ENDEAVOUR MINING

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021 and March 31, 2020

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

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(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

	Note	THREE MONTHS ENDED **March 31, 2021**	 March 31, 2020
Revenues			
Revenue		**635,792**	226,321
Cost of sales			
Operating expenses		**(251,112)**	(96,092)
Depreciation and depletion		**(122,611)**	(42,928)
Royalties		**(44,366)**	(15,119)
Earnings from mine operations		**217,703**	72,182
Corporate costs		**(11,409)**	(5,231)
Acquisition and restructuring costs	3	**(12,160)**	(4,330)
Share-based compensation	4	**(7,955)**	(1,623)
Exploration costs		**(9,810)**	(1,333)
Earnings from operations		**176,369**	59,665
Other income/(expense)			
Gain/(loss) on financial instruments	5	**42,077**	(2,699)
Finance costs	6	**(12,318)**	(11,503)
Other (expense)/income		**(6,290)**	1,935
Earnings before taxes		**199,838**	47,398
Current income tax expense		**(72,148)**	(19,006)
Deferred income tax expense		**(8,688)**	(907)
Net comprehensive earnings from continuing operations		**119,002**	27,485
Net comprehensive (loss)/earnings from discontinued operations	3	**(3,702)**	7,978
Net comprehensive earnings		**$ 115,300**	$ 35,463
Net earnings from continuing operations attributable to:			
Shareholders of Endeavour Mining Corporation		**94,735**	19,366
Non-controlling interests	15	**24,267**	8,119
		$ 119,002	$ 27,485
Total net earnings attributable to:			
Shareholders of Endeavour Mining Corporation		**89,567**	25,998
Non-controlling interests	15	**25,733**	9,465
		$ 115,300	$ 35,463
Earnings per share from continuing operations			
Basic earnings per share	4	**$ 0.46**	$ 0.18
Diluted earnings per share	4	**$ 0.45**	$ 0.18
Earnings per share			
Basic earnings per share	4	**$ 0.43**	$ 0.24
Diluted earnings per share	4	**$ 0.43**	$ 0.24

The accompanying notes are an integral part of these condensed interim consolidated financial statements

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

	Note	THREE MONTHS ENDED March 31, 2021	THREE MONTHS ENDED March 31, 2020
Operating Activities			
Earnings from continuing operations before taxes		**199,838**	47,398
Adjustments for:			
Depreciation and depletion		**122,611**	42,928
Finance costs	6	**12,318**	11,503
Share-based compensation	4	**7,955**	1,623
(Gain)/loss on financial instruments	5	**(42,077)**	2,699
Cash paid on settlement of DSUs and PSUs	4	**(13,857)**	(214)
Cash paid on settlement of other financial assets and liabilities		**—**	(497)
Income taxes paid		**(23,574)**	(8,524)
Foreign exchange gain/(loss)		**2,040**	(1,585)
Operating cash flows before changes in working capital		**265,254**	95,331
Trade and other receivables		**(16,398)**	(7,701)
Inventories		**18,864**	12,119
Prepaid expenses and other		**(12,950)**	(1,314)
Trade and other payables		**(48,027)**	1,466
Operating cash flows generated from continuing operations		**206,743**	99,901
Operating cash flows (used by)/generated from discontinued operations	3	**(8,808)**	26,054
Cash generated from operating activities		**$ 197,935**	$ 125,955
Investing Activities			
Expenditures on mining interests	10	**(113,696)**	(48,382)
Cash paid for additional interest of Ity mine	15	**—**	(5,430)
Cash acquired on acquisition of Teranga Gold Operation	3	**27,036**	—
Changes in other assets		**(13,650)**	2,223
Net proceeds from sale of Agbaou	3	**(4,714)**	—
Investing cash flows used by continuing operations		**(105,024)**	(51,589)
Investing cash flows used by discontinued operations	3	**(249)**	(5,645)
Cash used in investing activities		**$ (105,273)**	$ (57,234)
Financing Activities			
Proceeds received from the issue of common shares	4	**199,988**	—
Dividends paid	4	**(60,000)**	—
Payment of financing fees and other		**(7,088)**	(347)
Interest paid		**(9,293)**	(10,571)
Proceeds of long-term debt	6	**490,000**	120,000
Repayment of long-term debt	6	**(443,042)**	—
Repayment of finance and lease obligation		**(10,783)**	(9,153)
Settlement of gold offtake liability	3	**(49,735)**	—
Financing cash flows generated from continuing operations		**110,047**	99,929
Financing cash flows used by discontinued operations	3	**(45,434)**	(335)
Cash generated from financing activities		**$ 64,613**	$ 99,594
Effect of exchange rate changes on cash		**(3,755)**	(861)
Increase in cash and cash equivalents		**153,520**	167,454
Cash and cash equivalents, beginning of period		**644,970**	189,889
Cash relating to assets held for sale, beginning of period		**69,705**	—
Cash and cash equivalents, end of period		**$ 868,195**	$ 357,343

The accompanying notes are an integral part of these condensed interim consolidated financial statements

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

	Note	As at March 31, 2021	As at December 31, 2020
ASSETS			
Current			
Cash and cash equivalents		**868,195**	644,970
Trade and other receivables	7	**110,400**	52,812
Inventories	8	**355,066**	190,017
Prepaid expenses and other	9	**41,927**	26,322
Current assets excluding assets held for sale		**1,375,588**	914,121
Assets held for sale	3	**—**	180,808
		1,375,588	1,094,929
Non-current			
Mining interests	10	**5,090,940**	2,566,098
Deferred tax assets		**13,186**	19,774
Other financial assets	11	**82,933**	25,202
Other long term assets	12	**133,284**	77,010
Goodwill	3	**289,368**	98,704
Total assets		**$ 6,985,299**	$ 3,881,717
LIABILITIES			
Current			
Trade and other payables	13	**363,302**	269,731
Finance and lease obligations		**15,796**	13,661
Other financial liabilities	14	**11,972**	—
Income taxes payable		**292,229**	150,459
Current liabilities excluding liabilities held for sale		**683,299**	433,851
Liabilities held for sale	3	**—**	112,796
		683,299	546,647
Non-current			
Finance and lease obligations		**27,805**	23,544
Long-term debt	6	**1,044,806**	688,266
Other financial liabilities	14	**65,623**	2,919
Environmental rehabilitation provision		**127,930**	78,011
Other long term liabilities	13	**12,384**	—
Deferred tax liabilities		**617,284**	296,150
Total liabilities		**$ 2,579,131**	$ 1,635,537
EQUITY			
Share capital	4	**4,947,920**	3,043,766
Equity reserve	4	**87,334**	70,390
Deficit		**(1,027,573)**	(1,057,140)
Equity attributable to shareholders of the Corporation		**$ 4,007,681**	$ 2,057,016
Non-controlling interests	15	**398,487**	189,164
Total equity		**$ 4,406,168**	$ 2,246,180
Total equity and liabilities		**$ 6,985,299**	$ 3,881,717

COMMITMENTS AND CONTINGENCIES (NOTE 19)

SUBSEQUENT EVENTS (NOTE 20)

Approved by the Board: May 12, 2021

"Sebastien de Montessus" Director "Alison Baker" Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

		SHARE CAPITAL								
	Note	Number of Common Shares	Par Value	Additional Paid in Capital	Total Share Capital	Equity Reserve	Deficit	Total Attributable to Shareholders	Non-Controlling Interests	Total
At 1 January, 2020		**109,927,097**	**10,988**	**1,763,184**	**1,774,172**	**72,487**	**(1,128,792)**	**717,867**	**98,630**	**816,497**
Shares issued on exercise of options and PSU's		1,066,143	107	18,853	18,960	(18,960)	—	—	—	—
Share based compensation	4	—	—	—	—	1,936	—	1,936	—	1,936
Change in non-controlling interests	15	—	—	—	—	—	(430)	(430)	—	(430)
Total net and comprehensive earnings		—	—	—	—	—	25,998	25,998	9,465	35,463
At March 31, 2020		**110,993,240**	**$ 11,095**	**$ 1,782,037**	**$ 1,793,132**	**$ 55,463**	**$ (1,103,224)**	**$ 745,371**	**$ 108,095**	**$ 853,466**
At 1 January, 2021		**163,036,473**	**16,299**	**3,027,467**	**3,043,766**	**70,390**	**(1,057,140)**	**2,057,016**	**189,164**	**2,246,180**
Consideration on the acquisition of Teranga	3	78,766,690	7,877	1,670,408	1,678,285	30,361	—	1,708,646	186,583	1,895,229
Shares issued on private placement	4	8,910,592	891	199,088	199,979	—	—	199,979	—	199,979
Shares issued on exercise of options and PSU's		1,854,061	185	25,705	25,890	(21,666)	—	4,224	—	4,224
Share based compensation	4	—	—	—	—	8,249	—	8,249	—	8,249
Dividends paid		—	—	—	—	—	(60,000)	(60,000)	—	(60,000)
Disposal of the Agbaou mine	3	—	—	—	—	—	—	—	(2,993)	(2,993)
Total net and comprehensive earnings		—	—	—	—	—	89,567	89,567	25,733	115,300
At March 31, 2021		**252,567,816**	**$ 25,252**	**$ 4,922,668**	**$ 4,947,920**	**$ 87,334**	**$ (1,027,573)**	**$ 4,007,681**	**$ 398,487**	**$ 4,406,168**

The accompanying notes are an integral part of these condensed interim consolidated financial statements

1 DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Endeavour Mining Corporation ("Endeavour" or the "Company") is a publicly listed gold mining company that operates seven mines in West Africa in addition to having project development and exploration assets. Endeavour is focused on effectively managing its existing assets to maximize cash flows as well as pursuing organic and strategic growth opportunities that benefit from its management and operational expertise.

Endeavour's corporate office is in London, England, and its shares are listed on the Toronto Stock Exchange ("TSX") (symbol EDV) and quoted in the United States on the OTCQX International under the symbol 'EDVMF'. The Company is incorporated in the Cayman Islands and its registered office is located at 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands.

The Company has been taking steps to monitor and address the risks in response to the COVID-19 pandemic and their impact on the Company's operations (Note 2.3).

2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the accounting policies consistent with International Financial Reporting Standards ('IFRS'), and do not include all of the information required for full annual financial statements prepared using IFRS.

These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2020, which include information necessary or useful to understanding the Company's operations, financial performance, and financial statement presentation. In particular, the Company's significant accounting policies were presented as Note 2 to the consolidated financial statements for the year ended December 31, 2020 and have been consistently applied in the preparation of these condensed interim consolidated financial statements.

2.2. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared on the historical cost basis, except for the acquisition of SEMAFO Inc. ("SEMAFO") and Teranga Gold Corporation ("Teranga") (Note 3) and certain financial instruments that are measured at fair value at the end of each reporting period. The Company's accounting policies have been applied consistently to all periods in the preparation of these condensed interim consolidated financial statements. In preparing the Company's condensed interim consolidated financial statements for the three months ended March 31, 2021, the Company applied the critical judgments and estimates disclosed in note 3 of its consolidated financial statements for the year ended December 31, 2020.

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company, which is defined as having the power over the entity, rights to variable returns from its involvement with the entity, and the ability to use its power to affect the amount of returns. All intercompany transactions and balances are eliminated on consolidation. The Company's material subsidiaries at March 31, 2021 are consistent with the consolidated financial statements for the year ended December 31, 2020, except for the sale of Agbaou Gold Operations on March 1, 2021, and for the following subsidiaries which were acquired on February 10, 2021 with the completion of the acquisition of Teranga (Note 3):

Entities	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held
			March 31, 2021
Sabodala Gold Operations SA	Gold Operations	Senegal	90%
Wahgnion Gold Operations SA	Gold Operations	Burkina Faso	89.8%
Teranga Gold Corporation	Holding	Canada	100%
Teranga Gold (Senegal) Corporation	Holding	Canada	100%
Sabodala Mining Company Sarl	Exploration	Senegal	100%

2.3. COVID-19 PANDEMIC RISKS

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

The global response to the COVID-19 pandemic has resulted in, among other things, border closures, severe travel restrictions, as well as quarantine, self-isolation and other emergency measures imposed by various governments. Additional government or regulatory actions or inaction 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.

3 ACQUISITIONS AND DIVESTITURES

In the three months ended March 31, 2021, the Company incurred $12.2 million (March 31, 2020 - $4.3 million) of acquisition related costs, relating to advisory, legal, valuation and other professional fees, primarily with respect to the acquisition of Teranga, the disposal of the Agbaou cash generating unit ('CGU') and the acquisition of SEMAFO. These costs are expensed as acquisition and restructuring costs within the condensed interim consolidated statement of comprehensive earnings .

a. Acquisition of Teranga

On February 10, 2021, the Company completed the acquisition of Teranga. Teranga was a Canadian-based gold mining company listed on the TSX and in the United States on the OTCQX market with two operating mines in West Africa: the Sabodala-Massawa Gold Complex ("Sabodala-Massawa") in Senegal and the Wahgnion Gold Mine ("Wahgnion") in Burkina Faso. In addition, Teranga had a number of early to advanced stage exploration properties in Burkina Faso, Côte d'Ivoire and Senegal. The acquisition of Teranga supports the Company's growth strategy and enhances the Company's production profile.

Under the terms of the agreement, the Company acquired 100% of the issued and outstanding shares of Teranga at an exchange rate of 0.47 of an Endeavour share for each Teranga share held which resulted in a total of 78,766,690 shares issued upon closing of the acquisition. Given the issuance of Endeavour common shares as a result of the transaction and the relative voting rights of the Endeavour and Teranga shareholders subsequent to the transaction being completed, Endeavour has been identified as the acquirer and has accounted for the transaction as a business combination.

Following the acquisition of Teranga, La Mancha Holding S.àr.l. ("La Mancha") exercised its anti-dilution right to maintain its interest in the Company and completed a $200.0 million private placement for 8,910,592 shares of Endeavour (Note 4).

As of the date of these condensed interim consolidated financial statements, the determination of the fair value of assets acquired and liabilities assumed is based on preliminary estimates at the date of acquisition and has not been finalized. The Company retained an independent appraiser to determine the fair value of the assets acquired and liabilities assumed, using income, market and cost valuation methods. The excess of total consideration over the estimated fair value of the amounts initially assigned to the identifiable assets acquired and liabilities assumed has been recorded as goodwill, which is not deductible for tax purposes. The goodwill balance is attributable to the recognition of a deferred tax liability from the difference between the assigned fair values and the tax bases of assets acquired and liabilities assumed at amounts that do not reflect fair value. The non-controlling interest is measured at its proportionate share of the fair value of net assets.

The Company is still in the process of finalizing the fair values of the mining interests acquired, which are estimated using discounted cash flow models, where the expected future cash flows are based on estimates of future gold prices, estimated quantities of ore reserves and mineral resources, expected future production costs and capital expenditures based on the life of mine plans at the acquisition date. In addition to the fair value of the mining interests, the evaluation of the inventories on hand at the acquisition date, the evaluation of the liabilities and tax contingencies assumed, and the resulting determination of the deferred taxes, are all subject to change at March 31, 2021 if information arises which would impact management's assessment of the fair value at the acquisition date. The actual fair values of the assets and liabilities may differ materially from the amounts disclosed in the preliminary fair value below, and the amount recognized as goodwill may change. Any adjustments to the allocation of the purchase consideration will be recognized retrospectively and comparative information will be revised. Adjustments to the purchase price allocation can be made throughout the measurement period, which is not to exceed one year from the acquisition date.

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

The consideration and preliminary allocation to the value of assets acquired and liabilities assumed are as follows:

	Fair value at acquisition
Purchase price:	
Fair value of 78.8 million Endeavour common shares issued	1,678,285
Fair value of Endeavour options issued	30,361
Fair value of Endeavour warrants and call-rights issued	41,554
	$ 1,750,200
Net assets/(liabilities) acquired	
Cash	27,036
Net working capital (excluding inventory)	(125,545)
Inventory	239,000
Mining interests	2,528,474
Other long-term assets	2,000
Goodwill	190,664
Debt	(358,856)
Income taxes payable	(100,000)
Offtake Liability	(49,735)
Contingent consideration	(45,600)
Reclamation liability	(38,064)
Other liabilities acquired	(9,599)
Deferred taxes	(322,992)
Non-controlling interest	(186,583)
Net Assets	**$ 1,750,200**

The significant assumptions used in the determination of the fair value of the mining interests were as follows:

Assumption	Sabodala-Massawa	Wahgnion
Gold price - 2021 to 2024	\$1,900 to \$1,750 per ounce	\$1,900 to \$1,750 per ounce
Long-term gold price	\$1,600 per ounce	\$1,600 per ounce
Discount rate	6.3 %	7.0 %
Mine life	14 years	10 years
Average grade over life of mine	1.97 g/t	1.57 g/t
Average recovery rate	89 %	92 %

During the three months ended March 31, 2021 the Company settled the full amount outstanding under the gold offtake liability which resulted in a cash outflow of \$49.7 million.

Consolidated revenue for the three months ended March 31, 2021 includes revenue from the date of acquisition from the assets acquired in the acquisition of Teranga of \$140.2 million. The consolidated earnings for the three months ended March 31, 2021 includes net earnings before tax from the date of acquisition from the assets acquired in the acquisition of Teranga of \$43.7 million. Had the transaction occurred on January 1, 2021, the pro forma unaudited consolidated revenue and net earnings before taxes for the three months ended March 31, 2021 would have been approximately \$698.6 million and \$114.2 million, respectively.

b. Acquisition of SEMAFO

On July 1, 2020, the Company completed the acquisition of SEMAFO. SEMAFO was a gold mining company listed on the TSX with two operating mines in West Africa: the Mana and Boungou mines in Burkina Faso as well as certain exploration stage assets. The acquisition of SEMAFO supported the Company's growth strategy and enhanced the Company's production profile.

Under the terms of the transaction, the Company acquired 100% of the issued and outstanding shares of SEMAFO at an exchange rate of 0.1422 Endeavour share for each outstanding SEMAFO share, which resulted in the issuance of 47,561,205 common shares of Endeavour. Given the issuance of Endeavour common shares as a result of the transaction, the relative voting rights of the Endeavour and SEMAFO shareholders subsequent to the transaction being completed, Endeavour has been identified as the acquirer and has accounted for the transaction as a business combination.

Following the acquisition of SEMAFO, La Mancha exercised its anti-dilution right to maintain its interest in the Company and completed a $100.0 million private placement for 4,507,720 shares of Endeavour (Note 4).

As of the date of these condensed interim consolidated financial statements, the determination of the fair value of assets acquired and liabilities assumed is based on preliminary estimates at the date of acquisition and has not been finalized. The Company retained an independent appraiser to determine the fair value of the assets acquired and liabilities assumed, using income, market and cost valuation methods. The excess of total consideration over the estimated fair value of the amounts initially assigned to the identifiable assets acquired and liabilities assumed has been recorded as goodwill, which is not deductible for tax purposes. The goodwill balance is attributable to the recognition of a deferred tax liability from the difference between the assigned fair values and the tax bases of assets acquired and liabilities assumed at amounts that do not reflect fair value. The non-controlling interest is measured at its proportionate share of the fair value of net assets.

The Company is still in the process of finalizing the fair values of the mining interests acquired, which are estimated using discounted cash flow models, where the expected future cash flows are based on estimates of future gold prices, estimated quantities of ore reserves and mineral resources, expected future production costs and capital expenditures based on the life of mine plans at the acquisition date. In addition to the fair value of the mining interests, the evaluation of the liabilities and tax contingencies assumed, and the resulting determination of the deferred taxes, are all subject to change at March 31, 2021 if information arises which would impact management's assessment of the fair value at the acquisition date. The actual fair values of the assets and liabilities may differ materially from the amounts disclosed in the preliminary fair value below, and the amount recognized as goodwill may change. Any adjustments to the allocation of the purchase consideration will be recognized retrospectively and comparative information will be revised. Adjustments to the purchase price allocation can be made throughout the measurement period, which is not to exceed one year from the acquisition date.

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

The consideration and preliminary allocation to the value of assets acquired and liabilities assumed are as follows, and has not changed since the preliminary allocation as at December 31, 2020:

	Revised preliminary purchase price allocation
Purchase price:	
Fair value of 47.6 million Endeavour common shares issued	1,151,328
	$ 1,151,328
Net assets/(liabilities) acquired	
Cash	92,981
Net working capital acquired (excluding cash)	107,986
Mining interests	1,319,587
Goodwill	98,704
Restricted cash	24,000
Other long-term assets	7,505
Current portion of long-term debt	(29,758)
Lease liabilities	(24,044)
Income taxes payable	(36,093)
Other long-term liabilities	(40,661)
Deferred tax	(262,677)
Non-controlling interest	(106,202)
Net Assets	**$ 1,151,328**

c. Discontinued operations

On March 1, 2021, the Company completed the sale of its 85% interest in the Agbaou mine CGU to Allied Gold Corp Limited ("Allied"). The consideration upon sale of the Agbaou mine included (i) a cash payment of $16.4 million (net of working capital adjustments of $3.6 million upon closing), of which $10.5 million was received in the first quarter of 2021; (ii) $40.0 million in Allied shares of which Endeavour has the option to sell the shares back to Allied at the issue price which expires on December 31, 2022 or earlier if Allied conducts an IPO before then; (iii) contingent consideration of up to $20.0 million comprised of $5.0 million payments for each quarter where the average gold price exceeds $1,900 per ounce; and (iv) a net smelter royalty ("NSR") on ounces produced in excess of the Agbaou reserves estimated as at December 31, 2019. The NSR royalty will be based on a sliding scale, linked to the average spot gold price as follows: 2.5% if the gold price is at least $1,400 per ounce, 2% if the gold price is at least $1,200 per ounce and less than $1,400 per ounce, 1% if the gold price is at least $1,000 per ounce and less than $1,200 per ounce, and 0% if the gold price is below $1,000 per ounce.

The fair value of the various aspects of the consideration at the closing date were as follows (all of which, except for the cash, are classified as Level 3 fair value measurements):

- The cash was determined to have a fair value of $16.4 million, which is the agreed upon $20.0 million, net of working capital adjustments on closing;
- The fair value of the Allied shares was determined to be $40.0 million based on the value of the option to sell back the shares, as well as recent share issuances of Allied shares with other arm's length parties;
- The fair value of the contingent consideration based on the gold price was estimated using a Monte Carlo simulation model using the following key inputs: spot price of gold of $1,723 per ounce, annualized gold price volatility of 18.36%, for each of the quarters in 2021, which resulted in a fair value of $0.5 million; and

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- The fair value of the NSR was estimated using probability-weighted scenarios with respect to discounted cash flow models for future production that might exceed the Agbaou reserves at December 31, 2019. Based on the various scenarios considered, the fair value of the NSR was $5.5 million.

The results of operations have been restated for the comparative periods to reclassify the (loss)/earnings relating to Agbaou as (loss)/earnings from discontinued operations. During the three months ended March 31 ,2021, the financing cash flows from discontinued operations include the payment of dividends to minority shareholders of $45.2 million which had been declared in December 2020.

The Corporation recognized a loss on disposal of $13.5 million, net of tax, calculated as follows:

	March 1, 2021
Cash proceeds	16,350
Shares in Allied Gold	40,000
Contingent consideration	517
Net smelter royalty	5,548
Transaction costs	(471)
Total proceeds	61,944
Cash and cash equivalents	15,214
Restricted cash	6,292
Trade and other receivables	257
Prepaid expenses and other	2,018
Inventories	29,439
Mining interests	64,951
Other long term assets	8,837
Total assets	127,008
Trade and other payables	(22,113)
Other liabilities	(26,420)
Total liabilities	(48,533)
Net assets	78,475
Non-controlling interests	(2,991)
Net assets attributable to Endeavour	75,484
Loss on disposition	(13,540)

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

The profit and loss for the CGU was as follows:

	THREE MONTHS ENDED	
	March 31, 2021	March 31, 2020
Revenue	**25,426**	43,581
Operating costs	**(14,250)**	(18,311)
Depreciation and depletion	**—**	(9,601)
Royalties	**(1,418)**	(2,333)
Other income/(expenses)	**80**	(952)
Loss on disposition	**(13,540)**	—
(Loss)/earnings before taxes	**$ (3,702)**	$ 12,384
Deferred and current income tax expense	**—**	(4,406)
Net comprehensive (loss)/earnings from discontinued operations	**$ (3,702)**	$ 7,978
Attributable to:		
Shareholders of Endeavour Mining Corporation	**(5,168)**	9,324
Non-controlling interest	**1,466**	(1,346)
Total comprehensive (loss)/earnings from discontinued operations	**$ (3,702)**	$ 7,978
Net (loss)/earnings per share from discontinued operations		
Basic	**$ (0.02)**	$ 0.08
Diluted	**$ (0.02)**	$ 0.08

4 SHARE CAPITAL

i. Share capital

Authorized

- 300,000,000 voting shares of $0.10 par value

On March 30, 2021, La Mancha exercised its anti-dilution right to maintain its interest in the Company and completed a $200.0 million private placement for 8,910,592 shares of Endeavour (Note 3). Upon completion of the investment, La Mancha's future anti-dilution rights have now been extinguished and La Mancha's ownership of Endeavour was 19.0% at March 31, 2021 (December 31, 2020 - 24.1%).

On February 10, 2021, the Company completed the acquisition of Teranga. Under the terms of the transaction, the Company acquired 100% of the issued and outstanding shares of Teranga at an exchange rate of 0.47 Endeavour shares for each outstanding Teranga share, which resulted in the issuance of 78,766,690 common shares of Endeavour at a total fair value of $1,678.3 million.

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.

On November 12, 2020, the Board of Directors of the Company declared a dividend of $0.37 per share totaling $60.0 million (2019 - nil). The dividend was paid on February 5, 2021 to shareholders on record on the close of business on January 22, 2021.

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

On July 1, 2020, the Company completed the acquisition of SEMAFO. Under the terms of the transaction, the Company acquired 100% of the issued and outstanding shares of SEMAFO at an exchange rate of 0.1422 Endeavour share for each outstanding SEMAFO share, which resulted in the issuance of 47,561,205 common shares of Endeavour at a total fair value of $1,151.3 million.

On July 3, 2020, La Mancha exercised its anti-dilution right to maintain its interest in the Company and completed a $100.0 million private placement for 4,507,720 shares of Endeavour (note 3).

On June 30, 2020, the Company held 448,181 shares in SEMAFO which were converted into 63,731 common shares of Endeavour on July 1, 2020. On September 22, 2020, the Company cancelled these treasury shares which resulted in a reduction of $1.2 million in share capital.

ii. Share-based compensation

The following table summarizes the share-based compensation expense:

	THREE MONTHS ENDED	
	March 31, 2021	March 31, 2020
Amortization and change in fair value of DSUs	(161)	(527)
Amortization and change in fair value of PSUs	8,116	2,150
Total share-based expenses	**$ 7,955**	$ 1,623

iii. Options

	Options outstanding	Weighted average exercise price (C$)
Added upon acquisition of Teranga	3,517,187	16.27
Exercised	(641,881)	8.32
Expired	(587,030)	31.92
At March 31, 2021	**2,288,276**	**14.49**

Upon acquisition of Teranga, all outstanding Teranga stock options, whether previously vested or unvested, became fully vested and exchanged for replacement options to purchase common shares of Endeavour at a ratio of 0.47 Endeavour share options for each Teranga share option at an adjusted exercise price, with an expiry date of the earlier of (i) the original expiry date of each Teranga stock option, and (ii) the second year anniversary of the closing date of the acquisition transaction. The fair values at the acquisition date were calculated using the Black-Scholes valuation model using a volatility of 42.64% - 60.05%, a dividend yield of 2.6% and a risk free rate of 0.1%. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time to the date of their expiry.

As at March 31, 2021, the weighted average remaining contractual term of outstanding stock options exercisable was 1.65 years. The share options are exercisable at prices ranging from C$6.60 to C$31.92.

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

iv. Share unit plans

A summary of the changes in share unit plans is presented below:

	DSUs outstanding	Weighted average grant price (C$)	PSUs outstanding	Weighted average grant price (C$)
At December 31, 2019	178,684	13.67	3,298,377	19.05
Granted	20,455	28.62	2,072,183	21.55
Exercised	(73,978)	16.88	(1,089,232)	19.08
Forfeited	—	—	(1,152,986)	19.50
Added by performance factor	—	—	85,463	18.57
At December 31, 2020	125,161	14.22	3,213,805	20.48
Granted	11,521	25.86	1,110,135	28.73
Exercised	(1,858)	31.33	(1,216,475)	22.48
Forfeited	—	—	(22,450)	22.41
Adjustment for dividend	2,210	18.39	76,698	23.12
Added by performance factor	—	—	292,922	22.54
At March 31, 2021	**137,034**	**15.03**	**3,454,635**	**22.65**

v. Deferred share units

The Company established a deferred share unit plan (“DSU”) for the purposes of strengthening the alignment of interests between non-executive directors of the Company and shareholders by linking a portion of the annual director compensation to the future value of the Company’s common shares. Upon establishing the DSU plan for non-executive directors, the Company no longer grants options to non-executive directors.

The DSU plan allows each non-executive director to choose to receive, in the form of DSUs, all or a percentage of their director’s fees, which would otherwise be payable in cash. Compensation for serving on committees must be paid in the form of DSUs. The plan also provides for discretionary grants of additional DSUs by the Board. Each DSU vests upon award but is distributed only when the director has ceased to be a member of the Board. Vested units are settled in cash based on the common share price at the date of settlement.

The fair value of the DSUs is determined based on multiplying the 5 day volume weighted average share price of the Company by the number of DSUs at the end of the reporting period.

The total fair value of DSUs at March 31, 2021 was $2.7 million (December 31, 2020 – $2.9 million). The total DSU share-based compensation recognized in the condensed interim consolidated statement of comprehensive earnings was an income of $0.2 million for the three months ended March 31, 2021 (for the three months ended March 31, 2020, income of $0.5 million).

vi. Performance share units

The Company's long-term incentive plan (“LTI Plan”) includes a portion of performance-linked share unit awards (“PSUs”), intended to increase the pay mix in favor of long-term equity-based compensation with three-year cliff-vesting to serve as an employee retention mechanism.

The fair value of the PSUs is determined based on Total Shareholder Return (“TSR”) relative to peer companies for 50% of the value of the PSU's, while the remaining 50% of the value of the PSU's granted is based on achieving certain operational performance measures. The vesting conditions related to the achievement of operational performance measures noted above are determined at the grant date and the number of units that are expected to vest is reassessed at each subsequent reporting period based on the estimated probability of reaching the operational targets.

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

- Key future operational targets in 2023 for 2021 PSU grants are gold production targets (25%), capital project targets (12.5%), and carbon reduction and renewable energy targets (12.5%);
- Key future operational targets in 2022 for 2020 PSU grants are net debt / earnings before interest, tax, depreciation and amortization ("EBITDA") (25%), gold production targets (12.5%), and Environmental, Social and Governance ("ESG") targets (12.5%);
- Key future operational targets in 2021 for 2019 PSU grants were resource discovery (25%), gold production relative to guidance (12.5%), and net debt / EBITDA (12.5%).

The fair value related to the TSR portion is determined using a multi-asset Monte Carlo simulation model using a dividend yield of 2.5% (2019, 0%), as well as historical TSR levels and historical volatility of the constituents of the S&P TSX Global Gold Index (2019, same).

The total PSU share-based expense recognized in the condensed interim consolidated statement of comprehensive earnings for three months ended March 31, 2021 was $8.1 million (for the three months ended March 31, 2020, expense of $2.2 million).

vii. Basic and diluted earnings per share

Diluted net earnings per share was calculated based on the following:

	THREE MONTHS ENDED	
	March 31, 2021	March 31, 2020
Basic weighted average number of shares outstanding	**208,000,893**	110,584,356
Effect of dilutive securities[1]		
Stock options and warrants	**1,212,814**	8,249
Diluted weighted average number of shares outstanding	**209,213,707**	110,592,605
Total common shares outstanding	**252,567,816**	110,993,240
Total potential diluted common shares	**260,049,727**	116,576,270

At March 31, 2021, a total of 3,454,635 PSU's (5,568,080 at March 31, 2020) could potentially dilute basic earnings per share in future, but were not included in diluted earnings per share as all vesting conditions have not been satisfied at the end of the reporting period. 314,900 stock options were anti-dilutive as at March 31, 2021 and were excluded from the determination of the diluted weighted average number of shares outstanding (March 31, 2020 - nil). The potentially dilutive impact of the convertible senior notes are anti-dilutive for the period and were not included in the diluted earnings per share.

5 FINANCIAL INSTRUMENTS AND RELATED RISKS

i. Financial assets and liabilities

The Company's financial instruments are classified as follows:

	Financial assets/liabilities at amortized cost	Financial instruments at fair value through other comprehensive income	Financial instruments at fair value through profit and loss ('FVTPL')
Cash			X
Trade and other receivables	X		
Restricted cash			X
Marketable securities			X
Other long-term receivable			X
Other financial assets			X
Trade and other payables	X		
Share warrant liabilities			X
Call-rights			X
Contingent consideration			X
Corporate loan facilities	X		
Convertible senior notes	X		
Conversion option on convertible senior notes			X

The fair value of these financial instruments approximates their carrying value, unless otherwise noted below, except for the convertible note, which has a fair value of approximately $375.4 million (December 31, 2020 - $398.6 million).

As noted above, the Company has certain financial assets and liabilities that are held at fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques to measure fair value:
Classification of financial assets and liabilities

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

As at each of March 31, 2021 and December 31, 2020, the levels in the fair value hierarchy into which the Company's financial assets and liabilities measured and recognized in the condensed interim consolidated statement of financial position at fair value are categorized as follows:

AS AT MARCH 31, 2021

	Note	Level 1 Input	Level 2 Input	Level 3 Input	Aggregate Fair Value
Assets:					
Cash		868,195	—	—	868,195
Cash - restricted	11	34,973	—	—	34,973
Other long term receivable	11	—	439	5,614	6,053
Other financial assets	11	224	40,000	1,683	41,907
Marketable securities	9	2,439	—	—	2,439
Total		**$ 905,831**	**$ 40,439**	**$ 7,297**	**$ 953,567**
Liabilities:					
Conversion option on Notes	6	—	(46,266)	—	(46,266)
Share warrant liabilities	14	—	(18,445)	—	(18,445)
Call-rights	14	—	(11,972)	—	(11,972)
Contingent consideration	14	—	(44,448)	—	(44,448)
Total		**$ —**	**$ (121,131)**	**$ —**	**$ (121,131)**

AS AT DECEMBER 31, 2020

	Note	Level 1 Input	Level 2 Input	Level 3 Input	Aggregate Fair Value
Assets:					
Cash		644,970	—	—	644,970
Cash - restricted	11	24,398	—	—	24,398
Other long term receivable	11	—	—	804	804
Marketable securities	9	778	—	—	778
Total		**$ 670,146**	**$ —**	**$ 804**	**$ 670,950**
Liabilities:					
Conversion option on Notes	6	—	(74,646)	—	(74,646)
Derivative financial instruments	17	—	—	—	—
Total		**$ —**	**$ (74,646)**	**$ —**	**$ (74,646)**

There were no transfers between level 1 and 2 during the period. The fair value of level 3 financial assets were determined using a Monte Carlo or discounted cash flow valuation models, taking into account assumptions with respect to gold prices and discount rates as well as estimates with respect to production and operating results at the disposed mine.

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

ii. Gain/(loss) on financial instruments

		THREE MONTHS ENDED	
	Note	**March 31, 2021**	March 31, 2020
Gain on other financial instruments		**375**	55
Change in value of receivable at FVTPL		**179**	(132)
Unrealized gain on convertible senior bond derivative	6	**28,380**	2,675
Gain on change in fair value of warrant liabilities	14	**3,788**	—
Gain on change in fair value of call rights	14	**7,349**	—
Gain on change in fair value of contingent consideration	14	**984**	—
Gain/(loss) on foreign exchange		**1,022**	(998)
Realized gain on forward contract	14	**—**	6,686
Loss on gold revenue protection program	14	**—**	(10,985)
Total gain/(loss) on financial instruments		**$ 42,077**	$ (2,699)

iii. Financial instrument risk exposure

The Company's activities expose it to a variety of risks that may include credit risk, liquidity risk, currency risk, interest rate risk and other price risks, including equity price risk. The Company examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks. There has been no significant changes to the financial instrument risk exposure as disclosed in note 7 of its consolidated financial statements for the year ended December 31, 2020.

6 LONG-TERM DEBT

	March 31, 2021	December 31, 2020
Corporate loan facilities (i)(ii)	700,000	310,000
Deferred financing costs	(13,264)	(8,305)
Revolving credit facility	**$ 686,736**	$ 301,695
Convertible senior notes (iii)	311,804	311,925
Conversion option (iv)	46,266	74,646
Convertible senior bond	**$ 358,070**	$ 386,571
Total long-term debt	**$ 1,044,806**	$ 688,266

The Company incurred the following finance costs in the period:

	THREE MONTHS ENDED	
	March 31, 2021	March 31, 2020
Interest expense	**9,961**	10,231
Amortization of deferred facility fees	**1,740**	740
Commitment, structuring and other fees	**617**	532
Total finance costs	**$ 12,318**	$ 11,503

i. Corporate Loan Facility

On September 10, 2020, the Company signed for a one year extension on its $430.0 million revolving credit facility ("RCF") with a syndicate of leading international banks, 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 became effective on February 10, 2021.

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 January 15, 2023.
- 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

ii. Corporate Bridge Facility

On December 24, 2020, the Company entered into an agreement for a new facility agreement ("Bridge Facility") with a syndicate of international banks which came into effect on February 10, 2021.

The key terms of the Bridge Facility include:

- Principal amount of $370.0 million.
- Interest accrues on LIBOR plus 2.25% for the first six months after first utilization and increases by 50 basis points each subsequent six month period.
- The principal outstanding on the Bridge Facility is repayable as a single bullet payment on the maturity date of January 15, 2023.
- The Bridge Facility can be repaid at any time without penalty but may not be redrawn.

Covenants on the Bridge Facility include:

- Interest cover ratio as measured by ratio of 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

iii. Convertible Senior Notes

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 was 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.

On January 21, 2021, the conversion rate of the Notes was adjusted as a result of the $0.37 per share ordinary dividend announced on January 11, 2021. The new conversion rate is 42.55 of the Company's common shares per $1,000 note, and equates to a conversion price of approximately $23.50 (CAD$29.72) 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.

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

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 conversion price is $23.50 (CAD$29.72) 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 three months ended March 31, 2021 was an unrealized gain of $28.4 million (three months ended March 31, 2020 - unrealized gain of $2.7 million).

The liability component for the Notes at March 31, 2021 has an effective interest rate of 6.2% (December 31, 2020: 6.2%) and was as follows:

	March 31, 2021	December 31, 2020
Liability component at beginning of the period	**311,925**	302,600
Interest expense in the period	**4,829**	19,225
Less: Interest payments in the period	**(4,950)**	(9,900)
Total	**$ 311,804**	$ 311,925

iv. Conversion option

The conversion option related to the Notes is recorded at fair value, using a convertible bond valuation model, taking account the observed market price of the Notes. The following assumptions were used in the determination of fair value of the conversion option and fixed income component of the Notes, which was then calibrated to the total fair value of the Notes: volatility of 49% (December 31, 2020, 56%), term of the conversion option 1.88 years (December 31, 2020, 2.13 years), a dividend yield of 2.5% (December 31, 2020, 2.5%), credit spread of 3% (December 31, 2020, 4%), and a share price of CAD$25.33 (December 31, 2020, CAD$29.62).

	March 31, 2021	December 31, 2020
Conversion option at beginning of the period	**74,646**	31,439
Fair value adjustment	**(28,380)**	43,207
Total	**$ 46,266**	$ 74,646

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

7 TRADE AND OTHER RECEIVABLES

	March 31, 2021	December 31, 2020
VAT receivable (i)	**82,430**	28,274
Receivables for gold sales	**3,193**	4,641
Other receivables (ii)	**24,777**	19,897
Total	**$ 110,400**	$ 52,812

i. VAT receivable

VAT receivable relates to net VAT amounts paid to vendors for goods and services purchased, primarily in Côte d'Ivoire and Burkina Faso. These balances are expected to be collected in the next twelve months. In the three months ended March 31, 2021, the Company collected $10.6 million of outstanding VAT receivables, through the sale of its VAT receivables to third parties or reimbursement from the tax authorities.

ii. Other receivables

Other receivables at March 31, 2021 include a receivable of $5.9 million (December 31, 2020, $nil) from Allied related to the sale of the Agbaou mine, and a receivable of $14.6 million (December 31, 2020, $14.6 million) from two third parties for which the Company had entered into contracts which was previously advanced for working capital purposes. All these amounts are non-interest bearing and are expected to be repaid in the next twelve months.

8 INVENTORIES

	Note	March 31, 2021	December 31, 2020
Doré bars		**39,543**	24,965
Gold in circuit		**36,837**	34,043
Ore stockpiles		**250,275**	123,979
Spare parts and supplies		**161,695**	84,040
Total		**$ 488,350**	$ 267,027
Non-current stockpiles	12	**(133,284)**	(77,010)
Inventories, current		**$ 355,066**	$ 190,017

As of March 31, 2021, there was a provision of $20.4 million to adjust inventory to net realizable value at Karma of which $20.2 million relates to gold in circuit ("GIC") and $0.2 million relates to finished goods (December 31, 2020 - $19.4 million with respect to GIC and $0.4 million related to finished goods).

The cost of inventories recognized as expense in the period ended March 31, 2021 was $373.7 million and was included in operating expenses (period ended March 31, 2020 - $139.0 million).

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

9 PREPAID EXPENSES AND OTHER

	March 31, 2021	December 31, 2020
Deposits	3,948	3,075
Supplier prepayments	34,255	19,572
Other	3,724	3,675
Total	**$ 41,927**	$ 26,322

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

10 MINING INTERESTS

MINING INTERESTS

	Note	Depletable	Non depletable[1]	Property, plant and equipment	Assets under construction	Total
Cost						
Balance as at 1 January, 2020		682,792	331,777	1,081,557	21,972	**2,118,098**
Acquired in business combinations		819,912	256,866	242,809	—	**1,319,587**
Additions/expenditures		103,015	67,257	44,569	44,398	**259,239**
Transfers from inventory		—	—	14,940	—	**14,940**
Transfers		40,812	(31,177)	26,082	(35,717)	**—**
Change in estimate of environmental rehabilitation provision		16,492	—	—	—	**16,492**
Transfer to assets held for sale		(149,896)	—	(173,378)	—	**(323,274)**
Disposals		(342)	—	(37,857)	—	**(38,199)**
Balance as at December 31, 2020		1,512,785	624,723	1,198,722	30,653	**3,366,883**
Acquired in business combinations	3	2,014,474	152,339	359,622	2,039	**2,528,474**
Additions/expenditures		38,289	38,434	11,353	27,685	**115,761**
Transfers		405	(405)	347	(347)	**—**
Change in estimate of environmental rehabilitation provision		14,685	—	—	—	**14,685**
Disposals		—	—	(1,173)	—	**(1,173)**
Balance as at March 31, 2021		**$ 3,580,638**	**$ 815,091**	**$ 1,568,871**	**$ 60,030**	**$ 6,024,630**
Accumulated Depreciation						
Balance as at 1 January, 2020		294,164	—	413,660	—	**707,824**
Depreciation/depletion		161,473	—	134,015	—	**295,488**
Impairment		25,053	19,949	39,445	—	**84,447**
Transfer to assets held for sale		(114,612)	—	(144,635)	—	**(259,247)**
Disposals		(112)	—	(27,615)	—	**(27,727)**
Balance as at December 31, 2020		365,966	19,949	414,870	—	**800,785**
Depreciation/depletion		79,862	—	53,791	—	**133,653**
Disposals		—	—	(748)	—	**(748)**
Balance as at March 31, 2021		**$ 445,828**	**$ 19,949**	**$ 467,913**	**$ —**	**$ 933,690**
Carrying amounts						
At December 31, 2020		$ 1,146,819	$ 604,774	$ 783,852	$ 30,653	$ 2,566,098
At March 31, 2021		**$ 3,134,810**	**$ 795,142**	**$ 1,100,958**	**$ 60,030**	**$ 5,090,940**

[1] As at March 31, 2021 exploration assets with a net book value of $431.6 million are included in the non-depletable mining interest category. (December 31, 2020 - $391.4 million). Additions in the three months ended March 31, 2021 include the acquisition of the Fetekro license to 80% for $19.7 million.

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

The Company's right-of-use assets consist of buildings, plant and equipment and its various segments which are right-of-use assets under IFRS 16, *Leases*. These have been included within the property, plant and equipment category above.

	Plant	Heavy Equipment	Property	Total
Balance as at January 1, 2020	4,209	2,194	1,606	8,009
Acquired in business combinations	7,200	18,842	1,186	27,228
Additions	5,343	6,119	714	12,176
Depreciation for the year	(1,657)	(8,560)	(1,594)	(11,811)
Transferred to assets held for sale	(502)	(307)	—	(809)
Disposals	—	(1,640)	—	(1,640)
Balance as at December 31, 2020	14,593	16,648	1,912	33,153
Acquired in business combinations	—	647	4,990	5,637
Additions	—	—	2,487	2,487
Depreciation for the period	(1,897)	(832)	(571)	(3,300)
Balance as at March 31, 2021	**$ 12,696**	**$ 16,463**	**$ 8,818**	**$ 37,977**

11 OTHER FINANCIAL ASSETS

Other financial assets are comprised of:

	Note	March 31, 2021	December 31, 2020
Restricted cash		**34,973**	24,398
Long-term receivable (i)	3	**6,053**	—
Other financial assets (ii)	3	**41,907**	804
Total		**$ 82,933**	$ 25,202

(i) Long-term receivable

Included in long-term receivable is the fair value related to the contingent consideration as well as the NSR receivable from Allied for the sale of the Agbaou mine.

(ii) Other financial assets

Other financial assets include the shares of Allied received as consideration upon the sale of the Agbaou mine.

12 OTHER LONG-TERM ASSETS

Other assets are comprised of:

	March 31, 2021	December 31, 2020
Long-term stockpiles	**133,284**	77,010
Total	**$ 133,284**	$ 77,010

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

13 TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	March 31, 2021	December 31, 2020
Trade accounts payable	274,415	206,863
Royalties payable	39,564	14,516
Payroll and social charges	25,716	26,957
Amounts payable to the government of Senegal (i)	10,120	—
Other payables	13,487	21,395
Total current trade and other payables	**$ 363,302**	$ 269,731
Amounts payable to the government of Senegal (i)	8,451	—
Other long term payables	3,933	—
Total other long-term liabilities	**$ 12,384**	$ —
Total trade and other payables	**$ 375,686**	$ 269,731

i. Amounts payable to the government of Senegal

Reserve payments of $2.3 million, accrued dividends of $7.8 million, and $8.5 million of accrued contributions to social development projects of local authorities hosting Massawa are payable to the government of Senegal as at March 31, 2021.

14 OTHER FINANCIAL LIABILITIES

	Note	March 31, 2021	December 31, 2020
Share warrant liabilities (i)		18,445	—
DSU liabilities	4	2,730	2,919
Call-Rights (ii)		11,972	—
Contingent consideration (iii)		44,448	—
Total		**77,595**	2,919
Current portion		(11,972)	—
Non-current financial liabilities		**$ 65,623**	$ 2,919

i. Share warrant liabilities

Upon acquisition of Teranga, all outstanding Teranga share warrants were exchanged for replacement Endeavour warrants at a ratio of 0.47 Endeavour warrants for each Teranga warrant at an adjusted exercise price.

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

The following share warrants were outstanding as at March 31, 2021:

Grant date	Number	Expiry date	Exercise price (C$)
April 16, 2018	940,000	April 16, 2022	11.11
February 26, 2019	70,500	February 27, 2023	10.81
May 30, 2019	658,000	May 30, 2023	8.15
September 30, 2019	70,500	September 30, 2023	13.81

The currency of the exercise price of the warrants is different from the Company's functional currency and as a result the share warrants have been classified as a derivative financial liability. Changes in fair value of share warrants are recognized in other expenses at the end of each reporting period. Upon exercise, the associated share warrant liability will be reclassified to share capital. Should any of the share warrants expire un-exercised, the associated share warrant liability will be recorded as gains/(losses) on financial instruments in the condensed interim consolidated statement of comprehensive earnings. There is no circumstance under which the Company would be required to pay any cash upon exercise or expiry of the warrants.

A reconciliation of the change in fair value of share warrant liabilities is presented below:

	Number of warrants		Amount
Added upon acquisition of Teranga	1,739,000		22,233
Change in fair value	—		(3,788)
Balance as at March 31, 2021	**1,739,000**	**$**	**18,445**

Fair values of share warrants were calculated using the Black-Scholes option pricing model with the following assumptions:

	As at March 31, 2021	As at February 10, 2021
Valuation date share price	C$ 25.33	C$ 27.06
Weighted average fair value of share warrants	C$14.67	C$16.24
Exercise price	C$8.15 - C$13.81	C$8.15 - C$13.81
Risk-free interest rate	0.22% - 0.36%	0.19% - 0.22%
Expected share market volatility	47% - 55%	46% - 55%
Expected life of share warrants (years)	1.0 - 2.5	1.2 - 2.6
Dividend yield	2.5 %	2.5 %
Number of share warrants exercisable	1,739,000	1,739,000

ii. Call-rights

Upon acquisition of Teranga, the Company acquired all previously issued and outstanding Teranga call-rights and were exchanged for replacement Endeavour call-rights at a ratio of 0.47 Endeavour call-rights for each Teranga call-right at an adjusted exercise price of C$14.90.

The call-rights are required to be settled in cash at the difference between Endeavour's 5-day volume weighted average trading price on each exercise date and the exercise price of C$14.90. The call-rights expire on March 4, 2024. The call-rights were recorded as derivative financial liabilities as their value changes in line with Endeavour's share price. Changes in the fair value of call-rights are recognized as gains/(losses) on financial instruments.

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

A reconciliation of the change in fair value of the call-rights liability is as follows:

	Number of call-rights	Amount
Added upon acquisition of Teranga	1,880,000	19,321
Change in fair value	—	(7,349)
Balance as at March 31, 2021	**1,880,000**	**$ 11,972**

The fair value of the call-rights were calculated using the Black-Scholes option pricing model with the following assumptions:

	As at March 31, 2021	As at February 10, 2021
Valuation date share price [(i)]	C$ 24.86	C$ 27.93
Fair value per call-right	C$ 10.69	C$ 13.05
Exercise price	C$ 14.89	C$ 14.89
Risk-free interest rate	0.47 %	0.24 %
Expected share market volatility	45 %	45 %
Expected life of call-rights (years)	2.9	3.06
Dividend yield	2.5 %	2.5 %
Number of call-rights exercisable	1,880,000	1,880,000

[(i)] Represents 5-day volume weighted average trading price of the Company's common shares on the TSX

iii. Contingent consideration

As part of the acquisition of Teranga, Endeavour recognized contingent consideration related to Teranga's acquisition of Massawa (Jersey) Limited. The contingent consideration is linked to future gold prices and is payable to Barrick Gold Corporation ("Barrick") in cash three years following the completion of the Massawa Acquisition by Teranga on March 4, 2020 and is calculated as follows:

- If the average gold price for the three-year period immediately following closing of the Massawa Acquisition (the "three-year average gold price") is equal to or less than $1,450 per ounce, $ nil;
- If the three-year average gold price is greater than $1,450 per ounce and up to, but not more than, $1,500 per ounce, $25.0 million;
- If the three-year average gold price is greater than $1,500 per ounce and up to, but not more than, $1,600 per ounce, $35.0 million; or
- If the three-year average gold price is greater than $1,600 per ounce, $50.0 million.

The Company has classified the contingent consideration payable to Barrick as a derivative financial liability as the amount due is dependent on future gold prices over periods of time in future. As at March 31, 2021, the Company estimated the fair value of the contingent consideration using a Monte Carlo simulation model based on the gold forward curve, expected volatility of 19.16% (February 10, 2021 - 19.83%), Endeavour's credit spread of 2.45% (February 10, 2021 - 2.78%) and risk-free rate of 0.29% (February 10, 2021 - 0.20%).

On the date of acquisition of Teranga, the fair value of the contingent consideration was estimated to be $45.6 million. As at March 31, 2021, the decrease in the non-current liability to $44.4 million resulted in gains/(losses) on financial instruments recognised in the condensed interim consolidated statement of comprehensive earnings of $1.1 million.

iv. Gold revenue protection strategy

In the year ended December 31, 2019, the Company implemented a deferred premium collar strategy ("Collar") using written call options and bought put options for the 12-month period from July 2019 to June 2020. The program covered a total of 360,000 ounces, representing approximately 50% of Endeavour's total estimated gold production for the period, with an average floor price of $1,358 and a ceiling price of $1,500. The Collar was accounted for at FVTPL and the Company realized a loss of $35.9 million over the life of the Collar of which $11.0 million was recognized in the three months ended March 31, 2020.

v. Forward contracts

On March 9, 2020, the Company entered into a gold forward contract to manage the risk of changes in the market price of gold. Under the gold forward contract, the Company bought 73,919 ounces of gold at an average gold prices of $1,590 per ounce. On March 30, 2020, the Company exited the gold forward contract at a final gold price of $1,681 per ounce and recognized a gain of $6.7 million.

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

15 NON-CONTROLLING INTERESTS

The composition of the non-controlling interests ("NCI") is as follows:

	Ity Mine (15%)	Karma Mine (10%)	Houndé Mine (10%)	Mana Mine (10%)	Boungou Mine (10%)	Sabodala-Massawa Mine (10%)	Wahgnion Mine (10%)	Other[2]	Total (continuing operations)	Agbaou Mine (15%)	Total (all operations)
At December 31, 2019	23,857	14,002	6,814	—	—	—	—	522	**45,195**	53,435	**98,630**
Acquisition of NCI	—	—	—	41,534	58,249	—	—	6,419	**106,202**	—	**106,202**
Net earnings/(loss)	16,017	(4,186)	17,366	6,365	3,280	—	—	—	**38,842**	1,004	**39,846**
Dividend distribution	(659)	—	(1,744)	—	—	—	—	—	**(2,403)**	(52,912)	**(55,315)**
Change in NCI	—	—	—	—	—	—	—	(199)	**(199)**	—	**(199)**
At December 31, 2020	$ 39,215	$ 9,816	$ 22,436	$ 47,899	$ 61,529	$ —	$ —	$ 6,742	**$ 187,637**	$ 1,527	**$ 189,164**
Net earnings/(loss)	7,025	(97)	3,781	1,716	2,274	8,139	1,050	379	**24,267**	1,466	**25,733**
Acquisition of NCI	—	—	—	—	—	133,583	39,000	14,000	**186,583**	—	**186,583**
Disposal of the Agbaou mine[1]	—	—	—	—	—	—	—	—	**—**	(2,993)	**(2,993)**
At March 31, 2021	$ 46,240	$ 9,719	$ 26,217	$ 49,615	$ 63,803	$ 141,722	$ 40,050	$ 21,121	**$ 398,487**	$ —	**$ 398,487**

[1] *For further details refer to note 3*
[2] *Exploration, Corporate and Kalana segments are included in the "other" category.*

For summarized information related to these subsidiaries, refer to Note 17, Segmented Information.

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

16 SUPPLEMENTARY CASH FLOW INFORMATION

The table below details changes in the Company's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's consolidated statement of cash flows as cash flows from financing activities.

	Long-term debt					Lease obligations	
	RCF	**Other loan facilities**	**Accrued interest[1]**	**Gold offtake liability**	**Convertible senior notes**	**Financing arrangements**	**Lease liabilities**
At January 1, 2021	301,695	—	913	—	386,571	—	37,205
Added upon acquisition of Teranga	—	343,068	—	49,735	—	8,914	5,637
Changes from financing cash flows							
Debt issued	490,000	—	—	—	—	—	—
Repayments	(100,000)	(343,042)	—	(49,735)	—	(8,914)	(1,869)
Interest paid	—	—	(3,279)	—	(4,950)	—	(1,064)
Payment of deferred financing costs and other	(6,699)	(26)	(363)	—	—	—	—
Other changes							
Interest expense	—	—	4,200	—	4,829	—	2,428
New leases	—	—	—		—	—	2,487
Amortization of deferred financing costs and other fees	1,740	—	—	—	—	—	—
Change in fair value of conversion option	—	—	—	—	(28,380)	—	—
Foreign exchange and other	—	—	349	—	—	—	(1,223)
At March 31, 2021	**$ 686,736**	**$ —**	**$ 1,820**	**$ —**	**$ 358,070**	**$ —**	**$ 43,601**
Current portion	$ —	$ —	$ 1,820	$ —	$ —	$ —	$ 15,796
Long-term portion	$ 686,736	$ —	$ —	$ —	$ 358,070	$ —	$ 27,805

[1] *Included in note 13: Trade and other payables*

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

	Long-term debt			Finance and lease obligations	
	RCF	Accrued interest[1]	Convertible senior notes	Financing arrangements	Lease liabilities
At January 1, 2020	304,941	2,729	334,039	78,081	8,753
Changes from financing cash flows					
Debt issued	120,000	—	—	—	—
Repayments	—	—	—	(8,706)	(746)
Interest paid	—	(4,096)	(4,950)	(1,183)	(378)
Payment of deferred financing costs and other	—	(347)	—	—	—
Other changes					
Interest expense	—	4,007	4,735	1,805	138
Amortization of deferred financing costs and other fees	738	—	—	—	—
Change in fair value of conversion option	—	—	(2,682)	—	—
Foreign exchange and other	—	322	—	—	(598)
At March 31, 2020	**$ 425,679**	**$ 2,615**	**$ 331,142**	**$ 69,997**	**$ 7,169**
Current portion	$ —	$ —	$ —	$ 25,016	$ 3,646
Long-term portion	$ 425,679	$ 2,615	$ 331,142	$ 44,981	$ 3,523

[1] *Included in note 13: Trade and other payables*

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

17 SEGMENTED INFORMATION

The Company operates in four principal countries, Burkina Faso (Karma, Houndé, Wahgnion, Mana and Boungou mines), Côte d'Ivoire (Ity mine), Senegal (Sabodala-Massawa mine) and Mali (Kalana Project). The following table provides the Company's results by operating segment in the way information is provided to and used by the Company's chief operating decision maker, which is the CEO, to make decisions about the allocation of resources to the segments and assess their performance. The Company considers each of its operational mines a separate segment. Discontinued operations are not included in the segmented information below. Exploration and Corporate entities do not generate any revenue and are aggregated and presented together as part of the "other" segment on the basis of them sharing similar economic characteristics.

THREE MONTHS ENDED MARCH 31, 2021

	Ity Mine	Karma Mine	Houndé Mine	Mana Mine	Boungou Mine	Sabodala Massawa Mine	Wahgnion Mine	Other	Total
Revenue									
Gold revenue	132,156	34,800	118,521	107,614	102,477	87,569	52,655	—	**635,792**
Cost of sales									
Operating expenses	(46,084)	(22,867)	(40,495)	(46,764)	(31,518)	(37,144)	(26,240)	—	**(251,112)**
Depreciation and depletion	(14,336)	(14,494)	(16,345)	(24,616)	(27,659)	(13,279)	(8,925)	(2,957)	**(122,611)**
Royalties	(7,189)	(3,305)	(11,012)	(8,170)	(6,195)	(4,941)	(3,554)	—	**(44,366)**
Earnings/(Loss) from continuing mine operations	**$ 64,547**	**$ (5,866)**	**$ 50,669**	**$ 28,064**	**$ 37,105**	**$ 32,205**	**$ 13,936**	**$ (2,957)**	**$ 217,703**

THREE MONTHS ENDED MARCH 31, 2020

	Ity Mine	Karma Mine	Houndé Mine	Other	Total
Revenue					
Gold revenue	100,723	36,762	88,836	—	**226,321**
Cost of sales					
Operating expenses	(35,230)	(18,759)	(42,103)	—	**(96,092)**
Depreciation and depletion	(10,679)	(13,668)	(16,403)	(2,178)	**(42,928)**
Royalties	(4,763)	(3,251)	(7,105)	—	**(15,119)**
Earnings/(Loss) from continuing mine operations	**$ 50,051**	**$ 1,084**	**$ 23,225**	**$ (2,178)**	**$ 72,182**

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales during the periods ended March 31, 2021 or March 31, 2020. The Company is not economically dependent on a limited number of customers for the sale of gold because gold can be sold through numerous commodity market traders worldwide.

The Company's assets and liabilities, including geographic location of those assets and liabilities, are detailed below:

	Ity Mine Côte d'Ivoire	Karma Mine Burkina Faso	Houndé Mine Burkina Faso	Mana Mine Burkina Faso	Boungou Mine Burkina Faso	Sabodala Massawa Mine Senegal	Wahgnion Mine Burkina Faso	Other	Total
Balances as at March 31, 2021									
Current assets	132,816	48,636	114,571	228,490	173,553	195,447	106,450	375,625	**1,375,588**
Mining interests	442,623	61,127	461,830	498,623	638,108	1,889,734	645,861	453,034	**5,090,940**
Other long-term assets	62,127	12,879	30,679	25,897	37,330	238,924	29,941	80,994	**518,771**
Total assets	**$ 637,566**	**$ 122,642**	**$ 607,080**	**$ 753,010**	**$ 848,991**	**$ 2,324,105**	**$ 782,252**	**$ 909,653**	**$ 6,985,299**
Current liabilities	107,145	26,470	75,279	94,571	91,641	126,069	47,559	114,565	**683,299**
Other long-term liabilities	17,515	13,187	49,351	75,703	173,139	332,000	62,256	1,172,681	**1,895,832**
Total liabilities	**$ 124,660**	**$ 39,657**	**$ 124,630**	**$ 170,274**	**$ 264,780**	**$ 458,069**	**$ 109,815**	**$ 1,287,246**	**$ 2,579,131**
For the period ended March 31, 2021									
Capital expenditures	17,285	1,149	12,986	27,381	8,886	14,086	4,742	29,246	**115,761**

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

	Ity Mine Côte d'Ivoire	Karma Mine Burkina Faso	Houndé Mine Burkina Faso	Mana Mine Burkina Faso	Boungou Mine Burkina Faso	Other	Total[1]
Balances as at December 31, 2020							
Current assets	87,618	50,585	152,761	200,245	113,529	308,605	**913,343**
Mining interests	441,549	70,564	467,719	487,306	647,064	451,896	**2,566,098**
Other long-term assets	65,449	12,971	28,352	25,453	38,001	51,242	**221,468**
Total assets	**$ 594,616**	**$ 134,120**	**$ 648,832**	**$ 713,004**	**$ 798,594**	**$ 811,743**	**$ 3,700,909**
Current liabilities	110,613	28,791	80,666	82,149	74,167	57,465	**433,851**
Other long-term liabilities	17,364	13,862	49,367	74,056	175,832	758,409	**1,088,890**
Total liabilities	**$ 127,977**	**$ 42,653**	**$ 130,033**	**$ 156,205**	**$ 249,999**	**$ 815,874**	**$ 1,522,741**
For the period ended March 31, 2020							
Capital expenditures	17,570	2,713	19,635	—	—	8,464	**48,382**

[1] *Totals are excluding assets and liabilities classified as held for sale as at December 31, 2020.*

(Expressed in Thousands of United States Dollars, except per share amounts) (Unaudited)

18 CAPITAL MANAGEMENT

The Company's objectives of capital management are to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its mining interests and support any expansionary plans.

In the management of capital, the Company includes the components of equity, finance obligations, derivatives and long-term debt, net of cash and cash equivalents, restricted cash and marketable securities.

Capital, as defined above, is summarized in the following table:

	March 31, 2021	December 31, 2020
Equity	**4,406,168**	2,246,180
Long-term debt	**1,044,806**	688,266
Finance and lease obligations	**43,601**	37,205
Derivative financial liabilities	**11,972**	—
	5,506,547	2,971,651
Less:		
Cash and cash equivalents	**(868,195)**	(644,970)
Cash - restricted	**(34,973)**	(24,398)
Marketable securities	**(2,439)**	(778)
Total	**$ 4,600,940**	$ 2,301,505

The Company manages its capital structure and adjusts it considering changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives.

The Company is not subject to any externally imposed capital requirements with the exception of complying with covenants under the RCF and Bridge Facility. As at March 31, 2021 and December 31, 2020, the Company was in compliance with these covenants.

19 COMMITMENTS AND CONTINGENCIES

The Company has commitments in place at all seven of its mines and other key projects for drill and blasting services, load and haul services, supply of explosives and supply of hydrocarbon services. At March 31, 2021, the Company has approximately $18.9 million in commitments relating to on-going capital projects at its various mines.

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. The Company has recognized tax provisions with respect to current assessments received from the tax authorities in the various jurisdictions in which the Company operates, and from uncertain tax positions identified upon the acquisition of SEMAFO and Teranga 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 has received a notice of claim from 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 to the Company’s financial position.

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 assumed a gold stream when it acquired the Karma Mine on April 26, 2016 ("Karma stream"), and when it acquired the Sabodala-Massawa mine on February 10, 2021 ("Sabodala stream").

- Under the Karma stream, the Company is obligated to deliver 100,000 ounces of gold (20,000 ounces per year) to Franco-Nevada Company and Sandstorm Gold Inc. (the “Syndicate”) over a five-year period, which commenced on March 31, 2016, 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, 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 an additional deposit of $5.0 million received in 2017. 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

March 31, 2021, the Company had completed the delivery of 100,000 ounces of gold and had started delivering 6.5% of gold production at the Karma Mine to the syndicate.

- Under the Sabodala stream, the Company is required to deliver 783 ounces of gold per month beginning September 1, 2020 until 105,750 ounces have been delivered to Franco-Nevada (the "Fixed Delivery Period") based on the Sabodala standalone life of mine plan prior to the Massawa Acquisition by Teranga on March 4, 2020. At the end of the Fixed Delivery Period, any difference between total gold ounces delivered during the Fixed Delivery Period and 6 percent of production from the Company's existing properties in Senegal (excluding Massawa) could result in a credit from or additional gold deliveries to Franco-Nevada. Subsequent to the Fixed Delivery Period, the Company is required to deliver 6 percent of production from the Company's existing properties in Senegal (excluding Massawa). For ounces of gold delivered to Franco-Nevada under the Stream Agreement, Franco-Nevada pays the Company cash at the date of delivery for the equivalent of the prevailing spot price of gold for on 20 percent of the ounces delivered. Revenue is recognized on actual proceeds received. The Company delivered 1,567 ounces during the period ended March 31, 2021 after its acquisition of Teranga and as at March 31, 2021, 99,139 ounces is still to be delivered under the Fixed Delivery Period.

20 SUBSEQUENT EVENTS

Share buy back program

On March 22, 2021, the Company commenced a normal course issuer bid for its share repurchase program under which the Company is able to acquire up to 12.2 million of its outstanding ordinary shares, which represents up to 5% of the total issued and outstanding ordinary shares as of March 16, 2021. Subsequent to March 31, 2021 and up to May 12, 2021, the Company has repurchased a total of 589,734 shares at an average price of C$27.42, for total cash outflows of $13.0 million (C$16.2 million).