

Q1

Q2

Q3

Q4



**ENDEAVOUR
MINING**

MANAGEMENT DISCUSSION & ANALYSIS

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

(Expressed in Thousands of United States Dollars)

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This Management Discussion and Analysis (“MD&A”) should be read in conjunction with Endeavour Mining Corporation’s (“Endeavour”, the “Company”, or the “Group”) condensed interim consolidated financial statements for the three months ended March 31, 2021 and 2020 which has been prepared in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”) or (“GAAP”), as well as the audited consolidated financial statements for the years ended December 31, 2020 and 2019 and notes thereto which has been prepared in accordance with IFRS. This MD&A contains “forward-looking statements” that are subject to risk factors set out in a cautionary note contained herein. The reader is cautioned not to place undue reliance on forward-looking statements. All figures are in United States Dollars, unless otherwise indicated. Tabular amounts are in thousands of United States Dollars, except per share amounts and where otherwise indicated. This MD&A is prepared as of May 12, 2021. Additional information relating to the Company, including the Company’s Annual Information Form, is available on SEDAR at www.sedar.com.

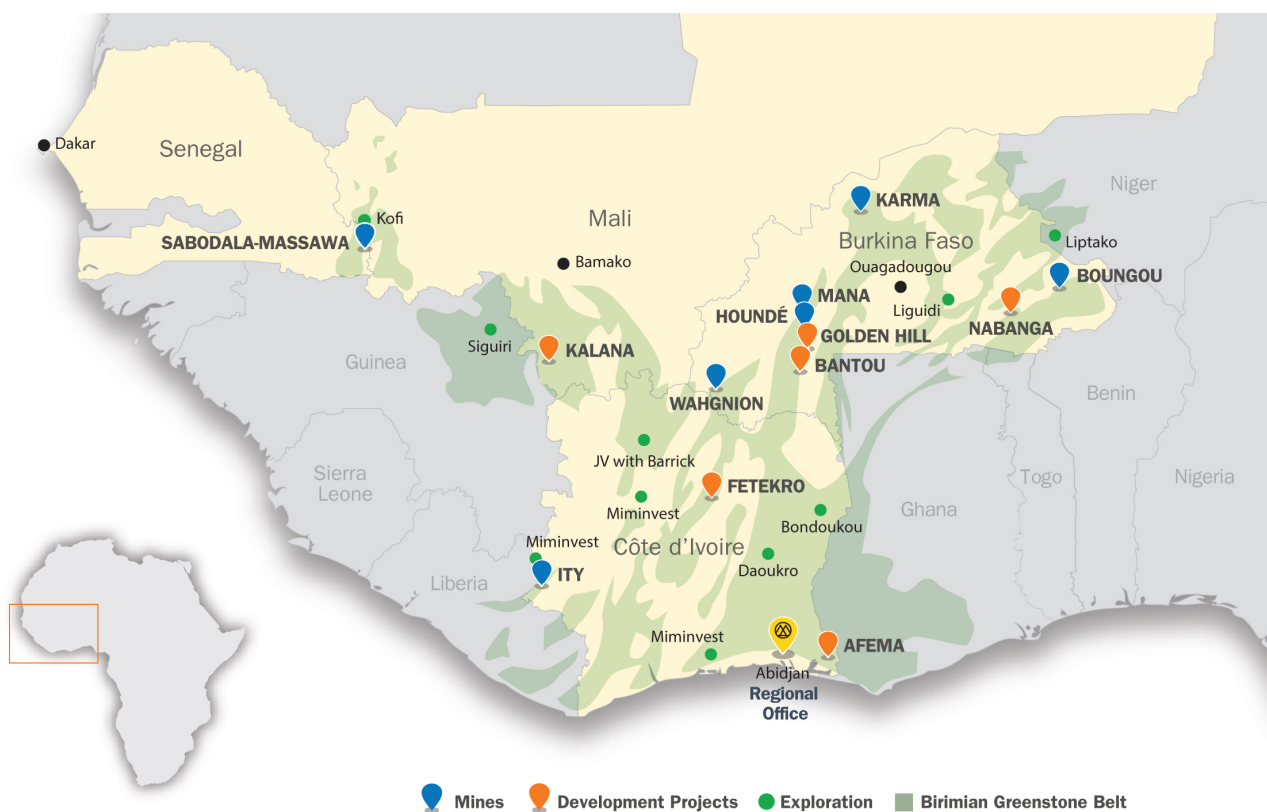
1. BUSINESS OVERVIEW

1.1. OPERATIONS DESCRIPTION

Endeavour is a multi-asset gold producer focused on West Africa and listed on the Toronto Stock Exchange (“TSX”). The Company’s assets include five mines (Houndé, Mana, Boungou, Wahgnion and Karma) in Burkina Faso, the Ity mine in Côte d’Ivoire, the Sabodala-Massawa mine in Senegal, six development projects (Fetekro, Kalana, Bantou, Nabanga, Golden Hill and Afema) and a strong portfolio of exploration assets on the highly prospective Birimian Greenstone Belt across Burkina Faso, Côte d’Ivoire, Mali, Senegal, and Guinea. On February 10, 2021, Endeavour completed the acquisition of Teranga Gold Corporation (“Teranga”), a TSX-listed gold company which owned the Sabodala-Massawa and Wahgnion mines, as well as certain development and exploration assets. On March 1, 2021, the Company completed the disposition of its Agbaou mine in Côte d’Ivoire.

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

Figure 1: Endeavour’s Principal Properties in West Africa as at May 12, 2021



2. HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2021

2.1. CORPORATE HIGHLIGHTS

- On March 30, 2021, Endeavour announced the successful completion of the previously announced La Mancha Holding S.à.r.l. (“La Mancha”) private placement of 8.9 million common shares of Endeavour for proceeds of \$200.0 million.
- On March 18, 2021, Endeavour received approval from the TSX to implement a Normal Course Issuer Bid (“NCIB”) for its share repurchase program, in order to supplement its dividend and maximize value for its shareholders.
- On February 23, 2021, Endeavour announced it had completed a Pre-Feasibility Study (“PFS”) for both its Fetekro and Kalana projects as part of its focus on organic growth opportunities. The PFS results confirmed both projects moving forward to the Definitive Feasibility Study (“DFS”) stage.
- On February 10, 2021, Endeavour successfully completed the acquisition of Teranga to create a new top 10 global gold producer.
- On January 22, 2021, Endeavour announced it had 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 consideration of up to \$80.0 million with further upside through its equity exposure and a Net Smelter Return (“NSR”) royalty. The disposition was finalized on March 1, 2021.

2.2. OPERATIONAL AND FINANCIAL HIGHLIGHTS

- Gold production for the first quarter was a record 334,262 ounces and is on track to meet the full-year guidance from continuing operations of 1,350,000 - 1,475,000 ounces.
- Revenues for the quarter ended March 31, 2021 were \$635.8 million, which generated \$217.7 million in earnings from mine operations, which was an increase of \$409.5 million and \$145.5 million, respectively, over Q1-2020. The increases are due to the acquisition of the Mana, Bounkou, Wahgnion and Sabodala-Massawa mines subsequent to Q1-2020.
- Operating cash flows before changes in working capital¹ for the quarter ended Q1-2021 amounted to \$265.3 million, or \$1.28 per share¹, an increase of \$169.9 million and \$0.41¹ compared to Q1-2020. Operating cash flows after changes in working capital¹ from all operations were \$206.7 million, or \$0.99 per share¹, an increase of \$106.8 million and \$0.09 per share¹ compared to Q1-2020.
- Net comprehensive earnings attributable to shareholders of \$94.7 million or basic earnings per share of \$0.46 for the quarter ended March 31, 2021 increased compared to net comprehensive income of \$19.4 million or basic earnings per share of \$0.18 in Q1-2020.
- Earnings before interest, taxes, depreciation and amortization (“EBITDA”) for the quarter ended March 31, 2021 was \$334.8 million compared to EBITDA of \$101.8 million in Q1-2020 which represents an increase of \$232.9 million.
- Adjusted net earnings¹ of \$104.7 million or \$0.50 per share¹ for the quarter ended March 31, 2021 compared to adjusted net earnings of \$26.3 million and \$0.24 per share in Q1-2020, an increase of \$78.4 million and \$0.27 per share, respectively.
- Net Debt / adjusted EBITDA¹ (LTM) ratio of 0.16x at quarter-end, an increase over Q4-2020 due to acquired debt in the newly combined Teranga assets.
- Cash and cash equivalents of \$868.2 million at March 31, 2021, providing significant headroom to finance the Company’s ongoing operations.

¹ Throughout this MD&A, cash costs, all-in sustaining costs, EBITDA, adjusted EBITDA, adjusted earnings attributable to shareholders, all-in sustaining margin, all-in margin, sustaining and non-sustaining capital expenditures, growth projects, free cash flow, operating cash flows per share, operating cash flow before non-cash working capital per share, return on capital employed and net debt and net debt/adjusted EBITDA are non-GAAP financial performance measures with no standard meaning under IFRS, further discussed in the section non-GAAP Measures.

Table 1: Quarterly Operational and Financial Highlights

(\$'000s)	Unit	THREE MONTHS ENDED		
		March 31, 2021	December 31, 2020	March 31, 2020
Operating data from continuing operations				
Gold produced	oz	334,262	315,176	144,433
Gold sold	oz	363,518	300,622	147,131
Realized gold price ¹	\$/oz	1,749	1,841	1,538
Cash cost per gold ounce sold ²	\$/oz	751	699	762
All-in sustaining costs per ounce sold ²	\$/oz	858	779	890
Cash flow data from continuing operations				
Operating cash flows before working capital	\$	265,254	297,384	95,331
Operating cash flows before working capital per share ²	\$/share	1.28	1.82	0.86
Operating cash flows	\$	206,743	383,992	99,901
Operating cash flows per share ²	\$/share	0.99	2.36	0.90
Profit and loss data from continuing operations				
Revenue ¹	\$	635,792	553,370	226,321
Earnings from mine operations	\$	217,703	220,157	72,182
Net comprehensive earnings attributable to shareholders	\$	94,735	65,751	19,366
Basic earnings per share attributable to shareholders	\$/share	0.46	0.40	0.18
EBITDA ²	\$	334,767	227,401	101,829
Adjusted EBITDA ²	\$	311,140	297,022	106,923
Adjusted net earnings attributable to shareholders ²	\$	104,686	163,602	26,336
Adjusted net earnings per share attributable to shareholders ²	\$/share	0.50	1.00	0.24
Balance Sheet Data				
Cash	\$	868,195	644,970	357,343
Net Debt/(Cash) ²	\$	161,805	(74,675)	472,654
Net Debt/(Cash)/ Adjusted EBITDA (LTM) ratio ²	:	0.16	(0.09)	1.06

¹ Revenue and realized gold price are inclusive of the Sabodala-Massawa and Karma streams.

² This is a non-GAAP measure. Refer to the non-GAAP measure section of the MD&A.

3. ENVIRONMENT, SOCIAL AND GOVERNANCE

Endeavour is committed to being a responsible gold miner, creating long-term value and sharing the benefits of its operations among all its stakeholders, including employees, host communities and shareholders. As the largest gold miner in West Africa and a trusted government partner, Endeavour's operations have the potential to provide a significant positive impact on the economies and social development of its local communities and host countries, while minimizing their impact on the environment.

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

The Responsible Gold Mining Principles ("RGMPs")

The RGMPs were launched by the World Gold Council, the industry body responsible for stimulating and sustaining demand for gold, to reflect the commitment of the world's leading gold producers to responsible mining. The RGMPs provide a comprehensive ESG reporting framework that sets out clear expectations as to what constitutes responsible gold mining to help provide confidence to investors, supply chain participants and ultimately, consumers.

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

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

Responding to Climate Change

Being responsible stewards of the environment is critical to the Group's long-term success. Endeavour recognizes the need to monitor its energy consumption and efficiency and, where possible, to reduce its carbon footprint. As part of this, the Group has commenced reporting in line with the Financial Services Board's Task Force for Climate-related Financial Disclosure ("TCFD").

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

Sustainability Update

Endeavour's 2020 Sustainability Report will be published in Q2-2021. This year, the Company has continued to augment its disclosure and will be reporting to two new standards, TCFD and the Sustainability Accounting Standards Board ("SASB"), alongside the Global Reporting Initiative Core Standard.

3.1. HEALTH AND SAFETY

Endeavour puts the highest priority on safe work practices and systems. The Company's ultimate aim is to achieve "zero harm" performance. The following table shows the safety statistics for the trailing twelve months ended March 31, 2021. The Group's lost time injury frequency rate ("LTIFR") continues to be well below the industry benchmark.

Table 2: LTIFR² and TRIFR³ Statistics for the Trailing Twelve Months ended March 31, 2021¹

	Incident Category			LTIFR ²	TRIFR ³
	Fatality	Lost Time Injury	Total People Hours		
Agbaou	—	—	2,866,813	—	0.64
Karma	—	—	3,197,086	—	—
Ity	—	1	5,663,855	0.18	1.77
Houndé	—	—	5,027,847	—	0.80
Mana ¹	—	—	3,717,085	—	3.70
Boungou ¹	—	1	1,887,385	0.45	2.24
Sabodala-Massawa ¹	—	1	734,084	0.45	2.95
Wahgnion ¹	—	1	1,004,765	0.43	2.77
Non Operations ⁴	—	—	3,700,452	—	—
Total	—	4	27,799,372	0.14	1.34

¹Data relating to the acquired SEMAFO and Teranga entities have been included from their acquisition date.

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

³Total Recordable Injury Frequency Rate ("TRIFR") = Number of (LTI+Fatalities+Restricted Work Injury+Medical Treated Injury+First Aid Injury) in the period x 1,000,000 / Total people hours worked for the period.

⁴"Non Operations" includes Corporate, Kalana and Exploration.

3.2. COVID-19 RESPONSE

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

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

- Endeavour is implementing a range of preventative measures across all its sites, including social distancing, health screening, augmented hygiene and restricted access to sites.
- Endeavour has donated key medical equipment and supplies to regional, community and on-site medical centers across all four countries of its projects and operations and continues to monitor the needs of its communities.
- A range of community programs have been implemented during the pandemic, including micro-credit programs, which have helped to support people in host communities whose livelihoods were impacted by the pandemic, and e-learning programs in Burkina Faso to facilitate access to distance learning for students.

Business continuity response plan

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

4. OPERATIONS REVIEW

The following tables summarize operating results for the three months ended March 31, 2021, December 31, 2020, and March 31, 2020.

4.1. Operational Review Summary

- Q1-2021 consolidated production from all operations amounted to 346,837 ounces, an increase of 3,283 ounces or 1.0% compared to Q4-2020. Lower production at Houndé was offset by the addition of the Wahgnion and Sabodala-Massawa mines which were acquired on February 10, 2021. AISC for all operations increased by 8% or \$65 per ounce due primarily to the higher sustaining capital and cash costs.
- Q1-2021 consolidated production increased by 174,944 ounces or 101% which was double that of Q1-2020, as a result of the addition of four new mines (Mana, Bounou, Wahgnion and Sabodala-Massawa) since the end of Q1-2020. AISC for all operations decreased by \$31 per ounce or 3% to \$868 per ounce as higher total cash cost and higher sustaining capital were offset by the higher ounces sold.

Table 3: Group Production

	THREE MONTHS ENDED		
	March 31, 2021	December 31, 2020	March 31, 2020
<i>(All amounts in koz, on a 100% basis)</i>			
Sabodala-Massawa ¹	39	—	—
Houndé	66	101	56
Ity	71	61	61
Mana	52	61	—
Wahgnion ¹	25	—	—
Karma	22	28	28
Boungou	60	64	—
PRODUCTION FROM CONTINUING OPERATIONS	334	315	144
Agbaou ²	13	28	27
GROUP PRODUCTION	347	344	172

¹Included for the post acquisition period commencing February 10, 2021.

²Divested on March 1, 2021.

Table 4: Group All-In Sustaining Costs¹

	THREE MONTHS ENDED		
	March 31, 2021	December 31, 2020	March 31, 2020
<i>(All amounts in US\$/oz)</i>			
Sabodala-Massawa ²	749	—	—
Houndé	839	612	1,076
Ity	786	1,054	651
Mana	954	802	—
Wahgnion ²	780	—	—
Karma	1,179	1,132	866
Boungou	690	532	—
Corporate G&A	31	20	19
AISC FROM CONTINUING OPERATIONS	858	779	890
Agbaou ³	1,131	1,066	951
GROUP AISC	868	803	899

¹This is a non-GAAP measure.

²Included for the post acquisition period commencing February 10, 2021.

³Divested on March 1, 2021.

4.2. Ity Gold Mine, Côte d'Ivoire

Table 5: Ity CIL Key Performance Indicators

	Unit	THREE MONTHS ENDED		
		March 31, 2021	December 31, 2020	March 31, 2020
Operating Data				
Tonnes ore mined	kt	2,105	2,660	1,909
Tonnes of waste mined	kt	4,711	3,886	3,317
Tonnes milled	kt	1,550	1,456	1,410
Average gold grade milled	g/t	1.76	1.72	1.63
Recovery rate	%	79	76	84
Gold produced	oz	70,882	60,547	61,005
Gold sold	oz	74,483	50,983	63,514
Realized gold price	\$/oz	1,774	1,864	1,586
Financial Data (\$'000)				
Revenue	\$	132,156	95,033	100,723
Operating expenses	\$	(46,084)	(45,051)	(35,230)
Royalties	\$	(7,189)	(5,392)	(4,763)
Non-cash operating expenses	\$	—	—	(220)
Total Cash Cost¹	\$	(53,273)	(50,444)	(40,213)
Sustaining capital ¹	\$	(5,238)	(3,296)	(1,123)
Total All-in Sustaining Costs¹	\$	(58,511)	(53,740)	(41,336)
Non-sustaining capital ¹	\$	(12,047)	(11,992)	(10,947)
All-In Margin^{1,2}	\$	61,598	29,301	48,440
Cash cost per ounce sold¹	\$/oz	715	989	633
Mine All-In Sustaining Costs per ounce sold¹	\$/oz	786	1,054	651

¹ Non-GAAP measure. Refer to the non-GAAP Measures section for further details.

² All-In Margin is calculated as revenue less all-in sustaining costs and non-sustaining capital expenditures for the period.

Q1-2021 vs Q4-2020 insights

- Production significantly increased due to higher throughput, higher processed grades, as well as higher plant recovery rate.
 - Total tonnes mined increased due to a decrease in the proportion of fresh ore mined, higher mining fleet availability and less rainfall, which resulted in better road conditions improving the performance of the mining fleet.
 - Tonnes of ore mined decreased due to a higher strip ratio as ore was mainly sourced from the Bakatouo, Walter and Daapleu pits in Q1-2021.
 - Tonnes milled increased due to a decrease in the proportion of fresh ore milled, as well as increased plant operating time.
 - Processed grades increased due to the benefit of the higher grade ore from the Bakatouo pit, which was supplemented with ore from the Daapleu pit and the Walter pit.
 - Recovery rate increased due to the benefit of a higher proportion of oxide ore from the Bakatouo and Walter pits in place of the fresh sulfide ore from the Daapleu pit which has lower recovery rates.
- AISC per ounce decreased due to lower mining and processing unit costs as a result of lower fleet maintenance and reagent costs respectively. Fleet maintenance costs were reduced due to improved road conditions and reagent consumption was improved through a reduction in the proportion of Daapleu ore processed. The cost reductions were slightly offset by higher royalties and sustaining capital expenditure.
- Sustaining capital expenditure of \$5.2 million related to waste stripping at the Ity pit.
- Non-sustaining capital expenditure of \$12.0 million mainly related to the construction of the Stage 3 raise of the Tailings Storage Facility ("TSF"), the Le Plaque haul road construction, and the Cavally river diversion.

Q1-2021 vs Q1-2020 Insights

- Production increased due to the higher throughput and higher processed grades which more than offset the lower recovery rate.
 - Tonnes of ore mined increased due to higher mining fleet availability and less rainfall, despite the higher strip ratio in Q1-2021.
 - Tonnes milled increased due to increased mill utilisation and the increased processing of oxide ore.
 - Average gold grade milled increased due to the higher grade ore sourced from the Bakatouo and Daapleu pits as well as the lower proportion of low-grade stockpiles used to supplement the plant feed.
 - Recovery rate decreased as greater quantities of Daapleu fresh ore was processed.
- AISC per ounce increased due to higher mining unit costs associated with mining at lower elevations, higher processing costs due to a higher proportion of fresh being processed and increased sustaining capital, related to waste capitalization and equipment component change-outs.

Outlook

- Ity is on track to meet its full year guidance and produce between 230—250koz in 2021 at an AISC of \$800—850 per ounce. Q1-2021 performance was better than initially scheduled as higher grade oxide ore was brought forward in the mine plan and the mill throughput outperformed.
- Plant feed is expected to continue to be sourced from multiple areas, notably the Daapleu and Bakatouo pits, which will be supplemented with ore from the Ity, Walter and Colline Sud pits, as well as historical stockpiles. Greater volumes of fresh ore are expected to be processed in the upcoming quarters which is expected to reduce mill throughput and recovery rates. Mining at Le Plaque remains on schedule for Q4-2021, which is expected to result in a higher average mill grade.

2021 Exploration Program

- An exploration program of \$9.0 million is planned for 2021. Drilling will focus on adding resources at Le Plaque, West Flotouo (Verse Ouest), Daapleu SW, Walter, Bakatouo Deep and Greater Ity. Reconnaissance drilling will also test the South Foleu area and Daapleu deep targets.
- In Q1-2021, approximately \$4.0 million was spent, comprising 29,000 meters of drilling focused on Flotouo, Yopleu-Legaleu, Le Plaque South (Delta Extension), Daapleu Deep and the intersection of Walter and Bakatouo.

4.3. Houndé Gold Mine, Burkina Faso

Table 6: Houndé Key Performance Indicators

	Unit	THREE MONTHS ENDED		
		March 31, 2021	December 31, 2020	March 31, 2020
Operating Data:				
Tonnes ore mined	kt	1,625	2,120	900
Tonnes of waste mined	kt	12,312	8,621	10,411
Tonnes milled	kt	1,147	1,117	1,066
Average gold grade milled	g/t	1.89	3.06	1.76
Recovery rate	%	91	94	91
Gold produced	oz	66,054	101,367	55,860
Gold sold	oz	67,031	101,512	56,671
Realized gold price	\$/oz	1,768	1,865	1,568
Financial Data (\$'000)				
Revenue	\$	118,521	189,299	88,836
Operating expenses	\$	(40,495)	(40,848)	(42,103)
Royalties	\$	(11,012)	(14,117)	(7,105)
Non-cash operating expenses	\$	1	—	—
Total Cash Cost¹	\$	(51,506)	(54,965)	(49,208)
Sustaining capital ¹	\$	(4,702)	(7,183)	(11,774)
Total All-In Sustaining Costs¹	\$	(56,208)	(62,148)	(60,982)
Non-sustaining capital ¹	\$	(6,696)	(4,840)	(1,815)
All-In Margin^{1,2}	\$	55,617	122,311	26,039
Cash cost per ounce sold¹	\$/oz	768	541	868
Mine All-In Sustaining Costs per ounce sold¹	\$/oz	839	612	1,076

¹ Non-GAAP measure. Refer to the non-GAAP Measures section for further details.

² All-In Margin is calculated as revenue less all-in sustaining costs and non-sustaining capital expenditures for the period.

Q1-2021 vs Q4-2020 insights

- Production decreased due to the scheduled increase in waste stripping, mining lower grade ore, as well as lower recovery rates associated with the reduction in oxide ore processed as ore from Kari Pump was blended with increased amounts of fresh ore from other pits.
 - Tonnes of ore mined decreased due to the focus on waste stripping at the Kari Pump and Vindaloo Main pits as mining was confined to low-grade areas and supplemented with ore mined from the Bouéré and Vindaloo Center pits.
 - Tonnes milled increased slightly due to the increased milling rate that resulted from improved rock fragmentation.
 - Average gold grade milled decreased as mining was constrained to low grade areas of the Kari Pump and Vindaloo Center pits.
 - Recovery rate decreased to 91% due to the decrease in the proportion of oxide material milled as Kari Pump ore was blended with fresh ore from other pits.
- AISC increased due to an increase in the strip ratio and the decrease in grade milled and recovery rates, which was partially offset by lower fleet maintenance costs, as well as lower reagent and power cost associated with improved rock fragmentation.
- Sustaining capital of \$4.7 million is related to waste capitalization at the Kari Pump and Vindaloo Main pit.
- Non-sustaining capital of \$6.7 million is related to the costs associated with the development of the Kari West mining area.

Q1-2021 vs Q1-2020 Insights

- Production increased due to higher processed tonnes and higher grades.
 - Tonnes of ore mined increased mainly due to the commissioning of the Kari Pump pit.
 - Tonnes milled increased due to the higher proportion of oxide ore from the Kari Pump pit, offsetting fresh ore from the Vindaloo pit.
 - Average gold grade milled increased due to the addition of the high grade Kari Pump ore, which was supplemented by ore from the Vindaloo Center and Vindaloo Main pits.
- AISC decreased due to the lower mining unit costs, lower strip ratio as well as the expected decrease in sustaining capital, which was slightly offset by higher royalties associated with the higher gold price realised.

Outlook

- Houndé is on track to meet its full year guidance and produce between 240—260koz in 2021 at AISC of \$855—905 per ounce. Q1-2021 performance was better than initially scheduled as the improved mining fragmentation resulted in temporarily higher mill throughput.
- In the upcoming quarters, mining will continue to focus on the Kari Pump pit with contributions from the Bouéré and Vindaloo Centre pits, while stripping activities are expected to increase at the Vindaloo Main pit. Grades are expected to be higher in the latter portion of the year due to stronger contributions from Vindaloo Main and the Kari area.

2021 Exploration Program

- An exploration program of up to \$7.0 million has been planned for 2021, comprised of approximately 47,000 meters of drilling.
- In Q1-2021, approximately \$2.0 million was spent, comprised of 25,000 meters of drilling focused on Vindaloo South, Mambo and the intersection of Kari Gap and Kari Center.
- For the remainder of the year, the exploration program will focus on following up on initial results at Vindaloo South, Mambo and the intersection of Kari Gap and Kari Center as well as reconnaissance drilling at Dafra T3, Marzipan, Kari Deep and Vindaloo Deep targets.

4.4. Mana Gold Mine, Burkina Faso

Table 7: Mana Key Performance Indicators⁴

	Unit	THREE MONTHS ENDED	
		March 31, 2021	December 31, 2020
Operating Data:			
Tonnes ore mined - open pit	kt	355	435
Tonnes of waste mined - open pit	kt	8,177	8,792
Tonnes ore mined - underground	kt	245	215
Tonnes of waste mined - underground	kt	83	165
Tonnes of ore milled	kt	604	629
Average gold grade milled	g/t	2.90	3.33
Recovery rate	%	90	90
Gold produced	oz	52,399	61,422
Gold sold	oz	60,554	55,897
Realized gold price	\$/oz	1,777	1,878
Financial Data (\$'000)			
Revenue	\$	107,614	104,976
Operating expenses	\$	(46,764)	(33,529)
Royalties	\$	(8,170)	(7,463)
Non-cash operating expenses ²	\$	—	(358)
Total Cash Cost¹	\$	(54,934)	(41,350)
Sustaining capital ¹	\$	(2,805)	(3,465)
Total All-in Sustaining Costs¹	\$	(57,739)	(44,815)
Non-sustaining capital ¹	\$	(24,072)	(17,626)
All-In Margin^{1,3}	\$	25,803	42,535
Cash cost per ounce sold¹	\$/oz	907	740
Mine All-In Sustaining Costs per ounce sold¹	\$/oz	954	802

¹ Non-GAAP measure. Refer to the non-GAAP Measures section for further details.

² Non-cash operating expenses relates to the reversal in the period of the fair value adjustment of inventory on hand at the acquisition date.

³ All-In Margin is calculated as revenue less all-in sustaining costs and non-sustaining capital expenditures for the period.

⁴ Analysis of operations is only for the period after its acquisition by Endeavour on July 1, 2020.

Q1-2021 vs Q4-2020 Insights

- Production decreased due to the lower average processed grades and decreased plant throughput rate.
 - Total open pit tonnes mined decreased due to the planned waste development at the Wona South pit in order to provide access to ore. Open pit ore was mainly sourced from the Wona Main pit following the completion of mining at the Siou pit in 2020.
 - Total underground tonnes mined increased, however the average grade was lower, due to the mine sequence.
 - Tonnes milled decreased due to a decrease in mill availability attributable to scheduled plant maintenance.
 - The average processed grade decreased due to the guided lower open pit grades mined from the Wona Main pit and lower grades from the Siou Underground.
- AISC increased due to higher open pit unit mining costs associated with the longer hauling distance to the Wona South pit, as well as higher underground unit mining cost due to the higher density of saprolite ore. The increase was partially offset by lower processing unit costs due to improved power supply from newly installed generators.
- Sustaining capital of \$2.8 million is related to the development of the additional underground decline and open pit equipment rebuilds.
- Non-sustaining capital expenditure was \$24.1 million and mainly related to open pit waste development, the TSF raise and other infrastructure projects.

Outlook

- Mana is on track to meet guidance and produce between 170 - 190koz in 2021 at AISC of \$975-1,050 per ounce given its strong Q1-2021 performance as a result of better than scheduled mill throughput and grades.
- The strip ratio will continue to remain high throughout the year as open pit mining activity continues to focus on waste development at the Wona pit. Tonnes of ore processed is expected to slightly decline in the upcoming quarters while recovery rates are expected to remain fairly constant. The average processed grade is expected to increase in the latter portion of the year due to higher underground grades.

2021 Exploration Program

- An exploration program of up to \$8.0 million has been planned for 2021, comprised of 44,000 meters of drilling, to focus on mine lease targets including Kona, Siou and Maoula and proximal mine lease targets including Fofina Sud.
- In Q1-2021, approximately \$2.5 million was spent, comprising 35,000 meters of drilling focused on several targets, including Maoula and Deep Siou Underground, where drilling will continue during Q2 2021.

4.5. Bougou Gold Mine, Burkina Faso

Table 8: Bougou Key Performance Indicators

	Unit	THREE MONTHS ENDED	
		March 31, 2021	December 31, 2020
Operating Data:			
Tonnes ore mined	kt	246	335
Tonnes of waste mined	kt	6,426	1,905
Tonnes of ore milled	kt	315	333
Average gold grade milled	g/t	5.52	6.92
Recovery rate	%	96	96
Gold produced	oz	59,747	63,939
Gold sold	oz	57,859	65,371
Realized gold price	\$/oz	1,771	1,858
Financial Data (\$'000)			
Revenue	\$	102,477	121,431
Operating expenses	\$	(31,518)	(37,588)
Royalties	\$	(6,195)	(7,369)
Non-cash operating expenses ²	\$	1,880	11,407
Total Cash Cost¹	\$	(35,833)	(33,550)
Sustaining capital ¹	\$	(4,110)	(1,202)
Total All-in Sustaining Costs¹	\$	(39,943)	(34,752)
Non-sustaining capital ¹	\$	(4,493)	(1,071)
All-In Margin^{1,3}	\$	58,041	85,609
Cash cost per ounce sold¹	\$/oz	619	513
Mine All-In Sustaining Costs per ounce sold¹	\$/oz	690	532

¹ Non-GAAP measure. Refer to the non-GAAP Measures section for further details.

² Non-cash operating expenses relates to the reversal in the period of the fair value adjustment of inventory on hand at the acquisition date.

³ All-In Margin is calculated as revenue less all-in sustaining costs and non-sustaining capital expenditures for the period.

Q1-2021 vs Q4-2020 Insights

- Production decreased due to the lower plant throughput rate and lower average processed grade, while recovery rate remained flat.
 - Total tonnes mined increased as mining activities ramped up following the commissioning of two excavators and additional production drills early in the year.
 - Tonnes ore mined decreased due to the expected increase in strip ratio following the ramp up of mining activities and the commencement of pre-stripping activities at the East Pit.
 - Tonnes milled decreased due to lower mill availability as continued enhancements were made to the SAG mill, pebble crusher and vertical tower mill which started in Q4-2020 following the restart of mining.
 - Processed grade decreased as the the mill feed was mainly sourced from the West Pit, with reduced contributions from higher grade stockpiles, which were used to support the mill feed in Q4-2020 during the ramp-up of mining activities.
- AISC per ounce increased due to increased sustaining capital, which was partially offset by lower mining unit costs due to the ramp up of mining activities and the commissioning of new equipment.
- Sustaining capital expenditure was \$4.1 million and related to waste capitalization at the West pit.
- Non-sustaining capital expenditure was \$4.5 million and related to waste stripping at the East pit.

Outlook

- Bounou is on track to meet its full year guidance and produce between 180 - 200koz in 2021 at AISC of \$690 -740 per ounce. Q1-2021 performance was better than initially scheduled as higher grade ore extraction at the West Pit was brought forward.
- Plant feed is expected to continue to be sourced from the West Pit with waste stripping activities continuing at the East Pit throughout the year. Mill throughput is expected to remain relatively stable throughout the remainder of the year while recovery rates are expected to slightly decline to a more normalized rate. The average processed grade is expected to slightly decline over the upcoming quarters, as mining focuses on waste extraction, with an improvement expected in the latter portion of the year.

2021 Exploration Program

- An exploration program of up to \$7.0 million, totaling approximately 85,000 meters of drilling, has been planned for 2021, with the aim of identifying new near-mine resources.
- In Q1-2021, \$0.4 million was spent, comprising 7,000 meters of drilling on several near mine targets. Exploration efforts will continue to ramp up in Q2-2021, focused on delineating these near mine targets.

4.6. Sabodala-Massawa Gold Mine, Senegal

Table 9: Sabodala-Massawa Key Performance Indicators

	Unit	THREE MONTHS ENDED March 31, 2021 ⁵
Operating Data:		
Tonnes ore mined	kt	1,056
Tonnes of waste mined	kt	4,775
Tonnes milled	kt	550
Average gold grade milled	g/t	2.53
Recovery rate	%	90
Gold produced	oz	38,948
Gold sold	oz	51,549
Realized gold price	\$/oz	1,699
Financial Data (\$'000)		
Revenue ¹	\$	87,569
Operating expenses	\$	(37,144)
Royalties	\$	(4,941)
Non-cash operating expenses ³	\$	13,007
Total Cash Cost²	\$	(29,078)
Sustaining capital ²	\$	(9,523)
Total All-In Sustaining Costs²	\$	(38,601)
Non-sustaining capital ²	\$	(4,563)
All-In Margin^{2,4}	\$	44,405
Cash cost per ounce sold²	\$/oz	564
Mine All-In Sustaining Costs per ounce sold²	\$/oz	749

¹ Revenue and realized gold price are inclusive of the Sabodala-Massawa stream.

² Non-GAAP measure. Refer to the non-GAAP Measures section for further details.

³ Non-cash operating expenses relates to the reversal in the period of the fair value adjustment of inventory on hand at the acquisition date.

⁴ All-In Margin is calculated as revenue less all-in sustaining costs and non-sustaining capital expenditures for the period.

⁵ Analysis of operations is only for the period after its acquisition by Endeavour on February 10, 2021.

Q1-2021 Insights

- Production and associated costs presented are for the post-acquisition period commencing February 10, 2021.
 - Ore mined was mainly sourced from Sofia North, Sofia Main, Golouma West and Kourouloulou pits.
 - Tonnes milled comprised mainly fresh ore from the Sofia North pit, supplemented by oxide material from Sofia Main. Plant availability was lower during the quarter due to planned mechanical maintenance and mill re-lining.
 - Average processed grades were high due to processing high grade materials sourced from Sofia North, supplemented by ore from the Sofia Main pit.
 - Recovery rate of 90% was as expected on account of oxide materials from the Sofia North pit.
- AISC per ounce is in line with expectations reflecting the sustaining capital for the period and higher unit mining cost due to a higher proportion of fresh materials milled.
- Sustaining capital expenditure of \$9.5 million was related to waste capitalization and purchases of additional mining equipment.
- Non-sustaining capital expenditure of \$4.6 million mostly related to the relocation activities of the Sabodala village, the new haul road and infrastructure developments at the Massawa permit mining areas.

2021 Outlook

- Sabodala-Massawa is expected to meet guidance and is on track to produce between 310—330koz at AISC of \$690—740 per ounce for the period February 10, 2021 to December 31, 2021.
- The Sofia Main and Sofia North pits, on the Massawa mining permit, will continue to contribute the majority of the ore mined for the remainder of 2021. A higher head grade is expected in the latter portion of the year with higher grade feed from the Sofia pits.

Plant Expansion

- The Massawa deposit is being integrated into the Sabodala mine through a two-phased approach, as outlined in the 2020 PFS.
- Phase 1 of the plant expansion will facilitate processing of an increased proportion of high grade, free-milling Massawa ore through the Sabodala processing plant, which will avoid bottlenecks and reduce gold loss to tailings. The installation of an additional electrowinning cell, a carbon regeneration kiln, an acid wash and elution circuit and an additional leach tank has commenced and the project is on schedule for completion in Q4-2021. In Q1-2021 a total of \$5.5 million was incurred for the Phase 1 plant expansion and classified as growth capital of which \$4.9 million was prepaid by Teranga before its acquisition on February 10, 2021.
- Phase 2 of the expansion will add an additional processing circuit to process the high grade refractory ore from the Massawa deposit, through the addition of a new refractory ore plant. A DFS for Phase 2 is underway and is on track for completion in Q4-2021.

2021 Exploration Program

- A \$13.0 million exploration program has been planned for 2021 to define new resources on near-mine targets at Sabodala-Massawa, including CZ, Sofia, Samina, Tina and Niakafiri, and to evaluate the potential of other near-mine and regional exploration targets.
- In Q1-2021, approximately \$2.0 million was spent, comprised of over 20,000 meters of drilling. The majority of the drilling activity was focused on the Samina, Tina, Delya and other targets within the Massawa project area.
- During the remainder of 2021, drilling will be focussed on extending the non-refractory ore resources at the Sofia North deposit and following up on positive reconnaissance drilling results at the satellite deposits Samina, Tina and Delya.

4.7. Wahgnion Gold Mine, Burkina Faso

Table 10: Wahgnion Key Performance Indicators

	Unit	THREE MONTHS ENDED March 31, 2021 ⁴
Operating Data:		
Tonnes ore mined	kt	649
Tonnes of waste mined	kt	3,802
Tonnes milled	kt	538
Average gold grade milled	g/t	1.35
Recovery rate	%	94
Gold produced	oz	24,659
Gold sold	oz	29,646
Realized gold price	\$/oz	1,776
Financial Data (\$'000)		
Revenue	\$	52,655
Operating expenses	\$	(26,240)
Royalties	\$	(3,554)
Non-cash operating expenses ²	\$	7,679
Total Cash Cost¹	\$	(22,115)
Sustaining capital ¹	\$	(995)
Total All-In Sustaining Costs¹	\$	(23,110)
Non-sustaining capital ¹	\$	(3,747)
All-In Margin^{1,3}	\$	25,798
Cash cost per ounce sold¹	\$/oz	746
Mine All-In Sustaining Costs per ounce sold¹	\$/oz	780

¹ Non-GAAP measure. Refer to the non-GAAP Measures section for further details.

² Non-cash operating expenses relates to the reversal in the period of the fair value adjustment of inventory on hand at the acquisition date.

³ All-In Margin is calculated as revenue less all-in sustaining costs and non-sustaining capital expenditures for the period.

⁴ Analysis of operations is only for the period after its acquisition by Endeavour on February 10, 2021.

Q1-2021 Insights

- Production and associated costs presented are for the post-acquisition period commencing February 10, 2021.
 - Tonnes of ore mined were mainly sourced from the Nogbele North and Nogbele South Pits, supplemented with ore from the Fourkoura pit where mining commenced earlier this year.
 - Tonnes milled were an equal blend of fresh and oxide materials with material fed mainly from the Nogbele deposit area supplemented by ore from the Fourkoura pit.
 - Average gold grade milled was impacted by the introduction of ore from the low grade area of the Fourkoura pit.
- AISC per ounce was lower than expected due to less sustaining capital than expected and a lower strip ratio in the period.
- Sustaining capital expenditure of \$1.0 million was related to waste capitalization and Fourkoura pit infrastructure.
- Non-sustaining capital expenditure of \$3.7 million related to TSF stage 2 raise and acquisition of six dump trucks.

2021 Outlook

- Wahgnion is on track to meet guidance and is expected to produce between 140—155koz in 2021 at AISC of \$940—990 per ounce for the period February 10, 2021 to December 31, 2021
- Waste extraction is expected to increase, resulting in a higher strip ratio over the upcoming quarters which is expected to grant access to higher grade oxide ore from the Fourkoura and Nogbele South pits in the latter portion of the year. Plant throughput and recoveries are anticipated to decrease marginally during the wet season with a higher proportion of fresh ore being processed.

2021 Exploration Program

- The 2021 exploration program, with a planned expenditure of approximately \$12.0 million, will focus on Nogbele North and Nogbele South deposits, targeting the continuation of mineralized structures between the Nogbele pits. Additionally, the north-northeast continuation of the Fourkoura deposit and the Hillside target will be tested for extensions. On the exploration permits, efforts will be focused on various attractive targets such as Kafina West and Korindougou.
- In Q1-2021, approximately \$1.0 million was spent, comprising approximately 4,000 meters of drilling focused on Nogbele and Fourkoura deposits. The exploration program will ramp up in Q2-2021 focusing on Nogbele North and South deposits and the Fourkoura target.

4.8. Karma Gold Mine, Burkina Faso

Table 11: Karma Key Performance Indicators

	Unit	THREE MONTHS ENDED		
		March 31, 2021	December 31, 2020	March 31, 2020
Operating Data:				
Tonnes ore mined	kt	1,242	1,253	1,229
Tonnes of waste mined	kt	3,903	3,759	3,724
Tonnes of ore stacked	kt	1,380	1,327	1,114
Average gold grade stacked	g/t	0.71	0.78	1.02
Recovery rate	%	66	72	82
Gold produced	oz	21,573	27,901	27,568
Gold sold	oz	22,396	26,859	26,946
Realized gold price ¹	\$/oz	1,554	1,587	1,364
Financial Data (\$'000)				
Revenue ¹	\$	34,800	42,632	36,762
Operating expenses	\$	(22,867)	(46,249)	(18,760)
Royalties	\$	(3,305)	(3,930)	(3,251)
Non-cash operating expenses ³	\$	—	20,555	(696)
Total Cash Cost²	\$	(26,172)	(29,623)	(22,707)
Sustaining capital ²	\$	(224)	(793)	(639)
Total All-In Sustaining Costs²	\$	(26,396)	(30,416)	(23,346)
Non-sustaining capital ²	\$	(822)	(2,776)	(2,074)
All-In Margin^{2,4}	\$	7,582	9,439	11,342
Cash cost per ounce sold²	\$/oz	1,169	1,103	843
Mine All-In Sustaining Costs per ounce sold²	\$/oz	1,179	1,132	866

¹Revenue and realized gold price are inclusive of the Karma stream.

²Non-GAAP measure. Refer to the non-GAAP Measures section for further details.

³Non-cash operating expenses relate primarily to the write down of gold-in-circuit pertaining to historically stacked ore that was deemed to be unrecoverable.

⁴All-In Margin is calculated as revenue less all-in sustaining costs and non-sustaining capital expenditures for the period.

Q1-2021 vs Q4-2020 insights

- Production decreased due to lower stacked grade and lower recovery rates on account of longer than normal leach periods for the GG1 ore, which led to a temporary build up of gold in circuit. Decreased production was partially offset by increased stacking due to increased feed from the GG1 pit.
 - Total ore tonnes mined decreased slightly due to the increase in strip ratio. Ore continued to be sourced from the GG1 and Kao North pits.
 - Ore tonnes stacked slightly increased compared to the previous quarter as a higher proportion of coarse material from the GG1 pit was available, with stacker availability and utilisation remaining consistent. Ore tonnes from the GG1 and Kao North pit were mostly oxide with a blend of transitional materials. The proportion of transitional material increased with stacked tonnes being supplemented by stockpiles.
 - The stacked ore grade decreased due to a greater proportion of the lower grade GG1 ore being stacked with ore from the Kao North pit and stockpiles supplementing the feed.
 - Recovery rate decreased due to the increased proportion of ore from the GG1 pit and an increased proportion of transitional ore, which has a lower associated recovery rate.
- AISC per ounce increased due to increased mining strip ratio, which was partially offset by lower mining, processing and G&A unit costs on account of lower production drilling, blasting, rehandling and reagent and crushing costs.
- Sustaining capital expenditure was \$0.2 million and related to capitalized waste at the Kao North pit.
- Non-sustaining capital expenditure was \$0.8 million, which was related to construction of new cells within the heap leach pad.

Q1-2021 vs Q1-2020 Insights

- Production decreased due to lower grade material being processed and lower recovery rates due to longer leach times. The production decrease was partially offset by increased volumes of ore stacked.
 - Ore tonnes mined remained stable despite the slight increase in strip ratio in Q1-2021. Ore was sourced from the Kao North and GG1 pits in the comparable periods.
 - Ore tonnes stacked increased due to less downtime compared to the corresponding quarter in the previous year.
 - The average stacked grade decreased due to higher proportion of the low grade GG1 ore stacked in Q1-2021 compared to Q1-2020 where a higher proportion of the high grade Kao North ore was stacked.
 - Recovery rate decreased due to the longer leach times associated with the GG1 ore and the increased proportion of transitional ore, which has a lower associated recovery rate.
- AISC per ounce increased due to increased sustaining capital and lower grade ore being stacked, which had lower associated recoveries. The cost increase was partially offset by lower mining and processing unit costs.
- Non-sustaining capital expenditure was \$0.8 million and related to construction of new cells within the heap leach pad compared to non-sustaining costs in Q1-2020 related to the completion of the stacking system upgrades.

Outlook

- Karma is expected to meet its full year guidance and produce between 80—90koz in 2021 at AISC of \$1,220—\$1,300 per ounce.
- Mining activity is expected to continue at Kao North and GG1 pits throughout the year with the overall strip ratio expected to be higher in upcoming quarters. Production is expected to be higher in the second half of the year due to higher grades and gold recovery rate from Kao North.

2021 Exploration Program

- No major drilling is planned for 2021

4.9. DISCONTINUED OPERATIONS

Agbaou Gold Mine, Côte d'Ivoire

Table 12: Agbaou Key Performance Indicators

	Unit	THREE MONTHS ENDED		
		March 31, 2021 ³	December 31, 2020	March 31, 2020
Operating Data				
Tonnes ore mined	kt	353	433	757
Tonnes of waste mined	kt	2,102	3,950	5,676
Tonnes milled	kt	348	691	732
Average gold grade milled	g/t	1.09	1.37	1.31
Recovery rate	%	95	93	94
Gold produced	oz	12,575	28,379	27,460
Gold sold	oz	14,045	27,152	27,423
Realized gold price	\$/oz	1,810	1,867	1,589
Financial Data (\$'000)				
Revenue	\$	25,426	50,681	43,581
Operating expenses	\$	(14,250)	(24,324)	(18,311)
Royalties	\$	(1,418)	(2,869)	(2,333)
Total Cash Cost¹	\$	(15,668)	(27,193)	(20,644)
Sustaining capital ¹	\$	(223)	(1,764)	(5,436)
Total All-in Sustaining Costs¹	\$	(15,891)	(28,957)	(26,080)
Non-sustaining capital ¹	\$	(25)	(496)	(134)
All-In Margin^{1,2}	\$	9,510	21,228	17,367
Cash cost per ounce sold¹	\$/oz	1,116	1,001	753
Mine All-In Sustaining Costs per ounce sold¹	\$/oz	1,131	1,066	951

¹ Non-GAAP measure. Refer to the non-GAAP Measures section for further details.

² All-In Margin is calculated as revenue less all-in sustaining costs and non-sustaining capital expenditures for the period.

³ Analysis of operations is only for the period up to its disposal by Endeavour on March 1, 2021.

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.

Q1-2021 vs Q4-2020 insights

- Production and associated costs presented are for the pre-disposition period ending on March 1, 2021.
 - Mining focused on the deeper elevation of the North, West and South Pits with greater volumes of fresh material mined.
 - Tonnes milled was below plant capacity due to lower mill throughput rate on account of a higher proportion of fresh material delivered to the plant.
 - Processed grades decreased as mining focused on lower grade ore from the North, West and South pits.
 - Recovery rate increased slightly due to lower milling rate leading to better residence time.

- The AISC increased due to higher mining and processing unit costs associated with mining at deeper elevation and processing a higher proportion of fresh ore. The increase was slightly offset by lower sustaining capital due to the decrease in waste capitalised.

Q1-2021 vs Q1-2020 Insights

- Production decreased compared to same period in prior year due to operating the mine for a shorter period as the operations was discontinued through a sale. Average grade decreased due to lower grade at the deeper elevation of the North, West and South pits mined. Recovery rate remained flat.
- AISC increased in line with expectation as a result of lower ounces sold as well as higher mining cost and higher processing cost. This was partially offset by lower sustaining capital spend.

5. RESULTS FOR THE PERIOD

5.1. STATEMENT OF COMPREHENSIVE EARNINGS

Table 13: Statement of Comprehensive Earnings

(\$'000s)	THREE MONTHS ENDED		
	March 31, 2021	December 31, 2020	March 31, 2020
Revenue	635,792	553,370	226,321
Operating expenses	(251,112)	(203,717)	(96,092)
Depreciation and depletion	(122,611)	(91,224)	(42,928)
Royalties	(44,366)	(38,272)	(15,119)
Earnings from mine operations	217,703	220,157	72,182
Corporate costs	(11,409)	(8,366)	(5,231)
Acquisition and restructuring costs	(12,160)	(13,590)	(4,330)
Impairment charge of mining interests	—	(64,506)	—
Share-based compensation	(7,955)	(5,085)	(1,623)
Exploration costs	(9,810)	(908)	(1,333)
Earnings from operations	176,369	127,702	59,665
Gain/(loss) on financial instruments	42,077	22,451	(2,699)
Finance costs	(12,318)	(13,299)	(11,503)
Other (expense)/income	(6,290)	(13,976)	1,935
Earnings before taxes	199,838	122,878	47,398
Current income tax expense	(72,148)	(50,677)	(19,006)
Deferred income tax (expense)/recovery	(8,688)	2,305	(907)
Net (loss)/earnings from discontinued operations	(3,702)	(44,265)	7,978
Net comprehensive earnings	115,300	30,241	35,463

Review of results for the three months ended March 31, 2021:

- Revenue for Q1-2021 was \$635.8 million, compared to \$553.4 million for Q4-2020. The increase in revenue in Q1-2021 over Q4-2020 is mainly due to the integration of the Wahgnion and Sabodala-Massawa operating mines on February 10, 2021. During the quarter, the acquired Wahgnion and Sabodala-Massawa mines contributed 81,195 ounces amounting to \$140.2 million of the consolidated revenue while the legacy mines contributed 282,323 ounces amounting to \$495.6 million. With respect to the five legacy operations, a reduction in total ounces sold unfavourably impacted revenue by \$32.8 million while a reduction in average realized price unfavourably impacted revenue by \$25.0 million.

Revenue for Q1-2021 increased by 181% compared to Q1-2020 due to the acquired Mana, Boungou, Wahgnion and Sabodala-Massawa mines, subsequent to Q1-2020, which contributed a total of \$350.3 million to revenue in the quarter. The realized gold price increased from \$1,538 per ounce in Q1-2020 to \$1,749 per ounce in Q1-2021 which accounted for an increase in revenue of approximately \$31.7 million for the Company's three legacy continuing operations. In addition, an additional 16,780 ounces sold in Q1-2021 compared to Q1-2020 from the Company's three legacy mines favorably impacted revenue by \$27.4 million.

- Operating expenses for Q1-2021 were \$251.1 million compared to \$203.7 million in Q4-2020. The increase in operating expenses is mainly due to the addition of the newly acquired Wahgnion and Sabodala-Massawa mines during the quarter, with attributable operating expenses of \$26.2 million and \$37.1 million respectively. Additionally, operating expenses increased at Mana by \$13.2 million due to less costs capitalized as the strip ratio decreased. The increase in operating expenses were offset by a reduction at Karma of approximately \$23.4 million as there were no provisions for gold in circuit inventory compared to the prior period, as well as lower operating expenses at the Boungou mine by approximately \$6.1 million due to higher capitalized waste costs on account of the higher strip ratio.

The significant increase in operating expenses in Q1-2021 compared to the same period in the prior year was due to the addition of the Mana and Boungou mines, which were acquired on July 1, 2020, as well as the acquisition of the Wahgnion and Sabodala-Massawa mines, which were acquired on February 10, 2021. The total operating expenses for the four additional mines was \$141.7 million. The Ity and Karma mines operating expenses were higher in Q1-2021 compared to

same period in 2020 due to increased contractor mining costs. This increase was offset by a decrease at the Houndé mine due to the lower costs related to mining oxide materials in the Kari pump area.

- Depreciation and depletion in Q1-2021 was \$122.6 million compared to \$91.2 million in Q4-2020 with the increase mainly attributable to the acquisition of the Wahgnion and Sabodala-Massawa mines. Depreciation and depletion increased in Q1-2021 by \$79.7 million compared to Q1-2020 with the inclusion of Mana, Boungou, Wahgnion and Sabodala-Massawa which were acquired subsequent to Q1-2020. The depletion charge reflects the higher carrying values for the mining interests upon determination of the fair values of the various mines upon acquisition.
- Royalties were \$44.4 million for Q1-2021, compared to \$38.3 million in Q4-2020 and \$15.1 million in Q1-2020. The increase in royalty expense in the quarter is due to the inclusion of the Wahgnion and Sabodala-Massawa mines acquired on February 10, 2021, and the Mana and Boungou mines acquired on July 1, 2020. Royalties were further impacted by the increase in the realized gold price, which influenced the underlying royalty rate based on the applicable sliding scale (in Burkina Faso, a spot price of gold above \$1,300 per ounce increases the government royalty rates from 4.0% to 5.0%, and in Côte d'Ivoire, a spot price of gold above \$1,600 per ounce increases the royalty rates from 4.0% to 5.0%). The gold royalty rate in Senegal is a flat 5%.
- Corporate costs were \$11.4 million for Q1-2021, \$8.4 million in Q4-2020 and \$5.2 million Q1-2020. The increase in corporate costs are primarily due to additional corporate costs following the integration of SEMAFO Inc. ("SEMAFO") and Teranga head office costs effective July 1, 2020 and February 10 as the Company works to integrate the two entities into the Group.
- Acquisition and restructuring costs decreased slightly from \$13.6 million in Q4-2020 to \$12.2 million in Q1-2021 as Endeavour successfully completed the acquisition of Teranga. The acquisition cost related to the Teranga integration accounts for the increase in Q1-2021 compared to the same period in Q1-2020. The acquisition and restructuring costs incurred in Q1-2020 mainly consists of advisory fees related to the SEMAFO acquisition, which closed on July 1, 2020.
- Share based compensation was \$8.0 million in Q1-2021, compared to \$5.1 million for Q4-2020 and \$1.6 million for Q1-2020. The increase in compensation is mainly due to the increase in fair value of performance share units ("PSUs") granted. The fair value of the PSUs is determined based on Total Shareholder Return relative to peer companies and achieving certain operational performance measures.
- Exploration costs in Q1-2021 were \$9.8 million compared to \$0.9 million in Q4-2020 and \$1.3 million in Q1. The increase in exploration cost is related to increased greenfield exploration activities mainly at the newly acquired Teranga exploration properties.
- The gain on financial instruments was \$42.1 million in Q1-2021 and \$22.5 million in Q4-2020, compared to a loss of \$2.7 million in Q1-2020. The gain in Q1-2021 is primarily due to the net impact of the unrealized gain on convertible senior bond derivative of \$28.4 million, gain on foreign exchange of \$1.0 million, gain on change in fair value of call rights of \$7.3 million, and a gain on change in fair value of warrant liabilities \$3.8 million.
- Finance costs were \$12.3 million for Q1-2021 and \$13.6 million for Q4-2020, compared to \$11.5 million in Q1-2020. Finance costs are primarily associated with interest expense on the revolving credit facility ("RCF") and bridge facility, convertible debt, finance obligations, and lease liabilities.
- Other (expense)/income was an expense of \$6.3 million for Q1-2021 compared to an expense of \$14.0 million for Q4-2020 and income of \$1.9 million in Q1-2020. Other expense for Q1-2021 mainly relates to costs incurred associated with a potential secondary listing on the London Stock Exchange while Q4-2020 related to to additional custom charge assessments in Côte d'Ivoire.
- Current income tax expense was \$72.1 million in Q1-2021 compared to \$50.7 million in Q4-2020 and \$19.0 million in the same period of 2020. Current income tax expense increased in comparison to Q1-2020 primarily due to the inclusion of the current tax expense at the Mana and Boungou mines which were acquired at the start of Q3-2020 along with the Wahgnion and Sabodala-Massawa mines acquired in Q1-2021. Current income tax expense increased when compared to Q4-2020 due to the inclusion of the Wahgnion and Sabodala-Massawa mines acquired in Q1-2021.
- Net (loss)/earnings from discontinued operations was a loss of \$3.7 million for Q1-2021 compared to a loss of \$44.3 million in Q4-2020 and a gain of \$8.0 million for the comparative period in 2020. The discontinued operations relate to the Agbaou mine which was deemed a non-core asset and has since been disposed effective March 1, 2021.

5.2. CASH FLOWS

Table 14: Summarized cash flows

(\$'000s)	Unit	THREE MONTHS ENDED		
		March 31, 2021	December 31, 2020	March 31, 2020
Operating cash flows before changes in working capital	\$	265,254	297,384	95,331
Changes in working capital	\$	(58,511)	86,608	4,570
Cash (used in)/generated from discontinued operations	\$	(8,808)	(20,318)	26,054
Cash generated from operating activities	\$	197,935	363,674	125,955
Cash used by investing activities	\$	(105,273)	(96,539)	(57,234)
Cash generated from/(used in) financing activities	\$	64,613	(79,715)	99,594
Effect of exchange rate changes on cash	\$	(3,755)	3,931	(861)
Increase in cash	\$	153,520	191,351	167,454

- Operating cash flows before changes in working capital were \$265.3 million in Q1-2021 compared to \$297.4 million in Q4-2020 and \$95.3 million in Q1-2020. Despite the increase in earnings from continuing operations before taxes in Q1-2021 over Q4-2020 by \$77.0 million due to the acquisition of Wahgnion and Sabodala-Massawa mines, operating cash flows before changes in working capital decreased by \$32.1 million due to higher income taxes paid as well as cash paid on settlement of DSUs and PSUs.
- The Q1-2021 change in working capital is an outflow of \$58.5 million which is broken down as follows:
 - Receivables were an outflow of \$16.4 million for Q1-2021 compared to December 31, 2020. This is mainly due to an increase in VAT receivables at Karma, Houndé, Wahgnion and Mana. VAT received during Q1-2021 was \$10.6 million made up of Wahgnion mine (\$3.3 million), Houndé mine (\$6.7 million) and Karma mine (\$0.6 million).
 - Inventories were an inflow of \$18.9 million in Q1-2021 compared to December 31, 2020, due primarily to the decrease in inventory stockpiles, gold-in circuit and finished gold balances at Boungou, Karma, Ity, Mana and Wahgnion which were largely offset by increase in stockpile balance at Houndé and Sabodala-Massawa.
 - Prepaid expenses and other was an outflow of \$13.0 million mainly due to an increase in prepayments at Boungou of \$2.9 million, Mana of \$7.7 million and Wahgnion and Sabodala-Massawa of \$2.2 million, which was offset by a reduction in prepaid expenses at Houndé of \$1.2 million.
 - Accounts payable was an outflow of \$48.0 million in Q1-2021. The outflow in Q1-2021 mainly relates to payments made at Ity, as well as acquisition related costs paid in relation to the Teranga acquisition.
- Operating cash flows after changes in working capital were \$197.9 million in Q1-2021 compared to \$363.7 million and \$126.0 million in the comparative periods of Q4-2020 and Q1-2020 respectively. Q1-2021 decreased by \$165.7 million compared to Q4-2020 mainly due to a lower realized gold price and the outflow in working capital as significant payments were made to suppliers of the Wahgnion and Sabodala-Massawa mines. Q1-2021 has increased by \$72.0 million relative to Q1-2020 due to increased production for the year from the Company's existing mines, as well as from the Wahgnion, Sabodala-Massawa, Mana and Boungou mines, at higher realized gold prices.
- Cash flows used by investing activities were \$105.3 million in Q1-2021 compared to \$96.5 million and \$57.2 million in Q4-2020 and Q1-2020 respectively. The Q1-2021 amount has increased relative to Q4-2020 mainly due to expenditure on mining interests of \$113.7 million, and an increase in long term inventory of \$13.7 million. The increase was offset by cash acquired on acquisition of Teranga of \$27.0 million and cash outflows on the disposal of the Agbaou mine net of proceeds received, of \$4.7 million.
- Cash flows generated from financing activities were \$64.6 million in Q1-2021 compared to cash outflows of \$79.7 million in Q4-2020 and cash generated from financing activities of \$99.6 million in Q1-2020. During the quarter ended March 31, 2021, the Company received additional funds of \$200.0 million following the completion of the private placement with La Mancha. The Company drew down \$490.0 million on the corporate loan facilities and repaid \$443.0 million of the debt acquired upon the acquisition of Teranga during the same period. The Company also paid out dividends amounting to \$60.0 million. Other significant payments during the period were the settlement of the gold offtake agreement which was acquired from Teranga amounting to \$49.7 million as well as repayment of lease obligations of \$10.8 million.

Table 15: Reconciliation of All-In Margin to Free Cash Flow¹

The following table reconciles the all-in sustaining margin¹, and all-in margin¹ to the change in cash for the periods below.

(\$'000s except gold produced and ounces sold)	Unit	THREE MONTHS ENDED		
		March 31, 2021	December 31, 2020	March 31, 2020
Gold produced	oz	334,262	315,176	144,433
Gold ounces sold	oz	363,518	300,622	147,131
Realized gold price	\$/oz	1,749	1,841	1,538
Revenue	\$	635,792	553,370	226,321
Total cash costs ¹	\$	(272,911)	(209,989)	(112,162)
Corporate costs	\$	(11,409)	(8,366)	(5,231)
Sustaining capital ¹	\$	(27,597)	(15,939)	(13,536)
All-in Sustaining Margin from continuing operations¹	\$	323,875	319,076	95,392
All-in Sustaining Margin from discontinued operations ¹	\$	9,535	21,724	17,501
All-in Sustaining Margin¹	\$	333,410	340,800	112,893
Less: Non-sustaining capital ¹	\$	(56,846)	(39,492)	(17,720)
Less: Non-sustaining exploration ¹	\$	(6,274)	(23,177)	(15,146)
All-In Margin¹	\$	270,290	278,131	80,027
Growth projects ¹	\$	(23,005)	(3,502)	(2,113)
Exploration expense ²	\$	(9,810)	(908)	(1,333)
Changes in working capital, other non-cash changes	\$	(86,003)	35,369	9,584
Interest paid	\$	(9,301)	(5,908)	(10,607)
Taxes paid	\$	(43,497)	(46,613)	(8,524)
Other operating cash flow changes ³	\$	(11,817)	3,972	(1,347)
Free cash flow¹	\$	86,857	260,541	65,687
Acquisition and restructuring costs	\$	(12,160)	(13,590)	(4,330)
Cash flows generated from/(used in) investing activities, excluding expenditures on mining interests ⁴	\$	8,672	(12,780)	(3,207)
Cash flows generated from/(used in) financing activities, excluding interest paid ⁵	\$	119,340	(38,912)	110,500
Cash flows used in financing activities by discontinued operations	\$	(45,434)	(7,839)	(335)
Effect of exchange rate changes on cash	\$	(3,755)	3,931	(861)
Increase in cash and cash equivalents in the period		153,520	191,351	167,454

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

² Exploration expense per the statement of comprehensive earnings. This cash outflow relates to expenditure on greenfield exploration activity.

³ Other operating cash flow changes is the sum of cash paid on settlement of DSUs and PSUs, cash paid on settlement of other financial assets and liabilities, and foreign exchange gain/loss as disclosed in the condensed interim consolidated statement of cash flows.

⁴ Investing activities excluding expenditures on mining interests consists of the investing cash flows from continuing operations less expenditures on mining interests, as disclosed in the condensed interim consolidated statement of cash flows.

⁵ Financing activities excluding interest paid consists of the financing cash flows from continuing operations less interest paid, as disclosed in the condensed interim consolidated statement of cash flows.

The significant balances are described above and in the summarized cash flows for the period, except for the following impacts to free cash flow and the cash flows for the period;

- Taxes paid decreased by \$3.1 million in Q1-2021 compared to Q4-2020 and increased by \$35.0 million compared to Q1-2020. During the quarter, Ity paid taxes of \$6.5 million related to custom charge assessments compared to Q4-2020 where no payment was made, the newly acquired Sabodala-Massawa mine paid \$5.8 million being its first installment payment for FY-2020 assessed income tax, and Houndé mine paid \$3.5 million which was \$0.2 million higher than Q4-2020. Other payments include withholding tax paid during the quarter of \$6.4 million which is \$2.8 million lower than Q4-2020 while Boungou paid tax of \$1.4 million being the last installment for FY-2020 compared to nil in Q4-2020.
- Cash paid for acquisition and restructuring costs during Q1-2021 was \$12.2 million and primarily relates to advisory fees for the SEMAFO and Teranga acquisitions. \$13.6 million and \$4.3 million was paid in Q4-2020 and Q1-2020 respectively. Payments have increased substantially as a direct result of SEMAFO and Teranga acquisitions that were completed in July 2020 and February 2021 respectively.

5.3. LIQUIDITY AND FINANCIAL CONDITION

Table 16: Summarized Statement of Financial Position

(\$'000s)	As at March 31, 2021	As at December 31, 2020
ASSETS		
Cash	868,195	644,970
Other current assets	507,393	268,373
Current assets excluding assets held for sale	1,375,588	913,343
Assets held for sale	—	180,808
Total current assets	1,375,588	1,094,151
Mining interests	5,090,940	2,566,098
Deferred income taxes	13,186	19,774
Other long term assets	505,585	201,694
TOTAL ASSETS	6,985,299	3,881,717
LIABILITIES		
Other current liabilities	391,070	283,392
Income taxes payable	292,229	150,459
Current liabilities excluding liabilities held for sale	683,299	433,851
Liabilities held for sale	—	112,796
Total current liabilities	683,299	546,647
Finance and lease obligations	27,805	23,544
Long-term debt	1,044,806	688,266
Other financial liabilities	65,623	2,919
Environmental rehabilitation provision	127,930	78,011
Other long term liabilities	12,384	—
Deferred income taxes	617,284	296,150
TOTAL LIABILITIES	2,579,131	1,635,537
TOTAL EQUITY	4,406,168	2,246,180
TOTAL EQUITY AND LIABILITIES	6,985,299	3,881,717

- Other current assets as at March 31, 2021 is made up of \$110.4 million of trade and other receivables, \$355.1 million of inventories and \$41.9 million of prepaid expenses and other.
 - Trade and other receivables increased by \$57.6 million compared to December 31, 2020 mainly due to the inclusion of VAT receivables at the newly acquired Wahgnion and Sabodala-Massawa mines, as well as increases in VAT at Ity, Mana, Boungou and Karma in the quarter offset by a decrease in VAT receivable at Houndé mine.
 - Inventories increased by \$165.0 million primarily due to the inclusion of the inventories at the Wahgnion and Sabodala-Masawa mines, offset by decrease in stockpiles at the Company's legacy operating mines.
 - Prepaid expenses and other increased by \$16.4 million primarily due to prepayments made to the mining contractors at Boungou, advance payment for the supply of materials at Mana as well as the prepayments acquired from the Wahgnion and Sabodala-Massawa mines.
- Mining interests increased by \$2.5 billion mainly due to the inclusion of the acquired mineral property of the Teranga assets.
- Deferred income tax assets of \$13.2 million relate to timing differences of taxes paid in-country.
- Other long-term assets are made up of \$289.4 million of goodwill related to the Semafo and Teranga acquisition, \$133.3 million of long-term stockpiles not expected to be used in the next twelve months at the Ity, Sabodala-Massawa and Houndé mines, as well as \$35.0 million of restricted cash relating to reclamation bonds. Other long-term assets increased by

\$303.9 million in 2021 compared to Q4-2020 mainly due to the recognition of goodwill arising from the transaction with Teranga, as well as the long-term receivable of \$46.1 million recognized for the sale of Agbaou.

- Other current liabilities is made up of \$363.3 million of trade and other payables and \$15.8 million of lease obligations. Trade and other payables increased by \$93.6 million mainly due to the inclusion of the Teranga assets accounting for an additional \$110.9 million compared to prior year offset by decrease in accounts payable balance at Hounde, Ity and Karma.
- Income taxes payable increased by \$141.8 million compared to the prior year and is due to the inclusion of Wahgnion and Sabodala-Massawa mines during the quarter, as well as an increase in taxes payable at Boungou due to taxable profits.

Net Debt Position

The following table summarizes the Company's net debt position as at March 31, 2021 and December 31, 2020.

Table 17: Net Debt Position

(\$'000s)	March 31, 2021	December 31, 2020
Cash and cash equivalents	868,195	644,970
Cash included in assets held for sale	—	69,705
Less: Convertible senior bond	(330,000)	(330,000)
Less: Drawn portion of corporate loan facilities	(700,000)	(310,000)
Net (Debt)/Cash	(161,805)	74,675
Net Debt/(Cash) / Adjusted EBITDA LTM ratio¹	0.16	(0.09)

¹Adjusted EBITDA is per table 20 and is calculated using the trailing twelve months Adjusted EBITDA as presented in prior reporting.

Long-term Debt

Convertible senior bond

On February 8, 2018, the Company completed a private placement of convertible senior notes with a total principal amount of \$330.0 million due in 2023 (the "Notes"). The initial conversion rate 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.

The key terms of the Convertible Senior Notes include:

- Principal amount of \$330.0 million.
- Coupon rate of 3% payable on a semi-annual basis.
- The term of the notes is 5 years, maturing in February 2023.
- The notes are reimbursable through the payment or delivery of shares and/or cash.
- The initial conversion price is \$23.50 (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).

Revolving credit 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 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

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

Equity and Capital

On December 13, 2020 the Company amended the authorized share capital from 200,000,000 voting ordinary shares of a par value of \$0.10 each and 100,000,000 undesignated shares to 300,000,000 voting ordinary shares of a par value of \$0.10 each. The table below summarizes Endeavour's share structure at March 31, 2021.

Table 18: Outstanding Shares

	March 31, 2021	December 31, 2020
Shares issued and outstanding	208,000,893	163,036,473
Stock options	—	—

As at May 12, 2021, the Company had 252,202,474 shares issued and outstanding, and 2,159,025 outstanding stock options.

As part of the Company's NCIB, 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).

5.4. ACCOUNTING POLICIES AND CRITICAL JUDGEMENTS

Critical judgements and key sources of estimation uncertainty

The Company's management has made critical judgments and estimates in the process of applying the Company's accounting policies to the consolidated financial statements that have significant effects on the amounts recognized in the Company's consolidated financial statements. These judgments and estimations include commencement of commercial production, determination of economic viability, functional currency, indicators of impairment and impairment of mining interests, assets held for sale and discontinued operations, value added tax, estimated recoverable ounces, mineral reserves, environmental rehabilitation costs, share-based payments, net realizable value and obsolete stock provisions of inventories, current income tax provisions, business combinations, capitalization of waste stripping, and the purchase price allocation of the SEMAFO and Teranga acquisitions, which are still provisional. The judgments applied in the quarter ended March 31, 2021 are consistent with those in the consolidated financial statements for the year ended December 31, 2020, except for the judgments and estimates made relating to the acquisition of Teranga in the quarter ended March 31, 2021.

6. NON-GAAP MEASURES

6.1. ALL-IN MARGIN AND ADJUSTED EBITDA

The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use the all-in margin and adjusted earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA") to evaluate the Company's performance and ability to generate cash flows and service debt. These do not have a standard meaning and are intended to provide additional information which are not necessarily comparable with similar measures used by other companies and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The following tables provide the illustration of the calculation of this margin, for the three months ended March 31, 2021, December 31, 2020, and March 31, 2020.

Table 19: All-In Sustaining Margin and All-In Margin

(\$'000s)	THREE MONTHS ENDED		
	March 31, 2021	December 31, 2020	March 31, 2020
Revenue	635,792	553,370	226,321
Less: Total cash costs	(272,911)	(209,988)	(112,162)
Less: Corporate G&A	(11,409)	(8,366)	(5,231)
Less: Sustaining capital	(27,597)	(15,939)	(13,536)
All-in sustaining margin from continuing operations	323,875	319,077	95,392
Gold ounces sold	363,518	300,622	147,131
All-in sustaining margin per ounce sold from continuing operations	891	1,061	648
Less: Non-Sustaining capital	(56,821)	(39,492)	(17,586)
Less: Non-Sustaining exploration	(6,274)	(23,177)	(15,147)
All-in margin from continuing operations	260,780	256,408	62,659

Table 20: EBITDA and Adjusted EBITDA

(\$'000s)	THREE MONTHS ENDED		
	March 31, 2021	December 31, 2020	March 31, 2020
Earnings before taxes	199,838	122,878	47,398
Add back: Depreciation and depletion	122,611	91,224	42,928
Add back: Finance costs	12,318	13,299	11,503
EBITDA from continuing operations	334,767	227,401	101,829
Add back: Acquisition and restructuring costs	12,160	13,590	4,330
Add back: Impairment charge of mineral interests	—	64,506	—
Add back: Other expense/(income)	6,290	13,976	(1,935)
Add back: (Gain)/loss on financial instruments	(42,077)	(22,451)	2,699
Adjusted EBITDA from continuing operations	311,140	297,022	106,923

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

The Company reports cash costs based on ounces sold. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors may find this information useful. However, there are no standardized meanings, and therefore this additional information should not be considered in isolation, or as a substitute for measures of performance prepared in accordance with GAAP. The following table provides a reconciliation of cash costs per ounce of gold sold, for the three months ended March 31, 2021, December 31, 2020, and March 31, 2020.

Table 21: Cash Costs

(\$'000s except ounces sold)	THREE MONTHS ENDED		
	March 31, 2021	December 31, 2020	March 31, 2020
Operating expenses from mine operations	(251,112)	(203,717)	(96,092)
Royalties	(44,366)	(38,272)	(15,119)
Non-cash and other adjustments	22,567	32,001	(951)
Cash costs from continuing operations	(272,911)	(209,988)	(112,162)
Gold ounces sold	363,518	300,622	147,131
Total cash cost per ounce of gold sold from continuing operations	751	699	762
Cash costs from discontinued operations	(15,668)	(27,193)	(20,644)
Total cash costs	(288,579)	(237,181)	(132,806)
Gold ounces sold	377,563	327,774	174,554
Total cash cost per ounce of gold sold	764	724	761

The Company is reporting all-in sustaining costs per ounce sold. This non-GAAP measure provides investors with transparency regarding the total cash cost of producing an ounce of gold in each period. Readers should be aware that this measure does not have a standardized meaning. It is intended to provide additional information and should not be considered in isolation, or as a substitute for measures of performance prepared in accordance with GAAP.

Table 22: All-In Sustaining Costs

(\$'000s except ounces sold)	THREE MONTHS ENDED		
	March 31, 2021	December 31, 2020	March 31, 2020
Total cash costs for ounces sold from continuing operations	(272,911)	(209,988)	(112,162)
Corporate G&A	(11,409)	(8,366)	(5,231)
Sustaining Capital	(27,597)	(15,939)	(13,536)
All-in sustaining costs from continuing operations	(311,917)	(234,293)	(130,929)
Gold ounces sold	363,518	300,622	147,131
All-in sustaining costs per ounce sold from continuing operations	858	779	890
Including discontinued operations			
All in sustaining costs from Agbaou	(15,891)	(28,957)	(26,080)
All-in sustaining costs from all operations	(327,808)	(263,250)	(157,009)
Gold ounces sold	377,563	327,774	174,554
All-in sustaining cost per ounce sold	868	803	899

The Company presents its sustaining capital expenditures in its all-in sustaining costs to reflect the capital expenditures related to producing and selling gold from its on-going mine operations. The distinction between sustaining and non-sustaining capital reflects the definition set out by the World Gold Council. Non-sustaining capital is capital expenditure incurred at new projects and costs related to major projects or expansions at existing operations where these projects will materially benefit the operations. This non-GAAP measure provides investors with transparency regarding the capital costs required to support the on-going operations at its mines, relative to its total capital expenditures. Readers should be aware that these measures do not have a standardized meaning. It is intended to provide additional information and should not be considered in isolation, or as a substitute for measures of performance prepared in accordance with IFRS.

Table 23: Sustaining and Non-Sustaining Capital

(\$'000s)	THREE MONTHS ENDED		
	March 31, 2021	December 31, 2020	March 31, 2020
Expenditures on mining interests ¹	118,880	83,874	53,952
Non-sustaining capital expenditures ²	(56,846)	(39,492)	(17,720)
Non-sustaining exploration	(6,274)	(23,177)	(15,147)
Growth projects ¹	(27,940)	(3,502)	(2,113)
Sustaining Capital³	27,820	17,703	18,972

¹This amount does not agree with the free cash flow figures as amounts in this table include \$4.9 million of growth capital expenditure at Sabodala-Massawa that was paid prior to acquisition of Teranga on February 10, 2021.

²Non-sustaining capital expenditures includes \$ nil for Q1-2021, \$0.5 million for Q4-2020 and \$0.1 million for Q1-2020 incurred at the Agbaou mine.

³Sustaining Capital includes \$0.2 million for Q1-2021, \$1.8 million for Q4-2020 and \$5.4 million for Q1-2020 incurred at the Agbaou mine.

6.3. ADJUSTED NET EARNINGS AND ADJUSTED NET EARNINGS PER SHARE

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

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

Table 24: Adjusted Net Earnings

(\$'000s)	THREE MONTHS ENDED		
	March 31, 2021	December 31, 2020	March 31, 2020
Total net and comprehensive earnings	115,300	30,241	35,463
Net loss/(earnings) from discontinued operations	3,702	44,265	(7,978)
Deferred income tax expense/(recovery)	8,688	(2,305)	907
(Gain)/loss on financial instruments	(42,077)	(22,451)	2,699
Other expenses/(income)	6,290	13,976	(1,935)
Share-based compensation	7,955	5,085	1,623
Acquisition and restructuring costs	12,160	13,590	4,330
Non-cash and other adjustments ¹	22,567	32,001	(951)
Impairment charge on mineral interests	—	64,506	—
Adjusted net earnings	134,585	178,908	34,158
Attributable to non-controlling interests	29,899	15,306	7,822
Attributable to shareholders of the Corporation	104,686	163,602	26,336
Weighted average number of shares issued and outstanding	208,000,893	163,036,473	110,584,536
Adjusted net earnings from continuing operations per basic share	0.50	1.00	0.24

¹ Non-cash and other adjustments in Q1-2021 mainly relate to non-cash depreciation of inventory associated with the fair value bump on purchase price allocation of SEMAFO and Teranga.

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

The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use free cash flow to assess the Company's ability to generate and manage liquid resources. These terms do not have a standard meaning and are intended to provide additional information. They should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Table 25: Adjusted Operating Cash Flow (AOCF) and Adjusted Operating Cash Flow (AOCF) per share

(\$'000s)	THREE MONTHS ENDED		
	March 31, 2021	December 31, 2020	March 31, 2020
Adjusted operating cash flow			
Cash flows generated from operating activities	197,935	363,674	125,955
Changes in working capital ¹	57,890	(97,576)	(6,663)
Taxes on additional dividend declared at Agbaou	—	44,975	—
Adjusted operating cash flows before working capital	255,825	311,073	119,292
Divided by weighted average number of outstanding shares, in thousands	208,001	163,036	110,584
Adjusted operating cash flow per share from all operations	\$ 0.95	\$ 2.23	\$ 1.14
Adjusted operating cash flow before working capital per share from all operations	\$ 1.23	\$ 1.91	\$ 1.08

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

Table 26: Operating Cash Flow (OCF) and Operating Cash Flow (OCF) per share

(\$'000s)	THREE MONTHS ENDED		
	March 31, 2021	December 31, 2020	March 31, 2020
Operating cash flow			
Cash generated from operating activities by continuing operations	206,743	383,992	99,901
Changes in working capital from continuing operations	58,511	(86,608)	(4,570)
Operating cash flows before working capital from continuing operations	265,254	297,384	95,331
Divided by weighted average number of outstanding shares, in thousands	208,001	163,036	110,584
Operating cash flow per share from continuing operations	\$ 0.99	\$ 2.36	\$ 0.90
Operating cash flow per share before working capital from continuing operations	\$ 1.28	\$ 1.82	\$ 0.86

6.5. NET DEBT, NET CASH/ADJUSTED EBITDA RATIO

The Company is reporting Net Debt, Net Cash and Net Debt, Net Cash/Adjusted EBITDA ratio. This non-GAAP measure provides investors with transparency regarding the liquidity position of the Company. It is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The calculation of net debt and net cash is shown in table 17, calculated as nominal undiscounted debt including leases (but excluding liabilities recognized on the adoption of IFRS 16), less cash. The following table explains the calculation of net debt, net cash/Adjusted EBITDA ratio using the last twelve months of Adjusted EBITDA.

Table 27: Net Debt, Net Cash/ Adjusted EBITDA ratio

(\$'000s)	March 31, 2021	December 31, 2020
Net Debt/(Cash)	161,805	(74,675)
Trailing twelve month Adjusted EBITDA ¹	984,053	802,773
Net Debt/(Cash) / Adjusted EBITDA LTM ratio	0.16	(0.09)

¹ Trailing twelve month Adjusted EBITDA is as reported in prior periods for each quarter prior to Q1-2021.

6.6. RETURN ON CAPITAL EMPLOYED

The Company uses Return on Capital Employed ("ROCE") as a measure of long-term operating performance to measure how effectively management utilizes the capital it has been provided. This non-GAAP measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The calculation of ROCE, expressed as a percentage, is Adjusted EBIT (based on Adjusted EBITDA as per table 20 adjusted to include Adjusted EBITDA from discontinued operations) divided by the average of the opening and closing capital employed for the twelve months preceding the period end. Capital employed is the total assets less current liabilities.

Table 28: Return on Capital Employed

(\$'000s unless otherwise stated)	TRAILING TWELVE MONTHS	
	March 31, 2021	March 31, 2020
Adjusted EBITDA	984,053	444,614
Less: depreciation and amortization	(339,413)	(204,847)
Adjusted EBIT (A)	644,640	239,767
Opening Capital employed (B)	1,751,979	1,716,115
Total Assets	6,985,299	2,037,108
Less: Current Liabilities	(683,299)	(285,129)
Closing Capital employed (C)	6,302,000	1,751,979
Average Capital Employed (D)=(B+C)/2	3,077,544	1,734,047
ROCE (A)/(D)	21%	14%

¹ Assets for Teranga and SEMAFO have been included in the calculation from the date of their acquisition by Endeavour on February 10, 2021 and July 1, 2020 respectively.

7. QUARTERLY AND ANNUAL FINANCIAL AND OPERATING RESULTS

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

Table 29: 2021 - 2020 Quarterly Key Performance Indicators

		FOR THE THREE MONTHS ENDED			
(\$'000s except ounces sold)	Unit	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Gold ounces sold	oz	363,518	300,622	236,292	124,761
Revenue	\$	635,792	553,370	434,839	209,581
Operating cash flows from continuing operations	\$	206,743	383,992	173,174	53,529
Earnings from continuing mine operations	\$	217,703	220,157	122,115	75,583
Net comprehensive earnings/(loss)	\$	115,300	30,241	68,981	(22,616)
Net comprehensive (loss)/earnings from discontinued operations	\$	(3,702)	(44,265)	13,094	1,392
Net earnings/(loss) from continuing operations attributable to shareholders	\$	94,735	65,751	43,649	(33,737)
Net (loss)/earnings from discontinued operations attributable to shareholders	\$	(5,168)	(48,180)	14,791	3,952
Basic earnings/(loss) per share from continuing operations	\$	0.46	0.40	0.27	(0.30)
Diluted earnings/(loss) per share from continuing operations	\$	0.46	0.40	0.27	(0.30)
Basic earnings/(loss) per share from all operations	\$	0.43	0.11	0.36	(0.27)
Diluted earnings/(loss) per share from all operations	\$	0.43	0.11	0.36	(0.27)

Table 30: 2020 - 2019 Quarterly Key Performance Indicators

		FOR THE THREE MONTHS ENDED			
(\$'000s except ounces sold)	Unit	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Gold ounces sold	oz	147,131	139,058	149,187	136,338
Revenue	\$	226,321	199,406	213,918	174,263
Operating cash flows from continuing operations	\$	99,901	92,006	72,822	42,801
Earnings from continuing mine operations	\$	72,182	44,757	64,974	44,752
Net comprehensive earnings/(loss)	\$	35,463	(113,076)	(23,545)	6,904
Net comprehensive earnings from discontinued operations	\$	7,978	2,790	6,282	1,827
Net earnings/(loss) from continuing operations attributable to shareholders	\$	19,366	(111,662)	(37,160)	(698)
Net earnings/(loss) from discontinued operations attributable to shareholders	\$	6,632	(1,507)	4,961	1,409
Basic earnings/(loss) per share from continuing operations	\$	0.18	(1.02)	(0.34)	(0.01)
Diluted earnings/(loss) per share from continuing operations	\$	0.18	(1.02)	(0.34)	(0.01)
Basic earnings/(loss) per share from all operations	\$	0.24	(1.03)	(0.29)	0.01
Diluted earnings/(loss) per share from all operations	\$	0.24	(1.03)	(0.29)	0.01

Table 31: Annual Key Performance Indicators¹

(\$'000s except per share amounts)	FOR THE YEAR ENDED		
	December 31, 2020	December 31, 2019	December 31, 2018
Gold ounces sold	808,806	511,749	469,544
Revenue	1,424,111	694,848	571,701
Operating cash flows from continuing operations	710,563	205,531	196,371
Operating cash flows from discontinued operations	38,365	96,354	54,549
Earnings/(Loss) from continuing mine operations	338,234	(27,502)	53,568
Net and comprehensive earnings/(loss) from continuing operations	133,872	(159,974)	127,609
Net and comprehensive (loss)/earnings from discontinued operations	(21,803)	18,814	(110,549)
Net earnings/(loss) from continuing operations attributable to shareholders	95,030	(174,506)	(37,675)
Net earnings/(loss) attributable to shareholders	72,223	(163,718)	(144,856)
Basic earnings/(loss) per share from continuing operations	0.69	(1.59)	(0.35)
Diluted earnings/(loss) per share from continuing operations	0.69	(1.59)	(0.35)
Basic earnings/(loss) per share	0.53	(1.49)	(1.00)
Diluted earnings/(loss) per share	0.53	(1.49)	(1.00)
Total assets	3,881,718	1,872,791	1,922,043
Total long term liabilities (excluding deferred taxes)	792,740	738,294	660,472
Total attributable shareholders' equity	2,057,015	717,867	858,006
Adjusted net earnings per share ²	2.28	0.33	0.49

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

² The adjusted net earnings per share is inclusive of the prior period tax adjustment included in the December 31, 2018 adjusted earnings per share.

8. RISK FACTORS

Readers of this MD&A should consider the information included in the Company's condensed interim consolidated financial statements and related notes for the three months ended March 31, 2021. The nature of the Company's activities and the locations in which it works mean that the Company's business generally is exposed to significant risk factors, many of which are beyond its control. The Company examines the various risks to which it is exposed and assesses any impact and likelihood of those risks. For discussion on all the risk factors that affect the Company's business generally, please refer to the most recent Annual Information Form filed on SEDAR at www.sedar.com, and the 2020 year-end consolidated financial statements. The risks that affect the financial statements specifically, and the risks that are reasonably likely to affect them in the future which are incorporated by reference in this MD&A, are discussed below.

8.1. BUSINESS RISKS

Business continuity risks in light of COVID-19

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

As of the date of this MD&A, the Company's operations have not been significantly impacted, however, the Company continues to monitor the situation as the pandemic has continued into 2021. While the Company's financial position, performance and cash flows could be further negatively impacted, the extent of any additional impact cannot be reasonably estimated at this time. Management continues to monitor and assess the short and medium-term impacts of the COVID-19 virus, including for example supply chain, mobility, workforce, market and trade flow impacts, as well as the resilience of Canadian, West African, and other global financial markets to support recovery. Any longer term impacts are also being considered and monitored, as appropriate. However, this pandemic continues to evolve rapidly and its effects on our own operations are uncertain and difficult to predict. It is possible that in the future operations may be temporarily shut down or suspended for indeterminate amounts of time, any of which may, individually or in the aggregate, have a material and adverse impact on our business, results of operations and financial performance.

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

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

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

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

8.2. FINANCIAL RISKS

The Company's business requires substantial capital expenditure and there can be no assurance that such funding will be available on a timely basis, or at all

The Company may require additional capital if it decides to develop other operations properties or make additional acquisitions. The Company may also encounter significant unanticipated liabilities or expenses. The Company's ability to continue its planned exploration and development activities, as well as its ability to discharge unanticipated liabilities and expenses, depends on its ability to generate sufficient free cash flow from its operating mines, each of which is subject to certain risks and uncertainties. The Company may be required to obtain additional equity or debt financing in the future to fund exploration and development activities or acquisitions of additional projects. There can be no assurance that the Company will be able to obtain such financing in a timely manner, on acceptable terms or at all. In addition, any additional debt financings, if available, may involve financial covenants and the granting of further security over the Company's assets.

The Company's use of derivative instruments involves certain inherent risks, including credit risk, market liquidity risk, and unrealized mark-to-market risk

From time to time, the Company employs hedging tools for a portion of its gold production and commodity prices to protect a portion of its cash flows against decreases in the price of gold or increases in the price of the underlying commodities it uses. The main hedging tools available to protect against price risk are collar contracts which involve a combination of put and call options or forward sales. Various strategies are available using these tools. Although hedging activities may protect the Company against a low gold price or commodity price fluctuations, they may also (i) limit the price that can be realized on the portion of hedged gold where the market price of gold exceeds the strike price in forward sale or call option contracts, and (ii) stipulate a price at which a commodity (such as fuel) must be purchased, which may be higher than the prevailing market price for that commodity.

The Company's business could be adversely affected by global financial conditions

Global financial conditions have been characterized by ongoing volatility. Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. Global capital markets have continued to display increased volatility in response to global events. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. Such events are illustrative of the effect that events beyond the Company's control may have on commodity prices, demand for metals, including gold, availability of credit, investor confidence and general financial market liquidity, all of which affect the Company's business.

Commitment and contingencies

The Company 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.

9. CONTROLS AND PROCEDURES

9.1. DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). Additionally, these controls and procedures provide reasonable assurance that information required to be disclosed in the Company's annual and interim filings (as such terms are defined under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities law is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to management including the CEO and CFO as appropriate to allow timely decisions regarding required disclosure.

Management evaluated the design and operating effectiveness of the Company's disclosure controls and procedures as required by Canadian Securities Law. Based on that evaluation, the CEO and CFO concluded that as of December 31, 2020, the disclosure controls and procedures were effective.

9.2. INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

There have been no material changes in the Company's internal controls over financial reporting since the year ended March 31, 2021 that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

The Company assessed the SEMAFO and Teranga mines' disclosure controls and procedures and internal control over financial reporting; however, in accordance with National Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, because the SEMAFO operations were acquired not more than 365 days before the end of December 31, 2020, the Company has limited the scope of its design of disclosure controls and procedures and internal controls over financial reporting to exclude the controls, policies and procedures of SEMAFO.

9.3. LIMITATIONS OF CONTROLS AND PROCEDURES

The Company's management, including the CEO and CFO believe that any disclosure controls and procedures or internal control over financial reporting, can provide only reasonable, but not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the actions of one individual, by collusion of two or more people, or by unauthorized override of the control. Accordingly, because of the inherent limitations in a control system, misstatements due to error or fraud may occur and not be detected.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A and certain information incorporated herein by reference constitute forward-looking statements. Forward-looking statements include, but are not limited to, statements with respect to the Company's plans or future financial or operating performance, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, conclusions of economic assessments of projects, the timing and amount of estimated future production, costs of future production, future capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits and future outcome of legal and tax matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "will continue" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". The material factors or assumptions used to develop material forward-looking statements are disclosed throughout this document.

Forward-looking statements, while based on management's best estimates and assumptions, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Endeavour to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the successful integration of acquisitions; risks related to international operations; risks related to joint venture operations; risks related to general economic conditions and credit availability, actual results of current exploration activities, unanticipated reclamation expenses; changes in project parameters as plans continue to be refined; fluctuations in prices of metals including gold; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables, possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining

industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which the Company operates, actual resolutions of legal and tax matters, as well as those factors discussed in the section entitled “Risk Factors” in Endeavour’s most recent Annual Information Form available on SEDAR at www.sedar.com. Although Endeavour has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company’s management reviews periodically information reflected in forward-looking statements. The Company has and continues to disclose in its Management’s Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

CAUTIONARY NOTE REGARDING RESERVES AND RESOURCES

Readers should refer to the most recent Annual Information Form of Endeavour and other continuous disclosure documents filed by Endeavour available at www.sedar.com, for further information on mineral reserves and resources, which is subject to the qualifications and notes set forth therein.

Additional information relating to the Company is available on the Company’s website at www.endeavourmining.com and in the Company’s most recently filed Annual Information Form filed on SEDAR at www.sedar.com.