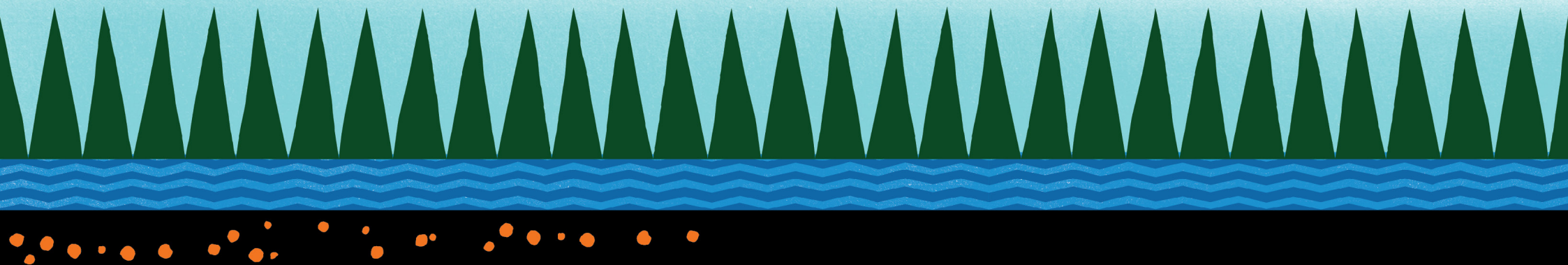


ENDOMINES

A FINNISH FORERUNNER IN SUSTAINABLE MINING

Annual Report 2023



Endomines Finland Plc Annual Report 2023

Content

Finnish mining company focused on gold production and exploration

CEO's Review

Cornerstones of the strategy

Ore reserves and mineral resources

Board of Director's report 2023

- Significant events in the financial period
- Five-year review
- Significant events after the end of the reporting period
- Comments on financials
- Proposal for the use of the result shown on the balance sheet and the distribution of dividend
- Sustainability
- Annual General Meeting 2023
- Personnel
- Management Team
- Endomines Group
- Share capital
- Assessment of propable future development

Consolidated Financial Statements and Notes – IFRS

- Consolidated Income Statement
- Consolidated Balance Sheet
- Consolidated Statement of Changes in Equity
- Consolidated Cashflow Statement
- Notes to the consolidated financial statements

Parent Company's Financial Statements – FAS

- Parent company's income statement
- Balance sheet of the parent company
- Parent company's cash flow statement
- Notes to the parent company's financial statements

Signatures on the Board of Directors' Report and Financial Statements

Auditor's report





Finnish mining company focused on gold production and exploration

Endomines has gold production in an underground mine and an open pit mine in Pampalo, and ore exploration on the Karelian gold line.

Our operations are focused on the Karelian Gold Line

Our operations in Pampalo, Ilomantsi region, are focused on gold production and exploration in the Karelian Gold Line. Our operations are based on the exploitation of known gold reserves and the verification of new gold deposits in the Karelian Gold Line. We are a growth company, and our goal is to expand our operations in the Gold Line area. We produce gold for the jewellery and electronics industries. We create value by transforming natural resources into wealth, an investment that can withstand the volatility of global politics. Our expertise in the gold value chain adds to our economic importance.

We are building our growth and competitiveness responsibly. Our goal for the future is to ensure that the origin of the gold we receive is traceable. As a forerunner in ethically produced metal and sustainable mining, we take responsibility for the impact of our business on the environment and people. At the heart of our operations are the safety and well-being of our employees, keeping the environment and nature

clean, and good and ethical corporate governance. We want to leave a positive footprint where we operate. Our future goal is that the origin of the gold coming from us is traceable.

Our mission is to change the awareness of the availability of responsibly produced gold.

The accelerating change in consumer market values is shaping our industry towards the core of our strategy – responsibility. Our mission is to change the awareness of consumers, goldsmiths, and electronics manufacturers about the availability of more ecologically produced raw material - and thus create more demand for the gold we produce.

Our vision

Our vision is to grow Karelian gold line into one of the most significant responsible gold production areas in the world. We intend to increase our shareholder value through responsible business operations. Our goal is to make Endomines a significant Finnish mining company focused

on gold, which is perceived as an interesting domestic, long-term investment target. We want to create a growth story that our employees, partners and Finns can be proud of.

Our values

We are guided in our daily work by our common values: humanity, openness, and honesty. We are experts who do what they promise. Our operations are characterized by strong locality, which is reflected in cooperation with local entrepreneurs and the local community. With local cooperation, we are able to influence the development of the Pampalo area and local well-being. We strive to employ local people, we use local companies in our subcontracts whenever possible, and we support local children and young people in sports and studies.

As the importance of value-based partner selection grows, we want to be the most valued partner for our end customers and partners, as well as the most responsible and desired employer in the industry for our personnel.



CEO's Review

During 2023, we continued to create the foundation of the company to enable our future growth. At the same time, we invested heavily into the future and started large-scale exploration in the Karelian gold line area. Our long-term goal is to grow the company into a completely different size category. Our journey towards our goal progressed according to our plan during the year.

Our production in 2023 came entirely from Pampalo. Gold production increased by 49 % from the comparison period and was 12,790 ounces (397.8 kg) of gold. Pampalo's net sales increased by 46 % to 19.7 MEUR due to higher production. Operating expenses grew moderately in relation to revenue growth, and Pampalo's EBITDA improved to 17 % (5 %). It is worth noting that at the end of 2023, we changed our production method in the mine and focused on preparatory work for Hosko's new production area. This temporary change phase had a negative impact on our EBITDA. The effects of the change phase on our EBITDA were approximately 2.0 MEUR which is approximately 10 % of our revenue. Despite the year-end changes, the 2023 production cost excluding investments decreased by 15% to EUR 1 278.0

(EUR 1 501.0) per ounce of gold produced. The biggest single factor in the decrease in unit cost was the significant increase in production volume. We are continuing our efforts to increase production towards the 20,000 oz annual production level, and then upwards. Hence our goal is to periodically run our processing plant in 2024 at a level required for 20,000 ounces annual production.

We believe that as the company goes through a significant phase of change and growth, the financial result will follow. We have prepared for growth by creating future organizational structure early, our results are burdened by the costs of operations in the US and the production growth projects still cause us one-time costs. Every week, month, and year our operations become steadier and more predictable. The year 2023 was an operationally significant step towards the future Endomines. We believe that the path we have chosen will lead to a sustainable, profitable, and growing business.

The results of our strategic focus areas exploration exceeded our expectations in 2023. We performed active exploration by reprocessing historical results, conducting

base of till sampling in the Kartitsa area and exploration drilling especially in the Korvilansuo-Kuittila area. At the same time, we increased the areas where we have reservations, permit applications or permits by 571% to 87 407 hectares. The results of the moraine samples from Kartitsa indicate that there may be something very interesting in the area. It is noteworthy that the area of interest results is about 2 km long, which is very significant in size.

Korvilansuo's resources increased as much as 307 % and Kuittila's by 114 %. Muurinsuo-Korvilansuo-Kuittila areas are located very close to each other and have a lot of geological similarities, and in the future, we will treat these as a single entity called the Southern Gold Line. In the area of the Southern gold line, the resource estimate is currently close to 150,000 ounces and it has more than doubled due to the work than was performed in 2023. In the entire Karelian Gold Line area our resources increased by as much as 72 % to over 310 000 ounces of gold.

We are well on our way to defining a deposit of more than one million ounces, which we believe will lay the

groundwork for taking the company into a larger size category.

US operations are not a strategic focus area for Endomines. During 2023, we continued partnership negotiations with various parties, but unfortunately these were not completed during the year. We will continue negotiations in 2024 and our goal is to find a solution for the US operations as soon as possible.

In ESG matters, we implemented our measures in accordance with the plan. Our carbon dioxide emissions per ounce of gold produced decreased by approximately 31 % to 0.49 t/oz of gold produced. We will continue to pursue our goal of reducing CO₂ emissions by 5% per ounce of gold produced each year.

We achieved the process water recycling goal and all our process water (100 %) was recycled water.

Unfortunately, year 2023 was not successful in safety performance. During the year, there were seven lost time accidents, of which one happened to our own personnel and six to contractors. Safety is always the top priority for Endomines. We want to offer a safe and good working environment for both our personnel and our partners. On February 5, 2024, we started the safety development project together with DSS+ consulting.

Our vision is to grow Karelian gold line into an important responsible gold production area on a global scale. Now, the outlook for the gold market is very strong and several forecasts believe in a strong price development as the

timing of interest rate cuts becomes more precise. Also, the geopolitical tension currently prevailing in the world, which is undesirable for all of us, supports the gold price outlook. On the cost side, we do not expect significant increases in the current cost levels. We are heading towards 2024 with a positive attitude.

I would like to thank our employees for a job very well done. I would also like to thank our owners, partners, and other stakeholders for the journey towards our strategic goals.

In Espoo, March 26, 2024

Kari Vyhtinen
CEO, Endomines Finland Plc



The purpose of our strategy is to create a clear path to take the company to a completely different size category by growing the gold line into a significant responsible gold production area on a global scale. Our strategy focuses on Finland. We are a Finnish company investing heavily in the future and acts as a local partner with stakeholders. Our strategy can be summarized in four focus areas.

The cornerstones of our Strategy

Pampalo production forms the basis of the business

Our production and processing plant are located in Pampalo, Ilomantsi, whose location in the middle of the Karelian gold line is optimal for our business in order to concentrate our gold production in the operating area. The Pampalo production plant has unused production capacity, which enables the expansion of gold production with the current gold resources found in nearby satellite deposits. Our intention is to bring into production already known, nearby gold deposits.

Active exploration on the Karelian Gold Line to determine a deposit containing more than a million ounce gold resources

Karelian gold line is seen as an extremely potential area from the point of view of ore exploration. According to a study carried out by GTK in 2015, the probability that more than a million ounces of gold will be found on the Karelia gold line is more than 50 percent. The geological characteristics of the Karelian gold line area are very similar to several of the world's largest gold producing areas, such as Australia's Kalgoorlie, Canada's Abitibi and South Africa's Witwatersrand, which illustrates the area's potential to become a significant gold deposit and production area. With ore exploration, we aim to secure our mining operations and the company's long-term growth. Thanks to

the production facility located in Pampalo on the Karelian gold line, and extensive ore prospecting rights, our position in the region is strong.

The area's high potential is based on previous surveys, expert opinions and studies that have now been started. For example, in the Korvilansuo area, GTK has carried out several studies in the 1980s and 1990s, in which remarkably high gold concentrations were found in the samples taken. However, further research stopped for decades, as organizations that previously operated in the area, such as Outokumpu, focused their activities on other businesses.

Sustainability

We want to do the right thing and take care of the environment, people, nearby areas and our partners. Compared to traditionally the world's largest gold-producing countries, Finland offers clear advantages as a pioneer in responsible mining.

Our ESG program is an important strategic focus area for Endomines. The program's short-term activities and long-term measures to achieve the goals form the basis for the company's future development. We want to be at the forefront of sustainable mining, and think in a new way. Central to our operating principles is an environmentally sustainable gold production process, the well-being of employees and the residents of the mine's vicinity, and

transparency in all our operations in accordance with good governance.

A partnership model in the US to increase local operational knowledge and funding

US operations are promoted through a partnership model. We currently own rights to seven gold deposits in the United States: five in Idaho and two in Montana. These rights were purchased between 2018 and 2020 for a total of USD 44 million. The deposits have been drilled with high gold concentrations, but additional drilling is still needed to start production. This requires significant additional investments in the region.

The production potential of the area is high, as known historical gold resources in the Idaho areas are over 500,000 ounces, and there is also significant exploration potential in areas close to the deposits.

Endomines' renewed strategy focuses on gold production and ore exploration on the Karelian gold line in Finland. Our goal is to find a local partner in the US that creates added value through local know-how and financing. We are not planning any significant investments in the United States in the near future.

Ore Reserves and Mineral Resources



Ore Reserves and Mineral Resources

The updated ore estimate for Pampalo has a total ore reserve of 349,000 tonnes with a grade of 2.90 g/t gold for 32,200 ounces of gold. The updated ore reserve represents an 8.7 % increase in tonnes and 9.5 % increase in ounces when compared to the ore reserve estimate as of December 31, 2022. The updated ore reserve estimate includes the Pampalo underground deep extension area and the open pit. The deep extension area of Pampalo has a proven ore reserve of 189,000 tonnes with a grade of 3.36 g/t gold for 20,000 ounces of gold and a probable ore reserve of 81,000 tonnes with a grade of 3.52 g/t gold for 9,200 ounces of gold. Most of the increase in ore reserves comes from the underground drilling program completed in 2023, where a total of 74 drill holes were drilled in the planned mining area between levels 875 and 955. This resulted in several high-grade intersections which are included in the current updated estimate.

Pampalo Open Pit

The Pampalo open pit was re-started in summer 2022. The mineral resource estimate was updated, and part of the mineral resources were converted into ore reserves based on the open pit optimization results and pit planning. The updated estimate for the Pampalo open pit area has a probable ore reserve of 79,000 tonnes with a grade of 1.17 g/t gold for 3,000 ounces of gold.

In addition to the ore reserves at the Pampalo deep extension area, a measured mineral resource of 117,000 tonnes at a grade of 3.52 g/t including 13,200 ounces of gold, indicated mineral resource of 56,000 tonnes at a grade of 3.20 g/t including 5,800 ounces of gold, and inferred mineral resource of 152,000 tonnes at a grade of 3.81 g/t including 19,400 ounces of gold, has been reported. These are located below the reported ore reserves. The Pampalo deposit remains open at depth and the company is planning

to continue underground drilling in 2024. An additional inferred mineral resource of 465,000 tonnes with a grade of 1.43 g/t gold for 21,400 ounces gold has been reported for the Pampalo open pit. The deposit mined in the Pampalo open pit remains open at depth and towards northeast and the company is planning to complete a surface drilling program in 2024 to test further potential of these areas.

Mineral resources of the Karelian Gold Line

The Korvilansuo and Kuittila deposits were the target of exploration drilling during 2023, and high-grade intercepts were reported from both, which are included in the updated mineral resource estimates. The updated mineral resource estimate for Korvilansuo has an inferred resource of 838,000 tonnes with a grade of 2.49 g/t gold for 67,200 ounces of gold. The updated mineral resource represents a 307 % increase in ounces when compared to the previous estimate. The updated mineral resource estimate for Kuittila has an



inferred resource of 814,700 tonnes with a grade of 1.88 g/t gold for 49,170 ounces of gold. The updated mineral resource represents an 114 % increase in ounces when compared to the previous estimate. The mineral resources of the unmined areas of the Rämepuro deposit were also updated during 2023. Further updates and changes to the other reported mineral resources in the Karelian gold line will be made later as drilling and exploration progresses and are not yet included in this update.

The estimates for the Pampalo mine and the resources along the Karelian Gold Line in Finland have been prepared according to the 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (Joint Ore Reserve Committee - JORC-code).

Gold resources in Idaho, USA

There have been no changes in the reported mineral resources of the deposits in the Idaho project. At the beginning of 2022 Endomines carried out an underground drilling campaign. The campaign produced very encouraging drill results (press release May 31, 2022) as out of 8 holes,

5 drill holes intersected high-grade (over 8g/t) gold mineralization. More drilling is needed to better define the continuities and dimensions of the high-grade zones. The company intends to continue development in the US in line with its strategy through a partnership model.

The mineral resources reported for the Friday Underground and Buffalo Gulch projects in Idaho, USA, are classified in accordance with standards defined by Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"), "CIM Definition Standards - For Mineral Resources and Mineral Reserves", prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council on May 10, 2014. The mineral resources currently quoted regarding the Deadwood, Rescue, and Kimberly exploration projects, are per definition historical, made before the introduction of today's disclosure standards. Endomines cautions that while the presented historic resources for Kimberly, Rescue, and Deadwood appear to be in general accordance with those set out in NI 43-101 sections 1.2 and 1.3, a qualified person has not done sufficient work to classify the historical estimates as current mineral resources, and Endomines is

not treating the historical estimates as current or reliable.

Gold and silver resources in Montana, USA

The US Grant is a high-grade, underground gold and silver project with a historical resource totaling 165,700 ounces of gold and 4.47M ounces of silver contained in 346 000 tonnes of mineralized material. The US Grant mine has had gold and silver mined periodically between 1867 and 1984. The Kearsarge project is a high-grade, underground gold project with a historical resource totaling 380 700 ounces of gold contained in 4.1 million tonnes of mineralized material. The addition of the US Grant and Kearsarge gold projects adds a historical total of 546,400 ounces of gold and 4.47 million ounces of silver with considerable potential for additional resources to be discovered through exploration of the district.

Endomines is not treating the US Grant and Kearsarge historic estimates as either a mineral resource or mineral reserve as defined in NI 43-101.



Gold reserves and mineral resources at Pampalo and the Karelian Gold Line, Finland

Ore reserves – Karelian Gold Line (as at 31/12/2023)

Deposit	Tonnes	Grade Au g/t	Oz	kg	Classification	Prepared by
Pampalo - Underground	189,000	3.36	20,000	635	Proven	Endomines (1)
Pampalo - Underground	81,000	3.52	9,200	285	Probable	Endomines (1)
Pampalo - Open pit	79,000	1.17	3,000	92	Probable	Endomines (2)
Pampalo Reserves total	349,000	2.90	32,200	1,013		
Grand total	349,000	2.90	32,200	1,013		

The mineral resources are additional to the Ore reserves.



Mineral Resources – Karelian Gold Line, Finland (status Dec 31 2023)

Deposit	Tonnes	Grade Au g/t	Oz	kg	Classification	Prepared by
Pampalo Resources						
Pampalo - Underground	117,000	3.52	13,200	412	Measured	Endomines (3)
Pampalo - Underground	56,000	3.20	5,800	179	Indicated	Endomines (3)
Pampalo NW	29,000	2.45	2,300	71	Indicated	Endomines (5)
Pampalo Measured + Indicated Total	202,000	3.28	21,300	662	Measured + Indicated	
Pampalo - Underground	155,000	3.81	19,400	591	Inferred	Endomines (3)
Pampalo D-zone	164,000	1.88	9,900	308	Inferred	Endomines (3)
Pampalo – Open pit	465,000	1.43	21,400	664	Inferred	Endomines (4)
Pampalonlammit	103,000	1.80	6,000	185	Inferred	Endomines (5)
Pampalo Inferred Total	887,000	1.97	56,700	1,748	Inferred	
Karelian Gold Line Resources						
Hosko	35,000	4.05	4,500	142	Measured	Geoconsulting Parkkinen (6)
Hosko	675,000	1.19	25,800	801	Indicated	Geoconsulting Parkkinen (6)
Rämepuro	23,000	2.66	1,900	61	Measured	GeoUkko Oy (7)
Rämepuro	412,000	1.53	20,200	630	Indicated	GeoUkko Oy (7)
Muurinsuo	354,000	1.94	22,100	687	Indicated	Endomines (8)
Kuivisto East	37,000	3.20	3,800	118	Indicated	MAPTEK (9)
Karelian Measured + Indicated Total	1,536,000	1.59	78,300	2,440	Measured + Indicated	
Hosko	240,000	0.78	6,000	187	Inferred	Geoconsulting Parkkinen (6)
Rämepuro	381,000	1.35	16,500	514	Inferred	GeoUkko Oy (7)
Muurinsuo	231,000	1.40	10,400	323	Inferred	Endomines (8)
Kuivisto East	145,000	1.00	4,700	145	Inferred	MAPTEK (9)
Korvilansuo	838,000	2.49	67,200	2,087	Inferred	Endomines (10)
Kuittila	814,700	1.88	49,200	1,532	Inferred	AFRY Finland (11)
Karelian Inferred Total	2,649,700	1.81	154,000	4,788	Inferred	

Continued on next page.

Ore reserves and mineral resources estimated according the 2012 JORC-code edition, all figures independently rounded.

- (1) The underground ore reserve estimate is based on stope and development designs; cut-off grade 1.5 g/t Au; waste rock dilution 10-30%; ore loss in stoping 5%, drifting not modelled separately
- (2) The open pit ore reserve estimate based on pit optimization studies and stope designs; cut-off grade 0.5 g/t; wasterock dilution 15%
- (3) Underground mineral resources; cut-off 1,5 g/t; top cut 10-20 g/t gold; preliminary stope desings completed for Pampalo Deep resource
- (4) Open pit mineral resources (above -115m mine level): Cut-off 0,5 g/t; top cut 7 g/t gold. Underground mineral resources (below -115m mine level): Cut-off 1,5 g/t; top cut 7 g/t gold.
- (5) Mineral resources; cut-off 0,5 g/t; top cut 10 g/t gold
- (6) Mineral resources; cut off 0,5 g/t; top cut 11g/t (low grade domain) or 50 g/t gold (high grade domain)
- (7) Mineral resources; cut-off 0,5 g/t, top cut 40 g/t gold. The estimate has an effective date of December 11, 2023.
- (8) Mineral resources; cut-off 0,5 g/t, top cut 10 g/t gold
- (9) Mineral resources; cut-off 0,5 g/t top cut 20 g/t gold
- (10) Open pit mineral resources reported inside optimized pit shell based on assumed gold price of US\$1,850/oz and mining, processing and G&A costs from the Pampalo operations and transportation ore to the Pampalo mill, metallurgical recovery for gold is 85%; cut-off 0,5 g/t; top cut 14 g/t gold. Under-ground mineral resources reported at cut-off of 1,4 g/t gold.
- (11) Open pit mineral resources are reported at a cut-off grade of 0.65 g/t Au and constrained by an optimised pit shell. Underground mineral resources are reported at a cut-off grade of 0.95 g/t Au. Assumed gold price of US\$1,886/oz, Metallurgical recovery for gold 85 %, opex costs were used from Pam-palo process plant and from similar sized open pit and underground operations.High gold assays were capped at 19 g/t Au. The mineral resource esti-mate has an effective date of January 9th, 2024.

Troy ounce = 31.103 g



Gold resources in Idaho and Montana, USA

Mineral Resources – Idaho/Montana, USA (status Dec 31, 2022)

Deposit	Tonnes	Grade Au g/t	Oz	kg	Classification	Prepared by	
Friday Resources							
Measured	245,000	6.88	54,200	1,686	Measured	Hard Rock Consulting	(1,2)
Indicated	217,000	6.16	43,000	1,337	Indicated	Hard Rock Consulting	(1,2)
Measured + indicated	462,000	6.54	97,200	3,023	M+I	Hard Rock Consulting	(1,2)
Inferred	296,000	4.91	46,700	1,453	Inferred	Hard Rock Consulting	
Buffalo Gulch Resources							
Measured	3,515,000	0.57	64,800	2,016	Measured	Hard Rock Consulting	(1,3,4)
Indicated	3,230,000	0.48	49,900	1,552	Indicated	Hard Rock Consulting	(1,3,4)
Measured + Indicated	6,745,000	0.53	114,700	3,568	M+I	Hard Rock Consulting	(1,3,4)
Inferred	2,128,000	0.38	25,700	799	Inferred	Hard Rock Consulting	(1,3,4)
Historic Resources							
Rescue	67,000	21.35	45,980	1,430	Historic	Kimberly Mines, (2004)	(5)
Kimberly	261,000	19.18	160,930	5,005	Historic	Laczay, (2010)	(5)
Deadwood	2,375,000	0.77	58,601	1,823	Historic	BEMA Gold Corporation, (1989)	(5)
US Grant	346,000	14.89	165,700	5,152	Historic	McLeod, (1990)	(5)
Kearsarge	4,100,000	2.98	381,000	12,218	Historic	Transatlantic Mining, (2019)	(5)
Historic Total	7,149,000	3.58	812,211	25,628			(5)

- (1) Measured, Indicated and Inferred mineral classifications are assigned according to CIM Definition Standards. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability and there is no guarantee that mineral resources will be converted to mineral reserves. Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.
- (2) The mineral resource estimate was prepared by HRC based on data and information available as of March 1, 2016. The Measured, Indicated and Inferred mineral resources are reported considering a base case estimate that applies a cutoff grade of 3.4 g/t Au based on the estimated operating costs, recoveries, and a \$1,300/oz gold price.
- (3) The mineral resource estimate was prepared by HRC based on data and information available as of December 10, 2017. The Measured, Indicated and Inferred mineral resources are reported considering a base case estimate that applies a cutoff grade of

0.14 g/t Au based on the estimated operating costs, recoveries, and a \$1,300/oz gold price.

- (4) Mineral Resources captured within the pit shell meet the test of reasonable prospect for economic extraction and can be declared a Mineral Resource. Pit optimization is based on assumed gold price of US\$1,300/oz. and mining, processing and G&A costs of US\$15.20 per ton pro-cessed Metallurgical recoveries for gold are 90%.
- (5) Endomines caution that while the historic resources presented appear to be in general accordance with those set out in NI 43-101 Sections 1.2 and 1.3, a qualified person has not done sufficient work to classify the historical estimate as current mineral resources, and Endomines is not treating the historical estimate as current nor reliable.

Troy ounce = 31.103 g

Silver resources in Montana, USA

Mineral Resources – Montana, USA (status Dec 31, 2022)

Deposit	Tonnes	Grade Ag g/t	Oz	kg	Classification	Prepared by
US Grant	346,000	402	4,470,000	139,033	Historic	McLeod, (1990) (1)
Historical in total	346,000	402	4,470,000	139,033		

- (1) Endomines caution that while the historic resources presented appear to be in general accordance with those set out in NI 43-101 Sections 1.2 and 1.3, a qualified person has not done sufficient work to classify the historical estimate as current mineral resources, and Endomines is not treating the historical estimate as current nor reliable. This ore reserve and mineral resource update has been reviewed

and approved by Eurogeologist Jani Rautio MSc (Geol) acting as a Qualified Person in compliance with the Fennoscandian Association for Metals and Mining Professionals, FAMMP, –standards. Jani Rautio is a full-time employee of Endomines and owns 2 000 shares in Endomines



Board of Directors' Report and Financial Statements 2023



Board of directors' report 2023

Endomines is a Finnish mining company focused on gold production and ore exploration. Endomines has gold production in an underground mine and an open pit in Pampalo, as well as ore exploration on the Karelian gold line. Endomines' goal is to grow the Karelian gold line into one of the world's most significant and responsible gold production areas.

Significant events in the financial period

Production in Pampalo

From the beginning of 2023, Pampalo's gold production has seen a significant increase compared to 2022. According to the company's guidance, production was expected to increase by 35-55% compared to 2022. In August 2023, the company refined the guidelines and estimated the production growth to be close to the upper end of the range. In accordance with the guidelines, production for the entire year 2023 increased by 49% compared to 2022.

During January-March, Pampalo's production increased by

215% compared to the same time in 2022. The production was 111.6 kg and 3,588 ounces.

During January-June, Pampalo's production increased by 94% compared to the same period in 2022. Production was 210.0 kg and 6,753 ounces.

During January-September, production increased by 79% compared to the same period in 2022. Production was 317.4 kg and 10,204 ounces.

Between January and December, production increased by 49% compared to the same period in 2022. Production was 397.8 kg and 12,790 ounces.

In May 2023, Endomines decided to start preparing for gold production in the Hosko production area. Hosko is located approximately 10 kilometers north of the Pampalo production facility and is the next verified occurrence of the Karelian gold line, where gold production begins. Preparatory investments related to the area's infrastructure began in August 2023, and production started as planned in early February 2024. The gold ore coming from Hosko is enriched at the Pampalo production plant, which still has free capacity for increasing production. Hosko's production is estimated to be around 10-20% of the 2024 production.

At the end of 2023, a change in the mining method was



implemented in the Pampalo underground mine, which brings production security for the coming years. Pampalo production forms the basis of Endomines' business, and measures to raise the production level are constantly being taken.

Drilling in the Pampalo underground mine

Endomines started 2023 by reporting the results of the drilling campaign carried out during the fall of 2022. High gold concentrations were reported from the 1,050 meter level in the Pampalo underground mine. Drill hole T-1827 penetrated 6 meters at 9.2 g/t gold, indicating that the mine's mineralized zone continues at least 235 meters down the then producing area, between the 755-meter and 815-meter mine levels. Endomines considers it possible that the gold mineralization of deeper levels will form the basis of underground production in 5-7 years.

The rest of the results of the drilling campaign carried out during the autumn of 2022 were reported in February 2023. The reported results, representing the next 60 meters below the production levels at the time, confirmed the company's view of the deep extensions of the Pampalo ore lenses, confirming the concentrations and thicknesses used in the mine design. The reported high-grade drilling results enable Endomines to grow operations in Finland in accordance with its strategy, forming a good basis for production in 2023-2024.

In March 2023, a 60% increase in gold ore reserves was reported in Pampalo. The mine's updated ore estimate included a total ore resource of 321,000 tonnes at a grade of 2.86 g/t gold, containing 29,400 ounces of gold. Ore reserves increased by 99% in tonnes and 60% in ounces compared to the situation on 31 December 2021.

In the third quarter, the results of Pampalo's underground drilling program were again reported. Drilling was carried out during the spring and summer of 2023 and the drill holes were targeted between levels 875 and 955, 80 meters below the production area at the time. The results showed that ore lenses continue to deeper levels with approximately the same concentrations and widths. The

follow-up drilling program for the same area started in mid-August 2023 and was completed by the end of 2023.

The updated ore estimate for the Pampalo mine includes total ore reserves of 349,000 tonnes at a grade of 2.90 g/t, containing 32,200 ounces of gold. According to the updated situation, ore reserves increased by 8.7% in tons, and 9.5% in ounces compared to the situation on 31 December 2022. The updated ore estimate includes the Pampalo underground deep extension area and the open pit. The Pampalo Deep Extension area has proven ore reserves of 189,000 tonnes at 3.36 g/t, containing 20,000 oz gold and 81,000 tonnes of probable ore reserves at 3.52 g/t, containing 9,200 oz gold.

Exploration in the Karelian gold line

In accordance with Endomines' strategy, drilling aims to secure long-term production growth. During the first quarter, exploration drilling continued in the Korvilansuo area. The first drilling results from the Korvilansuo area were reported in May 2023.

In the second quarter, exploration drilling continued in the Kuittila area. The Korvilansuo-Kuittila area is seen as a very interesting area, where Kuittila's historic resources of approximately 23,000 ounces creates a good basis for exploration. Very high gold concentrations were reported from Kuittila already in July 2023. Drill hole KT-007 penetrated 18 meters with a concentration of 5.0 g/t gold, 173.6 g/t silver, 1.2% lead and 0.8% zinc, 0.1% copper and 0.02% molybdenum. In addition to the exceptionally high concentrations, it is significant that the mineralization is close to the ground surface, which facilitates further investigations and accelerates the possible start of production in the area.

Very high concentrations were also reported in the Kuittila area in the third quarter. Drill hole KT-015 penetrated 9.75 meters at 17.4 g/t gold and 0.12% molybdenum. The new results are located south of Kuittila's historic gold drilling, which is a largely unexplored area. KT-015 is different from previously drilled KT-007. In KT-015, gold is hosted by

quartz veins in heavily sericitized and weathered tonalite. The reported piercing is the highest piercing found in the Kuittila area. The rest of the Korvilansuo and Kuittila ore exploration results were reported in October 2023. The Kuittila drilling program aimed to expand and verify the continuity of the known gold mineralization in the direction of geological flow and elongation, and to test several geochemical gold anomalies in historical bedrock moraine sampling near the known mineralization. The drilling program significantly increased the understanding of the structures controlling the occurrence of gold in the Kuittila area. Kuittila's drilling program ended in September 2023. A new deep drilling program with the purpose of testing the depth extensions of the gold-rich zones drilled in the 2023 drilling will begin in January 2024.

In the fourth quarter, the results of the Korvilansuo mineral resource update were reported, based on which the resources have increased by 307%. The previous resource estimate was from 2012. Korvilansuo has potential mineral resources of 838,000 tons with a concentration of 2.49 g/t gold, including 67,200 ounces of gold. The new resource estimate includes the results of drilling carried out in 2023. The Korvilansuo deposit is open to the north, east and downwards. Additional drilling is planned for 2024.

Kuittila's updated mineral resource estimate includes inferred resource of 814,700 tonnes at a grade of 1.88 g/t, containing 49,170 ounces of gold. Resources increased by 114% in ounces compared to the previous estimate. The mineral resources of the unmined areas of the Rämepuro deposit were also updated during 2023.

US operations

During 2023, we focused on partnership negotiations for US operations. The negotiations were not concluded during the year, and they will continue in 2024. The increase in the price of gold at the end of the year and the market outlook becoming very strong increased interest significantly. The company's goal is to find a good solution that supports the company's other strategic goals and future growth. We see the schedule as a secondary goal alongside this.

During the year, we also continued measures to reduce the cost level of operations in the United States.

Operational environment and business risks

The rise in the price of gold and the strong US dollar have had a positive effect on Endomines' operating environment. At the beginning of 2023, the gold price averaged 1,898 USD/oz, while in December the gold price averaged a record high of 2,033 USD/oz. The euro against the US dollar averaged 1.08 at the beginning of 2023 and 1.09 on average in December 2023. At its weakest, the dollar was in July 2023 at an average rate of 1.11. The price of gold and the US dollar have a direct impact on Endomines' revenue and cash flow, and their development is closely monitored. In accordance with the principle of prudence, Endomines uses conservative forecasts for the development of the gold price in its internal calculations.

In November 2023, Endomines signed a new sales agreement with Boliden Commercial AB. The agreement is long-term and covers the entire sale of Endomines' Pampalo production.

In Finland, inflation has slowed during 2023 and it is predicted to remain moderate in 2024. At the beginning of 2023, Endomines struggled with high energy costs and

increased material costs. The largest contracting contracts were tendered during spring 2023 in order to optimize the unit costs of production. During 2023, significant measures related to production efficiency have also been taken to lower unit costs. During autumn and winter, energy costs have not risen to the level of the previous year. The war in Ukraine and its effects on the general market situation, as well as other unrest and political changes and their effects on the general market situation, may affect Endomines' operations and finances.

Pampalo production forms the basis of Endomines' business, and measures to raise the production level are constantly being taken. The production plans and the changes made to them are based on the cooperation of experts from different fields, the technical and safety committee, the management team and contractors. During 2023, Endomines has succeeded in implementing the plans, which can be seen in the increase in production volumes. Endomines' experts are experienced professionals and contractors are the best players in their field. An interruption or delay in operations would directly affect Endomines' revenue and cash flow.

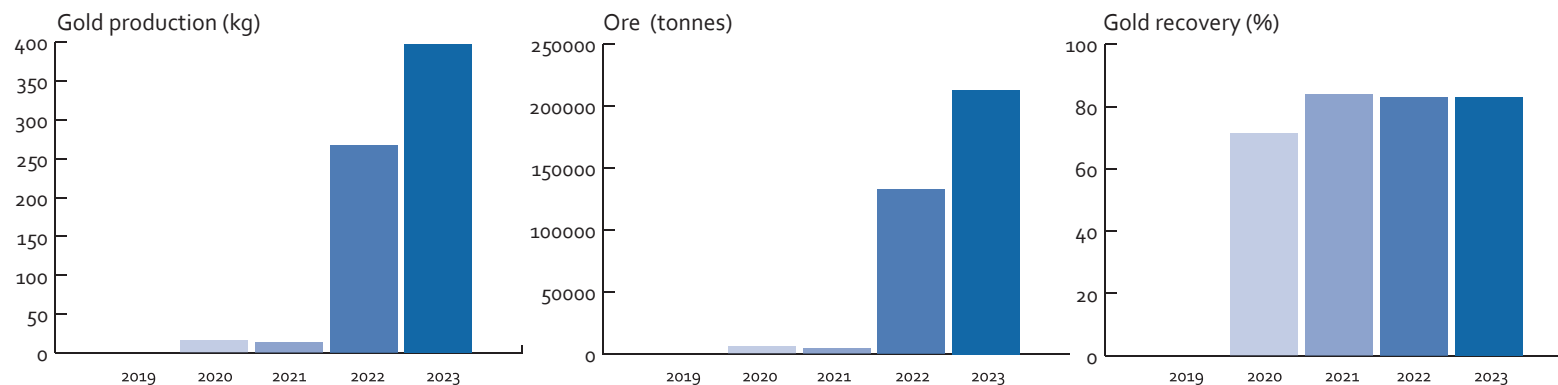
In accordance with Endomines' strategy, a significant investment is made annually in prospecting to determine

1 million ounces of gold mineralization. Endomines' experienced experts, together with the ore exploration committee and the management team, plan annual ore exploration-related measures to achieve the goals. Mineral exploration is by its nature uncertain and involves financial risk-taking. During 2023, Endomines has carried out ore exploration according to plans and achieved significant results. Production activities and mineral exploration are dependent on permits and rights. The operation is subject to environmental risks and environmental requirements, which are duly taken into account. Endomines has an up-to-date environmental restoration plan.



Five-year review

Key Figures	2023	2022	2021	2020	2019
Production					
Ore (tonnes)	212,892	132,806	4,950	6,658	0,0
Gold grade (g/t)	2.2	2.4	2.9	3.5	0,0
Gold recovery (%)	83.0	83.0	84.0	71.5	0,0
Utilization (%)	68.0	43.0	55.5	35.7	0,0
Gold production (kg)	397.8	267.5	14.3	16.7	0,0
Gold production (oz)	12,790	8,601	460,0	538,0	0,0
Group financials					
Change in revenue-%	46%	100%	-100%	126%	-94%
Change in EBITDA-%	-3%	-47%	0%	-596%	-841%
Change in operating result-%	-15%	-109%	0%	-1410%	-905%
Change in net result-%	-27%	-130%	0%	-1504%	-1322%
Equity ratio-%	55%	66%	55%	57%	57%
Gearing-%	46%	19%	55%	59%	59%
Return on equity-%	-15%	-53%	-82%	-59%	-26%
Average number of employees	45	42	53	46	34



Significant events after the end of the reporting period

- On January 10, 2024 Endomines reports new high-grade drilling results from the Pampalo underground drilling program, which was carried out in autumn 2023.
- On January 17, 2024 Endomines reports the rest of the 2023 ore exploration results from the ore exploration program, which was implemented in autumn 2023 in Kuittila on the Karelian gold line. It was also released that the company will start a deep drilling program at the end of January 2024 to test the depth extensions of the gold-rich zones drilled in the 2023 drilling in Kuittila.
- Endomines released the flagging notification pursuant

to Chapter 9, Sections 5 and 6 of the Securities Market Act regarding the ownership of Kyösti Kakkonen, Joensuun Kauppa ja Kone Oy, Kakkonen Yhtiöt Oy and K22 Finance Oy in Endomines Finland Plc. Share of shares and votes exceeded the 25 percent flagging limit on 17 January 2024.

- On February 15, 2024, Endomines reports results from the new mineral resource estimate completed on the Kuittila deposit, at the Karelian Gold Line. The total inferred mineral resource is at 814.7 kt @ 1.88 g/t Au for 49,170 ounces of contained gold. All the results from the

2023 base of till sampling program at Kartitsa have now been received and a significant gold anomalous area recognized.

- In March 2024, Endomines has entered into a financing agreement with the current owners for a total amount of up to EUR 3.8 million for the expansion of the South Gold Line exploration and general business needs.
- In March 2024, Endomines reported that resources on the Karelian gold line had increased by 72%, containing over 310 000 ounces of gold.



Comments on financials

Key figures, Group	Unit	1.7.–31.12.2023	1.7.–31.12.2022	1.1.–31.12.2023	1.1.–31.12.2022
Revenue	MEUR	9.0	7.9	19.7	13.5
Pampalo production revenue	MEUR	9.0	7.9	19.7	12.7
% of revenue	%	100 %	100 %	100 %	94 %
Operating expenses	MEUR	-10.0	-10.9	-20.3	-19.9
EBITDA	MEUR	-1.0	-2.9	-0.7	-6.4
Pampalo production EBITDA	MEUR	0.9	0.4	3.3	0.6
% of revenue	%	10 %	6 %	17 %	5 %
Depreciation and impairment losses	MEUR	-1.2	-1.6	-2.3	-8.3
Operating result	MEUR	-2.2	-4.5	-3.0	-14.7
Net result	MEUR	-3.5	-7.0	-5.3	-17.5
Net gearing ratio	%	46 %	19 %	46 %	19 %
Equity ratio	%	55 %	66 %	55 %	66 %
Earnings per share	EUR	-0.4	-1.0	-0.6	-2.7
Cash Cost in Pampalo, excl. investments	EUR/oz	1,399.0	1,385.9	1,278.0	1,501.0

The consolidated revenue of the company increased by 46 % and was 19.7 MEUR (13.5 MEUR). 100 % of the consolidated revenue is generated from the Pampalo production segment's revenue. The increase in revenue is the result of an increase in production volumes. The consolidated EBITDA was -0.7 MEUR (-6.4 MEUR) and the Pampalo production segment's EBITDA was 3.3 MEUR (0.6 MEUR), which is 17 % of the revenue (5 %). The strong growth in EBITDA is due to the lower unit cost of production.

The change in the production method of the Pampalo underground mine and the preparatory work of the Hosko production area contributed about 2.0 MEUR to the EBITDA for the end of the year. The effects are one-time.

During the 2023 financial year, planning and evaluation work has been carried out to improve the efficiency of the underground mine, open pit, enrichment plant and laboratory processes. R&D costs have not been disaggregated from other costs. R&D costs are expensed in the profit and loss account during the financial year.

The financial position of the group

At the end of December, the group's cash and bank receivables were 1.2 MEUR (3.7 MEUR). In accordance with the strategy, Endomines invests in exploration on the Karelian Gold Line, which is reflected in significantly higher investments than in the comparison period. In addition, the work related to the change in the mining method and the work preparing the Hosko production area had a significant impact on the cash flows at the end of the year. The effects are one-time. Interest-bearing net debt at the end of December was 14.9 MEUR (6.9 MEUR), the net gearing ratio was 46 % (19 %) and the equity ratio was 55 % (66 %). Endomines Finland Plc's board of directors has approved new convertible bonds from Finnish investors totaling a maximum of EUR 7.1 million during 2023. During 2023, 6.0 MEUR of convertible bonds were realized and 0.3 MEUR was converted into shares. 0.8 MEUR of the convertible bonds will be implemented in 2024. In addition, it has been agreed to extend the convertible bonds arranged in 2021 and 2022 by three years until the year 2027, which will contribute to improving the company's financial position in the coming years.

The share of LDA Capital Limited's convertible bonds in the company's financing in 2023 was 2.0 MEUR, of which 1.8 MEUR was converted into shares. In November 2023, Endomines redeemed the remaining convertible bond early, as a result of which the conversion of the convertible bond into shares ended immediately. The financing arrangement agreed between Endomines Ab and LDA Capital Limited in 2021 regarding convertible bonds has ended.

Convertible bonds from Finnish investors

In June 2023, Endomines' board of directors approved a total maximum of 3.6 MEUR in convertible bonds with a group of Finnish investors. In accordance with the financing arrangement, 1.8 MEUR of the convertible bond was implemented in June. In addition, Endomines had an option to take out another 1.8 MEUR convertible bond in October 2023. The board decided in September 2023 to implement the option share as well. The maturity of the convertible bonds is 36 months, and the annual interest rate is 12 %. The interest is paid at the end of the contract. According to the agreement, the convertible bonds can be fully or partially exchanged for company shares after 24 months from the loan drawdown date. The subscription price of the 1.8 MEUR convertible bond raised in June is the average share price for the period between 15 May 2023 and 15 June 2023, minus 15 percent. The subscription price of the convertible bond issued in October is the average share price for

the period between September 1, 2023 and September 30, 2023, minus 15 percent. Apart from the subscription price, the other terms are the same for both convertible bonds. The minimum commitment of the members of the investor group in the financial arrangement was 100,000 EUR. The financing arrangement was decided to start production in Hosko, and to increase production in the Pampalo underground mine.

In November 2023, Endomines' board of directors approved a total maximum of EUR 3.2 million in convertible bonds with a group of Finnish investors. The maturity of the convertible bonds is 36 months, and the annual interest rate is 10 %. The interest is paid at the end of the contract. In accordance with the financing agreement, the convertible bonds can be fully or partially exchanged for company shares no earlier than 12 months after the loan drawdown date. The exchange price consists of the daily average price calculated at the share's closing price during the 15 trading days preceding the day of the exchange request, minus 15 percent. The financing arrangement was decided for ore exploration in the Kuittila area and general business needs.

In November 2023, Endomines agreed with a group of Finnish investors to extend the convertible bonds arranged in 2021 and 2022 by three years. Convertible bonds of EUR 10.7 million and the related interest are due to be paid in 2027 instead of the previously agreed 2024. The other terms of the convertible bonds remain unchanged.



LDA Capital Limited financing

In 2021, Endomines agreed with LDA Capital Limited on a financing arrangement totaling 14.0 MEUR, which was announced on May 8, 2021. The annual general meeting approved the financing arrangement on June 10, 2021. The financing arrangement covers a put option agreement totaling 8.0 MEUR, part of which was realized in 2021, and a convertible bond agreement totaling 6.0 MEUR, of which 2.6 MEUR was realized in 2022, and 1.0 MEUR in January 2023 and 1.0 MEUR in March 2023. At the end of 2023, there were convertible bonds 0.0 EUR left. In November 2023, Endomines exercised the contractual right to redeem the remaining convertible bond early. In accordance with the terms of the agreement, early redemption takes place at a price that corresponds to 115 percent of the remaining nominal amount. LDA's convertible bond was 250,000 EUR unconverted, and the redemption price was 287,500 EUR. In order to redeem LDA's convertible bond, Endomines agreed with the company's owners on a new convertible bond of 287,500 EUR. The maturity of the convertible bonds is 36 months, and the annual interest rate is 10 %. According to the financing agreement, the convertible bonds can be fully or partially exchanged for the company's shares from the date of withdrawal of the loan. The exchange price consists of the daily average price of the share during the 15 trading days preceding the day of the exchange request, minus 15 percent. The interest is paid at the end of the contract. In November 2023, Endomines received a notice of exchange for the entire 287,500 EUR convertible bond. The convertible bond has been converted into shares in its entirety.

During the financial year 2023, a total of 507,362 new shares were issued on behalf of the conversion of convertible bonds agreed with LDA Capital Limited and a group of Finnish investors.

Warrants of LDA

In connection with the 2021 financing arrangement, the company issued 14,000,000 options, each of which entitles its holder to subscribe for one share in the company before the 40:1 reverse split share merger implemented in 2022. The number of shares subject to the warrants changed accordingly after the reverse split. The share options were issued to LDA Capital Limited, deviating from the shareholders' pre-emptive rights, and without consideration. The subscription price of the new shares subscribed with options corresponds to 135 % of the average price weighted by the turnover of the company's share for the 10 trading days preceding the date of the 2021 annual general meeting.

After the Reverse Split, there are 350,000 options (14,000,000/40). According to the agreement, the subscription price of one share is EUR 0.36/share, i.e. EUR 14.4/share (0.36*40). The right to subscribe for shares ends on June 10, 2024. The fair value of the warrants on 31 December 2023 is 0.0 EUR.

Proposal for the use of the result shown on the balance sheet and the dividend

The Board of Directors proposes that the result of the financial period ended on 31 December 2023 EUR -9 888 712,32 shall be transferred to the retained earnings/loss account. No dividend shall be paid.

Sustainability

Endomines conducts its business taking into account the principles of its ESG program. The focus of our responsible business is the development of a sustainable gold production process by taking into account environmental aspects, safety aspects, personnel and our stakeholders, and the company's ethical management. We measure our performance in the essential priority areas, we develop our operating models, and we constantly take measures that help us achieve the responsibility goals we have set.

The goal is zero tolerance for occupational accidents, to reduce annual CO₂ emissions by 5% per ounce of gold produced, to maintain a closed water cycle in production, to maintain an up-to-date mine lifecycle management plan, occupational well-being, stakeholder cooperation and transparency, and good governance.

Our carbon dioxide emissions per ounce of gold produced decreased by approximately 31% to 0.49 t/oz of gold produced. We achieved the process water recycling goal and all our process water (100%) was recycled water.

Unfortunately, the year 2023 was not successful in terms of safety work. During the year, there were seven accidents leading to absenteeism, of which one happened to our own personnel and six to contractors. Safety is always the top priority for Endomines. We want to offer a safe and good working environment for both our personnel and our partners. On February 5, 2024, we started a safety development project together with DSS+ consulting to develop safety work.

Annual General Meeting 2023

The Annual General Meeting of Endomines Finland Plc was held as a hybrid meeting on 25 May 2023 in Espoo, Finland.

The AGM approved the financial statements for the financial period 1.1.2022-31.12.2022, granted discharge to the members of the Board of Directors and the CEO for the financial period and for the preparation of the financial statements, approved the remuneration report of the company's bodies and the company's remuneration policy, and approved the new rules of procedure of the Shareholders' Nomination Committee.

The AGM decided, as proposed by the Board of Directors, that the profit for the financial period 1.1.2022-31.12.2022 will be added to retained earnings and that no dividend will be paid.

In accordance with the Board's proposal, the AGM decided that the number of Board members shall be five. The members of the Board of Directors are Jukka-Pekka Joensuu, Chairman of the Board; Markus Ekberg, Member of the Board; Eeva Ruokonen, Member of the Board; Jukka Jokela, Member of the Board and Jeremy Read, Member of the Board. The term of office of the Board of Directors runs until the end of the Annual General Meeting in 2024.

KPMG Oy Ab was elected as the auditing firm, which has announced that it will appoint Antti Kääriäinen as the principal responsible auditor. It was decided to pay the auditor a fee based on a reasonable invoice approved by the audit committee.

The AGM decided to amend section 3 of the Articles of Association so that the company acts as the parent company of a group focused on exploration, mining, and metal trading. The company defines the group's strategy and financing structure and takes care of certain centrally managed group-level tasks. The company may also own and manage shares, other securities, and real estate, as well as engage in securities trading and other investment activities. In addition, it was decided to amend section 12 of the articles of association so that the annual general meeting can be held in Helsinki, Vantaa, or Iloimantsi in addition to the company's domicile. The Board of Directors may decide that the Annual General Meeting shall be held without a meeting venue in such a way that shareholders exercise their decision-making power during the meeting in full and in a timely manner by means of a telecommunication connection and technical aid (remote meeting). The AGM approved the remuneration proposals of the Board of Directors and the authorisations to issue share options and other special rights entitling to shares. Further information about the annual general meeting is on the Endomines website at endomines.com.

Personnel

Endomines employed 45 (2022: 42) employees at the end of December 2023, of which 30 (2022: 16) were white-collar workers and 15 (2022: 25) employees. Salaries, pension costs and other personnel costs totaled EUR 3.9 million (2022: EUR 3.8 million, 2021: EUR 4.8 million). The average salary of the personnel calculated without the CEO and management team was 70,633 euros per year (2022: 68,567 euros).

Well-being at work, equal pay and diversity are important staff-related metrics for Endomines. During 2023, an annual job well-being survey, a 360 evaluation of supervisors and various personnel trainings were carried out.

Endomines Finland Oyj's board of directors decided on 30 November 2023 to start a share-based incentive system for its key employees for the years 2024–2027.

Management Team

At the end of the review period, the management team of Endomines Finland Oyj consisted of the following persons in addition to CEO Kari Vyhtinen: Minni Lempinen, CFO; Sampo Hirvonen, mine manager; Seppo Tuovinen, General Manager and Jani Rautio, Chief Geologist.

Endomines Group

In addition to the parent company Endomines Finland Oyj, the Endomines group consists of the subsidiaries Endomines Oy, Endomines Idaho LLC and Kalvinit Oy.

Company	Main business line	Domicile	Shares owned %
Endomines Oy	Mining	Finland	100 %
Endomines Idaho LLC	Mining	USA	100 %
Kalvinit Oy	Mining	Finland	100 %

Share capital

Endomines Finland Oyj's shares are listed on the main list of the Helsinki Stock Exchange under the code PAMPALO. On 31 December 2023, the total number of Endomines shares was 9,795,339 and the share capital was EUR 53.3 million. At the end of December, Endomines held 8,000 of its own shares, which corresponds to approximately 0.08 percent of the number of shares and the total number of votes. Endomines has one share class. During the financial year 2023, the number of shares calculated with a weighted average, was 9,587,596.

Share price development in Nasdaq Helsinki

EUR	1.1.-31.12.2023
Opening price	5.00
Closing price	6.00
Highest price	6.80
Lowest price	2.96
Weighted average price	4.53

10 largest shareholders on 31.12.2023

Name	Shares	% of shares and votes
Joensuun Kauppa Ja Kone Oy	1,810,693	18.49
Wipunen Varainhallinta Oy	776,875	7.93
Mariatorp Oy	776,875	7.93
K22 Finance Oy	371,707	3.80
Taloustieto Incrementum Oy	318,291	3.25
Kakkonen Kari Heikki Ilmari	235,663	2.41
Vakuutusosakeyhtiö Henki-Fennia	201,032	2.05
Eyemaker's Finland Oy	180,552	1.84
Transatlantic Mining Corporation	179,104	1.83
Hietamoor Oy	172,110	1.76

Assessment of propable future development

Endomines has defined medium-term operational goals as follows:

- More than 1 million ounces of gold mineralization determined by the end of 2025
- Annual gold production at the 20,000 oz level at Pampalo by the end of 2024
- Operational efficiency and financial result at a good level in relation to peer companies
- A solution for US operations agreed within a reasonable time
- Among the leading companies in the mining industry in ESG matters

We estimate that gold production will increase by 15–35% from 2023. We expect the financial result to improve from 2023. The recent price development of gold and the strong short-term outlook support the guidance for 2024.

Calculation formulas for key figures

- Interest-bearing net liabilities = interest-bearing liabilities - liquid cash assets
- EBITDA = operating result + depreciation and impairment losses
- EBITDA % = $100 * \text{EBITDA} / \text{revenue}$
- Operating result = revenue + other operating income + change in the inventory of finished goods and work in progress - materials, supplies, and external services - expenses arising from employee benefits - other operating expenses - depreciation and impairment losses
- Operating result % = $100 * \text{operating result} / \text{revenue}$
- Net gearing ratio-% = $100 * (\text{interest-bearing liabilities} - \text{liquid cash assets}) / \text{equity}$
- Equity ratio-% = $100 * \text{equity} / (\text{adjusted balance sheet total} - \text{advance payments based on work performed})$

More detailed information, e.g. management's shareholdings, are presented in a separate Corporate Governance Statement.

Consolidated Financial Statements IFRS



Consolidated Income Statement – IFRS

MEUR	Note	2023	2022
Revenue	3	19.7	13.5
Other operating income	4	0.0	0.0
Change in the inventory of finished goods and work in pro-gress	5	-0.0	-0.4
Materials, supplies, and external services	6	-14.3	-11.3
Expenses arising from employee benefits	7	-3.9	-3.8
Other operating expenses	8	-2.1	-4.4
EBITDA		-0.7	-6.4
Depreciation and impairment losses	9	-2.3	-8.3
Operating result		-3.0	-14.7
Financial income	11	0.9	0.3
Financial expenses	11	-3.2	-3.0
Earnings before taxes		-5.3	-17.5
Taxes	12	-0.0	0.0
Profit for the period		-5.3	-17.5
Profit for the period attributable to			
Shareholders of the parent company		-5.3	-17.5
Earnings per share, EUR	13	-0.6	-2.7
Diluted earnings per share	13	-0.6	-2.7
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		2023	2022
Profit for the period		-5.3	-17.5
Items that can be reclassified to profit or loss:			
Conversion differences related to the foreign unit		-0.8	2.8
Other comprehensive income for the period, after taxes		-0.8	2.8
Total comprehensive income for the period		-6.1	-14.7
Total comprehensive income attributable to			
Shareholders of the parent company		-6.1	-14.7

Consolidated Balance Sheet – IFRS

MEUR	Note	2023	2022
ASSETS			
Non-current assets			
Intangible assets	15		
Mineral resource exploration and evaluation expenses		33.7	33.5
Other intangible assets		1.3	0.0
Property, plant, and equipment	14		
Pampalo mine		9.1	5.5
Hosko mine		0.7	0.0
Land and water areas		0.5	4.0
Buildings and structures		4.0	0.1
Machinery and equipment		5.0	5.3
Other tangible assets		0.1	0.0
Other non-current assets		0.8	0.5
Total non-current assets		55.3	48.9
Current assets			
Inventories	19	0.4	0.4
Accounts receivable	17,20	1.7	1.3
Other receivables	17,20	0.0	0.0
Accrued receivables	20	0.3	0.6
Cash in hand and at banks	17,21	1.2	3.7
Total current assets		3.6	6.1
Total assets		58.9	55.0

MEUR	Note	2023	2022
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the parent company			
Share capital		53.3	53.3
Other invested capital		114.3	112.2
Translation differences		1.8	2.6
Retained earnings		-131.8	-114.5
Profit for the period		-5.3	-17.5
Total equity attributable to shareholders of the parent company		32.3	36.3
Total equity	22	32.3	36.3
Non-current liabilities			
Deferred tax liabilities	12	0.0	0.0
Financial liabilities	17	16.1	10.5
Other non-current liabilities	17	0.0	0.0
Provisions	23	2.9	1.4
Total non-current liabilities		19.0	11.9
Current liabilities			
Financial liabilities	17	0.0	0.1
Accounts payable	24	5.0	4.7
Provisions	23	0.0	0.0
Other liabilities	24	0.4	0.4
Accrued liabilities	24	2.2	1.6
Total current liabilities		7.7	6.9
Total liabilities		26.6	18.7
Total equity and liabilities		58.9	55.0

Consolidated Statement of Changes in Equity

MEUR	Share capital	Other invested capital	Translation differences	Retained earnings	Total equity
Equity 1 January 2023	53.3	112.2	2.6	-132.0	36.2
Adjustment of retained earnings	-	-	-	0.2	0.2
Comprehensive income for the period					
Profit for the period				-5.3	-5.3
Other comprehensive income for the period			-0.8		-0.8
Total comprehensive income for the period			-0.8	-5.3	-6.1
Transactions with shareholders					
Convertible loans conversion into shares	-	2.0	-	-	2.0
Equity on 31 December 2023	53.3	114.3	1.8	-137.1	32.3

The 0.2 MEUR adjustment of retained earnings consists of the difference between the acquisition value and the fair value of the convertible loan's financial instrument and the liability component. The difference is reported in equity.

MEUR	Share capital	Other invested capital	Translation differences	Retained earnings	Total equity
Equity 1 January 2022	45.6	99.3	-0.1	-114.5	30.3
Comprehensive income for the period					
Profit for the period				-17.5	-17.5
Other comprehensive income for the period			2.8		2.8
Total comprehensive income for the period			2.8	-17.5	-14.7
Transactions with shareholders					
Share issues, initial public offering		13.8			13.8
Share issues, LDA	5.3				5.3
Share issue costs, initial public offering		-0.8			-0.8
Share issue costs, LDA		-0.2			-0.2
Shareholder investments		0.1			0.1
Conversion of convertible loans into shares, initial public offering	0.2				0.2
Convertible loans conversion into shares, LDA	2.2				2.2
Equity on 31 December 2022	53.3	112.2	2.6	-132.0	36.3

Consolidated Cash flow Statement – IFRS

MEUR	Note	2023	2022
Cash flow from operating activities			
Result for the period		-5.3	-17.5
Adjustments to profit for the period			
Financial income and expenses	11	2.0	3.2
Depreciation and impairment losses	9	2.3	8.3
Unrealised exchange rate differences on intra-Group items		0.4	0.0
Other adjustments		0.1	-0.8
Operating result before the change in working capital		-0.6	-6.8
Change in current non-interest-bearing receivables	20	-0.6	2.3
Change in inventories	5	-0.0	0.4
Change in current non-interest-bearing receivables	24	-1.6	0.7
Change in working capital		-2.2	3.3
Cash flow from operating activities before financials items		-2.8	-3.5
Interest income	11	0.0	0.0
Interest expenses	11	-0.2	-1.4
Income taxes paid	12	0.0	0.0
Financial items		-0.2	-1.4
NET CASH FLOW FROM OPERATING ACTIVITIES		-3.0	-4.8
Financial assets used for investments			
Investments in intangible assets	15	-2.5	-0.7
Investments in property, plant, and equipment	14	-4.6	-2.5
Transfers of tangible and intangible assets	14,15	0.1	0.0
NET CASH FLOW FROM INVESTING ACTIVITIES		-7.0	-3.2
Cash flow before cash flows from financing activities		-10.0	-8.0
Financial assets used for financing			
Share issue	22	0.0	9.6
Share issue expenses	22	0.0	-1.3
Loan drawdowns	17	7.9	8.8
Loan repayments	17	-0.4	-6.6
Repayment of lease liabilities	16	-0.0	-0.1
NET CASH FLOW FROM FINANCING ACTIVITIES		7.5	10.5
Translation differences in financial assets		-0.0	0.0
CHANGE IN FINANCIAL ASSETS		-2.5	2.5
Financial assets at the beginning of the period		3.7	1.2
Financial assets at the end of the period		1.2	3.7
CHANGE IN FINANCIAL ASSETS		-2.5	2.5

Notes to the consolidated financial statements

1. Accounting principles for the financial statements

Information about the company

The parent company Endomines Finland PLC (3215519-7) is a limited liability company incorporated under the laws of Finland. Company is domiciled in Espoo and its head office's registered address is Ahventie 4 A, 02170 Espoo. The shares in Endomines Finland Plc have been listed on the Nasdaq Helsinki stock exchange since 20 December 2022. Endomines Finland Plc and its subsidiaries form the Endomines Group ("Endomines" or "Group").

The consolidated financial statements of Endomines Finland Plc were approved for publication at the Board of Directors' meeting on March 26th, 2024. Under the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting held after their publication. The General Meeting also has the right to decide to amend the financial statements. The Annual General Meeting of Endomines Finland Plc will be held on 7 May 2024. Copies of the consolidated financial statements are available at www.endomines.com or at the company's head office at Ahventie 4 A, 02170 Espoo.

Accounting principles

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards, based on the standards and interpretations that were valid on 31 December 2023. The IFRS Accounting Standards refer to the standards and interpretations adopted to be applied in the Finnish Accounting Act and the regulations issued based on the Accounting Act in accordance with the procedure laid down in Regulation (EC) No 1606/2002. The notes to the consolidated financial statements also comply with the requirements of the Finnish accounting legislation and co-legislation supplementing the IFRS.

The figures in the consolidated financial statements are

presented in millions of euros (MEUR), rounded to the nearest one hundred thousand euros, unless otherwise specified. There may be differences arising from rounding. The information in the financial statements is based on the original acquisition cost, with the exception of financial assets and liabilities, which are measured at fair value. The financial statements are presented in accordance with a cost-specific income statement formula.

Endomines publishes the Board of Directors' report and the financial statements as an XHTML file complying with the European Single Electronic Format (ESEF) reporting requirements. In accordance with the ESEF requirements, the main calculations in the consolidated financial statements and the notes are marked with XBRL. The XBRL markings in the ESEF financial statements have not been audited.

Changes in the application of accounting principles

Endomines renewed its business strategy during 2022 and changed its reporting structure from the beginning of 2023 to reflect the way the company's management evaluates the results of operations and allocates resources. The company's reportable operating segments are Pampalo production, Karelian gold line and USA operations. The Endomines Group has previously formed one operating segment. The Pampalo production segment forms the basis of Endomines' business. Pampalo production and ore exploration on the Karelian gold line are the focus of operations. The USA Operations segment consists of the mining operations of Endomines Idaho LLC. The changed segment reporting is described in more detail in note 2. Operating segments.

Endomines changed the depreciation method in Pampalo's underground mine starting from January 1, 2023 as a change of estimate in accordance with the IAS 8 standard non-retroactively from the beginning of the financial year 2023. The depreciation is straight line depreciation based on the

estimated economic life of mine. The effect of the change on depreciation for the entire year 2023 is approximately 3.8 MEUR, improving the result of the financial year.

Implementation of new and revised accounting standards

Endomines has applied the annual improvements to the IFRS standards that came into effect on January 1, 2023. The annual improvements to the standards have not had a significant impact on the reported figures.

Endomines applies the changes to the IAS 12 standard published in May 2021 from 1 January 2023. The changes narrow the exception rule regarding initial recording so that it should not be applied to taxable and tax-deductible temporary differences arising in connection with the initial recording of the lease agreement and obligation arising from decommissioning. The change has no significant impact on Endomines' reported figures. From the beginning of 2023, deferred tax assets and liabilities related to lease agreements and restoration provisions are presented separately in the notes. Other standard changes or interpretations have had no impact on Endomines' consolidated financial statements.

The new standards or interpretation guidelines that will come into force at the beginning of 2024, which the group has not yet applied, are not estimated to have a significant impact on the group's financial statements.

Accounting principles for the consolidated financial statements

The consolidated financial statements include Endomines Finland Plc, the parent company, and its subsidiaries. Subsidiaries are companies controlled by the Group. Control is established when the Group, through its participation in the entity, is exposed to or entitled to the entity's variable returns and can affect these returns by exercising control over the entity. Subsidiaries are consolidated from the time

when the Group acquires control, and divested subsidiaries are consolidated until control ceases. The financial statements on 31 December 2023 include the parent company and its subsidiaries Endomines Ltd, Endomines Idaho LLC and Kalvinit Ltd.

The group's mutual share ownership has been eliminated using the acquisition method. All intra-Group transactions, receivables, liabilities, and unrealized gains, as well as the internal distribution of profits, are eliminated when preparing the consolidated financial statements. Unrealized losses are not eliminated if they arise from impairment.

Key accounting estimates and discretionary solutions

The preparation of financial statements in accordance with the IFRS requires the use of some important accounting estimates. In addition, the management must make assumptions about the application of the company's accounting principles. Assessments and assumptions are continuously updated based on historical experience and other factors, including expectations concerning future events that are considered reasonable under current circumstances.

Areas that require significant assessments, that are complex or for which assumptions and assessments are essential in terms of the consolidated financial statements are described below.

Specification of the functional currency

The management has used discretion when determining the functional currencies of the Group's parent company and the Finnish subsidiary. The sales of the Finnish subsidiary take place in US dollars because the price of gold is quoted in US dollars. However, the price of gold is affected by global regulation. The parent company has euro-denominated financing and investments in subsidiaries. All the expenses of the parent company and the Finnish subsidiary are also denominated in euros.

Since the indicators are linked to different currencies, but the euro is currently a more relevant currency for

companies, the Group's management has determined that the functional currency of the parent company and the Finnish subsidiary is the euro.

Determining depreciation method for Pampalo underground mine

The Pampalo underground mine depreciation plan is based on management's estimates of the economic life of the underground mine. Depreciation of the Pampalo underground mine was previously based on substance depreciation, which led to the mine's economic life being too short. When calculating depreciation, the unit cost is defined based on the defined ore reserves. Ore reserves mean tons of gold ore for which a mining plan has been made. In addition to them, measured, indicated and inferred mineral resources are evaluated, based on which Endomines prepares long-term production plans. Ore reserves and mineral resources as well as long-term production plans are updated annually. Based on current estimates, the estimated economic life of the Pampalo underground mine is at least until the end of 2030. In the calculation of depreciation, the transition to depreciation calculated based on the economic life instead of depreciation based on substance, reflects better how the mine is expected to generate financial benefits for the company in the future. The change has been treated as a change of estimate in accordance with the IAS 8 standard and made non-retroactively from the beginning of the 2023 financial year. The impact of the change in the depreciation method has been approx. 3.8 million euros, positively affecting the result of the financial year 2023.

Sources of uncertainty related to estimates

Environmental restoration (provisions)

The environmental restoration provision is an amount based on the management's best estimate that the group must pay to restore the environment on sites where excavation, quarrying or business operations have taken place. The estimates are related to operating time, area, and costs. Provision is recognized in the balance sheet when the group has a valid legal or factual obligation as a result of a previous event, and it is likely that the fulfillment of the obligation

requires funds to be transferred out of the group and the amount of the obligation can be reliably estimated. The amount recognized as a provision is the present value of the expenses expected to be required to fulfill the obligation at the end of the reporting period.

Mineral resource exploration and evaluation expenses

Depreciation is not recognized for mineral resources exploration and evaluation expenses booked in the balance sheet. Mineral resources and evaluation expenses are tested annually for impairment, and they are valued at the original acquisition cost less impairment. In each reporting period, the group carries out an impairment test of exploration and evaluation expenses for mineral resources. Impairment is assessed by comparing the book value with the recoverable amount, which is based on management's estimate of the asset's recoverable amount. Impairment testing of exploration and evaluation expenses for mineral resources involves judgment based on management's estimate.

Deferred taxes

The operations of the group and its subsidiaries has been loss-making during several previous periods. The management has made conservative assumptions and estimates concerning future taxable profits generated by business operations. Based on these assumptions and estimates, the utilization of tax losses in the near future is uncertain. Because of this, the conditions for recognizing deferred tax assets have not been considered to be met for tax-deductible losses.

Endomines has recorded deferred tax receivables from temporary differences up to the amount that the group has tax liability arising from temporary differences arising from the opposite event. Management estimates that Endomines has available tax losses and tax planning means to offset deferred tax liabilities resulting from temporary differences.

Conversion of foreign currency items

The figures concerning the results and financial position of the Group's units are determined in the currency of each

unit's primary operating environment. The consolidated financial statements are presented in euros, which is the functional and presentation currency of the parent company of the Group. The functional currency of the Finnish subsidiaries is the euro (EUR), and the functional currency of the US subsidiary is the dollar (USD).

Foreign currency transactions are recognized in the functional currency at the exchange rate applicable on the transaction date. Monetary items in a foreign currency have been converted into the functional currency at the exchange rates applicable at the end of the reporting period. Non-monetary items in a foreign currency are valued at the exchange rate applicable on the transaction date. Gains and losses arising from foreign currency transactions and the conversion of monetary items are recognized through profit or loss. Exchange rate gains and losses from business operations, as well as exchange rate gains and losses on foreign currency receivables and liabilities, are included financial income and expenses.

The intra-Group foreign currency loan between Endomines Finland Plc and Endomines Idaho LLC is considered to be a net investment in a foreign unit, and thus the exchange rate gains and losses arising from the conversion of the item are recognized in translation differences through the statement of comprehensive income until the foreign unit is completely or partially divested.

Property, plant and equipment

Property, plant, and equipment are measured at acquisition cost, less accumulated depreciation, and any impairment losses. The acquisition cost includes expenses arising directly from the acquisition of property, plant, and equipment. If an item of property, plant or equipment consists of several elements with different useful lives, each element is treated as a separate asset. In such a case, the costs related to the replacement of the element are capitalized, and any remaining carrying value is derecognized on the balance sheet in connection with the replacement. Otherwise, subsequent costs are included in the carrying value of an item of property, plant, or equipment only if it is probable

that the future economic benefit related to the item can be exploited by the Group and the acquisition cost of the item can be determined reliably. Other repair and maintenance costs are recognized through profit or loss when incurred.

The value of the Pampalo mine consists of the construction of mine infrastructure and the value of the Friday underground mine consists of land and water areas and machinery and equipment. The balance sheet value of the Pampalo and Friday mine also includes costs recognized for environmental restoration measures, renovation costs and legal requirements, which are recorded as a restoration provision. The capitalized amount is initially recorded at the present value of the amount assumed to fulfill the obligation. Costs capitalized on the balance sheet are depreciated on a straight-line basis over their economic useful life, until restoration measures are expected to begin. The cost calculations underlying the restoration provision are updated annually and the resulting increase in the restoration provision is recognized as an increase in the asset.

Assets are depreciated on a straight-line basis over the estimated useful life. Depreciation is not recognized for land and water areas.

The estimated useful lives are as follows:

- Buildings and structures 5–10 years
- Machinery and equipment 3–10 years

The asset's residual value and useful life are reassessed at the end of each accounting period. If the expectations differ from the previous estimates, the change is treated as a change in the accounting estimate.

The value of Friday's underground mine is tested with benchmark analysis. The operations in the United States have been reorganized in spring 2022 in accordance with the updated strategy. In the United States, partners and different partnership models are being mapped, which is why comparative analysis is an appropriate testing method.

Gains and losses arising from the disposal and divestment property, plant and equipment are recognized through profit or loss and presented in other operating income and expenses. Capital gain is the difference between the selling price and the remaining acquisition cost.

Intangible assets

Mineral resource exploration and evaluation expenses

Costs arising from the exploration and evaluation of mineral resources are capitalized. Capitalized costs are measured at acquisition cost. Capitalized costs include expenses related to the acquisition of exploration rights, geological surveys, test drilling, excavating, sampling and analysis, as well as expenses arising from operations related to the assessment of the technical feasibility and commercial viability of the extraction of mineral resources. Depreciation is not recognized for assets arising from the exploration and evaluation of mineral resources.

In each reporting period, the company evaluates whether there are indications of impairment based on the provisions of the IFRS 6 standard with respect to exploration and evaluation expenses for mineral resources capitalized in other intangible assets. Impairment is assessed on the balance sheet date of each reporting period. If facts and circumstances indicate that the carrying value is higher than the recoverable amount, an impairment loss resulting from this is determined and reported. The recoverable amount is the fair value of the asset or cash-generating unit, less expenses arising from divestment, or the value-in-use, depending on which is higher. Fair value is the price of the asset sold in a normal transaction between market participants. Value-in-use refers to the estimated future net cash flows available from the asset or cash-generating unit, discounted to present value. The discount rate is the interest rate determined before taxes that reflects the market view of the time value of money and the specific risks associated with the asset.

In impairment testing, the recoverable amount is compared with the carrying value of the asset. The value of an asset is impaired when carrying value exceeds its recoverable

amount. Impairment losses are recognized through profit or loss.

Where the technical feasibility and commercial viability of the extraction of mineral resources can be demonstrated, capitalized exploration and evaluation costs are transferred to other intangible assets.

Inventories

The group's inventories consist of gold concentrate, ore stock, and materials and supplies. Inventories are valued at either their acquisition cost or net realizable value, whichever is lower.

The group's materials and supplies consist of materials used in production. Materials and supplies are valued at the average price of the supplies in stock. The acquisition value of the ore stockpile is defined based on the costs of completing it.

Lease agreements

The company applies IFRS 16 to leases. Leases concerning an asset at the disposal of the company for a specified period of time against compensation are classified as leases. Endomines has decided to recognize payments related to short-term (up to 12 months) or low-value leases as expenses over the lease term. Endomines defines the lease term as the period of time during which the lease is enforceable. Agreements in which the lease term is not binding and Endomines has the right to terminate the lease unilaterally without any significant sanctions are classified as short-term leases.

At the end of the 2023 financial year, Endomines' existing lease items capitalized on the balance sheet in accordance with IFRS 16 included leases on facilities. Right-of-use assets are recognized on the balance sheet on the start date of the lease term, which is the date on which the lessor makes the underlying asset available to Endomines. Right-of-use assets are recognised on the balance sheet at the present value of future lease payments, using the incremental borrowing rate as the discount rate, and depreciation is carried out

over the lease term or the useful life, depending on which is shorter. The incremental borrowing rate is applied when calculating the present value of future lease payments. VAT is not included in the amount of the lease liability.

The lease liability is remeasured when changes in the index or price used result in changes in future lease payments or when the Group changes its valuations concerning the purchase of the underlying asset or the extension or termination of the lease. The value of the right-of-use asset is adjusted accordingly in connection with the remeasurement of the lease liability and depreciation.

Employee benefits

Pension obligations

The Group only has defined contribution pension plans. This means that the Group pays a fixed-rate fee for pension arrangements to a separate service provider. The Group pays pension contributions to publicly or privately managed pension insurance schemes on a mandatory, contractual, or voluntary basis. The Group has no legal or actual obligation to make any additional payments. The fees are recognized as employee expenses in connection with the contribution. Prepaid fees are reported as assets if the cash repayment or reduction of future payments may benefit the Group. Provisions have not been recognized for future losses.

Provisions and contingent liabilities

A provision is recognized on the balance sheet when the Group has a legal or actual obligation as a result of an earlier event, the realization of the payment obligation is probable, and the amount of the obligation can be estimated reliably. The amount recognized as a provision corresponds to the best estimate of the expenses required to settle an existing obligation on the end date of the reporting period. Provisions for environmental restoration measures, restructuring costs and legal claims are recognized when the Group has a legal or informal obligation as a result of earlier events, when it is probable that the settlement of such obligations requires a transfer of resources, and when the amount recognized corresponds to the management's

best estimate of the situation. Provisions have not been recognized for future operating losses.

Provisions are valued at the present value of the amount estimated for settling the obligation. In such a case, the discount rate before taxes is used, which takes account of the current market estimate of the time-dependent value of money and any risks associated with the provision.

The estimated environmental restoration costs arising from the exploration and evaluation of mineral resources are presented as provisions. Endomines has drawn up an action plan for environmental restoration. An estimate of provisions is prepared separately for each financial year.

Income taxes

The tax expense consists of the total amount of taxes based on taxable income and deferred taxes. Taxes are recognized in the income statement, except for cases in which they are related to items of other comprehensive income or items recognized directly in equity, in which case the tax is also recognized in those items.

Income tax is calculated on the balance sheet date based on the tax laws of the country where the parent company and its subsidiaries operate and generate taxable income (Finland and the United States). The management regularly assesses the requirements set out in the tax returns concerning situations where the applicable tax rules need to be interpreted. Where appropriate, provisions are made for probable taxes.

Deferred tax is recognized in the consolidated financial statements in accordance with the balance sheet method for all temporary differences arising between tax assets and liabilities and their carrying values. However, deferred tax is not recognized if it is the first recognition of an asset or liability that is not an acquisition and does not affect the reported or taxable profit at the time of the transaction. The exception rule does not apply to the initial recording of lease agreements or obligations resulting from decommissioning.

Endomines records deferred tax assets on the fixed assets of lease agreements and environmental restoration provisions, as well as related liabilities. Deferred tax is recognized on the balance sheet in accordance with the tax rates and laws that are in force on the balance sheet date or that are expected to be in force when the deferred tax asset is realized, or the deferred tax liability is paid.

Deferred tax assets are recognized to the extent that they result in a probable future taxable income against which temporary differences can be utilized. In this respect, the recognition criteria for a deferred tax asset are assessed on the end date of each reporting period.

Deferred tax is reported for temporary differences arising from shares in subsidiaries unless the Group is able to control the timing of the reversal of the temporary difference, or it is likely that the temporary difference will not be resolved in the near future.

Deferred tax assets and liabilities are deducted from each other if there is a legal right to offset tax assets and liabilities and if deferred tax assets and liabilities refer to taxes already levied by the same tax authority from the same taxpayer or from several taxpayers when tax assets and liabilities arising from taxable income for the financial year are to be offset.

Revenue recognition

Revenue includes sales proceeds from agreements with customers measured at fair value and adjusted for indirect taxes and discounts. The Group recognizes sales proceeds on an accrual basis at one point in time when control is transferred to the customer.

Income from outside normal business operations is recognized in other operating income.

Financial assets and liabilities

Classification, accounting, and valuation

Group's financial assets are recognized at amortized cost if

they meet the following conditions:

- An item belonging to financial assets is part of a business model that aims at holding financial assets to collect contractual cash flows.
- Contractual terms and conditions give rise to cash flows at certain times. The cash flows consist solely of the capital amount and the interest on the remaining capital.

Accounts receivable and other receivables

Accounts receivable and other receivables are financial assets that are not derivatives, that involve fixed-rate fees or fees that can be turned into fixed-rate fees based on an agreement, and that are not quoted on active markets. All accounts receivable and other receivables are included in current financial assets when their due date is less than 12 months after the reporting period.

The Group's assets in this category consist solely of liquid assets, accounts receivable and other receivables. After the time of acquisition, accounts receivable and other receivables are recognized at amortized cost using the effective interest rate method.

Convertible loans

The fair value of the debt component of a convertible loan is calculated using a discount rate consisting of the market interest rate for a debt with the same terms and conditions but without the right to exchange shares.

The amount is reported as a liability up to the acquisition value accumulated as debt until the liability is converted or matures. The conversion right is calculated as the difference between the fair value of the combined financial instrument and the debt component. This is reported in equity.

Handling of a financial arrangement including derivatives

Derivatives are recognized on the balance sheet on the trading date and measured at fair value both initially and in

connection with subsequent revaluations at the end of each financial year. Derivative contracts are presented in other financial assets when the fair value is positive and in other financial liabilities when the fair value is negative.

Impairment of financial assets

Assets recognised at amortised cost

The Group applies the simplified approach to calculating expected credit losses. The method calculates expected losses over the entire asset period and uses these as a basis for accounts receivable and contractual assets.

Accounts receivable and contractual assets are derecognized if a repayment cannot reasonably be expected. The indicators that a repayment cannot reasonably be expected include, for example, the inability of the debtor to comply with a repayment plan or payments overdue by more than 120 days.

Credit losses on accounts receivable and contractual assets are reported as net credit losses in the operating result. Amounts previously derecognized and later recovered are shown on the same line in the income statement.

Impairment for financial assets has not been recognized since the Group was founded.

Liquid assets

Liquid assets include cash in hand and at bank and other short-term investments falling due within three months of their acquisition.

Share capital

Ordinary shares are recognized in equity. Transaction costs that can be directly linked to the issue of new shares or options are presented in their net amount in equity, less the proceeds of the issue, after the deduction of share issue costs.

Loans

Loans are initially recognized at fair value in their net amount after transaction costs. Loans are subsequently recognized at amortized cost, and any differences between the amount received (net after transaction costs) and the repayment amount are presented in the income statement distributed over the loan period using the effective interest rate method. Loans are classified as current liabilities if the Group does not have an unconditional right to defer payment of the debt for at least 12 months from the balance sheet date.

Accounts payable

Accounts payable are obligations related to the payment of goods or services acquired from suppliers as part of the company's operations. Accounts payable are classified as current liabilities if they mature within one year or earlier (or during a normal financial year if this is longer). Otherwise, they are recognized in non-current liabilities. All the accounts payable in this annual report are current. Accounts payable are recognized as amortized costs.

Fair value measurement

The nominal value of accounts receivable and accounts payable, less expected customers' losses, is assumed to correspond to their fair value. The fair value of financial liabilities is consistent with the carrying value.

Equity

Expenses related to the issue or acquisition of equity instruments are presented as a reduction in equity. Instruments that meet the equity criteria of the IFRS as described above under "Financial liabilities" are recognized in equity.

2. Operating segments

Endomines Group has three reportable segments as of January 1, 2023: Pampalo production, Karelian gold line and USA operations. The Endomines group was previously reported as a single operating segment.

The Pampalo production segment consists of the operations of the underground mine and open pit, the operations of the concentrator and the sale of gold concentrate. Karelian gold line segment conducts ore exploration in Finland. The United States operations segment consists of the operations of Endomines Idaho LLC, which include ownership rights to seven gold deposits in the United States purchased in fiscal years 2018-2022. The group has not combined operating segments to form reportable segments.

Endomines Group's highest operational decision-maker is the board of Endomines Finland Oyj, which evaluates the performance of the segments and makes decisions about the resources allocated to the segments. The performance of the segments is evaluated based on the operating result.

Segment information is based on management's internal reporting, and the accounting principles applied in segment reporting are consistent with the group's IFRS reporting principles. Pricing between segments takes place at the fair market price.

Unallocated items mainly consist of the group's administrative expenses and other items that have not been allocated directly to the segments.

In accordance with the renewed strategy during 2022, Pampalo's production and ore exploration on the Karelian gold line are at the center of operations, while operations in the United States focus on finding a local partner and reorganizing operations.

Information about the most important customers

In the financial year 1.1.-31.12.2023, the most significant customer of the Endomines group is Boliden Commercial AB. 100% of the turnover consists of the sale of gold concentrate to Boliden Commercial AB.

Pampalo production

Gold production	1.1.-31.12.2023	1.1.-31.12.2022
Gold production, kg	397.8	267.5
Gold production, oz	12,790	8,601

USA operations

Gold production	1.1.-31.12.2023	1.1.-31.12.2022
Gold production, kg	0.0	0.0
Gold production, oz	0.0	0.0

Group total

Gold production	1.1.-31.12.2023	1.1.-31.12.2022
Gold production, kg	397.8	267.5
Gold production, oz	12,790	8,601

1.1.-31.12.2023, MEUR	Pampalo production	Karelian gold line	USA operations	Unallocated items	Group total
Sales outside the group	19.7	0.0	0.0	0.0	19.7
Sales to other segments	0.0	0.0	0.0	0.0	0.0
Total revenue	19.7	0.0	0.0	0.0	19.7
Change in the inventory of finished goods and work in progress	-0.0	0.0	0.0	-0.0	-0.0
Materials, supplies, and external services	-14.1	-0.1	-0.1	-0.0	-14.3
Expenses arising from employee benefits	-1.6	-0.7	-0.5	-1.1	-3.9
Other operating expenses	-0.7	-0.1	-0.4	-0.9	-2.1
EBITDA	3.3	-0.9	-1.0	-2.1	-0.7
EBITDA %	17 %	-	-	-	-3 %
Depreciation	-1.0	0.0	-0.8	-0.5	-2.3
Operating result	2.3	-0.9	-1.8	-2.6	-3.0
Operating result %	12 %	-	-	-	-15 %

1.1.-31.12.2022, MEUR	Pampalo production	Karelian gold line	USA operations	Unallocated items	Group total
Sales outside the group	12.7	0.0	0.7	0.0	13.5
Sales to other segments	0.0	0.0	0.0	0.0	0.0
Total revenue	12.7	0.0	0.7	0.0	13.5
Change in the inventory of finished goods and work in progress	0.3	0.0	-0.8	0.0	-0.4
Materials, supplies, and external services	-10.8	0.0	-0.6	0.1	-11.3
Expenses arising from employee benefits	-0.9	-0.3	-1.5	-1.2	-3.8
Other operating expenses	-0.7	0.0	-1.2	-2.4	-4.4
EBITDA	0.6	-0.3	-3.3	-3.4	-6.4
EBITDA %	5 %	-	-	-	-48 %
Depreciation	-1.5	0.0	-6.2	-0.5	-8.3
Operating result	-0.9	-0.3	-9.5	-3.9	-14.7
Operating result %	-7 %	-	-	-	-109 %

Allocation of additions in long-term assets to segments

31.12.2023 MEUR	Pampalo production	Karelian Gold Line	USA operations	Unallocated items	Group total
Intangible assets					
Mineral resource exploration and evaluation expenses	-	2.5	-	-	2.5
Other intangible assets	-	-	-	-	-
Property, plant, and equipment					
Pampalo mine	4.6	-	-	-	4.6
Hosko mine	0.7	-	-	-	0.7
Land and water areas	-	-	-	-	-
Buildings and structures	-	-	-	0.7	0.7
Machinery and equipment	0.5	-	-	0.7	1.2
Other tangible assets	-	-	-	0.1	0.1
Total	5.8	2.5	-	1.5	9.8

31.12.2022 MEUR	Pampalo production	Karelian Gold Line	USA operations	Unallocated items	Group total
Intangible assets					
Mineral resource exploration and evaluation expenses	-	0.7	-	-	0.7
Other intangible assets	-	-	-	-	-
Property, plant, and equipment					
Pampalo mine	3.6	-	-	-	3.6
Hosko mine	-	-	-	-	-
Land and water areas	-	-	-	-	-
Buildings and structures	-	-	-	-	-
Machinery and equipment	0.2	-	-	-	0.2
Other tangible assets	-	-	-	-	-
Total	3.8	0.7	-	-	4.5

Geographical distribution of long-term assets

31.12.2023 MEUR	Finland	Usa	Total
Intangible assets			
Mineral resource exploration and evaluation ex-penses	7.7	26.0	33.7
Other intangible assets	1.3	-	1.3
Property, plant, and equipment			
Pampalo mine	9.1	-	9.1
Hosko mine	0.7	-	0.7
Land and water areas	0.2	0.3	0.5
Buildings and structures	0.8	3.3	4.0
Machinery and equipment	1.5	3.5	5.0
Other tangible assets	0.1	-	0.1
Total	21.4	33.1	54.5

31.12.2022, MEUR	Finland	Usa	Total
Intangible assets			
Mineral resource exploration and evaluation ex-penses	6.5	26.9	33.5
Other intangible assets	-	-	-
Property, plant, and equipment			
Pampalo mine	5.5	-	5.5
Hosko mine	-	-	-
Land and water areas	0.3	3.7	4.0
Buildings and structures	0.1	-	0.1
Machinery and equipment	0.7	4.6	5.3
Other tangible assets	-	-	-
Total	13.1	35.2	48.4



3. Sales proceeds from agreements with customers

Endomines' sales proceeds consist of the sale of gold concentrate delivered to the customer. In Finland, the sale of gold concentrate is based on a sales contract with Boliden Commercial AB for more than one year. Boliden Commercial AB purchases all the gold concentrate produced by Endomines Ltd.

Proceeds from the sale of gold are based on an advance invoice, which is calculated based on the information about the amount of the concentrate delivered, the gold content of the concentrate, the moisture content of the concentrate and the market price of gold. Processing costs and expenses related to impurities are deducted from the sales proceeds. The information is based on the results of

the samples received from Endomines' own laboratory and, in terms of price, on the average price of gold for the first full week of the month. The delivered lot constitutes a performance obligation. Invoicing takes place during the month immediately following the delivery month.

The customer pays the advance invoice on the 20th calendar day of the month immediately following the delivery month. All invoices and payments are in US dollars.

The final invoice is issued when the customer's laboratory has examined the samples, and the customer confirms all the parameters for the agreed pricing period. If the gold content identified by Endomines' laboratory differs from that identified by the customer's laboratory to an extent greater than what is specified in the current terms of sale,

the laboratory samples will be submitted to be analysed by an external and independent laboratory. The final price of the gold is determined in accordance with the average price of gold in the month immediately following the delivery month. The difference between the advance invoice and the final invoice is not estimated to be significant.

A new long-term sales agreement has been signed with Boliden Commercial AB at the end of 2023, which will come into force at the beginning of 2024. There have been no significant changes in the terms of the agreement. Based on management's estimate, production will increase during 2024 by 15–35% from 2023. The transaction price will be recognized in 2024 as set out above.

Sales revenue from customer contracts

<u>The Group's revenue by market area, MEUR</u>	<u>2023</u>	<u>2022</u>
Finland	19.7	12.7
United States	0.0	0.7
Total	19.7	13.5

<u>Accounts receivable and assets and liabilities based on customer agreements</u>	<u>2023</u>	<u>2022</u>
Accounts receivable	1.7	1.3
Short-term accrued receivables	0.1	0.0



4. Other operating income, MEUR	2023	2022
Metal scrap and waste	0.0	0.0
Damages	0.0	0.0
Sales income from tangible assets	0.0	0.0
Other income items	0.0	0.0
Total	0.0	0.0

5. Change in the inventory of finished goods and work in progress, MEUR	2023	2022
Increase (-) or decrease (+) in stocks	0.0	0.4
Total	0.0	0.4

6. Materials, supplies and external services, MEUR	2023	2022
Purchases of materials, supplies and goods	2.1	4.3
Increase (+) or decrease (-) in stocks	-0.0	-0.1
External services	12.2	7.1
Total	14.3	11.3

7. Expenses arising from employee benefits, MEUR	2023	2022
Salaries	3.2	3.1
Pension expenses	0.5	0.3
Other employee expenses	0.3	0.4
Total	3.9	3.8

The Group's average number of personnel by group during the financial year

White-collar employees	30	16
Blue-collar employees	15	25
Total	45	42

8. Other operating expenses, MEUR	2023	2022
Production operation and maintenance costs	-0.1	-0.6
Voluntary employee expenses	-0.2	-0.1
Facility expenses	-0.2	-0.1
Vehicle expenses	-0.1	-0.1
Travel expenses	-0.1	-0.1
Loss from the sales of tangible assets	-0.0	0.0
Other fixed costs	-1.2	-2.7
Total	-2.0	-3.9

Auditor's fees

Auditing	-0.1	-0.4
Auditor's other assignments and statements	-0.0	-0.1
Total	-0.2	-0.5

9. Depreciation and impairment	2023	2022
Depreciation by asset group		
Property, plant and equipment		
Pampalo mine	-1.0	-1.5
Land and water areas	0.0	-0.1
Buildings and structures	-0.1	-0.0
Machinery and equipment	-1.3	-1.4
Other tangible assets	-0.0	0.0
Impairment losses		
Machinery and equipment	0.0	-5.2
Mineral resource exploration and evaluation expenses	0.0	
Total	-2.3	-8.3

No impairment losses on tangible or intangible assets have been recorded in the financial period 2023. Based on impairment testing carried out in 2022, a write-down of MEUR 5.2 was recognized for the value of the balance sheet item "Machinery and equipment" for Endomines Idaho LLC. The impairment test was conducted using a comparative analysis in connection with the update of the strategy for the Group's US operations.

10. Impairment testing

On 31 December 2023, the Group carried out impairment testing, in accordance with its accounting principles for the financial statements, for the balance sheet value of the mineral resource exploration. In all cases the recoverable amount exceeds the carrying value.

10. Carrying values of mineral resource exploration and evaluation expenses	2023	2022
Finland		7.7
USA		26.0
Total		33.7

Impairment testing of exploration and evaluation expenses for mineral resources in Finland and the United States has been performed by comparing the balance sheet value of the asset to its fair value less the costs incurred from the sale.

Key variables in the impairment testing of exploration and evaluation expenses for mineral resources:

- Estimate of ore tonnes and gold grade
- Price of gold in the ground

The estimates are based on management's best judgement and are based on estimates of gold ore and mineral resources verified by surveys. The underground gold price is based on actual transaction prices for gold deposits.

Sensitivity analysis

The group has evaluated the sensitivity of the impairment testing regarding key variables. The table below shows the required change in a single assumption, by which the recoverable amount would fall below the book value.

Variable	2022	2023
Ore tonnes, United States	-56 %	-58 %
Gold grade, United States	-56 %	-58 %
Price of gold in the ground, United States	-56 %	-58 %
Ore tonnes, Finland	-68 %	-54 %
Gold grade, Finland	-68 %	-54 %
Price of gold in the ground, Finland	-68 %	-54 %

When evaluating the recoverable amount of the cash flow generating units, taking into account the above, according to the management's estimate, a somewhat possible change in any key variable would not lead to a situation where the recoverable amount of the cash flow generating units would fall below their book value. In the financial year 2023, the capitalized exploration and evaluation expenses for mineral resources related to the Hosko ore exploration area have been transferred to other intangibles assets, which affects the sensitivity analysis of variables in 2023 for Finland.

11. Financial income and expenses	2023	2022
Exchange rate gains	0.8	-0.5
Proceeds from a warrant recognised at fair value through profit or loss	0.1	0.7
Other financial income	0.0	0.0
Total financial income	0.9	0.3
Exchange rate losses	-1.3	-0.4
Interest expenses on interest-bearing liabilities	-1.4	-1.3
Interest expenses on leases	0.0	-0.0
Interest expenses on restoration costs	-0.1	-0.1
Other financial expenses	-0.4	-1.2
Total financial expenses	-3.2	-3.0
Net financial expenses	-2.3	-2.8

Exchange rate differences of EUR -0.4 (5.4) million on the intra-group Endomines Idaho LLC loan, processed as a net investment in the foreign unit, have been recorded in other items of comprehensive income. The amount of the group's internal loan at the time of the financial statements on December 31, 2023, is 11.8 million euros, and in the financial statements on December 31, 2022, it is 11.4 million euros.

12. Income tax	2023	2022
Reconciliation of the group's tax rate with the Finnish tax rate		
Profit before tax	-5.3	-17.5
Taxes calculated at the parent company's tax rate	3.5	1.1
Differing tax rates of foreign subsidiaries	0.0	0.1
Use of unrecognized tax losses from previous financial periods	0.0	
Permanent differences and tax losses that have been lost	-2.9	
Tax losses for which deferred tax assets have not been recognised	-0.7	
Taxes from previous years	0.0	0.0
Changes in deferred tax liabilities	0.0	0.0
Taxes on the income statement	0.0	0.0

Changes in the deferred tax assets 2023	1.1.2023	booked to the income statement	31.12.2023
Environmental restoration provisions	-	0.3	0.3
Lease agreements	-	0.0	0.0
Other temporary differences	-	0.1	0.1
Deferred tax assets	-	0.4	0.4

Changes in the deferred tax liabilities 2023	1.1.2023	booked to the income statement	31.12.2023
Environmental restoration provisions	-	0.3	0.3
Lease agreements	-	0.0	0.0
Other temporary differences	-	0.1	0.1
Deferred tax liabilities	-	0.4	0.4

Deferred taxes are entered in the balance sheet as net amounts by offsetting deferred tax assets against deferred tax liabilities. As of January 1, 2023, the group has booked deferred tax assets from the lease agreement and the provision for environmental restoration. In the financial year 2023, deferred tax assets from previous financial years have also been booked to the income statement. Deferred tax assets have not been recognized in the financial year 2022.

As of January 1, 2023, the group has booked deferred tax liabilities from the lease agreement and the provision for environmental restoration. In the financial year 2023, deferred tax liabilities from previous financial years have also been booked to the income statement. Deferred tax liabilities have not been recognized in the financial year 2022.

Tax losses for which deferred tax assets have not been recognized

MEUR	12/31/2023			12/31/2022		
	Expiration year	Gross amount	Tax effect	Expiration year	Gross amount	Tax effect
Tax losses	2024-2033	39.2	7.8	2023-2032	41.7	8.3
Environmental restoration	not expire		0.3	not expire		0.3
Lease agreements	not expire		0.0	not expire		0.0
Other temporary differences	not expire		0.4	not expire		0.5
Total		39.2	8.5		41.7	9.2

Tax deductible losses	2023	2022
Finland	-2.3	-0.7
United States	0,0	0,0
Sweden	0,0	0,0
Total	-2.3	-0.7

At the end of the accounting period, the group has confirmed losses in Finland totaling EUR 39.2 million. In Finland, the confirmed loss is deducted from the profit during the next 10 tax years as income is generated.

In the financial year 2022 the merger of the parent company with its subsidiary does not result in a change of ownership in the subsidiary of the merging parent company within the meaning of Section 122(1) of the Income Tax Act. Consequently, losses confirmed in Finland are also tax deductible for the comparative and prior periods. For the US and Swedish confirmed losses, the effects of the merger on the deductibility of losses have not been clarified.

13. Earnings per share

	2023	2022
Profit for the financial year attributable to the owners of the parent company, 1,000,000 euros	-5.3	-17.5
Weighted average number of shares	9,587,596	6,470,323
Undiluted earnings per share (euro / share)	-0.6	-2.70
Diluted adjusted number of shares 31.12.2023	10,768,188	6,470,323
Diluted adjusted earnings per share (euro / share)	-0.6	-2.70

Basic earnings per share are calculated by dividing the profit attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the financial year, adjusted for share issues. In calculating diluted earnings per share, the weighted average number of shares takes into account the dilutive effect arising from the conversion of all dilutive potential shares. If the result is negative, the diluted earnings per share shall be equal to the undiluted earnings per share. According to the IAS 33 Earnings per share -standard, the result adjusted for the dilution effect must not strengthen the earnings per share for the presented period.

14. Property, plant and equipment

Acquisition cost:		Pampalo mine	Hosko mine	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets
At the beginning of the period	1.1.2022	24.3	0.0	4.0	9.4	26.6	0.0
Increase		3.6	0.0	0.0	0.0	0.2	0.0
Decrease		0.0	0.0	0.0	0.0	0.0	0.0
Other changes		0.0	0.0	0.3	0.1	0.1	0.0
Exchange rate differences		0.0	0.0	0.0	0.0	0.0	0.0
At the end of the period	31.12.2022	27.9	0.0	4.2	9.5	26.8	0.0
Accumulated depreciation and impairment losses:							
At the beginning of the period	1.1.2022	-20.9	0.0	-0.2	-9.5	-14.5	0.0
Depreciation for the period		-1.5	0.0	0.0	0.0	-1.0	0.0
Other changes		0.0	0.0	0.0	0.0	-0.9	0.0
Impairment losses		0.0	0.0	0.0	0.0	-5.1	0.0
Exchange rate differences		0.0	0.0	0.0	0.0	0.0	0.0
At the end of the period	31.12.2022	-22.4	0.0	-0.2	-9.5	-21.6	0.0
Carrying value	31.12.2022	5.5	0.0	4.0	0.1	5.3	0.0
		Pampalo mine	Hosko mine	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets
At the beginning of the period	1.1.2023	27.9	0.0	4.2	9.6	25.8	0.0
Increase		4.6	0.7	0.0	0.7	1.2	0.1
Decrease		0.0	0.0	0.0	0.0	-0.1	0.0
Other changes		0.0	0.0	-3.5	3.5	0.0	0.0
Exchange rate differences		0.0	0.0	-0.1	0.0	-0.4	0.0
At the end of the period	31.12.2023	32.5	0.7	0.5	13.8	26.5	0.1
Accumulated depreciation and impairment losses:							
At the beginning of the period	1.1.2023	-22.4	0.0	-0.2	-9.5	-20.6	0.0
Depreciation for the period		-1.0	0.0	0.0	-0.1	-1.3	0.0
Other changes		0.0	0.0	0.2	-0.2	0.0	0.0
Impairment losses		0.0	0.0	0.0	0.0	0.0	0.0
Exchange rate differences		0.0	0.0	0.0	0.0	0.3	0.0
At the end of the period	31.12.2023	-23.4	0.0	0.0	-9.8	-21.5	0.0
Carrying value	31.12.2023	9.1	0.7	0.5	4.0	5.0	0.1

Expenses related to the preparatory work of the Hosko production area have been capitalized to tangible assets. Depreciation related to capitalized expenses will start from February 1, 2024, after the start of production. The group has presented certain buildings and structures in land and water areas in the financial year 2022. Other changes in the land and water areas are transfers of these items to the buildings and structures.

15. Intangible assets

		Mineral resource exploration and evaluation expense	Hosko
Acquisition cost:			
At the beginning of the period	1.1.2022	50.9	-
Increase		0.7	-
Decrease		0.0	-
Transfers to production		0.0	-
Other changes		0.0	-
Exchange rate differences		0.0	-
At the end of the period	31.12.2022	51.6	-
Accumulated depreciation and impairment losses:			
At the beginning of the period	1.1.2022	-18.1	-
Depreciation for the period		0.0	-
Other changes		0.0	-
Impairment losses		0.0	-
Exchange rate differences		0.0	-
At the end of the period	31.12.2022	-18.1	-
Carrying value	31.12.2022	33.5	-

		Mineral resource exploration and evaluation expense	Hosko
Acquisition cost:			
At the beginning of the period	1.1.2023	51.6	-
Increase		2.5	-
Decrease		-	-
Transfers to production		-1.3	1.3
Other changes		-	-
Exchange rate differences		-1.4	-
At the end of the period	31.12.2023	51.3	1.3
Accumulated depreciation and impairment losses:			
At the beginning of the period	1.1.2023	-18.1	-
Depreciation for the period		-	-
Other changes		-	-
Impairment losses		-	-
Exchange rate differences		0.5	-
At the end of the period	31.12.2023	-17.6	-
Carrying value	31.12.2023	33.7	1.3

Intangible assets consist of mineral resource exploration and evaluation expenses and development costs of Hosko mine. Mineral resource exploration and evaluation expenses MEUR 7.7 are allocated to Finland and MEUR 26.0 to the USA. It has been possible to demonstrate the technical feasibility and commercial viability of the Hosko ore exploration area, as a result of which capitalized exploration and evaluation expenses for mineral resources related to the Hosko exploration area have been transferred to other intangible assets. The changes according to the reclassification are presented in the table above. Reclassification has no impact to the income statement. Hosko's depreciation will start on February 1, 2024, after the start of production.

Assets and liabilities related to the exploration and evaluation of mineral resources, which are not included in the items mentioned above	2023	2022
Accounts payable to subcontractors	0.0	0.0
Income and expenses arising from the exploration and evaluation of minerals	2023	2022
Damages received	0.0	0.0
Materials, supplies and external services	-0.1	0.0
Expenses arising from employee benefits	-0.7	-0.3
Other fixed costs	-0.1	0.0
Items with a cash flow effect arising from the exploration and evaluation of mineral resources	2023	2022
Cash flow from investments	-2.5	-0.7
Cash flow from operating activities	-0.9	-0.3

16. Lease agreements	2023			2022		
	Buildings and structures	Machinery and equipment	Total	Buildings and structures	Machinery and equipment	Total
Fixed assets						
Opening balance sheet 1.1.	0.0	0.0	0.0	0.0	0.0	0.5
Translation differences	0.0	0.0	0.0	0.0	0.0	0.0
Increase	0.0	0.0	0.0	0.0	0.0	0.0
Changes in contracts	0.0	0.0	0.0	0.0	0.0	-0.4
Depreciation	0.0	0.0	0.0	0.0	0.0	-0.1
Closing balance sheet 31.12.	0.0	0.0	0.0	0.0	0.0	0.0
Lease liabilities	2023	2022				
Less than a year	0.0	0.0				
1–5 years	0.0	0.0				
More than 5 years	0.0	0.0				
Total	0.0	0.1				

17. Financial assets and liabilities, MEUR	2023		2022	
		Carrying value and fair value	Carrying value and fair value	
Financial assets				
Current financial assets				
Accounts receivable and other receivables		2.0		1.9
Cash in hand and at banks		1.2		3.7
Total financial assets recognized at amortized cost		3.2		5.6
Total financial assets		3.2		5.6
Financial liabilities				
Non-current financial liabilities				
Convertible loans		16.0		10.4
Lease liabilities		0.0		0.0
Other loans		0.0		0.0
Total non-current financial liabilities recognized at amortized cost		16.1		10.4
Current financial liabilities				
Convertible loans		0.0		0.1
Lease liabilities		0.0		0.0
Accounts payable and other liabilities		5.0		4.8
Total current financial liabilities recognized at amortized cost		5.0		4.9
Total financial liabilities		21.1		15.3

The balance sheet value of the financial assets included in the financial assets recognized at amortized cost, essentially corresponds to the fair value, because the effect of discounting is not material considering the maturity.

Breakdown of financial liabilities into changes with cash flow effects and changes without cash flow effects

	Long-term in-terest-bearing liabilities	Long-term lease agreements	Short-term interest-bearing liabilities	Short-term lease agreements
Financial liabilities 1.1.2023	10.5	0.0	0.1	0.0
Loan withdrawals	5.9	–	2.0	–
Repayments	–	–	-0.4	0.0
Transfers	–	0.0	–	0.0
Exchange rate adjustments	–	–	–	–
Transfer to current liabilities	0.0	0.0	0.0	0.0
Conversion of convertible loans into shares	-0.3	–	-1.8	–
Other changes that do not involve payment	-0.1	–	0.0	–
Financial liabilities 31.12.2023	16.0	0.0	0.0	0.0
	Long-term in-terest-bearing liabilities	Long-term lease agreements	Short-term interest-bearing liabilities	Short-term lease agreements
Rahoitusvelat 1.1.2022	11.6	0.3	5.8	0.3
Loan withdrawals	6.2	–	2.6	–
Acquisitions	–	0.1	–	–
Repayments	–	–	-6.6	-0.2
Transfers	–	-0.4	–	–
Exchange rate adjustments	0.9	0.1	0.3	-0.1
Transfer to current liabilities	-0.3	0.0	0.3	0.0
Conversion of convertible bonds into shares	-9.0	–	-2.6	–
Other changes that do not involve payment	1.0	–	0.2	–
Financial liabilities 31.12.2022	10.4	0.0	0.1	0.0

Convertible loans from Finnish investors

In June 2023, Endomines' board of directors approved a total maximum of 3.6 MEUR in convertible bonds with a group of Finnish investors. In accordance with the financing arrangement, 1.8 MEUR of the convertible bond was implemented in June. In addition, Endomines had an option to take out another 1.8 MEUR convertible bond in October 2023. The board decided in September 2023 to implement the option share as well. The maturity of the convertible bonds is 36 months, and the annual interest rate is 12 %. The interest is paid at the end of the contract. According to the agreement, the convertible bonds can be fully or partially exchanged for company shares after 24 months from the loan drawdown date. The subscription price of the 1.8 MEUR convertible bond raised in June is the average share price for the period between 15 May 2023 and 15 June 2023, minus 15 percent. The subscription price of the convertible bond issued in October is the average share price for the period between September 1, 2023 and September 30, 2023, minus 15 percent. Apart from the subscription price, the other terms are the same for both convertible bonds. The minimum commitment of the members of the investor group in the financial arrangement was 100,000 EUR. The financing arrangement was decided to start production in Hosko, and to increase production in the Pampalo underground mine.

In November 2023, Endomines' board of directors approved a total maximum of EUR 3.2 million in convertible bonds with a group of Finnish investors. The maturity of the convertible bonds is 36 months, and the annual interest rate is 10 %. The interest is paid at the end of the contract. In accordance with the financing agreement, the convertible bonds can be fully or partially exchanged for company shares no earlier than 12 months after the loan drawdown date. The exchange price consists of the daily average price calculated at the share's closing price during the 15 trading days preceding the day of the exchange request, minus 15 percent. The financing arrangement was decided for ore exploration in the Kuittila area and general business needs. In November 2023, Endomines agreed with a group of Finnish investors to extend the convertible bonds arranged

in 2021 and 2022 by three years. Convertible bonds of EUR 10.7 million and the related interest are due to be paid in 2027 instead of the previously agreed 2024. The other terms of the convertible bonds remain unchanged.

LDA Capital Limited financing

In 2021, Endomines agreed with LDA Capital Limited on a financing arrangement totaling EUR 14.0 million, which was announced on May 8, 2021. The Annual General Meeting approved the financing arrangement on June 10, 2021. The financing arrangement covers a put option agreement with a total amount of EUR 8.0 million, part of which was realized in 2021, and a convertible loan agreement with a total amount of EUR 6 million, of which EUR 2.6 million was realized in 2022, and EUR 1.0 million in January 2023 and EUR 1.0 million in March 2023. At the end of 2023, there were convertible loans 0 euros left. In November 2023, Endomines exercised the contractual right to redeem the remaining convertible loan early. In accordance with the terms of the agreement, early redemption takes place at a price that corresponds to 115 percent of the remaining nominal amount. At the time of redemption, 250,000 euros of LDA's convertible loan remained unconverted and the redemption price was 287,500 euros.

LDA warrants

In connection with the financing arrangement, the company issued 14,000,000 options, each of which entitles its holder to subscribe for one share in the company before the 40:1 reverse split share merger implemented in 2022. The number of shares subject to the warrants changed accordingly after the reverse split. The stock options were issued to LDA Capital, deviating from the shareholders' preemptive rights, and without consideration. The subscription price of the new shares subscribed with options corresponds to 135% of the average price weighted by the turnover of the company's share for the 10 trading days preceding the date of the 2021 general meeting. After the Reverse Split, there are 350,000 options (14,000,000/40). According to the agreement, the subscription price of one share is EUR 0.36/share, i.e. EUR

14.4/share (0.36*40). The right to subscribe for shares ends on June 10, 2024. The fair value of the warrants on 31 December 2023 is EUR 0.

18. Financial risk management

Through its operations, the Group is exposed to various financial risks, including the market risk (including the exchange rate risk and the price risk), the credit and counterparty risk, the liquidity risk and the cash flow risk. At the end of the financial year, Endomines has only entered into fixed-rate financing agreements, and therefore the cash flows are not subject to the risk of interest rate changes on loans.

A sensitivity analysis of the main risks related to financial assets and liabilities is presented in Note 18. The sensitivity analysis is based on the financial instruments available on the balance sheet date. The basic principle of sensitivity analysis is to report on the potential individual impacts caused by changes in exchange rates, interest rates or prices on the profit after taxes, other items of comprehensive income after taxes or equity when all other variables remain constant.

Market risk

The demand for the gold produced in the international market affects the Group's profitability.

Exchange rate risk

The Group operates internationally and is exposed to exchange rate risks in terms of the EUR/USD exchange rate. All invoicing of the gold concentrate is in USD, while production costs and intra-Group financing are denominated in both EUR and USD. The exchange rate risk consists of the transaction risk associated with contractual items and the translation risk related to converting the financial statements of the foreign subsidiary into euros. No currency hedging agreements were in place at the time of the financial statements. An intra-group loan in foreign currency between Endomines Finland Oyj and Endomines Idaho LLC is considered a net investment in a foreign entity.

Exchange rate differences related to the loan recorded in other items of comprehensive income are shown in note 11.

Price risk

The Group is exposed to the price risk mainly through fluctuations in the price of gold. The price of gold is determined daily by the London Bullion Market Association (LBMA). The company's exposure to price fluctuations can be limited to some extent by entering into hedging contracts concerning the price of gold. No hedging contracts were in place on the balance sheet date. In terms of financial instruments, the selection of counterparties has been based on the management's assessment of their reliability.

Credit risk

The credit and counterparty risk refers to the risk that the counterparty in a transaction fails to meet its commitments and will therefore cause Endomines to suffer a loss. In the case of Endomines, the credit and counterparty risk is mainly affected by cash assets and credit exposures related to customers, including outstanding receivables and contractual transactions. To limit the risk, Endomines only deals with counterparties with a high credit rating. In terms of cash assets, the Group's counterparties are Nordea in Finland and PlainsCapital Bank in the United States. During the last two years, the Group has had only two customers: Boliden Commercials AB and H&H Metals Corporation gold concentrate. The management has no reason to expect credit losses caused by insolvency from these counterparties. The credit risk related to cash deposits is managed by the Group's financial management. The

management does not expect credit losses to be caused by the counterparties of the financial assets on the balance sheet.

The payment terms for trade receivables are on the twentieth calendar day of the month following the delivery month of the advance invoice, and the payment terms for the final invoice are five business days after the delivery of the invoice.

Liquidity risk

The company evaluates and monitors liquidity adequacy regularly. The assessment of the financing need is based on the annual budget, monthly updated financial forecast and production forecast, and up-to-date cash flow planning.

Investments in the preparatory works of the Hosko production area and the change in the mining method of the Pampalo underground mine had a significant impact on the cash flows at the end of 2023. The effects on the funding need were one-off in the 2023 fiscal year. In accordance with the strategy, Endomines has invested in ore exploration on the Karelian gold line, which has been reflected in increased investments in the 2023 fiscal year and has partly increased the company's funding need.

In March 2024, Endomines has agreed with its current owners on a financing arrangement of up to EUR 3.8 million for the exploration and other business needs of the South Gold Line.

According to the management's best estimate, the anticipated funding need for the fiscal year 2024 will be covered with the help of committed funding and Pampalo's income funding. Ore exploration on the Karelia gold line can be suspended if Pampalo's production falls significantly short of the 2024 guidelines. Ore exploration is not a necessary expense for Endomines' business, but it is a very important part of Endomines' strategy.

The information about financial liabilities on the balance sheet is broken down on the due date of the agreement. Accounts payable and other financial liabilities fall due within 30 days of the balance sheet date.

Capital management

The Group's capital management seeks to ensure the normal operating conditions, maintain an optimal capital structure and minimise the cost of capital. The capital structure is primarily affected by guiding investments and the working capital tied up in business operations. The group's capital structure is monitored e.g. by means of the net gearing ratio, which is calculated by dividing interest-bearing net liabilities by equity.

The environment and permits

The company's operations depend on ore exploration, mining, and environmental permits, as well as other permits and rights. Its operations are subject to environmental risks and environmental requirements.

18. Financial risk management, MEUR

Sensitivity analysis	2023		
	Profit after tax		Equity
Impact of exchange rate differences on intra-Group loans:			
+1% change in exchange rate EUR–USD	118.225		118.225
-1% change in exchange rate EUR–USD	-118.25		-118.225
Maturity profile based on financial liability agreements			
	2024	2025	2026-
Non-current liabilities			
Loans from financial institutions		0.0	
Liabilities from lease agreements		0.0	17.7
Convertible loans			
Current liabilities			
Loans from financial institutions	0.0		
Liabilities from lease agreements	0.0		
Accounts payable and other liabilities	5.4		1.7
Interest rates based on agreements			

All the Group's financial liabilities as at 31.12.2023 mature during the 2027 financial year at the latest.

19. Inventory, MEUR	2023	2022
Materials and supplies	0.1	0.1
Gold concentrate	0.3	0.2
Ore	0.0	0.1
Total	0.4	0.4

Accounts receivable are non-interest-bearing, and the payment term is five business days from the date of delivery of the final invoice. The Group did not recognize impairment losses on accounts receivable during the financial year. The Group's practices do not include the acquisition of collateral for accounts receivable and other receivables.

20. Accounts receivable and other receivables, MEUR	2023	2022
Accounts receivable	1.7	1.3
Other receivables	0.0	0.0
Accrual receivables	0.3	0.6
Total	2.0	1.9

The age distribution of accounts receivable is as follows:

Not fallen due	1.7	1.3
Total	1.7	1.3

21. Liquid assets, MEUR

	2023	2022
Cash in hand and at bank	1.2	3.7

The liquid assets on the balance sheet include cash and cash equivalents and short-term bank deposits with a maturity of less than three months. Foreign currency items have been converted into euros at the rate applicable on the balance sheet date.

22. Notes concerning equity

The share capital of the parent company entered in the trade register on 31 December 2023 was 53.3 million euros, divided into 9,795,339.00 shares of equal value. Endomines Finland Oyj has one series of shares and each share entitles the shareholder to one vote at the general meeting. The nominal value of the current share has not been defined.

Share capital, number of shares	2022	2023
Number of outstanding shares at the beginning of the period	9,287,959.0	225,793,946.0
Conversion of convertible loans	507 380.0	12 333 003.0
Rights issue	-	-
Directed issue	-	28 571 429.0
Set-off issue /directed issue	-	500 000.0
Reverse split	-	-260 518 419.0
Initial public offering (IPO)	-	2 600 000.0
Number of outstanding shares at the end of the period	9,787,339.0	9,279,959.0
Shares held by the parent company	8 000.0	8 000.0
Total number of shares at the end of the period	9,787,339.0	9,287,959.0
Share capital (MEUR)	53.3	53.3

Treasury shares

After the merger on December 16, 2022, the company holds 8,000 own shares.

Other invested capital

The invested unrestricted equity reserve and the share premium reserve include other equity investments and the share subscription price to the extent that it is not included in the share capital based on a separate decision. Translation differences include translation differences arising from the conversion of the subsidiary's equity, exchange rate differences arising from the foreign subsidiary's loan treated as a net investment, and exchange differences arising from the conversion of the income statement of foreign subsidiaries at the average exchange rate and the balance sheet at the exchange rate applicable on the balance sheet date.

23. Provisions

The restoration cost provision has been determined based on a study carried out by an external engineering firm, and it is in line with the management's best estimate. The provision consists of estimates related to the service life of the mine, areas to be restored and restoration costs. The provision includes the estimated costs of restoring the environment in the Pampalo mine area and the Friday mine area.

According to long-term production plan, the estimated economic life of the Pampalo mine is at least until the end of 2030. The restoration of the Pampalo mining area is estimated to start in 2031 at the earliest. The restoration of Friday mine area is estimated to start in 2026 at the earliest. Estimated future cash flows are discounted to their present value. The amount to be recorded as a provision is based on management's best estimate.

In the reassessment of restoration measures, carried out at the end of the financial year 2023, it has been found that the number of restoration measures for the Pampalo mine has increased from the previously recorded provision. Because of that, Endomines has recorded an increase in the environmental restoration provision for 2023. The increase in the restoration measures is booked to the provisions of the balance sheet and the corresponding amount is booked as a fixed asset item to tangible assets.

Provisions	Restoration costs	Total
Opening balance sheet on 1 Jan 2022	1.3	1.3
Discounting effect	0.1	0.1
Translation differences	0.0	0.0
Closing balance sheet on 31 Dec 2022	1.4	1.4
Opening balance sheet on 1 Jan 2023	1.4	1.4
Additions	1.5	1.5
Discounting effect	0.1	0.1
Translation differences	-0.1	-0.1
Closing balance sheet on 31 Dec 2023	2.9	2.9

The restoration cost provision refers to the estimated costs of restoring the environment at the Pampalo and Friday mine areas. Discounting is reported as interest expenses.

24. Accounts payable and other liabilities, MEUR	2023	2022
Accounts payable	5.0	4.7
Other liabilities	0.4	0.4
Accrued liabilities	2.2	1.6
Total	7.6	6.7

Accounts payable are non-interest-bearing and are usually paid within 14–31 days. The carrying value corresponds to the fair value because the impact of discounting is not material, considering the maturity of the liabilities. Group’s credit risk is described in Note 18.

25. Contingent Commitments

Endomines has valid royalty agreements concluded in 1996 regarding Ilomantsi and other takeovers. Royalty liability comes into effect when mining begins, maximum amount of the company’s responsibility is 2.5 MEUR. Royalty liability starts to materialize in 2024 when production in Hosko begins.

26. Related party events

The Group’s related parties include the members of the Board and the members of the Management Team, including the CEO, and their close family members and the companies controlled by them. Transactions with related parties that are not eliminated in the consolidated financial statements are presented as related party transactions. In terms of shareholders, related parties include entities and persons who exercise control, joint control, or significant influence on the parent company.

Subsidiaries

Name of the company	Principal operations	Country	Holding, %
Endomines Ltd	Mining operations	Finland	100 %
Endomines Idaho LLC	Mining operations	United States	100 %
Kalvinit Ltd	Mining operations	Finland	100 %

In the financial year 2023, the following business transactions took place:

Financing expenses, EUR	2023
CEO	0,0
Long-term financial liabilities, EUR	2023
CEO	0,1
Short-term accrued expenses, EUR	2023
CEO	0,0

Long-term financial liabilities consist of convertible loan agreed with the CEO, which were realized during the 2023 financial year. The convertible loan with the CEO has been implemented under similar conditions as the convertible loans agreed with other parties. The financial expenses for the CEO are the accrued interest of the convertible bond for the fiscal year 2023, no interest were due to be paid. Interest expenses have been allocated to accrued liabilities on the balance sheet and will not be due until 2026 at the earliest.

In the financial period 2022, there were no material business transactions with related parties.

Management team fees, EUR

Management team fees, EUR	2022	2023
CEO	334,595	220,200
others	473,797	455,919
total	808,392	676,119

Salaries and fees are presented on an accrual basis. Management salaries and bonuses consist of short-term employee benefits and do not include share-based payments. Management compensation does not include post-employment benefits or other long-term benefits. The pension benefits of key management personnel consist of pensions granted within the framework of Finland's statutory pension scheme, the group has no voluntary supplementary pension schemes.

Salaries and fees paid to the Board, EUR	2023	2022
Ingmar Haga	-	37,265
Jeremy Read	31,466	24,149
Markus Ekberg	36,393	24,149
Eeva Ruokonen	35,494	22,221
Jukka-Pekka Joensuu	57,033	22,458
Jukka Jokela	33,912	11,005
Total	194,298	141,248

In the fiscal year 2023, the board's fees were paid in shares totaling EUR 34,500. In 2022, all board fees have been paid in cash.

27. Events after the end of the reporting period

- On January 10, 2024 Endomines reports new high-grade drilling results from the Pampalo underground drilling program, which was carried out in autumn 2023
- On January 17, 2024 Endomines reports the rest of the 2023 ore exploration results from the ore exploration program, which was implemented in autumn 2023 in Kuittila on the Karelian Gold Line. It was also released that the company will start a deep drilling program at the end of January 2024 to test the depth extensions of the gold-rich zones drilled in the 2023 drilling in Kuittila
- Endomines released the flagging notification pursuant to Chapter 9, Sections 5 and 6 of the Securities Market Act regarding the ownership of Kyösti Kakkonen, Joensuun Kauppa ja Kone Oy, Kakkonen Yhtiöt Oy and K22 Finance Oy in Endomines Finland Plc. Share of shares and votes exceeded the 25 percent flagging limit on 17 January 2024
- On February 1, 2024 Endomines started gold production in Hosko production area
- On February 15, 2024, Endomines reports results from the new mineral resource estimate completed on the Kuittila deposit, at the Karelian Gold Line. The total inferred mineral resource is at 814.7 kt @ 1.88 g/t Au for 49,170 ounces of contained gold. All the results from the 2023 base of till sampling program at Kartitsa have now been received and a significant gold anomalous area recognized.
- In March 2024, Endomines has agreed with its current owners on a financing arrangement of up to EUR 3.8 million for the business needs of the Southern Gold Line exploration and mining activities.
- In March 2024, Endomines reported that resources on the Karelian gold line had increased by 72% and contained over 310 000 ounces of gold.

Parent company's financial statements (FAS)



Parent company's income statement

EUR	Note	2023	2022
Revenue	2	1,755,980	0
Other operating income, merger gain	3	0	28,279,475
Employee expenses	4	-1,141,243	-606,069
Other operating expenses	5	-927,940	-696,579
Operating result		-313 204	26,976,826
Financial income	6	3,032,318	2,371,642
Impairment of fixed assets investments	6	-8,623,000	0
Financial expenses	6	-3,984,827	-2,704,474
Total financial income and expenses		-9,575,508	-332,832
Profit before appropriations and taxes		-9,888,712	26,643,994
Income taxes	7	0	0
Profit for the period		-9,888,712	26,643,994

Balance sheet of the parent company

ASSETS , EUR	Note	2023	2022
Non-current assets			
Investments			
Holdings in Group companies	8	14,671,774	23,294,774
Receivables from Group companies	9	21,026,820	16,816,806
Total non-current assets		35,698,594	40,111,580
Current assets			
Accounts receivable			
Receivables from Group companies	10	15,227,107	12,058,887
Other receivables	10	62,190	225,036
Accrued receivables	10	90,424	286,283
Cash in hand and at banks	11	152,720	2,185,368
Total current assets		15,532,441	14,755,575
TOTAL ASSETS		51,231,036	54,867,155

EQUITY AND LIABILITIES , EUR	Note	2023	2022
Equity			
Shares, holdings or similar capital		80,000	80,000
Other reserves			
Invested unrestricted equity reserve		15,133,228	13,095,728
Retained earnings (losses)		26,458,732	-185,262
Profit (loss) for the period		-9,888,712	26,643,994
Total unrestricted equity		31,703,248	39,554,460
Total equity		31,783,248	39,634,460
Liabilities			
Non-current liabilities			
Liabilities to Group companies		664,000	664,000
Convertible loans		16,393,793	10,743,793
Total non-current liabilities		17,057,793	11,407,793
Current liabilities			
Liabilities to Group companies		90,245	435,184
Accounts payable		291,395	2,021,068
Convertible loans		0.00	100,000
Other liabilities		89,877	17,833
Accrued expenses		1,918,487	1,250,817
Total current liabilities		2,398,994	3,824,902
Total liabilities		19,447,788	15,232,695
TOTAL EQUITY AND LIABILITIES		51,231,036	57,867,155

Parent company's cash flow statement

EUR	31.12.2023	31.12.2022
Cash flow from operating activities		
Profit before tax	-9 888 712	26 643 994
Adjusted for the following:		
Depreciation and impairment	8 623 000	0
Unrealized exchange rate differences from intragroup items	777 187	0
Financial income and expenses	175 321	666 411
Other adjustments	0	-27 986 485
Cash flow before the change in working capital	-313 204	-676 081
Change in working capital	-4 547 389	1 217 879
Increase (-) / decrease (+) in accounts payable and other receivables	-2 091 557	-1 894 032
Increase (+) / decrease (.) in accounts payable and other liabilities	-2 455 832	3 111 912
Cash flow from operating activities before financial items and taxes	-4 860 593	541 799
Interest paid	-135 641	-331 650
Interest received	102	0
Taxes paid	0	0
Net cash flow from operating activities	-4 996 131	210 149
Cash flow from investing activities		
Loans granted to Group companies	-4 624 017	-7 447 177
Net cash flow from investing activities	-4 624 017	-7 447 177
Cash flow before financial items	-9 620 149	-7 237 028
Cash flow from financing activities		
Share issue	0	3 997 420
Share issue expenses	0	-844 752
Loan drawdowns	7 937 500	6 200 000
Repayments of loans	-350 000	0
Net cash flow from financing activities	7 587 500	9 352 668
CHANGE IN FINANCIAL ASSETS	-2 032 649	2 115 640
Financial assets at the beginning of the period	2 185 368	669 728
Exchange rate difference in financial assets	0	0
Financial assets at the end of the period	152 720	2 185 368

Notes to the parent company's financial statements

1. Accounting principles

General

The financial statements of Endomines Finland Oyj have been prepared in compliance with the accounting principles and regulations regarding the preparation of financial statements according to the Finnish Accounting Act and the Accounting Regulation.

Merger in financial year 2022

Endomines Finland Plc received the assets and liabilities of Endomines AB on 16 December 2022. The merger was implemented through a cross-border downstream absorption merger.

The balance sheet of the merging company has been converted into euros at the EUR/SEK closing rate applicable on 16 December 2022 and entered into the accounts of the recipient company through a merger account. The difference in the merger account, a merger gain of EUR 28 059 304, was made up of the merging company's equity and have been recognized in the recipient company's other operating income in the financial year 2022.

Endomines Finland Oyj has operated as the parent company of the Endomines Group since 16 December 2022.

Conversion of foreign currency items

Foreign currency transactions are recognized in the functional currency at the exchange rate applicable on the transaction date. Items in a foreign currency have been converted into the functional currency at the exchange rates applicable at the end of the reporting period.

Sales revenue recognition

The revenues of the parent company consist of services provided by the parent company to subsidiaries. Revenue is recognized when the services are performed.

Valuation of non-current assets

Investments in non-current assets are valued at their acquisition cost less impairment losses. The balance sheet value of subsidiary shares is reviewed annually (or every six months) by comparing the

subsidiary's local accounting equity with the balance sheet value of the shares. The company records an impairment loss if the equity value falls below the balance sheet value of the shares.

Valuation of receivables and liabilities

Receivables are valued at their nominal value or lower probable value. Liabilities are valued at their nominal value or a higher reference value. At the end of the financial year, the parent company has EUR 11.8 million in long-term and EUR 11.5 million in short-term receivables from Endomines Idaho LLC. The valuation of the receivables has been reviewed as part of the group's impairment testing, which is based on the market value of the gold reserves managed by Endomines Idaho LLC and the Friday mine under maintenance.

Pension arrangements

Employees' pension security has been arranged with an external pension insurance company. Pension expenses are recognized as an expense in the income statement.

Income taxes

The income taxes recognized in the income statement include taxes calculated on the basis of Finnish tax regulations for the profit of the period and any adjustments to previous periods' taxes. The Finnish income tax rate is 20%. Deferred taxes have not been recognized.

2. Sales income	2023	2022
Business services to group companies	1,755,980	0
Total	1,755,980	0

3. Other operating income	2023	2022
Merger gain	0	28,059,304
Administrative services to group companies	0	220,171
Total	0	28,279,475

4. Employee expenses	2023	2022
Salaries and fees	-980,397	-499,961
Pension expenses	-146,273	-49,530
Other employee expenses	14,570	-59,579
Total	-1,141,243	-606,069

Management salaries & fees	2023	2022
CEO	334,595	263,483
Board of Directors	194,298	-

Henkilöstö keskimäärin	7	1
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5. Other operating expenses, MEUR

	2023	2022
Rent paid for facilities	-29,469	-922
Legal and consulting services	-201,196	-173,139
Auditing	-124,965	-266,064
Other assignments of the auditor	-17,407	-44,080
Others	-554,902	-250,454
Total	-927,940	-740,659

6. Financial income and expenses	2023	2022
Financial income		
Interest income from group companies	1,362,882	2,326,764
Exchange rate gains	1,546,950	44,868
Others	122,486	10
Total	3,032,318	2,371,642
Impairments		
Impairment of fixed assets investments	-8,623,000	0
Impairments, total	-8,623,000	0
Financial expenses		
Interest expenses to group companies	-37,888	-1,212
Interest expenses on convertible loans	-1,222,356	-1,428,288
Share issue costs	0	-844,752
Exchange rate losses	-2,331,068	-99,183
Others	-393,515	-331,039
Total	-3,984,827	-2,704,474
Financial income and expenses total	-9,575,508	-332,832

Impairments of fixed assets investments include impairment of Endomines Oy shares of EUR 5.9 million and Endomines Idaho LLC shares of EUR 2.7 million.

7. Income taxes	2023	2022
Profit (loss) for the period	-9,888,712	26,643,994
Non-deductible income	-181	-28,059,304
Non-deductible expenses	8,629,389	-4
Taxable profit for the period	-1,259,504	-1,415,313
Taxes for the period	0	0
Total	0	0

8. Investments	2023	2022
Holdings in Group companies		
Acquisition cost 1 Jan	23,294,774	0
Increase	0	23,294,774
Impairment	-8,623,000	0
Acquisition cost 31 Dec	14,671,774	23,294,774
Capital loans granted to subsidiaries		
Acquisition cost 1 Jan	252,282	0
Increase	0	252,282
Acquisition cost 31 Dec	252,282	252,282
Investments total	14,924,056	23,547,056

Due the merger in the financial year 2022, the parent company owns 8,000 of its own shares.

9. Non-current loan receivables, MEUR	2023	2022
From group companies	21,026,820	16,564,524
Total	21,026,820	16,564,524

10. Current receivables, MEUR	2023	2022
From group companies	15,227,107	12,058,887
Accrued income from financing agreements	0	286,283
Other receivables	152,614	225,036
Total	15,379,721	12,570,206

11. Cash in hand and at banks, MEUR	2023	2022
Assets held in the parent company's bank accounts and bank deposits of less than three months	152,720	2,185,368
Total	152,720	2,185,368

12. Equity	2023	2022
Share capital 1 Jan	80,000	80,000
Increase	0	0
Share capital 31 Dec	80,000	80,000
Invested unrestricted equity reserve 1.1.	13,095,728	0
Increase	2,037,500	13,095,728
Invested unrestricted equity reserve 31.12.	15,133,228	13,095,728
Retained earnings (losses) 1.1.	26,458,732	-11,653
Acquisition of treasury shares	0	-173,609
Retained earnings/losses 31.12.	26,458,732	-185,262
Profit (loss) for the period	-9,888,712	26,643,994
Total	31,783,248	39,634,460

Distributable funds 31.12.

Invested unrestricted equity reserve	15,133,228	13,095,728
Retained earnings (losses)	26,458,732	-185,262
Profit (loss) for the period	-9,888,712	26,643,994
Funds available for distribution from equity	31,703,248	39,554,460

13. Non-current liabilities, MEUR	2023	2022
Liabilities to Group companies	664,000	664,000
Convertible loans	16,393,793	10,743,793
Total	17,057,793	11,407,793

14. Current debt, MEUR	2023	2022
Accounts payable	291,395	2,021,068
Liabilities to Group companies	90,245	435,184
Convertible loans	0	100,000
Other liabilities	89,877	140,139
Accrued expenses	1,918,478	1,128,511
Total	2,398,994	3,824,902

Signatures on the Auditor's Report and Financial Statements

Espoo 26.3.2024

Kari Vyhtinen, CEO

Jukka-Pekka Joensuu, Chair of the Board

Eeva Ruokonen, Member of the Board

Jukka Jokela, Member of the Board

Jeremy Read, Member of the Board

Markus Ekberg, Member of the Board

The Auditor's Note

A report on the audit carried out has been issued today.

Oulu, Finland, 26 March 2024
KPMG OY AB

ANTTI KÄÄRIÄINEN
Authorised Public Accountant, KHT

Auditor's Report

To the Annual General Meeting of Endomines Finland Oyj

Report on the Audit of the Financial Statements Opinion

We have audited the financial statements of Endomines Finland Oyj (business identity code 3215519-7) for the year ended 31 December 2023. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.
- Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical

responsibilities in accordance with these requirements. In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 8 to the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are

included in the description of key audit matters below. We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

The key audit matter

How the matter was addressed in the audit

Valuation of capitalized mineral resource exploration and evaluation expenditure (Basis of Preparation for the consolidated financial statements Notes 10 and 15 to the consolidated financial statements)

- The immaterial assets stated for the Group are predominantly comprised of capitalized mineral exploration and evaluation expenditure related to the gold deposits located in Finland and the United States, the book value of whose on 31 December 2023 is EUR 33.7 million.
 - No depreciation is recorded on the assets comprised of capitalized mineral exploration and evaluation expenditure, but the assets are tested for potential impairment during each financial period.
 - The valuation of mineral exploration and evaluation expenditure is perceived as a key audit matter based on elements of uncertainty present in the estimation and materiality of the balance of the book value.
- Our audit procedures included, among others:
 - We assessed the appropriateness of the method used in the valuation.
 - We tested the mathematical integrity of the valuation model and validated the material underlying input parameters used in the calculations.
 - We compared the assumptions used in valuation with developments in gold market price and other variables' marketplaces.
 - We assessed the appropriateness of notes to the accounts concerning mineral exploration and evaluation expenditure.

Sufficiency of financing resources (Notes 17 and 18 to the consolidated financial statements)

- The business operations of the Group are capital intensive, and the availability of financing is essential for the conduct of mining operations and mineral exploration. Mineral exploration is an important part of Endomines' strategy, but it is not an inevitable expenditure from the Group's business perspective. The result for the Group for the financial year 2023 indicated a net loss not unlike the previous financial periods and the cash flow from operations was negative. The cash flow from operations in the financial year 2023 is significantly affected by the investments in development work in the Hosko production site same as change in extraction method in the underground Pampalo mine.
 - The liquid financial assets of the Group on 31 December 2023 amounted to EUR 1.2 million. Endomines has in March 2024 entered into a financing agreement with its current owners to secure financial resources in the amount of 3.8 million to proceed with exploration drilling on the southern parts of the Karelian Gold Line and to maintain other business operations. In the management's estimate, projected funding requirements for the financial year 2024 are covered by the committed financing resources and the production forecast for the year. In case 2024 production forecast is not realized, mineral exploration on the Karelian Gold Line can be suspended.
 - Sufficiency of financing resources is perceived as a key audit matter based on the inherent elements of judgement in projections involved.
- We reviewed the management's cash flow projections and assessed the material assumptions underlying the future cash flow projections.
 - We analyzed the development of business operations and the effect of the projected events and financing arrangements on the company's net cash flow.
 - We assessed the appropriateness of notes to the accounts concerning sufficiency of financing resources.
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The valuation of shareholdings in Endomines Idaho LLC and receivables from the company in the parent company financial statements (Basis of Preparation for the parent company financial statements and Notes 8–10)

- Investments in and receivables from the subsidiary Endomines Idaho LLC, total EUR 32.8 million, comprise a significant proportion of the stated assets in the parent company financial statements and potential impairment would consequently be reflected on the total balance of distributable funds.
 - The book value of parent company shareholdings in Endomines Idaho LLC has been impaired by EUR 1.8 million during the financial year. At the end of the financial year, the book value of the shareholdings is stated at EUR 9.5 million. At the end of the financial year, the parent company is also stating a balance of long-term receivables in the amount of EUR 11.8 million and short-term receivables in the amount of 11.5 million from Endomines Idaho LLC.
 - Owing to inherent element of estimation uncertainty present in the valuation and significance of the book value of the assets, the valuation of shareholdings in Endomines Idaho LLC and receivables from the subsidiary is perceived as a key audit matter.
- The valuation of parent company shareholdings in Endomines Idaho LLC and receivables from the subsidiary have been assessed as part of impairment testing for the Group, which is based on the market value of gold reserves administered by Endomines Idaho LLC and the valuation of the Friday mine currently placed on care and maintenance. Additionally, we have reviewed the calculations prepared by the company comparing the equity and reserves stated by Endomines Idaho LLC in accordance with the local accounting standards with the book value of the shares.
 - We assessed the appropriateness of notes to the accounts concerning subsidiary shareholdings and receivables.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing

practice, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so

that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 25 May 2023, and our appointment represents a total period of uninterrupted engagement of one year.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements or our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Oulu, Finland, 26 March 2024

KPMG OY AB
Antti Kääriäinen
Authorised Public Accountant, KHT

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