



**ENDEAVOUR
MINING**

Management Discussion & Analysis

For the three and nine months ended
September 30, 2018 and 2017

(Expressed in Thousands of United States Dollars)

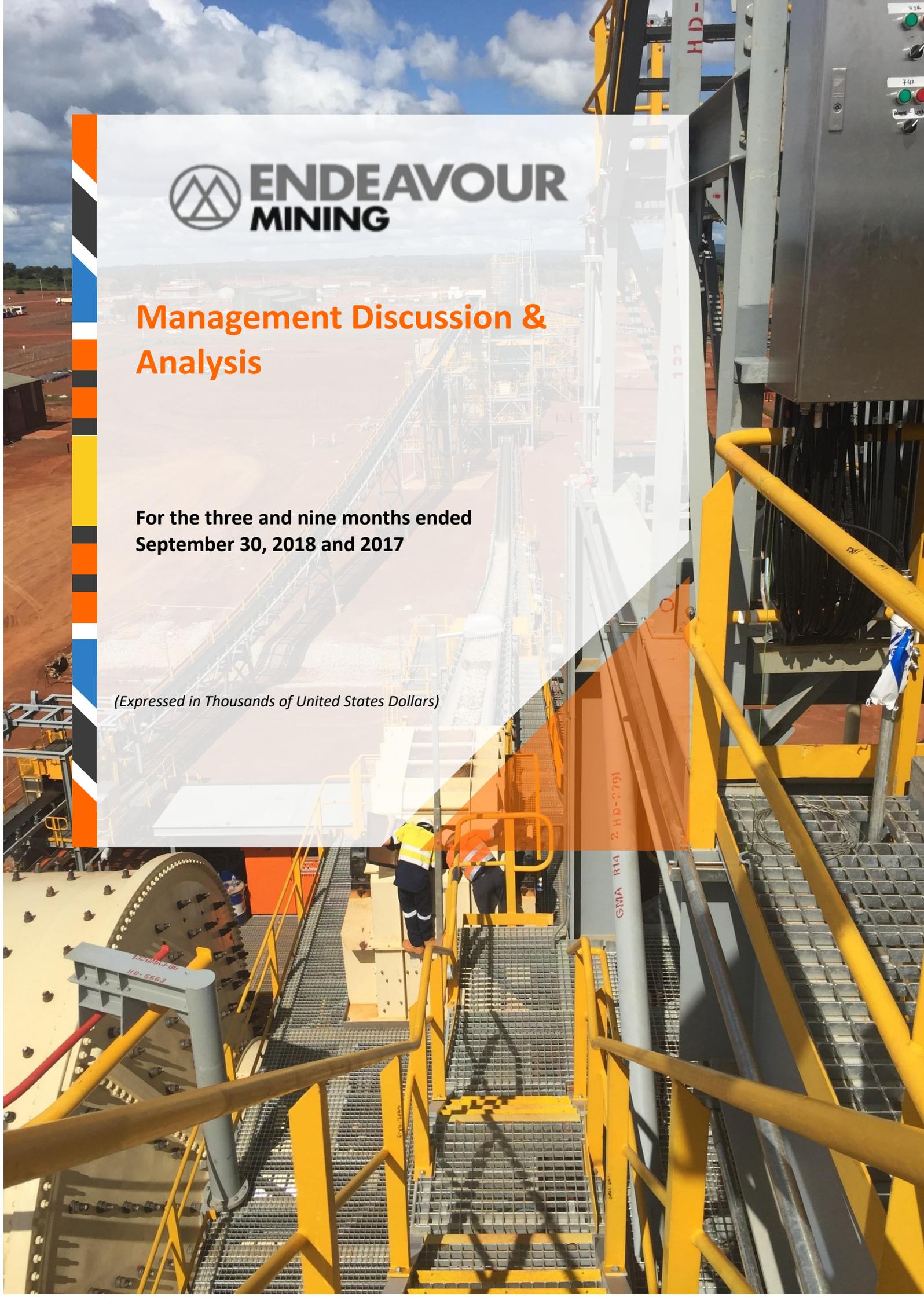


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This Management Discussion and Analysis (“MD&A”) should be read in conjunction with Endeavour Mining Corporation’s (“Endeavour Mining” or the “Corporation”) condensed interim consolidated financial statements for the three and nine months ended September 30, 2018, as well as the audited consolidated financial statements for the years ended December 31, 2017 and 2016 and notes thereto which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) or (“GAAP”). This Management 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 7, 2018. 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

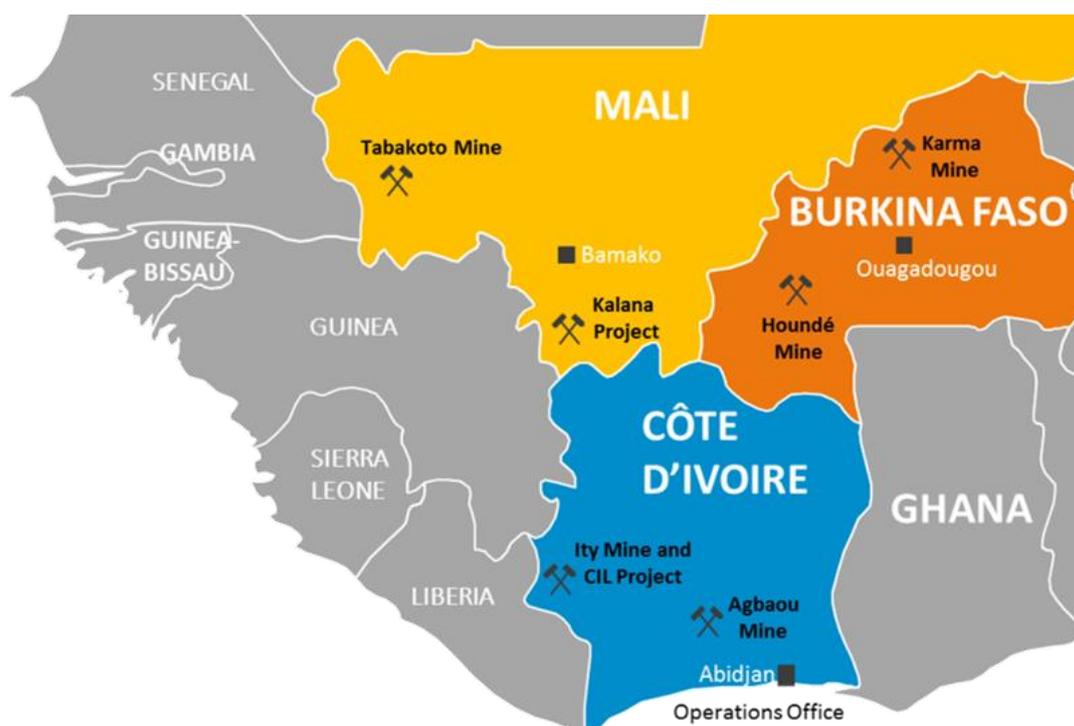
Endeavour Mining is a TSX-listed intermediate gold producer, focused on developing a portfolio of high-quality mines in the prolific West-African region where it has established a solid operational and construction track record.

Endeavour Mining is ideally positioned as a major West-African multi-operation gold mining company, operating five mines in Côte d’Ivoire (Agbaou and Ity), Burkina Faso (Karma and Houndé), as well as one asset in Mali (Tabakoto) which is classified as an asset held for sale. In 2018, Endeavour Mining expects to produce between 555,000 and 590,000 ounces of gold at an all-in sustaining cost¹ (“AISC”) of \$760 to \$810 per ounce from continuing operations.

The development of the Ity Carbon-In-Leach (“CIL”), and Kalana projects are expected to increase Endeavour Mining’s group production to over 800,000 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, all-in margin, sustaining and 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, 2018



2. HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018

2.1. CORPORATE HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018

- › On September 4, 2018 Endeavour Mining announced that it entered into a binding sale agreement for its entire interest in the Tabakoto mine to Algom Resources Limited ("Algom"), a subsidiary of BCM Investments Ltd, for total cash consideration of \$60 million. The consideration is payable upon closing of the transaction which is expected to occur in Q4-2018.
- › On September 24, 2018, Endeavour Mining announced results of its drilling operations on the Fetekro property. A total of 312 Reverse Circulation and Diamond Drilling holes have been drilled, amounting to nearly 32,000 meters. Drilling mainly focused on the highly prospective Lafigué target where a large mineralised vein system was defined over an area 2.5km long by 0.6km wide, remaining open at depth and towards the east. All available data is being interpreted and a maiden resource estimate is expected to be published in Q4-2018 and a follow-up drilling program is scheduled to start in Q4-2018.

2.2. OPERATIONAL HIGHLIGHTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018

- › Gold production from continuing operations was 139,041 ounces for Q3-2018 and 437,897 YTD-2018, on track to meet the full-year guidance from continuing operations of 555,000 – 590,000 ounces.
- › Revenues were \$155.8 million in Q3-2018 and \$544.2 million YTD-2018 which generated \$25.3 million and \$132.4 million in earnings from mine operations.
- › Operating cash flow before non-cash working capital per share amounted to \$0.42 in Q3-2018 and \$1.94 YTD-2018, an increase of \$0.05 and \$0.57 in the same periods of 2017.
- › Net and comprehensive earnings attributable to shareholders for Q3-2018 was \$14.6 million and \$31.5 million in YTD-2018, compared to a net loss of \$14.9million and \$12.8 million in the same periods of 2017.
- › Basic earnings per share of \$0.14 in Q3-2018 and \$0.29 YTD-2018 compared to a loss per share of \$0.15 and a loss per share of \$0.13 in the same periods of 2017.
- › Adjusted net earnings attributable to shareholders was a loss of \$0.01 per share in Q3-2018 and earnings of \$0.31 per share YTD-2018 compared to \$0.02 per share and \$0.05 earnings per share in the same periods of 2017.
- › Net Debt was \$535.4 million at September 30, 2018, an increase of \$125 million compared to June 30, 2018. The increase is mainly due to utilisation of cash and the drawdown of the revolving credit facility for an additional \$80 million to fund growth projects.

Table 1: Quarterly and YTD Highlights

(\$000s)	Units	THREE MONTHS ENDED			NINE MONTHS ENDED	
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Operating data from continuing operations						
Gold produced	oz	139,041	146,550	79,058	437,897	252,371
Gold sold	oz	134,159	150,732	79,096	438,679	253,111
Realised gold price ²	\$/oz	1,161	1,257	1,198	1,240	1,183
All-in sustaining costs ³	\$/oz	820	780	854	759	834
All-in sustaining margin ³	\$/oz	341	478	344	482	349
Cash flow data from all operations						
All-in sustaining margin ³	\$	40,408	69,381	49,227	206,802	144,392
All-in Margin ³	\$	18,017	48,480	34,234	134,323	99,661
Operating cash flow before non-cash working capital ³	\$	45,127	68,578	38,825	208,426	145,356
Operating cash flow before non-cash working capital ³	\$/share	0.42	0.64	0.41	1.94	1.49
Profit and loss data from continuing operations						
Revenues ²	\$	155,764	189,515	94,757	544,173	299,458
Earnings from mine operations	\$	25,322	43,077	20,423	132,396	71,815
Net and comprehensive earnings/(loss) attributable to shareholders	\$	14,628	4,017	(14,913)	31,450	(12,787)
Basic (loss) / earnings per share attributable to shareholders	\$/share	0.14	0.04	(0.15)	0.29	(0.13)
Adjusted EBITDA ³	\$	48,755	68,092	23,990	208,372	87,518
Adjusted EBITDA margin ³	%	31%	36%	25%	38%	29%
Adjusted net earnings attributable to shareholders ³	\$	(1,408)	9,189	2,441	32,886	4,837
Adjusted net earnings/(loss) per share attributable to shareholders ³	\$/share	(0.01)	0.09	0.03	0.31	0.05
Balance Sheet Data¹						
Cash	\$	33,302	78,762	122,702	33,302	122,702
Net Debt ³	\$	(535,377)	(410,376)	(221,132)	(535,377)	(221,132)
Net Debt / Adjusted EBITDA (LTM) ratio ³	\$	1.79	1.49	0.98	1.79	0.98

1. Tabakoto is excluded from all data except operating cash flow before non-cash working capital and, as presented in the condensed interim consolidated financial statements.

2. Revenue is net of gold stream sales to Franco-Nevada and Sandstorm.

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

3. GUIDANCE

3.1. 2018 OUTLOOK

- › Production from continuing operations is on track to meet the upper-end of full year guidance of 555,000 – 590,000 ounces. Group AISC from continuing operations is on track to meet the bottom-end of the full year guidance of \$760 – 810 per ounce in 2018. The year over year changes are due to the full year benefit of Houndé, and improvements at both the Karma and Ity mines offsetting the expected declines of production at Agbaou.

Table 2: Production and Guidance, koz

(All amounts in koz, on a 100% basis)	THREE MONTHS ENDED			NINE MONTHS ENDED		2018 FULL-YEAR GUIDANCE		
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017			
Agbaou	31	34	46	97	134	140	-	150
Ity	21	25	12	64	42	60	-	65
Karma	26	21	21	75	77	105	-	115
Houndé	61	67	-	201	-	250	-	260
PRODUCTION FROM CONTINUING OPERATIONS	139	147	79	438	252	555	-	590
Tabakoto (asset held for sale)	26	27	32	86	116	115	-	130
Nzema (divested in December 2017)	-	-	27	-	91	n.a.	-	n.a.
TOTAL PRODUCTION	165	173	138	524	459	670	-	720

Table 3: AISC and Guidance, \$/oz

(All amounts in US\$/oz)	THREE MONTHS ENDED			NINE MONTHS ENDED		2018 FULL-YEAR GUIDANCE		
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017			
Agbaou	954	818	638	838	634	860	-	900
Ity	730	713	1,141	750	920	790	-	850
Karma	841	885	973	864	811	780	-	830
Houndé	638	617	-	555	-	580	-	630
Corporate G&A	44	41	39	42	61	30	-	30
Sustaining Exploration	14	21	15	4	38	10	-	10
GROUP AISC FROM CONTINUING OPERATIONS	820	780	854	759	834	760	-	810
Tabakoto (asset held for sale)	1,420	1,397	1,278	1,335	1,085	1,200	-	1,250
Nzema (divested in December 2017)	-	-	985	-	859	n.a.	-	n.a.
GROUP AISC	917	878	906	853	903	840	-	890

4. OPERATIONS REVIEW

4.1. HEALTH, SAFETY, ENVIRONMENT AND CORPORATE RESPONSIBILITY

Endeavour Mining 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 to continually improve our performance. The following table shows the safety statistics for the nine months ended September 30, 2018 and twelve months ended December 31, 2017.

Table 4: LTIFR Statistics for the trailing twelve months ended September 30, 2018

Incident Category	Tabakoto	Agbaou	Karma	Ity	Houndé	Total
Fatality	-	-	-	-	-	-
Lost Time Injury	3	1	-	1	-	5
Total Man Hours	3,600,911	3,647,501	3,060,573	3,593,090	4,103,890	18,005,965
LTIFR¹	0.83	0.27	-	0.28	-	0.28

¹ LTIFR = (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, 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, 2017. A summary of this information is provided in appendix A of this MD&A with total reserves shown in table 5 below.
- › Proven and Probable (“P&P”) Reserves at December 31, 2017 were 9.0 million ounces on a 100% basis, which increased by 1.9 million ounces (+27%) compared to 7.1 million ounces at the end of 2016 mainly due to the reserve conversion at Ity, the Avnel acquisition which offset the sale of Nzema and the reserve depletion at other mines.
- › Measured and Indicated (“M&I”) resources at year-end 2017 were 14.9 million ounces, which increased by 2.3 million ounces (+18%) compared to 12.6 million ounces at the end of 2016 mainly due to strong exploration success at Ity, the Avnel acquisition, and net additions at Tabakoto, which offset depletion reserve at other mines and the sale of Nzema.

Table 5: Reserves and Resources Summary

In millions of ounces on a 100% basis	December 31, 2017	December 31, 2016	December 31, 2015	Δ Dec 31, 2017 vs. Dec 31, 2016	
P&P Reserves	9.0	7.1	5.9	+1.9	+27%
M&I Resources (inclusive of Reserves)	14.9	12.6	11.0	+2.3	+18%
Inferred Resources	3.7	3.7	2.4	-	-

4.3. OPERATIONS REVIEW

The following tables summarise operating results for the three months ended September 30, 2018, June 30, 2018, and September 30, 2017 and the nine months ended September 30, 2018, and September 30, 2017.

Houndé Gold Mine, Burkina Faso

Table 6: Houndé key performance indicators

	Unit	THREE MONTHS ENDED ³			NINE MONTHS ENDED ³	
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Operating Data:						
Tonnes ore mined	Kt	1,413	1,312	-	4,086	-
Tonnes of waste mined	Kt	8,481	8,049	-	25,478	-
Open pit strip ratio ²	w:o	6.00	6.13	-	6.20	-
Tonnes milled	Kt	1,006	982	-	2,886	-
Average gold grade milled	g/t	2.02	2.20	-	2.26	-
Recovery	%	94%	95%	-	95%	-
Gold produced:	oz	60,736	66,873	-	201,390	-
Gold sold (A):	oz	57,913	68,366	-	200,479	-
Financial Data (\$'000)						
Revenues	\$	70,314	88,726	-	258,170	-
Mining costs-open pit	\$	(21,180)	(18,717)	-	(56,200)	-
Processing cost	\$	(12,789)	(11,207)	-	(33,790)	-
G&A cost	\$	(6,062)	(7,264)	-	(19,610)	-
Capitalised waste	\$	2,617	5,919	-	10,191	-
Inventory adjustments and other	\$	7,377	(1,819)	-	11,084	-
Total Cash Cost (B)	\$	(30,037)	(33,088)	-	(88,325)	-
Royalties	\$	(4,222)	(5,748)	-	(16,889)	-
Sustaining capital ¹	\$	(2,712)	(3,320)	-	(6,032)	-
Total All-In Sustaining Costs ¹ (C)	\$	(36,971)	(42,156)	-	(111,246)	-
Non-sustaining capital ¹	\$	-	(2,664)	-	(4,254)	-
All-In Margin¹	\$	33,343	43,906	-	142,670	-
add back: Sustaining and non-sustaining capital ¹	\$	2,712	5,984	-	10,286	-
Depreciation/depletion	\$	(14,147)	(17,773)	-	(47,665)	-
Non-cash operating income/(expense)	\$	115	852	-	967	-
Earnings from mine operations	\$	22,022	32,969	-	106,257	-
Unit cost analysis						
Realised gold price	\$/oz	1,214	1,298	-	1,288	-
Open pit mining cost per tonne mined	\$/t	2.14	2.00	-	1.90	-
Processing cost per tonne milled	\$/t	12.71	11.41	-	11.71	-
G&A cost per tonne milled	\$/t	6.03	7.40	-	6.79	-
Cash cost per ounce sold¹ D=B/A	\$/oz	519	484	-	441	-
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	638	617	-	555	-

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

2. Strip ratio includes capital waste.

3. Financial data is not presented for the pre-commercial production period before November 1, 2017.

Q3 2018 vs Q2 2018 Insights

- › Houndé performed in line with expectations during the rainy season, as the plant continued to perform above nameplate capacity. Production declined over the previous quarter as the rainy season limited access to higher grade ore which was partially offset by increased mill throughput.
 - Tonnes of ore mined increased slightly due to the addition of new mining equipment improving productivity. The strip ratio was flat, and for the time being remains below the life of mine average.
 - Transitional and fresh ore from the Vindaloo Main deposit continued to be the main ore type mined, supplemented by oxide ore from the Vindaloo North deposit where mining began in late Q1-2018, and from the Vindaloo Central deposit where mining began in Q2-2018.
 - Tonnes milled increased slightly, continuing to perform nearly 30% above nameplate. The ore blend continued to be mainly transitional/fresh ore. Oxide ore represented 32% of the mill feed, up from 25% in Q2-2018.
 - The average grade milled decreased slightly as the rainy season limited access to higher grade ore.
 - Recovery rates decreased slightly to 94% but remained at high levels.
- › AISC increased mainly due to the lower anticipated processed grade, and higher unit mining and processing costs which were partially offset by lower unit G&A costs and lower sustaining capital.
 - Mining unit costs increased from \$2.00 to \$2.14 per tonne because of higher vehicle hours and longer hauling distances which was partially offset by the increased volumes mined.
 - Processing unit costs increased from \$11.41 to \$12.71 per tonne due to the fresh ore being utilised, offset by the increased throughput volumes.
 - Sustaining capital decreased from \$3.3 million to \$2.7 million (from \$49/oz to \$47/oz) following the purchase of water pumps in Q2-2018 in anticipation of the rainy season.
- › There was no non-sustaining capex incurred during the quarter.
- › Depreciation and depletion decreased for the quarter mainly due to a decrease in production as well as an increase of depreciation captured in inventory as stockpiles were increased in the period.

YTD-2018 vs YTD-2017 Insights

- › Commercial production began in Q4-2017.

Q4-2018 Outlook

- › Houndé is comfortably on track to meet the top of end its full-year 2018 production guidance of 250,000 – 260,000 ounces and the low end of its AISC guidance of \$580-630 per ounce.
- › Relocation activities at the Bouere deposit are continuing as planned and pre-stripping is expected to occur in early 2019.

Exploration

- › Houndé has been the strongest exploration focus for Endeavour in 2018 with 44,000 meters drilled in Q3-2018 totalling more than 165,000 meters since the start of the year, mainly focused on the Kari anomaly.
- › In May, initial drill results were published for the Kari Pump and in addition to announcing the discovery of the nearby Kari Centre and Kari West.
- › In Q3-2018, significant focus was placed on delineating an initial resource at Kari Pump with the result expected to be published in the coming weeks.

Table 7: Agbaou key performance indicators

	Unit	THREE MONTHS ENDED			NINE MONTHS ENDED	
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Operating Data						
Tonnes ore mined	Kt	625	611	824	1,918	2,157
Tonnes of waste mined	Kt	6,317	7,190	6,752	20,777	18,727
Open pit strip ratio ²	w:o	10.11	11.77	8.19	10.83	8.68
Tonnes milled	Kt	669	727	770	2,122	2,146
Average gold grade milled	g/t	1.54	1.60	1.96	1.53	2.09
Recovery	%	94%	92%	93%	93%	94%
Gold produced:	oz	31,248	33,653	46,326	96,975	133,752
Gold sold (A):	oz	30,649	34,471	46,675	98,679	133,378
Financial Data (\$'000)						
Revenues	\$	36,853	44,703	59,428	126,118	166,904
Mining costs-open pit	\$	(17,826)	(20,698)	(19,829)	(61,397)	(52,063)
Processing cost	\$	(5,201)	(5,482)	(5,451)	(16,343)	(15,426)
G&A cost	\$	(3,220)	(3,013)	(3,006)	(9,496)	(8,769)
Capitalised waste	\$	3,239	3,772	1,092	14,961	1,960
Inventory adjustments and other	\$	(1,242)	595	1,622	2,104	2,086
Total Cash Cost ¹ (B)	\$	(24,250)	(24,826)	(25,571)	(70,171)	(72,211)
Royalties	\$	(1,358)	(1,638)	(2,080)	(4,830)	(5,894)
Sustaining capital ¹	\$	(3,636)	(1,749)	(2,140)	(7,688)	(6,401)
Total All-in Sustaining Costs ¹ (C)	\$	(29,244)	(28,213)	(29,792)	(82,689)	(84,507)
Non-sustaining capital ¹	\$	(131)	(2,877)	-	(10,958)	-
All-In Margin¹	\$	7,478	13,613	29,636	32,471	82,397
add back: Sustaining and non-sustaining capital ¹	\$	3,767	4,626	2,140	18,646	6,401
Depreciation/depletion	\$	(7,123)	(8,806)	(8,405)	(23,544)	(24,580)
Non-cash operating income/(expense)	\$	-	1	25	(1,316)	
Earnings from mine operations	\$	4,122	9,434	23,396	26,257	64,218
Unit cost analysis						
Realised gold price	\$/oz	1,202	1,297	1,273	1,278	1,251
Open pit mining cost per tonne mined	\$/t	2.57	2.65	2.62	2.71	2.49
Processing cost per tonne milled	\$/t	7.77	7.54	7.08	7.70	7.19
G&A cost per tonne milled	\$/t	4.81	4.14	3.90	4.48	4.09
Cash cost per ounce sold¹ D=B/A	\$/oz	791	720	548	711	541
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	954	818	638	838	634

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

2. Strip ratio includes capital waste

Q3 2018 vs Q2 2018 Insights

- › As guided, 2018 is a transitional year for Agbaou with a focus on waste capitalisation activities which are expected to provide access to higher grade areas in the latter portion of Q4-2018. As such, production remained at low levels in Q3-2018 as mining continued to be constrained to low-grade areas and low-grade stockpiles continued to supplement the mine feed. Moreover, production decreased slightly over the previous quarter mainly due to the impact of the rainy season and lower tonnes milled.
 - Tonnes of ore mined remained flat while total tonnes mined decreased by 11% due to the slowdown caused by the rainy season. Mining focused in West Pit 5, where the pre-strip was completed in Q3-2018, while sustaining waste capitalisation activities accelerated in the South Pit.
 - Mill throughput decreased because of lower availability attributed to scheduled plant maintenance and due to the proportion of fresh ore processed increasing to 32% from 28%, with the remainder being softer oxide ore.
 - Average processed grades slightly decreased as low-grade stockpiles continued to supplement the mill feed.
 - Recovery rates increased to 94% despite the higher blend of fresh ore processed.
- › All-in sustaining costs increased as guided mainly due to the significant increase in sustaining waste capitalisation activities and an increase in unit processing and G&A costs which were partially offset by lower unit mining costs.
 - Mining unit costs decreased from \$2.65 to \$2.57 per tonne due to a reduction in load and haul costs as higher elevations of the newly commissioned West pit 5 were mined.
 - Processing unit costs increased from \$7.54 to \$7.77 per tonne due to lower tonnage and an increase in reagents consumed due to more fresh ore processed.
 - Sustaining capital costs increased from \$1.8 million to \$3.6 million (from \$51/oz to \$119/oz) primarily due to the increase in capitalised waste.
- › Non-sustaining capital decreased from \$2.9 million to \$0.1 million due to the completion of pre-stripping in West pit 5.
- › Depreciation and depletion decreased for the quarter mainly due to a decrease in production as well as an increase of depreciation captured in inventory as stockpiles were increased in the period.

YTD-2018 vs YTD-2017 Insights

- › As guided, production decreased and AISC increased as stockpiles supplement the mine feed to allow waste capitalisation activities to progress.

Q4-2018 Outlook

- › Agbaou is on track to meet to the low end of its full-year 2018 production guidance of 140,000 – 150,000 ounces and the low end of its AISC guidance of \$860-\$900 per ounce.
- › Agbaou's profile is expected to improve in the latter portion of Q4-2018 as the waste capitalisation activities are expected to provide access to higher grade areas.

Exploration Activities

- › Less than 1,000 meters were drilled in Q3-2018 due to the seasonal rain. Since the beginning of 2018 more than 27,000 meters have been drilled.
- › A total of more than 20,000 meters, representing most of the drilling, was focused on open pit targets located along extensions of known deposits and on parallel trends. Mineralisation was confirmed at the extensions of several deposits including the MPN, North Pit Satellite 3, West Pit 5 and Beta.
- › The at-depth potential of the North pit was tested earlier in the year and mineralisation was confirmed. However, as a potential resource in this area may not be suitable for open pit operations, the focus was directed to the abovementioned open pit targets.

Table 8: Ity key performance indicators

	Unit	THREE MONTHS ENDED			NINE MONTHS ENDED	
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Operating Data:						
Tonnes ore mined	Kt	253	304	305	927	1,008
Tonnes of waste mined	Kt	614	792	886	2,607	3,960
Open pit strip ratio ²	w:o	2.43	2.61	2.90	2.81	3.93
Tonnes of ore stacked	Kt	326	308	312	991	822
Average gold grade stacked	g/t	2.64	2.81	1.58	2.52	1.85
Recovery	%	78%	88%	74%	79%	85%
Gold produced:	oz	20,993	25,000	11,727	64,258	41,739
Gold sold (A):	oz	20,929	26,270	11,799	64,729	43,372
Financial Data (\$'000)						
Revenues	\$	24,647	34,207	15,101	82,331	54,252
Mining costs-open pit	\$	(6,087)	(8,462)	(6,142)	(22,379)	(15,815)
Processing cost	\$	(4,793)	(5,179)	(4,601)	(15,208)	(12,619)
G&A cost	\$	(2,877)	(3,584)	(2,672)	(9,305)	(7,697)
Capitalised waste	\$	-	-	541	-	2,376
Inventory adjustments and other	\$	(196)	436	1,863	3,383	723
Total Cash Cost (B)	\$	(13,953)	(16,789)	(11,011)	(43,509)	(33,032)
Royalties	\$	(952)	(1,165)	(697)	(3,036)	(2,110)
Sustaining capital ¹	\$	(382)	(786)	(1,752)	(2,006)	(4,763)
Total All-In Sustaining Costs ¹ (C)	\$	(15,287)	(18,740)	(13,460)	(48,551)	(39,905)
Non-sustaining capital ¹	\$	-	-	(1,298)	-	(3,485)
All-In Margin¹	\$	9,360	15,467	343	33,780	10,862
add back: Sustaining and non-sustaining capital ¹	\$	382	786	3,050	2,006	8,248
Depreciation/depletion	\$	(5,769)	(7,470)	(3,970)	(20,656)	(15,080)
Non-cash operating income/(expense)	\$	(142)	(409)	126	(2,275)	(290)
Earnings from mine operations	\$	3,832	8,374	(451)	12,855	3,740
Unit cost analysis						
Realised gold price	\$/oz	1,178	1,302	1,280	1,272	1,251
Open pit mining cost per tonne mined	\$/t	7.02	7.72	5.16	6.33	3.18
Processing cost per tonnes stacked	\$/t	14.70	16.81	14.75	15.35	15.35
G&A cost per tonnes stacked	\$/t	8.83	11.64	8.56	9.39	9.36
Cash cost per ounce sold¹ D=B/A	\$/oz	667	639	933	672	762
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	730	713	1,141	750	920

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

2. Strip ratio includes capital waste

Q3 2018 vs Q2 2018 Insights

- › As guided, 2018 is expected to be a transition year for the heap leach operation due to the CIL construction activities, specifically in the second half of the year where the aim was to mainly stack ore from lower grade stockpiles. However, Ity's heap leach operation performed above expectations in Q3-2018 as mining was opportunistically conducted based on equipment availability.
- › Production declined, however less than initially planned, over the previous quarter due to lower grades stacked and a lower recovery rate which was partially offset by an increase in tonnes stacked.
 - Tonnes of ore mined decreased, in line with the strategy to reduce heap-leach mining activity and prioritize the CIL construction, and due to the rainy season. Mining focused on the high-grade Bakatouo pit (where mining stopped in late August and will be continued once the CIL is commissioned) and on the Ity pit.
 - Ore stacked increased due to high plant availability and utilization.
 - The stacked grade decreased as less high-grade tonnage was mined and feed was supplemented with lower grade stockpiles.
 - Recovery rates decreased due to the blending of ore types stacked, however remain at a higher than anticipated level due to reagent optimization.
- › AISC increased slightly, despite decreases in unit mining, processing, and G&A costs, due to the lower grade and recovery rates.
 - Mining unit costs decreased from \$7.72 to \$7.02 per tonne mainly due to shorter haul distances and fewer fleet rentals as mining for the heap leach operations winds down.
 - Processing unit costs decreased from \$16.81 to \$14.70 per tonne due to lower reagent usage and an increase in stacking volume.
 - Sustaining capital costs decreased by \$0.4 million to \$0.4 million (from \$30/oz to \$18/oz) as the heap leach operation winds down.
- › There was no non-sustaining capital spent in the quarter.
- › Depreciation and depletion decreased in line with production.

YTD-2018 vs YTD-2017 Insights

- › Production increased and AISC decreased mainly due to increased stacked tonnages and higher grades from the Bakatouo pit, which compensated for lower recovery rates.

Q4-2018 Outlook

- › Due to the opportunistic mining done in Q3-2018, Ity has already surpassed its full-year 2018 production guidance of 60,000 – 65,000 ounces and is on track to meet the bottom half of its AISC guidance of \$790-\$850 per ounce.
- › Q4-2018 production is expected to decline and AISC to increase as a greater proportion of low-grade stockpiles are expected to be processed as the heap leach operation winds down by year-end.

Exploration Activities (for Ity CIL Project)

- › Nearly 3,000 meters were drilled Q3-2018 totalling more than 38,000 meters since the start of the year, mainly focused on:
 - The Le Plaque target where additional resources are expected to be delineated in H1-2019, with intention to initiate exploitation license application as soon as possible.
 - The Daapleu deposit where mineralisation was confirmed at-depth.
 - In addition, a deep hole was drilled below the heap leach pad which confirmed the occurrence of mineralisation 200 meters southwest of the Bakatouo deposit.
- › The focus in Q4-2018 is expected to be placed on the Le Plaque target where an updated resource is expected to be delineated in H1-2019.

Table 9: Karma key performance indicators

	Unit	THREE MONTHS ENDED			NINE MONTHS ENDED	
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Operating Data:						
Tonnes ore mined	Kt	755	1,636	593	3,927	2,678
Tonnes of waste mined	Kt	2,272	3,298	3,044	7,850	8,918
Open pit strip ratio ²	w:o	3.01	2.02	5.13	2.00	3.33
Tonnes of ore stacked	Kt	981	838	720	3,060	2,526
Average gold grade stacked	g/t	1.02	0.93	0.91	0.94	1.08
Recovery	%	89%	78%	87%	80%	85%
Gold produced:	oz	26,064	21,024	21,005	75,274	76,880
Gold sold (A) :	oz	24,668	21,625	20,622	74,792	76,361
Financial Data (\$'000)						
Revenues ³	\$	23,951	21,879	20,228	77,555	78,302
Mining costs-open pit	\$	(9,626)	(10,267)	(6,378)	(29,456)	(21,391)
Processing cost	\$	(8,295)	(8,794)	(8,097)	(26,815)	(22,796)
G&A cost	\$	(3,526)	(3,372)	(3,492)	(10,626)	(11,002)
Capitalised waste	\$	3,502	1,431	1,491	7,291	1,970
Inventory adjustments and other	\$	(27)	4,090	260	3,151	259
Total Cash Cost (B)	\$	(17,972)	(16,912)	(16,216)	(56,455)	(52,960)
Royalties	\$	(1,761)	(1,703)	(2,068)	(5,975)	(6,233)
Sustaining capital ¹	\$	(1,022)	(516)	(1,775)	(2,202)	(2,739)
Total All-In Sustaining Costs ¹ (C)	\$	(20,755)	(19,131)	(20,059)	(64,632)	(61,932)
Non-sustaining capital ¹	\$	(8,332)	(5,482)	(7,415)	(17,029)	(12,849)
All-In Margin¹	\$	(5,136)	(2,734)	(7,246)	(4,106)	3,521
add back: Sustaining and non-sustaining capital ¹	\$	9,354	5,998	9,190	19,231	15,588
Depreciation/depletion	\$	(8,723)	(9,840)	(1,757)	(26,637)	(15,476)
Non-cash operating income/(expense)	\$	3	(2,231)	388	(1,009)	393
Earnings (loss) from mine operations	\$	(4,502)	(8,807)	575	(12,521)	4,026
Unit cost analysis						
Realised gold price ³	\$/oz	971	1,012	981	1,037	1,025
Open pit mining cost per tonne mined	\$/t	3.18	2.08	1.75	2.50	1.84
Processing cost per tonnes stacked	\$/t	8.46	10.50	11.25	8.76	9.02
G&A cost per tonne stacked	\$/t	3.59	4.02	4.85	3.47	4.36
Cash cost per ounce sold¹ D=B/A	\$/oz	729	782	786	755	694
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	841	885	973	864	811

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

2. Strip ratio includes capital waste.

3. Revenue and realised gold price are net of gold stream sales to Franco/Nevada and Sandstorm.

Q3 2018 vs Q2 2018 Insights

- › As expected, production increased in Q3, despite the rainy season, due to the higher grades and better recovery rates associated with the Kao oxide ore.
 - Tonnes mined decreased as expected due to the rainy season. Mining focused on oxide ore from the Kao pit after the completion of mining transitional ore from the GG2 pit in Q2-2018.
 - Tonnes stacked increased due to improved throughput from oxide ore.
 - The stacked grade increased as a result of higher grades from the Kao deposit.
 - Recovery significantly increased due to timing associated with the leach cycle as well as higher usage of oxide ore.
- › AISC decreased mainly due increased production, lower processing costs and G&A costs, which were partially offset by higher unit mining costs.
 - Mining costs increased from \$2.08 to \$3.18 per tonne due to the volume effect of mining less ore as a result of the seasonal conditions.
 - Processing costs decreased from \$10.50 to \$8.46 per tonne due to the higher stacked tonnes and lower reagent consumption for oxide material processed.
 - Sustaining capital costs increased by \$0.5 million to \$1.0 million (from \$21 to \$41/oz) mainly due to an increase in capital waste.
- › Non-sustaining capital spend increased by \$2.8 million to \$8.3 million mainly due to pre-stripping at the Kao deposit, as well as the resettlement costs associated to its development.
- › Depreciation and depletion decreased due to an increase in depreciable assets in the second quarter which returned to normalised levels in Q3-2018.

YTD-2018 vs YTD-2017 Insights

- › Production decreased and AISC increased due to the lower recovery rate associated with treating the GG2 transitional ore in the first half of the year, while 2017 benefited from higher recovery rates associated with oxide high-grade ore from the mined-out Rambo deposit.

Q4-2018 Outlook

- › Karma is on track to meet to the low-end of its full-year 2018 production guidance of 105,000 – 115,000 ounces and the top end of its AISC guidance of \$780-830 per ounce.
- › Karma's profile is expected to slightly improve in Q4-2018 following the end of the rainy season.

Exploration Activities

- › More than 23,000 meters have been drilled since the start of the year, with no meters drilled in Q3-2018 due to the seasonal rain.
- › Drilling this year has mainly focused on the Eastern extension of the North Kao deposit, on Yabonso and on Rambo West where indicated resources are expected to be delineated by year-end. In addition, auger drilling and soil geochemical sampling was conducted on earlier stage targets such as Rouna and Zanna.

4.4. ASSET HELD FOR SALE

Tabakoto Gold Mine, Mali

Table 10: Tabakoto key performance indicators

	Unit	THREE MONTHS ENDED			NINE MONTHS ENDED	
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Operating Data						
Tonnes ore mined- Open pit	Kt	146	109	108	464	482
Tonnes of waste mined - Open pit	Kt	766	1,187	990	3,584	4,054
Open pit strip ratio ²	w:o	5.25	10.89	9.13	7.72	8.40
Tonnes mined- Underground	Kt	182	189	226	573	790
Ore tonnes mined - Underground	Kt	143	143	179	437	599
Tonnes milled	Kt	433	423	392	1,297	1,204
Average gold grade milled	g/t	2.08	2.11	2.64	2.24	3.16
Recovery	%	92%	92%	94%	92%	94%
Gold produced:	oz	26,456	26,819	31,602	85,642	115,878
Gold sold (A):	oz	25,851	28,595	31,693	85,809	116,895
Financial Data (\$'000)						
Revenues	\$	31,337	37,350	40,353	110,076	146,071
Mining costs- Open pit	\$	(4,884)	(4,465)	(4,295)	(14,222)	(16,576)
Mining costs- Underground	\$	(15,638)	(12,912)	(17,129)	(42,969)	(50,541)
Processing cost	\$	(9,720)	(7,513)	(8,165)	(25,353)	(25,030)
G&A cost	\$	(4,224)	(4,599)	(4,753)	(12,952)	(13,150)
Capitalised waste	\$	4,260	3,268	2,527	11,101	12,595
Inventory adjustments and other	\$	2,859	(3,925)	(3,165)	(2,260)	(9,224)
Total Cash Cost ¹ (B)	\$	(27,349)	(30,146)	(34,980)	(86,655)	(101,926)
Royalties	\$	(1,865)	(2,237)	(2,426)	(6,576)	(8,729)
Sustaining capital ¹	\$	(7,496)	(7,563)	(3,090)	(21,303)	(16,185)
Total All-In Sustaining Costs ¹ (C)	\$	(36,710)	(39,946)	(40,496)	(114,534)	(126,840)
Non-sustaining capital ¹	\$	(8,096)	(891)	(445)	(8,987)	(680)
All-In Margin¹	\$	(13,469)	(3,487)	(589)	(13,445)	18,550
add back: Sustaining and non-sustaining capital ¹	\$	15,592	8,454	3,535	30,290	16,865
Depreciation/depletion	\$	-	(8,598)	(16,850)	(13,161)	(34,834)
Non-cash operating income/(expense)	\$	(2,961)	(17,369)	(2,377)	(23,309)	(6,096)
Earnings (loss) from mine operations	\$	(838)	(21,000)	(16,281)	(19,625)	(5,515)
Unit cost analysis						
Realised gold price	\$/oz	1,212	1,306	1,273	1,283	1,250
Open pit mining cost per tonne mined	\$/t	5.36	3.45	3.91	3.51	3.65
Underground mining cost per tonne mined	\$/t	85.92	68.32	75.79	74.99	63.98
Processing cost per tonne milled	\$/t	22.45	17.76	20.83	19.55	20.79
G&A cost per tonne milled	\$/t	9.76	10.87	12.13	9.99	10.92
Cash cost per ounce sold¹ D=B/A	\$/oz	1,058	1,054	1,104	1,010	872
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	1,420	1,397	1,278	1,335	1,085

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

2. Strip ratio includes capital waste

Strategic Assessment Update

- › The strategic assessment completed in Q2-2018 demonstrated the potential to reduce the mines' AISC, mainly through capital investment to renew the underground fleet. These investments however do not meet Endeavours' capital allocation criteria and therefore a sale process was subsequently launched.
- › On September 4, 2018 Endeavour announced that it had entered into a binding sale agreement for its entire interest in the Tabakoto mine to Algom Resources Limited ("Algom"), a subsidiary of BCM Investments Ltd, for total cash consideration of \$60 million. The consideration is payable upon closing of the transaction which is expected to occur in Q4-2018. Accordingly, the Tabakoto mine cash generating unit ("CGU") is classified as an asset held for sale and a discontinued operation under IFRS.

Financial Statement Classification

- › As a result of the reclassification, earnings/(losses) have been restated for the current and comparative periods to reclassify the losses relating to the Tabakoto mine as loss from discontinued operations. All assets and liabilities relating to the Tabakoto mine CGU have been classified as current assets/liabilities held for sale at September 30, 2018. There is no impact on the presentation of the condensed interim consolidated statements of cash flows.
- › The Corporation recognized an impairment at September 30, 2018 of \$32.0 million based on the expected fair value less costs of disposal of the Tabakoto mine CGU.

Q3 2018 vs Q2 2018 Insights

- › Production remained flat, despite the impact of heavy rainfall, as a slightly higher mill throughput offset a slightly lower average processed grade.
 - Open pit ore mined increased as a result of a significant decrease in the strip ratio.
 - Underground ore mined remained flat, as equipment availability remains an issue due to the need for a new fleet, which began to arrive in late Q3-2018.
 - Processing activities continued to perform well, slightly increasing due to better mill availability and utilisation.
 - The average grade milled decreased mainly due to lower open pit grades while underground grades slightly increased.
 - The recovery rate remained at 92%.
- › AISC increased mainly due to lower ounces sold, higher unit underground and open pit mining costs, and higher unit processing costs which were partially offset by lower unit G&A costs.
 - Open pit mining costs increased from \$3.45 to \$5.36 per tonne due to additional drill and blast requirements at Kofi B as well as the volume effect of less tonnes mined.
 - Underground mining unit costs increased from \$68.32 to \$85.92 due to increased fleet maintenance costs which are expected to decrease in future periods as the new fleet is utilised.
 - Processing unit costs increased from \$17.76 to \$22.45 per tonne due to increased reagent consumption.
 - Sustaining capital spend remained flat at \$7.5 million, compared to \$7.6 million in Q2-2018, however increasing on a per ounce basis from \$264 to \$290/oz due to lower ounces sold.
- › Non-sustaining capital spend of \$8.1 million, up from \$0.9 million, was due to the receipt of new mining equipment late in the quarter.
- › There was zero depreciation and depletion this quarter as the asset is classified as held for sale under IFRS.

YTD-2018 vs YTD-2017 Insights

- › Production decreased and AISC increased mainly due to a decrease in processed grades following the completion of the high-grade Kofi C pit in 2017.

Q4-2018 Outlook

- › Tabakoto is on track to meet to the low-end of its full-year 2018 production guidance of 115,000 – 130,000, however it is expected to be above the guided \$1,200 – \$1,250 AISC per ounce due to increased sustaining capital development work planned and poor equipment availability.

Exploration Activities

- › During Q3-2018 there was no drilling was done on the surface and nearly 6,000 meters were drilled underground.
- › Since the start of the year nearly 5,000 meters were drilled on open pit targets while more than 19,000 meters were drilled in the underground mines with the aim of replenishing depletion.

4.5. DEVELOPMENT PROJECTS REVIEW

Ity CIL Project, Côte d'Ivoire

- › The engineering optimisation study was published in September 2017 and demonstrated that Ity CIL would 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, an after-tax NPV 5% of \$710 million, and IRR of 40% at \$1,250 per ounce.
- › On July 27, 2017, Endeavour Mining announced that Indicated Resources had increased by 1.0 million ounces since the beginning of the year to 3.8 million ounces. This was a 1.5-million-ounce increase in the Indicated Resources base since the publication of the November 2016 Feasibility Study (“FS”), representing a 65% increase.
- › A construction decision was made in Q3-2017, and an updated reserve estimate was published in September 2017 as part of an Optimisation Study 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.

September 30, 2018 - Achievements to date

- › Construction is progressing well and remains on-time and on-budget with the first gold pour expected by early Q2-2019.
- › The major milestones achieved to date include:
 - More than 6 million man-hours worked with zero lost-time injuries.
 - Overall project completion stands at over 75%, tracking approximately two months ahead of schedule.
 - Nearly all of the total capital cost of \$412 million has been committed. As at September 30, 2018, the project capital expenditure stands at \$276 million, which includes approximately \$232 million of cash outflow, \$33 million of leased equipment and \$11 million of non-cash working capital. There is expected to be a \$50 - \$60 million cash outflow in the final quarter of 2018 with the remaining cash outflow in H1-2019.
 - The process plant construction is over 70% complete, tracking ahead of schedule as the ball and SAG mill installation commenced three months earlier than initially planned. Structural, mechanical, piping and electrical installation work is well underway.
 - Tailings storage facility earthworks are progressing well against schedule with over 70% completed. Installation of the rubber lining has commenced.
 - The 90-kilovolt transmission line and 29-megawatt power station construction are progressing well against schedule with over 70% completed. First power drawdown is expected to in Q1-2019.
 - The haul road bridge, to access the Daapleau pit, is 92% complete, with substructure concrete completed.
 - Employee permanent camp construction is complete with all 312 rooms available for occupation.
 - The resettlement program is progressing well against schedule with over 90% completed.
 - More than 2,800 personnel, including contractors, are currently employed on-site, approximately 90% of which are locals.

- › Following the close of the acquisition in late Q3-2017, Endeavour Mining 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 to establish access for exploration.
 - Resuming exploration activities on both the Kalana deposit and nearby targets including Kalanako.
 - Launching a revised Feasibility Study with the goal of increasing the current plant design capacity to increase the average annual production and shorten the mine life based on current reserves, integrating the exploration results from the upcoming drilling campaign, whilst leveraging Endeavour Mining’s construction expertise and realised operating synergies.
 - Dedicated Kalana Project Community Relations and health, safety and environment teams were created to validate the census and stakeholder mapping, with the aim of defining a resettlement action plan before relocation activities commence.

September 30, 2018 - Achievements to date

- › An intensive exploration program, consisting of 48,000 meters of drilling, was finalised in early Q2-2018 on the Kalana and Kalanako deposits. No drilling was conducted in Q3-2018 as efforts were directed on completing the resource model with an updated resource estimate expected to be published in upcoming weeks.
- › At the Kalana deposit, the drilling confirmed the overall geological model and in-fill drilling is expected to convert a portion of the previously classified inferred resources in the North Eastern part of the deposit, which will form the basis of the updated feasibility study.
- › At the Kalanako deposit, drilling has confirmed the continuation of the mineralisation and is expected to convert a portion of the previously classified inferred resources.
- › In parallel with completion of the resource model, work has progressed on the updated feasibility study which is expected to be published in H1-2019.

5. RESULTS FOR THE PERIOD

5.1. STATEMENT OF COMPREHENSIVE INCOME

Table 11: Statement of comprehensive income

(\$000s)	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Revenue	155,764	189,515	94,757	544,173	299,458
Operating expenses	(86,238)	(92,646)	(52,258)	(262,094)	(158,065)
Depreciation and depletion	(35,911)	(43,538)	(17,232)	(118,953)	(55,342)
Royalties	(8,293)	(10,254)	(4,844)	(30,730)	(14,236)
Earnings from mine operations	25,322	43,077	20,423	132,396	71,815
Corporate costs	(5,888)	(6,130)	(3,104)	(18,572)	(15,399)
Acquisition and restructuring costs	-	-	(7,654)	-	(10,114)
Share-based compensation	(4,007)	(10,109)	(9,132)	(16,784)	(18,575)
Exploration costs	(2,583)	(2,284)	(1,429)	(7,621)	(5,665)
Earnings/(loss) from operations	12,844	24,554	(896)	89,419	22,062
(Losses)/gains on financial instruments	24,755	10,922	554	24,274	(7,924)
Finance costs	(6,679)	(4,549)	(10,857)	(18,724)	(19,159)
Other (expenses)/income	(173)	(818)	(770)	(1,156)	1,920
Earnings/(loss) from continuing operations before taxes	30,747	30,109	(11,969)	93,813	(3,101)
Current income tax expense	(17,443)	(17,095)	(615)	(45,310)	(7,104)
Deferred tax (expense)/recovery	2,007	(4,432)	484	2,456	9,267
Net loss from discontinued operations ¹	(35,705)	(24,025)	(52,422)	(59,137)	(42,306)
Total net and comprehensive loss	(20,394)	(15,443)	(64,522)	(8,178)	(43,244)

1. The financial results of Tabakoto and Nzema have been classified as a discontinued operation in accordance with IFRS reporting standards.

Review of results for the three and nine months ended September 30, 2018:

- › Revenues for Q3-2018 were \$155.8 million and \$544.2 million YTD-2018 compared to \$94.8 million and \$299.5 million in the same period of 2017. The increase is primarily due to the inclusion of the Houndé mine from Q4-2017. Q3-2018 revenue decreased by \$33.8 million from Q2-2018 due to a reduction in gold sold as well as a decrease in the gold price.
- › Operating expenses for Q3-2018 were \$86.2 million and \$262.1 million YTD-2018 compared to \$52.3 million and \$158.1 million in the same periods of 2017. The upward trend compared to 2017 is due to the inclusion of the Houndé mine, as well as an increase in operating expenses at Ity against the comparative periods due to higher gold production at Ity in 2018. Operating expenses decreased by \$6.4 million in Q3-2018 compared to Q2-2018 primarily due to less mining activity occurring due to seasonal conditions as well as the Ity Heap-Leach mining activity starting to wind down ahead of the CIL Project completion.
- › Depreciation and depletion in Q3-2018 was \$35.9 million and \$119.0 million YTD-2018 compared to \$17.2 million and \$55.3 million in the comparative periods of 2017. The increase is primarily due to the addition of Houndé mine, as well as the change in depletable ounces in 2018. Depreciation and depletion decreased in Q3-2018 by \$7.6 million compared to Q2-2018 due to a decrease in production as well as an increase of depreciation captured in inventory as stockpiles were increased in the period.
- › Corporate costs for Q3-2018 were \$5.9 million and \$18.6 million YTD-2018 compared to \$3.1 million and \$15.4 million in the comparative periods of 2017. The increase is due to corporate costs returning to more normalised levels in 2018. Corporate costs in Q3-2018 decreased by \$0.2 million due to the timing of expenditures in the normal course of business.
- › Share based compensation was \$4.0 million in Q3-2018 and \$16.8 million YTD-2018, compared to \$9.1 million and \$18.6 million in the same periods of 2017. Share based compensation decreased in Q3-2018 by \$6.1 million compared to Q2-2018. The changes in the expense are due to the expensing of the fair value of the PSUs into earnings over the terms of the previously granted PSUs.

- › Exploration expense was \$2.6 million in Q3-2018 and \$7.6 million YTD-2018 compared to \$1.4 million and \$5.7 million in the same periods of 2017. The slight increases is due to increased exploration in 2018 that includes more greenfield work, as management continues to focus on unlocking exploration value within the portfolio. Q3-2018 was a \$0.3 increase compared to Q2-2018 due to the timing of exploration work done throughout the year.
- › Gains on financial instruments was \$24.8 million in Q3-2018 and \$24.3 million for YTD-2018 compared to \$0.5 million and a \$8.0 million loss in the same periods of 2017. The YTD increase in 2018 is due to a \$17.5 million gain on the gold revenue protection program and a \$19.5 million unrealised gain on the convertible senior bond which was offset by a \$12.6 million foreign exchange loss. The gain on financial instruments increased by \$13.8 million in Q3-2018 compared to Q2-2018 due to the gain on the gold protection program caused by the depression in the gold price and the movement in fair value of the convertible bond option.
- › Finance costs were \$6.7 million for Q3-2018 and \$18.7 million YTD-2018 compared to \$10.9 million and \$19.2 million in the same periods of 2017. The decrease against both comparative periods is due to a higher rate of interest capitalised as more of the existing borrowings are used to fund the Ity CIL Project. The finance costs are related to charges for the RCF which has been drawn \$170.0 million as at September 30, 2018, as well as costs associated with the convertible bond. Q3-2018 finance costs increased by \$2.1 million compared to Q2-2018 due to the accrued interest on the additional \$80.0 million drawn on the RCF in Q3-2018.
- › Current income tax expense was \$17.4 million in Q3-2018 and \$45.3 million YTD-2018 compared to \$0.6 million and \$7.1 million in the same periods of 2017. The increase is primarily due to the inclusion of Houndé in 2018, as well as higher taxable income at Ity compared to the prior year. Q3-2018 current income was \$0.3 million higher than Q2-2018 due to the inclusion of \$7.0 million of tax expense included in Q3-2018 relating to a change in estimate of 2017 taxable income surrounding the deductibility of pre-production costs at Houndé. This was offset by lower taxable income in Q3-2018 due to the reduction in revenue during the rainy season.
- › The loss from discontinued operations was \$35.7 million in Q3-2018 and \$59.1 million YTD-2018 compared to \$52.4 million and \$42.3 million in the same periods of 2017. The 2018 balance relates to Tabakoto and is inclusive of a \$32.0 million impairment. The 2017 balance relates to Nzema and is inclusive of a \$53.6 million impairment.

5.2. CASH FLOW

The following table reconciles the AISC margin, and all-in margin to the quarterly change in cash.

Table 12: Free cash flow¹

\$(000's)	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Gold ounces sold	134,159	150,732	79,096	438,679	253,111
Realised gold price	1,161	1,257	1,198	1,240	1,183
Revenue	155,764	189,515	94,757	544,173	299,458
Total cash costs	(86,211)	(91,675)	(52,770)	(258,460)	(158,169)
Royalties	(8,293)	(10,254)	(4,844)	(30,730)	(14,236)
Corporate costs	(5,888)	(6,130)	(3,104)	(18,572)	(15,399)
Sustaining capital ¹	(7,752)	(6,371)	(5,667)	(17,928)	(13,903)
Sustaining exploration ¹	(1,839)	(3,108)	(1,185)	(7,223)	(9,496)
All-in Sustaining Margin from continuing operations¹	45,781	71,977	27,187	211,260	88,255
All-in Sustaining Margin from discontinued operations ¹	(5,373)	(2,596)	22,040	(4,458)	56,137
All-in Sustaining Margin from all operations¹	40,408	69,381	49,227	206,802	144,392
Less: Non-sustaining capital ¹	(16,559)	(10,397)	(8,377)	(41,228)	(22,553)
Less: Non-sustaining exploration ¹	(5,832)	(10,504)	(6,616)	(31,251)	(22,178)
All-In Margin¹	18,017	48,480	34,234	134,323	99,661
Operating working capital changes as per statement of cash flows	(33,558)	(9,012)	17,153	(88,988)	(5,630)
Changes in long-term inventories	(8,835)	(7,213)	-	(19,103)	-
Taxes paid	(10,090)	(5,626)	(5,119)	(18,006)	(16,413)
Interest paid and financing fees	(14,258)	(14,188)	(14,560)	(36,532)	(21,547)
Cash settlements on hedge programs, gold collar premiums	3,019	(1,744)	-	694	(3,658)
Net free cash flow¹	(45,705)	10,697	31,708	(27,612)	52,413
Growth projects ¹	(68,020)	(87,933)	(90,268)	(230,733)	(220,906)
Exploration expense ²	(2,583)	(2,284)	(1,429)	(7,621)	(5,665)
M&A Activities ³	-	-	6,867	-	(54,277)
Cash paid on settlement of share appreciation rights, DSUs and PSUs	-	(1,890)	(2,406)	(4,447)	(3,507)
Net equity proceeds/(dividends)	(1,956)	(43)	25,691	(1,397)	77,497
Restructuring costs	-	-	(6,539)	-	(6,976)
Proceeds (repayment) of long-term debt	80,000	70,000	80,000	(130,000)	160,000
Convertible senior bond	-	-	-	330,000	-
Other (foreign exchange gains/losses and other)	(6,591)	(310)	(3,141)	(13,648)	2,472
Cash inflow/(outflow) for the period	(44,856)	(11,764)	40,483	(85,459)	1,051

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

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

3. M&A activities include acquisition and disposal costs, as well as any cash received from disposed operations.

- › All-in margin for Q3-2018 was \$18.0 million compared to \$34.2 million for Q3-2017. The decrease is mainly due to higher non-sustaining capital expenditure at Tabakoto as well as a lower realised gold price in Q3-2018.
- › Interest paid and financing fees consists YTD of repayments of finance lease obligations of \$15.5 million, interest paid of \$11.4 million and payment of financing and other fees of \$9.6 million. The increase on the comparative period is due to increased levels of group debt and leasing.
- › Net free cash flow for Q3-2018 was an outflow of \$45.7 million compared to an inflow of \$31.7 million in Q3-2017. The change is mainly due to the \$50.7 million working capital variation between periods, as well as a build up of long-term stockpiles which is described in the section below.
- › Growth projects cash outflow was \$230.7 million in YTD-2018 which was comprised of \$205.8 million on the Ity CIL project, \$6.7 million on TSF construction at Houndé, \$8.9 million on Kalana and \$9.3 million of capital expenditure on aviation equipment purchased to reduce travel costs and improve efficiency.

Working Capital and Long-term inventory

The year-to-date working capital is an outflow of \$89.0 million which is broken down as follows:

- › Receivables are a YTD-2018 outflow of \$12.0 million. This is due to the timing of gold sales at Houndé and Agbaou with cash from gold sales made late in September not received until October, all monies for these transactions were received by the group subsequent to the balance sheet date. This is partially offset by the receipt of VAT receivables at Karma.
- › Inventories are a YTD-2018 outflow of \$43.1 million, this is due to a build up of stockpiles at Houndé which has been performing above nameplate capacity. There have also been stockpile increases at Karma and Agbaou where mining volumes have been strong in the year. This has resulted in a \$21 million outflow YTD-2018 of stockpiles and should be utilised in Q4-2018 and early 2019. Gold-in-circuit levels have remained relatively stable over the year, with a \$0.5 million inflow for YTD-2018. Finished goods represent a \$1.7 million outflow due to the timing of gold pours at balance sheet date. Consumables are a \$20.6 million outflow, particularly at Houndé where the performance above nameplate capacity has necessitated more consumables to deal with the increased throughput as well as an increase in critical spares at Karma and Tabakoto.
- › Prepayments are a YTD-2018 \$7.9 million outflow due to a prepayment for strategic spares at Houndé and a deposit for new aviation equipment.
- › Trade and other payables are a \$25.0 million outflow YTD-2018 mainly due to a build up of payables at Agbaou in 2017 which was driven by a logistical issue in paying a key supplier, as well as Karma moving onto 30-day supplier payment terms to optimise operational efficiencies.
- › The changes in long-term inventories is a new policy adopted by the group whereby stockpiled material that will not be processed within 12 months is treated as a non-current asset. The outflow in the year represents the build-up of this newly classified item.

The YTD-2018 working capital outflow should be partially offset in Q4-2018 but also in early 2019 for some inventories which have a longer lead times to be converted into cash.

5.3. BALANCE SHEET

Table 13: Balance sheet

(\$000s)	AS AT		
	September 30, 2018	June 30, 2018	December 31, 2017
ASSETS			
Cash	33,302	78,762	122,702
Cash-restricted	658	665	1,327
Trade and other receivables	60,629	50,444	50,698
Income taxes receivable	-	378	627
Inventories	142,232	123,381	134,766
Current portion of derivative financial assets	16,814	7,762	-
Prepaid expenses and other	29,169	32,987	44,514
Assets held for sale	118,682	130,909	-
CURRENT ASSETS	401,486	425,288	354,634
Mining interests	1,445,137	1,370,812	1,310,638
Deferred income taxes	5,926	4,637	6,267
Other long term assets	39,233	29,588	14,658
TOTAL ASSETS	1,891,782	1,830,325	1,686,197
LIABILITIES			
Trade and other payables	143,774	144,771	215,661
Current portion of equipment finance obligations	16,497	19,452	17,658
Income taxes payable	35,725	22,652	2,746
Liabilities held for sale	59,811	57,714	-
CURRENT LIABILITIES	255,807	244,589	236,065
Equipment finance obligations	52,182	49,686	36,744
Long-term debt	474,480	410,204	286,440
Other long term liabilities	38,861	38,688	52,615
Deferred income taxes	70,915	71,633	73,712
TOTAL LIABILITIES	892,245	814,800	685,576
Share capital	1,738,410	1,738,131	1,735,074
Equity reserve	63,435	59,309	56,041
Deficit	(825,245)	(808,470)	(806,251)
Non-controlling interest	22,937	26,555	15,757
TOTAL EQUITY	999,537	1,015,525	1,000,621
TOTAL EQUITY AND LIABILITIES	1,891,782	1,830,325	1,686,197

Net Debt Position

The following table summarises the Corporation's net debt position as at September 30, 2018, June 30, 2018, and December 31, 2017.

Table 14: Net debt position

\$(000's)	September 30, 2018	June 30, 2018	December 31, 2017
Cash	33,302	78,762	122,702
Less: Equipment finance obligation	(68,679)	(69,138)	(54,402)
Less: Convertible senior bond	(330,000)	(330,000)	-
Less: Drawn portion of \$350 million RCF	(170,000)	(90,000)	(300,000)
Net Debt	(535,377)	(410,376)	(231,700)
Net Debt / Adjusted EBITDA LTM ratio	1.79	1.49	1.05

Adjusted EBITDA ratio is per table 18 and is calculated using the trailing twelve months Adjusted EBITDA as presented in prior reporting

Equipment Finance Obligations

The equipment finance obligation relates to leased Komatsu mining equipment at the Houndé mine and for the Ity CIL Project where mining equipment has been delivered and will be used in mining operations when they commence. A second batch of Komatsu equipment will be commissioned in Q4-2018 at Ity.

Table 15: Equipment Finance Obligations

	September 30, 2018	June 30, 2018	December 31, 2017
Houndé Mine	38,748	42,153	48,142
Ity Mine	29,931	26,985	-
Tabakoto Mine	-	-	6,260
Present value of minimum finance payments	\$ 68,679	\$ 69,138	\$ 54,402

Tabakoto liability zero due asset being held for sale and deconsolidated. Balances are included within Assets Held for Sale line on balance sheet.

Convertible Senior Notes (Long-term Debt)

On February 6, 2018, the Corporation completed a private placement of convertible senior notes with a total principal amount of \$330 million due in 2023 (the "Notes"). The initial conversion rate is 41.84 of the Corporation's common shares ("Shares") per \$1,000 Note, or an initial conversion price of approximately \$23.90 (CAD\$29.47) per share.

The Notes bear interest at a coupon rate of 3% payable semi-annually in arrears on February 15 and August 15 of each year, beginning on August 15, 2018. The Notes mature on February 15, 2023, unless earlier redeemed, repurchased or converted in accordance with the terms of the Notes. The Corporation may, subject to certain conditions, elect to satisfy the principal amount due at maturity or upon redemption through the payment or delivery of any combination of Shares and cash.

The key terms of the Notes include:

- › Principal amount of \$330 million.
- › Coupon rate of 3% payable on a semi-annual basis.
- › The term of the notes is 5 years, maturing in February 2023.
- › The notes are reimbursable through the payment or delivery of shares or, and cash.

- › The initial conversion price is \$23.90 (CAD \$29.47) per share.
- › The reference share price of the notes is \$18.04 (CAD \$22.24) per share.

For accounting purposes, the Corporation measures the Notes at amortised cost, accreted to maturity over the term of the Notes. The conversion option is an embedded derivative and is accounted for as a financial liability measured at fair value through the profit or loss, as the Corporation has the ability to settle the option at fair value in cash, common shares, or a combination of cash and common shares in certain circumstances.

Revolving Credit Facility (Long-term Debt)

On September 19, 2017, the Corporation refinanced its previous RCF and upsized the available funds to \$500 million revolving credit facility with a syndicate of leading international banks.

On February 10, 2018, the Corporation reduced the principal available of the RCF to \$350 million in line with the RCF's requirements as result of the Corporation completing a private placement of \$330 million convertible senior notes.

On March 9, 2018, the Corporation repaid \$280 million on the new RCF. To align with the reduction in the amount available under the new RCF, \$3.6 million of deferred financing charges were expensed in the quarter ended March 31, 2018. No further reductions have been made.

The key terms of the RCF include:

- › Principal amount of \$350 million.
- › Interest accrues on a sliding scale of between LIBOR plus 2.95% to 3.95% based on the Corporation's leverage ratio
- › Commitment fees for the undrawn portion of the new RCF of 1.03%.
- › The term of the new RCF is four years, maturing in September 2021.
- › The principal outstanding on the new RCF is repayable as a single bullet payment on the maturity date.
- › Banking syndicate includes Société Générale, ING, Citibank N.A., Investec Bank Plc, Macquarie Bank Ltd, Barclays Bank Ltd, HSBC and BMO.
- › The new RCF can be repaid at any time without penalty.

Other long-term liabilities

The main component of the Group's other long-term liabilities is the environmental rehabilitation provision which was \$33.2 million at September 30, 2018. The Corporation's mining and exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. These environmental regulations are continually changing. The Corporation has made, and intends to make in the future, provisions to comply with such laws and regulations or constructive obligations. The Corporation records a liability for the estimated future rehabilitation costs and decommissioning of its operating mines and development projects at the time the environmental disturbance occurs, or a constructive obligation is determined.

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, 2018.

Table 16: Outstanding shares

	September 30, 2018	June 30, 2018	December 31, 2017
Shares issued and outstanding	107,751,755	107,727,522	107,533,007
Stock options	50,535	60,668	144,877

As at November 7, 2018, the Corporation had 107,753,825 shares issued and outstanding, as well as 50,535 stock options outstanding.

Financial instruments

In the nine months ended September 30, 2018, the Corporation implemented a deferred premium collar strategy (“Collar”) using written call options and bought put options for the 15-month period from February 2018 to April 2019. The program covers a total of 400,000 ounces, representing approximately 50% of Endeavour’s total estimated gold production for the period, with a floor price of \$1,300 per ounce and ceiling price of \$1,500 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 consolidated statement of comprehensive loss.

As at September 30, 2018, 213,328 ounces remain outstanding under the Collar derivative liability. An unrealised gain of \$9.0 million and \$16.8 million was recognised in the three and nine months ended September 30, 2018.

The total premium payable for entering into the Collar of \$8.7 million is included as part of the Collar fair value and will be cash-settled on a net basis as monthly contracts mature. In the three and nine months ended September 30, 2018, the Corporation received \$3.0 million and \$0.7 million, for settlements of the Collar, included in realized gains on derivative financial instruments.

5.4. ACCOUNTING POLICIES AND CRITICAL JUDGEMENTS

New accounting policies

The Corporation has reviewed the impact of revised or new IFRS standards that have been issued effective 1 January 2018. The following evaluates the expected impact of the standards on the Corporation's accounting policies and financial statements:

- › IFRS 9, Financial Instruments: (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets and liabilities. In July 2014, IFRS 9 Financial Instruments was issued as a complete standard, including the requirements previously issued related to classification and measurement of financial assets and liabilities, and additional amendments to introduce a new expected loss impairment model for financial assets including credit losses. The Corporation has adopted this standard on the effective date of January 1, 2018. IFRS 9 replaced the multiple classification and measurement models for financial assets that currently exist under IAS 39 Financial Instruments, and the basis on which financial assets are measured will determine their classification as either, at amortized cost, fair value through profit and loss, or fair value through other comprehensive income.
- › IFRS 15 Revenue, The Corporation has adopted the requirements of IFRS 15 Revenue from Contracts with Customers ("IFRS 15") as of January 1, 2018. The principle of IFRS 15 Revenue principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of goods to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods. Specifically, IFRS 15 introduces a five-step approach to revenue recognition with an entity recognizing revenues when a performance obligation is satisfied, which is when "control" of the goods have transferred to the customer. Upon evaluating the transfer of control, the Corporation concluded there is no material change in the timing of revenue recognized under the new standard. The point of transfer of risks and rewards for goods and services under IAS 18 compared to the transfer of control under IFRS 15 occur at the same time based on contractual terms, the delivery of gold doré. For the purposes of evaluating variable consideration, the Corporation reviewed historical assay results and adjustments, as well as variable consideration with regards to timing of residual precious metal pricing. All these factors were considered insignificant and therefore no changes to revenue were recorded upon the adoption of IFRS 15.
- › The Corporation has determined that there is no impact of the change in the accounting policy in the accounting for revenue at the transition date.

The Corporation has not applied the following standards that has been issued but was not yet effective at September 30, 2018. The Corporation is currently evaluating the impact this standard is expected to have on the Corporation's accounting policies and financial statements:

- › IFRS 16 Leases: (effective January 1, 2019), was issued in January 2016 and provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Corporation is currently evaluating the impact this standard is expected to have on the financial statements and expects to quantify the impact of the adoption of this standard during the fourth quarter of 2018.

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 consolidated financial statements that have significant effects on the amounts recognised in the Corporation's condensed interim consolidated financial statements. These estimates include commencement of commercial production, determination of economic viability, functional currency, business combinations, exchangeable shares, and capitalisation of waste stripping. There have been no significant changes compared to December 31, 2017.

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, 2018, June 30, 2018, and September 30, 2017 and nine months ended September 30, 2018 and September 30, 2017.

Table 17: All-In Sustaining Margin¹

(\$'000)	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Revenues	155,764	189,515	94,757	544,173	299,458
Less: Royalties	(8,293)	(10,254)	(4,844)	(30,730)	(14,236)
Less: Total cash costs	(86,211)	(91,675)	(52,770)	(258,460)	(158,169)
Less: Corporate G&A	(5,888)	(6,130)	(3,104)	(18,572)	(15,399)
Less: Sustaining capital	(7,752)	(6,371)	(5,667)	(17,928)	(13,903)
Less: Sustaining exploration	(1,839)	(3,108)	(1,185)	(7,223)	(9,496)
All-in sustaining margin from continuing operations	45,781	71,977	27,187	211,260	88,255

¹Data does not include Tabakoto or Nzema.

Table 18: Adjusted EBITDA

(\$'000)	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Earnings/(loss) from continuing operations before taxes ¹	30,747	30,109	(11,969)	93,813	(3,101)
Add back: Depreciation and depletion ¹	35,911	43,538	17,232	118,953	55,342
Add back: Acquisition and restructuring costs ¹	-	-	7,654	-	10,114
Add back: Other income (expenses) ¹	173	818	770	1,156	(1,920)
Add back: Finance costs ¹	6,679	4,549	10,857	18,724	19,159
Add back: (Gains)/losses on financial instruments ¹	(24,755)	(10,922)	(554)	(24,274)	7,924
Adjusted EBITDA from continuing operations	48,755	68,092	23,990	208,372	87,518

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 based on 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 for the three months ended September 30, 2018, June 30, 2018, and September 30, 2017 and nine months ended September 30, 2018 and September 30, 2017.

Table 19: Cash Costs

\$'000's except ounces sold	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Operating expenses from mine operations	(86,238)	(93,466)	(52,258)	(262,094)	(158,065)
Non-cash and other adjustments	27	1,791	(512)	3,634	(103)
Cash costs from continuing operations	(86,211)	(91,675)	(52,770)	(258,460)	(158,169)
Operating expenses from discontinued operations	(30,310)	(47,513)	(60,482)	(109,964)	(177,391)
Non-cash and other adjustments from discontinued operations	2,960	17,371	2,377	23,309	6,096
Total cash costs	(113,560)	(121,817)	(110,874)	(345,116)	(329,463)
Gold ounces sold	160,010	179,327	149,359	524,488	463,882
Total cash cost per ounce of gold sold¹	710	679	742	658	710
Excluding discontinued operations					
Cash costs from continuing operations	(86,211)	(91,675)	(52,770)	(258,460)	(158,169)
Gold ounces sold	134,159	150,732	79,096	438,679	253,111
Total cash cost per ounce from continuing operations	643	608	667	589	625

¹ Figures include Tabakoto and Nzema.

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 20: All-In Sustaining Costs

\$'000's except ounces sold	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Total cash cost for ounces sold ¹	(113,560)	(121,817)	(110,874)	(345,116)	(329,463)
Royalties ¹	(10,158)	(12,491)	(10,070)	(37,306)	(29,695)
Corporate G&A ¹	(5,888)	(6,130)	(3,104)	(18,572)	(15,399)
Sustaining capital ¹	(15,256)	(13,934)	(10,015)	(39,239)	(34,666)
Sustaining exploration	(1,839)	(3,108)	(1,185)	(7,223)	(9,496)
All-in sustaining costs from all operations	(146,702)	(157,480)	(135,248)	(447,455)	(418,719)
Gold ounces sold ¹	160,010	179,327	149,359	524,488	463,882
All-in sustaining cost per ounce sold	917	878	906	853	903
Excluding discontinued operations					
add back: all-in sustaining costs from Nzema and Tabakoto	36,710	39,946	67,678	114,534	207,517
All-in sustaining costs from continuing operations	(109,991)	(117,535)	(67,570)	(332,920)	(211,202)
Gold ounces sold	134,159	150,732	79,096	438,679	253,111
All-in sustaining costs per ounce sold from continuing operations	820	780	854	759	834

¹ Figures include Tabakoto and Nzema.

Table 21: Sustaining and non-sustaining capital

(\$'000)	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Expenditures and prepayments on mining interests¹	133,961	129,627	106,803	393,912	329,157
Non-sustaining capital expenditures	(16,559)	(10,397)	(8,377)	(41,228)	(22,553)
Non-sustaining exploration	(5,832)	(10,504)	(6,616)	(31,251)	(22,178)
Sustaining exploration	(1,839)	(3,108)	(1,185)	(7,223)	(9,496)
Growth projects ²	(94,483)	(91,684)	(80,610)	(274,979)	(240,264)
Sustaining Capital	15,248	13,934	10,015	39,231	34,666

¹ Per note 7 of the condensed interim consolidated financial statements which include all additions from Tabakoto.

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 22: Adjusted net earnings

(\$'000)	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Total net (loss)	(20,394)	(15,443)	(64,522)	(8,178)	(43,244)
Net loss from discontinued operations	35,705	24,025	52,422	59,137	42,306
Deferred income tax (recovery)/expense	(2,007)	4,432	(484)	(2,456)	(9,267)
Loss/(gain) on financial instruments	(24,755)	(10,922)	(554)	(24,274)	7,924
Other income/(expenses)	173	818	770	1,156	(1,920)
Share-based compensation	4,007	10,109	9,132	16,784	18,575
Acquisition and restructuring costs	-	-	7,654	-	10,114
Tax impact of adjusting items ¹	6,942	-	-	6,942	(6,942)
Non-cash and other adjustments	27	1,791	(512)	3,634	(103)
Adjusted net earnings	(302)	14,810	3,906	52,745	17,443
Attributable to non-controlling interests	1,106	5,621	1,465	19,859	12,606
Attributable to shareholders of the Corporation	(1,408)	9,189	2,441	32,886	4,837
Weighted average number of shares issued and outstanding	107,747,004	107,727,522	95,723,440	107,703,358	97,623,867
Adjusted net earnings per share (basic) from continuing operations	(0.01)	0.09	0.03	0.31	0.05

¹ Tax impact of adjusting items relates to tax true-ups from prior periods recognised in the current period, a full disclosure of tax will be made in the year-end financial statements.

6.4. FREE CASH FLOW AND ADJUSTED 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.

Table 23: Adjusted Operating Cash Flow (AOCF) and AOCF per share

in \$000s	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
CASH GENERATED FROM OPERATING ACTIVITIES	11,569	59,566	55,978	119,438	139,726
Add back changes in non-cash working capital	(33,558)	(9,012)	17,153	(88,988)	(5,630)
OPERATING CASH FLOWS BEFORE NON-CASH WORKING CAPITAL	45,127	68,578	38,825	208,426	145,356
Divided by weighted average number of O/S shares, in millions	107,747	107,728	95,723	107,703	97,624
OPERATING CASH FLOW PER SHARE	0.42	0.64	0.41	1.94	1.49

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 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 24: Net Debt/ Adjusted EBITDA ratio

\$(000's)	September 30, 2018	June 30, 2018	December 31, 2017
Net Debt	535,377	410,376	231,700
Trailing twelve month Adjusted EBITDA ¹	299,507	275,312	219,912
Net Debt / Adjusted EBITDA LTM ratio	1.79	1.49	1.05

¹ Trailing twelve month Adjusted EBITDA is as reported in previous filings. Prior 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, the addition of the Houndé mine in Q4-2017, the commencement of production of the Karma mine on October 1, 2016, non-cash inventory write downs at Tabakoto, and non-cash impairment of the Nzema mineral interest.

Table 25: 2018 - 2017 Quarterly Key Performance Indicators

(\$000's)	Unit	FOR THE THREE MONTHS ENDED			
		September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Gold ounces sold	oz	134,159	150,732	185,151	190,511
Gold revenues	\$	155,764	189,515	240,281	206,550
Cash flows from continuing operations	\$	11,569	59,566	48,303	82,497
Earnings from mine operations	\$	25,322	43,077	66,140	55,660
Net earnings (loss) and total comprehensive earnings (loss)	\$	(20,394)	(15,443)	27,659	(133,824)
Net earnings (loss) attributable to shareholders	\$	(16,775)	(15,311)	13,092	(101,832)
Basic earnings (loss) per share from continuing operations	\$	0.14	0.04	0.12	(1.24)
Diluted earnings (loss) per share from continuing operations	\$	0.14	0.04	0.12	(1.24)

Table 26: 2017 - 2016 Quarterly Key Performance Indicators

(\$'000' except ounces sold)	FOR THE THREE MONTHS ENDED			
	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Gold ounces sold	110,789	127,355	162,308	169,803
Gold revenues	135,110	185,497	193,140	199,825
Cash flows from operations	55,164	27,302	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	(64,104)	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 27: Annual Key Performance Indicators¹

(\$000'except per share amounts)	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Gold ounces sold	667,569	545,689	519,812
Gold revenues	652,079	566,486	522,652
Cash flows from operations	221,791	153,897	147,301
Earnings from mine operations	121,926	170,610	59,949
Net earnings (loss) and total comprehensive earnings (loss)	(177,068)	(52,423)	35,601
Net earnings (loss) attributable to shareholders	(156,337)	(66,722)	18,227
Basic earnings (loss) per share	(1.59)	(0.83)	0.42
Diluted earnings (loss) per share	(1.59)	(0.83)	0.42
Total assets	1,693,511	1,357,098	1,054,318
Total long term financial liabilities	451,705	246,811	303,483
Total attributable shareholders' equity	984,864	908,789	564,103
Adjusted earnings per share ²	0.60	0.05	0.91

1. 2016 comparative period is presented as per the year-end 2017 consolidated financial statements, and the 2015 data is presented as in the 2016 consolidated financial statements.

2. The adjusted net earnings per share is inclusive of the prior period tax adjustment included in the September 2018 adjusted earnings per share.

* Adjusted net earnings have been modified for the year 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 MD&A 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, 2018. The nature of the Corporation's activities and the locations in which it works mean that the Corporation's business generally is exposed to significant risk factors, many of which are beyond its control. The Corporation examines the various risks to which it is exposed and assesses any impact and likelihood of those risks. For discussion on all the risk factors that affect the Corporation's business generally, please refer to the most recent Annual Information Form filed on SEDAR at <http://www.sedar.com/>, and the 2017 year-end audited consolidated financial statements. The risks that affect the financial statements specifically, and the risks that are reasonably likely to affect them in the future which are incorporated by reference in this MD&A, are discussed below.

8.1. FINANCIAL 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, 2018. The Corporation's maximum exposure to credit risk is as follows:

Table 28: Exposure to credit risk

(\$'000)	September 30, 2018	June 30, 2018	December 31, 2017
Cash	33,302	78,762	122,702
Cash - restricted	658	665	1,327
Trade and other receivables	60,629	50,444	50,698
Working capital loan	1,050	1,088	1,062
Derivative financial assets	16,814	-	-
Marketable securities	497	7,762	981
Long-term receivable	141	1,132	208
	113,091	139,853	176,978

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, Australian dollars, UK pounds, 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. Therefore, changes in currency exchange rates as well as associated transaction costs could adversely affect the Corporation's results in any given period. Any fluctuations in the value of these foreign currencies relative to the US dollar may result in variations in the Corporation's net income. Foreign currencies are affected by several factors that are beyond the Corporation's control. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. To date, the Corporation has not entered into hedging or derivative arrangements to manage its foreign exchange risk.

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

Table 29: Net assets in foreign currencies

(\$'000)	September 30, 2018	June 30, 2018	December 31, 2017
Canadian dollar	309	163	107
CFA Francs	43,275	30,601	(696)
Euro	919	95	-
Other currencies	2,707	3,010	2,843
	47,210	33,869	2,254

The effect on earnings before taxes as at September 30, 2018, 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 \$2.8 million (December 31, 2017, \$0.2 million), assuming that all other variables remained constant. The calculation is based on the Corporation's statement of financial position as at September 30, 2018.

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 loss before tax as at September 30, 2018, of a 10% change in the LIBOR rate on the RCF is estimated to be \$0.1 million (December 31, 2017 - \$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 quarter ended September 30, 2018.

The Corporation's business requires substantial capital expenditure and there can be no assurance that such funding will be available on a timely basis, or at all

The Corporation may require additional capital if it decides to develop other operations properties or make additional acquisitions. The Corporation may also encounter significant unanticipated liabilities or expenses. The Corporation's ability to continue its planned exploration and development activities, as well as its ability to discharge unanticipated liabilities and expenses, depends on its ability to generate sufficient free cash flow from its operating mines, each of which is subject to certain risks and uncertainties. The Corporation may be required to obtain additional equity or debt financing in the future to fund exploration and development activities or acquisitions of additional projects. There can be no assurance that the Corporation will be able to obtain such financing in a timely manner, on acceptable terms or at all. In addition, any additional debt financings, if available, may involve financial covenants and the granting of further security over the Corporation's assets.

The Corporation's use of derivative instruments involves certain inherent risks, including credit risk, market liquidity risk, and unrealized mark-to-market risk

From time to time, the Corporation employs hedging tools for a portion of its gold production and commodity prices to protect a portion of its cash flows against decreases in the price of gold or increases in the price of the underlying commodities it uses. The main hedging tools available to protect against price risk are collar contracts which involve a combination of put and call options or forward sales. Various strategies are available using these tools. Although hedging activities may protect the Corporation against a low gold price or commodity price fluctuations, they may also (i) limit the price that can be realized on the portion of hedged gold where the market price of gold exceeds the strike price in forward

sale or call option contracts, and (ii) stipulate a price at which a commodity (such as fuel) must be purchased, which may be higher than the prevailing market price for that commodity.

The Corporation's business could be adversely affected by global financial conditions

Global financial conditions have been characterized by ongoing volatility. Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. Global capital markets have continued to display increased volatility in response to global events. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. Such events are illustrative of the effect that events beyond the Corporation's control may have on commodity prices, demand for metals, including gold, availability of credit, investor confidence and general financial market liquidity, all of which affect the Corporation's business.

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, 2017, 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, 2017, 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, 2017 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, 2017, 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, 2017, 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, 2017 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 CEO and CFO 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.

9.4. COMMITMENTS AND CONTINGENCIES

- › The Corporation has commitments in place at all five of its mines and other key projects for drill and blasting services, load and haul services, supply of explosives and supply of hydrocarbon services.
- › The Corporation is subject to operating and finance lease commitments in connection with the purchase of mining equipment, light duty vehicles and workshop and rented office premises.
- › The Corporation is, from time to time, involved in various claims, legal proceedings, tax assessments and complaints arising in the ordinary course of business from third parties. The Corporation cannot reasonably predict the likelihood or outcome of these actions. The Corporation does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason thereof, will have a material effect on the financial condition or future results of operations.
- › The Corporation was recently served in the Cayman Islands with notice of a claim by a former service provider. The Corporation is taking legal advice on the merits of the claim which it intends to vigorously defend, and the associated financial exposure is not expected to be material.
- › The Corporation's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Corporation believes its operations are materially in compliance with all applicable laws and regulations. The Corporation has made, and expects to make in the future, expenditures to comply with such laws and regulations.
- › The Corporation is obligated to deliver 100,000 ounces of gold (20,000 ounces per year) to Franco-Nevada Corporation and Sandstorm Gold Inc. (the "Syndicate") over a five period in exchange for 20% of the spot price of gold for each ounce of gold delivered (the "ongoing payment"). The amount that was previously advanced for this agreement of \$100 million is reduced on each delivery by the excess of the spot price of the gold delivered over the ongoing payment. Following the five-year period, which commenced on March 31, 2016 the Corporation is committed to deliver refined gold equal to 6.5% of the gold production at the Karma Mine for the life of the mine in exchange for ongoing payments. The Corporation must deliver an additional 7,500 ounces between July 2017 and April 2019 in exchange for the additional deposit of \$5 million received in 2017. The Corporation assumed the gold stream when it acquired the Karma Mine on April 26, 2016. Gold ounces sold to the Syndicate under the stream agreement are recognized as revenue only on the actual proceeds received, which per the agreement is 20% of the spot gold price.

10. APPENDIX A: DETAILED RESERVES AND RESOURCES

The following table shows the consolidated reserves and resources as at December 31, 2017.

Table 30: Mineral Reserves and Mineral Resources as at December 31, 2017

Resources inclusive of Reserves	shown	ON A 100% BASIS			ON AN ATTRIBUTABLE BASIS		
		Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)
Agbaou Mine (85% owned)							
Proven Reserves		1.0	1.41	44	0.8	1.41	38
Probable Reserves		7.9	2.45	624	6.7	2.45	530
P&P Reserves		8.9	2.34	668	7.6	2.34	568
Measured Resource (incl. reserves)		1.0	1.43	47	0.9	1.43	40
Indicated Resources (incl. reserves)		9.3	2.54	757	7.9	2.54	643
M&I Resources (incl. reserves)		10.3	2.43	804	8.7	2.43	683
Inferred Resources		1.0	1.74	54	0.8	1.74	46
Tabakoto Mine (80-90% owned)							
Proven Reserves		2.4	3.32	251	1.9	3.32	201
Probable Reserves		2.4	3.40	266	2.0	3.39	214
P&P Reserves		4.8	3.36	517	3.8	3.36	415
Measured Resource (incl. reserves)		7.4	2.99	715	6.0	2.99	572
Indicated Resources (incl. reserves)		12.4	3.03	1,211	10.4	2.99	1,003
M&I Resources (incl. reserves)		19.9	3.01	1,925	16.4	2.99	1,576
Inferred Resources		7.4	3.40	810	6.1	3.37	656
Houndé Mine (90% owned)							
Proven Reserves		3.6	2.25	263	3.3	2.25	237
Probable Reserves		26.5	1.98	1,693	23.9	1.98	1,524
P&P Reserves		30.2	2.02	1,957	27.2	2.02	1,761
Measured Resource (incl. reserves)		3.6	2.40	281	3.3	2.40	253
Indicated Resources (incl. reserves)		33.7	2.01	2,178	30.3	2.01	1,961
M&I Resources (incl. reserves)		37.3	2.05	2,459	33.6	2.05	2,213
Inferred Resources		3.2	2.64	275	2.9	2.64	248
Ity Mine and CIL Project (80% owned)							
Proven Reserves		0.3	1.41	14	0.3	1.41	11
Probable Reserves		58.6	1.59	3,001	46.9	1.59	2,401
P&P Reserves		58.9	1.59	3,016	47.1	1.59	2,412
Measured Resource (incl. reserves)		0.7	0.63	15	0.6	0.63	12
Indicated Resources (incl. reserves)		73.1	1.57	3,680	58.5	1.57	2,944
M&I Resources (incl. reserves)		73.9	1.56	3,695	59.1	1.56	2,956
Inferred Resources		18.7	1.31	785	15.0	1.31	628
Karma Mine (90% owned)							
Proven Reserves		0.7	0.63	15	0.7	0.63	14
Probable Reserves		33.8	0.89	971	30.5	0.89	874
P&P Reserves		34.6	0.89	986	31.1	0.89	887
Measured Resource (incl. reserves)		0.7	0.63	15	0.7	0.63	14
Indicated Resources (incl. reserves)		81.0	1.10	2,856	72.9	1.10	2,571
M&I Resources (incl. reserves)		81.8	1.09	2,871	73.6	1.09	2,584
Inferred Resources		21.4	1.32	909	19.3	1.32	818
Kalana Project (80% owned)							
Proven Reserves		5.1	3.00	492	4.1	3.00	394
Probable Reserves		16.6	2.76	1,472	13.3	2.76	1,177
P&P Reserves		21.7	2.81	1,964	17.4	2.81	1,571
Measured Resource (incl. reserves)		9.5	4.19	1,280	7.6	4.19	1,024
Indicated Resources (incl. reserves)		14.2	3.96	1,810	11.4	3.96	1,448
M&I Resources (incl. reserves)		23.7	4.06	3,100	19.0	4.06	2,480
Inferred Resources		1.7	4.39	240	1.4	4.39	192
Group Consolidated Total							
Proven Reserves		13	2.56	1,080	11	2.53	894
Probable Reserves		146	1.71	8,027	123	1.70	6,720
P&P Reserves		159	1.78	9,106	134	1.77	7,614
Measured Resource (incl. reserves)		23	3.17	2,353	19	3.14	1,915
Indicated Resources (incl. reserves)		224	1.74	12,492	191	1.72	10,570
M&I Resources (incl. reserves)		247	1.87	14,855	210	1.85	12,492
Inferred Resources		53	1.79	3,074	45	1.77	2,588

The mineral reserves and resources were estimated as at December 31, 2017 in accordance with the provisions adopted by the Canadian Institute of Mining Metallurgy and Petroleum (CIM) and incorporated into the NI 43-101. Mr. Jeremy Langford, FAusIMM, Endeavour Mining's Chief Operating Officer, has reviewed and approved the scientific and technical information contained in this document. Jeremy Langford is a "qualified person" as defined in NI 43-101.

The Qualified Persons responsible for the 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	V.P. Resources, Endeavour Mining Corp	Agbaou, Tabakoto (except Kofi A, Kofi C, Blanaid deposits), Colline Sud deposit (Ity), North Kao deposit (Karma), Bouere and Dohoun deposits (Houndé)
Mark Zammit, MAIG	Principal, Cube Consulting Pty Ltd	Ity (except Colline Sud deposit), Vindaloo deposits (Houndé)
Eugene Puritch, P.Eng.	President, P&E Mining Consultants Inc	Karma (except North Kao deposit), Kofi A, Kofi C and Blanaid deposits (Tabakoto)
Ivor Jones, FAusIMM	Principal Consultant, Denny Jones (Pty) Ltd	Kalana Project

MINERAL RESERVES

QUALIFIED PERSON	POSITION	PROPERTY/DEPOSIT
Michael Alyoshin, MAusIMM CP (Min)	Chief Mining Engineer - Strategic Projects, Endeavour Mining Corp	Agbaou, Tabakoto open pits, Bouere and Dohoun deposits (Houndé), North Kao deposit (Karma), Ity (Heap Leach)
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 (Houndé)
Eugene Puritch, P.Eng.	President, P&E Mining Consultants Inc	Karma (except North Kao deposit)
Allan Earl, FAusIMM	Executive Consultant, Snowden Mining Industry Consultants (Pty) Ltd	Kalana Project, Ity (CIL)

- 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 100,000 tonnes; gold grades are rounded to two decimal places; 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	Kalana	Tabakoto		Ity	Karma ²	Houndé
			UG	Open Pit			
Reserves Au price	1,350	1,100	1,250	1,250	1,250	1,300	1,300
Resources Au price	1,500	1,400	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 Kalana where the cutoff grade is at 0.9g/tAu and at Karma where the cut-off 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

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

	Underground Reserves			Open Pit Reserves		
	Tonnage (kt)	Grade (Au g/t)	Content (Au koz)	Tonnage (kt)	Grade (Au g/t)	Content (Au koz)
On a 100% basis						
Proven Reserves	2,237	3.39	244	113	2.02	7
Probable Reserves	2,048	3.50	230	385	2.88	36
P&P Reserves	4,285	3.44	474	497	2.68	43

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

	Heap Leach Reserves			CIL Reserves		
	Tonnage (kt)	Grade (Au g/t)	Content (Au koz)	Tonnage (kt)	Grade (Au g/t)	Content (Au koz)
On a 100% basis						
Proven Reserves	316	1.41	14	-	-	-
Probable Reserves	1,472	2.69	127	57,100	1.57	2,874
P&P Reserves	1,787	2.46	142	57,100	1.57	2,874

The scientific and technical information relating to the Agbaou mine, Ity mine, Tabakoto mine, Karma mine, Houndé mine and Kalana Project contained in this document 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. The Kalana report is available under the Avnel Gold Mining profile on SEDAR.

- 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.
- Ity mine: Reserves and Resources were updated in 2017 after the completion of a Project Optimisation Study. The results were published in the September 20, 2017 press release available on the company's website.
- 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" dated effective August 10, 2014.
- Houndé mine: "Houndé Gold Project, Burkina Faso, Feasibility Study NI 43-101 Technical Report", dated effective October 31, 2013.
- Kalana Project: "NI 43-101 Technical Report on Kalana Main Project", dated effective March 30, 2016.

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.