

SUMMARY OF INTERIM REPORT JANUARY – JUNE 2015

The reporting period was marked by declining gold prices in combination with lower head grade

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

Highlights Q2/2015

- Gold production was 126.6 kg (195.7), -35%
- Revenues were 23.1 MSEK (46.1)
- EBITDA before unrealized losses/gains on derivatives -20,6 MSEK (7.6)
- Total cash flow was -25.1 MSEK (0,6) after realized gold hedges -11.0 MSEK (-3.9)
- Profit after tax was -28.2 MSEK (-0.7)
- Earnings per share was -0.11 SEK (-0.01)

Highlights H1/2015

- Gold production 257.9 kg (371.7), -31%
- Revenues were 54.8 MSEK (83.7)
- EBITDA before unrealized losses/gains on derivatives was -36.7 MSEK (1.9)
- Total cash flow was -45.6 MSEK (-12,3) after realized gold hedges -22.0 MSEK (-7.9)
- Profit after tax was -60.8 MSEK (-18.1)
- Earnings per share was -0.23 SEK (-0.14)
- Investments were 18.9 MSEK (7.1), mainly into exploration
- Closing cash balance end of June was 67.4 MSEK

Subsequent events

- New encouraging gold intersections from the Pampalo Deep Extensions discovered
- The company started cooperation negotiations with employees in Finland in order to evaluate the options; continued production or care and maintenance
- Negotiations on future financing with the Company's lenders, Nordea and Finnvera, as well as owners of the gold price hedge have started

Production guidance for 2015

- The production guidance for 2015 is 550-600 kg of gold.

Key data-Group

<i>MSEK if not otherwise stated</i>	April - June			January - June		
	2015	2014	+/-	2015	2014	+/-
Revenues	23.1	46.1	-23.0	54.8	83.7	-28.9
Ebitda before unrealised loss on derivatives	-20.6	7.6	-28.2	-36.7	1.9	-38.6
Ebit	-33.5	-3.4	-30.0	-71.1	-23.6	-47.5
Profit before tax	-34.7	-1.2	-33.5	-74.5	-22.2	-52.3
Net profit	-28.2	-0.7	-27.5	-60.8	-18.1	-42.7
Cash flow	-25.1	0.6	-25.7	-45.6	-12.3	-33.2
Earnings per share (SEK)	-0.11	-0.01	-0.10	-0.23	-0.14	-0.09
Gold production (kg)	126.6	195.7	-69.2	257.9	371.7	-113.9
Gold production (oz)	4,069	6,292	-2,223	8,290	11,951	-3,661
Milled ore (tonnes)	85,738	104,688	-18,950	161,827	212,554	-50,727

Operations review

The production for the second quarter 2015 amounted to 126.6 kg gold (195.7) at a cash cost of 1,365 USD/oz (939) while the gold production for the first six months was 257.9 kg (371.7) at a cash cost of 1,380 USD/oz (1,096).

Key figures by quarter¹

	2 014	2 014	2 014	2 014	2 015	2 015
	Q1	Q2	Q3	Q4	Q1	Q2
Milled ore (tonnes)	107,866	104,688	95,583	87,205	76,089	85,738
Head grade (Au gram/tonne)	2.0	2.3	2.7	2.4	2.1	1.8
Gold recovery (%)	81.6	80.3	81.6	82.9	83.8	84.1
Hourly utilization (%)	94.6	95.7	93.7	89.8	82.8	91.5
Gold production (kg)	176.0	195.7	210.9	179.3	131.3	126.6
Gold production (oz)	5,659	6,292	6,781	5,765	4,221	4,069
LTIFR (12 months rolling)	11	16	23	24	25	10
Cost per milled ore tonne (EUR)	41	39	46	50	59	50
Cost per milled ore tonne (SEK)	365	349	415	462	577	476
Cash Cost (USD/oz) per quarter	1,271	939	960	1,046	1,394	1,365
Cash Cost (USD/oz) rolling 12 months	1,243	1,130	1,127	1,047	1,059	1,154
Gold price (USD/oz)	1,293	1,289	1,284	1,229	1,220	1,193

Although the access to new stoping areas in the Pampalo underground mine improved during the quarter, the mining and milling tonnage was still below the target. The reduced throughput combined with a lower than planned head grade led to a lower than planned gold production in the quarter. Despite the low head grade, gold recovery improved during the reporting period.

The hourly utilization rate in the mill was 91.5%, which was a clear improvement from the previous period and close to the company target.

The production cost per milled tonne of ore amounted to 476 SEK or 50 EUR, which was also a clear improvement from the previous period. However, the production unit cost was higher than during the second quarter in the previous year, which is explained by the temporary decrease of production activities the cost

¹ Production figures for the last quarter are partly based on company own assaying and not confirmed by any external laboratory. Figures are individually rounded off.

savings program that was undertaken in 2014 on both personnel and mine development costs. The higher reported cash cost is mainly due to the lower gold production.

Realised gold hedge

Accumulated paid realized gold hedges since October 2011 amount to 155 MSEK of which 22 MSEK during the current year.

Health and Safety

The Company's safety performance during the reporting period improved and was on a good level. The overall "LTIFR" rate is 10, which is below the industry average. The Company policy is a safety target of "zero accidents – zero harm".

Regional exploration

Base of Till sampling program has advanced to Korpi-area and will be followed by Poiko-area. By June 30 a total of 918 samples have been collected from North Kuittila, Pampalo, Hosko and Korpi areas. The sampling target for 2015 is 2,000 samples. Assay results are pending.

Diamond core drilling at Korvilansuo was completed during Q2. The drilling targeted to the possible extensions towards NE and S. In total four diamond drill holes with a combined length of 487 meters were drilled. Two of the planned holes had to be cancelled due to weather conditions. Available results has been reported in Exploration update report – July 3, 2015. Additional assay results are pending.

Diamond core drilling at Hosko commenced on June 26. The drilling program is targeting to the depth extension of the high grade zone and to define additional high grade zones. By June 30 about 220 meters were drilled and 2 holes were completed of the planned 1,500 meter program. Drilling is in progress and assay results are pending.

At Rämepuro assay result were received from the drilling program completed in March 2015. The program consisted of 14 drill holes totalling 1,067 meters and it was mainly targeted to the area south of the Rämepuro South lens. HA-193 returned an intersection of 1.10m @ 5.3 g/t au. The hole was drilled 50m south of the Rämepuro South lens

Environment

All operations have been run in accordance with the existing environmental permits.

Personnel

By the end of the reporting period, the number of personnel was 84 employees. The contractors working at the Pampalo Gold Mine had 25 employees.

Subsequent events

The Company reported new encouraging gold intersections from the Pampalo Deep Extensions including holes T-916 7.0m@12.2 g/t gold (incl. 4.0m@20.4 g/t gold) and T-917 17.0 m@3.2 g/t gold. These holes were drilled to a previously unknown structure at the Pampalo Deep Northern lens extension and indicate that there might be previously unknown high-grade lenses at Pampalo.

In addition recently identified new S2-lens extension has been confirmed by the drill hole number T-910 (6.0m@5.3 g/t gold) at the level 590. The S2-lens has also been verified with drifting at the upper levels. The most interesting drill intersections are presented in a separate Exploration Report together with complete drilling result tables on the Company's website and in the attachment.



In August, Endomines AB's fully owned subsidiary Endomines Oy has, in accordance with Finnish law, invited employee representatives to cooperation negotiations.

The start-up of the negotiations will give the Company the flexibility to commence temporary or permanent lay-offs should conditions not improve during the coming months. The cooperation negotiations, relevant to all employees of Endomines Oy are, under Finnish law, a required first step prior to any temporary or permanent lay-offs.

During the co-operation negotiations, all alternatives for the Pampalo operations will be evaluated. These will include putting the mill and the mines in a care and maintenance mode.

Negotiations with the lender Nordea bank and gold price hedge owners have also commenced.

Outlook for 2015

The production guidance for 2015 is 550-600 kg gold. The production guidance for the second half of year 2015 is based on an updated production plan.

Financial Calendar 2015

Full quarterly reports in Swedish as well as a summary report in English will be released on October 29 (Q3 2015).

For further information, please contact:

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

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 CEST on August 13, 2015.

About Endomines:

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. All ore is processed in the centrally located mill 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 both Stockholm and Helsinki is Erik Penser Bankaktiebolag.
