

SUMMARY OF YEAR-END REPORT 2014

A lower goldprice was compensated by cost reductions

The full interim report, in Swedish only, is available on the Company's website, www.endomines.com

Highlights Q4/2014

- Gold production 179.3 kg (213.0), -16 %
- Revenues 42.1 MSEK (41.4)
- EBITDA before unrealized losses/gains on derivatives -3.3 MSEK (-12.0)
- Profit after tax -11.7 MSEK (-41.5)
- Earnings per share -0.07 SEK (-0.31)
- An extraordinary general meeting approved the resolution by the Board on a rights issue
- A successful rights issue was completed and raised 96.1 MSEK
- Renegotiation of the bank loan led to postponed amortizations to 2016-17
- Investments in mine development and geological investigations under ground were resumed
- An exploration manager was hired

Highlights January-December 2014

- Gold production 761.9 kg (790.0), -4 %
- Revenues increased by 6 % to 173.6 MSEK (164.1)
- Cost reductions and increased efficiency at Pampalo operations
- Cash cost was improved to 1,047 USD/oz (1,197)
- EBITDA before unrealized losses/gains on derivatives 5.5 MSEK (-24.2)
- Profit after tax -35.2 MSEK (-63.3)
- Earnings per share from SEK -0.25 (-0.49)
- Cash flow from operations was 11.4 MSEK(-11.5) after 19.7 MSEK (32.7) gold hedge payments.
- Cash funds at end of 2014 114.2 MSEK (31 December 2013: 45.9)
- New mining permits for the Hosko and Muurinsuo deposits
- Environmental permit application for Hosko satellite deposit operations filed
- Rämepuro open pit operations started

Key financial data

Key financial data-Group <i>MSEK unless otherwise stated</i>	October-December			January-December		
	2014	2013	+/-	2014	2013	+/-
Revenues	42.1	41.4	0.7	173.6	164.1	9.6
Ebitda before unrealised loss on derivatives	-3.3	-12.0	8.8	5.5	-24.2	29.7
Ebit	-15.9	-51.3	35.4	-45.0	-76.3	31.3
Profit before tax	-14.6	-47.8	33.2	-43.3	-75.1	31.8
Net profit	-11.7	-41.5	29.8	-35.2	-63.3	28.1
Cash flow	78.6	-38.1	116.7	67.1	-24.1	91.2
Earnings per share (SEK)	-0.07	-0.31	0.24	-0.25	-0.49	0.24
Gold production (kg)	179.3	213.0	-33.7	761.9	790.0	-28.1
Gold production (oz)	5,765	6,848	-1,083	24,497	25,399	-902
Milled ore (tonnes)	87,205	96,328	-9,123	395,342	329,583	65,759

Comments to operations

Pampalo Gold Mine

Key production figures

	2 014	2 014	2 014	2 014	2 014	2 013	Change
	Q1	Q2	Q3	Q4	Full-year	Full-year	2014/2013
Milled ore (tonnes)	107,866	104,688	95,583	87,205	395,342	329,583	65,759
Head grade (Au gram/tonne)	2.0	2.3	2.7	2.4	2.3	2.8	-0.5
Gold recovery (%)	81.6	80.3	81.6	82.9	82.1	85.1	-3.0
Hourly utilization (%)	94.6	95.7	93.7	89.8	93.4	90.4	3.0
Gold production (kg)	176.0	195.7	210.9	179.3	761.9	790.0	-28.1
Gold production (oz)	5,659	6,292	6,781	5,765	24,497	25,399	-902
LTIFR (12 months rolling)	11	16	23	24	24	8	
Cost per milled ore tonne (EUR)	41	39	46	51	44	60	-16
Cost per milled ore tonne (SEK)	365	349	415	462	394	518	-124
Cash Cost (USD/oz) per quarter	1,271	939	960	1,046	1,047	1,197	-150
Cash Cost (USD/oz) rolling 12 months	1,243	1,130	1,127	1,047	1,047	1,197	-150
Gold price (USD/oz)	1,293	1,289	1,284	1,229	1,274	1,411	-138

Footnotes for Production figures¹ / LTIFR²

Operations during the 4th quarter 2014

Reduced development drifting due to a cost saving campaign during the summer period affected the production during November and December. The hourly utilization was also impacted due to availability of ore and technical disturbances in the processing plant.

¹ Production figures for the last quarter 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



Operations during full year 2014

As the mine has progressively been deepened the conditions for the production at Pampalo mine have become more challenging. Previously interpreted larger ore lenses were observed to be broken up into smaller lenses. Change of geostatistical estimate methods and planning parameters resulted to a reduction of mineral resources and ore reserves.

An environmental permit for the Rämepuro satellite mine was received in May and production commenced subsequently.

Pampalo underground decline and other mine development was revitalized late 2014. Due to the cost saving campaign and reduced drifting during the summer months, full production could not be achieved during latter part of 2014.

Regional Exploration and other Karelian Gold Line development

Activities during 2014

In January Endomines decided to refocus the Company's exploration activities to the Pampalo mine and its immediate surroundings.

Also in January Endomines was granted with two new mining permits, Hosko and Muurinsuo. 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 has currently mining permits for Pampalo, Rämepuro, Hosko and Muurinsuo. The mining permit applications in progress relate to Kuivisto as well as Kuittila and the extension for Pampalo; Pampalo NW.

In order to restart its regional exploration activities Endomines recruited a new Exploration Manager in October.

Resource and reserve estimates

Updated mineral resource and ore reserve estimates will be published once all relevant data is available.

Gold price development during the year

The average gold price in USD was approximately ten percent lower during 2014 compared to 2013. At the same time the euro weakened against the dollar, which on the other hand was beneficial for the Company.

Health and Safety

The Company's safety performance continues on a good level. The overall "LTIFR" rate is 24. The company remains committed to the overall safety target of "zero accidents – zero harm".

Personnel

Early 2014 co-operation negotiations were commenced in order to identify cost savings and improve overall efficiency at the Pampalo operations. During the year the total number of personnel in the Group was reduced by 21 employees to 67 employees.

Realised gold price hedges

During the year the realized gold price hedges have reduced the reported cash flow by 19.7 MSEK (32.7). The accumulated total payments due to the gold price hedges from the third quarter of 2011 until the end of 2014 amount to approximately 133 MSEK.

Financing

Endomines AB (publ) has successfully completed a rights issue of units consisting of shares and warrants, with preferential right for existing shareholders. The issue was oversubscribed and 85 MSEK was raised net after issue costs.

After the share issue Endomines' share capital amounts to 262.2 MSEK with a quota value of 1.00 SEK per share, a reduction from 3.00 SEK as resolved on the Extraordinary General Meeting on October 30, 2014.

Furthermore 174.8 warrants were issued. These warrants entitle the holder to subscribe for 43.7 new shares for a certain period each quarter until December 9, 2016. Four warrants entitle the holder, not later than 9th of December 2016, to subscribe to one new share at SEK 1.10 per share. The subscription price in Finland is in euro and the subscription price will be determined based on Sveriges Riksbank's official EUR/SEK exchange rate three days before each specific subscription period.

Endomines AB (publ) and Nordea Bank Finland Plc renegotiated the initial terms of the 2009 loan agreement. An amendment agreement was signed in December. One of the more important changes were that the loan amortizations were postponed to years 2016-2017. Approximately 7.1 MSEK (0.75 MEUR) will be repaid in April 2016 and in October 2016 and the remaining 31.4 MSEK (3.3 MEUR) in January 2017.

Annual General Meeting

The Annual General Meeting in April resolved that the Board of Directors should consist of five members. Staffan Simberg, Meg Tivéus, Stefan Månsson, Rauno Pitkänen and Mati Sallert were re-elected as members of the Board of Directors. In addition Staffan Simberg was re-elected as chairman of the Board. Timo Lindborg had declined re-election.

Outlook for 2015

The recent improvement in the gold price has forced analysts to upwards revise their predictions for gold's performance during 2015. Ongoing geopolitical issues tend to also support safe haven buying of gold. Physical gold flow from West to East will also support gold price improvement. The Company's view is that gold price realized in USD will be stable or improve slightly. A weakening of the euro against the dollar would on the other hand improve the gold price valued in euro.

Year 2015 is the last of the five year gold hedge program with full impact on earnings and cash flow. At today's gold price the effect on 2015 cash flow is estimated to reduce revenues by approximately 50 MSEK.



Subsequent to the equity financing being secured, the Company commenced infill drilling at its Hosko deposit in late 2014. The recent drilling has, however, not been able to confirm the extent of the previously estimated high grade part of the deposit. The Company has therefore removed Hosko deposit as an open pit operation from the 2015 production plan. Endomines is now evaluating the viability of the deposit with an underground approach. Due to this alteration to the production plan the Company informs that the production guidance for 2015 is between 700 to 800 kg of gold.

Calendar 2015

Week 12 Annual report 2014
2015-04-16 Annual General Meeting
2015-04-27 Q1 Quarterly report
2015-08-13 Q2 Quarterly report
2015-10-29 Q3 Quarterly report

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About Endomines AB

Endomines conducts exploration and mining business along the 40 kilometer long Karelian Gold Line. Through various regulatory approvals, Endomines controls the exploration rights to this entire area.

The Company's first mine, Pampalo, started in February 2011. During 2014 Endomines initiated the production of ore from the mine in Rämepuro and is planning to start mining of the gold deposit in Hosko. The ore from satellite deposits will be treated in the centrally located processing plant at Pampalo.

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

Endomines applies SveMin's & FinnMin's respective rules for reporting for public mining & exploration companies. The Company 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.

Endomines vision is to participate in the future structural transformation and consolidation of the Nordic mining industry. The Company may therefore be involved in acquisitions of interesting deposits or companies, should such opportunities arise.

The shares of Endomines AB are quoted on NASDAQ Stockholm under ticker ENDO and on NASDAQ Helsinki under ticker ENDOM. The Liquidity Provider in Stockholm is Pareto Securities and Erik Penser Bankaktiebolag in Helsinki.

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 February 9th, 2015.