



Management Discussion & Analysis

For the three and six months ended
June 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 six months ended June 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 August 1, 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

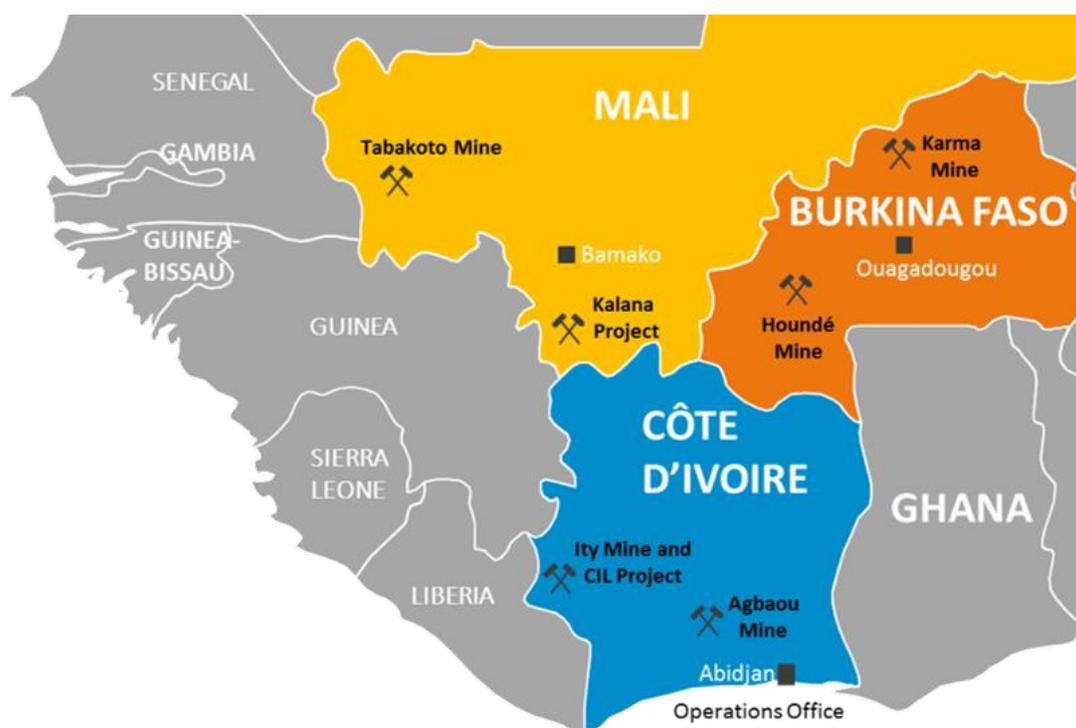
Endeavour Mining is a TSX-listed intermediate gold producer, focused on developing a portfolio of high quality mines in the prolific West-African region where it has established a solid operational and construction track record.

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 June 30, 2018



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

2.1. 2018 CORPORATE HIGHLIGHTS

- › On May 24, 2018, Endeavour Mining announced that the ongoing exploration program at its Houndé mine in Burkina Faso has successfully extended the Kari Pump high-grade mineralisation and has discovered two new large mineralised zones named Kari Centre and Kari West. More than 1,000 holes comprising 76,000 meters have already been drilled in the Kari area since late December, extending the mineralised zone, now measuring 4km long and 3km wide with approximately 25% of the gold-in-soil anomaly remaining to be drilled.

2.2. HIGHLIGHTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018

- › The strategic assessment completed on Tabakoto 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 Endeavour Mining's capital allocation criteria and therefore a sale process has been launched. As at June 30, the Tabakoto mine has been classified as an asset held for sale.
- › Gold production from continuing operations was 146,550 ounces for Q2-2018 and 298,856 for H1-2018, on track to meet the full-year guidance from continuing operations of 555,000 – 590,000 ounces.
- › Revenues were \$189.5 million in Q2-2018 and \$388.4 million in H1-2018 which generated \$43.1 million and \$107.0 million in earnings from mine operations.
- › Operating cash flow before non-cash working capital per share amounted to \$0.64 in Q2-2018 and \$1.52 in H1-2018, an increase of \$0.07 and \$0.39 in the same periods of 2017.
- › Net loss for Q2-2018 was \$15.4 million and net earnings of \$12.2 million in H1-2018, compared to net earnings of \$17.3 million and \$15.1 million in the same periods of 2017.
- › Basic earnings per share of \$0.04 in Q2-2018 and \$0.16 in H1-2018 compared to earnings per share of \$0.16 and a loss per share of \$0.04 in the same periods of 2017.
- › Adjusted net earnings attributable to shareholders was \$0.09 per share in Q2-2018 and \$0.31 per share for H1-2018 compared to \$0.07 per share and \$0.02 per share in the same periods of 2017.
- › Net Debt was \$410.4 million at June 30, 2018, an increase of \$75.2 million compared to March 31, 2018. The increase is mainly due to the drawdown of the revolving credit facility for an additional \$70 million to fund growth projects.

Table 1: Quarterly and H1 Highlights

(\$000s)	Units	THREE MONTHS ENDED			SIX MONTHS ENDED	
		June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Operating Data ¹						
Gold produced	oz	146,550	152,306	83,832	298,856	173,313
Gold sold	oz	150,732	153,788	84,580	304,520	174,015
Realised gold price ²	\$/oz	1,257	1,293	1,188	1,275	1,176
All-in sustaining costs ³	\$/oz	780	685	791	732	824
All-in sustaining margin ³	\$/oz	478	608	397	543	352
Cash Flow Data ¹						
All-in sustaining margin ³	\$	71,977	93,502	33,604	165,478	61,311
All-in Margin ³	\$	48,480	67,820	35,429	116,303	64,106
Operating cash flow before non-cash working capital	\$	68,578	94,778	54,974	163,299	106,913
Operating cash flow before non-cash working capital	\$/share	0.64	0.88	0.57	1.52	1.13
Profit and Loss Data ¹						
Revenues ²	\$	189,515	198,894	100,520	388,409	204,701
Earnings from mine operations	\$	43,077	63,931	26,376	107,008	48,092
Net (loss) / earnings	\$	(15,443)	27,659	17,269	12,216	15,077
Basic (loss) / earnings per share attributable to shareholders	\$/share	0.04	0.12	0.16	0.16	(0.04)
Adjusted EBITDA ³	\$	68,092	91,525	36,410	159,617	63,528
Adjusted EBITDA margin ³	%	36%	46%	36%	41%	31%
Adjusted net earnings attributable to shareholders ³	\$	9,189	24,411	6,922	33,599	1,653
Adjusted net earnings per share attributable to shareholders ³	\$/share	0.09	0.23	0.07	0.31	0.02
Balance Sheet Data ¹						
Cash	\$	78,762	93,863	122,702	78,762	122,702
Net Debt ³	\$	(410,376)	(335,214)	(182,561)	(410,376)	(182,561)
Net Debt / Adjusted EBITDA (LTM) ratio ³	\$	1.49	1.24	0.76	1.49	0.76

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

3. GUIDANCE

3.1. 2018 OUTLOOK

- › Production from continuing operations is expected to be 555,000 – 590,000 ounces and AISC are expected to land between \$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

	QUARTER ENDED			SIX MONTHS ENDED		2018 FULL-YEAR GUIDANCE	
	Jun. 30, 2018	Mar. 31, 2018	Jun. 30, 2017	Jun. 30, 2018	Jun. 30, 2017		
(All amounts in koz, on a 100% basis)							
Agbaou	34	32	45	66	87	140	- 150
Ity	25	18	14	43	30	60	- 65
Karma	21	28	24	49	56	105	- 115
Houndé	67	74	-	141	-	250	- 260
PRODUCTION FROM CONTINUING OPERATIONS	147	152	84	299	173	555	- 590
Tabakoto (<i>asset held for sale</i>)	27	32	41	59	84	115	- 130
Nzema (<i>divested in December 2017</i>)	-	-	27	-	53		
TOTAL PRODUCTION	173	185	152	358	311	670	- 720

Table 3: AISC and Guidance, \$/oz

	QUARTER ENDED			SIX MONTHS ENDED		2018 FULL-YEAR GUIDANCE	
	Jun. 30, 2018	Mar. 31, 2018	Jun. 30, 2017	Jun. 30, 2018	Jun. 30, 2017		
(All amounts in US\$/oz)							
Agbaou	818	752	606	786	631	860	- 900
Ity	713	829	780	759	838	790	- 850
Karma	885	869	755	875	751	780	- 830
Houndé	617	433	-	521	-	580	- 630
Corporate G&A	41	42	75	41	71	30	- 30
Sustaining Exploration	21	15	42	10	48	10	- 10
GROUP AISC FROM CONTINUING OPERATIONS	780	685	791	732	824	760	- 810
Tabakoto (<i>asset held for sale</i>)	1,397	1,208	1,054	1,298	1,013	1,200	- 1,250
Nzema (<i>divested in December 2017</i>)	-	-	985	-	967		
GROUP AISC	878	774	896	825	900	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 six months ended June 30, 2018 and twelve months ended December 31, 2017.

Table 4: LTIFR Statistics for the six months ended June 30, 2018 and year ended December 31, 2017

H1 2018

Incident Category	Tabakoto	Agbaou	Karma	Ity	Houndé	Total
Fatality	-	-	-	-	-	-
Lost Time Injury	2	-	-	-	-	2
Total Man Hours	1,787,282	1,877,058	1,360,473	1,830,011	2,274,285	9,129,109
LTIFR ¹	1.12	-	-	-	-	0.22

2017

Incident Category	Tabakoto	Agbaou	Nzema	Karma	Ity	Houndé	Total
Fatality	-	-	-	-	-	-	-
Lost Time Injury	-	1	1	1	2	-	5
Total Man Hours	4,115,416	3,025,485	2,391,007	4,234,123	2,892,634	763,200	17,421,865
LTIFR ¹	-	0.33	0.42	0.24	0.69	-	0.29

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

Endeavour Mining views itself as an integral part of the communities in which it operates, as well as a responsible development partner. Endeavour Mining collaborates and engages with government, local communities and outside organisations to ensure it supports economic sustainability and social development. Projects include skills training, 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 7 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 June 30, 2018, March 31, 2018, and June 30, 2017 and the six months ended June 30, 2018, and June 30, 2017.

Houndé Gold Mine, Burkina Faso

Table 6: Houndé key performance indicators

	Unit	THREE MONTHS ENDED ³			SIX MONTHS ENDED ³	
		June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Operating Data:						
Tonnes ore mined	Kt	1,312	1,361	-	2,673	-
Tonnes of waste mined	Kt	8,049	8,948	-	16,997	-
Open pit strip ratio ²	w:o	6.13	6.57	-	6.36	-
Tonnes milled	Kt	982	898	-	1,880	-
Average gold grade milled	g/t	2.20	2.59	-	2.39	-
Recovery	%	95%	95%	-	95%	-
Gold produced:	oz	66,873	73,781	-	140,654	-
Gold sold (A):	oz	68,366	74,200	-	142,566	-
Financial Data (\$'000)						
Revenues	\$	88,726	99,130	-	187,856	-
Mining costs-open pit	\$	(18,717)	(16,303)	-	(35,020)	-
Processing cost	\$	(11,207)	(9,794)	-	(21,001)	-
G&A cost	\$	(7,264)	(6,284)	-	(13,548)	-
Capitalised waste	\$	5,919	1,655	-	7,574	-
Inventory adjustments and other	\$	(1,819)	5,526	-	3,707	-
Total Cash Cost (B)	\$	(33,088)	(25,201)	-	(58,288)	-
Royalties	\$	(5,748)	(6,919)	-	(12,667)	-
Sustaining capital ¹	\$	(3,320)	-	-	(3,320)	-
Total All-In Sustaining Costs ¹ (C)	\$	(42,156)	(32,120)	-	(74,275)	-
Non-sustaining capital ¹	\$	(2,664)	(1,590)	-	(4,254)	-
All-In Margin¹	\$	43,906	65,420	-	109,327	-
add back: Sustaining and non-sustaining capital ¹	\$	5,984	1,590	-	7,574	-
Depreciation/depletion	\$	(17,773)	(15,745)	-	(33,518)	-
Non-cash operating (income)/expense	\$	852	-	-	852	-
Earnings from mine operations	\$	32,969	51,265	-	84,234	-
Unit cost analysis						
Realised gold price	\$/oz	1,298	1,336	-	1,318	-
Open pit mining cost per tonne mined	\$/t	2.00	1.58	-	1.78	-
Processing cost per tonne milled	\$/t	11.41	10.91	-	11.17	-
G&A cost per tonne milled	\$/t	7.40	7.00	-	7.21	-
Cash cost per ounce sold¹ D=B/A	\$/oz	484	340	-	409	-
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	617	433	-	521	-

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.

Q2 2018 vs Q1 2018 Insights

- › Production decreased mainly due to an expected decrease in the average head grade fed to the plant. However, the operation continued to perform ahead of expectations as plant throughput increased from 20% to 30% above nameplate capacity.
 - Tonnes of ore mined remained steady as mining activities continued to perform with a decrease in the strip ratio.
 - Transitional and fresh ore from the Vindaloo Main deposit continued to be the ore source, 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 ahead of schedule in Q2-2018.
 - Tonnes milled increased while the ore blend continued to be primarily transitional/fresh ore with oxide ore representing 25% of the mill feed.
 - The average grade milled decreased slightly due to the anticipated mine sequence.
 - Recovery rates remained steady at 95%
- › AISC increased mainly due to the lower processed grades, as well as higher unit costs and increased sustaining capital spend.
 - Mining unit costs increased from \$1.58 to \$2.00 per tonne due to the volume effect of lower tonnes mined, slightly higher fuel prices, as well as additional blasting requirements.
 - Processing unit costs increased from \$10.91 to \$11.41 per tonne milled mainly due to the transition to fresh ore.
- › Sustaining capital spend increased by \$3.3 million from \$nil due to waste capitalisation.
- › Non-sustaining capital increased by \$1.1 million to \$2.7 million due to pre-stripping activities in the Vindaloo pit.

H1-2018 vs H1-2017 Insights

- › Commercial production began in Q3-2017.

H2-2018 Outlook

- › Houndé is well on track to meet full-year 2018 guidance of 250,000 – 260,000 ounces at an AISC of \$580-630 per ounce.
- › Production is expected to decline slightly and AISC to increase due to the upcoming rainy season, lower expected grades, and an increase in the strip ratio.
- › Relocation activities at the higher grade Bouere deposit are progressing well. To minimise Houndé's non-sustaining capital spend while constructing the Ity CIL project, pre-stripping is expected to occur in early 2019.

Exploration Activities

- › Houndé is the strongest exploration focus for Endeavour in 2018 with more than 121,000 meters already drilled in H1-2018, mainly focused on the Kari anomaly.
- › As announced in May, the Kari mineralized zone has been significantly extended to a large area now measuring 4km long and 3km wide with three discoveries made and approximately 20% of the gold-in-soil anomaly remaining to be drilled.
- › A further 60,000-meter drilling campaign is underway to delineate the two latest discoveries, with in-fill drilling ongoing on the Kari Pump target where a maiden resource is expected by year-end.

Table 7: Agbaou key performance indicators

	Unit	THREE MONTHS ENDED			SIX MONTHS ENDED	
		June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Operating Data						
Tonnes ore mined	Kt	611	682	709	1,293	1,333
Tonnes of waste mined	Kt	7,190	7,270	6,243	14,460	11,975
Open pit strip ratio ²	w:o	11.77	10.66	8.81	11.18	8.98
Tonnes milled	Kt	727	726	693	1,453	1,376
Average gold grade milled	g/t	1.60	1.43	2.23	1.52	2.16
Recovery	%	92%	93%	94%	93%	94%
Gold produced:	oz	33,653	32,074	45,489	65,727	87,426
Gold sold (A):	oz	34,471	33,559	46,722	68,030	86,703
Financial Data (\$'000)						
Revenues	\$	44,703	44,562	58,888	89,265	107,476
Mining costs-open pit	\$	(20,698)	(22,873)	(16,653)	(43,571)	(32,234)
Processing cost	\$	(5,482)	(5,660)	(5,316)	(11,142)	(9,975)
G&A cost	\$	(3,013)	(3,263)	(2,689)	(6,276)	(5,763)
Capitalised waste	\$	3,772	7,950	525	11,722	868
Inventory adjustments and other	\$	595	2,751	(558)	3,346	464
Total Cash Cost ¹ (B)	\$	(24,826)	(21,095)	(24,691)	(45,921)	(46,640)
Royalties	\$	(1,638)	(1,834)	(2,107)	(3,472)	(3,814)
Sustaining capital ¹	\$	(1,749)	(2,303)	(1,526)	(4,052)	(4,261)
Total All-in Sustaining Costs ¹ (C)	\$	(28,213)	(25,232)	(28,324)	(53,445)	(54,715)
Non-sustaining capital ¹	\$	(2,877)	(7,950)	-	(10,827)	-
All-In Margin¹	\$	13,613	11,380	30,564	24,993	52,761
add back: Sustaining and non-sustaining capital ¹	\$	4,626	10,253	1,526	14,879	4,261
Depreciation/depletion	\$	(8,806)	(7,615)	(7,361)	(16,421)	(16,175)
Non-cash operating (income)/expense	\$	1	(1,317)	(25)	(1,316)	(25)
Earnings from mine operations	\$	9,434	12,701	24,704	22,135	40,822
Unit cost analysis						
Realised gold price	\$/oz	1,297	1,328	1,260	1,312	1,240
Open pit mining cost per tonne mined	\$/t	2.65	2.88	2.40	2.77	2.42
Processing cost per tonne milled	\$/t	7.54	7.80	7.67	7.67	7.25
G&A cost per tonne milled	\$/t	4.14	4.49	3.88	4.32	4.19
Cash cost per ounce sold¹ D=B/A	\$/oz	720	629	528	675	538
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	818	752	606	786	631

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

2. Strip ratio includes capital waste

Q2 2018 vs Q1 2018 Insights

- › Production slightly increased due to the higher grades of material milled as low-grade stockpiles continued to supplement the mine feed allowing waste capitalisation activities to progress.
 - Tonnes of ore mined decreased as greater emphasis was given to waste mining, thereby increasing the total strip ratio from 10.7 to 11.8, with the operating strip ratio increased from 6.6 to 9.4.
 - Mill throughput remained steady and at a high level as the proportion of fresh ore processed slightly decreased to 28% from 31%.
 - Average processed grades increased mainly due to stockpiles supplementing the mine feed.
 - Recovery rates slightly decreased to 92%.
- › All-in sustaining costs increased due to an increase in operating strip ratio which was partially offset by lower mining and processing costs as well as lower sustaining costs.
 - Mining unit costs decreased from \$2.88 to \$2.65 per tonne as higher elevations of the West pit were mined.
 - Processing unit costs decreased from \$7.80 to \$7.54 per tonne mainly due to continued cost savings realised on reagents following the implementation of a group procurement strategy.
- › Sustaining capital costs decreased by \$0.6 million to \$1.8 million due to a reduction in the capitalised waste.
- › Non-sustaining capital decreased by \$5.1 million to \$2.9 million as lower pre-stripping at West pit 5.

H1-2018 vs H1-2017 Insights

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

H2-2018 Outlook

- › Agbaou is on track to meet full-year 2018 guidance of 140,000 – 150,000 ounces at an AISC of \$860-\$900 per ounce.
- › 2018 is expected to be a transition year for Agbaou, as a focus on waste capitalisation activities are expected to give future access to high grade areas.
- › Production is expected to significantly increase in the latter portion of the year as the waste capitalisation activities are expected to give access to higher grade areas, while costs are expected to continue to trend towards the guided range as a hard ore blend continues to be processed and operating strip ratio increases.

Exploration Activities

- › In H1-2018 more than 26,000 meters were drilled with the majority occurring in Q2-2018.
- › 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, with 5,000 meters of follow-up drilling planned in H2-2018.
- › The at-depth potential of the North pit was tested, 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			SIX MONTHS ENDED	
		June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Operating Data:						
Tonnes ore mined	Kt	304	370	374	674	703
Tonnes of waste mined	Kt	792	1,201	1,614	1,993	3,074
Open pit strip ratio ²	w:o	2.61	3.25	4.32	2.96	4.37
Tonnes of ore stacked	Kt	308	357	243	665	510
Average gold grade stacked	g/t	2.81	2.17	2.15	2.46	2.02
Recovery	%	88%	73%	84%	82%	91%
Gold produced:	oz	25,000	18,265	14,120	43,265	30,012
Gold sold (A):	oz	26,270	17,530	13,226	43,800	31,573
Financial Data (\$'000)						
Revenues	\$	34,207	23,477	16,684	57,684	39,151
Mining costs-open pit	\$	(8,462)	(7,830)	(5,685)	(16,292)	(9,673)
Processing cost	\$	(5,179)	(5,236)	(3,895)	(10,415)	(8,018)
G&A cost	\$	(3,584)	(2,844)	(2,415)	(6,428)	(5,025)
Capitalised waste	\$	-	-	1,693	-	1,835
Inventory adjustments and other	\$	436	3,143	2,034	3,579	(1,140)
Total Cash Cost (B)	\$	(16,789)	(12,767)	(8,268)	(29,556)	(22,021)
Royalties	\$	(1,165)	(919)	(643)	(2,084)	(1,413)
Sustaining capital ¹	\$	(786)	(838)	(1,400)	(1,624)	(3,011)
Total All-In Sustaining Costs ¹ (C)	\$	(18,740)	(14,524)	(10,311)	(33,264)	(26,445)
Non-sustaining capital ¹	\$	-	-	(1,776)	-	(2,187)
All-In Margin¹	\$	15,467	8,953	4,597	24,420	10,519
add back: Sustaining and non-sustaining capital ¹	\$	786	838	3,176	1,624	5,198
Depreciation/depletion	\$	(7,470)	(7,417)	(5,716)	(14,887)	(11,110)
Non-cash operating (income)/expense	\$	(409)	(1,724)	(509)	(2,133)	(416)
Earnings from mine operations	\$	8,374	650	1,548	9,024	4,191
Unit cost analysis						
Realised gold price	\$/oz	1,302	1,339	1,261	1,317	1,240
Open pit mining cost per tonne mined	\$/t	7.72	4.98	2.86	6.11	2.56
Processing cost per tonnes stacked	\$/t	16.81	14.67	16.03	15.66	15.72
G&A cost per tonnes stacked	\$/t	11.64	7.97	9.94	9.67	9.85
Cash cost per ounce sold¹ D=B/A	\$/oz	639	728	625	675	697
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	713	829	780	759	838

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

2. Strip ratio includes capital waste

Q2 2018 vs Q1 2018 Insights

- › Production increased significantly due to higher grades being stacked as mining activities at Bakatouo produced higher grades as well as an increased recovery rate.
 - Tonnes of ore mined decreased to match stacking capacity. Less tonnes were mined at the Ity and Zia North East pits as mining ramped-up at the Bakatouo pit following its start in Q1-2018.
 - Ore stacked slightly decreased due to the focus on stacking the high-grade Bakatouo ore.
 - The stacked grade increased significantly also due to the focus on Bakatouo ore.
 - Recovery rates increased significantly due to the improved leach kinetics associated with the change in ore type as well as reagent optimisation.
- › AISC decreased mainly due to an increase in ounces sold and lower sustaining capital costs, which were partially offset by increased unit mining and stacking costs.
 - Mining unit costs increased from \$4.98 to \$7.72 per tonne mainly due to longer haul distances and costs associated with fleet rentals.
 - Processing unit costs increased from \$14.67 to \$16.81 per tonne due to lower tonnes being stacked and greater reagent consumption associated with the increase in recovery rates.
- › Sustaining capital costs decreased by \$0.1 million to \$0.8 million as the heap leach operation winds down.
- › There was no non-sustaining capital spend in the quarter.

H1-2018 vs H1-2017 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.

H2-2018 Outlook

- › Ity is on track to meet full-year 2018 guidance of 60,000 – 65,000 ounces at an AISC of \$790-\$850 per ounce.
- › As guided, 2018 is expected to be a transition year for the heap leach operation with greater priority given to the CIL construction activities. Open pit mining activities for the heap leach operation are expected to continue until the end of Q3-2018. The aim is to create a stockpile sufficient to feed stacking requirements for the latter portion of the year. Short mining campaigns may then be opportunistically conducted based on equipment availability and progression of the Ity CIL mining activities.

Exploration Activities

- › A \$3 million exploration campaign has been planned in 2018 to further explore near-mill targets (including testing of extensions at the Mont Ity, Bakatouo, Daapleu, and Le Plaque deposits) with the aim of delineating additional resources for the CIL project.
- › In H1-2018, more than 35,000 meters have been drilled, mainly focused on:
 - The Le Plaque target where additional resources are expected to be delineated in H1-2019.
 - The Daapleu deposit where mineralization was confirmed at-depth.
 - In addition, a deep hole was drilled below the heap leach pad which confirmed the occurrence of mineralization 200 meters southwest of the Bakatouo deposit.
- › In H2-2018 the focus is expected to be the Le Plaque target, with over 10,000 meters of drilling planned.

Table 9: Karma key performance indicators

	Unit	THREE MONTHS ENDED			SIX MONTHS ENDED	
		June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Operating Data:						
Tonnes ore mined	Kt	1,636	1,536	1,035	3,172	2,085
Tonnes of waste mined	Kt	3,298	2,280	2,581	5,578	5,874
Open pit strip ratio ²	w:o	2.02	1.48	2.49	1.76	2.82
Tonnes of ore stacked	Kt	838	1,241	852	2,079	1,806
Average gold grade stacked	g/t	0.93	0.88	1.24	0.90	1.15
Recovery	%	78%	74%	83%	76%	85%
Gold produced:	oz	21,024	28,186	24,223	49,210	55,875
Gold sold (A) :	oz	21,625	28,499	24,632	50,124	55,739
Financial Data (\$'000)						
Revenues ³	\$	21,879	31,725	24,948	53,604	58,074
Mining costs-open pit	\$	(10,267)	(9,563)	(7,089)	(19,830)	(15,013)
Processing cost	\$	(8,794)	(9,726)	(7,922)	(18,520)	(14,699)
G&A cost	\$	(3,372)	(3,728)	(3,626)	(7,100)	(7,510)
Capitalised waste	\$	1,431	2,358	230	3,789	479
Inventory adjustments and other	\$	4,090	(918)	2,220	3,175	(1)
Total Cash Cost (B)	\$	(16,912)	(21,577)	(16,187)	(38,486)	(36,744)
Royalties	\$	(1,703)	(2,511)	(1,916)	(4,214)	(4,165)
Sustaining capital ¹	\$	(516)	(664)	(487)	(1,180)	(964)
Total All-In Sustaining Costs ¹ (C)	\$	(19,131)	(24,752)	(18,590)	(43,880)	(41,873)
Non-sustaining capital ¹	\$	(5,482)	(3,215)	(1,562)	(8,697)	(5,434)
All-In Margin¹	\$	(2,734)	3,758	4,796	1,027	10,767
add back: Sustaining and non-sustaining capital ¹	\$	5,998	3,879	2,049	9,877	6,398
Depreciation/depletion	\$	(9,840)	(8,074)	(5,459)	(17,914)	(13,719)
Non-cash operating (income)/expense	\$	(2,231)	1,225	378	(1,009)	5
Earnings (loss) from mine operations	\$	(8,807)	788	1,764	(8,019)	3,451
Unit cost analysis						
Realised gold price ³	\$/oz	1,012	1,113	1,013	1,069	1,042
Open pit mining cost per tonne mined	\$/t	2.08	2.51	1.96	2.27	1.89
Processing cost per tonnes stacked	\$/t	10.50	7.84	9.30	8.91	8.14
G&A cost per tonne stacked	\$/t	4.02	3.00	4.26	3.42	4.16
Cash cost per ounce sold¹ D=B/A	\$/oz	782	757	657	768	659
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	885	869	755	875	751

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.

Q2 2018 vs Q1 2018 Insights

- › Production decreased significantly due to lower stacked tonnes despite an increase in grades and recovery rate.
 - Tonnes mined increased as expected as mining activity ramped up in anticipation of the rainy season in Q3-2018 and to expose higher grade ore to be mined in future periods. Mining at the GG2 pit was completed during the quarter and mining increased at the Kao pit where mining began in late Q1-2018.
 - Stacking decreased due to a change in ore characteristics and ore flow through the leach pad conveying and stacking circuit.
 - Stacked grade increased due to transition to the higher-grade area of the Kao pit.
 - As expected, recovery rates increased due to mining activities focusing mainly on oxide ore from the Kao deposit.
- › AISC increased mainly due to higher processing unit costs associated with lower tonnes stacked.
 - Mining unit costs decreased from \$2.51 to \$2.08 per tonne due to the volume effect of more waste mined which has resulted in lower drill and blast costs at the Kao deposit.
 - Processing unit costs increased from \$7.84 to \$10.50 per tonne due to lower tonnes stacked.
 - Sustaining capital costs decreased by \$0.1 million to \$0.5 million mainly due to a decrease in capital stripping costs.
- › Non-sustaining capital spend increased by \$2.3 million to \$5.5 million mainly due to pre-stripping at the Kao deposit.

H1-2018 vs H1-2017 Insights

- › Production decreased and AISC increased due to the lower recovery rate associated with treating the GG2 transitional ore in H1-2018 while H1-2017 benefited from higher recovery rates associated with oxide ore and high-grade ore from the mined-out Rambo deposit.

H2-2018 Outlook

- › Karma is on track to meet full-year 2018 guidance of 105,000 – 115,000 ounces at an AISC of \$780-830 per ounce as the second half of the year is expected to benefit from oxide ore from the Kao deposit. This is expected to have higher grades, higher recovery rates and lower unit costs.

Exploration Activities

- › In H1-2018, more than 23,000 meters were drilled, 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.
- › A further 5,000 meters of drilling are expected to be completed in H2-2018.

4.4. ASSET HELD FOR SALE

Tabakoto Gold Mine, Mali

Table 10: Tabakoto key performance indicators

	Unit	THREE MONTHS ENDED			SIX MONTHS ENDED	
		June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Operating Data						
Tonnes ore mined- Open pit	Kt	109	209	157	318	374
Tonnes of waste mined - Open pit	Kt	1,187	1,631	1,393	2,818	3,064
Open pit strip ratio ²	w:o	10.89	7.80	8.87	8.86	8.19
Tonnes mined- Underground	Kt	189	202	253	391	564
Ore tonnes mined - Underground	Kt	143	151	184	294	420
Tonnes milled	Kt	423	441	407	864	812
Average gold grade milled	g/t	2.11	2.51	3.32	2.32	3.41
Recovery	%	92%	93%	94%	92%	94%
Gold produced:	oz	26,819	32,367	41,248	59,186	84,276
Gold sold (A):	oz	28,595	31,363	41,390	59,958	85,202
Financial Data (\$'000)						
Revenues	\$	37,350	41,387	51,975	78,738	105,718
Mining costs- Open pit	\$	(4,465)	(4,873)	(5,772)	(9,338)	(12,281)
Mining costs- Underground	\$	(12,912)	(14,419)	(15,479)	(27,331)	(33,412)
Processing cost	\$	(7,513)	(8,120)	(7,734)	(15,633)	(16,865)
G&A cost	\$	(4,599)	(4,129)	(3,820)	(8,728)	(8,397)
Capitalised waste	\$	3,268	3,573	8,612	6,841	10,068
Inventory adjustments and other	\$	(3,925)	(1,194)	(8,993)	(5,119)	(6,059)
Total Cash Cost ¹ (B)	\$	(30,146)	(29,162)	(33,186)	(59,307)	(66,946)
Royalties	\$	(2,237)	(2,474)	(3,138)	(4,711)	(6,303)
Sustaining capital ¹	\$	(7,563)	(6,244)	(7,313)	(13,807)	(13,095)
Total All-In Sustaining Costs ¹ (C)	\$	(39,946)	(37,880)	(43,637)	(77,825)	(86,344)
Non-sustaining capital ¹	\$	(891)	-	(235)	(891)	(235)
All-In Margin¹	\$	(3,487)	3,507	8,103	22	19,139
add back: Sustaining and non-sustaining capital ¹	\$	8,454	6,244	7,548	14,698	13,330
Depreciation/depletion	\$	(8,598)	(4,563)	(11,050)	(13,161)	(21,284)
Non-cash operating (income)/expense	\$	(17,369)	(2,979)	2,469	(20,348)	(3,719)
Earnings (loss) from mine operations	\$	(21,000)	2,209	7,070	(18,789)	7,466
Unit cost analysis						
Realised gold price	\$/oz	1,306	1,320	1,256	1,313	1,241
Open pit mining cost per tonne mined	\$/t	3.45	2.65	3.72	2.98	3.57
Underground mining cost per tonne mined	\$/t	68.32	71.38	61.18	69.90	59.24
Processing cost per tonne milled	\$/t	17.76	18.41	19.00	18.09	20.77
G&A cost per tonne milled	\$/t	10.87	9.36	9.39	10.10	10.34
Cash cost per ounce sold¹ D=B/A	\$/oz	1,054	930	802	989	786
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	1,397	1,208	1,054	1,298	1,013

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 don't meet Endeavours' capital allocation criteria and therefore a sale process has been launched and non-binding offers were received.
- › As at June 30, the Tabakoto mine has been classified as an asset held for sale.

Q2 2018 vs Q1 2018 Insights

- › Production decreased mainly due to lower average head grades and slightly lower throughput and recovery rates.
 - Open pit ore mined decreased as the Kofi B pit approached its end of useable life while extraction at the Tabakoto North pit was ongoing.
 - Underground tonnes mined decreased as lower equipment availability slowed production.
 - Processing activities continued to perform well, with throughput rates slightly declining.
 - The average gold grade milled decreased as lower-grade stockpiles were used to supplement the plant feed.
 - The recovery rate decreased due to the change in ore fed to the plant associated with milling the low-grade stockpile.
- › AISC increased due to increased sustaining capital, and higher mining unit costs which was partially offset by lower processing and underground mining costs.
 - Open pit mining costs increased from \$2.65 to \$3.45 per tonne due to additional blasting requirements at Kofi B.
 - Underground mining unit costs decreased from \$71.38 to \$68.32 due to lower costs associated with the cement rock fill at Tabakoto underground.
 - Processing unit costs decreased from \$18.41 to \$17.76 per tonne as cyanide and lime consumption was reduced to interact with the characteristics of the ore blend processed.
 - Sustaining capital costs increased by \$1.3 million to \$7.6 million mainly due to increased spend on underground development.
- › Non-sustaining capital spend of \$0.9 million was due to once-off expenditures on infrastructure.

H1-2018 vs H1-2017 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. In addition, lower grade stockpiles supplemented the plant feed in H1-2018 to compensate for lower underground tonnage mined following a decrease in equipment availability.

H2-2018 Outlook

- › Tabakoto is on track to meet its full-year 2018 production guidance of 115,000 – 130,000, however it is expected to be above the guided \$1,200 - \$1,250 per ounce due to increased sustaining capital development work planned. H2-2018 is expected to benefit from increased underground equipment availability.

Exploration Activities

- › During H1-2018 nearly 5,000 meters were drilled on open pit targets while more than 13,000 meters were drilled in the underground mines with the aim of replenishing depletion.
- › For H2-2018, a further 12,000 meters are expected to be drilled on both open-pit targets and in the underground mines.

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 will be another flagship asset with a 14-year mine life, average annual production of 235,000 ounces at AISC of \$494 per ounce over the first five years, 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 (“OS”) which is based on a 4.0Mtpa gravity circuit/CIL plant, an increase from the previously contemplated 3.0Mtpa plant, to better capture the value created from recent exploration success.

June 30, 2018 - Achievements to date

- › Construction is progressing well and remains on-time and on-budget with the first gold pour expected by mid-2019.
- › The major milestones achieved to date include:
 - More than 3.1 million man-hours worked with zero lost-time injuries.
 - Overall project completion stands at over 50%, tracking well against schedule.
 - Over 85% of the total capital cost of \$412 million has already been committed and \$211 million capital expenditure incurred (inclusive of the first portion of the equipment financing received of approximately \$33 million). As at June 30, 2018, the remaining project spend amounted to \$191 million, with the expected remaining cash outflow amounting to circa \$160 million as an additional \$30 million of equipment financing is expected to be drawn.
 - The ball and semi-autogenous grinding mills have arrived on site, three months earlier than planned.
 - Plant construction is progressing with all eight bolted CIL tanks installed with four already hydro tested.
 - Tailings storage facility earthworks are progressing well against schedule with over 60% already completed prior to the start of the rainy season.
 - Camp construction is progressing well with all 312 rooms completed and available for occupation.
 - The 90kv transmission line and power station construction are progressing well against schedule with over 60% already completed. The land compensation process and resettlement activities are proceeding positively.
 - More than 2,100 personnel, including contractors, are currently employed on-site, 95% 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 realized 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.

June 30, 2018 - Achievements to date

- › An intensive exploration program, consisting of 48,000 meters of drilling, was finalized in early Q2-2018 on the Kalana and Kalanako deposits.
- › At the Kalana deposit:
 - Drilling confirmed the geological model, and in-fill drilling results are expected to convert a portion of the inferred resources in the North Eastern part of the deposit.
 - The remaining results from of the gold assays are expected to be received in the coming weeks
 - Endeavour is rebuilding the geological model based on both the drilling done by the previous owners and that completed this quarter, while using a more conservative top-cut assumption. In total, more than 2,200 holes and more than 221,000 assays will be used to build the geological model which will form the basis of the updated feasibility study.
 - An updated resource study is expected to be published in late Q3-2018.
- › At the Kalanako deposit, the drilling has confirmed the continuation of the mineralization and therefore is expected to convert a portion of the previously classified inferred resources.
- › In parallel to completing the resource model, initial work has commenced for the updated feasibility study which is expected to be published in Q1-2019.

5. RESULTS FOR THE PERIOD

5.1. STATEMENT OF COMPREHENSIVE INCOME

Table 11: Statement of comprehensive income

(\$000s)	THREE MONTHS ENDED			SIX MONTHS ENDED	
	June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Revenue	189,515	198,894	100,520	388,409	204,701
Operating expenses	(92,646)	(83,276)	(49,276)	(175,922)	(105,807)
Depreciation and depletion	(43,538)	(39,504)	(20,202)	(83,042)	(41,410)
Royalties	(10,254)	(12,183)	(4,666)	(22,437)	(9,392)
Earnings from mine operations	43,077	63,931	26,376	107,008	48,092
Corporate costs	(6,130)	(6,488)	(6,365)	(12,618)	(12,295)
Acquisition and restructuring costs	-	-	(936)	-	(2,460)
Share-based compensation	(10,109)	(2,668)	(1,808)	(12,777)	(9,443)
Exploration costs	(2,284)	(2,754)	(1,995)	(5,038)	(4,236)
Earnings from operations	24,554	52,021	15,272	76,575	19,658
(Losses)/gains on financial instruments	10,922	(11,403)	3,408	(481)	(8,478)
Finance costs	(4,549)	(7,496)	(5,328)	(12,045)	(11,202)
Other (expenses)/income	(818)	(165)	(847)	(983)	2,690
Earnings from continuing operations before taxes	30,109	32,957	12,505	63,066	2,668
Current income tax expense	(17,095)	(10,772)	(5,418)	(27,867)	(6,681)
Deferred taxes recovery/(expense)	(4,432)	4,881	6,301	449	8,783
Net (loss)/gain from discontinued operations ¹	(24,025)	593	3,881	(23,432)	10,307
Total net and comprehensive earnings (loss)	(15,443)	27,659	17,269	12,216	15,077

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 six months ended June 30, 2018:

- › Revenues for Q2-2018 were \$189.5 million and \$388.4 million for H1-2018 compared to \$100.5 million and \$204.7 million in the same period of 2017. The increase is primarily due to the increase in realised gold price, and the inclusion of the Houndé mine from Q4-2017.
- › Operating expenses for Q2-2018 were \$92.6 million and \$175.9 million in H1-2018 compared to \$49.3 million and \$105.8 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.
- › Depreciation and depletion in Q2-2018 was \$43.5 million and \$83.0 million in H1-2018 compared to \$20.2 million and \$41.4 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.
- › Corporate costs for Q2-2018 were \$6.1 million and \$12.6 million for H1-2018 compared to \$6.4 million and \$12.3 million in the comparative periods of 2017. The decreases over the comparative periods are due to the realisation of corporate cost saving initiatives.
- › Share based compensation was \$10.1 million in Q2-2018 and \$12.8 million for H1-2018, compared to \$1.8 million and \$9.4 million in the same periods of 2017. The change in the expense is due to the expensing of the fair value of the PSUs into earnings over the terms of the previously granted PSUs.
- › Exploration expense was \$2.3 million in Q2-2018 and \$5.0 million in H1-2018 compared to \$2.0 million and \$4.2 million in the same periods of 2017. The slight increase is due to increased exploration in H1-2018 that includes more greenfield work, as management continues to focus on unlocking exploration value within the portfolio.
- › Finance costs were \$4.6 million for Q2-2018 and \$12.1 million in H1-2018. The finance costs are related to charges for the RCF which has been drawn \$90.0 million as at June 30, 2018, as well as costs associated with the convertible bond.

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			SIX MONTHS ENDED	
	June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Gold ounces sold	150,732	153,788	84,580	304,520	174,015
Realised gold price	1,257	1,293	1,188	1,275	1,176
Revenue	189,515	198,894	100,520	388,409	204,701
Total cash costs	(91,675)	(80,640)	(48,884)	(172,316)	(105,156)
Royalties	(10,254)	(12,183)	(4,666)	(22,437)	(9,392)
Corporate costs	(6,130)	(6,488)	(6,365)	(12,618)	(12,295)
Sustaining capex ¹	(6,371)	(3,805)	(3,413)	(10,176)	(8,236)
Sustaining exploration ¹	(3,108)	(2,276)	(3,588)	(5,384)	(8,311)
All-in Sustaining Margin from continuing operations¹	71,977	93,502	33,604	165,478	61,311
All-in Sustaining Margin from discontinued operations ¹	(2,596)	3,507	17,384	913	37,418
All-in Sustaining Margin from all operations¹	69,381	97,008	50,988	166,391	98,729
Less: Non-sustaining capital ¹	(10,397)	(14,272)	(6,699)	(24,669)	(19,061)
Less: Non-sustaining exploration ¹	(10,504)	(14,915)	(8,860)	(25,419)	(15,562)
All-In Margin¹	48,480	67,820	35,429	116,303	64,106
Operating working capital changes as per statement of cash flows	(9,012)	(46,418)	(27,671)	(55,430)	(22,783)
Changes in long-term inventories	(7,213)	(3,055)	-	(10,268)	-
Taxes paid	(5,626)	(2,290)	(10,173)	(7,916)	(11,294)
Interest paid and financing fees	(14,188)	(8,086)	(5,801)	(22,274)	(6,987)
Cash settlements on hedge programs, gold collar premiums	(1,744)	(581)	(1,829)	(2,325)	(3,658)
Net free cash flow¹	10,697	7,390	(10,045)	18,090	19,384
Growth projects ¹	(87,933)	(74,780)	(67,751)	(162,713)	(128,362)
Exploration expense ²	(2,284)	(2,754)	(1,995)	(5,038)	(4,236)
M&A Activities ³	-	-	(53,915)	-	(55,439)
Cash paid on settlement of share appreciation rights, DSUs and PSUs	(1,890)	(2,557)	(929)	(4,447)	(1,101)
Net equity proceeds	(43)	602	47,019	559	51,806
Restructuring costs	-	-	(936)	-	(936)
Proceeds (repayment) of long-term debt	70,000	(280,000)	80,000	(210,000)	80,000
Convertible senior bond	-	330,000	-	330,000	-
Other (foreign exchange gains/losses and other)	(310)	(6,740)	6,259	(7,055)	(548)
Cash outflow for the period	(11,764)	(28,839)	(2,293)	(40,604)	(39,432)

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 Q2-2018 was \$48.5 million compared to \$37.3 million for Q2-2017. The increase is mainly due to the inclusion of the Houndé mine and an increase in gold sold at Ity which offset the decrease in revenue generated by Agbaou.
- › Net free cash flow for Q2-2018 was an inflow of \$10.7 million compared to an outflow of \$8.1 million in Q2-2017. The change is mainly due to the \$18.7 million working capital variation between periods, as well as a decrease in taxes paid and the inclusion of Houndé. The main drivers of the Q2-2018 \$9.0 million working capital outflow are as follows:
 - \$3.8 million-dollar outflow of trade and other receivables driven by gold sales received at Houndé, which was offset by an increase in VAT receivable at Karma.
 - \$2.8 million outflow of inventory due to an increase in stockpiles at Houndé and Karma as the mines begin to ramp-up stock for the rainy season.
 - \$3.7 million outflow of prepaid expenses mainly due to the prepayment of reagents at Houndé.
 - \$1.3 million inflow of trade and other payables as payables were increased through the normal course of business.
- › Growth projects cash outflow was \$162.7 million in H1-2018 which was comprised of \$135.8 million on the Ity CIL project, \$4.7 million on a new ERP implementation, \$4.6 million on Kalana construction, as well as a \$17.6 million working capital outflow associated with the Ity CIL construction.

5.3. BALANCE SHEET

Table 13: Balance sheet

(\$000s)	THREE MONTHS ENDED		
	June 30, 2018	March 31, 2018	December 31, 2017
ASSETS			
Cash	78,762	93,863	122,702
Cash-restricted	665	807	1,327
Trade and other receivables	50,444	46,168	50,698
Income taxes receivable	378	378	627
Inventories	123,381	157,174	134,766
Current portion of derivative financial assets	7,762	-	-
Prepaid expenses and other	32,987	45,492	44,514
Assets held for sale	130,909	-	-
CURRENT ASSETS	425,288	343,882	354,634
Mining interests	1,378,126	1,394,833	1,317,952
Deferred income taxes	4,637	6,169	6,267
Other long term assets	29,588	19,928	14,658
TOTAL ASSETS	1,837,639	1,764,812	1,693,511
LIABILITIES			
Trade and other payables	149,891	181,470	220,781
Current portion of equipment finance obligations	19,452	22,636	17,658
Current portion of derivative financial liabilities	-	4,161	-
Income taxes payable	22,652	2,991	2,746
Liabilities held for sale	57,714	-	-
CURRENT LIABILITIES	249,709	211,258	241,185
Equipment finance obligations	49,686	56,441	36,744
Long-term debt	410,204	341,168	286,440
Other long term liabilities	38,688	52,740	52,615
Deferred income taxes	73,827	71,750	75,906
TOTAL LIABILITIES	822,114	733,357	692,890
Share capital	1,738,131	1,735,859	1,735,074
Equity reserve	59,309	58,526	56,041
Deficit	(808,470)	(793,159)	(806,251)
Non-controlling interest	26,555	30,229	15,757
TOTAL EQUITY	1,015,525	1,031,455	1,000,621
TOTAL EQUITY AND LIABILITIES	1,837,639	1,764,812	1,693,511

Equipment Finance Obligations

On May 9, 2017, the Corporation entered into a financing arrangement with the Komatsu Group to acquire mining fleet equipment for the Ity CIL project. The Corporation made an initial down-payment of \$5.9 million on July 1, 2017 and the remaining \$33.2 million of payments are to be made between the first quarter of 2018 and first quarter of 2022.

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 41.8363 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 amortized 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 signed a \$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, as result of the Corporation completing a private placement of \$330 million convertible senior notes.

On March 9, 2018, the Corporation made a repayment of \$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.

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

Table 14: Net debt position

\$(000's)	June 30, 2018	March 31, 2018	December 31, 2017
Cash	78,762	93,863	122,702
Less: Equipment finance obligation	(69,138)	(79,077)	(54,402)
Less: Convertible senior bond	(330,000)	(330,000)	-
Less: Drawn portion of \$350 million RCF	(90,000)	(20,000)	(300,000)
Net Debt	(410,376)	(335,214)	(231,700)
Net Debt / Adjusted EBITDA LTM ratio	1.49	1.24	1.05

Adjusted EBITDA ratio is per table 17 and is calculated using the trailing twelve months Adjusted EBITDA as presented in prior reporting

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 June 30, 2018.

Table 15: Outstanding shares

	June 30, 2018	March 31, 2018	December 31, 2017
Shares issued and outstanding	107,727,522	107,727,522	107,533,007
Stock options	60,668	61,637	144,877

As at August 1, 2018, the Corporation had 107,737,655 shares issued and outstanding, as well as 50,535 stock options outstanding.

Financial instruments

In the period ended June 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 June 30, 2018, 293,329 ounces remain outstanding under the Collar derivative liability. An unrealized gain of \$11.9 million and \$7.8 million was recognized in the three and six months ended June 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 six months ended June 30, 2018, the Corporation incurred \$1.7 million and \$2.3 million in premium costs, included in realized losses 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 recognize 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 June 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 recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

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 June 30, 2018, March 31, 2018, and June 30, 2017 and six months ended June 30, 2018 and June 30, 2017.

Table 16: All-In Sustaining Margin¹

(\$'000)	THREE MONTHS ENDED			SIX MONTHS ENDED	
	June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Revenues	189,515	198,894	100,520	388,409	204,701
Less: Royalties	(10,254)	(12,183)	(4,666)	(22,437)	(9,392)
Less: Total cash costs	(91,675)	(80,640)	(48,884)	(172,316)	(105,156)
Less: Corporate G&A	(6,130)	(6,488)	(6,365)	(12,618)	(12,295)
Less: Sustaining capital	(6,371)	(3,805)	(3,413)	(10,176)	(8,236)
Less: Sustaining exploration	(3,108)	(2,276)	(3,588)	(5,384)	(8,311)
All-in sustaining margin from continuing operations	71,977	93,502	33,604	165,478	61,311

¹Data does not include Tabakoto or Nzema.

Table 17: Adjusted EBITDA

(\$'000)	THREE MONTHS ENDED			SIX MONTHS ENDED	
	June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Earnings/(loss) from continuing operations before taxes ¹	30,109	32,957	12,505	63,066	2,668
Add back: Depreciation and depletion ¹	43,538	39,504	20,202	83,042	41,410
Add back: Acquisition and restructuring costs ¹	-	-	936	-	2,460
Add back: Other income (expenses) ¹	818	165	847	983	(2,690)
Add back: Finance costs ¹	4,549	7,496	5,328	12,045	11,202
Add back: (Gains)/losses on financial instruments ¹	(10,922)	11,403	(3,408)	481	8,478
Adjusted EBITDA from continuing operations	68,092	91,525	36,410	159,617	63,528

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 June 30, 2018, March 31, 2018, and June 30, 2017 and six months ended June 30, 2018 and June 30, 2017.

Table 18: Cash Costs

\$'000's except ounces sold	THREE MONTHS ENDED			SIX MONTHS ENDED	
	June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Operating expenses from mine operations	(93,466)	(82,456)	(49,276)	(175,922)	(105,807)
Non-cash and other adjustments	1,791	1,816	392	3,606	652
Cash costs from continuing operations	(91,675)	(80,640)	(48,884)	(172,316)	(105,156)
Operating expenses from discontinued operations	(47,513)	(32,141)	(52,707)	(79,654)	(116,208)
Non-cash and other adjustments from discontinued operations	17,371	2,978	(2,435)	20,348	3,067
Total cash costs	(121,817)	(109,804)	(104,026)	(231,621)	(218,297)
Gold ounces sold	179,327	185,151	152,215	364,478	314,523
Total cash cost per ounce of gold sold¹	679	593	683	635	694
Excluding discontinued operations					
Cash costs from continuing operations	(91,675)	(80,640)	(48,884)	(172,316)	(105,156)
Gold ounces sold	150,732	153,788	84,580	304,520	174,015
Total cash cost per ounce from continuing operations	608	524	578	566	604

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 19: All-In Sustaining Costs

\$'000's except ounces sold	THREE MONTHS ENDED			SIX MONTHS ENDED	
	June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Total cash cost for ounces sold ¹	(121,817)	(109,804)	(104,026)	(231,621)	(218,297)
Royalties ¹	(12,491)	(14,657)	(9,757)	(27,148)	(19,625)
Corporate G&A ¹	(6,130)	(6,488)	(6,365)	(12,618)	(12,295)
Sustaining capital ¹	(13,934)	(10,049)	(12,624)	(23,983)	(24,652)
Sustaining exploration	(3,108)	(2,276)	(3,588)	(5,384)	(8,311)
All-in sustaining costs from all operations	(157,480)	(143,273)	(136,360)	(300,754)	(283,180)
Gold ounces sold ¹	179,327	185,151	152,215	364,478	314,523
All-in sustaining cost per ounce sold	878	774	896	825	900
Excluding discontinued operations					
add back: all-in sustaining costs from Nzema and Tabakoto	39,946	37,880	69,491	77,825	139,839
All-in sustaining costs from continuing operations	(117,535)	(105,393)	(66,869)	(222,928)	(143,341)
Gold ounces sold	150,732	153,788	84,580	304,520	174,015
All-in sustaining costs per ounce sold from continuing operations	780	685	791	732	824

¹ Figures include Tabakoto and Nzema.

Table 20: Sustaining and non-sustaining capital

(\$'000)	THREE MONTHS ENDED			SIX MONTHS ENDED	
	June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Expenditures and prepayments on mining interests¹	129,627	130,324	122,538	259,951	214,148
Non-sustaining capital expenditures	(10,397)	(14,272)	(6,699)	(24,669)	(19,061)
Non-sustaining exploration	(10,504)	(14,915)	(8,860)	(25,419)	(15,562)
Sustaining exploration	(3,108)	(2,276)	(3,588)	(5,384)	(8,311)
Growth projects ²	(91,684)	(88,812)	(90,768)	(180,496)	(159,654)
Sustaining Capital	13,934	10,049	12,623	23,983	11,560

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 21: Adjusted net earnings

(\$'000)	THREE MONTHS ENDED			SIX MONTHS ENDED	
	June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Total net earnings/(loss)	(15,443)	27,659	17,269	12,216	15,077
Net gain (loss) from discontinued operations	24,025	(593)	(3,881)	23,432	(10,307)
Deferred income tax (recovery)/expense	4,432	(4,881)	(6,301)	(449)	(8,783)
Loss/(Gain) on financial instruments	(10,922)	11,403	(3,408)	481	8,478
Other income/(expenses)	818	165	847	983	(2,690)
Share-based compensation	10,109	2,668	1,808	12,777	9,443
Acquisition and restructuring costs	-	-	936	-	2,460
Non-cash and other adjustments	1,791	1,816	392	3,606	652
Adjusted net earnings	14,810	38,237	7,662	53,046	14,330
Attributable to non-controlling interests	5,621	13,826	740	19,447	12,676
Attributable to shareholders of the Corporation	9,189	24,411	6,922	33,599	1,653
Weighted average number of shares issued and outstanding	107,727,522	107,634,310	95,807,936	107,681,174	94,757,477
Adjusted net earnings per share (basic) from continuing operations	0.09	0.23	0.07	0.31	0.02

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 22: Adjusted Operating Cash Flow (AOCF) and AOCF per share

	THREE MONTHS ENDED			SIX MONTHS ENDED	
	Jun. 30, 2018	Mar. 31, 2018	Jun. 30, 2017	Jun. 30, 2018	Jun. 30, 2017
CASH GENERATED FROM OPERATING ACTIVITIES	59,566	48,303	27,303	107,869	84,130
Add back changes in non-cash working capital	(9,012)	(46,418)	(27,671)	(55,430)	(22,783)
OPERATING CASH FLOWS BEFORE NON-CASH WORKING CAPITAL	68,578	94,721	54,974	163,299	106,913
Divided by weighted average number of O/S shares, in millions	107,728	107,634	95,808	107,681	94,757
OPERATING CASH FLOW PER SHARE	0.64	0.88	0.57	1.52	1.13

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 23: Net Debt/ Adjusted EBITDA ratio

\$(000's)	June 30, 2018	March 31, 2018	December 31, 2017
Net Debt	410,376	335,214	231,700
Trailing twelve month Adjusted EBITDA ¹	275,312	270,807	219,912
Net Debt / Adjusted EBITDA LTM ratio	1.49	1.24	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 24: 2018 - 2017 Quarterly Key Performance Indicators

(\$000's)	Unit	FOR THE THREE MONTHS ENDED			
		June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Gold ounces sold	oz	150,732	185,151	190,511	110,789
Gold revenues	\$	189,515	240,281	206,550	135,110
Cash flows from continuing operations	\$	59,566	48,303	82,497	55,164
Earnings from mine operations	\$	43,077	66,140	55,660	7,442
Net earnings (loss) and total comprehensive earnings (loss)	\$	(15,443)	27,659	(133,824)	(64,522)
Net earnings (loss) attributable to shareholders	\$	(15,311)	13,092	(101,832)	(64,104)
Basic earnings (loss) per share from continuing operations	\$	0.04	0.12	(1.24)	(0.26)
Diluted earnings (loss) per share from continuing operations	\$	0.04	0.12	(1.24)	(0.26)

Table 25: 2017 - 2016 Quarterly Key Performance Indicators

(\$'000' except ounces sold)	Ounces sold	FOR THE THREE MONTHS ENDED			
		June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Gold ounces sold		127,355	162,308	169,803	127,507
Gold revenues		160,373	193,140	199,825	169,313
Cash flows from operations		27,302	53,291	71,898	23,466
Earnings from mine operations		37,945	27,115	45,393	51,644
Net earnings (loss) and total comprehensive earnings (loss)		17,268	(2,190)	(69,116)	24,253
Net earnings (loss) attributable to shareholders		13,444	(7,714)	(49,727)	13,361
Basic earnings (loss) per share from continuing operations		0.14	(0.13)	(0.62)	0.16
Diluted earnings (loss) per share from continuing operations		0.14	(0.13)	(0.62)	0.16

Table 26: 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	654,393	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	0.67	1.23	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.

* 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 June 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, 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 June 30, 2018. The Corporation's maximum exposure to credit risk is as follows:

Table 27: Exposure to credit risk

(\$'000)	June 30, 2018	March 31, 2018	December 31, 2017
Cash	78,762	93,863	122,702
Cash - restricted	665	807	1,327
Trade and other receivables	50,444	46,168	50,698
Working capital loan	1,088	1,075	1,062
Marketable securities	7,762	955	981
Long-term receivable	1,132	188	208
	139,853	143,056	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 28: Net assets in foreign currencies

(\$'000)	June 30, 2018	March 31, 2018	December 31, 2017
Canadian dollar	163	440	107
CFA Francs	30,601	33,447	(696)
Euro	95	508	-
Other currencies	3,010	(1,134)	2,843
	33,869	33,261	2,254

The effect on earnings and other comprehensive earnings before tax as at June 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 \$3.4 million (March 31, 2018, \$3.5 million), if all other variables remained constant.

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. Borrowings under the Corporation's RCF accrue interest at variable rates and any borrowings would expose the Corporation to interest rate cost and interest rate risk. If interest rates increase, the Corporation's debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remains the same. This would in turn result in a decrease in the Corporation's net income and cash flows, limiting its ability to use resources for growth and investment in its operations. The RCF contains several typical financial covenants, including maximum leverage levels and minimum interest cover levels, which, if breached, may result in the enforcement by secured lenders of their collateral interests. Should this occur due to a credit event, it may result in the Corporation's loss of control over business and a material adverse effect on shareholder value. 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 as at June 30, 2018, of a 10% change in the LIBOR rate on the RCF is estimated to be \$0.1 million (March 31, 2018 - \$0.5 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 June 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'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.
- › 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 and the probable outcome but intends to vigorously defend against the claims.

10. APPENDIX A: DETAILED RESERVES AND RESOURCES

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

Table 29: 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 place; ounces are rounded to the nearest 1,000oz. Rounding may result in apparent summation differences between tonnes, grade and contained metal.
- Tonnes and grade measurements are in metric units; contained gold is in troy ounces.
- The reporting of Mineral Reserves and Resources are based on a gold price as detailed below:

Project ¹	Agbaou	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.