



MANAGEMENT DISCUSSION & ANALYSIS

For the three and nine months ended
September 30, 2017 and 2016

*(Expressed in Thousands of United
States Dollars)*

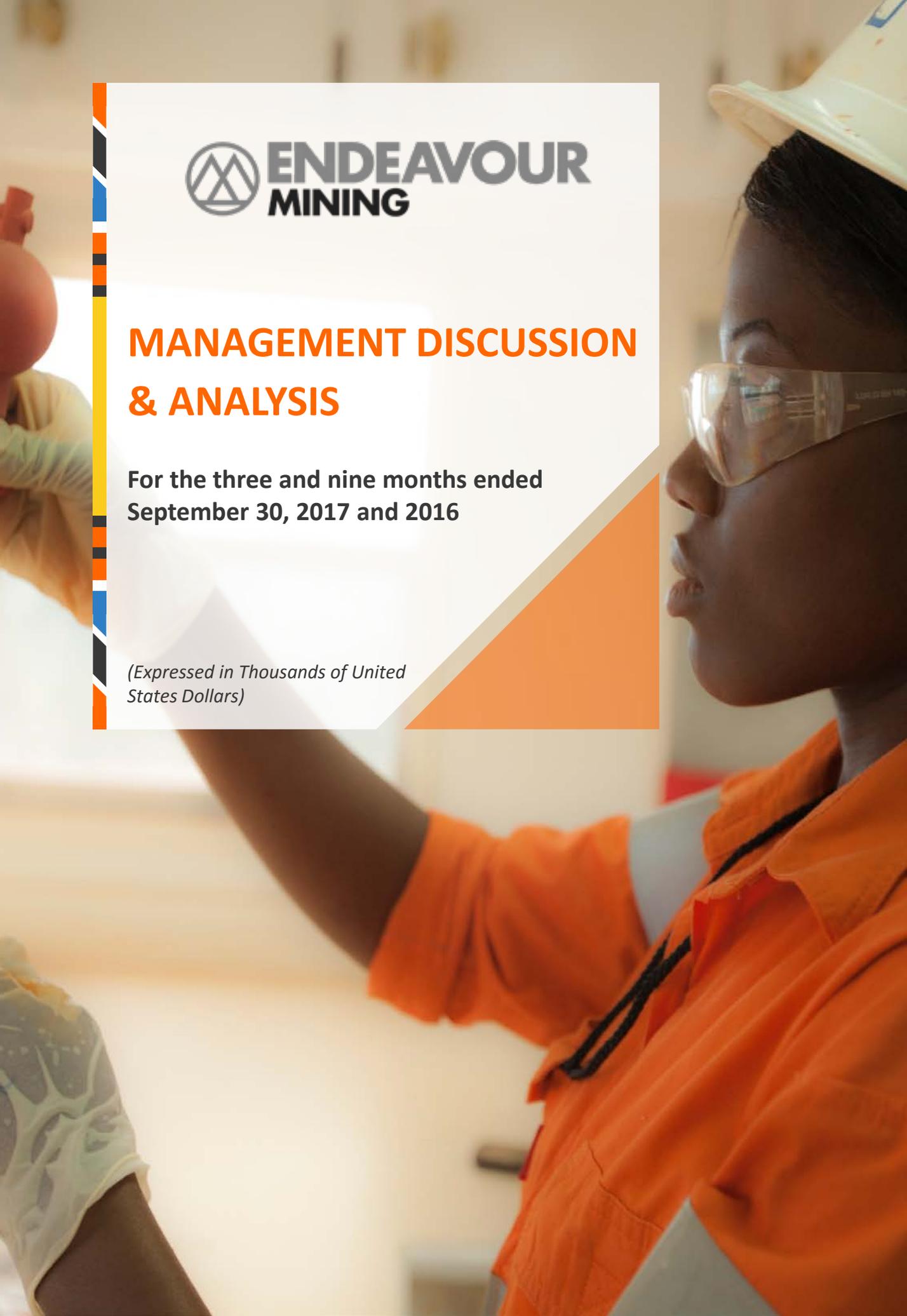


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This Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with Endeavour Mining Corporation’s (“Endeavour Mining” or the “Corporation”) condensed interim consolidated financial statements for the three and nine months ended September 30, 2017, as well as the consolidated financial statements for the years ended December 31, 2016 and 2015, and notes thereto which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) or (“GAAP”). This Management’s Discussion and Analysis contains “forward-looking statements” that are subject to risk factors set out in a cautionary note contained herein. The reader is cautioned not to place undue reliance on forward-looking statements. All figures are in United States Dollars, unless otherwise indicated. Tabular amounts are in thousands of United States Dollars, except per share amounts and where otherwise indicated. This MD&A is prepared as of November 9, 2017. Additional information relating to the Corporation, including the Corporation’s Annual Information Form, is available on SEDAR at www.sedar.com.

1. BUSINESS OVERVIEW

1.1. OPERATIONS DESCRIPTION

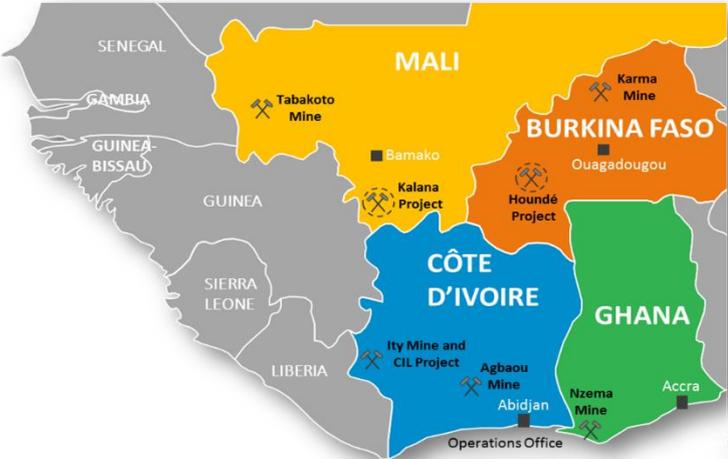
Endeavour Mining is a TSX-listed intermediate gold producer, focused on developing a portfolio of high quality mines in the prolific West-African region where it has established a solid operational and construction track record.

Endeavour Mining is ideally positioned as a major West-African multi-operation gold mining company, operating six mines in: Côte d’Ivoire (Agbaou and Ity), Burkina Faso (Karma and Houndé), Mali (Tabakoto), and Ghana (Nzema). In 2017, Endeavour expects to produce between 600,000 and 640,000 ounces of gold at an all-in sustaining cost¹ (“AISC”) of \$860 to \$905 per ounce.

The development of the Ity Carbon-In-Leach (“CIL”), and Kalana projects are expected to increase Endeavour’s group production to over 900,000 ounces per annum and decrease average AISC to approximately \$800 per ounce by 2019, while additional exploration will aim to extend all mine lives to over 10 years.

1 - Throughout this MD&A, cash costs, all-in sustaining costs, adjusted EBITDA, adjusted earnings attributable to shareholders, all-in sustaining margin, non-sustaining capital expenditures, growth projects, free cash flow, net debt and net debt/adjusted EBITDA are non-GAAP financial performance measures with no standard meaning under IFRS, further discussed in the section Non-GAAP Measures.

Figure 1: Endeavour Mining’s principal properties in West Africa as of September 30, 2017



1.2. STRATEGY SUMMARY

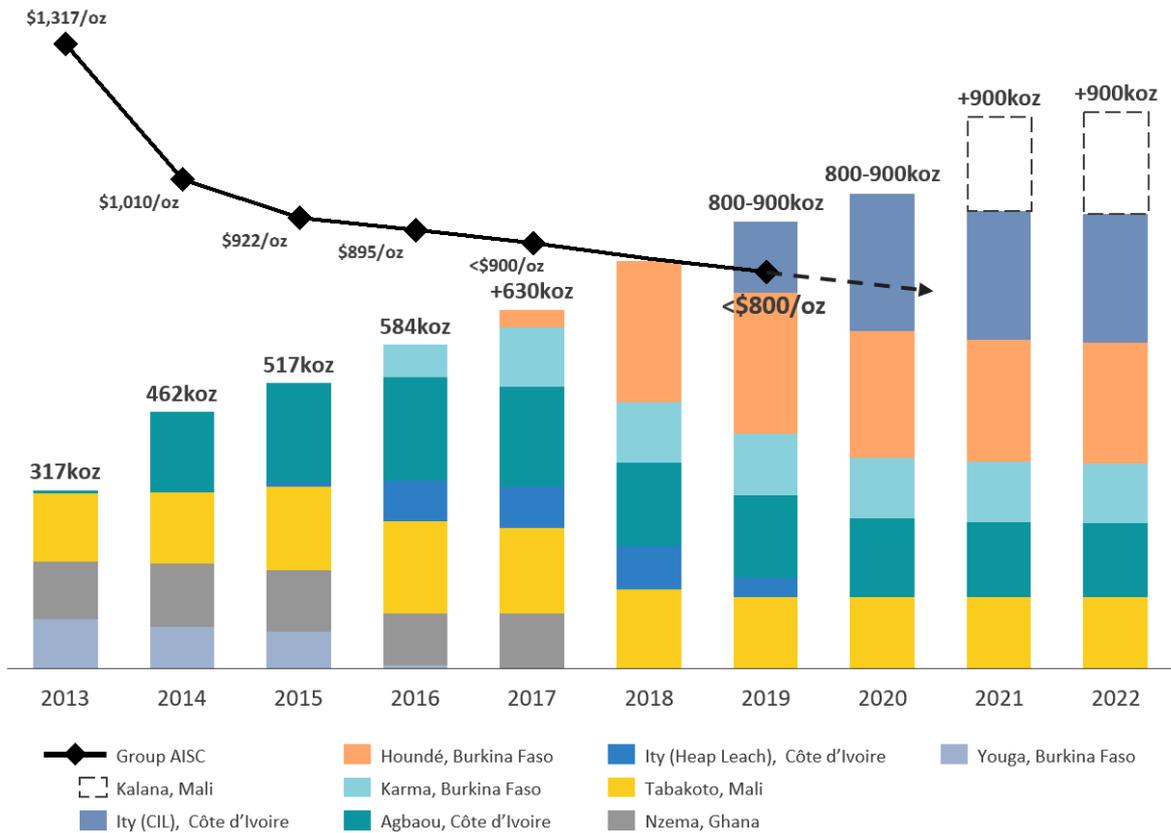
Endeavour Mining's strategy is focused on increasing the quality of its portfolio to create a leading African gold producer with low AISC and long-life mines. This will be achieved through:

- > An unrelenting focus on operational excellence;
- > Developing projects on-time and on-budget;
- > Unlocking value through exploration, and;
- > Maintaining a healthy balance sheet and actively managing the portfolio.

Endeavour Mining is well-positioned to reach its medium-term milestones of producing more than 900,000 ounces of gold annually at an AISC of less than \$800 per ounce by 2019, while increasing mine lives to more than 10 years.

A CLEAR PATH TO BUILDING A +900 KOZ PRODUCER AT ≤ \$800/OZ AISC

Figure 2: Production and AISC Profile



2. HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

2.1. RECENT CORPORATE DEVELOPMENTS

- › Only July 7th 2017, Endeavour Mining announced the appointment of Jeremy Langford as Chief Operating Officer, replacing Adriaan "Attie" Roux, who decided to retire following seven years with the Corporation.
- › On July 20th 2017, Endeavour Mining announced the appointment of Jim Askew as non-executive director.
- › On July 27th 2017, Endeavour Mining announced that its exploration program at the Ity CIL Project, in Cote d'Ivoire, has increased the Indicated Resource by 1.0 million ounces since the beginning of the year to reach 3.8 million ounces.
- › On August 9th 2017, Endeavour Mining announced that it had agreed to the sale of its 90% stake in the Nzema Mine to BCM International Ltd ("BCM") for total cash consideration of up to \$65 million. Under the sale agreement, BCM will pay Endeavour \$20 million upon closing of the transaction, with an additional \$45 million in deferred payments to be made over the remaining current mine life to 2019 based upon reaching certain agreed upon milestones related to mine free cash flow generation.
- › On September 18th 2017, Endeavour Mining announced the successful completion of its previously announced acquisition of Avnel Gold Mining Limited, which owns 80% of the Kalana Gold project in Mali. Pursuant to the acquisition of Avnel, La Mancha Holding S.à.r.l. ("La Mancha") exercised its anti-dilution right to maintain its 30% interest and will invest \$60 million via a private placement of approximately 3.2 million Endeavour Mining ordinary shares.
- › On September 19th 2017, Endeavour Mining announced that it had refinanced its previous Revolving Credit Facility ("RCF") and increased the available credit to \$500 million from \$350 million, thereby providing significant headroom to fund its growth projects.
- › On September 20th 2017, Endeavour Mining announced that its Board of Directors had approved the construction decision for its Ity CIL project at its mine in Cote d'Ivoire following the positive results obtained from its optimisation study.
- › On September 25th 2017, Endeavour Mining announced that wet commissioning has commenced at Houndé, and that ore has been introduced to the process plant milling circuit in preparation for production. Construction is progressing on-budget and ahead of schedule with over 97% of the total project complete as at September 30, 2017, with the first gold pour being completed on October 17, 2017, also ahead of schedule.

2.2. HIGHLIGHTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017.

- › Gold production from all operations of 148,100 ounces for Q3-2017, and 459,023 for YTD Q3-2017 was within expectations and on track to meet the full year guidance of 600,000 – 640,000 ounces produced (including Nzema).
- › Revenues were \$135.1 million in Q3-2017 and \$445.5 million for YTD Q3-2017 which generated \$7.4 million and \$66.3 million in earnings from mine operations in the same periods.
- › AISC totaled \$906 per ounce sold for Q3-2017 and \$903 per gold ounce sold for YTD Q3-2017, and is on track to meet the FY-2017 guidance of \$860-905 per ounce.
- › Free cash flow (before interest, working capital, tax, and growth projects) for Q3-2017 was \$34.2 million and \$99.7 million for YTD Q3-2017. Endeavour Mining continues to be well positioned to finance growth projects in 2017 and beyond with \$325 million in available sources of financing and liquidity (\$125 million in of cash, including Nzema, and \$200 million of the RCF).
- › Basic loss per share of \$0.26 in Q3-2017 and \$0.24 for YTD Q3-2017, which represents a \$0.42 and \$0.25 per share decrease over the comparative periods of 2016.
- › Adjusted net earnings attributable to shareholders was a loss of \$0.10 per share in Q3-2017 and gain of \$0.10 per share for YTD Q3-2017, which represents a \$0.36 and \$0.81 per share decrease to the comparative periods in 2016.
- › Net debt increased to \$221.1 million from \$182.6 million at the end of the previous quarter. The increase in net debt is due to the draw down of the RCF to fund growth projects.

Table 1: Quarterly & YTD key figures for operating entities

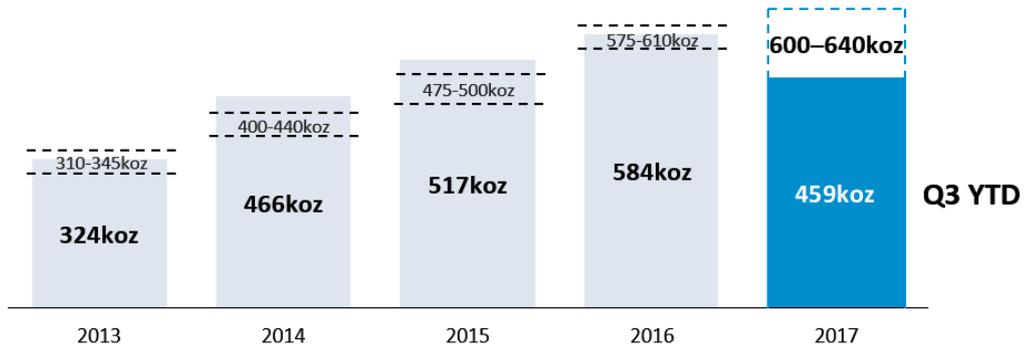
(\$000s)	Units	THREE MONTHS ENDED			NINE MONTHS ENDED	
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Operating Data from all Operations ¹						
Gold produced	oz	148,100	152,283	146,425	459,023	416,480
Gold sold	oz	149,359	152,215	127,507	463,882	382,464
Realised gold price ²	\$/oz	1,235	1,219	1,328	1,214	1,238
Cash cost per gold ounce sold ³	\$/oz	742	685	682	710	696
All-in sustaining costs per gold ounce sold ³	\$/oz	906	897	898	903	900
Profit and Loss Data ¹						
Revenues ²	\$	135,110	152,495	137,922	445,529	393,657
Adjusted EBITDA from continuing operations ³	\$	24,559	54,324	56,933	116,803	154,857
Earnings from mine operations	\$	7,442	35,135	49,089	66,266	125,138
Net earnings (loss)	\$	(64,522)	21,522	24,253	(43,244)	16,693
Basic earnings (loss) per share attributable to shareholders	\$/share	(0.26)	0.20	0.16	(0.24)	(0.01)
Net adjusted earnings (loss) attributable to shareholders ³	\$	(11,017)	10,580	23,881	10,530	69,344
Net adjusted earnings (loss) attributable to shareholders (\$/share) ³	\$/share	(0.10)	0.11	0.26	0.10	0.91
Cash Flow Data ¹						
All-in sustaining margin ³	\$	27,044	41,514	50,569	107,486	133,360
Non-sustaining capex (excluding growth projects) ³	\$	(14,993)	(15,559)	(11,194)	(44,731)	(32,505)
Free Cash Flow (before interest, working capital, tax, and growth projects) ³	\$	34,235	33,334	44,030	99,662	105,699
Growth projects ³	\$	(90,268)	(58,261)	(46,435)	(220,906)	(80,064)
Net Debt ³	\$	(221,132)	(182,561)	(82,800)	(221,132)	(82,800)
Net Debt / Adjusted EBITDA (LTM) ratio ³	\$	0.98	0.76	0.50	0.98	0.50

1. Operating data from all operations includes Nzema, profit and loss data excludes Nzema, and cash flow data includes Nzema, except for the calculation of all-in sustaining margin.

2. Revenue is net of gold stream sales to Franco/Nevada and Sandstorm where the Karma mine delivers 5,000 ounces of gold at 20% of the spot price for each quarter.

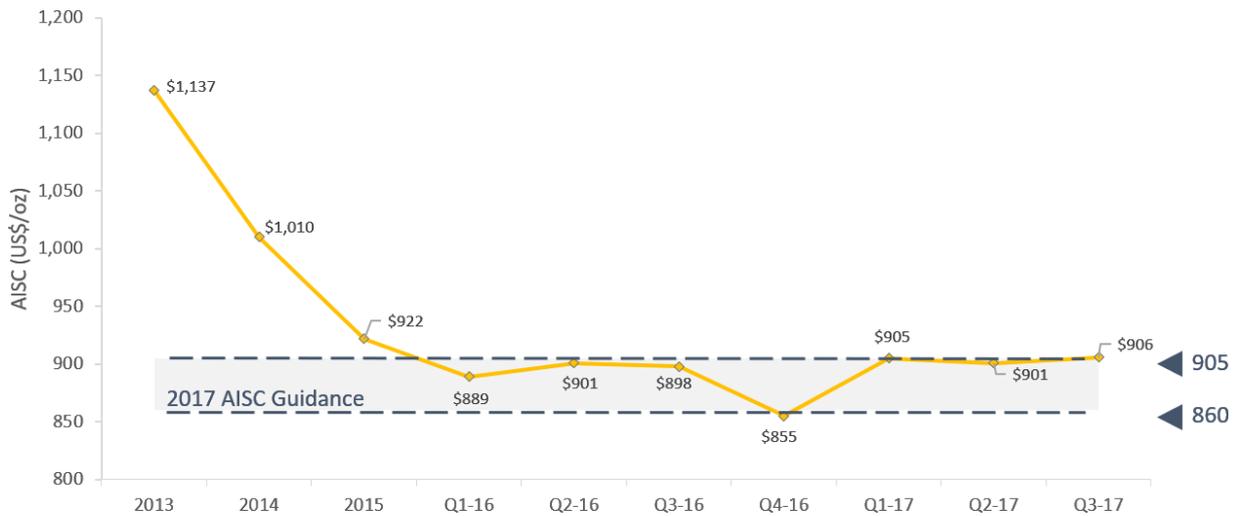
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Figure 3: Production history and Guidance Ranges



Figures are as presented in prior reporting. All production figures are shown against selected guidance for the given year.

Figure 4: AISC quarterly history



Figures are as presented in prior reporting. The Youga Gold Mine is excluded in Q1-2016, following reclassification to a discontinued operation and its disposal, and the Karma mine is included in Q4-2016 from the commencement of commercial production.

3. GUIDANCE

3.1. 2017 PRODUCTION AND AISC ON TRACK TO MEET FULL YEAR GUIDANCE

- › Group production totaled 148,100 ounces in Q3-2017 and 459,023 ounces for the first nine months of the year, on track to meet the initial full year guidance of 600,000-640,000 ounces.
 - Endeavour’s total production in Q3-2017 remained flat compared to Q2-2017, as a strong increase at Nzema (due to higher grades following the push-back) compensated for the expected lower production at Tabakoto (open-pit mining transitioned to a lower grade deposit), and the impact of the rainy season.
 - Nzema has been classified as an asset held-for-sale as the transaction announced on August 9, 2017 is expected to close in Q4-2017.
 - The Corporation remains on-track to meet its initial full year guidance as strong performance at Agbaou and Nzema are expected to counterbalance Ity’s under-performance, while both Tabakoto and Karma are expected to be within guidance.

Table 2: Group Production Guidance, ounces

	QUARTER ENDED			NINE MONTHS ENDED		INITIAL	
	Sep. 30, 2017	Jun. 30, 2017	Sep. 30, 2016	Sep. 30, 2017	Sep. 30, 2016	2017 FULL-YEAR GUIDANCE	
<i>(All amounts in koz, on a 100% basis)</i>							
Agbaou	46	45	49	134	138	175	- 180
Tabakoto	32	41	37	116	115	150	- 160
Ity	12	14	15	42	58	75	- 80
Karma	21	24	20	77	33	100	- 110
PRODUCTION FROM CONTINUING OPERATIONS	111	124	121	369	344	500	- 530
Nzema <i>(held for sale)</i>	37	27	24	91	64	100	- 110
Youga <i>(sold in March 2016)</i>	-	-	-	-	8	-	- -
TOTAL PRODUCTION	148	152	145	459	416	600	- 640

- › Group AISC amounted to \$906 per ounce in Q3-2017 and \$903 per ounce for YTD Q3-2017, on track to meet the high-end of the initial FY-2017 guidance.
 - Group AISC in Q3-2017 slightly increased compared to Q2-2017, as the reduction at Nzema was offset by increases across the other mines due to seasonal and mine sequencing factors.
 - Group AISC for the first nine months of the year remained flat compared to the same period of 2016 as the increases at Agbaou, Ity, and Tabakoto were offset by the addition of Karma and a reduction at Nzema. In addition, general and administrative (“G&A”) costs decreased from \$52 per ounce to \$42 per ounce while sustaining exploration increased from \$18 per ounce to \$26 per ounce in line with Endeavour’s reinvigorated exploration strategy.
 - The Group remains on track to meet the higher-end of the initial FY-2017 guidance as the over-performance of Agbaou and Nzema is expected to offset higher costs at Ity and Tabakoto.

Table 3: AISC Guidance, \$/oz

<i>(All amounts in US\$/oz)</i>	QUARTER ENDED			NINE MONTHS ENDED		INITIAL 2017 FULL-YEAR GUIDANCE		
	Sep. 30, 2017	Jun. 30, 2017	Sep. 30, 2016	Sep. 30, 2017	Sep. 30, 2016			
Agbaou	638	606	550	633	534	660	-	700
Tabakoto	1,278	1,054	1,071	1,085	1,067	950	-	990
Ity	1,140	780	724	918	737	740	-	780
Karma	973	754	-	811	-	750	-	800
MINE-LEVEL AISC FOR CONTINUING OPERATIONS	937	801	763	846	768	785	-	835
Corporate G&A	28	51	58	42	52	42	-	40
Sustaining Exploration	11	28	24	26	18	28	-	25
GROUP AISC FOR CONTINUING OPERATIONS	976	880	844	914	838	855	-	900
Nzema <i>(held for sale)</i>	705	985	1,136	859	1,184	895	-	940
Youga <i>(sold in March 2016)</i>	-	-	-	-	1,101	-	-	-
GROUP AISC	906	897	898	903	900	860	-	905

3.2. 2017 UPDATE: FULL YEAR GUIDANCE INCREASED WITH SUCCESSFUL HOUNDÉ START UP

- Commercial production was declared at Houndé two months ahead of schedule on November 1, 2017 due to a quicker than expected construction and ramp-up period. With the Houndé flagship mine expected to produce between 30,000 – 35,000 ounces during Q4-2017 at AISC between \$550-600 per ounce, the Corporation 2017 full year total production guidance has been increased from 600,000 – 640,000 ounces to 630,000 – 675,000 ounces while the total AISC guidance has been decreased to below \$900 per ounce, as shown in Tables 4 and 5 below.

Table 4: Updated Group Production Guidance, koz

<i>(All amounts in koz, on a 100% basis)</i>	UPDATED 2017 FULL-YEAR GUIDANCE		
Current Production from Continuing Operations <i>(Unchanged as per Table 2)</i>	500	-	530
Houndé	30	-	35
PRODUCTION FROM CONTINUING OPERATIONS	530	-	565
Nzema <i>(held for sale)</i>	100	-	110
TOTAL PRODUCTION	630	-	675

Table 5: Updated All-In Sustaining Costs Guidance, US\$/oz

<i>(All amounts in US\$/oz)</i>	UPDATED 2017 FULL-YEAR GUIDANCE		
Current Group AISC For Continuing Operations <i>(Unchanged as per Table 3)</i>	855	-	900
Houndé	550	-	600
GROUP AISC FOR CONTINUING OPERATIONS	845	-	890
Nzema <i>(held for sale)</i>	895	-	940
GROUP AISC	850	-	895

- > Houndé is expected to immediately be cash flow generative. As such, the Group's 2017 expected free cash flow before growth projects (and before working capital movement, tax and financing costs) has been increased from \$155 million to \$165 million, assuming a gold price of \$1,250 per ounce. In addition to adding Houndé, the guidance has been updated to incorporate an increase in the Group's non-sustaining exploration budget by \$5 million following significant exploration success at Ity and to classify Nzema as a non-continuing operation, as presented in Table 6 below.

Table 6: Updated Free Cash Flow Guidance based on US\$1,250/oz, in \$m

<i>In \$m</i>	INITIAL GUIDANCE	REVISED GUIDANCE
NET REVENUE (based on production guidance mid-point for continuing operations)	755	665
Mine level AISC costs (based on AISC guidance mid-point for continuing operations)	(510)	(440)
Corporate G&A	(21)	(21)
Sustaining exploration	(14)	(14)
GROUP AISC MARGIN FOR CONTINUING OPERATIONS	210	190
Nzema AISC Margin	-	35
Non-sustaining mine exploration	(20)	(20)
Non-sustaining capital	(35)	(35)
FREE CASH FLOW BEFORE GROWTH PROJECTS (and before WC, tax and financing cost)	155	165

4. OPERATIONS REVIEW

4.1. HEALTH, SAFETY, ENVIRONMENT AND CORPORATE RESPONSIBILITY

The Corporation puts the highest priority on safe and healthy work practices and systems. Our business principles and policies are based on targeting the achievement of a “zero harm” performance, reducing the lost time injury frequency rate (“LTIFR”) at all the operations and striving continually to improve our performance. The following table shows the safety statistics for the nine months ended September 30, 2017 and the year ended December 31, 2016.

Table 7: LTIFR Statistics for the nine months ended September 30, 2017 and year ended December 31, 2016

YTD Q3-2017							
Incident Category	Tabakoto	Agbaou	Nzema	Karma	Ity	Houndé	Total
Fatality	-	-	-	-	-	-	-
Lost Time Injury (LTI)	-	-	1	1	1	-	3
Total Man Hours	3,163,452	2,201,259	2,391,007	3,279,746	2,065,582	6,575,487	19,676,533
LTIFR ¹	-	-	0.42	0.30	0.48	-	0.15
2016							
Incident Category	Tabakoto	Agbaou	Nzema	Karma	Ity	Total	
Fatality	2	-	-	-	-	2	
Lost Time Injury (LTI)	2	-	1	1	2	6	
Total Man Hours	4,143,644	2,479,394	2,925,659	3,096,997	2,277,942	14,923,636	
LTIFR ¹	0.48	-	0.34	0.32	0.88	0.40	

¹ Lost Time Injury Frequency Rate= (Number of LTIs in the Period X 1,000,000)/ (Total man hours worked for the period)

Endeavour Mining views itself as an integral part of the communities in which it operates, as well as a responsible development partner. Endeavour Mining collaborates and engages with government, local communities and outside organisations to ensure it supports economic sustainability and social development. Projects include skills training and educational scholarships, healthcare, water and sanitation, public infrastructure maintenance, institutional capacity building and livelihood programs.

4.2. CONSOLIDATED RESERVES AND RESOURCES

- › Detailed information regarding reserves and resources is contained in the Corporation’s Annual Information Form (“AIF”) for the year ended December 31, 2016. A summary of this information is provided in appendix A with total reserves shown in table 8 below.
- › Proven and Probable Reserves at year-end 2016 were 7.1 million ounces on a 100% basis, which increased by 1.2 million ounces (+19%) compared to 5.9 million ounces at the end of 2015 mainly due the purchase of Karma and the reserve conversion at its North Kao deposit, the additional reserves at Ity following the publication of the CIL Feasibility Study and the extension of its heap leach operation.
- › On a pro-forma basis, considering the sale of Youga mine and purchase of Karma in 2016, reserves increased by approximately 6% from 6.7 to 7.1 million ounces. Total additions of approximately 0.9 million ounces offset depletion from mining of approximately 0.6 million ounces.
- › While new discoveries made in 2016 added 1.2 million ounces of Measured and Indicated Resources (“M&I”), year-end M&I Resources decreased slightly on a pro-forma basis from 12.8 to 12.6 million ounces, mainly due to mine depletion and the post-acquisition re-estimation and reclassification of Ity resources (done to have a more conservative basis for the CIL Feasibility Study – infill drilling is currently in progress to reconvert a portion of the resources declassified to inferred status).

Table 8: Reserves and Resources Summary

<i>In Moz on a 100% basis</i>	December 31, 2016	December 31, 2015 Pro-Forma ¹	December 31, 2015	Δ Dec 31, 2016 vs. Dec 31, 2015	
P&P Reserves	7.1	6.7	5.9	+1.2	+19%
M&I Resources (inclusive of Reserves)	12.6	12.8	11.0	+1.6	+15%
Inferred Resources	3.7	4.7	2.4	+1.3	+51%

¹Pro-forma to adjust for the sale of Youga mine and purchase of the Karma mine. 2015 Reserves and Resource notes, please consult Corporation’s press release dated March 4, 2016, entitled “Endeavour Mining to acquire True Gold to grow its low-cost gold production” available on the Corporation’s website.

4.3. CONTINUING OPERATIONS

Agbaou Gold Mine, Côte d'Ivoire

The following table summarises the operating results of the Agbaou Gold Mine for the three months ended September 30, 2017, June 30, 2017, and September 30, 2016 and the nine months ended September 30, 2017 and September 30, 2016.

Table 9: Agbaou key performance indicators

	Unit	THREE MONTHS ENDED			NINE MONTHS ENDED	
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Operating Data						
Tonnes ore mined	Kt	824	709	651	2,157	2,123
Tonnes of waste mined	Kt	6,752	6,243	6,226	18,727	16,741
Open pit strip ratio ²	w:o	8.19	8.81	9.56	8.68	7.89
Tonnes milled	Kt	770	693	709	2,146	2,106
Average gold grade milled	g/t	1.96	2.23	2.21	2.09	2.20
Recovery	%	93%	94%	96%	94%	97%
Gold produced:	oz	46,326	45,489	49,384	133,752	138,444
Gold sold (A):	oz	46,675	46,722	51,308	133,378	139,380
Financial Data (\$'000)						
Revenues	\$	59,428	58,888	68,068	166,904	176,483
Mining costs-open pit	\$	19,829	16,653	15,550	52,063	40,883
Processing cost	\$	5,451	5,316	5,043	15,426	14,143
G&A cost	\$	3,006	2,689	3,382	8,769	9,813
Capitalised waste	\$	(1,092)	(525)	(2,413)	(1,960)	(4,525)
Inventory adjustments and other	\$	(1,622)	558	589	(2,086)	(348)
Total Cash Cost ¹ (B)	\$	25,571	24,691	22,151	72,211	59,966
Royalties	\$	2,080	2,107	2,761	5,894	6,531
Sustaining capital ¹	\$	2,140	1,526	3,324	6,401	7,973
Total All-in Sustaining Costs ¹ (C)	\$	29,792	28,324	28,236	84,507	74,470
All-In Sustaining Margin¹	\$	29,636	30,564	39,832	82,397	102,013
Less: Sustaining capital ¹	\$	(2,140)	(1,526)	(3,324)	(6,401)	(7,973)
Depreciation/depletion	\$	8,405	8,814	7,276	24,580	20,481
Non-cash operating (income)/expense	\$	(25)	-	644	-	644
Earnings from mine operations	\$	23,398	23,276	35,236	64,220	88,861
Unit cost analysis						
Realised gold price	\$/oz	1,273	1,260	1,327	1,251	1,266
Open pit mining cost per tonne mined	\$/t	2.62	2.40	2.26	2.49	2.17
Processing cost per tonne milled	\$/t	7.08	7.67	7.11	7.19	6.72
G&A cost per tonne milled	\$/t	3.90	3.88	4.77	4.09	4.66
Cash cost per ounce sold¹ D=B/A	\$/oz	548	528	432	541	430
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	638	606	550	634	534

1. Non-GAAP measure. Refer to the Non-GAAP Measures section for further details.

2. Strip ratio includes capital waste

Q3 vs Q2 Insights

- › Production slightly increased as more tonnes processed offset the lower head grade.
 - Tonnes of ore mined increased due to the continued improvement in equipment availability. As the rainy season restricted access to the higher grade harder transitional/fresh ore in the South pit, mining activities shifted to the lower grade softer oxide ore in the West pit.
 - Mill throughput increased as the proportion of fresh ore processed decreased from 21% to 15%.
 - Recovery rates remained consistent.
- › All-in sustaining costs increased by \$32 per ounce due to planned higher sustaining capital costs, while increased mining unit costs was offset by lower processing unit costs.
 - The mining unit costs increased from \$2.40 per tonne to \$2.62 per tonne mainly due to increased blasting in the South pit at a higher powder factor in Q3, along with deeper elevations mined.
 - Processing unit costs decreased from \$7.67 per tonne to \$7.08 per tonne mainly due to greater throughput volume associated with less fresh material processed.
 - As planned, sustaining capital costs increased by 40% (\$12 per ounce to \$46 per ounce) due to land compensation and increased waste capitalisation.

Year-to-date 2017 vs 2016 Insights

- › In line with guidance, production slightly decreased and AISC increased as Agbaou moved from processing mainly soft oxide ore in 2016 to processing a blend of oxide and harder transitional and fresh ore in 2017.
- › AISC since the beginning of the year are \$634 per ounce, well below the guided \$660-700 per ounce, as less fresh and transitional ore was processed than planned.

Exploration Activities

- › Exploration activity during the first nine months amounted to approximately 31,000 meters drilled out of the 45,000 meters planned for the year, together with several ground geophysics surveys.
- › The drill program was focused on various pit extensions, on the parallel Agbaou south and Niafouta, as well as on other exploration targets located within 20km from the processing plant.
- › A dedicated deeper drilling program was also initiated in Q3-2017 targeting Agbaou's at-depth potential.
- › An update to the Reserves and Resources estimate will be made following the completion of the program at the end of Q4-2017.

2017 Outlook Update

- › In Q4-2017, production is expected to decrease from Q3-2017 and AISC is expected to increase as the mine continues to progress toward a greater oxide to fresh/transitional ore blend, with an increased planned sustaining waste capital spend.
- › Agbaou remains on track to meet the FY-2017 production guidance of 175,000-180,000 ounces and is expected to achieve the low-end of the initial AISC guidance of \$660-700 per ounce.

Tabakoto Gold Mine, Mali

The following table summarises the operating results of the Tabakoto Gold Mine for the three months ended September 30, 2017, June 30, 2017, and September 30, 2016 and the nine months ended September 30, 2017 and September 30, 2016.

Table 10: Tabakoto key performance indicators

	Unit	THREE MONTHS ENDED			NINE MONTHS ENDED	
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Operating Data						
Tonnes ore mined- Open pit	Kt	108	157	160	482	454
Tonnes of waste mined - Open pit	Kt	990	1,393	1,409	4,054	5,051
Open pit strip ratio ²	w:o	9.13	8.87	8.81	8.40	11.13
Tonnes mined- Underground	Kt	226	253	302	790	977
Ore tonnes mined - Underground	Kt	179	184	238	599	691
Tonnes milled	Kt	392	407	381	1,204	1,186
Average gold grade milled	g/t	2.64	3.32	3.31	3.16	3.17
Recovery	%	93%	94%	95%	94%	94%
Gold produced:	oz	31,602	41,248	37,019	115,878	114,933
Gold sold (A):	oz	31,693	41,390	37,324	116,895	114,750
Financial Data (\$'000)						
Revenues	\$	40,353	51,975	49,482	146,071	143,815
Mining costs- Open pit	\$	4,295	5,772	5,892	16,576	19,107
Mining costs- Underground	\$	17,129	15,479	15,880	50,541	47,356
Processing cost	\$	8,165	7,734	8,600	25,030	25,377
G&A cost	\$	4,753	3,820	4,680	13,150	14,568
Capitalised waste	\$	(2,527)	(5,433)	(2,700)	(12,595)	(13,007)
Inventory adjustments and other	\$	3,165	5,814	1,034	9,224	3,335
Total Cash Cost ¹ (B)	\$	34,980	33,186	33,386	101,926	96,736
Royalties	\$	2,426	3,138	2,962	8,729	8,613
Sustaining capital ¹	\$	3,090	7,313	3,610	16,185	17,112
Total All-In Sustaining Costs ¹ (C)	\$	40,496	43,637	39,958	126,840	122,461
All-In Sustaining Margin¹	\$	(144)	8,338	9,524	19,230	21,354
Less: Sustaining capital ¹	\$	(3,090)	(7,313)	(3,610)	(16,185)	(17,112)
Depreciation/depletion	\$	16,850	11,050	7,419	34,834	22,248
Non-cash operating (income)/expense	\$	2,377	(2,469)	23	6,096	2,109
Earnings from mine operations	\$	(16,281)	7,070	5,692	(5,515)	14,109
Unit cost analysis						
Realised gold price	\$/oz	1,273	1,256	1,326	1,250	1,253
Open pit mining cost per tonne mined	\$/t	3.91	3.72	3.76	3.65	3.47
Underground mining cost per tonne mined	\$/t	75.79	61.18	52.58	63.98	48.47
Processing cost per tonne milled	\$/t	20.83	19.00	22.57	20.79	21.40
G&A cost per tonne milled	\$/t	12.13	9.39	12.28	10.92	12.28
Cash cost per ounce sold¹ D=B/A	\$/oz	1,104	802	894	872	843
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	1,278	1,054	1,071	1,085	1,067

1. Non-GAAP measure. Refer to the Non-GAAP Measures section for further details.

2. Strip ratio includes capital waste

Q3 vs Q2 Insights

- › Production decreased mainly due to lower open pit tonnage and grade, in addition to the impact of heavy rainfall and a national strike.
 - As planned, the high-grade Kofi C pit was depleted during the quarter. Mining activities in Q3 transitioned to the Kofi B pit, as well as to pre-stripping at the Tabakoto North pit which resulted in a higher strip ratio.
 - Open pit tonnes of ore mined decreased due to the end of Kofi C and due to pit access being limited at Kofi B due to the wet road conditions.
 - Underground tonnes of ore mined slightly decreased due to the national strike, as well as increased development activities.
 - Processing activities continued to perform well, maintaining a stable throughput as Djambaye stockpiles were used to supplement the feed supply to the plant.
 - The recovery rate slightly decreased due to the ore characteristics of Djambaye stockpiles.
 - The head grade decreased due to the depletion of Kofi C and the contribution from lower grade stockpiles.

- › AISC increased by \$224 per ounce mainly due to the volume effect related to the decrease in gold sold, an increase in strip ratio, and an increase in mining, processing and G&A unit costs which were partially offset by lower sustaining costs.
 - Open pit mining unit costs increased from \$3.72 per tonne to \$3.91 per tonne due to lower volumes mined and increased pumping due to the rainy season.
 - Underground mining unit costs increased from \$61.18 per tonne to \$75.79 per tonne due to unplanned maintenance on the underground mining fleet.
 - Processing unit costs increased from \$19.00 per tonne to \$20.83 per tonne due to increased cyanide and lime consumption due to the ore characteristics of Djambaye stockpiles treated.
 - G&A unit costs increased from \$9.39 per tonne to \$12.13 per tonne due to the timing of expenditures, but remains flat year-over-year.
 - Sustaining capital decreased by 58% (\$80 per ounce to \$198 per ounce) mainly because of less open-pit waste capitalisation and underground development.

Year-to-date 2017 vs 2016 insights

- › Production remained flat as higher open pit feed compensated for lower underground feed, while the overall head grade and recovery remained constant.
- › AISC increased by \$18 per ounce as the increase in mining costs were partially offset by lower processing, G&A and sustaining costs, in conjunction with usage of stockpiles.

Exploration Activities

- › As Tabakoto operations are characterized by a short-term mine life, a \$9 million exploration program totaling approximately 86,000 meters of drilling on Tabakoto and Kofi properties was planned for 2017, of which 54,000 meters were drilled during for YTD Q3-2017
- › For YTD Q3-2017, Tabakoto open pit program focused mainly on drilling out the Kreko and Fougala West targets, for which a maiden Resource is expected at end H2-2017, and on testing some of the best exploration targets supported by the ongoing auger program.
- › For YTD Q3-2017, underground drilling focused on testing the eastern side extensions at Segala and the north-east extensions at Tabakoto, with encouraging preliminary results received.

2017 Outlook Update

- › Ongoing cost saving, and optimisation programs are underway including overhead reduction, centralising procurement, fleet replacement, and improvement of equipment availability and mining efficiency. As part of this restructuring activity, a redundancy program totaling approximately 300 people is planned for Q4-2017 which is expected to reduce administration costs by \$550,000 per month.
- › Q4-2017 production is expected to remain stable and AISC are expected to slightly improve following implementation of the cost savings program, as well as the end of the rainy season.
- › Tabakoto is on track to meet the low-end of initial FY-2017 production guidance of 150,000 - 160,000 ounces and AISC are expected to be above the initial guidance of \$950-990 per ounce.

Ity Gold Mine, Côte d'Ivoire

The following table summarises the operating results of the Ity Gold Mine for the three months ended September 30, 2017, June 30, 2017, and September 30, 2016 and the nine months ended September 30, 2017 and September 30, 2016.

Table 11: Ity key performance indicators

	Unit	THREE MONTHS ENDED			NINE MONTHS ENDED	
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Operating Data:						
Tonnes ore mined	Kt	305	374	200	1,008	870
Tonnes of waste mined	Kt	886	1,614	748	3,960	3,760
Open pit strip ratio ²	w:o	2.90	4.32	3.74	3.93	4.32
Tonnes of ore stacked	Kt	312	243	271	822	878
Average gold grade stacked	g/t	1.58	2.15	1.90	1.85	2.20
Recovery	%	74%	84%	91%	85%	94%
Gold produced:	oz	11,727	14,120	15,334	41,739	58,387
Gold sold (A):	oz	11,799	13,226	15,349	43,372	58,294
Financial Data (\$'000)						
Revenues	\$	15,101	16,684	20,372	54,252	73,359
Mining costs-open pit	\$	6,142	5,685	3,878	15,815	13,998
Processing cost	\$	4,601	3,895	3,588	12,619	13,382
G&A cost	\$	2,672	2,415	3,538	7,697	8,955
Capitalised waste	\$	(541)	(1,693)	(3,149)	(2,376)	(3,149)
Inventory adjustments and other	\$	(1,863)	(2,034)	(854)	(723)	(168)
Total Cash Cost (B)	\$	11,011	8,268	7,001	33,032	33,018
Royalties	\$	697	643	832	2,110	2,683
Sustaining capital ¹	\$	1,752	1,400	3,276	4,763	7,270
Total All-In Sustaining Costs ¹ (C)	\$	13,460	10,311	11,109	39,905	42,971
All-In Sustaining Margin¹	\$	1,641	6,373	9,263	14,347	30,388
Less: Sustaining capital ¹	\$	(1,752)	(1,400)	(3,276)	(4,763)	(7,270)
Depreciation/depletion	\$	3,970	5,716	3,944	15,080	14,440
Non-cash operating (income)/expense	\$	(126)	509	271	290	614
Earnings (loss) from mine operations	\$	(451)	1,548	8,324	3,740	22,604
Unit cost analysis						
Realised gold price	\$/oz	1,280	1,261	1,327	1,251	1,258
Open pit mining cost per tonne mined	\$/t	5.16	2.86	4.09	3.18	3.02
Processing cost per tonnes stacked	\$/t	14.75	16.03	13.24	15.35	15.24
G&A cost per tonnes stacked	\$/t	8.56	9.94	13.06	9.36	10.20
Cash cost per ounce sold¹ D=B/A	\$/oz	933	625	456	762	566
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	1,141	780	724	920	737

1. Non-GAAP measure. Refer to the Non-GAAP Measures section for further details.

2. Strip ratio includes capital waste

Q3 vs Q2 Insights

- › Production decreased due to lower processed grades and recovery rates, which were partially offset by increased stacked tonnage.
 - Tonnes of ore mined decreased over the previous quarter as mining activities were slowed due to the rainy season, but increased over the previous year following higher equipment availability.
 - Mining activities focused on the high-grade Bakatouo deposit early in the quarter. However, due to its low heap leach recovery rate, a decision was made to preserve Bakatouo for the upcoming CIL plant (due to better economics from high CIL recovery rates and lower operating costs). Consequently, mining activities were shifted to the Zia and Ity Flat pits where only lower grade areas were accessible on short notice.
 - Ore stacked significantly increased despite the rainy season, due to the softer nature of the Ity Flat laterite ore.
 - The stacked grade decreased because of the mine plan change, which resulted in lower grade areas being accessible for mining on short notice.
 - Recovery rates decreased because of Bakatouo's low heap leach recovery rate due to its high soluble copper content.
- › All-in sustaining costs increased due to higher mining costs and increased sustaining capital expenditures, which were partially offset by lower stacking costs.
 - Mining unit costs increased from \$2.86 per tonne to \$5.16 per tonne, following a similar trend as last year, due to increased pumping during the rainy season and lower volumes mined.
 - Stacking costs decreased from \$16.03 per tonne to \$14.75 per tonne, despite the higher cyanide consumption rate associated to the ore processed from the Bakatouo deposit, mainly due to greater stacking volumes.
 - Sustaining capital costs increased by 25% (\$50 per ounce to \$149 per ounce) due to upgrades in the mining fleet which were allocated over reduced production.

Year-to-date 2017 vs. 2016 Insights

- › Production decreased as mining shifted to lower grade deposits, stacking activities were negatively impacted by wet and sticky ore from Bakatouo, and the recovery rate returned to normalised levels.
- › While mining and processing costs per tonne decreased, the AISC increased as fixed costs were allocated over less production.

Exploration Activities

- › In 2017, a \$10 million exploration program totaling approximately 52,500 meters has been planned for the greater Ity area. Due to the program's ongoing success, the exploration program was increased to \$14.5 million to add additional Indicated resources to the Ity CIL project, and to prepare the target in 2018. During the first nine months of 2017, some 56,000 meters were drilled, and drilling is ongoing at the Le plaque discovery.
- › For the YTD Q3-2017, drilling focused on Bakatouo, Mont Ity Flat area, Daapleu, and Colline Sud. Positive results were achieved as the Indicated Resource grew by 1.0 million ounces to 3.8 million ounces since the beginning of the year.
- › The Le Plaque discovery was announced, and a maiden Inferred Resource is expected by year-end.
- › A regional auger campaign is underway, and drilling was initiated at Yacetouo, Vavoua, Daapleu southwest and Bakatouo northeast. On the Toulepleu exploration license to the southwest of the Ity area, a comprehensive gold in soil programme was performed to consolidate the existing data available for this area, and a preliminary short RC drilling test was conducted with results still being analysed.
- › A large airborne VTEM/Mag/spectro geophysical programme totaling \$0.8 million was also conducted in 2017 to define the 2018 and beyond exploration targets.

2017 Outlook Update

- › In Q4-2017 Ity's production and cost profile is expected to improve as the grade profile increases.
- › The construction of the Ity CIL Project, which commenced in September, is now the priority on site due to its importance for the group. This was demonstrated by the published optimisation study which revealed its potential for annual production of 235,000 ounces at AISC below \$500 per ounce over the first five years of the project. As such, if deemed

necessary, the current heap leach activities may be slowed (due to its immaterial production over the construction period) in favour of quickly advancing the CIL construction.

- › Due to change in mine plan away from mining the higher grade Bakatouo deposit in H2-2017, as well as greater priority given to the CIL construction activities, production is expected to fall below the initial guidance of 75,000 – 80,000 ounces and AISC are expected to land above the initial guidance of \$740-780 per ounce.

Karma Gold Mine, Burkina Faso

The following table summarises the operating results of the Karma mine for the three months ended September 30, 2017, June 30, 2017, and September 30, 2016 and the nine months ended September 30, 2017 and September 30, 2016.

Table 12: Karma key performance indicators

	Unit	THREE MONTHS ENDED ⁴			NINE MONTHS ENDED ⁴	
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Operating Data:						
Tonnes ore mined	Kt	593	1,035	3,040	2,678	4,730
Tonnes of waste mined	Kt	3,044	2,581	2,390	8,918	3,634
Open pit strip ratio ²	w:o	5.13	2.49	3.68	3.33	3.32
Tonnes of ore stacked	Kt	720	852	570	2,526	927
Average gold grade stacked	g/t	0.91	1.24	1.21	1.08	1.18
Recovery	%	87%	83%	90%	85%	90%
Gold produced:	oz	21,005	24,223	20,409	76,880	32,701
Gold sold (A) :	oz	20,622	24,632	19,476	76,361	34,141
Financial Data (\$'000)						
Gross revenues	\$	38,009	38,009	-	-	-
Less: Gold stream ³	\$	(4,883)	(4,883)	-	-	-
Revenues ³	\$	20,228	24,948	-	78,302	-
Mining costs-open pit	\$	6,378	7,089	-	21,391	-
Processing cost	\$	8,097	7,922	-	22,796	-
G&A cost	\$	3,492	3,626	-	11,002	-
Capitalised waste	\$	(1,491)	(230)	-	(1,970)	-
Inventory adjustments and other	\$	(260)	(2,220)	-	(259)	-
Total Cash Cost (B)	\$	16,216	16,187	-	52,960	-
Royalties	\$	2,068	1,916	-	6,233	-
Sustaining capital ¹	\$	1,775	487	-	2,739	-
Total All-In Sustaining Costs ¹ (C)	\$	20,059	18,590	-	61,932	-
All-In Sustaining Margin¹	\$	169	6,358	-	16,370	-
Less: Sustaining capital ¹	\$	(1,775)	(487)	-	(2,739)	-
Depreciation/depletion	\$	1,757	5,458	-	15,476	-
Non-cash operating (income)/expense	\$	(387)	(378)	-	(393)	-
Earnings (loss) from mine operations	\$	575	1,765	-	4,026	-
Unit cost analysis						
Realised gold price	\$/oz	981	1,013	-	1,025	-
Open pit mining cost per tonne mined	\$/t	1.75	1.96	-	1.84	-
Processing cost per tonne milled	\$/t	11.25	9.30	-	9.02	-
G&A cost per tonne milled	\$/t	4.85	4.26	-	4.36	-
Cash cost per ounce sold¹ D=B/A	\$/oz	786	657	-	694	-
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	973	755	-	811	-

1. Non-GAAP measure. Refer to the Non-GAAP Measures section for further details.

2. Strip ratio includes capital waste.

3. Revenue is net of gold stream sales to Franco/Nevada and Sandstorm where the Karma mine delivers 5,000 ounces of gold at 20% of the spot price for each quarter.

4. Financial data is not presented for the pre-commercial production period before October 1, 2016.

Q3 vs Q2 Insights

- › Production decreased due to lower grades and tonnage stacked, which was partially offset by higher recovery rates.
 - Total tonnes mined remained flat at 3.6 million tonnes, and tonnes of ore mined decreased as a greater amount of waste was mined at GG2 due to the mine plan sequencing. As a result, the strip ratio temporarily increased and is expected to decrease to a normalized level in Q4-2017.
 - Mining activities focused on the GG2 lower-grade deposit as less tonnes were extracted at the higher-grade Rambo pit, as mining its harder transitional ore has been postponed to Q4-2017 as it is better suited to be stacked with the upgraded crushing circuit.
 - Stacking decreased due to downtime associated with commissioning the upgraded crushing circuit, as well as decommissioning the original circuit.
 - Stacked grade decreased as lower quantities of higher-grade Rambo ore was stacked and low-grade stockpiles represented nearly 20% of the total feed (130,000 tonnes at 0.6 grams per tonne).
 - Recovery rates increased as less Rambo harder transitional ore was introduced onto the heap.
- › All-in sustaining costs increased because of the lower grades and higher strip ratio, in addition to higher unit processing costs which were partially offset by lower unit mining costs.
 - Mining unit costs decreased from \$1.96 per tonne to \$1.75 per tonne due to lower drilling and blasting because of mining less hard ore from the Rambo deposit with less drill grade control drilling due to mining more waste.
 - Stacking costs increased from \$9.30 per tonne to \$11.25 per tonne due to lower volumes stacked and increased cyanide and cement consumption associated with the GG2 transitional ore.
 - Sustaining capital costs increased by 264% (\$65 per ounce to \$85 per ounce) due to the increased capitalised stripping which were allocated over fewer ounces sold.

Year-to-date 2017 vs 2016 Insights

- › Karma had its first gold pour in Q2-2016. Its year-to-date financial data is not presented for the pre-commercial production period up to October 1, 2016.

Exploration Activities

- › In 2017, a \$4 million exploration program totaling approximately 38,500 meters was planned and approximately 41,000 meters were drilled during the first 9 months,
- › During 2017, drilling focused on testing the extensions of the Rambo, Goulagou and North Kao deposits, as well as the Yabongso target (6,800 meters drilling completed).
- › A maiden Resource is expected to be reached during Q4-2017 with the aim of further extending the mine life.

2017 Outlook Update

- › The Q4-2017 profile is expected to slightly improve as the grades are expected to increase with the higher-grade Rambo ore feed, which is expected to be slightly offset by its lower recovery rates due to its higher transitional and fresh ore content. In addition, stacking capacity is expected to increase following the upgrades made to the plant and crushing circuit.
- › Karma is on track to meet the initial FY-2017 production guidance of 100,000 – 110,000 ounces and with AISC expected to land at the top end of the initial guidance of \$750-800 per ounce.

4.4. ASSET HELD FOR SALE

Nzema Gold Mine, Ghana

The following table summarises the operating results of the Nzema Gold Mine for the three months ended September 30, 2017, June 30, 2017, and September 30, 2016 and the nine months ended September 30, 2017 and September 30, 2016.

Table 13: Nzema key performance indicators

	Unit	THREE MONTHS ENDED			NINE MONTHS ENDED	
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Operating Data:						
Tonnes ore mined	Kt	310	352	222	1,058	712
Tonnes of waste mined	Kt	1,023	1,061	2,626	4,383	5,698
Open pit strip ratio ²	w:o	3.30	3.01	11.83	4.14	8.00
Mined ore processed	Kt	315	280	283	908	1001
Mined ore grade	g/t	2.91	2.24	2.05	2.38	1.57
Purchased Ore processed	Kt	53	82	141	213	332
Purchased Ore grade	g/t	4.69	3.20	3.23	3.51	3.11
Tonnes milled	Kt	368	362	424	1,121	1,333
Average gold grade milled	g/t	3.39	2.46	2.40	2.73	1.77
Recovery	%	92%	92%	82%	93%	85%
Gold produced:	oz	37,440	27,203	24,279	90,774	63,836
Gold sold (A):	oz	38,570	26,245	23,526	93,876	63,462
Financial Data (\$'000)						
Revenues	\$	49,366	33,002	31,391	117,584	79,987
Mining costs-open pit	\$	8,273	9,110	11,857	31,250	30,958
Processing cost	\$	6,257	5,750	6,032	18,051	17,151
G&A cost	\$	2,776	2,141	2,620	7,200	8,746
Purchased Ore	\$	4,459	4,724	7,817	13,187	17,162
Capitalised waste	\$	-	-	(5,055)	(1,996)	(10,531)
Inventory adjustments and other	\$	1,359	279	1,144	1,676	6,247
Total Cash Cost ¹ (B)	\$	23,124	22,004	24,415	69,368	69,733
Royalties	\$	2,800	1,952	1,651	6,730	4,198
Sustaining capital ¹	\$	1,258	1,898	670	4,579	1,212
Total All-In Sustaining Costs ¹ (C)	\$	27,182	25,854	26,736	80,677	75,143
All-In Sustaining Margin¹	\$	22,184	7,148	4,655	36,907	4,844
Less: Sustaining capital ¹	\$	(1,258)	(1,898)	(670)	(4,579)	(1,212)
Depreciation/depletion	\$	8,113	4,559	2,805	17,661	12,007
Non-cash operating (income)/expense	\$	701	(13)	(54)	-	(2,897)
Earnings (loss) from mine operations	\$	14,628	4,500	2,574	23,825	(3,054)
Unit cost analysis						
Realised gold price	\$/oz	1,280	1,257	1,334	1,253	1,260
Open pit mining cost per tonne mined	\$/t	6.20	6.45	4.16	5.74	4.83
Processing cost per tonne milled	\$/t	17.00	15.88	14.23	16.10	12.87
G&A cost per tonne milled	\$/t	7.54	5.91	6.18	6.42	6.56
Cash cost per ounce sold¹ D=B/A	\$/oz	600	838	1,038	739	1,099
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	705	985	1,136	859	1,184

1. Non-GAAP measure. Refer to the Non-GAAP Measures section for further details.

2. Strip ratio includes capital waste

Q3 vs Q2 Insights

- › Production increased significantly due to higher processed grades and improved mill throughput.
 - As expected, tonnes of ore mined slightly decreased due to the rainy season. Following the completion of the Adamus push-back in H1-2017, mined grades continued to increase.
 - Quality control processes surrounding purchased ore established in H1-2017 led to higher purchased ore grades at a lower tonnage.
 - Mill throughput increased over the previous quarter, which was impacted by an increased proportion of fresh ore processed.
 - The head grade significantly increased as both the mined and purchased ore contributed to the improvement.
 - Recovery rates remained consistent.

- › All-in sustaining decreased by \$280 per ounce mainly due to the higher grades and resulting increased production.
 - The mining costs decreased from \$6.45 per tonne to \$6.20 per tonne mainly due to shorter load and haul distances.
 - Processing costs increased from \$15.88 per tonne to \$17.00 per tonne mainly due to an increase in power and water treatment costs.
 - Sustaining capital costs decreased by 34% (\$36 per ounce to \$34 per ounce) due to reduced activity on the tailings storage facility lift during the wet season.

Year-to-date 2017 vs 2016 Insights

- › Production significantly increased and AISC significantly decreased as the mine is benefiting from higher grade ore following the push-back, and from high-grade purchased ore.

Sale of Nzema Mine

- › On August 9th 2017, Endeavour announced it had agreed to sell its 90% stake in its non-core Nzema mine to BCM International Ltd for a total cash consideration of up to \$65 million. Under the sale agreement, BCM will pay Endeavour \$20 million upon closing of the transaction, with an additional \$45 million in deferred payments to be made over the remaining current mine life to 2019 based upon reaching certain agreed upon milestones related to mine free cash flow generation. The transaction is expected to close following the approval from the Ghanaian government.

Exploration Activities

- › No significant exploration activities occurred during Q3-2017.

2017 Outlook Update

- › After a strong Q3, production in Q4 is expected to decrease and AISC are expected to increase notably due to an anticipated lower grade and recovery rate.
- › Nzema is on track to meet the top-end of the initial FY-2017 production guidance of 100,000 – 110,000 ounces and the low-end of the initial AISC guidance of \$895-940 per ounce.

4.5. DEVELOPMENT PROJECTS REVIEW

Houndé Project, Burkina Faso

Endeavour's 90%-owned Houndé project is an open pit mine with a 3.0 Mta gravity circuit and CIL plant. During 2015 and early 2016, a thorough review and optimisation of the Houndé Project was completed, and an implementation plan was established, leading to the construction decision in April 2016. Construction began in April 2016 and is progressing on-time and on-budget with the first gold pour completed on October 17th 2017. The initial capital cost is estimated at \$328 million, inclusive of \$47 million for the owner-mining fleet.

During the nine months ended September 30, 2017, \$187 million was incurred on the project.

September 30th 2017 - Achievements to date

- › Construction is progressing on-time with 97% of the total project complete.
- › 95% of the capital has already been committed to date, reducing the risk of cost over-runs.
- › \$255 million has been incurred on the project to date, with the remaining cash spend amounting to approximately \$26 million.

Table 14: Remaining capital spend, in \$m

Upfront project capital	328
Cash outlay to date	(255)
Mining fleet equipment financed	(47)
Cash outlay remaining	~26

- › 6.5 million man-hours worked without a lost time injury.
- › The dry plant has been fully commissioned and wet plant commissioning has commenced with first ore introduced to the system via the SAG and Ball milling circuit.
- › The construction of the fuel farm, the 90-kilovolt overhead power line, and the backup power station have been completed, with power having been drawn down from the national grid.
- › Open pit mining activities at the Main Vindaloo open pit commenced in late December 2016 with over 8Mt moved to-date. A total of 515kt at 2.8 g/t containing 46koz has already been mined and stockpiled on the ROM pad, representing nearly 3-months of feed. Mining to-date suggests positive grade reconciliation against the resource model.
- › The construction of the grade control and sample preparation laboratories has been completed and is operational.
- › The TSF Cell 1 construction is complete and operational, and TSF Cell 2 construction and ROM pad extension are underway.
- › The construction of the water harvest dam is complete, with water already being pumped to the water storage dam.
- › Construction of the 300-person permanent accommodation village is complete.
- › The construction of the grade control and sample preparation laboratories has been completed and is operational.
- › Over 2,000 personnel including contractors are currently employed on-site, more than 94% of which are Burkinabe.
- › The land compensation and relocation process has been successfully completed.

Exploration Activities

- › Following a two-year period of no exploration drilling, activities resumed in 2017 with a \$5 million exploration program.
- › During the first nine months a total of 6,400 meters diamond drilling, 2,700 meters of reverse circulation drilling and 48,300 meters of air-core drilling were conducted on:
 - Bouere, with the aim of increasing the current resource.
 - Kari Pump/Sia/Sianikoui (higher grade exploration targets) which resulted in positive initial results.
 - Grand Espoir, Bombi, Koho, Kari Fault, with initial exploration works.
- › Work performed also included advanced soil geochemistry, ground geophysics on selected targets, regolith and geological mapping.
- › After a lot of effort was paid to the Kari area during Q2 and Q3, our Q4 activity will concentrate on interpreting all the results and to some additional drilling on the Sia/Sianikoui area.

Ity CIL Project, Côte d'Ivoire

- › The engineering optimisation study was published in September and demonstrated it will be another flagship asset with a 14-year mine life, average annual production of 235,000 ounces at AISC of \$494 per ounce over the first five years, and an after-tax NPV5% of \$710m and IRR of 40% at \$1,250 per ounce.
- › On July 27th, 2017, Endeavour announced that Indicated Resource has increased by 1.0 million ounces since the beginning of the year to 3.8 million ounces. This is a 1.5 million ounce increase in the Indicated Resource base since the publication of the November 2016 Feasibility Study (“FS”), representing a 65% increase.
- › A construction decision was made in Q3, and an updated reserve estimate was published in September as part of an Optimisation Study (“OS”) which is based on a 4.0Mtpa gravity circuit/CIL plant, an increase from the previously contemplated 3.0Mtpa plant, to better capture the value created from recent exploration success.

Table 15: Summarized Resource Evolution Following Publication of 2016 CIL Feasibility Study

(On a 100% basis)	2017 OPTIMISATION STUDY INVENTORY	YEAR-END 2016 INVENTORY	2016 FEASIBILITY STUDY INVENTORY	VARIANCE (OS VS. FS)
P&P Reserves (only CIL)	2.9Moz	1.9 Moz	1.9 Moz	+1.0 Moz
M&I Resources (inclusive of Reserves)	3.8 Moz	2.8 Moz	2.3 Moz	+1.5 Moz
Inferred Resources	0.8 Moz	1.4 Moz	1.3 Moz	(0.5 Moz)

Reserves shown exclude the Heap Leach operation Reserves. Resource estimated to the Indicated status, as such no Measured Resources available. Mineral Reserve estimates follow the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) definitions standards for mineral resources and reserves and have been completed in accordance with the Standards of Disclosure for Mineral Projects as defined by National Instrument 43-101. Notes for the 2017 Optimization Study Inventory Mineral Resource estimate are provided in Section “About the Mineral Resources” of this Press Release, with effective date May 31, 2017. Full details on the Year-End 2016 Inventory and the 2016 Feasibility Study Inventory are available in the Company’s published press releases dated respectively March 7, 2017 and November 10, 2016.

September 30th 2017 - Achievements to date

- › Construction was launched in September 2017 as the Houndé construction team transitioned to Ity.
- › Long-lead items have been ordered and \$116 million in capital expenditures has already been committed.
- › The EPCM contracted was award to Lycopodium.
- › Construction workforce mobilisation is progressing well.
- › Process plant area earthworks progressing well.
- › Danane to Ity 90kV over head line corridor compensation estimation in progress.

Kalana Project, Mali

- › The Avnel transaction closed on September 18th, 2017.
- › Following the close of the transaction, Endeavour completed the integration of Avnel and initiated pre-development activities to optimise the Kalana Project which include:
 - Ceasing the current small-scale operations and clearing the underground workings and existing infrastructure to allow for the development of future open pits, as well as grant access to exploration.
 - Resuming exploration activities on both the Kalana deposit and nearby targets including Kalanako, with the initial campaign expected to run until the end of 2018.
 - Launching a revised Feasibility Study with the aim to increase the current plant design capacity to lift the average annual production and shorten the mine life based on current reserves, integrate the exploration results from the upcoming drilling campaign and leverage Endeavour’s construction expertise and integrate operating synergies.
 - Creating dedicated Kalana Project Community Relations and HSE teams to validate the census and stakeholder mapping, with the aim of defining a resettlement action plan ahead of commencing relocation activities.

5. RESULTS FOR THE PERIOD

5.1. STATEMENT OF COMPREHENSIVE INCOME

Table 16: Statement of comprehensive income

(\$000s)	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Revenue	135,110	152,495	137,922	445,529	393,657
Operating expenses	(89,616)	(79,993)	(63,476)	(266,122)	(193,087)
Depreciation and depletion	(30,782)	(29,562)	(18,802)	(90,176)	(57,605)
Royalties	(7,270)	(7,805)	(6,555)	(22,965)	(17,827)
Earnings from mine operations	7,442	35,135	49,089	66,266	125,138
Corporate costs	(3,104)	(6,569)	(5,552)	(15,399)	(14,895)
Acquisition and restructuring costs	(7,654)	(936)	(6,558)	(10,114)	(24,580)
Share based expenses	(9,132)	(1,809)	(2,886)	(18,575)	(8,603)
Exploration	(1,429)	(1,995)	(2,520)	(5,665)	(4,388)
Earnings from operations	(13,877)	23,826	31,573	16,513	72,672
(Losses)/gains on financial instruments	119	3,432	3,481	(6,233)	(20,275)
Finance costs	(11,325)	(3,038)	(5,930)	(20,067)	(18,759)
Other income (expenses)	(582)	(1,035)	-	1,920	270
Earnings (loss) from continuing operations before taxes	(25,665)	23,185	29,124	(7,867)	33,908
Current income tax recovery (expense)	(3,264)	(6,814)	(2,435)	(12,489)	(7,695)
Deferred taxes recovery (expense)	3,100	941	(3,276)	6,119	(4,420)
Net loss from discontinued operations and loss on disposal ¹	(38,693)	4,210	840	(29,007)	(5,100)
Total net and comprehensive earnings (loss)	(64,522)	21,522	24,253	(43,244)	16,693

1. The financial results of the Nzema and Youga gold mines have been classified as a discontinued operation as per IFRS reporting standards.

Review of results for the three and nine months ending September 30, 2017:

- › Revenues for Q3-2017 were \$135.1 million and \$445.5 million for YTD Q3-2017, compared to \$137.9 million and \$393.7 million in the same periods of 2016. The reduction in revenue is primarily driven by the decrease in the gold price in the comparative periods, compounded by the drop in production at Tabakoto and Ity. This is offset by the addition of revenues at the Karma mine from October 1st 2016.
- › Operating expenses for Q3-2017 were \$89.6 million and \$266.1 million for YTD Q3-2017, compared to \$63.5 million and \$193.1 million in the comparative periods of 2016. The upward trend compared to 2016 is due to the inclusion of the Karma mine.
- › Depreciation and depletion in Q3-2017 was \$30.8 million and \$90.2 million for YTD Q3-2017 compared to \$18.8 million and \$57.6 million in the comparative periods of 2016. The increase is primarily due to the depletion of the Karma mine in 2017 as well as increased depletion at Tabakoto surrounding the depletion of the Kofi C pit.
- › Corporate costs for Q3-2017 were \$3.1 million and \$15.4 million for YTD Q3-2017 compared to \$5.6 million and \$14.9 million in the comparative periods of 2016. The period-over-period changes are due to the timing of accruals and increased corporate initiatives.
- › Share based expenses were \$9.1 million in Q3-2017 and \$18.6 million for YTD Q3-2017 compared to \$2.9 million and \$8.6 million in the comparative periods of 2016. The increase in the PSU liability is due both to additional PSU's being granted in the year, and the expensing of the fair value of the PSU's into earnings over the terms of the PSU's.
- › Exploration costs were \$1.4 million for Q3-2017 and \$5.7 million for YTD Q3-2017 compared to \$2.5 million and \$4.4 million in the comparative periods of 2016. The decrease in the quarter is due to the reduction of exploration work done due to heavy rainfall, and the year-over-year increase is due to increased exploration in H1-2017 that includes more greenfield work, as management continues to focus on unlocking exploration value within the portfolio.
- › Finance costs of \$11.3 million in Q3-2017 and \$20.1 million for YTD Q3-2017 are related to the RCF which has been drawn

\$300 million as at September 30, 2017.

- › Net loss from discontinued operations and loss on disposal was \$38.7 million for Q3-2017 and \$29.0 million for YTD Q3-2017 compared to \$0.8 million and \$5.1 million in the comparative periods of 2016. The loss in YTD Q3-2017 and Q3-2016 is due to the Nzema mine which is classified as an asset held for sale for reporting purposes and has been impaired by \$53.6 million upon being classified as a discontinued operation. YTD-2016 figures include the net loss from the Youga mine which was disposed of in February 2016.

5.2. CASH FLOW

The following table reconciles the AISC margin, and free cash flow (before interest, working capital, tax, and growth projects) to the quarterly change in cash.

Table 17: Free cash flow¹

\$(000's)	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Revenue	135,110	152,495	137,922	445,529	393,657
Total cash costs	(87,750)	(82,293)	(62,536)	(260,095)	(189,720)
Royalties	(7,270)	(7,805)	(6,555)	(22,965)	(17,827)
Corporate costs	(3,104)	(6,569)	(5,552)	(15,399)	(14,895)
Sustaining capex ¹	(8,757)	(10,726)	(10,210)	(30,088)	(32,355)
Sustaining exploration ¹	(1,185)	(3,588)	(2,500)	(9,496)	(5,500)
AISC	(108,066)	(110,981)	(87,353)	(338,043)	(260,297)
AISC Margin from continuing operations	27,043	41,514	50,569	107,486	133,360
AISC Margin from asset held for sale	22,184	7,148	4,655	36,907	4,844
Less: Non-sustaining capital ¹	(8,377)	(6,699)	(4,994)	(22,553)	(19,581)
Less: Non-sustaining exploration ¹	(6,616)	(8,860)	(6,200)	(22,178)	(12,924)
Free Cash Flow (before interest, working capital, tax, and growth projects)¹	34,235	33,334	44,030	99,662	105,699
Operating working capital changes as per statement of cash flows	17,926	(27,671)	(24,676)	(1,382)	(49,306)
Taxes paid	(5,119)	(10,173)	(3,254)	(16,413)	(12,035)
Interest paid and financing fees	(15,259)	(4,850)	(9,695)	(19,157)	(19,251)
Cash settlements on hedge programs, gold collar premiums	-	(1,829)	(8,700)	(3,658)	(13,357)
Net free cash flow from operations	31,783	(11,189)	(2,295)	59,052	11,750
Growth projects ¹	(90,268)	(58,261)	(46,435)	(220,906)	(80,064)
Exploration expense ³	(1,429)	(1,995)	(2,520)	(5,665)	(4,388)
M&A Activities	6,867	(59,178)	(2,528)	(54,277)	10,908
Cash paid on settlement of share appreciation rights, DSUs and PSUs	(2,406)	(929)	(534)	(3,507)	(1,818)
Net equity proceeds ²	25,691	47,019	108,706	77,497	181,502
Restructuring costs	(6,539)	(879)	(4,828)	(6,976)	(18,334)
Proceeds (repayment) of long-term debt	80,000	79,303	(65,088)	160,000	(106,213)
Proceeds from pre-production gold sales	-	-	14,648	-	34,146
Other (foreign exchange gains/losses and other)	(3,216)	3,816	3,983	(4,167)	86
Cash inflow (outflow) for the period	40,483	(2,294)	3,109	1,051	27,575

1. Non-GAAP financial performance measures with no standard meaning under IFRS. Refer to the Non-GAAP Measures section for further details.

2. La Mancha anti-dilution proceeds with True Gold, Bought Deal proceeds, share option exercise, and dividends to minority interest.

3. Exploration expense per the statement of comprehensive earnings (loss). This cash outflow relates to expenditure on greenfield exploration activity.

- › Free cash flow (before interest, working capital, tax, and growth projects) for Q3-2017 was \$34.2 million and \$99.7 million for YTD Q3-2017 compared to \$33.3 million and \$105.7 million in Q2-2017 and YTD Q3-2016. The YTD decrease compared to YTD Q3-2016 is due to an increase in cash costs at the Tabakoto and Karma mine, the expected decrease in AISC margin from Agbaou due to transitioning to mining harder ore, as well as increased exploration activities.
- › Net free cash flow from operations for Q3-2017 was an inflow of \$31.8 million compared to an outflow of \$11.2 million in Q2-2017, and an inflow of \$59.1 million for YTD Q3-2017 compared to an inflow of \$13.5 million the same period of 2016. The quarter-over-quarter change is mainly due to the \$37.2 million working capital change between periods.
- › Growth projects cash outflow was \$90.3 million in Q3-2017 compared to \$58.3 million in Q2-2017 and \$220.9 million for YTD Q3-2017 compared to \$80.1 million for YTD Q3-2016. The YTD Q3-2017 spend consists of \$185.7 million of Houndé construction costs, \$13.5 million on the Ity CIL project, and \$21.7 million on Karma optimisation.
- › M&A activities were a \$6.9 million cash inflow in Q3-2017 compared to a \$54.0 million outflow in Q2-2017, and a \$49.2 million outflow for YTD Q3-2017 compared to a \$10.9 million inflow in the comparative period of 2016. The Q3-2017 inflow is due to cash acquired from the Kalana mine upon acquisition. The YTD Q3-2017 outflow is mainly due to the \$54.0 million cash consideration paid for the additional share of Ity mine.
- › Net equity proceeds in Q3-2017 was \$25.7 million compared to \$47.0 million for Q2-2017 and \$77.5 million for YTD Q3-2017 compared to \$181.5 million for YTD Q3-2016. The increase in the comparative periods relate to private placements by La Mancha.
- › Proceeds of long-term debt was \$80.0 million in Q3-2017 and \$79.3 million in Q2-2017, and proceeds of \$160.0 million for YTD Q3-2017 compared to a repayment of \$106.2 million for YTD Q3-2016. The use of funds in Q3-2017 is due to the drawdown of the RCF in the quarter to fund growth projects.

5.3. BALANCE SHEET

Table 18: Balance sheet

(\$000s)	THREE MONTHS ENDED		
	September 30, 2017	June 30, 2017	December 31, 2016
ASSETS			
Cash	97,166	84,862	124,294
Cash-restricted	1,876	1,967	5,270
Trade and other receivables	17,455	16,172	12,274
Income taxes receivable	376	-	373
Inventories	109,508	115,755	110,404
Prepaid expenses and other	31,369	36,318	30,921
Assets held for sale	85,757	-	-
CURRENT ASSETS	343,507	255,074	283,536
Mining interests	1,363,904	1,198,374	1,039,529
Deferred income taxes	26,625	24,213	29,978
Other long term assets	3,974	3,979	4,055
TOTAL ASSETS	1,738,010	1,481,640	1,357,098
LIABILITIES			
Trade and other payables	162,689	153,679	128,860
Current portion of finance lease obligations	4,315	4,315	4,315
Income taxes payable	6,146	8,986	16,451
Liabilities held for sale	28,857	-	-
CURRENT LIABILITIES	202,007	166,980	149,626
Finance lease obligations	2,918	3,864	5,694
Long-term debt	322,458	246,704	140,957
Other long term liabilities	46,334	57,446	47,854
Deferred income taxes	73,347	43,362	52,306
TOTAL LIABILITIES	647,064	518,356	396,437
Share capital	1,704,518	1,536,529	1,484,735
Equity reserve	53,469	38,461	39,727
Deficit	(704,419)	(644,186)	(615,673)
Non-controlling interest	37,378	32,480	51,872
TOTAL EQUITY	1,090,946	963,285	960,661
TOTAL EQUITY AND LIABILITIES	1,738,010	1,481,640	1,357,098

Net Debt Position

On September 19th, 2017 the Corporation signed a \$500 million rolling RCF with a syndicate of leading international banks. The previously held \$350 million facility was settled and derecognized. The key terms include:

- › Principal amount of \$500 million.
- › Interest accrues on a sliding scale of between LIBOR plus 2.95% to 3.95% based on the Company's leverage ratio
- › Commitment fees for the undrawn portion of the facility of 1.03%.
- › The term of the new RCF is four years, maturing in September 2021.
- › The principal outstanding on the RCF is repayable as a single bullet payment on the maturity date.
- › The new RCF can be repaid at any time without penalty.

The following table summarises the Corporation's net debt position as at September 30, 2017, June 30, 2017, and at December 31, 2016.

Table 19: Net debt position

\$(000's)	September 30, 2017	June 30, 2017	December 31, 2016
Cash ¹	97,166	84,862	124,294
Nzema Cash ¹	28,179	-	-
Less: Equipment finance lease	(7,233)	(8,179)	(10,009)
Less: Houndé financing arrangement	(39,244)	(39,244)	-
Less: Drawn portion of \$500 million RCF	(300,000)	(220,000)	(140,000)
Net Debt	(221,132)	(182,561)	(25,715)

¹Cash balances reported as per balance sheet. Nzema cash classified as an asset held for sale has been added in the current quarter as the cash will be received by the Corporation.

Equity and Capital

Endeavour Mining's authorised capital is 200,000,000 shares divided into 100,000,000 ordinary shares with a par value of \$0.10 each and 100,000,000 undesignated shares; no undesignated shares have been issued. The table below summarises Endeavour Mining's share structure at September 30, 2017.

Table 20: Outstanding shares

	September 30, 2017	June 30, 2017	December 31, 2016
Shares issued and outstanding	105,817,047	96,499,741	93,546,349
Stock options	216,234	532,921	1,072,622

As at November 7, 2017, the Corporation had 105,824,673 shares issued and outstanding, as well as 169,059 stock options outstanding.

Project financing

Endeavour Mining announced in April 2016 that its 90%-owned Houndé Project in Burkina Faso had entered the construction phase of its development. The Corporation is financing the Houndé Project using a combination of existing cash balances, free cash flow generated from Endeavour's existing operating mines and equipment financing arrangements. On June 9th, 2016, the Corporation entered into a financing arrangement with the Komatsu Group to purchase mining fleet equipment for the Houndé project. The Corporation made an initial down-payment of \$7.1 million on July 1st, 2016. Delivery of the mining fleet commenced in the fourth quarter of 2016 with seventeen quarterly

payments to be made between the first quarter of 2018 and the first quarter of 2022, totaling \$46.9 million.

Financial instruments

In the year ended December 31, 2016, the Corporation implemented a deferred premium collar strategy (“Collar”) using written call options and bought put options for the 15-month period from April 2016 to June 2017. The program covered a total of 400,000 ounces, representing approximately 50% of Endeavour’s total estimated gold production for the period, with a floor price of \$1,200 per ounce and ceiling price of \$1,400 per ounce.

The Collar was not designated as a hedge by the Corporation and was recorded at its fair value at the end of each reporting period with changes in fair value recorded in the condensed interim consolidated statement of comprehensive earnings (loss).

As at September 30, 2017, no ounces remain outstanding under the Collar derivative liability which has been revalued to a completion fair value of \$nil (December 31, 2016 - \$6.6 million derivative asset). An unrealized loss of \$6.8 million was reversed in the condensed interim consolidated statement of comprehensive earnings (loss) in the period ended September 30, 2017 (three and nine months September 30, 2016 - \$4.3 million and \$8.7 million), from the reversal of the derivative asset in place at year end.

5.4. ACCOUNTING POLICIES AND CRITICAL JUDGEMENTS

New accounting policies

The Corporation has not applied the revised or new IFRS that have been issued but were not yet effective at September 30, 2017. The Corporation is currently evaluating the impact these standards are expected to have on the Corporation’s accounting policies and financial statements. These accounting standards are described in Note 2 of the condensed interim consolidated financial statements.

Critical judgements and key sources of estimation uncertainty

The Corporation’s management has made critical judgments and estimates in the process of applying the Corporation’s accounting policies to the condensed interim consolidated financial statements that have significant effect on the amounts recognised in the Corporation’s condensed interim consolidated financial statements. These estimates include Value Added Tax, impairment of mining interests, mineral reserves, estimated recoverable ounces, environmental rehabilitation costs, deferred income taxes, share-based payments, and contingencies.

6. NON-GAAP MEASURES

6.1. ALL-IN SUSTAINING MARGIN AND ADJUSTED EBITDA

The Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use the all-in sustaining margin and adjusted earnings before interest, tax, depreciation and amortisation (“Adjusted EBITDA”) to evaluate the Corporation’s performance and ability to generate cash flows and service debt. These do not have a standard meaning and are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The following tables provide the illustration of the calculation of this margin and Adjusted EBITDA, for the three months ended September 30, 2017, June 30, 2017, September 30, 2016 and nine months ended September 30, 2017 and September 30, 2016.

Table 21: All-In Sustaining Margin¹

(\$'000)	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Revenues	135,110	152,495	137,922	445,529	393,657
Less: royalties	(7,270)	(7,805)	(6,555)	(22,965)	(17,827)
Less: total cash costs	(87,750)	(82,293)	(62,536)	(260,095)	(189,720)
Less: corporate G&A	(3,104)	(6,569)	(5,552)	(15,399)	(14,895)
Less: sustaining capital	(8,757)	(10,726)	(10,210)	(30,088)	(32,355)
Less: sustaining exploration	(1,185)	(3,588)	(2,500)	(9,496)	(5,500)
All-in sustaining margin	27,044	41,514	50,569	107,486	133,360

¹Data does not include Youga or Nzema.

Table 22: Adjusted EBITDA

(\$'000)	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Earnings/(loss) from continuing operations before taxes ¹	(25,665)	23,185	29,124	(7,867)	33,908
Add back: Depreciation and depletion ¹	30,782	29,562	18,802	90,176	57,605
Add back: Acquisition and restructuring costs ¹	7,654	936	6,558	10,114	24,580
Add back: Other expenses/(income) ¹	582	1,035	-	(1,920)	(270)
Add back: Finance costs ¹	11,325	3,038	5,930	20,067	18,759
Add back: (Gains)/losses on financial instruments ¹	(119)	(3,432)	(3,481)	6,233	20,275
Adjusted EBITDA from continuing operations	24,559	54,324	56,933	116,803	154,857

¹Found on the consolidated statement of comprehensive earnings.

6.2. CASH AND ALL-IN SUSTAINING COST PER OUNCE OF GOLD SOLD

The Corporation reports cash costs on the basis of ounces sold. The Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors may find this information useful. However, there are no standardised meanings, and therefore this additional information and should not be considered in isolation, or as a substitute for measures of performance prepared in accordance with GAAP. The following table provides a reconciliation of cash costs per ounce of gold sold (including the ounces sold from ore purchased), for the three months ended September 30, 2017, June 30, 2017, September 30, 2016 and nine months ended September 30, 2017 and September 30, 2016.

Table 23: Cash Costs

\$'000's except ounces sold	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Operating expenses from mine operations	89,616	79,993	63,474	266,122	193,087
Non-cash and other adjustments	(1,866)	2,300	(938)	(6,027)	(3,366)
Cash costs from continuing operations	87,750	82,293	62,536	260,095	189,720
Operating expenses from discontinued operations	23,124	21,978	25,116	68,682	72,433
Non-cash and other adjustments from discontinued operations	-	-	(701)	686	4,211
Total cash costs	110,874	104,271	86,951	329,463	266,364
Gold ounces sold	149,359	152,215	127,507	463,882	382,464
Total cash cost per ounce of gold sold including Youga & Nzema	742	685	682	710	696
Cash costs from continuing operations	87,750	82,293	62,536	260,095	189,720
Gold ounces sold	110,789	125,970	103,981	370,006	312,424
Total cash cost per ounce from continuing operations	792	653	601	703	607

The Corporation is reporting all-in sustaining costs per ounce sold. The methodology for calculating all-in sustaining costs per ounce was developed internally and is calculated below. This non-GAAP measure provides investors with transparency regarding the total cash cost of producing an ounce of gold in each period. Readers should be aware that this measure does not have a standardised meaning. It is intended to provide additional information and should not be considered in isolation, or as a substitute for measures of performance prepared in accordance with GAAP.

Table 24: All-In Sustaining Costs

(\$'000)	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Total cash cost for ounces sold ¹	110,874	104,271	86,951	329,463	266,364
Royalties ¹	10,070	9,757	8,206	29,695	22,352
Corporate G&A	3,104	6,365	5,984	15,399	16,405
Sustaining capital	10,015	12,624	10,880	34,667	33,572
Sustaining exploration	1,185	3,588	2,500	9,496	5,500
All-in sustaining costs	135,248	136,605	114,521	418,720	344,193
Gold ounces sold ¹	149,359	152,215	127,507	463,882	382,464
All-in sustaining cost per ounce sold	906	897	898	903	900
Excluding discontinued operations					
All-in sustaining costs from Nzema Mine	27,182	25,854	26,736	80,677	75,143
All-in sustaining costs from Youga Mine	-	-	-	-	7,243
All-in sustaining costs excluding discontinued operations	108,065	110,751	87,785	338,042	261,807
Gold ounces sold	110,789	125,970	103,981	370,006	312,424
All-in sustaining costs per ounce sold from continuing operations	975	879	844	914	838

¹ Figures include Youga and Nzema mine.

Table 25: Sustaining and non-sustaining capital

(\$'000)	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Expenditures and prepayments on mining interests¹	106,803	122,538	80,352	329,157	151,641
Non-sustaining capital expenditures	(8,377)	(6,699)	(4,994)	(22,553)	(19,581)
Non-sustaining exploration	(6,616)	(8,860)	(6,200)	(22,178)	(12,924)
Sustaining exploration	(1,185)	(3,588)	(2,500)	(9,496)	(5,500)
Growth projects ²	(80,610)	(90,768)	(55,778)	(240,264)	(80,064)
Sustaining Capital	10,015	12,624	10,880	34,667	33,572

¹ Per note 5 of the condensed interim financial statements.

² Total expenditure for growth projects in the period. The amounts do not agree to the free cash flow as those figures reflect the amounts physically paid.

6.3. ADJUSTED NET EARNINGS AND ADJUSTED NET EARNINGS PER SHARE

Net earnings have been adjusted for items considered exceptional in nature and not related to Endeavour Mining's core operation of mining assets. The presentation of adjusted net earnings may assist investors and analysts to understand the underlying operating performance of our core mining business. However, adjusted net earnings and adjusted net earnings per share do not have a standard meaning under IFRS. They should not be considered in isolation, or as a substitute for measures of performance prepared in accordance with IFRS, and are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS.

The following table reconciles these non-GAAP measures to the most directly comparable IFRS measure.

Table 26: Adjusted net earnings

(\$'000)	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Total net earnings/(loss)	(64,522)	21,522	24,253	(43,244)	16,693
Net gain (loss) from discontinued operations and loss on disposal	38,693	(4,210)	(840)	29,007	5,100
Deferred income tax expense (recovery)	(3,100)	(941)	3,276	(6,119)	4,420
(Gain) loss on financial instruments	(119)	(3,432)	(3,481)	6,233	20,275
Other expenses (income)	582	1,035	-	(1,920)	(270)
Stock-based expense	9,132	1,809	2,886	18,575	8,603
Acquisition and restructuring costs	7,654	936	6,558	10,114	24,580
Non-cash and other adjustments	1,866	(2,300)	938	6,027	3,366
Adjusted net earnings	(9,812)	14,419	33,590	18,673	82,767
Attributable to non-controlling interests	1,204	3,839	9,709	8,143	13,423
Attributable to shareholders of the Corporation	(11,017)	10,580	23,881	10,530	69,344
Number of shares issued and outstanding	105,817,047	96,487,189	92,063,075	105,817,047	76,324,976
Adjusted net earnings (loss) per share (basic) from continuing operations¹	(0.10)	0.11	0.26	0.10	0.91

¹ Net non-cash inventory adjustments per the adjusted EBITDA have been added in the current and comparative periods.

6.4. FREE CASH FLOW

The Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use free cash flow to assess the Corporation's ability generate and manage liquid resources. These terms do not have a standard meaning and are intended to provide additional information. They should not be considered in

isolation or as a substitute for measures of performance prepared in accordance with GAAP. The calculation of these items is detailed in table 17.

6.5. NET DEBT AND NET DEBT/ADJUSTED EBITDA RATIO

The Corporation is reporting Net Debt and Net Debt/Adjusted EBITDA ratio. This non-GAAP measure provides investors with transparency to regarding the liquidity position of the Corporation. It is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The calculation of net debt is shown in table 14, calculated as nominal undiscounted debt including leases, less cash. The following table explains the calculation of net debt/Adjusted EBITDA ratio using the last twelve months of Adjusted EBITDA.

Table 27: Net Debt/ Adjusted EBITDA ratio

\$(000's)	September 30, 2017	June 30, 2017	December 31, 2016
Net Debt	(221,132)	(182,561)	(25,715)
Trailing twelve month Adjusted EBITDA ¹	226,418	240,725	230,761
Net Debt / Adjusted EBITDA ratio	0.98	0.76	0.11

1 Trailing twelve month Adjusted EBITDA is as reported in previous filings. Current quarter results include the Nzema discontinued operations.

7. QUARTERLY AND ANNUAL FINANCIAL AND OPERATING RESULTS

The following tables summarise the Corporation's financial and operational information for the last eight quarters and three fiscal years. The significant factors affecting results in the quarters presented below are volatility of realised gold prices, commencement of production of the Karma mine on October 1, 2016, and non-cash impairment of the Nzema mineral interest. The Ity Mine was added during the fourth quarter of 2015 as well as the sale of the Youga and Nzema mines with their results excluded from the financial results below.

Table 28: 2017-2016 Quarterly Key Performance Indicators

(\$000's)	Unit	FOR THE THREE MONTHS ENDED			
		September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Gold ounces sold	oz	110,789	127,355	162,308	169,803
Gold revenues	\$	135,110	160,373	193,140	199,825
Cash flows from continuing operations	\$	-	-	53,291	71,898
Earnings from mine operations	\$	7,442	37,945	27,115	45,393
Net earnings (loss) and total comprehensive earnings (loss)	\$	(64,522)	17,268	(2,190)	(69,116)
Net earnings (loss) attributable to shareholders of Endeavour Mining Corporation	\$	13,444	13,444	(7,714)	(49,727)
Basic earnings (loss) per share from continuing operations	\$	(0.26)	0.14	(0.08)	(0.62)
Diluted earnings (loss) per share from continuing operations	\$	(0.26)	0.14	(0.08)	(0.62)

Table 29: 2016-2015 Quarterly Key Performance Indicators

(\$'000' except ounces sold)	Unit	FOR THE THREE MONTHS ENDED			
		September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Gold ounces sold		127,507	127,602	127,355	142,342
Gold revenues		169,313	160,373	143,958	137,579
Cash flows from operations		23,466	30,187	20,147	43,519
Earnings from mine operations		51,644	43,867	27,158	13,119
Net earnings (loss) and total comprehensive earnings (loss)		24,253	(15,416)	7,858	(21,643)
Net earnings (loss) attributable to shareholders of Endeavour Mining Corporation		13,361	(21,139)	956	(24,670)
Basic earnings (loss) per share from continuing operations		0.16	(0.27)	0.02	(0.51)
Diluted earnings (loss) per share from continuing operations		0.16	(0.27)	0.02	(0.51)

Table 30: Annual Key Performance Indicators¹

(\$000' except per share amounts)	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Gold ounces sold	545,689	519,812	467,887
Gold revenues	673,469	601,376	583,576
Cash flows from operations	153,899	147,301	127,438
Earnings from mine operations	168,063	106,947	75,897
Net earnings (loss) and total comprehensive earnings (loss)	(52,423)	35,601	(328,200)
Net earnings (loss) attributable to shareholders	(66,722)	18,227	(273,650)
Basic earnings (loss) per share	(0.83)	0.42	(6.62)
Diluted earnings (loss) per share	(0.82)	0.42	(6.62)
Total assets	1,357,098	1,054,094	963,875
Total long term financial liabilities	246,811	273,469	343,468
Total attributable shareholders' equity	908,789	564,103	464,352
Adjusted earnings per share	1.02	0.10	0.34

¹ The results of the Youga and Nzema mine have been included in all figures above as presented in the 2015 and prior year Annual Financial Statements.

* Adjusted net earnings has been modified for the twelve-month period ended December 31, 2016 from \$1.15 to \$1.02 as the Non-Controlling Interest portion has been adjusted.

8. RISK FACTORS

Readers of this Management's Discussion and Analysis should consider the information included or incorporated by reference in this document and the Corporation's condensed interim financial statements and related notes for the period ending September 30, 2017. Significant risk factors for the Corporation are metal prices, government regulations, foreign operations, environmental compliance, dependence on management, title to the Corporation's mineral properties and litigation. For further details of risk factors, please refer to the most recent Annual Information Form filed on SEDAR at <http://www.sedar.com/>, the 2016 year-end audited consolidated financial statements, and the below discussions.

8.1. OPERATIONAL RISKS

Political and Security Risks

The majority of Endeavour Mining's assets are in West Africa. Endeavour Mining believes that the governments of the countries that the Corporation holds assets in support the development of their natural resources by foreign companies. There is no assurance however that future political and economic conditions of these countries will not result in their governments adopting different policies respecting foreign ownership of mineral resources, taxation, rates of exchange, environmental protection, labour relations, repatriation of income or return of capital, restrictions on production, price controls, export controls, local beneficiation of gold production, expropriation of property, foreign investment, maintenance of claims and mine safety. The possibility that a future government in any of these countries may adopt substantially different policies, which might include the expropriation of assets, cannot be ruled out. There is also a risk of limitations being placed on the ability to repatriate funds.

The Corporation's operating assets are well diversified across four West African jurisdictions. Following regional instability in recent years in several sub-Saharan countries, the prevailing security environment in the region deteriorated due to the influence of secessionist and Islamist groups; the Corporation has responded by enhancing its operating procedures for the security of its assets, personnel and contractors. The Corporation cooperates with regional governments, their security forces and third parties to manage the risks relating to the heightened security challenges. Despite its proactive approach to security and cooperation, and its enhanced operating procedures, there can be no certainty that these measures will be sufficient in all circumstances to guarantee the security of all assets, personnel and contractors from these types of risks.

Mineral Reserves and Resources

Mineral reserve and mineral resource estimates are imprecise and depend partially on statistical inference drawn from drilling and other data, which may prove to be unreliable. Estimates, which were valid when made, may change over the course of the mine life. Reserves should not be interpreted as assurances of mine life or of the profitability of current or future production. Furthermore, there can be no assurance that those portions of such mineral resources that are not mineral reserves will ultimately be converted into mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Mining reserves depleted by production must be continually replaced to maintain production levels over the long term. There is no assurance that current or future exploration programs will result in any new commercial mining operations or yield new reserves to replace or expand current reserves.

Outside contractor risks

It is common for certain aspects of mining operations, such as drilling, blasting and hauling to be conducted by an outside contractor. The mining operations at the Nzema Gold Mine and the Agbaou Gold Mine are undertaken by contractors and as a result, the Corporation is subject to a number of risks, including reduced control over the aspects of the operations that are the responsibility of the contractor, failure of a contractor to perform under its agreement with the companies, inability to replace the contractor if either party terminates the contract, interruption of operations in the event the contractor ceases operations due to insolvency or other unforeseen events, failure of the contractor to comply with applicable legal and regulatory requirements and failure of the contractor to properly manage its workforce resulting in labour unrest or other employment issues.

8.2. FINANCIAL RISKS

The Corporation's activities expose it to a variety of risks that may include currency risk, credit risk, liquidity risk, interest rate risk and other price risks, including equity price risk. The Corporation examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Corporation by failing to discharge its obligations. There has been no change in the Corporation's objectives and policies for managing this risk in the quarter ended September 30, 2017. The Corporation's maximum exposure to credit risk is as follows:

Table 31: Exposure to credit risk

(\$'000)	September 30, 2017	December 31, 2016
Cash	97,166	124,294
Cash - restricted	1,876	5,270
Trade and other receivables	17,455	12,274
Working capital loan	1,050	1,012
Marketable securities	929	506
Long-term receivable	227	278
	118,703	143,634

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Corporation has a planning and budgeting process in place to help determine the funds required to support the Corporation's normal operating requirements.

Currency risk

Currency risk relates to the risk that the fair values or future cash flows of the Corporation's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs that the Corporation incurs in its operations including its capital expenditures. Gold is sold in US dollars and the Corporation's costs are incurred principally in CFA Franc, Canadian dollars, Euros, Ghana Cedi, and US dollars. The Corporation also holds cash and cash equivalents, marketable securities, and other receivables that are denominated in non-US dollar currencies which are subject to currency risk. The Corporation has not hedged its exposure to foreign currency exchange risk. The Corporation has not hedged its exposure to foreign currency exchange risk.

The table below highlights the net assets (liabilities) held in foreign currencies:

Table 32: Net assets in foreign currencies

(\$'000)	September 30, 2017	December 31, 2016
Canadian dollar	21,635	(6,082)
CFA Francs	(10,611)	16,591
Euro	(1,611)	-
Other currencies	16	(668)
	9,429	9,841

The effect on earnings and other comprehensive earnings before tax as at September 30, 2017, of a 10% appreciation or depreciation in the foreign currencies against the US dollar on the above mentioned financial and non-financial assets and liabilities of the Corporation is estimated to be \$1.4 million (December 31, 2016, \$1.0 million), if all other variables remained constant. The calculation is based on the Corporation's statement of financial position as at September 30, 2017.

Interest rate risk

Interest rate risk is the risk that future cash flows from, or the fair values of, the Corporation's financial instruments will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk primarily on its long-term debt. Since marketable securities and government treasury securities held as loans are short term in nature and are usually held to maturity, there is minimal fair value sensitivity to changes in interest rates. The Corporation continually monitors its exposure to interest rates and is comfortable with its exposure given the relatively low short-term US interest rates and LIBOR.

The effect on earnings and other comprehensive earnings before tax as September 30, 2017, of a 10% change in the LIBOR rate on the Facility is estimated to be \$2.3 million (December 31, 2016 - \$0.1 million).

Price risk

Price risk is the risk that the fair value or future cash flows of the Corporation's financial instruments will fluctuate because of changes in market prices. There has been no change in the Corporation's objectives and policies for managing this risk and no significant changes to the Corporation's exposure to price risk during the year ended September 30, 2017.

9. CONTROLS AND PROCEDURES

9.1. DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). Additionally, these controls and procedures provide reasonable assurance that information required to be disclosed in the Corporation's annual and interim filings (as such terms are defined under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) and other reports filed or submitted under Canadian securities law is recorded, processed, summarised and reported within the time periods specified by those laws, and that material information is accumulated and communicated to management including the CEO and CFO as appropriate to allow timely decisions regarding required disclosure.

As at December 31, 2016, management evaluated the design and operating effectiveness of the Corporation's disclosure controls and procedures as required by Canadian Securities Law. Based on that evaluation, the CEO and CFO concluded that as of December 31, 2016, the disclosure controls and procedures were effective.

There have been no material changes in the Corporation's disclosure controls and procedures since the year ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, the Corporation's public disclosures.

9.2. INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Corporation's management, with the participation of its CEO and CFO, is responsible for establishing and maintaining adequate internal controls over financial reporting. Under the supervision of the CFO, the Corporation's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

As at December 31, 2016, management evaluated the effectiveness of the Corporation's internal control over financial reporting as required by Canadian securities laws.

Based on that evaluation of internal control over financial reporting, the CEO and CFO have concluded that, as at December 31, 2016, the internal controls over financial reporting were effective and able to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There have been no material changes in the Corporation's internal controls over financial reporting since the year ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect the Corporation's internal controls over financial reporting.

9.3. LIMITATIONS OF CONTROLS AND PROCEDURES

The Corporation's management, including the Chief Executive Officer and Chief Financial Officer believe that any disclosure controls and procedures or internal control over financial reporting, can provide only reasonable, but not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the actions of one individual, by collusion of two or more people, or by unauthorised override of the control. Accordingly, because of the inherent limitations in a control system, misstatements due to error or fraud may occur and not be detected.

The Corporation was unable to assess the Karma Gold Mine's internal control over financial reporting in the period between the acquisition date and the date of management's internal control assessment due to the timing of the acquisition. Accordingly, management excluded from its assessment the internal control over financial reporting of the Karma Gold Mine, which was acquired on April 26, 2016, as permitted under National Instrument 52-109 Certification of Disclosure. The Corporation will include its assessment of the Karma Gold Mine's internal control over financial reporting in its 2017 annual management report on internal control.

10. APPENDIX A: DETAILED RESERVES AND RESOURCES

The following table shows the consolidated reserves and resources as at December 31, 2016.

Table 33: Mineral Reserves and Mineral Resources as at December 31, 2016

Resources shown inclusive of Reserves	ON A 100% BASIS			ON A ATTRIBUTABLE BASIS		
	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)
Agbaou Mine (85% owned)¹						
Proven Reserves	1.0	2.20	69	0.8	2.20	59
Probable Reserves	10.0	2.44	784	8.5	2.44	666
P&P Reserves	11.0	2.41	853	9.3	2.41	725
Measured Resource	1.9	1.41	85	1.6	1.41	72
Indicated Resources	11.2	2.56	919	9.5	2.56	781
M&I Resources	13.0	2.39	1,004	11.1	2.39	853
Inferred Resources	1.1	1.73	60	0.9	1.73	51
Nzema Mine (90% owned)²						
Proven Reserves	2.1	2.73	181	1.9	2.73	163
Probable Reserves	1.3	2.70	110	1.1	2.70	99
P&P Reserves	3.3	2.72	291	3.0	2.72	262
Measured Resource	21.1	1.37	929	19.0	1.37	836
Indicated Resources	12.0	1.31	502,0	10.8	1.31	452
M&I Resources	33.1	1.35	1,431	29.8	1.35	1,288
Inferred Resources	5.9	1.290	243,4	5.3	1.29	219
Tabakoto Mine (80-90% owned)³						
Proven Reserves	2.9	2.98	274	2.3	2.98	221
Probable Reserves	3.4	3.12	341	2.8	3.12	283
P&P Reserves	6.3	3.06	615	5.1	3.06	504
Measured Resource	6.9	2.88	638	5.5	2.88	513
Indicated Resources	12.1	3.09	1,206	10.3	3.09	1,005
M&I Resources	19.0	3.01	1,844	15.8	3.01	1,517
Inferred Resources	8.2	3.45	908	6.7	3.45	734
Houndé Project (90% owned)⁴						
Proven Reserves	3.7	2.48	296	3.3	2.48	266
Probable Reserves	26.9	2.06	1,779	24.2	2.06	1,602
P&P Reserves	30.6	2.11	2,075	27.5	2.11	1,868
Measured Resource	3.7	2.57	305	3.3	2.57	275
Indicated Resources	34.2	2.04	2,247	30.8	2.04	2,022
M&I Resources	37.9	2.09	2,551	34.1	2.09	2,297
Inferred Resources	3.2	2.62	274	2.9	2.62	246
Ity Mine & CIL Project (55% owned)⁵						
Proven Reserves	0.1	2.90	6	0.00	2.90	3
Probable Reserves	43.8	1.50	2,117	24.1	1.50	1,164

P&P Reserves	43.9	1.50	2,123	24.1	1.50	1,168
Measured Resource	0.0	1.84	2	0.00	1.84	1
Indicated Resources	52.8	1.64	2,777	29.0	1.64	1,527
M&I Resources	52.8	1.64	2,779	29.0	1.64	1,528
Inferred Resources	30.2	1.45	1,406	16.6	1.45	773
<i>Karma Mine (90% owned)⁶</i>						
Proven Reserves	0.4	0.59	8	0.4	0.59	7
Probable Reserves	37.4	0.92	1,109	33.7	0.92	997
P&P Reserves	37.9	0.92	1,117	34.1	0.92	1,004
Measured Resource	0.4	0.59	8	0.4	0.59	7
Indicated Resources	83.8	1.10	2,973	75.4	1.10	2,676
M&I Resources	84.3	1.10	2,981	75.8	1.10	2,683
Inferred Resources	19.3	1.27	791	17.4	1.27	712
<i>Total Endeavour Mining</i>						
Proven Reserves	10	2.57	834	9	2.56	720
Probable Reserves	123	1.58	6,240	94	1.58	4,812
P&P Reserves	133	1.66	7,074	103	1.67	5,532
Measured Resource	34	1.80	1,967	30	1.77	1,704
Indicated Resources	206	1.60	10,623	166	1.59	8,463
M&I Resources	240	1.63	12,59	196	1.62	10,167
Inferred Resources	68	1.69	3,682	50	1.71	2,736

The mineral reserves and resources were estimated as at December 31, 2016 in accordance with the provisions adopted by the Canadian Institute of Mining Metallurgy and Petroleum (CIM) and incorporated into the NI 43-101. Mr. Adriaan "Attie" Roux, Pr.Sci.Nat., Endeavour Mining's Chief Operating Officer, has reviewed and approved the scientific and technical information contained in this presentation. Adriaan Roux is a "Qualified Person" as defined in NI 43-101.

The Qualified Persons (QP's) responsible for the NI 43-101 compliant mineral reserve and resource estimates are detailed in the following table. All QP's are independent of Endeavour Mining, except Kevin Harris, Michael Alyoshin and John Barry.

MINERAL RESOURCES

QUALIFIED PERSON	POSITION	PROPERTY/DEPOSIT
Kevin Harris, CPG	Group Resource Manager, Endeavour Mining Corp	Agbaou, Tabakoto (except Kofi A, Kofi C, Blanaid deposits), Bakatouo and Sud deposits (Ity mine), North Kao deposit (Karma mine), Bouere and Dohoum deposits (Houde project)
Mark Zammit, MAIG	Principal, Cube Consulting Pty Ltd	Ity (except Bakatouo and Colline Sud deposits), Vindaloo deposits (Houde project)
Eugene Puritch, P.Eng.	President, P&E Mining Consultants Inc	Karma (except North Kao deposit), Kofi A, Kofi C and Blanaid deposits (Tabakoto)
Nic Johnson, MAIG	Principal, MPR Geological Consultants Pty Ltd	Nzema

MINERAL RESERVES

QUALIFIED PERSON	POSITION	PROPERTY/DEPOSIT
Michael Alyoshin, MAusIMM CP (Min)	Chief Mining Engineer - Strategic Projects, Endeavour Mining Corp	Agbaou, Nzema, Tabakoto open pits, Bouere and Dohoum deposits (Houde), North Kao deposit (Karma), Heap Leach (Ity)
John Barry, P.Eng.	Technical Services Manager - Tabakoto mine, Endeavour Mining Corp	Tabakoto underground
Ross Malcolm Cheyne, BE FAusIMM	Director, Orelogy Group Pty Ltd	Vindaloo deposits (Houde)
Eugene Puritch, P.Eng.	President, P&E Mining Consultants Inc	Karma (except North Kao deposit)
Tamer Dincer, FAusIMM	Principal, Mining Solutions	CIL (Ity)

- The following notes apply to all the Resource and Reserve Tables in this AIF the mineral resources and reserves have been estimated and reported in accordance with Canadian National Instrument 43-101, 'Standards of Disclosure for Mineral Projects' and the Definition Standards adopted by CIM Council in May 2014.
- Mineral resources that are not mineral reserves do not have demonstrated economic viability.
- All Mineral Resources are reported inclusive of Mineral Reserves
- Tonnages are rounded to the nearest 1,000 tonnes; gold grades are rounded to two decimal place; ounces are rounded to the nearest 1,000oz. Rounding may result in apparent summation differences between tonnes, grade and contained metal.
- Tonnes and grade measurements are in metric units; contained gold is in troy ounces.
- The reporting of Mineral Reserves and Resources are based on a gold price as detailed below:

Project ¹	Agbaou	Nzema	Tabakoto		Ity	Karma ²	Houndé
			UG	Open Pit			
Reserves Au price	1,350	1,250	1,250	1,250	1,250	1,300	1,300
Resources Au price	1,500	1,500	1,500	1,500	1,500	1,557	1,500

¹ Cut off grades for all resources open pits are 0,5g/tAu, except at Karma where the cutoff grade is defined by material type: Oxide=0.2, Transition=0.22 and Sulfide=0,5

² North Kao resources has a gold price of \$1,500/oz

- At Tabakoto, the breakdown for underground and open pit reserves is as follows:

On a 100% basis	Underground Reserves			Open Pit Reserves		
	Tonnage (kt)	Grade (Au g/t)	Content (Au koz)	Tonnage (kt)	Grade (Au g/t)	Content (Au koz)
Proven Reserves	2,589	3.03	252	263	2.60	22
Probable Reserves	1,975	3.13	199	1,432	3.08	142
P&P Reserves	4,564	3.07	451	1,695	3.01	164

- At Ity, the breakdown for Heap Leach and CIL pit reserves is as follows:

On a 100% basis	Heap Leach Reserves			CIL Reserves		
	Tonnage (kt)	Grade (Au g/t)	Content (Au koz)	Tonnage (kt)	Grade (Au g/t)	Content (Au koz)
Proven Reserves	70	2.67	6	-	-	-
Probable Reserves	3,209	2.48	256	40,620	1.43	1,861
P&P Reserves	3,279	2.49	262	40,620	1.43	1,861

The scientific and technical information relating to the Agbaou mine, Nzema mine, Ity mine, Tabakoto mine, Karma mine and Houndé project contained in this website has been derived from or based on the following technical reports. Copies of the reports are available electronically on SEDAR at www.sedar.com under the Corporation's profile.

- Agbaou mine: "Technical Report, Mineral Resource and Reserve Update for the Agbaou Gold Mine, Côte d'Ivoire, West Africa" dated effective December 31, 2014
- Ity mine: "Ity CIL Project National Instrument 43-101 Technical Report", dated December 9, 2016
- Tabakoto mine: "Technical Report and Mineral Resource and Reserve Update for the Tabakoto Gold Mine, Mali, West Africa" dated effective December 31, 2015
- Karma mine: "Technical Report on an updated Feasibility Study and a Preliminary Economic Assessment for the Karma Gold Project, Burkina Faso, West Africa"
- Nzema mine: "Technical Report and Mineral Resource and Reserve Update for the Nzema Gold Mine, Ghana, West Africa", effective date December 31, 2012
- Houndé project: "Houndé Gold Project, Burkina Faso, Feasibility Study NI 43-101 Technical Report", dated effective October 31, 2013.

Additional information relating to the Corporation is available on the Corporation's web site at www.endeavourmining.com and in the Corporation's most recently filed Annual Information Form filed on SEDAR

at www.sedar.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A and certain information incorporated herein by reference constitute forward-looking statements. Forward-looking statements include, but are not limited to, statements with respect to the Corporation's plans or future financial or operating performance, the estimation of mineral reserves and resources, the realisation of mineral reserve estimates, conclusions of economic assessments of projects, the timing and amount of estimated future production, costs of future production, future capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, requirements for additional capital, sources and timing of additional financing, realisation of unused tax benefits and future outcome of legal and tax matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "will continue" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". The material factors or assumptions used to develop material forward-looking statements are disclosed throughout this document.

Forward-looking statements, while based on management's best estimates and assumptions, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Endeavour Mining to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the successful integration of acquisitions; risks related to international operations; risks related to joint venture operations; risks related to general economic conditions and credit availability, actual results of current exploration activities, unanticipated reclamation expenses; changes in project parameters as plans continue to be refined; fluctuations in prices of metals including gold; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables, possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which the Corporation operates, actual resolutions of legal and tax matters, as well as those factors discussed in the section entitled "Description of the Business – Risk Factors" in Endeavour Mining's most recent Annual Information Form available on SEDAR at www.sedar.com. Although Endeavour Mining has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation's management reviews periodically information reflected in forward-looking statements. The Corporation has and continues to disclose in its Management's Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

CAUTIONARY NOTE REGARDING RESERVES AND RESOURCES

Readers should refer to the most recent Annual Information Form of Endeavour Mining and other continuous disclosure documents filed by Endeavour Mining available at www.sedar.com, for further information on mineral reserves and resources, which is subject to the qualifications and notes set forth therein.

Additional information relating to the Corporation is available on the Corporation's web site at www.endeavourmining.com and in the Corporation's most recently filed Annual Information Form filed on SEDAR at www.sedar.com.