addition to our existing project portfolio of high-grade US based gold assets. By acquiring these assets from Transatlantic, we will accelerate our growth and provide Endomines with an excellent avenue to ultimately become a 100,000-ounce gold per year producing company. Based on the permitting schedule we anticipate being able to start preliminary production within 12 months.

We are also currently reviewing and evaluating the best possibilities how to continue our operations in Finland at the Karelian Gold Line. With current all-time high gold prices, the project to invest in the decline at Pampalo and re-start the production looks very interesting.”

**For further information, please contact:**

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*This information is information that Endomines AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08:30 CEST on 27 August 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).*