

# ENDEAVOUR REPORTS STRONG FY-2017 RESULTS

## Q4 AND FY-2017 HIGHLIGHTS

- Houndé's successful commissioning lifted group production by 38% compared with Q3-2017 to 204koz and decreased group AISC by 13% to \$785/oz
- Full year production up 12% year-over-year to 663koz; AISC down \$17/oz to \$869/oz, in line with FY 2017 guidance
- All-in Margin increased by 85% in Q4 over Q3, totalling \$162m for the year, in line with FY 2017 guidance
- Operating Cash Flow before non-cash working capital increased by \$58m in Q4 over Q3 due to Houndé start-up, totalling \$235m for 2017, representing a 24% YoY increase
- Net Debt of \$232m at year end, up slightly from \$221m at the end of Q3, as growth project spend was offset by increased operating cash flow and \$30m in net equity proceeds
- Well positioned to finance growth projects with \$323m in available sources of financing and liquidity at year-end, which increased to \$503m following the convertible bond issuance which closed in February
- Adjusted Net Earnings, mainly adjusted for an impairment charge on Tabakoto and a loss on the sale of Nzema, amounted to \$66m for the full year, or \$0.67/share
- Group P&P reserves up 2.0Moz year-over-year to 9.1Moz while M&I resources up 2.3Moz to 14.9Moz

## 2018 OUTLOOK

- Production expected to increase to 670 - 720koz and AISC to decline to \$840 - 890/oz
- Continued strong focus on internal growth:
  - › Ity CIL construction progressing on-budget and on-time; first gold pour expected in mid-2019
  - › Kalana intensive exploration program expected to yield resource update by mid-year with updated feasibility study by year-end
  - › Significant exploration investment of \$40 - 45m, of which 40% is dedicated to greenfield opportunities

**George Town, March 13, 2018** – Endeavour Mining (TSX:EDV) (OTCQX:EDVMF) is pleased to announce its financial and operating results for the fourth quarter and full year 2017, with highlights provided in the table below.

*Table 1: Key Operational and Financial Highlights*

	QUARTER ENDED			YEAR ENDED		
	Dec. 31, 2017	Sept 30, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016	Δ
<b>PRODUCTION AND AISC HIGHLIGHTS</b> <i>(includes discontinued operations)</i>						
Total Gold Production, oz	204	148	175	663	592	+12%
Realized Gold Price <sup>2</sup> , \$/oz	1,241	1,235	1,177	1,222	1,219	0%
All-in Sustaining Cost <sup>1</sup> , \$/oz	785	906	855	869	886	(2%)
All-in Sustaining Margin <sup>1,3</sup> , \$/oz	456	330	322	353	333	+6%
<b>CASH FLOW HIGHLIGHTS</b> <i>(includes discontinued operations)</i> <sup>1</sup>						
All-in Sustaining Margin <sup>4</sup> , \$m	87	49	51	231	192	+21%
All-in Margin <sup>5</sup> , \$m	63	34	41	162	149	+9%
Operating Cash Flow Before Non-Cash Working Capital, \$m	95	37	62	235	190	+24%
Cash Flow per Share, \$/share	0.89	0.38	0.67	2.39	2.36	+1%
<b>PROFITABILITY HIGHLIGHTS</b> <i>(for continuing operations only)</i>						
Revenues, \$m	207	135	173	652	566	15%
Adjusted EBITDA <sup>1</sup> , \$m	84	25	59	201	214	(6%)
Adjusted EBITDA Margin <sup>1,6</sup> , %	41%	18%	34%	31%	38%	(7%)
Adjusted Net Earnings Attr. to Shareholders <sup>1</sup> , \$m	58	(11)	30	66	99	(33%)
Adjusted Earnings per Share <sup>1</sup> , \$/share	0.55	(0.11)	0.33	0.67	1.23	(45%)
<b>BALANCE SHEET HIGHLIGHTS</b> <sup>1</sup>						
Net Debt, \$m	(232)	(221)	(26)	(232)	(26)	n.a.
Net Debt / Adjusted EBITDA (LTM) ratio	1.05	0.98	0.11	1.05	0.11	n.a.

<sup>1</sup>This is a non-GAAP measure. Refer to the non-GAAP measure section of the MD&A. <sup>2</sup>Realized Gold Price inclusive of Karma stream; <sup>3</sup>Realized Gold Price less AISC per ounce; <sup>4</sup>Net revenue less All-in Sustaining Cost; <sup>5</sup>Net revenue less All-in Sustaining Costs and Non-Sustaining capital; <sup>6</sup>Adjusted EBITDA divided by Revenues.

*Sébastien de Montessus, President & CEO, stated: "2017 was yet another strong year for Endeavour. We delivered against all key performance metrics, achieving record production of 663koz, up 12% over 2016, while continuing to successfully reduce our costs. Importantly, we were able to significantly increase our operating cash flow with the start-up of our flagship Houndé mine in the fourth quarter, which we commissioned ahead of schedule and under budget. We also continued to improve our portfolio quality with the sale of our non-core Nzema mine and the purchase of the Kalana project.*

*2018 will be a year in which we continue to build on our strengths and achievements, with the construction of our Ity CIL project progressing on track and on budget and an updated feasibility study planned for Kalana later this year. Our aggressive exploration efforts will also continue as we aim to develop more greenfield projects to secure our longer-term growth pipeline. This year our focus on operational excellence and active portfolio management will continue, with a strategic decision regarding our Tabakoto mine to be made later in the year.*

*Overall, I am very pleased with our strong performance and would like to thank our entire team for their dedication, focus and excellent delivery, as well as the Board for their support. 2018 will be a key year as we continue our transformation towards achieving our 2019 objective of annual gold production of above 800koz at below \$800/oz AISC."*

## 2017 KEY ACHIEVEMENTS AND 2018 CATALYSTS

In 2017, Endeavour continued to deliver against its strategy, with good progress made across its 4 strategic levers:

1. **Operational excellence** - reinforced track record as Group Lost Time Injury Frequency Rate decreased from 0.40 to 0.29 year on year, remaining below industry benchmarks. Production and AISC guidance met for the 5<sup>th</sup> consecutive year.
2. **Project development** - remained a key focus in 2017 with the successful completion of the Houndé construction in October and the Karma plant optimization in November, as well as the launch of Ity CIL construction in September.
3. **Exploration** – continued focus in 2017 with the priority being to increase Ity's Indicated resources to adequately size the plant, which successfully led to the addition of over 1 million ounces and an updated Optimization Study based on a 4Mtpa plant, up from 3Mtpa in the 2016 feasibility. Additional notable successes were the confirmation of high-grade mineralization at several targets near the Houndé plant (which will be a large focus for 2018), further discoveries at Ity, the launch of an exploration JV with Randgold in Ivory Coast, and the consolidation of greenfield exploration tenements.
4. **Active portfolio and balance sheet management** - In line with its aim to focus on high quality assets, following the sale of its non-core Youga mine in 2016, in 2017 Endeavour sold its non-core Nzema mine in Ghana (due to its short mine life, low exploration potential and high AISC) and strengthened its project pipeline with the purchase of the Kalana project (low AISC, long life, high exploration potential and attractive equity IRR). On the balance sheet front, Endeavour negotiated better terms for its revolving credit facility in 2017, remaining well-funded to push forward its growth pipeline.

2018 is expected to be another pivotal year for Endeavour with the following notable catalysts:

- › Production expected to increase to 670 - 720koz and AISC to decline to \$840 - 890/oz with the full-year benefit of Houndé.
- › Project development is expected to remain a strong focus with the ongoing Ity CIL project construction (which is tracking on-budget and on-time for first gold pour by mid-2019) while an updated feasibility study is expected for the Kalana project by year-end.
- › Exploration will continue to be a strong focus in 2018 with a company-wide exploration program of between \$40-45 million with the main focus being near-mine exploration at Houndé, conducting an intensive exploration campaign at Kalana during H1-2018 (with the aim of publishing an updated resource by mid-year), continuing to build on Ity's exploration success, and ramping up greenfield exploration which represents 40% of the 2018 budget.
- › Endeavour intends to continue to actively manage its portfolio with a strategic decision on Tabakoto expected mid-2018.

## STRONG Q4 PERFORMANCE; FULL YEAR GUIDANCE ACHIEVED

- Q4-2017 group production increased by 38% over the previous quarter to 204koz and AISC declined by 13% to \$785/oz due to the successful start-up and out-performance of Houndé while the other mines in aggregate performed in-line with expectations.
- Full-year 2017 group production increased by 12% over the prior year to 663koz, attaining the top half of its 630-675koz guidance while AISC decreased by \$17/oz to \$869/oz ending well within the guidance range of \$850-895/oz.
- The Nzema sale closed on December 29, 2017 and has been deconsolidated in the year-end financial statements.

Table 2: Group Production, koz

(All amounts in koz, on a 100% basis)	QUARTER ENDED			YEAR ENDED		2017 FULL-YEAR GUIDANCE		
	Dec. 31, 2017	Sept. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016			
Agbaou	43	46	57	177	196	175	-	180
Tabakoto	28	32	48	144	163	150	-	160
Ity	17	12	17	59	76	75	-	80
Karma	21	21	29	98	62	100	-	110
Houndé	69	-	-	69	-	30	-	35
<b>PRODUCTION FROM CONTINUING OPERATIONS</b>	<b>179</b>	<b>111</b>	<b>151</b>	<b>547</b>	<b>496</b>	<b>530</b>	-	<b>565</b>
Youga (divested in February 2016)	-	-	-	-	8	n.a.		
Nzema (divested in December 2017)	25	37	24	116	88	100	-	110
<b>TOTAL PRODUCTION</b>	<b>204</b>	<b>148</b>	<b>175</b>	<b>663</b>	<b>592</b>	<b>630</b>	-	<b>675</b>

Table 3: Group All-In Sustaining Costs, US\$/oz

(All amounts in US\$/oz)	QUARTER ENDED			YEAR ENDED		2017 FULL-YEAR GUIDANCE		
	Dec. 31, 2017	Sept. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016			
Agbaou	690	638	532	647	534	660	-	700
Tabakoto	1,411	1,278	927	1,148	1,027	950	-	990
Ity	869	1,141	827	906	756	740	-	780
Karma	918	973	738	834	738	750	-	800
Houndé	335	-	-	335	-	550	-	600
<b>MINE-LEVEL AISC FOR CONTINUING OPERATIONS</b>	<b>725</b>	<b>937</b>	<b>702</b>	<b>809</b>	<b>750</b>	<b>780</b>	-	<b>825</b>
Corporate G&A	46	28	85	43	60	39	-	39
Sustaining Exploration	4	11	29	19	21	26	-	26
<b>GROUP AISC FOR CONTINUING OPERATIONS</b>	<b>776</b>	<b>975</b>	<b>816</b>	<b>871</b>	<b>831</b>	<b>845</b>	-	<b>890</b>
Youga (divested in February 2016)	-	-	-	-	1,101	n.a.		
Nzema (divested in December 2017)	855	705	1,118	859	1,167	895	-	940
<b>GROUP AISC</b>	<b>785</b>	<b>906</b>	<b>855</b>	<b>869</b>	<b>886</b>	<b>850</b>	-	<b>895</b>

## HOUNDÉ MINE

### Construction Insights

- › No Lost-Time-Injury occurred over the 7-million man hours worked during the construction period.
- › Construction completed ahead of schedule and \$15 million below the initial capital budget of \$328 million. As construction was tracking ahead of schedule and below budget, Endeavour decided to spend approximately \$21 million in addition to the initially planned works (mainly for a 26MW back-up power station and fuel farm and to build a second tailings storage facility), bringing the total investment to \$334 million.
- › Achieved first gold pour on October 18, 2017.
- › Nameplate capacity was achieved within weeks following the introduction of ore, by the end of October 2017.
- › Following the rapid ramp-up period, commercial production was declared on November 1, 2017 more than two months ahead of schedule (all ounces sold were considered as commercial production and included into the AISC).

### Q4 Insights

- › Production totalled 69koz since the start of mining operations; significantly surpassing the upper end of the 30-35koz guidance, due to better than expected mill availability, throughput, grades and recovery rates.
- › AISC amounted to \$335/oz, significantly below the lower end of the \$550-600/oz forecast due to the aforementioned greater than expected production and lower mining costs.
- › Unit costs compare very favourably to metrics presented in the optimized feasibility study.

Table 4: Houndé Performance Indicators

For The Quarter/Year Ended	Q4-2017	FY-2017
Tonnes ore mined, kt	663	1,222
Strip ratio (incl. waste cap)	13.78	13.13
Tonnes milled, kt	813	813
Grade, g/t	2.75	2.75
Recovery rate, %	95%	95%
<b>PRODUCTION, KOZ</b>	<b>69</b>	<b>69</b>
<b>AISC/OZ</b>	<b>335</b>	<b>335</b>

### 2018 Outlook

- › Houndé is expected to produce 250-260koz in 2018 at an AISC of \$580-630/oz.
- › Mining activities are expected to continue to ramp-up to achieve a mining rate of 40Mtpa, up from 18Mtpa in 2017.
- › Mining and processing of fresh ore began in the latter portion of Q4-2017. Mining activities are expected to progressively transition from mainly oxides in early 2018 to mainly fresh ore by the end of 2018.
- › Nearly \$23 million of non-sustaining expenditure is planned for 2018, primarily for waste capitalization and resettlement for the Bouere and Dohoun deposits.
- › Of the initial total project spend of \$334 million, \$10 million (related mainly to billing timing and the second tailings storage facility) is expected to be spent in 2018. As shown in Table 23 of the guidance section below, this amount is classified as Growth Capital.

### 2017 Exploration Program

- › Following a two-year period of no exploration, activities resumed in 2017 with \$5 million spent on a drilling program totalling approximately 76,000 meters.
- › The 2017 campaign yielded positive results with the discovery of high-grade intercepts at both the Kari Pump target and the Sia/Sianikoui targets.

### 2018 Exploration Program

- › In 2018, Houndé will be the strongest focus for Endeavour with a \$9 million exploration program totaling approximately 125,000 meters planned with the aim of drilling the entire Kari anomaly and delineating a maiden resource.

### Reserve & Resource Evolution

- › As shown in appendix 3, the variance in P&P reserves and M&I resources compared to the previous year is due primarily to mining depletion at the Vindaloo deposit which demonstrated good reconciliation to the resource model.
- › Ahead of mining the Bouere deposit in 2019, a short in-fill drilling program was conducted in 2017 which resulted in a more conservative grade estimate. Both the reserves and resources decreased by approximately 30koz to 148koz of P&P reserves and 161koz of M&I resources.

## AGBAOU MINE

### Q4 vs Q3-2017 Insights

- › Production decreased in line with guidance, mainly due to a lower grade and slightly lower tonnage milled.
  - Ore extraction continued to perform well, with tonnage flat over the previous quarter.
  - Mill throughput decreased slightly but remained at a high level as the proportion of fresh ore processed increased from 15% to 25%.
  - Processed grades decreased due to the mining sequence.
  - Recovery rates remained constant despite a greater proportion of fresh ore.
- › All-in sustaining costs increased in line with guidance as operations continued to transition towards mining and processing a greater proportion of fresh ore.
  - Mining costs remained flat at \$2.68/t.
  - Processing costs increased from \$7.08/t to \$8.07/t due to increased reagent consumption associated with the greater proportion of fresh ore processed.
  - Sustaining capital costs decreased by 46% due to land compensation incurred in Q3-2017.

### Full Year 2017 Insights

- › Total production in 2017 was 177koz, achieving the mid-range of the 175-180koz guidance. As expected, production decreased after the record 2016 performance of 196koz as the mine began to transition to harder material.
- › AISC for 2017 amounted to \$647/oz, well below the guided \$660-700/oz range, as less fresh and transitional ore was processed than initially planned. In addition, lower than anticipated sustaining capital was incurred as planned waste capitalization was pushed into 2018.

Table 5: Agbaou Quarterly Performance Indicators

For The Quarter Ended	Q4-2017	Q3-2017	Q4-2016
Tonnes ore mined, kt	826	824	673
Strip ratio (incl. waste cap)	7.74	8.19	8.67
Tonnes milled, kt	760	770	721
Grade, g/t	1.85	1.96	2.46
Recovery rate, %	93%	93%	97%
<b>PRODUCTION, KOZ</b>	<b>43</b>	<b>46</b>	<b>57</b>
<b>AISC/OZ</b>	<b>690</b>	<b>638</b>	<b>532</b>

Table 6: Agbaou Yearly Performance Indicators

For The Year Ended	2017	2016
Tonnes ore mined, kt	2,983	2,797
Strip ratio (incl. waste cap)	8.42	8.07
Tonnes milled, kt	2,906	2,827
Grade, g/t	2.02	2.27
Recovery rate, %	94%	97%
<b>PRODUCTION, KOZ</b>	<b>177</b>	<b>196</b>
<b>AISC/OZ</b>	<b>647</b>	<b>534</b>

### 2018 Outlook

- › 2018 is expected to be a transition year for Agbaou with a large focus on waste capitalization activities (including the pre-strip on the West pit), which are expected to give access to higher grade areas afterwards.
- › Agbaou's 2018 production is therefore expected to decrease to 140-150koz as low-grade stockpile feed is expected to supplement mine feed to allow waste capitalization activities to progress more quickly.
- › The ore process blend is expected to average 50% oxide and 50% fresh and transitional ore throughout the year.
- › AISC is expected to increase to \$860-\$900/oz as a result of increased mining costs (deeper pits, longer haul distances, and increased drill and blast activities related to hard ore) and higher processing costs (lower throughput and higher consumption ratios linked to the mineralogy of the ore). In addition, the sustaining cost is expected to increase due to the greater waste capitalization.

### 2017 Exploration Program

- › Agbaou's 2017 exploration program amounted to \$6 million, totaling 31,400 meters of drilling.
- › The primary objective for the 2017 program was to conduct in-pit drilling at the North pit and to test gold in soil anomalies on parallel shear zones. The latter marks the first target generation campaign since production began in 2014, as exploration activities were previously mainly focused on in-pit and step-out drilling due to capital constraints.
- › The campaign at the North pit confirmed that its mineralization extends at-depth with occurrences of higher grade intercepts. A further drilling campaign is planned for 2018 with the aim of delineating a resource.
- › The intercepts obtained from the initial parallel shear zone targets drilled demonstrated insignificant thickness and continuity. It is thought that perhaps the northern extension of the known deposits may have been displaced through a dextral structural corridor, which will be further investigated during the 2018 exploration campaign.



### ***2018 Exploration Program***

- › A \$4 million exploration program totaling approximately 16,000 meters has been planned for 2018 with the aim of delineating the at-depth potential of the North pit and further investigating targets on parallel trends.

### ***Reserve & Resource Evolution***

- › Given the main focus for the 2017 exploration program was to generate and test targets, as shown in Appendix 3, the variance in P&P reserves and M&I resources compared to the previous year mainly corresponds to mining depletion.



## KARMA MINE

### Q4 vs Q3-2017 Insights

- › Production remained flat as higher stacking capacity and grades were offset by the anticipated lower recovery rate.
- Ore tonnage extraction significantly increased due to the end of the rainy season, a lower strip ratio, and in response to greater stacking capabilities.
- Stacking increased following the successful commissioning of the new front-end and ADR plant, while Q3 2017 was impacted by downtime associated with the commissioning of the upgraded crushing circuit and decommissioning of the original circuit.
- Higher-grade transitional ore from Rambo was strategically mined and stacked once the plant optimization was completed to benefit from greater stacking capacity to offset its lower recovery rate. The Rambo pit was mined out during the quarter.
- Stacked grade increased in Q4-2017 due to high-grade ore from the Rambo deposit, while low grade stockpiles supplemented feed in Q3-2017.
- Recovery rates decreased as anticipated due to the stacking of greater amounts of transitional ore from the Rambo deposit.
- › AISC decreased because of the higher grades, lower strip ratio, and lower stacking unit costs which offset the higher mining unit costs associated with extracting Rambo transitional ore and the impact of lower recovery rates. Following the completion of the optimization project in November, AISC decreased below \$850/oz in December and are expected to trend lower.
- Mining costs remained constant at \$1.75/t as higher mining cost associated with the transitional ore at Rambo was offset by lower mining costs associated with the oxide ore at GG2.
- Processing costs decreased from \$11.25 to \$8.15/t milled due to increased tonnes stacked in Q4-2017 in connection with the commissioning of the new front-end crusher.
- Sustaining capital costs decreased by 38% due to a decrease in capital stripping costs.

### Full Year 2017 Insights

- › Production totalled 98koz in 2017, near the lower-end of the 100-110koz guidance. The increase compared to 2016 is due to 2017 benefitting from a full year of production.
- › AISC for 2017 amounted to \$834/oz, above the guided \$750-800/oz, mainly due to lower than expected production.

Table 7: Karma Quarterly Performance Indicators

For The Quarter Ended	Q4-2017	Q3-2017	Q4-2016
Tonnes ore mined, kt	1,184	593	783
Strip ratio (incl. waste cap)	2.14	5.13	4.14
Tonnes stacked, kt	1,026	720	853
Grade, g/t	1.06	0.91	1.14
Recovery rate, %	77%	87%	90%
<b>PRODUCTION, KOZ</b>	<b>21</b>	<b>21</b>	<b>29</b>
<b>AISC/OZ</b>	<b>918</b>	<b>973</b>	<b>738</b>

Table 8: Karma Yearly Performance Indicators

For The Year Ended	Dec 31, 2017	Dec 31, 2016
Tonnes ore mined, kt	3,862	1,879
Strip ratio (incl. waste cap)	2.96	3.66
Tonnes milled, kt	3,552	2,089
Grade, g/t	1.07	1.16
Recovery rate, %	83%	90%
<b>PRODUCTION, KOZ</b>	<b>98</b>	<b>62</b>
<b>AISC/OZ</b>	<b>834</b>	<b>738</b>

### 2018 Outlook

- › Plant optimization work was successfully carried out during 2017. The newly installed front-end and ADR plant are expected to boost stacking capacity beyond the initial design capacity of 4Mtpa.
- › Production in 2018 is expected to increase to 105-115koz and AISC is expected to decrease to \$780-830/oz as a result of the plant optimization work done in 2017.
- › Mining activities are expected to focus on the GG2 and Kao deposits. The remaining ore from the GG2 deposit is mainly transitional material as the deposit is expected to be mined out in Q2 2018. Mining at the Kao deposit is scheduled to start in Q1 2018 with oxide ore mined throughout the year. In the latter portion of the year, pre-stripping is expected to be done at the North Kao deposit.
- › In aggregate, roughly 15% of the 2018 ore feed is expected to be transitional material from GG2. As such, recovery rates are expected to be lower in the first half of 2018 and then increase in the second half as mining activities are expected to focus mainly on oxide ore from the Kao deposit.
- › Nearly \$23 million of non-sustaining capital is planned for 2018, mainly for the Kao resettlement, pre-stripping at Kao and North Kao and a heap leach lift.



### **2017 Exploration Program**

- › Karma's 2017 exploration program amounted to \$3 million, totalling 41,520 meters of drilling focused primarily on the northeast extension of the North Kao deposit and on the Yabonsgo target.
- › Drilling at the North Kao deposit extension confirmed the deposit's continuity, which resulted in the delineation of 19koz of M&I resources and 51koz of Inferred resources.
- › Drilling at the Yabonsgo target resulted in the delineation of 65koz of Inferred resources, which are expected to be converted into Indicated resources in 2018.
- › In addition, 6koz of M&I resources and 6koz of Inferred resources were delineated at the Rambo West deposit.

### **2018 Exploration Program**

- › A \$2 million exploration program totalling approximately 32,000 meters has been planned for 2018 with the aim of delineating Indicated resources at both North Kao and Yabonsgo, in addition to near-mill targets such as Rouna and on the recently acquired Zanna exploration license.

### **Reserve & Resource Evolution**

- › As shown in Appendix 3, P&P reserves decreased in line with mine depletion, while M&I resources decreased to a lesser extent due to the additions at North Kao and Rambo West.



## ITY MINE: HEAP LEACH OPERATION

### Q4 vs Q3-2017 Insights

- › Following the rainy season, production increased due to higher stacking and mining rates, in addition to improved grades and recovery rates.
  - Tonnes of ore mined increased as mining activities ramped up following the end of the rainy season. Mining continued on the Zia and Ity Flat pits in Q4, following the decision to defer the high-grade Bakatouo pit for the upcoming CIL project.
  - Ore stacked increased due to the softer nature of the Ity Flat laterite ore and the benefit of the dry season.
  - The stacked grade increased as higher-grade ore at the Ity Flat pit became accessible.
  - Recovery rates increased but were still impacted by the lag-time of the highly soluble copper content of the Bakatouo ore stacked in Q3-2017.
- › AISC decreased due to lower unit mining costs (associated with reduced water pumping requirements) and lower unit processing costs (due to higher stacking rates and reduced cyanide consumption associated with the high soluble copper ore stacked in Q3-2017). Despite these unit cost reductions, AISC remained high due to sustaining capital expenditures related to fleet upgrades.
  - Mining costs decreased from \$5.16 to \$3.27/t as mining volumes increased following the end of the rainy season.
  - Processing costs decreased from \$14.75 to \$13.85/t due to higher tonnes stacked in Q4-2017 along with lower cyanide consumption associated with the ore previously stacked from the Bakatouo deposit.
  - Sustaining capital costs increased by 52% due to critical spares purchased in the quarter.

### Full Year 2017 Insights

- › As previously indicated, full year production came in below the guided 75-80koz range at 59koz and AISC exceeded the guided \$740-780/oz range at \$906/oz due to the shift away from mining the higher grade Bakatouo deposit planned in H2-2017.
- › Production and AISC were impacted as mining shifted to lower grade deposits and the recovery rates returned to more normalized levels. In addition, AISC was impacted by higher sustaining costs on a per ounce basis.

Table 9: Ity Quarterly Performance Indicators

For The Quarter Ended	Q4-2017	Q3-2017	Q4-2016
Tonnes ore mined, kt	402	305	316
Strip ratio (incl. waste cap)	3.18	2.90	3.66
Tonnes stacked, kt	372	312	295
Grade, g/t	1.86	1.58	2.00
Recovery rate, %	78%	74%	90%
<b>PRODUCTION, KOZ</b>	<b>17</b>	<b>12</b>	<b>17</b>
<b>AISC/OZ</b>	<b>869</b>	<b>1,141</b>	<b>827</b>

Table 10: Ity Yearly Performance Indicators

For The Year Ended	Dec 31, 2017	Dec 31, 2016
Tonnes ore mined, kt	1,410	1,186
Strip ratio (incl. waste cap)	3.71	4.15
Tonnes stacked, kt	1,194	1,173
Grade, g/t	1.85	2.20
Recovery rate, %	83%	93%
<b>PRODUCTION, KOZ</b>	<b>59</b>	<b>76</b>
<b>AISC/OZ</b>	<b>906</b>	<b>756</b>

### 2018 Outlook

- › Production in 2018 is expected to increase slightly to 60-65koz and AISC are expected to decrease to \$790-\$850/oz as a result of anticipated higher grades.
- › 2018 is expected to be a transition year for the heap leach operation with greater priority given to the CIL construction activities and the maximizing of trade-off opportunities between immediate heap leach production and better margins with the CIL plant, with planned lower costs and higher recovery rates in 2019.
- › A specific mining strategy has been set to address both the needs of the heap leach operation and the CIL project.
  - Open pit mining activities for the heap leach operation are expected to occur only during the first half of 2018. The aim is to intensify mining at the Zia and Mont Ity deposits to create a stockpile sufficient to feed stacking requirements for the second half of the year. During this time, some selected mined ore types are expected to be stockpiled for the CIL operation.
  - In the second half of the year, greater mining focus will be given to the CIL project.
- › As a result of this strategy, heap leach production is expected to be lower in the second half of the year while AISC are expected to be higher.



### **2017 Exploration Program**

- › Ity's 2017 exploration program amounted to \$8 million, totaling 58,500 meters of drilling focused on increasing the resource base for the CIL Optimization Study published in September 2017.
- › More than 1 Moz of Indicated resources were added in 2017 following the successful drilling campaigns at the Bakatouo, Ity, Daapleu and Verse Ouest deposits and at the recent Le Plaque discovery.
- › As announced on February 22, 2018, a maiden resource (85koz of Indicated and 43koz of Inferred) was defined for an area that represents about 25% of the Le Plaque target.

### **2018 Exploration Program**

- › A \$3 million exploration campaign has been planned to further explore near-mill targets (including testing of extensions at the Mont Ity, Bakatouo, Daapleu, Le Plaque deposits) with the aim of delineating additional resources for the CIL project.
- › Given the CIL project already has a robust mine life, 2018 will see more focus dedicated to greenfield targets within the 100km corridor along the Ity mine, with a \$5 million exploration campaign planned.

### **Reserve & Resource Evolution**

- › As shown in Appendix 3, P&P reserves increased as a result of M&I resources increasing by over 1 million ounces due to the aforementioned exploration success and the publication of the CIL Optimization Study in September 2017.

## TABAKOTO MINE

### Q4 vs Q3-2017 Insights

- › Production decreased mainly due to lower average head grades, in spite of overall improved mining operations.
  - Open pit production at Kofi B and Tabakoto North was significantly increased following the end of the rainy season, however at a lower grade as the higher-grade Kofi C deposit was depleted in Q3.
  - Underground tonnes mined decreased as Q4-2017 was impacted by low equipment availability.
  - Processing activities continued to perform well, with throughput increased to partially offset lower grades.
  - The overall average grade decreased mainly due to lower open pit grades and the use of lower grade stockpiles.
  - The recovery rate decreased slightly due to lower grades milled and the compromise to increase the throughput rate.
- › AISC increased despite decreases across all unit costs per tonne (open pit and underground mining, processing, and G&A), which were offset by higher sustaining costs and lower grades.
  - Open pit mining costs decreased from \$3.91 per to \$2.99/t due to the volume effect of tonnes mined after the end of the rainy season.
  - Underground mining costs slightly decreased from \$75.79 to \$74.90/t, remaining however high due to low equipment availability and high associated maintenance costs.
  - Processing costs decreased from \$20.83 to \$20.22/t as cyanide and lime consumption was reduced to interact with the characteristics of the ore blend processed.
  - Sustaining capital costs increased by 48% due to increased underground development at Tabakoto and Segala underground after the end of the rainy season.

### Full-Year 2017 Insights

- › Production totaled 144koz in 2017, below the 150-160koz guidance range, mainly due to a lower open pit grade following the depletion of the high-grade Kofi C deposit.
- › AISC finished above the \$950-990/oz guidance range at \$1,148/oz, mainly due to sub-optimal underground equipment availability and several national strikes.

Table 11: Tabakoto Quarterly Performance Indicators

For The Quarter Ended	Q4-2017	Q3-2017	Q4-2016
OP tonnes ore mined, kt	165	108	195
OP strip ratio (incl. waste cap)	10.33	9.13	7.17
UG tonnes ore mined, kt	157	179	253
Tonnes milled, kt	436	392	402
Grade, g/t	2.20	2.64	3.93
Recovery rate, %	92%	93%	95%
<b>PRODUCTION, KOZ</b>	<b>28</b>	<b>32</b>	<b>48</b>
<b>AISC/OZ</b>	<b>1,411</b>	<b>1,278</b>	<b>927</b>

Table 12: Tabakoto Yearly Performance Indicators

For The Year Ended	Dec 31, 2017	Dec 31, 2016
OP tonnes ore mined, kt	647	649
OP strip ratio (incl. waste cap)	8.89	9.94
UG tonnes ore mined, kt	756	944
Tonnes milled, kt	1,640	1,588
Grade, g/t	2.90	3.36
Recovery rate, %	94%	95%
<b>PRODUCTION, KOZ</b>	<b>144</b>	<b>163</b>
<b>AISC/OZ</b>	<b>1,148</b>	<b>1,027</b>

### 2018 Outlook

- › Tabakoto production is expected to decrease to 115–130koz from both the underground mines (Segala and Tabakoto) and open pits (Kofi B, Tabakoto North and Baboto), mainly due to a decline in average grade.
- › AISC are forecast to increase to \$1,200-\$1,250/oz due to the aforementioned lower grade and a circa 75% increase in sustaining capital expenditures to \$35 million for the replacement of mining equipment, plant maintenance and underground capital development.
- › In line with Endeavour's portfolio management strategy, a strategic assessment is expected to be made on Tabakoto during the course of the year.

### 2017 Exploration Program

- › Tabakoto's 2017 exploration program amounted to \$8 million, totaling 56,200 meters focused on both underground resource delineation and testing near-mill open pit targets.
- › Successful exploration resulted in increased underground M&I resources by 123koz (net of depletion) while reserves increased by 44koz (net of depletion) as depleted ounces were replaced and a portion of the new M&I resources were converted. In addition, the underground exploration programs confirmed the discovery of new vein sets that will be further delineated in 2018.
- › Near-mill exploration confirmed the mineralization at both the Kreko and Fougala targets. However, both targets appear to be of small scale as an aggregate maiden Indicated resource of 50koz was delineated. Other near-mill targets are expected to be explored in 2018.



### **2018 Exploration Program**

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

### **Reserve & Resource Evolution**

- › As shown in appendix 3, total P&P reserves decreased over the previous year, net of depletion, as open pit reserves were not replaced while underground reserves grew. M&I resources (net of depletion) grew due to the aforementioned underground exploration success and resources added at both the Kreko and Fougala targets.

## NZEMA MINE

### Nzema Sale Insights

- › On December 29, 2017, Endeavour completed the sale of its 90% interest in its non-core Nzema Mine in Ghana to BCM International Ltd ("BCM").
- › Endeavour received a payment of \$38.5 million upon closing, corresponding to the first two payments less adjustments. Additional deferred payments of up to \$25 million are expected to be received over the course of 2018 and 2019, based upon the attainment of certain agreed milestones related to mine free cash flow generation.

### Q4 vs Q3-2017 Insights

- › Production decreased as expected due to lower processed grades for both mined and purchased ore.
  - As expected, tonnes of ore mined increased following the end of the rainy season.
  - Purchased ore grades decreased to a more normal level after a peak in Q3.
  - Mill throughput continued to increase as the first half of the year was impacted by a higher proportion of fresh ore processed.
  - The head grade decreased for both Endeavour's own mined ore (following a peak immediately after completing the cut-back in Q3-2017) and purchased ores.
  - Recovery rates remained constant.
- › AISC increased mainly due to lower grades and subsequent decreased production, which was partially offset by decreased mining and processing costs per tonne.
  - Mining costs decreased from \$6.20 to \$5.49/t mainly due to shorter load and haul distances.
  - Processing costs decreased from \$17.00 to \$16.08 per tonne milled due to a decrease in power and water treatment costs incurred in Q3-2017.
  - Sustaining capital decreased by 80% as sustaining capital expenditures were limited to predominantly capitalised stripping costs given the expenditure on the tailings storage facility was completed in Q3-2017.

### Full Year 2017 Insights

- › Production totalled 116koz in 2017, surpassing the upper-end of the 100-110koz guidance range.
- › AISC amounted to \$859/oz, coming in below the guided \$895-940/oz range due to strong efforts to reduce costs and improve purchased ore quality.
- › As expected, the production and AISC profile significantly improved compared to 2016, benefitting from completing the push-back which gave access to higher-grade material ore. In addition, purchased ore grades improved in 2017 following the implementation of quality control procedures.

Table 13: Nzema Quarterly Performance Indicators

For The Quarter Ended	Q4-2017	Q3-2017	Q4-2016
Tonnes ore mined, kt	370	310	288
Strip ratio (incl. waste cap)	2.88	3.30	9.02
Total Tonnes milled, kt	378	368	428
Grade, g/t	2.13	3.39	2.20
Recovery rate, %	92%	92%	82%
<b>PRODUCTION, KOZ</b>	<b>25</b>	<b>37</b>	<b>24</b>
<b>AISC/OZ</b>	<b>855</b>	<b>705</b>	<b>1,118</b>

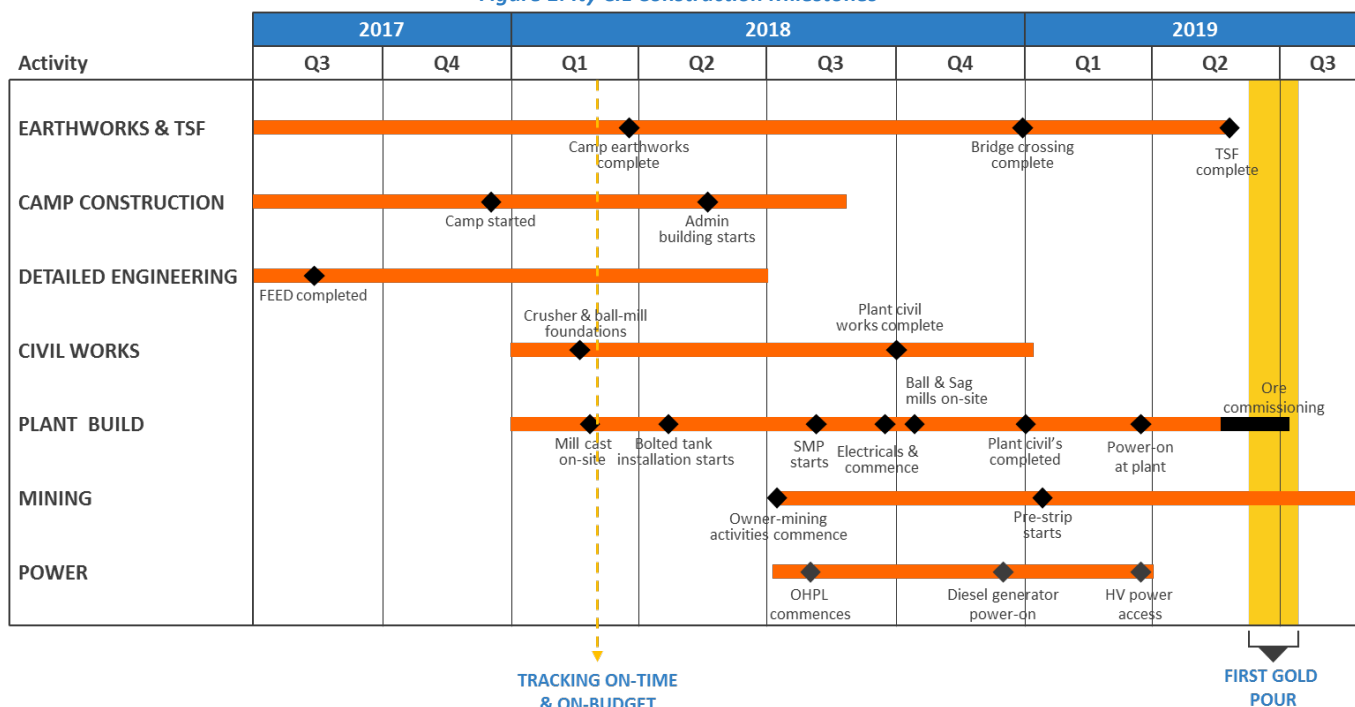
Table 14: Nzema Yearly Performance Indicators

For The Year Ended	Dec 31, 2017	Dec 31, 2016
Tonnes ore mined, kt	1,428	1,000
Strip ratio (incl. waste cap)	3.81	8.30
Tonnes milled, kt	1,499	1,761
Grade, g/t	2.58	1.87
Recovery rate, %	92%	83%
<b>PRODUCTION, KOZ</b>	<b>116</b>	<b>88</b>
<b>AISC/OZ</b>	<b>859</b>	<b>1,167</b>

## ITY CIL PROJECT: CONSTRUCTION UPDATE

- › Construction is progressing on-time and on-budget with the first gold pour expected mid-2019.
- › The main milestones achieved to date include:
  - No LTI with over 800,000 man-hours worked.
  - Over 50% of the total capital cost of \$412 million has already been committed.
  - Concrete works are tracking well, with all eight ring beams and the SAG mill foundation pour complete and ball mill foundation pour commencing.
  - Tailings storage facility (TSF) earthworks are progressing on schedule with over 15% completed.
  - EPCM design is progressing on-schedule with approximately 50% completed.
  - Design work for the 90KV transmission line is complete and bush clearing is 70% completed.
- › The main upcoming milestones are presented in the Figure 1 below:

Figure 1: Ity CIL Construction Milestones



## KALANA PROJECT UPDATE

- › In Q4-2017, Endeavour completed the integration of Avnel and initiated pre-development activities to optimize the Kalana Project, which include:
  - Ceasing the current small-scale operations and clearing the underground workings and existing infrastructure to allow for the development of future open pits, as well as to establish access for exploration.
  - Resuming exploration activities on both the Kalana deposit and nearby targets including Kalanako with the goal of publishing an updated resource statement by mid-2018.
  - Launching a revised Feasibility Study, which is expected by the end of 2018, with the goal of increasing the current plant design capacity to lift the average annual production and shorten the mine life based on current reserves, integrating the exploration results from the upcoming drilling campaign, and leveraging Endeavour's construction expertise and realized operating synergies.
  - Dedicated Kalana Project Community Relations and HSE teams were created to validate the census and stakeholder mapping, with the aim of defining a resettlement action plan before relocation activities commence.

### 2018 Exploration Activities

- › For 2018, a \$5 million exploration program has been planned, with the objective of completing 45,000 meters in H1-2018 to provide by mid-year an updated resource which is expected to form the basis for the feasibility study.
- › Exploration is focused on infill and extension drilling the Kalana deposit, as well as further drilling the previously discovered Kalanako deposit.
- › Additional exploration is also expected to take place on the recently acquired Fougadian license and on permits which are expected to be granted shortly.



## EXPLORATION ACTIVITIES

### 2017 Exploration Activities

- As shown in Table 15, a total of \$44 million of exploration expenditures were incurred in 2017.
- The strongest focus of the 2017 exploration program was to increase Ity's Indicated resources for inclusion in the Optimization Study published in September 2017, which successfully led to the addition of over 1 million ounces.
- Further details of the completed exploration programs have been provided within the above mine sections.

Table 15: Exploration Guidance, \$m

(in \$m)	2017 EXPENDITURES	2018 BUDGET ALLOCATION	
Agbaou	6.2	4	8%
Tabakoto and greenfield Kofi areas	8.1	7	15%
Ity and greenfield areas on its 100km trend	8.4	8	18%
Karma	2.5	2	4%
Kalana	0	6	13%
Houndé	4.9	9	21%
Other greenfield properties	14.3	10	22%
<b>TOTAL EXPLORATION EXPENDITURES*</b>	<b>44.3</b>	<b>\$40-45m</b>	<b>100%</b>

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

### 2018 Exploration Activities

- Exploration will continue to be a strong focus in 2018 with a company-wide exploration program of \$40-45 million (approximately 15% expensed, 15% sustaining, 70% non-sustaining), compared to circa \$44 million in 2017, with details by asset provided in the above mine sections.
- Houndé and Kalana are expected to be the largest near-mine focus during 2018.
  - A 125,000 meter program is planned at Houndé to support the ramp-up of mining operations and to notably follow-up on the Kari discovery announced in late-2017.
  - A 45,000 meter intensive drilling campaign is planned at Kalana for H1-2018 with the aim of publishing an updated resource by mid-year, which will then form the basis for the updated feasibility study.
- Approximately 40% of the budget (representing approximately \$16 million) is expected to be dedicated to greenfield opportunities, in line with the overall strategy of sourcing Endeavour's next mine organically.
  - Primary focus will be on Côte d'Ivoire regional exploration licenses which include Fetekro, the Bondoukou cluster, and the Mankono-Sissedougou JV with Randgold.
  - Initial drilling campaigns will also be conducted on greenfield targets located along the 100km trend along the Ity mine.
  - A drilling campaign will also be initiated on a few targets located in the northern part of the Kofi exploration permit, which are located on the same structural trend as the Loulo deposits.

## GROUP RESERVES AND RESOURCES

- Proven and Probable (P&P) reserves at year-end 2017 were 9.1Moz, which increased by 2.0Moz (+29%) compared to 7.1Moz at the end of 2016 mainly due to the reserve conversion at Ity, the purchase of Avnel which offset the sale of Nzema and reserve depletion at other mines.
- Measured and Indicated ("M&I") resources at year-end 2017 were 14.9Moz, which increased by 2.3Moz (+18%) compared to 12.6Moz at the end of 2016 mainly due to strong exploration success at Ity, the purchase of Avnel and net additions at Tabakoto, which offset reserve depletion at other mines and the sale of Nzema.
- Detailed year-over-year reserve and resource variances are available in Appendix 3 with details for each asset provided in the above mine sections.

Table 16: Reserve and Resource Evolution

In Moz on a 100% basis	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2015	Δ 2017 vs 2016	
P&P Reserves	9.1	7.1	5.9	2.0	29%
M&I Resources (inclusive of Reserves)	14.9	12.6	11.0	2.3	18%
Inferred Resources	3.1	3.7	2.4	(0.6)	(17%)

Notes available in Appendix 3 for the 2017 Mineral Reserves and Resources. For 2016 and 2015 Reserves and Resource notes, please consult Company's press releases dated respectively, [date] and [date] available on the Company's website.

## INCREASED CASH FLOW GENERATION

- › 2017 gold sales from continuing operations totaled 537koz, up from 460koz in 2016, mainly due to a full year of production at the Karma mine following its start in Q2-2017 and the successful start-up of Houndé.
- › The 2017 realized gold price was \$1,214/oz (net of the impact of the Karma stream) compared to \$1,231/oz in 2016.
- › The Group's 2018 All-In Sustaining Margin (inclusive of discontinued operations) increased from \$192 million to \$231 million due primarily to the increased Karma production and the successful start-up of Houndé which more than offset a lower realized gold price and the expected AISC/oz increase at Agbaou.
- › Non-sustaining capital spending increased from \$26 million in 2017 to \$44 million with the main investment occurring at Karma (total of \$25 million for a heap leach pad expansion, relocation, and pre-stripping activities) and Nzema (\$9 million for the Adamus pit push-back), while non-sustaining exploration spending increased from \$17 million to \$25 million.
- › The All-In Margin increased by 9% in 2017 compared to 2016, despite the aforementioned increased non-sustaining expenditures, while the Net Free Cash Flow from Operations increased by 70% to \$107 million as 2016 was impacted by cash settlements on hedge programs, and 2017 benefited from an improvement in the working capital variation and lower financing costs (due to better terms negotiated).
- › 2017 had a net cash variation of negative \$162 million mainly due to the expected \$317 million growth project spend and a \$42 million outflow for M&A activities, which were partially offset by net equity proceeds.

Table 17: Simplified Cash Flow Statement

(in US\$ million)	12 MONTHS ENDED DECEMBER,	
	2017	2016
<b>GOLD SOLD FROM CONTINUING OPERATIONS, koz</b>	<b>537</b>	<b>460</b>
Gold Price, \$/oz	1,214	1,231
<b>REVENUE FROM CONTINUING OPERATIONS</b>	<b>652</b>	<b>566</b>
Total cash costs	(357)	(281)
Royalties	(34)	(26)
Corporate costs	(23)	(27)
Sustaining capex	(44)	(41)
Sustaining exploration	(10)	(10)
<b>ALL-IN SUSTAINING MARGIN FROM CONTINUING OPERATIONS</b>	<b>184</b>	<b>182</b>
AIS Margin from discontinued operations	47	10
<b>ALL-IN SUSTAINING MARGIN FROM ALL OPERATIONS</b>	<b>231</b>	<b>192</b>
Less: Non-sustaining capital	(44)	(26)
Less: Non-sustaining exploration	(25)	(17)
<b>ALL-IN MARGIN FROM ALL OPERATIONS</b>	<b>162</b>	<b>149</b>
Working capital	(14)	(36)
Taxes paid	(22)	(11)
Interest paid and financing fees	(16)	(25)
Cash settlements on hedge programs and gold collar premiums	(4)	(15)
<b>NET FREE CASH FLOW FROM OPERATIONS</b>	<b>107</b>	<b>63</b>
Growth project capital <sup>1</sup>	(317)	(135)
Greenfield exploration expense	(5)	(7)
M&A activities <sup>2</sup>	(42)	11
Cash paid on settlement of share appreciation rights, DSUs and PSUs	(4)	(6)
Net equity proceeds	108	183
Restructuring costs	(12)	(19)
Net proceeds from Karma pre-production	-	34
Other (foreign exchange gains/losses and other)	4	(0)
<b>NET CASH/(NET DEBT) VARIATION</b>	<b>(162)</b>	<b>124</b>
Proceeds (repayment) of long-term debt	160	(110)
<b>CASH INFLOW (OUTFLOW) FOR THE PERIOD</b>	<b>(2)</b>	<b>15</b>

<sup>1</sup> Comprised of \$196 million for Houndé construction, \$70 million for Ity CIL construction, \$41 million for Karma optimization, and \$4 million for Kalana project. Certain line items in the table above are NON-GAAP measures. For more information and notes, please consult the Company's MD&A.

## NET CASHFLOW, NET DEBT AND LIQUIDITY SOURCES

- Net cash flow from operating activities for 2017 was \$222 million, up \$68 million over the prior year mainly due to a full year production at the Karma mine following its start in Q2-2016 and the successful start-up of Houndé in Q4-2017 which more than offset the lower realized gold price and the expected cost increase at Agbaou.
- Net cash used in investing activities during 2017 was \$479 million, which included \$317 million of growth project capital (as described in the above section), \$54 million for the purchase of an additional 25% stake in the Ity mine, and \$114 million in sustaining and non-sustaining capital for continuing operations. These were partially offset by the \$9 million net cash received from the sale of Nzema (\$38.5 million received on closing less deconsolidation of \$30 million Nzema cash position) and by the \$8 million inflow of cash acquired upon the Avnel acquisition.
- Net cash generated in financing activities for 2017 was \$252 million, which included \$160 million on the Revolving Credit Facility ("RCF") for the construction of the Houndé project and \$113 million of equity proceeds.
- Equipment finance leasing stood at \$54 million as at December 31, 2017, up over the previous year due to Houndé mining equipment and backup power generators.
- As anticipated, net debt increased from \$26 million to \$232 million over the past year due to the Houndé construction, with the Net Debt / Adjusted EBITDA (LTM) ratio remaining healthy at 1.05x.
- At year-end, Endeavour's available sources of financing and liquidity totaled \$323 million which included its \$123 million cash position and \$200 million undrawn on the revolving credit facility. Following the quarter-end, Endeavour issued a \$330 million convertible note with the intent of downsizing its \$500 million revolving credit facility to \$350 million, thereby further increasing its liquidity sources by \$180 million to \$503 million, remaining well positioned to fund its growth. In addition to the aforementioned liquidity sources, Endeavour also has strong cash flow generation, upcoming equipment financing of approximately \$60 million for its Ity CIL Project, and remaining proceeds from the Nzema sale.

Table 18: Cash Flow and Net Debt Position

	QUARTER ENDED			YEAR ENDED	
	Dec. 31, 2017	Sept 30, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
<i>(in US\$ million unless stated otherwise)</i>					
<b>Net cash from (used in), as per cash flow statement:</b>					
Operating activities	82	55	75	222	154
Investing activities	(123)	(104)	(80)	(479)	(180)
Financing activities	33	90	(4)	252	42
Effect of exchange rate changes on cash	4	(1)	(3)	4	(1)
<b>INCREASE IN CASH</b>	<b>(3)</b>	<b>40</b>	<b>(13)</b>	<b>(2)</b>	<b>15</b>
Cash position at beginning of period	125	85	137	124	109
<b>CASH POSITION AT END OF PERIOD</b>	<b>123</b>	<b>125</b>	<b>124</b>	<b>123</b>	<b>124</b>
Equipment finance leases	(54)	(47)	(10)	(54)	(10)
Drawn portion of revolving credit facility	(300)	(300)	(140)	(300)	(140)
<b>NET DEBT POSITION</b>	<b>(232)</b>	<b>(221)</b>	<b>(26)</b>	<b>(232)</b>	<b>(26)</b>
Net Debt / Adjusted EBITDA (LTM) ratio	1.05	0.98	0.11	1.05	0.11

Net Debt and Adjusted EBITDA are NON-GAAP measures. For a discussion regarding the company's use of NON-GAAP Measures, please see "note regarding certain measures of performance" in the MD&A.

## OPERATING CASH FLOW PER SHARE

- Due to the start-up of Houndé in Q4-2017, the quarter's operating cash flow before non-cash working capital increased by 157% over Q3-2017 to \$95 million, representing \$0.89/share.
- The 2017 operating cash flow before non-cash working capital increased by 24% over the prior year to \$235 million, representing \$2.39/share (relatively flat over the previous year due to increased share count).

Table 19: Operating Cash Flow Per Share

	QUARTER ENDED			YEAR ENDED	
	Dec. 31, 2017	Sept 30, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
<i>(in US\$ million unless stated otherwise)</i>					
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>82</b>	<b>55</b>	<b>75</b>	<b>222</b>	<b>154</b>
Add back changes in non-cash working capital	12	(18)	(13)	14	36
<b>OPERATING CASH FLOWS BEFORE NON-CASH WORKING CAPITAL</b>	<b>95</b>	<b>37</b>	<b>62</b>	<b>235</b>	<b>190</b>
Divided by weighted average number of O/S shares, in millions	107	98	92	99	81
<b>OPERATING CASH FLOW PER SHARE</b>	<b>0.89</b>	<b>0.38</b>	<b>0.67</b>	<b>2.39</b>	<b>2.36</b>

Operating Cash Flow Per Share is a NON-GAAP measure. For a discussion regarding the company's use of NON-GAAP Measures, please see "note regarding certain measures of performance" in the MD&A.

## ADJUSTED NET EARNINGS PER SHARE

- Adjusted net earnings from continuing operations amounted to \$69 million for 2017, a decrease of \$50 million over 2016, mainly due to a \$45 million increase in depreciation.
- In 2017, total adjustments of \$247 million were made related mainly to:
  - A \$130 million impairment charge on Tabakoto, decreasing its carrying value to \$94 million. As guided, a strategic decision on Tabakoto is expected by mid-year.
  - A \$44 million net loss on the sale of Nzema
  - In addition, adjustments were notably made for acquisitions and restructuring costs, deferred income tax expense, stock-based expenses, gains/loss on financial instruments and other non-cash adjustments.

Table 20: Net Earnings and Adjusted Net Earnings

(in US\$ million unless stated otherwise)	THREE MONTHS ENDED			YEAR ENDED	
	Dec 31, 2017	Sept.30, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
<b>TOTAL NET EARNINGS</b>	<b>(134)</b>	<b>(65)</b>	<b>(69)</b>	<b>(177)</b>	<b>(52)</b>
Less adjustments (see MD&A)	185	55	105	247	171
<b>ADJUSTED NET EARNINGS FROM CONTINUING OPERATIONS</b>	<b>51</b>	<b>(10)</b>	<b>36</b>	<b>69</b>	<b>119</b>
Less portion attributable to non-controlling interests	(8)	1	6	3	20
<b>ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>58</b>	<b>(11)</b>	<b>30</b>	<b>66</b>	<b>99</b>
Divided by weighted average number of O/S shares	107	98	92	99	81
<b>ADJUSTED NET EARNINGS PER SHARE (BASIC) FROM CONTINUING OPERATIONS</b>	<b>0.55</b>	<b>(0.11)</b>	<b>0.33</b>	<b>0.67</b>	<b>1.23</b>

Adjusted Net Earnings is a NON-GAAP measure. For a discussion regarding the company's use of NON-GAAP Measures, please see "Note Regarding Certain Measures of Performance" in the MD&A.

## 2018 OUTLOOK

- Production from continuing operations is expected to increase to 670-720koz in 2018 and AISC is expected to decrease to \$840-890/oz due to the full year benefit of Houndé and improvements at Karma and Ity which are expected to more than offset declines at Agbaou and Tabakoto. More details on individual mine guidance have been provided in the above sections.
- In line with Endeavour's portfolio management strategy, a strategic assessment is expected to be made on Tabakoto during the course of the year. As shown in the below tables, 2018 production excluding Tabakoto is expected to range between 555-590koz at an AISC of \$760-810/oz.

Table 21: Production Guidance, koz

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

\*Nzema has been deconsolidated

Table 22: AISC Guidance, \$/oz

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

\* Nzema has been deconsolidated

- › As detailed in the table below, sustaining and non-sustaining capital allocations for 2018 amount to \$68 million and \$84 million respectively. Growth projects amount to \$200 million, mainly for the Ity CIL project construction.

*Table 23: Capital Expenditure Guidance, \$m*

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

- › Endeavour's objective is to fund as much as possible of the Ity CIL construction costs using the free cash flow generated over the construction period, rather than accessing its Revolving Credit Facility ("RCF"). To support this funding approach it has put in place a short-term Gold Revenue Protection Strategy consisting of Gold Option Contracts, in line with the strategy employed during the Houndé construction.
- A deferred premium collar strategy using written call options and bought put options has been put in place beginning on February, 1, 2018 and ending on April 30, 2019 with a floor price of \$1,300/oz and a ceiling price of \$1,500/oz. The program covers a total of 400,000 ounces, representing approximately 40% of Endeavour's total estimated gold production for the period. The total premium payable for entering into this program was \$8.7 million, which is deferred and settled as monthly contracts mature.
  - The advantages of the Gold Option Contracts during the construction period include:
    - ~40% of production will be protected if the gold price falls below \$1,300/oz
    - 100% of production will benefit from gold price upswings between \$1,300 and \$1,500/oz
    - ~60% of production benefits from gold price upswings beyond \$1,500/oz
    - Once the Gold Option Contracts program ends, Endeavour will return to a position where its gold production is fully exposed to spot gold prices.

## CONFERENCE CALL AND LIVE WEBCAST

Management will host a conference call and live webcast on Tuesday March 13<sup>th</sup> at 9:00am Toronto time (EST) to discuss the Company's financial results.

The conference call and live webcast are scheduled today at:

6:00am in Vancouver

9:00am in Toronto and New York

1:00pm in London

9:00pm in Hong Kong and Perth

**The live webcast can be accessed through the following link:**

<https://edge.media-server.com/m6/p/28mjgk9u>

**Analysts and interested investors are also invited to participate and ask questions using the dial-in numbers below:**

International: +1 646 828 8156

North American toll-free: 800 281 7973

UK toll-free: 0800 358 6377

Confirmation code: **5038363**

**The conference call and webcast will be available for playback on [Endeavour's website](#).**

Click [here](#) to add Webcast reminder to Outlook Calendar

Access the live and On-Demand version of the webcast from mobile devices running iOS and Android:



## QUALIFIED PERSONS

Jeremy Langford, Endeavour's Chief Operating Officer - Fellow of the Australasian Institute of Mining and Metallurgy – FAusIMM, is a Qualified Person under NI 43-101, and has reviewed and approved the technical information in this news release.



## CONTACT INFORMATION

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## ABOUT ENDEAVOUR MINING CORPORATION

*Endeavour Mining is a TSX listed intermediate African gold producer with a solid track record of operational excellence, project development and exploration in the highly prospective Birimian greenstone belt in West Africa. Endeavour is focused on offering both near-term and long-term growth opportunities with its project pipeline and its exploration strategy, while generating immediate cash flow from its operations.*

*Endeavour operates 5 mines across Côte d'Ivoire (Agbaou and Ity), Burkina Faso (Houndé, Karma), and Mali (Tabakoto) which are expected to produce 670-720koz in 2018 at an AISC of \$840-890/oz. Endeavour's high-quality development projects (recently commissioned Houndé, Ity CIL and Kalana) have the combined potential to deliver an additional 600koz per year at an AISC well below \$700/oz between 2018 and 2020. In addition, its exploration program aims to discover 10-15Moz of gold by 2021 which represents more than twice the reserve depletion during the period.*

*For more information, please visit [www.endeavourmining.com](http://www.endeavourmining.com).*

## CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION AND NON-GAAP MEASURES

This news release contains "forward-looking statements" including but not limited to, statements with respect to Endeavour's plans and operating performance, the estimation of mineral reserves and resources, the timing and amount of estimated future production, costs of future production, future capital expenditures, and the success of exploration activities. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "expected", "budgeted", "forecasts", and "anticipates". Forward-looking statements, while based on management's best estimates and assumptions, are subject to risks and uncertainties that may cause actual results 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 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 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 Endeavour operates. 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. Please refer to Endeavour's most recent Annual Information Form filed under its profile at [www.sedar.com](http://www.sedar.com) for further information respecting the risks affecting Endeavour and its business. AISC, all-in sustaining costs at the mine level, cash costs, operating EBITDA, all-in sustaining margin, free cash flow, net free cash flow, free cash flow per share, net debt, and adjusted earnings are non-GAAP financial performance measures with no standard meaning under IFRS, further discussed in the section Non-GAAP Measures in the most recently filed Management Discussion and Analysis.

**Corporate Office: 5 Young St, Kensington, London W8 5EH, UK**

## APPENDIX 1: PRODUCTION AND AISC BY MINE

### ON A QUARTERLY BASIS

(on a 100% basis)

		AGBAOU			NZEMA			TABAKOTO			ITY			KARMA			HOUNDE
		Q4-2017	Q3-2017	Q4-2016	Q4-2017	Q3-2017	Q4-2016	Q4-2017	Q3-2017	Q4-2016	Q4-2017	Q3-2017	Q4-2016	Q4-2017	Q3-2017	Q4-2016	Q4-2017
<b>Physicals</b>																	
Total tonnes mined – OP <sup>1</sup>	000t	7,216	7,576	6,517	1,433	1,333	2,885	1,863	1,098	1,593	1,679	1,191	1,472	3,717	3,637	4,023	9,135
Total ore tonnes – OP	000t	826	824	673	370	310	288	165	108	195	402	305	316	1,184	593	783	663
Open pit strip ratio <sup>1</sup>	W:t ore	7.74	8.19	8.67	2.88	3.30	9.02	10.33	9.13	7.17	3.18	2.90	3.66	2.14	5.13	4.14	13.79
Total tonnes mined – UG	000t	-	-	-	-	-	-	207	226	324	-	-	-	-	-	-	-
Total ore tonnes – UG	000t	-	-	-	-	-	-	157	179	253	-	-	-	-	-	-	-
Total tonnes milled	000t	760	770	721	378	368	428	436	392	402	372	312	295	1,026	720	853	813
Average gold grade milled	g/t	1.85	1.96	2.46	2.13	3.39	2.20	2.20	2.64	3.93	1.86	1.58	2.00	1.06	0.91	1.14	2.75
Recovery rate	%	93%	93%	97%	92%	92%	82%	92%	93%	95%	78%	74%	90%	77%	87%	90%	95%
Gold ounces produced	oz	43,439	46,326	57,061	24,847	37,440	23,874	28,117	31,602	47,884	17,287	11,727	17,480	21,102	21,005	29,112	68,754
<b>Gold sold</b>	<b>oz</b>	<b>41,490</b>	<b>46,675</b>	<b>56,936</b>	<b>23,366</b>	<b>38,570</b>	<b>22,033</b>	<b>27,741</b>	<b>31,693</b>	<b>47,053</b>	<b>16,316</b>	<b>11,799</b>	<b>15,038</b>	<b>20,574</b>	<b>20,622</b>	<b>28,743</b>	<b>61,024</b>
<b>Unit Cost Analysis</b>																	
Mining costs - Open pit	\$/t mined	2.68	2.62	2.38	5.49	6.20	4.21	2.99	3.91	4.07	3.27	5.16	2.44	1.75	1.75	1.32	1.33
Mining costs – Underground	\$/t mined	-	-	-	-	-	-	74.90	75.79	58.80	-	-	-	-	-	-	-
Processing and maintenance	\$/t milled	8.07	7.08	6.26	16.08	17.00	14.08	20.22	20.83	23.50	13.85	14.75	13.13	8.15	11.25	7.76	6.81
Site G&A	\$/t milled	4.32	3.90	4.66	7.46	7.54	6.61	11.39	12.13	14.32	9.47	8.56	15.11	4.14	4.85	9.66	3.38
<b>Cash Cost Details</b>																	
Mining costs - Open pit <sup>1</sup>	\$000s	19,312	19,829	15,537	7,867	8,273	12,151	5,564	4,295	6,479	5,491	6,142	3,585	6,512	6,378	5,306	9,296
Mining costs -Underground	\$000s	-	-	-	-	-	-	15,504	17,129	19,050	-	-	-	-	-	-	-
Processing and maintenance	\$000s	6,130	5,451	4,513	6,077	6,257	6,026	8,818	8,165	9,448	5,152	4,601	3,874	8,365	8,097	6,616	5,534
Site G&A	\$000s	3,281	3,006	3,362	2,820	2,776	2,831	4,965	4,753	5,757	3,522	2,672	4,458	4,250	3,492	8,241	2,745
Purchased ore at Nzema	\$000s	-	-	-	2,246	4,459	4,093	-	-	-	-	-	-	-	-	-	-
Capitalized waste	\$000s	(3,288)	(1,092)	(951)	(163)	-	(5,671)	(3,665)	(2,527)	(4,586)	(829)	(541)	(600)	(754)	(1,491)	(359)	(3,995)
Inventory adjustments and other	\$000s	(215)	(1,622)	2,050	(905)	1,359	1,638	1,268	3,165	22	(2,612)	(1,863)	115	(1,948)	(260)	(906)	(1,754)
Cash costs for ounces sold	\$000s	25,220	25,571	24,511	17,942	23,124	21,068	32,454	34,980	36,170	10,724	11,011	11,432	16,425	16,216	18,898	11,826
Royalties	\$000s	2,292	2,080	2,340	1,785	2,800	1,464	2,118	2,426	3,384	807	697	633	1,360	2,068	1,953	4,596
Sustaining capital	\$000s	1,154	2,140	3,434	253	1,258	2,106	4,583	3,090	4,041	2,665	1,752	378	1,095	1,775	359	3,995
Cash cost per ounce sold	\$/oz	608	548	431	768	600	956	1,170	1,104	769	657	933	760	798	786	657	194
<b>Mine-level AISC Per Ounce Sold</b>	<b>\$/oz</b>	<b>690</b>	<b>638</b>	<b>532</b>	<b>855</b>	<b>705</b>	<b>1,118</b>	<b>1,411</b>	<b>1,278</b>	<b>927</b>	<b>869</b>	<b>1,141</b>	<b>827</b>	<b>918</b>	<b>973</b>	<b>738</b>	<b>335</b>

1) Includes waste capitalized

## ON A FULL YEAR BASIS

(on a 100% basis)

		AGBAOU		NZEMA		TABAKOTO		ITY		KARMA		HOUNDÉ
		Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017
<b>Physicals</b>												
Total tonnes mined – OP <sup>1</sup>	000t	28,100	25,382	6,874	9,295	6,400	7,098	6,647	6,102	15,313	8,753	16,049
Total ore tonnes – OP	000t	2,983	2,797	1,428	1,000	647	649	1,410	1,186	3,862	1,879	1,222
Open pit strip ratio <sup>1</sup>	W:t ore	8.42	8.07	3.81	8.30	8.89	9.94	3.71	4.15	2.96	3.66	13.13
Total tonnes mined – UG	000t	-	-	-	-	997	1,301	-	-	-	-	-
Total ore tonnes – UG	000t	-	-	-	-	756	944	-	-	-	-	-
Total tonnes milled	000t	2,906	2,827	1,499	1,761	1,640	1,588	1,194	1,173	3,552	2,089	813
Average gold grade milled	g/t	2.02	2.27	2.58	1.87	2.90	3.36	1.85	2.20	1.07	1.16	2.75
Recovery rate	%	94%	97%	92%	83%	94%	95%	83%	93%	83%	90%	95%
Gold ounces produced	oz	177,191	195,505	115,621	87,710	143,995	162,817	59,026	75,867	97,982	61,813	68,754
<b>Gold sold</b>	<b>oz</b>	<b>174,868</b>	<b>196,316</b>	<b>117,242</b>	<b>85,495</b>	<b>144,636</b>	<b>161,803</b>	<b>59,688</b>	<b>73,332</b>	<b>96,935</b>	<b>28,743</b>	<b>61,024</b>
<b>Unit Cost Analysis</b>												
Mining costs - Open pit	\$/t mined	2.54	2.22	5.69	4.64	3.46	3.60	3.21	2.88	1.82	0.61	1.33
Mining costs – Underground	\$/t mined	-	-	-	-	66.24	51.04	-	-	-	-	-
Processing and maintenance	\$/t milled	7.42	6.60	16.10	13.16	20.64	21.93	14.88	14.71	8.77	3.17	6.81
Site G&A	\$/t milled	4.15	4.66	6.68	6.57	11.05	12.80	9.40	11.43	4.29	3.94	3.38
<b>Cash Cost Details</b>												
Mining costs - Open pit <sup>1</sup>	\$000s	71,375	56,420	39,117	43,109	22,140	25,586	21,306	17,583	27,903	5,306	9,296
Mining costs -Underground	\$000s	-	-	-	-	66,045	66,406	-	-	-	-	-
Processing and maintenance	\$000s	21,556	18,656	24,128	23,177	33,348	34,825	17,771	17,256	31,161	6,616	5,534
Site G&A	\$000s	12,050	13,175	10,020	11,577	18,115	20,325	11,219	13,413	15,252	8,241	2,745
Purchased ore at Nzema	\$000s	-	-	15,433	21,255	-	-	-	-	-	-	-
Capitalized waste	\$000s	(5,248)	(5,476)	(2,159)	(16,202)	(16,260)	(17,593)	(3,205)	(3,749)	(2,724)	(359)	(3,995)
Inventory adjustments and other	\$000s	(2,301)	1,702	771	7,885	10,492	3,357	(3,335)	(53)	(2,207)	(906)	(1,754)
Cash costs for ounces sold	\$000s	97,432	84,477	87,310	90,801	134,380	132,906	43,757	44,450	69,385	18,898	1,1826
Royalties	\$000s	8,186	8,871	8,515	5,662	10,847	11,997	2,917	3,316	7,593	1,953	4,596
Sustaining capital	\$000s	7,555	11,407	4,832	3,318	20,768	21,193	7,428	7,648	3,834	359	3,995
Cash cost per ounce sold	\$/oz	557	430	745	1,062	929	821	733	606	716	657	194
<b>Mine-level AISC Per Ounce Sold</b>	<b>\$/oz</b>	<b>647</b>	<b>534</b>	<b>859</b>	<b>1,167</b>	<b>1,148</b>	<b>1,027</b>	<b>906</b>	<b>756</b>	<b>834</b>	<b>738</b>	<b>335</b>

1) Includes waste capitalized

## APPENDIX 2: FINANCIAL STATEMENTS

### BALANCE SHEET

In thousands of US\$	AS AT DECEMBER 31, 2017	AS AT DECEMBER 31, 2016
<b>ASSETS</b>		
Current		
Cash	122,702	124,294
Cash - restricted	1,327	5,270
Trade and other receivables	50,698	12,274
Income taxes receivable	627	373
Inventories	141,898	110,404
Current portion of derivative financial assets	-	6,623
Prepaid expenses and other	44,514	24,298
	<b>361,766</b>	<b>283,536</b>
Mining interests	1,317,952	1,039,529
Deferred income taxes	6,267	29,978
Other long term assets	7,526	4,055
<b>Total assets</b>	<b>\$ 1,693,511</b>	<b>\$ 1,357,098</b>
<b>LIABILITIES</b>		
Current		
Trade and other payables	220,781	128,860
Current portion of equipment finance obligations	17,658	4,315
Income taxes payable	2,746	16,451
	<b>241,185</b>	<b>149,626</b>
Equipment finance obligations	36,744	5,694
Long-term debt	286,440	140,957
Other long term liabilities	52,615	47,854
Deferred income taxes	75,906	52,306
<b>Total liabilities</b>	<b>\$ 692,890</b>	<b>\$ 396,437</b>
<b>EQUITY</b>		
Share capital	1,735,074	1,484,735
Equity reserve	56,041	39,727
Deficit	(806,251)	(615,673)
<b>Equity attributable to shareholders of the Corporation</b>	<b>984,864</b>	<b>908,789</b>
Non-controlling interests	15,757	51,872
<b>Total equity</b>	<b>1,000,621</b>	<b>960,661</b>
	<b>\$ 1,693,511</b>	<b>\$ 1,357,098</b>

Please consult Financial Statements for notes and more information.

## PROFIT AND LOSS STATEMENT

	YEAR ENDED DECEMBER 31,	
	2017	2016
In thousands of US\$		
<b>Revenues</b>		
Gold revenue	652,079	566,486
<b>Cost of sales</b>		
Operating expenses	(365,249)	(283,804)
Depreciation and depletion	(130,787)	(85,935)
Royalties	(34,117)	(26,137)
<b>Earnings from mine operations</b>	<b>121,926</b>	<b>170,610</b>
Corporate costs	(23,126)	(27,479)
Impairment of mining interests	(130,413)	-
Acquisition and restructuring costs	(16,202)	(24,224)
Share-based compensation	(23,137)	(8,542)
Exploration costs	(5,284)	(6,608)
<b>(Loss)/earnings from operations</b>	<b>(76,236)</b>	<b>103,757</b>
Other income (expenses)		
Loss on financial instruments	(3,327)	(12,048)
Finance costs	(18,789)	(24,593)
Other expenses	(2,242)	(1,989)
<b>(Loss)/earnings from continuing operations before taxes</b>	<b>(100,594)</b>	<b>65,127</b>
Current income tax (expense)/recovery	(13,768)	3,621
Deferred income tax expense	(19,177)	(31,264)
<b>Net and comprehensive (loss)/earnings from continuing operations</b>	<b>(133,539)</b>	<b>37,484</b>
Net loss from discontinued operations	(43,529)	(89,907)
<b>Total net and comprehensive loss</b>	<b>(177,068)</b>	<b>(52,423)</b>
<b>Net (loss)/earnings from continuing operations attributable to:</b>		
Shareholders of Endeavour Mining Corporation	(112,808)	23,185
Non-controlling interests	(20,731)	14,299
<b>Net (loss)/earnings from continuing operations</b>	<b>(133,539)</b>	<b>37,484</b>
<b>Total net (loss)/earnings attributable to:</b>		
Shareholders of Endeavour Mining Corporation	(156,337)	(66,722)
Non-controlling interests	(20,731)	14,299
<b>Total net loss</b>	<b>(177,068)</b>	<b>(52,423)</b>
<b>Net (loss)/earnings per share from continuing operations</b>		
Basic (loss)/earnings per share	\$ (1.15)	\$ 0.29
Diluted (loss)/earnings per share	\$ (1.15)	\$ 0.29
<b>Net (loss)/earnings per share</b>		
Basic loss per share	\$ (1.59)	\$ (0.83)
Diluted loss per share	\$ (1.59)	\$ (0.83)

Please consult Financial Statements for notes and more information.

## CASH FLOW STATEMENT

In thousands of US\$	YEAR ENDED DECEMBER 31,	
	2017	2016
<b>Operating Activities</b>		
(Loss)/earnings before taxes	(143,903)	(7,882)
Adjustments for:		
Depreciation and depletion	149,181	104,281
Financing costs	18,989	24,820
Share based compensation	23,137	8,542
Loss on financial instruments	3,327	12,048
Impairment of mining interests	184,012	71,035
Loss on disposal of mining interest	26,445	1,025
Cash paid on settlement of share appreciation rights, DSUs and PSUs	(3,509)	(5,811)
Income taxes paid	(22,301)	(10,625)
Payment of gold collar premium	(3,658)	(4,930)
Net non-cash inventory adjustments	9,092	(3,460)
Foreign exchange loss	(5,358)	(1,088)
Other	-	2,239
<b>Operating cash flows before non-cash working capital</b>	<b>235,454</b>	<b>190,194</b>
Trade and other receivables	(23,443)	(2,727)
Inventories	(43,984)	(18,189)
Prepaid expenses and other	(17,574)	(4,547)
Change in working capital related to assets under construction	29,743	(5,814)
Trade and other payables	41,595	(5,020)
<b>Changes in non-cash working capital</b>	<b>(13,663)</b>	<b>(36,297)</b>
<b>Cash generated from operating activities</b>	<b>\$ 221,791</b>	<b>\$ 153,897</b>
<b>Investing Activities</b>		
Expenditures and prepayments on mining interests - Continued operations	(124,083)	(96,202)
Expenditures and prepayments on mining interests - Growth projects	(317,313)	(135,219)
Cash paid for additional interest of Ity mine	(53,915)	-
Cash acquired on acquisitions	7,982	10,031
Proceeds from pre-production gold sales	-	34,146
Bridge loan advanced to True Gold	-	(15,000)
Net proceeds from sale of mining interests	8,601	22,067
<b>Cash used in investing activities</b>	<b>\$ (478,728)</b>	<b>\$ (180,177)</b>
<b>Financing Activities</b>		
Proceeds received from the issue of common shares	112,932	185,285
Cash settlement of hedge programs	-	(9,639)
Dividends paid	(5,177)	(2,612)
Payment of financing and other fees	(3,276)	(8,194)
Interest paid	(11,936)	(11,432)
Proceeds of long-term debt	420,000	10,000
Repayment of long-term debt	(260,000)	(110,000)
Repayment of the Auramet Loan	-	(6,213)
Repayment of finance lease obligation	(3,749)	(3,411)
Deposit (paid) refunded of reclamation liability bond	2,947	(1,785)
<b>Cash generated from financing activities</b>	<b>\$ 251,741</b>	<b>\$ 41,999</b>
Effect of exchange rate changes on cash	3,604	(944)
Increase in cash	(1,592)	14,775
Cash, beginning of year	124,294	109,519
<b>Cash, end of year</b>	<b>\$ 122,702</b>	<b>\$ 124,294</b>

Please consult Financial Statements for notes and more information.



## APPENDIX 3: RESERVES AND RESOURCES AS AT DECEMBER 31, 2017

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

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

The Qualified Persons responsible for the mineral reserve and resource estimates are detailed in the following table. All QP's are independent of Endeavour Mining, except Kevin Harris, Michael Alyoshin and John Barry.

## MINERAL RESOURCES

QUALIFIED PERSON	POSITION	PROPERTY/DEPOSIT
Kevin Harris, CPG	V.P. Resources, Endeavour Mining Corp	Agbaou, Tabakoto (except Kofi A, Kofi C, Blanaid deposits), Colline Sud deposit (Ity), North Kao deposit (Karma), Bouere and Dohoum deposits (Houndé)
Mark Zammit, MAIG	Principal, Cube Consulting Pty Ltd	Ity (except Colline Sud deposit), Vindaloo deposits (Houndé)
Eugene Puritch, P.Eng.	President, P&E Mining Consultants Inc	Karma (except North Kao deposit), Kofi A, Kofi C and Blanaid deposits (Tabakoto)
Ivor Jones, FAusIMM	Principal Consultant, Denny Jones (Pty) Ltd	Kalana Project

## MINERAL RESERVES

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

1. The mineral resources and reserves have been estimated and reported in accordance with Canadian National Instrument 43-101, 'Standards of Disclosure for Mineral Projects' and the Definition Standards adopted by CIM Council in May 2014.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. All Mineral Resources are reported inclusive of Mineral Reserves.
4. Tonnages are rounded to the nearest 100,000 tonnes; gold grades are rounded to two decimal place; ounces are rounded to the nearest 1,000oz. Rounding may result in apparent summation differences between tonnes, grade and contained metal.
5. Tonnes and grade measurements are in metric units; contained gold is in troy ounces.
6. The reporting of Mineral Reserves and Resources are based on a gold price as detailed below:

Project <sup>1</sup>	Agbaou	Kalana	Tabakoto		Ity	Karma <sup>2</sup>	Houndé
			UG	Open Pit			
Reserves Au price	1,350	1,100	1,250	1,250	1,250	1,300	1,300
Resources Au price	1,500	1,400	1,500	1,500	1,500	1,557	1,500

<sup>1</sup> Cut off grades for all resources open pits are 0.5g/tAu, except at Kalana where the cutoff grade is at 0.9g/tAu and at Karma where the cut-off grade is defined by material type: Oxide=0.2, Transition=0.22 and Sulfide=0.5

<sup>2</sup> North Kao resources has a gold price of \$1,500/oz

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

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

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

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

The scientific and technical information relating to the Agbaou mine, Ity mine, Tabakoto mine, Karma mine, Houndé mine and Kalana Project contained in this document has been derived from or based on the following technical reports. Copies of the reports are available electronically on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile. The Kalana report is available under the Avnel Gold Mining profile on SEDAR.

- Agbaou mine: "Technical Report, Mineral Resource and Reserve Update for the Agbaou Gold Mine, Côte d'Ivoire, West Africa" dated effective December 31, 2014.
- Ity mine: "Ity CIL Project National Instrument 43-101 Technical Report", dated December 9, 2016.
- Ity mine: Reserves and Resources were updated in 2017 after the completion of a Project Optimisation Study. The results were published in the September 20, 2017 press release available on the company's website.
- Tabakoto mine: "Technical Report and Mineral Resource and Reserve Update for the Tabakoto Gold Mine, Mali, West Africa" dated effective December 31, 2015.
- Karma mine: "Technical Report on an updated Feasibility Study and a Preliminary Economic Assessment for the Karma Gold Project, Burkina Faso, West Africa" dated effective August 10, 2014.
- Houndé mine: "Houndé Gold Project, Burkina Faso, Feasibility Study NI 43-101 Technical Report", dated effective October 31, 2013.
- Kalana Project: "NI 43-101 Technical Report on Kalana Main Project", dated effective March 30, 2016.

## RESERVES AND RESOURCES: YEAR-OVER-YEAR COMPARISON

Resources shown inclusive of Reserves, on a 100% basis	AS AT DECEMBER 31, 2016			AS AT DECEMBER 31, 2017		
	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)
<b>Agbaou Mine (85% owned)</b>						
Proven Reserves	1.0	2.20	69	1.0	1.41	44
Probable Reserves	10.0	2.44	784	7.9	2.45	624
<b>P&amp;P Reserves</b>	<b>11.0</b>	<b>2.41</b>	<b>853</b>	<b>8.9</b>	<b>2.34</b>	<b>668</b>
Measured Resource (incl. reserves)	1.9	1.41	85	1.0	1.43	47
Indicated Resources (incl. reserves)	11.2	2.56	919	9.3	2.54	757
<b>M&amp;I Resources (incl. reserves)</b>	<b>13.0</b>	<b>2.39</b>	<b>1,004</b>	<b>10.3</b>	<b>2.43</b>	<b>804</b>
Inferred Resources	1.1	1.73	60	1.0	1.74	54
<b>Nzema Mine (90% owned)</b>						
Proven Reserves	2.1	2.73	181			
Probable Reserves	1.3	2.70	110			
<b>P&amp;P Reserves</b>	<b>3.3</b>	<b>2.72</b>	<b>291</b>			
Measured Resource (incl. reserves)	21.1	1.37	929			
Indicated Resources (incl. reserves)	12.0	1.31	502			
<b>M&amp;I Resources (incl. reserves)</b>	<b>33.1</b>	<b>1.35</b>	<b>1,431</b>			
Inferred Resources	5.9	1.29	243			
<b>Tabakoto Mine(80-90% owned)</b>						
Proven Reserves	2.9	2.98	274	2.4	3.32	251
Probable Reserves	3.4	3.12	341	2.4	3.40	266
<b>P&amp;P Reserves</b>	<b>6.3</b>	<b>3.06</b>	<b>615</b>	<b>4.8</b>	<b>3.36</b>	<b>517</b>
Measured Resource (incl. reserves)	6.9	2.88	638	7.4	2.99	715
Indicated Resources (incl. reserves)	12.1	3.09	1,206	12.4	3.03	1,211
<b>M&amp;I Resources (incl. reserves)</b>	<b>19.0</b>	<b>3.01</b>	<b>1,844</b>	<b>19.9</b>	<b>3.01</b>	<b>1,925</b>
Inferred Resources	8.2	3.45	908	7.4	3.40	810
<b>Houndé Mine (90% owned)</b>						
Proven Reserves	3.7	2.48	296	3.6	2.25	263
Probable Reserves	26.9	2.06	1,779	26.5	1.98	1,693
<b>P&amp;P Reserves</b>	<b>30.6</b>	<b>2.11</b>	<b>2,075</b>	<b>30.2</b>	<b>2.02</b>	<b>1,957</b>
Measured Resource (incl. reserves)	3.7	2.57	305	3.6	2.40	281
Indicated Resources (incl. reserves)	34.2	2.04	2,247	33.7	2.01	2,178
<b>M&amp;I Resources (incl. reserves)</b>	<b>37.9</b>	<b>2.09</b>	<b>2,551</b>	<b>37.3</b>	<b>2.05</b>	<b>2,459</b>
Inferred Resources	3.2	2.62	274	3.2	2.64	275
<b>Ity Mine and CIL Project (80% owned)</b>						
Proven Reserves	0.1	2.90	6	0.3	1.41	14
Probable Reserves	43.8	1.50	2,117	58.6	1.59	3,001
<b>P&amp;P Reserves</b>	<b>43.9</b>	<b>1.50</b>	<b>2,123</b>	<b>58.9</b>	<b>1.59</b>	<b>3,016</b>
Measured Resource (incl. reserves)	0.0	1.84	2	0.7	0.63	15
Indicated Resources (incl. reserves)	52.8	1.64	2,777	73.1	1.57	3,680
<b>M&amp;I Resources (incl. reserves)</b>	<b>52.8</b>	<b>1.64</b>	<b>2,779</b>	<b>73.9</b>	<b>1.56</b>	<b>3,695</b>
Inferred Resources	30.2	1.45	1,406	18.7	1.31	785
<b>Karma Mine (90% owned)</b>						
Proven Reserves	0.4	0.59	8	0.7	0.63	15
Probable Reserves	37.4	0.92	1,109	33.8	0.89	971
<b>P&amp;P Reserves</b>	<b>37.9</b>	<b>0.92</b>	<b>1,117</b>	<b>34.6</b>	<b>0.89</b>	<b>986</b>
Measured Resource (incl. reserves)	0.4	0.59	8	0.7	0.63	15
Indicated Resources (incl. reserves)	83.8	1.10	2,973	81.0	1.10	2,856
<b>M&amp;I Resources (incl. reserves)</b>	<b>84.3</b>	<b>1.10</b>	<b>2,981</b>	<b>81.8</b>	<b>1.09</b>	<b>2,871</b>
Inferred Resources	19.3	1.27	791	21.4	1.32	909
<b>Kalana Project (80% owned)</b>						
Proven Reserves				5.1	3.00	492
Probable Reserves				16.6	2.76	1,472
<b>P&amp;P Reserves</b>				<b>21.7</b>	<b>2.81</b>	<b>1,964</b>
Measured Resource (incl. reserves)				9.5	4.19	1,280
Indicated Resources (incl. reserves)				14.2	3.96	1,810
<b>M&amp;I Resources (incl. reserves)</b>				<b>23.7</b>	<b>4.06</b>	<b>3,100</b>
Inferred Resources				1.7	4.39	240
<b>Group Consolidated Total</b>						
Proven Reserves	10	2.57	834	13	2.56	1,080
Probable Reserves	123	1.58	6,240	146	1.71	8,027
<b>P&amp;P Reserves</b>	<b>133</b>	<b>1.66</b>	<b>7,074</b>	<b>159</b>	<b>1.78</b>	<b>9,106</b>
Measured Resource (incl. reserves)	34	1.80	1,967	23	3.17	2,353
Indicated Resources (incl. reserves)	206	1.60	10,623	224	1.74	12,492
<b>M&amp;I Resources (incl. reserves)</b>	<b>240</b>	<b>1.63</b>	<b>12,590</b>	<b>247</b>	<b>1.87</b>	<b>14,855</b>
Inferred Resources	68	1.69	3,682	53	1.79	3,074

Notes for the period ended December 31, 2017 are available in the section above. Notes for the period ended December 31, 2016 are available in the press release dated March 7, 2017 available on the Company's website and on SEDAR.