

All amounts in US\$

APPENDIX 2: FINANCIAL STATEMENTS

BALANCE SHEET

	Note	As at December 31, 2019	As at December 31, 2018
ASSETS			
Current			
Cash		189,889	124,022
Trade and other receivables	8	19,228	57,782
Inventories	6	168,379	126,353
Current portion of derivative financial assets	19	-	1,636
Prepaid expenses and other	7	18,542	16,975
		396,038	326,768
Non-current			
Mining interests	9	1,410,274	1,543,842
Deferred income taxes	20	5,498	4,186
Other long-term assets	11	60,981	47,247
Total assets		\$ 1,872,791	\$ 1,922,043
LIABILITIES			
Current			
Trade and other payables	12	173,267	177,322
Current portion of finance and lease obligations	13	29,431	24,034
Current portion of derivative financial liabilities	19	10,349	-
Income taxes payable	20	54,968	47,064
		268,015	248,420
Non-current			
Finance and lease obligations	13	57,403	76,347
Long-term debt	14	638,980	542,248
Other long-term liabilities	15	41,911	41,877
Deferred income taxes	20	49,985	68,818
Total liabilities		\$ 1,056,294	\$ 977,710
EQUITY			
Share capital	16	1,774,172	1,743,661
Equity reserve	16	72,487	65,452
Deficit		(1,128,792)	(951,107)
Equity attributable to shareholders of the Corporation		717,867	858,006
Non-controlling interests	17	98,630	86,327
Total equity		816,497	944,333
Total equity and liabilities		\$ 1,872,791	\$ 1,922,043

Please consult Financial Statements for notes and more information.

PROFIT AND LOSS STATEMENT

	Note	YEAR ENDED	
		December 31, 2019	December 31, 2018
Revenues			
Gold revenue		886,371	751,957
Cost of sales			
Operating expenses		(430,987)	(386,926)
Depreciation and depletion	9	(197,219)	(169,069)
Royalties		(48,139)	(41,068)
Earnings from mine operations		210,026	154,894
Corporate costs		(20,620)	(26,573)
Acquisition and restructuring costs		(4,552)	-
Impairment of mining interests	10	(127,380)	-
Share-based compensation	16	(21,042)	(24,931)
Exploration costs		(9,893)	(7,621)
Earnings from operations		26,539	95,769
Other income/(expenses)			
(Loss)/gain on financial instruments	18	(57,968)	8,035
Finance costs	14	(43,066)	(23,671)
Other income/(expenses)		(8,515)	(1,558)
(Loss)/Earnings from continuing operations before taxes		(83,010)	78,575
Current income tax expense	20	(73,901)	(66,522)
Deferred income tax recovery	20	20,145	5,007
Net and comprehensive (loss)/earnings from continuing operations		(136,766)	17,060
Net loss from discontinued operations	5	(4,394)	(154,795)
Total net and comprehensive loss		(141,160)	(137,735)
Net (loss)/earnings from continuing operations attributable to:			
Shareholders of Endeavour Mining Corporation		(159,324)	(65)
Non-controlling interests	17	22,558	17,125
Net (loss)/earnings from continuing operations		(136,766)	17,060
Net loss from discontinued operations attributable to:			
Shareholders of Endeavour Mining Corporation		(4,394)	(144,791)
Non-controlling interests	17	-	(10,004)
Net loss from discontinued operations		(4,394)	(154,795)
Total net (loss)/earnings attributable to:			
Shareholders of Endeavour Mining Corporation		(163,718)	(144,856)
Non-controlling interests	17	22,558	7,121
Total net loss		\$ (141,160)	\$ (137,735)

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CASH FLOW STATEMENT

YEAR ENDED

	Note	December 31, 2019	December 31, 2018
Operating Activities			
(Loss)/earnings from continuing operations before taxes		(83,010)	78,575
Adjustments for:			
Depreciation and depletion	9	197,219	169,069
Finance costs	14	43,066	23,671
Share-based compensation	16	21,042	24,931
Loss/(gain) on financial instruments	18	57,968	(8,035)
Impairment of mining interests	10	127,380	-
Cash paid on settlement of share appreciation rights, DSUs and PSUs	16	(1,125)	(8,355)
Income taxes paid		(65,997)	(24,018)
Net cash movement from gold collar settlements		(5,360)	5,795
Net non-cash asset adjustments		6,790	18,413
Foreign exchange loss		(3,972)	(18,724)
Operating cash flows before changes in non-cash working capital		294,001	261,322
Trade and other receivables		21,393	(4,730)
Inventories		(10,794)	(17,199)
Prepaid expenses and other		(2,366)	5,318
Trade and other payables		(349)	6,524
Operating cash flows generated from continuing operations		301,885	251,235
Operating cash flows used by discontinued operations	5	-	(315)
Cash generated from operating activities		\$ 301,885	\$ 250,920
Investing Activities			
Expenditures on mining interests	9	(233,439)	(402,203)
Cash paid for additional interest of Ity mine	17	(453)	-
Changes in long-term assets	11	(21,509)	(43,570)
Net proceeds from sale of assets	9	3,875	33,179
Investing cash flows used by continuing operations		(251,526)	(412,594)
Investing cashflows used by discontinued operations	5	-	(40,725)
Cash used in investing activities		\$ (251,526)	\$ (453,319)
Financing Activities			
Proceeds received from the issue of common shares	16	292	600
Dividends paid to non-controlling interest	17	(6,154)	(1,956)
Payment of financing fees and other		(2,165)	(2,300)
Interest paid		(33,248)	(24,434)
Proceeds of long-term debt	14	80,000	210,000
Repayment of long-term debt	14	-	(280,000)
Proceeds from convertible senior bond	14	-	330,000
Repayment of finance and lease obligation	13	(23,601)	(21,203)
Deposit paid on reclamation liability bond		-	(157)
Financing cash flows generated from continuing operations		15,124	210,550
Financing cashflows used by discontinued operations	5	-	(6,083)
Cash generated from financing activities		\$ 15,124	\$ 204,467
Effect of exchange rate changes on cash		384	(748)
Increase in cash		65,867	1,320
Cash, beginning of year		124,022	122,702
Cash, end of year		\$ 189,889	\$ 124,022

Please consult Financial Statements for notes and more information.