

## Endomines has reached an agreement on closing of its gold hedge

Endomines' fully owned subsidiary Endomines Oy has reached an agreement with its lender Nordea Bank Finland on buy-back and closing of the remaining 16,400 oz gold hedge for the period July 2015 through December 2016.

The buy-back of the gold hedge will take place before Friday 9 October 2015. Endomines will pay the market price of the hedge, estimated to be some 28.8 MSEK (3.1 MEUR), partially in cash 4.7 MSEK (0.5 MEUR) and the remaining balance by obtaining a new 24 MSEK (2.6 MEUR) bank loan.

The new bank loan will be pari passu with Endomines' existing Project Loan with Nordea. The terms and conditions of the loan with Nordea are currently being negotiated between the parties and will be agreed upon in a final loan agreement to be entered into at the end of October 2015. In connection with the loan negotiations, Endomines is evaluating and investigating different options to increase its capital base, including the possibilities of a rights issue, mainly for funding continued exploration.

*"By this preliminary agreement Nordea Bank shows continued confidence in Endomines. The cash payment for closing the hedge is relatively modest. The agreement is an important milestone for the financing of the Company and we will have more freedom in our production planning and investment programs in the Karelian Gold Line",* comments Markus Ekberg, CEO of Endomines AB

### Background and future hedge reporting

The gold price in euro has been continuously significantly higher than the hedge price. The Company has from 2011 up to the second quarter 2015 paid more than 155 MSEK (17 MEUR). Due to this, the Company started negotiations to repurchase the remaining part of the gold hedge. The original hedge agreement was signed in connection with obtaining the Project Loan from Nordea Bank in 2009. One of the terms were that a minimum of 50 per cent of the future gold production should be hedged. In total 84,400 oz of gold was hedged and after a change made in 2012 the hedge price for periods ending during 2014-2015 was 843 EUR/oz (remaining 10,400 oz) and for 2016, 796 EUR/oz (6,000 oz).

The 2015 hedge has been accounted for according to IAS 39 Hedge Accounting, and will continue so until the end of 2015. This means that the remaining balance of the hedge reserve at the end of the third quarter will be reported against revenues (decreasing revenues) during the fourth quarter of 2015.

### For further information, please contact:

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or visit the Company's home page: [www.endomines.com](http://www.endomines.com)

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*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 October 7, 2015.*

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**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. The ore from satellite mines will be 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.*

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*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*

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