ENDEAVOUR MINING

MANAGEMENT DISCUSSION & ANALYSIS

For the three months and nine months ended September 30, 2020

(Expressed in Thousands of United States Dollars)

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This Management Discussion and Analysis ("MD&A") should be read in conjunction with Endeavour Mining Corporation's ("Endeavour ", the "Corporation", or the "Group") condensed interim consolidated financial statements for the three and nine months ended September 30, 2020 which has been prepared in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") or ("GAAP") as well as the audited consolidated financial statements for the years ended December 31, 2019 and 2018 and notes thereto which have been prepared in accordance with IFRS. This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. The reader is cautioned not to place undue reliance on forward-looking statements. All figures are in United States Dollars, unless otherwise indicated. Tabular amounts are in thousands of United States Dollars, except per share amounts and where otherwise indicated. This MD&A is prepared as of November 12, 2020. Additional information relating to the Corporation, including the Corporation's Annual Information Form, is available on SEDAR at www.sedar.com.

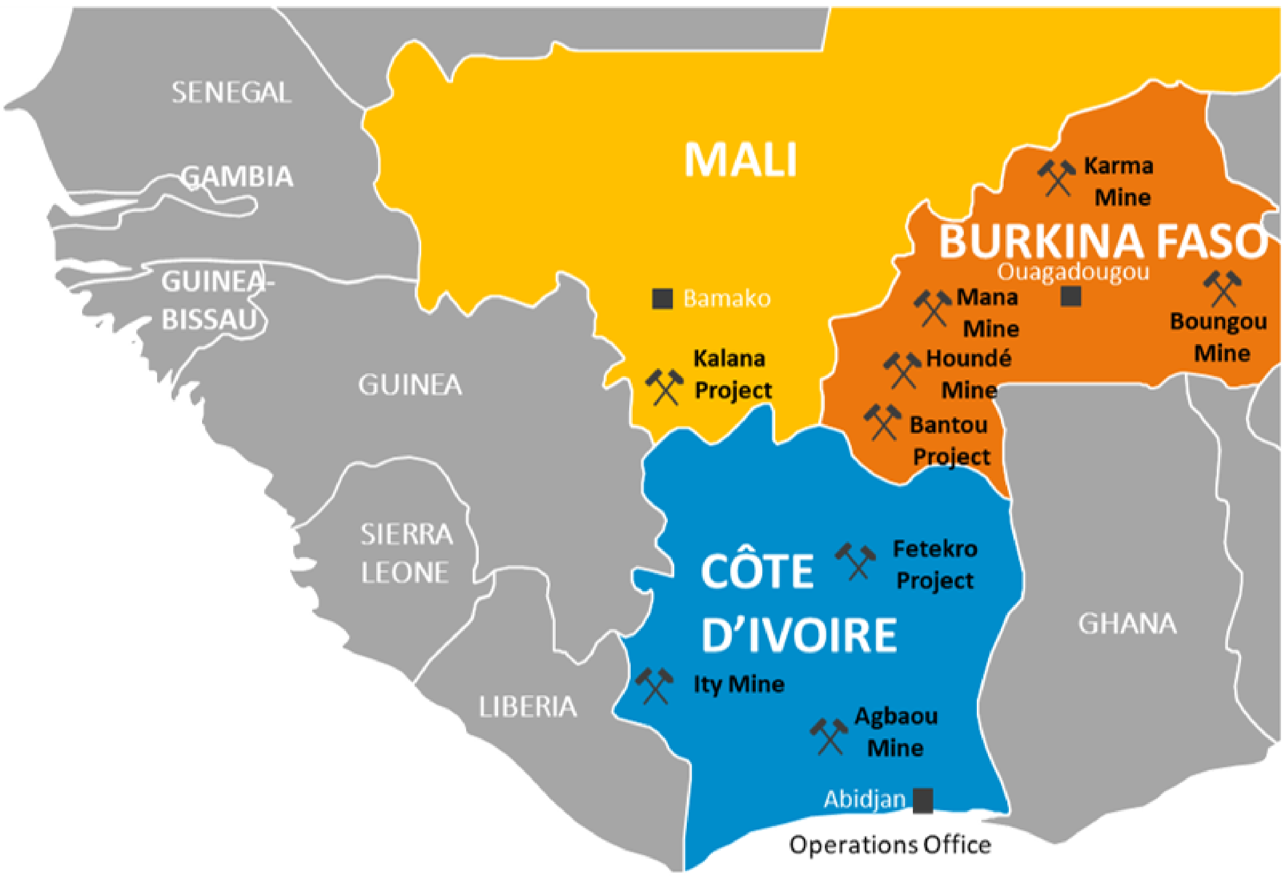
1. BUSINESS OVERVIEW

1.1. OPERATIONS DESCRIPTION

Endeavour is a multi-asset gold producer focused on West Africa and listed on the Toronto Stock Exchange ("TSX"). The Corporation's assets include two mines (Ity and Agbaou) in Côte d'Ivoire, four mines (Houndé, Mana, Boungou and Karma) in Burkina Faso, four development projects (Fetekro, Kalana, Bantou and Nabanga) and a strong portfolio of exploration assets on the highly prospective Birimian Greenstone Belt across Burkina Faso, Côte d'Ivoire, Mali and Guinea.

As a leading global gold producer and the largest in West Africa, Endeavour is committed to principles of responsible mining and delivering sustainable value to its employees, stakeholders, and the communities where it operates.

Figure 1: Endeavour's Principal Properties in West Africa as of September 30, 2020



2. HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

2.1. CORPORATE HIGHLIGHTS

- On July 2, 2020, Endeavour announced the successful completion of the previously announced acquisition of SEMAFO Inc. ("SEMAFO"), effective July 1, 2020.
- On July 3, 2020, Endeavour announced the successful completion of the previously announced private placement with La Mancha Holding S.á.r.l. ("La Mancha"). Endeavour issued a total of 4,507,720 common shares of Endeavour to La Mancha for net proceeds of $100.0 million as La Mancha exercised its anti-dilution right in support of the SEMAFO acquisition.
- On July 6, 2020, Endeavour announced that it had been granted a mining permit extension by the Burkina Faso Government, covering the full Kari Area at its Houndé Mine. Endeavour also announced that mining activities had commenced at the high grade Kari Pump Deposit, with over 60,000 meters of grade control drilling completed in Q2-2020.
- On July 7, 2020, Endeavour announced further success from its ongoing exploration program at the Le Plaque discovery, part of its flagship Ity mine in Côte d'Ivoire, with a 43% increase in Le Plaque's Indicated resource and the confirmation of mineralization at seven additional nearby targets.
- On July 22, 2020, Endeavour announced that Measured and Indicated resources at its Houndé Mine in Burkina Faso have increased by 554,000 ounces to 4.5 million ounces following further resource delineation at the Kari Area.
- On August 18, 2020, Endeavour announced a 108% increase in Indicated resources to 2.5 million ounces at an average grade of 2.40 g/t Au at the Lafigué deposit, part of the Fetekro greenfield exploration project in Côte d'Ivoire.
- On September 1, 2020, Endeavour announced that mining operations were expected to recommence at its Boungou mine in Burkina Faso in the following weeks, following the mobilization of a West African mining contractor and completion of infrastructure and operating improvements. The mine recommenced operations on October 15, 2020.

2.2. OPERATIONAL AND FINANCIAL HIGHLIGHTS

- Q3 2020 production was 243,617 ounces at an all-in sustaining cost[1] ("AISC") of $906 per ounce; well positioned to meet full year 2020 guidance.
- Revenue was $481.6 million in Q3 2020 which generated $134.0 million in earnings from mine operations, an increase over Q3-2019 of $214.3 million and $50.3 million, respectively due in large part to the incorporation of Mana and Boungou as well as the increase in the gold price.
- Operating cash flows before changes in non-cash working capital amounted to $222.8 million, or $1.37 per share[1], an increase of $112.8 million compared to Q3-2019. Operating cash flow after changes in non-cash working capital was $201.9 million or $1.24 per share[1] for Q3 2020 compared to $96.4 million and $0.88 per share[1] in Q3 2019.
- Basic earnings per share was $0.36 in Q3 2020 compared to a basic loss per share of $0.29 in Q3-2019.
- Adjusted Net Earnings[1] of $72.4 million or $0.44 per share[1] in Q3 2020, a $39.3 million increase compared to Q3-2019.
- Net debt[1] was $175.2 in Q3 2020, a reduction of $433.3 million compared to Q3-2019, after nearly four years of intensive growth-capital investment.
- Healthy Net Debt / Adjusted EBITDA[1] (LTM) ratio of 0.29 at quarter-end, a reduction of 85% from 1.94 at the end of Q3-2019.
- Cash and cash equivalents of $523.3 million at September 30, 2020, providing significant headroom to finance the Corporation's ongoing operations.

[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, operating cash flows per share, operating cash flow before non-cash working capital per share, 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.

Table 1: Quarterly Operational and Financial Highlights

($'000s)	Unit	THREE MONTHS ENDED September 30, 2020	June 30, 2020	September 30, 2019	NINE MONTHS ENDED September 30, 2020	September 30, 2019
Operating data						
Gold produced	oz	243,617	148,998	180,769	564,508	472,859
Gold sold	oz	261,571	149,828	185,268	585,953	476,892
Realized gold price[1]	$/oz	1,841	1,689	1,443	1,714	1,338
All-in sustaining costs[2]	$/oz	906	939	803	912	817
Cash cost per gold ounce sold[2]	$/oz	685	675	613	675	632
All-in sustaining margin[2]	$/oz	935	750	639	802	520
Cash flow data						
Operating cash flow before non-cash working capital	$	222,797	85,353	109,975	427,442	217,293
Operating cash flow before non-cash working capital per share[2]	$/share	1.37	0.77	1.00	3.33	1.98
Operating Cash Flow	$	201,883	57,416	96,389	385,254	181,514
Operating Cash Flow per share[2]	$/share	1.24	0.52	0.88	3.00	1.65
Profit and loss data						
Revenues[1]	$	481,561	253,084	267,292	1,004,547	637,973
Earnings from mine operations	$	133,996	88,245	83,704	307,759	154,581
Net comprehensive earnings/(loss) attributable to shareholders	$	59,128	(37,229)	(32,199)	47,897	(46,155)
Basic earnings/(loss) per share attributable to shareholders	$/share	0.36	(0.34)	(0.29)	0.37	(0.42)
Adjusted EBITDA[2]	$	255,673	120,218	122,951	505,751	257,706
Adjusted net earnings attributable to shareholders[2]	$	72,405	52,793	33,155	158,715	36,764
Adjusted net earnings per share attributable to shareholders[2]	$/share	0.44	0.48	0.30	1.24	0.33
Balance Sheet Data						
Cash	$	523,324	351,817	120,101	523,324	120,101
Net Debt[2]	$	175,172	472,646	608,488	175,172	608,488
Net Debt / Adjusted EBITDA (LTM) ratio[2]	:	0.29	1.00	1.94	0.29	1.94

[1]Revenue and realized gold price are net of gold stream sales to Franco-Nevada and Sandstorm.
[2]This is a non-GAAP measure. Refer to the non-GAAP measure section of the MD&A.

3. OPERATIONAL REVIEW SUMMARY

- Q3-2020 consolidated production amounted to 243,617 ounces, an increase of 94,619 ounces or 64% over Q2-2020, due to the addition of the Mana and Boungou mines, as well as increased production at Houndé, Karma and Agbaou, which was slightly offset by a modest decrease at Ity. AISC decreased by $33 per ounce or 4% to $906 per ounce as lower costs at Houndé and Ity, as well as the addition of Mana and Boungou, more than offset increased costs at Agbaou and Karma and higher royalty costs due to the strong gold price.
- YTD-2020 consolidated production amounted to 564,508 ounces, an increase of 91,649 ounces or +19% over YTD-2019 as a full nine months of Ity and the addition of Mana and Boungou more than offset an expected decline in production at Agbaou. AISC increased due to expected increases at Agbaou, Ity and Houndé, as well as the addition of a full quarter of operations at Mana, which were partially offset by lower unit corporate costs and the addition of the low cost Boungou mine.

Table 2: Group Production

	THREE MONTHS ENDED			NINE MONTHS ENDED	
(All amounts in koz, on a 100% basis)	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Ity CIL	44	47	64	152	130
Houndé	62	57	55	175	168
Mana	60	—	—	60	—
Boungou	30	—	—	30	—
Agbaou	25	24	36	77	103
Karma	22	20	26	70	69
Ity Heap Leach	—	—	—	—	3
GROUP PRODUCTION	**244**	**148**	**181**	**565**	**473**

Table 3: Group All-In Sustaining Costs

	THREE MONTHS ENDED			NINE MONTHS ENDED	
(All amounts in US$/oz)	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Ity CIL	774	784	575	727	580
Houndé	865	965	954	966	857
Mana	896	—	—	896	—
Boungou	752	—	—	752	—
Agbaou	1,139	955	767	1,013	780
Karma	1,073	952	901	959	962
Ity Heap Leach	—	—	—	—	1,086
Corporate G&A	20	34	33	26	36
Sustaining Exploration	—	—	—	—	—
ENDEAVOUR AISC	**906**	**939**	**803**	**912**	**817**

4. BUSINESS REVIEW

4.1. ENVIRONMENT, SOCIAL AND GOVERNANCE

Endeavour is committed to being a responsible gold miner, creating long-term value and sharing the benefits of its operations among all its stakeholders, including employees, members of the communities where it operates, shareholders, and other key stakeholders. As the largest gold miner in West Africa and a trusted government partner, Endeavour's operations have the potential to provide a significant positive impact on the economies and social development of its local communities and host countries, while minimizing its impact on the environment. In early 2019, Endeavour became a member of the World Gold Council and made the decision to adopt the Responsible Gold Mining Principles ("RGMPs") as its framework for furthering its commitment to responsible mining.

Environment, social and governance ("ESG") policies, systems and practices are embedded throughout the business and the Corporation reports annually on its ESG performance via its Sustainability Report.

Health and Safety

Endeavour puts the highest priority on safe work practices and systems. The Corporation's ultimate aim is to achieve "zero harm" performance. The following table shows the safety statistics for the trailing twelve months ended September 30, 2020. Regrettably, a fatal accident occurred at the Karma mine in Burkina Faso on February 28, 2020. A full investigation was carried out and the key findings have been incorporated into the Group's safety procedures. During the quarter, there were no lost time injuries ("LTIs") reported for the Group. The Group's lost time injury frequency rate ("LTIFR") continues to be well below the industry benchmark.

Table 4: LTIFR Statistics for the Trailing Twelve Months ended September 30, 2020 [1]

Incident Category	Agbaou	Karma	Ity	Houndé	Mana[1]	Boungou[1]	Non Operations[4]	Total
Fatality	0	1	0	0	0	0	0	1
Lost Time Injury	0	0	3	0	0	0	0	3
Total People Hours	2,299,573	3,201,605	5,032,619	4,705,101	1,228,938	482,617	4,843,921	21,794,374
LTIFR[2]	**0**	**0**	**0.60**	**0**	**0**	**0**	**0**	**0.14**
AIFR[3]	**4.18**	**4.06**	**4.17**	**1.28**	**8.14**	**4.14**	**2.30**	**3.17**

[1]Data relating to the recently acquired SEMAFO entities have been included for the period beginning 1 July 2020

[2]LTIFR = Number of LTIs in the Period x 1,000,000 / Total people hours worked for the period

[3]All Injury Frequency Rate ("AIFR") = Number of (LTI+Restricted Work Injury+Medical Treated Injury+First Aid Injury) in the period x 1,000,000 / Total people hours worked for the period

[4] "Non Operations" includes Corporate, Kalana and Exploration

New ESG Reporting Framework Adopted – The Responsible Gold Mining Principles

The RGMPs were launched by the World Gold Council, the industry body responsible for stimulating and sustaining demand for gold, to reflect the commitment of the world's leading gold producers to responsible mining. The RGMPs provide a comprehensive reporting framework that sets out clear expectations as to what constitutes responsible gold mining to help provide confidence to investors, supply chain participants and ultimately, consumers. Member companies will have up to three years to fully comply with the RGMPs and will be required to obtain external assurance on their performance and conformance to the RGMPs.

The RGMPs consist of ten umbrella principles and fifty one detailed principles, which cover key ESG themes, issues and actions. Endeavour has adopted the RGMPs as its primary ESG reporting framework and is targeting full conformance within the Council's three-year timeframe. As part of its implementation strategy, Endeavour conducted a gap analysis in 2019 to identify those policies, standards and activities which already conform to the RGMPs, as well as those areas that will require additional work in order to achieve conformance. In Q2-2020, Endeavour received external assurance on its first RGMP, 1.7 Accountabilities and Reporting.

During the quarter, Endeavour continued to implement the RGMPs. This included a readiness assessment with an independent external consultant to identify those RGMPs which the Corporation will seek to externally assure at the end of the year.

Responding to Climate Change

Being responsible stewards of the environment is critical to the Group's long-term success. Endeavour recognizes the need to monitor its energy consumption and efficiency and, where possible, to reduce its carbon footprint. The Group has been reporting on its Scope 1 and Scope 2 greenhouse gas emissions since 2017. This year, the Group also started reporting its Scope 3 emissions. Endeavour has also commenced work on developing an Emissions Reduction Target informed by climate science and its specific operating context and will continue to work to identify pathways to achievement. In Q2-2020, a Group greenhouse gas emissions reduction plan was approved. The plan commits to:

- Establishing a system to promote continuous improvement;
- Proactively managing power generation costs and utility contracts;
- Achieving sustainable improvements in energy efficiency; and
- Protecting the operations' energy security over their anticipated life of mine.

During the quarter, the Corporation completed a readiness assessment, conducted by independent external consultants, on its current practices and disclosures in relation to the Financial Services Board's Task Force on Climate-related Financial Disclosure ("TCFD"), in preparation for augmenting its climate-related disclosure with the TCFD recommendations in 2021.

External Reporting

During the quarter, the Corporation completed the climate change, forestry and water questionnaires for CDP, the not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

4.2. COVID-19 RESPONSE

Since the outbreak of the global COVID-19 pandemic, Endeavour has focused on the well-being of its employees, contractors and local communities, while ensuring business continuity. In addition, host governments in Côte d'Ivoire, Burkina Faso and Mali have taken strict and pro-active measures to minimize overall exposure in their countries.

Protecting the well-being of employees, contractors, and local communities

- Endeavour has implemented a range of preventative measures across all its sites, including social distancing, health screening, augmented hygiene and restricted access to sites.
- Endeavour operates in close coordination with the national health authorities and is using the epidemiological surveillance system it developed to assist host countries (Côte d'Ivoire, Burkina Faso and Mali) with the monitoring and tracking of the pandemic in these countries.
- Endeavour's donations of key medical equipment and supplies to regional, community and on-site medical centers continued during the quarter across all three countries of its projects and operations.
- A range of community programs were implemented during the quarter including micro-credit programs, which help to support people in host communities whose livelihoods have been impacted by the pandemic, and e-learning programs in Burkina Faso to facilitate access to distance learning for students.

Business continuity response plan

- In early March 2020, Endeavour put in place a business continuity plan to mitigate the risks and potential impact of the global COVID-19 pandemic, which has three levels of response:
  - Level 1, which the Group is currently operating under, involves a range of preventative measures including temperature checks, restricted access to sites, social distancing, increased hygiene standards and mandatory quarantine periods for employees arriving in-country, while otherwise continuing operations as normal.
  - Level 2 is designed to be initiated should COVID-19 become more prevalent in the countries in which the Group operates and involves comprehensive restrictions on movement into and out of the mines. Under these circumstances, Endeavour's mines would be isolated, but mining operations and the shipment of gold would continue.
  - Level 3 involves the full or partial suspension of mining and processing operations.
- Each of Endeavour's operations are continuing to operate at normal levels with gold shipments and sales continuing, albeit with increased health and safety measures and decreased efficiencies in some parts of the operations.
- Employees in a role that enabled them to work from home were asked to do so. The Corporation's cloud-based strategy ensured that employees could access all the relevant applications, systems and collaboration tools that they needed to perform their duties. In addition, the cyber security response was updated and is constantly tracked in light of the increased cyber security risk generally observed during the pandemic.

4.3. OPERATIONS REVIEW

The following tables summarize operating results for the three months ended September 30, 2020, June 30, 2020, and September 30, 2019 and the nine months ended September 30, 2020 and September 30, 2019.

Ity Gold Mine, Côte d'Ivoire

Table 5: Ity CIL Key Performance Indicators

		THREE MONTHS ENDED			NINE MONTHS ENDED	
	Unit	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Operating Data						
Tonnes ore mined	kt	2,352	1,650	1,639	5,911	4,162
Tonnes of waste mined	kt	3,970	3,725	1,583	11,012	6,285
Open pit strip ratio[1]	w:o	1.69	2.26	0.97	1.86	1.51
Tonnes milled	kt	1,307	1,180	1,183	3,897	2,375
Average gold grade milled	g/t	1.34	1.59	1.94	1.52	1.99
Recovery rate	%	81	77	88	81	89
Gold produced	oz	44,470	46,790	63,764	152,265	130,051
Gold sold	oz	47,478	46,146	65,354	157,138	127,344
Financial Data ($'000)						
Revenues	$	88,755	79,419	96,299	268,897	178,507
Mining costs	$	(24,111)	(16,779)	(13,743)	(53,271)	(27,739)
Processing cost	$	(14,724)	(14,116)	(15,688)	(45,698)	(28,496)
General and Administrative expenses	$	(4,228)	(3,502)	(4,917)	(12,045)	(10,068)
Capitalized waste	$	3,538	4,793	—	9,758	—
Inventory adjustments and other	$	10,267	122	1,095	7,066	(214)
Total Cash Cost[2]	$	(29,258)	(29,482)	(33,253)	(94,190)	(66,517)
Royalties	$	(5,238)	(4,453)	(3,868)	(14,455)	(6,896)
Sustaining capital[2]	$	(2,249)	(2,253)	(486)	(5,625)	(486)
Total All-in Sustaining Costs[2]	$	(36,745)	(36,188)	(37,607)	(114,270)	(73,899)
Non-sustaining capital[2]	$	(3,697)	(10,746)	(117)	(25,390)	(117)
All-In Margin[2]	**$**	**48,313**	**32,485**	**58,575**	**129,237**	**104,491**
add back: Sustaining and non-sustaining capital[2]	$	5,946	12,999	603	31,015	603
Depreciation/depletion	$	(8,080)	(8,466)	(10,908)	(27,225)	(21,406)
Non-cash operating expense	$	—	(220)	(1,710)	—	1,433
Earnings from mine operations	**$**	**46,179**	**36,798**	**46,560**	**133,027**	**85,121**
Unit cost analysis						
Realized gold price	$/oz	1,869	1,721	1,473	1,711	1,402
Open pit mining cost per tonne mined	$/t	3.81	3.12	4.27	3.15	4.02
Processing cost per tonne milled	$/t	11.27	11.96	13.26	11.73	13.46
G&A cost per tonne milled	$/t	3.24	2.97	4.16	3.09	4.76
Cash cost per ounce sold[2]	**$/oz**	**616**	**639**	**509**	**599**	**522**
Mine All-In Sustaining Costs[2]	**$/oz**	**774**	**784**	**575**	**727**	**580**

[1] Open pit strip ratio includes capitalized waste.
[2] Non-GAAP measure. Refer to the non-GAAP Measures section for further details.

Q3 2020 vs Q2 2020 Insights

- Production decreased slightly as higher throughput and gold recoveries largely offset the lower processed grades.
  - Total tonnes mined increased significantly (up 18%), despite the rainy season, as additional mining equipment was added in late Q2-2020 with the aim of accelerating the development of several larger pits to provide greater operating flexibility. Mining in Q3-2020 prioritized pit cut-backs at the higher grade Ity and Bakatouo deposits.
  - Tonnes of ore mined increased sharply (up 42%) as a portion of the Ity pit cut-back included low-grade mineralization. Ore was mainly sourced from the Daapleu and Colline Sud pits, and supplemented by ore from the heap leach dumps.
  - Tonnes milled increased by 11% due to a higher proportion of oxide material as well as higher mill availability and utilization following completion of plant maintenance during Q2-2020. Two power screens were commissioned in late Q3-2020 which assisted in feeding high moisture oxide content through the surge bin.
  - Processed grade decreased slightly more than guided due to the focus on completing pit cut-backs, which consequently resulted in ore extraction being constrained to lower grade oxide ore available in upper mine areas and lower grade stockpiles supplementing the plant feed.
  - Recovery rates increased as a higher proportion of oxide material was fed through the plant as a result of the change in mining sequence.
- AISC decreased due primarily to the lower strip ratio, an increase in gold sold, higher recovery rates, and lower unit processing costs, which were partially offset by higher unit mining and G&A costs, and higher royalty expenses.
  - Mining unit costs increased from $3.12 to $3.81 per tonne mined due to the higher load and haul cost associated with using ADTs, timing of equipment maintenance costs, increased proportion of fresh material, which required increased drill and blast and the higher costs associated with mining in the rainy season.
  - Processing unit costs decreased from $11.96 to $11.27 per tonne due to a higher proportion of oxide material processed and higher mill throughput.
  - Sustaining capital remained consistent with prior periods at $2.2 million
- Non-sustaining capital decreased from $10.7 million to $3.7 million due to the completion of the Tailings Storage Facility ("TSF") raise in Q2-2020 and less waste capitalization of the new Colline Sud pit, which was accelerated and largely completed in Q2-2020.

YTD-2020 vs YTD-2019 Insights

- Production increased as the Ity CIL plant operated for the full nine month period ended September 30, 2020 compared to lesser production time for the same period in 2019 with commercial production declared on April 8 2019. AISC increased as guided due to increased sustaining capital related to the component change-out associated with heavy mining equipment and higher royalties associated with the higher gold price.

Q4 and 2020 Outlook

- Production is expected to improve in Q4-2020 over Q3-2020 due to higher processed grades. Due to lower than planned Q2-2020 performance (as previously described) and a lower than anticipated Q3-2020 performance (due to the stronger focus on conducting pit cut-backs), Ity's full year production is expected be below the guidance range of 235,000 – 255,000 ounces and AISC is expected to be above the guidance of $630 – $675 per ounce, which also reflects the higher royalty costs. The short-term compromises made are expected to position Ity for a stronger performance in Q4-2020 and into 2021. Endeavour remains on track to achieve its Group 2020 guidance, as Ity's performance is expected to be offset by stronger performance across other mines.
- Plant feed in Q4-2020 is expected to be sourced primarily from higher-grade sulfide ore at the Daapleu pit, while continuing to be supplemented by ore from smaller satellite pits and lower grade historic heap dumps. The proportion of higher-grade fresh ore is expected to increase whilst throughput and recovery rates are expected to decline in line with the metallurgical characteristics of Daapleu sulphide ore processed.
- Once the cut-back of the higher-grade Ity deposit is completed in 2021, the mine will be well positioned to source ore from several large deposits in order to optimize the plant feed based on metallurgical characteristics, rather than currently being constrained to mainly Daapleu.
- Sustaining capital spend is expected to increase in Q4-2020 due to a stronger focus on accelerating the cut-backs at the Ity and Bakatouo pits. In addition, several plant optimization initiatives have been identified to increase the plant capacity from 5.0Mtpa to 5.6Mtpa with minimal capital spend. These initiatives are expected to commence in Q4-2020 and be completed in 2021 during scheduled maintenance downtimes. Sustaining capital spend is expected to total approximately $13.0 million for FY-2020 (of which $5.7 million has been incurred to date), compared to the initially guided $8.0 million.
- Non-sustaining capital spend for FY-2020 is expected to be in line with the guided amount of approximately $35.0 million (of which $25.4 million has been incurred to date) with Q4 activity primarily related to the commencement of the TSF lift 3, Le Plaque haul road and compensation, river diversions and the Ity pit cut-back.

Exploration Activities

- An exploration program of up to $14.0 million totaling approximately 100,000 meters was initially planned for 2020, with the aim of growing the Le Plaque, Bakatouo, and Daapleu deposits, and testing other targets such as Floleu and Samuel.
- In YTD-2020, $13 million was spent, comprised of over 85,000 meters drilled, with eight rigs active over the greater Ity area. The majority of drilling was focused on the Le Plaque area and on near-mill targets such as Verse West and Leach pad and Daapleu SW.
- As announced on July 7, 2020, drilling has resulted in a 43% increase in Le Plaque's Indicated resource estimate to 689,000 ounces. In addition, several other nearby targets have also been identified. At least 15,000 meters of drilling aimed at testing Le Plaque extensions and other nearby targets are planned for the remainder of 2020.

Table 6: Houndé Key Performance Indicators

		THREE MONTHS ENDED			NINE MONTHS ENDED	
	Unit	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Operating Data:						
Tonnes ore mined	kt	1,231	1,072	661	3,204	2,346
Tonnes of waste mined	kt	8,702	10,437	9,693	29,550	26,550
Open pit strip ratio[1]	w:o	7.07	9.73	14.67	9.22	11.32
Tonnes milled	kt	1,010	1,035	1,015	3,111	3,092
Average gold grade milled	g/t	2.06	1.91	1.85	1.91	1.84
Recovery rate	%	92	92	92	92	93
Gold produced	oz	62,038	57,444	54,708	175,342	168,299
Gold sold	oz	62,273	57,431	58,392	176,375	172,222
Financial Data ($'000)						
Revenues	$	115,721	100,190	86,289	304,746	234,805
Mining costs	$	(27,230)	(24,718)	(22,150)	(77,393)	(60,688)
Processing cost	$	(13,239)	(14,808)	(13,160)	(41,357)	(39,389)
General and Administrative expenses	$	(6,656)	(4,740)	(5,237)	(14,797)	(18,297)
Capitalized waste	$	10,406	9,783	8,337	32,034	17,536
Inventory adjustments and other	$	(634)	(1,786)	(7,890)	(14,247)	(10,956)
Total Cash Cost[2]	$	(37,353)	(36,269)	(40,100)	(115,760)	(111,794)
Royalties	$	(9,516)	(8,025)	(6,041)	(24,646)	(15,784)
Sustaining capital[2]	$	(6,999)	(11,117)	(9,548)	(29,890)	(20,042)
Total All-In Sustaining Costs[2]	$	(53,868)	(55,411)	(55,689)	(170,296)	(147,620)
Non-sustaining capital[2]	$	(7,327)	(5,750)	(1,445)	(14,892)	(10,740)
All-In Margin[2]	**$**	**54,526**	**39,029**	**29,155**	**119,558**	**76,445**
add back: Sustaining and non-sustaining capital[2]	$	14,326	16,867	10,993	44,782	30,782
Depreciation/depletion	$	(14,413)	(13,726)	(18,375)	(44,542)	(50,295)
Non-cash operating expense	$	—	(35)	(1,419)	—	(1,419)
Earnings from mine operations	**$**	**54,439**	**42,135**	**20,354**	**119,797**	**55,513**
Unit cost analysis						
Realized gold price	$/oz	1,858	1,745	1,478	1,728	1,363
Open pit mining cost per tonne mined	$/t	2.74	2.15	2.14	2.36	2.10
Processing cost per tonne milled	$/t	13.11	14.31	12.96	13.30	12.74
G&A cost per tonne milled	$/t	6.59	4.58	5.16	4.76	5.92
Cash cost per ounce sold[2]	**$/oz**	**600**	**632**	**687**	**656**	**649**
Mine All-In Sustaining Costs[2]	**$/oz**	**865**	**965**	**954**	**966**	**857**

[1]Strip ratio includes capitalized waste.
[2]Non-GAAP measure. Refer to the non-GAAP Measures section for further details.

Q3 2020 vs Q2 2020 Insights

- Production increased due to higher processed grades which more than offset the slightly lower throughput, while the recovery rate remained consistent with Q2-2020.
  - Total tonnes mined declined by 14% due to the normal rainy season impact, however tonnes of ore mined increased by 15% due to the commencement of mining at Kari Pump. Ore continued to be sourced primarily from the Vindaloo Main, Vindaloo Central and Kari Pump pits and supplemented Bouéré and Vindaloo North pits.
  - Mining activities commenced at the high grade Kari Pump deposit during the quarter, with over 60,000 meters of grade control drilling completed, pre-stripping is well underway and first ore extraction achieved.
  - The strip ratio was lower than guided due to a greater focus on ore extraction from the Vindaloo pits and Kari Pump.
  - Tonnes milled remained flat, despite the rainy season, as oxide ore from Kari Pump offset the impact of greater volumes of fresh ore from Vindaloo.
  - Average processed grades increased due to the benefit of higher grade ore from Vindaloo Main and Vindaloo Central, which was supplemented by high grade Kari Pump ore.
- AISC decreased mainly due to a decrease in sustaining capital, lower processing unit costs and slightly higher sales volumes which more than offset higher royalties and higher mining and G&A unit costs.
  - Mining unit costs increased from $2.15 to $2.74 per tonne due to the impact of the rainy season (lower volumes, more pumping and lower mining and haulage efficiencies), coupled with higher maintenance costs due to timing of planned work, plus higher grade control drilling and drill and blast costs associated with mining greater volumes of Vindaloo fresh ore.
  - Processing unit costs decreased from $14.31 to $13.11 per tonne, despite the rainy season, as costs were higher in Q2-2020 due to mill liner replacement.
  - Sustaining capital decreased from $11.1 million to $7.0 million due to lower waste classified as sustaining capital.
- Non-sustaining capital increased from $5.8 million to $7.3 million, higher than initial guidance, with the aim of accelerating the development of the Kari area (more waste extraction, advanced timeline for resettlement, and additional satellite mining infrastructure).

YTD-2020 vs YTD-2019 Insights

- Production increased due to slightly higher processed tonnes and grades with recovery rates remaining flat. AISC increased due to higher sustaining waste capitalization, higher royalty costs and a shift to mining and processing a higher proportion of harder fresh ore.

Q4 and 2020 Outlook

- Production is expected to significantly improve in Q4-2020 over Q3-2020 due to higher processed grades. Houndé is expected to achieve the top end of its FY-2020 production guidance range of 230,000 - 250,000 ounces and the mid-range of its AISC guidance of $865—$895 per ounce in light of higher royalty costs.
- Higher grade ore is planned to be processed in Q4-2020 with mill feed from Vindaloo Main and Central supplemented by Kari Pump while mill throughput and recovery rates are expected to remain flat. Greater waste extraction is expected as mining activities continue to ramp up at Kari Pump and as the delayed stripping at Vindaloo is continued.
- Sustaining capital spend for FY-2020 is expected to be significantly below the initial guidance of $49.0 million (of which $29.9 million has been incurred to date) mainly due to lower volumes of waste extracted during the year which impacts the stripping ratio and thus allocation to capital. Non-sustaining capital spend for FY-2020 is expected to amount to approximately $25.0 million (of which $14.9 million has been incurred to date), higher than the initial guidance of $10.0 million, primarily due to a greater focus on the development of the Kari area including pre-stripping, fencing and infrastructure and resettlement costs for Kari Pump, plus land compensation for the newly discovered Kari West and Centre deposits, which has been brought forward in order to secure that area for mining in 2021.

Exploration

- An exploration program of $11.0 million totaling approximately 94,000 meters was initially planned for 2020, with the aim of delineating additional resources in the Kari area and at the Vindaloo South and Vindaloo North targets. In addition, other targets such as Dohoun and Sia/Sianikoui were expected to be tested.
- In YTD 2020, $17.0 million was spent, comprised of nearly 74,000 meters drilled, with up to 11 rigs active. Over 44,000 meters were drilled for geotechnical and metallurgical purposes at Kari West, Kari Centre and Kari Gap, and sterilization and grade control at Kari Pump. A small reconnaissance drilling campaign at Vindaloo North Target 3, Sianikoui, Mambo and Marzipan was also conducted and yielded positive initial results.
- An updated resource estimate, incorporating 554,000 additional Indicated ounces for the entire Kari area, was published in early Q3-2020.
- Maiden reserves for Kari Center, Gap, South and Pump Northeast are expected in Q1-2021.

Table 7: Mana Key Performance Indicators

	Unit	THREE MONTHS ENDED September 30, 2020
Operating Data:		
Tonnes ore mined - open pit	kt	465
Tonnes of waste mined - open pit	kt	5,951
Open pit strip ratio[1]	w:o	12.80
Tonnes ore mined - underground	kt	197
Tonnes of waste mined - underground	kt	116
Tonnes of ore milled	kt	593
Average gold grade milled	g/t	3.43
Recovery rate	%	95
Gold produced	oz	59,678
Gold sold	oz	67,806
Financial Data ($'000)		
Revenues	$	128,069
Mining costs - open pit	$	(23,568)
Mining costs - underground	$	(14,743)
Processing cost	$	(12,773)
General and Administrative expenses	$	(3,922)
Capitalized waste	$	12,855
Inventory adjustments and other	$	(6,088)
Total Cash Cost[2]	$	(48,239)
Royalties	$	(7,754)
Sustaining capital[2]	$	(4,781)
Total All-in Sustaining Costs[2]	$	(60,774)
Non-sustaining capital[2]	$	(9,953)
All-In Margin[2]	$	**57,342**
add back: Sustaining and non-sustaining capital[2]	$	14,734
Depreciation/depletion	$	(43,956)
Non-cash operating expense	$	—
Earnings from mine operations	**$**	**28,120**
Unit cost analysis		
Realized gold price	$/oz	1,889
Open pit mining cost per tonne mined	$/t	3.67
Underground mining cost per tonne mined	$/t	47.08
Processing cost per tonne milled	$/t	21.54
G&A cost per tonne milled	$/t	6.62
Cash cost per ounce sold[2]	**$/oz**	**711**
Mine All-In Sustaining Costs[2]	**$/oz**	**896**

[1] *Strip ratio includes capitalized waste*
[2]*Non-GAAP measure. Refer to the non-GAAP Measures section for further details.*

Q3 2020 Insights

- Production of 59,678 ounces during the quarter is due to processing higher average grades and the high recoveries associated with the Siou ore.
  - Open pit mining focused on the Wona and Siou Pits. Mining of Siou Stage 3 was substantially completed during the quarter, whilst ore production continued from Wona North Stage 3 continued and pre-stripping activities at Wona North Stage 4 commenced.
  - The underground operations delivered strong performance, staying ahead of development and production targets. Focus was placed on stope backfill activities in order to maintain production in future quarters.
  - Processing activities performed well, at nameplate capacity, despite higher proportion of fresh blend in the feed.
  - Average processed grade was higher due to the grade of the final ore coming from the Siou open pit
  - Recovery rates were 95% as expected.
- AISC remained low and in line with guidance:
  - Open pit mining unit costs is $3.67 per tonne due primarily to constrained open pit conditions at the bottom of the Siou and Wona North Stage 3 pits.
  - Underground mining cost is $47.08 due to high proportion of ore coming from development instead of stopes.
  - Processing costs of $21.54 per tonne related to high proportion of fresh ore blend which required more grinding media, supplemented with low grade oxide from the stockpile.
  - Sustaining capital related to underground decline and access development.
- The $9.9 million of non-sustaining capital relates to the Wona Stage 4 pre-stripping, which commenced in July 2020.

Q4 and 2020 Outlook

- Mana's pro forma production is expected to achieve the top half of FY-2020 production guidance range of 185,000 – 205,000 ounces and the mid-range of pro forma AISC guidance of $1,050 – $1,125 per ounce despite higher royalty costs.
- Following a stronger Q3-2020, production is expected to be lower in Q4-2020 with the completion of the Siou open pit and higher proportion of ore from Wona, while throughput and recoveries are expected to decline slightly due to this expected change in the ore blend.
- Sustaining capital spend is expected to increase slightly in Q4-2020, however is expected to be significantly below the initially guided FY-2020 amount of $70.0 million on a pro forma basis (of which $33.8 million has been incurred to date) due to a greater focus on non-sustaining underground development and pre-stripping activity at Wona. Consequently, non-sustaining capital spend is expected to increase in Q4-2020 and to approximately $25.0 million for FY-2020 on a pro forma basis (of which $10.0 million has been incurred to date), higher than the initial guidance of $2.0 million which is however offset by the lower expected sustaining capital spend.

Exploration Activities

- In 2020, a pro forma $3.0 million budget was established to follow up targets identified by geological review with minimal work completed thus far and $1.0 million spent year to date.
- In Q3-2020, a total of over 4,000 meters of underground drilling was conducted with the aim of infill drilling a portion of the Inferred material at the southern end of the Siou underground deposit.
- In Q4-2020, reconnaissance drill programs of 27,000 meters RC and 8,000 meters core will commence, designed to evaluate northeast continuations of oxide mineralization at both the Kona (immediately north of Wona) and Siou open pits. In addition, a surface drill program of 15,000 meters is planned to evaluate continuations of underground high grade ore shoots at the northeast and southwest ends of the Siou deposit.

Boungou Gold Mine, Burkina Faso

Table 8: Boungou Key Performance Indicators

	Unit	THREE MONTHS ENDED September 30, 2020
Operating Data:		
Tonnes ore mined	kt	124
Tonnes of waste mined	kt	170
Open pit strip ratio[1]	w:o	1.38
Tonnes of ore milled	kt	308
Average gold grade milled	g/t	3.15
Recovery rate	%	94
Gold produced	oz	30,226
Gold sold	oz	35,411
Financial Data ($'000)		
Revenues	$	66,450
Mining costs	$	(1,449)
Processing cost	$	(10,824)
General and Administrative expenses	$	(4,701)
Capitalized waste	$	—
Inventory adjustments and other	$	(5,032)
Total Cash Cost[2]	$	(22,006)
Royalties	$	(4,106)
Sustaining capital[2]	$	(505)
Total All-in Sustaining Costs[2]	$	(26,618)
Non-sustaining capital[2]	$	(848)
All-In Margin[2]	$	**38,984**
add back: Sustaining and non-sustaining capital[1]	$	1,353
Depreciation/depletion	$	(39,694)
Non-cash operating expense	$	31
Earnings from mine operations	**$**	**674**
Unit cost analysis		
Realized gold price	$/oz	1,877
Open pit mining cost per tonne mined	$/t	11.70
Processing cost per tonne milled	$/t	35.12
G&A cost per tonne milled	$/t	15.25
Cash cost per ounce sold[2]	**$/oz**	**621**
Mine All-In Sustaining Costs[1]	**$/oz**	**752**

[1] Strip ratio includes capitalized waste
[2] Non-GAAP measure. Refer to the non-GAAP Measures section for further details.

Q3 2020 Insights

- Plant feed mainly originated from previously mined stockpiles, which was supplemented by easily accessible high grade ore from the pits. As announced on October 15, 2020, mining operations were successfully restarted following the mobilization of the West African mining contractor and completion of infrastructure improvements.
- Production of 30,226 ounces during the quarter:
  - Limited mining activities focused on the West pit, which produced 123,875 tonnes with a lower strip ratio from easily accessible ore as full mining activities are planned for early Q4-2020.
  - Processed tonnes were mainly from historic stockpiles, which were supplemented by ore mined from the West pit.
  - The high recovery rate is due to a higher proportion of oxide material processed.
- AISC of $784 per ounce due to:
  - Open pit mining unit cost of $19.37 per tonne was higher than anticipated due to the use of a surface works contractor with small excavator and trucks on an hourly hire basis to accelerate access to higher grade ore whilst the main contractor mobilized to site. Whilst not overly productive, this option did bring additional ounces forward into Q3-2020.
  - Processing unit cost is $35.12 which reflects higher overall throughput, though this was impacted by a seven day shut for full liner changes in both the SAG Mill and Vertical Tower Mill (VTM). Stockpiles have been the main source of plant feed since mining activities ceased in December 2019.
  - Sustaining capital of $0.7 million related to planned road maintenance cost.
- Non-sustaining capital of $0.8 million relates to infrastructure upgrades and the construction of the air strip.

Q4 and 2020 Outlook

- Production and AISC are expected to improve in Q4-2020 due to the restart of mining operations, and as such Boungou is expected to achieve the top half of its FY-2020 pro forma production guidance of 130,000 - 150,000 ounces at an AISC at the bottom half of the previously guided $680 - 725 per ounce.
- As announced in early September, Endeavour awarded the mining contract to SFTP Mining BF S.A.R.L (“SFTP”), a West African mining contractor, who also provides mining services at Endeavour’s Karma mine. SFTP immediately began to mobilize mining equipment and personnel and, to accelerate the restart, SFTP purchased some of the on-site fleet from the previous contractor.
- Mining, drilling, and blasting activities have ramped up in early Q4-2020 and are expected to reach the contracted amount of approximately 2.0 million tonnes per month in Q4-2020. During Q4-2020, mining activities are expected to focus on the West pit, while preparing the East pit for grade control drilling in 2021.

Exploration Activities

- In 2020, a $1.0 million exploration program was planned, which comprised 5,000 meters of reverse circulation drilling.
- Exploration activities are expected to resume in Q4-2020, targeting near-mill targets.

Table 9: Agbaou Key Performance Indicators

		THREE MONTHS ENDED			NINE MONTHS ENDED	
	Unit	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Operating Data						
Tonnes ore mined	kt	527	659	589	1,943	1,604
Tonnes of waste mined	kt	5,568	4,589	5,647	15,833	17,405
Open pit strip ratio[1]	w:o	10.56	6.97	9.59	8.15	10.85
Tonnes milled	kt	641	675	672	2,048	2,037
Average gold grade milled	g/t	1.29	1.14	1.77	1.25	1.64
Recovery rate	%	94	94	95	94	94
Gold produced	oz	24,816	24,437	36,129	76,713	102,520
Gold sold	oz	25,279	25,067	36,081	77,769	104,202
Financial Data ($'000)						
Revenues	$	46,722	43,503	53,374	133,806	142,531
Mining costs	$	(16,201)	(14,502)	(16,855)	(47,831)	(48,310)
Processing cost	$	(5,464)	(5,989)	(5,052)	(16,649)	(15,491)
General and Administrative expenses	$	(2,340)	(2,329)	(2,772)	(6,900)	(8,948)
Capitalized waste	$	3,791	1,292	3,591	10,653	12,850
Inventory adjustments and other	$	(1,996)	1,448	(824)	126	(2,340)
Total Cash Cost[2]	$	(22,210)	(20,080)	(21,912)	(60,601)	(62,239)
Royalties	$	(2,689)	(2,464)	(2,152)	(7,486)	(5,566)
Sustaining capital[2]	$	(3,893)	(1,386)	(3,619)	(10,715)	(13,435)
Total All-in Sustaining Costs[2]	$	(28,792)	(23,930)	(27,683)	(78,802)	(81,240)
Non-sustaining capital[2]	$	(436)	(316)	(1,590)	(886)	(6,716)
All-In Margin[2]	**$**	**17,494**	**19,257**	**24,101**	**54,119**	**54,575**
add back: Sustaining and non-sustaining capital[2]	$	4,329	1,702	5,209	11,601	20,151
Depreciation/depletion	$	(9,370)	(8,295)	(10,819)	(27,266)	(31,612)
Earnings from mine operations	**$**	**12,453**	**12,664**	**18,491**	**38,454**	**43,114**
Unit cost analysis						
Realized gold price	$/oz	1,848	1,735	1,479	1,721	1,368
Open pit mining cost per tonne mined	$/t	2.66	2.76	2.70	2.69	2.54
Processing cost per tonne milled	$/t	8.52	8.88	7.52	8.13	7.61
G&A cost per tonne milled	$/t	3.65	3.45	4.13	3.37	4.39
Cash cost per ounce sold[2]	**$/oz**	**879**	**801**	**607**	**779**	**597**
Mine All-In Sustaining Costs[2]	**$/oz**	**1,139**	**955**	**767**	**1,013**	**780**

[1] Strip ratio includes capitalized waste
[2] Non-GAAP measure. Refer to the non-GAAP Measures section for further details.

Q3 2020 vs Q2 2020 Insights

- Production remained flat as an increased proportion of the mill feed was comprised of higher grade fresh ore, which compensated for the guided reduction in plant throughput.
  - Total tonnes mined increased by 16% as activities focused on the deeper elevation and fresh material zones of the North pit and the South pit with marginal contribution from the West pit. Tonnes of ore mined decreased due to greater emphasis on waste extraction, as demonstrated by the significant increase in the overall strip ratio.
  - Tonnes milled decreased due to the planned higher proportion of fresh ore in the mill feed.
  - Processed grades increased as a result of higher grade ore from the fresh zones of the North pit and the South pit which were partially offset by lower grade stockpiles used to supplement the plant feed.
  - Recovery rates remained stable at 94%.
- The AISC increased mainly due to higher sustaining capital, royalties and unit G&A costs offset by lower unit mining and processing costs.
  - Mining unit costs decreased from $2.76 to $2.66 per tonne mined despite mining harder ore and normal rainy season impacts, due to the volume effect of increased tonnes mined.
  - Processing unit costs decreased from $8.88 to $8.52 per tonne mainly due to savings in power cost due to lower tonnes milled.
  - Sustaining capital costs increased from $1.4 million to $3.9 million primarily due to the higher capitalized waste as deferred sustaining capital from H1-2020 was incurred during this quarter.
- Non-sustaining capital remained low, marginally increasing from $0.3 million to $0.4 million.

YTD-2020 vs YTD-2019 Insights

- As guided, production decreased due to lower grades while tonnage processed and recovery rates remained flat.
- AISC increased as a result of higher unit mining costs, unit processing costs, higher royalties and lower ounces sold which were offset by lower sustaining capital and G&A unit costs.

Q4 and 2020 Outlook

- Production is expected to increase in Q4-2020 over Q3-2020 due to higher processed grades and tonnage. As such, Agbaou is expected to achieve the bottom end of its FY-2020 production guidance range of 115,000—125,000 ounces and the middle of its AISC guidance range of $940—$990 per ounce despite higher royalty costs.
- Mining is expected to continue principally in the North and South pits with contributions from West pit 5 ceasing during the quarter. Throughput is expected to increase following the end of the rainy season while recovery rates are expected to slightly decrease due to greater volumes of harder fresh ore processed.
- Sustaining capital spend for FY-2020 is expected to be below initial guidance of $17.0 million (of which $10.7 million has been incurred to date) due to less capitalized waste, while non-sustaining capital is expected to be in line with the guided $1.0 million (of which $0.9 million has been incurred to date).

Exploration Activities

- An exploration program of up to $2.0 million was planned for 2020 with the aim of continuing to test targets located along extensions of known deposits and on parallel trends.
- Minimal work was done thus far as Côte d'Ivoire exploration efforts were concentrated on Ity and Fetekro.

Table 10: Karma Key Performance Indicators

		THREE MONTHS ENDED			NINE MONTHS ENDED	
	Unit	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Operating Data:						
Tonnes ore mined	kt	1,011	1,288	948	3,528	2,838
Tonnes of waste mined	kt	3,381	3,513	3,410	10,618	11,949
Open pit strip ratio[1]	w:o	3.35	2.73	3.60	3.01	4.21
Tonnes of ore stacked	kt	1,192	1,238	919	3,544	3,061
Average gold grade stacked	g/t	0.76	0.81	1.17	0.86	0.89
Recovery rate	%	72	80	79	79	81
Gold produced:	oz	22,389	20,327	26,168	70,284	69,287
Gold sold:	oz	23,324	21,184	25,442	71,454	68,910
Financial Data ($'000)						
Revenues[2]	$	35,844	29,973	31,329	102,579	76,644
Mining costs	$	(9,448)	(11,427)	(10,333)	(32,613)	(33,572)
Processing cost	$	(8,860)	(8,120)	(6,653)	(23,821)	(22,165)
General and Administrative expenses	$	(2,518)	(2,679)	(2,619)	(7,988)	(8,726)
Capitalized waste	$	1,681	1,823	2,539	4,007	12,204
Inventory adjustments and other	$	(938)	5,091	(2,387)	5,563	(5,206)
Total Cash Cost[3]	$	(20,083)	(15,312)	(19,453)	(54,852)	(57,465)
Royalties	$	(3,410)	(2,828)	(2,420)	(9,489)	(6,054)
Sustaining capital[3]	$	(1,535)	(2,028)	(1,043)	(4,202)	(2,801)
Total All-In Sustaining Costs[3]	$	(25,028)	(20,168)	(22,916)	(68,543)	(66,320)
Non-sustaining capital[3]	$	(1,706)	(3,838)	(4,167)	(7,618)	(15,679)
All-In Margin[3]	**$**	**9,110**	**5,967**	**4,246**	**26,418**	**(5,355)**
add back: Sustaining and non-sustaining capital[3]	$	3,241	5,866	5,210	11,820	18,480
Depreciation/depletion	$	(14,904)	(11,318)	(12,358)	(39,890)	(34,875)
Non-cash operating income/(expense)	$	—	17	2,044	713	(970)
Earnings/(loss) from mine operations	**$**	**(2,553)**	**532**	**(858)**	**(939)**	**(22,720)**
Unit cost analysis						
Realized gold price[2]	$/oz	1,537	1,415	1,231	1,436	1,112
Open pit mining cost per tonne mined	$/t	2.15	2.38	2.37	2.31	2.27
Processing cost per tonnes stacked	$/t	7.43	6.56	7.24	6.72	7.24
G&A cost per tonne stacked	$/t	2.11	2.16	2.85	2.25	2.85
Cash cost per ounce sold[3]	**$/oz**	**861**	**723**	**765**	**768**	**834**
Mine All-In Sustaining Costs[3]	**$/oz**	**1,073**	**952**	**901**	**959**	**962**

[1] *Strip ratio includes capitalized waste.*
[2] *Revenue and realized gold price are net of gold stream sales to Franco/Nevada and Sandstorm.*
[3] *Non-GAAP measure. Refer to the non-GAAP Measures section for further details.*

Q3 2020 vs Q2 2020 Insights

- Production increased due to the recovery of some of the gold locked up in the heap during the previous quarter, which offset the lower grade, recovery rate and tonnage stacked.
  - Total tonnes mined decreased by 9% due to the slowdown caused by the rainy season. Ore tonnes mined decreased by 22% due to the higher strip ratio associated with both the Kao North and GG1 pits.
  - Ore tonnes stacked decreased due to the lower capacity to stack the wet oxide ore during the rainy season (similar overall utilization as Q2-2020 though lower average throughput rate).
  - The stacked grade decreased due to a higher proportion of lower grade ore from the GG1 pit and low grade stockpiles used to supplement the stacked ore.
  - Recovery rates decreased due to the leach characteristics of the high proportion of GG1 ore stacked.
- AISC increased mainly due to higher unit processing costs and royalties, which were partially offset by lower unit mining costs and sustaining capital.
  - Mining unit costs decreased from $2.38 to $2.15 per tonne due to mining efficiencies with the new mining contractor.
  - Processing unit costs increased from $6.56 to $7.43 per tonne due to higher use of cyanide and cement associated with the larger proportion of GG1 ore stacked.
  - Sustaining capital costs decreased from $2.0 million to $1.5 million due to decreased capitalized waste at the Kao North pit.
- Non-sustaining capital spend decreased from $3.8 million to $1.7 million as infrastructure and process plant upgrades were largely incurred and completed in Q2-2020.

YTD-2020 vs YTD-2019 Insights

- As guided, production increased due to the higher throughput rate associated with the upgrades to the stacking system.
- AISC decreased as a result of lower unit processing and G&A costs, a lower strip ratio and an increase in ounces sold.

Q4 and 2020 Outlook

- Production is expected to increase slightly in Q4-2020 over Q3-2020 due to an increased stacked tonnage following the end of the rainy season, however FY-2020 production is expected to be slightly below the guidance range of 100,000 - 110,000 ounces. Despite higher royalty costs, Karma is expected to achieve the mid-range of AISC FY-2020 guidance of $980 - $1,050 per ounce.
- Mining activity is expected to continue at the Kao North pit and GG1 throughout the remainder of the year. Ore stacked grades are expected to be consistent with those seen in Q3-2020 as low grade stockpiles continue to supplement the ore stacked.
- Sustaining capital spend for FY-2020 is expected to be below the guided amount of approximately $9.0 million (of which $4.2 million has been incurred YTD-2020).
- Non-sustaining capital spend for FY-2020 is expected to be in line with guidance of approximately $9.0 million (of which all $7.6 million has been incurred YTD-2020).

Exploration Activities

- An exploration program of up to $2.0 million was planned for 2020 with the aim of in-fill drilling and testing extensions of known deposits.
- Minimal work has been done thus far in 2020 as Burkina Faso exploration efforts were focused on the numerous Houndé exploration targets.

4.4. PROJECTS UPDATE

- While the main focus for 2020 is on cash flow generation, Endeavour is continuing to build optionality within its portfolio by progressing exploration and studies in its project pipeline.
- During the quarter, Endeavour announced a 108% increase in Indicated resources to 2.5Moz at an average grade of 2.40 g/t Au for its Fetekro Project in Côte d'Ivoire. Within the same announcement, Endeavour also presented the results from a Preliminary Economic Assessment ("PEA") at Fetekro, based on the previously announced 1.2Moz Indicated resource and a 1.5Mtpa gravity/CIL plant, which demonstrated robust project economics as shown in the table below

Table 11: PEA Highlights

	Total Life of Mine
Gold contained processed	1.0Moz
Average recovery rate	95%
Gold production	0.95Moz
Cash costs	$592/oz
AISC	$697/oz
Upfront capital cost	$268m
Pre-tax NPV5% based $1,500/oz	$372m
Pre-tax IRR based $1,500/oz	37%

- While progressing on engineering design work, Endeavour recently received confirmation that no further infill drilling or metallurgical testing are required for the reserve estimation process. As such, rather than publishing an updated PEA in Q4-2020, Endeavour has decided to fast track Fetekro to Pre-Feasibility Study ("PFS") stage, which is targeted for completion in Q1-2021.
- The PFS will be based on the updated 2.5Moz Indicated resource (compared to 1.0Moz for the PEA) and will define a production scenario based on a 3.0Mtpa mill throughput (compared to 1.5Mtpa for the PEA). Given its strong exploration potential, Endeavour believes that Fetekro has the potential to become a cornerstone asset with a target of 200,000 ounces over 10 years at low AISC.
- In order to meet the Q1-2021 PFS delivery date, and given the expected strong results, Endeavour is currently prioritizing efforts during the following months on Fetekro over other projects within its pipeline.
- At least 15,000 meters of drilling aimed at extending the Fetekro resource and testing nearby targets are planned in Q4-2020.

Exploration activities

- The YTD-2020 Group consolidated exploration spend was $44.2 million, inclusive of approximately $4.0 million of costs related to geotechnical studies, metallurgical testing and grade control drilling. Details by asset are provided in the mine sections above.
- A total of 234,866 meters were drilled during YTD-2020, with the majority conducted in H1-2020 ahead of the rainy season. The main areas of focus were Houndé and Ity near-mine exploration, aimed at extending their mine lives to beyond 10 years, and Fetekro with the aim adding optionality to Endeavour's project pipeline. In addition, the greenfield program includes a 5,000-meter drilling campaign on the Tanda/Bondoukou property in Côte d'Ivoire, which has yielded positive results.
- The exploration budget was increased by $5.0 million to $45.0-$50.0 million post the acquisition of SEMAFO, with exploration efforts on the newly acquired assets ramping up in Q4-2020.

5. RESULTS FOR THE PERIOD

5.1. STATEMENT OF COMPREHENSIVE EARNINGS/(LOSS)

Table 12: Statement of Comprehensive Earnings/(Loss)

	THREE MONTHS ENDED			NINE MONTHS ENDED	
($'000s)	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Revenue	481,561	253,084	267,292	1,004,547	637,973
Operating expenses	(180,057)	(103,308)	(114,599)	(397,768)	(306,280)
Depreciation and depletion	(134,795)	(43,760)	(54,509)	(231,084)	(142,611)
Royalties	(32,713)	(17,771)	(14,480)	(67,936)	(34,501)
Earnings from mine operations	**133,996**	**88,245**	**83,704**	**307,759**	**154,581**
Corporate costs	(5,101)	(5,049)	(6,166)	(15,381)	(17,370)
Acquisition and restructuring costs	(19,336)	(2,589)	—	(26,255)	—
Share-based compensation	(7,117)	(4,942)	(5,238)	(13,682)	(12,223)
Exploration costs	(900)	(1,796)	(3,858)	(4,029)	(9,893)
Earnings from operations	**101,542**	**73,869**	**68,442**	**248,412**	**115,095**
Loss on financial instruments	(24,268)	(71,931)	(49,528)	(99,691)	(60,162)
Finance costs	(12,143)	(11,982)	(14,170)	(35,787)	(31,475)
Other income/(expenses)	23,089	(1,791)	(673)	23,233	3,704
Earnings/(loss) before taxes	**88,220**	**(11,835)**	**4,071**	**136,167**	**27,162**
Current income tax expense	(68,134)	(2,313)	(16,917)	(94,146)	(44,240)
Deferred income tax recovery/(expense)	47,962	(8,468)	(10,699)	38,874	(11,006)
Net and comprehensive earnings/(loss)	**68,048**	**(22,616)**	**(23,545)**	**80,895**	**(28,084)**

Review of results for the three and nine months ended September 30, 2020:

- Revenues for Q3-2020 were $481.6 million and $1.0 billion YTD-2020, compared to $267.3 million and $638.0 million in the same period of 2019. The increase in Q3-2020 and YTD-2020 is driven by the higher realized gold price, as well as the two recently acquired operating mines, Mana and Boungou, which contributed an extra $128.1 million and $66.5 million respectively. Revenue for YTD-2020 also benefited from increased production at the Ity CIL processing facility producing at nameplate capacity for the full year in 2020 compared to a shorter period in 2019 due to the commencement of commercial production on April 8, 2019.
- Operating expenses for Q3-2020 were $180.1 million and $397.8 million for YTD-2020, compared to $114.6 million and $306.3 million in the same period in 2019. The increase of $76.7 million is mainly attributable to the addition of the Mana and Boungou operating Mines during the quarter, for which operating expenses amounted to $48.2 million and $22.0 million respectively. In addition, Houndé incurred higher unit mining and unit processing costs due to the transition to mining and processing a higher proportion of fresh ore material, which contributed to the increase in operating expenses for the YTD-2020 compared to the same period prior year.
- Depreciation and depletion in Q3-2020 were $134.8 million and $231.1 million YTD-2020, compared to $54.5 million and $142.6 million in the comparative period for 2019. Depreciation and depletion increased in YTD-2020 by $88.5 million compared to YTD-2019 mainly due to a higher depreciation charge relating to the inclusion of Mana and Boungou in Q3-2020, as well as the increased depreciation at Ity on a full-year basis as the asset commenced commercial production in Q2-2019.
- Corporate costs were $5.1 million for Q3-2020 and $15.4 million for YTD-2020, compared to $6.2 million and $17.4 million in the comparative periods for 2019. The reduction in corporate cost is due to savings achieved from the recently implement cost reduction program.
- Acquisition and restructuring costs of $19.3 million for Q3-2020 and $26.3 million for YTD-2020 and mainly consists of advisory fees related to the SEMAFO acquisition, which closed on July 1, 2020, as well as the previous engagement with the board of Centamin plc in Q1-2020.

- Share based compensation was $7.1 million in Q3-2020 and $13.7 million in YTD-2020, compared to $5.2 million and $12.2 million in the same periods for 2019. The increase in YTD-2020 is due to the fair value of additional performance share units ("PSUs") granted as well as expense in the current year related to previously granted PSUs.
- The loss on financial instruments was $24.3 million in Q3-2020 and $99.7 million YTD-2020, compared to a loss of $49.5 million and a loss of $60.2 million in the same periods in 2019. The loss in YTD-2020 is mainly due to the net impact of losses on the gold revenue protection program of $21.2 million, realized losses on convertible senior bond derivative of $76.5 million due to the increase in Endeavour share price, foreign exchange losses of $8.8 million, offset by a realized gain on a forward contract of $6.7 million.
- Finance costs were $12.1 million for Q3-2020 and $35.8 million YTD-2020, compared to $14.2 million and $31.5 million in the same period in 2019. Finance costs are primarily associated to interest expense on the RCF and convertible debt. The increase in finance costs for YTD-2020 compared to YTD-2019 is due to capitalized borrowing cost associated with additions to assets under construction in 2019 that did not occur in 2020.
- Other income/(expenses) for the quarter and year to date mainly relate to an $22.2 million reimbursement of expenditures from a mining contractor on previously capitalized expenditures at Karma.
- Current income tax expense was $68.1 million in Q3-2020 and $94.1 million YTD-2020 compared to $16.9 million and $44.2 million in the same period of 2019. Current income tax expense increased in comparison to prior periods primarily due to the inclusion of current tax expense at the Mana and Boungou mines which were acquired at the start of Q3-2020, as well as a withholding tax charges on dividends and interest, and overall higher taxable profit at all mines due to the increased gold price.

5.2. CASH FLOW

The following table reconciles the AISC margin[1], and all-in margin[1] to the quarterly change in cash.

Table 13: Free Cash Flow[1]

		THREE MONTHS ENDED			NINE MONTHS ENDED	
($'000s except gold produced and ounces sold)	Unit	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Gold produced	oz	243,617	148,998	180,769	564,508	472,859
Gold ounces sold	oz	261,571	149,828	185,268	585,953	476,892
Realized gold price	$/oz	1,841	1,689	1,443	1,714	1,338
Revenue	$	481,561	253,084	267,292	1,004,547	637,973
Total cash costs[1]	$	(179,116)	(101,143)	(113,515)	(395,614)	(301,190)
Royalties	$	(32,713)	(17,771)	(14,480)	(67,936)	(34,501)
Corporate costs	$	(5,101)	(5,049)	(6,166)	(15,381)	(17,370)
Sustaining capital[1]	$	(19,962)	(16,784)	(14,696)	(55,718)	(36,764)
All-in Sustaining Margin[1]	**$**	**244,668**	**112,337**	**118,435**	**469,898**	**248,148**
Less: Non-sustaining capital[1]	$	(25,933)	(22,109)	(8,434)	(65,762)	(37,124)
Less: Non-sustaining exploration[1]	$	(7,670)	(17,346)	(3,901)	(40,163)	(36,803)
All-In Margin[1]	**$**	**211,065**	**72,882**	**106,100**	**363,973**	**174,221**
Changes in working capital and long-term assets	$	(18,577)	(27,994)	(12,934)	(37,761)	(43,596)
Taxes paid	$	(33,613)	(20,148)	(20,738)	(62,285)	(51,972)
Interest paid, financing fees and lease repayment	$	(24,041)	(15,862)	(16,444)	(60,309)	(49,778)
Cash settlements on hedge programs, gold collar premiums	$	(7,566)	(16,754)	(1,633)	(24,817)	(2,570)
Net free cash flow[1]	**$**	**127,268**	**(7,876)**	**54,351**	**178,801**	**26,305**
Growth projects[1]	$	—	(2,086)	(6,466)	(4,199)	(92,342)
Exploration expense[2]	$	(900)	(1,796)	(3,858)	(4,029)	(9,893)
M&A, restructuring and asset sales/ purchases	$	(19,860)	9,215	—	(20,405)	(453)
Cash acquired on acquisition of SEMAFO Inc.	$	92,981	—	—	92,981	
Cash paid on settlement of DSUs and PSUs	$	(1,660)	(7)	—	(1,881)	(1,125)
Deposit paid on reclamation liability bond	$	(690)	—	—	(690)	—
Net equity proceeds/(dividends)	$	100,000	—	(5,046)	100,000	(4,772)
Reimbursement of expenditures on mining interest	$	22,238	—	—	22,238	—
(Repayment)/proceeds of long-term debt	$	(150,000)	—	—	(30,000)	80,000
Foreign exchange gains/(losses)	$	2,219	981	5,200	1,778	(254)
Other expenses	$	(89)	(3,957)	(1,757)	(1,159)	(1,387)
Cash inflow/(outflow) for the period	**$**	**171,507**	**(5,526)**	**42,424**	**333,435**	**(3,921)**

[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 (loss)/earnings. This cash outflow relates to expenditure on greenfield exploration activity.

- Gold sales increased in Q3-2020 compared to Q2-2020 as a result of increased sales across all mines in addition to contributions from the Mana and Boungou mines which were acquired on July 1, 2020. Gold sales increased in YTD-2020 compared to YTD-2019 due to higher production at Houndé, Karma and Ity (which was commissioned in Q2-2019), in addition to the newly acquired Mana and Boungou mines.
- The realized gold price for YTD-2020 was $1,714 per ounce compared to $1,338 per ounce for YTD-2019, inclusive of the Karma stream and short-term gold contracts. The Karma stream amounted to 5,000 ounces sold in Q3-2020 and 15,000 ounces sold in YTD-2020 at 20% of spot prices. The short-term gold contracts amounted to 74,839 ounces in Q3-2020 at an average price of $1,796 per ounce, and 124,235 ounces for YTD-2020 at an average price of $1,762 per ounce.
- Royalties increased from $118.6 per ounce in Q2-2020 to $125.1 per ounce in Q3-2020. The YTD-2020 royalty rate was $115.9 per ounce, up by $43.6 per ounce on YTD-2019, due to both the higher realized gold price and an increase in the underlying royalty rate based on the applicable sliding scale (above a spot gold price of $1,300 per ounce, government royalty rates in Burkina Faso increase from 4.0% to 5.0%, and above a spot gold price of $1,600 per ounce rates increase from 4.0% to 5.0% in Côte d'Ivoire).
- The sustaining capital expenditure for Q3-2020 increased over Q2-2020 primarily due to the addition of the newly acquired mines and an increase at Agbaou, which was partly offset by a decrease at Houndé, while Ity and Karma remained flat. The sustaining capital expenditure for YTD-2020 increased compared to the corresponding period of 2019 due to scheduled waste capitalization at Houndé and Ity as well as spend for the Mana and Boungou mines which were acquired on July 1st, 2020.
- The non-sustaining capital spend increased in Q3-2020 compared to Q2-2020, due to spend at the newly acquired Mana and Boungou mine as well as increases at Houndé which were partly offset by decreases at Ity and Karma. The non-sustaining capital spend for YTD-2020 increased compared to the corresponding period of 2019 mainly due to the spend at Mana and Boungou, TSF raise and waste capitalization at Ity in addition to waste capitalization and resettlement cost for the Kari pump area at Houndé, while spend decreased at Agbaou and Karma.
- The non-sustaining exploration capital spend for YTD-2020 continued to remain high, in line with Endeavour's strategic objective of unlocking exploration value through its aggressive drilling campaign. Spend in Q3-2020 decreased as the majority of the exploration work planned for 2020 was conducted in H1-2020, ahead of the rainy season.
- Taxes paid increased by $13.5 million in Q3-2020 compared to Q2-2020. This was due to corporate income tax payments made at Ity and Houndé of $9.7 million and $6.5 million respectively. Taxes paid in YTD-2020 increased by $10.3 million compared to the previous year mainly due to increased corporate income tax payments at Agbaou.
- The interest paid, financing fees and lease repayments increased in Q3-2020 compared to Q2-2020 as the convertible notes coupon is payable during the first and third quarters. The amount for YTD-2020 increased slightly compared to the corresponding period of YTD-2019 mainly due to interest payment on equipment leases at Ity, as well as the interest accrued from the $120.0m drawn from the RCF during Q2-2020 which was subsequently repaid in Q3-2020.
- Cash settlements on hedge programs for YTD-2020 includes a $31.5 million realized loss on gold collar, and an inflow of $6.7 million related to short-term forward sales in YTD-2020. The collar expired at the end of June 2020 with the final payment on the collar due in early Q3-2020.
- Growth project spend for YTD-2020 is $4.2 million and relates solely to the Kalana project.
- M&A, restructuring and asset sales/purchases include proceeds of $10.3 received on sale of mining equipment, in addition to $2.6 million received for associated spares at Karma, offset by $5.4 million cash paid for the additional interest in Ity Mine and $21.8 million in acquisition and restructuring costs related to the acquisition of SEMAFO as well as other corporate transactions.
- $100.0 million for the Q3-2020 and YTD-2020 is the aggregate of the net proceeds raised in respect of a total of 4,507,720 ordinary shares in the capital of Endeavour issued to La Mancha as it exercised its anti-dilution right in support of the SEMAFO acquisition.
- Reimbursement of expenditure on mining interest of $22.2 million relates to cash proceeds from a mining contractor for previously capitalized plant expenditures at Karma.
- $120.0 million was drawn on the RCF as a proactive measure in Q1-2020 to secure the Corporation's liquidity as part of its COVID-19 business continuity program. During Q3-2020, $120.0 million was repaid along with the existing $30.0 million of debt acquired with the SEMAFO transaction, resulting in $150.0 million of debt repaid in the quarter on the back of strong cash flow performance, as well as having more clarity on the impact of COVID-19 in West Africa.

Working Capital

The YTD-2020 working capital is an outflow of $37.8 million which is broken down as follows:

- Receivables were an outflow of $30.9 million YTD-2020. This is mainly due to the increase in VAT receivable at Houndé and Karma, as well as gold sales receivable at Ity. In the nine months ended September 30, 2020, the Corporation has collected $36.2 million of outstanding VAT receivables, through the sale of its VAT receivables to third parties or reimbursement from the tax authorities.

- Inventories and long-term assets were an inflow of $8.9 in YTD-2020, this is mainly due to the decrease in stockpiles, GIC and consumables at Ity and Houndé which was offset by an increase of GIC at Karma.
- Accounts payable was an outflow of $1.1 million for Q3-2020 and a $7.8 million outflow in YTD-2020 as the Corporation began to settle outstanding suppliers whose balances had built up Q1-2020 as financial institutions had experienced approval backlogs at the onset of COVID-19.

Net Debt Position

The following table summarizes the Corporation's net debt position as at September 30, 2020, June 30, 2020, and December 31, 2019.

Table 14: Net Debt Position

($'000s)	September 30, 2020	June 30, 2020	December 31, 2019
Cash and cash equivalents	523,324	351,817	189,889
Less: Equipment finance obligation	(58,496)	(64,463)	(78,081)
Less: Convertible senior bond	(330,000)	(330,000)	(330,000)
Less: Drawn portion of $430 million RCF	(310,000)	(430,000)	(310,000)
Net Debt	**(175,172)**	**(472,646)**	**(528,192)**
Net Debt / Adjusted EBITDA LTM ratio[1]	**0.29**	**1.00**	**1.48**

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

Equipment Finance Obligations

The equipment finance obligation relates to agreements relating to Komatsu mining equipment at the Houndé and Ity mines.

Table 15: Equipment Finance Obligations

	September 30, 2020	June 30, 2020	December 31, 2019
Houndé mine	29,155	32,680	39,340
Ity mine	29,341	31,783	38,741
Present value of minimum finance payments	**58,496**	**64,463**	**78,081**

Convertible Senior Notes

On February 8, 2018, the Corporation completed a private placement of convertible senior notes with a total principal amount of $330.0 million due in 2023 (the "Notes"). The initial conversion rate is 41.84 of the Corporation's common shares ("Shares") per $1,000 Note, or an initial conversion price of approximately $23.90 (CAD$29.47) per share.

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

The key terms of the Convertible Senior Notes include:

- Principal amount of $330.0 million.
- Coupon rate of 3% payable on a semi-annual basis.
- The term of the notes is 5 years, maturing in February 2023.
- The notes are reimbursable through the payment or delivery of shares and/or cash.
- The initial conversion price is $23.90 (CAD$29.47) per share.
- The reference share price of the notes is $18.04 (CAD$22.24) per share.

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

The unrealized gain/loss on the convertible note option for the three and nine months ended September 30, 2020 was an unrealized loss of $15.3 million and an unrealized loss of $76.5 million respectively (three and nine months ended September 30, 2019 - unrealized loss of $14.2 million and an unrealized loss of $10.3 million respectively).

Equity and Capital

Endeavour's authorized 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. The table below summarizes Endeavour's share structure at September 30, 2020.

Table 16: Outstanding Shares

	September 30, 2020	June 30, 2020	December 31, 2019
Shares issued and outstanding	162,986,253	110,993,240	109,927,097
Stock options	—	14,950	14,950

As at November 12, 2020, the Corporation had 163,036,473 shares issued and outstanding, and no outstanding stock options.

Financial instruments

To increase the cash flow certainty during its debt reimbursement phase, Endeavour had put in place a short-term Gold Revenue Protection Strategy consisting of Gold Option Contracts, similar to the strategy employed during the construction phase.

In the year ended December 31, 2019, the Corporation implemented a deferred premium collar strategy ("Collar") using written call options and bought put options for the 12-month period from July 2019 to June 2020. The program covered a total of 360,000 ounces, representing approximately 50% of Endeavour's total estimated gold production for the period, with an average floor price of $1,358 and a ceiling price of $1,500. The Collar was accounted for at fair value through profit/ loss ('FVTPL') and the Corporation realized a loss of $35.9 million over the life of the Collar of which $21.2 million was recognized in the nine months ended September 30, 2020.

5.3. ACCOUNTING POLICIES AND CRITICAL JUDGEMENTS

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 recognized in the Corporation's consolidated financial statements. These estimates include commencement of commercial production, determination of economic viability, functional currency, business combinations, exchangeable shares, and capitalization of waste stripping, and the purchase price allocation of the SEMAFO acquisition is still provisional. There have been no significant changes compared to December 31, 2019.

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 amortization ("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 which are not necessarily comparable with similar measures used by other companies 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, for the three months ended September 30, 2020, June 30, 2020, and September 30, 2019 and nine months ended September 30, 2020 and September 30, 2019.

Table 17: All-In Sustaining Margin

	THREE MONTHS ENDED			NINE MONTHS ENDED	
($'000s)	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Revenues	481,561	253,084	267,292	1,004,547	637,973
Less: Royalties	(32,713)	(17,771)	(14,480)	(67,936)	(34,501)
Less: Total cash costs	(179,116)	(101,143)	(113,515)	(395,614)	(301,190)
Less: Corporate G&A	(5,101)	(5,049)	(6,166)	(15,381)	(17,370)
Less: Sustaining capital	(19,962)	(16,784)	(14,696)	(55,718)	(36,764)
All-in sustaining margin	**244,669**	**112,337**	**118,435**	**469,896**	**248,148**

Table 18: Adjusted EBITDA

	THREE MONTHS ENDED			NINE MONTHS ENDED	
($'000s)	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Earnings/(Loss) before taxes	88,220	(11,835)	4,071	136,167	27,162
Add back: Depreciation and depletion	134,795	43,760	54,509	231,084	142,611
Add back: Acquisition and restructuring costs	19,336	2,589	—	26,255	—
Add back: Other (income)/expenses	(23,089)	1,791	673	(23,233)	(3,704)
Add back: Finance costs	12,143	11,982	14,170	35,787	31,475
Add back: Loss on financial instruments	24,268	71,931	49,528	99,691	60,162
Adjusted EBITDA	**255,673**	**120,218**	**122,951**	**505,751**	**257,706**

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 standardized meanings, and therefore this additional information 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, for the three months ended September 30, 2020, June 30, 2020, and September 30, 2019 and nine months ended September 30, 2020 and September 30, 2019.

Table 19: Cash Costs

	THREE MONTHS ENDED			NINE MONTHS ENDED	
($'000s except ounces sold)	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Operating expenses from mine operations	(180,057)	(103,307)	(114,599)	(397,768)	(306,280)
Non-cash and other adjustments	941	2,164	1,084	2,154	5,090
Total cash costs	(179,116)	(101,143)	(113,515)	(395,614)	(301,190)
Gold ounces sold	261,571	149,828	185,268	585,953	476,892
Total cash cost per ounce of gold sold	**685**	**675**	**613**	**675**	**632**

The Corporation is reporting all-in sustaining costs per ounce sold. 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 standardized meaning. It is intended to provide additional information and should not be considered in isolation, or as a substitute for measures of performance prepared in accordance with GAAP.

Table 20: All-In Sustaining Costs

	THREE MONTHS ENDED			NINE MONTHS ENDED	
($'000s except ounces sold)	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Total cash cost for ounces sold	(179,116)	(101,143)	(113,515)	(395,614)	(301,190)
Royalties	(32,713)	(17,771)	(14,480)	(67,936)	(34,501)
Corporate G&A	(5,101)	(5,049)	(6,166)	(15,381)	(17,370)
Sustaining capital	(19,962)	(16,784)	(14,696)	(55,718)	(36,764)
All-in sustaining costs	(236,892)	(140,747)	(148,857)	(534,649)	(389,825)
Gold ounces sold	261,571	149,828	185,268	585,953	476,892
All-in sustaining cost per ounce sold	**906**	**939**	**803**	**912**	**817**

Table 21: Sustaining and Non-Sustaining Capital

	THREE MONTHS ENDED			NINE MONTHS ENDED	
($'000s)	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Expenditures on mining interests	53,565	58,325	33,497	165,842	203,034
Non-sustaining capital expenditures	(25,933)	(22,109)	(8,434)	(65,762)	(37,124)
Non-sustaining exploration	(7,670)	(17,346)	(3,901)	(40,163)	(36,803)
Growth projects	—	(2,086)	(6,466)	(4,199)	(92,342)
Sustaining Capital	**19,962**	**16,784**	**14,696**	**55,718**	**36,765**

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

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

Table 22: Adjusted Net Earnings

	THREE MONTHS ENDED			NINE MONTHS ENDED	
($'000s)	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Total net and comprehensive earnings/(loss)	68,048	(22,616)	(23,545)	80,895	(28,084)
Deferred income tax (recovery)/expense	(47,962)	8,468	10,699	(38,874)	11,006
Loss on financial instruments	24,268	71,931	49,528	99,691	60,162
Other (income)/expenses	(23,089)	1,791	673	(23,233)	(3,704)
Share-based compensation	7,117	4,942	5,238	13,682	12,223
Acquisition and restructuring costs	19,336	2,589	—	26,255	—
Non-recurring adjustments[1]	25,485	—	—	25,485	—
Non-cash and other adjustments	941	2,164	1,084	2,154	5,090
Adjusted net earnings	**74,144**	**69,269**	**43,677**	**186,055**	**56,693**
Attributable to non-controlling interests	**1,739**	**16,476**	**10,522**	**27,340**	**19,930**
Attributable to shareholders of the Corporation	**72,405**	**52,793**	**33,155**	**158,715**	**36,764**
Weighted average number of shares issued and outstanding	162,986,253	110,993,240	109,926,147	128,314,951	109,786,878
Adjusted net earnings per basic share from operations	**0.44**	**0.48**	**0.30**	**1.24**	**0.33**

[1] *Non-recurring adjustments pertain to non-cash depreciation of inventory associated with the fair value bump on purchase price allocation of SEMAFO.*

6.4. OPERATING 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 to generate and manage liquid resources. These terms do not have a standard meaning and are intended to provide additional information. They should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Table 23: Operating Cash Flow (OCF) and OCF per share

	THREE MONTHS ENDED			NINE MONTHS ENDED	
($'000s)	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Cash generated from operating activities	**201,883**	**57,416**	**96,389**	**385,254**	**181,514**
Changes in non-cash working capital	(20,914)	(27,937)	(13,586)	(42,188)	(35,779)
Operating cash flows before non-cash working capital	**222,797**	**85,353**	**109,975**	**427,442**	**217,293**
Divided by weighted average number of O/S shares, in thousands	162,986	110,993	109,926	128,315	109,787
Operating cash flow per share	**$ 1.37**	**$ 0.77**	**$ 1.00**	**$ 3.33**	**$ 1.98**

6.5. NET DEBT/ADJUSTED EBITDA RATIO

The Corporation is reporting Net Debt and Net Debt/Adjusted EBITDA ratio. This non-GAAP measure provides investors with transparency regarding the liquidity position of the Corporation. It is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The calculation of net debt is shown in table 14, calculated as nominal undiscounted debt including leases (but excluding liabilities recognized on the adoption of IFRS 16-leases), less cash. The following table explains the calculation of net debt/Adjusted EBITDA ratio using the last twelve months of Adjusted EBITDA.

Table 24: Net Debt/ Adjusted EBITDA ratio

($'000s)	September 30, 2020	June 30, 2020	December 31, 2019
Net Debt	175,172	472,646	528,192
Trailing twelve month Adjusted EBITDA	603,735	471,013	355,690
Net Debt / Adjusted EBITDA LTM ratio	**0.29**	**1.00**	**1.48**

6.6. RETURN ON CAPITAL EMPLOYED

The Corporation uses Return on Capital Employed ("ROCE") as a measure of long-term operating performance to measure how effectively management utilizes the capital it has been provided. This non-GAAP measure 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 ROCE, expressed as a percentage, is Adjusted EBIT (based on adjusted EBITDA as per table 18) divided by the average of the opening and closing capital employed for the twelve months preceding the period end. Capital employed is the total assets less current liabilities.

Table 25: Return on Capital Employed

	TRAILING TWELVE MONTHS		
($'000s unless otherwise stated)	September 30, 2020	June 30, 2020	September 30, 2019
Adjusted EBITDA	603,735	471,013	314,172
Less: depreciation and amortization	(296,629)	(205,406)	(192,727)
Adjusted EBIT (A)	**307,106**	**265,607**	**121,445**
Opening Capital employed (B)	**1,753,314**	**1,753,857**	**1,635,975**
Total Assets	3,854,799	2,057,124	1,963,941
Less: Current Liabilities	(431,846)	(249,358)	(210,627)
Closing Capital employed (C)	**3,422,953**	**1,807,766**	**1,753,314**
Average Capital Employed (D)=(B+C)/2	**2,588,134**	**1,780,812**	**1,694,645**
ROCE (A)/(D)	**12%**	**15%**	**7%**

7. QUARTERLY AND ANNUAL FINANCIAL AND OPERATING RESULTS

The following tables summarize the Corporation's financial and operational information for the last eight quarters and three fiscal years.

Table 26: 2020 - 2019 Quarterly Key Performance Indicators

		FOR THE THREE MONTHS ENDED			
($'000s except ounces sold)	Unit	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Gold ounces sold	oz	261,571	149,828	174,554	171,862
Gold revenues	$	481,561	253,084	269,902	248,398
Cash flows from operations	$	201,883	57,416	125,955	120,371
Earnings from mine operations	$	133,996	88,245	85,518	55,445
Net earnings/(loss) and total comprehensive earnings/(loss)	$	68,048	(22,616)	35,463	(113,076)
Net earnings/(loss) attributable to shareholders	$	59,128	(37,229)	25,998	(113,169)
Basic earnings/(loss) per share from operations	$	0.36	(0.34)	0.24	(1.03)
Diluted earnings/(loss) per share from operations	$	0.36	(0.34)	0.24	(1.03)

Table 27: 2019 - 2018 Quarterly Key Performance Indicators

		FOR THE THREE MONTHS ENDED			
($'000s except ounces sold)	Unit	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Gold ounces sold	oz	185,268	170,749	120,876	173,424
Gold revenues	$	267,292	219,371	151,310	207,784
Cash flows from operations	$	96,389	62,209	22,916	11,569
Earnings from mine operations	$	83,704	53,051	17,826	22,498
Net (loss)/earnings and total comprehensive (loss)/earnings	$	(23,545)	6,904	(11,443)	(129,557)
Net (loss)/earnings attributable to shareholders	$	(32,199)	711	(14,667)	(31,515)
Basic (loss)/earnings per share from continuing operations	$	(0.29)	0.01	0.13	(0.29)
Diluted (loss)/earnings per share from continuing operations	$	(0.29)	0.01	0.13	(0.29)

Table 28: Annual Key Performance Indicators[1]

	FOR THE YEAR ENDED		
($'000s except per share amounts)	December 31, 2019	December 31, 2018	December 31, 2017
Gold ounces sold	648,755	612,103	667,569
Gold revenues	886,371	751,957	470,643
Cash flows from operations	301,885	250,920	221,791
Earnings from mine operations	210,026	95,769	121,926
Net (loss)/earnings and total comprehensive (loss)/earnings	(136,766)	17,060	(177,068)
Net loss attributable to shareholders	(159,324)	(65)	(156,337)
Basic loss per share	(1.45)	0.00	(1.59)
Diluted loss per share	(1.45)	0.00	(1.59)
Total assets	1,872,791	1,922,043	1,693,511
Total long term financial liabilities	738,294	660,472	451,705
Total attributable shareholders' equity	717,867	858,006	984,864
Adjusted net earnings per share[2]	0.67	0.49	0.60

[1] *Figures are presented as per prior period reporting.*
[2] *The adjusted net earnings per share is inclusive of the prior period tax adjustment included in the December 31, 2018 adjusted earnings per share.*

8. RISK FACTORS

Readers of this MD&A should consider the information included or incorporated by reference in this document and the Corporation's unaudited consolidated financial statements and related notes for the three and nine months ended September 30, 2020. 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 www.sedar.com, and the 2019 year-end audited consolidated financial statements. The risks that affect the financial statements specifically, and the risks that are reasonably likely to affect them in the future which are incorporated by reference in this MD&A, are discussed below.

8.1. BUSINESS RISKS

Business continuity risks in light of COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new novel coronavirus ("COVID-19") as a pandemic. In response to health risks associated with the spread of COVID-19, the Corporation implemented a number of health and safety measures designed to protect employees at its operations around the world.

As of the date of this MD&A, the Corporation's operations have not been significantly impacted, however, the Corporation continues to monitor the situation. To date the Corporation has spent approximately $6.7 million related to COVID-19 expenses, related to additional resource and travel costs, medical and PPE supplies, and other costs. While the Corporation's financial position, performance and cash flows could be further negatively impacted, the extent of the impact cannot be reasonably estimated at this time. Management continues to monitor and assess the short and medium-term impacts of the COVID-19 virus, including for example supply chain, mobility, workforce, market and trade flow impacts, as well as the resilience of Canadian, West African, and other global financial markets to support recovery. Any longer term impacts are also being considered and monitored, as appropriate. However, this pandemic continues to evolve rapidly and its effects on our own operations are uncertain. It is possible that in the future operations may be temporarily shut down or suspended for indeterminate amounts of time, any of which may, individually or in the aggregate, have a material and adverse impact on our business, results of operations and financial performance. The extent to which COVID-19 may impact the Corporation's business and operations will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of and the actions required to contain COVID-19 or remedy its impact.

The global response to the COVID-19 pandemic has resulted in, among other things, border closures, severe travel restrictions, as well as quarantine, self-isolation and other emergency measures imposed by various governments. Additional government or regulatory actions or inactions around the world in jurisdictions where the Corporation operates may also have potentially significant economic and social impacts. The COVID-19 virus and efforts to contain it may have a significant effect on commodity prices, and the possibility of a prolonged global economic downturn may further impact commodity demand and prices. If the business operations of the Corporation are disrupted or suspended as a result of these or other measures, it may have a material adverse effect on the Corporation's business, results of operations and financial performance.

The global pandemic caused by COVID-19 may affect Endeavour's ability to operate at one or more of its mines for an indeterminate period of time, may affect the health of its employees or contractors resulting in diminished expertise or capacity, may mean that key expat or contract resources cannot access West Africa, may result in delays or disruption in its supply chain leading to unavailability of critical spares and inventory (or increased costs), may lead to restrictions on transferability of currency, may cause business continuity issues at global gold refineries (and therefore its ability to generate revenue), may mean it cannot transport gold from its sites to refineries, may result in failures of various local administration, logistics and critical infrastructure, may cause social instability in West African countries which in turn could disrupt business continuity, and may result in additional and currently unknown liabilities.

The integration of SEMAFO and Endeavour may not occur as planned.

The completion of the Corporation's acquisition of SEMAFO is expected to result in, among other benefits, increased gold production, the realization of synergies resulting from the consolidation of SEMAFO and Endeavour operations, greater ability to fund growth and enhanced growth opportunities for Endeavour as a result of the combined entity's project and exploration pipeline. These anticipated benefits will depend in part on whether SEMAFO and Endeavour's respective operations can be integrated in an efficient and effective manner. Most operational and strategic decisions and certain staffing decisions with respect to integration are ongoing. These decisions and the integration of the two companies will present challenges to management, including the integration of systems and personnel of the two companies, unanticipated liabilities, unanticipated costs and the loss of key employees. The performance of Endeavour's operations after the acquisition could be adversely affected if Endeavour cannot retain key employees to assist in the integration and operation of SEMAFO and Endeavour. As a result of these factors, it is possible that the synergies expected from the combination of SEMAFO and Endeavour will not be realized or could be adversely affected.

8.2. 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. Credit risk arises from cash, restricted cash, marketable securities, trade and other receivables, long-term receivable and other assets.

The Corporation closely monitors its financial assets and does not have any significant concentration of credit risk other than receivable balances owed from the governments in the countries the Corporation operates in and its receivable from the BCM Group.

BCM Group, a private mining contractor and operator, is the counterparty who acquired the Nzema and Tabakoto mines in 2017 and 2018 respectively, and from whom the receivables are ultimately due. The Corporation signed an omnibus settlement agreement in November 2019, which offset certain amounts outstanding between the two parties. Further to additional amounts paid on behalf of BCM Group in the period, the Corporation received $11.3 million in the nine months ended September 30, 2020, in relation to the receivable from the sale of the Tabakoto and Nzema mines.

Long-term receivables of $8.8 million mainly consist of a receivable and net smelter royalty ("NSR") associated with the sale of the Tabakoto mine in December 2018.

The Corporation sells its gold to large international organizations with strong credit ratings, and the historical level of customer defaults is minimal. As a result, the credit risk associated with gold trade receivables at September 30, 2020 is considered to be negligible. The Corporation does not rely on ratings issued by credit rating agencies in evaluating counterparties' related credit risk.

The Corporation's maximum exposure to credit risk is as follows:

Table 29: Exposure to Credit Risk

($'000s)	September 30, 2020	June 30, 2020	December 31, 2019
Cash and cash equivalents	523,324	351,817	189,889
Cash - restricted	27,286	13,115	9,958
Trade and other receivables	72,775	37,562	19,228
Working capital loan	—	565	541
Marketable securities	511	1,839	1,224
Long-term receivable	9,767	8,822	13,322
	633,663	**413,720**	**234,162**

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, physical gold 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. There has been no change in the Corporation's objectives and policies for managing this risk during the period ended September 30, 2020.

The Corporation has not hedged its exposure to foreign currency exchange risk.

The table below highlights the net assets held in foreign currencies, presented in US dollars:

Table 30: Net Assets in Foreign Currencies

($'000s)	September 30, 2020	June 30, 2020	December 31, 2019
Canadian dollar	8,785	124	431
CFA Francs	179,807	5,461	11,147
Euro	4,900	2,892	2,973
Other currencies	1,651	5,691	6,185
	195,143	**14,168**	**20,736**

The effect on earnings before taxes as at September 30, 2020, 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 $19.5 million (September 30, 2019, $3.1 million), if all other variables remained constant. The calculation is based on the Corporation's statement of financial position as at September 30, 2020.

Interest rate risk

Interest rate risk is the risk that future cash flows from, or the fair values of, the Corporation's financial instruments will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk primarily on its long-term debt. Since marketable securities and government treasury securities held as loans are short term in nature and are usually held to maturity, there is minimal fair value sensitivity to changes in interest rates. The Corporation continually monitors its exposure to interest rates and is comfortable with its exposure given the relatively low short-term US interest rates and LIBOR.

The effect on earnings before taxes as at September 30, 2020, of a 10% change in the LIBOR rate on the RCF is estimated to be $0.1 million (December 31, 2019 - $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 period ended September 30, 2020.

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.

Commitment and contingencies

The Corporation is, from time to time, involved in various claims, legal proceedings, tax assessments and complaints arising in the ordinary course of business from third parties. The Corporation cannot reasonably predict the likelihood or outcome of these actions. The Corporation does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason thereof, will have a material effect on the financial condition or future results of operations.

The Corporation was recently served in the Cayman Islands with notice of a claim by a former service provider. The Corporation is taking legal advice on the merits of the claim and the probable outcome but intends to vigorously defend against the claims. The Corporation does not believe that the outcome of the claim will have a material impact.

The Corporation's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Corporation believes its operations are materially in compliance with all applicable laws and regulations. The Corporation has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Corporation is obligated to deliver 100,000 ounces of gold (20,000 ounces per year) to Franco-Nevada Corporation and Sandstorm Gold Inc. (the "Syndicate") over a five period in exchange for 20% of the spot price of gold for each ounce of gold delivered (the "ongoing payment"). The amount that was previously advanced for this agreement of $100.0 million is reduced on each delivery by the excess of the spot price of the gold delivered over the ongoing payment. Following the five-year period, which commenced on March 31, 2016, the Corporation is committed to deliver refined gold equal to 6.5% of the gold production at the Karma Mine for the life of the mine in exchange for ongoing payments. The Corporation delivered an additional 7,500 ounces between July 2017 and April 2019 in exchange for the additional deposit of $5.0 million received in 2017. The Corporation assumed the gold stream when it acquired the Karma Mine on April 26, 2016. Gold ounces sold to the Syndicate under the stream agreement are recognized as revenue only on the actual proceeds received, which per the agreement is 20% of the spot gold price. As at September 30, 2020, there are 8,332 ounces still to be delivered.

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, summarized 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.

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, 2019, the disclosure controls and procedures were effective.

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 September 30, 2020, 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 September 30, 2020, 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 September 30, 2020 that have materially affected or are reasonably likely to materially affect the Corporation's internal controls over financial reporting.

The Corporation assessed the SEMAFO mines' disclosure controls and procedures and internal control over financial reporting; however, in accordance with National Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, because the SEMAFO operations were acquired not more than 365 days before the end of September 30, 2020, the Corporation has limited the scope of its design of disclosure controls and procedures and internal controls over financial reporting to exclude the controls, policies and procedures of SEMAFO.

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 unauthorized 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.

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 realization 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, realization 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 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's most recent Annual Information Form available on SEDAR at www.sedar.com. Although Endeavour has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. 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 and other continuous disclosure documents filed by Endeavour 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 website at www.endeavourmining.com and in the Corporation's most recently filed Annual Information Form filed on SEDAR at www.sedar.com.