

# ENDEAVOUR MINING ANNOUNCES SALE OF NZEMA TO BCM INTERNATIONAL

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**George Town, August 9, 2017** - Endeavour Mining (TSX:EDV OTCQX: EDVMF) ("Endeavour") is pleased to announce that it has agreed the sale of its 90% stake in the non-core Nzema Mine to BCM International Ltd ("BCM") for a total cash consideration of up to US\$65 million.

Sebastien de Montessus, President & CEO of Endeavour Mining, said: "The sale of Nzema fits into our stated strategic objective of actively managing our asset portfolio to improve its overall quality. The sale also enables us to further streamline our efforts on long-life low-cost operations, with two in Mali, two in Burkina Faso and two in Ivory Coast.

BCM has extensive experience in Ghana, where it is headquartered, and we believe it has the right set of skills and capabilities to take Nzema beyond its current three-year mine life, for the benefit of all its stakeholders, including employees, the government of Ghana, and local communities."

Under the sale agreement, BCM will pay Endeavour US\$20 million upon closing of the transaction, with an additional US\$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 at the end of September following the approval from the Ghanaian government.

## UPDATED 2017 GUIDANCE

The Nzema sale effective date for economic purposes is July 1, 2017. To follow reporting standards, Endeavour has deconsolidated Nzema from its full year 2017 guidance as outlined in Tables 1-3 below.

As shown in Table 1, following the sale of Nzema, the Group production guidance for 2017 has been reduced from 600,000 - 640,000 ounces to 500,000 - 530,000 ounces.

*Table 1: Production Guidance, in ounces*

<i>On a 100% basis, in ounces</i>	<b>INITIAL 2017 GUIDANCE</b>	<b>UPDATED 2017 GUIDANCE</b>
Agbaou	175,000 - 180,000	175,000 - 180,000
Tabakoto	150,000 - 160,000	150,000 - 160,000
Nzema	100,000 - 110,000	0 - 0

Ity	75,000	-	80,000	75,000	-	80,000
Karma	100,000	-	110,000	100,000	-	110,000
<b>GROUP-WIDE PRODUCTION</b>	<b>600,000</b>	-	<b>640,000</b>	<b>500,000</b>	-	<b>530,000</b>

As shown in Table 2, the Group AISC is expected to decrease from \$860-905/oz to \$855-900/oz, as the benefit of removing the higher-cost Nzema mine was partially offset by corporate and sustaining exploration costs being allocated over a smaller number of ounces at Group level.

*Table 2: AISC Guidance, in \$/oz*

<i>In \$/oz</i>	INITIAL 2017 GUIDANCE			2017 GUIDANCE		
Agbaou	660	-	700	660	-	700
Tabakoto	950	-	990	950	-	990
Nzema	895	-	940	0	-	0
Ity	740	-	780	740	-	780
Karma	750	-	800	750	-	800
<b>MINE-LEVEL AISC</b>	<b>800</b>	-	<b>850</b>	<b>785</b>	-	<b>835</b>
Corporate G&A	37	-	34	42	-	40
Sustaining exploration	23	-	22	28	-	25
<b>GROUP AISC</b>	<b>860</b>	-	<b>905</b>	<b>855</b>	-	<b>900</b>

As shown in Table 3, the corresponding guidance for the Group Free Cash Flow before growth projects (and before working capital movement, tax and financing costs) has also been updated. Assuming a gold price of \$1,200/oz, the Free Cash Flow for the full year is now expected to be \$100 million, a decrease from the original guidance of \$125 million.

*Table 3: Free Cash Flow Guidance based on Production and AISC Guidance Mid-points, in \$m*

<i>In \$m</i>	\$1,100/oz	\$1,200/oz	\$1,300/oz
<b>NET REVENUE</b> (based on production guidance mid-point)	<b>550</b>	<b>600</b>	<b>650</b>
Mine level AISC costs (based on AISC guidance mid-point)	(420)	(420)	(420)
Corporate G&A	(21)	(21)	(21)
Sustaining exploration	(14)	(14)	(14)
<b>GROUP AISC MARGIN</b>	<b>95</b>	<b>145</b>	<b>195</b>
Non-sustaining mine exploration	(20)	(20)	(20)
Non-sustaining capital	(25)	(25)	(25)
<b>FREE CASH FLOW BEFORE GROWTH PROJECTS</b> (and before WC, tax and financing cost)	<b>50</b>	<b>100</b>	<b>150</b>

## ABOUT BCM INTERNATIONAL

BCM International is one of Africa's largest mining and civil contractors, with offices across eight countries and a long history in Ghana, where it is headquartered.

BCM International has deep mining expertise, with in house technical staff capable of taking a mine from start-up through commissioning and set-up of the technical disciplines of the mine through to ongoing production.

Their experience gained in Ghana over more than 20 years working with local cultural and business practices, workforce management, local business relationships, tax and corporate compliance matters, banking relationships and many other logistical issues is core to the company's business.

## ABOUT NZEMA

The Nzema Gold Mine is located approximately 70km from Takoradi in the south-west of Ghana. Endeavour holds a 90% interest in the mine, the remaining 10% is held by the Ghanaian Government.

Nzema is an open pit mining operation with a 1.6mtpa gravity/CIL processing facility. It commenced production in 2011 and currently employs approximately 800 workers, including full time Endeavour employees and contractors. In 2016, Nzema produced 87,710 ounces of gold at an AISC of \$1,167/oz. Nzema produced 53,334 ounces at an All-in Sustaining Cost ("AISC") of \$967/oz for the first half of 2017 and is on track to meet its full year 2017 guidance of 100,000 to 110,000 ounces at an AISC of \$895-940/oz, with AISC expected to decline in the second half of 2017 due to the grade profile continuing to improve.

## ADVISORS

Endeavour's financial adviser is Standard Chartered Bank and its legal adviser is Clayton Utz.

## ENDEAVOUR CONTACT INFORMATION

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## ABOUT ENDEAVOUR

*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 is ideally positioned as the major pure West-African multi-operation gold mining company, operating 5 mines across Côte d'Ivoire (Agbaou and Ity), Burkina Faso (Karma), Mali (Tabakoto), and Ghana (Nzema). In 2017, it expects to produce between 600koz and 640koz at an AISC of US\$860 to US\$905/oz. Endeavour is currently building its Houndé project in Burkina Faso, which is expected to commence production in Q4-2017 and to become its flagship low-cost mine with an average annual production of 190koz at an AISC of US\$709/oz over an initial 10-year mine life, based on reserves. The development of the Houndé and Ity CIL projects are expected to lift Endeavour's group production to +900kozpa and decrease its average AISC to circa \$800/oz by 2019, while exploration aims to extend all mine lives to +10 years.

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This news release contains "forward-looking statements" including but not limited to, statements with respect to Endeavour's plans and operating performance, the estimation of mineral reserves and resources, the timing and amount of estimated future production, costs of future production, future capital expenditures, and the success of exploration activities. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "expected", "budgeted", "forecasts", and "anticipates". Forward-looking statements, while based on management's best estimates and assumptions, are subject to risks and uncertainties that may cause actual results 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 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 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 Endeavour operates. Although Endeavour 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. Please refer to Endeavour's most recent Annual Information Form filed under its profile at [www.sedar.com](http://www.sedar.com) for further information respecting the risks affecting Endeavour and its business. AISC, all-in sustaining costs at the mine level, cash costs, operating EBITDA, all-in sustaining margin, free cash flow, net free cash flow, free cash flow per share, net debt, and adjusted earnings are non-GAAP financial performance measures with no standard meaning under IFRS, further discussed in the section Non-GAAP Measures in the most recently filed Management Discussion and Analysis.