

## ENDEAVOUR ANNOUNCES COMPLETION OF INVESTIGATION AND KEY FINDINGS

**London, 27 March 2024** – The Board of Directors of Endeavour Mining plc (LSE:EDV, TSX:EDV, OTCQX:EDVMF) (“Endeavour” or the “Company” and, together with its subsidiaries, the “Group”) announces that the investigation commissioned following the termination of Sébastien de Montessus as President and Chief Executive Officer of the Company (the “Investigation”) is now complete.

### **Summary of Key Outcomes**

- › No restatement of historic financial statements and no material impact on 2023 annual financial results issued today, which are the subject of an unmodified audit opinion.
- › Investigation found that Mr de Montessus, acting with certain others who are not employees of the Group:
  - diverted a US\$5.9 million payment to a third-party company, and concealed his actions with repeated false representations to management, the Board and auditors;
  - caused Endeavour to make two payments totalling US\$15.0 million to the same third-party company, deliberately disguising them as advance payments to a contractor through repeated false representations to management.
- › No evidence of bribery, or of any payments being made to sanctioned persons or to terrorist groups.
- › Ultimate beneficiaries of these payments have not been discovered, despite extensive investigation.
- › Mr de Montessus provided implausible and untrue explanations of his conduct during the course of the Investigation.
- › The Investigation is now complete.

### **Summary of Actions Taken and Proposed**

- › Mr de Montessus was terminated as CEO and President on 4 January.
- › Clawback of remuneration totalling US\$29.1 million announced on 18 January.
- › Noting that these payments involved deliberate circumvention of our existing controls framework, the Board has nonetheless accelerated its review of internal controls in line with the new UK Corporate Governance Code, and has made immediate adjustments to certain controls relating to M&A activity.

Srinivasan Venkatakrishnan (“Venkat”), Chairman of Endeavour, commented: *“The Board’s actions illustrate the high importance we place on integrity, governance and transparency. We will not waver from these values. The conclusion of the Investigation enables us to put this matter behind us and focus on delivery and creating value for all our stakeholders. Under the highly experienced leadership of Ian Cockerill, we are confident we will deliver on our two high-quality development projects and move towards a period of free cash generation.”*

### ***Background and Scope of Investigation***

As announced on 4 January 2024, the Board had recently become aware of an irregular payment instruction issued in March 2021 for an amount of US\$5.9 million owed to Endeavour in connection with the sale of the Agbaou mine. Mr de Montessus instructed Allied Gold, the purchaser of the Agbaou mine, to pay this amount to a third-party company rather than to a member of the Group, thereby settling the debt from the purchaser's perspective. The payment was concealed from the Company by Mr de Montessus and he made repeated and deliberate false representations to management, the Board and the Company's auditor that this amount remained owing from the purchaser. As a result, a receivable representing this amount was maintained on the Group's balance sheet until Q3 2023, when it was written off based on further deliberate false representations by Mr de Montessus.

When challenged about these facts in an interview on 4 January 2024, Mr de Montessus admitted to issuing the irregular payment instruction, to concealing the fact of the payment to the third-party company, and to knowingly misrepresenting the receivable as outstanding over a period of more than two years. As a result of his serious misconduct, the Board terminated Mr de Montessus as CEO on 4 January 2024 and the Remuneration Committee of the Board determined to claw back remuneration totalling \$29.1 million as announced on 18 January 2024.

The Board instructed its external advisers, Linklaters LLP and Ernst & Young LLP, to investigate the US\$5.9 million payment to determine the beneficiaries of the diverted funds. The Investigation also uncovered evidence of two further payments, with a total value of US\$15.0 million, to the same third-party recipient as the US\$5.9 million payment. The scope of the Investigation also included the circumstances of these payments.

In order to provide additional comfort in relation to the opening balance sheet position for the 2023 calendar year, the Investigation also examined receivables written off by the Group on 31 December 2022 to ascertain whether any of them had in fact been settled by way of payment to a third party, in a similar manner to the US\$5.9 million payment.

The external advisors conducting the Investigation were authorised by the Board to access all relevant documents, records and information of the Company and to conduct interviews with any individual deemed appropriate.


Prior to the conclusion of the investigation work, Mr de Montessus was interviewed for a second time in late February.

### ***Overview of Investigation Findings***

The Investigation identified evidence that Mr de Montessus, acting with certain others who are not (and were not at any time) employees of the Group:

- › diverted a consideration payment with a value of US\$5.9 million, relating to the disposal of the Agbaou mine, to a third-party company in March 2021, and concealed this payment by subsequently making false representations to management, the Board and the Group's auditors over a period of more than two years that the receivable was still outstanding; and
- › had previously, in August and November 2020, caused Endeavour to make two payments totalling US\$15.0 million to the same third-party company as the US\$5.9 million payment, by deliberately disguising the US\$15.0 million as advance payments to a contractor through repeated false representations to management, causing an aggregate loss of that amount to Endeavour and/or the contractor.

Despite extensive efforts, the Investigation was not able to establish the ultimate beneficiaries of the payments to this third-party entity. This entity was incorporated as an offshore entity in Ras al Khaimah in the UAE and was liquidated on the day after the payment of the US\$5.9 million in March 2021. Through searches by professional investigation agents, thorough enquiries were made in the UAE, but the investigation work



was unable to ascertain the true beneficial ownership of this entity, which was concealed from the Company by Mr de Montessus and those with whom he acted.

Although Mr de Montessus attended two interviews during the Investigation, he continued to attempt to conceal his motives and actions relating to the events being investigated by providing untrue and misleading explanations for his conduct.

Since 4 January 2024, Mr de Montessus has publicly stated that the US\$5.9 million payment which he deliberately diverted in March 2021 was used to pay for security equipment to protect the Group's partners and employees in a conflict zone. However, based on the information given by Mr de Montessus in interviews and the other evidence available to the Investigation (including the evidence that Mr de Montessus had caused US\$15.0 million to be paid by Endeavour to the same third-party company in different circumstances in 2020), his explanation was found to be implausible and untrue.

Although the Investigation did not ascertain the ultimate beneficiaries of the payments to the third-party entity, in the course of the extensive review of documentation and interviews, no evidence was identified of bribery, or of any payments to sanctioned persons or to terrorist groups.

The Investigation did not identify evidence that any of the receivables written off on 31 December 2022 had in fact already been settled by payments to third parties.

The findings of the Investigation do not trigger any requirement to restate prior interim quarterly financial statements, annual financial statements and associated management discussion and analysis, nor do they materially affect the 2023 annual financial results.

For further information, please refer to the 2023 Annual Report at the following [link](#).

### ***Proposed Actions***

The Investigation revealed strong evidence that Mr de Montessus abused his position as CEO, actively misleading both the Board and the senior executive team through repeated and deliberate false representations and concealment of information over a sustained period. His termination as CEO was therefore the most important step in protecting the Group from further conduct of this nature.

Whilst the circumstances clearly indicated deliberate overriding of controls, active concealment and misrepresentation by the former CEO, the Company is evaluating its overall control environment, including the impact of "tone at the top". In the interim, the Company has added further mechanisms, such as additional dual controls in committing the Company within the context of M&A and subsequent renegotiations, so that the risk of such events is further minimised in the future. The Audit Committee of the Board has determined that there are no material weaknesses in the Group's Internal Controls over Financial Reporting or Disclosure Controls & Procedures.

The Board has reserved its position regarding the possibility of pursuing Mr de Montessus for recovery of amounts lost by the Group as a result of his actions.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) no 596/2014 (MAR) as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018.

## CONTACT INFORMATION

**Jack Garman**  
Vice President, Investor Relations  
+44 203 011 2723  
investor@endeavourmining.com

**Brunswick Group LLP in London**  
Carole Cable, Partner  
+44 7974 982 458  
ccable@brunswickgroup.com

## ABOUT ENDEAVOUR MINING PLC

*Endeavour Mining is one of the world's senior gold producers and the largest in West Africa, with operating assets across Senegal, Cote d'Ivoire and Burkina Faso and a strong portfolio of advanced development projects and exploration assets in the highly prospective Birimian Greenstone Belt across West Africa.*

*A member of the World Gold Council, Endeavour is committed to the principles of responsible mining and delivering sustainable value to its employees, stakeholders and the communities where it operates. Endeavour is listed on the London and Toronto Stock Exchanges, under the symbol EDV.*

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

*Neither Toronto Stock Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.*

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

*This news release contains "forward-looking statements" including but not limited to, statements with respect to Endeavour's plans for further exploration of the Tanda-Iguela property, the extent and timing of Endeavour's drilling campaign, the timing of the updated mineral resource estimate, the estimation of mineral resources, and the success of exploration activities. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "expected", "budgeted", "forecasts", and "anticipates". Forward-looking statements, while based on management's best estimates and assumptions, are subject to risks and uncertainties that may cause actual results to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the successful integration of acquisitions; risks related to international operations; risks related to general economic conditions and credit availability, actual results of current exploration activities, unanticipated reclamation expenses; changes in project parameters as plans continue to be refined; fluctuations in prices of metals including gold; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables, possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in the completion of development or construction activities, changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which Endeavour operates. Although Endeavour has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Please refer to Endeavour's most recent Annual Information Form filed under its profile at [www.sedar.com](http://www.sedar.com) for further information respecting the risks affecting Endeavour and its business.*