

Endomines Acquires Friday Mine Open Pit Mining Rights from NexGen

Endomines AB, Stock Exchange Release 3 December 2019 at 13:30 CET

Endomines AB (the “Company” or “Endomines”) is pleased to announce that it has entered into an Assignment and Assumption agreement (the “Agreement”) to acquire the Friday Open Pit Mine Lease for the Friday Mine (the “Project”) from NexGen Mining, Inc. (“NexGen”) (OTCPK: NXGM). Under the terms of the agreement, Endomines will pay total consideration of USD 200,000 to NexGen for the Lease.

With the addition of the open pit rights, Endomines has now completed the consolidation of the Friday mining rights. The Project is a high-grade, open pit gold project representing the mineralization encompassing and surrounding the Friday Underground Mine already owned by the Company. The Project has a historical indicated resource totaling 647,000 ounces of gold contained in 20.1 million tonnes (22.2 million short tons) of mineralized material, as well as an additional inferred resource of 590,000 ounces of gold in contained in 20.8 million tonnes (22.9 million short tons) of mineralized material.

Strategic Rationale

- Consistent with Company’s strategy of growing its production and cash flow with the addition of low-risk, high-quality and high-return assets.
- Ability to leverage the required infrastructure and workforce at its Buffalo Gulch and Deadwood projects. The Friday Open Pit is expected to become a source of higher-grade production capable of bolstering future cash flow and further extending the operational mine life of the Orogrande Mining District.
- Property package offers significant low-risk, resource expansion and offers a platform to expand the company’s operational capabilities.

“The addition of the open pit mine lease from NexGen represents another step toward our goal of producing 40,000 oz Au per year,” said Greg Smith, Chief Executive Officer of Endomines. “The Friday Open Pit Project provides high-grade ounces surrounding Friday’s current infrastructure, which increases our exploration and gold production opportunities in the Orogrande mining district substantially. By consolidating this land position, we look forward to conducting regional exploration in an area with known mineralization spanning 40 km.”

Transaction Summary

In consideration of the assignment of the lease between NexGen and Premium Exploration (USA), Inc., Endomines shall pay an aggregate amount of USD 200,000. In addition to the purchase of the lease from NexGen Endomines shall pay a monthly maintenance fee to Premium of USD 3,500. A Net Smelter Royalty of 4 percent is due until a cap of USD 2 million is met then the royalty is reduced to 2 percent for the remainder of the mine life. During the first three years of the lease, Endomines will have an obligation to develop the asset with an investment amounting to a minimum of USD 425,000, which can be met through our current operation. The lease term can be extended beyond the 5 years at the discretion of Endomines, if the expenditures have been met or production is ongoing at the mine.

Zachary J. Black, Endomines' Chief Technical Officer and a qualified person under Canadian National Instrument 43-101, approved the scientific and technical information in this news release.

Contact person

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This information is information that Endomines AB is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication through the contact person set out above at 13:30 CET on 3 December 2019.

About Endomines

Endomines AB is a mining and exploration company with its primary focus on gold. The Company operates a gold mine in Pampalo and has exploration activities more broadly along the Karelian Gold Line in Eastern Finland. Endomines aims to improve its long-term growth prospects by increasing its exploration activities and through acquisitions. Endomines aims to acquire deposits that are situated in stable jurisdictions and can be brought to production rapidly with limited investments.

The shares trade on Nasdaq Stockholm (ENDO) and Nasdaq Helsinki (ENDOM).

Cautionary Statements

Statements in this press release which are not purely historical facts, including without limitation statements regarding future estimates, plans, objectives, assumptions or expectations of future performance are "forward-looking statements".

Such forward-looking statements involve known and unknown risks and uncertainties that could cause actual results and future events to differ materially from those anticipated in such statements. Such risks and uncertainties include fluctuations in metal prices, unpredictable results of exploration activities, uncertainties inherent in the estimation of mineral reserves and resources, fluctuations in the costs of goods and services, problems associated with exploration and mining operations, changes in legal, social or political conditions, and lack of appropriate funding, all of which could among other things, prevent any of the forward looking statements in this presentation from coming to fruition or lead to a delay in the development of mining operations.

Notes

Friday Mineral Resources Estimates

Indicated Resources					Inferred Resources				
Cut-off	Tonnes	Grade	oz	kg	Cut-off	Tonnes	Grade	oz	kg
g/t Au	(x 1000)	g/t Au	(x1000)	(x1000)	g/t Au	(x 1000)	g/t Au	(x1000)	(x1000)
0.35	24,737	0.89	705	22	0.35	25,069	0.80	644	20
0.40	22,358	0.94	677	21	0.40	22,924	0.84	618	19
0.45	20,130	1.00	647	20	0.45	20,847	0.88	590	18
0.50	18,093	1.06	615	19	0.50	18,832	0.92	559	17
0.55	16,214	1.05	547	17	0.55	4,029	0.90	117	4

Notes

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
2. Mineral Resources are amenable to open pit mining methods and have been constrained using a Lerches-Grossman optimized pit.
3. Assumptions includes US\$ 1.500/oz Au, Au Recovery 85%, \$2.50/tonne mining cost, \$2.00/tonne waste mining cost, \$12.00/tonne process and G&A cost
4. No allowances have been made for mining losses and dilution. Pit slope angle of 45°.
5. The base case gold cut-off (bolded) is greater than the conceptual marginal cut-off of 0.36 g/t. The Company has elected to use a cut-off of 0.45 g/t.
6. Gold analyses are performed by fire assay/AA finish methods.

Notes to Mineral Resource Estimates

Endomines is not treating these historical estimates as current and has not completed sufficient work to classify the historical estimate as current mineral resources for Endomines' purposes. Endomines' qualified person will review and verify the scientific and technical information, as well as complete the other work necessary for purposes of classifying current mineral resources and/or preparing a 43-101 technical report, including validation of data quality, resource model accuracy, and costs used in resource cutoffs.

1. The Mineral Resources tabulated in this press release are inclusive of the Friday Underground Mineral Resources.
2. Source: April 8, 2013, Technical Report, Idaho Gold Project – Premium Exploration, Inc. and Logan Resources Ltd., Idaho County, Idaho.