Endomines AB (publ)
Press Release
Stockholm, 1 November 2013

SUMMARY OF INTERIM REPORT JANUARY – SEPTEMBER 2013

The full interim report is found on the company's website in Swedish only.

Highlights Q3/2013

- Gold production 228.5 kg (175.8), +30 %
- Revenues 54.1 MSEK (42.0), +29 % which mainly is due to higher sales volumes
- EBITDA before unrealized losses/gains on derivatives 3.8 MSEK (11.1)
- Profit after tax from continued operations -8.9 MSEK (-9.9)
- Earnings per share from continued operations -0.10 SEK (-0.12)
- Total investments 10.4 MSEK (11.7)
- Total cash flow -16.4 MSEK (45.5)
- The exploration results confirm the significant potential of the Karelian Gold Line

Highlights January-September 2013

- Gold production 577.0 kg (589.1), -2 %
- Revenues 122.6 MSEK (160.7), -24 %
- EBITDA before unrealized losses/gains on derivatives -12.1 MSEK (57.1)
- Profit after tax from continued operations -21.7 MSEK (-16.1)
- Earnings per share from continued operations SEK -0.26 (-0.20)
- Total investments 29.6 MSEK (20.2)
- Total cash flow 14.0 MSEK (29.7)
- Cash funds at end of Q3 83.1 MSEK (31 December 2012: 69.0)

Outlook for 2013

- The production guidance for the full year remains at 800–900 kg gold

Key financial data

	Q3			Q1 – Q3		
MSEK, unless otherwise stated	**2013**	2012	change	**2013**	2012	change
Revenues	54.1	42.0	12.1	122.6	160.7	-38.0
EBITDA before unrealized loss on derivatives	3.8	11.1	-7.2	-12.1	57.1	-69.2
EBIT	-8.4	-2.8	-5.7	-24.9	-1.9	-23.0
as % of revenues	-15.6%	-6.6%		-20.3%	-1.2%	
Net result from continued operations	-8.9	-9.9	0.9	-21.7	-16.1	-5.6
Earnings per share from continued operations	-0.10	-0.12	0.02	-0.26	-0.20	-0.06
Gold production. kg	228.5	175.8	52.7	577.0	589.1	-12.1
Cash Cost. USD/oz[1]	983	804	179	1,144	780	364
Total cash flow	-16.4	45.5	-61.9	14.0	29.7	-15.6
Cash funds at end of period	83.1	72.7	10.4	83.1	72.7	10.4

Comments to operations

Pampalo Gold Mine

Gold production during the third quarter increased significantly in accordance with previous expectations and amounted to 228.5 kg gold. The gold production was close to target level despite operation of a few low grade areas at the underground mine. The lower market price for gold, as well as the effect of the gold hedge, affected the economic result negatively.

The production for the first nine months was 577 kg gold.

[1] Endomines calculates "Cash cost" per ounce figures using the guidance issued by The Gold Institute Production Cost Standard. Mining, ore processing and site administration and off-site smelting and refining costs are included to the "cash cost" but amortization, reclamation, capital and exploration costs are excluded, i.e. "Cash Cost" is calculated per payable ounces. "Cash Cost" figure is furnished to provide additional information and is a non-IFRS measure. Conversion from EUR to USD made by average rate for the period EUR/USD.

Source: The London Bullion Market Association

The average price for gold has dropped by 20 per cent during the latest quarter compared to the same quarter previous year. For the entire period the average price has been in average 12 per cent lower in 2013 when compared to 2012. Endomines realised gold price does not entirely correlate with the development of the market price. This is due to monthly shipping with fluctuating gold grades and prices as well as effects of the gold hedge that can differ from one quarter to another.

Gold price development

(Average price according to LBMA)	**2013**	2012	*%*
Q1	1 631	1 691	-4
Q2	1 415	1 610	-12
Q3	1 326	1 653	-20
Q1-3	1 457	1 651	-12

Key production figures[2]

	Q4-2012	Q1-2013	Q2-2013	Q3-2013	Roll 12	FY 2012
Mined ore (tonnes)	69,950	90,386	103,579	74,635	308,550	250,790
Milled ore (tonnes)	59,446	58,856	80,939	93,460	292,701	249,949
Head grade (Au gram/tonne)	5.4	3.5	2.3	3.0	3.4	4.0
Gold recovery (%)	87.2	88.4	86.7	82.6	86.1	86.1
Hourly utilization (%)	88.1	88.8	92.7	92.7	90.6	91.0
Gold production (kg)	277.4	180.4	168.1	228.5	854.4	866.5
Gold production (oz)	8,919	5,800	5,405	7,346	27,470	27,860
LTIFR (12 month rolling)[3]	9	0	8	4	4	9
OPEX/ (EUR/tonne)	74	57	69	57	64	59
OPEX/ (SEK/tonne)	638	483	592	498	549	513
Cash cost (USD per oz) rolling 12 months	753	745	954	998	998	753

The production during the third quarter

Processing plant utilization rate was good and at 92.7%. Due to mining of normal grade areas under ground, in combination with production from the low grade Pampalo East open pit, the head grade in Q3/2013 was 3.0 g/t.

To ensure the pre-development of stopes, drifting has been intensified during the third quarter. Due to the increased drifting the total cost for drifting and related ground support has increased significantly compared to the previous quarter.

The test mining in Rämepuro that commenced during the third quarter will continue during the fourth quarter. In order to, during the fourth quarter, accelerate the test mining the contractor previously engaged at the open pit at Pampalo has been transferred to Rämepuro. As a consequence less ore has been mined in the Pampalo East open pit during the third quarter. Thus, the total ore tonnage decreased and the cost increased as the ore was mined in the underground mine.

As a result of the capacity increase, completed during the first half of 2013, the feed at the processing plant increased. Due to the increased feed quarterly costs per milled ore tonne have dropped in comparison with the first six months 2013 (Jan-Jun 2013: 546 SEK/ tonne – Jul-Sept 2013: 498 SEK/ tonne). Year-to-date cost per milled ore tonne was 527 SEK (475).

Rämepuro and Hosko

Test mining at Rämepuro satellite mine has commenced. The mining has, however, been delayed due to very wet conditions in the bog area surrounding the open pit. The run of mine ore grade from the Rämepuro deposit has been lower than expected and management is currently investigating the background.

A pilot plant process test with 500 tonnes of ore from the Hosko deposit has commenced at GTK Mintec laboratory in Outokumpu Finland.

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[2] Production figures for Q3/2013 are based on the company's own assaying and not confirmed by an external laboratory. Figures are individually rounded. Mined and milled ore tonnes may include adjustments due to inventory differences. Rolling 12 months´ mined ore tonnes have been adjusted due to the inventory difference reported in the Q2-report as a result of control measurement of the open pit ore production during the first six months in 2013.

[3] 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.

Exploration and other Karelian Gold Line development
Almost 90% of all exploration drill holes have intersected gold mineralization, which clearly confirm the great ore potential of Karelian Gold Line. This confirms the Company's view that large scale ore forming processes have been in place along Karelian Gold Line.

The Karelian Gold Line Environmental Impact Assessment (EIA) has been formally approved by the relevant authorities.

Health and Safety
The Company's safety performance continues on a good level. Our employees have worked 210 days without accidents, and our contractors over 598 days. The overall "LTIFR" rate of 4 is again clearly better than the industry average but the company remains committed to our overall safety target of "zero accidents – zero harm".

Personnel
By the end of the reporting period the number of personnel was 89 employees of which 76 were working at the Pampalo Gold Mine, nine people were working in exploration and four people were employed in the administration in Stockholm and Ilomantsi. The contractors working at the Pampalo Gold Mine had 46 employees.

Kalvinit
Mining concession procedure at Koivu is on-going.

Cove Resources Ltd continues with the raising of capital for the purchase of Kalvinit Oy. The final longstop date for the share purchase agreement is November 15th 2013.

Outlook for full year 2013
Production guidance
2013 full year production guidance remains at 800-900 kg gold.

Gold price and profitability
During the last months the gold market situation has changed and there are several different opinions regarding the future gold price trend. To the extent the gold price falls further, then all gold companies will have to review the carrying values of their assets, eventually including Endomines as well. The company is monitoring the price as well as the price forecasts closely in order to adjust our operations accordingly.

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About Endomines AB

Endomines AB is a Nordic mining and exploration company with its first operating gold mine in production since February 2011. The mine is located in Eastern Finland, on the Karelian Gold Line, a 40 km long gold critical belt, where Endomines controls all currently known gold deposits.

The company's business practices and mining operations are based on sustainable principles and on minimizing the impact on the environment.

Endomines applies SweMin's & FinnMin's respective rules for reporting (public mining & exploration companies). It has chosen to report mineral resources and ore reserves according to the JORC-code, which is the internationally accepted Australasian code for reporting ore reserves and mineral resources.

The shares of Endomines AB are quoted on NASDAQ OMX Stockholm under ticker ENDO and on NASDAQ OMX Helsinki under ticker ENDOM. Pareto Öhman acts as Liquidity Provider in Stockholm.

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.

Endomines AB discloses the information provided herein pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 08:45 CET on November 1st, 2013.