



Management Discussion & Analysis

For the three months ended
March 31, 2018 and 2017

(Expressed in Thousands of United States Dollars)



TABLE OF CONTENTS

1. BUSINESS OVERVIEW	3
1.1. OPERATIONS DESCRIPTION	3
1.2. STRATEGY SUMMARY	4
2. HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2018	5
2.1. 2018 CORPORATE HIGHLIGHTS	5
2.2. HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2018	5
3. GUIDANCE	8
3.1. 2018 OUTLOOK	8
4. OPERATIONS REVIEW	10
4.1. HEALTH, SAFETY, ENVIRONMENT AND CORPORATE RESPONSIBILITY	10
4.2. CONSOLIDATED RESERVES AND RESOURCES	11
4.3. OPERATIONS REVIEW	12
4.4. DEVELOPMENT PROJECTS REVIEW	22
5. RESULTS FOR THE PERIOD	24
5.1. STATEMENT OF COMPREHENSIVE INCOME	24
5.2. CASH FLOW	25
5.3. BALANCE SHEET	27
5.4. ACCOUNTING POLICIES AND CRITICAL JUDGEMENTS	30
6. NON-GAAP MEASURES	31
6.1. ALL-IN SUSTAINING MARGIN AND ADJUSTED EBITDA	31
6.2. CASH AND ALL-IN SUSTAINING COST PER OUNCE OF GOLD SOLD	32
6.3. ADJUSTED NET EARNINGS AND ADJUSTED NET EARNINGS PER SHARE	34
6.4. FREE CASH FLOW AND ADJUSTED CASH FLOW	34
6.5. NET DEBT AND NET DEBT/ADJUSTED EBITDA RATIO	35
7. QUARTERLY AND ANNUAL FINANCIAL AND OPERATING RESULTS	35
8. RISK FACTORS	37
8.1. FINANCIAL RISKS	37
9. CONTROLS AND PROCEDURES	39
9.1. DISCLOSURE CONTROLS AND PROCEDURES	39
9.2. INTERNAL CONTROLS OVER FINANCIAL REPORTING	39
9.3. LIMITATIONS OF CONTROLS AND PROCEDURES	40
10. APPENDIX A: DETAILED RESERVES AND RESOURCES	41

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 months ended March 31, 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 May 15, 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

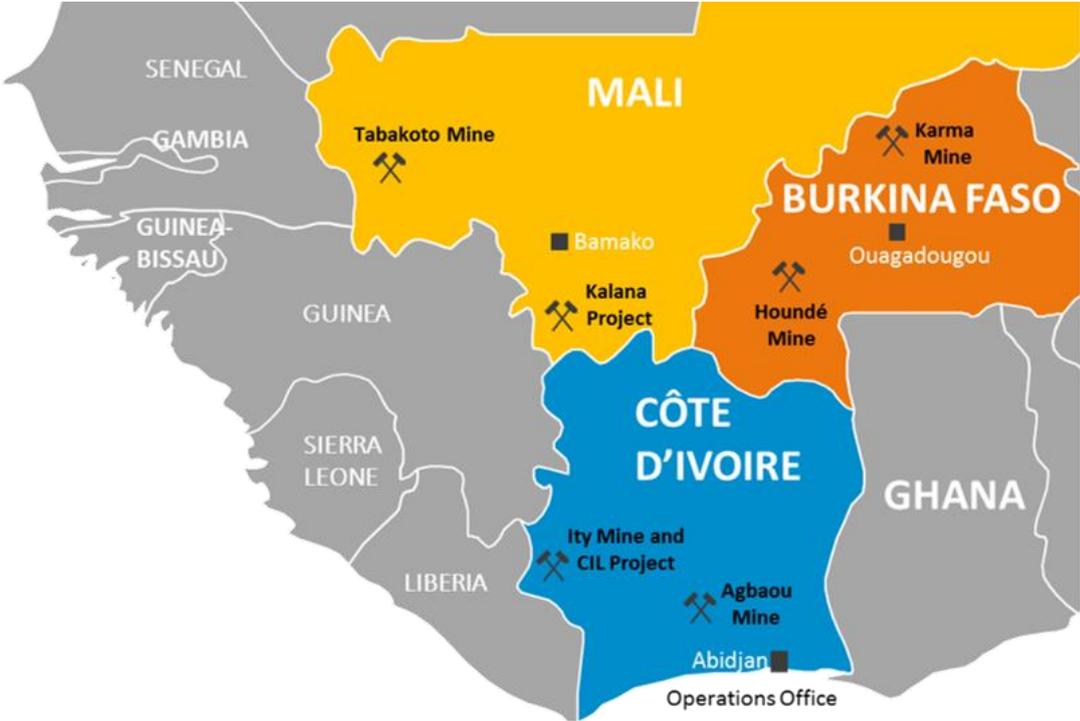
Endeavour Mining is a TSX-listed intermediate gold producer, focused on developing a portfolio of high quality mines in the prolific West-African region where it has established a solid operational and construction track record.

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), and Mali (Tabakoto). In 2018, Endeavour Mining expects to produce between 670,000 and 720,000 ounces of gold at an all-in sustaining cost¹ (“AISC”) of \$840 to \$890 per ounce.

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 March 31, 2018



1.2. STRATEGY SUMMARY

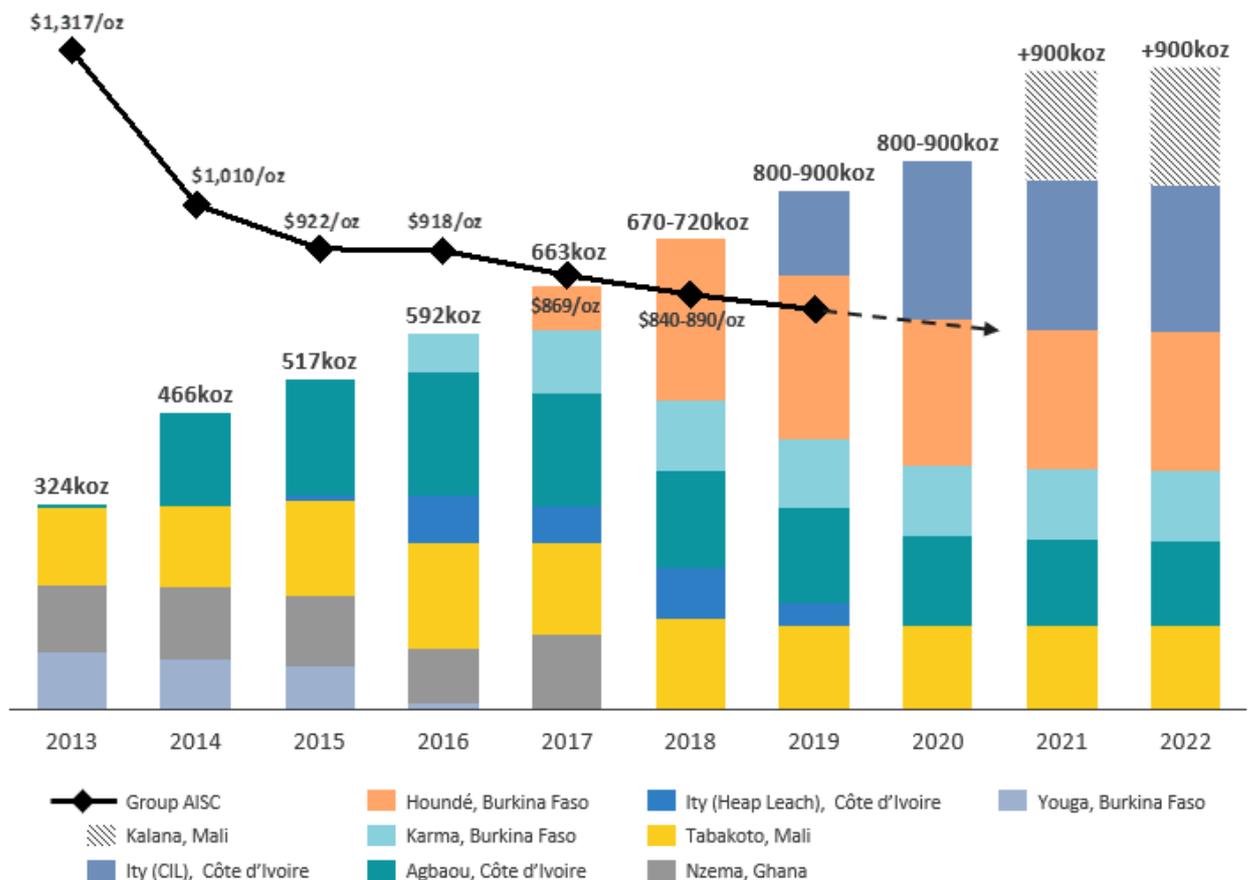
Endeavour Mining's strategy is focused on increasing the quality of its portfolio to create a leading African gold producer with low AISC and long-life mines. This will be achieved through:

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

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

A CLEAR PATH TO BUILDING A +800,000 OUNCE PRODUCER AT ≤ \$800/OZ AISC

Figure 2: Production and AISC Profile



2. HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2018

2.1. 2018 CORPORATE HIGHLIGHTS

- › On January 30 2018, Endeavour Mining announced that it had launched a private placement of convertible senior notes due in 2023 for an aggregate principal amount of \$300 million. Holders may opt to convert the notes into, at Endeavour Mining's election, cash, ordinary shares of the Corporation, or a combination of cash and shares. The private placement closed on February 6, 2018 with the initial purchasers exercising the over-allotment option for an aggregate principal amount of \$30 million.

2.2. HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2018

- › Gold production was 184,673 ounces, on track to meet the full-year guidance of 670,000 – 720,000 ounces.
- › Revenues of \$240.3 million produced at an average realised gold price of \$1,298 (inclusive of Karma stream) per ounce generated \$66.1 million in earnings from mine operations.
- › All-in sustaining costs totaled \$774 per ounce sold, well below the FY-2018 guidance of \$840 – 890 per ounce.
- › All-in margin amounted to \$67.9 million, an increase of \$35.7 million over the same period last year. The significant increase is due to the addition of Houndé which more than compensated for the sale of the Nzema mine.
- › Operating cash flow before non-cash working capital per share amounted to \$0.88, an increase of \$0.36 per share over Q1-2017.
- › Net earnings for Q1-2018 was \$27.7 million compared to a net loss of \$2.2 million in the same period of 2017.
- › Basic earnings per share of \$0.12 in Q1-2018 compared to a loss per share of \$0.13 for Q1-2017, which represents a \$0.25 share increase.
- › Adjusted net earnings attributable to shareholders was \$0.26 per share in Q1-2018 compared to \$0.11 per share in the same period of 2017.
- › Net Debt was \$335.6 million at March 31, 2018, an increase of \$103.9 million compared to December 31, 2017. The increase is due to finance obligations recognised at Ity for the Komatsu fleet fully commissioned in January 2018, as well as additional long-term debt surrounding the convertible bond.

Table 1: Quarterly figures for operating entities

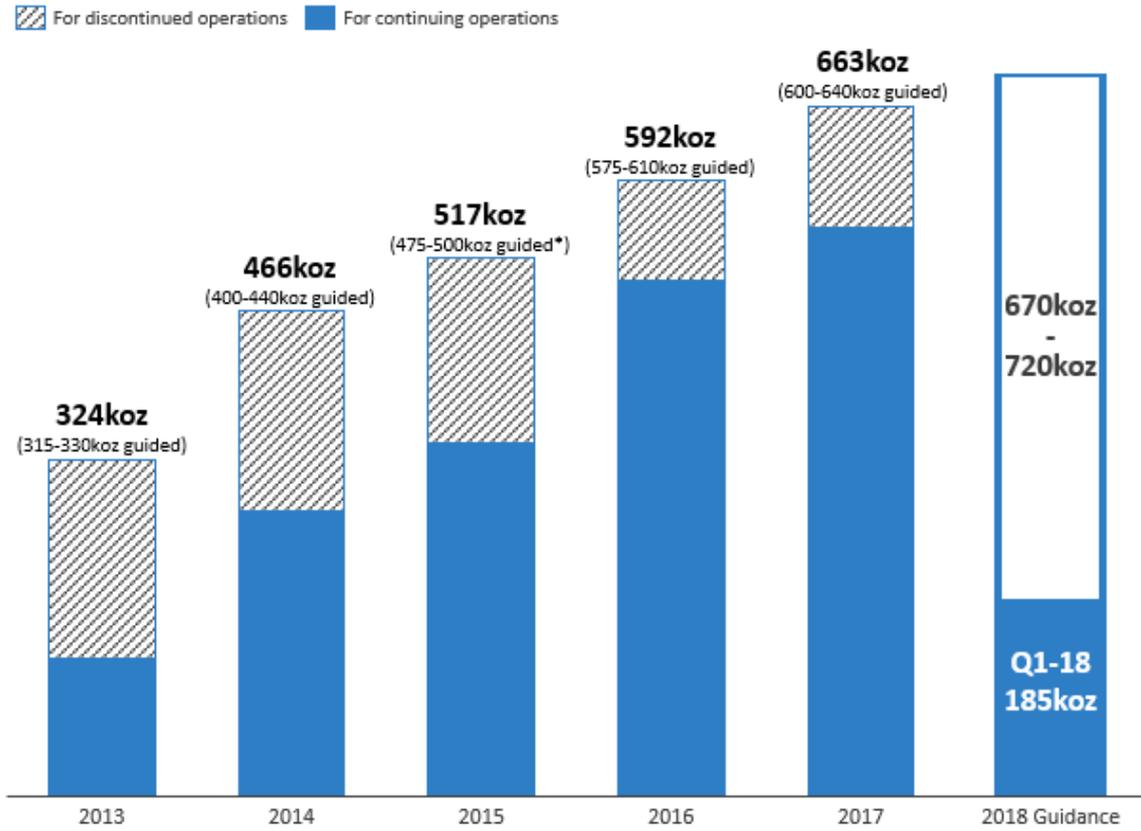
(\$000s)	Units	THREE MONTHS ENDED		
		March 31, 2018	December 31, 2017	March 31, 2017
Operating Data ¹				
Gold produced	oz	184,673	178,699	132,509
Gold sold	oz	185,151	167,145	133,247
Realised gold price ²	\$/oz	1,298	1,236	1,185
All-in sustaining costs ³	\$/oz	774	776	895
All-in sustaining margin ³	\$/oz	524	460	291
Cash Flow Data ¹				
All-in sustaining margin ³	\$	97,007	76,864	38,712
All-in Margin ³	\$	67,820	62,688	32,109
Operating cash flow before non-cash working capital	\$	94,721	94,778	48,401
Operating cash flow before non-cash working capital	\$/share	0.88	0.89	0.52
Profit and Loss Data ¹				
Revenues ²	\$	240,281	206,550	157,924
Adjusted net earnings per share attributable to shareholders ³	\$/share	0.26	0.55	0.11
Earnings from mine operations	\$	66,140	55,660	22,079
Net (loss) / earnings	\$	27,659	(133,824)	(2,190)
Basic (loss) / earnings per share attributable to shareholders	\$/share	0.12	(1.24)	(0.13)
Adjusted EBITDA ³	\$	98,297	84,363	37,716
Adjusted EBITDA margin ³	%	41%	41%	24%
Adjusted net earnings attributable to shareholders ³	\$	28,120	58,428	10,336
Balance Sheet Data ¹				
Cash	\$	93,863	122,702	87,156
Net Debt ³	\$	(335,590)	(231,700)	(61,949)
Net Debt / Adjusted EBITDA (LTM) ratio ³	\$	1.24	1.05	0.27

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

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

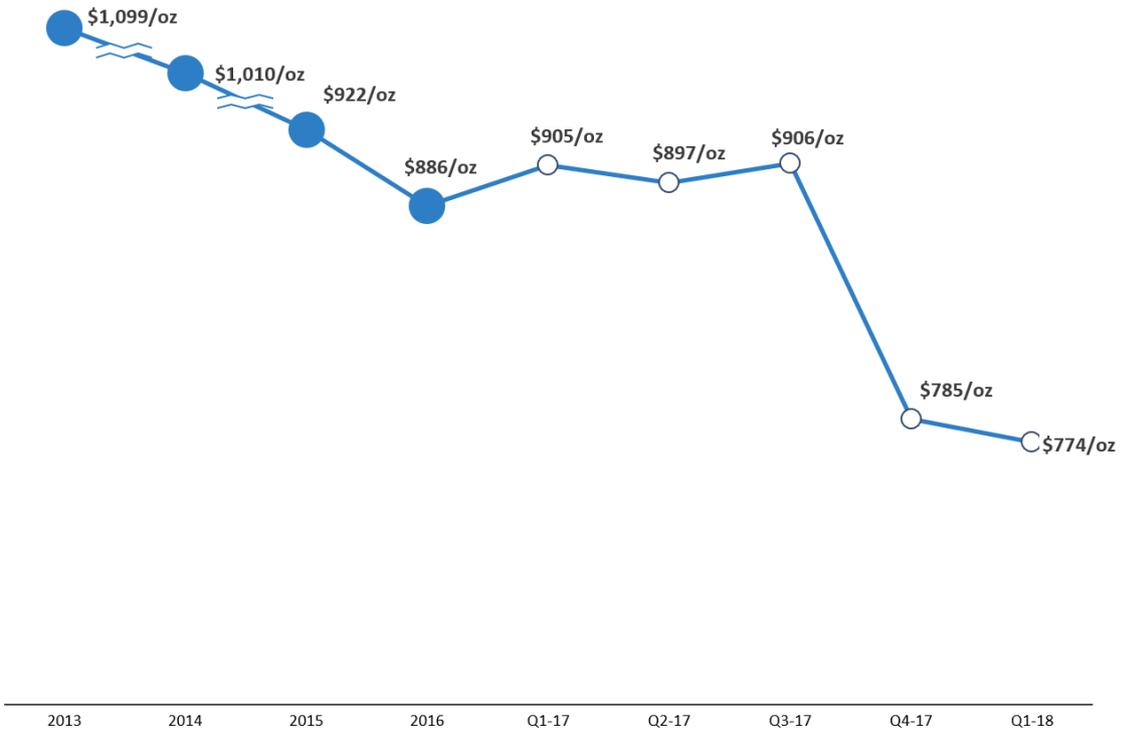
3. Throughout this MD&A, cash costs, all-in sustaining costs, adjusted EBITDA, adjusted earnings attributable to shareholders, all-in sustaining margin, all-in margin, sustaining and non-sustaining capital expenditures, growth projects, free cash flow, net debt, net debt/adjusted EBITDA, adjusted cash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

Figure 3: Production history and guidance ranges



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

Figure 4: AISC \$/oz



Figures are as presented in prior reporting.

3. GUIDANCE

3.1. 2018 OUTLOOK

- › Production from continuing operations is expected to increase to 670,000 – 720,000 ounces and AISC are expected to land between \$840 - 890 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 and Tabakoto. More details are provided in the operations review sections below.
- › In line with Endeavour Mining's portfolio management strategy, a strategic assessment is expected to be made of Tabakoto during the year. As shown in the below tables, 2018 production, excluding Tabakoto, is expected to range between 555,000 - 590,000 ounces at an AISC of \$760 - 810 per ounce.

Table 2: Production Guidance, koz

<i>(All amounts in koz, on a 100% basis)</i>	2017 ACTUALS *	2018 FULL-YEAR GUIDANCE		
Agbaou	177	140	-	150
Ity	59	60	-	65
Karma	98	105	-	115
Tabakoto	144	115	-	130
Houndé	69	250	-	260
PRODUCTION	547	670	-	720
<i>PRODUCTION EXCLUDING TABAKOTO</i>	<i>403</i>	<i>555</i>	<i>-</i>	<i>590</i>

*Nzema has been deconsolidated

Table 3: AISC Guidance, \$/oz

<i>(All amounts in koz, on a 100% basis)</i>	2017 ACTUALS *	2018 FULL-YEAR GUIDANCE		
Agbaou	647	860	-	900
Ity	906	790	-	850
Karma	834	780	-	830
Houndé	335	580	-	630
Tabakoto	1,148	1,200	-	1,250
Corporate G&A	43	30	-	30
Sustaining exploration	19	10	-	10
GROUP AISC	871	840	-	890
<i>GROUP AISC EXCLUDING TABAKOTO</i>	<i>769</i>	<i>760</i>	<i>-</i>	<i>810</i>

* Nzema has been deconsolidated

- › As detailed in the table below, sustaining and non-sustaining capital expenditures for 2018 amount to \$68 million and \$84 million respectively. Planned spend on growth projects is \$200 million, mainly for the Ity CIL project construction.

Table 4: Capital Expenditure Guidance, \$million

(in \$m)	SUSTAINING CAPITAL	NON-SUSTAINING CAPITAL	GROWTH PROJECTS
Agbaou	17	2	-
Tabakoto	37	-	-
Ity	2	-	180
Karma	2	23	-
Houndé	3	23	10
Kalana	-	-	10
Exploration	7	29	-
Corporate (Group IT system)	-	7	-
TOTAL	68	84	200

- › Exploration will continue to be a principal focus in 2018 with a company-wide exploration program of between \$40-45 million (approximately 15% expensed, 15% sustaining, 70% non-sustaining), compared to \$44.3 million in 2017.
 - Approximately 40% of the budget will be dedicated to greenfield opportunities, in line with the overall strategy of sourcing Endeavour Mining's next mine organically.
 - There will be a strong focus on exploration at Houndé to support the ramp-up of mining operations and to follow-up on 2017 success.
 - There will be a continued focus at the Ity mine and greenfield targets along the 100km Ity trend.
 - An intensive Kalana exploration campaign is planned for H1-2018 with the aim of integrating the results into the updated feasibility study.

Table 5: Exploration Guidance, \$million

(on a 100% basis)	EXPLORATION SPEND ALLOCATION
Agbaou	8%
Tabakoto and greenfield Kofi areas	15%
Ity and greenfield areas on the 100km Ity trend	18%
Karma	4%
Kalana	13%
Houndé	21%
Other greenfield properties	21%
TOTAL EXPLORATION EXPENDITURES*	\$40-45m

*Includes expensed, sustaining, and non-sustaining exploration expenditures

- › Endeavour Mining's objective is to fund the cost of the Ity CIL construction costs primarily using the free cash flow generated over the construction period, as well as accessing its revolving credit facility ("RCF"). To support this funding approach, it has put in place a short-term Gold Revenue Protection Strategy consisting of gold option contracts, in line with the strategy employed during the Houndé construction.
 - A deferred premium collar strategy using written call options and bought put options has been put in place beginning on February 1, 2018 and ending on April 30, 2019 with a floor price of \$1,300 per ounce and a ceiling price of \$1,500 per ounce. The program covers a total of 400,000 ounces, representing approximately 50% of Endeavour's total estimated gold production for the period. The total premium payable for entering into this program was \$8.7 million, to be paid over the term of the contracts.
 - The advantages of the gold option contracts during the construction period include:
 - ~50% of production will be protected if the gold price falls below \$1,300 per ounce.
 - 100% of production will benefit from gold price increases between \$1,300 and \$1,500 per ounce.
 - ~50% of production benefits from gold price increases beyond \$1,500 per ounce.
 - Once the gold option contracts program end Endeavour Mining will be exposed to spot gold prices.

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 three months ended March 31, 2018 and twelve months ended December 31, 2017.

Table 6: LTIFR Statistics for the quarter ended March 31, 2018 and year ended December 31, 2017

Q1 2018

Incident Category	Tabakoto	Agbaou	Karma	Ity	Houndé	Total
Fatality	-	-	-	-	-	-
Lost Time Injury	2	-	-	-	-	2
Total Man Hours	921,036	835,104	618,165	909,677	1,078,165	4,362,147
LTIFR¹	2.17	-	-	-	-	0.46

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
LTIFR¹	-	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 (+28%) 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 (+19%) 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 7: Reserves and Resources Summary

<i>In millions of ounces on a 100% basis</i>	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	+28%
M&I Resources (inclusive of Reserves)	14.9	12.6	11.0	+2.3	+19%
Inferred Resources	3.7	3.7	2.4	-	-

4.3. OPERATIONS REVIEW

The following tables summarise operating results for the three months ended March 31, 2018, December 31, 2017, and March 31, 2017.

Agbaou Gold Mine, Côte d'Ivoire

Table 8: Agbaou key performance indicators

	Unit	THREE MONTHS ENDED		
		March 31, 2018	December 31, 2017	March 31, 2017
Operating Data				
Tonnes ore mined	Kt	682	826	624
Tonnes of waste mined	Kt	7,270	6,390	5,732
Open pit strip ratio ²	w:o	10.66	7.74	9.19
Tonnes milled	Kt	726	760	683
Average gold grade milled	g/t	1.43	1.85	2.09
Recovery	%	93%	93%	95%
Gold produced:	oz	32,074	43,439	41,937
Gold sold (A):	oz	33,559	41,490	39,981
Financial Data (\$'000)				
Revenues	\$	44,562	52,844	48,588
Mining costs-open pit	\$	(22,873)	(19,312)	(15,581)
Processing cost	\$	(5,660)	(6,130)	(4,659)
G&A cost	\$	(3,263)	(3,281)	(3,074)
Capitalised waste	\$	7,950	3,288	343
Inventory adjustments and other	\$	2,751	247	1,022
Total Cash Cost ¹ (B)	\$	(21,095)	(25,190)	(21,949)
Royalties	\$	(1,834)	(2,292)	(1,707)
Sustaining capital ¹	\$	(2,303)	(1,154)	(2,735)
Total All-in Sustaining Costs ¹ (C)	\$	(25,232)	(28,635)	(26,391)
Non-sustaining capital ¹	\$	(7,950)	(2,385)	-
All-In Margin¹	\$	11,380	21,825	22,197
add back: Sustaining and non-sustaining capital ¹	\$	10,253	3,539	2,735
Depreciation/depletion	\$	(7,615)	(7,956)	(7,361)
Non-cash operating (income)/expense	\$	(1,317)	-	(25)
Earnings from mine operations	\$	12,701	17,406	17,546
Unit cost analysis				
Realised gold price	\$/oz	1,328	1,274	1,215
Open pit mining cost per tonne mined	\$/t	2.88	2.68	2.45
Processing cost per tonne milled	\$/t	7.80	8.07	6.82
G&A cost per tonne milled	\$/t	4.49	4.32	4.50
Cash cost per ounce sold¹ D=B/A	\$/oz	629	607	549
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	752	690	660

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

2. Strip ratio includes capital waste

Q1 2018 vs Q4 2017 Insights

- › Production decreased in line with expectations as low-grade stockpiles supplemented the mine feed to allow waste capitalisation activities to progress to give future access to higher grade areas.
 - Total tonnes moved increased from 7.2 million tonnes (“Mt”) to 8.0Mt as waste capitalisation activities increased which resulted in less ore mined.
 - Mill throughput decreased slightly, however remained at a high level as the proportion of fresh ore processed increased from 25% to 31%.
 - Average processed grades decreased mainly due to lower grade stockpiles supplementing the mine feed.
 - Recovery rates remained constant despite a greater proportion of fresh ore.
- › All-in sustaining costs increased from \$690 to \$752 per ounce mainly due to increased sustaining capital spend, lower milled grade, and the cost impact of transitioning towards mining a greater proportion of fresh ore.
 - Mining unit costs increased from \$2.68 to \$2.88 per tonne mainly due to mining at deeper levels as well as mining a higher proportion of fresh ore.
 - Processing unit costs decreased from \$8.07 to \$7.80 per tonne mainly due to cost savings realised on reagents following the implementation of a group procurement strategy, despite the higher blend of fresh ore processed.
 - Sustaining capital costs increased by \$1.2 million due to more equipment mobilised by the mining contractor.
- › Non-sustaining capital increased by \$5.6 million to \$8.0 million mainly due to waste capitalisation activities.

Exploration Activities

- › A \$4 million exploration program totaling approximately 16,000 meters has been planned for 2018 with the aim of delineating the at-depth potential of the North pit, extension drilling at the West pit, and further investigating targets on parallel trends.
- › In the latter portion of Q1-2018, drill rigs were mobilised and drilling the at-depth potential of the North pit began with nearly 1,800 meters completed by quarter-end.

Outlook

- › Agbaou is on track to meet its 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 with a focus on waste capitalisation, which is expected to give future access to high grade areas.
- › Production is expected to increase, specifically in the latter portion of the year once access is gained to higher-grade areas, while costs are expected to trend towards the guided range as the hard ore blend increases.

Table 9: Tabakoto key performance indicators

	Unit	THREE MONTHS ENDED		
		March 31, 2018	December 31, 2017	March 31, 2017
Operating Data				
Tonnes ore mined- Open pit	Kt	209	165	217
Tonnes of waste mined - Open pit	Kt	1,631	1,699	1,671
Open pit strip ratio ²	w:o	7.80	10.33	7.70
Tonnes mined- Underground	Kt	202	207	311
Ore tonnes mined - Underground	Kt	151	157	236
Tonnes milled	Kt	441	436	405
Average gold grade milled	g/t	2.51	2.20	3.50
Recovery	%	93%	92%	94%
Gold produced:	oz	32,367	28,117	43,028
Gold sold (A):	oz	31,363	27,741	43,812
Financial Data (\$'000)				
Revenues	\$	41,387	35,365	53,743
Mining costs- Open pit	\$	(4,873)	(5,564)	(6,509)
Mining costs- Underground	\$	(14,419)	(15,504)	(17,933)
Processing cost	\$	(8,120)	(8,818)	(9,131)
G&A cost	\$	(4,129)	(4,965)	(4,577)
Capitalised waste	\$	3,573	3,665	1,456
Inventory adjustments and other	\$	(1,194)	(1,268)	2,934
Total Cash Cost ¹ (B)	\$	(29,162)	(32,454)	(33,760)
Royalties	\$	(2,474)	(2,118)	(3,165)
Sustaining capital ¹	\$	(6,244)	(4,583)	(5,782)
Total All-In Sustaining Costs ¹ (C)	\$	(37,880)	(39,155)	(42,707)
Non-sustaining capital ¹	\$	-	(4,271)	-
All-In Margin¹	\$	3,507	(8,061)	11,036
add back: Sustaining and non-sustaining capital ¹	\$	6,244	8,854	5,782
Depreciation/depletion	\$	(4,563)	(7,201)	(10,234)
Non-cash operating (income)/expense	\$	(2,979)	(819)	(6,188)
Earnings (loss) from mine operations	\$	2,209	(7,226)	396
Unit cost analysis				
Realised gold price	\$/oz	1,320	1,275	1,227
Open pit mining cost per tonne mined	\$/t	2.65	2.99	3.45
Underground mining cost per tonne mined	\$/t	71.38	74.90	57.66
Processing cost per tonne milled	\$/t	18.41	20.22	22.55
G&A cost per tonne milled	\$/t	9.36	11.39	11.30
Cash cost per ounce sold¹ D=B/A	\$/oz	930	1,170	771
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	1,208	1,411	975

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

2. Strip ratio includes capital waste

Q1 2018 vs Q4 2017 Insights

- › Production increased mainly due to higher average head grades.
 - Open pit ore mined significantly increased due to the start of mining at Tabakoto North as pre-stripping activities ended in Q4-2017.
 - Underground tonnes mined remained steady as the low equipment availability was boosted through supplemental vehicles being rented temporarily while maintenance is completed on Tabakoto’s vehicles in Q2-2018.
 - Processing activities continued to perform well, with throughput remaining steady.
 - The average gold grade milled increased mainly due to higher open pit grades from Tabakoto North.
 - The recovery rate remained flat.
- › AISC significantly decreased due to increased production and overall lower unit costs which more than offset higher sustaining capital costs.
 - Open pit mining costs decreased from \$2.99 to \$2.65 per tonne due to low grade control drilling requirements associated with the Tabakoto North deposit.
 - Underground mining unit costs decreased from \$74.90 to \$71.38 due to lower maintenance costs in the quarter as mining was performed with rented equipment.
 - Processing unit costs decreased from \$20.22 to \$18.41 per tonne as cyanide and lime consumption was reduced to interact with the characteristics of the ore blend processed.
 - Sustaining capital costs increased by \$1.7 million to \$6.2 million mainly due to spares received for the heavy mobile equipment.
- › There was no non-sustaining capital spend in the quarter.

Exploration Activities

- › A \$7 million exploration program totalling approximately 45,000 meters has been planned for 2018, equally allocated on near-mill targets (both underground and open pit) and on greenfield targets on both the Kofi permit and on the new permits acquired in 2017, located immediately north of Kofi and on-trend with Randgold’s Loulo deposits.
- › In Q1-2018, nearly 5,000 meters had already been drilled on greenfield open pit targets on the Kofi trend and over 6,000 meters in the underground mines.

Outlook

- › Tabakoto is on track to meet its full-year 2018 guidance of 115,000 – 130,000 ounces at an AISC of \$1,200-\$1,250 per ounce.
- › In line with Endeavour Mining’s portfolio management strategy, a strategic assessment is expected to be made on Tabakoto during the year.

Table 10: Ity key performance indicators

THREE MONTHS ENDED				
	Unit	March 31, 2018	December 31, 2017	March 31, 2017
Operating Data:				
Tonnes ore mined	Kt	370	402	329
Tonnes of waste mined	Kt	1,201	1,277	1,460
Open pit strip ratio ²	w:o	3.25	3.18	4.44
Tonnes of ore stacked	Kt	357	372	267
Average gold grade stacked	g/t	2.17	1.86	1.90
Recovery	%	73%	78%	98%
Gold produced:	oz	18,265	17,287	15,892
Gold sold (A):	oz	17,530	16,316	18,347
Financial Data (\$'000)				
Revenues	\$	23,477	20,885	22,467
Mining costs-open pit	\$	(7,830)	(5,491)	(3,988)
Processing cost	\$	(5,236)	(5,152)	(4,123)
G&A cost	\$	(2,844)	(3,522)	(2,610)
Capitalised waste	\$	-	829	142
Inventory adjustments and other	\$	3,143	2,612	(3,174)
Total Cash Cost (B)	\$	(12,767)	(10,724)	(13,753)
Royalties	\$	(919)	(786)	(770)
Sustaining capital ¹	\$	(838)	(2,665)	(1,611)
Total All-In Sustaining Costs ¹ (C)	\$	(14,524)	(14,175)	(16,134)
Non-sustaining capital ¹	\$	-	-	562
All-In Margin¹	\$	8,953	6,710	6,897
add back: Sustaining and non-sustaining capital ¹	\$	838	2,665	1,049
Depreciation/depletion	\$	(7,417)	(4,027)	(5,394)
Non-cash operating (income)/expense	\$	(1,724)	(216)	93
Earnings from mine operations	\$	650	5,132	2,643
Unit cost analysis				
Realised gold price	\$/oz	1,339	1,280	1,225
Open pit mining cost per tonne mined	\$/t	4.98	3.27	2.23
Processing cost per tonnes stacked	\$/t	14.67	13.85	15.44
G&A cost per tonnes stacked	\$/t	7.97	9.47	9.78
Cash cost per ounce sold¹ D=B/A	\$/oz	728	657	750
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	829	869	879

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

2. Strip ratio includes capital waste

Q1 2018 vs Q4 2017 Insights

- › Production increased due to higher grades stacked as mining activities refocused on the high-grade Bakatouo pit as metallurgical testing performed in the quarter resulted in positive recovery in the heap-leach environment, initiating a change in mine plan from the prior quarter.
 - Tonnes of ore mined decreased due to the harder material encountered at the Ity pit as well as low excavator availability.
 - Ore stacked slightly decreased due to the focus on stacking the high-grade Bakatouo ore.
 - The stacked grade increased due to the change to stacking Bakatouo ore.
 - Recovery rates decreased slightly due to the change in ore type throughout the quarter.
- › AISC decreased mainly due to lower sustaining capital costs, lower general and administrative costs and greater gold volume sold, which were partially offset by increased unit mining and stacking costs.
 - Mining unit costs increased from \$3.27 to \$4.98 per tonne mainly due to longer haul distances and more fleet maintenance.
 - Processing unit costs increased from \$13.85 to \$14.67 per tonne due to lower tonnes stacked and greater reagent consumption.
 - Sustaining capital costs decreased by \$1.8 million to \$0.8 million mainly due to critical spares purchased in the prior quarter.
- › There was no non-sustaining capital spend in the quarter.

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 Q1-2018, a total of over 15,000 meters had already been drilled, mainly focused on the Mont Ity deposit and Le Plaque area.

Outlook

- › Ity is on track to meet its 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. A specific mining strategy has been set to address both the needs of the heap leach operation and the CIL project.
 - Open pit mining activities for the heap leach operation are expected to intensify in the upcoming weeks with the addition of a contractor and continue until early Q3-2018. The aim is to create a stockpile sufficient to feed stacking requirements for the second half of the year.
 - In the second half of the year, greater focus will be on mining for the CIL project.

Table 11: Karma key performance indicators

THREE MONTHS ENDED				
	Unit	March 31, 2018	December 31, 2017	March 31, 2017
Operating Data:				
Tonnes ore mined	Kt	1,536	1,184	1,050
Tonnes of waste mined	Kt	2,280	2,532	3,293
Open pit strip ratio ²	w:o	1.48	2.14	3.14
Tonnes of ore stacked	Kt	1,241	1,026	954
Average gold grade stacked	g/t	0.88	1.06	1.07
Recovery	%	74%	77%	87%
Gold produced:	oz	28,186	21,102	31,652
Gold sold (A) :	oz	28,499	20,574	31,107
Financial Data (\$'000)				
Revenues ³	\$	31,725	20,268	33,126
Mining costs-open pit	\$	(9,563)	(6,512)	(7,924)
Processing cost	\$	(9,726)	(8,365)	(6,777)
G&A cost	\$	(3,728)	(4,250)	(3,884)
Capitalised waste	\$	2,358	754	249
Inventory adjustments and other	\$	(918)	1,948	(2,221)
Total Cash Cost (B)	\$	(21,577)	(16,425)	(20,557)
Royalties	\$	(2,511)	(1,360)	(2,249)
Sustaining capital ¹	\$	(664)	(1,095)	(477)
Total All-In Sustaining Costs ¹ (C)	\$	(24,752)	(18,880)	(23,283)
Non-sustaining capital ¹	\$	(3,215)	(12,203)	(3,872)
All-In Margin¹	\$	3,758	(10,815)	5,971
add back: Sustaining and non-sustaining capital ¹	\$	3,879	13,298	4,349
Depreciation/depletion	\$	(8,074)	(8,760)	(8,260)
Non-cash operating (income)/expense	\$	1,225	(1,474)	(373)
Earnings (loss) from mine operations	\$	788	(7,751)	1,687
Unit cost analysis				
Realised gold price ³	\$/oz	1,113	985	1,065
Open pit mining cost per tonne mined	\$/t	2.51	1.75	1.82
Processing cost per tonnes stacked	\$/t	7.84	8.15	7.10
G&A cost per tonne stacked	\$/t	3.00	4.14	4.07
Cash cost per ounce sold¹ D=B/A	\$/oz	757	798	661
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	869	918	748

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.

Q1 2018 vs Q4 2017 Insights

- › Production increased and was slightly above expectations due to increased stacking capacity following the commissioning of the new front-end in Q4-2017, performing 25% higher than nameplate capacity.
 - As expected, mining activities focused mainly on mining transitional ore from the GG2 deposit as mining oxide ore at the Kao deposit commenced in March. Ore tonnes mined significantly increased due to the lower strip ratio and the higher stacking capacity.
 - Stacking increased following the commissioning of the new front-end and ADR plant in Q4-2017, achieving an annualized run-rate of nearly 5Mt per annum, significantly out-performing its 4Mt per annum nameplate capacity.
 - Stacked grade decreased due to usage of low-grade stockpiles as stacking capacity performed above nameplate.
 - As guided, recovery rates decreased due to stacking of greater amounts of transitional ore from the GG2 deposit. Recovery rates are expected to increase in the second half of the year as mining activities are expected to focus mainly on oxide ore from the Kao deposit.
- › AISC decreased mainly due to decreased stacking and G&A costs associated with greater volumes, which were partially offset by higher mining costs.
 - Mining unit costs increased from \$1.75 to \$2.51 per tonne due to the increased drill and blast, as well as haulage costs associated with mining transitional ore from the Kao deposit.
 - Processing unit costs decreased from \$8.15 to \$7.84 per tonne due to greater economies of scale following the commissioning of the new front-end and ADR plant.
 - Sustaining capital costs decreased by \$0.4 million to \$0.7 million mainly due to a decrease in capital stripping costs.
- › Non-sustaining capital spend decreased by \$9.0 million to \$3.2 million mainly due to the end of the optimisation project in Q4-2017.

Exploration Activities

- › A \$2 million exploration program totalling approximately 32,000 meters has been planned for 2018 with the aim of delineating Indicated resources at both North Kao and Yabongso, in addition to near-mill targets such as Rounga and on the recently acquired Zanna exploration license.
- › In Q1-2018, more than 12,000 meters had already been drilled, mainly focused on the Eastern extension of the Kao North deposit and on Yabongso.

Outlook

- › Karma is on track to meet its full-year 2018 guidance of 105,000 – 115,000 ounces at an AISC of \$780-830 per ounce.
- › As mentioned, Q1 production was slightly above expectations due to higher nameplate stacking capacity, albeit at slightly higher than expected AISC due to the additional unbudgeted lower grade stacked ore, ultimately resulting in incremental free cash flow.
- › In line with guidance, production is expected to increase and AISC is expected to decrease in the second half of the year as mining activities transition to the oxide ore from the Kao deposit due to its higher recovery rate and lower unit costs.

Table 12: Houndé key performance indicators

THREE MONTHS ENDED ³				
	Unit	March 31, 2018	December 31, 2017	March 31, 2017
Operating Data:				
Tonnes ore mined	Kt	1,361	663	-
Tonnes of waste mined	Kt	8,948	9,135	-
Open pit strip ratio ²	w:o	6.57	13.78	-
Tonnes milled	Kt	898	813	-
Average gold grade milled	g/t	2.59	2.75	-
Recovery	%	95%	95%	-
Gold produced:	oz	73,781	68,754	-
Gold sold (A):	oz	74,200	61,024	-
Financial Data (\$'000)				
Revenues	\$	99,130	77,188	-
Mining costs-open pit	\$	(16,303)	(9,296)	-
Processing cost	\$	(9,794)	(5,534)	-
G&A cost	\$	(6,284)	(2,745)	-
Capitalised waste	\$	1,655	3,995	-
Inventory adjustments and other	\$	5,526	1,754	-
Total Cash Cost (B)	\$	(25,201)	(11,826)	-
Royalties	\$	(6,919)	(4,595)	-
Sustaining capital ¹	\$	-	(3,995)	-
Total All-In Sustaining Costs ¹ (C)	\$	(32,120)	(20,416)	-
Non-sustaining capital ¹	\$	(1,590)	(14,477)	-
All-In Margin¹	\$	65,420	42,295	-
add back: Sustaining and non-sustaining capital ¹	\$	1,590	18,472	-
Depreciation/depletion	\$	(15,745)	(12,517)	-
Non-cash operating (income)/expense	\$	-	-	-
Earnings from mine operations	\$	51,265	48,250	-
Unit cost analysis				
Realised gold price	\$/oz	1,336	1,265	-
Open pit mining cost per tonne mined	\$/t	1.58	1.33	-
Processing cost per tonne milled	\$/t	10.91	6.81	-
G&A cost per tonne milled	\$/t	7.00	3.38	-
Cash cost per ounce sold¹ D=B/A	\$/oz	340	194	-
Mine All-In Sustaining Costs¹ E=C/A	\$/oz	433	335	-

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.

Q1 2018 vs Q4 2017 Insights

- › Production increased as the mine benefited from a full quarter of production after commencing commercial production on November 1, 2017.
 - Ore tonnes significantly increased due to a full quarter of mining. As expected, mine capacity ramped up to 10.3Mt moved, representing an annualised run-rate of over 40Mt thereby outperforming the feasibility study assumption of 32Mt based on the same equipment due to better than anticipated productivity.
 - In line with design characteristics, mining and processing activities moved from mainly softer oxide material to roughly 80% harder fresh ore.
 - Tonnes processed increased due to a full quarter of production, and despite the transition to harder material, the average tonnes processed per hour increased from 407 to 450. The annualised run-rate of 3.6Mt per annum is currently outperforming the 3.0Mt per annum nameplate capacity by 20%.
 - The average grade milled decreased slightly due to the anticipated mine sequence, remaining well above the 2.02 g/t reserve grade.
 - Recovery rates remained steady at 95%, outperforming the feasibility study estimate of 93%.
- › AISC amounted to \$433 per ounce in Q1-2018, with unit costs comparing very favourably to metrics presented in the feasibility study.
 - Mining unit costs increased from \$1.33 to \$1.58 per tonne as mining shifted from softer oxide material in Q4-2017 to harder fresh ore in Q1-2018, remaining well below the feasibility study estimate of \$2.17 per tonne.
 - Processing unit costs increased from \$6.81 to \$10.91 per tonne milled due to the transition to fresh ore, remaining well below the feasibility study estimate of \$13.36 per tonne.
 - No sustaining capital spend was incurred in the quarter.
- › Non-sustaining capital decreased from \$14.5 million to \$1.6 million as the pre-stripping at Vindaloo Main was completed in Q4-2017.

Exploration Activities

- › In 2018, Houndé will be the primary focus for Endeavour Mining with a \$9 million exploration program totaling approximately 125,000 meters planned with the aim of drilling the entire Kari anomaly and delineating a maiden resource on 2017 Kari Pump discovery by the end of 2018.
- › In Q1-2018, a total of nearly 73,800 meters had already been drilled, mainly focused on the Kari anomaly, with further high-grade mineralization confirmed. Results are currently being analyzed and are expected to be announced in the coming weeks.

2018 Outlook

- › Houndé is well on track to meet its full-year 2018 guidance of 250,000 – 260,000 ounces at an AISC of \$580-630/oz.
- › In line with the guidance, the production rate is expected to slightly decline in the upcoming quarters while AISC are expected to increase as a reflection of lower expected grades and higher strip ratio.

4.4. 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, and 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 Resource 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 Resource 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.

March 31, 2018 - Achievements to date

- › Construction is progressing well and remains on-time and on-budget with the first gold pour expected in mid-2019.
- › The main milestones achieved to date include:
 - Overall project completion stands at 30%, tracking well against schedule.
 - Overall cash outflow for the project stands at \$117 million.
 - No LTI with over 1.8 million man-hours worked.
 - Over 65% of the total capital cost of \$412 million has already been committed.
 - Tailings storage facility (TSF) earthworks are progressing well against schedule with day and night shifts in place.
 - Camp construction progressed well with ~250 rooms already available for occupation.
 - Civil works are progressing well with the crusher and ball-mill foundations completed as planned.
 - Plant build is progressing well against schedule as the CIL bolted tank and steel framed installation began.
 - Earthworks excavation for the 90-kilovolt transmission power line station is ongoing with erection of towers underway.

Kalana Project, Mali

- › Following the close of the transaction 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.

March 31st, 2018 - Achievements to date

- › An intensive exploration program is underway with nearly 37,000 meters already drilled by quarter-end, representing a significant portion of the 45,000 meters planned for the year.
- › An updated resource is expected to be published by mid-year which will form the basis of the updated feasibility study which is expected to be completed by Q1-2019.

5. RESULTS FOR THE PERIOD

5.1. STATEMENT OF COMPREHENSIVE INCOME

Table 13: Statement of comprehensive income

(\$000s)	THREE MONTHS ENDED		
	March 31, 2018	December 31, 2017	March 31, 2017
Revenue	240,281	206,550	157,924
Operating expenses	(115,417)	(99,127)	(96,513)
Depreciation and depletion	(44,067)	(40,611)	(31,442)
Royalties	(14,657)	(11,152)	(7,890)
Earnings from mine operations	66,140	55,660	22,079
Corporate costs	(6,488)	(7,727)	(5,930)
Impairment charge of mining interests	-	(130,413)	-
Acquisition and restructuring costs	-	(6,088)	(1,524)
Share-based compensation	(2,668)	(4,562)	(7,634)
Exploration (costs)/recovery	(2,754)	381	(2,241)
Earnings (loss) from operations	54,230	(92,749)	4,750
(Losses)/gains on financial instruments	(11,934)	2,906	(9,787)
Finance (costs)/gain	(7,758)	1,278	(5,874)
Other (expenses)/income	(165)	(4,162)	3,537
Earnings (loss) from continuing operations before taxes	34,373	(92,727)	(7,374)
Current income tax expense	(10,772)	(1,279)	(2,522)
Deferred taxes recovery/(expense)	4,058	(25,296)	2,078
Net (loss)/gain from discontinued operations and (loss)/gain on disposal ¹	-	(14,522)	5,628
Total net and comprehensive earnings (loss)	27,659	(133,824)	(2,190)

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

Review of results for the three months ended March 31, 2018:

- › Revenues for Q1-2018 were \$240.3 million compared to \$157.9 million for Q1-2017. 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 Q1-2018 were \$115.4 million compared to \$96.5 million in Q1-2017. The upward trend compared to 2017 is due to the inclusion of the Houndé mine, as well as a decrease in operating expenses at Tabakoto in the comparative periods.
- › Depreciation and depletion in Q1-2018 was \$44.1 million compared to \$31.4 million in Q1-2017. The increase is primarily due to the addition of Houndé mine, as well as the change in depletable ounces in 2018.
- › Corporate costs for Q1-2018 were \$6.5 million compared to \$5.9 million in Q1-2017. The period-over-period changes are mainly due to the timing of accruals as well as the strengthening of the US dollar in comparison to GBP.
- › Share based compensation was \$2.7 million in Q1-2018 compared to \$7.6 million in Q1-2017. 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 \$2.8 million in Q1-2018 compared to \$2.2 million in Q1-2017. The year-over-year 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 \$7.8 million for Q1-2018 and \$5.9 million in Q1-2017. The finance costs are related to charges for the RCF which has been drawn \$20.0 million as at March 31, 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 14: Free cash flow¹

\$(000's)	THREE MONTHS ENDED		
	March 31, 2018	December 31, 2017	March 31, 2017
Gold ounces sold	185,151	167,145	133,247
Realised gold price	1,298	1,236	1,185
Revenue	240,281	206,550	157,924
Total cash costs	(109,804)	(96,652)	(90,064)
Royalties	(14,657)	(11,152)	(7,890)
Corporate costs	(6,488)	(7,727)	(5,930)
Sustaining capex ¹	(10,049)	(13,494)	(10,605)
Sustaining exploration ¹	(2,276)	(661)	(4,723)
All-in Sustaining Margin from continuing operations¹	97,007	76,864	38,712
All-in Sustaining Margin from discontinued operations ¹	-	9,932	7,575
All-in Sustaining Margin from all operations¹	97,007	86,796	46,288
Less: Non-sustaining capital ¹	(14,272)	(21,347)	(7,477)
Less: Non-sustaining exploration ¹	(14,915)	(2,760)	(6,702)
All-In Margin¹	67,820	62,688	32,109
Operating working capital changes as per statement of cash flows	(46,418)	(12,281)	4,888
Taxes paid	(2,290)	(5,888)	(1,121)
Interest paid and financing fees	(8,086)	3,143	(282)
Cash settlements on hedge programs, gold collar premiums	(581)	-	(1,829)
Net free cash flow¹	10,445	47,662	33,765
Growth projects ¹	(77,835)	(91,548)	(68,886)
Exploration income (expense) ²	(2,754)	381	(2,241)
M&A Activities ³	-	7,501	-
Cash paid on settlement of share appreciation rights, DSUs and PSUs	(2,557)	-	(172)
Net equity proceeds	602	30,258	4,787
Restructuring costs	-	(4,988)	(1,524)
Repayment of long-term debt	(280,000)	-	(1,133)
Convertible senior bond	330,000	-	-
Other (foreign exchange gains/losses and other)	(6,740)	8,090	(1,735)
Cash outflow for the period	(28,839)	(2,644)	(37,138)

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 Q1-2018 was \$67.8 million compared to \$32.1 million for Q1-2017. The increase is due to the inclusion of the Houndé mine, offset by the sale of the Nzema mine in December 2017, as well as a decrease in all-in margin at Agbaou due to non-sustaining pre-stripping activity which will lead to higher grades mined in future periods.
- › Net free cash flow from operations for Q1-2018 was an inflow of \$10.4 million compared to an inflow of \$33.8 million in Q1-2017. The change is mainly due to the \$58.9 million working capital variation between periods. The main drivers of the Q1-2018 \$46.4 million working capital outflow are as follows:
 - \$2.4 million-dollar inflow of trade and other receivables driven by gold sales received at Houndé, which was slightly offset by an increase in VAT receivable at Karma.
 - \$23.2 million outflow of inventory due to a temporary increase of consumable inventory at Tabakoto, Ity and Karma, an increase in stockpiles at Houndé and Agbaou as the mines begin to ramp-up stock for the rainy season, as well as an increase of gold-in-circuit at Ity.
 - \$26.4 million outflow of trade and other payables due to large supplier payments made at Agbaou, Ity and Karma, as well as the payment of accrued 2017 salaries.
- › Growth projects cash outflow was \$77.8 million in Q1-2018 compared to \$68.9 million in Q1-2017. The Q1-2018 cash spend consists of \$71.1 million on the Ity CIL project, \$5.2 million of Houndé construction costs, and \$1.5 million on the Kalana project.
- › Repayment of long-term debt was \$280.0 million in Q1-2018 and the cash inflow from the convertible senior bond was \$330.0 million in Q1-2018.

5.3. BALANCE SHEET

Table 15: Balance sheet

(\$000s)	THREE MONTHS ENDED		
	March 31, 2018	December 31, 2017	March 31, 2017
ASSETS			
Cash	93,863	122,702	87,156
Cash-restricted	807	1,327	4,065
Trade and other receivables	46,168	50,698	15,105
Income taxes receivable	378	627	382
Inventories	157,174	141,898	110,816
Prepaid expenses and other	45,492	44,514	20,894
CURRENT ASSETS	343,882	361,766	238,418
Mining interests	1,394,833	1,317,952	1,106,944
Deferred income taxes	6,169	6,267	29,498
Other long term assets	19,928	7,526	4,052
TOTAL ASSETS	1,764,812	1,693,511	1,378,912
LIABILITIES			
Trade and other payables	181,470	220,781	138,140
Current portion of equipment finance obligations	22,636	17,658	4,315
Current portion of derivative financial liabilities	4,161	-	-
Income taxes payable	2,991	2,746	2,176
Liabilities held for sale	-	-	19,655
CURRENT LIABILITIES	211,258	241,185	164,286
Equipment finance obligations	56,441	36,744	4,790
Long-term debt	341,168	286,440	141,093
Other long term liabilities	52,740	52,615	55,955
Deferred income taxes	71,750	75,906	49,748
TOTAL LIABILITIES	733,357	692,890	415,872
Share capital	1,735,859	1,735,074	1,490,890
Equity reserve	58,526	56,041	38,501
Deficit	(793,159)	(806,251)	(623,387)
Non-controlling interest	30,229	15,757	57,036
TOTAL EQUITY	1,031,455	1,000,621	963,040
TOTAL EQUITY AND LIABILITIES	1,764,812	1,693,511	1,378,912

Net Debt Position

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 2022. The increase in the finance obligation in Q1-2018 amounts to \$28.7 million.

Convertible Senior Notes (Long-term Debt)

On February 6, 2018, the Corporation priced a private placement of convertible senior notes due 2023 (the "Notes") for an aggregate principal amount of \$330 million. The Corporation has also granted to the initial purchasers a 30-day option, post pricing date, to purchase additional Notes in an aggregate principal amount of up to \$30 million.

The Notes, with a minimum principal amount denomination of \$200,000 each, have been issued at par with a coupon of 3.00 per cent per annum. The initial conversion rate is 41.8363 of the Corporation's ordinary shares ("Shares") per \$1,000 principal number of Notes, or an initial conversion price of approximately \$23.90 per Share. The key terms include:

- › Principal amount of \$330 million.
- › Interest accrues at a rate of 3% per annum.
- › The term of the notes is 4 years, maturing in February 2023.
- › The initial conversion price is \$23.90 (CAD \$29.47) per share.

Endeavour Mining has the option to settle the obligation through the payment of cash, the delivery of shares, or a combination of payment of cash or delivery of shares. The maximum number of underlying shares is 13.8 million, representing between 0% and 12.9% dilution based on Endeavour Mining's ability to repay in cash.

Revolving Credit Facility (Long-term Debt)

On September 19, 2017 the Corporation signed a \$500 million rolling RCF with a syndicate of leading international banks. The previously held \$350 million facility was settled and derecognised. On February 10, 2018, the Corporation reduced the available principal of the RCF to \$350 million. On March 9, 2018 a repayment of \$280,000 was made, reducing the undrawn position to \$330,000. 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 March 31, 2018, December 31, 2017, and at March 31, 2017.

Table 16: Net debt position

\$(000's)	March 31, 2018	December 31, 2017	March 31, 2017
Cash	93,863	122,702	87,156
Less: Equipment finance obligation	(79,077)	(54,402)	(9,105)
Less: Convertible senior bond	(330,376)	-	-
Less: Drawn portion of \$350 million RCF	(20,000)	(300,000)	(140,000)
Net Debt	(335,590)	(231,700)	(61,949)
Net Debt / Adjusted EBITDA ratio	1.24	1.05	0.27

Adjusted EBITDA ratio is per table 25 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 March 31, 2018.

Table 17: Outstanding shares

	March 31, 2018	December 31, 2017	March 31, 2017
Shares issued and outstanding	107,727,522	107,533,007	93,879,706
Stock options	61,637	144,877	626,498

As at May 14, 2018, the Corporation had 107,727,522 shares issued and outstanding, as well as 60,688 stock options outstanding.

Financial instruments

In the quarter ended March 31, 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 2016 to April 2019. The program covers a total of 400,000 ounces, representing approximately 50% of Endeavour Mining'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 (income).

As at March 31, 2018, 373,333 ounces remain outstanding under the Collar derivative liability. An unrealised gain of \$4.2 million was recorded in condensed interim consolidated statement of comprehensive loss for the period ended March 31, 2018.

The total premium payable for entering into the Collar of \$8.7 million was included as part of the Collar fair value and was cash-settled on a net basis as monthly contracts mature. In the period ended March 31, 2018, the Corporation incurred \$0.6 million in premium costs, included in realised 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 March 31, 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 March 31, 2018, December 31, 2017, and March 31, 2017.

Table 18: All-In Sustaining Margin¹

(\$'000)	THREE MONTHS ENDED		
	March 31, 2018	December 31, 2017	March 31, 2017
Revenues	240,281	206,550	157,924
Less: Royalties	(14,657)	(11,152)	(7,890)
Less: Total cash costs	(109,804)	(96,652)	(90,064)
Less: Corporate G&A	(6,488)	(7,727)	(5,930)
Less: Sustaining capital	(10,049)	(13,494)	(10,605)
Less: Sustaining exploration	(2,276)	(661)	(4,723)
All-in sustaining margin from continuing operations	97,007	76,864	38,712

¹Data does not include Nzema.

Table 19: Adjusted EBITDA

(\$'000)	THREE MONTHS ENDED		
	March 31, 2018	December 31, 2017	March 31, 2017
Earnings/(loss) from continuing operations before taxes ¹	34,373	(92,727)	(7,374)
Add back: Depreciation and depletion ¹	44,067	40,611	31,442
Add back: Impairment charge of mineral interests ¹	-	130,413	-
Add back: Acquisition and restructuring costs ¹	-	6,088	1,524
Add back: Other income (expenses) ¹	165	4,162	(3,537)
Add back: Finance costs/(gain) ¹	7,758	(1,278)	5,874
Add back: (Gains)/losses on financial instruments ¹	11,934	(2,906)	9,787
Adjusted EBITDA from continuing operations	98,297	84,363	37,716

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 three months ended March 31, 2018, December 31, 2017, and March 31, 2017.

Table 20: Cash Costs

\$'000's except ounces sold	THREE MONTHS ENDED		
	March 31, 2018	December 31, 2017	March 31, 2017
Operating expenses from mine operations	(114,597)	(99,127)	(96,512)
Non-cash and other adjustments	4,793	2,475	6,448
Cash costs from continuing operations	(109,804)	(96,652)	(90,064)
Operating expenses from discontinued operations	-	(18,628)	(23,553)
Non-cash and other adjustments from discontinued operations	-	728	(686)
Total cash costs	(109,804)	(114,552)	(114,303)
Gold ounces sold	185,151	190,511	162,308
Total cash cost per ounce of gold sold¹	593	601	704
Excluding discontinued operations			
Cash costs from continuing operations	(109,804)	(96,652)	(90,064)
Gold ounces sold	185,151	167,145	133,247
Total cash cost per ounce from continuing operations	593	578	676

¹ Figures include Nzema mine.

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 21: All-In Sustaining Costs

\$'000's except ounces sold	THREE MONTHS ENDED		
	March 31, 2018	December 31, 2017	March 31, 2017
Total cash cost for ounces sold ¹	(109,804)	(114,552)	(114,303)
Royalties ¹	(14,657)	(12,937)	(9,868)
Corporate G&A ¹	(6,488)	(7,727)	(5,930)
Sustaining capital	(10,049)	(13,748)	(12,028)
Sustaining exploration	(2,276)	(661)	(4,723)
All-in sustaining costs from all operations	(143,273)	(149,625)	(146,852)
Gold ounces sold ¹	185,151	190,511	162,308
All-in sustaining cost per ounce sold	774	785	905
Excluding discontinued operations			
add back: all-in sustaining costs from Nzema Mine	-	19,980	27,641
All-in sustaining costs from continuing operations	(143,273)	(129,645)	(119,211)
Gold ounces sold	185,151	167,145	133,247
All-in sustaining costs per ounce sold from continuing operations	774	776	895

¹ Figures include Nzema mine.

Table 22: Sustaining and non-sustaining capital

(\$'000)	THREE MONTHS ENDED		
	March 31, 2018	December 31, 2017	March 31, 2017
Expenditures and prepayments on mining interests¹	130,324	154,261	99,816
Non-sustaining capital expenditures	(14,272)	(21,347)	(7,477)
Non-sustaining exploration	(14,915)	(2,760)	(6,702)
Sustaining exploration	(2,276)	(661)	(4,723)
Growth projects ²	(88,812)	(115,745)	(68,886)
Sustaining Capital	10,049	13,748	12,028

¹ Per note 7 of the condensed interim consolidated financial statements.

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

6.3. ADJUSTED NET EARNINGS AND ADJUSTED NET EARNINGS PER SHARE

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

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

Table 23: Adjusted net earnings

(\$'000)	THREE MONTHS ENDED		
	March 31, 2018	December 31, 2017	March 31, 2017
Total net earnings/(loss)	27,659	(133,824)	(2,190)
Net gain (loss) from discontinued operations and loss on disposal	-	14,522	(5,628)
Deferred income tax (recovery)/expense	(4,058)	25,296	(2,078)
Loss/(Gain) on financial instruments	11,934	(2,906)	9,787
Other income/(expenses)	165	4,162	(3,537)
Share-based compensation	2,668	4,562	7,634
Acquisition and restructuring costs	-	6,088	1,524
Non-cash and other adjustments	4,793	2,475	6,448
Impairment charge of mineral interest	-	130,413	-
Adjusted net earnings	43,161	50,788	11,960
Attributable to non-controlling interests	15,041	(7,640)	1,624
Attributable to shareholders of the Corporation	28,120	58,428	10,336
Weighted average number of shares issued and outstanding	107,634,310	106,820,155	93,695,347
Adjusted net earnings per share (basic) from continuing operations	0.26	0.55	0.11

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

\$000	THREE MONTHS ENDED		
	March 31, 2018	December 31, 2017	March 31, 2017
Cash generated from operating activities	48,303	82,778	53,289
Add back changes in non-cash working capital	(46,418)	(12,000)	4,888
Operating cash flow before changes in non-cash working capital	94,721	94,778	48,401
Divided by weighted average number of O/S shares	107,634,310	106,820,155	93,695,347
Adjusted operating cash flow per share	0.88	0.89	0.52

6.5. NET DEBT AND NET DEBT/ADJUSTED EBITDA RATIO

The Corporation is reporting Net Debt and Net Debt/Adjusted EBITDA ratio. This non-GAAP measure provides investors with transparency to regarding the liquidity position of the Corporation. It is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The calculation of net debt is shown in table 19, 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 25: Net Debt/ Adjusted EBITDA ratio

\$(000's)	March 31, 2018	December 31, 2017	March 31, 2017
Net Debt	335,590	231,700	61,949
Trailing twelve month Adjusted EBITDA ¹	270,807	219,912	230,761
Net Debt / Adjusted EBITDA ratio	1.24	1.05	0.27

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, and non-cash impairment of the Nzema mineral interest.

Table 26: 2018 - 2017 Quarterly Key Performance Indicators

(\$000's)	Unit	FOR THE THREE MONTHS ENDED			
		March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Gold ounces sold	oz	185,151	190,511	110,789	127,355
Gold revenues	\$	240,281	206,550	135,110	160,373
Cash flows from continuing operations	\$	48,303	82,497	55,164	27,302
Earnings from mine operations	\$	66,140	55,660	7,442	37,945
Net earnings (loss) and total comprehensive earnings (loss)	\$	27,659	(133,824)	(64,522)	17,268
Net earnings (loss) attributable to shareholders	\$	13,092	(101,832)	(64,104)	13,444
Basic earnings (loss) per share from continuing operations	\$	0.12	(1.24)	(0.26)	0.14
Diluted earnings (loss) per share from continuing operations	\$	0.12	(1.24)	(0.26)	0.14

Table 27: 2017 - 2016 Quarterly Key Performance Indicators

(\$'000' except ounces sold)	Category	FOR THE THREE MONTHS ENDED			
		March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Gold ounces sold		162,308	169,803	127,507	127,602
Gold revenues		193,140	199,825	169,313	160,373
Cash flows from operations		53,291	71,898	23,466	30,187
Earnings from mine operations		27,115	45,393	51,644	43,867
Net earnings (loss) and total comprehensive earnings (loss)		(2,190)	(69,116)	24,253	(15,416)
Net earnings (loss) attributable to shareholders		(7,714)	(49,727)	13,361	(28,039)
Basic earnings (loss) per share from continuing operations		(0.13)	(0.62)	0.16	(0.36)
Diluted earnings (loss) per share from continuing operations		(0.13)	(0.62)	0.16	(0.36)

Table 28: 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 March 31, 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 March 31, 2018. The Corporation's maximum exposure to credit risk is as follows:

Table 29: Exposure to credit risk

(\$'000)	March 31, 2018	December 31, 2017
Cash	93,863	122,702
Cash - restricted	807	1,327
Trade and other receivables	46,168	50,698
Working capital loan	1,075	1,062
Marketable securities	955	981
Long-term receivable	188	208
	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 a number of 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 30: Net assets in foreign currencies

(\$'000)	March 31, 2018	December 31, 2017
Canadian dollar	440	107
CFA Francs	33,447	(696)
Euro	508	-
Other currencies	(1,134)	2,843
	33,261	2,253

The effect on earnings and other comprehensive earnings before tax as at March 31, 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 \$3.5 million (December 31, 2017, \$1.4 million), if all other variables remained constant. The calculation is based on the Corporation's statement of financial position as at December 31, 2017.

Interest rate risk

Interest rate risk is the risk that future cash flows from, or the fair values of, the Corporation's financial instruments will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk primarily on its long-term debt. 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 March 31, 2018, of a 10% change in the LIBOR rate on the RCF is estimated to be \$0.5million (December 31, 2017 - \$0.1 million).

Price risk

Price risk is the risk that the fair value or future cash flows of the Corporation's financial instruments will fluctuate because of changes in market prices. There has been no change in the Corporation's objectives and policies for managing this risk and no significant changes to the Corporation's exposure to price risk during the quarter ended March 31, 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.

10. APPENDIX A: DETAILED RESERVES AND RESOURCES

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

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

Resources shown inclusive of Reserves	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 Dohoum 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 Dohoum 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)

1. 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.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. All Mineral Resources are reported inclusive of Mineral Reserves.
4. 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.
5. Tonnes and grade measurements are in metric units; contained gold is in troy ounces.
6. 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.