

## ENDEAVOUR ANNOUNCES THE SALE OF ITS NON-CORE AGBAOU MINE

**Abidjan, January 22, 2021** - Endeavour Mining (TSX:EDV) (OTCQX: EDVMF) is pleased to announce that it has entered into an agreement (the “Agreement”) to sell its 85% interest in its non-core Agbaou mine in Côte d’Ivoire to Allied Gold Corp (“Allied Gold”) for a consideration of up to \$80 million with further upside through its equity exposure and a Net Smelter Return (“NSR”) royalty.

Sébastien de Montessus, President and CEO of Endeavour, commented: *“The sale of our interest in the Agbaou mine to Allied Gold is in line with our strategy of actively managing our portfolio to focus management efforts on high margin, long-life core assets.*

*Agbaou has been a highly cash generative asset which facilitated the organic development of Houndé and Ity, and given that it has now become non-core to Endeavour, we firmly believe that this transaction is in the best interests of all of Agbaou’s stakeholders, including the Government of Cote d’Ivoire, local communities and the employees themselves. This transaction will ensure mining activities can continue for many years to come through the creation of the Bonikro-Agbaou complex.*

*We are very proud of what we have accomplished at Agbaou as we have installed a strong and capable team, which is now led by an Ivorian General Manager, supported by a number of local employees in leadership positions, ensuring we leave behind a strong legacy. I want to thank our Agbaou employees for their huge commitment, professionalism and contribution to Endeavour’s evolution over the past years.”*

Allied Gold is a private African operator which notably owns the nearby Bonikro mine. Following the transaction close, the Bonikro-Agbaou operation will be comprised of multiple open pits, two processing plants with a total milling capacity of over 5Mtpa, and will have the potential to produce over 285,000 ounces annually. Endeavour expects to capture the benefits of local synergies and exploration upside through its equity stake in Allied Gold and its NSR royalty.

Under the terms of the Agreement, the total consideration consists of:

- › \$20 million in cash payable in the first quarter of 2021;
- › \$40 million in Allied Gold shares. Endeavour has an option to sell the shares back to Allied Gold at the issue price which expires on December 31, 2022 or earlier if Allied Gold conducts an IPO before then;
- › A contingent payment of up to \$20 million, comprised of \$5 million for each quarter of 2021 where the average gold price exceeds \$1,900/oz; and
- › A NSR royalty 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/oz, 2% if the gold price is at least \$1,200/oz and less than \$1,400/oz, 1% if the gold price is at least \$1,000/oz and less than \$1,200/oz, and 0% if gold price is below \$1,000/oz.

The transaction is expected to close on March 1, 2021.

### ABOUT ALLIED GOLD

Allied Gold Corp is a privately owned, Africa-focused gold company. Once the Allied Gold pending transactions close, they will own three producing assets (Agbaou and Bonikro in Cote d’Ivoire and Sadiola mine in Mali) and a strong project development pipeline (Sadiola Sulphide project in Mali and Dish Mountain in Ethiopia). The company also holds exploration acreage of 600km<sup>2</sup> in El Sid, Egypt.

Allied Gold acquired the Bonikro mine in 2019. Bonikro’s Measured and Indicated resources, inclusive of reserves, as at December 31, 2019, stood at 25.5MT at 1.66 g/t Au containing 1.4Moz.

## ABOUT AGBAOU

Located approximately 200km north of the port city of Abidjan, Côte d'Ivoire, the Agbaou Gold Mine is an open pit mining operation with a CIL processing facility which is currently processing in excess of 2.0Mtpa. In the first nine months of 2020, the mine produced 76,713 ounces of gold at an AISC of \$1,013/oz. Agbaou's Measured and Indicated resources, inclusive of reserves, as at December 31, 2019, stood at 7.6MT at 2.14 g/t Au containing 519koz, while Proven and Probable reserves stood at 6.3MT at 1.58 g/t Au containing 321koz. Based on known reserves, Agbaou's mine life is expected to cease by the end of 2022, but Allied intends to extend the life of mine through continued regional exploration activities in the near term. Endeavour's carrying book value as at September 30, 2020, for its interest in the Agbaou mine stood at \$103 million and is expected to be below \$90 million at year-end. Endeavour owns an 85% stake in the Agbaou mine, with the remainder owned by the Government of Côte d'Ivoire (10%) and SODEMI (5%).

## ABOUT ENDEAVOUR

Endeavour Mining is a multi-asset gold producer focused on West Africa, with two mines (Ity and Agbaou) in Côte d'Ivoire, four mines (Houndé, Mana, Karma and Bounbou) in Burkina Faso, four potential development projects (Fetekro, Kalana, Bantou and Nabanga) and a strong portfolio of exploration assets on the highly prospective Birimian Greenstone Belt across Burkina Faso, Côte d'Ivoire, Mali and Guinea.

As a leading gold producer, Endeavour Mining is committed to principles of responsible mining and delivering sustainable value to its employees, stakeholders and the communities where it operates. Endeavour is listed on the Toronto Stock Exchange, under the symbol EDV.

## QUALIFIED PERSONS

Clinton Bennett, Endeavour's VP Metallurgy and Process Improvement - a Fellow of the Australasian Institute of Mining and Metallurgy, is a "Qualified Person" as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed and approved the technical information in this news release.

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## CAUTIONARY STATEMENT

*This news release contains "forward-looking statements" including but not limited to, statements with respect to Endeavour's plans and operating performance, the estimation of mineral reserves and resources, the timing and amount of estimated future production, costs of future production, future capital expenditures, and the success of exploration activities. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "expected", "budgeted", "forecasts", and "anticipates". Forward-looking statements, while based on management's best estimates and assumptions, are subject to risks and uncertainties that may cause actual results to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the successful integration of acquisitions; risks related to international operations; risks related to general economic conditions and credit availability, actual results of current exploration activities, unanticipated reclamation expenses; changes in*



*project parameters as plans continue to be refined; fluctuations in prices of metals including gold; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables, possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in the completion of development or construction activities, changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which Endeavour operates. Although Endeavour has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Please refer to Endeavour's most recent Annual Information Form filed under its profile at [www.sedar.com](http://www.sedar.com) for further information respecting the risks affecting Endeavour and its business. AISC, all-in sustaining costs at the mine level, cash costs, operating EBITDA, all-in sustaining margin, free cash flow, net free cash flow, free cash flow per share, net debt, and adjusted earnings are non-GAAP financial performance measures with no standard meaning under IFRS, further discussed in the section Non-GAAP Measures in the most recently filed Management Discussion and Analysis.*