

## FORM 51-102F3

### MATERIAL CHANGE REPORT

#### **Item 1 – Name and Address of the Company**

Endeavour Mining Corporation (“**Endeavour**”)  
27 Hospital Road  
Georgetown, Grand Cayman  
Cayman Islands KY1-9008

#### **Item 2 – Date of Material Change**

November 16, 2020

#### **Item 3 – News Release**

A joint news release relating to the material change described herein was disseminated on November 16, 2020 through Globe Newswire and posted on Endeavour’s website. The press release was subsequently filed on SEDAR.

#### **Item 4 – Summary of Material Change**

On November 16, 2020, Endeavour entered into an arrangement agreement (the “**Arrangement Agreement**”) with Teranga Gold Corporation (“**Teranga**”) pursuant to which, among other things, Endeavour will acquire all of the issued and outstanding common shares (“**Teranga Shares**”) of Teranga (the “**Arrangement**”). The Arrangement will be implemented by way of a plan of arrangement (the “**Plan of Arrangement**”) under the *Canada Business Corporations Act* (the “**CBCA**”) and is subject to approval by the Ontario Superior Court of Justice (the “**Court**”) and the shareholders of Endeavour and securityholders of Teranga.

On the same date, Endeavour also entered into a subscription agreement with La Mancha Holding S.à.r.l. (“**La Mancha**”) under which La Mancha agreed to subscribe for US\$200,000,000 in ordinary shares (“**Endeavour Shares**”) of Endeavour (the “**La Mancha Placement**”).

#### **Item 5 – Full Description of Material Change**

##### **Item 5.1 – Full Description of Material Change**

##### **The Arrangement and the Arrangement Agreement**

On November 16, 2020, Endeavour entered into an Arrangement Agreement with Teranga, pursuant to which, among other things, Endeavour will acquire all of the issued and outstanding Teranga Shares. The Arrangement will be implemented by way of a plan of arrangement in accordance with the CBCA and is subject to approval by the Court and the shareholders of Endeavour and securityholders of Teranga.

On the terms and subject to the conditions of the Arrangement Agreement and the Plan of Arrangement, at the effective time of the Arrangement (the “**Effective Time**”), each issued and outstanding Teranga Share will be deemed to be transferred and assigned to Endeavour in exchange for 0.47 of an Endeavour Share (the “**Consideration**”). Any Teranga Shares in respect of which dissent rights have been properly exercised and not withdrawn will be deemed to be transferred and assigned to Endeavour, but will not be entitled to the Consideration and will, instead, be subject to dissent rights under the CBCA, as modified by the Plan of Arrangement and the interim order of the Court.

At the Effective Time, each outstanding restricted share unit, deferred share unit and fixed bonus unit of Teranga, whether vested or unvested, will be fully vested, transferred to Teranga and cancelled in exchange for a cash payment calculated in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement. In addition, each outstanding option to acquire Teranga Shares outstanding immediately prior to the Effective Time, whether vested or unvested, will be fully vested and exchanged for an option to purchase Endeavour Shares calculated in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement and expire on the earlier of (i) the original expire date of such option, and (ii) two years from the date of the Effective Time.

Each of Endeavour and Teranga has made customary representations and warranties and covenants in the Arrangement Agreement, including covenants regarding the conduct of their respective businesses prior to the closing of the Arrangement.

The shareholders of Endeavour will be asked to vote on the issuance of Endeavour Shares (the “**Consideration Shares**”) in connection with the Arrangement (the “**Endeavour Share Issuance Resolution**”) at an extraordinary general meeting of Endeavour shareholders (the “**Endeavour Meeting**”) and the shareholders and optionholders of Teranga will be asked to vote on the Arrangement (the “**Teranga Arrangement Resolution**”) at a special meeting of Teranga shareholders (the “**Teranga Meeting**”). In addition, shareholders of Endeavour will be asked to approve the issuance of Endeavour ordinary shares to La Mancha pursuant to the terms of a subscription agreement entered into between Endeavour and La Mancha dated November 16, 2020 (the “**Endeavour Placement Resolution**” and together with the Endeavour Share Issuance Resolution, the “**Endeavour Resolutions**”). Each of the Endeavour Resolutions will require the approval of a simple majority of votes cast by Endeavour shareholders and the Teranga Arrangement Resolution will require the approval of 66 2/3% of votes cast by Teranga shareholders and optionholders, together as a class, and a simple majority of the Teranga shareholders (other than those parties required to be excluded under applicable securities laws (including Richard Young, President and CEO of Teranga, and Barrick Gold Corporation (“**Barrick**”))).

Each of Endeavour and Teranga has agreed to use commercially reasonable efforts to cause their respective shareholders meetings to be held on the same date. Completion of the Arrangement is conditioned on the approval of the Endeavour Share Issuance Resolution by the affirmative vote of a simple majority of Endeavour shareholders (the “**Endeavour Shareholder Approval**”) present in person or represented by proxy at the Endeavour Meeting and approval of the Teranga Arrangement Resolution by the affirmative vote of at least two-thirds of the Teranga shareholders

and optionholders, together as a class, and a simple majority of the Teranga shareholders (other than those parties required to be excluded under applicable securities laws (including Richard Young, President and CEO of Teranga, and Barrick) (the “**Teranga Shareholder Approval**”) present in person or represented by proxy at the Teranga Meeting. Consummation of the Arrangement is also subject to (a) the approval of the Court; (b) the conditional approval of the listing and posting for trading of the Consideration Shares on the Toronto Stock Exchange (“**TSX**”); (c) the receipt of certain regulatory approvals; and (d) other customary closing conditions.

Each of Endeavour and Teranga is subject to customary restrictions on their respective abilities to solicit alternative acquisition proposals and to provide information to, or engage in discussions with, third parties regarding such proposals, subject to customary “fiduciary out” and “right to match” provisions.

The Arrangement Agreement contains certain termination rights for either of Endeavour and Teranga, including where (a) the Arrangement is not consummated on or before April 30, 2021 (subject to extension up to an additional 30 days under certain specified circumstances set out in the Arrangement Agreement), (b) the Endeavour Shareholder Approval or the Teranga Shareholder Approval is not obtained at the relevant meeting held for such purpose, or (c) a law or order comes into effect prohibiting consummation of the Arrangement and such law or order has become final and non-appealable. In addition, each of Endeavour and Teranga has a separate termination right if (a) the board of directors of the other party changes its recommendation under certain circumstances, (b) the board of directors of the other party authorizes such party to enter into an acquisition agreement with respect to a superior proposal, (c) the other party materially breaches its non-solicitation restrictions, (d) the other party breaches its representations, warranties or covenants such that certain conditions to consummation of the Arrangement cannot be satisfied, or (e) a material adverse effect with respect to the other party has occurred and is continuing. The Arrangement Agreement may also be terminated by mutual written consent of Endeavour and Teranga.

In the event that either party terminates the Arrangement Agreement due to a failure to obtain Teranga Shareholder Approval and provided that Endeavour Shareholder Approval was obtained, Teranga has agreed to reimburse Endeavour for the reasonable and documented expenses it has actually incurred in respect of the Arrangement and the Arrangement Agreement up to a maximum amount of US\$3,000,000.

In the event that either party terminates the Arrangement Agreement due to a failure to obtain Endeavour Shareholder Approval and provided that Teranga Shareholder Approval was obtained, Endeavour has agreed to reimburse Teranga for the reasonable and documented expenses it has actually incurred in respect of the Arrangement and the Arrangement Agreement up to a maximum amount of US\$3,000,000.

The Arrangement Agreement further provides that, upon termination of the Arrangement Agreement under certain circumstances, Endeavour and Teranga, as the case may be, will be required to pay a termination fee to the other party. Endeavour is required to pay a termination fee of US\$40 million to Teranga in certain specified circumstances, including, among others, where: (i) the Endeavour board of directors changes its recommendation in connection with a superior

proposal and Teranga either (A) terminates the Arrangement Agreement, or (B) elects not to terminate the Arrangement Agreement and the shareholders of Endeavour do not approve the Endeavour Resolutions; (ii) Endeavour enters into an acquisition agreement in respect of a superior proposal; (iii) prior to the termination of the Arrangement Agreement under certain specified circumstances, (1) an acquisition proposal shall have been made public or proposed publicly to Endeavour and not withdrawn at least five business days prior to the Endeavour Meeting; and (2) Endeavour completes such or certain other acquisition proposals within 12 months after the termination of the Arrangement Agreement or enters into an acquisition agreement in respect of such or certain other acquisition proposals within 12 months after the termination of the Arrangement Agreement which is subsequently completed. Teranga is required to pay a termination fee of US\$40 million to Endeavour in certain specified circumstances, including, among others, where: (i) the Teranga board of directors changes its recommendation in connection with a superior proposal and Endeavour either (A) terminates the Arrangement Agreement, or (B) elects not to terminate the Arrangement Agreement and the shareholders of Teranga do not approve the Teranga Arrangement Resolution; (ii) Teranga enters into an acquisition agreement in respect of a superior proposal; and (iii) prior to the termination of the Arrangement Agreement under certain specified circumstances, (1) an acquisition proposal shall have been made public or proposed publicly to Teranga and not withdrawn at least five business days prior to the Teranga Meeting; and (2) Teranga completes such or certain other acquisition proposals within 12 months after the termination of the Arrangement Agreement or enters into an acquisition agreement in respect of completes such or certain other acquisition proposals within 12 months after the termination of the Arrangement Agreement which is subsequently completed.

The foregoing summary of the Arrangement Agreement and the transactions contemplated thereby does not purport to be a complete description of all the parties' rights and obligations under the Arrangement Agreement and is qualified in its entirety by reference to the Arrangement Agreement, a copy of which has been filed on Endeavour's SEDAR profile. The representations, warranties and covenants contained in the Arrangement Agreement were made only for purposes of that agreement and as of specific dates, were solely for the benefit of the parties to the Arrangement Agreement, may be subject to limitations agreed upon by the parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Arrangement Agreement instead of establishing these matters as facts and may be subject to standards of materiality applicable to the parties that differ from those applicable to investors. Investors and securityholders should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of Endeavour or Teranga or any of their subsidiaries or affiliates.

### **La Mancha Placement**

On November 16, 2020, Endeavour entered into a subscription agreement with to La Mancha, pursuant to which La Mancha agreed to subscribe for US\$200,000,000 in Endeavour Shares. The price per Endeavour Share under the La Mancha Placement is an amount in US dollars equal to (A) the volume weighted average trading price of the Endeavour Shares on the TSX for the five trading days immediately prior to November 23, 2020 less a discount of five percent multiplied by (B) the average daily exchange rate published by the Bank of Canada for converting Canadian dollars into US dollars for the five trading days immediately prior to November 23, 2020.

Completion of the La Mancha Placement is subject to TSX approval as well as approval by Endeavour shareholders, and is conditional upon certain other conditions being met, including the closing of the Arrangement. Completion of the La Mancha Placement shall occur within 135 days following November 16, 2020 or such later date as may be agreed between La Mancha and Endeavour and approved by the TSX.

On completion of the La Mancha Placement and the Arrangement, La Mancha will hold an interest of approximately 19% in Endeavour (calculated on a pro forma basis using share prices and exchange rates as of November 16, 2020), a reduction from its approximately 24% interest. Closing of the La Mancha Placement will be subject to TSX and other regulatory approvals.

From and after closing of the Arrangement, the investor rights agreement dated September 18, 2015, as amended, between Endeavour and La Mancha will be automatically amended such that (i) La Mancha will no longer have an anti-dilution right and (ii) La Mancha will continue to be entitled to nominate two directors to the Endeavour board provided that its shareholding remains above 15% and will be entitled to nominate one director if its shareholding is between 10 and 15%.

The La Mancha Placement is considered to be a “related party transaction” for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transaction* (“**MI 61-101**”). Endeavour is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, respectively, in reliance on sections 5.5(a) and 5.7(b) of MI 61-101, respectively, as the fair market value of the investment is not more than the 25% of Endeavour’s market capitalization. The La Mancha Placement has been approved by the directors of Endeavour, other than Mr. Naguib Sawiris, Chairman of the Advisory Board of La Mancha, given his interest in La Mancha and Mr. James Askew who is a nominee of La Mancha.

### **Voting Support Agreements**

On November 16, 2020, as an inducement to enter into the Arrangement Agreement, Endeavour entered into support and voting agreements (the “**Endeavour Support Agreements**”) with the directors and certain senior officers of Teranga (each, a “**Supporting Teranga Shareholder**”) and Teranga entered into support and voting agreements (the “**Teranga Support Agreements**” and together with the Endeavour Support Agreements, the “**Support Agreements**”) with the directors and executive officers of Endeavour (each, a “**Supporting Endeavour Shareholder**” and together with Supporting Teranga Shareholders, the “**Locked-up Shareholders**”).

The Support Agreements set forth the agreement of the Locked-up Shareholders to, among other things, (a) vote all of their securities entitled to vote in favour of the approval of Endeavour Resolutions or the Teranga Arrangement Resolution, as applicable, and against any acquisition proposal and/or matter that could reasonably be expected to delay, prevent, impeded or frustrate the successful completion of the Arrangement, and (b) revoke any and all previous proxies granted or voting instruction forms or other voting documents delivered that may conflict or be inconsistent with the Support Agreements.

Notwithstanding the above, pursuant to the Support Agreements, Endeavour and Teranga, as applicable, have agreed and acknowledged that each Supporting Teranga Shareholder and Supporting Endeavour Shareholder, as applicable, is bound to its respective Support Agreement solely in its capacity as a shareholder of Endeavour or Teranga, respectively, and not in its capacity as director and/or officer of Teranga or Endeavour, respectively, and that nothing in the Support Agreements limits or restricts any Supporting Teranga Shareholders or Supporting Endeavour Shareholders, as applicable, from properly fulfilling their fiduciary duties as a director or officer of Teranga or Endeavour, respectively.

In addition to the Support Agreements, Teranga also entered into a voting and support agreement with La Mancha (the “**La Mancha Support Agreement**”). Under the terms of the La Mancha Support Agreement, La Mancha agreed, among other things to (a) vote all of its Endeavour Shares in favour of the approval of Endeavour Resolutions and against any acquisition proposal and/or matter that could reasonably be expected to delay, prevent, impeded or frustrate the successful completion of the Arrangement and (b) revoke any and all previous proxies granted or voting instruction forms or other voting documents delivered that may conflict or be inconsistent with the La Mancha Support Agreement.

The Support Agreements and the La Mancha Support Agreement will terminate, among other circumstances, where the Arrangement Agreement is terminated in accordance with its terms.

Endeavour also entered into a voting and support agreement with each of Barrick (the “**Barrick Support Agreement**”) and Tablo Corporation (the “**Tablo Support Agreement**”). Under the terms of the Barrick Support Agreement and Tablo Support Agreement, each of Barrick and Tablo Corporation (“**Tablo**”), respectively, agreed, among other things to (a) vote all of its Teranga Shares in favour of the approval of Teranga Arrangement Resolution and against any acquisition proposal and/or matter that could reasonably be expected to delay, prevent, impeded or frustrate the successful completion of the Arrangement and (b) revoke any and all previous proxies granted or voting instruction forms or other voting documents delivered that may conflict or be inconsistent with the Barrick Support Agreement or the Tablo Support Agreement. Barrick and Tablo have also agreed to certain restrictive covenants in respect of acquisition proposals, including, but not limited to, covenants not to make, solicit, initiate, knowingly encourage or otherwise knowingly facilitate any inquiry, proposal or offer from an person that could reasonably be expected to constitute an acquisition proposal, to immediately cease and terminate all existing discussion or negotiations, not to requisition or join in any requisition of any meeting of securityholders of Teranga and not to withdraw support for the transactions contemplated by the Arrangement Agreement, subject, in each case, to certain limitations and exceptions.

The foregoing summary of the Support Agreements, the La Mancha Support Agreement, the Barrick Support Agreement and the Tablo Support Agreement does not purport to be complete and is qualified in its entirety by reference to the Support Agreements, the La Mancha Support Agreement, the Barrick Support Agreement and the Tablo Support Agreement. A copy of the Endeavour Support Agreements, the Barrick Support Agreement and the Tablo Support Agreement has been filed on Endeavour’s SEDAR profile. Copies of the Teranga Support Agreements and the La Mancha Support Agreements have been filed on Teranga’s SEDAR profile.

## **Financial Advisor Opinions and Board Recommendations**

Teranga appointed a special committee of independent directors to consider and make a recommendation with respect to the Arrangement. The Arrangement Agreement has been unanimously approved by the Board of Directors of Teranga. Endeavour appointed a special committee of independent directors to consider and make a recommendation with respect to the Arrangement. The Arrangement Agreement has also been unanimously approved by the Board of Directors of Endeavour. Both boards of directors recommend that their respective shareholders vote in favour of the Arrangement.

Canaccord Genuity Corp. has provided a fairness opinion to the Board of Directors of Teranga and Cormark Securities Inc. has provided a fairness opinion to the Special Committee of Teranga. Each fairness opinion stated that, as of the date thereof and, based upon and subject to the assumptions, limitations and qualifications stated in such opinion, the consideration received under the Arrangement Agreement is fair, from a financial point of view, to the Teranga shareholders. Scotiabank has provided a fairness opinion to the Board of Directors of Endeavour stating that, as of the date thereof and, based upon and subject to the assumptions, limitations, and qualifications stated in such opinion, the consideration to be paid by Endeavour to the shareholders of Teranga is fair, from a financial point of view, to Endeavour.

## **Shareholder Meetings**

Full details of the Arrangement will be included in the joint management information circular of Endeavour and Teranga and are expected to be mailed to each company's respective shareholders at the end of December 2020. It is anticipated that both shareholder meetings and the closing of the Arrangement will take place in the first quarter of 2021.

## **Director & Officer Changes**

Upon the closing of the Arrangement, the Board of Directors of Endeavour will be comprised of 10 directors, including 7 representatives from Endeavour and 3 from Teranga. Sebastien de Montessus and his executive team will lead the combined group, with the support of key Teranga senior management.

## **Item 5.2 – Disclosure for Restructuring Transactions**

Not applicable.

## **Item 6 – Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not Applicable.

## **Item 7 – Omitted Information**

Not Applicable.

## **Item 8 – Executive Officer**

For further information, contact Martino De Ciccio, VP Strategy and Investor Relations at +44 203 640 8665.

## **Item 9 – Date of Report**

November 25, 2020

## **Cautionary Note Regarding Forward-Looking Information**

This material change report contains statements which constitute “forward-looking information” within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of Endeavour with respect to future business activities. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and includes information regarding: (i) expectations regarding whether the Arrangement will be consummated, including whether conditions to the consummation of the Arrangement will be satisfied, or the timing for completing the Arrangement, (ii) the ability of Endeavour and Teranga to satisfy the conditions to, and to complete, the Arrangement, (iii) the timing and anticipated receipt of required regulatory, Court and shareholder approvals for the Arrangement, (iv) the anticipated timing of the mailing of the joint management information circulars of Teranga and Endeavour, (v) the holding of the Teranga Meeting and the Endeavour Meeting, (vi) the closing of the Arrangement, and (vii) the successful completion of the La Mancha Placement.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect Endeavour’s management’s expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Endeavour believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company.

Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability to consummate the Arrangement; the ability to obtain requisite Court, regulatory and shareholder approvals and the satisfaction of other conditions to the consummation of the Arrangement on the proposed terms and schedule; the ability of Endeavour and Teranga to successfully integrate their respective operations and employees and realize synergies and cost savings at the times, and to the extent, anticipated; the potential impact of the announcement or consummation of the Arrangement on relationships including with regulatory bodies, employees, suppliers, customers and competitors; the re-rating potential following the consummation of the Arrangement; negative effects of the announcement or the consummation of the Arrangement on the market price of Endeavour Shares or Teranga Shares; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation;

the diversion of management time on the Arrangement and; the impact of COVID-19 on business of both of Teranga and Endeavour.

This forward-looking information may also be affected by risks and uncertainties in the business of Endeavour and Teranga and market conditions. This information is qualified in its entirety by cautionary statements and risk factor disclosure contained in filings made by Endeavour and Teranga with the Canadian securities regulators, including Endeavour's and Teranga's respective annual information form, financial statements and related MD&A for the financial year ended December 31, 2019 filed with the securities regulatory authorities in certain provinces of Canada and available at [www.sedar.com](http://www.sedar.com).

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Endeavour has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended.

Endeavour does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.