Q1 Q2 Q3 Q4

ENDEAVOUR MINING

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of United States Dollars)

TABLE OF CONTENTS

1	DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS	14
2	BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES	14
3	CRITICAL JUDGEMENTS AND KEY ESTIMATES	27
4	ACQUISITIONS AND DIVESTITURES	31
5	IMPAIRMENT OF MINING INTERESTS	35
6	SHARE CAPITAL	36
7	FINANCIAL INSTRUMENTS AND RELATED RISKS	39
8	LONG-TERM DEBT	44
9	TRADE AND OTHER RECEIVABLES	46
10	INVENTORIES	47
11	PREPAID EXPENSES AND OTHER	47
12	MINING INTERESTS	48
13	OTHER FINANCIAL ASSETS	49
14	OTHER LONG-TERM ASSETS	50
15	TRADE AND OTHER PAYABLES	50
16	FINANCE AND LEASE OBLIGATIONS	50
17	OTHER FINANCIAL LIABILITIES	52
18	ENVIRONMENTAL REHABILITATION PROVISION	52
19	NON-CONTROLLING INTERESTS	53
20	SUPPLEMENTARY CASH FLOW INFORMATION	54
21	INCOME TAXES	56
22	RELATED PARTY TRANSACTIONS	58
23	SEGMENTED INFORMATION	59
24	CAPITAL MANAGEMENT	62
25	COMMITMENTS AND CONTINGENCIES	63
26	SUBSEQUENT EVENTS	64

Independent Auditor’s Report

Independent Auditor’s Report to THE SHAREHOLDERS of ENDEAVOUR MINING CORPORATION

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placeholder for audit opinion page 3

placeholder for audit opinion page 4

place holder for audit opinion p5

place holder for audit opinion page 6

Place holder for audit opinion page 7

Placeholder for audit opinion page 8

	Note	YEAR ENDED December 31, 2020	December 31, 2019
Revenues			
Revenue		**1,424,111**	694,848
Cost of sales			
Operating expenses		**(574,791)**	(345,817)
Depreciation and depletion		**(260,562)**	(152,488)
Royalties		**(98,722)**	(40,558)
Earnings from mine operations		**490,036**	155,985
Corporate costs		**(23,747)**	(20,620)
Acquisition and restructuring costs	4	**(39,845)**	(4,552)
Impairment of mining interests	5	**(64,506)**	(127,380)
Share-based compensation	6	**(18,767)**	(21,042)
Exploration costs		**(4,937)**	(9,893)
Earnings/(Loss) from operations		**338,234**	(27,502)
Other income/(expense)			
Loss on financial instruments	7	**(78,690)**	(56,380)
Finance costs	8	**(48,832)**	(42,446)
Other income/(expense)		**9,257**	(8,515)
Earnings/(Loss) before taxes		**219,969**	(134,843)
Current income tax expense	21	**(122,594)**	(46,745)
Deferred income tax recovery	21	**36,497**	21,614
Net comprehensive earnings/(loss) from continuing operations		**133,872**	(159,974)
Net comprehensive (loss)/earnings from discontinued operations	4	**(21,803)**	18,814
Net comprehensive earnings/(loss)		**$ 112,069**	$ (141,160)
Net earnings/(loss) from continuing operations attributable to:			
Shareholders of Endeavour Mining Corporation		**95,030**	(174,506)
Non-controlling interests	19	**38,842**	14,532
		$ 133,872	$ (159,974)
Total net earnings/(loss) attributable to:			
Shareholders of Endeavour Mining Corporation		**72,223**	(163,718)
Non-controlling interests	19	**39,846**	22,558
		$ 112,069	$ (141,160)
Net and comprehensive earnings/(loss) per share from continuing operations			
Basic earnings/(loss) per share	6	**$ 0.69**	$ (1.59)
Diluted earnings/(loss) per share	6	**$ 0.69**	$ (1.59)
Earnings/(Loss) per share			
Basic earnings/(loss) per share	6	**$ 0.53**	$ (1.49)
Diluted earnings/(loss) per share	6	**$ 0.53**	$ (1.49)

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

	Note	YEAR ENDED December 31, 2020	December 31, 2019
Operating Activities			
Earnings/(Loss) from continuing operations before taxes		**219,969**	(134,843)
Adjustments for:			
Depreciation and depletion		**260,562**	152,488
Finance costs	8	**48,832**	42,446
Share-based compensation	6	**18,767**	21,042
Loss on financial instruments	7	**78,690**	56,380
Write down of inventory and other		**12,439**	—
Impairment of mining interests	12	**64,506**	127,380
Cash paid on settlement of DSUs and PSUs	6	**(1,881)**	(1,125)
Cash paid on settlement of other financial assets and liabilities		**(24,817)**	(5,360)
Income taxes paid		**(56,598)**	(61,704)
Foreign exchange gain/(loss)		**8,195**	(4,078)
Operating cash flows before changes in working capital		**628,664**	192,626
Trade and other receivables		**4,122**	21,191
Inventories		**45,137**	(14,213)
Prepaid expenses and other		**(10,034)**	(2,307)
Trade and other payables		**42,674**	8,234
Operating cash flows generated from continuing operations		**710,563**	205,531
Operating cash flows generated from discontinued operations	4	**38,365**	96,354
Cash generated from operating activities		**$ 748,928**	$ 301,885
Investing Activities			
Expenditures on mining interests	12	**(235,855)**	(208,184)
Cash paid for additional interest of Ity mine	19	**(5,430)**	(453)
Cash acquired on acquisition of SEMAFO Inc.	4	**92,981**	—
Changes in other assets		**(7,290)**	(16,525)
Proceeds from sale of assets		**10,292**	3,875
Investing cash flows used by continuing operations		**(145,302)**	(221,287)
Investing cash flows used by discontinued operations	4	**(14,809)**	(30,239)
Cash used in investing activities		**$ (160,111)**	$ (251,526)
Financing Activities			
Proceeds received from the issue of common shares	6	**100,000**	292
Dividends paid to non-controlling interest	19	**(8,592)**	(1,090)
Payment of financing fees and other		**(6,933)**	(2,165)
Interest paid		**(33,654)**	(33,033)
Proceeds of long-term debt	8	**120,000**	80,000
Repayment of long-term debt	8	**(150,000)**	—
Repayment of finance and lease obligation	16	**(82,692)**	(22,229)
Financing cash flows (used in)/generated from continuing operations		**(61,871)**	21,775
Financing cash flows used by discontinued operations	4	**(8,843)**	(6,651)
Cash (used in)/generated from financing activities		**$ (70,714)**	$ 15,124
Effect of exchange rate changes on cash		**6,683**	384
Increase in cash and cash equivalents		**524,786**	65,867
Cash and cash equivalents, beginning of year		**189,889**	124,022
Cash and cash equivalents, end of year		**$ 714,675**	$ 189,889
Less: Cash relating to assets held for sale	4	**$ (69,705)**	$ —
Cash and cash equivalents, end of year		**$ 644,970**	$ 189,889

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

ENDEAVOUR MINING

	Note	**As at December 31, 2020**	As at December 31, 2019
ASSETS			
Current			
Cash and cash equivalents		**644,970**	189,889
Trade and other receivables	9	**52,812**	19,228
Inventories	10	**190,017**	168,379
Prepaid expenses and other	11	**25,544**	17,318
Current assets excluding assets held for sale		**913,343**	394,814
Assets held for sale	4	**180,808**	—
		1,094,151	394,814
Non-current			
Mining interests	12	**2,566,098**	1,410,274
Deferred tax assets	21	**19,774**	5,498
Other financial assets	13	**25,980**	25,045
Other assets	14	**77,010**	37,160
Goodwill	4	**98,704**	—
Total assets		**$ 3,881,717**	$ 1,872,791
LIABILITIES			
Current			
Trade and other payables	15	**269,731**	173,267
Finance and lease obligations	16	**13,661**	29,431
Other financial liabilities	17	**—**	10,349
Income taxes payable	21	**150,459**	54,968
Current liabilities excluding liabilities held for sale		**433,851**	268,015
Liabilities held for sale	4	**112,796**	—
		546,647	268,015
Non-current			
Finance and lease obligations	16	**23,544**	57,403
Long-term debt	8	**688,266**	638,980
Other financial liabilities	17	**2,919**	3,390
Environmental rehabilitation provision	18	**78,011**	38,521
Deferred tax liabilities	21	**296,150**	49,985
Total liabilities		**$ 1,635,537**	$ 1,056,294
EQUITY			
Share capital	6	**3,043,766**	1,774,172
Equity reserve	6	**70,390**	72,487
Deficit		**(1,057,140)**	(1,128,792)
Equity attributable to shareholders of the Corporation		**$ 2,057,016**	$ 717,867
Non-controlling interests	19	**189,164**	98,630
Total equity		**$ 2,246,180**	$ 816,497
Total equity and liabilities		**$ 3,881,717**	$ 1,872,791

COMMITMENTS AND CONTINGENCIES (NOTE 25)

SUBSEQUENT EVENTS (NOTE 26)

Approved by the Board: March 17, 2021

"Sebastien de Montessus" Director "Alison Baker" Director

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

		SHARE CAPITAL								
	Note	Number of Common Shares	Par Value	Additional Paid in Capital	Total Share Capital	Equity Reserve	Deficit	Total Attributable to Shareholders	Non-Controlling Interests	Total
At 1 January, 2019		**108,081,596**	**10,804**	**1,732,857**	**1,743,661**	**65,452**	**(951,107)**	**858,006**	**86,327**	**944,333**
Shares issued on exercise of options and PSU's		773,196	77	12,819	12,896	(12,603)	—	293	—	293
Share based compensation	6	—	—	—	—	19,638	—	19,638	—	19,638
Dividends to non-controlling interests	19	—	—	—	—	—	—	—	(6,154)	(6,154)
Acquisition of non-controlling interest of the Ity mine	19	1,072,305	107	17,508	17,615	—	(13,967)	3,648	(4,101)	(453)
Total net and comprehensive (loss)/earnings		—	—	—	—	—	(163,718)	(163,718)	22,558	(141,160)
At December 31, 2019		**109,927,097**	**$ 10,988**	**$ 1,763,184**	**$ 1,774,172**	**$ 72,487**	**$ (1,128,792)**	**$ 717,867**	**$ 98,630**	**$ 816,497**
At 1 January, 2020		**109,927,097**	**10,988**	**1,763,184**	**1,774,172**	**72,487**	**(1,128,792)**	**717,867**	**98,630**	**816,497**
Consideration on the acquisition of SEMAFO	4	47,561,205	4,756	1,146,572	1,151,328	—	—	1,151,328	106,202	1,257,530
Shares issued on private placement	6	4,507,720	451	99,549	100,000	—	—	100,000	—	100,000
Shares issued on exercise of options and PSU's		1,104,182	110	19,345	19,455	(19,332)	—	123	—	123
Share based compensation	6	—	—	—	—	17,235	—	17,235	—	17,235
Dividends to non-controlling interests	19	—	—	—	—	—	—	—	(55,315)	(55,315)
Cancellation of treasury shares	6	(63,731)	(6)	(1,183)	(1,189)	—	(340)	(1,529)	—	(1,529)
Change in non-controlling interests	19	—	—	—	—	—	(231)	(231)	(199)	(430)
Total net and comprehensive earnings		—	—	—	—	—	72,223	72,223	39,846	112,069
At December 31, 2020		**163,036,473**	**$ 16,299**	**$ 3,027,467**	**$ 3,043,766**	**$ 70,390**	**$ (1,057,140)**	**$ 2,057,016**	**$ 189,164**	**$ 2,246,180**

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

1 DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

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

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

The Company has been taking steps to monitor and address the risks in response to the COVID-19 pandemic and their impact on the Company's operations (Note 7).

2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (‘IFRS’). All amounts presented in US dollars, except as otherwise indicated. References to C$, Euro, CFA are to Canadian dollars, the Euro, and the Central African Francs, respectively.

These consolidated financial statements were approved by the Board of Directors of the Company on March 17, 2021.

Basis of preparation

These consolidated financial statements have been prepared on the historical cost basis, except for the acquisition of SEMAFO Inc. ("SEMAFO") (Note 4a), the fair value of certain mining interests which were evaluated for impairment (Note 5), and certain financial instruments that are measured at fair value at the end of each reporting period as explained in the accounting policies below. The Company’s accounting policies have been applied consistently to all periods in the preparation of these consolidated financial statements, except for the adoption of new accounting standards described in note 2(q) below.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (“Subsidiaries”).

Control is achieved when the Company has (i) power over the investee; (ii) is exposed, or has rights, to variable returns from its involvement with the investee and (iii) has the ability to use its power to affect its returns. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

Details of the Company’s material subsidiaries at the end of the reporting period are as follows:

Entities	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			December 31, 2020	**December 31, 2019**
Agbaou Gold Operations S.A.	Gold Operations	Côte d' Ivoire	85%	85%
Société des Mines d'Ity S.A.	Gold Operations	Côte d' Ivoire	85%	85%
Société des Mines de Daapleu S.A	Gold Operations	Côte d' Ivoire	85%	85%
Hounde Gold Operations S.A.	Gold Operations	Burkina Faso	90%	90%
Bouere Dohoun Gold Operations SA	Gold Operations	Burkina Faso	90%	90%
Riverstone Karma S.A.	Gold Operations	Burkina Faso	90%	90%
Semafo Burkina Faso S.A.	Gold Operations	Burkina Faso	90%	—%
Semafo Boungou S.A.	Gold Operations	Burkina Faso	90%	—%
Endeavour Gold Corporation	Holding	Cayman	100%	100%
Karma Mining Holdings Ltd.	Holding	Barbados	100%	100%
Semafo Inc.	Holding	Quebec	100%	—%
Burkina Faso Gold SARL	Exploration	Burkina Faso	100%	100%
Mana Minéral SARL	Exploration	Burkina Faso	100%	—%
Birimian Resources SARL	Exploration	Burkina Faso	100%	—%
La Mancha Côte d'Ivoire SàRL	Exploration	Côte d' Ivoire	100%	100%
Société des Mines d'Or de Kalana	Project	Mali	80%	80%

The following UK subsidiaries are exempt from the UK requirements relating to the audit of financial statements under section 479A of the Companies Act 2006:

Entity	Registration Number
Endeavour Management Services London Limited	10342431
Endeavour Mining Services LLP	OC425911

a. Foreign currency translation

The presentation and functional currency of the Company is the US dollar. The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which the entity operates (its functional currency). In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates at the date of the transaction.

b. Business combinations

A business combination is defined as an acquisition of assets and liabilities that constitute a business and is accounted for using the acquisition method. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return to the Company and its shareholders in the form of dividends, lower costs or other economic benefits. A business consists of inputs, including non-current assets, and processes, including operational processes, that when applied to those inputs, have the ability to create outputs that provide a return to the Company and its shareholders. A business also includes those assets and liabilities that do not necessarily have all the inputs and processes required to produce outputs but can be integrated with the inputs and processes of the Company to create outputs. When acquiring a set of activities or assets in the exploration and development stage, which may not have outputs, the Company considers other factors to determine whether the set of activities or assets is a business.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports in its financial statements provisional amounts for the items for which the accounting is incomplete.

During this measurement period, if necessary, the Company will retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the Company will also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable and shall not exceed one year from the acquisition date.

The consideration transferred in a business combination is measured at its acquisition date fair value. The acquisition date is the date the Company obtains control over the acquiree, which is generally the date that consideration is transferred, and the Company acquires the assets and assumes the liabilities of the acquiree. The Company considers all relevant facts and circumstances in determining the acquisition date. When the consideration includes a contingent consideration arrangement, it is measured at its acquisition date fair value and included as part of the consideration. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. For those changes to the fair value of the contingent consideration which do not qualify as measurement period adjustments are remeasured at fair value at subsequent reporting dates with changes in fair value recognized in earnings, except for those classified as equity, which are not remeasured.

Acquisition-related costs, other than costs to issue equity securities, of the acquirer are expensed as incurred. The costs to issue equity securities of the Company as consideration for the acquisition are reduced from share capital as share issue costs.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the Company's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction by transaction basis. All other components of non-controlling interests are measured at acquisition date fair values or, when applicable on the basis specified in another IFRS.

The excess of (i) total consideration transferred by the Company, measured at fair value, including contingent consideration, and (ii) the non-controlling interests in the acquiree, over the acquisition-date fair value of net assets acquired, is recorded as goodwill. If the acquisition-date fair value of net assets required exceeds the total of (i) total consideration transferred by the Company, measured at fair value, including contingent consideration, and (ii) the non-controlling interests in the acquiree, the excess is recognized immediately as a bargain purchase gain in the consolidated statement of comprehensive earnings/(loss).

Goodwill is not amortized; rather it is tested annually for impairment or at any time during the year that an indicator of impairment is identified.

c. Discontinued operations and assets and liabilities held for sale

Non-current assets, or disposal groups, are classified as held for sale when it is highly probable that their carrying value will be recovered primarily through a sale transaction rather than through continuing use. Non-current assets and disposals groups are measured at the lower of their carrying amount and fair value less cost of disposal ("FVLCD"). Once non-current assets and disposal groups are recognized as held for sale they are no longer depreciation or amortized.

If the FVLCD is less than the carrying value of the non-current assets or disposal group on initial classification as held for sale, an impairment loss is recognized in the consolidated statement of comprehensive income/(loss). Any subsequent gains and losses on remeasurement are recognized in the consolidated statement of comprehensive income/(loss).

Non-current assets and liabilities and the assets and liabilities of a disposal group classified as held for sale are presented separately from the other assets and liabilities in the balance sheet.

A discontinued operation is a component of the Company that can be clearly distinguished from the rest of the Company and which represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations, or is a subsidiary acquired exclusively with a view to re-sale. A component is classified as a discontinued operation when it is disposed of, or when the operation meets the criteria to be classified as held for sale, whichever event occurs first. The results of discontinued operations are presented separately in the consolidated statement of comprehensive earnings/(loss).

d. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash balances held with banks and brokers and highly liquid short-term investments with terms of three months or less. There were no material cash equivalents at December 31, 2020 and December 31, 2019.

Restricted cash consists of cash and cash equivalents unavailable for use by the Company or its subsidiaries due to certain restrictions that may be in place are classified as other financial assets.

e. Inventories

Supplies are valued at the lower of weighted average cost and net realizable value. Any provision for obsolescence is determined by reference to specific inventory items identified. A regular and ongoing review is undertaken to establish the extent of surplus items and a provision is made for any potential loss upon disposal.

Finished goods, gold in circuit, and stockpiled ore are valued at the lower of weighted average production cost and net realizable value. Production costs include the cost of raw materials, direct labour, mine-site overhead expenses and depreciation and depletion of mining interests. Net realizable value is calculated as the estimated price at the time of sale based on prevailing metal prices less estimated future production costs to convert the inventories into saleable form.

Ore extracted from the mines is stockpiled and subsequently processed into finished goods in the form of doré bars. Production costs are capitalized and included in gold in circuit inventory based on the current mining costs incurred up to the point prior to the refining process, including applicable overhead, depreciation and depletion relating to mining interests, and removed at the weighted average production cost per recoverable ounce of gold. The production costs of finished goods represent the weighted average costs of gold in circuit inventories incurred prior

to the refining process, plus applicable refining costs. Stockpiles are classified as non-current if the timing of their planned usage is longer than twelve months.

f. Mining interests

Mining interests include interests in mining properties and related plant and equipment. The cost of a mining interest or property acquired as an individual asset purchase or as part of a business combination represents its fair value at the date of acquisition.

Mining interests are classified as depletable when operating levels intended by management have been reached. Prior to this, they are classified as non-depletable mining properties.

Non-depletable mining interests include development stage projects as well as exploration and evaluation assets, which are comprised of those properties with mineral resources and exploration potential, often referred to as value beyond proven and probable reserves. When acquired as part of an asset acquisition or a business combination, the value associated with these assets are capitalized at cost, which represents the fair value of the assets at the time of acquisition determined by estimating the fair value of a mining interests mineral reserves, resources, and exploration potential at that date. At least annually or when otherwise appropriate, the carrying amounts and the mineral reserves and resources of non-depletable mining properties are reviewed and a portion of the carrying amount is reclassified to the related depletable mining interest as a result of the conversion of resource or exploration potential into reserves that have reached operating levels intended by management.

Capitalized costs associated with mining properties include the following:

i. Costs of direct acquisitions of production, development and exploration stage properties;
ii. Costs attributed to mining properties acquired in connection with business combinations;
iii. Expenditures related to the development of mining properties;
iv. Expenditures related to economically recoverable exploration;
v. Borrowing costs incurred directly attributable to qualifying assets;
vi. Certain costs incurred during production, net of proceeds from sales prior to reaching operating levels intended by management; and
vii. Estimates of reclamation and closure costs.

Drilling and related costs that are for general exploration, incurred on sites without an existing mine, or on areas outside the boundary of a known mineral deposit which contains proven and probable reserves are classified as greenfield exploration expenditures and are expensed as incurred. Drilling and related costs incurred to define and delineate a mineral deposit that has not been classified as proven and probable reserves at a development stage or production stage mine are classified as brownfield activities and are capitalized as part of the carrying amount of the related property in the period incurred, when management determines that there is sufficient evidence that the expenditure will result in a future economic benefit to the Company.

The carrying values of the Company's exploration and evaluation assets are carried at acquired costs until such time as the technical feasibility and commercial viability of extracting mineral resource from the assets is demonstrated, which occurs when the activities are designated as a development project and advancement of the project is considered economically feasible. At that time, the property and the related costs are reclassified as a development stage mining interest, though not yet subject to depletion, and remain capitalized. Prior to reclassification, the mining interest is assessed for impairment. Further exploration expenditures, subsequent to the establishment of economic feasibility, are capitalized and included in the carrying amount of the related property.

Borrowing costs are capitalized when they are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale. Borrowing costs are added to the cost of those assets, until such time as the assets are substantially ready for their

intended use or sale. Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalized is calculated using a weighted average of the rates applicable to the relevant borrowings during the period. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Commercial production is deemed to have commenced when a mining interest can operate at levels intended by management. This is achieved when management determines that the operational commissioning of major mine and plant components is complete, operating results are being achieved consistently for a period of time and that there are indications that these operating results will continue.

The Company determines commencement of commercial production based on the following factors:

i. All major capital expenditures to bring the mine to the condition necessary for it to be capable for operating in the manner intended by management have been completed;
ii. The completion of a reasonable period of testing of the mine plant and equipment;
iii. The mine or mill has reached a pre-determined percentage of design capacity; and
iv. The ability to sustain ongoing production of ore.

The list is not exhaustive, and each specific circumstance is considered before making the decision.

Mining expenditure incurred to maintain current production are included in profit or loss, in current production areas development costs are considered as costs of sales given that the short-term nature of these expenditures matches the economic benefit of the ore being mined.

The carrying amounts of mining properties are depleted using the unit-of-production method over the estimated recoverable ounces, when operating levels intended by management for the mining properties have been reached. Under this method, depletable costs are multiplied by the number of ounces extracted divided by the estimated total ounces to be extracted in current and future periods based on proven and probable reserves and a portion of resources.

Management reviews the estimated total recoverable ounces contained in depletable reserves and resources each financial year and when events and circumstances indicate that such a review should be made. Changes to estimated total recoverable ounces contained in depletable reserves and resources are accounted for prospectively.

Mining properties are recorded at cost less accumulated depletion and impairment losses.

<u>Stripping costs</u>

Capitalization of waste stripping requires the Company to make judgements and estimates in determining the amounts to be capitalized. In open pit mining operations, it is necessary to incur costs to remove overburden and other mine waste materials in order to access the ore body (“stripping costs”). During the development of a mine, stripping costs are capitalized and included in the carrying amount of the related mining property. During the production phase of a mine, stripping costs will be recognized as an asset only if the following conditions are met:

i. It is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
ii. The entity can identify the component of the ore body (mining phases) for which access has been improved; and
iii. the costs relating to the stripping activity associated with that component can be measured reliably.

Stripping costs incurred and capitalized during the development and production phase are depleted using the unit-of-production method over the reserves and, in some cases, a portion of resources of the area that directly benefit from the specific stripping activity. Costs incurred for regular waste removal that do not give rise to future economic benefits are considered as costs of sales and included in operating expenses.

Plant and equipment and assets under construction

Plant and equipment are recorded at cost less accumulated depreciation and impairment losses. Plant and equipment are depreciated using the unit- of production method based on ounces produced, or the straight-line method over the estimated useful lives of the related assets as follows:

i. Mobile equipment 3 - 8 years
ii. Aircrafts 25 years
iii. Office and computer equipment 3 - 5 years

Right-of-use assets are depreciated over their expected useful lives on the same basis as owned assets, or, where shorter, the term of the relevant lease.

Where parts (components) of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment. Each asset or parts estimated useful life is determined considering its physical life limitations. This physical life of each asset cannot exceed the life of the mine at which the asset is utilized. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Amounts expended on assets under construction are capitalized until the asset becomes available for its intended use, at which time depreciation commences on the assets over its useful life. Repairs and maintenance of plant and equipment are expensed as incurred. Costs incurred to enhance the service potential of plant and equipment are capitalized and depreciated over the remaining useful life of the improved asset.

Upon disposal or abandonment, the carrying amounts of mining interests and plant and equipment and accumulated depreciation and depletion are removed from the accounts and any associated gains or losses are recorded in profit or loss.

g. Impairment of mining interests

At each reporting date, the Company reviews the carrying amounts of its mining interests to determine if any indicators of impairment exist. If any such indicators exist, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. The Company's CGU's are its significant mine sites and development projects. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of FVLCD and value in use. FVLCD is calculated as the amount obtainable from the sale of an asset in an arm’s length transaction between knowledgeable, willing parties, less the costs of disposal. In the absence of market information, this is determined based on the present value of the estimated future cash flows from the development, use, eventual disposal of the asset, or the price a third party is willing to pay for the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or a cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Impairment losses reverse in some circumstances. When an impairment loss subsequently reverses, it is recognized immediately in profit or loss. The carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years.

If applicable, the Company performs goodwill impairment tests annually or when events and circumstances indicate that the carrying amounts may no longer be recoverable. In performing the impairment tests, the Company estimates the recoverable amount of its cash-generating units that include goodwill and compares recoverable amounts to the cash-generating unit's carrying amount. If a cash-generating unit's carrying amount exceeds its recoverable amount, the Company reduces the carrying value of the cash-generating unit or group of cash-generating units by first reducing the carrying amount of the goodwill and then reducing the carrying amount of the remaining assets on a pro-rata basis. Impairment of goodwill cannot be reversed.

h. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract due to modification that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset, which is included in mining interests, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

i. fixed payments, including in-substance fixed payments, less any lease incentives receivable;
ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
iii. amounts expected to be payable under a residual value guarantee;
iv. exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
v. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to earnings/(loss) in the period incurred.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to earnings/(loss) on a straight-line basis over the lease term.

i. Income and deferred taxes

The Company recognizes current income tax in the consolidated statement of comprehensive earnings/(loss) except to the extent that it relates to items recognized directly in equity. Current income tax is calculated on taxable income at the tax rate enacted or substantively enacted at the balance sheet date, and includes adjustments to tax payable or receivable in respect of previous periods.

The Company uses the liability method of accounting for income taxes. Under the liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for unused tax losses and other income tax deductions. Deferred income tax assets are recognized only to the extent that it is probably that future taxable profits will be available against which the temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill. A translation gain or loss may arise for deferred income tax purposes where the local tax currency is not the same as the functional currency for certain non-monetary items. A deferred tax asset or liability is recognized on the difference between the carrying amount for accounting purposes (which reflects the historical cost in the entity's functional currency) and the underlying tax basis (which reflects the current local tax cost, translated into the functional currency using the current foreign exchange rate). The translation gain or loss is recorded as deferred income tax in the statements of comprehensive income/(loss). Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply if the related assets are realized or the liabilities are settled. To the extent that it is probable that taxable profit will not be available against which deductible temporary differences can be utilized a deferred tax asset may not be recognized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period in which the change is substantively enacted. Deferred tax assets and liabilities are considered monetary assets. Deferred tax balances denominated in currencies other than US dollars are translated into US dollars using current exchange rates at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

j. Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss ("FVTPL"). The directly attributable transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial assets at amortized cost

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are classified and measured subsequently at amortized cost.

Financial instruments at fair value through other comprehensive income ("FVTOCI")

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are classified and measured at FVTOCI. The Company's financial assets at FVTOCI include its equity securities designated as FVTOCI.

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity instrument, instead, it is transferred to retained earnings.

Financial instruments at fair value through profit or loss ("FVTPL")

By default, all other financial assets are measured subsequently at FVTPL. Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using effective interest method.

Impairment

The Company recognizes a loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

Derecognition of financial assets and liabilities

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another

party. If the Company neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative financial instruments

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts, and a separate instrument with the same terms as the embedded derivative would also meet the definition of a derivative.

k. Environmental rehabilitation provisions

The Company's mining and exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. The Company records a liability for the estimated future rehabilitation costs and decommissioning of its operating mines and development projects at the time the environmental disturbance occurs, or a constructive obligation is determined.

Environmental rehabilitation provisions are measured at the expected value of future cash flows including expected inflation and discounted to their present value using the current market assessment of the time value of money. The unwinding of the discount, referred to as accretion expense, is included in finance costs and results in an increase in the amount of the provision.

When provisions for closure and environmental rehabilitation are initially recognized, the corresponding cost is capitalized as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalized cost of closure and environmental rehabilitation activities is recognized in mining interests and amortized over the expected useful life of the operation to which it relates.

Environmental rehabilitation provisions are updated annually for changes to expected cash flows and for the effect of changes in the discount rate, and the change in estimate is added or deducted from the related asset and depreciated over the expected useful life of the operation to which it relates.

l. Revenue recognition

Revenue from the sale of gold in bullion and doré bar form is recognized when the Company has transferred control of the gold to the customer at an amount reflecting the consideration the Company expects to receive in exchange for those products. In determining whether the Company has satisfied a performance obligation, it considers the indicators of the transfer of control, which include, but are not limited to, whether: the Company has a present right to payment; the customer has legal title to the asset; the Company has transferred physical possession of the asset to the customer; and the customer has the significant risks and rewards of ownership of the asset. Control is transferred when the Company enters into a transaction confirmation for the transfer of gold which is either at date

at which the refining process is completed or at the point of shipment at the gold room at the mines. Revenue is measured at the transaction price agreed under the contracts, and is due immediately upon transfer of the gold to the customer.

m. Share capital

Common shares are classified as share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

n. Earnings per share

Earnings per share calculations are based on the weighted average number of common shares issued and outstanding during the period. Diluted earnings per share is calculated using the treasury stock method, whereby the proceeds from the exercise of potentially dilutive common shares with exercise prices that are below the average market price of the underlying shares are assumed to be used in purchasing the Company's common shares at their average market price for the period.

o. Share-based payment arrangements

Equity settled share-based payments to employees and other providing similar services are measured at the fair value of the equity instruments at the grant date.

Performance share units ("PSUs") are settled in shares of the Company. The fair value of the estimated number of PSUs that will eventually vest, determined at the date of grant, is recognized as share-based compensation expense over the vesting period, with a corresponding amount recorded as equity. The fair value of the PSUs is estimated using the market value of the underlying shares as well as assumptions related to the market and non-vesting conditions at the grant date. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Management re-evaluates the assumptions related to the non-market conditions periodically for changes in the number of options that are expected to ultimately vest.

Equity settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Company obtains the goods or the counterparty renders the service.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity reserve.

Cash settled share-based payments to employees and other providing similar services are measured at the fair value of the instrument at the grant date and every reporting period, with changes in fair value recognized through profit or loss and a corresponding amount recorded as a liability.

Exchanges of share options or other share-based payment awards in conjunction with a business combination are accounted for as modifications of the share-based payments awards. Where the Company is obliged to replace the acquiree awards, either all or a portion of the market-based measure of the Company's replacement awards is included in measuring the consideration transferred in the business combination. In determining the portion of the replacement award that is part of the consideration transferred for the acquiree, both the replacement awards and the acquiree awards are measured at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the

acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognized as remuneration cost for post transaction service.

p. Provisions

Provisions are recorded when a present legal or constructive obligation arises as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at the end of each reporting period and adjusted to reflect management's current best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognized as finance expense and included in finance costs in the statement of comprehensive earnings/(loss).

q. Changes in accounting standards

The Company has adopted the following new IFRS standard for the annual period beginning on January 1, 2020:

Amendments to IAS 1 and IAS 8: Definition of Material

The Company adopted amendments to IAS 1, Presentation of Financial Statements ("IAS 1") and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors as at January 1, 2020. The amendments provided a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarified that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The amendments had no impact on the consolidated financial statements.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements that the Company reasonably expects will have an impact on its disclosures, financial position or performance when applied at a future date, are disclosed below. The Company intends to adopt these standards when they become effective. Other standards and interpretations that are issued, but not yet effective, which are not expected to impact the Company have not been listed.

Amendments to IAS 16: Proceeds before Intended Use

In May 2020, the IASB issued amendments to IAS 16, Property, Plant and Equipment ("IAS 16"), which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The Company is currently evaluating the impact of adopting amendments to IAS 16 on its consolidated financial statements in future periods.

Amendments to IFRS 1: Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company is evaluating the impact of this standard on the classification of its non-current debt, in particular the convertible senior notes.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

On 27 August 2020, the IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2.

These amendments complement those made in 2019 ('IBOR – phase 1') and focus on the effects on entities when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform.
The amendments in this final phase relate to:

i. changes to contractual cash flows — a company will not have to derecognize or adjust the carrying amount of financial instruments for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;

ii. hedge accounting — a company will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and

iii. disclosures — a company will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

The amendments are effective for periods beginning on or after 1 January 2021. Management is evaluating the impact of the reform on its long-term debt as well as its disclosures.

3 CRITICAL JUDGEMENTS AND KEY ESTIMATES

The preparation of the Company's consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and the accompanying disclosures. These assumptions, judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the consolidated financial statements. Management reviews its estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The critical judgements that the Company's management has made in the process of applying the Company's accounting policies, that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

Commencement of commercial production

Prior to a mine being capable of operating at levels intended by management, costs incurred are capitalized as part of the costs of related mining properties and proceeds from mineral sales are offset against costs capitalized. The Company defines the commencement of commercial production as the date that a mine operates at the levels

intended by management. Management considers several factors in determining when commercial production has been reached. Depletion of capitalized costs for mining properties begins when the mine is capable of operating at levels intended by management.

The Company determined that the Ity CIL ("Carbon-in-Leach") project entered commercial production on April 8, 2019.

Determination of economic viability

Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Capitalization of waste stripping

Capitalization of waste stripping requires the Company to make judgements and estimates in determining the amounts to be capitalized. These judgements and estimates include, amongst others, the expected stripping ratio for each separate open pit, the determination of what defines separate pits, and the expected ounces to be extracted from each component of a pit.

Indicators of impairment

The Company considers both internal and external information in its process of determining whether there are any impairment indicators on any of its assets. Management considers the following external factors to be relevant: Changes in the market capitalization of the entity, changes in the long-term gold price expectations, or changes in the technological, market, economic or legal environment in which the entity operates, or in the market to which the asset is dedicated. Management considers the following internal factors to be relevant: changes in the estimates of recoverable ounces, significant movements in production costs and variances of actual production costs when compared to budgeted production costs, production patterns and whether production is meeting planned budget targets, changes in the level of capital expenditures required at the mine site, changes in the expected cost of dismantling assets and restoring the site, particularly towards the end of a mine's life.

Assets held for sale and discontinued operations

The Company needs to apply judgment when determining whether an asset or disposal group should be classified as held for sale. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition and its sale must be highly probable. The following factors are considered by management in determining whether a sale is highly probable: Management must be committed to a plan to sell the asset or disposal group; An active program to locate a buyer and complete the plan must have been initiated; The asset must be actively marketed for sale at a reasonable price; The sale should be expected to be completed within 12 months of classification of the asset or disposal group as held for sale. Based on the above factors, management considered that the Agbaou mine was an asset held for sale at December 31, 2020.

Judgement is required when determining whether a component of an entity classifies as a discontinued operation. A component of the Company should be classified as a discontinued operation when it has been disposed of, or if it is classified as held for sale, and represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. Judgement is required when determining whether the component represents a separate major line of business or geographical area of operations. This was applied to the classification of the Agbaou mine as a discontinued operation. The Agbaou mine is considered a major geographical

area of operations which has been reported as a separate segment in the past, and as such we have determined the classification of a discontinued operation to be appropriate.

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

Fair value of assets acquired and liabilities assumed

When the Company obtains control of a business the business combination is accounted for using the acquisition method of accounting. By applying this method all assets acquired and liabilities assumed are to be measured at fair value at acquisition date. The excess of the purchase consideration over the fair value of the net assets and liabilities acquired (if any) is recognized as goodwill. If the fair values of the net assets and liabilities assumed are more than the purchase consideration, the excess is recognized as a bargain purchase gain in the statement of comprehensive earnings/(loss). The determination of fair value often requires management to make estimates and assumptions regarding future events which include, but are not limited to, future gold prices, projected production levels, life of mine plans, future reserves and resources, operating costs, capital expenditures, and discount rates (Note 4).

Value added tax ("VAT")

Included in trade and other receivables are recoverable VAT balances owing mainly by the fiscal authorities in Burkina Faso, and Côte d'Ivoire. The Company is following the relevant process in each country to recoup the VAT balances owing and continues to engage with authorities to estimate if all amounts are recoverable and to accelerate the repayment of the outstanding VAT balances.

Impairment of mining interests

In determining the recoverable amounts of the Company's mining interests, management makes estimates of the discounted future cash flows expected to be derived from the Company's mining properties, costs to sell the mining properties and the appropriate discount rate. The projected cash flows are significantly affected by changes in assumptions about gold's selling price, future capital expenditures, changes in the amount of recoverable reserves, resources, and exploration potential, production cost estimates, discount rates and exchange rates. Reductions in gold price forecasts, increases in estimated future costs of production, increases in estimated future non-expansionary capital expenditures, reductions in the amount of recoverable reserves, resources, and exploration potential, and/or adverse current economics can result in a write-down of the carrying amounts of the Company's mining interests (Note 5).

Estimated recoverable ounces

The carrying amounts of the Company's mining interests are depleted based on the estimated recoverable ounces for each mine. Changes to estimates of recoverable ounces due to revisions to the Company's mine plans and changes in gold price forecasts can result in a change to future depletion rates.

Mineral reserves

Mineral reserves and mineral resources are determined in accordance with Canadian Securities Administrator's National Instrument 43-101 Standards of Disclosure for Mineral Projects. Mineral reserve and resource estimates include numerous estimates. Such estimation is a subjective process, and the accuracy of any mineral reserve or resource estimate is dependent on the quantity and quality of available data and on the assumptions made and judgements used in engineering and geological interpretation. Changes to management's assumptions including economic assumptions such as gold prices and market conditions could have a material effect in the future on the Company's financial position and results of operations.

Environmental rehabilitation costs

The provisions for rehabilitation are based on the expected costs of environmental rehabilitation and inputs used to determine the present value of such provisions and the related accretion expense using the information available at the reporting date. To the extent the actual costs differ from these estimates, adjustments will be recorded and the profit or loss and future cash flows may be impacted.

Share-based payments

Numerous assumptions are made when accounting for share-based payments including the expected life of the contract, the volatility, the number of awards that are expected to vest, and the likelihood of the market and non-market conditions being met. Changes to these assumptions may alter the value of the share-based payment and ultimately the amount charged to profit or loss.

Inventories

The measurement of inventory and the determination of net realizable value involves the use of estimates. This is especially the case when determining the net realizable value of stockpiles. Estimation is required when determining completion costs to bring the stockpile inventory to a condition ready for sale, total tonnes included in the stockpiles and the recoverable gold contained therein. Other estimates include future gold prices, recovery rates, production cost forecasts and production plans.

Estimation is also required when determining whether to recognize a provision for obsolete stock, in particular as it relates to the amount of time the stock has been on hand and whether there are alternative uses for the consumables prior to recognizing a provision for stock.

Current income taxes

The Company operates in numerous countries, and accordingly it is subject to, and pays annual income taxes under the various income tax regimes in the countries in which it operates. Significant judgement is required in the interpretation or application of certain tax rules when determining the provision for income taxes due to the complexity of the legislation. From time to time the Company is subject to a review of its income tax filings and in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain rules to the Company's business conducted within the country involved. Management evaluates each of the assessments and recognizes a provision based on its best estimate of the ultimate resolution of the assessment, through either negotiation or through a legal or arbitrative process. In the event that management's estimate of the future resolution of these matters change over time, the Company will recognize the effects of the changes in its consolidated financial statements in the period that such changes occur (Note 25).

4 ACQUISITIONS AND DIVESTITURES

In the year ended December 31, 2020, the Company incurred $39.8 million (December 31, 2019 - $4.6 million) of acquisition related costs, relating to advisory, legal, valuation and other professional fees, primarily with respect to the acquisition of SEMAFO, the disposal of the Agbaou CGU and the acquisition of Teranga Gold Corporation (Note 26). These costs are expensed as acquisition and restructuring costs within the consolidated statement of comprehensive earnings/(loss) .

a. Acquisition of SEMAFO

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

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

Following the acquisition of SEMAFO, La Mancha Holding S.àr.l. ("La Mancha") exercised its anti-dilution right to maintain its interest in the Company and completed a $100.0 million private placement for 4,507,720 shares of Endeavour (Note 6).

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

The Company is still in the process of finalizing the fair values of the mining interests acquired, which are estimated using discounted cash flow models, where the expected future cash flows are based on estimates of future gold prices, estimated quantities of ore reserves and mineral resources, expected future production costs and capital expenditures based on the life of mine plans at the acquisition date. In addition to the fair value of the mining interests, the evaluation of the liabilities and tax contingencies assumed, and the resulting determination of the deferred taxes, are all subject to change at December 31, 2020 if information arises which wold impact management's assessment of the fair value at the acquisition date. The actual fair values of the assets and liabilities may differ materially from the amounts disclosed in the preliminary fair value below, and the amount recognized as goodwill may change. Any adjustments to the allocation of the purchase consideration will be recognized retrospectively and comparative information will be revised. Adjustments to the purchase price allocation can be made throughout the measurement period, which is not to exceed one year from the acquisition date.

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

	Preliminary purchase price allocation	Adjustments	Revised preliminary purchase price allocation
Purchase price:			
Fair value of 47.6 million Endeavour common shares issued	1,151,328	—	1,151,328
	$ 1,151,328	**$ —**	**$ 1,151,328**
Net assets/(liabilities) acquired			
Cash	92,981	—	92,981
Net working capital acquired (excluding cash)	108,530	(544)	107,986
Mining interests	1,470,691	(151,104)	1,319,587
Goodwill	—	98,704	98,704
Restricted cash	24,000	—	24,000
Other long-term assets	7,505	—	7,505
Current portion of long-term debt	(29,758)	—	(29,758)
Lease liabilities	(24,044)	—	(24,044)
Income taxes payable	(54,341)	18,248	(36,093)
Other long-term liabilities	(40,883)	222	(40,661)
Deferred tax	(287,159)	24,482	(262,677)
Non-controlling interest	(116,194)	9,992	(106,202)
Net Assets	**$ 1,151,328**	**$ —**	**$ 1,151,328**

During the fourth quarter of 2020, the Company adjusted the fair values of certain assets acquired and liabilities assumed in the acquisition, in particular as it relates to spare parts and supplies inventory, mining interests, and liabilities with respect to certain income tax positions. Management revised its life of mine plans for the Mana and Boungou mines, and the expected ounces to be produced over the life of mine, which resulted in a change in their fair values. As a result of the above adjustments, the deferred tax liabilities were also adjusted to reflect the tax impact of these changes. The significant assumptions used in the determination of the fair value of the mining interests were as follows:

Assumption	Mana	Boungou
Gold price – 2020 to 2024	$1,550 to $1,883 per ounce	$1,550 to $1,865 per ounce
Long-term gold price	$1,485 per ounce	$1,485 per ounce
Discount rate	6.25 %	6.75 %
Mine life	12.5 years	14.5 years
Average grade over life of mine	3.09 g/t	3.52 g/t
Average recovery rate	87 %	92 %

As a result of the change in the fair values of the mining interests, depletion expense for the six months from July 1, 2020 to December 31, 2020, was decreased retrospectively by $27.5 million to reflect the change in the value of the mining interests.

Consolidated revenue for the year ended December 31, 2020 includes revenue from the date of acquisition from the assets acquired in the acquisition of SEMAFO of $420.9 million. The consolidated earnings for the year ended

December 31, 2020 includes net earnings before tax from the date of acquisition from SEMAFO of $115.8 million. Had the transaction occurred on January 1, 2020, the pro forma unaudited consolidated revenue and net earnings before taxes for the year ended December 31, 2020 would have been approximately $1,663.2 million and $245.7 million, respectively.

b. Discontinued operations

On January 22, 2021, management announced that it had entered into an agreement to sell its 85% interest in the Agbaou mine cash generating unit ("CGU") to Allied Gold Corp Limited ("Allied"), which closed on March 1, 2021. The consideration upon sale of the Agbaou mine includes a cash payment of $20.0 million to be received during the first quarter of 2021, $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, 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 a net smelter royalty ("NSR") on ounces produced in excess of the Agbaou reserves estimated as at December 31, 2019. The NSR royalty will be based on a sliding scale, linked to the average spot gold price as follows: 2.5% if the gold price is at least $1,400 per ounce, 2% if the gold price is at least $1,200 per ounce and less than $1,400 per ounce, 1% if the gold price is at least $1,000 per ounce and less than $1,200 per ounce, and 0% if the gold price is below $1,000 per ounce. The Agbaou CGU has been classified as an asset held for sale as at December 31, 2020 and a discontinued operation for the year then ended.

The results of operations have been restated for the current and comparative periods to reclassify the (loss)/ earnings relating to Agbaou as (loss)/earnings from discontinued operations. All assets and liabilities relating to the Agbaou CGU have been classified as current assets/liabilities held for sale at December 31, 2020.

In classifying the Agbaou CGU as held for sale, an impairment assessment was completed to recognize the CGU at the lower of its carrying value and FVLCD. The FVLCD was valued using a market-based valuation approach based on the expected fair value of the consideration to be received upon closing of the disposal of $69.4 million, less estimated costs of disposal of $1.4 million, which resulted in an impairment of the mining interests at December 31, 2020 of $19.9 million. The fair value of the various aspects of the consideration were as follows (all of which, except for the cash, are classified as Level 3 fair value measurements):

- The cash was determined to have a fair value of $20.0 million, given it was expected to be received in the first quarter of 2021;
- The fair value of the Allied shares was determined to be $40.0 million based on the value of the option to sell back the shares, as well as recent share issuances of Allied shares with other arm's length parties;
- The fair value of the contingent consideration based on the gold price was estimated using a Monte Carlo simulation model using the following key inputs: spot price of gold of $1,856 per ounce, annualized gold price volatility of 19%, for each of the quarters in 2021, which resulted in a fair value of $3.7 million; and
- The fair value of the NSR was estimated using probability-weighted scenarios with respect to discounted cash flow models for future production that might exceed the Agbaou reserves at December 31, 2019. Based on the various scenarios considered, the fair value of the NSR was $5.7 million.

The profit and loss for the CGU was as follows:

	YEAR ENDED	
	December 31, 2020	December 31, 2019
Gold revenue	**184,487**	191,523
Operating costs	**(84,924)**	(85,170)
Impairment of mining interests	**(19,941)**	—
Depreciation and depletion	**(38,334)**	(44,731)
Royalties	**(10,355)**	(7,581)
Other income/(expenses)	**2,832**	(2,208)
Earnings before taxes	**33,765**	51,833
Deferred and current income tax expense	**(55,568)**	(28,625)
Net comprehensive (loss)/earnings from discontinued operations	**(21,803)**	23,208
Shareholders of Endeavour Mining Corporation	**(22,807)**	15,182
Non-controlling interest	**1,004**	8,026
Total comprehensive (loss)/earnings from discontinued operations	**$ (21,803)**	$ 23,208
Net (loss)/earnings per share from discontinued operations		
Basic	**$ (0.17)**	$ 0.14
Diluted	**$ (0.17)**	$ 0.14

The net assets of the CGU classified as held for sale are as follows:

	December 31, 2020
Cash and cash equivalents	**69,705**
Trade and other receivables	**1,315**
Prepaid expenses and other	**2,436**
Inventories	**28,055**
Mining interests	**64,027**
Other long term assets	**15,270**
Assets held for sale	**180,808**
Trade and other payables	**66,237**
Other liabilities	**46,559**
Liabilities held for sale	**112,796**
Net assets	**$ 68,012**

5 IMPAIRMENT OF MINING INTERESTS

For the year ended December 31, 2020

As stated in Note 4, the Company has recognized goodwill at December 31, 2020 on the acquisition of SEMAFO as a result of the recognition of the deferred tax liability for the difference between the assigned fair values and the tax bases of the assets acquired and the liabilities assumed. Goodwill is tested at least annually or whenever there are indicators of impairment. As the purchase price allocation has not been finalized at December 31, 2020, the goodwill has not yet been allocated to one or more CGU's. In evaluating the goodwill for impairment at December 31, 2020, the objective is to determine if the recoverable amount (the fair value less costs of disposal) of the CGUs to which the goodwill may be allocated is greater than its carrying value. The significant assumptions used to determine the fair value of the CGU's are consistent with those used in the preliminary purchase price allocation in Note 4, except for gold prices range from $1,945 to $1,690 per ounce for 2021 to 2024, and long-term gold prices are $1,560 per ounce. The Company also considered in-situ values for the valuation of exploration assets. Based on the results, management concluded there was no impairment of goodwill at December 31, 2020.

Also during the fourth quarter of 2020, the Company performed a review for indicators of impairment at each of the cash generating units and evaluated key assumptions such as significant revisions to the mine plan including current estimates of recoverable mineral reserves and resources, recent operating results, future expected production based on the reserves which led to an indicator of impairment of the Karma CGU, discussed below. There were no other indicators of impairment identified at the Company's other mine site CGU's in the year.

Impairment of Karma Mine

During the year ended December 31, 2020, the Company recorded an impairment charge on non-current assets of $44.6 million recognized at the Karma Mine.

	Depletable mineral property	Property, plant & equipment	Assets under construction	Total carrying value
Impairment allocation				
Net book value before impairment	33,802	67,056	1,150	102,008
Total impairment	(13,923)	(30,633)	—	(44,556)
Closing net book value after impairment	**$ 19,879**	**$ 36,423**	**$ 1,150**	**$ 57,452**

Key assumptions

The recoverable amounts of the Karma CGU were based primarily on the future after-tax cash flows expected to be derived from the Company’s mining interests and represents the FVLCD, a Level 3 fair value measurement. The projected cash flows used in impairment testing are significantly affected by changes in assumptions for metal prices, changes in the amount of recoverable reserves, resources, and exploration potential, production costs estimates, capital expenditures estimates, and discount rates. The Company’s impairment testing incorporated the following key assumptions: The estimates used for gold price was an average of $1,751 per ounce over the three-year remaining life of the mine. Projected cash flows were discounted using a discount rate of 7.8% which represented the Company’s weighted average cost of capital and which included estimates for risk-free interest rates, market value of the Company’s equity, market return on equity, share volatility and debt-to-equity financing ratio.

Impairment of Exploration Assets

During the year ended December 31, 2020, the Company performed a review for indicators of impairment of all exploration and evaluation assets in accordance with IFRS 6, *Exploration for and Evaluation of Mineral Resources*. Exploration permits have been assessed as to whether the permits were in good standing and/ or any further activity was planned. As a result, an impairment charge of $19.9 million has been recognized against various exploration properties (for the year ended December 31, 2019 - $ nil).

For the year ended December 31, 2019

Impairment of Karma mine

	Depletable mineral property	Property, plant & equipment	Assets under construction	Total carrying value
Impairment allocation				
Net book value before impairment	93,090	170,377	18,328	**281,795**
Total impairment	(45,007)	(82,373)	—	**(127,380)**
Closing net book value after impairment	**$ 48,083**	**$ 88,004**	**$ 18,328**	**$ 154,415**

During the year ended December 31, 2019, the Company recorded an impairment charge on non-current assets of $127.4 million recognized at the Karma Mine.

Key assumptions

The recoverable amounts of the Karma CGU were based primarily on the future after-tax cash flows expected to be derived from the Company’s mining interests and represents the FVLCD, a Level 3 fair value measurement. The projected cash flows used in impairment testing are significantly affected by changes in assumptions for metal prices, changes in the amount of recoverable reserves, resources, and exploration potential, production costs estimates, capital expenditures estimates, and discount rates. The Company’s impairment testing incorporated the following key assumptions: The estimates used for long term gold price is $1,500 per ounce at December 31, 2019. Projected cash flows were discounted using an after-tax discount rate of 7.5% which represented the Company’s weighted average cost of capital and which included estimates for risk-free interest rates, market value of the Company’s equity, market return on equity, share volatility and debt-to-equity financing ratio.

6 SHARE CAPITAL

i. Share capital

Authorized

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

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

On July 3, 2020, La Mancha exercised its anti-dilution right to maintain its interest in the Company and completed a $100.0 million private placement for 4,507,720 shares of Endeavour (note 4). At December 31, 2020, La Mancha ownership of Endeavour was 24.1%.

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

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.

ii. Share-based compensation

The following table summarizes the share-based compensation expense:

	YEAR ENDED	
	December 31, 2020	December 31, 2019
Amortization and change in fair value of DSUs	1,312	892
Amortization and change in fair value of PSUs	17,455	20,150
Total share-based expenses	**$ 18,767**	$ 21,042

iii. Share unit plans

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

	DSUs outstanding	**Weighted average grant price (C$)**	**PSUs outstanding**	**Weighted average grant price (C$)**
At December 31, 2018	191,706	12.20	2,845,880	19.25
Granted	26,871	22.60	1,556,328	18.63
Exercised	(39,893)	12.61	(738,078)	18.15
Forfeited	—	—	(365,753)	20.62
At December 31, 2019	178,684	13.67	3,298,377	19.05
Granted	20,455	28.62	2,072,183	21.55
Exercised	(73,978)	16.88	(1,089,232)	19.08
Forfeited	—	—	(1,152,986)	19.50
Added by performance factor	—	—	85,463	18.57
At December 31, 2020	**125,161**	**14.22**	**3,213,805**	**20.48**

iv. Deferred share units

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

The DSU plan allows each non-executive director to choose to receive, in the form of DSUs, all or a percentage of their director's fees, which would otherwise be payable in cash. Compensation for serving on committees must be paid in the form of DSUs. The plan also provides for discretionary grants of additional DSUs by the Board. Each DSU

vests upon award but is distributed only when the director has ceased to be a member of the Board. Vested units are settled in cash based on the common share price at the date of settlement.

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

The total fair value of DSUs at December 31, 2020 was $2.9 million (December 31, 2019 – $3.4 million). The total DSU share-based compensation recognized in the consolidated statement of comprehensive earnings/(loss) was an expense of $1.3 million for the year ended December 31, 2020 (for the year ended December 31, 2019, expense of $0.9 million).

v. Performance share units

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

The fair value of the PSUs is determined based on Total Shareholder Return ("TSR") relative to peer companies for 50% of the value of the PSU's, while the remaining 50% of the value of the PSU's granted is based on achieving certain operational performance measures. Key future operational targets in 2022 for 2020 PSU grants are net debt / earnings before interest, tax, depreciation (25%), gold production targets (12.5%), and Environmental, Social and Governance ("ESG") targets (12.5%); key future operational targets in 2021 for 2019 PSU grants were resource discovery (25%), gold production relative to guidance (12.5%), and net debt / earnings before interest, tax, depreciation (12.5%). The fair value related to the TSR portion is determined using a multi-asset Monte Carlo simulation model using a dividend yield of 2.5% (2019, 0%), as well as historical TSR levels and historical volatilities of the constituents of the S&P TSX Global Gold Index (2019, same). The vesting conditions related to the achievement of operational performance measures noted above are determined at the grant date and the number of units that are expected to vest is reassessed at each subsequent reporting period based the estimated probability of reaching the operational targets.

The total PSU share-based expense recognized in the consolidated statement of comprehensive earnings/(loss) for year ended December 31, 2020 was $17.5 million (for the year ended December 31, 2019, expense of $20.2 million). At December 31, 2020, 792,108 of the PSUs had vested and were exercised in January 2021. The remaining unvested PSUs will vest annually at December 31, 2021 and 2022 as the performance objectives are achieved.

vi. Basic and diluted earnings per share

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

	YEAR ENDED	
	December 31, 2020	December 31, 2019
Basic and diluted weighted average number of shares outstanding	**137,042,765**	109,822,221
Total common shares outstanding at December 31	**163,036,473**	109,927,097
Total potential diluted common shares at December 31	**165,458,170**	114,322,958

At December 31, 2020, a total of 2,421,697 PSU's (3,298,377 at December 31, 2019) could potentially dilute basic earnings per share in future, but were not included in diluted earnings per share as all vesting conditions have not been satisfied at the end of the reporting period. The potentially dilutive impact of the convertible senior notes are anti-dilutive for the period and were not included in the diluted earnings per share.

7 FINANCIAL INSTRUMENTS AND RELATED RISKS

i. Financial assets and liabilities

The Company’s financial instruments are classified as follows:

	Financial assets/liabilities at amortized cost	Financial instruments at fair value through other comprehensive income	Financial instruments at fair value through profit and loss
Cash			X
Trade and other receivables	X		
Restricted cash			X
Marketable securities			X
Other long-term receivable			X
Trade and other payables	X		
Corporate loan facility	X		
Convertible senior bond	X		
Conversion option			X

The fair value of these financial instruments approximates their carrying value, unless otherwise noted below, except for the convertible note, which has a fair value of approximately $398.6 million (December 31, 2019 - $351.5 million).

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

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

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

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

As at each of December 31, 2020 and December 31, 2019, the levels in the fair value hierarchy into which the Company's financial assets and liabilities measured and recognized in the consolidated statement of financial position at fair value are categorized as follows:

		AS AT DECEMBER 31, 2020			
	Note	**Level 1 Input**	**Level 2 Input**	**Level 3 Input**	**Aggregate Fair Value**
Assets:					
Cash		644,970	—	—	644,970
Cash - restricted	13	24,398	—	—	24,398
Other long term receivable	13	—	—	804	804
Marketable securities	13	778	—	—	778
Total		**$ 670,146**	**$ —**	**$ 804**	**$ 670,950**
Liabilities:					
Conversion option on Notes	8	—	(74,646)	—	(74,646)
Total		**$ —**	**$ (74,646)**	**$ —**	**$ (74,646)**

		AS AT DECEMBER 31, 2019			
	Note	**Level 1 Input**	**Level 2 Input**	**Level 3 Input**	**Aggregate Fair Value**
Assets:					
Cash		189,889	—	—	189,889
Cash - restricted	13	9,958	—	—	9,958
Other receivables	9	—	—	7,163	7,163
Long-term receivable	13	—	—	13,322	13,322
Marketable securities	13	1,224	—	—	1,224
Total		**$ 201,071**	**$ —**	**$ 20,485**	**$ 221,556**
Liabilities:					
Conversion option on Notes	8	—	(31,439)	—	(31,439)
Derivative financial instruments	17	—	(10,349)	—	(10,349)
Total		**$ —**	**$ (41,788)**	**$ —**	**$ (41,788)**

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

ii. Loss on financial instruments

	Note	YEAR ENDED December 31, 2020	December 31, 2019
Loss on other financial instruments		**(2,514)**	(1,073)
Change in value of receivable at FVTPL		**(13,253)**	(22,354)
Realized gain on forward contract	17	**6,686**	—
Loss on gold revenue protection program	17	**(21,155)**	(17,348)
Unrealized loss on convertible senior bond derivative	8	**(43,207)**	(6,363)
Loss on foreign exchange		**(5,247)**	(9,242)
Total loss on financial instruments		**$ (78,690)**	$ (56,380)

iii. Financial instrument risk exposure

The Company's activities expose it to a variety of risks that may include credit risk, liquidity risk, currency risk, interest rate risk and other price risks, including equity price risk. The Company examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks.

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. Credit risk arises from cash, restricted cash, marketable securities, trade and other receivables, long-term receivable and other assets.

The Company manages the credit risk associated with cash by investing these funds with highly rated financial institutions, and by monitoring its concentration of cash held in any one institution. As such, the Company deems the credit risk on its cash to be low.

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

The Company sells its gold to large international organizations with strong credit ratings, and the historical level of customer defaults is minimal. As a result, the credit risk associated with gold trade receivables at December 31, 2020 is considered to be negligible. The Company does not rely on ratings issued by credit rating agencies in evaluating counterparties' related credit risk.

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

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

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash, physical gold or another financial asset. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements. The Company ensures that it has sufficient cash and cash equivalents and loan facilities available to meet its short term obligations. For details of undrawn loan facilities refer to note 8.

The following table summarizes the Company's liabilities that have contractual maturities as at December 31, 2020:

	Within 1 year	**1 to 2 years**	**3 to 4 years**	**Over 4 years**	**Total**
Trade and other payables	269,731	—	—	—	**269,731**
Corporate loan facility[1]	15,998	15,998	311,333	—	**343,329**
Convertible senior bond	9,900	9,900	334,950	—	**354,750**
Lease liabilities	15,459	15,331	7,330	1,227	**39,347**
Total	**$ 311,088**	**$ 41,229**	**$ 653,613**	**$ 1,227**	**$ 1,007,157**

[1]The interest on the corporate loan facility has been included in this table based on the current balance, however, the RCF can be drawn down further or repaid, which would impact the interest payments in the periods above.

iv. Market risks

Currency Risk

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

The Company has not hedged its exposure to foreign currency exchange risk.

The table below highlights the net assets held in foreign currencies, presented in US dollars:

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

The effect on earnings before taxes as at December 31, 2020, of a 10% appreciation or depreciation in the foreign currencies against the US dollar on the above mentioned financial and non-financial assets and liabilities of the Company is estimated to be $28.2 million (December 31, 2019, $3.1 million), if all other variables remained constant. The calculation is based on the Company's statement of financial position as at December 31, 2020.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from, or the fair values of, the Company's financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk primarily on its long-term debt. Since marketable securities and government treasury securities held as loans are short term in nature and are usually held to maturity, there is minimal fair value sensitivity to changes in interest rates. The Company continually monitors its exposure to interest rates and is comfortable with its exposure given the relatively low short-term US interest rates and LIBOR.

The effect on earnings/(loss) before taxes as at December 31, 2020, of a 10% change in the LIBOR rate on the RCF is estimated to be $1.0 million (December 31, 2019 - $1.0 million).

COVID-19 pandemic risks

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

During the year ended December 31, 2020, the Company's operations have not been significantly impacted, however, the Company continues to monitor the situation as the pandemic has continued into 2021. The Company has spent approximately $7.7 million related to COVID-19 expenses in the year ended December 31, 2020, related to additional resource and travel costs, medical and PPE supplies, and other costs. While the Company's financial position, performance and cash flows could be further negatively impacted, the extent of any additional impact cannot be reasonably estimated at this time. Management continues to monitor and assess the short and medium-term impacts of the COVID-19 virus, including for example supply chain, mobility, workforce, market and trade flow impacts, as well as the resilience of Canadian, West African, and other global financial markets to support recovery. Any longer term impacts are also being considered and monitored, as appropriate. However, this pandemic continues to evolve rapidly and its effects on our own operations are uncertain and difficult to predict. It is possible that in the future operations may be temporarily shut down or suspended for indeterminate amounts of time, any of which may, individually or in the aggregate, have a material and adverse impact on our business, results of operations and financial performance.

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

operates may also have potentially significant economic and social impacts. The COVID-19 virus and efforts to contain it may have a significant effect on commodity prices, and the possibility of a prolonged global economic downturn may further impact commodity demand and prices. If the business operations of the Company are disrupted or suspended as a result of these or other measures, it may have a material adverse effect on the Company's business, results of operations and financial performance.

The global pandemic caused by COVID-19 may affect Endeavour's ability to operate at one or more of its mines for an indeterminate period of time, may affect the health of its employees or contractors resulting in diminished expertise or capacity, may mean that key expatriate 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.

8 LONG-TERM DEBT

	December 31, 2020	December 31, 2019
Corporate loan facility (i)	310,000	310,000
Deferred financing costs	(8,305)	(5,059)
Revolving credit facility	**$ 301,695**	$ 304,941
Convertible senior notes (ii)	311,925	302,600
Conversion option (iii)	74,646	31,439
Convertible senior bond	**$ 386,571**	$ 334,039
Total long term debt	**$ 688,266**	$ 638,980

The Company incurred the following finance costs in the period:

	YEAR ENDED	
	December 31, 2020	December 31, 2019
Interest expense	**42,049**	37,806
Amortization of deferred facility fees	**3,023**	2,827
Commitment, structuring and other fees	**3,760**	8,616
Less: Capitalized borrowing costs	**—**	(6,803)
Total finance costs	**$ 48,832**	$ 42,446

i. Corporate Loan Facility

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

The key terms of the RCF include:

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

Covenants on the RCF include:

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

ii. Convertible Senior Notes

On February 8, 2018, the Company completed a private placement of convertible senior notes with a total principal amount of $330.0 million due in 2023 (the "Notes"). The initial conversion rate is 41.84 of the Company's common shares ("Shares") per $1,000 Note, or an initial conversion price of approximately $23.90 (CAD$29.47) per share.

The Notes bear interest at a coupon rate of 3% payable semi-annually in arrears on February 15 and August 15 of each year. Notes mature on February 15, 2023, unless redeemed earlier, repurchased or converted in accordance with the terms of the Notes. The note holders can convert their Notes at any time prior to the maturity date. Also, the Notes are redeemable in whole or in part, at the option of the Company, at a redemption price equal to the principal amount of the Notes being redeemed, plus any accrued and unpaid interest, if the share price exceeds 130% of the conversion price on each of at least 20 of the trading days during the 30 days prior to the redemption notice. The Company may, subject to certain conditions, elect to satisfy the principal amount and conversion option due at maturity or upon conversion or redemption through the payment or delivery of any combination of Shares and cash.

The key terms of the Convertible Senior Notes include:

- Principal amount of $330.0 million.
- Coupon rate of 3% payable on a semi-annual basis.
- The term of the notes is 5 years, maturing in February 2023.
- The notes are reimbursable through the payment or delivery of shares and/or cash.
- The initial conversion price is $23.90 (CAD$29.47) per share.
- The reference share price of the notes is $18.04 (CAD$22.24) per share.

For accounting purposes, the Company measures the Notes at amortized cost, accreting to maturity over the term of the Notes. The conversion option is an embedded derivative and is accounted for as a financial liability measured at fair value through profit or loss.

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

The liability component for the Notes at December 31, 2020 has an effective interest rate of 6.2% (December 31, 2019: 6.2%) and was as follows:

	December 31, 2020	December 31, 2019
Liability component at beginning of the year	**302,600**	293,893
Interest expense in the year	**19,225**	18,607
Less: Interest payments in the year	**(9,900)**	(9,900)
Total	**$ 311,925**	$ 302,600

iii. Conversion option

The conversion option related to the Notes is recorded at fair value, using a convertible bond valuation model, taking account the observed market price of the Notes. The following assumptions were used in the determination of fair value of the conversion option and fixed income component of the Notes, which was then calibrated to the total fair value of the Notes: volatility of 56% (December 31, 2019, 26%), term of the conversion option 2.13 years (December 31, 2019, 3.00 years), a dividend yield of 2.5% (December 31, 2019, 0%), credit spread of 4% (December 31, 2019, 4%), and a share price of $29.62 (December 31, 2019, $18.89).

	December 31, 2020	December 31, 2019
Conversion option at beginning of the year	**31,439**	25,076
Fair value adjustment	**43,207**	6,363
Total	**$ 74,646**	$ 31,439

9 TRADE AND OTHER RECEIVABLES

	December 31, 2020	December 31, 2019
VAT receivable (i)	**28,274**	7,487
Receivables for gold sales	**4,641**	2,149
Other receivables (ii)	**19,897**	9,592
Total	**$ 52,812**	$ 19,228

i. VAT receivable

VAT receivable relates to net VAT amounts paid to vendors for goods and services purchased, primarily in Côte d'Ivoire and Burkina Faso. These balances are expected to be collected in the next twelve months. In the year ended December 31, 2020, the Company collected $39.1 million of outstanding VAT receivables, through the sale of its VAT receivables to third parties or reimbursement from the tax authorities.

ii. Other receivables

Other receivables at December 31, 2020 include a receivable of $14.6 million from two third parties for which the Company had entered into contracts during the year which was advanced for working capital purposes. The amounts are non-interest bearing and are expected to be repaid in the next twelve months. At December 31, 2019 $7.2 million was outstanding related to proceeds receivable from the sale of the Nzema mine in 2017, which was received in the year.

10 INVENTORIES

	Note	December 31, 2020	December 31, 2019
Doré bars		24,965	15,496
Gold in circuit		34,043	29,707
Ore stockpiles		123,979	75,067
Spare parts and supplies		84,040	70,599
Total		$ 267,027	$ 190,869
Non-current stockpiles	14	(77,010)	(22,490)
Inventories, current		$ 190,017	$ 168,379

As of December 31, 2020, there was a provision of $19.8 million to adjust inventory to net realizable value at Karma of which $19.4 million relates to gold in circuit ("GIC") and $0.4 million relates to finished goods (December 31, 2019 - $0.7 million with respect to GIC). During the year, $5.8 million of spare parts and supplies were written off at Karma (December 31, 2019 - nil) due to the parts becoming obsolete with the start-up of contract mining.

The cost of inventories recognized as expense in the year ended December 31, 2020 was $835.4 million and was included in operating expenses (year ended December 31, 2019 - $498.3 million).

11 PREPAID EXPENSES AND OTHER

	December 31, 2020	December 31, 2019
Deposits	3,075	1,425
Supplier prepayments	19,572	15,893
Other	2,897	—
Total	$ 25,544	$ 17,318

12 MINING INTERESTS

MINING INTERESTS

	Note	Depletable	Non depletable[1]	Property, plant and equipment	Assets under construction	Total
Cost						
Balance as at 1 January, 2019		549,142	311,236	674,160	392,190	**1,926,728**
Additions/expenditures		116,205	1,228	2,901	93,290	**213,624**
Transfers related to Ity construction		—	—	397,709	(397,709)	**—**
Transfers to inventory on commercial production		—	—	—	(18,463)	**(18,463)**
Transfers		20,706	26,630	—	(47,336)	**—**
Reclamation liability change in estimate		(3,261)	—	—	—	**(3,261)**
Adjustment for change in accounting policy		—	—	11,636	—	**11,636**
Disposals		—	(7,317)	(4,849)	—	**(12,166)**
Balance as at December 31, 2019		682,792	331,777	1,081,557	21,972	**2,118,098**
Acquired in business combinations	3	819,912	256,866	242,809	—	**1,319,587**
Additions/expenditures		103,015	67,257	44,569	44,398	**259,239**
Transfers from inventory		—	—	14,940	—	**14,940**
Transfers		40,812	(31,177)	26,082	(35,717)	**—**
Change in estimate of environmental rehabilitation provision		16,492	—	—	—	**16,492**
Transfer to assets held for sale	4	(149,896)	—	(173,378)	—	**(323,274)**
Disposals		(342)	—	(37,857)	—	**(38,199)**
Balance as at December 31, 2020		**$ 1,512,785**	**$ 624,723**	**$ 1,198,722**	**$ 30,653**	**$ 3,366,883**
Accumulated Depreciation						
Balance as at 1 January, 2019		168,908	—	213,978	—	**382,886**
Depreciation/depletion		80,249	—	117,808	—	**198,057**
Impairment		45,007	—	82,373	—	**127,380**
Adjustment for change in accounting policy		—	—	(499)	—	**(499)**
Balance as at December 31, 2019		294,164	—	413,660	—	**707,824**
Depreciation/depletion		161,473	—	134,015	—	**295,488**
Impairment		25,053	19,949	39,445	—	**84,447**
Transfer to assets held for sale	4	(114,612)	—	(144,635)	—	**(259,247)**
Disposals		(112)	—	(27,615)	—	**(27,727)**
Balance as at December 31, 2020		**$ 365,966**	**$ 19,949**	**$ 414,870**	**$ —**	**$ 800,785**
Carrying amounts						
At December 31, 2019		$ 388,628	$ 331,777	$ 667,897	$ 21,972	$ 1,410,274
At December 31, 2020		**$ 1,146,819**	**$ 604,774**	**$ 783,852**	**$ 30,653**	**$ 2,566,098**

[1] As at December 31, 2020, exploration assets with a net book value of $391.4 million are included in the non-depletable mining interest category.(December 31, 2019 - $381.0 million)

During the year ended December 31, 2020, the Company retrospectively reclassified certain assets within the various categories in mining interests to achieve greater consistency in classification of amounts among the different segments. The change had no effect on the total carrying value of mining interests presented in the consolidated statement of financial position and it had no effect on the consolidated statement of comprehensive earnings/(loss).

During the year ended December 31, 2020, the Company received $22.2 million in cash proceeds from a contractor used in the original construction of the Karma mine as reimbursement of previously made capitalized expenditures. The proceeds have been recognized as other income in the year ended December 31, 2020.

During the year ended December 31, 2020, the Company disposed of its mining fleet at its Karma mine in connection with transferring its mining operations to a contractor. The resulting mining agreement is accounted for as a lease in accordance with IFRS 16, *Leases,* ("IFRS 16") and the Company recognized a gain of $4.1 million on the disposal of the mining fleet (December 31, 2019: $nil) which is recognized in other income.

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

	Plant	Heavy Equipment	Property	Total
Balance as at January 1, 2019	5,699	3,021	2,915	11,635
Additions	1,061	—	—	1,061
Depreciation for the year	(2,551)	(827)	(1,309)	(4,687)
Balance as at December 31, 2019	4,209	2,194	1,606	8,009
Acquired in business combinations	7,200	18,842	1,186	27,228
Additions	5,343	6,119	714	12,176
Depreciation for the year	(1,657)	(8,560)	(1,594)	(11,811)
Transferred to assets held for sale	(502)	(307)	—	(809)
Disposals	—	(1,640)	—	(1,640)
Balance as at December 31, 2020	**$ 14,593**	**$ 16,648**	**$ 1,912**	**$ 33,153**

13 OTHER FINANCIAL ASSETS

Other financial assets are comprised of:

	December 31, 2020	December 31, 2019
Restricted cash	**24,398**	9,958
Working capital loan receivable	**—**	541
Marketable securities	**778**	1,224
Long-term receivable	**804**	13,322
Total	**$ 25,980**	$ 25,045

During the year ended December 31, 2020, the Company recognized a write-down of long-term receivables of $13.3 million as they were determined to no longer be collectible.

14 OTHER LONG-TERM ASSETS

Other assets are comprised of:

	December 31, 2020	December 31, 2019
Long-term stockpiles	77,010	22,490
Long-term critical spare parts and supplies	—	14,670
Total	$ 77,010	$ 37,160

15 TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	December 31, 2020	December 31, 2019
Trade accounts payable	206,863	147,461
Royalties payable	14,516	2,444
Payroll and social charges	26,957	10,714
Other payables (i)	21,395	12,648
Total	$ 269,731	$ 173,267

i. Other payables

Other payables are mainly made up of provisions for indirect and other taxes and include an amount of $6.4 million relating to water tax and social development fund provisions recognized at Mana.

16 FINANCE AND LEASE OBLIGATIONS

The Company has entered into the following finance obligations:

	December 31, 2020	December 31, 2019
Financing arrangements (i)	—	78,081
Lease liabilities (ii)	37,205	8,753
Finance obligations	$ 37,205	$ 86,834

	December 31, 2020	December 31, 2019
Finance obligations	37,205	86,834
Less: current portion	(13,661)	(29,431)
Long-term finance obligations	$ 23,544	$ 57,403

i. Financing arrangements

	December 31, 2020	December 31, 2019
Financing arrangements	—	78,081
Less: current portion	—	(25,529)
Long-term financing arrangement	**$ —**	$ 52,552

The present value of the Company's long-term equipment financial obligations is split below. The present value of the minimum payments are the installments over the life of the arrangement discounted to present value. Payments are apportioned between the finance charge and the reduction of the outstanding liability. During the year ended December 31, 2020, the Company repaid all amounts outstanding under these financing arrangements.

	December 31, 2020	December 31, 2019
Not later than one year	—	30,562
Later than one year and not later than five years	—	56,390
	—	86,952
Less future finance charges	—	(8,871)
Present value of minimum finance payments	**$ —**	$ 78,081

ii. Lease liabilities

The lease liabilities included within financial obligations in the consolidated statement of financial position are as follows:

	December 31, 2020	December 31, 2019
Lease liabilities	**37,205**	8,753
Less: current portion	**(13,661)**	(3,902)
Long-term lease liabilities	**$ 23,544**	$ 4,851

Amounts recognized in the consolidated statement of comprehensive earnings/(loss) are as follows:

	YEAR ENDED	
	December 31, 2020	December 31, 2019
Depreciation expense on right-of-use assets	**11,811**	4,685
Interest expense on lease liabilities	**1,500**	879
Operating expenses related to variable lease payments not included in the measurement of lease liabilities	**8,638**	284
Expenses relating to short-term leases	—	52
Expenses relating to leases of low value assets, excluding short-term leases of low value assets	—	310

17 OTHER FINANCIAL LIABILITIES

	Note	December 31, 2020	December 31, 2019
DSU liabilities	6	2,919	3,390
Gold revenue protection strategy (i)		—	10,349
Total		2,919	13,739
Current portion		—	(10,349)
Non-current financial liabilities		$ 2,919	$ 3,390

i. Gold revenue protection strategy

In the year ended December 31, 2019, the Company implemented a deferred premium collar strategy (“Collar”) using written call options and bought put options for the 12-month period from July 2019 to June 2020. The program covered a total of 360,000 ounces, representing approximately 50% of Endeavour’s total estimated gold production for the period, with an average floor price of $1,358 and a ceiling price of $1,500. The Collar was accounted for at fair value through profit/ loss ('FVTPL') and the Company realized a loss of $35.9 million over the life of the Collar of which $21.2 million was recognized in the year ended December 31, 2020 (2019 - $7.0 million).

In the year ended December 31, 2019, a previous gold collar for the 15-month period from February 2018 to April 2019 expired and the Company recognized a total gain over the term of the collar of $5.1 million.

ii. Forward contracts

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

18 ENVIRONMENTAL REHABILITATION PROVISION

	Note	December 31, 2020	December 31, 2019
Balance as at beginning of year		38,521	38,572
Assumed on acquisition of SEMAFO Inc.		31,602	—
Revisions in estimates and obligations incurred		17,486	(4)
Accretion		1,788	667
Rehabilitation work performed		—	(714)
Total		89,397	38,521
Less: portion reclassified to liabilities held for sale	4	(11,386)	—
Balance as at end of year		$ 78,011	$ 38,521

The Company recognizes environmental rehabilitation provisions for all its operating mines. Rehabilitation activities include backfilling, soil-shaping, re-vegetation, water treatment, plant and building decommissioning, administration, closure and monitoring activities. The majority of rehabilitation expenses are expected to occur

between 2022 and 2033. The provisions of each mine are accreted to the undiscounted cash flows over the projected life of each mine.

The Company measures the provision at the expected value of future cash flows including inflation rates of approximately 2.28% (December 31, 2019, 1.80%), discounted to the present value using average discount rates of 2.02% (December 31, 2019, 2.75%). Future cash flows are estimated based on estimates of rehabilitation costs and current disturbance levels. The undiscounted cash flows related to the environmental rehabilitation obligation as of December 31, 2020 was $76.4 million (December 31, 2019 - $36.4 million).

Regulatory authorities in certain countries require security to be provided to cover the estimated rehabilitation provisions. Total restricted cash held for this purpose as at December 31, 2020 was $24.4 million (December 31, 2019 - $10.0 million).

19 NON-CONTROLLING INTERESTS

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

	Ity Mine (15%)	Karma Mine (10%)	Houndé Mine (10%)	Mana Mine (10%)	Boungou Mine (10%)	Other	Total (continuing operations)	Agbaou Mine (15%)	Total (all operations)
At December 31, 2018	16,405	11,983	6,944	—	—	522	**35,854**	50,473	**86,327**
Acquisition of NCI	(4,101)	—	—	—	—	—	**(4,101)**	—	**(4,101)**
Net (loss)/earnings	11,553	2,019	960	—	—	—	**14,532**	8,026	**22,558**
Dividend distribution	—	—	(1,090)	—	—	—	**(1,090)**	(5,064)	**(6,154)**
At December 31, 2019	$ 23,857	$ 14,002	$ 6,814	$ —	$ —	$ 522	**$ 45,195**	$ 53,435	**$ 98,630**
Net (loss)/earnings	16,017	(4,186)	17,366	6,365	3,280	—	**38,842**	1,004	**39,846**
Acquisition of NCI[1]	—	—	—	41,534	58,249	6,419	**106,202**	—	**106,202**
Dividend distribution[2]	(659)	—	(1,744)	—	—	—	**(2,403)**	(52,912)	**(55,315)**
Change in NCI	—	—	—	—	—	(199)	**(199)**	—	**(199)**
At December 31, 2020	$ 39,215	$ 9,816	$ 22,436	$ 47,899	$ 61,529	$ 6,742	**$ 187,637**	$ 1,527	**$ 189,164**

[1]*For further details refer to note 4*
[2]*Amounts paid in the year include dividends which were declared and unpaid upon acquisition of SEMAFO.*

For summarized information related to these subsidiaries, refer to Note 23, Segmented Information.

i. Acquisition of interest in Ity

On May 19, 2017, the Company acquired an additional 25% stake in Société des Mines d'Ity from one of the non-controlling interests thereby increasing its ownership to 80% for consideration of $54.4 million and a $5 per ounce royalty for any additional reserves added subsequent to December 31, 2016. During the first quarter of 2020, the Company paid $5.4 million as part of this transaction of which only $5.0 million was initially recognized as part of the investment. The additional $0.4 million has been included as a charge to deficit in the year ended December 31, 2020.

On January 11, 2019, the Company increased its ownership stake in the Ity Mine from 80% to 85%, with the Government of Cote d'Ivoire owning 10% and SODEMI (a government owned mining company) owning the remaining 5%. In exchange for the additional 5% interest in the Ity mine (relating to the Société des Mines d'Ity and Société des Mines de Daapleu entities), the Company granted the minority shareholder 1,072,305 common shares with a value of $17.6 million in addition to a $0.5 million cash payment.

20 SUPPLEMENTARY CASH FLOW INFORMATION

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

	Long-term debt				Finance and lease obligations	
	RCF	Corporate loan facility	Accrued interest[1]	Convertible senior notes	Financing arrangements	Lease liabilities
At January 1, 2020	304,941	—	2,729	334,039	78,081	8,753
Added upon acquisition of SEMAFO	—	29,758	—	—	—	24,077
Changes from financing cash flows						
Debt issued	120,000	—	—	—	—	—
Repayments	(120,000)	(30,000)	—	—	(74,614)	(9,310)
Interest paid	—	—	(16,143)	(9,900)	(4,615)	(2,944)
Payment of deferred financing costs and other	(6,027)	—	(906)	—	—	—
Other changes						
Interest expense	—	—	14,334	19,225	5,251	8,485
New leases	—	—	—	—	—	12,176
Amortization of deferred financing costs and other fees	2,781	242	—	—	—	—
Change in fair value of conversion option	—	—	—	43,207	—	—
Reclassification to liabilities held for sale	—	—	—	—	—	(675)
Foreign exchange and other	—	—	899	—	(4,103)	(3,357)
At December 31, 2020	**$ 301,695**	**$ —**	**$ 913**	**$ 386,571**	**$ —**	**$ 37,205**
Current portion	$ —	$ —	$ 913	$ —	$ —	$ 13,661
Long-term portion	$ 301,695	$ —	$ —	$ 386,571	$ —	$ 23,544

[1] *Included in note 15: Trade and other payables*

	Long-term debt			Finance and lease obligations	
	RCF	Accrued interest[1]	Convertible senior notes	Financing arrangements	Lease liabilities
At January 1, 2019	223,279	1,387	318,969	100,381	—
Adoption of IFRS 16	—	—	—	—	11,636
Changes from financing cash flows					
Debt issued	80,000	—	—	—	—
Repayments	—	—	—	(21,394)	(2,207)
Interest paid	—	(17,194)	(9,900)	(5,420)	(734)
Payment of deferred financing costs and other	(1,153)	(1,012)	—	—	—
Other changes					
Interest expense	—	18,535	18,607	8,406	879
New leases	—	—	—	—	1,061
Amortization of deferred financing costs and other fees	2,827	—	—	—	—
Change in fair value of conversion option	—	—	6,363	—	—
Foreign exchange and other	(12)	1,013	—	(3,892)	(1,882)
At December 31, 2019	**$ 304,941**	**$ 2,729**	**$ 334,039**	**$ 78,081**	**$ 8,753**
Current portion	$ —	$ —	$ —	$ 25,529	$ 3,902
Long-term portion	$ 304,941	$ 2,729	$ 334,039	$ 52,552	$ 4,851

[1] *Included in note 15: Trade and other payables*

21 INCOME TAXES

i. Income tax recognized in the consolidated statement of comprehensive earnings/(loss)

Details of the income tax (expense)/recovery are as follows:

	YEAR ENDED	
	December 31, 2020	December 31, 2019
Current income and other tax expense	**(122,594)**	(46,745)
Deferred income tax recovery	**36,497**	21,614
Total income tax expense	**$ (86,097)**	$ (25,131)

The Company is not subject to corporate taxation in the Cayman Islands. However, the taxable earnings of the corporate entities in Barbados, Burkina Faso, Canada, Côte d'Ivoire, Mali, Monaco, France, Luxembourg and the United Kingdom are subject to tax under the tax law of the respective jurisdiction. The Company is using a weighted average of the domestic tax rate applicable to its West African Mining operations to reconcile earnings to the income tax expense.

	December 31, 2020	December 31, 2019
Earnings/(Loss) before taxes	**219,969**	(134,843)
Weighted average domestic tax rate	**23 %**	24 %
Income tax (recovery) expense based on weighted average domestic tax rates	**50,373**	(32,497)
Reconciling items:		
Rate differential	**33,250**	45,691
Effect of foreign exchange rate changes on deferred taxes	**(7,799)**	1,154
Permanent and temporary differences	**294**	3,902
Mining convention benefits	**(9,571)**	(8,142)
Effect of alternative minimum taxes and withholding taxes paid	**4,709**	7,018
True up and tax amounts paid in respect of prior years	**1,775**	(104)
Effect of changes in deferred tax assets not recognized	**367**	9,860
Other	**12,699**	(1,751)
Income tax expense	**$ 86,097**	$ 25,131

The following is a summary of the tax rates in the various taxable jurisdictions:

	December 31, 2020	December 31, 2019
Barbados	2.5%	2.5%
Burkina Faso	17.5%/27.5%	17.5%
Canada	27.0%	27.0%
Cayman Islands	0.0%	0.0%
Côte d’Ivoire	25.0%	25.0%
Ghana	25.0%	35.0%
Mali	30.0%	30.0%
Monaco	28.0%	31.0%
France	31.0%	31.0%
Luxembourg	17.0%	17.0%
United Kingdom	19.0%	19.0%

ii. Income taxes payable and receivable

	YEAR ENDED	
	December 31, 2020	December 31, 2019
Income taxes payable related to current year taxable profits	**103,876**	44,168
Provision for income taxes	**46,583**	10,800
Income taxes payable	**$ 150,459**	$ 54,968

iii. Deferred tax balances

	December 31, 2020	December 31, 2019
Deferred income tax assets		
Mining interests, and property, plant and equipment	**16,571**	7,414
Inventory	**1,559**	2
Trade receivables and other assets	**2,399**	2,438
	$ 20,529	$ 9,854
Deferred income tax liabilities		
Inventory	**(1,528)**	(1,358)
Current liabilities	**(807)**	—
Mining interests and other	**(294,570)**	(52,983)
Net deferred income tax liability	**$ (276,376)**	$ (44,487)

	December 31, 2020	December 31, 2019
Net deferred income tax liability at beginning of the year	**(44,487)**	(64,632)
Deferred tax liability recognized as part of acquisitions	**(262,677)**	—
Income tax expense charge to earnings during the year	**44,367**	20,145
Deferred tax asset included in assets held for sale	**(8,479)**	—
Changes to foreign currency translation and other movements	**(5,100)**	—
Net deferred income tax liability at end of the year	**$ (276,376)**	$ (44,487)

	December 31, 2020	December 31, 2019
Net deferred income tax asset	**19,774**	5,498
Net deferred income tax liability	**(296,150)**	(49,985)
Total	**$ (276,376)**	$ (44,487)

iv. Unrecognized deductible temporary differences

At December 31, 2020, the Company had deductible temporary differences for which deferred tax assets have not been recognized because it is not probable that future profits will be available against which the Company can utilize the benefit. The major components of the deductible temporary differences were comprised as follows:

- $15.1 million (December 31, 2019 - $31.1 million) in Burkina Faso and Cote d’Ivoire arising from mine closure liabilities.
- $4.6 million (December 31, 2019 - $29.5 million) in Burkina Faso arising from the impairment of mining interests at Karma mine.

22 RELATED PARTY TRANSACTIONS

i. Compensation of key management personnel and directors

The remuneration of directors and a number of other members of key management personnel responsible for planning, directing and controlling the activities of the Company during the year were as follows:

	YEAR ENDED	
	December 31, 2020	December 31, 2019
Short-term benefits	**19,488**	19,732
Share-based payments	**11,825**	12,420
Total	**$ 31,313**	$ 32,152

23 SEGMENTED INFORMATION

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

YEAR ENDED DECEMBER 31, 2020

	Ity Mine	Karma[1] Mine	Houndé Mine	Mana Mine	Boungou Mine	Other	Total
Revenue							
Gold revenue	363,930	145,211	494,045	233,044	187,881	—	**1,424,111**
Cost of sales							
Operating expenses	(139,315)	(100,381)	(156,608)	(86,150)	(89,086)	(3,251)	**(574,791)**
Depreciation and depletion	(36,243)	(58,729)	(62,581)	(59,631)	(36,627)	(6,751)	**(260,562)**
Royalties	(19,847)	(13,419)	(38,763)	(15,218)	(11,475)	—	**(98,722)**
Earnings/(Loss) from continuing mine operations	**$ 168,525**	**$ (27,318)**	**$ 236,093**	**$ 72,045**	**$ 50,693**	**$ (10,002)**	**$ 490,036**

[1]The Karma mine had an impairment of $44.6 million in the year ended December 31, 2020 (For the year ended December 31, 2019: $127.4 million).

YEAR ENDED DECEMBER 31, 2019

	Ity Mine	Karma Mine	Houndé Mine	Other	Total
Revenue					
Gold revenue	267,515	111,185	316,148	—	**694,848**
Cost of sales					
Operating expenses	(107,185)	(79,694)	(158,938)	—	**(345,817)**
Depreciation and depletion	(32,197)	(47,225)	(65,846)	(7,220)	**(152,488)**
Royalties	(10,481)	(8,594)	(21,483)	—	**(40,558)**
Earnings/(Loss) from mine operations	**$ 117,652**	**$ (24,328)**	**$ 69,881**	**$ (7,220)**	**$ 155,985**

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales during the periods ended December 31, 2020 or December 31, 2019. The Company is not economically dependent on a limited number of customers for the sale of gold because gold can be sold through numerous commodity market traders worldwide.

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

	Agbaou Mine	Ity Mine Côte d'Ivoire	Karma Mine Burkina Faso	Houndé Mine Burkina Faso	Mana Mine Burkina Faso	Boungou Mine Burkina Faso	Other	Total
Balances as at December 31, 2020								
Current assets	—	87,618	50,585	152,761	200,245	113,529	308,605	**913,343**
Mining interests	—	441,549	70,564	467,719	487,306	647,064	451,896	**2,566,098**
Other long-term assets	—	65,449	12,971	28,352	25,453	38,001	51,242	**221,468**
Assets held for sale	180,808	—	—	—	—	—	—	**180,808**
Total assets	**180,808**	**$ 594,616**	**$ 134,120**	**$ 648,832**	**$ 713,004**	**$ 798,594**	**$ 811,743**	**$ 3,881,717**
Current liabilities	—	110,613	28,791	80,666	82,149	74,167	57,465	**433,851**
Other long-term liabilities	—	17,364	13,862	49,367	74,056	175,832	758,409	**1,088,890**
Liabilities held for sale	112,796	$ —	$ —	$ —	$ —	$ —	$ —	**$ 112,796**
Total liabilities	**112,796**	**$ 127,977**	**$ 42,653**	**$ 130,033**	**$ 156,205**	**$ 249,999**	**$ 815,874**	**$ 1,635,537**
For the year ended December 31, 2020								
Capital expenditures	13,861	65,387	17,409	59,210	45,903	9,157	48,312	**245,378**

	Agbaou Mine	Ity Mine Côte d'Ivoire	Karma Mine Burkina Faso	Houndé Mine Burkina Faso	Other	Total
Balances as at December 31, 2019						
Current assets	81,838	84,580	68,275	118,006	42,115	**394,814**
Mining interests	119,297	415,897	154,415	443,384	277,281	**1,410,274**
Other long-term assets	6,452	27,603	2,709	15,840	15,099	**67,703**
Total assets	**207,587 $**	**528,080 $**	**225,399 $**	**577,230 $**	**334,495 $**	**1,872,791**
Current liabilities	42,997	56,695	38,022	77,166	53,135	**268,015**
Other long-term liabilities	9,793	38,321	7,669	61,700	670,796	**788,279**
Total liabilities	**52,790 $**	**95,016 $**	**45,691 $**	**138,866 $**	**723,931 $**	**1,056,294**
For the year ended December 31, 2019						
Capital expenditures	25,012	88,603	32,823	40,326	26,860	**213,624**

24 CAPITAL MANAGEMENT

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

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

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

	December 31, 2020	December 31, 2019
Equity	**2,246,180**	816,497
Long-term debt	**688,266**	638,980
Finance and lease obligations	**37,205**	86,834
Derivative financial liabilities	**—**	10,349
	2,971,651	1,552,660
Less:		
Cash and cash equivalents	**(644,970)**	(189,889)
Cash - restricted	**(24,398)**	(9,958)
Marketable securities	**(778)**	(1,224)
Total	**$ 2,301,505**	$ 1,351,589

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

The Company is not subject to any externally imposed capital requirements with the exception of complying with covenants under the RCF. As at December 31, 2020 and December 31, 2019, the Company was in compliance with these covenants.

25 COMMITMENTS AND CONTINGENCIES

The Company has commitments in place at all six 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 December 31, 2020, the Company has approximately $10.3 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. At December 31, 2020, the Company has recognized a tax provision of $48.2 million with respect to current assessments received from the tax authorities in the various jurisdictions in which the Company operates (Burkina Faso, Côte d'Ivoire, and France) as well as uncertain tax positions identified upon the acquisition of SEMAFO as well as through review of the Company's historical tax positions. For those amounts recognized related to current tax assessments received, the provision is based on management's best estimate of the outcome of those assessments, based on the validity of the issues in the assessment, management's support for their position, and the expectation with respect to any negotiations to settle the assessment. Management re-evaluates the outstanding tax assessments regularly to update their estimates related to the outcome for those assessments taking into account the criteria above. Management evaluates its uncertain tax positions regularly to update for changes to the tax legislation, the results of any tax audits undertaken, the correction of the uncertain tax position through subsequent tax filings, or the expiry of the period for which the position can be re-assessed. Management considers the material elements of any other claims to be without merit or foundation and will strongly defend its position in relation to these matters and following the appropriate process to support its position. Accordingly, no provision or further disclosure has been made as the likelihood of a material outflow of economic benefits in respect of such claims is considered remote. In forming this assessment, management has considered the professional advice received, the mining conventions and tax laws in place in the various jurisdictions, and the facts and circumstances of each individual claim.

The Company was recently served in the Cayman Islands with notice of a claim by a former service provider. The Company is taking legal advice on the merits of the claim and the probable outcome but intends to vigorously defend against the claims. The Company does not believe that the outcome of the claim will have a material impact 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. 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 December 31, 2020, there are 4,166 ounces still to be delivered.

26 SUBSEQUENT EVENTS

Teranga acquisition

On November 16, 2020, the Company announced that a definitive agreement had been entered into whereby the Company would acquire all the issued and outstanding securities of Teranga Gold Corporation ("Teranga"). Teranga is a gold mining company listed on the TSX with two operational mines in West Africa: the Sabodala-Massawa mine in Senegal, and the Wahgnion mine in Burkina Faso, as well as certain exploration projects. Under the terms of the agreement, Teranga shareholders received 0.470 of an Endeavour share for each Teranga share held resulting in a total of 78,766,690 shares issued upon closing of the acquisition. The shareholders of both Endeavour and Teranga approved the transaction on January 21, 2021, and the acquisition closed on February 10, 2021, following receipt of all remaining regulatory approvals. Acquisition related costs incurred in 2020 related to the Teranga acquisition were $4.4 million and are included in acquisition and restructuring costs on the consolidated statement of comprehensive earnings/(loss). Given the proximity of the acquisition to the approval of these consolidated financial statements, the Company is currently assessing the fair values of the assets acquired and liabilities assumed at closing and the initial accounting for the business combination is incomplete at the date of these consolidated financial statements.

Amendment to RCF

On December 24, 2020, the Company entered into an amendment agreement of the RCF and a new facility agreement ("Bridge Facility") with a syndicate of international banks, both of which became effective upon closing of the Teranga acquisition on February 10, 2021. The amendment of the RCF includes an extension of the RCF maturity date which now is now January 15, 2023. All other key terms of the RCF remain materially unchanged.

The key terms for 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 bps 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.

Disposal of Agbaou

As disclosed in Note 4, the Company completed the disposal of its Agbaou mine effective March 1, 2021.

Convertible senior notes strike price adjustment

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, 2020. 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.

Dividend

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