

SUMMARY OF INTERIM REPORT JANUARY – MARCH 2014

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

Highlights Q1/2014

- Gold production 176.0 kg (180.4), milled ore exceeded 100,000 tons for the first time
- Revenues 37.6 MSEK (40.1) -6 % due to lower gold production and price
- EBITDA before unrealized losses/gains on derivatives -5.7 MSEK (8.9)
- Profit after tax -17.4 MSEK (-5.3)
- Earnings per share SEK -0.20 (-0.07)
- Total investments 5.9 MSEK (12.2)
- Total cash flow -13.0 MSEK (18.9)
- The exploration activities to be refocused to the Pampalo mine site and its immediate surroundings
- Programs for cost savings and improvements to overall efficiency initiated
- New mining permits granted at Karelian Gold Line
- Encouraging assay results from Karelian Gold Line drillings
- Mineral Reserve and Resource Estimate update announced 2 April

Subsequent events

- Environmental permit for Rämepuro satellite mine granted on May 9th

Production guidance for 2014

- The production guidance for 2014 is in line with 2013 gold production (790 kg)

Summary key data

MSEK	January-March		
	2014	2013	+/-
Revenues	37.6	40.1	-2.5
EBITDA before unrealised result on derivatives	-5.7	8.9	-14.6
Operating result	-20.1	1.5	-21.7
Profit before tax	-21.0	-4.8	-16.2
Net profit	-17.4	-5.3	-12.1
Earnings per share (SEK)	-0.20	-0.07	-0.13
Cash flow	-13.0	18.9	-32.0
Gold production (kg)	176.0	180.4	-4.4
Gold production (oz)	5,659	5,800	-141
Milled ore (ton)	107,866	58,856	49,010

Comments to operations
Pampalo Gold Mine

The production for the first quarter 2014 amounted to 176.0 kg gold.

Quarterly production data¹

	Q1-2013	Q2-2013	Q3-2013	Q4-2013	Q1-2014
Milled ore (tonnes)	58,856	80,939	93,460	96,328	107,866
Head grade (Au gram/tonne)	3.5	2.3	3.0	2.6	2.0
Gold recovery (%)	88.4	86.7	82.6	82.8	81.6
Hourly utilization (%)	88.8	92.7	92.7	87.5	94.6
Gold production (kg)	180.4	168.1	228.5	213.0	176.0
Gold production (oz)	5,800	5,405	7,346	6,848	5,659
LTIFR ² (12 month rolling)	0	8	4	8	11
Cost per milled ore (EUR/ton)	57	69	57	56	41
Cost per milled ore (SEK/ton)	483	592	498	499	365
Cash Cost (USD/oz) quarter	1,081	1,441	983	1,351	1,271
Cash Cost (USD/oz) (12 month rolling)	745	954	998	1,197	1,243
Gold price (USD/oz)	1,631	1,415	1,326	1,273	1,293

The milled tonnage for the first quarter of the year was a historical record and exceeded 100,000 tonnes. This once more shows that the processing plant is of a high technical quality. The hourly utilization rate in the mill was as well good and amounted to 94.6%. The production cost per milled tonne of ore amounted to 365 SEK or 41 EUR which was significantly lower than during previous periods. Cash cost for the quarter amounted to 1,271 USD/oz, which was slightly below the average market price for the period and somewhat over break-even at EBITDA-level. The relatively high cash cost for the quarter is mainly due to the low head grade.

Initiatives for increased efficiency and cost savings

Due to recent and near term expected low gold price the Board, by early January, took the decision to start co-operation negotiations in order to carry out cost saving initiatives and improve overall efficiency. In addition, the Board decided to refocus the Company's exploration activities to the Pampalo mine site and its immediate surroundings. Drilling at Korvilansuo area and development works at Hosko deposit will

¹ Production figures for Q1/2011 are based on company own assaying and not confirmed by any external laboratory. Figures are individually rounded off.

² 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.

currently be put on hold as well as all green field exploration activities. For the same reason the Company has decided to reduce its exploration activities to preserve cashflow.

The co-operation consultations with the employees concluded in February. 18 employees have as a result been laid off. In addition, three employees were made redundant and one employee has retired. Contractors have consequently adjusted their own workforce according to the revised activity plan. The layoffs will have no impact to the production.

The Group's total cost saving is estimated to approximately 18 MSEK (2 M€) for the first year. Production cost savings correspond to an approximate 100 USD/oz reduction in cash cost.

New mining permits granted

TUKES (The Finnish Mining Authority) has granted Endomines the first two out of five company applications for mining permits along Karelian Gold Line within the Ilomantsi area in Finland. The granted mining permits are for the Hosko and Muurinsuo deposits. The Hosko and Muurinsuo permits have an area of 66 ha respectively 25 ha. The Hosko permit area is situated 15 km north of Pampalo and Muurinsuo 15 km south of Pampalo.

The Company currently has mining permits for Pampalo, Rämepuro, Hosko and Muurinsuo. The mining permit applications in progress are for Kuivisto and Kuittila and the extension for Pampalo; Pampalo NW.

Encouraging assay results from Karelian Gold Line drillings

The Company has during 2013 carried out the planned exploration drilling programme at its properties along Karelian Gold Line. The assay results received from all drilled areas outside Pampalo permit area have been published in February 2014 and include encouraging assays from the northern part of Hosko (HOS-50 4.3 m@4.4 g/t gold. HOS-55 7.0 m@2.7 g/t gold and HOS-64 3.3m @4.4 g/t gold) and especially from the Korvilansuo- Muurinsuo area where a wide scouting program has been carried out (Eli-4 4.0m @1.3 g/t gold and 5.5m @1.2 g/t gold. Kiv-17 7.0m @1g/t gold and 6. 0 m@1.1 g/t gold. KVS-65 6.9m @2. 6 g/t gold and 3 m@4.7 g/t gold).

Approximately half of the programme (66 holes) was designed as scouting holes at Hosko, Korvilansuo- Muurinsuo area and Nenävaara. The remainder of the holes were drilled to update the known resources at Hosko, Korvilansuo, Muurinsuo and Rämepuro. The mineral rights of the drilled properties are fully owned by the Company.

"It is very encouraging that a number of the scouting holes across the Korvilansuo- Muurinsuo area have intersected gold mineralisations. This confirms our view that large scale ore forming processes have been in place around the Kuittila Tonalite. The data will now be thoroughly evaluated and form the basis for a prioritization of continued work once the financial situation has improved", comments Markus Ekberg, CEO of Endomines.

The presented drillings aimed to discover new or extend the previously discovered target areas. Totally 125 diamond core holes were drilled. The total amount of drilling meters was 13.254. All of the cores have been logged and 10.756 samples have been sent for assays.

New gold lodes discovered at Pampalo

The results of the exploration drilling programme at the Pampalo Gold mine mining concession, published in February 2014, include robust and encouraging intersections of gold bearing zones from the area north of the Pampalo open pits (P-299 31.6 m @2.6 g/t gold. P-306 11.0 m @2.4 g/t gold. P-312 10.0 m @2.3 g/t gold. P-319 8.7 m @ 3.1 g/t gold and P-322 6 m @4.1 g/t gold).

The drillings have identified two previously unknown lode structures with significant grades. The eastern mineralisation is called the Lietoja-zone and the western mineralisation is called the D-zone. These new

discoveries are the result of detailed drilling, structural investigation and surface mapping and do establish a new structural/gold-mineralisation model for the broader area of Pampalo. The results of the drillings, together with images of the preliminary interpretation, are published on the Company's website.

The upper part of the Lietoja zone is located within the planned Pampalo East pit. The mineralization continues at least 120 m down dip. The D zone continues at least 80 m down dip. At the Pampalo mine the gold occurs within three zones that have been investigated by means of detailed diamond drilling down to approximately 550 m depth. Exploration drilling further down indicates that the mineralization continues to at least 700 m depth.

The results are in accordance with the expectations and confirm there are several gold mineralisations in the Pampalo area that have the potential to strengthen the future development of the operations.

Mineral Reserves and Mineral Resources

In the beginning of April an update of the Company's mineral reserves and mineral resources was announced. The method for the preparation of estimates has partially been changed. Previously, 80 - 85% of the resources have been converted into reserves. Now, only those mineral reserves that are included in the current mining layouts are reported i.e. only detailed planned mining areas have been reported as mineral reserves. The result of the revised estimation methodology is that some 65% of the mineral resources has been converted to mineral reserve. As a result of this methodology change, the currently projected Life-of-Mine was reduced by approximately one-two years. Currently reported Mineral Reserves are sufficient for two-three years production, but the company has the view that parts of the currently reported Mineral Resources will be converted into Mineral Reserves and subsequently extend the life expectancy.

The updated mineral reserves and mineral resources as of 31 December 2013 are available on the Company website.

Health and Safety

The Company's safety performance continues on a good level. The overall "LTIFR" rate is 11. The Company policy is a safety target of "zero accidents – zero harm".

Personnel

By the end of the reporting period the number of personnel was 79 employees of which 18 persons are laid off either part-time or full-time. The contractors working at the Pampalo Gold Mine had 25 employees.

Outlook for 2014

The production guidance for 2014 is in line with 2013 gold production (790 kg). Decided cost savings measures are expected to have positive impact on Cash Cost.

Subsequent events

On May 9 the Company was granted the environmental permit for Rämepuro satellite mine granted. The permit grants the Company the right to commence operations as scheduled in the summer 2014. The Rämepuro ore will be an important supplement for the Pampalo central processing plant ore feed during the coming years.

For further information. please contact:

Markus Ekberg
CEO of Endomines AB
tel. +358 40 706 48 50

or visit the Company's home page: www.endomines.com



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 mineral reserves according to the JORC-code, which is the internationally accepted Australasian code for reporting mineral 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 May 12th, 2014.