

SUMMARY OF INTERIM REPORT JANUARY-MARCH 2016

Adaptation of the operations at Pampalo to the prevailing gold price is ongoing

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

Highlights Q1/2016 (vs Q1/2015)

- Gold production was 58.5 kg (131.3) in accordance with the introduction of Selective Mining in 2016
- Milled ore tonnage was 35,317 tonnes (76,089)
- Revenues were 16.3 MSEK (31.7)
- Profit after tax was -14.8 MSEK (-32.6)
- Earnings per share amounted to -0.02 SEK (-0.05)
- The rights issue announced late 2015 was successfully completed bringing 66.6 MSEK, net after issue costs
- Closing cash at end of March was 70.2 MSEK

Subsequent events

- A reverse share split, 1:100, was completed in April

Outlook

- The Company will, during the latter part of Q2/2016, commence production from the previously discovered higher grade areas. This is also expected to reduce the Cash Cost
- Exploration drift at 655-level in order to open up possibilities for a continued exploration of Pampalo Deeps has commenced
- The Company has prepared a new regional exploration plan for the Karelian Gold Line and will commence regional exploration during the Q2/2016
- During 2016 the Company expects to produce between 300 and 350 kg gold at Pampalo

Key financial data

Key data-Group	January - March		
<i>MSEK if not otherwise stated</i>	2016	2015	+/-
Results			
Revenues	16.3	31.7	-15.4
Ebit	-14.8	-37.6	22.8
Profit after tax	-14.8	-32.6	17.8
Cash flow	50.2	-20.4	70.7
Earning per share (SEK)	-0.02	-0.05	-0.03
Production			
Gold production (kg)	58.5	131.3	-72.8
Gold production (oz)	1,881	4,221	-2,340
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Milled ore (tonnes)	35,317	76,089	40,772
Cash cost (USD/oz)	1,343	1,394	-51
Cost per milled ore ton (EUR)	59	59	0
Cost per milled ore ton (SEK)	553	555	-3

Comments to operations

Pampalo Gold Mine

Key figures by quarter	2 015	2 015	2 015	2 015	2 016
	Q1	Q2	Q3	Q4	Q1
Milled ore (tonnes)	76,089	85,738	90,143	83,926	35,317
Head grade (Au gram/tonne)	2.1	1.8	2.0	1.7	2.1
Gold recovery (%)	83.8	84.1	82.7	81.4	80.2
Hourly utilization (%)	82.8	91.5	93.3	80.2	35.3
Gold production (kg)	131.3	126.6	153.1	118.5	58.5
Gold production (oz)	4,221	4,069	4,922	3,810	1,881
LTIFR (12 months rolling)	25	10	9	4	5
Cost per milled ore tonne (EUR)	59	50	50	45	59
Cost per milled ore tonne (SEK)	555	469	468	420	553
Cash Cost (USD/oz) per quarter	1,394	1,365	1,112	1,202	1,343
Cash Cost (USD/oz) rolling 12 months	1,059	1,154	1,218	1,258	1,232
Gold price (USD/oz) average	1,220	1,193	1,125	1,105	1,179

Footnotes for Production figures¹ / LTIFR²

Operations during the 1st quarter 2016 – Selective Mining

The first quarter results were marked by an adaptation of the operations to the prevailing gold price by the introduction of the Selective Mining principle. During 2016, the Company intends to mine and process approximately 125,000 tonnes of ore. Mining will, when technically feasible, be focused to high-grade areas. The reduced ore tonnage will be processed by-weekly. The Pampalo underground mine will operate during weekdays.

The operations produced 58.5 kg of gold during the current quarter, largely according to plan. Ore was still mainly sourced from low grade areas. Low recovery is mainly due to number of unplanned and planned shutdowns during the reporting period. Remedial actions include keeping critical process equipment running during the planned by-weekly processing shutdowns. Development drifting at higher grade areas is ongoing and assays from the drifting confirms so far the high grade intersections in the S2 ore area.

The reduced production resulted, as anticipated, in an increase in unit costs as compared to Q4 2015. Production cost per tonne of milled ore increased from 420 SEK/t to 553 SEK/t or by 32 %. The main reasons for the increase were fixed costs of production and less ore from open pits. Due to the increased unit costs as well as production being still derived from the low grade areas, the Cash Cost increased from 1,202 USD/oz to 1,343 USD/oz or by 12 %.

The first stope from the high grade area will be in production from mid-May 2016. In the latter part of 2016, production will increasingly be concentrated to high-grade areas. As a result of this, the Company estimates that in the future the Cash Cost will be reduced below the current and forecasted gold price.

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

Exploration and other activities in the Karelian Gold Line

During 2015 the underground exploration in the deeper areas of the Pampalo Mine showed very good results. The Company therefore decided to increase the focus of its exploration activities to these areas. The investment into an Exploration drift at +655-level has commenced.

Regional exploration activities have been temporarily reduced. Recently, the company has prepared a new regional exploration plan for the Karelian Gold Line and will commence regional exploration during the Q2/2016. The exploration plan has been compiled together with the Geological Survey of Finland and is mainly based on the Karelian Gold Rush 2015 global exploration competition.

The Company's first satellite mine, the Rämepuro open pit, was exhausted during Q1 2016. Planning for rehabilitation works is ongoing and rehabilitation will commence during Q2/2016.

Health, environment and safety

The Company's safety performance is on a good level. The overall strategy is a non-acceptance of accidents and adverse environmental incidents, a Zero Harm policy.

Personnel

As a result of the co-operation negotiations completed in December 2015 a number of officers and workers were temporarily laid off starting from January 2016. The average number of employees in the Group was as a consequence reduced to 40 persons. The average number for the full year 2015 was 72 persons. The Company has accordingly reduced the workforce of its contractors.

Gold price development

The gold price has increased by 16 % since the beginning of the year up to end of March, when the price was 1,230 USD/oz. The average price during the first quarter was 1,179 USD/oz, a 16 % increase as compared to the previous quarter, Q4/2015.

Share issue

Endomines AB (publ) has successfully completed the rights issue. The issue was oversubscribed by 63 % and 66.6 MSEK was raised, net after issue costs. After the share issue Endomines' share capital amounts to 262.2 MSEK. The number of shares amounts to 1,048,627,500 with a quota value of 0.25 SEK per share. The issue was registered the 11th of February 2016.

Subsequent events

Reverse share split

A reverse share split as resolved by the AGM on April 18, 2016 was completed whereby one hundred (100) existing shares were consolidated into one (1) share. The number of shares decreased to 10,486,275 shares at a quota value of 25 SEK per share. In order to make the reverse share split possible, it was also resolved to make required changes in the Company's articles of association. The first date of trading for the new share was April 28, 2016.

Outlook for 2016, Selective Mining

During 2016 the Company expects to produce between 300 and 350 kg gold. Production during 2016 will be based on the selective mining principle. During 2016, the Company intends to mine and process approximately 125,000 tonnes of high-grade ore. Mining will therefore be concentrated to previously known, as well as in 2015 discovered high-grade areas.

The Company expects these changes to the mining and processing schedule, including the temporary lay-offs of personnel, to improve the profitability of the Pampalo Gold mine operations. Cash Cost is estimated to be reduced below the current and forecasted gold price level.

Financial Calendar 2016

Full interim reports (in Swedish) and summary interim results (in English) will be issued

- Q2 2016, August 18th 2016
- Q3 2016, November 17th 2016

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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 CET on May 19th, 2016

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 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.

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.