ENDEAVOUR MINING

MANAGEMENT DISCUSSION & ANALYSIS

For the three and twelve months ended December 31, 2020 and 2019

(Expressed in Thousands of United States Dollars)
(unaudited)

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This Management Discussion and Analysis ("MD&A") should be read in conjunction with Endeavour Mining Corporation's ("Endeavour ", the "Company", or the "Group") consolidated financial statements as at and for the years ended December 31, 2020 and 2019 and notes thereto which has been prepared in accordance with International Financial Reporting Standards ("IFRS") or ("GAAP"). 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 March 18, 2021. Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com.

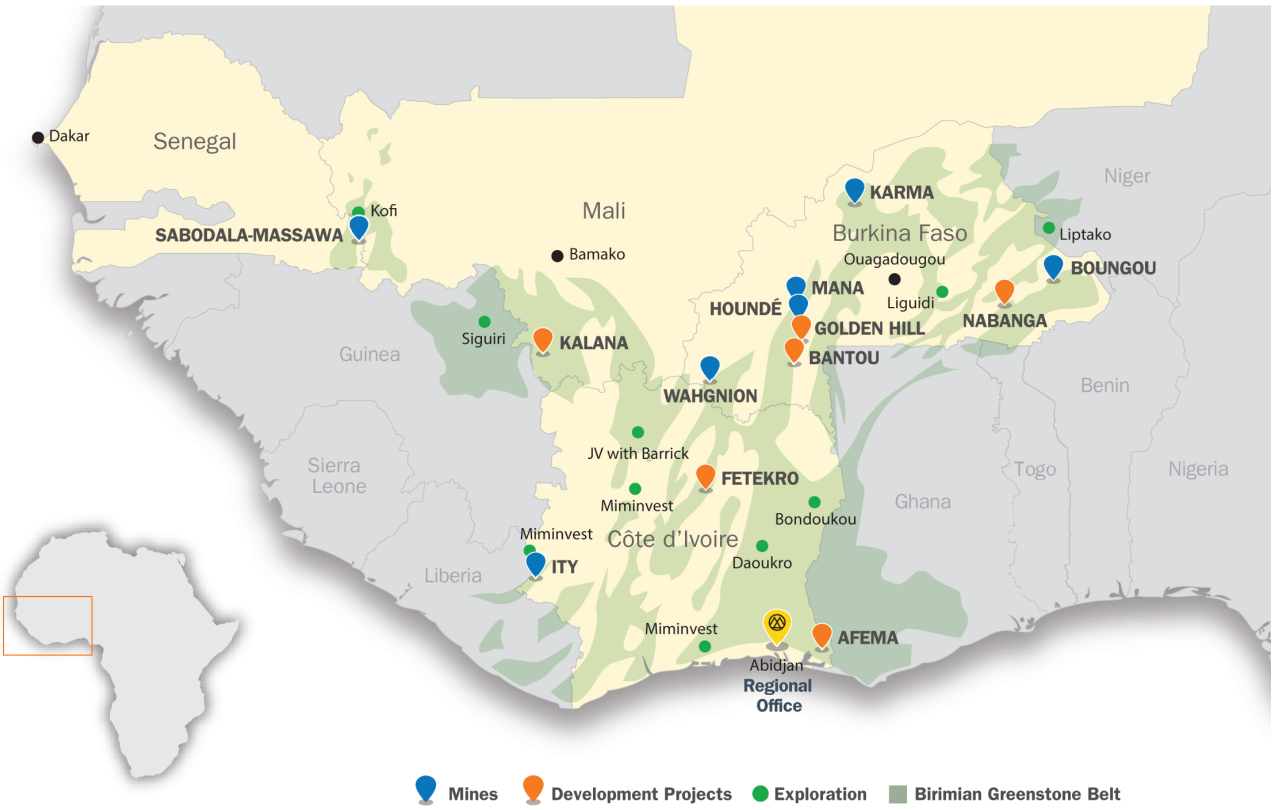
1. BUSINESS OVERVIEW

1.1. OPERATIONS DESCRIPTION

Endeavour is a multi-asset gold producer focused on West Africa and listed on the Toronto Stock Exchange ("TSX"). The Company'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. On March 1, 2021, the Company disposed of its Agbaou mine in Côte d'Ivoire. On February 10, 2020, Endeavour completed the Combination with Teranga Gold Corporation, a multi-jurisdiction West African gold company focused on production, development as well as exploration.

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 at March 18, 2021



2. HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2020

2.1. CORPORATE HIGHLIGHTS

- Endeavour announced its first dividend of $60.0 million for the 2020 fiscal year, which was paid in February 2021.
- In December 2020, Endeavour increased its stake from 65% to 80% in the Fetekro Project for $19.0 million plus contingent payments of $3 per ounce for future Proven and Probable reserves defined outside of the existing Measured and Indicated resource boundary. On February 23, 2021, Endeavour released the positive results from the pre-feasibility study ("PFS") for the Fetekro Project, with potential for more than 200,000 ounce per year over an expected 10-year mine life, based on current reserves of 2.1 million ounce, with average all-in sustaining costs ("AISC") over the life of mine of $838 per ounce.
- On November 16, 2020, Endeavour and Teranga Gold Corporation ("Teranga") announced that they had entered into a definitive agreement (the whereby Endeavour would acquire all of the issued and outstanding securities of Teranga by way of a Plan of Arrangement under the Canada Business Corporations Act (the "Combination"). The Combination was completed on February 10, 2021.
- Endeavour successfully restarted production at its Boungou mine in Burkina Faso in Q4-2020, following the mobilization of the West African mining contractor and completion of infrastructure and operating improvements.
- On July 6, 2020, Endeavour was granted a mining permit extension by the Burkina Faso Government, covering the full Kari Area at its Houndé Mine and commenced mining activities at the high grade Kari Pump Deposit, with over 60,000 meters of grade control drilling completed in Q2-2020.
- In July 2020, Endeavour completed the previously announced private placement with La Mancha Holding S.á.r.l. ("La Mancha"), issuing 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 1, 2020, Endeavour completed the previously announced acquisition of SEMAFO Inc. ("SEMAFO") whereby Endeavour acquired all of the issued and outstanding shares of SEMAFO, whose operations included the Mana and Boungou mines in Burkina Faso, as well as certain exploration properties.
- On May 27, 2020, Endeavour published an enhanced 2019 Sustainability Report which detailed progress towards implementing the World Gold Council's environment, social and governance ("ESG") reporting framework, the Responsible Gold Mining Principles ("RGMPs"), as well as the Company's performance against key indicators in 2019.

2.2. OPERATIONAL AND FINANCIAL HIGHLIGHTS

- 2020 production from continuing operations was 802,971 ounces at an AISC[1] of $853 per ounce, which is in line with the guidance for 2020, after taking into account the acquisition of SEMAFO from July 1, 2020. Q4 2020 production was 315,176 ounces at an AISC[1] of $779 per ounce.
- Revenues for the year ended December 31, 2020 were $1.4 billion, which generated $490.0 million in earnings from mine operations. This is an increase of $729.3 million and $334.1 million, respectively, compared to 2019. Revenues were $553.4 million in Q4 2020 which generated $220.2 million in earnings from mine operations, an increase over Q4-2019 of $354.0 million and $175.4 million, respectively. The increases for the three and twelve months ended December 31, 2020 are due to the acquisition of Mana and Boungou in the second half of the year, as well as increased realized gold prices.
- Operating cash flows before changes in working capital[1] for the year ended December 31, 2020 amounted to $628.7 million, or $4.59 per share[1], an increase of $436.0 million compared to 2019. For Q4 2020, operating cash flows before changes in working capital[1] were $297.4 million, or $1.82 per share[1], an increase of $252.8 million compared to Q4-2019. For the year ended December 31, 2020, operating cash flows after changes in working capital[1] were $710.6 million, or $5.18 per share[1] from continuing operations, an increase of $505.0 million compared to 2019. Operating cash flows after changes in working capital[1] from all operations were $748.9 million, or $5.46 per share[1], an increase of $447.0 million compared to 2019. Operating cash flow after changes in working capital[1] from continuing operations was $384.0 million or $2.36 per share[1] for Q4 2020 compared to $92.0 million and $0.84 per share[1] in Q4 2019. For Q4-2020, operating cash flows after changes in working capital[1] from all operations were $363.7 million, or $2.23 per share[1] compared to $120.4 million, or $1.10 per share[1] in Q4-2019.
- Net comprehensive earnings of $112.1 million or basic earnings per share of $0.69 for the year ended December 31, 2020 compared to a net comprehensive loss of $141.2 million or basic loss per share of $1.59 in 2019. Net comprehensive earnings of $30.2 million or basic earnings per share was $0.40 in Q4 2020 compared to a net comprehensive loss of $113.1 million and basic loss per share of $1.02 in Q4-2019.
- Adjusted net earnings[1] of $312.4 million or $2.28 per share[1] for the year ended December 31, 2020, an increase of $276.0 million compared to 2019. Adjusted net earnings[1] was $163.6 million or $1.00 per share[1] in Q4 2020, a $134.6 million increase compared to Q4-2019.
- Net cash / adjusted EBITDA[1] (LTM) ratio of (0.09) at quarter-end, a significant reduction from the net debt/ adjusted EBITDA[1] of 1.48 at the end of Q4-2019.
- Cash and cash equivalents of $645.0 million at December 31, 2020, providing significant headroom to finance the Company'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 and full year Operational and Financial Highlights

		THREE MONTHS ENDED			TWELVE MONTHS ENDED	
($'000s)	Unit	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Operating data from continuing operations						
Gold produced	oz	315,176	218,801	142,639	802,971	512,978
Gold sold	oz	300,622	236,292	139,058	808,806	511,749
Realized gold price[1]	$/oz	1,841	1,840	1,434	1,761	1,358
Cash cost per gold ounce sold [2]	$/oz	699	791	766	749	732
All-in sustaining costs per ounce sold [2]	$/oz	779	881	812	853	824
All-in sustaining margin per ounce sold [2 3]	$/oz	1,061	960	622	907	534
Cash flow data from continuing operations						
Operating cash flows before working capital	$	297,384	194,950	44,579	628,664	192,626
Operating cash flows before working capital per share[2]	$/share	1.82	1.20	0.41	4.59	1.75
Operating Cash Flows	$	383,992	173,174	92,006	710,563	205,531
Operating Cash Flows per share[2]	$/share	2.36	1.06	0.84	5.18	1.87
Profit and loss data from continuing operations						
Revenues[1]	$	553,370	434,839	199,406	1,424,111	694,848
Earnings from mine operations	$	220,157	122,116	44,757	490,036	155,985
Net comprehensive earnings/(loss) attributable to shareholders	$	65,751	43,649	(111,662)	95,030	(174,506)
Basic earnings/(loss) per share attributable to shareholders	$/share	0.40	0.27	(1.02)	0.69	(1.59)
Adjusted EBITDA[2]	$	297,022	199,942	75,139	703,147	256,918
Adjusted net earnings attributable to shareholders[2]	$	163,602	66,726	29,045	312,375	36,327
Adjusted net earnings per share attributable to shareholders[2]	$/share	1.00	0.41	0.26	2.28	0.33
Balance Sheet Data						
Cash	$	644,970	523,324	189,889	644,970	189,889
Net (Cash)/Debt[2]	$	(74,675)	175,172	528,192	(74,675)	528,192
Net (Cash)/Debt / Adjusted EBITDA (LTM) ratio[2]	:	(0.09)	0.29	1.48	(0.09)	1.48

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 All-In Margin per ounce sold is calculated as revenues less sustaining and non-sustaining capital expenditures divided by ounces sold for the period.

3. 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, host communities and shareholders. 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 their impact on the environment.

Environment, social and governance ("ESG") policies, systems and practices are embedded throughout the business and the Company reports annually on its ESG performance via its Sustainability Report. A dedicated sustainability governance structure has been established with an Environment, Sustainability and Governance Committee at board level, which the management of the ESG Committee reports into.

The Responsible Gold Mining Principles ("RGMPs")

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 ESG 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.

The RGMPs consist of ten umbrella principles and fifty-one detailed principles, which cover key ESG themes, issues and actions. Member companies will have three years to fully comply with the RGMPs and will be required to obtain external assurance on their performance and conformance to the RGMPs.

Endeavour is targeting full conformance within the Council's three-year timeframe. During 2020, Endeavour received external assurance on its first RGMP, 1.7 Accountabilities and Reporting and continued to progress the implementation of the RGMPs, including commissioning an independent external readiness assessment to confirm Endeavour's internal gap assessment (conducted in 2019) and to provide additional recommendations in preparation for external assurance. For the year ended December 31, 2020, Endeavour will also seek external assurance on several RGMPs, which are expected to be published as part of the 2020 Sustainability Report.

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. As part of this, the Group committed to reporting in line with the Financial Services Board's Task Force for Climate-related Financial Disclosure ("TCFD").

During the year, a readiness assessment was conducted by independent external consultants on Endeavour's current practices and disclosures in preparation for augmenting its climate-related disclosure with the TCFD recommendations in its 2020 annual corporate reporting materials.

The Group has been reporting on its Scope 1 and Scope 2 greenhouse gas emissions since 2017 and Scope 3 emissions since 2019. During 2020, Endeavour commenced work on developing an Emissions Reduction Target informed by climate science and its specific operating context. This included a review of renewable energy opportunities at the Group's operations, which identified the potential for solar at the Houndé mine and the Fetekro Project. These will continue to be assessed during 2021. In addition, a corporate risk management framework is under development to identify and assess climate-related risks and opportunities.

In Q2-2020, a Group greenhouse gas emissions reduction plan was approved and implemented. 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.

In Q4-2020, the Group received the results of its 2020 CDP climate change and water questionnaires. The CDP is the not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Endeavour scored a C for climate change, which is in the awareness band and a significant improvement on its 2019 score of D, which is the lowest band, and scored a C for water, which was the first time the Group responded and was scored on the water questionnaire.

3.1. HEALTH AND SAFETY

Endeavour puts the highest priority on safe work practices and systems. The Company's ultimate aim is to achieve "zero harm" performance. The following table shows the safety statistics for the trailing twelve months ended December 31, 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. The Group's lost time injury frequency rate ("LTIFR") continues to be well below the industry benchmark.

Table 2: LTIFR Statistics for the Trailing Twelve Months ended December 31, 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	3,134,804	3,283,801	5,262,748	4,786,941	2,492,957	1,090,592	3,409,472	24,211,739
LTIFR[2]	**0**	**0**	**0.57**	**0**	**0**	**0**	**0**	**0.12**
AIFR[3]	**3.19**	**3.05**	**5.70**	**1.88**	**8.02**	**5.50**	**1.47**	**3.68**

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

3.2. 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.
- Employees in a role that enabled them to work from home were asked to do so. The Company'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. OPERATIONS REVIEW

The following tables summarize operating results for the three months ended December 31, 2020, September 30, 2020, and December 31, 2019 and the twelve months ended December 31, 2020 and December 31, 2019.

4.1. Operational Review Summary

- FY-2020 consolidated production from all operations amounted to a record 908,063 ounces, an increase of 39.5% over FY-2019, due to the significant production at Houndé with the commencement of mining at the higher grade deposit at Kari Pump area, increased production at the Ity mine due to the benefit of operating the processing plant for the full year after commercial production began on April 8, 2019, as well as the addition of the Mana and Boungou operating mines from July 1, 2020. AISC for all operations increased by only 6.7% or $55 per ounce due primarily to the higher gold price which increased royalties by ~$40 per ounce.
- Q4-2020 consolidated production amounted to a record 343,555 ounces, an increase of 99,938 ounces or 41.2% over Q3-2020, as a result of stronger performance across all mine sites, specifically at Houndé (due to ramp-up of higher grade Kari Pump deposit), Ity (higher throughput and grade) and Boungou (ramp-up of mining activities). AISC for all operations decreased by $103 per ounce or 11.4% to $803 per ounce as lower costs at Houndé, Agbaou and Boungou more than offset increased costs at Ity, Mana and Karma.

Table 3: Group Production

	THREE MONTHS ENDED			TWELVE MONTHS ENDED	
(All amounts in koz, on a 100% basis)	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Houndé	101	62	55	277	223
Ity CIL	61	44	60	213	190
Mana[1]	61	60	—	121	—
Karma	28	22	27	98	97
Boungou[1]	64	30	—	94	—
Ity Heap Leach	—	—	—	—	3
PRODUCTION FROM CONT. OPERATIONS	**315**	**219**	**143**	**803**	**513**
Agbaou[2]	28	25	35	105	138
GROUP PRODUCTION	**344**	**244**	**178**	**908**	**651**

[1]*Included for the post acquisition period commencing July 1, 2020.*

[2]*Divested on March 1, 2021.*

Table 4: Group All-In Sustaining Costs

	THREE MONTHS ENDED			TWELVE MONTHS ENDED	
(All amounts in US$/oz)	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Houndé	612	865	878	836	862
Ity CIL	1,054	774	697	808	616
Mana[2]	802	896	—	854	—
Karma	1,132	1,073	755	1,007	903
Boungou[2]	532	752	—	609	—
Ity Heap Leach	—	—	—	—	1,086
Corporate G&A	28	20	19	29	32
AISC FROM CONT. OPERATIONS	**779**	**881**	**812**	**853**	**824**
Agbaou[3]	1,066	1,139	846	1,027	796
GROUP AISC	**803**	**906**	**819**	**873**	**818**

[1]*This is a non-GAAP measure.*
[2]*Included for the post acquisition period commencing July 1, 2020.*
[3]*Divested on March 1, 2021.*

4.2. Ity Gold Mine, Côte d'Ivoire

Table 5: Ity CIL Key Performance Indicators

		THREE MONTHS ENDED			TWELVE MONTHS ENDED	
	Unit	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Operating Data						
Tonnes ore mined	kt	2,660	2,352	1,571	8,571	5,733
Tonnes of waste mined	kt	3,886	3,970	2,035	14,898	8,320
Tonnes milled	kt	1,456	1,307	1,318	5,353	3,693
Average gold grade milled	g/t	1.72	1.34	1.69	1.57	1.88
Recovery rate	%	76	81	80	79	86
Gold produced	oz	60,547	44,470	60,387	212,812	190,438
Gold sold	oz	50,983	47,478	56,287	208,121	183,630
Realized gold price	$/oz	1,864	1,869	1,484	1,749	1,427
Financial Data ($'000)						
Revenues	**$**	95,033	88,755	83,522	363,930	262,029
Operating expenses	$	(45,051)	(29,258)	(33,591)	(139,315)	(107,185)
Royalties	$	(5,392)	(5,238)	(3,384)	(19,847)	(10,280)
Non-cash operating expenses	$	—	—	(2,244)	—	4,832
Total Cash Cost[1]	**$**	**(50,443)**	**(34,496)**	**(39,219)**	**(159,162)**	**(112,633)**
Sustaining capital[1]	$	(3,296)	(2,249)	—	(8,921)	(486)
Total All-in Sustaining Costs[1]	**$**	**(53,739)**	**(36,745)**	**(39,219)**	**(168,083)**	**(113,119)**
Non-sustaining capital[1]	$	(11,992)	(3,697)	(1,286)	(37,382)	(1,403)
All-In Margin[1, 2]	**$**	**29,302**	**48,313**	**43,017**	**158,465**	**147,507**
Cash cost per ounce sold[1]	**$/oz**	**989**	**727**	**697**	**765**	**613**
Mine All-In Sustaining Costs per ounce sold[1]	**$/oz**	**1,054**	**774**	**697**	**808**	**616**

1 Non-GAAP measure. Refer to the non-GAAP Measures section for further details.
2 All-In Margin is calculated as revenues less sustaining and non-sustaining capital expenditures for the period.

Q4 2020 vs Q3 2020 insights

- Production significantly increased due to the higher processed grades and throughput rate, which was offset by the lower plant recovery rate.
  - Tonnes of ore mined increased due to the opening up of the Bakatouo Pit stage 2 following waste stripping completed in prior periods. Ore was mainly mined from the Daapleu and Bakatouo pits, as well as the historic heap leach pads.
  - Tonnes milled increased due to the supplemental processing of oxide ore through the surge bin despite the higher proportion of the high grade fresh sulfide ore from the Daapleu pit.
  - Processed grades increased due to the benefit of the higher grade sulfide ore from the Daapleu pit, which was supplemented with ore from the Bakatouo pit and the historic heap leach pads.
  - Recovery rate decreased, as expected, due to processing the higher grade fresh sulfide ore from the Daapleu pit.
- AISC per ounce increased relative to prior quarters and previous expectations primarily due to $9.9 million in non-recurring operating expenses recognized in the fourth quarter, as well as increased drill and blast costs, with the associated higher processing costs, for the fresh ore mined at the Daapleu pit, and an expected increase in sustaining capital.
- Sustaining capital increased from $2.2 million to $3.3 million due to additional waste stripping at the Ity pit.
- Non-sustaining capital increased from $3.7 million to $12.0 million due to the commencement of the construction of the stage 3 raise of the Tailings Storage Facility ("TSF") in Q4-2020 and compensation cost for the Floleu mining area.

Q4 2020 vs Q4 2019 Insights

- Production remained consistent with the comparative period as higher mill throughput and higher grades processed were offset by lower recovery rates.
  - Tonnes of ore mined increased due to the opening up of the Bakatouo Pit stage 2. In Q4 2020, ore was mainly mined from the Daapleu and Bakatouo pits stage 2 and the old heap leach pads compared to prior year where ore was Daapleu, Ity flat and Bakatouo stage 1 pits.

- Tonnes milled increased due to the processing of supplemental oxide ore through the surge bin despite the milling of higher proportion of the high grade fresh sulfide ore from the Daapleu pit.
- Processed grades increased due to the benefit of the higher grade sulfide ore from the Daapleu pit, which was supplemented with ore from the Bakatouo pit and the heap leach pads.
- The gold recovery rate decreased due to the lower recovery rates associated with the higher grade fresh sulfide ore from the Daapleu pit.

- AISC per ounce increased relative to the preliminary reported amount of $860 per ounce primarily due to $10 million (or circa $194 per ounce) in non-recurring operating expenses recognized in the fourth quarter. The normalized AISC increased quarter over quarter as an increased proportion of fresh material was mined and processed from Daapleu resulted in higher mining and processing costs and due to the guided increase in sustaining capital.
- Sustaining capital of $3.3 million mainly related to additional waste stripping at Bakatouo and Ity pit.
- Non-sustaining capital increased from $1.3 million to $12.0 million due to the commencement of the construction of the stage 3 Tailings Storage Facility ("TSF") raise in Q4-2020 and compensation cost for the Floleu mining area.

FY-2020 vs FY-2019 Insights

- Production increased, though below the lower end of guidance due to the change to the mine plan to focus on mining cutbacks in Q3 and Q4-2020, as the Ity CIL plant operated for the full twelve month period ended December 31, 2020 compared to only three quarters in 2019 with commercial production declared on April 8, 2019.
- Tonnes milled increased by 45% due to increased mill utilisation in FY-2020 compared to FY-2019 as the plant operated for a longer period.
- Processed grades decreased due to the lower grades mined as well as higher proportion of low-grade historical heap leach stockpile used to supplement plant feed.
- The gold recovery rate decreased as guided, as greater quantities of Daapleu fresh ore was processed.
- AISC increased as expected due to increased sustaining capital related to the component change-out associated with heavy mining equipment, minor plant upgrades, and the higher royalties associated with the higher gold price.
- Non-sustaining capital increased compared to the prior year due to the commencement of the construction of the stage 3 TSF in Q4-2020 and compensation costs for the Floleu mining area (Le Plaque pit).

2021 Outlook

- Ity is expected to produce between 230—250koz in 2021 at an AISC of $800—850 per ounce.
- Around 70% of the plant feed is expected to be sourced from pits, slightly higher than 2020, with the remainder coming from historical dumps or stockpiles. The main pit sources are expected to be Daapleu and Bakatouo, supplemented by the Ity, Walter and Colline Sud pits. Mining is expected to commence at Le Plaque deposit during the fourth quarter of 2021.
- Total tonnes processed are expected to remain similar to 2020. Recovery rates are expected to steadily increase throughout the year as some Daapleu fresh ore is displaced with greater quantities of oxide ore from the Ity and Le Plaque pits. Higher process grades are expected in the latter part of the year, following the completion of stripping activities at the Ity pit.
- Sustaining capital is expected to increase from $8.9 million in 2020 to approximately $28.0 million in 2021, mainly related to Ity and Bakatouo pit cut backs.
- Non-sustaining capital is expected to decrease from $ 37.4 million in 2020 to approximately $27.0 million in 2021 relating primarily to operating enhancements to the processing plant, the stage 3 TSF raise, and various infrastructure projects (including the Le Plaque haul road and two small Cavally river diversions for open pit cutbacks).

2020 Exploration Program

- An exploration program of $16.3 million totaling approximately 95,000 meters was completed in 2020, with the aim of growing the Le Plaque, Bakatouo, and Daapleu deposits, as well as testing other nearby targets such as Floleu and Samuel.
- The majority of 2020 drilling was focused on the Le Plaque area to further increase the resource, as announced on July 7, 2020, with further drilling at Le Plaque having been completed in H2-2020. Reconnaissance drilling on near-mill targets such as Verse Ouest, Leach pad and Daapleu SW was also completed.

2021 Exploration Program

- An exploration program of $9.0 million is planned for 2021, drilling will focus on adding resources at Le Plaque, Verse Ouest, Daapleu SW, Walter, Bakatouo Deep and Greater Ity. Reconnaissance drilling will also test the South Floleu area and Daapleu deep targets.

4.3. Houndé Gold Mine, Burkina Faso

Table 6: Houndé Key Performance Indicators

	Unit	THREE MONTHS ENDED December 31, 2020	September 30, 2020	December 31, 2019	TWELVE MONTHS ENDED December 31, 2020	December 31, 2019
Operating Data:						
Tonnes ore mined	kt	2,120	1,231	622	5,324	2,969
Tonnes of waste mined	kt	8,621	8,702	8,676	38,171	35,225
Tonnes milled	kt	1,117	1,010	1,052	4,228	4,144
Average gold grade milled	g/t	3.06	2.06	1.78	2.21	1.83
Recovery rate	%	94	92	92	93	93
Gold produced	oz	101,367	62,038	55,005	276,709	223,304
Gold sold	oz	101,512	62,273	55,067	277,887	227,290
Realized gold price	$/oz	1,865	1,858	1,477	1,778	1,391
Financial Data ($'000)						
Revenues	$	189,299	115,721	81,343	494,045	316,148
Operating expenses	$	(40,848)	(37,353)	(45,726)	(156,608)	(158,938)
Royalties	$	(14,117)	(9,516)	(5,699)	(38,763)	(21,483)
Non-cash operating expenses	$	—	—	6,124	—	7,542
Total Cash Cost[1]	**$**	**(54,965)**	**(46,869)**	**(45,301)**	**(195,371)**	**(172,879)**
Sustaining capital[1]	$	(7,183)	(6,999)	(3,039)	(37,073)	(23,081)
Total All-In Sustaining Costs[1]	**$**	**(62,148)**	**(53,868)**	**(48,340)**	**(232,444)**	**(195,959)**
Non-sustaining capital[1]	$	(4,840)	(7,327)	(6,546)	(19,732)	(17,287)
All-In Margin[1, 2]	**$**	**122,311**	**54,526**	**26,457**	**241,869**	**102,902**
Cash cost per ounce sold[1]	**$/oz**	**541**	**753**	**823**	**703**	**761**
Mine All-In Sustaining Costs per ounce sold[1]	**$/oz**	**612**	**865**	**878**	**836**	**862**

1 Non-GAAP measure. Refer to the non-GAAP Measures section for further details.
2 All-In Margin is calculated as revenues less sustaining and non-sustaining capital expenditures for the period.

Q4 2020 vs Q3 2020 insights

- Production increased significantly due to the higher processed grade and recovery rates as well as increased plant throughput.
  - Tonnes of ore mined significantly increased following the end of the rainy season with ore sourced mainly from the high grade Kari Pump deposit, supplemented with ore from the Vindaloo Main and Vindaloo Centre pits, as well as the Bouéré pit.
  - Tonnes milled increased slightly due to the oxide ore from Kari Pump offsetting the impact of greater volumes of fresh ore from Vindaloo.
  - Average processed grades increased due to the benefit of higher grade oxide ore from Kari Pump which was supplemented by fresh ore from Vindaloo Main and Vindaloo Centre.
  - Recovery rate increased due to the higher throughput of oxide ore from Kari Pump.
- AISC decreased due to an increase in the processed grade and higher recovery rates, which offset higher unit costs and sustaining capital.
- Non-sustaining capital decreased from $7.3 million to $4.8 million, lower than expected, as costs associated with the development of the Kari West mining area were delayed to 2021.

Q4 2020 vs Q4 2019 Insights

- Production increased significantly due to the higher processed grades and recovery rates as well as the increased throughput rate.

- Tonnes of ore mined significantly increased following the planned stripping during the earlier periods in FY-2020 in Vindaloo Main and Centre as well as the lower stripping at Kari Pump. Ore was mainly sourced from the high grade Kari Pump deposit, supplemented with ore from the Vindaloo Main and Vindaloo Centre pits as well as the Bouéré pit compared to prior year where ore was sourced from Vindaloo Main and Bouéré pit.
  - Tonnes milled increased slightly due to the oxide ore from Kari Pump offsetting the impact of greater volumes of fresh ore from Vindaloo.
  - Average processed grades increased due to the benefit of higher grade oxide ore from Kari Pump which was supplemented by fresh ore from Vindaloo Main and Vindaloo Centre compared to same period in prior year where increased low-grade stockpiles supplemented the mill feed.
  - Recovery rates increased due to the higher throughput of oxide ore from Kari Pump.
- AISC decreased primarily due to the impact of higher ounces produced and sold in the quarter. This overall decrease is partially offset by higher mining costs associated with longer hauling distances from the increased mining at the Kari Pump pit and on-going maintenance of the fleet, and higher processing costs from the higher proportion of fresh ore processed during the period. In addition, sustaining capital increased due to planned heavy machinery component change out compared to prior year where sustaining capex were mostly related to waste stripping cost.
- Non-sustaining capital decreased from $6.5 million to $4.8 million, which was lower than expected, as the development of the Kari West mining area was delayed to 2021.

FY-2020 vs FY-2019 Insights

- Production increased due to higher grades and slightly higher processed tonnes while recovery rates remaining flat.
- Despite the ore blend being predominately fresh ore, tonnes milled remained flat, continuing to perform above nameplate capacity. Average grade milled increased in FY-2020 due to the commencement of mining at the high grade Kari pump compared to the prior year where low grade stockpiles supplemented plant feed.
- AISC decreased following an increase in ounces produced and sold in the year, which more than offset the higher royalties, higher mining and processing costs related to longer hauling distances, fleet maintenance, and the higher proportion of fresh ore processed, as well as increased sustaining capital spend related to planned component change outs of the mining fleet.

2021 Outlook

- Houndé is expected to produce between 240—260koz in 2021 at AISC of $855—905 per ounce.
- The 2021 mine plan expects that ore from the higher grade Kari Pump pit will be blended with ore from Bouéré and Vindaloo Centre in the first half of the year until mining in these pits is completed. During this period, mining at Vindaloo Main will focus on waste stripping, whilst waste stripping will also commence at Kari West, so that the mine plan will switch to blending with ore from Vindaloo Main and Kari Pump and West in the second half of the year. As a result, milled grades are expected to be higher in the latter portion of the year.
- Plant throughput and the gold recovery rate are expected to remain consistent with 2020 as greater volumes of oxide ore from Kari Pump are expected to be blended with more fresh ore from other pits.
- Sustaining capital expenditures are expected to remain fairly consistent from $37.1 million in 2020 to $39.0 million in 2021, with expenditures related primarily to waste extraction, fleet re-builds, and borehole drilling on the Kari area.
- Following the commissioning of the Kari Pump deposit in 2020, the non-sustaining capital expenditures are expected to decrease from $19.7 million in 2020 to approximately $13.0 million in 2021, which are mainly related to the Kari West compensation, resettlement and associated mine infrastructure.

2020 Exploration Program

- An exploration program of $16.5 million totaling approximately 82,500 meters was completed in 2020.
  - The program was designed to delineate additional resources in the Kari area, where 46,500 meters were drilled, and at the Vindaloo South and Vindaloo North targets.
  - In addition, a small 18,500 meter reconnaissance drilling program was completed at Sianikoui, Mambo and Marzipan, yielding positive initial results.
  - Over 6,000 meters were drilled for geotechnical and metallurgical purposes at Kari West, Kari Centre and Kari Gap, and 11,500 meters were drilled for sterilization at Kari Pump.
  - An updated resource estimate was published on July 22, 2020 to include the maiden estimate for Kari Center, Kari Gap and further extensions of Kari West.

2021 Exploration Program

- An exploration program of up to $7.0 million is planned for 2021, comprised of 47,000 meters of drilling..
- The exploration program will focus on near mine targets in the Kari area, Dafra T3 and Vindaloo South. In addition reconnaissance drilling will focus on the Mambo, Marzipan, Kari Deep and Vindaloo Deep targets.

4.4. Mana Gold Mine, Burkina Faso

Table 7: Mana Key Performance Indicators

		THREE MONTHS ENDED		SIX MONTHS ENDED
	Unit	December 31, 2020	September 30, 2020	December 31, 2020
Operating Data:				
Tonnes ore mined - open pit	kt	435	465	900
Tonnes of waste mined - open pit	kt	8,792	5,951	14,742
Tonnes ore mined - underground	kt	215	197	412
Tonnes of waste mined - underground	kt	165	116	281
Tonnes of ore milled	kt	629	593	1,222
Average gold grade milled	g/t	3.33	3.43	3.38
Recovery rate	%	90	95	92
Gold produced	oz	61,422	59,678	121,100
Gold sold	oz	55,897	67,806	123,703
Realized gold price	$/oz	1,878	1,889	1,884
Financial Data ($'000)				
Revenues	$	104,976	128,069	233,044
Operating expenses	$	(33,529)	(52,621)	(86,150)
Royalties	$	(7,463)	(7,754)	(15,218)
Non-cash operating expenses [2]	$	(358)	4,382	4,024
Total Cash Cost[1]	**$**	**(41,350)**	**(55,993)**	**(97,344)**
Sustaining capital[1]	$	(3,465)	(4,781)	(8,246)
Total All-in Sustaining Costs[1]	**$**	**(44,815)**	**(60,774)**	**(105,590)**
Non-sustaining capital[1]	$	(17,626)	(9,953)	(27,579)
All-In Margin[1, 3]	**$**	**42,535**	**57,342**	**99,875**
Cash cost per ounce sold[1]	**$/oz**	**740**	**711**	**787**
Mine All-In Sustaining Costs per ounce sold[1]	**$/oz**	**802**	**896**	**854**

1 Non-GAAP measure. Refer to the non-GAAP Measures section for further details.
2 Non-cash operating expenses relates to the reversal in the period of the fair value adjustment of inventory on hand at the acquisition date.
3 All-In Margin is calculated as revenues less sustaining and non-sustaining capital expenditures for the period.
4 Analysis of operations is only for the period after its acquisition by Endeavour on July 1, 2020.

Q4 2020 vs Q3 2020 Insights

- Production slightly increased due to increased plant throughput, which was offset by decreases in plant recovery rates and processed grade.
  - Total open pit tonnes mined increased as activities at the Wona South stage 2 & 3 focused on waste stripping in order to provide access to ore in 2021. Open pit ore was mainly sourced from the Wona North stage 3 pit.
  - The underground operations continued to deliver a strong performance with a higher proportion of ore mined from longhole stopes.
  - Tonnes milled increased due to increased availability following planned mill relines in Q3.
  - The average processed grade decreased slightly following the completion of the Siou Pit mining with lower average open pit grades mined from Wona.
  - Recovery rates decreased due to the characteristics of ore processed from the Wona North stage 3 pit.
- AISC decreased due to lower operating cost, increased tonnes mined with focus on ore extraction relative to development sources ore at the underground operations, and decreased sustaining capital spend related to underground declines and access development.
- Sustaining capital decreased from $4.8 million to $3.5 million related to additional underground decline and access development in Q3-2020.

- Non-sustaining capital increased from $10.0 million to $17.6 million due to the commencement of pre-stripping at the Wona pit.

2021 Outlook

- Mana is expected to produce between 170 - 190koz in 2021 at AISC of $975-1,050 per ounce.
- Open pit mining activity is expected to focus on waste development at the Wona pit following the completion of mining at Siou pit in 2020, resulting in a higher strip ratio compared to the prior year. Underground ore extraction is expected to remain fairly constant throughout the year while grades are expected to increase steadily.
- Ore tonnes processed and recovery rates are expected to remain fairly constant throughout the year, albeit at slightly lower levels than the prior year due to the ore blend. The average processed grade is also expected to be lower than the previous year, due to lower open pit grades, with grades expected to be higher in Q4-2021 due to higher underground grades.
- Sustaining capital expenditure is expected to be approximately $27.0 million in 2021, with costs in 2021 consisting primarily of underground development and open pit equipment re-builds.
- Non-sustaining capital expenditure is expected to increase from $27.6 million in 2020 to approximately $62.0 million in 2021, related mainly to open pit waste development at Wona, TSF wall raise and other infrastructure projects.

2020 Exploration Program

- Endeavour spent a total of $2.9 million following the integration of Mana. During the full year, a total of 28,500 meters were drilled to follow up on resource expansion and targets identified by geological review.
  - Drilling focused on the Kona open pit to evaluate the northeast extension of the Wona Kona Shear, the northeast extension of the Siou and Zone 9 shears. Further drilling was completed on the Bana permit to test geologic models for mineralization at the Kana and Kokoi West targets, where assay results are pending.
  - Infill drilling at the southern end of the Siou underground was focused on the Inferred material and to evaluate the northeast continuations of oxide mineralization at both the Kona and Siou open pits.

2021 Exploration Program

- An exploration program of up to $8.0 million is planned for 2021, comprised of 44,000 meters of drilling, to focus on mine lease targets including Kona, Siou and Maoula and proximal mine lease targets including Fofina Sud.

4.5. Boungou Gold Mine, Burkina Faso

Table 8: Boungou Key Performance Indicators

		THREE MONTHS ENDED		SIX MONTHS ENDED
	Unit	December 31, 2020	September 30, 2020	December 31, 2020
Operating Data:				
Tonnes ore mined	kt	335	124	459
Tonnes of waste mined	kt	1,905	170	2,075
Tonnes of ore milled	kt	333	308	641
Average gold grade milled	g/t	6.92	3.15	5.10
Recovery rate	%	96	95	95
Gold produced	oz	63,939	30,226	94,165
Gold sold	oz	65,371	35,411	100,782
Realized gold price	$/oz	1,858	1,877	1,864
Financial Data ($'000)				
Revenues	$	121,431	66,450	187,881
Operating expenses	$	(37,588)	(51,498)	(89,086)
Royalties	$	(7,369)	(4,106)	(11,475)
Non-cash operating expenses [2]	$	11,407	29,492	40,899
Total Cash Cost[1]	**$**	**(33,550)**	**(26,112)**	**(59,662)**
Sustaining capital[1]	$	(1,202)	(505)	(1,707)
Total All-in Sustaining Costs[1]	**$**	**(34,752)**	**(26,617)**	**(61,369)**
Non-sustaining capital[1]	$	(1,071)	(848)	(1,919)
All-In Margin[1, 3]	**$**	**85,608**	**38,985**	**124,593**
Cash cost per ounce sold[1]	**$/oz**	**513**	**737**	**592**
Mine All-In Sustaining Costs per ounce sold[1]	**$/oz**	**532**	**752**	**609**

[1] *Non-GAAP measure. Refer to the non-GAAP Measures section for further details.*
[2] *Non-cash operating expenses relates to the reversal in the period of the fair value adjustment of inventory on hand at the acquisition date.*
[3] *All-In Margin is calculated as revenues less sustaining and non-sustaining capital expenditures for the period.*
[4] *Analysis of operations is only for the period after its acquisition by Endeavour on July 1, 2020.*

Q4 2020 vs Q3 2020 Insights

- Production increased due to a significant increase in processed grade following the restart of mining operations as well as an increase in recovery and throughput.
  - Total tonnes mined increased following the restart and ramp up of mining activities by the newly appointed contractor. Ore was sourced from the high grade West pit.
  - Tonnes milled increased due to a number of enhancements between the SAG mill, pebble crusher and vertical tower mill and focus on blast fragmentation following the restart of mining.
  - Processed grade increased as a result of access to higher grade ore mined from the West Pit.
  - Gold recovery rate slightly increased to 96%.
- AISC per ounce decreased due to increased ounces produced and sold with the ramping up of mining activities in the fourth quarter of the year following the successful mobilization of the mining contractor. There was also a higher processed grade and recovery associated with the ore sourced from the West pit, which offsets the increased G&A unit costs due to additional security measures in place on site, higher royalties and higher sustaining capital related to planned infrastructure upgrades.
- Sustaining capital increased from $0.5 million to $1.2 million and was related to planned site infrastructure upgrade.
- Non-sustaining capital increased from $0.8 million to $1.1 million related to the construction of the air strip.

2021 Outlook

- Boungou is expected to produce between 180 - 200koz in 2021 at AISC of $690 -740 per ounce.

- Mining activity is expected to focus on the West pit with the strip ratio increasing significantly to approximate the LOM average for the deposit, as mining activities ramp up following the commissioning of two large excavators and additional production drills early in the year resulting in a higher strip ratio during the first half of the year.
- Mill throughput is expected to be similar to the 2020 run-rate while recovery rates are expected to be slightly lower; both are expected to be relatively stable throughout the year. The process grade is expected to vary over the course of the year in line with the waste stripping sequence.
- Sustaining capital expenditure is expected to increase from $1.7 million in 2020 to approximately $19.0 million in 2021 due to increased capitalized waste development and infrastructure development around existing mining areas.
- Non-sustaining capital expenditure is expected to increase from $1.9 million in 2020 to approximately $22.0 million in 2021, which relates primarily to waste stripping and infrastructure upgrades.

2020 Exploration Program

- Endeavour spent a total of $0.6 million following the integration of Boungou. Exploration activities resumed in Q4-2020 with a total of 4,000 meters of reverse circulation drilled to test for high grade pockets in the future high wall between the East and West Open pit designs.

2021 Exploration Program

- An exploration program of up to $7 million, totaling approximately 85,000 meters of diamond, RC percussion and auger drilling, has been planned for 2021, with the aim of identifying new near-mine resources.

4.6. Karma Gold Mine, Burkina Faso

Table 9: Karma Key Performance Indicators

		THREE MONTHS ENDED			TWELVE MONTHS ENDED	
	Unit	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Operating Data:						
Tonnes ore mined	kt	1,253	1,011	907	4,781	3,745
Tonnes of waste mined	kt	3,759	3,381	3,741	14,377	15,690
Tonnes of ore stacked	kt	1,327	1,192	1,134	4,871	4,196
Average gold grade stacked	g/t	0.78	0.76	0.96	0.84	0.91
Recovery rate	%	72	72	84	77	82
Gold produced:	oz	27,901	22,389	27,247	98,185	96,534
Gold sold:	oz	26,859	23,324	27,705	98,313	96,615
Realized gold price[1]	$/oz	1,587	1,537	1,247	1,477	1,151
Financial Data ($'000)						
Revenues[1]	$	42,632	35,845	34,541	145,211	111,185
Operating expenses	$	(46,249)	(20,077)	(21,258)	(100,381)	(79,694)
Royalties	$	(3,930)	(3,410)	(2,540)	(13,419)	(8,594)
Non-cash operating expenses[3]	$	20,555	—	3,060	19,835	4,031
Total Cash Cost[2]	**$**	**(29,624)**	**(23,487)**	**(20,738)**	**(93,965)**	**(84,257)**
Sustaining capital[2]	$	(793)	(1,535)	(193)	(4,995)	(2,994)
Total All-In Sustaining Costs[2]	**$**	**(30,417)**	**(25,022)**	**(20,931)**	**(98,960)**	**(87,251)**
Non-sustaining capital[2]	$	(2,776)	(1,706)	(11,262)	(10,394)	(26,941)
All-In Margin[2, 4]	**$**	**9,439**	**9,117**	**2,348**	**35,857**	**(3,007)**
Cash cost per ounce sold[2]	**$/oz**	**1,103**	**1,007**	**749**	**956**	**872**
Mine All-In Sustaining Costs per ounce sold[2]	**$/oz**	**1,132**	**1,073**	**755**	**1,007**	**903**

[1]Revenue and realized gold price are net of gold stream sales to Franco/Nevada and Sandstorm.
[2]Non-GAAP measure. Refer to the non-GAAP Measures section for further details.
[3] Non-cash operating expenses relate primarily to the write down of gold-in-circuit pertaining to historically stacked ore that was deemed to be unrecoverable.
[4] All-In Margin is calculated as revenues less sustaining and non-sustaining capital expenditures for the period.

Q4 2020 vs Q3 2020 insights

- Production increased as a result of increased stacking following the end of the rainy season, with stacked grades and recovery rates remaining flat.
  - Total tonnes mined increased with the onset of the dry season. Ore tonnes mined increased following the stripping campaign in Q3-2020, which provided access to higher grades at the Kao North and GG1 pits.
  - Ore tonnes stacked increased slightly following the end of the rainy season.
  - The stacked grade remained flat. The higher grade ore from the Kao North pit was offset by a higher proportion of ore stacked from the lower grade GG1 pit and supplemented by low grade stockpiles.
- AISC increased, despite increased production, mainly due to the higher cost associated with draw-down of gold in circuit to boost production.
- Sustaining capital costs decreased from $1.5 million to $0.8 million due to less capitalized waste at the Kao North pit.
- Non-sustaining capital spend increased from $1.7 million to $2.8 million due to additional costs related to infrastructure upgrades.

Q4 2020 vs Q4 2019 Insights

- Production remained flat despite the increased mill stacked rate which was offset by lower average grade and lower recovery rate.
  - Total tonnes mined remained flat. Ore tonnes were mainly sourced from Kao North and the GG1 pits compared to ore mined from Kao North and Kao Main pits in the previous year. The lower grade GG1 pit replaced the Kao Main pit which was depleted during FY2019

- Ore tonnes stacked increased in Q4-2020 following the completion of the stacker system upgrade.
- The stacked grade reduced due to ore from the lower grade GG1 pits and supplemented by low grade stockpiles. This was partially offset by the higher grade ore from the Kao North pit.
- Gold recovery rate decreased due to lower recovery associated GG1 ore.

- AISC increased, mainly due to the higher cost associated with the draw-down of the gold in circuit, as well as higher mining cost related to grade control to better delineate ore zones which benefit 2021 production. Sustaining capital costs increased due to higher capitalized waste at the Kao North pit.
- Non-sustaining capital spend decreased from $11.2 million to $2.8 million due to the completion of the stacker system upgrade in Q4-2019 while Q4-2020 cost related to security upgrades.

FY-2020 vs FY-2019 Insights

- Production increased due to higher tonnes stacked resulting from the completion of the upgrades to the stacking system during Q4-2019. The increase in tonnes stacked was offset by lower grades and gold recovery rate associated to ore from GG1 pit which was brought into production in early FY-2020.
- AISC increased due to higher sustaining capital as waste removal cost in the production zone of the pit was treated as sustaining capital compared to prior year where pre-stripping of the newly commissioned Kao North pit was treated as non-sustaining, higher royalties which were slightly offset by lower unit processing cost and G&A costs.
- Non-sustaining capital spend decreased year on year due to the completion of the stacker system upgrades in the prior year in addition to no pre-stripping activity compared to prior year.
- The Company assessed the Karma mine for impairment in Q4 2020 as the mine continued to incur high operating costs throughout 2020, with an AISC over $1,000 per ounce, production for the year was below expectations, and heap leach recovery rates declined. Management calculated the fair value of the Karma mine using a discounted cash flow model; the significant assumptions in the calculation being an average gold price of $1,757per ounce over the three-year remaining life of mine, and a discount rate of 7.8%. Based on the resulting recoverable amount of $57.5 million, the Company recognized an impairment of $44.6 million in Q4 2020.

2021 Outlook

- Karma is expected to produce between 80—90koz in 2021 at AISC of $1,220—$1,300 per ounce.
- Mining activity is expected to occur at the Kao North and GG1 pits throughout the year. The overall strip ratio is expected to increase slightly over the prior year.
- Ore tonnes stacked and gold recovery rate are expected to decrease slightly over the previous year due to the lower recovery characteristics of the ore from GG1 pit, whilst grades are expected to remain constant year on year. Production is expected to be higher in the second half of the year due to higher grades and gold recovery rate from Kao North.
- Sustaining capital expenditure is expected to increase from $5.0 million in 2020 to approximately $11.0 million in 2021, comprised almost entirely of waste extraction.
- Non-sustaining capital expenditure is expected to decrease from $10.4 million in 2020 to approximately $5.0 million in 2021, mainly for the construction of new cells within the heap leach pad.

2020 Exploration Program

- An exploration program of $0.5 million, totaling 61,500 meters of RC drilling was completed in 2020, to infill drill and test extensions a number of near mine targets including Kao Main, GG1, Kao North, Rambo West and Nami. Drilling defined a southern continuation of the Kao North East deposit, 200 meters outside of the mining permit.

2021 Exploration Program

- Early in 2021, the 2020 exploration program results for Kao and other targets will be further interpreted. No material drilling is planned for 2021.

4.7. ASSET HELD FOR SALE

Agbaou Gold Mine, Côte d'Ivoire

Table 10: Agbaou Key Performance Indicators

		THREE MONTHS ENDED			TWELVE MONTHS ENDED	
	Unit	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Operating Data						
Tonnes ore mined	kt	433	527	580	2,376	2,183
Tonnes of waste mined	kt	3,950	5,568	5,761	19,783	23,166
Tonnes milled	kt	691	641	662	2,739	2,699
Average gold grade milled	g/t	1.37	1.29	1.55	1.28	1.62
Recovery rate	%	93	94	96	94	95
Gold produced	oz	28,379	24,816	35,017	105,092	137,537
Gold sold	oz	27,152	25,279	32,804	104,921	137,006
Realized gold price	$/oz	1,867	1,848	1,493	1,758	1,398
Financial Data ($'000)						
Revenues	$	50,681	46,722	48,992	184,487	191,523
Operating expenses	$	(24,323)	(22,209)	(24,132)	(84,924)	(85,170)
Royalties	$	(2,869)	(2,689)	(2,015)	(10,355)	(7,581)
Non-cash operating expenses	$	—	—	1,201	—	—
Total Cash Cost[1]	**$**	**(27,192)**	**(24,898)**	**(24,946)**	**(95,279)**	**(92,751)**
Sustaining capital[1]	$	(1,764)	(3,893)	(2,806)	(12,479)	(16,241)
Total All-in Sustaining Costs[1]	**$**	**(28,956)**	**(28,791)**	**(27,752)**	**(107,758)**	**(108,992)**
Non-sustaining capital[1]	$	(496)	(436)	(697)	(1,382)	(7,412)
All-In Margin[1, 2]	**$**	**21,229**	**17,495**	**20,543**	**75,347**	**75,119**
Cash cost per ounce sold[1]	**$/oz**	**1,001**	**985**	**760**	**908**	**677**
Mine All-In Sustaining Costs per ounce sold[1]	**$/oz**	**1,066**	**1,139**	**846**	**1,027**	**796**

[1]Non-GAAP measure. Refer to the non-GAAP Measures section for further details.
[2] All-In Margin is calculated as revenues less sustaining and non-sustaining capital expenditures for the period.

On January 22, 2021, Endeavour announced that it had entered into an agreement (the "Agreement") to sell its 85% interest in the non-core Agbaou mine in Côte d'Ivoire to Allied Gold Corp ("Allied"). The sale was completed on March 1, 2021 for total consideration with a fair value of approximately $69.4 million.

Consequently, the results from operations for the current and comparative periods have been restated to reclassify the earnings relating to the Agbaou mine as earnings from discontinued operations. All assets and liabilities relating to the Agbaou mine have been classified as current assets/liabilities held for sale at December 31, 2020. The carrying value of the assets exceeded the estimated consideration as at December 31, 2020 and an impairment charge of $19.9 million was recognized in Q4 2020. There is no impact on the presentation of the consolidated statement of cash flows.

Q4 2020 vs Q3 2020 insights

- Production increased due to higher throughput rate and higher processed grade despite a slight decrease in recovery rates.
  - Tonnes of ore mined decreased as mining focused on the deeper elevation of the North Pit and South Pit with greater volumes of fresh material mined.
  - Tonnes milled increased due to increased mill throughput rate following the end of the rainy season.
  - Processed grades increased as a result of higher grade ore from the North and West pits which were partially offset by lower grade stockpiles used to supplement the plant feed.
  - Recovery rates decreased slightly as a result of the higher proportion of fresh ore.
- The AISC decreased due to higher ounces sold and lower sustaining capital due to lower waste capitalized which more than offset higher mining and processing costs.

- Non-sustaining capital remained low, marginally increasing from $0.4 million to $0.5 million.

Q4 2020 vs Q4 2019 Insights

- Production decreased despite higher throughput rate due to lower processed grade and recovery rates.
  - Tonnes of ore mined decreased as mining focused on the deeper elevation of the North and South pits with greater volumes of fresh material mined.
  - Tonnes milled increased despite higher proportion of fresh ore in the feed blend mainly due to increase mill availability.
  - Processed grades decreased due to lower grades from the West pit and lower grade stockpiles used to supplement plant feed partially offset by higher grade ore from the North pit.
  - Recovery rates decreased as a result of the higher proportion of fresh ore processed.
- The AISC increased due to lower ounces sold, higher unit mining costs due lower tonnes mined as mining was confined to deeper elevations in the North and South pits, and higher processing costs due to the increased fresh ore in the tonnes milled. Sustaining capital decreased primarily due to the lower capitalized waste in the period.
- Non-sustaining capital remained low, marginally decreasing from $0.7 million to $0.5 million.

FY-2020 vs FY-2019 Insights

- As guided, production decreased due to lower grades and a slightly lower gold recovery rate. Production decreased compared to prior year and was below the lower end of the FY-2020 guidance due to lower than expected grades ore mined from the West pit. Recovery rate remained flat.
- AISC increased and was above the high end of the guidance range as a result of lower ounces sold as well as higher unit mining cost and higher unit processing cost. This was partially offset by lower G&A costs and lower sustaining capital spend.

4.8. PROJECTS UPDATE

- On February 23, 2021, Endeavour published positive Pre-Feasibility Study ("PFS") results for both its Fetekro and Kalana projects as part of its focus on organic growth opportunities, with results summarized in the table below.

Table 11: PFS Summary

	FETEKRO	KALANA
LIFE OF MINE PRODUCTION		
Mine life, years	9.5	11
Strip ratio, W:O	10.3	6.7
Tonnes processed, Mt	32	36
Grade processed, Au g/t	2.0	1.6
Gold contained processed, Moz	2.1	1.8
Average recovery rate, %	95	90
Gold production, Moz	2.0	1.7
Average annual production, kozpa	209	150
Cash costs, $/oz	684	785
AISC, $/oz[1]	838	901
AVERAGE FOR YEARS 1 TO 5		
Production, kozpa	220	186
Cash costs, $/oz	751	589
AISC, $/oz[1]	916	679
CAPITAL COST		
Upfront capital cost, $m	338	297
ENVIRONMENTAL DATA		
GHG Emissions Intensity2, t CO2e/oz	0.36	0.30
Energy Intensity, GJ/oz	6.99	7.65

[1] *Based on a gold price of $1,500/oz.*
[2] *GHG Emissions intensity calculated as Scope 1 and 2 emissions*

Table 12: Project Economics

	FEKETRO				KALANA			
Gold Price	**$1,350/oz**	**$1,500/oz**	**$1,650/oz**	**$1,800/oz**	**$1,350/oz**	**$1,500/oz**	**$1,650/oz**	**$1,800/oz**
PRE-TAX								
NPV5%, $m	439	**663**	862	1083	310	**498**	687	875
IRR, %	28	**38**	46	55	44	**59**	74	88
Payback years[1]	3.3	**2.6**	2.2	1.9	1.4	**1.1**	0.9	0.8
AFTER-TAX								
NPV5%, $m	308	**479**	630	799	204	**331**	458	584
IRR, %	24	**33**	40	49	36	**49**	62	74
Payback years[1]	3.4	**2.7**	2.3	2	1.5	**1.1**	0.9	0.8

[1] *Payback period calculated starting from start of commercial production*

- Definitive Feasibility Studies ("DFS") are underway at both Fetekro and Kalana, with completion expected by the end of Q4-2021 and Q1-2022 respectively.

Exploration activities

- The 2020 consolidated exploration spend amounted to $65.1 million, totaling approximately 271,500 meters of drilling, with most of this completed 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, Fetekro with the aim of adding optionality to Endeavour's project pipeline, and on greenfield exploration properties. Details by asset are provided in the mine sections above.

- Exploration will continue to be a strong focus in 2021 with a budget of $70 - $90 million. Strong efforts are expected to be focussed on the newly acquired mines with the aim of extending their lives. In addition, significant efforts will also focus on greenfield and development properties such as Fetekro, Afema, Kalana, Bantou, Siguiri and other earlier stage tenements.

5. OUTLOOK

- As shown in tables 13 and 14 below, consolidated total production guidance for 2021 amounts to 1,365,000 – 1,495,000 ounces, which includes the Sabodala-Massawa and Wahgnion operations from February 11, 2021.

Table 13: 2021 Consolidated Production guidance

(All amounts in koz, on a 100% basis)	UPDATED GUIDANCE		
Ity	230	—	250
Karma	80	—	90
Houndé	240	—	260
Mana	170	—	190
Boungou	180	—	200
Sabodala-Massawa	310	—	330
Wahgnion	140	—	155
PRODUCTION FROM CONTINUING OPERATIONS	**1,350**	**—**	**1,475**
Agbaou	15	—	20
TOTAL PRODUCTION	**1,365**	**—**	**1,495**

Table 14: 2021 Consolidated AISC guidance[1]

(All amounts in US$/oz)	UPDATED GUIDANCE		
Ity CIL	800	—	850
Karma	1,220	—	1,300
Houndé	855	—	905
Mana	975	—	1,050
Boungou	690	—	740
Sabodala-Massawa	690	—	740
Wahgnion	940	—	990
Corporate G&A		30	
Sustaining exploration		5	
AISC FROM CONTINUING OPERATIONS	**840**	**—**	**890**
Agbaou	1,050	—	1,125
TOTAL AISC	**850**	**—**	**900**

[1]This is a non-GAAP measure. Refer to the non-GAAP measure section of the most recent MD&A for Endeavour and refer to the non-IFRS measures note in this press release. Consolidated AISC guidance is based on $1,500/oz gold price.

- As detailed in the table below, consolidated total sustaining and non-sustaining capital allocations for 2021 amount to $173.0 million and $201.0 million, respectively. More details on the mines can be found in the individual mine sections below.

Table 15: 2021 Consolidated Mine Capital Expenditure Guidance

(All amounts in US$m)	SUSTAINING CAPITAL	NON-SUSTAINING CAPITAL
Ity	28	27
Karma	11	5
Houndé	39	13
Mana	27	62
Boungou	19	22
Sabodala-Massawa	35	47
Wahgnion	14	26
MINE CAPITAL EXPENDITURES FROM CONTINUING OPERATIONS	**172**	**201**
Agbaou	1	0
TOTAL MINE CAPITAL EXPENDITURES	**173**	**201**

- As detailed in the table below, growth capital spend is expected to amount to approximately $46.0 million, mainly related to the ongoing Phase 1 expansion at Sabodala-Massawa mine and studies and holding costs at the Kalana and Fetekro projects, as well as for IT and integration projects.

Table 16:Consolidated Growth and Corporate Capital Expenditure Guidance

(All amounts in US$m)	2021 GUIDANCE
Sabodala-Massawa	25
Fetekro	6
Kalana	6
Golden Hill	3
Bantou	1
Corporate	5
TOTAL	**~46**

- As detailed in the table below, exploration will continue to be a strong focus in 2021 with a budget of $70 - $90 million.

Table 17: 2021 Consolidated Exploration Guidance

(All amounts in US$m)	2021 GUIDANCE
Sabodala-Massawa	~13
Wahgnion	~12
Ity	~9
Mana	~8
Houndé	~7
Boungou	~7
Karma	~0
MINE SUBTOTAL	**~56**
Greenfield and development projects	~14 - 34
TOTAL	**$70 - 90**

6. RESULTS FOR THE PERIOD

6.1. STATEMENT OF COMPREHENSIVE EARNINGS/(LOSS)

Table 18: Statement of Comprehensive Earnings/(Loss)

	THREE MONTHS ENDED			TWELVE MONTHS ENDED	
($'000s)	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Revenue	553,370	434,839	199,406	1,424,111	694,848
Operating expenses	(203,717)	(191,755)	(100,575)	(574,791)	(345,817)
Depreciation and depletion	(91,224)	(90,944)	(42,451)	(260,562)	(152,488)
Royalties	(38,272)	(30,024)	(11,623)	(98,722)	(40,558)
Earnings from mine operations	**220,157**	**122,116**	**44,757**	**490,036**	**155,985**
Corporate costs	(8,366)	(5,101)	(3,250)	(23,747)	(20,620)
Acquisition and restructuring costs	(13,590)	(19,336)	(4,552)	(39,845)	(4,552)
Impairment charge of mining interests	(64,506)	—	(127,380)	(64,506)	(127,380)
Share-based compensation	(5,085)	(7,117)	(8,819)	(18,767)	(21,042)
Exploration costs	(908)	(900)	—	(4,937)	(9,893)
Earnings/(Loss) from operations	**127,702**	**89,662**	**(99,244)**	**338,234**	**(27,502)**
Gain/(loss) on financial instruments	22,451	(26,185)	1,596	(78,690)	(56,380)
Finance costs	(13,299)	(12,212)	(11,466)	(48,832)	(42,446)
Other (expense)/income	(13,976)	23,089	(12,219)	9,257	(8,515)
Earnings/(loss) before taxes	**122,878**	**74,354**	**(121,333)**	**219,969**	**(134,843)**
Current income tax expense	(50,677)	(59,161)	(19,055)	(122,594)	(46,745)
Deferred income tax recovery	2,305	40,696	28,915	36,497	21,614
Net (loss)/earnings from discontinued operations	(44,265)	13,093	(1,604)	(21,803)	18,814
Net comprehensive earnings/(loss)	**30,241**	**68,982**	**(113,077)**	**112,069**	**(141,160)**

Review of results for the three and twelve months ended December 31, 2020:

- Revenues for Q4-2020 were $553.4 million and $1.4 billion for FY-2020, compared to $199.4 million and $694.8 million in the same periods of 2019. The significant increase in revenue is mainly due to the additional revenue in H2-2020 as a result of the acquisition of the Mana and Boungou operating mines as well as favorable impact from higher realized gold price and increased ounces sold. During the quarter, the combined newly acquired Mana and Boungou mines contributed $226.4 million to the consolidated revenue. For the Company's three legacy continuing operations, a higher realized gold price of $1,823 per ounce in Q4-2020 compared to $1,434 per ounce in Q4-2019 positively impacted revenue by $67.9 million. Increased ounces sold attributable to legacy continuing operations from 139,058 ounces in Q4-2019 to 179,354 ounces in Q4-2020 favorably impacted revenue by $59.7 million. Revenue for FY-2020 increased by 105% compared to FY-2019 as the recently acquired Mana and Boungou mines contributed $420.9 million to the consolidated revenues for the year. The realized gold price increased from $1,358 per ounce in FY-2019 to $1,717 per ounce in FY-2020, which resulted in an increase in revenue of approximately $207.1 million for the Company's three legacy continuing operations. An additional 76,786 ounces sold in FY-2020 from the Company's three legacy held mines favorably impacted revenue by $101.2 million.
- Operating expenses for Q4-2020 were $203.7 million and $574.8 million for FY-2020, compared to $100.6 million and $345.8 million in the same periods in 2019. The increase in operating expenses in Q4-2020 compared to same period in 2019 is due to the recently acquired Mana and Boungou mines. Mana and Boungou operating expenses in Q4-2020 were $33.5 million and $37.6 million respectively. Other increases in operating expenses from continuing operations is attributable to Karma mine which increased by $25.0 million due to increases in unit mining cost, unit processing cost and unit G&A cost. Ity mine increased by $11.5 million due to higher reagent cost associated with processing the Daapleu ore materials while Houndé decreased by $4.9 million. Operating expenses for FY-2020 increased by 66.2% compared to same period in prior year. The increase is mainly attributable to acquisition of Mana and Boungou mines during 2020 with operating cost of $86.2 million and $89.1 million respectively. Ity mine operating expenses increased by $32.1 million due to increased production while Karma increased by $20.7 million due to higher unit mining cost. Houndé mine operating expenses decreased marginally by $2.3 million.

- Depreciation and depletion in Q4-2020 were $91.2 million and $260.6 million for FY-2020, compared to $42.5 million and $152.5 million in the comparative periods for 2019. Depreciation and depletion increased in Q4-2020 compared to the comparative quarter in 2019 due to the depreciation of Mana and Boungou. Depreciation and depletion increased in FY-2020 by $108.1 million compared to FY-2019 mainly due to a higher depreciation charge with the inclusion of Mana and Boungou from Q3-2020, as well as the increased depreciation at Ity on a full-year basis as the asset commenced commercial production in Q2-2019.
- Royalties were $38.3 million for Q4-2020 and $98.7 million for FY-2020, compared to $11.6 million and $40.6 million in the comparative period in 2019. The increase in royalty expense is due to the impact of including the Mana and Boungou mines which were acquired during the year as well as the higher realized gold price, which increased the underlying royalty rate based on the applicable sliding scale (in Burkina Faso, a spot price of gold above $1,300 per ounce increases the government royalty rates from 4.0% to 5.0%, and in Côte d'Ivoire, a spot price of gold above $1,600 per ounce increases the royalty rates from 4.0% to 5.0%).
- Corporate costs were $8.4 million for Q4-2020 and $23.7 million for FY-2020, compared to $3.3 million and $20.6 million in the comparative periods for 2019. The increase in corporate cost is mainly due to additional corporate costs following the integration of SEMAFO head office cost effective July 1, 2020, reflective of the increase in the Company's operations.
- Acquisition and restructuring costs of $13.6 million for Q4-2020 and $39.8 million for FY-2020 mainly consists of advisory fees related to the SEMAFO acquisition, which closed on July 1, 2020 and the Teranga acquisition which closed on February 10, 2021, as well as costs related to the potential transaction with the board of Centamin plc incurred in Q1-2020.
- An impairment charge of $64.5 million was recognized in Q4-2020 and FY-2020 of which $44.6 million related to an impairment charge for the Karma mine, as a result of the high operating costs, and the limited remaining mine life. An impairment charge of $127.4 million was recognized in the same period of 2019, which had been triggered by a decrease in reserves at Karma. These impairment charges were recognized based on the recoverable amount for the mine, determined as the estimated fair value less costs of disposal, exceeding the carrying value of the Karma mine. In Q4-2020 and FY-2020, the Company also recognized an impairment of $19.9 million related to exploration costs on permits for which no further work is planned.
- Share based compensation was $5.1 million in Q4-2020 and $18.8 million in FY-2020, compared to $8.8 million and $21.0 million in the same periods for 2019. The decrease in Q4-2020 compared to Q4-2019 as well as decrease in YTD-2020 compared to same period in prior year is mainly due to the decrease in fair value of performance share units ("PSUs") granted. The fair value of the PSUs is determined based on Total Shareholder Return ("TSR") relative to peer companies and achieving certain operational performance measures.
- The loss on financial instruments was $22.5 million in Q4-2020 and $78.7 million FY-2020, compared to a gain of $1.6 million and a loss of $56.4 million in the same periods in 2019. The loss in FY-2020 is mainly due to the net impact of losses on the gold revenue protection program of $21.2 million, realized loss on convertible senior bond derivative of $43.2 million due to the increase in Endeavour share price and market volatility, a loss on change in fair value of receivables measured at fair value through profit and loss of $13.3 million, foreign exchange losses of $5.2 million, loss on other financial instrument of $2.5 million, offset by a realized gain on the settlement of a gold forward contract of $6.7 million.
- Finance costs were $13.3 million for Q4-2020 and $48.8 million for FY-2020, compared to $11.5 million and $42.4 million in the same periods in 2019. Finance costs are primarily associated to interest expense on the revolving credit facility ("RCF"), convertible debt, and finance obligations and lease liabilities. 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 (expenses)/income were an expense of $14.0 million for Q4-2020 and an income of $9.3 million for FY-2020, compared to an expense of $12.2 million and an expense of $8.5 million for the same periods in prior year. Other expense for the Q4-2020 mainly relates to additional custom charges assessment in Côte d'Ivoire. FY-2020 other income of $9.3 million mainly relate to an $22.2 million reimbursement of expenditures from a mining contractor on previously capitalized expenditures at Karma which offset the custom assessment in Q4-2020.
- Current income tax expense was $50.7 million in Q4-2020 and $122.6 million FY-2020 compared to $19.1 million and $46.7 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 withholding tax charges on dividends and interest, and overall higher taxable profit at all mines due to the increased gold price.
- Net (loss)/earnings from discontinued operations was a loss of $44.3 million for Q4-2020 and a loss of $21.8 million for FY-2020 compared to a loss of $1.6 million and a gain of $18.8 million for the comparative period. The discontinued operations relates to the Agbaou mine which was deemed a non-core asset and has since been disposed effective March 1, 2021. The loss in Q4-2020 and FY-2020 is due to the earnings from mine operations being more than offset by a write-down of the mining interests by $19.9 million to reflect the lower of the fair value less costs of disposal and the carrying value of the CGU, as well as a tax expense of $55.6 million which is made up of a deferred tax recovery of $7.9 million and an income tax expense of $63.4 million driven by a withholding tax expense on Endeavour's portion of dividends declared by Agbaou during the year.

6.2. CASH FLOWS

Table 19: Summarized cash flows

($'000s except gold produced and ounces sold)	Unit	THREE MONTHS ENDED December 31, 2020	September 30, 2020	December 31, 2019	TWELVE MONTHS ENDED December 31, 2020	December 31, 2019
Operating cash flows before changes in working capital	$	297,384	160,469	44,579	628,664	192,626
Changes in working capital	$	86,608	22,993	47,427	81,899	12,905
Cash (used in)/generated from discontinued operations	$	(20,318)	18,421	28,365	38,365	96,354
Cash generated from operating activities	$	363,674	201,883	120,371	748,928	301,885
Cash (used in)/generated from investing activities	$	(96,539)	41,753	(40,222)	(160,111)	(251,526)
Cash (used in)/generated from financing activities	$	(79,715)	(74,731)	(10,326)	(70,714)	15,124
Effect of exchange rate changes on cash	$	3,931	2,602	(35)	6,683	384
Increase in cash	**$**	**191,351**	**171,507**	**69,788**	**524,786**	**65,867**

[1]*Non-GAAP financial performance measures with no standard meaning under IFRS. Refer to the Non-GAAP Measures section for further details.*

- Operating cash flows before changes in working capital were $297.4 million and $628.7 million in Q4-2020 and FY-2020 compared to $44.6 million and $192.6 million in the comparative periods in the prior year. FY-2020 has increased by $436.0 million relative to FY-2019 due primarily to the increase in the Company's earnings from mine operations as noted previously, driven by the acquisition of SEMAFO and the inclusion of the results of operations at Mana and Boungou for the last six months of the year, as well as the higher gold price over the course of the year for all of the Company's operations.
- The FY-2020 working capital is an inflow of $81.9 million which is broken down as follows:
  - Receivables were an inflow of $4.1 million for FY-2020. This is mainly due to a decrease in VAT receivables at Mana and Boungou offset by increase in VAT receivable at Houndé. VAT received during FY-2020 was $39.1 million made up of Houndé mine ($15.6 million), Mana mine ($14.2 million), Karma mine ($4.8 million) and Boungou mine ($4.6 million).
  - Inventories were an inflow of $45.1 million in FY-2020, this is mainly due to the decrease in stockpiles, GIC and consumables at Ity and Houndé as well as decrease of GIC at Karma.
  - Prepaid expenses and other was an outflow of $10.0 million mainly due to an increase in prepayments at Boungou of $6.4 million following the restart of mining activities on October 15, 2020.
  - Accounts payable was an inflow of $48.3 million for Q4-2020 and a $42.7 million inflow in FY-2020.
- Operating cash flows after changes in working capital were $363.7 million and $748.9 million in Q4-2020 and FY-2020 compared to $120.4 million and $301.9 million in the comparative periods in the prior year. Q4-2020 increased by $161.8 million relative to Q3-2020 driven by increased production and the significant change in working capital. FY-2020 has increased by $447.0 million relative to FY-2019 due to increased production for the year, from the Company's existing mines, as well as from the Mana and Boungou mines, at higher realized gold prices. There was also a positive impact from changes in working capital (see above), offset by decrease in the operating cash flows from discontinued operations related to the Agbaou mine.
- Cash flows used by investing activities were $96.5 million and $160.1 million in Q4-2020 and FY-2020 compared to $40.2 million and $251.5 million in the comparative periods in the prior year. The Q4-2020 amount has increased relative to Q4-2019 mainly due to expenditures on mining interests of $81.6 million and a decrease in long term inventory of $11.8 million. FY-2020 has decreased by $91.4 million relative to FY-2019 due to cash inflows of $93.0 million on the acquisition of SEMAFO, as well as a positive change on long-term assets of $9.2 million which are offset by an increase in expenditures on mining interests of $27.7 million due to the larger portfolio of assets.
- Cash flows used in financing activities were $79.7 million and $70.7 million in Q4-2020 and FY-2020 compared to cash flows used of $10.3 million and cash flows generated of $15.1 million in the comparative periods in the prior year. The Q4-2020 amount has increased relative to Q4-2019 due primarily to the repayment of remaining finance obligations in Q4-2020 for approximately $50.4 million in addition to the finance costs related to those liabilities throughout the year. FY-2020 has also decreased by $85.8 million relative to FY-2019 due to additional repayments of long-term debt in 2020 of $150.0 million, net of draw downs of $120.0 million made in Q1-2020 as a precaution relating to the COVID-19 pandemic. The financing activities for the year also include the $100.0 million raised in the private placement completed in July 2020. Finance charges have increased due to additional costs related to the extension of the RCF completed in September 2020. The Company paid dividends of $8.6 million during the year to its non-controlling interests compared to $1.1 million in the prior year.

Table 20: Reconciliation of All-In Margin to Free Cash Flow[1]

The following table reconciles the all-in sustaining margin[1], and all-in margin[1] to the change in cash for the periods below.

		THREE MONTHS ENDED			TWELVE MONTHS ENDED	
($'000s except gold produced and ounces sold)	Unit	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Gold produced	oz	315,176	218,801	142,639	802,971	512,978
Gold ounces sold	oz	300,622	236,292	139,058	808,806	511,749
Realized gold price	$/oz	1,841	1,840	1,434	1,761	1,358
Revenue	$	553,370	434,839	199,406	1,424,111	694,848
Total cash costs[1]	$	(209,988)	(186,931)	(106,470)	(605,556)	(374,356)
Corporate costs	$	(8,366)	(5,101)	(3,250)	(23,747)	(20,620)
Sustaining capital[1]	$	(15,939)	(16,069)	(3,231)	(60,942)	(26,561)
All-in Sustaining Margin from continuing operations[1]	**$**	**319,077**	**226,738**	**86,455**	**733,866**	**273,311**
All-in Sustaining Margin from discontinued operations[1]	$	21,724	17,931	20,039	76,728	82,531
All-in Sustaining Margin[1]	**$**	**340,801**	**244,669**	**106,494**	**810,594**	**355,842**
Less: Non-sustaining capital[1]	$	(39,492)	(25,933)	(20,219)	(105,254)	(57,343)
Less: Non-sustaining exploration[1]	$	(23,177)	(7,670)	(2,407)	(63,340)	(39,210)
All-In Margin[1]	**$**	**278,132**	**211,066**	**83,868**	**642,000**	**259,289**
Growth projects[1]	$	(3,502)	—	(1,742)	(7,701)	(94,084)
Exploration expense[2]	$	(908)	(900)	—	(4,937)	(9,893)
Changes in working capital, other non-cash changes	$	35,368	(9,818)	42,184	12,413	(7,422)
Interest paid	$	(5,908)	(11,042)	(5,803)	(33,654)	(33,033)
Taxes paid	$	(46,613)	(33,613)	(14,025)	(108,898)	(65,997)
Other operating cash flow changes [3]	$	3,972	(9,608)	(8,308)	(23,700)	(10,457)
Free cash flow[1]	**$**	**260,541**	**146,085**	**96,174**	**475,523**	**38,403**
Acquisition costs	$	(13,590)	(19,336)	(4,552)	(33,151)	(4,552)
Reimbursement of expenditures on mining interest	$	—	22,238	—	22,238	—
Cash flows (used in)/ generated from investing activities, excluding expenditures on mining interests [3]	$	(12,780)	94,794	(11,473)	90,553	(16,525)
Cash flows (used in)/ generated from financing activities, excluding interest paid [4]	$	(38,912)	(73,706)	(9,927)	(28,217)	54,808
Cash flows used in financing activities by discontinued operations	$	(7,839)	(335)	(399)	(8,843)	(6,651)
Effect of exchange rate changes on cash	$	3,931	1,767	(35)	6,683	384
Increase in cash and cash equivalents in the period		**191,351**	**171,507**	**69,788**	**524,786**	**65,867**

[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.
[3] Other operating cash flow changes is the sum of cash paid on settlement of DSUs and PSUs, cash paid on settlement of other financial assets and liabilities, and foreign exchange gain/loss as disclosed in the consolidated statement of cash flows.
[4] Investing activities excluding expenditures on mining interests consists of the investing cash flows from continuing operations less expenditures on mining interests, as disclosed in the consolidated statement of cash flows.
[5] Financing activities excluding interest paid consists of the financing cash flows from continuing operations less interest paid, as disclosed in the consolidated statement of cash flows.

- Taxes paid increased by $13.0 million and $32.6 million in Q4-2020 compared to Q3-2020 and Q4-2019 respectively, mainly due to withholding tax payments on a dividend declared at Agbaou during Q4-2020. The withholding tax payment is also the main cause for the increase in taxes paid for FY-2020 of $42.9 million compared to the previous year.
- Other changes in operating cash flows consists primarily of the cash payments on the settlement of other financial assets and liabilities including an outflow of $21.2 million realized loss related to the gold collar, and an inflow of $6.7 million related to short-term forward sales in FY-2020. The collar expired at the end of June 2020 with the final payment on the

collar paid during Q3-2020. This balance also includes some foreign exchange as well as the cash paid on the settlement of the PSUs and DSUs in the year.

- Cash paid for acquisition costs relate to M&A activities during FY-2020 was $33.2 million and primarily relates to cash paid for advisory fees related to the SEMAFO and Teranga acquisitions. $19.3 million and $13.6 million was paid in Q3-2020 and Q4-2020 respectively compared to $nil and $4.6m paid in Q3-2019 and Q4-2019 respectively. M&A payments have increased substantially in FY-2020 compared to FY-2019 as a direct result of SEMAFO and Teranga acquisitions that were completed in July 2020 and February 2021. No acquisitions were completed in FY-2019.
- 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.
- Cash flows generated from investing activities excluding expenditures on mining interests for FY-2020 was $90.6 million and is made up of $93.0 million of cash acquired upon acquisition of Semafo, $10.3 million in proceeds from the sale of mining equipment to mining contractors at the Karma and Ity mines, $5.4 million in cash paid for an additional interest of the Ity mine, as well as cash outflows related to other assets of $7.3 million.
- Cash flows used in financing activities, excluding interest paid in FY-2020 of $33.6 million, relates to the full repayment of the remaining equipment finance obligations with Komatsu, Caterpillar and BIA at the Ity and Houndé mines in Q4 2020, of $50.4 million, the payment of on-going finance leases of $32.3 million; payment of financing fees of $6.9 million; payment of dividends to minority shareholders at Mana of $6.8 million in Q4-2020 relating to a dividend declared in Q2-2020 as well as dividend declared and paid to minority shareholders of $1.7 million at Houndé. Other payments relate to the repayment of $120.0 million of the RCF which was drawn-down in Q1-2020 along with the repayment of existing $30.0 million of debt acquired upon acquisition of SEMAFO. These payments were offset by the proceeds of $100.0 million from the La Mancha private placement after the closing of the transaction with SEMAFO.
- Cash flows used in financing activities by discontinued operations relates to the financing cash flows from the Agbaou mine.

6.3. LIQUIDITY AND FINANCIAL CONDITION

Table 21: Summarized Statement of Financial Position

($'000s)	As at December 31, 2020	As at December 31, 2019
ASSETS		
Cash	644,970	189,889
Other current assets	268,373	204,925
Current assets excluding assets held for sale	913,343	394,814
Assets held for sale	180,808	—
Total current assets	***1,094,151***	***394,814***
Mining interests	2,566,098	1,410,274
Deferred income taxes	19,774	5,498
Other long term assets	201,694	62,205
TOTAL ASSETS	3,881,717	1,872,791
LIABILITIES		
Other current liabilities	283,392	213,047
Income taxes payable	150,459	54,968
Current liabilities excluding liabilities held for sale	433,851	268,015
Liabilities held for sale	112,796	—
Total current liabilities	***546,647***	***268,015***
Finance and lease obligations	23,544	57,403
Long-term debt	688,266	638,980
Other financial liabilities	2,919	3,390
Environmental rehabilitation provision	78,011	38,521
Deferred income taxes	296,150	49,985
TOTAL LIABILITIES	**1,635,537**	**1,056,294**
TOTAL EQUITY	**2,246,180**	**816,497**
TOTAL EQUITY AND LIABILITIES	**3,881,717**	**1,872,791**

- Other current assets as at December 31, 2020 is made up of $52.8 million of trade and other receivables, $190.0 million of inventories and $25.5 million of prepaid expenses and other.
  - Trade and other receivables increased by $33.6 million compared to December 31, 2019 mainly due to the inclusion of VAT receivables at the newly acquired Mana and Boungou mines, as well as slight increases in VAT at both Houndé and Karma over the course of the year.
  - Inventories increased by $21.6 million primarily due to the inclusion of the inventories at the Mana and Boungou mines, as well as an increase in stockpiles at both Houndé and Ity.
  - Prepaid expenses and other increased by $8.2 million primarily due to prepayments made to the mining contract at Mana.
- Mining interests increased by $1.2 billion due to the inclusion of the acquired mineral property of the SEMAFO assets.
- Deferred income tax assets of $19.8 million relate to timing differences of taxes paid in-country which meet the criteria for recognition as deferred tax assets.
- Other long-term assets are made up of $98.7 million of goodwill related to the Semafo acquisition, $77.0 million of long-term stockpiles not expected to be used in the next twelve months at the Ity and Houndé mines, as well as $24.4 million of restricted cash relating to reclamation bonds. Other long-term assets increased by $139.5 million in 2020 due to the goodwill recognized upon acquisition of Semafo and an increase in stockpiles of $54.5 million.
- Other current liabilities is made up of $269.7 million of trade and other payables and $13.7 million of finance and lease obligations. Trade and other payables increased by $96.5 million mainly due to the inclusion of the SEMAFO assets

accounting for an additional $87.1 million compared to prior year. Finance and lease obligations decreased by $15.8 million due to the full repayment of finance obligations at the Houndé and Ity mines relating to the mining fleet, offset by the increase in lease liabilities recognized upon acquisition of Mana and Boungou.

- Income taxes payable increased by $95.5 million compared to the prior year and is due to the inclusion of Mana and Boungou in the year, as well as an increase in taxes payable across all operations due to increased revenues and taxable profits relating to higher gold prices.

Net Debt Position

The following table summarizes the Company's net debt position as at December 31, 2020 and December 31, 2019.

Table 22: Net Debt Position

($'000s)	December 31, 2020	December 31, 2019
Cash and cash equivalents	644,970	189,889
Cash included in assets held for sale	69,705	—
Less: Equipment finance obligation	—	(78,081)
Less: Convertible senior bond	(330,000)	(330,000)
Less: Drawn portion of $430 million RCF	(310,000)	(310,000)
Net Cash/(Debt)	**74,675**	**(528,192)**
Net(Cash)/Debt / Adjusted EBITDA LTM ratio[1]	**(0.09)**	**1.48**

[1]*Adjusted EBITDA is per table 25 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 which were repaid at the end of the year.

Long-term Debt

Convertible senior bond

On February 8, 2018, the Company 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 Company'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. Notes mature on February 15, 2023, unless redeemed earlier, repurchased or converted in accordance with the terms of the Notes. The note holders can convert their Notes at any time prior to the maturity date. Also, the Notes are redeemable in whole or in part, at the option of the Company, at a redemption price equal to the principal amount of the Notes being redeemed, plus any accrued and unpaid interest, if the share price exceeds 130% of the conversion price on each of at least 20 of the trading days during the 30 days prior to the redemption notice. The Company may, subject to certain conditions, elect to satisfy the principal amount and conversion option due at maturity or upon conversion or 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 Company 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.

The unrealized gain/loss on the convertible note option for the year ended December 31, 2020 was an unrealized loss of $43.2 million (year ended December 31, 2019 -   unrealized loss of $6.4 million).

Revolving credit facility

On May 17, 2019, the Company renewed its $430.0 million revolving credit facility ("RCF") with a syndicate of leading international banks. On September 10, 2020, the Company signed for a one year extension on the RCF, delaying the maturity date to September 2022. Subsequently on December 24, 2020, the Company entered into an amendment agreement to the RCF, extending its maturity to January 15, 2023 which only became effective after year-end.

The key terms of the RCF include:

- Principal amount of $430.0 million.
- Interest accrues on a sliding scale of between LIBOR plus 2.95% to 3.95% based on the Company's leverage ratio.
- Commitment fees for the undrawn portion of the RCF of 1.03%.
- The RCF matures in September 2022.
- The principal outstanding on the RCF is repayable as a single bullet payment on the maturity date.
- Banking syndicate includes Société Générale, ING, Citibank N.A., Investec Bank Plc, Macquarie Bank Ltd, Barclays Bank, HSBC and BMO.
- The RCF can be repaid at any time without penalty.

Covenants on the RCF include:

- Interest cover ratio as measured by ratio of earnings before interest, tax, depreciation and amortization ("EBITDA") to finance cost for the trailing 12 months to the end of a quarter shall not be less than 3.0:1.0
- Leverage as measured by the ratio of net debt to EBITDA at the end of each quarter must not exceed 3.5:1.0

Equity and Capital

On December 13, 2020 the Company amended the authorized share capital from 200,000,000 voting ordinary shares of a par value of $0.10 each and 100,000,000 undesignated shares to 300,000,000 voting ordinary shares of a par value of $0.10 each. The table below summarizes Endeavour's share structure at December 31, 2020.

Table 23: Outstanding Shares

	December 31, 2020	December 31, 2019
Shares issued and outstanding	163,036,473	109,927,097
Stock options	—	14,950

As at March 17, 2021, the Company had 243,457,437 shares issued and outstanding, and no outstanding stock options.

6.4. ACCOUNTING POLICIES AND CRITICAL JUDGEMENTS

Critical judgements and key sources of estimation uncertainty

The Company's management has made critical judgments and estimates in the process of applying the Company's accounting policies to the consolidated financial statements that have significant effects on the amounts recognized in the Company's consolidated financial statements. These judgements and estimations include commencement of commercial production, determination of economic viability, functional currency, indicators of impairment and impairment of mining interests, assets held for sale and discontinued operations, value added tax, estimated recoverable ounces, mineral reserves, environmental rehabilitation costs, share-based payments, net realizable value and obsolete stock provisions of inventories, current income tax provisions, business combinations, capitalization of waste stripping, and the purchase price allocation of the SEMAFO acquisition which is still provisional. The changes made to these judgements compared to December 31, 2019 relate primarily to the impact of the acquisition of SEMAFO during the year as well as the accounting for the Agbaou mine as an asset held for sale and a discontinued operations.

7. NON-GAAP MEASURES

7.1. ALL-IN MARGIN AND ADJUSTED EBITDA

The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use the all-in margin and adjusted earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA") to evaluate the Company'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 December 31, 2020, September 30, 2020, and December 31, 2019 and twelve months ended December 31, 2020 and December 31, 2019.

Table 24: All-In Sustaining Margin and All-In Margin

	THREE MONTHS ENDED			TWELVE MONTHS ENDED	
($'000s)	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Revenues	553,370	434,839	199,406	1,424,111	694,848
Less: Total cash costs	(209,988)	(186,931)	(106,470)	(605,556)	(374,356)
Less: Corporate G&A	(8,366)	(5,101)	(3,250)	(23,747)	(20,620)
Less: Sustaining capital	(15,939)	(16,069)	(3,231)	(60,942)	(26,561)
All-in sustaining margin from continuing operations	**319,077**	**226,738**	**86,455**	**733,866**	**273,311**
Gold ounces sold	300,622	236,292	139,058	808,806	511,749
All-in sustaining margin per ounce sold from continuing operations	**1,061**	**960**	**622**	**907**	**534**
Less: Non-Sustaining capital	(39,492)	(25,933)	(20,219)	(105,254)	(57,343)
Less: Non-Sustaining exploration	(23,177)	(7,670)	(2,407)	(63,340)	(39,210)
All-in margin from continuing operations	**256,408**	**193,135**	**63,829**	**565,272**	**176,758**

Table 25: Adjusted EBITDA

	THREE MONTHS ENDED			TWELVE MONTHS ENDED	
($'000s)	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Earnings/(Loss) before taxes	122,878	74,354	(121,333)	219,969	(134,843)
Add back: Depreciation and depletion	91,224	90,944	42,451	260,562	152,488
Add back: Impairment charge of mineral interests	64,506	—	127,380	64,506	127,380
Add back: Acquisition and restructuring costs	13,590	19,336	4,552	39,845	4,552
Add back: Other expense/(income)	13,976	(23,089)	12,219	(9,257)	8,515
Add back: Finance costs	13,299	12,212	11,466	48,832	42,446
Add back: Loss/(gain) on financial instruments	(22,451)	26,185	(1,596)	78,690	56,380
Adjusted EBITDA	**297,022**	**199,942**	**75,139**	**703,147**	**256,918**

7.2. CASH AND ALL-IN SUSTAINING COST PER OUNCE OF GOLD SOLD

The Company reports cash costs based on ounces sold. The Company 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 December 31, 2020, September 30, 2020, and December 31, 2019 and twelve months ended December 31, 2020 and December 31, 2019.

Table 26: Cash Costs

	THREE MONTHS ENDED			TWELVE MONTHS ENDED	
($'000s except ounces sold)	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Operating expenses from mine operations	(203,717)	(191,755)	(100,575)	(574,791)	(345,817)
Royalties	(38,272)	(30,024)	(11,623)	(98,722)	(40,558)
Non-cash and other adjustments	32,001	34,848	5,728	67,957	12,019
Cash costs from continuing operations	**(209,988)**	**(186,931)**	**(106,470)**	**(605,556)**	**(374,356)**
Gold ounces sold	300,622	236,292	139,058	808,806	511,749
Total cash cost per ounce of gold sold from continuing operations	**699**	**791**	**766**	**749**	**732**
Cash costs from discontinued operations	(27,193)	(24,898)	(24,946)	(95,279)	(92,751)
Total cash costs	**(237,181)**	**(211,829)**	**(131,416)**	**(700,835)**	**(467,107)**
Gold ounces sold	327,774	261,571	171,862	913,727	648,755
Total cash cost per ounce of gold sold	**724**	**810**	**765**	**767**	**720**

The Company 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 27: All-In Sustaining Costs

	THREE MONTHS ENDED			TWELVE MONTHS ENDED	
($'000s except ounces sold)	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Total cash costs for ounces sold from continuing operations	(209,988)	(186,931)	(106,470)	(605,556)	(374,356)
Corporate G&A	(8,366)	(5,101)	(3,250)	(23,747)	(20,620)
Sustaining Capital	(15,939)	(16,069)	(3,231)	(60,942)	(26,561)
All-in sustaining costs from continuing operations	(234,293)	(208,101)	(112,951)	(690,245)	(421,537)
Gold ounces sold	300,622	236,292	139,058	808,806	511,749
All-in sustaining costs per ounce sold from continuing operations	**779**	**881**	**812**	**853**	**824**
Including discontinued operations					
All in sustaining costs from Agbaou	(28,956)	(28,791)	(27,752)	(107,758)	(108,992)
All-in sustaining costs from all operations	(263,249)	(236,892)	(140,704)	(798,003)	(530,529)
Gold ounces sold	327,774	261,571	171,862	913,727	648,755
All-in sustaining cost per ounce sold	**803**	**906**	**819**	**873**	**818**

The Company presents its sustaining capital expenditures in its all-in sustaining costs to reflect the capital expenditures related to producing and selling gold from its on-going mine operations. The distinction between sustaining and non-sustaining capital reflects the definition set out by the World Gold Council. Non-sustaining capital is capital expenditure incurred at new projects and costs related to major projects or expansions at existing operations where these projects will materially benefit the operations. This non-GAAP measure provides investors with transparency regarding the capital costs required to support the on-going operations at its mines, relative to its total capital expenditures. Readers should be aware that these measures do 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 IFRS.

Table 28: Sustaining and Non-Sustaining Capital

	THREE MONTHS ENDED			TWELVE MONTHS ENDED	
($'000s)	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Expenditures on mining interests	83,874	53,565	30,405	249,716	233,439
Non-sustaining capital expenditures[1]	(39,492)	(25,933)	(20,219)	(105,254)	(57,343)
Non-sustaining exploration	(23,177)	(7,670)	(2,407)	(63,340)	(39,210)
Growth projects	(3,502)	—	(1,742)	(7,701)	(94,084)
Sustaining Capital[2]	**17,703**	**19,962**	**6,037**	**73,421**	**42,802**

[1] Non-sustaining capital expenditures includes $1.4 million for FY-2020 and $0.5 million for Q4-2020 incurred at the Agbaou mine.
[2] Sustaining Capital includes $12.5 million for FY-2020 and $1.8 million for Q4-2020 incurred at the Agbaou mine.

7.3. 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 29: Adjusted Net Earnings

	THREE MONTHS ENDED			TWELVE MONTHS ENDED	
($'000s)	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Total net and comprehensive earnings/(loss)	30,241	68,982	(113,077)	112,069	(141,160)
Net loss/(earnings) from discontinued	44,265	(13,093)	1,604	21,803	(18,814)
Deferred income tax (recovery)	(2,305)	(41,056)	(28,915)	(36,497)	(21,614)
(Gain)/loss on financial instruments	(22,451)	26,185	(1,596)	78,690	56,380
Other expenses/(income)	13,976	(23,089)	12,219	(9,257)	8,515
Share-based compensation	5,085	7,117	8,819	18,767	21,042
Acquisition and restructuring costs	13,590	19,336	4,552	39,845	4,552
Non-cash and other adjustments[1]	32,001	34,848	28,634	67,957	33,724
Impairment charge on mineral interests	64,506	—	127,380	64,506	127,380
Adjusted net earnings	**178,908**	**79,230**	**39,620**	**357,883**	**70,005**
Attributable to non-controlling interests	**15,306**	**12,504**	**10,575**	**45,508**	**33,678**
Attributable to shareholders of the Corporation	**163,602**	**66,726**	**29,045**	**312,375**	**36,327**
Weighted average number of shares issued and outstanding	163,036,473	162,986,253	109,927,097	137,042,765	109,822,221
Adjusted net earnings from continuing operations per basic share	**1.00**	**0.41**	**0.26**	**2.28**	**0.33**

[1] Non-cash and other adjustments mainly relate to non-cash depreciation of inventory associated with the fair value bump on purchase price allocation of SEMAFO and write-downs of unrecoverable GIC balances at Karma.

7.4. ADJUSTED OPERATING CASH FLOW AND OPERATING CASH FLOW PER SHARE

The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use free cash flow to assess the Company'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 30: Adjusted Operating Cash Flow (AOCF) and Adjusted Operating Cash Flow (AOCF) per share

	THREE MONTHS ENDED			TWELVE MONTHS ENDED	
($'000s)	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Adjusted operating cash flow					
Cash flows generated from operating activities	**363,674**	**201,883**	**120,371**	**748,928**	**301,885**
Changes in working capital[1]	(97,576)	20,914	(50,453)	(89,296)	(14,674)
Taxes on additional dividend declared at Agbaou	44,975	—	—	44,975	—
Adjusted operating cash flows before working capital	**311,073**	**222,797**	**69,918**	**704,607**	**287,211**
Divided by weighted average number of O/S shares, in thousands	163,036	162,986	109,927	137,043	109,822
Adjusted operating cash flow per share from all operations	**$ 2.23**	**$ 1.24**	**$ 1.10**	**$ 5.46**	**$ 2.75**
Adjusted operating cash flow before working capital per share from all operations	**$ 1.91**	**$ 1.37**	**$ 0.64**	**$ 5.14**	**$ 2.62**

[1] *Changes in working capital include the impact of discontinued operations for all periods.*

Table 31: Operating Cash Flow (OCF) and Operating Cash Flow (OCF) per share

	THREE MONTHS ENDED			TWELVE MONTHS ENDED	
($'000s)	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Operating cash flow					
Cash generated from operating activities by continuing operations	**383,992**	**173,174**	**92,006**	**710,563**	**205,531**
Changes in working capital from continuing	(86,608)	21,775	(47,427)	(81,899)	(12,905)
Operating cash flows before working capital	**297,384**	**194,949**	**44,579**	**628,664**	**192,626**
Divided by weighted average number of O/S	163,036	162,986	109,927	137,043	109,822
Operating cash flow per share from continuing operations	**$ 2.36**	**$ 1.06**	**$ 0.84**	**$ 5.18**	**$ 1.87**
Operating cash flow per share before working capital from continuing operations	**$ 1.82**	**$ 1.20**	**$ 0.41**	**$ 4.59**	**$ 1.75**

7.5. NET CASH, NET DEBT/ADJUSTED EBITDA RATIO

The Company is reporting Net Cash, Net Debt and Net Cash, Net Debt/Adjusted EBITDA ratio. This non-GAAP measure provides investors with transparency regarding the liquidity position of the Company. 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 cash and net debt is shown in table 22, calculated as nominal undiscounted debt including leases (but excluding liabilities recognized on the adoption of IFRS 16), less cash. The following table explains the calculation of net cash, net debt/Adjusted EBITDA ratio using the last twelve months of Adjusted EBITDA.

Table 32: Net Cash, Net Debt/ Adjusted EBITDA ratio

($'000s)	December 31, 2020	December 31, 2019
Net (Cash)/Debt	(74,675)	528,192
Trailing twelve month Adjusted EBITDA[1]	802,773	355,690
Net (Cash)/Debt / Adjusted EBITDA LTM ratio	**(0.09)**	**1.48**

[1] *Trailing twelve month Adjusted EBITDA is as reported in prior periods for each quarter prior to Q4-2020.*

7.6. RETURN ON CAPITAL EMPLOYED

The Company 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 25 adjusted to include Adjusted EBITDA from discontinued operations) 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 33: Return on Capital Employed

	TRAILING TWELVE MONTHS	
($'000s unless otherwise stated)	December 31, 2020	December 31, 2019
Adjusted EBITDA	802,773	355,690
Less: depreciation and amortization	(298,897)	(197,219)
Adjusted EBIT (A)	**493,457**	**158,471**
Opening Capital employed (B)	**1,604,776**	**1,637,623**
Total Assets	3,881,717	1,872,791
Less: Current Liabilities	(546,647)	(268,015)
Closing Capital employed (C)	**3,335,070**	**1,604,776**
Average Capital Employed (D)=(B+C)/2	**2,469,923**	**1,621,200**
ROCE (A)/(D)	**20%**	**10%**

8. QUARTERLY AND ANNUAL FINANCIAL AND OPERATING RESULTS

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

Table 34: 2020 Quarterly Key Performance Indicators

		FOR THE THREE MONTHS ENDED			
($'000s except ounces sold)	Unit	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Gold ounces sold	oz	300,622	236,292	124,761	147,131
Gold revenues	$	553,370	434,839	209,581	226,321
Operating cash flows from continuing operations	$	383,992	173,174	53,529	99,867
Earnings from continuing mine operations	$	220,157	122,116	75,584	72,182
Net comprehensive earnings/(loss)	$	30,241	68,982	(22,616)	35,463
Net comprehensive (loss)/earnings from discontinued operations	$	(44,265)	13,093	1,391	7,978
Net earnings/(loss) from continuing operations attributable to shareholders	$	65,751	43,649	(33,736)	19,366
Net (loss)/earnings from discontinued operations attributable to shareholders	$	(48,180)	14,790	3,951	6,632
Basic earnings/(loss) per share from operations	$	0.40	0.27	(0.30)	0.18
Diluted earnings/(loss) per share from operations	$	0.40	0.27	(0.30)	0.18
Basic (loss)/earnings per share from discontinued operations	$	(0.30)	0.09	0.04	0.06
Diluted (loss)/earnings per share from discontinued operations	$	(0.30)	0.09	0.04	0.06

Table 35: 2019 Quarterly Key Performance Indicators

		FOR THE THREE MONTHS ENDED			
($'000s except ounces sold)	Unit	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Gold ounces sold	oz	139,058	149,187	136,338	87,166
Gold revenues	$	199,406	213,918	174,263	107,262
Operating cash flows from continuing operations	$	92,006	72,822	42,801	(2,097)
Earnings from continuing mine operations	$	44,757	64,974	44,752	1,503
Net comprehensive (loss)/earnings	$	(113,076)	(23,545)	6,904	(11,443)
Net comprehensive earnings from discontinued operations	$	2,790	6,282	1,827	12,308
Net loss from continuing operations attributable to shareholders	$	(111,662)	(37,160)	(698)	(24,986)
Net (loss)/earnings from discontinued operations attributable to shareholders	$	(1,507)	4,961	1,409	10,319
Basic loss per share from continuing operations	$	(1.02)	(0.34)	(0.01)	(0.23)
Diluted loss per share from continuing operations	$	(1.02)	(0.34)	(0.01)	(0.23)
Basic (loss)/earnings per share from discontinued operations	$	(0.01)	0.05	0.01	0.09
Diluted (loss)/earnings per share from discontinued operations	$	(0.01)	0.05	0.01	0.09

Table 36: Annual Key Performance Indicators[1]

	FOR THE YEAR ENDED		
($'000s except per share amounts)	December 31, 2020	December 31, 2019	December 31, 2018
Gold ounces sold	808,806	511,749	469,544
Gold revenues	1,424,111	694,848	571,701
Operating cash flows from continuing operations	710,563	205,531	196,371
Operating cash flows from discontinued operations	38,365	96,354	54,549
Earnings/(Loss) from continuing mine operations	338,234	(27,502)	53,568
Net and comprehensive earnings/(loss) from continuing operations	133,872	(159,974)	127,609
Net and comprehensive (loss)/earnings from discontinued operations	(21,803)	18,814	(110,549)
Net earnings/(loss) from continuing operations attributable to shareholders	95,030	(174,506)	(37,675)
Net earnings/(loss) attributable to shareholders	72,223	(163,718)	(144,856)
Basic earnings/(loss) per share from continuing operations	0.69	(1.59)	(0.35)
Diluted earnings/(loss) per share from continuing operations	0.69	(1.59)	(0.35)
Basic earnings/(loss) per share	0.53	(1.49)	(1.34)
Diluted earnings/(loss) per share	0.53	(1.49)	(1.34)
Total assets	3,881,717	1,872,791	1,922,043
Total long term liabilities (excluding deferred taxes)	792,740	738,294	660,472
Total attributable shareholders' equity	2,057,016	717,867	858,006
Adjusted net earnings per share[2]	2.28	0.33	0.49

[1] Prior year figures for continuing operations have been adjusted to exclude Agbaou.
[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.

9. RISK FACTORS

Readers of this MD&A should consider the information included in the Company's consolidated financial statements and related notes for the twelve months ended December 31, 2020. The nature of the Company's activities and the locations in which it works mean that the Company's business generally is exposed to significant risk factors, many of which are beyond its control. The Company 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 Company's business generally, please refer to the most recent Annual Information Form filed on SEDAR at www.sedar.com, and the 2020 year-end 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.

9.1. 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 Company 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 Company's operations have not been significantly impacted, however, the Company continues to monitor the situation as the pandemic has continued into 2021. The Company has spent approximately $7.7 million related to COVID-19 expenses in the year ended December 31, 2020, related to additional resource and travel costs, medical and PPE supplies, and other costs. While the Company's financial position, performance and cash flows could be further negatively impacted, the extent of any additional 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 and difficult to predict. 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 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 Company 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 Company are disrupted or suspended as a result of these or other measures, it may have a material adverse effect on the Company'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 Teranga with Endeavour may not occur as planned.

The completion of the Company's acquisition of SEMAFO and Teranga is expected to result in, among other benefits, increased gold production, the realization of synergies resulting from the consolidation of SEMAFO and Teranga with 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, Teranga 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, Teranga and Endeavour. As a result of these factors, it is possible that the synergies expected from the combination of SEMAFO, Teranga and Endeavour will not be realized or could be adversely affected.

9.2. FINANCIAL RISKS

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company 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 Company manages the credit risk associated with cash by investing these funds with highly rated financial institutions, and by monitoring its concentration of cash held in any one institution. As such, the Company deems the credit risk on its cash to be low.

The Company 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 Company operates in and its other receivables of $14.6 million due from third parties. The Company monitors the amounts outstanding from its third parties regularly and does not believe that there is a significant level of credit risk associated with these receivables given the current nature of the amounts outstanding and the on-going customer/supplier relationships with those companies.

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 December 31, 2020 is considered to be negligible. The Company does not rely on ratings issued by credit rating agencies in evaluating counterparties' related credit risk.

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

Table 37: Exposure to Credit Risk

($'000s)	December 31, 2020	December 31, 2019
Cash and cash equivalents	644,970	189,889
Cash - restricted	24,398	9,958
Trade and other receivables	52,812	19,228
Working capital loan	—	541
Marketable securities	778	1,224
Long-term receivable	804	13,322
	723,762	**234,162**

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash, physical gold or another financial asset. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements. The Company ensures that it has sufficient cash and cash equivalents and loan facilities available to meet its short term obligations.

Currency risk

Currency risk relates to the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs that the Company incurs in its operations. There has been no change in the Company's objectives and policies for managing this risk during the period ended December 31, 2020.

The Company 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 38: Net Assets in Foreign Currencies

($'000s)	December 31, 2020	December 31, 2019
Canadian dollar	92,371	309
CFA Francs	175,854	26,615
Euro	649	919
Other currencies	13,270	2,707
	282,144	**30,550**

The effect on earnings before taxes as at December 31, 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 Company is estimated to be $28.2 million (December 31, 2019, $3.1 million), if all other variables remained constant. The calculation is based on the Company's statement of financial position as at December 31, 2020.

Interest rate risk

Interest rate risk is the risk that future cash flows from, or the fair values of, the Company's financial instruments will fluctuate because of changes in market interest rates. The Company 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 Company 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/(loss) before taxes as at December 31, 2020, of a 10% change in the LIBOR rate on the RCF is estimated to be $1.0 million (December 31, 2019 - $1.0 million).

The Company'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 Company may require additional capital if it decides to develop other operations properties or make additional acquisitions. The Company may also encounter significant unanticipated liabilities or expenses. The Company'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 Company 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 Company 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 Company's assets.

The Company'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 Company 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 Company 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 Company'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 Company'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 Company's business.

Commitment and contingencies

The Company 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 Company cannot reasonably predict the likelihood or outcome of these actions. The Company 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. At December 31, 2020, the Company has recognized a tax provision of $48.2 million with respect to current assessments received from the tax authorities in the various jurisdictions in which the Company operates (Burkina Faso, Côte d'Ivoire, and France) as well as uncertain tax positions identified upon the acquisition of SEMAFO as well as through review of the Company's historical tax positions. For those amounts recognized related to current tax assessments received, the provision is based on management's best estimate of the outcome of those assessments, based on the validity of the issues in the assessment, management's support for their position, and the expectation with respect to any negotiations to settle the assessment. Management re-evaluates the outstanding tax assessments regularly to update their estimates related to the outcome for those assessments taking into account the criteria above. Management evaluates its uncertain tax positions regularly to update for changes to the tax legislation, the results of any tax audits undertaken, the correction of the uncertain tax position through subsequent tax filings, or the expiry of the period for which the position can be re-assessed. Management considers the material elements of any other claims to be without merit or foundation and will strongly defend its position in relation to these matters and following the appropriate process to support its position. Accordingly, no provision or further disclosure has been made as the likelihood of a material outflow of economic benefits in respect of such claims is considered remote. In forming this assessment, management has considered the professional advice received, the mining conventions and tax laws in place in the various jurisdictions, and the facts and circumstances of each individual claim.

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

The Company'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 Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company 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 Company 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 Company 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 Company 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 December 31, 2020, there are 4,166 ounces still to be delivered.

10. CONTROLS AND PROCEDURES

10.1. 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 Company'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 Company'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, 2020, the disclosure controls and procedures were effective.

10.2. INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management, including the CEO and CFO, is responsible for establishing and maintaining adequate internal controls over financial reporting. Under the supervision of the CFO, the Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

As at December 31, 2020, management evaluated the effectiveness of the Company's internal control over financial reporting as required by Canadian securities laws.

Based on that evaluation of internal control over financial reporting, the CEO and CFO have concluded that, as at December 31, 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 Company's internal controls over financial reporting since the year ended December 31, 2020 that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

The Company 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 December 31, 2020, the Company 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.

10.3. LIMITATIONS OF CONTROLS AND PROCEDURES

The Company'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 Company'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 Company operates, actual resolutions of legal and tax matters, as well as those factors discussed in the section entitled "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 Company's management reviews periodically information reflected in forward-looking statements. The Company 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 Company is available on the Company's website at www.endeavourmining.com and in the Company's most recently filed Annual Information Form filed on SEDAR at www.sedar.com.