
ENDEAVOUR MINING

# INTEGRATED MANAGEMENT REPORT AND FINANCIAL STATEMENTS

## For the three and twelve months ended 31 December 2021 and 31 December 2020

(Expressed in Millions of United States Dollars)

# SECTION 1

## MANAGEMENT REPORT

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This Management Report should be read in conjunction with Endeavour Mining plc's ("Endeavour", the "Company", or the "Group") consolidated financial statements for the year ended 31 December 2021 which has been prepared in accordance with UK adopted international accounting standards and International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") ("IFRS") or ("GAAP") and are included in Endeavour Mining plc's audited consolidated financial statements for the years ended 31 December 2021 and 2020 and notes thereto which has been prepared in accordance with IFRS. This Management Report is prepared as an equivalence to the Company's Management Discussions & Analysis ("MD&A") which is the Canadian filing requirement in accordance with National Instrument 51-102, *Continuous Disclosure Obligations* ("NI 51-102"), and includes all of the disclosures as required by NI 51-102.

This Management Report contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. The reader is cautioned not to place undue reliance on forward-looking statements. All figures are in United States Dollars, unless otherwise indicated. Tabular amounts are in thousands of United States Dollars, except per share amounts and where otherwise indicated. This Management Report is prepared as of 17 March 2022. Additional information relating to the Company is available, including the Company's prospectus (available on the Company's website at www.endeavourmining.com) and the Company's Annual Information Form (available on SEDAR at www.sedar.com.

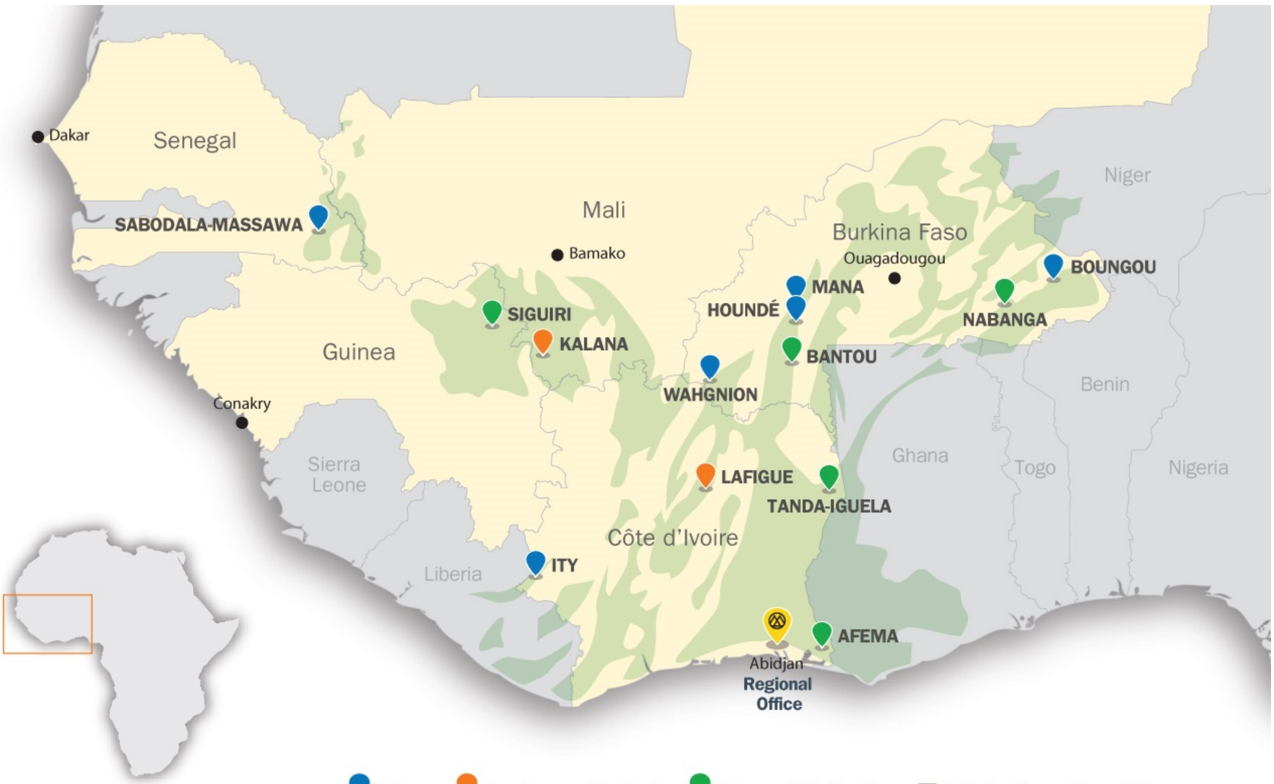
# 1. BUSINESS OVERVIEW

## 1.1. OPERATIONS DESCRIPTION

Endeavour is a multi-asset gold producer focused on West Africa and dual-listed on the Toronto Stock Exchange ("TSX") and the London Stock Exchange ("LSE") under the symbol EDV on both exchanges and is quoted in the United States on the OTCQX International (symbol EDVMF). The Company's assets include four mines (Houndé, Mana, Boungou, and Wahgnion) in Burkina Faso, the Ity mine in Côte d'Ivoire, the Sabodala-Massawa mine in Senegal, two development projects (Lafigue and Kalana) and a strong portfolio of exploration assets on the highly prospective Birimian Greenstone Belt across Burkina Faso, Côte d'Ivoire, Mali, Senegal, and Guinea. On 10 February 2021, Endeavour completed the acquisition of Teranga Gold Corporation ("Teranga"), a TSX-listed gold company which owned the Sabodala-Massawa and Wahgnion mines, as well as certain development and exploration assets. On 10 March 2022, the Company completed the sale of its Karma mine in Burkina Faso.

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

*Figure 1: Endeavour's Principal Properties in West Africa as at 17 March 2022*



# 2. HIGHLIGHTS FOR THE THREE MONTHS AND YEAR ENDED 31 DECEMBER 2021

*Table 1: Consolidated Highlights*

| ($m) | Unit | THREE MONTHS ENDED 31 December 2021 | THREE MONTHS ENDED 31 December 2020 | YEAR ENDED 31 December 2021 | YEAR ENDED 31 December 2020 |
|---|---|---|---|---|---|
| **Operating data from continuing operations** | | | | | |
| Gold produced | oz | 398,261 | 315,176 | 1,523,788 | 802,971 |
| Gold sold | oz | 390,047 | 300,622 | 1,566,758 | 808,806 |
| Realised gold price[1] | $/oz | 1,787 | 1,841 | 1,773 | 1,761 |
| All-in sustaining costs ("AISC") per ounce sold [2] | $/oz | 915 | 779 | 883 | 853 |
| **Cash flow data from continuing operations** | | | | | |
| Operating cash flows before working capital | $ | 316.4 | 288.6 | 1,166.7 | 628.6 |
| Operating cash flows before working capital per share[2] | $/share | 1.27 | 1.77 | 4.86 | 4.59 |
| Operating cash flows | $ | 355.9 | 375.2 | 1,174.9 | 710.5 |
| Operating cash flows per share[2] | $/share | 1.43 | 2.30 | 4.89 | 5.18 |
| **Profit and loss data from continuing operations** | | | | | |
| Revenue[1] | $ | 697.2 | 553.4 | 2,778.1 | 1,424.1 |
| Earnings from mine operations | $ | 201.0 | 218.4 | 890.8 | 489.4 |
| Net comprehensive (loss)/earnings attributable to shareholders | $ | (102.8) | 64.9 | 220.7 | 95.9 |
| Basic (loss)/earnings per share attributable to shareholders | $/share | (0.41) | 0.40 | 0.92 | 0.70 |
| EBITDA[2,3] | $ | 122.9 | 227.4 | 1,138.9 | 529.5 |
| Adjusted EBITDA[2,3] | $ | 371.1 | 329.0 | 1,506.3 | 771.2 |
| Adjusted net earnings attributable to shareholders[2] | $ | 145.4 | 154.4 | 577.2 | 323.1 |
| Adjusted net earnings per share attributable to shareholders[2] | $/share | 0.58 | 0.95 | 2.40 | 2.36 |
| **Balance Sheet Data** | | | | | |
| Cash | $ | 906.2 | 645.0 | 906.2 | 645.0 |
| Return on capital employed ("ROCE") [2] | % | 18 | 23 | 18 | 23 |
| Net cash[2] | $ | (76.2) | (74.7) | (76.2) | (74.7) |
| Net cash/Adjusted EBITDA (LTM) ratio[2,3] | : | (0.05) | (0.09) | (0.05) | (0.09) |

[1] *Revenue and realised gold price are inclusive of the Sabodala-Massawa and Karma streams.*
[2] *This is a non-GAAP measure. Refer to the non-GAAP measure section of this Management Report.*
[3] *EBITDA is defined as Earnings before interest, taxes, depreciation and depletion; LTM is defined as last twelve months.*

# 3. ENVIRONMENT, SOCIAL AND GOVERNANCE

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

Environment, social and governance ("ESG") policies, systems and practices are embedded throughout the business and the Company reports annually on its ESG performance via its Annual and Sustainability Reports. A dedicated sustainability governance structure has been established with an Environment, Sustainability and Governance Committee at board level, and an Executive Management ESG Steering Committee that it reports into.

Endeavour's ESG strategy is centered around the three pillars of ESG, with a number of priority areas identified, which are linked to clear, measurable ESG-related executive compensation targets (as outlined in the 2021 Management Information Circular).

To maximise Endeavour's socio-economic impact, it has identified a number of priority areas for its social investment, these are health, education, economic development and access to water and energy.

Endeavour's environmental priorities seek to address issues of both global and local concern; addressing climate change, water stewardship, protecting biodiversity, and tackling the scourge of plastic waste, which is prevalent and problematic for its local communities.

These are supported by the third pillar, a strong governance foundation. This includes respect for human rights, delivery of zero harm, support for employee well-being, diversity and inclusion, responsible sourcing, and rigorous reporting utilising the following ESG frameworks: the Task Force on Climate-related Financial Disclosures ("TCFD"), GRI, the World Gold Council's Responsible Gold Mining Principles ("RGMPs"), the Sustainability Accounting Standards Board ("SASB") and the Local Procurement Reporting Mechanism.

## 3.1. HEALTH AND SAFETY

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

*Table 2: LTIFR[1] and TRIFR[2] Statistics for the Trailing Twelve Months ended 31 December 2021 [4]*

| | Incident Category | | | | |
|---|---|---|---|---|---|
| | Fatality | Lost Time Injury | Total People Hours | LTIFR[1] | TRIFR[2] |
| Boungou | — | 1 | 3,270,599 | 0.31 | 1.83 |
| Houndé | — | 1 | 5,146,069 | 0.19 | 1.17 |
| Ity | — | — | 6,632,716 | — | 1.21 |
| Karma | — | — | 3,088,859 | — | — |
| Mana | — | — | 5,028,795 | — | 2.39 |
| Non Operations[3] | — | 1 | 4,479,436 | 0.22 | 1.12 |
| Sabodala-Massawa[4] | — | 3 | 5,630,105 | 0.53 | 3.00 |
| Wahgnion[4] | — | 2 | 6,028,306 | 0.33 | 2.16 |
| **Total** | **—** | **8** | **39,304,885** | **0.20** | **1.57** |

*[1]LTIFR = Number of LTIs in the Period x 1,000,000 / Total people hours worked for the period.*
*[2]Total Recordable Injury Frequency Rate ("TRIFR") = Number of (LTI+Fatalities+Restricted Work Injury+Medical Treated Injury+First Aid Injury) in the period x 1,000,000 / Total people hours worked for the period.*
*[3] "Non Operations" includes Corporate, Kalana and Exploration.*
*[4]Data relating to the acquired Teranga entities have been included from their acquisition date.*

## 3.2. COVID-19 RESPONSE

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

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

- Endeavour has implemented a range of preventative measures at all its sites, including social distancing, health screening, augmented hygiene and restricted access to sites. Commencing in Q2-2021, this included vaccination awareness campaigns across all its sites and offices. The campaign has been successful and at the end of February 2022, 97% of the entire workforce have been vaccinated.

- Endeavour has donated key medical equipment and supplies to regional, community and on-site medical centres across all four countries of its projects and operations and continues to monitor the needs of its communities.
- A range of community programmes have been implemented during the pandemic, including micro-credit programmes, which have helped to support people in host communities whose livelihoods were impacted by the pandemic, and e-learning programmes in Burkina Faso to facilitate access to distance learning for students.

***Business continuity response plan***

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

## 3.3. ESG UPDATES AND PERFORMANCE

***Tackling Climate Change***

Being responsible stewards of the environment is critical to the Group's long-term success. The Group has been reporting on its Scope 1 and Scope 2 greenhouse gas emissions since 2017 and Scope 3 emissions since 2019, and adopted TCFD in 2020.

In Q2-2021, Endeavour announced a Net Zero ambition by 2050 and a goal to reduce its emissions by 30% by 2030. To support its 2030 goal and set out a roadmap to reduce its greenhouse gas emissions, in Q3-2021, the Company commenced a detailed study of abatement opportunities at its operations across eight identified levers which is expected to be completed in Q1-2022.

To support this commitment, 25% of the FY-2021 long-term executive compensation award (vesting in 2023) was tied to the successful implementation of a carbon reduction strategy and the commissioning of at least one significant renewable energy power plant.

In addition, the Company expanded its Scope 3 emissions disclosure, working with its top 15 suppliers by spend to better understand their carbon footprint.

For FY-2021, the Group's Scope 1 and Scope 2 emissions were 853,151 tonnes of CO2-equivalent ("tCO2-e"), an increase over FY-2020 due to the increase in its portfolio of operating assets, consequently its emissions intensity per ounce of gold was 0.54tCO2-e, a 12% increase compared to 0.48tCO2-e in 2020. Scope 3 emissions were 226,883tCO2-e, an increase over FY-2020, due to the expanded asset portfolio as well as an increase in the categories of Scope 3 that have been disclosed.

### The Responsible Gold Mining Principles

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

The RGMPs consist of ten umbrella principles and fifty-one detailed principles that cover key ESG themes. During FY-2021, Endeavour continued to progress implementation of the RGMPs, working towards full conformance, with external assurance at both corporate and site-level by September 2022 for its legacy assets, the Ity and Hounde mines, as per the Council's three-year timeframe. For the acquired SEMAFO and Teranga mines, Endeavour has three years to conform from the date of acquisition.

In FY-2020, Endeavour received external assurance on seven RGMPs, the details of which are included in the Company's 2020 Sustainability Report, available at www.endeavourmining.com.

# 4. OPERATIONS REVIEW

The following tables summarises operating results for the three months and year ended 31 December 2021 and 31 December 2020.

## 4.1. Operational Review Summary

- Q4-2021 consolidated production from continuing operations amounted to 398,261 ounces, an increase of 83,085 ounces or 26% compared to Q4-2020. Group production increased due to the inclusion of Sabodala-Massawa and Wahgnion mines which were acquired on 10 February 2021, partially offset by lower production at Houndé, Boungou, Mana and Karma who all had strong comparative quarters. Group AISC from continuing operations increased by 17% or $136 per ounce due to higher capital expenditure and higher operating cost at existing mines and the inclusion of Wahgnion, partially offset by the inclusion of the lower cost Sabodala-Massawa mine due to more ounces sold.
- FY-2021 consolidated production from continuing operations increased by 720,817 ounces or 90%, primarily as a result of the acquisition of Teranga, a TSX-listed gold mining company which owned the Sabodala-Massawa and Wahgnion mines, on 10 February 2021 as well as the benefit of the full year of operations of the ex-SEMAFO Inc ("SEMAFO") assets, Mana and Boungou which were acquired on 1 July 2020. AISC for all operations increased by $12 per ounce or 1% to $885 per ounce due to increased AISC per ounce at the Mana mine as a result of increased underground mining costs and at the Boungou mine due to increased sustaining capital and higher unit processing costs. The increase in AISC was slightly offset by the inclusion of the lower cost Sabodala-Massawa mine during the year.

*Table 3: Group Production*

| | THREE MONTHS ENDED | | YEAR ENDED | |
|---|---|---|---|---|
| *(All amounts in oz, on a 100% basis)* | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| Boungou[1] | 34,927 | 63,939 | 174,320 | 94,165 |
| Houndé | 77,260 | 101,367 | 293,155 | 276,709 |
| Ity | 59,969 | 60,547 | 271,832 | 212,812 |
| Karma | 20,465 | 27,901 | 87,662 | 98,185 |
| Mana[1] | 53,840 | 61,422 | 204,507 | 121,100 |
| Sabodala-Massawa[2] | 104,563 | — | 345,280 | — |
| Wahgnion[2] | 47,237 | — | 147,032 | — |
| **PRODUCTION FROM CONTINUING OPERATIONS** | **398,261** | **315,176** | **1,523,788** | **802,971** |
| Agbaou[3] | — | 28,379 | 12,575 | 105,092 |
| **GROUP PRODUCTION** | **398,261** | **343,555** | **1,536,363** | **908,063** |

*[1]Included for the post acquisition period commencing 1 July 2020.*
*[2]Included for the post acquisition period commencing 10 February 2021.*
*[3]Divested on 1 March, 2021.*

*Table 4: Group All-In Sustaining Costs[1]*

| | THREE MONTHS ENDED | | YEAR ENDED | |
|---|---|---|---|---|
| *(All amounts in US$/oz)* | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| Boungou[2] | 825 | 534 | 801 | 609 |
| Houndé | 874 | 612 | 843 | 837 |
| Ity | 854 | 1,055 | 836 | 807 |
| Karma | 1,300 | 1,132 | 1,193 | 1,005 |
| Mana[2] | 1,116 | 803 | 1,026 | 853 |
| Sabodala-Massawa[3] | 592 | — | 645 | — |
| Wahgnion[3] | 1,066 | — | 994 | — |
| Corporate G&A | 48 | 28 | 32 | 29 |
| **AISC[1] FROM CONTINUING OPERATIONS** | **915** | **779** | **883** | **853** |
| Agbaou[4] | — | 1,068 | 1,132 | 1,027 |
| **GROUP AISC[1]** | **915** | **803** | **885** | **873** |

*[1]This is a non-GAAP measure.*
*[2]Included for the post acquisition period commencing 1 July 2020.*
*[3]Included for the post acquisition period commencing 10 February 2021.*
*[4]Divested on 1 March 2021.*

## 4.2. Boungou Gold Mine, Burkina Faso

*Table 5: Boungou Key Performance Indicators[1]*

| | | THREE MONTHS ENDED | | YEAR ENDED | |
|---|---|---|---|---|---|
| ($m) | Unit | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| **Operating Data** | | | | | |
| Tonnes ore mined | kt | 301 | 335 | 1,437 | 459 |
| Tonnes of waste mined | kt | 3,993 | 1,905 | 25,002 | 2,075 |
| Tonnes of ore milled | kt | 352 | 333 | 1,352 | 641 |
| Average gold grade milled | g/t | 3.36 | 6.92 | 4.07 | 5.10 |
| Recovery rate | % | 94.8 | 96.0 | 95.4 | 95.0 |
| Gold produced | oz | 34,927 | 63,939 | 174,320 | 94,165 |
| Gold sold | oz | 33,817 | 65,371 | 170,936 | 100,782 |
| Realised gold price | $/oz | 1,792 | 1,857 | 1,783 | 1,864 |
| **Financial Data ($'000)** | | | | | |
| Revenue | $ | 60.6 | 121.4 | 304.7 | 187.9 |
| Operating expenses | $ | (22.5) | (37.6) | (104.7) | (89.1) |
| Royalties | $ | (3.8) | (7.4) | (18.5) | (11.5) |
| Non-cash operating expenses[2] | $ | — | 11.3 | 4.4 | 40.9 |
| **Total Cash Cost[3]** | **$** | **(26.3)** | **(33.7)** | **(118.8)** | **(59.7)** |
| Sustaining capital[3] | $ | (1.6) | (1.2) | (18.1) | (1.7) |
| **Total All-in Sustaining Costs[3]** | **$** | **(27.9)** | **(34.9)** | **(136.9)** | **(61.4)** |
| Non-sustaining capital[3] | $ | (9.0) | (1.1) | (22.9) | (1.9) |
| **Total All-in Costs[3]** | **$** | **(36.9)** | **(36.0)** | **(159.8)** | **(63.3)** |
| **Cash cost per ounce sold[3]** | **$/oz** | **778** | **516** | **695** | **592** |
| **Mine All-In Sustaining Costs per ounce sold[3]** | **$/oz** | **825** | **534** | **801** | **609** |

*[1] Analysis of operations is only for the period after its acquisition by Endeavour on 1 July 2020.*
*[2] Non-cash operating expenses relates to the reversal in the period of the fair value adjustment of inventory on hand at the acquisition date.*
*[3] Non-GAAP measure. Refer to the non-GAAP Measures section for further details.*
*[4] All-In Margin is calculated as revenue less all-in costs for the period.*

**Q4-2021 vs Q4-2020 insights**

- Production significantly decreased due to lower average grade processed as ore was sourced from the West Pit relative to Q4-2020 where the plant feed was mainly sourced from higher grade stockpiles and available ore as Boungou had been on care and maintenance.
  - Total tonnes mined increased significantly due to increased contractor mining fleet availability and utilisation compared to Q4-2020 where mining activity was ramping up. In Q4-2021, ore mined was solely sourced from the West Pit Phase 2 while pre-stripping continued in the East Pit.
  - Tonnes milled increased due to higher throughput rates driven by effective fragmentation and processing of crushed ore stockpiles allowing for a more stable ore feed.
  - Processed grade significantly decreased due to the ore sourced from the West Pit Phase 2 compared to the prior period where there was immediate access to higher grade areas and stockpiles following the restart of mining activities.
- AISC increased due to the significant decrease in gold sold volumes in Q4-2021 compared to Q4-2020. Costs increased in absolute terms primarily as the mining contractor was still ramping up in Q4-2020, this was partially offset by a decrease in the underlying unit rates for mining, processing and G&A in Q4-2021.
- Sustaining capital expenditure of $1.6 million mainly related to the third TSF wall raise and capital spares and equipment for the processing plant .
- Non-sustaining capital expenditure of $9.0 million related to pre-stripping at the East pit.

**FY-2021 v FY-2020 Insights**

- FY-2021 production of 174koz was slightly below the guided 180 - 200 koz range as a result of lower processed grades due to accelerated mining of high grade ore in Q4-2020 upon restarting of the mining operations. AISC of $801 per ounce was in line with the outlook provided in Q3-2021, which stated that AISC is expected to continue to trend above the guided $690 - 740 per ounce range as a result of higher fuel prices and increased security costs.
- FY-2021 production was significantly above FY-2020 due to consolidating a full year of operations and the restart of mining at Boungou in Q4-2020.
  - Total tonnes mined is due to having a full year of operations in FY-2021 following the restart of full mining activities in Q4-2020, the benefit of commissioning additional mining equipment during Q1-2021, and the benefit of mining on the top benches in the new phase of the West pit, which have a shorter haul and associated efficiencies. Pre-stripping activities in the East pit have been ongoing since Q1-2021 and it is planned to expose ore for mining in early FY-2022. Ore mined in FY-2021 was sourced from the West pit.
  - Tonnes milled in 2021 has benefitted from crushing circuit de-bottlenecking initiatives to improve the size distribution of the material with a flow on improvement of the throughput rate in the milling circuit.
  - Average milled grade is lower as 2020 benefitted from the processing of higher grade stockpiles built up during FY-2019 and access to higher grade ore zones upon the restart of mining activities, which have since been depleted.
- AISC of $801 per ounce was higher than FY-2020, as the prior year period benefitted from the processing of higher grade ore after the re-start of mining operations, while FY-2021 included an increase in sustaining capital, as well as higher unit processing cost due to high power generation cost driven by higher fuel prices.
- Sustaining capital expenditures of $18.1 million, increased significantly from the $1.7 million incurred in FY-2020, related primarily to waste capitalisation in the West pit and the commencement of the third TSF wall raise. There was minimal activity in FY-2020 as explained above.
- Non-sustaining capital expenditure of $22.9 million also increased significantly from the $1.9 million incurred in FY-2020 related to pre-stripping at the East pit which is only due to start producing ore in early FY-2022.
- There were no interruptions in operations and supply procurement during FY-2021 due to management's focus on security and logistics enhancements at the Boungou mine following the restart of operations in Q4-2020.
- The Group recognised an impairment of the Boungou mine for a total of $246.3 million, of which $31.9 million related to the goodwill which had been recognised on acquisition. The impairment was driven by a revised life of mine plan which reflects the increased operating costs, lower than expected production and processed grades, and a decrease in the estimated resource to reserve conversion and exploration potential surrounding the Boungou mine.

**2022 Outlook**

- Boungou is expected to produce between 130—140koz in FY-2022 at an AISC of between $900—1,000/oz.
- Mining activities in H1-2022 will focus on waste stripping and ore extraction from the East pit in addition to waste stripping in Phase 3 of the West pit. In H2-2022, stripping activities will continue in both pits, while ore will be sourced mainly from the West pit. Due to the flat dipping nature of the orebody, progressive backfilling activity will be undertaken in mined out areas of the pit which is expected to benefit mining costs and ultimately rehabilitation costs. Mill throughput is expected to remain broadly consistent with the FY-2021 performance while grades are expected to decline in line with the life of mine schedule.
- Sustaining capital expenditure is expected to decrease from approximately $18.1 million in 2021 to $15.0 million in FY-2022 mainly due to the conclusion of Phase 2 waste stripping at the West pit in FY-2022.
- Non-sustaining capital expenditure is expected to decrease to approximately $19.0 million in FY-2022 compared to $22.9 million in FY-2021, with FY-2022 spend primarily relating to a significant cut back at the East pit.

**Exploration**

- An exploration programme of $7.0 million was planned for FY-2021, of which $5.4 million was spent consisting of 25,700 meters of drilling across 280 drillholes. Exploration efforts were focused on delineating near mine targets including Natougou Northwest, Boungou Northwest and Boungou North.
- At Natougou Northwest, drilling delineated a zone of higher-grade mineralisation trending north to northwest that remains open towards the Boungou North and Boungou Northwest targets. In FY-2022, drilling will focus on evaluating the targets along this trend.
- At Boungou North and Northwest, drilling demonstrated promising initial results, identifying the continuation of the Boungou shear zone, down plunge.
- An exploration programme of $4.0 million is planned for FY-2022 with drilling focused on expanding the footprints and defining resources at Natougou Northwest, Boungou North, and Boungou Northwest. In addition, reconnaissance drilling to the north of Boungou will follow up on geochemical and geophysical anomalies at the Osaanpalo and Tawori targets.

## 4.3. Houndé Gold Mine, Burkina Faso

*Table 6: Houndé Key Performance Indicators*

| ($m) | Unit | THREE MONTHS ENDED 31 December 2021 | THREE MONTHS ENDED 31 December 2020 | YEAR ENDED 31 December 2021 | YEAR ENDED 31 December 2020 |
|---|---|---|---|---|---|
| **Operating Data** | | | | | |
| Tonnes ore mined | kt | 777 | 2,120 | 4,397 | 5,324 |
| Tonnes of waste mined | kt | 11,520 | 8,621 | 45,520 | 38,171 |
| Tonnes milled | kt | 1,226 | 1,117 | 4,622 | 4,228 |
| Average gold grade milled | g/t | 2.05 | 3.06 | 2.13 | 2.21 |
| Recovery rate | % | 93.7 | 94.0 | 92.0 | 93.0 |
| Gold produced | oz | 77,260 | 101,367 | 293,155 | 276,709 |
| Gold sold | oz | 73,340 | 101,512 | 292,579 | 277,887 |
| Realised gold price | $/oz | 1,797 | 1,865 | 1,785 | 1,778 |
| **Financial Data ($'000)** | | | | | |
| Revenue | $ | 131.8 | 189.3 | 522.3 | 494.0 |
| Operating expenses | $ | (40.7) | (40.8) | (161.9) | (156.6) |
| Royalties | $ | (9.5) | (14.1) | (35.7) | (38.8) |
| **Total Cash Cost[1]** | **$** | **(50.2)** | **(54.9)** | **(197.6)** | **(195.4)** |
| Sustaining capital[1] | $ | (13.9) | (7.2) | (49.1) | (37.1) |
| **Total All-In Sustaining Costs[1]** | **$** | **(64.1)** | **(62.1)** | **(246.7)** | **(232.5)** |
| Non-sustaining capital[1] | $ | (6.8) | (4.8) | (17.1) | (19.7) |
| **Total All-in Costs[1]** | **$** | **(70.9)** | **(66.9)** | **(263.8)** | **(252.2)** |
| **Cash cost per ounce sold[1]** | **$/oz** | **684** | **541** | **675** | **703** |
| **Mine All-In Sustaining Costs per ounce sold[1]** | **$/oz** | **874** | **612** | **843** | **837** |

*[1] Non-GAAP measure. Refer to the non-GAAP Measures section for further details.*
*[2] All-In Margin is calculated as revenue less all-in costs for the period.*

**Q4-2021 vs Q4-2020 insights**

- Production decreased in Q4-2021 due to the lower grade milled, partially offset by higher tonnes milled, relative to the strong performance in Q4-2020 .
  - Tonnes of ore mined decreased due to the focus on waste stripping at Kari Pump as pre-stripping activities at the high grade Kari West continued. Ore was primarily sourced from the Kari Pump deposit and supplemented by fresh ore from the Vindaloo Centre and Main with first ore from Kari West.
  - Tonnes milled increased due to the higher throughput rate that resulted from a higher proportion of oxide ore in the blend and increased plant availability.
  - Average gold grade milled decreased in Q4-2021 due to lower grade ore available from the Vindaloo Main and Centre pits, compared to Q4-2020.
- AISC increased due to the lower ounces sold compared to Q4-2020 in addition to higher operational cost for mining and maintenance as a result of the higher tonnes moved and higher sustaining capital.
- Sustaining capital of $13.9 million is related to waste capitalisation at the Vindaloo Main and Kari Pump pits and fleet re-builds.
- Non-sustaining capital of $6.8 million is primarily related to the costs associated with the development of the Kari West pit and new mining fleet acquired.

**FY-2021 vs FY-2020 Insights**

- Production for FY-2021 totalled 293koz, beating the guided 230-250koz range driven by mining efficiencies at the Kari area pits, which enabled access to greater volumes of high grade oxide ore. AISC amounted to $843/oz, well below the guided $865-895/oz due to the benefit of higher production.
- Production increased compared to FY-2020 due to higher throughput as a greater proportion of oxide ore from Kari Pump was milled. This was partially offset by slightly lower grades and recoveries.

- Tonnes of ore mined decreased mainly due to the higher grade ore being mined from Kari Pump which was blended with stockpiled ore and enabled an increased focus on waste stripping at Vindaloo Main, Vindaloo Centre, Kari Pump and Kari West during FY-2021. Mining was completed at both the Bouéré and Vindaloo Centre pits during FY-2021.
- Tonnes milled increased as mill throughput improved due to the higher proportion of oxide ore from the Kari Pump pit.
- Average gold grade milled decreased marginally due to the increased throughout with higher grade oxide ore blended with lower grade stockpiled fresh ore .

- AISC remained broadly consistent with the prior year with the impact of higher fuel costs being offset by more gold sold in the year. Mining and processing unit rates remain well controlled and benefitted from increased production rates and consequently were consistent with FY-2020.
- Sustaining capital expenditures of $49.1 million, an increase from $37.1 million relative to FY-2020, related primarily to waste capitalisation at Vindaloo Main and Kari Pump in addition to fleet re-builds and upgrades.
- Non-sustaining capital of $17.1 million, slightly lower than $19.7 million in FY-2020, primarily related to Kari West infrastructure and establishment costs including land compensation, sterilisation drilling, infrastructure and initial waste stripping capitalisation.

**2022 Outlook**

- Following a record 2021 performance, Houndé is expected to produce between 260—275koz in 2022 at AISC of $875—925/oz.
- Mining activities in 2022 will focus on Vindaloo Main, Kari Pump and Kari West pits. In H1-2022, ore will primarily be mined from Kari Pump, supplemented by Vindaloo Main, while stripping is underway at Kari West. In H2-2022, ore will be mined from Kari Pump and Kari West, once stripping for this phase has been completed. Processing throughput and recoveries are expected to decline slightly in 2022 due to changes in the ore blend.
- Sustaining capital expenditure is expected to decrease from $49.1 million in FY-2021 to approximately $44.0 million in FY-2022, with FY-2022 expenditure relating mainly to waste extraction and fleet re-builds.
- Non-sustaining capital expenditure is expected to remain broadly consistent with the $17.1 million in FY-2021 at approximately $18.0 million in FY-2022. The FY-2022 expenditures are mainly related to waste stripping, resettlement and associated mine infrastructure in the Kari area and completion of a TSF wall raise.

**Exploration**

- An exploration programme of $7.0 million was initially planned for FY-2021, however given the exploration success during the year, $13.9 million was spent, consisting of 75,300 meters across 668 drillholes. The exploration efforts were focused on Mambo (14km to the north-east of the processing plant), Vindaloo South, Vindaloo Deeps and the Kari area; including Kari Centre, Kari Gap and Kari South.
- During FY-2021, exploration efforts delineated a maiden Indicated resource for Mambo, increased resources at the Kari Center-Gap-South area, and identified an initial maiden resource at the Vindaloo South target. Scout drilling beneath the southern end of the Vindaloo main pit identified a southward plunging higher grade zone which will be further investigated in FY-2022
- An exploration programme of $14.0 million is planned for FY-2022, with drilling focused on delineating resources at Sianikoui, investigating mineralised trends around the Dohoun deposit, extending the Vindaloo South mineralisation to the south along the Koho trend and investigating continuations of the Mambo resource towards the north-east. In addition, reconnaissance drilling will focus on several targets to the north-west of the Houndé mine including Tioro, Grand Espoir, Baraki and Hondjo.

## 4.4. Ity Gold Mine, Côte d'Ivoire

*Table 7: Ity CIL Key Performance Indicators*

| ($m) | Unit | THREE MONTHS ENDED<br>31 December 2021 | 31 December 2020 | YEAR ENDED<br>31 December 2021 | 31 December 2020 |
|---|---|---|---|---|---|
| **Operating Data** | | | | | |
| Tonnes ore mined | kt | 2,234 | 2,660 | 7,906 | 8,571 |
| Tonnes of waste mined | kt | 4,390 | 3,886 | 17,044 | 14,898 |
| Tonnes milled | kt | 1,624 | 1,456 | 6,248 | 5,353 |
| Average gold grade milled | g/t | 1.50 | 1.72 | 1.67 | 1.57 |
| Recovery rate | % | 77.1 | 76.0 | 80.0 | 79.0 |
| Gold produced | oz | 59,969 | 60,547 | 271,832 | 212,812 |
| Gold sold | oz | 57,963 | 50,983 | 279,226 | 208,121 |
| Realised gold price | $/oz | 1,801 | 1,863 | 1,789 | 1,749 |
| **Financial Data ($'000)** | | | | | |
| Revenue | $ | 104.4 | 95.0 | 499.6 | 363.9 |
| Operating expenses | $ | (37.6) | (45.1) | (181.8) | (139.3) |
| Royalties | $ | (5.8) | (5.4) | (27.5) | (19.8) |
| **Total Cash Cost[1]** | **$** | **(43.4)** | **(50.5)** | **(209.3)** | **(159.1)** |
| Sustaining capital[1] | $ | (6.1) | (3.3) | (24.0) | (8.9) |
| **Total All-in Sustaining Costs[1]** | **$** | **(49.5)** | **(53.8)** | **(233.3)** | **(168.0)** |
| Non-sustaining capital[1] | $ | (10.9) | (12.0) | (35.3) | (37.4) |
| **Total All-in Costs[1]** | **$** | **(60.4)** | **(65.8)** | **(268.6)** | **(205.4)** |
| **Cash cost per ounce sold[1]** | **$/oz** | **749** | **991** | **750** | **764** |
| **Mine All-In Sustaining Costs per ounce sold[1]** | **$/oz** | **854** | **1,055** | **836** | **807** |

[1] *Non-GAAP measure. Refer to the non-GAAP Measures section for further details.*
[2] *All-In Margin is calculated as revenue less all-in costs for the period.*

**Q4-2021 vs Q4-2020 insights**

- Production was in line with Q4-2020 with higher throughput as well as slightly improved recovery rates partially offset by lower average grade milled .
  - Tonnes ore mined decreased due to the greater focus on waste stripping at Ity and Bakatuou pits. Ore was mainly sourced from Daapleu in Q4-2021 with Colline Sud, Walter, Le Plaque, Flotouo and the historic heap leach waste dumps providing supplemental ore allowing greater operational flexibility.
  - Tonnes milled increased and continued to perform above nameplate due to continued use of the surge bin for supplemental feed despite a higher proportion of transitional and fresh ore being processed.
  - Average milled headgrade decreased due to the relative mix of ore feed from lower grade sources including the supplemental ore sources including the Floutouo dump .
  - Recovery rates remained broadly flat compared to Q4-2020
- AISC per ounce decreased primarily due to the higher gold sales in Q4-2021 (10koz were poured but not sold in Q4-2020), offset by higher sustaining capital.
- Sustaining capital expenditure of $6.1 million related primarily to waste stripping at the Ity, Bakatouo and Walter pits as well as dewatering equipment and borehole drilling, pit slope monitoring equipment and various other capital replacements .
- Non-sustaining capital expenditure of $10.9 million included the construction of the pre-leach and tank spargers, Le Plaque haul road and waste dump sterilisation drilling, TSF wall buttressing and TSF cell 2 sterilisation drilling.

**FY-2021 vs FY-2020 Insights**

- Production in FY-2021 totalled 272koz which was above the guided 230-250koz range driven by a combination of higher throughput and grade. AISC of $836/oz was in line with the guided range of $800-850/oz.
  - Production increased compared to FY-2020 as a result of an increase in throughput due to improvements in plant operating and maintenance strategies and continued use of the surge bin to provide supplemental oxide ore to the plant.

- Tonnes of ore mined decreased on account of higher grade ore available from the Daapleu and Bakatouo pits compared to FY-2020, supplemented with high grade ore from Le Plaque towards the end of the year. Mining was spread across a number of pits including Bakatouo, Daapleu and Colline Sud, the two long term stockpiles of Heap Dump and Verse Ouest and saw the commencement of mining at Walter, Le Plaque and Flotouo pits, which provided greater operational flexibility. In May 2021, Ity successfully transitioned to contract mining.
- Tonnes milled increased due to higher mill utilisation and the supplemental processing of oxide ore through the surge bin.
- Average gold grade milled increased due to the higher grade ore sourced from Bakatouo and Daapleu pits.

- AISC per ounce increased compared to the prior year due to less ore stockpiling and increased sustaining capital that mainly related to waste stripping at the Ity, Bakatouo, Walter and Colline Sud pits.
- Sustaining capital expenditures of $24.0 million was significantly higher than the $8.9 million incurred in FY-2020. FY-2021 sustaining capital expenditures included $15.8 million of waste capital primarily at the Ity, Bakatouo, Walter and Colline Sud pits, in addition to dewatering infrastructure at Bakatouo and various other stay in business capital projects.
- Non-sustaining capital expenditures of $35.3 million was broadly in line with the $37.4 million incurred in FY-2020. FY-2021 non-sustaining capital expenditures primarily related to Le Plaque infrastructure including the haul road construction and sterilisation drilling, TSF construction including wall buttressing, as well as the construction of a pre-leach and tank spargers to improve processing recovery.
- During Q2-2021, Ity transitioned from owner mining to contract mining with Societe de Forage et des Travaux Publics ("SFTP"), a local contractor who is already performing contract mining services at our Karma and Boungou mines. As a part of the transition, the mining fleet at Ity was sold to SFTP for a consideration of approximately $24.2 million, $14.1 million of which was received during Q4-2021 with the balance expected in FY-2022.

**2022 Outlook**

- Ity is expected to produce between 255—270koz in 2022 at an AISC of between $850—900/oz.
- Ore will be mined from Le Plaque, Daapleu, Ity, Bakatouo, Walter, and Colline Sud pits and supplemented by historical ore sources including Verse Ouest stockpile and the spent Heap 2 dump. In H1-2022, mining at the current phase of Daapleu is expected to be completed, with increased contributions expected from Le Plaque and higher grade ore coming from the Walter pit in H2-2022.
- Ore tonnes processed are expected to remain fairly constant throughout the year, however grades are expected to decline in H2-2022 as feed material moves away from Daapleu. The decline in grade is expected to be partially offset by increased recoveries associated with increased oxide ore sourced from Le Plaque and from the addition of the pre-leach tank. Average processed grade for the year is expected to be consistent with FY-2021.
- Sustaining capital is expected to amount to $20.0 million in FY-2022 compared to $24 million in FY-2021. The FY-2022 sustaining capital relates mainly to capitalised waste.
- Non-sustaining capital is expected to decrease from $35.3 million in FY-2021 to approximately $29.0 million in FY-2022, with non-sustaining capital in FY-2022 relating to processing plant enhancements, land compensation, and the stage 4 TSF raise.

**Exploration**

- An exploration programme of $9.0 million was initially planned for FY-2021, however given the success of the programme, $11.0 million was spent during the year consisting of 72,800 meters across 557 drillholes.
- In FY-2021, exploration efforts delineated resources at the junction between Walter and Bakatouo pits, the West Flotouo deposit, and at the extension of the Le Plaque deposit. In addition, early stage drilling at the adjacent Yopleu-Legaleu target successfully intercepted mineralization.
- An exploration programme of $10.0 million is planned for FY-2022, with drilling focused on increasing the size of resources at Yopleu-Legaleu, West Flotouo, Walter-Bakatouo, Verse Est, Colline Sud and evaluating the continuity of Daapleu Deep mineralisation. In addition, early stage drilling at the Delta Extension, Goleu and Gbampleu targets is planned.

## 4.5. Mana Gold Mine, Burkina Faso

*Table 8: Mana Key Performance Indicators[1]*

| ($m) | Unit | THREE MONTHS ENDED 31 December 2021 | THREE MONTHS ENDED 31 December 2020 | YEAR ENDED 31 December 2021 | YEAR ENDED 31 December 2020 |
|---|---|---|---|---|---|
| **Operating Data** | | | | | |
| Tonnes ore mined - open pit | kt | 529 | 435 | 2,025 | 900 |
| Tonnes of waste mined - open pit | kt | 2,166 | 8,792 | 21,504 | 14,742 |
| Tonnes ore mined - underground | kt | 180 | 215 | 838 | 412 |
| Tonnes of waste mined - underground | kt | 89 | 165 | 301 | 281 |
| Tonnes of ore milled | kt | 651 | 629 | 2,593 | 1,222 |
| Average gold grade milled | g/t | 2.75 | 3.33 | 2.65 | 3.38 |
| Recovery rate | % | 92.7 | 90.0 | 91.4 | 92.0 |
| Gold produced | oz | 53,840 | 61,422 | 204,507 | 121,100 |
| Gold sold | oz | 52,339 | 55,897 | 211,424 | 123,703 |
| Realised gold price | $/oz | 1,796 | 1,878 | 1,789 | 1,884 |
| **Financial Data ($'000)** | | | | | |
| Revenue | $ | 94.0 | 105.0 | 378.2 | 233.0 |
| Operating expenses | $ | (49.6) | (33.5) | (179.5) | (86.2) |
| Royalties | $ | (6.4) | (7.5) | (25.2) | (15.2) |
| Non-cash operating expenses[2] | $ | — | (0.4) | 0.4 | 4.1 |
| **Total Cash Cost[3]** | **$** | **(56.0)** | **(41.4)** | **(204.3)** | **(97.3)** |
| Sustaining capital[3] | $ | (2.4) | (3.5) | (12.6) | (8.2) |
| **Total All-in Sustaining Costs[3]** | **$** | **(58.4)** | **(44.9)** | **(216.9)** | **(105.5)** |
| Non-sustaining capital[3] | $ | (6.9) | (17.6) | (63.3) | (27.6) |
| **Total All-in Costs[3]** | **$** | **(65.3)** | **(62.5)** | **(280.2)** | **(133.1)** |
| **Cash cost per ounce sold[3]** | **$/oz** | **1,070** | **741** | **966** | **787** |
| **Mine All-In Sustaining Costs per ounce sold[3]** | **$/oz** | **1,116** | **803** | **1,026** | **853** |

*[1] Analysis of operations is only for the period after its acquisition by Endeavour on 1 July 2020.*
*[2] Non-cash operating expenses relates to the reversal in the period of the fair value adjustment of inventory on hand at the acquisition date.*
*[3] Non-GAAP measure. Refer to the non-GAAP Measures section for further details.*
*[4] All-In Margin is calculated as revenue less all-in costs for the period.*

**Q4-2021 vs Q4-2020 insights**

- Production decreased despite the increase in tonnes of ore milled and higher recoveries, due to the lower grades from the Wona South Stage 2 and 3 pit as well as lower grade from the Siou underground.
  - Open pit tonnes of ore mined increased in line with plan
  - Total underground ore tonnes mined was lower than Q4-2020 in line with a 60kt per month plan
  - Tonnes milled increased due to processing of softer ore from the Wona South pit compared to the Wona North pit.
  - The average processed grade decreased as expected due to lower open pit grades mined from the Wona South pit.
  - Recovery rates increased due to the improved recoveries from Wona South ore in the blend.
- AISC was higher due to higher open pit unit mining costs and lower waste development capitalised as non-sustaining compared to Q4-2020. This was offset by lower processing costs due to optimisation of reagent consumption and reduction in power costs via improved efficiencies of power plant and use of national grid power.
- Sustaining capital of $2.4 million is related to underground development to create new stoping levels.
- Non-sustaining capital expenditure of $6.9 million was mainly related to waste capitalisation, activities related to the preparation of the Wona underground portals and the TSF raise.

**FY-2021 v FY-2020 Insights**

- FY-2021 production totalled 205koz, significantly beating the guided 170-190koz range due to improved performance in mining of the Wona South open pit providing higher than planned feed to the processing plant and higher plant availability and throughput. This was partially offset by the lower grade. The AISC amounted to $1,026/oz achieving the guided $975-$1,050/oz range.
- FY-2021 production increased by 83koz over FY-2020 due to the benefit of consolidating a full year of operations, strong plant performance and increased underground tonnes mined.
  - Open pit ore tonnes mined during the year were mainly sourced from the Wona South stage 2 and 3 following the completion of mining at Wona North stage 3 during Q1-2021.
  - Underground operations achieved strong performance for the full year delivering 838 thousand tonnes of ore mainly from longhole stopes, with capital and ore development largely completed by the end of the year. Following a full review of mining plans at Mana, development commenced at Wona underground in Q4-2021 which will see the mine transition to ore feed being sourced predominately from underground operations for the next few years.
  - The plant continued to perform reliably with tonnes milled and throughput rates benefitting from the softer ore characteristics and effective blasting of Wona South pit material which resulted in the strong plant throughput.
  - The average milled grade was lower due to a much lower grade mined in the Wona South pit compared to the Wona North in the previous year, coupled with lower average stope and development grades mined at Siou.
- AISC increased by $173/oz primarily due to higher underground mining costs due to increased stope production requiring a combination of increased cable bolting for stope brow support and cemented rock fill, which was partially offset by lower open pit mining costs due to slightly lower tonnes mined.
- Sustaining capital expenditures of $12.6 million in FY-2021, an increase from the $8.2 million in FY-2020, were related to underground development, heavy mobile equipment and power plant.
- Non-sustaining capital of $63.3 million, an increase on the $27.6 million incurred in FY-2020, mainly relates to Wona open pit waste capitalisation, Siou exploration drilling for resource extension, Wona underground development and associated infrastructure which has been brought forward into FY-2021 and the TSF stage 4 raise.

**2022 Outlook**

- Following a strong out-performance in FY-2021, Mana is expected to produce between 170—190koz in FY-2022 at an AISC of $1,000—1,100/oz.
- Mining at Wona open pit is expected to conclude at the end of H1-2022, while in H2-2022 mill feed is expected to be sourced primarily from Siou underground whilst development progresses at Wona underground where stope production is expected to commence in late FY-2022. Siou underground is largely developed and stope production is expected to be consistent throughout the year, though grade will vary depending on the stopes in production. Mining at the Maoula satellite pit, which was initially expected to commence in late H2-2022, is being considered to start earlier than planned. Mill throughout is expected to be lower in H2-2022 following the transition away from the Wona open pit. This is expected to be partially offset by supplemental feed from stockpiles and from Wona underground development in H2-2022 as well as slightly higher grades from Siou underground, while recovery rates are expected to remain strong.
- Sustaining capital expenditure is expected to decrease from $12.6 million in FY-2021 to approximately $7.0 million in FY-2022, with expenditure relating mainly to plant maintenance and equipment re-builds. Non-sustaining capital expenditure is expected to be flat over FY-2021 at approximately $40.0 million in FY-2022, with expenditure relating mainly to the Wona underground development and associated infrastructure as well as Maoula infrastructure and a TSF wall raise.

**Exploration**

- An exploration programme of $8.0 million was planned for FY-2021 of which $9.1 million was spent, consisting of 59,600 meters across 459 drillholes.
- In FY-2021, at Maoula the focus was placed on delineating Indicated resources and on identifying extensions. At Siou South and Nyafe, work focused on testing continuations of mineralised structures and revising geological models as part of the target generation work.
- An exploration programme of $6.0 million is planned for FY-2022, with drilling focused on increasing resources at Maoula, Nyafe and Fofina, as well as early stage exploration at several targets along the Greenville-Wona-Kona shear zone and the Boni shear zone, including Siou NW, Tounou, Kokoi Sud, Bombouela and Doumakele. In addition, early stage exploration work will look to delineate the under explored refractory resources in the Mana area.

## 4.6. Sabodala-Massawa Gold Mine, Senegal

*Table 9: Sabodala-Massawa Key Performance Indicators[1]*

| | | THREE MONTHS ENDED | | YEAR ENDED | |
|---|---|---|---|---|---|
| ($m) | Unit | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| **Operating Data** | | | | | |
| Tonnes ore mined | kt | 1,719 | — | 6,603 | — |
| Tonnes of waste mined | kt | 11,070 | — | 34,330 | — |
| Tonnes milled | kt | 1,081 | — | 3,777 | — |
| Average gold grade milled | g/t | 3.41 | — | 3.19 | — |
| Recovery rate | % | 89.7 | — | 89.7 | — |
| Gold produced | oz | 104,563 | — | 345,280 | — |
| Gold sold | oz | 106,768 | — | 365,331 | — |
| Realised gold price[2] | $/oz | 1,774 | — | 1,757 | — |
| **Financial Data ($'000)** | | | | | |
| Revenue[2] | $ | 189.4 | — | 641.9 | — |
| Operating expenses | $ | (39.4) | — | (209.2) | — |
| Royalties | $ | (10.5) | — | (35.9) | — |
| Non-cash operating expenses[3] | $ | 1.0 | — | 59.7 | — |
| **Total Cash Cost[4]** | $ | **(48.9)** | **—** | **(185.4)** | **—** |
| Sustaining capital[4] | $ | (14.3) | — | (50.3) | — |
| **Total All-In Sustaining Costs[4]** | $ | **(63.2)** | **—** | **(235.7)** | **—** |
| Non-sustaining capital[4] | $ | (14.1) | — | (34.0) | — |
| **Total All-in Costs[4]** | **$** | **(77.3)** | **—** | **(269.7)** | **—** |
| **Cash cost per ounce sold[4]** | **$/oz** | **458** | — | **507** | — |
| **Mine All-In Sustaining Costs per ounce sold[4]** | **$/oz** | **592** | — | **645** | — |

[1] *Analysis of operations is only for the period after its acquisition by Endeavour on 10 February 2021.*
[2] *Revenue and realised gold price are inclusive of the Sabodala-Massawa stream.*
[3] *Non-cash operating expenses relates to the reversal in the period of the fair value adjustment of inventory on hand at the acquisition date.*
[4] *Non-GAAP measure. Refer to the non-GAAP Measures section for further details.*
[5] *All-In Margin is calculated as revenue less all-in costs for the period.*

**Q4-2021 Insights**

- Strong production of 105koz due to a high throughput rate and average gold grade milled as well as stable recovery rate.
  - Total tonnes mined reflected the combination of favourable mining conditions and additional equipment availability despite the higher proportion of fresh material mined at Sofia North. Waste stripping at the Sofia North pit to provide access to good grades to offer more optionality in future mining. Mining also re-started at the Sabodala pit with mostly waste mined in Q4-2021.
  - Ore was mainly sourced from the Sofia Main and Sofia North pits on the Massawa lease.
  - Tonnes milled reflected the continued high mill availability and relative high proportion of fresh ore introduced to the mill preventing mill chutes and screens becoming blocked. Ore tonnes milled comprised mainly fresh ore from the Sofia Main pit, supplemented by a combination of fresh and oxide material from Sofia North.
  - Average processed grades reflected the processing of high grade fresh material sourced from Sofia Main, supplemented by oxide ore.
- AISC of $592 per ounce was low and tracking below the lower end of the guidance due to sustaining capital timing and ounces sold from the higher grade Sofia Main material fed.
- Sustaining capital expenditure of $14.3 million was related to purchases of additional dump trucks and a front end loader, planned HME fleet re-builds and waste capitalisation at the Sabodala and Sofia North pits.
- Non-sustaining capital expenditure of $14.1 million mostly related to the relocation activities of the Sabodala village and infrastructure developments at Massawa.

**FY-2021 Insights**

- FY-2021 production, which comprises the period commencing on 10 February 2021, amounted to 345koz, beating the guided 310—330koz range, while AISC amounted to $645/oz, ahead of the guided $690—740/oz range, due to strong performance driven by higher throughput at higher grades.
  - Total tonnes mined increased in the second half of the year with the recommissioning of Shovel #1 which enabled mining to recommence in the Sabodala pit, in parallel with mining of the Sofia Main and North pits. Infrastructure establishment to the Massawa CZ pit was well underway by the end of the year, including advanced grade control drilling, in order for mining to commence in early FY-2022.
  - Ore was mainly sourced from the Sofia Main and Sofia North pits during the year, supplemented by ore from Golouma West and Kouroulouloulou pits which were completed in Q1-2021.
  - Tonnes milled were mainly fresh ore from the Sofia Main pit while the oxide blend was sourced from the Sofia North pit throughout the year and supplemented by oxide from Golouma West during Q1-2021.
  - The average milled grade for the period benefited from the processing of fresh high grade ore from the Sofia Main pit.
- AISC of $645 per ounce is below the lower end of the guided range primarily due to the higher gold sold volumes in the year and ongoing effective cost management.
- Sustaining capital expenditure of $50.3 million related to purchases of additional mining equipment, a TSF raise and waste capitalisation at Sabodala, Sofia North and Sofia Main pits.
- Non-sustaining capital expenditure of $34.0 million related to the relocation activities of the Sabodala village which is expected to complete in early FY-2022, as well as the new Massawa haul road and infrastructure developments at the Massawa permit mining areas, which will continue into FY-2022 to support the build-up of operations from the long-term Massawa pits.
- Growth capital amounted to $30.5 million and included expenditure on the Phase 1 upgrades, improvements to the Massawa camp to house the mining crews, purchase of equipment for Phase 1 and 2 construction and Phase 2 study costs

**2022 Outlook**

- Sabodala-Massawa is expected to produce between 360—375koz in FY-2022 at an AISC of $675—725/oz.
- Ore is expected to be sourced primarily from the Massawa Central Zone and North Zone pits in FY-2022. The Massawa Central Zone pit will be mined from the start of the year, whilst the Massawa North Zone pit is expected to commence mid-year. Mining of the Sofia North pit is expected to continue for the entire year though the mined grade is expected to be lower than the Massawa Central Zone and Massawa North Zone pits. Mining of the Sabodala pit will continue throughout the year, focussed on the pit cutback, with some supplemental low grade fresh ore expected in H1-2022. Processed grades are expected to decline compared to FY-2021, particularly in H1-2022 due to lower grade Sofia North feed, while mill throughput rates and recovery rates are expected to remain similar.
- Sustaining capital expenditure is expected to increase from approximately $50.3 million in FY-2021 (only the consolidated post acquisition portion) to $63.0 million in FY-2022, related mainly to capitalised waste, fleet re-builds and continued investment in new mining equipment. Non-sustaining capital expenditure in FY-2022 is expected to remain flat at approximately $34.0 million, with FY-2022 capital expenditures related mainly to the ongoing construction of the new Sabodala village and associated relocation costs plus infrastructure and establishment works for the Massawa pits.
- Growth capital expenditure is expected to be $3.0 million for the completion of the new leach tank at the Sabodala-Massawa plant and the overhead powerline to Massawa. Following the completion of the DFS for the Sabodala-Massawa Phase 2 expansion in late Q1-2022, further detail on the growth capital spend for the project will be provided. .

**Plant Expansion**

- The Massawa deposit is being integrated into the Sabodala mine through a two-phased approach, as outlined in the 2020 pre-feasibility study ("PFS"). Phase 1 of the plant expansion, which was completed in Q4-2021, will facilitate processing of an increased proportion of high grade, free-milling Massawa ore through the existing Sabodala processing plant.
- Phase 2 of the expansion will add an additional processing circuit designed to process the high grade refractory ore from the Massawa deposits. The DFS is on track for completion in late Q1-2022.

**Exploration**

- An exploration programme of $13.0 million was planned for FY-2021, of which $12.5 million was spent comprised of 100,000 meters across 929 drillholes.
- During FY-2021, exploration efforts have successfully delineated resources at Massawa Central Zone and Massawa North Zone, Sofia, Tina and Samina significantly extending the strike lengths of the existing mineralisation at all of these deposit.
- An exploration programme of $15.0 million is planned for FY-2022, focused expanding on the Sofia North, Delya, Samina and Tina deposits. Further exploration work will focus on other Massawa permit targets including Bambaraya, Tiwana, Kawasara and Makana. Reconnaissance drilling is planned on the Niakafiri Extensions and Goumbati Kobokoto targets on the Sabodala permit as well.

## 4.7. Wahgnion Gold Mine, Burkina Faso

*Table 10: Wahgnion Key Performance Indicators[1]*

| | | THREE MONTHS ENDED | | YEAR ENDED | |
|---|---|---|---|---|---|
| ($m) | Unit | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| **Operating Data** | | | | | |
| Tonnes ore mined | kt | 1,054 | — | 3,807 | — |
| Tonnes of waste mined | kt | 7,911 | — | 23,378 | — |
| Tonnes milled | kt | 959 | — | 3,322 | — |
| Average gold grade milled | g/t | 1.64 | — | 1.43 | — |
| Recovery rate | % | 92.3 | — | 93.5 | — |
| Gold produced | oz | 47,237 | — | 147,032 | — |
| Gold sold | oz | 46,057 | — | 158,795 | — |
| Realised gold price | $/oz | 1,804 | — | 1,789 | — |
| **Financial Data ($'000)** | | | | | |
| Revenue | $ | 83.1 | — | 284.1 | — |
| Operating expenses | $ | (37.4) | — | (134.3) | — |
| Royalties | $ | (5.8) | — | (19.5) | — |
| Non-cash operating expenses[2] | $ | (1.1) | — | 8.3 | — |
| **Total Cash Cost[3]** | $ | **(44.3)** | **—** | **(145.5)** | **—** |
| Sustaining capital[3] | $ | (4.8) | — | (12.3) | — |
| **Total All-In Sustaining Costs[3]** | $ | **(49.1)** | **—** | **(157.8)** | **—** |
| Non-sustaining capital[3] | $ | (7.2) | — | (27.5) | — |
| **Total All-in Costs[3]** | **$** | **(56.3)** | **—** | **(185.3)** | **—** |
| **Cash cost per ounce sold[3]** | **$/oz** | **962** | **—** | **916** | **—** |
| **Mine All-In Sustaining Costs per ounce sold[3]** | **$/oz** | **1,066** | **—** | **994** | **—** |

*[1] Analysis of operations is only for the period after its acquisition by Endeavour on 10 February 2021.*
*[2] Non-cash operating expenses relates to the reversal in the period of the fair value adjustment of inventory on hand at the acquisition date.*
*[3] Non-GAAP measure. Refer to the non-GAAP Measures section for further details.*
*[4] All-In Margin is calculated as revenue less all-in costs for the period.*

**Q4-2021 Insights**

- Production of 47koz was above previous quarters largely due to available milling grades, processing plant performance and moving out of the wet season.
  - Tonnes of ore mined were largely fresh materials from the Fourkoura pits supplemented by predominantly oxide material from the Nogbele South and Nogbele North pits.
  - Tonnes milled was a more even blend following the end of the wet season between fresh materials sourced from the Nogbele North and the Fourkoura pits, and oxide quantities from the Nogbele South, Nogbele North and to a lesser extent Fourkoura pits.
  - Average gold grade milled reflects blend of materials from the Nogbele North, Nogbele South and Fourkoura in the blend.
  - Recovery rates were slightly below previous levels as a result of the higher proportion of Fourkoura fresh ore processed in the quarter.
- AISC per ounce is higher than expected due to the expected high strip ratio as well as higher haulage costs and additional waste mined than originally planned.
- Sustaining capital expenditure of $4.8 million was related to waste capitalisation at the Nogbele North and Fourkoura pits.
- Non-sustaining capital expenditure of $7.2 million related mainly to the TSF cell 2 raise and Fourkoura resettlement costs.

**FY-2021 Insights**

- FY-2021 production, which is from the date of acquisition on 10 February 2021, amounted to 147koz which was the mid-point of the guided 140—155koz range, while the AISC amounted to $994/oz, at the top end of the guided $940-990/oz range.
  - Mining was focused on the Nogbele North, Nogbele South, and Fourkoura pits where mining commenced earlier this year. Increased production volumes were achieved using contracted fleet to support the main owner fleet.
  - Tonnes milled were an equal mix of oxide and fresh materials on a full year basis with Nogbele North and Nogbele South pits providing the primary source, supplemented by Fourkoura which increased quantities of predominantly fresh ore as the year progressed
  - Average gold grade milled was impacted by lower average grades mined from the Fourkoura and Nogbele North pits on account of a poor resource reconciliation factor.
- AISC per ounce was near the top end of original guidance due to higher mining costs associated with additional waste volumes mined to access additional ore tonnes to offset the lower average grade mined.
- Sustaining capital expenditure of $12.3 million related mainly to waste capitalisation at Nogbele North and South and Fourkoura mining areas.
- Non-sustaining capital expenditure of $27.5 million related mainly to the TSF cell 2 raise and Fourkoura resettlement costs and exploration drilling.

**2022 Outlook**

- Wahgnion is expected to produce between 140—150koz in FY-2022 at an AISC of $1,050—1,150/oz.
- Ore is expected to be primarily sourced from the Nogbele North and Fourkoura pits, with supplemental feed coming from the Nogbele South pits in H1-2022. In H2-2022, greater volumes of ore are expected to be sourced from the Nogbele North pits while ore sourced from the Fourkoura pits is expected to remain steady throughout the year. Mill throughput rates are expected to decrease marginally in FY-2022 on account of increased fresh feed while process grades are expected to decline in line with the life of mine schedule.
- Sustaining capital expenditure is expected to increase from $12.3 million in FY-2021 (consolidated post acquisition portion) to approximately $20.0 million in FY-2022, related mainly to waste extraction and equipment re-builds.
- Non-sustaining capital expenditure is expected to decrease from $27.5 million in FY-2021 (consolidated post acquisition portion) to approximately $23.0 million in FY-2022, related mainly to infrastructure required to expand site operations at Samavogo, including land compensation, housing resettlement and haul road, and TSF cell 2 wall raise.

**Exploration**

- An exploration programme of $12.0 million was planned for FY-2021, of which $8.5 million was spent consisting of over 46,000 meters across 363 drillholes.
- The exploration efforts in FY-2021 continued to focus on the Nogbele North and Nogbele South deposits, targeting the continuation of mineralised structures beneath and between the pits. Delineation drilling at Fourkoura, as well as reconnaissance drilling at Bassongoro, Salenka, Dagano, Muddi and Muddi Junction targets commenced in FY-2021.
- An exploration programme of $9.0 million is planned for FY-2021, focused on expanding the resources at Nogbele North, Nogbele South and Fourkoura as well as delineating resources at Kassera and Ouahiri South. Reconnaissance drilling at Bozogo, Stinger and Samavogo will follow up on several high priority soil anomalies and promising reconnaissance drill intercepts.

## 4.8. Karma Gold Mine, Burkina Faso

*Table 11: Karma Key Performance Indicators*

| ($m) | Unit | THREE MONTHS ENDED 31 December 2021 | THREE MONTHS ENDED 31 December 2020 | YEAR ENDED 31 December 2021 | YEAR ENDED 31 December 2020 |
|---|---|---|---|---|---|
| **Operating Data** | | | | | |
| Tonnes ore mined | kt | 1,182 | 1,253 | 5,071 | 4,781 |
| Tonnes of waste mined | kt | 3,371 | 3,759 | 15,812 | 14,377 |
| Tonnes of ore stacked | kt | 1,246 | 1,327 | 5,157 | 4,871 |
| Average gold grade stacked | g/t | 0.79 | 0.78 | 0.78 | 0.84 |
| Recovery rate | % | 68.8 | 72.0 | 67.0 | 77.0 |
| Gold produced | oz | 20,465 | 27,901 | 87,662 | 98,185 |
| Gold sold | oz | 19,763 | 26,859 | 88,467 | 98,313 |
| Realised gold price[1] | $/oz | 1,715 | 1,586 | 1,665 | 1,477 |
| **Financial Data ($'000)** | | | | | |
| Revenue[1] | $ | 33.9 | 42.6 | 147.3 | 145.2 |
| Operating expenses | $ | (22.5) | (46.2) | (91.5) | (100.4) |
| Royalties | $ | (3.1) | (3.9) | (13.4) | (13.4) |
| Non-cash operating expenses[2] | $ | — | 20.5 | — | 20.0 |
| **Total Cash Cost[3]** | **$** | **(25.6)** | **(29.6)** | **(104.9)** | **(93.8)** |
| Sustaining capital[3] | $ | (0.1) | (0.8) | (0.6) | (5.0) |
| **Total All-In Sustaining Costs[3]** | **$** | **(25.7)** | **(30.4)** | **(105.5)** | **(98.8)** |
| Non-sustaining capital[3] | $ | (1.7) | (2.8) | (4.8) | (10.4) |
| **Total All-in Costs[3]** | **$** | **(27.4)** | **(33.2)** | **(110.3)** | **(109.2)** |
| **Cash cost per ounce sold[3]** | **$/oz** | **1,295** | **1,102** | **1,186** | **954** |
| **Mine All-In Sustaining Costs per ounce sold[3]** | **$/oz** | **1,300** | **1,132** | **1,193** | **1,005** |

*[1]Revenue and realised gold price are inclusive of the Karma stream.*
*[2] Non-cash operating expenses relate primarily to the write down of gold-in-circuit pertaining to historically stacked ore that was deemed to be unrecoverable.*
*[3]Non-GAAP measure. Refer to the non-GAAP Measures section for further details.*
*[4] All-In Margin is calculated as revenue less all-in costs for the period.*

**Q4-2021 vs Q4-2020 insights**

- Production decreased due to the lower tonnes stacked and recovery rates on account of a higher proportion of transitional GG1 ore stacked.
  - Total ore tonnes mined, which were mainly sourced from the GG1 pit and supplemented by Rambo West, decreased slightly due to lower availability of mining fleet compared to Q4-2020, and higher strip ratio at Rambo.
  - Ore tonnes stacked decreased as a result of additional downtime due to fines and sticky material from Rambo.
  - The stacked ore grade was consistent with Q4- 2020 despite the differing ore sources .
  - Recovery rate decreased as expected due to the increased proportion of transitional ore from the GG1 pit which has a lower associated recovery rate.
- AISC per ounce increased primarily due to the lower gold ounces sold from the decrease in recoveries which was partially offset by slightly lower unit mining and processing costs due to expat headcount reduction and effective reagent and cement consumption with GG1 ore.
- Sustaining capital expenditure was negligible during Q4-2021.
- Non-sustaining capital expenditure was $1.7 million, which was related to construction of new heap leach cells.

**FY-2021 vs FY-2020 Insights**

- FY-2021 production of 88koz was at the top end of the guided 80-90koz range, AISC of $1,193/oz was below the lower end of the guided $1,220-1,300/oz range due to lower than guided sustaining capital on account of lower waste capitalised and higher production.
- Production decreased in FY-2021 relative to FY-2020 due to lower grades and recoveries from the higher proportion of transitional GG1 material stacked compared to the higher grade and associated recovery of the Kao North ore mined and stacked in FY-2020.
  - Ore tonnes mined increased due to increased mining at GG1 pit which benefited from a lower strip ratio.
  - Ore tonnes stacked increased due to higher stacker utilisation and the use of stockpiles to supplement the mill feed.
  - The average grade decreased due to a higher proportion of the low grade GG1 and stockpile ore stacked during FY-2021 compared to FY-2020 where a higher proportion of the higher grade Kao North ore was stacked.
  - Recovery rate decreased due to the higher proportion of the more transitional GG1 ore being stacked, which has a lower recovery due to the presence of carbonaceous material.
- AISC per ounce increased compared to FY-2020 due to the lower recoveries associated with GG1 ore and slightly higher unit mining and processing costs associated with the transitional ore from GG1 pits.
- Sustaining capital expenditure was $0.6 million and related to dewatering boreholes and other site equipment upgrades.
- Non-sustaining capital expenditure was $4.8 million and related to the progressive construction of new cells within the heap leach pad compared to non-sustaining costs in FY-2020 which related to the completion of the stacking system upgrades, power station upgrade and construction of new cells.
- Given management's intention to dispose of the Karma mine, management evaluated the Karma mine for impairment at 31 December 2021, taking into account the expected fair value of the consideration to be received upon disposal of the Karma mine. As a result, the Group recognised an impairment of $11.7 million in FY-2021. The Company announced the disposal of its 90% interest in the Karma mine on 11 March 2022.

**Exploration**

- During FY-2021, limited exploration work continued as part of the advanced grade control drilling programme, targeting near mine extensions to be added into the current mine plan. The focus was on the Kao North area, Rambo, GG1, Anomaly B and Kanongo.

## 4.9. DISCONTINUED OPERATIONS

*Agbaou Gold Mine, Côte d'Ivoire*

*Table 12: Agbaou Key Performance Indicators[3]*

| | | THREE MONTHS ENDED | | YEAR ENDED | |
|---|---|---|---|---|---|
| ($m) | Unit | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| **Operating Data** | | | | | |
| Tonnes ore mined | kt | — | 433 | 353 | 2,376 |
| Tonnes of waste mined | kt | — | 3,950 | 2,102 | 19,783 |
| Tonnes milled | kt | — | 691 | 348 | 2,739 |
| Average gold grade milled | g/t | — | 1.37 | 1.09 | 1.28 |
| Recovery rate | % | — | 93.0 | 95.0 | 94.0 |
| Gold produced | oz | — | 28,379 | 12,575 | 105,092 |
| Gold sold | oz | — | 27,152 | 14,045 | 104,921 |
| Realised gold price | $/oz | — | 1,867 | 1,810 | 1,758 |
| **Financial Data ($'000)** | | | | | |
| Revenue | $ | — | 50.7 | 25.4 | 184.5 |
| Operating expenses | $ | — | (24.3) | (14.3) | (84.9) |
| Royalties | $ | — | (2.9) | (1.4) | (10.4) |
| **Total Cash Cost[1]** | **$** | **—** | **(27.2)** | **(15.7)** | **(95.3)** |
| Sustaining capital[1] | $ | — | (1.8) | (0.2) | (12.5) |
| **Total All-in Sustaining Costs[1]** | **$** | **—** | **(29.0)** | **(15.9)** | **(107.8)** |
| Non-sustaining capital[1] | $ | — | (0.5) | — | (1.4) |
| **Total All-in Costs[1]** | **$** | **—** | **(29.5)** | **(15.9)** | **(109.2)** |
| **Cash cost per ounce sold[1]** | **$/oz** | **—** | **1,002** | **1,118** | **908** |
| **Mine All-In Sustaining Costs per ounce sold[1]** | **$/oz** | **—** | **1,068** | **1,132** | **1,027** |

*[1] Non-GAAP measure. Refer to the non-GAAP Measures section for further details.*
*[2] All-In Margin is calculated as revenue less all-in costs for the period.*
*[3] Analysis of operations is only for the period up to its disposal by Endeavour on 1 March 2021.*

On 1 March 2021, the Company completed the sale of its 85% interest in the Agbaou mine cash generating unit to Allied Gold Corp Limited ("Allied"). The consideration upon sale of the Agbaou mine included (i) a cash payment of $16.4 million (net of working capital adjustments of $3.6 million upon closing), of which $10.5 million was received in the first quarter of 2021; (ii) $40.0 million in Allied shares of which Endeavour has the option to sell the shares back to Allied at the issue price which expires on 31 December 2022 or earlier if Allied conducts an IPO before then; (iii) contingent consideration of up to $20.0 million comprised of $5.0 million payments for each quarter where the average gold price exceeds $1,900 per ounce; and (iv) a net smelter royalty ("NSR") on ounces produced in excess of the Agbaou reserves estimated as at 31 December 2019. The NSR royalty is 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.

**FY-2021 vs FY-2020 Insights**

- Production decreased compared to FY-2020 due to operating the mine for a shorter period as the operations was discontinued through a sale. Average grade decreased due to lower grade at the deeper elevation of the North, West and South pits mined. Recovery rate remained flat.
- AISC increased in line with expectation as a result of lower ounces sold as well as higher mining cost and higher processing cost. This was partially offset by lower sustaining capital spend.

# 5. OUTLOOK

- Following the divestment of the non-core Karma mine that was announced on 11 March 2022, the Group's production and cost guidance for continuing operations in 2022 is expected to amount to 1,315-1,400koz at an AISC of $880-930/oz. Production and AISC guidance is unchanged for all continuing operations, as published on 24 January 2022. More details on individual mine guidance have been provided in the below sections.

*Table 13: Production 2022 guidance*[1]

| *(All amounts in koz, on a 100% basis)* | 2022 FULL-YEAR GUIDANCE | | |
|---|---|---|---|
| Boungou | 130 | — | 140 |
| Houndé | 260 | — | 275 |
| Ity | 255 | — | 270 |
| Mana | 170 | — | 190 |
| Sabodala-Massawa | 360 | — | 375 |
| Wahgnion | 140 | — | 150 |
| **GROUP PRODUCTION FROM CONTINUING OPERATIONS**[1] | **1,315** | **—** | **1,400** |

*[1]2022 guidance from continuing operations excludes production from the Karma mine, which was divested on 10 March 2022.*

*Table 14: AISC 2022 guidance*[1]

| *(All amounts in US$/oz)* | 2022 FULL-YEAR GUIDANCE | | |
|---|---|---|---|
| Boungou | 900 | — | 1,000 |
| Houndé | 875 | — | 925 |
| Ity | 850 | — | 900 |
| Mana | 1,000 | — | 1,100 |
| Sabodala-Massawa | 675 | — | 725 |
| Wahgnion | 1,050 | — | 1,150 |
| Corporate G&A | | 30 | |
| **GROUP AISC FROM CONTINUING OPERATIONS**[1] | **880** | **—** | **930** |

*[1]2022 guidance from continuing operations excludes production from the Karma mine, which was divested on 10 March 2022.AISC is a non-GAAP measure. Refer to the non-GAAP measure section for further details.*

- Sustaining and non-sustaining capital spend for continuing operations is expected to decrease by approximately $34.2 million in FY-2022 compared to FY-2021. Sustaining capital for 2022 is expected to amount to $169.0 million, compared to a spend of $166.4 million in FY-2021. Non-sustaining capital for 2022 is expected to amount to $173.0 million compared to a spend of $209.9 million in FY-2021. More details on individual mine capital expenditures have been provided in the mine sections below.

*Table 15: Sustaining and non-sustaining mine capital expenditure 2022 guidance*[1]

| (All amounts in US$m) | SUSTAINING CAPITAL | NON SUSTAINING CAPITAL |
|---|---|---|
| Boungou | 15.0 | 19.0 |
| Houndé | 44.0 | 18.0 |
| Ity | 20.0 | 29.0 |
| Mana | 7.0 | 40.0 |
| Sabodala-Massawa | 63.0 | 34.0 |
| Wahgnion | 20.0 | 23.0 |
| Non-mining | - | 10.0 |
| **MINE CAPITAL EXPENDITURES FROM CONTINUING OPERATIONS** | **169.0** | **173.0** |

- Total growth capital spend for FY-2022 is expected to amount to $6 million for the addition of a leach tank at Sabodala-Massawa and various study work across other assets.
- Exploration will continue to be a strong focus in FY-2022 with a company-wide exploration budget of $80 million, as detailed in the table below.

*Table 16: Exploration 2022 guidance*[1]

| *(All amounts in US$m unless stated)* | 2022 GUIDANCE | **2022 ALLOCATION** |
|---|---|---|
| Sabodala-Massawa mine | 15 | 19% |
| Hounde mine | 14 | 18% |
| Other greenfield projects | 15 | 19% |
| Ity mine | 10 | 13% |
| Wahgnion mine | 9 | 11% |
| Lafigue project | 7 | 9% |
| Mana mine | 6 | 8% |
| Boungou mine | 4 | 4% |
| **TOTAL FROM CONTINUING OPERATIONS** | **80** | **100%** |

*Approximately 50% is expected to be classified as expensed and 50% as non-sustaining capital* [1]*2022 guidance from continuing operations excludes production from the Karma mine, which was divested on 10 March 2022.*

# 6. FINANCIAL REVIEW

## 6.1. STATEMENT OF COMPREHENSIVE EARNINGS

*Table 17: Statement of Comprehensive Earnings*

| ($m) | Notes | THREE MONTHS ENDED 31 December 2021 | THREE MONTHS ENDED 31 December 2020 | YEAR ENDED 31 December 2021 | YEAR ENDED 31 December 2020 |
|---|---|---|---|---|---|
| Revenue | [1] | 697.2 | 553.4 | 2,778.1 | 1,424.1 |
| Operating expenses | [2] | (249.7) | (203.7) | (1,062.9) | (574.8) |
| Depreciation and depletion | [3] | (201.6) | (93.0) | (648.7) | (261.2) |
| Royalties | [4] | (44.9) | (38.3) | (175.7) | (98.7) |
| **Earnings from mine operations** | | **201.0** | **218.4** | **890.8** | **489.4** |
| Corporate costs | [5] | (20.3) | (8.4) | (62.5) | (23.7) |
| Acquisition and restructuring costs | [6] | (1.0) | (13.6) | (29.5) | (39.8) |
| Impairment charge of mining interests | [7] | (259.4) | (64.5) | (259.4) | (64.5) |
| Share-based compensation | [8] | (7.4) | (5.1) | (32.5) | (18.8) |
| Exploration costs | [9] | (5.1) | (0.9) | (23.6) | (4.9) |
| **Earnings from operations** | | **(92.2)** | **125.9** | **483.3** | **337.7** |
| Gain/(loss) on financial instruments | [10] | 15.6 | 22.5 | 22.9 | (78.7) |
| Finance costs | [11] | (25.4) | (13.3) | (66.1) | (48.8) |
| Other (expense)/income | [12] | (2.1) | (14.0) | (16.0) | 9.3 |
| **Earnings before taxes** | | **(104.1)** | **121.1** | **424.1** | **219.5** |
| Current income tax expense | [13] | (39.4) | (50.7) | (196.4) | (122.6) |
| Deferred income tax (expense)/recovery | [13] | 34.1 | 3.1 | 51.8 | 37.4 |
| Net loss from discontinued operations | | — | (44.3) | (3.7) | (21.8) |
| **Net comprehensive earnings** | | **(109.4)** | **29.2** | **275.8** | **112.5** |

**Review of results for the three months and year ended 31 December 2021:**

1. Revenue for Q4-2021 was $697.2 million compared to $553.4 million for Q4-2020. The increase in revenue in Q4-2021 compared to Q4-2020 is primarily due to the acquisition of the Wahgnion and Sabodala-Massawa mines on 10 February 2021. During Q4-2021, the Wahgnion and Sabodala-Massawa mines contributed 152,825 ounces amounting to $272.5 million of the consolidated revenue while the remaining mines contributed 237,222 ounces amounting to $424.7 million. With respect to these five operations, a decrease in total ounces sold and average realised gold price negatively impacted revenue by $116.1 million and $12.6 million respectively.

   Revenue for FY-2021 increased by 95% compared to FY-2020 due to the acquisition of the Wahgnion and Sabodala-Massawa mines on 10 February 2021, which contributed a total of $926.0 million to revenue FY-2021, and the inclusion of the Boungou and Mana mines for the full FY-2021 compared to the period after their acquisition on 1 July 2020, which contributed an additional $262.0 million to revenue for FY-2021 compared to FY-2020. The realised gold price increased from $1,761 per ounce in FY-2020 to $1,773 per ounce in FY-2021 which accounted for an increase in revenue of approximately $30.0 million for the Company's three legacy continuing operations. In addition, 75,951 more ounces sold in FY-2021 compared to FY-2020 from the Company's three legacy mines favourably impacted revenue by $135.9 million.

2. Operating expenses for Q4-2021 were $249.7 million compared to $203.7 million in Q4-2020. The increase in operating expenses is due primarily to the addition of the Wahgnion and Sabodala-Massawa mines, with attributable operating expenses of $101.5 million for the current quarter, offset by a decrease in operating expenses at Karma and Ity of $23.8 million and $7.4 million respectively. Operating expenses decreased at Karma due to lower levels of production in Q4-2021 compared to Q4-2020, while the decrease in operating expenses at Ity mainly relates to cost efficiencies associated with the transition to contractor mining.

   The significant increase in operating expenses in FY-2021 compared to the prior year was due to the addition of the Mana and Boungou mines, which were acquired on 1 July 2020, as well as the acquisition of the Wahgnion and Sabodala-Massawa mines, which were acquired on 10 February 2021. The total increase in operating expenses resulting from these four mines was $627.7 million. Ity and Houndé mines' operating expenses were higher in FY-2021 compared to same period in FY-2020 due to increased tonnes mined and processed, while operating expenses decreased at Karma due to decreased production

3. Depreciation and depletion in Q4-2021 was $201.6 million compared to $93.0 million in Q4-2020 with the increase mainly attributable to the acquisition of the Wahgnion and Sabodala-Massawa mines and additional depletion of the mining interests relating to TSFs based on the updated capacity estimates in Q4-2021. Depreciation and depletion increased in FY-2021 by $387.4 million compared to FY-2020 with the inclusion of Mana and Boungou for the full FY-2021, and with the acquisition of the Wahgnion and Sabodala-Massawa mines from 10 February 2021. The depletion charge also reflects the higher carrying values for the mining interests upon determination of the fair values of these four mines upon acquisition.
4. Royalties were $44.9 million for Q4-2021, compared to $38.3 million in Q4-2020, and $175.7 million in FY-2021 compared to $98.7 million in FY-2020. The increase in royalty expense in Q4-2021 is due to the inclusion of the Wahgnion and Sabodala-Massawa mines acquired on 10 February 2021. The increase in FY-2021 royalty expense is due to the inclusion of Wahgnion and Sabodala-Massawa mines, as well as the inclusion of the Mana and Boungou mines for the full year. Royalties were further impacted by the increase in the realised gold price. The underlying royalty rates based on the sliding scale were 5% for both Burkina Faso, and Côte d'Ivoire for Q4-2021 and FY-2021, as well as Q4-2020 and FY-2020. The gold royalty rate in Senegal is a flat 5%.
5. Corporate costs were $20.3 million for Q4-2021 compared to $8.4 million for Q4-2020, and $62.5 million for FY-2021 compared to $23.7 million for FY-2020. The increase in corporate costs are primarily due to additional administrative costs following the integration of SEMAFO and Teranga. Costs associated with listing on the LSE, which were $1.4 million and $12.6 million in Q4-2021 and FY-2021 respectively, also contributed to increased corporate costs in FY-2021.
6. Acquisition and restructuring costs were $1.0 million in Q4-2021 compared to $13.6 million in Q4-2020, and $29.5 million in FY-2021 compared to $39.8 million in FY-2020. The Q4-2021 and FY-2021 costs relate to ongoing restructuring and other legal costs related to the Teranga assets which were acquired on 11 February 2021 while the Q4-2020 and FY-2020 cost mainly consisted of costs related to the integration of the Teranga and SEMAFO assets after their acquisition on 1 July 2020.
7. Impairment of mining interests and goodwill was $259.4 million in Q4-2021 and FY-2021, compared to $64.5 million in Q4-2020 and FY-2020. The increase in impairment charges in FY-2021 was due to the impairment of the Boungou mine of $246.3 million, driven by a revised life of mine plan which reflects the increased operating costs, lower than expected production and processed grades, and a decrease in the estimated resource to reserve conversion and exploration potential surrounding the Boungou mine. There was an additional $11.7 million of impairment recognised in FY-2021 for the Karma mine based on the expected fair value of the consideration to be received upon disposal of the Karma mine. In FY-2020, the impairment charge related primarily to an impairment charge of $44.6 million of the Karma mine due lower than expected operating results at the Karma mine. In FY-2021, an additional impairment of $1.4 million was recognised on exploration projects, compared to an impairment charge on exploration projects of $19.9 million recognised in FY-2020.
8. Share-based compensation was $7.4 million in Q4-2021 compared to $5.1 million for Q4-2020, and $32.5 million in FY-2021 compared to $18.8 million in FY-2020. The increase is mainly due to the increase in fair value of performance share units ("PSUs") granted. The fair value of the PSUs is determined based on total shareholder return relative to peer companies and achieving certain operational performance measures.
9. Exploration costs in Q4-2021 were $5.1 million compared to $0.9 million in Q4-2020, and $23.6 million in FY-2021 compared to $4.9 million in FY-2020. The increase in exploration cost is related to a larger exploration portfolio and increased greenfield exploration activities mainly at the newly acquired Teranga exploration properties.
10. The gain on financial instruments was $15.6 million in Q4-2021 compared to a gain of $22.5 million in Q4-2020. The gain in Q4-2021 is mainly due to the net impact of a gain on the gold collar of $6.2 million , an unrealised gain on revaluation of the conversion option on the convertible senior notes of $8.7 million, a gain on change in fair value of the warrant liabilities and call rights of $0.8 million and $1.6 million respectively, a gain on other financial instruments of $5.8 million, a loss due to the change in fair value of receivable measured at fair value through profit and loss of $2.3 million and foreign exchange losses of $8.1 million.

    In FY-2021, there was a gain on financial instruments of $22.9 million compared to a loss in FY-2020 of $78.7 million. The gain in FY-2021 is primarily due to the net impact of the unrealised gain on the convertible senior bond derivative of $40.0 million, a realised gain on forward contracts of $11.5 million, a gain on the gold collar of $6.2 million, a gain of $8.7 million on other financial instruments, offset by a loss on foreign exchange of $37.5 million and a loss on change in fair value pertaining to warrant liabilities and contingent consideration of $1.4 million and $3.2 million, respectively. In FY-2020, the primary components of the $78.7 million loss was an unrealised loss on the convertible senior bond derivative of $43.2 million, a loss on the gold collar of $21.2 million, and a loss on the change in the value of receivables at FVTPL of $13.3 million.
11. Finance costs were $25.4 million for Q4-2021 compared to $13.3 million in Q4-2020, and $66.1 million in FY-2021 compared to $48.8 million in FY-2020. Finance costs are primarily associated with interest expense on the revolving credit facility ("RCF") and bridge facility, convertible debt, the recently issued corporate senior notes, finance obligations, and lease liabilities.
12. Other expenses was $2.1 million for Q4-2021 compared to $14.0 million in Q4-2020. Other expenses in Q4-2021 consist primarily of a write down of historic VAT at Houndé and Mana that has been deemed uncollectible. Other expenses for FY-2021 was $16.0 million compared to an income of $9.3 million in FY-2020. Other expenses for FY-2021 mainly relates to

asset write offs and a loss on disposal of assets at Ity, whereas the FY-2020 income related to income of $22.2 million from the reimbursement of expenditures from a mining contractor on previously capitalised expenditures, offset by an assessment of customs charges in Cote d'Ivoire.

13. Current income tax expense was $39.4 million and $196.4 million in Q4-2021 and FY-2021 respectively compared to $50.7 million and $122.6 million in Q4-2020 FY-2020, respectively. Current income tax expense for Q4-2021 decreased in comparison to Q4-2020 primarily due to the tax associated with the sale of Agbaou in Q4-2020, as well as a lower income tax expense at Boungou associated with lower production levels and revenue generated. Current income tax expense for FY-2021 increased when compared to FY-2020 due to the inclusion of the Wahgnion and Sabodala-Massawa mines acquired on 10 February 2021 and due to the inclusion of the Mana and Boungou mines for the full FY-2021 compared to FY-2020, which included operations for the six months after their acquisition on 1 July 2020, as well as due to an increase in taxable profit at the Ity and Houndé mines.

    In Q4-2021 and FY-2021, the Group had deferred tax recoveries of $34.1 million and $51.8 million respectively compared to recoveries of $3.1 million and $37.4 million in Q4-2021 and FY-2021, respectively. The increase in deferred tax recoveries compared to the prior year is a reflection of the increase in size of the Group's operations and the unwinding of the deferred tax liabilities recognised as part of the purchase price allocation on acquisition of Semafo on 1 July 2020 and Teranga on 10 February 2021.

## 6.2. CASH FLOWS

*Table 18: Summarised cash flows*

| ($m) | Note | THREE MONTHS ENDED 31 December 2021 | THREE MONTHS ENDED 31 December 2020 | YEAR ENDED 31 December 2021 | YEAR ENDED 31 December 2020 |
|---|---|---|---|---|---|
| Operating cash flows before changes in working capital | [1] | 316.4 | 288.6 | 1,166.7 | 628.6 |
| Changes in working capital | [2] | 39.5 | 86.6 | 8.2 | 81.9 |
| Cash (used by)/generated from discontinued operations | | — | (10.8) | (8.8) | 38.4 |
| Cash generated from operating activities | [3] | 355.9 | 364.4 | 1,166.1 | 748.9 |
| Cash used in investing activities | [4] | (132.3) | (96.5) | (511.7) | (160.1) |
| Cash used in financing activities | [5] | (71.2) | (80.4) | (431.1) | (70.7) |
| Effect of exchange rate changes on cash | | (6.6) | 3.9 | (31.8) | 6.7 |
| **Increase in cash** | | **145.8** | **191.4** | **191.5** | **524.8** |

1. Operating cash flows before changes in working capital for Q4-2021 and FY-2021 were $316.4 million and $1,166.7 million respectively compared to $288.6 million in Q4-2020 and $628.6 million in FY-2020. The increase in Q4-2021 compared to Q4-2020 is attributable to the acquisition of the Wahgnion and Sabodala-Massawa operating mines on 10 February 2021, while the acquisition of the Mana and Boungou mines on 1 July 2020 also contributed to the increase in the FY-2021 operating cash flows.
   – Income taxes paid were $42.1 million in Q4-2021 and $227.7 million in FY-2021 compared to $7.4 million and $56.6 million in Q4-2020 and FY-2020, respectively. These higher cash payments relative to the comparative periods are reflective of the increase in the Group's earnings and higher provisional payments in 2021 based on 2020 earnings, as well as higher withholding tax payments on increased dividends declared at mine sites based on 2020 earnings. Taxes paid for the three months and year ended 31 December 2021 and 31 December 2020 for each of the Group's mine sites are summarised in the table below:

*Table 19: Tax payments*

| ($m) | THREE MONTHS ENDED 31 December 2021 | THREE MONTHS ENDED 31 December 2020 | YEAR ENDED 31 December 2021 | YEAR ENDED 31 December 2020 |
|---|---|---|---|---|
| Boungou | 8.8 | — | 52.4 | 1.4 |
| Houndé | 10.7 | 3.3 | 47.9 | 17.3 |
| Ity | 4.8 | — | 42.1 | 24.7 |
| Karma | 0.2 | — | 1.7 | — |
| Mana | 2.9 | 0.8 | 12.2 | 0.8 |
| Sabodala-Massawa | 0.7 | n.a. | 20.1 | n.a. |
| Wahgnion | 1.5 | n.a. | 11.3 | n.a. |
| Other[1] | 12.6 | 3.4 | 40.0 | 12.5 |
| **Taxes from continuing operations** | **42.2** | **7.5** | **227.7** | **56.7** |
| Agbaou | — | 39.2 | 19.9 | 52.3 |
| **Taxes paid** | **42.2** | **46.7** | **247.6** | **109.0** |

[1]*Included in the "Other" category is taxes paid by corporate and exploration entities.*

2. The Q4-2021 and FY-2021 changes in working capital is an inflow of $39.5 million and an inflow of $8.2 million respectively, which is broken down as follows:
   – Receivables were an inflow of $7.8 million for Q4-2021 and an outflow of $1.4 million for FY-2021. The inflow in Q4-2021 is mainly due to a decrease in receivables at the Ity mine related to amounts received from SFTP. The FY-2021 outflow is mainly due to a decrease in amounts receivable from SFTP at Ity and corporate for a total of $19.0 million, a decrease in VAT receivable at Wahgnion offset by an increase in VAT receivable at Mana, Boungou, Houndé and Karma mines due to the timing of reimbursements.
   – Inventories were an outflow of $8.1 million for Q4-2021 and an inflow of $65.2 million in FY-2021. The outflow in Q4-2021 is due primarily to an increase in the value of long-term stockpiles at Ity. The inflow in FY-2021 is mainly due

to the unwinding of the fair value adjustment to inventory recognised on acquisition at the Boungou, Mana, Sabodala-Massawa and Wahgnion mines offset slightly by an increase in long-term stockpiles at Ity.

– Prepaid expenses and other was an inflow of $12.4 million for Q4-2021 and an inflow of $4.6 million for FY-2021. The inflow in Q4-2021 was mainly due to a decrease in prepayments of $6.4 million at Wahgnion, $4.1 million at Houndé and $1.5 million at Boungou. The inflow for FY-2021 was mainly due to an increase in prepaid expenses at sites of $11.6 million, offset by a decrease at corporate, Ity and Houndé of $7.0 million.

– Accounts payable was an inflow of $27.4 million in Q4-2021 and an outflow of $60.2 million in FY-2021. The inflow in Q4-2021 mainly relates to an increase in accounts payable at corporate, Ity, Houndé and Mana offset by a decrease in accounts payable at Karma, primaily due to the timing of payments. Acquisition-related costs paid in relation to the Teranga acquisition also contributed to the outflow in FY-2021.

3. Operating cash flows after changes in working capital in Q4-2021 and FY-2021 were $355.9 million and $1,166.1 million respectively compared to $364.4 million and $748.9 million in Q4-2020 and FY-2020 respectively. Q4-2021 decreased by $8.5 million compared to Q4-2020 mainly due to less cash generated from movements in working capital as discussed above. FY-2021 operating cash flows after changes in working capital increased by $417.2 million relative to FY-2020 due to increased production for the year from the Company's legacy mines, as well as from the addition of Wahgnion, Sabodala-Massawa, Mana and Boungou mines.
4. Cash flows used by investing activities were $132.3 million and $511.7 million in Q4-2021 and FY-2021 respectively compared to outflows of $96.5 million and $160.1 million in Q4-2020 and FY-2020 respectively. The Q4-2021 and the FY-2021 amount was a larger outflow compared to comparative periods mainly due to expenditure on mining interests of $132.3 million for Q4-2021 and $522.5 million for FY-2021 given the increase in the size of the Group's operations. The FY-2021 cash flows included cash acquired on acquisition of Teranga of $27.0 million which is less than the $93.0 million acquired from Semafo in FY-2020.
5. Cash flows used in financing activities were $71.2 million and $431.1 million in Q4-2021 and FY-2021 respectively compared to a cash outflow of $80.4 million and a cash outflow of $70.7 million in Q4-2020 and FY-2020 respectively. A repayment of long-term debt of $500.0 million, proceeds from the issue of Senior Notes of $494.6 million, payments of financing and other fees of $19.4 million and payments for the acquisition of the Company's own shares of $39.7 million contributed to the outflow in Q4-2021. The outflow in FY-2021 was due to a net repayment of long-term debt of $653.0 million, a payment of dividends to the minority shareholders of the mines amounting to $29.9 million, payments for the acquisition of the Company's own shares of $133.8 million, the settlement of the gold offtake agreement which was acquired from Teranga amounting to $49.7 million, repayments of lease obligations of $28.4 million, payment of financing and other fees of $27.6 million, interest paid of $26.9 million offset by proceeds from the issue of Senior Notes of $494.6 million and proceeds received from the issue of common shares of $200.0 million.

## 6.3. SUMMARISED STATEMENT OF FINANCIAL POSITION

*Table 20: Summarised Statement of Financial Position*

| ($m) | As at 31 December 2021 | As at 31 December 2020 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | 906.2 | 645.0 |
| Other current assets | 459.8 | 272.0 |
| Current assets excluding assets held for sale | 1,366.0 | 917.0 |
| Assets held for sale | — | 180.8 |
| **Total current assets** | **1,366.0** | **1,097.8** |
| Mining interests | 4,980.2 | 2,577.8 |
| Deferred income taxes | 10.0 | 19.8 |
| Other long term assets | 414.7 | 173.7 |
| **TOTAL ASSETS** | 6,770.9 | 3,869.1 |
| **LIABILITIES** | | |
| Other current liabilities | 397.8 | 275.4 |
| Income taxes payable | 169.3 | 134.2 |
| Current liabilities excluding liabilities held for sale | 567.1 | 409.6 |
| Liabilities held for sale | — | 112.8 |
| **Total current liabilities** | **567.1** | **522.4** |
| Long-term debt | 841.9 | 688.3 |
| Environmental rehabilitation provision | 162.9 | 78.0 |
| Other long-term liabilities | 141.0 | 26.4 |
| Deferred income taxes | 672.3 | 305.1 |
| **TOTAL LIABILITIES** | **2,385.2** | **1,620.2** |
| **TOTAL EQUITY** | **4,385.7** | **2,248.9** |
| **TOTAL EQUITY AND LIABILITIES** | **6,770.9** | **3,869.1** |

- Other current assets as at 31 December 2021 consists of $104.8 million of trade and other receivables, $311.3 million of inventories, $8.6 million of other financial assets and $35.1 million of prepaid expenses and other.
  - Trade and other receivables increased by $49.7 million compared to 31 December 2020 mainly due to the inclusion of VAT receivable acquired at Wahgnion mine, increases in VAT receivables at Mana and Boungou in the period, and an increase in other amounts receivable at Ity relating to the sale of mining equipment to the mining contractor. VAT received during the year ended 31 December 2021 was $92.0 million consisting of proceeds from the Group's mines in Burkina Faso, while the VAT amounts receivable for assets located in Cote d'Ivoire and Senegal are nominal.
  - Inventories increased by $120.7 million primarily due to the inclusion of the inventories at the Wahgnion and Sabodala-Masawa mines from acquisition, offset by a decrease in spare parts and supplies and doré bars at all the Company's remaining operating mines other than Boungou.
  - Prepaid expenses and other increased by $8.8 million primarily due to the prepayments acquired from the Sabodala-Massawa and Wahgnion mines.
  - Other financial assets includes the current portion of the gold collar and forward contracts derivatives held at fair value amounting to $8.6 million at 31 December 2021.
- Mining interests increased by $2.4 billion primarily due to the acquisition of mineral property of the Teranga assets which were recognised at their fair values as determined as part of the allocation of the purchase price at the acquisition date.
- Other long-term assets are made up of $134.4 million of goodwill related to the Semafo and Teranga acquisitions, $185.3 million of long-term stockpiles not expected to be used in the next twelve months at the Houndé, Ity, Sabodala-Massawa and Wahgnion mines, $46.0 million long-term assets related to the sale of Agbaou, $11.8 million related to the gold collar

derivative which matures in more than twelve months, $4.6 million related to the embedded derivative related to the prepayment feature on the Senior Notes as well as $31.6 million of restricted cash relating to reclamation bonds. Other long-term assets increased by $241.0 million at 31 December 2021 relative to the prior year mainly due to the recognition of goodwill arising from the transaction with Teranga, an increase in long-term stockpiles, as well as the long-term assets of $46.0 million consisting of shares and an NSR received as consideration upon the sale of Agbaou.

- Other current liabilities are made up of $351.0 million of trade and other payables, $32.4 million of derivatives related to warrants and call-rights, and $14.4 million of lease obligations. Trade and other payables increased by $89.4 million mainly due to the inclusion of the Teranga assets accounting for an additional $98.5 million compared to prior year.
- Income taxes payable increased by $35.1 million compared to the prior year and is due to the inclusion of the Sabodala-Massawa and Wahgnion mines acquired during the year.
- Long-term debt increased by $153.6 million compared to the prior year due to the issuance of the Senior Notes due in 2026 offset by a repayment of the previously outstanding revolving credit facility and Bridge Facility which had increased upon assumption of additional debt as part of the Teranga acquisition.
- The environmental rehabilitation provision increased by $84.9 million to $162.9 million at the end of FY-2021 mainly due to the acquisition of the Sabodala-Massawa and Wahgnion mines.
- Other long-term liabilities increased by $114.6 million to $141.0 million mainly due to the addition of share warrants, call-right liabilities and contingent consideration payable acquired as part of the Teranga acquisition as well as changes in estimates at other mines. An increase in PSU liabilities and repurchased shares to be settled in cash also contributed to the increase during the year.

## 6.4. LIQUIDITY AND FINANCIAL CONDITION

*Net Cash Position*

The following table summarises the Company's net cash position as at 31 December 2021 and 31 December 2020.

*Table 21: Net Cash Position*

| ($m) | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Cash and cash equivalents | 906.2 | 645.0 |
| Cash included in assets held for sale | — | 69.7 |
| Less: Principal amount of Senior Notes | (500.0) | — |
| Less: Principal amount of convertible senior bond | (330.0) | (330.0) |
| Less: Drawn portion of corporate loan facilities[1] | — | (310.0) |
| **Net cash** | **76.2** | **74.7** |
| **Net cash / Adjusted EBITDA LTM ratio[2]** | **(0.05)** | **(0.10)** |

[1]*Corporate loan facilities are presented at face value.*

[2] *Adjusted EBITDA is per table 23 and is calculated using the trailing twelve months Adjusted EBITDA.*

*Equity and Capital*

On 14 June 2021, the Company announced its entire issued ordinary share capital consisting of 250,491,775 shares had been admitted to the premium listing segment of the LSE, and as a result, the Company no longer has authorised share capital. On 29 September 2021, as part of the Company's capital reduction strategy to create distributable reserves, the Company capitalised $4.5 billion of its merger reserve and applied the amount in full to allot $4.5 billion to new deferred shares with a par value of $1.00 each. The deferred shares did not carry any dividend or voting rights, had no meaningful economic value and were issued solely to enable a reduction of capital to be effected. The deferred shares were cancelled in October 2021. The table below summarises Endeavour's share structure at 31 December 2021.

During the year ended 31 December 2021, the Group announced its dividend for the first half of the 2021 fiscal year of $0.28 per share totalling $69.9 million. The dividend was paid during the three months ended 30 September 2021 to shareholders on record at the close of business on 10 September 2021. In February 2021, the Group paid a dividend of $60.0 million ($0.37 per share) to shareholders on record on the close of business of 22 January 2021.

On 24 January 2022, the Board of Directors of the Company declared a dividend of $0.28 per share totalling $70.0 million. The dividend was paid on 16 March 2022 to shareholders on record on the close of business on 11 February 2022.

*Table 22: Outstanding Shares*

| | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Shares issued and outstanding | | |
| Ordinary voting shares | 248,038,422 | 163,036,473 |
| Stock options | 1,573,110 | — |

As at 14 March 2022, the Company had 249,174,793 shares issued and outstanding, and 1,573,110 outstanding stock options.

As part of the Company's share buyback programme, subsequent to 31 December 2021 and up to 14 March 2022, the Company has repurchased a total of 1,049,100 shares at an average price of $23.31, for total cash outflows of $24.5 million.

*Going Concern*

The directors have performed an assessment of whether the Company would be able to continue as a going concern until at least March 2023. In their assessment, the Company has taken into account its financial position, expected future trading performance, its debt and other available credit facilities, future debt servicing requirements, its working capital and capital expenditure commitments and forecasts.

At 31 December 2021, the Company's net cash was $76.2 million with gross debt of $830.0 million, undrawn credit facilities of $500.0 million and cash and cash equivalents of $906.2 million.

Based on a detailed cash flow forecast prepared by management, in which it included any reasonably possible change in the key assumptions on which the cash flow forecast is based, and taking into account possible changes in performance due to the COVID-19 pandemic impact, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence until at least March 2023 and that at this point in time there are no material uncertainties regarding going concern. Key assumptions underpinning this forecast include consensus analyst gold prices and production volumes in line with annual guidance.

The Board is satisfied that the going concern basis of accounting is an appropriate assumption to adopt in the preparation of the annual report for the period ended 31 December 2021.

## 6.5. RELATED PARTY TRANSACTIONS

A related party is considered to include shareholders, affiliates, associates and entities under common control with the Company and members of key management personnel.

*Key management compensation*

During the year ended 31 December 2021, an amount of $10.8 million was granted to key and senior management personnel as incentive awards for the completion of the Teranga acquisition and the successful listing on the LSE.

*Other related party transactions*

During the year ended 31 December 2021, the Company entered into a transaction with La Mancha Holding S.àr.l. ("La Mancha") when La Mancha exercised its anti-dilution right to maintain its interest in the Company and completed a $200.0 million private placement for 8,910,592 shares of Endeavour. La Mancha's future anti-dilution rights have now been extinguished and La Mancha's ownership interest in Endeavour was 19.4% at 31 December 2021 (31 December 2020 - 24.1%).

During the year ended 31 December 2021, and prior to the Company listing on the London Stock Exchange, the Company established an Employee Benefits Trust ("EBT") in connection with the Company's employee share incentive plans, which may hold repurchased shares on trust to settle future employee share incentive obligations. During the three months ended 30 June 2021, the EBT acquired 576,308 outstanding common shares from certain employees of the Group, which remain held in the EBT at 31 December 2021. In exchange for the shares, the Group is obligated to repay the employees cash for the fair value of the underlying shares of the Company now held in the EBT. The amount of this liability is $13.2 million at 31 December 2021 and is included in current financial liabilities.

## 6.6. ACCOUNTING POLICIES AND CRITICAL JUDGEMENTS

*Critical judgements and key sources of estimation uncertainty*

The Company's management has made critical judgments and estimates in the process of applying the Company's accounting policies to the consolidated financial statements that have significant effects on the amounts recognised in the Company's consolidated financial statements. These judgements and estimations include determination of economic viability, capitalisation and depreciation of waste stripping, indicators of impairment, assets held for sale and discontinued operations, fair value of assets acquired and liabilities assumed, recoverability of value added tax, other financial assets, impairment of mining interests and goodwill, estimated recoverable ounces, mineral reserves, environmental rehabilitation costs, inventories, and current income taxes. The judgements applied in the period ended 31 December 2021 are consistent with those in the consolidated financial statements for the year ended 31 December 2020, except for the judgements and estimates made relating to the acquisition of Teranga in the quarter ended 31 March 2021.

# 7. USE OF PROCEEDS

On 14 October 2021, the Company completed an offering of fixed rate senior notes due in 2026 as well as entered into the New RCF. The Company used the proceeds of $500.0 million from the issuance of the Notes, together with cash on the Group’s balance sheet, to repay all amounts outstanding under the Group’s $370.0 million bridge term loan facility, which was used to retire higher cost debt facilities acquired upon the acquisition of Teranga Gold Corporation, to repay the $130 million drawn under the Group’s existing revolving credit facility, and to pay fees and expenses in connection with the offering of the Notes. The Company intends to use the proceeds of the $500.0 million New RCF for general corporate purposes as required, but there is no amount currently drawn on the New RCF. The New RCF replaces the Bridge Facility and the existing RCF which was cancelled upon completion of the Notes offering.

In the Company’s prospectus supplement dated 29 March 2021 to the short form base shelf prospectus dated 17 June 2020, the Company disclosed that they intended to use the proceeds of $200.0 million from the issuance of approximately 8.9 million common shares to partially repay outstanding indebtedness under the refinancing of the debt upon the acquisition of Teranga and for general corporate purposes. The Company repaid $120.0 million of the outstanding balance of the revolving credit facility in Q2-2021. The remainder of the proceeds are being used for general working capital purposes, including fees related to the acquisition and integration of Teranga, expenses related to the London listing, as well as general corporate costs. There has been no change on how the remaining proceeds are expected to be used.

In the Company’s prospectus supplement dated 2 July 2020 to the short form base shelf prospectus dated 17 June 2020, the Company disclosed that they intended to use the proceeds of $100.0 million from the issuance of approximately 4.5 million common shares for general corporate purposes. As disclosed in the prospectus supplement, the Company has used the proceeds from that financing for general corporate purposes over the past twelve months, including for costs related to the acquisition and integration of SEMAFO, as well as general corporate costs.

# 8. NON-GAAP MEASURES

This Management Report as well as the Company's other disclosures contain multiple non-GAAP measures, which the Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use to assess the performance of the Company. These do not have a standard meaning and are intended to provide additional information which are not necessarily comparable with similar measures used by other companies and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The definitions of these measures, and the reconciliation to the amounts presented in the condensed interim consolidated financial statements, and the reasons for these measures are included below. The non-GAAP measures are consistent with those presented previously and there have been no changes to the bases of calculation, except with respect to the determination of free cash flows, the definition of which has been changed to be more consistent with our peers and reflective of how management evaluates the free cash flows of the Company.

## 8.1. EBITDA AND ADJUSTED EBITDA

The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use the earnings before interest, tax, depreciation and amortisation ("EBITDA") and the adjusted earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA") to evaluate the Company's performance and ability to generate cash flows and service debt. The following tables provide the illustration of the calculation of this margin, for the three months and year ended 31 December 2021 and 31 December 2020.

*Table 23: EBITDA and Adjusted EBITDA*

| | THREE MONTHS ENDED | | YEAR ENDED | |
|---|---|---|---|---|
| ($m) | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| (Loss)/Earnings before taxes | (104.1) | 121.1 | 424.1 | 219.5 |
| Add back: Depreciation and depletion | 201.6 | 93.0 | 648.7 | 261.2 |
| Add back: Finance costs | 25.4 | 13.3 | 66.1 | 48.8 |
| **EBITDA from continuing operations** | **122.9** | **227.4** | **1,138.9** | **529.5** |
| Add back: Acquisition and restructuring costs | 1.0 | 13.6 | 29.5 | 39.8 |
| Add back: Impairment charge of mineral interests | 259.4 | 64.5 | 259.4 | 64.5 |
| Add back: (Gain)/loss on financial instruments | (15.6) | (22.5) | (22.9) | 78.7 |
| Add back: Other expense/(income) | 2.1 | 14.0 | 16.0 | (9.3) |
| Add back: Non-cash and other adjustments[1] | 1.3 | 32.0 | 85.4 | 68.0 |
| **Adjusted EBITDA from continuing operations** | **371.1** | **329.0** | **1,506.3** | **771.2** |

*[1] Non-cash and other adjustments mainly relate to non-cash fair value adjustments to inventory associated with the purchase price allocation of SEMAFO and Teranga as well as the listing fees associated with listing on the London Stock Exchange. Non-cash and other adjustment have been included in the Adjusted EBITDA as they are non-recurring items which are not reflective of the Company's on-going operations, as well as to be consistent with calculation of Adjusted earnings.*

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

The Company reports cash costs and all-in sustaining costs based on ounces of gold sold. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors may find this information useful to evaluate the costs of production per ounce. The following table provides a reconciliation of cash costs per ounce of gold sold, for the three months and year ended 31 December 2021 and 31 December 2020.

*Table 24: Cash Costs*

| | THREE MONTHS ENDED | | YEAR ENDED | |
|---|---|---|---|---|
| ($m except ounces sold) | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| Operating expenses from mine operations | (249.7) | (203.7) | (1,062.9) | (574.8) |
| Royalties | (44.9) | (38.3) | (175.7) | (98.7) |
| Non-cash and other adjustments | (0.1) | 32.0 | 72.8 | 68.0 |
| **Cash costs from continuing operations** | **(294.7)** | **(210.0)** | **(1,165.8)** | **(605.5)** |
| Gold ounces sold from continuing operations | 390,047 | 300,622 | 1,566,758 | 808,806 |
| **Total cash cost per ounce of gold sold from continuing operations** | **756** | **699** | **744** | **749** |
| Cash costs from discontinued operations | — | (27.2) | (15.7) | (95.3) |
| **Total cash costs from all operations** | **(294.7)** | **(237.2)** | **(1,181.5)** | **(700.8)** |
| Gold ounces sold from all operations | 390,047 | 327,774 | 1,580,803 | 913,727 |
| **Total cash cost per ounce of gold sold from all operations** | **756** | **724** | **747** | **767** |

The Company is reporting all-in sustaining costs per ounce sold. This non-GAAP measure provides investors with transparency regarding the total cash cost of producing an ounce of gold in each period, including those capital expenditures that are required for sustaining the on-going operation of the mines.

*Table 25: All-In Sustaining Costs*

| | THREE MONTHS ENDED | | YEAR ENDED | |
|---|---|---|---|---|
| ($m except ounces sold) | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| Total cash costs for ounces sold from continuing operations | (294.7) | (210.0) | (1,165.8) | (605.5) |
| Corporate G&A[1] | (18.9) | (8.4) | (49.9) | (23.7) |
| Sustaining Capital | (43.2) | (15.9) | (167.0) | (60.9) |
| All-in sustaining costs from continuing operations | (356.8) | (234.3) | (1,382.7) | (690.1) |
| Gold ounces sold | 390,047 | 300,622 | 1,566,758 | 808,806 |
| **All-in sustaining costs per ounce sold from continuing operations** | **915** | **779** | **883** | **853** |
| **Including discontinued operations** | | | | |
| All in sustaining costs from Agbaou | — | (29.0) | (15.9) | (107.8) |
| **All-in sustaining costs from all operations** | (356.8) | (263.3) | (1,398.6) | (797.9) |
| Gold ounces sold | 390,047 | 327,774 | 1,580,803 | 913,727 |
| **All-in sustaining cost per ounce sold from all operations** | **915** | **803** | **885** | **873** |

[1]*Corporate G&A costs included in the calculation for all-in sustaining costs has been adjusted to exclude expenses associated to listing on the LSE of $1.4 million for the three months and $12.6 million for the year ended 31 December 2021.*

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

*Table 26: Sustaining and Non-Sustaining Capital*

| | THREE MONTHS ENDED | | YEAR ENDED | |
|---|---|---|---|---|
| ($m) | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| Expenditures on mining interests | 132.3 | 83.9 | 522.8 | 249.7 |
| Non-sustaining capital expenditures[1] | (58.1) | (39.5) | (214.7) | (105.3) |
| Non-sustaining exploration | (19.2) | (23.2) | (77.7) | (63.3) |
| Growth projects | (11.8) | (3.5) | (63.2) | (7.7) |
| **Sustaining Capital[1]** | **43.2** | **17.7** | **167.2** | **73.4** |

[1]*Non-sustaining and sustaining capital expenditures include amounts incurred at the Agbaou mine.*

*Table 27: Consolidated Sustaining Capital*

| | THREE MONTHS ENDED | | YEAR ENDED | |
|---|---|---|---|---|
| ($m) | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| Boungou | 1.6 | 1.2 | 18.1 | 1.7 |
| Houndé | 13.9 | 7.2 | 49.1 | 37.1 |
| Ity | 6.1 | 3.3 | 24.0 | 8.9 |
| Karma | 0.1 | 0.8 | 0.6 | 5.0 |
| Mana | 2.4 | 3.5 | 12.6 | 8.2 |
| Sabodala-Massawa | 14.3 | — | 50.3 | — |
| Wahgnion | 4.8 | — | 12.3 | — |
| **Sustaining capital from continuing operations** | **43.2** | **16.0** | **167.0** | **60.9** |
| Agbaou | — | 1.7 | 0.2 | 12.5 |
| **Sustaining capital from all operations** | **43.2** | **17.7** | **167.2** | **73.4** |

*Table 28: Consolidated Non-Sustaining Capital*

| | THREE MONTHS ENDED | | YEAR ENDED | |
|---|---|---|---|---|
| ($m) | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| Boungou | 9.0 | 1.1 | 22.9 | 1.9 |
| Houndé | 6.8 | 4.8 | 17.1 | 19.7 |
| Ity | 10.9 | 12.0 | 35.3 | 37.4 |
| Karma | 1.7 | 2.8 | 4.8 | 10.4 |
| Mana | 6.9 | 17.6 | 63.3 | 27.6 |
| Sabodala-Massawa | 14.1 | — | 34.0 | — |
| Wahgnion | 7.2 | — | 27.5 | — |
| Non-mining | 3.8 | 2.0 | 9.8 | 6.2 |
| **Non-sustaining capital from continuing operations** | **60.4** | **40.3** | **214.7** | **103.2** |
| Agbaou | — | 0.5 | 0.0 | 1.4 |
| **Non-sustaining capital from all operations** | **60.4** | **40.8** | **214.7** | **104.6** |

## 8.3. ADJUSTED NET EARNINGS AND ADJUSTED NET EARNINGS PER SHARE

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

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

*Table 29: Adjusted Net Earnings*

| | THREE MONTHS ENDED | | YEAR ENDED | |
|---|---|---|---|---|
| ($m except per share amounts) | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| Total net and comprehensive (loss)/earnings | (109.4) | 29.2 | 275.8 | 112.5 |
| Net loss from discontinued operations | — | 44.3 | 3.7 | 21.8 |
| Acquisition and restructuring costs | 1.0 | 13.6 | 29.5 | 39.8 |
| Impairment charge on mineral interests | 259.4 | 64.5 | 259.4 | 64.5 |
| (Gain)/loss on financial instruments | (15.6) | (22.5) | (22.9) | 78.7 |
| Other expenses/(income) | 2.1 | 14.0 | 16.0 | (9.3) |
| Non-cash and other adjustments[1] | 1.3 | 32.0 | 85.4 | 68.0 |
| **Adjusted net earnings[2]** | **138.8** | **175.1** | **646.9** | **376.0** |
| **Attributable to non-controlling interests** | **(6.6)** | **20.7** | **69.7** | **52.9** |
| **Attributable to shareholders of the Company** | **145.4** | **154.4** | **577.2** | **323.1** |
| Weighted average number of shares issued and outstanding | 249.2 | 163.0 | 240.1 | 137.0 |
| **Adjusted net earnings from continuing operations per basic share** | **0.58** | **0.95** | **2.40** | **2.36** |

*[1] Non-cash and other adjustments mainly relate to non-cash fair value adjustments to inventory associated with the purchase price allocation of SEMAFO and Teranga as well as the listing fees associated with listing on the London Stock Exchange.*

*[2] The Adjusted net earnings figure for FY-2021 has been restated to exclude the impact of deferred income taxes and share-based compensation in the adjusted earnings figure in order to increase consistency of this calculation with peer companies, and ensure consistency of the adjustments with the Company's other adjusted metrics (Adjusted EBITDA). These items are not excluded from adjusted earnings as they are not considered non-recurring to the Group's operations.*

## 8.4. OPERATING CASH FLOW PER SHARE

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

*Table 30: Operating Cash Flow (OCF) and Operating Cash Flow (OCF) per share*

| | THREE MONTHS ENDED | | YEAR ENDED | |
|---|---|---|---|---|
| ($m except per share amounts) | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| **Operating cash flow** | | | | |
| **Cash generated from operating activities by continuing operations** | **355.9** | **375.2** | **1,174.9** | **710.5** |
| Changes in working capital from continuing operations | (39.5) | (86.6) | (8.2) | (81.9) |
| **Operating cash flows before working capital from continuing operations** | **316.4** | **288.6** | **1,166.7** | **628.6** |
| Divided by weighted average number of outstanding shares, in thousands | 249.2 | 163.0 | 240.1 | 137.0 |
| **Operating cash flow per share from continuing operations** | **$ 1.43** | **$ 2.30** | **$ 4.89** | **$ 5.19** |
| **Operating cash flow per share before working capital from continuing operations** | **$ 1.27** | **$ 1.77** | **$ 4.86** | **$ 4.59** |

## 8.5. NET CASH/ADJUSTED EBITDA RATIO

The Company is reporting net cash and net cash/Adjusted EBITDA LTM ratio. This non-GAAP measure provides investors with transparency regarding the liquidity position of the Company. It is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The calculation of net cash is shown in table 21. The following table explains the calculation of net cash/Adjusted EBITDA LTM ratio using the last twelve months of Adjusted EBITDA.

*Table 31: Net Cash/ Adjusted EBITDA LTM ratio*

| ($m) | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Net cash | (76.2) | (74.7) |
| Trailing twelve month Adjusted EBITDA[1] | 1,506.3 | 771.2 |
| **Net cash / Adjusted EBITDA LTM ratio** | **(0.05)** | **(0.10)** |

[1] *Trailing twelve month Adjusted EBITDA is calculated using Adjusted EBITDA as reported in prior periods for each quarter prior to Q4-2021 adjusted to exclude results of discontinued operations and for the effects of retrospective PPA adjustments.*

## 8.6. RETURN ON CAPITAL EMPLOYED

The Company uses Return on Capital Employed ("ROCE") as a measure of long-term operating performance to measure how effectively management utilises the capital it has been provided. The calculation of ROCE, expressed as a percentage, is Adjusted EBIT (based on Adjusted EBITDA as per table 23 adjusted to include Adjusted EBITDA from discontinued operations) divided by the average of the opening and closing capital employed for the twelve months preceding the period end. Capital employed is the total assets less current liabilities.

*Table 32: Return on Capital Employed*

| | TRAILING TWELVE MONTHS | |
|---|---|---|
| ($m unless otherwise stated) | 31 December 2021 | 31 December 2020 |
| Adjusted EBITDA[1] | 1,515.8 | 860.4 |
| Depreciation and amortisation | (648.7) | (299.5) |
| **Adjusted EBIT (A)** | **867.1** | **560.9** |
| **Opening Capital employed (B)** | **3,346.7** | **1,604.8** |
| Total Assets | 6,770.9 | 3,869.1 |
| Current Liabilities | (567.1) | (522.4) |
| **Closing Capital employed (C)** | **6,203.8** | **3,346.7** |
| **Average Capital Employed (D)=(B+C)/2** | **4,775.3** | **2,475.8** |
| **ROCE (A)/(D)** | **18%** | **23%** |

[1] *Adjusted EBITDA has been calculated to include the Adjusted EBITDA from discontinued operations.*

# 9. QUARTERLY AND ANNUAL FINANCIAL AND OPERATING RESULTS

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

*Table 33: 2021 Quarterly Key Performance Indicators*

| | FOR THE THREE MONTHS ENDED | | | |
|---|---|---|---|---|
| ($m except ounces sold) | 31 December 2021 | 30 September 2021 | 30 June 2021 | 31 March 2021 |
| Gold ounces sold | 390,047 | 392,432 | 420,761 | 363,518 |
| Revenue | 697.2 | 691.7 | 753.4 | 635.8 |
| Operating cash flows from continuing operations | 355.9 | 311.9 | 300.5 | 206.7 |
| Earnings from continuing mine operations | 201.0 | 234.5 | 270.5 | 184.9 |
| Net comprehensive (loss)/earnings | (109.4) | 136.4 | 150.9 | 98.0 |
| Net comprehensive earnings/(loss) from discontinued operations | — | — | — | (3.7) |
| Net (loss)/earnings from continuing operations attributable to shareholders | (102.8) | 117.5 | 128.7 | 77.5 |
| Net loss from discontinued operations attributable to shareholders | — | — | — | (5.2) |
| Basic (loss)/earnings per share from continuing operations | (0.41) | 0.47 | 0.51 | 0.37 |
| Diluted (loss)/earnings per share from continuing operations | (0.41) | 0.47 | 0.51 | 0.37 |
| Basic (loss)/earnings per share from all operations | (0.41) | 0.47 | 0.51 | 0.35 |
| Diluted (loss)/earnings per share from all operations | (0.41) | 0.47 | 0.51 | 0.35 |

*Table 34: 2020 Quarterly Key Performance Indicators*

| | FOR THE THREE MONTHS ENDED | | | |
|---|---|---|---|---|
| ($m except ounces sold) | 31 December 2020 | 30 September 2020 | 30 June 2020 | 31 March 2020 |
| Gold ounces sold | 300,622 | 236,292 | 124,761 | 147,131 |
| Revenue | 553.4 | 434.8 | 209.6 | 226.3 |
| Operating cash flows from continuing operations | 374.5 | 182.7 | 53.5 | 99.9 |
| Earnings from continuing mine operations | 218.4 | 123.2 | 75.6 | 72.2 |
| Net comprehensive earnings/(loss) | 29.3 | 70.2 | (22.6) | 35.5 |
| Net comprehensive (loss)/earnings from discontinued operations | (44.3) | 6.6 | 7.9 | 8.0 |
| Net earnings/(loss) from continuing operations attributable to shareholders | 64.6 | 52.4 | (41.2) | 19.4 |
| Net (loss)/earnings from discontinued operations attributable to shareholders | (42.4) | 9.0 | 4.0 | 6.6 |
| Basic earnings/(loss) per share from continuing operations | 0.40 | 0.32 | (0.37) | 0.18 |
| Diluted earnings/(loss) per share from continuing operations | 0.40 | 0.32 | (0.37) | 0.18 |
| Basic earnings/(loss) per share from all operations | 0.14 | 0.38 | (0.34) | 0.24 |
| Diluted earnings/(loss) per share from all operations | 0.14 | 0.38 | (0.34) | 0.24 |

*Table 35: Annual Key Performance Indicators*[1]

| | FOR THE YEAR ENDED | | |
|---|---|---|---|
| ($m except ounces sold) | 31 December 2021 | 31 December 2020 | 31 December 2019 |
| Gold ounces sold | 1,566,758 | 808,806 | 511,749 |
| Revenue | 2,778.1 | 1,424.1 | 694.8 |
| Operating cash flows from continuing operations | 1,174.9 | 710.6 | 205.5 |
| Operating cash flows from discontinued operations | (8.8) | 38.4 | 96.4 |
| Earnings/(Loss) from continuing operations | 483.3 | 337.6 | (27.5) |
| Net and comprehensive earnings/(loss) from continuing operations | 279.5 | 134.1 | (160.0) |
| Net and comprehensive (loss)/earnings from discontinued operations | (3.7) | (21.8) | 18.8 |
| Net earnings/(loss) from continuing operations attributable to shareholders | 220.7 | 95.2 | (174.5) |
| Net earnings/(loss) attributable to shareholders | 215.5 | 72.5 | (163.7) |
| Basic earnings/(loss) per share from continuing operations | 0.92 | 0.69 | (1.59) |
| Diluted earnings/(loss) per share from continuing operations | 0.91 | 0.69 | (1.59) |
| Basic earnings/(loss) per share | 0.90 | 0.53 | (1.49) |
| Diluted earnings/(loss) per share | 0.89 | 0.53 | (1.49) |
| Total assets | 6,770.9 | 3,881.7 | 1,872.8 |
| Total long term liabilities (excluding deferred taxes) | 1,145.8 | 792.7 | 738.3 |
| Total attributable shareholders' equity | 3,921.5 | 2,057.0 | 717.9 |
| Adjusted net earnings per share[2] | 2.40 | 2.28 | 0.33 |

[1] *Prior year figures for continuing operations have been adjusted to exclude Agbaou.*
[2] *The adjusted net earnings per share is inclusive of the prior period tax adjustment included in the 31 December 2018 adjusted earnings per share.*

# 10. PRINCIPAL RISKS AND UNCERTAINTIES

Readers of this Management Report should consider the information included in the Company's consolidated financial statements and related notes for the year ended 31 December 2021. The nature of the Company's activities and the locations in which it works mean that the Company's business generally is exposed to significant risk factors, many of which are beyond its control. The Company examines the various risks to which it is exposed and assesses any impact and likelihood of those risks. For discussion on all the risk factors that affect the Company's business generally, please refer to the prospectus prepared as part of the admission to the premium listing segment of the Official List and to trading on the Main Market of the London Stock Exchange (the "Prospectus") and which is available on its website, www.endeavourmining.com, Endeavour Mining Corporation's most recent Annual Information Form filed on SEDAR at www.sedar.com. The risks that affect the consolidated financial statements specifically, and the risks that are reasonably likely to affect them in the future which are incorporated by reference in this Management Report, are set out below.

## Principal risks

***Security risk***

Our people, contractors and suppliers face the risk of terrorism, kidnapping, extortion and harm due to insecurity in some of the jurisdictions in which we operate. We face the risk of restricted access to operations and projects and theft of assets. The influence of terrorist organisations and other criminal elements and general lawlessness in some of the countries in which we operate make working in these areas particularly risky for us. The risk of terrorism could reduce our ability to carry out the exploration activities required to replace depleted resources and extend mine life, reduce our ability to resupply, or increase the cost of resupplying, our mines, and may impact the value of our assets.

***Geopolitical risk***

We operate and own assets in countries in Western Africa, some of which are categorised as developing, complex or having unstable political or social climates. As a result, we are exposed to a wide range of political, economic, regulatory, social and tax environments. Our operations may also be affected by political and economic instability, including terrorism, civil disturbance, crime, and social disruption. Political and economic conditions could change, with future governments adopting different laws or policies that may affect the cost of our operations or the manner in which we conduct them, as well as exchange rates and our ability to repatriate capital, procure key supplies internationally and export gold. Aggressive interpretation and enforcement of tax codes by local tax authorities has led to more tax audits and in some cases disputes with our host governments. Adverse actions by governments can also result in operational and or project delays or the loss of critical permits.

Geopolitical risk in the countries where we operate could affect our credit rating, which in turn could increase our cost of borrowing and free cash flow and result in lower levels of capital investment and production. The continued operation of our existing assets and future plans depend in part on our ability to secure and maintain key permits. The suspension or loss of key permits could have a material impact on our ability to execute our mine plans and shorten mine life.

Policies and laws in the countries in which we operate may change in a manner that may negatively affect the Group. Failure to be up-to-date with any changes in the government or changes in government policy could result in inability to respond and adapt to political and policy changes and social disruption. All of these factors could, therefore, affect the long-term viability of our business.

***Commodity price risk***

Our business is heavily dependent on the price of gold. Commodity prices can fluctuate significantly on a daily basis and are affected by numerous factors beyond our control including global supply and demand, the monetary policies employed by central banks, interest rates and investor sentiment. Any decline in our realised prices adversely impacts our revenues, net income and operating cash flows, thereby limiting shareholder returns. Falling gold prices may also trigger impairments, impact our credit rating and halt or delay the development of new projects.

***Supply chain macroeconomic risk***

Operations may be affected by the Group's potential inability to source and receive critical materials and services. Supply chains are subject to a number of risks not wholly within the Group's control, including: terrorism, political instability leading to the closing of borders, exchange rate fluctuation, inflation and changes in law (including increased environmental standards, international sanctions and local content requirements). Any disruption to supply chains could impact production, may require unplanned expenditure and could negatively impact cash flows. The Group is monitoring the impact of the current Russia-Ukraine conflict on global supply chains and the effect on energy and commodity prices.

***Community relations risk***

We are cognisant that our activities have both a positive and a negative impact on the local communities in which we work and on society as a whole. A perception that we are not respecting human rights or generating local sustainable benefits could have a negative impact on our "social licence to operate" and our ability to secure new resources and result in production disruptions and an increase in operating costs. The consequences of adverse community relations or allegations of human rights incidents could also adversely affect the cost, profitability, ability to finance or even the viability of an operation, as well as the safety and security of our workforce and assets. Local events could escalate to disputes with regional or national governments, as well as with other stakeholders, and potentially result in reputational damage and social instability that may affect the perceived and real value of our assets.

*Operational performance risk*

The Group's projects and existing operations may fail to achieve or maintain planned production levels. Operations are subject to a number of risks not wholly within the Group's control, including: pandemic, extreme weather or other natural phenomena; geological and technological challenges; loss or interruption to key supplies such as electricity and water; damage to or failure of equipment and infrastructure; information technology and cybersecurity risks; and the availability of vital services.

*Capital projects risk*

The pursuit of advanced project development opportunities is essential to meeting our strategic goals. However, projects may fail to achieve desired economic returns due to: an inability to recover mineral resources; a design or construction inadequacy; a failure to achieve expected operating parameters; capital or operating costs being higher than expected. Failure to manage new projects effectively or a lack of available financing may prevent or delay the completion of projects.

*Talent risk*

The expertise and skills of our people are key to our success. Failure to select, recruit, retain and engage the people we need could have an impact on our operations or the successful implementation of growth projects, potentially increasing the cost of recruiting adequate people.

*Cybersecurity risk*

Companies are becoming more vulnerable to cyber threats due to the increasing reliance on computers, networks, programs, digital technology, social media and data globally. A data breach, cyber-attack or failure of Endeavour's IT system could have a negative impact on the business and cause reputational damage and financial and legal exposure for the Group.

Although Endeavour invests heavily to monitor, maintain, and regularly upgrade its systems, there remains a risk that we may be unable to prevent, detect, and respond to cyber-attacks in a timely manner.

*Environmental risk*

Mining operations are inherently hazardous with the potential to cause environmental damage, illness or injury and disruption to communities. Major hazards include process safety, surface mining and tailings storage. The Group is subject to environmental compliance obligations which are continually developing. Failure to comply could lead to reputational damage, the imposition of financial penalties and the suspension of operating licences. As environmental practices continue to face further scrutiny, this could affect the Group's operations or access to capital.

*Regulatory compliance risk*

The Group is exposed to various legal and regulatory requirements across all its jurisdictions. Legislation may be subject to change, whilst uncertainty of interpretation, application and enforcement may result in failure to comply with legal requirements. Non-compliance with legislation could result in regulatory challenges, fines, litigation and, ultimately, the loss of operating licences.

As the Group has assets in Western Africa and operates in international markets, we are particularly exposed to the risks of fraud, corruption, sanctions breaches and other unlawful activities both internally and externally.

The Group may also be the subject of legal claims brought by private parties. Any successful claims brought against the Group could result in material damages being awarded against the Group.

## Other risks

The Group'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 Group 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 Group 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 Group 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 Group deems the credit risk on its cash to be low. At 31 December 2021 1% of the Group's cash balances were invested in AA rated financial institutions (2020: 16%), 76% in A rated financial institutions (2020: 45%), 7% in B rated financial institutions (2020: 1%), 14% in BB rated institutions (2020: 31%) and 3% in unrated financial institutions (2020: 7%).

The Group closely monitors its financial assets (excluding cash) and does not have any significant concentration of credit risk other than receivable balances owed from the governments in the countries the Group operates in and its other receivables of $14.6 million due from third parties.

The Group has a receivable of $5.9 million from Allied, who acquired the Agbaou mine in March 2021, which has not yet been repaid at 31 December 2021. Management monitors the results of Allied to evaluate the ability of the counterparty to repay the amount. In addition, the Group has an investment in shares of Allied which a value of $40.0 million at 31 December 2021, and has the option to sell the shares back to Allied and receive $40.0 million in cash. Management is monitoring Allied's results from operations to determine the fair value of the investment, as well as its ability to repay the receivable if the option to convert the shares into a receivable is exercised. The Group monitors the amounts outstanding from all 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 Group sells its gold to large international organisations 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 31 December 2021 is considered to be negligible. The Group 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:

*Table 36: Exposure to Credit Risk*

| ($m) | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Cash | 906.2 | 645.0 |
| Trade and other receivables | 104.8 | 55.1 |
| Other financial assets | 41.0 | 0.8 |
| Derivative financial assets | 25.1 | — |
| Marketable securities | 3.1 | — |
| Long-term receivable | 5.9 | — |
| Restricted Cash | 31.6 | 24.4 |
| | **1,117.7** | **725.3** |

*Liquidity risk*

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

*Currency risk*

Currency risk relates to the risk that the fair values or future cash flows of the Group's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs that the Group incurs in its operations. There has been no change in the Group's objectives and policies for managing this risk during the period ended 31 December 2021. The Group 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:

*Table 37: Net Assets in Foreign Currencies*

| ($m) | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Canadian dollar | (19.3) | 92.4 |
| CFA Francs | 451.4 | 175.9 |
| Euro | (14.7) | 0.6 |
| Other currencies | (0.4) | 13.3 |
| | **417.0** | **282.2** |

The effect on earnings before taxes as at 31 December 2021, 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 Group is estimated to be

$41.7 million (31 December 2020, $28.2 million), if all other variables remained constant. The calculation is based on the Group's statement of financial position as at 31 December 2021.

***Interest rate risk***

Interest rate risk is the risk that future cash flows from, or the fair values of, the Group's financial instruments will fluctuate because of changes in market interest rates. The Group 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 Group continually monitors its exposure to interest rates and is comfortable with its exposure given the relatively low short-term US interest rates and Secured Overnight Financing Rate ("SOFR").

***COVID-19 Pandemic risk***

The Company continues to actively monitor the impact of the COVID-19 pandemic, including the impact on economic activity and financial reporting. In response to health risks associated with the spread of COVID-19, the Group implemented a number of health and safety measures designed to protect employees and the local communities at its operations. Throughout the COVID-19 pandemic, the Group has monitored the impact that COVID-19 has had on its employees and contractors, in terms of potential health concerns, mobility to and from sites, as well as personal well-being. The Group has also monitored the impact on supply chain, infrastructure, as well as the ability to transport its gold for sale.

In the years ended 31 December 2021 and 2020, none of the Group's operations were suspended as a result of COVID-19. During the year ended 31 December 2021, the Company continued to incur costs attributable to the management of the pandemic, including those associated with additional personal protective equipment, higher travel and transportation costs, and community support. These costs were approximately $0.6 million in the year ended 31 December 2021 (2020 - $7.7 million) and are included corporate costs in the consolidated statement of comprehensive earnings. The impacts of COVID-19 on the Group's operations to date did not represent indicators of impairment for any of the Group's assets as at 31 December 2021 and 2020.

The extent to which COVID-19 may continue to impact the Group's operations will depend on future developments which are uncertain and cannot be predicted. These developments include, but are not limited to, the continued spread of COVID-19, increased severity of COVID-19, the emergence of any future variants of concern, the duration of the outbreak, and additional actions taken by the governments in the countries in which the Group operates to contain COVID-19.

As the pandemic continues to evolve, it remains difficult to predict the full extent and duration of the resulting operational and economic impacts for the Company, which may impact a number of future reporting periods. The Group will continue to monitor these and all other developments on the Group's operations and their impact on the Group's operations and economic activity.

# 11. CONTROLS AND PROCEDURES

## 11.1. DISCLOSURE CONTROLS AND PROCEDURES

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

Management evaluated the design and operating effectiveness of the Company's disclosure controls and procedures as required by Canadian Securities Law. Based on that evaluation, the CEO and CFO concluded that as of 31 December 2021, the disclosure controls and procedures were effective.

## 11.2. INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

As at December 31, 2021, management evaluated the effectiveness of the Company's internal control over financial reporting as required by Canadian securities laws.

Based on that evaluation of internal control over financial reporting, the CEO and CFO have concluded that, as at December 31, 2021, the internal controls over financial reporting were effective and able to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There have been no material changes in the Company's internal controls over financial reporting since the year ended 31 December 2020 that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

The Company assessed the Teranga mines' disclosure controls and procedures and internal control over financial reporting; however, in accordance with National Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, because the Teranga operations were acquired not more than 365 days before the end of 31 December 2021, the Company has limited the scope of its design of disclosure controls and procedures and internal controls over financial reporting to exclude the controls, policies and procedures of Teranga.

## 11.3. LIMITATIONS OF CONTROLS AND PROCEDURES

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

# APPENDIX A: DETAILED RESERVES AND RESOURCE

| *Resources shown inclusive of Reserves* | ON A 100% BASIS Tonnage (Mt) | Grade (Au g/t) | Content (Au koz) | ON AN ATTRIBUTABLE BASIS Tonnage (Mt) | Grade (Au g/t) | Content (Au koz) |
|---|---|---|---|---|---|---|
| **Boungou Mine (90% owned)** | | | | | | |
| Proven Reserves | 0.6 | 1.95 | 39 | 0.6 | 1.95 | 35 |
| Probable Reserves | 9.3 | 3.61 | 1,075 | 8.3 | 3.61 | 968 |
| **P&P Reserves** | **9.9** | **3.51** | **1,114** | **8.9** | **3.51** | **1,003** |
| Measured Resource (incl. reserves) | 0.6 | 2.04 | 40 | 0.6 | 2.04 | 36 |
| Indicated Resources (incl. reserves) | 10.5 | 3.95 | 1,336 | 9.5 | 3.95 | 1,202 |
| **M&I Resources (incl. reserves)** | **11.1** | **3.85** | **1,376** | **10.0** | **3.85** | **1,239** |
| Inferred Resources | 0.1 | 4.89 | 14 | 0.1 | 4.89 | 13 |
| **Houndé Mine (90% owned except 100% owned Golden Hill)** | | | | | | |
| Proven Reserves | 2.3 | 1.25 | 93 | 2.1 | 1.25 | 84 |
| Probable Reserves | 44.6 | 1.69 | 2,420 | 40.2 | 1.69 | 2,178 |
| **P&P Reserves** | **47.0** | **1.66** | **2,513** | **42.3** | **1.66** | **2,262** |
| Measured Resource (incl. reserves) | 2.4 | 1.24 | 97 | 2.2 | 1.24 | 87 |
| Indicated Resources (incl. reserves) | 101.5 | 1.55 | 5,067 | 92.6 | 1.56 | 4,636 |
| **M&I Resources (incl. reserves)** | **103.9** | **1.55** | **5,165** | **94.8** | **1.55** | **4,723** |
| Inferred Resources | 20.5 | 1.60 | 1,052 | 19.6 | 1.61 | 1,014 |
| **Ity Mine (85% owned except 100% owned Le Plaque)** | | | | | | |
| Proven Reserves | 11.9 | 0.89 | 338 | 10.1 | 0.89 | 287 |
| Probable Reserves | 51.2 | 1.61 | 2,641 | 43.9 | 1.61 | 2,273 |
| **P&P Reserves** | **63.0** | **1.47** | **2,979** | **54.0** | **1.47** | **2,560** |
| Measured Resource (incl. reserves) | 12.1 | 0.88 | 344 | 10.3 | 0.88 | 293 |
| Indicated Resources (incl. reserves) | 77.3 | 1.66 | 4,131 | 66.1 | 1.66 | 3,547 |
| **M&I Resources (incl. reserves)** | **89.5** | **1.56** | **4,475** | **76.5** | **1.56** | **3,840** |
| Inferred Resources | 27.1 | 1.47 | 1,279 | 23.1 | 1.47 | 1,088 |
| **Mana Mine (90% owned)** | | | | | | |
| Proven Reserves | 1.3 | 3.54 | 150 | 1.2 | 3.54 | 135 |
| Probable Reserves | 10.1 | 3.09 | 1,007 | 9.1 | 3.09 | 906 |
| **P&P Reserves** | **11.5** | **3.14** | **1,157** | **10.3** | **3.14** | **1,041** |
| Measured Resource (incl. reserves) | 7.5 | 1.48 | 359 | 6.8 | 1.48 | 323 |
| Indicated Resources (incl. reserves) | 30.1 | 1.99 | 1,928 | 27.1 | 1.99 | 1,735 |
| **M&I Resources (incl. reserves)** | **37.6** | **1.89** | **2,287** | **33.9** | **1.89** | **2,058** |
| Inferred Resources | 7.8 | 2.27 | 570 | 7.0 | 2.27 | 513 |
| **Sabodala-Massawa Complex (90% owned)** | | | | | | |
| Proven Reserves | 19.9 | 1.36 | 866 | 17.9 | 1.36 | 780 |
| Probable Reserves | 46.5 | 2.39 | 3,574 | 41.9 | 2.39 | 3,217 |
| **P&P Reserves** | **66.4** | **2.08** | **4,440** | **59.7** | **2.08** | **3,996** |
| Measured Resource (incl. reserves) | 21.2 | 1.32 | 900 | 19.1 | 1.32 | 810 |
| Indicated Resources (incl. reserves) | 88.9 | 2.09 | 5,977 | 80.0 | 2.09 | 5,379 |
| **M&I Resources (incl. reserves)** | **110.1** | **1.94** | **6,877** | **99.1** | **1.94** | **6,190** |
| Inferred Resources | 24.3 | 2.16 | 1,682 | 21.8 | 2.16 | 1,514 |
| **Wahgnion Mine (90% owned)** | | | | | | |
| Proven Reserves | 2.1 | 0.78 | 52 | 1.9 | 0.78 | 47 |
| Probable Reserves | 19.5 | 1.60 | 1,006 | 17.6 | 1.60 | 906 |
| **P&P Reserves** | **21.6** | **1.52** | **1,059** | **19.4** | **1.52** | **953** |
| Measured Resource (incl. reserves) | 2.3 | 0.82 | 60 | 2.1 | 0.82 | 54 |
| Indicated Resources (incl. reserves) | 38.4 | 1.52 | 1,879 | 34.6 | 1.52 | 1,692 |
| **M&I Resources (incl. reserves)** | **40.7** | **1.48** | **1,940** | **36.6** | **1.48** | **1,746** |
| Inferred Resources | 5.0 | 1.53 | 247 | 4.5 | 1.53 | 222 |
| **Bantou (90% owned except 81% owned Karankasso)** | | | | | | |
| Proven Reserves | — | — | — | — | — | — |
| Probable Reserves | — | — | — | — | — | — |
| **P&P Reserves** | — | — | — | — | — | — |
| Measured Resource (incl. reserves) | — | — | — | — | — | — |
| Indicated Resources (incl. reserves) | — | — | — | — | — | — |
| **M&I Resources (incl. reserves)** | — | — | — | — | — | — |
| Inferred Resources | 51.1 | 1.37 | 2,245 | 44.9 | 1.36 | 1,956 |

| *Resources shown inclusive of Reserves* | Tonnage (Mt) | Grade (Au g/t) | Content (Au koz) | Tonnage (Mt) | Grade (Au g/t) | Content (Au koz) |
|---|---|---|---|---|---|---|
| **Lafigué Project (80% owned)** | | | | | | |
| Proven Reserves | — | — | — | — | — | — |
| Probable Reserves | 48.7 | 1.70 | 2,662 | 39.0 | 1.70 | 2,130 |
| **P&P Reserves** | **48.7** | **1.70** | **2,662** | **39.0** | **1.70** | **2,130** |
| Measured Resource (incl. reserves) | — | — | — | — | — | — |
| Indicated Resources (incl. reserves) | 44.8 | 2.02 | 2,916 | 35.8 | 2.02 | 2,333 |
| **M&I Resources (incl. reserves)** | **44.8** | **2.02** | **2,916** | **35.8** | **2.02** | **2,333** |
| Inferred Resources | 3.6 | 2.35 | 269 | 2.8 | 2.35 | 215 |
| **Kalana Project (80% owned)** | | | | | | |
| Proven Reserves | — | — | — | — | — | — |
| Probable Reserves | 35.6 | 1.60 | 1,829 | 28.5 | 1.60 | 1,463 |
| **P&P Reserves** | **35.6** | **1.60** | **1,829** | **28.5** | **1.60** | **1,463** |
| Measured Resource (incl. reserves) | — | — | — | — | — | — |
| Indicated Resources (incl. reserves) | 46.0 | 1.57 | 2,318 | 36.8 | 1.57 | 1,854 |
| **M&I Resources (incl. reserves)** | **46.0** | **1.57** | **2,318** | **36.8** | **1.57** | **1,854** |
| Inferred Resources | 4.6 | 1.67 | 245 | 3.6 | 1.67 | 196 |
| **Nabanga (90% owned)** | | | | | | |
| Proven Reserves | — | — | — | — | — | — |
| Probable Reserves | — | — | — | — | — | — |
| **P&P Reserves** | **—** | **—** | **—** | **—** | **—** | **—** |
| Measured Resource (incl. reserves) | — | — | — | — | — | — |
| Indicated Resources (incl. reserves) | — | — | — | — | — | — |
| **M&I Resources (incl. reserves)** | **—** | **—** | **—** | **—** | **—** | **—** |
| Inferred Resources | 3.4 | 7.69 | 841 | 3.1 | 7.69 | 757 |
| **Afema (51% owned)** | | | | | | |
| Proven Reserves | — | — | — | — | — | — |
| Probable Reserves | — | — | — | — | — | — |
| **P&P Reserves** | **—** | **—** | **—** | **—** | **—** | **—** |
| Measured Resource (incl. reserves) | — | — | — | — | — | — |
| Indicated Resources (incl. reserves) | 5.1 | 1.10 | 179 | 2.6 | 1.10 | 91 |
| **M&I Resources (incl. reserves)** | **5.1** | **1.10** | **179** | **2.6** | **1.10** | **91** |
| Inferred Resources | 3.4 | 1.05 | 116 | 1.7 | 1.05 | 59 |
| **Total - Endeavour Mining** | | | | | | |
| Proven Reserves | 38.1 | 1.26 | 1,539 | 33.7 | 1.26 | 1,368 |
| Probable Reserves | 265.6 | 1.90 | 16,215 | 228.4 | 1.91 | 14,040 |
| **P&P Reserves** | **303.6** | **1.82** | **17,753** | **262.1** | **1.83** | **15,408** |
| Measured Resource (incl. reserves) | 46.2 | 1.21 | 1,802 | 41.0 | 1.22 | 1,604 |
| Indicated Resources (incl. reserves) | 442.6 | 1.81 | 25,730 | 385.1 | 1.81 | 22,469 |
| **M&I Resources (incl. reserves)** | **488.8** | **1.75** | **27,532** | **426.1** | **1.76** | **24,073** |
| Inferred Resources | 150.8 | 1.77 | 8,560 | 132.2 | 1.76 | 7,489 |

The mineral Reserves and Resources were estimated as at 31 December 2021 in accordance with the provisions adopted by the Canadian Institute of Mining Metallurgy and Petroleum (CIM) and incorporated into the NI 43-101. The Qualified Persons responsible for the mineral Reserve and Resource estimates are detailed in the following tables.

## MINERAL RESOURCES

| QUALIFIED PERSON | POSITION | PROPERTY/DEPOSIT |
|---|---|---|
| Kevin Harris, CPG | VP Resources, Endeavour Mining plc | Ity (Colline Sud, Le Plaque, Mont Ity/Flat/Walter, Bakatouo, Verse Ouest, Teckraie, Aires, West Flotouo, Yopleu); Hounde (Dohoun, Kari Pump), Sabodala/ Massawa, Wahgnion; Afema |
| Helen Oliver, FGS, CGeol | Group Resource Geologist, Endeavour Mining plc | Hounde (Kari West, Kari Center-South, Vindaloo South, Dafra); Kalana (Kalanko); Mana (Maoula) |
| Joseph Hirst, FGS, CGeol. | Group Resource Geologist, Endeavour Mining plc | Mana (Wona-Kona UG, Siou UG, Boungou, Massawa (Sofia North Extension) |
| Patti Nakai-Lajoie, P.Geo. | VP Mine Geology and Grade Control, Endeavour Mining plc | Golden Hill |
| Michel Plasse, P.Geo | Group Manager, OP Geology and Reconciliation Support, Endeavour Mining plc | Mana (Wona-Kona OP), Fifina, Yaho, Filon 67, Fobiri, Yama, Nabanga, Bantou |
| Mark Zammit, MAIG | Principal, Cube Consulting Pty Ltd | Ity (Daapleu, Gbeitouo), Hounde (Vindaloo) |
| Dr. Lucy Roberts, AusIMM (CP) | Principal Consultant, SRK Consulting (UK) Ltd | Lafigué |
| Paul Blackney, MAusIMM, MAIG | Principal Consultant, Optiro Pty Limited | Kalana Project |

## MINERAL RESERVES

| QUALIFIED PERSON | POSITION | PROPERTY/DEPOSIT |
|---|---|---|
| Salih Ramazan, FAusIMM | Vice President, Mine Planning, Endeavour Mining plc | Ity, Houndé, Karma, Sabodala-Massawa (OP), Boungou and Wahgnion |
| Sam Myers, MIMM | Manager, Mining, Endeavour Mining plc | Mana |
| Bryan Pullman, P.Eng | Principal Mining Engineer – Mining Advisory, SLR (UK) | Sabodala UG |
| Francois Taljaard | Principal Consultant, Mining Engineering, SRK Consulting (UK) Ltd | Lafigué |
| Allan Earl, FAusIMM | Executive Consultant, Snowden Mining Industry Consultants (Pty) Ltd | Kalana Project |

1. The mineral resources and reserves have been estimated and reported in accordance with Canadian National Instrument 43-101, 'Standards of Disclosure for Mineral Projects' and the Definition Standards adopted by CIM Council in May 2014.
2. Mineral resources that are not mineral reserves have not demonstrated economic viability.
3. All mineral resources are reported inclusive of mineral reserves.
4. Tonnages are rounded to the nearest 100,000 tonnes; gold grades are rounded to one decimal place; ounces are rounded to the nearest 1,000oz. Rounding may result in apparent differences between tonnes, grade and contained metal.
5. Tonnes and grade measurements are in metric units; contained gold is in troy ounces.
6. Processing recoveries vary at each pit by many factors including material types, mineralogy and chemistry of the ore. The overall average recoveries are around 89% at Sabodala, 91% at Houndé, 86% at Ity, 95% at Boungou, 88% at Mana and 92% at Wahgnion. The average processing recoveries at the development project's Lafigué and Kalana are 95% and 91% respectively.
7. A mining permit application was submitted for the Golden Hill property, but the Company subsequently requested a withdrawal of that application in order to submit an exploration permit application. The prior exploration permit has expired. The Company has received confirmation from the Ministry of Mines on March 4, 2022 stating that they have received the Company's request.
8. The reporting of mineral reserves and resources are based on a gold price as detailed below:

| Au Price $/Oz | BOUNGOU | HOUNDÉ | ITY | KARMA | MANA | SABODALA-MASSAWA | WAHGNION | LAFIGUÉ | KALANA |
|---|---|---|---|---|---|---|---|---|---|
| 2021 Reserves | 1,300 | 1,300 | 1,300 | 1,300 | UG & OP 1,300 | 1,300 | 1,300 | 1,300 | 1,500 |
| 2020 Reserves | 1,300 | 1,300 | 1,300 | 1,300 | UG at 1,300<br>OP at 1,500 | UG at 1,200<br>OP at 1,300 | 1,300 | 1,500 | 1,500 |
| 2021 Resources | 1,500 | 1,500<br>1,800[1] | 1,500 | 1,500 | UG at 1,500<br>OP at 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| 2020 Resources | 1,500 | 1500<br>1,800[1] | 1,500 | 1,500 | UG at 1,500<br>OP at 1,700 | 1,500 | 1,500 | 1,500 | 1,500 |

*1 Golden Hill resources, within the Houndé mine resources are at a Gold Price of $1,800 per ounce. Cut-off grades for the resources are as follows:*

- *a. Hounde: at 0.50g/t Au*
- *b. Ity at 0.50g/t Au except ZiaNE which is at 0.30g/t Au*
- *c. Sabodala-Massawa: open pit from 0.31g/t to 1.00g/t Au. Underground from 2.00g/t to 2.84g/t Au*
- *d. Boungou: oxide at 0.91g/t Au, transition at 0.91g/t Au, sulphide at 1.09 g/t Au*
- *e. Mana: open pit for oxide at 0.41g/t Au to 0.56g/t Au, for transitional 0.44g/t Au to 0.69 g/t Au, and sulphide at 0.72g/t Au to 2.54g/t Au*
- *f. Wahgnion: from 0.35g/t Au to 0.60g/t Au*
- *g. Lafigué: oxide at 0.40g/t Au, transitional and fresh at 0.50g/t Au*
- *h. Kalana: all 0.50g/t Au*
- *i. Bantou: from 0.43g/t Au to 0.86g/t Au*
- *j. Nabanga: at 3.00g/t Au*
- *k. Afema: at 0.50g/t Au*
- *l. Golden Hill: from 0.49g/t to 0.55g/t Au*

*Cut-off grades for the reserves are as follows:*

- *a. Houndé: oxide: 0.40g/t Au to 0.60g/t Au; transitional: 0.50g/t Au to 0.60g/t Au; fresh: 0.60g/t Au to 0.70g/*
- *b. Ity: oxide: 0.40g/t Au to 0.50g/t Au; transitional: 0.40g/t Au to 0.80g/t Au; fresh: 0.40g/t Au to 0.80g/t Au*
- *c. Sabodala Open Pit WOLP: oxide: 0.50/t Au to 0.60g/t Au; transitional: 0.60g/t Au to 0.80g/t Au; fresh: 0.60g/t Au to 0.70g/t Au. SLP: 1.20g/t Au*
- *d. Sabodala UG: 2.82g/t Au*
- *e. Boungou: oxide: 1.20g/t Au; transitional: 1.30g/t Au; fresh: 1.30g/t Au*
- *f. Mana OP: oxide: 0.50g/t Au; transitional: 0.60g/t Au; fresh: 1.20g/t Au. UG: Siou: 2.50g/t Au; Wona: 2.30g/t Au*
- *g. Wahgnion: oxide: 0.40g/t Au to 0.50g/t Au; transitional: 0.50g/t Au to 0.60g/t Au; fresh: 0.60g/t Au to 0.70g/t Au*
- *h. Lafigué: 0.40g/t Au*
- *i. Kalana: oxide: 0.40g/t Au; transitional: 0.60g/t Au; fresh: 0.60g/t Au*

## RESERVES AND RESOURCES: YEAR-OVER-YEAR COMPARISON

| | As at 31 December 2021 | | | As at 31 December 2020 | | |
|---|---|---|---|---|---|---|
| *Resources shown inclusive of Reserves, on a 100% basis* | Tonnage (Mt) | Grade (Au g/t) | Content (Au koz) | Tonnage (Mt) | Grade (Au g/t) | Content (Au koz) |
| **Boungou Mine (90% owned)** | | | | | | |
| Proven Reserves | 0.6 | 1.95 | 39 | 1.7 | 3.83 | 213 |
| Probable Reserves | 9.3 | 3.61 | 1,075 | 6.8 | 3.60 | 791 |
| **P&P Reserves** | **9.9** | **3.51** | **1,114** | **8.6** | **3.65** | **1,004** |
| Measured Resource (incl. reserves) | 0.6 | 2.04 | 40 | 1.9 | 3.89 | 244 |
| Indicated Resources (incl. reserves) | 10.5 | 3.95 | 1,336 | 12.5 | 3.23 | 1,295 |
| **M&I Resources (incl. reserves)** | **11.1** | **3.85** | **1,376** | **14.4** | **3.32** | **1,538** |
| Inferred Resources | 0.1 | 4.89 | 14 | 0.8 | 3.03 | 82 |
| **Houndé Mine (90% owned except 100% owned Golden Hill)** | | | | | | |
| Proven Reserves | 2.3 | 1.25 | 93 | 2.6 | 1.26 | 104 |
| Probable Reserves | 44.6 | 1.69 | 2,420 | 43.7 | 1.76 | 2,480 |
| **P&P Reserves** | **47.0** | **1.66** | **2,513** | **46.3** | **1.74** | **2,584** |
| Measured Resource (incl. reserves) | 2.4 | 1.24 | 97 | 2.8 | 1.26 | 112 |
| Indicated Resources (incl. reserves) | 101.5 | 1.55 | 5,067 | 79.2 | 1.75 | 4,469 |
| **M&I Resources (incl. reserves)** | **103.9** | **1.55** | **5,165** | **82.0** | **1.74** | **4,581** |
| Inferred Resources | 20.5 | 1.60 | 1,052 | 18.3 | 1.69 | 999 |
| **Ity Mine (85% owned except 100% owned Le Plaque)** | | | | | | |
| Proven Reserves | 11.9 | 0.89 | 338 | 10.2 | 0.95 | 312 |
| Probable Reserves | 51.2 | 1.61 | 2,641 | 43.7 | 1.73 | 2,433 |
| **P&P Reserves** | **63.0** | **1.47** | **2,979** | **53.9** | **1.58** | **2,745** |
| Measured Resource (incl. reserves) | 12.1 | 0.88 | 344 | 11.6 | 0.95 | 354 |
| Indicated Resources (incl. reserves) | 77.3 | 1.66 | 4,131 | 65.6 | 1.62 | 3,407 |
| **M&I Resources (incl. reserves)** | **89.5** | **1.56** | **4,475** | **77.1** | **1.52** | **3,762** |
| Inferred Resources | 27.1 | 1.47 | 1,279 | 17.9 | 1.32 | 762 |
| **Mana Mine (90% owned)** | | | | | | |
| Proven Reserves | 1.3 | 3.54 | 150 | 5.7 | 3.18 | 578 |
| Probable Reserves | 10.1 | 3.09 | 1,007 | 8.6 | 3.05 | 839 |
| **P&P Reserves** | **11.5** | **3.14** | **1,157** | **14.2** | **3.10** | **1,418** |
| Measured Resource (incl. reserves) | 7.5 | 1.48 | 359 | 10.8 | 2.19 | 758 |
| Indicated Resources (incl. reserves) | 30.1 | 1.99 | 1,928 | 34.5 | 2.03 | 2,250 |
| **M&I Resources (incl. reserves)** | **37.6** | **1.89** | **2,287** | **45.2** | **2.07** | **3,009** |
| Inferred Resources | 7.8 | 2.27 | 570 | 10.2 | 2.14 | 701 |
| **Sabodala-Massawa Complex (90% owned)** | | | | | | |
| Proven Reserves | 19.9 | 1.36 | 866 | 17.3 | 1.25 | 696 |
| Probable Reserves | 46.5 | 2.39 | 3,574 | 60.1 | 2.12 | 4,101 |
| **P&P Reserves** | **66.4** | **2.08** | **4,440** | **77.4** | **1.93** | **4,796** |
| Measured Resource (incl. reserves) | 21.2 | 1.32 | 900 | 19.4 | 1.38 | 862 |
| Indicated Resources (incl. reserves) | 88.9 | 2.09 | 5,977 | 82.7 | 2.17 | 5,778 |
| **M&I Resources (incl. reserves)** | **110.1** | **1.94** | **6,877** | **102.1** | **2.02** | **6,640** |
| Inferred Resources | 24.3 | 2.16 | 1,682 | 24.3 | 2.21 | 1,728 |
| **Wahgnion Mine (90% owned)** | | | | | | |
| Proven Reserves | 2.1 | 0.78 | 52 | 2.2 | 1.23 | 86 |
| Probable Reserves | 19.5 | 1.60 | 1,006 | 24.3 | 1.64 | 1,282 |
| **P&P Reserves** | **21.6** | **1.52** | **1,059** | **26.4** | **1.61** | **1,367** |
| Measured Resource (incl. reserves) | 2.3 | 0.82 | 60 | 2.4 | 1.23 | 97 |
| Indicated Resources (incl. reserves) | 38.4 | 1.52 | 1,879 | 41.8 | 1.53 | 2,055 |
| **M&I Resources (incl. reserves)** | **40.7** | **1.48** | **1,940** | **44.2** | **1.51** | **2,152** |
| Inferred Resources | 5.0 | 1.53 | 247 | 5.1 | 1.52 | 250 |
| **Bantou (90% owned except 81% owned Karankasso)** | | | | | | |
| Proven Reserves | — | — | — | — | — | — |
| Probable Reserves | — | — | — | — | — | — |
| **P&P Reserves** | **—** | **—** | **—** | **—** | **—** | **—** |
| Measured Resource (incl. reserves) | — | — | — | — | — | — |
| Indicated Resources (incl. reserves) | — | — | — | — | — | — |
| **M&I Resources (incl. reserves)** | **—** | **—** | **—** | **—** | **—** | **—** |
| Inferred Resources | 51.1 | 1.37 | 2,245 | 51.1 | 1.37 | 2,245 |

| *Resources shown inclusive of Reserves, on a 100% basis* | As at 31 December 2021 Tonnage (Mt) | Grade (Au g/t) | Content (Au koz) | As at 31 December 2020 Tonnage (Mt) | Grade (Au g/t) | Content (Au koz) |
|---|---|---|---|---|---|---|
| **Lafigué Project (80% owned)** | | | | | | |
| Proven Reserves | — | — | — | — | — | — |
| Probable Reserves | 48.7 | 1.70 | 2,662 | 32.0 | 2.07 | 2,133 |
| **P&P Reserves** | **48.7** | **1.70** | **2,662** | **32.0** | **2.07** | **2,133** |
| Measured Resource (incl. reserves) | — | — | — | — | — | — |
| Indicated Resources (incl. reserves) | 44.8 | 2.02 | 2,916 | 32.0 | 2.40 | 2,470 |
| **M&I Resources (incl. reserves)** | **44.8** | **2.02** | **2,916** | **32.0** | **2.40** | **2,470** |
| Inferred Resources | 3.6 | 2.35 | 269 | 0.8 | 2.51 | 66 |
| **Kalana Project (80% owned)** | | | | | | |
| Proven Reserves | — | — | — | — | — | — |
| Probable Reserves | 35.6 | 1.60 | 1,829 | 35.6 | 1.60 | 1,829 |
| **P&P Reserves** | **35.6** | **1.60** | **1,829** | **35.6** | **1.60** | **1,829** |
| Measured Resource (incl. reserves) | — | — | — | — | — | — |
| Indicated Resources (incl. reserves) | 46.0 | 1.57 | 2,318 | 46.0 | 1.57 | 2,318 |
| **M&I Resources (incl. reserves)** | **46.0** | **1.57** | **2,318** | **46.0** | **1.57** | **2,318** |
| Inferred Resources | 4.6 | 1.67 | 245 | 4.6 | 1.67 | 245 |
| **Nabanga (90% owned)** | | | | | | |
| Proven Reserves | — | — | — | — | — | — |
| Probable Reserves | — | — | — | — | — | — |
| **P&P Reserves** | **—** | **—** | **—** | **—** | **—** | **—** |
| Measured Resource (incl. reserves) | — | — | — | — | — | — |
| Indicated Resources (incl. reserves) | — | — | — | — | — | — |
| **M&I Resources (incl. reserves)** | **—** | **—** | **—** | **—** | **—** | **—** |
| Inferred Resources | 3.4 | 7.69 | 841 | 3.4 | 7.69 | 841 |
| **Afema (51% owned)** | | | | | | |
| Proven Reserves | — | — | — | — | — | — |
| Probable Reserves | — | — | — | — | — | — |
| **P&P Reserves** | **—** | **—** | **—** | **—** | **—** | **—** |
| Measured Resource (incl. reserves) | — | — | — | — | — | — |
| Indicated Resources (incl. reserves) | 5.1 | 1.10 | 179 | — | — | — |
| **M&I Resources (incl. reserves)** | **5.1** | **1.10** | **179** | **—** | **—** | **—** |
| Inferred Resources | 3.4 | 1.05 | 116 | — | — | — |
| **Group Total (excluding the divested Karma mine)** | | | | | | |
| Proven Reserves | 38.1 | 1.26 | 1,539 | 39.7 | 1.56 | 1,989 |
| Probable Reserves | 265.6 | 1.90 | 16,215 | 254.8 | 1.94 | 15,888 |
| **P&P Reserves** | **303.6** | **1.82** | **17,753** | **294.4** | **1.89** | **17,876** |
| Measured Resource (incl. reserves) | 46.2 | 1.21 | 1,802 | 48.9 | 1.54 | 2,427 |
| Indicated Resources (incl. reserves) | 442.6 | 1.81 | 25,730 | 394.3 | 1.90 | 24,042 |
| **M&I Resources (incl. reserves)** | **488.8** | **1.75** | **27,532** | **443.0** | **1.86** | **26,470** |
| Inferred Resources | 150.8 | 1.77 | 8,560 | 136.5 | 1.80 | 7,919 |
| **Karma Mine (90% owned)** | | | | | | |
| Proven Reserves | — | — | — | 0.3 | 0.40 | 4 |
| Probable Reserves | — | — | — | 5.2 | 0.93 | 154 |
| **P&P Reserves** | **—** | **—** | **—** | **5.5** | **0.90** | **158** |
| Measured Resource (incl. reserves) | — | — | — | 0.3 | 0.40 | 4 |
| Indicated Resources (incl. reserves) | — | — | — | 47.7 | 1.24 | 1,894 |
| **M&I Resources (incl. reserves)** | **—** | **—** | **—** | **48.0** | **1.23** | **1,898** |
| Inferred Resources | — | — | — | 16.2 | 1.30 | 679 |
| **Group Total** | | | | | | |
| Proven Reserves | 38.1 | 1.26 | 1,539 | 39.9 | 1.55 | 1,992 |
| Probable Reserves | 265.6 | 1.90 | 16,215 | 259.9 | 1.92 | 16,042 |
| **P&P Reserves** | **303.6** | **1.82** | **17,753** | **299.8** | **1.87** | **18,034** |
| Measured Resource (incl. reserves) | 46.2 | 1.21 | 1,802 | 49.2 | 1.54 | 2,431 |
| Indicated Resources (incl. reserves) | 442.6 | 1.81 | 25,730 | 441.9 | 1.83 | 25,937 |
| **M&I Resources (incl. reserves)** | **488.8** | **1.75** | **27,532** | **491.1** | **1.80** | **28,368** |
| Inferred Resources | 150.8 | 1.77 | 8,560 | 152.8 | 1.75 | 8,598 |

Notes for the period ended 31 December 2021 are available in the section above. Notes for the period ended 31 December 2020 are available in the press release dated 18 March 2021 available on the Company's website and on SEDAR.

# SECTION 2

## CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED FINANCIAL STATEMENTS
# CONTENTS

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ENDEAVOUR MINING PLC

## Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the state of the Group's affairs as at December 31, 2021 and December 31, 2020 and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

We have audited the consolidated financial statements of Endeavour Mining Plc and its subsidiaries (the "Group") for the years ended December 31, 2021 and December 31, 2020 which comprises the consolidated statements of financial position, consolidated statements of comprehensive earnings/ (loss), consolidated statements of cash flows, consolidated statements of changes in equity and notes to the consolidated financial statements, including a summary of significant accounting policies.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as issued by IAASB. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements, including the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| | | | | |
|---|---|---|---|---|
| **What we considered to be a key audit matter** | Risk that the Purchase Price Allocation ("PPA") for the acquisition of Teranga is incorrectly accounted for. | Risk that the life of mine estimates are inappropriate and mining interests require impairment. | Risk that the goodwill relating to the Teranga and Semafo acquisitions is impaired. | Risk that provisions in relation to tax claims are inappropriate. |
| **Why it represented a key audit matter** | Management were required to exercise significant judgement and estimation in these areas. The appropriate disclosure of such judgements and estimates was also a focus for the audit. | | | |
| **Relevant information in Consolidated Financial Statements** | Note 5 | Notes 6 and 12 | Note 13 | Note 25 |

<table>
<tr><th>Key audit matter</th><th>How the scope of our audit addressed the key audit matter</th></tr>
<tr><td>
Risk that the Purchase Price Allocation (“PPA”) for the acquisition of Teranga is incorrectly accounted for.<br><br>
As detailed in Note 5, the Group completed the acquisition of Teranga Mining Inc., effective 10 February 2021. The consideration paid totalled $1.75 billion.<br><br>
A business combination must be accounted under IFRS 3 by applying the acquisition method. This includes the recognition and measurement of assets and liabilities at fair value, and non-controlling interests at the proportionate share of the fair value of the net assets.<br><br>
Given the size of the acquisition and the high degree of estimate and judgement applied by Management in the PPA valuation, the accounting for the PPA represented a significant audit risk and a key area of focus for our audit.
</td><td>
We checked that the PPA was subject to appropriate internal review, including by the Board.<br><br>
We agreed the opening balances to supporting documentation, including obtaining bank confirmation letters. We specifically focused on the completeness of liabilities and existence of assets at the date of acquisition. Our testing approach included onsite mine visits post acquisition to perform stock count and asset verification procedures.<br><br>
We obtained Management’s analysis of the business combination, including details of all assets and liabilities acquired and their valuation. We have examined all relevant agreements, schedules and supporting documentation of the identifiable assets acquired, liabilities assumed (principally rehabilitation and provisions for tax claims), any non-controlling interests in the acquiree, and the amounts or fair value allocated to the mining interests, exploration assets and inventories and agreed amounts to the PPA schedules.<br><br>
We evaluated and critically assessed the work performed by Management and their third party experts on the Purchase Price Allocation and challenged their conclusions over key judgement areas with reference to market data and historic information, namely; recognition of any separate intangibles, valuation of mining interests and exploration assets, inventory valuation, any contingent liabilities recognised and deferred tax adjustments. As part of our audit work we assessed the value attributed to the assets and liabilities acquired. In utilising the work of Management’s expert, we evaluated the competence and objectivity of the professional advisers relied upon by Management.<br><br>
Our assessment of the fair value of mining interests and exploration assets included the following:
<ul>
<li>Our internal valuations specialists assessed the valuation methodologies applied to check they are in accordance with industry norms and standards and also assessed the appropriateness of the discount rates used in the PPA.</li>
<li>We assessed the key assumptions used in the valuations with reference to market data and historic and forecast information, including gold price, mining costs, capital expenditure and discount rates. As part of our testing, we compared the operating cost forecasts for Sabodala- Massawa and Wahgnion to the actual operating results since acquisition.</li>
<li>We corroborated the valuation to the latest reserve and resource data and challenged the Group’s technical team on the basis for those estimates. We considered the competency and capability of the external and internal experts that estimated the reserve and resources.</li>
<li>In relation to the exploration assets, we cross checked the in-situ valuation of the exploration assets performed by the Group’s external expert to market data.</li>
<li>In performing our review, we specifically considered whether Management had used hindsight arising from further developments since the acquisition date to influence the provisions recognised on acquisition.</li>
</ul>
We have reviewed the allocation of goodwill to the CGU’s and have challenged Management on the basis of allocation.<br><br>
We considered the substance of the transaction and whether it is consistent with the entity’s disclosure of the primary reasons for the business combination.<br><br>
We reviewed the disclosures in the consolidated financial statements to check that all of the appropriate information had been included.<br><br>
Key observations:<br>
We found Management’s estimates and judgements in respect of its assessment of the PPA to be balanced and suitably supported by analysis of the fair value of the assets, liabilities and non-controlling interests and independent advice from Management’s external experts.<br><br>
We found the disclosures included in the consolidated financial statements in Note 5 to be appropriate.
</td></tr>
</table>

| Key audit matter | How the scope of our audit addressed the key audit matter |
|---|---|
| Risk that the life of mine estimates are inappropriate and mining interests require impairment.<br><br>As detailed in Note 12, the Group's mining interests, including property, plant and equipment represent its most significant assets and total $5.0bn at 31 December 2021.<br><br>As detailed in Note 6, Management have performed an impairment indicator review for each of the operational assets under IAS 36 Impairment and have not identified any indicators of potential impairment, apart from at its Karma and Boungou mines. In addition, Management have performed an impairment assessment of the Mana and Sabodala-Massawa CGU's given goodwill has been allocated to these CGU's as part of the PPA accounting. See details under the key audit matter 'Risk that the goodwill relating to the Teranga and Semafo acquisitions is impaired' below.<br><br>As a result of the indicators identified, Management performed an impairment test for the Karma mining operation as at 31 December 2021 to recognise Karma at the lower of its carrying value and fair value less costs of disposal ('FVLCD'). As Management were in discussions to sell the Karma mine, 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 $25.0 million, which resulted in an impairment of the mining interests at 31 December 2021 of $11.7 million.<br><br>At Boungou, Management identified impairment indicators in relation to lower grades and ounces being recovered as well as the increased operating costs of the mine, mainly due to increased spend on security. In addition, reduced confidence in previously identified exploration targets has decreased the estimated exploration potential of the mine from that which was estimated on acquisition. As a result of the impairment test performed, Management concluded that there was an impairment at the Boungou CGU at 31 December 2021 and recognised an impairment charge of $246.3 million, of which $31.9 million related to the goodwill. | We checked that the impairment models utilised the approved life of mine plans and were subject to appropriate internal review, including by the Board.<br><br>We obtained and reviewed Management's impairment indicator review, and detailed impairment tests in respect of the Karma and Boungou mines as set out below.<br><br>In respect of the Karma impairment, we obtained Management's calculation of the asset's fair value less cost of disposal and performed the following procedures thereon:<br><br>• We agreed the cash consideration receivable to the draft sale and purchase agreement.<br>• We obtained Management's assessment of the fair value of the contingent consideration and reviewed the inputs and fair value, with reference to the latest consensus analyst forecasts on future gold prices.<br>• We obtained Management's assessment of the fair value of the royalty receivable and agreed the inputs to the calculation. We compared the gold price to market consensus data, recalculated the discount rate and agreed the production inputs to the underlying feasibility study. We reviewed and recalculated the discount rate used in conjunction with our internal valuation specialists. We performed sensitivity analysis on the key inputs and challenged the estimates with the Board.<br><br>In respect of the Boungou impairment:<br>• We evaluated Management's impairment model against the approved LOM plan and our understanding of the operation. In respect of the key estimates and assumptions used by Management, our testing included: comparison of the gold price to market consensus data; recalculation of discount rates and evaluation of the appropriateness of risk premiums therein in conjunction with our internal valuation specialists; and critical review of the forecast cost, capital spend and production profiles against the approved mine plan, resources and reserves reports and historic performance.<br>• We compared the trading performance against budget/plan for FY 2021 in order to evaluate the quality of Management's forecasting and where under performance against budget/plan was highlighted, evaluated the impact on the forecasts.<br>• In respect of pricing assumptions, our testing included evaluation of Management's gold price forecasts against analyst consensus forecasts.<br>• We held meetings with mine Management (mine managers, geologists, mining engineers) to understand and challenge the production, operating cost and Capex forecasts.<br>• We performed our own sensitivity calculations in respect of gold prices, discount rates, and operational performance, and compared the results of this to Management's sensitivity analysis. We also considered the appropriateness of related disclosures given in Note 6.<br><br>For the Group's other mines, Management's impairment indicator review indicated that no impairment charges were required and that each cash generating unit had sufficient headroom above the CGU carrying value. As part of our impairment indicator review, we:<br>• We evaluated Management's impairment models against approved LOM plans and our understanding of the operations, and critically challenged the key estimates and assumptions used by Management for each of the mining operations.<br>• We compared the trading performance against budget/plan for FY 2021 in order to evaluate the quality of Management's forecasting and where under performance against budget/plan was highlighted evaluated the impact on the forecasts.<br>• In respect of pricing assumptions, our testing included evaluation of Management's gold price forecasts against analyst consensus forecasts.<br>• We held meetings with mine Management (mine managers, geologists, mining engineers) to understand and challenge the production, operating cost and Capex forecasts.<br>• We performed our own sensitivity calculations in respect of gold prices, discount rates, and operational performance, and used the results of this to challenge Management's sensitivity assessments. We also considered the appropriateness of the related disclosures given in Note 6. |

| Key audit matter | How the scope of our audit addressed the key audit matter |
|---|---|
| Given the current gold price forecasts and consistent operating results, Management has considered there is no indication of any potential impairments at the Group's other operating mines. Despite this the preparation of the life of mine ('LOM') models still requires Management to make critical judgements and estimates regarding gold prices, reserves and resources, production rates, operating costs and capital expenditure, as well as economic variables such as discount rates.<br><br>The value of the mining interests and the inherent judgement involved in the life of mine estimates makes this a significant audit risk and a key area of focus for our audit. | **Key observations:**<br><br>In respect of the recoverable amount of Karma, we found Management's conclusion to be appropriate and that the Board's assessment appropriately considered the negotiations as at 31 December 2021.<br><br>In respect of the recoverable amount of Boungou, we found the Management's conclusion to be appropriate and that the Board's assessment of the recoverable amount at 31 December 2021 considered both the Group's plans, recent performance and continued risks and uncertainties.<br><br>We found the key assumptions made by Management and the Board in respect of the judgements in the LOM models and around the carrying value of the Group's other mining interests to be reasonable.<br>We found the disclosures in the consolidated financial statements to be in line with the accounting standards. |
| **Risk that the goodwill relating to the Teranga and Semafo acquisitions is impaired.**<br><br>As detailed in Note 13, the Group had recognised $166.3m of goodwill arising from the acquisitions of Semafo and Teranga. This goodwill was allocated to the Mana, Boungou and Sabodala-Massawa CGU's. During the year, the Group impaired $31.9m of goodwill that was allocated to the Boungou CGU.<br><br>CGU's to which goodwill is allocated must be tested annually for impairment. This involves the use of significant estimates and judgements to determine the recoverable amount.<br><br>In relation to Mana and Sabodala-Massawa, the preparation of the life of mine ('LOM') models used in the impairment review requires Management to make critical judgements and estimates regarding gold prices, reserves and resources, production rates, operating costs and capital expenditure,<br><br>The value of the goodwill and the inherent judgement involved in the life of mine estimates makes this a significant audit risk and a key area of focus for our audit. | We checked that the impairment models utilised the approved life of mine plans and were subject to appropriate internal review, including by the Board.<br><br>In respect of Management's impairment assessment for the CGU's that have goodwill allocated, we have reviewed Management's cash flow models for each CGU with allocated goodwill and determined the recoverable amounts. In doing so, we evaluated Management's LOM plans against our understanding of the operations. Our testing on the LOM models included comparison of the gold price forecasts to forward gold price data, market consensus information and trends. On the other key assumptions, our testing included a comparing the forecast cost, capital expenditure and production profiles against approved mine plans, reserves and resources reports and historic performance.<br><br>We performed our own sensitivity calculations in respect of gold prices, discount rates, and operational performance and used the results of this to challenge Management's sensitivity assessments, along with considering the appropriateness of related disclosures given in Note 6, based on the requirements of the relevant accounting standards.<br><br>Key observations:<br><br>In respect of the recoverable amount of goodwill, we found the judgements made in valuing goodwill to be appropriate.<br><br>We found the disclosures in the consolidated financial statements to be in line with the relevant accounting standards. |

| Key audit matter | How the scope of our audit addressed the key audit matter |
|---|---|
| **Risk that the tax provisions are inappropriate.**<br><br>As detailed in Note 25, the Group is currently subject to tax claims and exposures associated with its operations in Burkina Faso, Cote D'Ivoire and Senegal, and in other territories where the Group has a tax presence.<br><br>Management are required to assess income tax claims with reference to IFRIC 23, Uncertainty over Income Tax Treatments and non-income taxes, and those arising out of other taxes and customs audits under IAS 37, Provisions.<br><br>Given the size and nature of the claims and exposures, and ongoing disputes, the recognition and presentation of any liabilities or contingent liabilities arising as a result of the taxation claims and exposures represented an area of key judgement and a key audit matter for our audit. | We checked that there was an appropriate level of review over the tax claims and provisions, including by the Board.<br><br>We tested the completeness and accuracy of the claim values by agreeing to tax correspondence.<br><br>For the provided claims and exposures, we reviewed correspondence for all claims above a set threshold to obtain an understanding of the claim, we obtained and reviewed the Group's internal analysis of the claims and exposures, and the provisions and liabilities recognised. We discussed Management's assessment of the status of the claim or exposure with the Group's internal tax team and/or external tax advisor.<br><br>For the un-provided claims and exposures we reviewed correspondence for all claims above a set threshold to obtain an understanding of the claim, we have obtained and reviewed the Group's internal analysis of the claims and exposures and any external professional advice from Management's experts. In doing so, we discussed and critically assessed Management's assessment of the status of the claim or exposure with the Group's internal tax team and/or external tax advisor. As part of our assessment, we considered if it is appropriate that no provision is made for un-provided assessments and exposures and also considered whether there is a need for disclosure of contingent liabilities where no provision has been made. We have engaged our internal tax experts to assist in this assessment.<br><br>We evaluated the competence and objectivity of professional advisors relied upon by Management.<br><br>Key observations:<br><br>We found Management's estimates and judgements in respect of its assessment of the provisioning for outstanding tax claims and exposures to be balanced and suitably supported by analysis of the claims and exposures, and independent advice from Management's external experts.<br><br>We found the disclosures included in the consolidated financial statements in Note 25 to be appropriate and relevant. |

## Other information

The Directors are responsible for the other information including the Management Discussion and Analysis (MD&A). The other information comprises the information included in the Management Discussion & Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the consolidated financial statements

The Directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

The engagement partner on the audit resulting in this independent auditor’s report is Matt Crane.

***/S/ BDO LLP***

Chartered Accountants
London, UK
17 March 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## CONSOLIDATED FINANCIAL STATEMENTS

# CONSOLIDATED STATEMENT OF COMPREHENSIVE EARNINGS

**(EXPRESSED IN MILLIONS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)**

| | | YEAR ENDED | | | |
|---|---|---|---|---|---|
| | Note | | **31 December 2021** | | 31 December 2020 |
| **Revenues** | | | | | |
| Revenue | 23 | | **2,778.1** | | 1,424.1 |
| **Cost of sales** | | | | | |
| Operating expenses | | | **(1,062.9)** | | (574.8) |
| Depreciation and depletion | | | **(648.7)** | | (261.2) |
| Royalties | | | **(175.7)** | | (98.7) |
| **Earnings from mine operations** | | | **890.8** | | 489.4 |
| Corporate costs | 4 | | **(62.5)** | | (23.7) |
| Acquisition and restructuring costs | 5 | | **(29.5)** | | (39.8) |
| Impairment of mining interests and goodwill | 6 | | **(259.4)** | | (64.5) |
| Share-based compensation | 7 | | **(32.5)** | | (18.8) |
| Exploration costs | | | **(23.6)** | | (4.9) |
| **Earnings from operations** | | | **483.3** | | 337.7 |
| **Other income/(expense)** | | | | | |
| Gain/(loss) on financial instruments | 8 | | **22.9** | | (78.7) |
| Finance costs | 9 | | **(66.1)** | | (48.8) |
| Other (expense)/income | | | **(16.0)** | | 9.3 |
| **Earnings before taxes** | | | **424.1** | | 219.5 |
| Current income tax expense | 21 | | **(196.4)** | | (122.6) |
| Deferred income tax recovery | 21 | | **51.8** | | 37.4 |
| **Net comprehensive earnings from continuing operations** | | | **279.5** | | 134.3 |
| Net comprehensive loss from discontinued operations | 5 | | **(3.7)** | | (21.8) |
| **Net comprehensive earnings** | | **$** | **275.8** | $ | 112.5 |
| **Net earnings from continuing operations attributable to:** | | | | | |
| Shareholders of Endeavour Mining plc | | | **220.7** | | 95.9 |
| Non-controlling interests | 19 | | **58.8** | | 38.4 |
| | | **$** | **279.5** | $ | 134.3 |
| **Total net earnings attributable to:** | | | | | |
| Shareholders of Endeavour Mining plc | | | **215.5** | | 73.1 |
| Non-controlling interests | 19 | | **60.3** | | 39.4 |
| | | **$** | **275.8** | $ | 112.5 |
| **Earnings per share from continuing operations** | | | | | |
| Basic earnings per share | 7 | **$** | **0.92** | $ | 0.70 |
| Diluted earnings per share | 7 | **$** | **0.91** | $ | 0.70 |
| **Earnings per share** | | | | | |
| Basic earnings per share | 7 | **$** | **0.90** | $ | 0.53 |
| Diluted earnings per share | 7 | **$** | **0.89** | $ | 0.53 |

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

### CONSOLIDATED FINANCIAL STATEMENTS
# CONSOLIDATED STATEMENT OF CASH FLOWS
**(EXPRESSED IN MILLIONS OF UNITED STATES DOLLARS)**

| | | YEAR ENDED | |
|---|---|---|---|
| | Note | **31 December 2021** | 31 December 2020 |
| **Operating Activities** | | | |
| **Earnings before taxes** | | **424.1** | 219.5 |
| Non-cash items | 20 | **990.3** | 484.4 |
| Cash paid on settlement of DSUs, PSUs and options | 7 | **(9.2)** | (1.9) |
| Cash received/(paid) for other financial assets and liabilities | | **1.5** | (24.8) |
| Income taxes paid | 21 | **(227.7)** | (56.6) |
| Foreign exchange (loss)/gain | | **(12.3)** | 8.0 |
| Operating cash flows before changes in working capital | | **1,166.7** | 628.6 |
| Changes in working capital | 20 | **8.2** | 81.9 |
| Operating cash flows generated from continuing operations | | **1,174.9** | 710.5 |
| Operating cash flows (used by)/generated from discontinued operations | 5 | **(8.8)** | 38.4 |
| **Cash generated from operating activities** | | **$ 1,166.1** | $ 748.9 |
| **Investing Activities** | | | |
| Expenditures on mining interests | 12 | **(522.5)** | (235.9) |
| Cash paid for additional interest of Ity mine | 19 | **—** | (5.4) |
| Cash acquired on acquisition of subsidiaries | 5 | **27.0** | 93.0 |
| Changes in other assets | | **(11.3)** | (7.3) |
| Proceeds from sale of assets | 12 | **—** | 10.3 |
| Proceeds from sale of Agbaou net of cash disposed of | 5 | **(4.7)** | — |
| Investing cash flows used by continuing operations | | **(511.5)** | (145.3) |
| Investing cash flows used by discontinued operations | 5 | **(0.2)** | -14.8 |
| **Cash used in investing activities** | | **$ (511.7)** | $ (160.1) |
| **Financing Activities** | | | |
| Proceeds received from the issue of common shares | 7 | **200.0** | 100.0 |
| Acquisition of shares in share buyback | 7 | **(133.8)** | — |
| Payments from the settlement of shares | 17 | **(1.1)** | — |
| Dividends paid to minority shareholders | 19 | **(29.9)** | (8.6) |
| Dividends paid to shareholders | 7 | **(129.9)** | — |
| Proceeds of long-term debt | 9 | **490.0** | 120.0 |
| Repayment of long-term debt | 9 | **(1,143.0)** | (150.0) |
| Proceeds on issuance of senior notes | 9 | **494.6** | — |
| Payment of financing fees and other | | **(27.6)** | (6.9) |
| Interest paid | | **(26.9)** | (33.7) |
| Repayment of finance and lease obligation | 16 | **(28.4)** | (82.7) |
| Settlement of gold offtake liability | 5 | **(49.7)** | — |
| Financing cash flows used by continuing operations | | **(385.7)** | (61.9) |
| Financing cash flows used by discontinued operations | 5 | **(45.4)** | (8.8) |
| **Cash used in financing activities** | | **$ (431.1)** | $ (70.7) |
| Effect of exchange rate changes on cash | | **(31.8)** | 6.7 |
| Increase in cash and cash equivalents | | **191.5** | 524.8 |
| Cash and cash equivalents, beginning of year[1] | | **714.7** | 189.9 |
| **Cash and cash equivalents, end of year** | | **$ 906.2** | $ 714.7 |
| Less: cash relating to assets held for sale | | **—** | (69.7) |
| **Cash and cash equivalents, end of year** | | **$ 906.2** | $ 645.0 |

[1]Cash and cash equivalents at the beginning of the 2021 year includes cash classified as part of assets held for sale of $69.7 million.

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

## CONSOLIDATED FINANCIAL STATEMENTS

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**(EXPRESSED IN MILLIONS OF UNITED STATES DOLLARS)**

| | Note | As at 31 December 2021 | As at 31 December 2020 |
|---|---|---|---|
| **ASSETS** | | | (Note 5) |
| Current | | | |
| Cash and cash equivalents | | **906.2** | 645.0 |
| Trade and other receivables | 10 | **104.8** | 55.1 |
| Inventories | 11 | **311.3** | 190.6 |
| Current portion of other financial assets | 14 | **8.6** | — |
| Prepaid expenses and other | | **35.1** | 26.3 |
| Current assets excluding assets held for sale | | **1,366.0** | 917.0 |
| Assets held for sale | 5 | **—** | 180.8 |
| | | **1,366.0** | 1,097.8 |
| Non-current | | | |
| Mining interests | 12 | **4,980.2** | 2,577.8 |
| Goodwill | 13 | **134.4** | 71.5 |
| Deferred tax assets | 21 | **10.0** | 19.8 |
| Other financial assets | 14 | **95.0** | 25.2 |
| Other long term assets | 11 | **185.3** | 77.0 |
| **Total assets** | | **$ 6,770.9** | $ 3,869.1 |
| **LIABILITIES** | | | |
| Current | | | |
| Trade and other payables | 15 | **351.0** | 261.7 |
| Lease liabilities | 16 | **14.4** | 13.7 |
| Other financial liabilities | 17 | **32.4** | — |
| Income taxes payable | 21 | **169.3** | 134.2 |
| Current liabilities excluding liabilities held for sale | | **567.1** | 409.6 |
| Liabilities held for sale | 5 | **—** | 112.8 |
| | | **567.1** | 522.4 |
| Non-current | | | |
| Lease liabilities | 16 | **36.7** | 23.5 |
| Long-term debt | 9 | **841.9** | 688.3 |
| Other financial liabilities | 17 | **104.3** | 2.9 |
| Environmental rehabilitation provision | 18 | **162.9** | 78.0 |
| Deferred tax liabilities | 21 | **672.3** | 305.1 |
| **Total liabilities** | | **$ 2,385.2** | $ 1,620.2 |
| **EQUITY** | | | |
| Share capital | 7 | **2.5** | 16.4 |
| Share premium | 7 | **4.5** | 3,027.4 |
| Other reserves | 7 | **584.0** | 70.4 |
| Retained earnings/(deficit) | | **3,330.5** | (1,056.2) |
| **Equity attributable to shareholders of the Corporation** | | **$ 3,921.5** | $ 2,058.0 |
| Non-controlling interests | 19 | **464.2** | 190.9 |
| **Total equity** | | **$ 4,385.7** | $ 2,248.9 |
| **Total equity and liabilities** | | **$ 6,770.9** | $ 3,869.1 |

Registered No. 13280545

COMMITMENTS AND CONTINGENCIES (NOTE 25)
SUBSEQUENT EVENTS (NOTE 26)

**Approved by the Board: 17 March 2022**

"Sébastien de Montessus" Director "Alison Baker" Director

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

### CONSOLIDATED FINANCIAL STATEMENTS

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**(EXPRESSED IN MILLIONS OF UNITED STATES DOLLARS)**

| | | SHARE CAPITAL | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Note | Share Capital | Share Premium Reserve | Other reserves (Note 7) | (Deficit)/ Retained Earnings | Total Attributable to Shareholders | Non-Controlling Interests | Total |
| **At 1 January 2020** | | **11.0** | **1,763.2** | **72.5** | **(1,128.8)** | **717.9** | **98.6** | **816.5** |
| Consideration on the acquisition of SEMAFO | 5 | 4.8 | 1,146.6 | — | — | 1,151.4 | 108.4 | 1,259.8 |
| Shares issued on private placement | 7 | 0.5 | 99.5 | — | — | 100.0 | — | 100.0 |
| Shares issued on exercise of options and PSU's | | 0.1 | 19.3 | (19.3) | — | 0.1 | — | 0.1 |
| Share based compensation | 7 | — | — | 17.2 | — | 17.2 | — | 17.2 |
| Dividends to non-controlling interests | 19 | — | — | — | — | — | (55.3) | (55.3) |
| Cancellation of treasury shares | 7 | — | (1.2) | — | (0.3) | (1.5) | — | (1.5) |
| Change in non-controlling interests | 19 | — | — | — | (0.2) | (0.2) | (0.2) | (0.4) |
| Total net and comprehensive earnings | | — | — | — | 73.1 | 73.1 | 39.4 | 112.5 |
| **At 31 December 2020** | | **$ 16.4** | **$ 3,027.4** | **$ 70.4** | **$ (1,056.2)** | **$ 2,058.0** | **$ 190.9** | **$ 2,248.9** |
| **At 1 January 2021** | | **16.4** | **3,027.4** | **70.4** | **(1,056.2)** | **2,058.0** | **190.9** | **2,248.9** |
| Consideration on the acquisition of Teranga | 5 | 7.9 | 1,670.4 | 30.4 | — | 1,708.7 | 245.9 | 1,954.6 |
| Shares issued on private placement | 7 | 0.9 | 199.1 | — | — | 200.0 | — | 200.0 |
| Purchase and cancellation of own shares | 7 | (0.3) | — | 0.3 | (152.1) | (152.1) | — | (152.1) |
| Shares issued on exercise of options and PSU's | | 0.1 | 31.8 | (24.8) | 3.1 | 10.2 | — | 10.2 |
| Share based compensation | 7 | — | — | 25.4 | — | 25.4 | — | 25.4 |
| Dividends paid | 7 | — | — | — | (129.8) | (129.8) | — | (129.8) |
| Dividends to non-controlling interests | 19 | — | — | — | — | — | (29.9) | (29.9) |
| Disposal of the Agbaou mine | 5 | — | — | — | — | — | (3.0) | (3.0) |
| Reorganisation | 1, 4 | (22.5) | (4,924.2) | 4,946.7 | — | — | — | — |
| Deferred shares issued upon capitalisation | 7 | 4,450.0 | — | (4,450.0) | | — | — | — |
| Cancellation of deferred shares | 7 | (4,450.0) | — | — | 4,450.0 | — | — | — |
| Reclassification of PSU's to liabilities | 7 | — | — | (14.4) | — | (14.4) | — | (14.4) |
| Total net and comprehensive earnings | | — | — | — | 215.5 | 215.5 | 60.3 | 275.8 |
| **At 31 December 2021** | | **$ 2.5** | **$ 4.5** | **$ 584.0** | **$ 3,330.5** | **$ 3,921.5** | **$ 464.2** | **$ 4,385.7** |

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

CONSOLIDATED FINANCIAL STATEMENTS

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)

## 1 DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Endeavour Mining plc (the "Company"), together with its subsidiaries (collectively, "Endeavour" or the "Group"), is a publicly listed gold mining company that operates seven mines in West Africa in addition to having project development and exploration assets. Endeavour is focused on effectively managing its existing assets to maximise 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 London Stock Exchange ("LSE") (symbol EDV), and on the Toronto Stock Exchange ("TSX") (symbol EDV) and quoted in the United States on the OTCQX International (symbol EDVMF). The Company is incorporated in the United Kingdom and its registered office is located at 5 Young Street, London, United Kingdom, W8 5EH.

Prior to its listing on the London Stock Exchange on 14 June 2021, Endeavour Mining Corporation ("EMC") was the parent company of the Group for which consolidated financial statements were produced. On 11 June 2021, the shareholders of EMC transferred all of their shares in EMC to Endeavour Mining plc in exchange for ordinary shares of equal value in Endeavour Mining plc (the "Reorganisation"). This resulted in Endeavour Mining plc, which was incorporated on 21 March 2021, becoming the new parent company for the Group. As a result of the Reorganisation, there was no change in the legal ownership of any of the assets of EMC or Endeavour Mining plc, nor any change in the ownership of existing shares or securities of EMC or Endeavour Mining plc. The financial information as at 31 December 2021 and for the year ended 31 December 2021 (and comparative information) is presented as a continuation of EMC.

## 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 as issued by the International Accounting Standards Board ("IASB"). 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 Franc, respectively.

These consolidated financial statements were approved by the Board of Directors of the Company on 17 March 2022.

The financial information for the year ended 31 December 2021 does not constitute the Company's statutory accounts for that year. The statutory accounts for the year ended 31 December 2021 will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The auditors' report on the accounts for 31 December 2021 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

### BASIS OF PREPARATION

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period (Note 8) as explained in the accounting policies below. The Group'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(s) below.

### GOING CONCERN

The directors have performed an assessment of whether the Company and Group would be able to continue as a going concern for at least until March 2023. In their assessment, the Group has taken into account its financial position, expected future trading performance, its debt and other available credit facilities, future debt servicing requirements, its working capital and capital expenditure commitments and forecasts.

At 31 December 2021, the Group's net cash position was $76.2 million, calculated as the difference between long-term debt with a principal outstanding of $830.0 million and cash of $906.2 million. At 31 December 2021, the Group had undrawn credit facilities of $500.0 million. The Group had current assets of $1,366.0 million and current liabilities of $567.1 million representing a total working capital balance (current assets less current liabilities) of $798.9 million as at 31 December 2021. Cash generated from operating activities for the year ended 31 December 2021 was $1,166.1 million.

Based on a detailed cash flow forecast prepared by management, in which it included any reasonable possible change in the key assumptions on which the cash flow forecast is based, the directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence until at least June 2023 and that at this point in time there are no material uncertainties regarding going concern. Key assumptions underpinning this forecast include consensus analyst gold prices and production volumes in line with annual guidance.

The Board is satisfied that the going concern basis of accounting is an appropriate assumption to adopt in the preparation of the consolidated financial statements as at and for the 12 months ended 31 December 2021.

CONSOLIDATED FINANCIAL STATEMENTS

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)

## 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 Group 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. For details of the Company's subsidiaries refer to note 22.

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 prepared 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 recognised 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 goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. 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 recognised 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 recognised as of that date. During the measurement period, the Company will also recognise 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 recognised in earnings, except for those classified as equity, which are not remeasured.

Acquisition-related costs of the acquirer, other than costs to issue equity securities, 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 recognised 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 recognised immediately as a bargain purchase gain in the consolidated statement of comprehensive earnings/(loss).

Goodwill is not amortised; 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. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Non-current assets and disposal 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 recognised as held for sale they are no longer depreciated or amortised.

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 recognised in the consolidated statement of comprehensive income/(loss). Any subsequent gains and losses on remeasurement are recognised 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 Group that can be clearly distinguished from the rest of the Group 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). The cash flows attributable to the proceeds received on disposal of the discontinued operations are included in the investing activities of the continuing operations.

### 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 31 December 2021 and 31 December 2020.

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 realisable 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 realisable value. Production costs include the cost of raw materials, direct labour, mine-site overhead expenses and depreciation and depletion of mining interests. Net realisable 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 capitalised 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.

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

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 capitalised 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.

Capitalised costs associated with mining properties include the following:

- Costs of direct acquisitions of production, development and exploration stage properties;
- Costs attributed to mining properties acquired in connection with business combinations;
- Expenditures related to the development of mining properties;
- Expenditures related to economically recoverable exploration;
- Borrowing costs incurred directly attributable to the construction of qualifying assets;
- Certain costs incurred during production, net of proceeds from sales prior to reaching operating levels intended by management; and
- 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 capitalised 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 Group.

The carrying values of the Group'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 capitalised. Prior to reclassification, the mining interest is assessed for impairment. Further exploration expenditures, subsequent to the establishment of economic feasibility, are capitalised and included in the carrying amount of the related property.

Borrowing costs are capitalised 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 capitalised 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 capitalisation. All other borrowing costs are recognised 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 Group determines commencement of commercial production based on the following factors:

- 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;
- The completion of a reasonable period of testing of the mine plant and equipment;
- The mine or mill has reached a pre-determined percentage of design capacity; and
- 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.

*DEPLETABLE MINING INTERESTS*

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.

*STRIPPING COSTS*

Capitalisation of waste stripping requires the Group to make judgements and estimates in determining the amounts to be capitalised.  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 capitalised and included in the carrying amount of the related mining property. During the production phase of a mine, stripping costs will be recognised as an asset only if the following conditions are met:

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

Stripping costs incurred and capitalised 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:

| | |
|---|---|
| • Mobile equipment | 3 - 8 years |
| • Aircraft | 25 years |
| • 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 utilised. 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 capitalised 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 capitalised 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 Group 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 Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. The Group'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 recognised immediately in profit or loss.

Impairment losses reverse in some circumstances. When an impairment loss subsequently reverses, it is recognised 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 recognised in prior years.

The Group performs goodwill impairment tests annually in the fourth quarter or when events and circumstances indicate that the carrying amounts may no longer be recoverable. In performing the impairment tests, the Group 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 Group 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 Group 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 Group 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 Group 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 Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Group recognises a right-of-use asset 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:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Group is reasonably certain to exercise that option; and
- 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 amortised 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 Group has elected not to recognise 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 Group recognises current income tax in the consolidated statement of comprehensive earnings except to the extent that it relates to items recognised 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 Group uses the liability method of accounting for income taxes. Under the liability method, deferred tax assets and liabilities are recognised 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 recognised only to the extent that it is probably that future taxable profits will be available against which the temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised 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 recognised 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 recognised 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 realised 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 utilised a deferred tax asset may not be recognised. The effect on deferred tax assets and liabilities of a change in tax rates is recognised 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 Group intends to settle its current tax assets and liabilities on a net basis, or to realise 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.

Provision for uncertain tax positions is recognised within current tax when management determines that it is probable that a payment will be made to the tax authority. For such tax positions the amount of the probable ultimate settlement with the related tax authority is recorded. When the uncertain tax position gives rise to a contingent tax liability for which no provision is recognised, the Group discloses tax-related contingent liabilities and contingent assets in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.*

### j. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group 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 AMORTISED 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 amortised 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.

On initial recognition, the Group 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 recognised 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 recognised 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*

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 recognised in profit or loss to the extent they are not part of a designated hedging relationship.

*IMPAIRMENT*

The Group recognises 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.

*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 Group after deducting all its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading, a derivative or designated as at FVTPL, are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss, unless it relates to capitalised interest which is recognised as part of mining interests. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expenses are recognised in earnings.

*DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES*

The Group derecognises 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 Group neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**(EXPRESSED IN MILLIONS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

*DERIVATIVE FINANCIAL INSTRUMENTS*

Derivatives are initially recognised 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 recognised 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 hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative.

### k. ENVIRONMENTAL REHABILITATION PROVISIONS

The Group's mining and exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. The Group 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 recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and environmental rehabilitation activities is recognised in mining interests and amortised 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. 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 recognised as finance expense and included in finance costs in the statement of comprehensive earnings/(loss).

### m. REVENUE RECOGNITION

Revenue from the sale of gold in bullion and doré bar form is recognised when the Group has transferred control of the gold to the customer at an amount reflecting the consideration the Group expects to receive in exchange for those products based on gold content determined prior to shipment, and is subsequently adjusted to reflect the final gold content determined by the customer. These adjustments have historically been insignificant. In determining whether the Group has satisfied a performance obligation, it considers the indicators of the transfer of control, which include, but are not limited to, whether: the Group has a present right to payment; the customer has legal title to the asset; the Group 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 Group enters into a transaction confirmation for the transfer of gold which is either at the 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.

### n. SHARE CAPITAL

Ordinary or 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.

CONSOLIDATED FINANCIAL STATEMENTS

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)

When the Company purchases its own share capital ("treasury shares"), the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from retained earnings/(deficit). If treasury shares are subsequently cancelled, the par value of the cancelled shares is credited to the capital redemption reserve. If treasury shares are subsequently re-issued, any consideration received, net of transaction costs, up to the amount paid to re-purchase the shares is treated as a realised profit reinstating the retained earnings used when the shares were repurchased. Any excess is included in share premium.

### o. 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.

### p. SHARE-BASED PAYMENT ARRANGEMENTS

The Company's share-based payment arrangements include performance share units and deferred share units.

Deferred share units ("DSUs") are settled in cash upon exercise. DSUs are recognised as share-based payment expense on the date of grant, as these instruments vest immediately. Changes in fair value of DSU's at each reporting date are recognised as share-based payment expense in the period.

Performance share units ("PSUs") are settled in cash or shares of the Company. The fair value of the estimated number of PSUs that will eventually vest, determined at the date of grant, is recognised as share-based compensation expense over the vesting period, with a corresponding amount recorded as equity or a liability. 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 recognised 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, such as PSUs and DSUs, are those where the employees or other has the contractual right to receive the share-based payment in cash upon exercise. 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 recognised 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 recognised as remuneration cost for post transaction service.

### MERGER ACCOUNTING

Group reorganisations, including transfer of assets and liabilities and acquisition of companies within the Endeavour Mining plc group are accounted for using merger accounting. As a result, any assets and liabilities are transferred at carrying value rather than fair value. The difference between the carrying value of assets and liabilities transferred and the consideration paid has been recognised in the merger reserve.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**(EXPRESSED IN MILLIONS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)**

### q. EMPLOYEE BENEFIT TRUST

The Employee Benefit Trust ("EBT") is considered to be a Special Purpose Entity and is accounted for under IFRS 10 and consolidated on the basis that the Company has control, thus the assets and liabilities of the EBT are included in the financial position and results of operations of the Group and the shares held by the EBT are presented as a deduction from equity.

### r. DIVIDENDS

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the Board. For final dividends, this is when approved by the shareholders at AGM.

### s. CHANGES IN ACCOUNTING STANDARDS

The Group has adopted the following new IFRS standard  for the annual period beginning on 1 January 2021:

*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:

- 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;
- 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
- 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 impact of adoption of these amendments was not significant to the Group.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements that the Group reasonably expects will have an impact on its disclosures, financial position or performance when applied at a future date, are disclosed below. The Group 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 Group 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 recognises 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 Group is currently evaluating the impact of adopting amendments to IAS 16 on its consolidated financial statements in future periods.

*AMENDMENTS TO IFRS 3: BUSINESS COMBINATIONS*

In May 2020, the IASB issued amendments to IFRS 3 to update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for a business combination, and amended IFRS 3 in respect of the specific requirements for transactions and other events within the scope of IAS 37 or IFRIC 12.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. The Group is currently evaluating the impact of adopting amendments to IFRS 3 on its consolidated financial statements in future periods.

*AMENDMENTS TO IAS 37: PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS*

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

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The amendments are effective for annual periods beginning on or after 1 January 2022 and must be applied prospectively to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed. The Group is currently evaluating the impact of adopting amendments to IAS 37 on its consolidated financial statements in future periods.

*AMENDMENTS TO IFRS 1: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT*

The IASB, at its meeting held in June 2021, tentatively decided to amend the requirements in IAS 1 with respect to the classification of liabilities subject to conditions and disclosure of information about such conditions and to defer the effective date of the 2020 amendment by at least one year to annual reporting periods beginning no earlier than on or after 1 January 2024.

*AMENDMENTS TO IAS 1 AND IFRS PRACTICE STATEMENT 2: DISCLOSURE OF ACCOUNTING POLICIES*

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendment is effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted as long as the fact is disclosed. The Group is evaluating the impact of adopting the amendments to IAS 1 on its consolidated financial statements in future periods.

*AMENDMENTS TO IAS 8: DEFINITION OF ACCOUNTING ESTIMATES*

In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of ‘accounting estimates’. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendment is effective for annual reporting periods beginning on or after 1 January 2023. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted. The Group is evaluating the impact of adopting the amendments to IAS 8 on its consolidated financial statements in future periods.

*AMENDMENTS TO IAS 12: DEFERRED TAX RELATED TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION*

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendment is effective for annual reporting periods beginning on or after 1 January 2023. An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The Group is evaluating the impact of adopting the amendments to IAS 12 on its consolidated financial statements in future periods.

## 3 CRITICAL JUDGEMENTS AND KEY ESTIMATES

The preparation of the Group'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 recognised 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.

### CRITICAL JUDGEMENTS

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

#### DETERMINATION OF ECONOMIC VIABILITY

Management has determined that exploratory drilling, evaluation and related costs incurred which have been capitalised are economically viable. Management uses several criteria in its assessments of economic viability 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.

#### CAPITALISATION AND DEPRECIATION OF WASTE STRIPPING

Capitalisation of waste stripping requires the Group to make judgements and estimates in determining the amounts to be capitalised. These judgements and estimates include, amongst others, the expected life of mine 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 for which the stripping asset is depreciated.

#### INDICATORS OF IMPAIRMENT

The Group 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 capitalisation 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. The Group also considers certain judgements on future events, specifically if the Group will continue with development of certain exploration and evaluation assets. Refer to note 6 for details of impairment assessments performed during the year.

#### ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Group 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; and 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. Management evaluated the above criteria with respect to the Karma mine at 31 December 2021 and 2020 and concluded that it was not an asset held for sale on these dates (Note 26), as the sale of Karma was not considered highly probable. However, given management's intention to dispose of the asset, management considered this to be an indicator of impairment for the Karma mine, and in determining the recoverable value of the asset, the estimated future cash flows reflects the intention to dispose of the asset (Note 6).

Judgement is required when determining whether a component of an entity classifies as a discontinued operation. A component of the Group 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 for the full FY-2020 period and for the period up until its disposal in FY-2021. 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.

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## KEY ESTIMATES
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 Group'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 recognised as goodwill. Goodwill recognised as a part of a business combination is allocated to the cash generating units ("CGUs") in the Group based on their expected benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those CGUs. If the fair values of the net assets and liabilities assumed are more than the purchase consideration, the excess is recognised 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 5).

### RECOVERABILITY OF VALUE ADDED TAX ("VAT")
Included in trade and other receivables are recoverable VAT balances owing mainly by the fiscal authorities in Burkina Faso, Senegal, and Côte d'Ivoire. The Group 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.

### OTHER FINANCIAL ASSETS
Included in other financial assets is consideration received upon the sale of the Agbaou mine of $40.0 million related to shares of Allied Gold Corp Limited ("Allied") (Note 5). The Group has the option to sell the shares back to Allied at the issue price until the earlier of Allied completing an initial public offering transaction ("IPO") or 31 December 2022. In evaluating the fair value of the shares, management determined that there is no indication of a significant change in the fair value of the shares since their acquisition in March 2021. Management will continue to monitor the results of operations of Allied, as well as the likelihood of an initial public offering, to evaluate if there is a change in the fair value of the Allied shares, or in the resulting $40.0 million receivable, if the option to sell back the shares is exercised by the Group.

### IMPAIRMENT OF MINING INTERESTS AND GOODWILL
In determining the recoverable amounts of the Group's mining interests and goodwill, management makes estimates of the discounted future cash flows expected to be derived from the Group'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 Group's mining interests and/or goodwill (Note 6, 13).

### ESTIMATED RECOVERABLE OUNCES
The carrying amounts of the Group'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 Group'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 Group's financial position and results of operations.

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### 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.

### INVENTORIES

The measurement of inventory and the determination of net realisable value involves the use of estimates. This is especially the case when determining the net realisable 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, long and short term usage, recovery rates, production cost forecasts and production plans.

Estimation is also required when determining whether to recognise 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 recognising a provision for stock.

### CURRENT INCOME TAXES

The Group 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 Group 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 Group's business conducted within the country involved. Management evaluates each of the assessments and recognises 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 Group will recognise the effects of the changes in its consolidated financial statements in the period that such changes occur (Note 26).

## 4 CORPORATE COSTS

The following table summarises the significant components of corporate costs:

| | YEAR ENDED | |
|---|---|---|
| | **31 December 2021** | 31 December 2020 |
| London Stock Exchange listing expenses | **12.6** | — |
| Employee compensation | **24.9** | 14.2 |
| Professional services | **9.5** | 2.9 |
| Other corporate expenses | **15.5** | 6.6 |
| **Total corporate costs** | **$ 62.5** | **$ 23.7** |

The following table summarises total audit and non-audit fees incurred:

| | YEAR ENDED | |
|---|---|---|
| | **31 December 2021** | 31 December 2020 |
| Audit services[1] | **1.9** | 1.5 |
| Audit-related assurance services | **0.3** | 0.1 |
| Non-audit services[2] | **1.5** | — |
| **Total** | **3.7** | **1.6** |

1 Audit services are in respect of audit fees for the Group

2 Non-audit services comprise non-recurring fees paid to the auditors in respect of the London listing, prospectus filings in Canada, as well as the offering of the Senior Notes.

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## 5 ACQUISITIONS AND DIVESTITURES

In the year ended 31 December 2021, the Group incurred $29.5 million (for the year ended 31 December 2020 - $39.8 million) of acquisition and restructuring related costs relating to advisory, legal, valuation and other professional fees, primarily with respect to the acquisition of Teranga Gold Corporation ("Teranga"), the disposal of the Agbaou CGU and the acquisition of SEMAFO Inc ("SEMAFO"). These costs are expensed as acquisition and restructuring costs within the consolidated statement of comprehensive earnings .

### a. ACQUISITION OF TERANGA

On 10 February 2021, the Group completed the acquisition of Teranga. Teranga was a Canadian-based gold mining company listed on the TSX and in the United States on the OTCQX market with two operating mines in West Africa: the Sabodala-Massawa Gold Complex ("Sabodala-Massawa") in Senegal and the Wahgnion Gold Mine ("Wahgnion") in Burkina Faso. In addition, Teranga had a number of early to advanced stage exploration properties in Burkina Faso, Côte d'Ivoire and Senegal. The acquisition of Teranga supports the Group's growth strategy and enhances the Group's production profile.

Under the terms of the agreement, the Group acquired 100% of the issued and outstanding shares of Teranga at an exchange rate of 0.47 of an Endeavour share for each Teranga share held which resulted in a total of 78.8 million shares issued upon closing of the acquisition. Given the issuance of Endeavour common shares as a result of the transaction and the relative voting rights of the Endeavour and Teranga 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 Teranga, La Mancha Holding S.àr.l. ("La Mancha") exercised its anti-dilution right to maintain its interest in the Group and completed a $200.0 million private placement for 8,910,592 shares of Endeavour (Note 7).

The Group 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 fair values of the mining interests acquired were 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.

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

| | Notes | Preliminary purchase price allocation at 31 March 2021 | Adjustments | **Final purchase price allocation** |
|---|---|---|---|---|
| **Purchase price:** | | | | |
| Fair value of 78.8 million Endeavour common shares issued | | 1,678.3 | | **1,678.3** |
| Fair value of Endeavour options issued | | 30.4 | | **30.4** |
| Fair value of Endeavour warrants and call-rights issued | | 41.5 | | **41.5** |
| | | $ 1,750.2 | $ — | **$ 1,750.2** |
| **Net assets/(liabilities) acquired** | | | | |
| Cash | | 27.0 | — | **27.0** |
| Net working capital (excluding inventory) | | (125.5) | (6.9) | **(132.4)** |
| Inventory | | 239.0 | (0.3) | **238.7** |
| Mining interests | | 2,528.5 | 245.3 | **2,773.8** |
| Other long-term assets | | 2.0 | — | **2.0** |
| Goodwill | 13 | 190.7 | (95.9) | **94.8** |
| Debt | | (358.9) | — | **(358.9)** |
| Income taxes payable | | (100.0) | 23.1 | **(76.9)** |
| Offtake liability | | (49.7) | — | **(49.7)** |
| Contingent consideration | 17 | (45.6) | — | **(45.6)** |
| Reclamation liability | | (38.1) | — | **(38.1)** |
| Other liabilities acquired | | (9.6) | — | **(9.6)** |
| Deferred taxes | | (323.0) | (106.0) | **(429.0)** |
| Non-controlling interest | | (186.6) | (59.3) | **(245.9)** |
| **Net Assets** | | $ 1,750.2 | $ — | **$ 1,750.2** |

During the fourth quarter of 2021, the Group finalised the fair values of certain assets acquired and liabilities assumed in the acquisition, in particular as it relates to mining interests, and liabilities with respect to certain income tax positions and these adjustments to the allocation of the purchase consideration has been recognised retrospectively and comparative information has been revised. In particular, as part of the finalisation of the purchase price allocation, management re-evaluated its life of mine plans for the Sabodala-Massawa and Wahgnion mines, and the expected ounces to be produced over the life of mine, as well as certain uncertain tax positions, 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.

Depletion expense for the nine months ended 31 December 2021 was increased retrospectively by $0.2 million and operating costs were increased retrospectively by $24.6 million to reflect the change in the value of the mining interests and inventory upon determination of the final purchase price allocation.

The significant assumptions used in the determination of the fair value of the mining interests were as follows:

| Assumption | Sabodala-Massawa | Wahgnion |
|---|---|---|
| Gold price - 2021 to 2024 | $1,900 to $1,600 per ounce | $1,900 to $1,600 per ounce |
| Long-term gold price | $1,600 per ounce | $1,600 per ounce |
| Discount rate | 5.6 % | 7.0 % |
| Mine life | 14 years | 10 years |
| Average grade over life of mine | 1.97 g/t | 1.57 g/t |
| Average recovery rate | 89 % | 92 % |

On 31 March 2021, the Group settled the full amount outstanding under the gold off-take liability which resulted in a cash outflow of $49.7 million.

Consolidated revenue for the year ended 31 December 2021 includes revenue from the date of acquisition from the assets acquired in the acquisition of Teranga of $926.0 million. The consolidated earnings for the year ended 31 December 2021 includes net earnings before tax from the date of acquisition from the assets acquired in the acquisition of Teranga of $248.1 million. Had the transaction occurred on 1 January 2021, the pro forma consolidated revenue and

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net earnings before taxes for the year ended 31 December 2021 would have been approximately $2,840.8 million and $326.1 million respectively.

### b. ACQUISITION OF SEMAFO

On 1 July 2020, the Group 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 Group's growth strategy and enhanced the Group's production profile.

Under the terms of the transaction, the Group 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 47,6 million 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.

The Group 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 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 fair values of the mining interests acquired were 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.

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

| | Notes | Preliminary purchase price allocation at 31 December 2020 | Adjustments | **Final purchase price allocation** |
|---|---|---|---|---|
| **Purchase price:** | | | | |
| Fair value of 47.6 million Endeavour common shares issued | | 1,151.3 | — | 1,151.3 |
| | | **$ 1,151.3** | **$ —** | **$ 1,151.3** |
| **Net assets/(liabilities) acquired** | | | | |
| Cash | | 93.0 | — | 93.0 |
| Net working capital acquired (excluding cash) | | 108.0 | 0.6 | 108.6 |
| Mining interests | | 1,319.6 | 13.0 | 1,332.6 |
| Goodwill | 13 | 98.7 | (27.2) | 71.5 |
| Restricted cash | | 24.0 | — | 24.0 |
| Other long-term assets | | 7.5 | — | 7.5 |
| Current portion of long-term debt | | (29.8) | — | (29.8) |
| Lease liabilities | | (24.0) | — | (24.0) |
| Income taxes payable | | (36.1) | 16.3 | (19.8) |
| Other long-term liabilities | | (40.7) | 9.1 | (31.6) |
| Deferred tax | | (262.7) | (9.6) | (272.3) |
| Non-controlling interest | | (106.2) | (2.2) | (108.4) |
| **Net Assets** | | **$ 1,151.3** | **$ —** | **$ 1,151.3** |

During the second quarter of 2021, the Group finalised the fair values of certain assets acquired and liabilities assumed in the acquisition, in particular as it relates to mining interests, and liabilities with respect to certain income tax positions and these adjustments to the allocation of the purchase consideration has been recognised retrospectively and comparative information has been revised. In particular, as part of the finalisation of the purchase price allocation, management re-evaluated 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.

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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 2025 | $1,550 to $1,883 per ounce | $1,550 - $1,865 per ounce |
| Long-term gold price | $1,485 per ounce | $1,485 per ounce |
| Discount rate | 6.00 % | 6.50 % |
| Mine life | 9.5 years | 14 years |
| Average grade over life of mine | 3.25 g/t | 3.58 g/t |
| Average recovery rate | 88 % | 94 % |

As a result of the change in the fair values of the mining interests, depletion expense for the three months ended 31 March 2021 was increased retrospectively by $9.3 million. For the six months ended 31 December 2020, the depletion expense was decreased retrospectively by $8.3 million to reflect the change in the value of the mining interests upon determination of the final purchase price allocation.

### c. DISCONTINUED OPERATIONS

On 1 March 2021, the Group completed the sale of its 85% interest in the Agbaou mine CGU to Allied. The consideration upon sale of the Agbaou mine included (i) a cash payment of $16.4 million (net of working capital adjustments of $3.6 million upon closing), of which $10.5 was received in the year ended 31 December 2021 (Note 14); (ii) $40.0 million in Allied shares of which Endeavour has the option to sell the shares back to Allied at the issue price which expires on 31 December 2022 or earlier if Allied conducts an IPO before then; (iii) contingent consideration of up to $20.0 million comprised of $5.0 million payments for each quarter in 2021 where the average gold price exceeds $1,900 per ounce; and (iv) a net smelter royalty ("NSR") on ounces produced in excess of the Agbaou reserves estimated as at 31 December 2019. The NSR royalty is 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 fair value of the various aspects of the consideration at the closing date 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 $16.4 million, which is the agreed upon $20.0 million, net of working capital adjustments on closing;
- 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 the most 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 $1,723 per ounce, annualised gold price volatility of 18.36%, for each of the quarters in 2021, which resulted in a fair value of $0.5 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 31 December 2019. Based on the various scenarios considered, the fair value of the NSR was $5.5 million.

The results of operations have been restated for the comparative periods to reclassify the loss relating to Agbaou as loss from discontinued operations. The financing cash flows from discontinued operations for the year ended 31 December 2021 include the payment of dividends to minority shareholders of $45.2 million (year ended 31 December 2020 - $7.7 million). As at 31 December 2020, the net assets of the Agbaou CGU were classified as held for sale.

At 31 December 2021, the fair value of the Allied shares remained $40.0 million, the NSR was revalued to $6.0 million and the fair value of the contingent consideration was $nil, resulting in a gain of $0.5 million and a loss of $0.5 million recognised in other expenses for the year ended 31 December 2021.

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The Corporation recognised a loss on disposal of $13.6 million, net of tax, calculated as follows:

| | | 1 March 2021 |
|---|---|---|
| Cash proceeds | | 16.4 |
| Shares in Allied Gold | | 40.0 |
| Contingent consideration | | 0.5 |
| Net smelter royalty | | 5.5 |
| Transaction costs | | (0.5) |
| **Total proceeds** | **$** | **61.9** |
| Cash and cash equivalents | | 15.2 |
| Restricted cash | | 6.3 |
| Trade and other receivables | | 0.3 |
| Prepaid expenses and other | | 2.0 |
| Inventories | | 29.4 |
| Mining interests | | 65.0 |
| Other long term assets | | 8.8 |
| **Total assets** | **$** | **127.0** |
| Trade and other payables | | (22.1) |
| Other liabilities | | (26.4) |
| **Total liabilities** | **$** | **(48.5)** |
| **Net assets** | **$** | **78.5** |
| **Non-controlling interests** | | **(3.0)** |
| **Net assets attributable to Endeavour** | **$** | **75.5** |
| **Loss on disposition** | **$** | **(13.6)** |

The earnings and loss for the CGU was as follows:

| | YEAR ENDED | | | |
|---|---|---|---|---|
| | | **31 December 2021** | | 31 December 2020 |
| Revenue | | **25.4** | | 184.5 |
| Operating costs | | **(14.2)** | | (84.9) |
| Impairment of mining interests | | **—** | | (19.9) |
| Depreciation and depletion | | **—** | | (38.3) |
| Royalties | | **(1.4)** | | (10.4) |
| Other income | | **0.1** | | 2.7 |
| Loss on disposition | | **(13.6)** | | — |
| **Loss before taxes** | **$** | **(3.7)** | $ | 33.7 |
| Deferred and current income tax expense | | **—** | | (55.5) |
| **Net comprehensive loss from discontinued operations** | **$** | **(3.7)** | $ | (21.8) |
| Attributable to: | | | | |
| Shareholders of Endeavour Mining Corporation | | **(5.2)** | | (22.8) |
| Non-controlling interest | | **1.5** | | 1.0 |
| **Total comprehensive loss from discontinued operations** | **$** | **(3.7)** | $ | (21.8) |
| **Net loss per share from discontinued operations** | | | | |
| Basic | **$** | **(0.02)** | $ | (0.17) |
| Diluted | **$** | **(0.02)** | $ | (0.17) |

CONSOLIDATED FINANCIAL STATEMENTS

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 6 IMPAIRMENT OF MINING INTERESTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

During the fourth quarter of 2021, the Group performed a review for indicators of impairment at each of the CGUs 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. In addition, those CGU's to which goodwill has been allocated are tested at least annually for impairment (Note 13). As a result of the above, the Sabodala-Massawa, Mana, Boungou and Karma CGUs were tested for impairment at 31 December 2021. There were no other indicators of impairment identified at the Group's other mine site CGU's in the year.

The recoverable amount of the Mana, Boungou and Sabodala-Massawa CGUs were based on the future after-tax cash flows expected to be derived from the Group’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 Group’s impairment testing incorporated the following key assumptions: The estimates used for gold prices, and the discount rate which represented the Group’s weighted average cost of capital and which included estimates for risk-free interest rates, market value of the Group’s equity, market return on equity, share volatility and debt-to-equity financing ratio.

Key assumptions used in the FVLCD calculations:

| Assumption | Mana | Boungou | Sabodala-Massawa |
|---|---|---|---|
| Gold price | $ 1,800 | $ 1,800 | $ 1,800 |
| Long-term gold price | $ 1,600 | $ 1,600 | $ 1,600 |
| Mine life | 10 years | 10 years | 17 years |
| Discount rate | 6.9 % | 7.7 % | 5.5 % |

A sensitivity analysis was performed to identify the impact of changes in the key assumption to the impairment analysis, which include metal prices, discount rate, operating expenses, and capital expenditures. The below table outlines the impact on the Mana and Sabodala-Massawa impairment models by applying sensitivities to the key inputs noted below:

*Mana*

| Assumption | | Change in fair value |
|---|---|---|
| Decrease in metal prices of 5% | $ | (97.5) |
| Increase in discount rate of 2% | $ | (57.0) |
| Increase in operating expenditures of 5% | $ | (48.0) |
| Increase in capital expenditure of 5% | $ | (17.9) |

Based on the sensitivity analysis performed on key assumptions above, no reasonably possible change in the key assumptions would cause the carrying value to exceed its recoverable amount.

*Sabodala-Massawa*

| Assumption | | Change in fair value |
|---|---|---|
| Decrease in metal prices of 5% | $ | (212.7) |
| Increase in discount rate of 2% | $ | (221.5) |
| Increase in operating expenditures of 5% | $ | (84.0) |
| Increase in capital expenditure of 5% | $ | (20.0) |

Using the assumptions noted above the headroom of the FVLCD over and above the carrying value of the cash generating unit is approximately $14.0 million. This is expected given the Sabodala-Massawa CGU was acquired in February 2021. Based on the sensitivity analysis performed on the key assumptions above, a decrease in metal prices, an increase in discount rate, increase in operating expenditures or increase in capital spend would reduce the headroom and result in the carrying value of the cash generating unit exceeding the recoverable value of the mining interest resulting in an impairment.

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## IMPAIRMENT OF BOUNGOU MINE

During the year ended 31 December 2021, the Boungou mine experienced higher costs and lower than expected grades at its mine relative to expectations and the prior year. In developing a revised life of mine plan, management lowered its production estimates in comparison with prior expectations, increased its cost structure to reflect the lower grades and ounces being recovered as well as the increased operating costs of the mine, mainly due to increased spend on security, and reflected the reduced confidence in estimated resource to reserve conversion and exploration potential of the mine from that which was estimated on acquisition.

Given the decrease in the cash flows of the Boungou mine expected in the latest life of mine plan, the Group concluded that there was an impairment at the Boungou CGU at 31 December 2021, as the Group concluded that the recoverable amount of the Boungou CGU, representing its FVLCD, was below the carrying amount, and recognised a non-cash impairment of $246.3 million, of which $31.9 million related to the goodwill, and the remainder related to the mining interests.

A sensitivity analysis was performed to identify the impact of changes in the metal prices, discount rate, operating expenditure, and capital expenditure which are the determined to be the key assumption to the impairment analysis. The below table outlines the impact on the Boungou impairment by applying sensitivities to the key inputs noted below:

| Assumption | | Change in fair value |
|---|---|---|
| Decrease in metal prices of 5% | $ | (55.0) |
| Increase in discount rate of 2% | $ | (24.3) |
| Increase in operating expenditures of 5% | $ | (33.5) |
| Increase in capital expenditure of 5% | $ | (1.5) |

## IMPAIRMENT OF KARMA MINE

An impairment assessment was completed to recognise the Karma 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 $25.0 million, which resulted in an impairment of the mining interests at December 31, 2021 of $11.7 million. The fair value of the various aspects of the expected consideration were as follows (all of which, except for the cash, are classified as Level 3 fair value measurements):

- The net cash proceeds of $5.0 million, which consists of $10.0 million received prior to closing in the form of reimbursement of intercompany loans, net of working capital adjustments of $5.0 million;
- A deferred cash payment to be paid six months after closing with a fair value of $5.0 million;
- A contingent payment of up to $10.0 million, payable twelve months after closing, based on a sliding scale linked to the average gold price. The fair value of the contingent consideration was estimated using a Monte Carlo simulation model using the following key inputs: spot price of gold of $1,829 per ounce, annualised gold price volatility of 14.8%, for each of the quarters in 2022, which resulted in a fair value of $5.0 million; and
- A 2% NSR royalty on all ounces produced in excess of 160k oz of recovered gold from 1 January 2022. 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 Karma reserves at 1 January 2022. Based on the various scenarios considered, the fair value of the NSR was $10.0 million.

## IMPAIRMENT OF EXPLORATION ASSETS

During the year ended 31 December 2021, the Group 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 $1.4 million has been recognised against various exploration properties.

## FOR THE YEAR ENDED 31 DECEMBER 2020

During the fourth quarter of 2020, the Group 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 Group's other mine site CGU's in the year.

## IMPAIRMENT OF KARMA MINE

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

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*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 Group'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 Group'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 Group's weighted average cost of capital and which included estimates for risk-free interest rates, market value of the Group'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 Group 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 recognised against various exploration properties.

## 7 SHARE CAPITAL

### SHARE CAPITAL

| | **2021** | | 2020 | |
|---|---|---|---|---|
| | **Number** | **Amount** | Number | Amount |
| Ordinary share capital | | | | |
| Opening balance | 163.0 | 16.4 | 109.9 | 11.0 |
| Consideration on the acquisition of subsidiary | 78.8 | 7.9 | 47.6 | 4.8 |
| Shares issued on private placement | 8.9 | 0.9 | 4.5 | 0.5 |
| Shares issued on exercise of options and PSU's | 2.7 | 0.1 | 1.1 | 0.1 |
| Cancellation of treasury shares | (5.4) | (0.3) | (0.1) | — |
| Reorganisation | — | (22.5) | — | — |
| **Balance as at 31 December** | **248.0** | **$ 2.5** | **163.0** | **$ 16.4** |
| Deferred share capital | | | | |
| Opening balance | — | — | — | — |
| Shares issued upon capitalisation of the merger reserve | 4,450.0 | 4,450.0 | — | — |
| Shares cancelled | (4,450.0) | (4,450.0) | — | — |
| **Balance as at 31 December** | **—** | **$ —** | **—** | **$ —** |
| **Total share capital** | | **$ 2.5** | | **$ 16.4** |

### a. ISSUED SHARE CAPITAL AS AT 31 DECEMBER 2021

*248.0 million ordinary voting shares of $0.01 par value*

- On 29 September 2021, the Company capitalised $4.5 billion of its merger reserve and applied the amount in full to allot 4.5 billion new deferred shares with a par value of $1.00 each. On 5 October 2021, the Company cancelled all the deferred shares outstanding and the full amount of deferred share capital of $4.5 billion was reclassified to retained earnings.

- On 11 June 2021, the Company completed its reorganisation, whereby it issued 250.5 million common shares with a par value of $0.01 per share in exchange for 100% of the issued and outstanding shares of EMC. As part of the reorganisation, the various management incentive plans (including PSUs and options), as well as the outstanding share warrants and call-rights were also transferred to Endeavour Mining plc. As part of the group reorganisation, a merger reserve was created equal to a value of $4.9 billion which represents the difference between the nominal value of shares in the new parent Company, Endeavour Mining plc, and the aggregate of the share capital, share premium account and equity reserve of the prior parent company, EMC.

- On 22 March 2021, the Company commenced a share buyback programme under which the Company is able to acquire up to 12.2 million of its outstanding ordinary shares, which represents up to 5% of the total issued and outstanding ordinary shares as of 16 March 2021 for a period of one year. During the year ended 31 December 2021, the Company had repurchased a total of 6,0 million shares at an average price of $22.98 for a total amount of

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$137.9 million. 0.6 million shares were repurchased but not yet cancelled as at 31 December 2021. The shares were subsequently cancelled in January 2022.

- During the year ended 31 December 2021, the Company acquired 0.6 million outstanding common shares from certain employees of the Group through an employee benefit trust (note 17). An amount of $14.2 million has been included in the statement of changes in equity as a reduction in equity attributable to the shareholders together with other purchases and cancellations of the Company's own shares.
- On 30 March 2021, La Mancha exercised its anti-dilution right related to the acquisition of Teranga, to maintain its interest in the Company and completed a $200.0 million private placement for 8.9 million shares of Endeavour. Upon completion of the private placement, La Mancha's future anti-dilution rights were extinguished. La Mancha's ownership of Endeavour was 19.0% at 31 December 2021 (31 December 2020 – 24.1%).
- On 10 February 2021, the Group completed the acquisition of Teranga. Under the terms of the transaction, the Group acquired 100% of the issued and outstanding shares of Teranga at an exchange rate of 0.47 Endeavour shares for each outstanding Teranga share, which resulted in the issuance of 78.8 million common shares of Endeavour at a total fair value of $1,678.3 million.
- On 1 July 2020, the Group completed the acquisition of SEMAFO. Under the terms of the transaction, the Group 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 47.6 million common shares of Endeavour at a total fair value of $1,151.3 million.
- On 3 July 2020, La Mancha exercised its anti-dilution right related to the acquisition of SEMAFO to maintain its interest in the Company and completed a $100.0 million private placement for 4.5 million shares of Endeavour.
- On 30 June 2020, the Group held 0.4 million shares in SEMAFO which were converted into 0.1 million common shares of Endeavour on 1 July 2020. On 22 September 2020, the Group cancelled these treasury shares which resulted in a reduction of $1.2 million in share capital.

### b. SHARE-BASED COMPENSATION
The following table summarises the share-based compensation expense:

| | YEAR ENDED | |
|---|---|---|
| | **31 December 2021** | 31 December 2020 |
| Charges and change in fair value of DSUs | 0.9 | 1.3 |
| Charges and change in fair value of PSUs | 31.6 | 17.5 |
| **Total share-based compensation** | **$ 32.5** | $ 18.8 |

### c. OPTIONS

| | Options outstanding | Weighted average exercise price (C$) |
|---|---|---|
| Added upon acquisition of Teranga | 3,517,187 | 16.27 |
| Exercised | (1,265,907) | 10.17 |
| Expired | (678,170) | 31.92 |
| **At 31 December 2021** | **1,573,110** | **14.43** |

Upon acquisition of Teranga, all outstanding Teranga stock options, whether previously vested or unvested, became fully vested and were exchanged for replacement options to purchase common shares of Endeavour at a ratio of 0.47 Endeavour share options for each Teranga share option at an adjusted exercise price, with an expiry date of the earlier of (i) the original expiry date of each Teranga stock option, and (ii) the second year anniversary of the closing date of the acquisition transaction. The fair values at the acquisition date were calculated using the Black-Scholes valuation model using a volatility of 42.64% - 60.05%, a dividend yield of 2.6% and a risk free rate of 0.1%. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time to the date of their expiry.

As at 31 December 2021, the weighted average remaining contractual term of outstanding stock options exercisable was 0.99 years. The share options are exercisable at prices ranging from C$6.60 to C$31.92.

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### d. 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 31 December 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 31 December 2020 | 125,161 | 14.22 | 3,213,805 | 20.48 |
| Granted | 44,175 | 26.84 | 1,644,735 | 28.28 |
| Exercised | (1,858) | 31.33 | (1,552,719) | 22.26 |
| Forfeited | (689) | 25.33 | (70,759) | 22.34 |
| Reinvested | 3,923 | 18.83 | 120,793 | 23.59 |
| Added by performance factor | — | — | 292,922 | 22.54 |
| **At 31 December 2021** | **170,712** | **17.36** | **3,648,777** | **23.47** |

### e. DEFERRED SHARE UNITS
The Group 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 31 December 2021 was $3.7 million (31 December 2020 – $2.9 million). The total DSU share-based compensation recognised in the consolidated statement of comprehensive earnings was an expense of $0.9 million for the year ended 31 December 2021 (for the year ended 31 December 2020 – expense of $1.3 million).

### f. PERFORMANCE SHARE UNITS
The Group's long-term incentive plan (“LTI Plan”) includes a portion of performance-linked share unit awards (“PSUs”), intended to increase the pay mix in favour 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. 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 on the estimated probability of reaching the operational targets. The key operational targets are determined annually and include:

- For 2022 PSU grants: 2024 targets relate to gold production (25%), capital projects and carbon reduction (25%)
- For 2021 PSU grants: 2023 targets relate to gold production (25%), capital project (12.5%), and carbon reduction and renewable energy (12.5%);
- Key future operational targets in 2022 for 2020 PSU grants are net debt / earnings before interest, tax, depreciation and amortisation ("EBITDA") (25%), gold production targets (12.5%), and Environmental, Social and Governance ("ESG") targets (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% (2020 – 2.5%), as well as historical TSR levels and historical volatility of the constituents of the S&P TSX Global Gold Index (2020 – same).

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During the year ended 31 December 2021, the Group determined that PSU's outstanding and part of the EBT will be settled in cash upon exercise. The fair value of the PSUs on date of reclassification was determined to be $14.4 million and was transferred from equity reserve to liabilities. Subsequent measurement of the liability to fair value is recognised in profit or loss and is included in share-based compensation expense. No PSUs are exercisable as at 31 December 2021.

### g. BASIC AND DILUTED EARNINGS PER SHARE
Diluted net earnings per share was calculated based on the following:

| | YEAR ENDED | |
|---|---|---|
| | **31 December 2021** | 31 December 2020 |
| Basic weighted average number of shares outstanding | **240,094,919** | 137,042,765 |
| Effect of dilutive securities[1] | | |
| Stock options and warrants | **1,920,650** | — |
| Diluted weighted average number of shares outstanding | **242,015,569** | 137,042,765 |
| **Total common shares outstanding** | **248,038,422** | 163,036,473 |
| **Total potential diluted common shares** | **254,999,309** | 165,458,170 |

At 31 December 2021, a total of 3,648,777 PSU's (2,421,697 at 31 December 2020) 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. 186,120 stock options were anti-dilutive as at 31 December 2021 and were excluded from the determination of the diluted weighted average number of shares outstanding (31 December 2020 – nil). 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.

### h. DIVIDENDS
During the year ended 31 December 2021, the Group announced its dividend for the first half of the 2021 fiscal year of $0.28 per share totalling $69.9 million. The dividend was paid during the three months ended 30 September 2021 to shareholders on record at the close of business on 10 September 2021. In February 2021, the Group paid a dividend of $60.0 million ($0.37 per share) to shareholders on record on the close of business of 22 January 2021.

| | **31 December 2021** | 31 December 2020 |
|---|---|---|
| Dividends declared and paid | **129.9** | — |
| Dividend per share | **0.65** | — |

### i. OTHER RESERVES
A summary of reserves is presented below:

| | Capital Redemption Reserve | Share Based Payment Reserve | Merger Reserve | **Total** |
|---|---|---|---|---|
| At 1 January 2020 | — | 72.5 | — | **72.5** |
| Share based compensation | — | 17.2 | — | **17.2** |
| Shares issued on exercise of options and PSU's | — | (19.3) | — | **(19.3)** |
| **At 31 December 2020** | **—** | **70.4** | **—** | **70.4** |
| Consideration on the acquisition of Teranga | — | 30.4 | — | **30.4** |
| Purchase and cancellation of own shares | 0.3 | — | — | **0.3** |
| Share based compensation | — | 25.4 | — | **25.4** |
| Shares issued on exercise of options and PSU's | — | (24.8) | — | **(24.8)** |
| Reorganisation | — | — | 4,946.7 | **4,946.7** |
| Deferred shares issued upon capitalisation | — | — | (4,450.0) | **(4,450.0)** |
| Reclassification of PSU's to liabilities | — | (14.4) | — | **(14.4)** |
| **At 31 December 2021** | **0.3** | **87.0** | **496.7** | **584.0** |

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### NATURE AND PURPOSE OF OTHER RESERVES

*CAPITAL REDEMPTION RESERVE*
The capital redemption reserve represents the cumulative amount of shares cancelled, following the share buyback by the Company.

*SHARE BASED PAYMENT RESERVE*
Share-based payment reserve represents the cumulative share-based payment expense for the Company's share option schemes.

*MERGER RESERVE*
The merger reserve contains the difference between the share capital of the Company and the net assets of EMC as at the date or reorganisation as described in note 7 to the consolidated financial statements, and less amounts cancelled and transferred to retained earnings on cancellation of the deferred shares.

## 8 FINANCIAL INSTRUMENTS AND RELATED RISKS
### a. FINANCIAL ASSETS AND LIABILITIES
The Group's financial instruments are classified as follows:

| | Financial assets/liabilities at amortised cost | Financial instruments at fair value through profit and loss ('FVTPL') |
|---|---|---|
| Cash | | X |
| Trade and other receivables | X | |
| Restricted cash | | X |
| Marketable securities | | X |
| Other long-term receivable | | X |
| Other financial assets | | X |
| Trade and other payables | X | |
| Share warrant liabilities | | X |
| Call-rights | | X |
| Contingent consideration | | X |
| Senior notes | X | |
| Embedded derivative on senior notes | | X |
| Revolving credit facilities | X | |
| Corporate loan facilities | X | |
| Derivative financial assets | | X |
| Convertible senior notes | X | |
| Conversion option on convertible senior notes | | X |

The fair value of these financial instruments approximates their carrying value, unless otherwise noted below, except for the convertible senior notes, which has a fair value of approximately $370.3 million (31 December 2020 – $398.6 million), and the senior notes which has a fair value of approximately $496.8 million.

As noted above, the Group 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).

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As at each of 31 December 2021 and 31 December 2020, the levels in the fair value hierarchy into which the Group's financial assets and liabilities measured and recognised in the consolidated statement of financial position at fair value are categorised as follows:

| | | AS AT 31 DECEMBER 2021 | | | |
|---|---|---|---|---|---|
| | Note | Level 1 Input | Level 2 Input | Level 3 Input | Aggregate Fair Value |
| **Assets:** | | | | | |
| Cash | | 906.2 | — | — | 906.2 |
| Restricted cash | 14 | 31.6 | — | — | 31.6 |
| Marketable securities | | 3.1 | — | — | 3.1 |
| Long term receivable | 14 | — | — | 5.9 | 5.9 |
| Derivative financial assets | 14 | — | 25.1 | — | 25.1 |
| Other financial assets | 14 | — | 40.0 | 1.0 | 41.0 |
| **Total** | | **$ 940.9** | **$ 65.1** | **$ 6.9** | **$ 1,012.9** |
| **Liabilities:** | | | | | |
| Share warrant liabilities | 17 | — | (23.6) | — | (23.6) |
| Call-rights | 17 | — | (19.2) | — | (19.2) |
| Contingent consideration | 17 | — | (48.2) | — | (48.2) |
| Conversion option on convertible senior notes | 9 | — | (34.6) | — | (34.6) |
| **Total** | | **$ —** | **$ (125.6)** | **$ —** | **$ (125.6)** |

| | | AS AT 31 DECEMBER 2020 | | | |
|---|---|---|---|---|---|
| | Note | Level 1 Input | Level 2 Input | Level 3 Input | Aggregate Fair Value |
| **Assets:** | | | | | |
| Cash | | 645.0 | — | — | 645.0 |
| Restricted cash | 14 | 24.4 | — | — | 24.4 |
| Marketable securities | | 0.8 | — | — | 0.8 |
| Long term receivable | 14 | — | — | 0.8 | 0.8 |
| **Total** | | **$ 670.2** | **$ —** | **$ 0.8** | **$ 671.0** |
| **Liabilities:** | | | | | |
| Conversion option on convertible senior notes | 9 | — | (74.6) | — | (74.6) |
| **Total** | | **$ —** | **$ (74.6)** | **$ —** | **$ (74.6)** |

There were no transfers between level 1 and 2 during the year. The fair value of level 3 financial assets were determined using Monte Carlo or discounted cash flow valuation models, 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.

### b. GAIN/(LOSS) ON FINANCIAL INSTRUMENTS

| | | YEAR ENDED | |
|---|---|---|---|
| | Note | **31 December 2021** | 31 December 2020 |
| Change in value of receivable at FVTPL | | **(1.5)** | (13.3) |
| Unrealised gain/(loss) on conversion option on convertible senior notes | 9 | **40.0** | (43.2) |
| Gain/(loss) on change in fair value of warrant liabilities | 17 | **(1.4)** | — |
| Gain on change in fair value of call rights | 17 | **0.1** | — |
| Loss on change in fair value of contingent consideration | 17 | **(3.2)** | — |
| Loss on foreign exchange | | **(37.5)** | (5.2) |
| Realised gain on forward contract | 14 | **11.5** | 6.7 |
| Gain/(loss) on gold collar | 14 | **6.2** | (21.2) |
| Gain/(loss) on other financial instruments | | **8.7** | (2.5) |
| **Total gain/(loss) on financial instruments** | | **$ 22.9** | $ (78.7) |

FINANCIAL STATEMENTS

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**(EXPRESSED IN MILLIONS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)**

### c. FINANCIAL INSTRUMENT RISK EXPOSURE

The Group’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 Group 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 Group 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 Group 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 Group deems the credit risk on its cash to be low. At 31 December 2021 1% of the Group's cash balances were invested in AA rated financial institutions (2020: 16%), 76% in A rated financial institutions (2020: 45%), 7% in B rated financial institutions (2020: 1%), 14% in BB rated institutions (2020: 31%) and 3% in unrated financial institutions (2020: 7%).

The Group closely monitors its financial assets (excluding cash) and does not have any significant concentration of credit risk other than receivable balances owed from the governments in the countries the Group operates in and its other receivables of $14.6 million due from third parties.

The Group has a receivable of $5.9 million from Allied, who acquired the Agbaou mine in March 2021, which has not yet been repaid at 31 December 2021. Management monitors the results of Allied to evaluate the ability of the counterparty to repay the amount. In addition, the Group has an investment in shares of Allied which a value of $40.0 million at 31 December 2021, and has the option to sell the shares back to Allied and receive $40.0 million in cash. Management is monitoring Allied's results from operations to determine the fair value of the investment, as well as its ability to repay the receivable if the option to convert the shares into a receivable is exercised. The Group monitors the amounts outstanding from all 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 Group sells its gold to large international organisations 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 31 December 2021 is considered to be negligible. The Group does not rely on ratings issued by credit rating agencies in evaluating counterparties’ related credit risk.

The Group’s maximum exposure to credit risk is as follows:

| | Note | 31 December 2021 | 31 December 2020 |
|---|---|---|---|
| Cash | | **906.2** | 645.0 |
| Trade and other receivables | 10 | **104.8** | 55.1 |
| Other financial assets | 14 | **41.0** | 0.8 |
| Derivative financial assets | 14 | **25.1** | — |
| Marketable securities | 14 | **3.1** | — |
| Long-term receivable | 14 | **5.9** | — |
| Restricted Cash | 14 | **31.6** | 24.4 |
| **Total** | | **$ 1,117.7** | $ 725.3 |

*LIQUIDITY RISK*

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash, physical gold or another financial asset. The Group has a planning and budgeting process in place to help determine the funds required to support the Group’s normal operating requirements. The Group 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 9.

FINANCIAL STATEMENTS
# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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The following table summarises the Group's liabilities that have contractual maturities as at 31 December 2021:

| | Within 1 year | 1 to 2 years | 3 to 4 years | Over 4 years | Total |
|---|---|---|---|---|---|
| Trade and other payables | 351.0 | — | — | — | **351.0** |
| Convertible senior notes | 9.9 | 335.0 | — | — | **344.9** |
| Senior notes | 25.0 | 25.0 | 25.0 | 550.0 | **625.0** |
| Lease liabilities | 13.9 | 11.7 | 12.9 | 16.0 | **54.5** |
| **Total** | **$ 399.8** | **$ 371.7** | **$ 37.9** | **$ 566.0** | **$ 1,375.4** |

The following table summarises the Group's liabilities that have contractual maturities as at 31 December 2020:

| | Within 1 year | 1 to 2 years | 3 to 4 years | Over 4 years | Total |
|---|---|---|---|---|---|
| Trade and other payables | 269.7 | — | — | — | **269.7** |
| Corporate loan facility[1] | 16.0 | 16.0 | 311.3 | — | **343.3** |
| Convertible senior notes | 9.9 | 9.9 | 335.0 | — | **354.8** |
| Lease liabilities | 15.5 | 15.3 | 7.3 | 1.2 | **39.3** |
| **Total** | **$ 311.1** | **$ 41.2** | **$ 653.6** | **$ 1.2** | **$ 1,007.1** |

[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.

### d. MARKET RISKS
*CURRENCY RISK*
Currency risk relates to the risk that the fair values or future cash flows of the Group's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs that the Group incurs in its operations. There has been no change in the Group's objectives and policies for managing this risk during the period ended 31 December 2021. The Group 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:

| | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Canadian dollar | **(19.3)** | 92.4 |
| CFA Francs | **451.4** | 175.9 |
| Euro | **(14.7)** | 0.6 |
| Other currencies | **(0.4)** | 13.3 |
| **Total** | **$ 417.0** | $ 282.2 |

The effect on earnings before taxes as at 31 December 2021, 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 Group is estimated to be $41.7 million (31 December 2020, $28.2 million), if all other variables remained constant. The calculation is based on the Group's statement of financial position as at 31 December 2021.

**INTEREST RATE RISK**
Interest rate risk is the risk that future cash flows from, or the fair values of, the Group's financial instruments will fluctuate because of changes in market interest rates. The Group 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 Group continually monitors its exposure to interest rates and is comfortable with its exposure given the relatively low short-term US interest rates and Secured Overnight Financing Rate ("SOFR").

FINANCIAL STATEMENTS
# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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### COVID-19 PANDEMIC RISKS
The Company continues to actively monitor the impact of the COVID-19 pandemic, including the impact on economic activity and financial reporting. In response to health risks associated with the spread of COVID-19, the Group implemented a number of health and safety measures designed to protect employees and the local communities at its operations. Throughout the COVID-19 pandemic, the Group has monitored the impact that COVID-19 has had on its employees and contractors, in terms of potential health concerns, mobility to and from sites, as well as personal well-being. The Group has also monitored the impact on supply chain, infrastructure, as well as the ability to transport its gold for sale.

In the years ended 31 December 2021 and 2020, none of the Group's operations were suspended as a result of COVID-19. During the year ended 31 December 2021, the Company continued to incur costs attributable to the management of the pandemic, including those associated with additional personal protective equipment, higher travel and transportation costs, and community support. These costs were approximately $0.6 million in the year ended 31 December 2021 (2020 - $7.7 million) and are included corporate costs in the consolidated statement of comprehensive earnings. The impacts of COVID-19 on the Group's operations to date did not represent indicators of impairment for any of the Group's assets as at 31 December 2021 and 2020.

The extent to which COVID-19 may continue to impact the Group's operations will depend on future developments which are uncertain and cannot be predicted. These developments include, but are not limited to, the continued spread of COVID-19, increased severity of COVID-19, the emergence of any future variants of concern, the duration of the outbreak, and additional actions taken by the governments in the countries in which the Group operates to contain COVID-19.

As the pandemic continues to evolve, it remains difficult to predict the full extent and duration of the resulting operational and economic impacts for the Company, which may impact a number of future reporting periods. The Group will continue to monitor these and all other developments on the Group's operations and their impact on the Group's operations and economic activity.

## 9 LONG-TERM DEBT

| | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Senior notes (a) | 492.7 | — |
| Revolving credit facilities (b) | — | 310.0 |
| Deferred financing costs | (7.2) | (8.2) |
| Convertible senior notes (c) | 321.8 | 311.9 |
| Conversion option (d) | 34.6 | 74.6 |
| **Total long-term debt** | **$ 841.9** | $ 688.3 |

The Group incurred the following finance costs in the period:

| | YEAR ENDED | |
|---|---|---|
| | 31 December 2021 | 31 December 2020 |
| Interest expense | 44.8 | 42.0 |
| Amortisation of deferred facility fees | 15.9 | 3.0 |
| Commitment, structuring and other fees | 5.4 | 3.8 |
| **Total finance costs** | **$ 66.1** | $ 48.8 |

### a. SENIOR NOTES
On 14 October 2021, the Company completed an offering of $500.0 million fixed rate senior notes (the "Senior Notes") due in 2026. The Senior Notes are listed on the Global Exchange Market ('GEM') which is the exchange-regulated market of The Irish Stock Exchange plc trading as Euronext Dublin of Euronext Dublin and to trading on the GEM of Euronext Dublin. The proceeds of the Notes of $494.6 million were used to repay all amounts outstanding under the Company's existing revolving credit facilities and to pay fees and expenses in connection with the offering of the Notes.

The Notes bear interest at a coupon rate of 5% per annum payable semi-annually in arrears on 14 April and 14 October each year. The Notes mature on 14 October 2026, unless redeemed earlier or repurchased in accordance with the terms of the Notes.

FINANCIAL STATEMENTS

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The key terms of the Notes include:

- Principal amount of $500.0 million.
- Coupon rate of 5% payable on a semi-annual basis.
- The term of the notes is 5 years, maturing in October 2026.
- The notes are reimbursable through the payment of cash.

For accounting purposes, the Company measures the Notes at amortised cost, accreting to maturity over the term of the Notes. The conversion option on the Convertible Notes is an embedded derivative and is accounted for as a financial liability measured at fair value through profit or loss. The Notes include an optional redemption from October 2023 through to maturity at a redemption price ranging from 102.5% to 100% of the principal. Prior to October 2023, the Company may redeem up to 40% of the Notes from proceeds of an equity offering at a redemption price of 105% of the principal plus any accrued and unpaid interest. This early redemption feature is an embedded derivative to the Notes and is accounted for as a financial instrument at fair value through profit and loss, with changes in fair value at each subsequent reporting period being recognised in earnings (Note 8). The fair value of the prepayment feature has been calculated using a valuation model taking into account the market value of the debt, interest rate volatility, risk-free interest rates, and the credit spread. The fair value of the embedded derivative at 31 December 2021 was $4.6 million (inception - $3.4 million) (Note 14).

Covenants on the Senior Notes include certain restrictions on indebtedness, restricted payments, liens, or distributions from certain companies in the Group. In addition, should the rating of the Senior Notes be downgraded as a result of a change of control (defined as the sale or transfer of 50% or more of the common shares or the transfer of all or substantially all the assets of the Group), the Group is obligated to repurchase the notes at an equivalent price of 101% of the principal amount plus the accrued interest to repurchase date, if requested to do so by any creditor.

### b. REVOLVING CREDIT FACILITIES

Concurrent with the completion of the offering of the Notes above, the Company entered into a new $500.0 million unsecured revolving credit facility agreement (the "new RCF") with a syndicate of international banks. The new RCF replaces the bridge facility and existing RCF, which were both repaid and cancelled upon completion of the Notes offering and new RCF.

The key terms of the new RCF include:

- Principal amount of $500.0 million.
- Interest accrues on a sliding scale of between SOFR plus 2.40% to 3.40% based on the Company’s leverage ratio.
- Commitment fees for the undrawn portion of the new RCF of 35% of the applicable margin which is based on leverage (0.84% based on currently available margin).
- The RCF matures on 15 October 2025.
- The principal outstanding on the new RCF is repayable as a single bullet payment on the maturity date.
- Banking syndicate includes Société Générale, ING, Citibank N.A., BNP Paribas, Macquarie Bank Ltd, Barclays Bank, HSBC and BMO.

Covenants on the new RCF include:

- Interest cover ratio as measured by ratio of earnings before interest, tax, depreciation and amortisation ("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 trailing twelve months EBITDA at the end of each quarter must not exceed 3.5:1.0

Previously, on 24 December 2020 the Company had entered into a $430.0 million revolving credit facility agreement (the "old RCF"), which replaced a previous similar RCF, as well as a new $370.0 million facility agreement ("Bridge Facility"), both with a syndicate of international banks and which became effective on 10 February 2021.

The key terms of the previous RCF included:

- Principal amount of $430.0 million, maturing in January 2023, repayable in full on maturity date.
- Interest accrued 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%.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
**(EXPRESSED IN MILLIONS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)**

The key terms of the Bridge Facility included:

- Principal amount of $370.0 million, maturing in January 2023, repayable as a single bullet payment on maturity.
- Interest accrued on SOFR plus 2.25% for the first six months after first utilisation and increases by 50 basis points each subsequent six month period.

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

The conversion rate of the Convertible Notes has been subsequently adjusted as a result of the dividends declared and paid by the Company, and the new conversion rate at 31 December 2021 is 42.55 of the Company's common shares per $1,000 note, and equates to a conversion price of approximately $23.50 (CAD$29.72) per share.

The Convertible Notes bear interest at a coupon rate of 3% payable semi-annually in arrears on 15 February and 15 August of each year. Convertible Notes mature on 15 February 2023, unless redeemed earlier, repurchased or converted in accordance with the terms of the Convertible Notes. The note holders can convert their Convertible Notes at any time prior to the maturity date. Also, the Convertible 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 Convertible 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 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 conversion price is $23.50 (CAD$29.72) per share.
- The reference share price of the notes is $18.04 (CAD$22.24) per share.

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

The unrealised gain/loss on the convertible note option for the year ended 31 December 2021 was an unrealised gain of $40.0 million (year ended 31 December 2020 – unrealised loss of $43.2 million million).

The liability component for the Notes at 31 December 2021 has an effective interest rate of 6.2% (31 December 2020: 6.2%) and was as follows:

| | **31 December 2021** | 31 December 2020 |
|---|---|---|
| Liability component at beginning of the period | **311.9** | 302.6 |
| Interest expense in the period | **19.8** | 19.2 |
| Less: Interest payments in the period | **(9.9)** | (9.9) |
| **Total** | **$ 321.8** | $ 311.9 |

FINANCIAL STATEMENTS

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### d. CONVERSION OPTION

The conversion option related to the Convertible Notes is recorded at fair value, using a convertible bond valuation model, taking account of 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 Convertible Notes, which was then calibrated to the total fair value of the Convertible Notes: volatility of 38% (31 December 2020 – 56%), term of the conversion option 0.99 years (31 December 2020 – 2.13 years), a dividend yield of 2.5% (31 December 2020 – 2.5%), credit spread of 0.86% (31 December 2020 – 4%), and a share price of CAD$27.73 (31 December 2020 – CAD$29.62).

| | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Conversion option at beginning of the period | 74.6 | 31.4 |
| Fair value adjustment | (40.0) | 43.2 |
| **Conversion option at end of the period** | $ 34.6 | $ 74.6 |

## 10 TRADE AND OTHER RECEIVABLES

| | 31 December 2021 | 31 December 2020 |
|---|---|---|
| VAT receivable (a) | 59.7 | 30.6 |
| Receivables for gold sales | 3.9 | 4.6 |
| Other receivables (b) | 32.5 | 19.9 |
| Advance payments of royalties | 8.7 | — |
| **Total** | $ 104.8 | $ 55.1 |

### a. VAT RECEIVABLE

VAT receivable relates to net VAT amounts paid to vendors for goods and services purchased, primarily in Burkina Faso. These balances are expected to be collected in the next twelve months. In the year ended 31 December 2021, the Group collected $92.0 million of outstanding VAT receivables, through the sale of its VAT receivables to third parties or reimbursement from the tax authorities.

### b. OTHER RECEIVABLES

Other receivables at 31 December 2021 include a receivable of $11.7 million (31 December 2020 – $nil) related to the sale of equipment at Ity to third parties, an amount of $5.9 million (31 December 2020 – $nil) receivable from Allied related to the sale of the Agbaou mine, and other receivables from third parties. All these amounts are non-interest bearing and are expected to be repaid in the next twelve months.

## 11 INVENTORIES

| | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Doré bars | 25.1 | 24.1 |
| Gold in circuit | 41.0 | 33.8 |
| Ore stockpiles | 312.2 | 125.7 |
| Spare parts and supplies | 118.3 | 84.0 |
| **Total** | $ 496.6 | $ 267.6 |
| Non-current stockpiles | (185.3) | (77.0) |
| **Inventories, current** | $ 311.3 | $ 190.6 |

As of 31 December 2021, there was a provision of $nil to adjust gold in circuit ("GIC") inventory to net realisable value at Karma (31 December 2020 – $19.4 million with respect to GIC and $0.4 million related to finished goods).

The cost of inventories recognised as expense in the year ended 31 December 2021 was $1,711.5 million and was included in operating expenses (year ended 31 December 2020 - $836.0 million).

FINANCIAL STATEMENTS

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 12 MINING INTERESTS

| | | MINING INTERESTS | | | | |
|---|---|---|---|---|---|---|
| | Note | Depletable | Non depletable[1] | Property, plant and equipment | Assets under construction | Total |
| **Cost** | | | | | | |
| Balance as at 1 January 2020 | | 682.8 | 331.8 | 1,081.6 | 22.0 | **2,118.2** |
| Acquired in business combinations | 5 | 519.9 | 453.5 | 359.2 | — | **1,332.6** |
| Additions/expenditures | | 102.8 | 67.3 | 44.5 | 44.4 | **259.0** |
| Transfers from inventory[1] | | — | — | 14.9 | — | **14.9** |
| Transfers | | 40.8 | (31.2) | 26.1 | (35.7) | **—** |
| Change in estimate of environmental rehabilitation provision | | 16.5 | — | — | — | **16.5** |
| Transfer to assets held for sale | | (149.9) | — | (173.4) | — | **(323.3)** |
| Disposals[2] | | (0.3) | — | (37.9) | — | **(38.2)** |
| Balance as at 31 December 2020 | | 1,212.6 | 821.4 | 1,315.0 | 30.7 | **3,379.7** |
| Acquired in business combinations | 5 | 2,087.1 | 224.6 | 462.1 | — | **2,773.8** |
| Additions/expenditures | | 232.0 | 79.1 | 140.4 | 99.1 | **550.6** |
| Transfers from inventory[3] | | — | — | 9.9 | — | **9.9** |
| Transfers | | 57.9 | (40.5) | 45.1 | (62.5) | **—** |
| Change in estimate of environmental rehabilitation provision | | 43.4 | — | — | — | **43.4** |
| Disposals[2] | | (0.9) | — | (53.4) | — | **(54.3)** |
| **Balance as at 31 December 2021** | | **$ 3,632.1** | **$ 1,084.6** | **$ 1,919.1** | **$ 67.3** | **$ 6,703.1** |
| **Accumulated Depreciation** | | | | | | |
| Balance as at 1 January 2020 | | 294.2 | — | 413.7 | — | **707.9** |
| Depreciation/depletion | | 151.8 | — | 144.7 | — | **296.5** |
| Impairment | 6 | 25.1 | 19.9 | 39.4 | — | **84.4** |
| Transfer to assets held for sale | 5 | (114.6) | — | (144.6) | — | **(259.2)** |
| Disposals | | (0.1) | — | (27.6) | — | **(27.7)** |
| Balance as at 31 December 2020 | | 356.4 | 19.9 | 425.6 | — | **801.9** |
| Depreciation/depletion | | 445.4 | — | 271.2 | — | **716.6** |
| Impairment | 6 | 87.8 | 128.4 | 11.3 | — | **227.5** |
| Disposals[2] | | — | — | (23.1) | — | **(23.1)** |
| **Balance as at 31 December 2021** | | **$ 889.6** | **$ 148.3** | **$ 685.0** | **$ —** | **$ 1,722.9** |
| **Carrying amounts** | | | | | | |
| At 31 December 2020 | | $ 856.2 | $ 801.5 | $ 889.4 | $ 30.7 | **$ 2,577.8** |
| **At 31 December 2021** | | **$ 2,742.5** | **$ 936.3** | **$ 1,234.1** | **$ 67.3** | **$ 4,980.2** |

1. In the year ended 31 December 2020 long-term strategic parts and supplies to the value of $14.9 million were transferred from inventory to property. plant and equipment.
2. Disposals for the year ended 31 December 2021 mainly relate to mining equipment with a net book value of $28.3 million sold to the mining contractor at Ity for which we recognised a loss of $2.4 million (for the year ended 31 December 2020, the Group received proceeds of $10.3 million and recognised a gain of $4.1 million on the sale and leaseback of a mining fleet at Karma in connection with transferring its mining operations to a contractor).
3. In the year ended 31 December 2021 long-term strategic parts and supplies to the value of $9.9 million were transferred from inventory to property, plant and equipment associated to the acquisition of the Sabodala-Massawa and Wahgnion mines.
4. During the year ended 31 December 2020, the Group received $22.2 million in cash proceeds from a contractor used in the original construction of the Karma mine as reimbursement of previously made capitalised expenditures. The proceeds have been recognised as other income in the year ended 31 December 2020.

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

| | Plant and equipment | Property | Total |
|---|---|---|---|
| Balance as at 1 January 2020 | 6.4 | 1.6 | 8.0 |
| Acquired in business combinations | 26.0 | 1.2 | 27.2 |
| Additions | 11.5 | 0.7 | 12.2 |
| Depreciation for the year | (10.2) | (1.6) | (11.8) |
| Transferred to assets held for sale | (0.8) | — | (0.8) |
| Disposals | (1.6) | — | (1.6) |
| Balance as at 31 December 2020 | 31.3 | 1.9 | 33.2 |
| Acquired in business combinations | 0.6 | 5.0 | 5.6 |
| Additions | 18.2 | 9.7 | 27.9 |
| Depreciation for the year | (12.1) | (1.0) | (13.1) |
| **Balance as at 31 December 2021** | **$ 38.0** | **$ 15.6** | **$ 53.6** |

## 13 GOODWILL

As stated in Note 5, the Group has recognised goodwill on the acquisition of SEMAFO and Teranga 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. The Group has allocated goodwill for impairment testing purposes to three individual CGUs - Mana, Boungou and Sabodala-Massawa.

The carrying amount of goodwill has been allocated to CGUs as follows:

| | Note | Mana | Boungou | Sabodala-Massawa | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 January 2020 | | — | — | — | **—** |
| Recognised on acquisition of a subsidiary | | 39.6 | 31.9 | — | **71.5** |
| **At 31 December 2020** | | **$ 39.6** | **$ 31.9** | **$ —** | **$ 71.5** |
| Recognised on acquisition of subsidiary | | — | — | 94.8 | **94.8** |
| **At 31 December 2021** | | **$ 39.6** | **$ 31.9** | **$ 94.8** | **$ 166.3** |
| **Accumulated impairment losses** | | | | | |
| At 1 January 2020 | | — | — | — | **—** |
| Impairment losses for the year | | — | — | — | **—** |
| **At 31 December 2020** | | **$ —** | **$ —** | **$ —** | **$ —** |
| Impairment losses for the year | 6 | — | 31.9 | — | **31.9** |
| **At 31 December 2021** | | **$ —** | **$ 31.9** | **$ —** | **$ 31.9** |
| **Carrying amount** | | | | | |
| **At 31 December 2020** | | **$ 39.6** | **$ 31.9** | **$ —** | **$ 71.5** |
| **At 31 December 2021** | | **$ 39.6** | **$ —** | **$ 94.8** | **$ 134.4** |

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## 14 OTHER FINANCIAL ASSETS
Other financial assets are comprised of:

| | Note | | 31 December 2021 | | 31 December 2020 |
|---|---|---|---|---|---|
| Restricted cash | 18 | | **31.6** | | 24.4 |
| Long-term receivable (a) | 5 | | **5.9** | | — |
| Derivative financial assets (b) | | | **25.1** | | — |
| Other financial assets (c) | 4 | | **41.0** | | 0.8 |
| **Total other financial assets** | | **$** | **103.6** | $ | 25.2 |
| Less: Non-current other financial assets | | | **(95.0)** | | (25.2) |
| **Total current derivative financial assets** | | **$** | **8.6** | $ | — |

### a. LONG-TERM RECEIVABLE
The long-term receivable at 31 December 2021 is the fair value related to the NSR receivable from Allied for the sale of the Agbaou mine.

### b. DERIVATIVE FINANCIAL ASSETS
*GOLD COLLAR*

In the year ended 31 December 2021, the Group implemented a deferred premium collar strategy ("Collar") (Note 8b) using written call options and bought put options with a floor price of $1,750 and a ceiling price of $2,100 per ounce. The Collar covers a total of 600,008 ounces of which 300,004 will be settled quarterly in 2022 with the remaining ounces to be settled on a quarterly basis in 2023. The programme represents an estimated 20% of Endeavour's total expected gold production for the period of the Collar. The Group paid a premium of $10.0 million upon entering into the Collar. As at 31 December 2021, $16.1 million is included in derivative financial assets related to the Collar of which $11.8 million has been classified as non-current. The Collar was not designated as a hedge by the Group and recorded at its fair value at the end of each reporting period with changes in fair value recorded in the consolidated statement of comprehensive earnings.

In the year ended 31 December 2019, the Group implemented a gold 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 expected 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 FVTPL and the Group realised a loss of $35.9 million over the life of the Collar of which $21.2 million was recognised in the year ended 31 December 2020.

*FORWARD CONTRACTS*

During the year ended 31 December 2021, the Group has entered into various gold forward contracts to manage the risk of changes in the market price of gold within a period. In the fourth quarter, the Group bought 120,000 ounces at an average gold price of $1,860 per ounce which will be evenly settled on a quarterly basis in 2022 (Note 8b). At 31 December 2021, the contracts had a fair value of $4.3 million which has been recognised in the current portion of other financial assets. Also, during the year ended 31 December 2021, the Group has periodically entered into agreements to sell ounces of gold produced in a quarter at specified prices. Through these agreements, the Group has sold a total of 215,000 ounces in the year at an average price of $1,822 per ounce, and has realised gains of $7.8 million in the year upon settlement of these agreements for cash. During the year ended 31 December 2020, the Group entered into forward contracts and sold 73,919 ounces at an average gold price of $1,590 per ounce, and recognised a gain of $6.7 million upon settlement of the contracts.

*EMBEDDED DERIVATIVE ON SENIOR NOTES*

Derivative financial assets include the early redemption feature on the Senior Notes which is accounted for as a financial instrument at fair value through profit and loss (Note 9). A gain of $1.2 million was recognised in gains/losses on other financial instruments due to the revaluation of the embedded derivative to a fair value of $4.6 million at 31 December 2021 (inception - $3.4 million).

### c. OTHER FINANCIAL ASSETS
Other financial assets at 31 December 2021 include $40.0 million related to the shares of Allied received as consideration upon the sale of the Agbaou mine and is classified as a non-current financial asset.

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## 15 TRADE AND OTHER PAYABLES
Trade and other payables consist of the following:

| | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Trade accounts payable | **247.7** | 192.9 |
| Royalties payable | **40.5** | 14.5 |
| Payroll and social payables | **51.1** | 27.0 |
| Other payables | **11.7** | 27.3 |
| **Total trade and other payables** | **$ 351.0** | $ 261.7 |

## 16 LEASE LIABILITIES
Leases relate principally to corporate offices, light vehicles and mining fleet at the various mine sites. Leases for corporate offices typically range from 3 to 10 years. The lease liabilities included in the consolidated statement of financial position are as follows:

| | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Lease liabilities | **51.2** | 37.2 |
| Less: non-current lease liabilities | **(36.8)** | (23.5) |
| **Current lease liabilities** | **$ 14.4** | $ 13.7 |

Amounts recognised in the consolidated statement of comprehensive earnings are as follows:

| | YEAR ENDED | |
|---|---|---|
| | 31 December 2021 | 31 December 2020 |
| Depreciation expense on right-of-use assets | **13.1** | 11.8 |
| Interest expense on lease liabilities | **1.2** | 1.5 |
| Operating expenses related to variable lease payments not included in the measurement of lease liabilities | **8.6** | 8.6 |
| **Recognised in net earnings** | **$ 22.9** | $ 21.9 |

In the consolidated statement of cash flows for the year ended 31 December 2021, the total amount of cash paid in respect of leases recognised on the consolidated balance sheet are split between repayments of principal of $19.4 million (FY-2020: $9.3 million) and repayments of interest of $3.3 million (FY-2020: $2.9 million), both presented within cash flows from financing activities (Note 20).

## 17 OTHER FINANCIAL LIABILITIES

| | Note | 31 December 2021 | 31 December 2020 |
|---|---|---|---|
| Share warrant liabilities (a) | | **23.6** | — |
| DSU liabilities | 7 | **3.7** | 2.9 |
| PSU liabilities (b) | 7 | **17.9** | — |
| Repurchased shares (b) | | **13.2** | — |
| Call-Rights (c) | | **19.2** | — |
| Contingent consideration (d) | | **48.2** | — |
| Other long-term liabilities | | **10.9** | — |
| **Total** | | **136.7** | 2.9 |
| Non-current other financial liabilities | | **(104.3)** | (2.9) |
| **Current other financial liabilities** | | **$ 32.4** | $ — |

### a. SHARE WARRANT LIABILITIES
Upon acquisition of Teranga, all outstanding Teranga share warrants were exchanged for replacement Endeavour warrants at a ratio of 0.47 Endeavour warrants for each Teranga warrant at an exercise price adjusted at a ratio of 0.47.

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The following share warrants were outstanding as at 31 December 2021:

| Grant date | Number | Expiry date | Exercise price (C$) |
|---|---|---|---|
| 16 April 2018 | 940,000 | 16 April 2022 | 11.11 |
| 26 February 2019 | 70,500 | 27 February 2023 | 10.81 |
| 30 May 2019 | 658,000 | 30 May 2023 | 8.15 |
| 30 September 2019 | 70,500 | 30 September 2023 | 13.81 |

The currency of the exercise price of the warrants is different from the Company's functional currency and as a result the share warrants have been classified as a derivative financial liability. Changes in fair value of share warrants are recognised in (losses)/gains on financial instruments at the end of each reporting period. Upon exercise, the associated share warrant  liability will be reclassified to share capital. Should any of the share warrants expire un-exercised, the associated share warrant liability will be recorded as gains/(losses) on financial instruments in the consolidated statement of comprehensive earnings. There is no circumstance under which the Group would be required to pay any cash upon exercise or expiry of the warrants.

A reconciliation of the change in fair value of share warrant liabilities is presented below:

| | Number of warrants | | Amount |
|---|---|---|---|
| Added upon acquisition of Teranga | 1,739,000 | | 22.2 |
| Change in fair value | — | | 1.4 |
| **Balance as at 31 December 2021** | **1,739,000** | **$** | **23.6** |

Fair values of share warrants were calculated using the Black-Scholes option pricing model with the following assumptions:

| | As at 31 December 2021 | As at 10 February 2021 |
|---|---|---|
| Valuation date share price | **C$ 27.73** | C$ 27.06 |
| Weighted average fair value of share warrants | **C$17.19** | C$16.24 |
| Exercise price | **C$8.15 - C$13.81** | C$8.15 - C$13.81 |
| Risk-free interest rate | **0.95 %** | 0.19% - 0.22% |
| Expected share market volatility | **27% - 41%** | 46% - 55% |
| Expected life of share warrants (years) | **0.29 - 1.75** | 1.2 - 2.6 |
| Dividend yield | **2.5 %** | 2.5 % |
| Number of share warrants exercisable | **1,739,000** | 1,739,000 |

### b. PSU'S AND REPURCHASED SHARES
Prior to the Company listing on the LSE, the Group established an Employee Benefits Trust (the “EBT”) in connection with the Group’s employee share incentive plans, which may hold the Company's own shares in trust to settle future employee share incentive obligations. During the year ended 31 December 2021, the EBT acquired 0.6 million outstanding common shares from certain employees of the Group which remain held in the EBT at 31 December 2021.

In exchange for the shares, a subsidiary of the Company is obligated to repay the employees cash for the fair value of the underlying shares of the Company now held in the EBT. The amount of this liability is $13.2 million at 31 December 2021 and is included in current other financial liabilities as the amounts may be repaid at any time. Subsequent changes in the fair value of the underlying shares will be recognised in earnings/(loss) in the period.

In addition to the above, certain PSU's were reclassified to liabilities during the year ended 31 December 2021  as management determined that the PSU's will be settled in cash upon vesting. As a result, these PSU's are recognised at fair value at 31 December 2021, and $5.8 million is included in current other financial liabilities at 31 December 2021 as they are expected to be settled in the next twelve months. The remaining $12.1 million is classified as non-current other liabilities as the PSU's do not vest in the next twelve months.

### c. CALL-RIGHTS
Upon acquisition of Teranga, the Group acquired all previously issued and outstanding Teranga call-rights and were exchanged for replacement Endeavour call-rights at a ratio of 0.47 Endeavour call-rights for each Teranga call-right at an adjusted exercise price of C$14.90.

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The call-rights are required to be settled in cash at the difference between Endeavour's 5-day volume weighted average trading price on the exercise date and the exercise price of C$14.90. The call-rights expire on 4 March 2024. The call-rights were recorded as derivative financial liabilities as their value changes in line with Endeavour's share price. Changes in the fair value of call-rights are recognised as gains/(losses) on financial instruments.

A reconciliation of the change in fair value of the call-rights liability is as follows:

| | Number of call-rights | | Amount |
|---|---|---|---|
| Added upon acquisition of Teranga | 1,880,000 | | 19.3 |
| Change in fair value | — | | (0.1) |
| **Balance as at 31 December 2021** | **1,880,000** | **$** | **19.2** |

The fair value of the call-rights were calculated using the Black-Scholes option pricing model with the following assumptions:

| | As at 31 December 2021 | As at 10 February 2021 |
|---|---|---|
| Valuation date share price[(i)] | **C$ 27.57** | C$ 27.93 |
| Fair value per call-right | **C$ 12.92** | C$ 13.05 |
| Exercise price | **C$ 14.89** | C$ 14.89 |
| Risk-free interest rate | **0.96 %** | 0.24 % |
| Expected share market volatility | **46 %** | 45 % |
| Expected life of call-rights (years) | **2.18** | 3.06 |
| Dividend yield | **2.5 %** | 2.5 % |
| Number of call-rights exercisable | **1,880,000** | 1,880,000 |

i. Represents 5-day volume weighted average trading price of the Company's common shares on the TSX

### d. CONTINGENT CONSIDERATION

As part of the acquisition of Teranga, Endeavour recognised contingent consideration related to Teranga's acquisition of Massawa (Jersey) Limited. The contingent consideration is linked to future gold prices and is payable to Barrick Gold Corporation ("Barrick") in cash three years following the completion of the Massawa Acquisition by Teranga on 4 March 2020 and is calculated as follows:

- If the average gold price for the three-year period immediately following closing of the Massawa Acquisition (the "three-year average gold price") is equal to or less than $1,450 per ounce, $ nil;
- If the three-year average gold price is greater than $1,450 per ounce and up to, but not more than, $1,500 per ounce, $25.0 million;
- If the three-year average gold price is greater than $1,500 per ounce and up to, but not more than, $1,600 per ounce, $35.0 million; or
- If the three-year average gold price is greater than $1,600 per ounce, $50.0 million.

The Group has classified the contingent consideration payable to Barrick as a derivative financial liability as the amount due is dependent on future gold prices over periods of time in future. As at 31 December 2021, the Group estimated the fair value of the contingent consideration using a Monte Carlo simulation model based on the gold forward curve, expected volatility of 17.44% (10 February 2021 - 19.83%), Endeavour's credit spread of 2.19% (10 February 2021 - 2.78%) and risk-free rate of 0.94% (10 February 2021 - 0.20%).

On the date of acquisition of Teranga, the fair value of the contingent consideration was estimated to be $45.6 million. For the year ended 31 December 2021, the increase in the non-current liability to $48.2 million resulted in losses on financial instruments of $2.6 million.

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## 18 ENVIRONMENTAL REHABILITATION PROVISION

| | Note | 31 December 2021 | 31 December 2020 |
|---|---|---|---|
| Balance as at beginning of year | | **78.0** | 38.5 |
| Assumed on acquisition of subsidiaries | | **38.1** | 31.6 |
| Revisions in estimates and obligations incurred | | **43.4** | 17.5 |
| Accretion | | **3.4** | 1.8 |
| **Total** | | **162.9** | 89.4 |
| Less: portion reclassified to liabilities held for sale | 5 | **—** | (11.4) |
| **Balance as at end of year** | | **$ 162.9** | $ 78.0 |

The Group recognises 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 Group measures the provision at the expected value of future cash flows including inflation rates of approximately 2.72% (31 December 2020 - 2.28%), discounted to the present value using average discount rates of 2.25% (31 December 2020 - 2.02%). 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 31 December 2021 was $152.4 million (31 December 2020 - 76.4 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 31 December 2021 was $31.6 million (31 December 2020 - $24.4 million).

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## 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%) | Sabodala-Massawa Mine (10%) | Wahgnion Mine (10%) | Other[2] | **Total (continuing operations)** | Agbaou Mine (15%) | **Total (all operations)** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| December 2019 | 23.9 | 14.0 | 6.8 | — | — | — | — | 0.5 | **45.2** | 53.4 | **98.6** |
| Acquisition of NCI | — | — | — | 38.3 | 63.8 | — | — | 6.4 | **108.5** | — | **108.5** |
| Net earnings/(loss) | 16.0 | (4.2) | 17.4 | 6.5 | 2.6 | — | — | — | **38.3** | 1.0 | **39.3** |
| Dividend distribution | (0.7) | — | (1.7) | — | — | — | — | — | **(2.4)** | (52.9) | **(55.3)** |
| Change in NCI | — | — | — | — | — | — | — | (0.2) | **(0.2)** | — | **(0.2)** |
| **December 2020** | $ 39.2 | $ 9.8 | $ 22.5 | $ 44.8 | $ 66.4 | $ — | $ — | $ 6.7 | **$ 189.4** | $ 1.5 | **$ 190.9** |
| Acquisition of NCI | — | — | — | — | — | 193.2 | 52.7 | — | **245.9** | — | **245.9** |
| Net earnings | 21.6 | (0.8) | 18.3 | 7.1 | (13.7) | 21.2 | 4.7 | 0.4 | **58.8** | 1.5 | **60.3** |
| Dividend distribution | (4.5) | — | (8.2) | (8.0) | (7.3) | (1.9) | — | — | **(29.9)** | — | **(29.9)** |
| Disposal of the Agbaou mine[1] | — | — | — | — | — | — | — | — | **—** | (3.0) | **(3.0)** |
| **December 2021** | $ 56.3 | $ 9.0 | $ 32.6 | $ 43.9 | $ 45.4 | $ 212.5 | $ 57.4 | $ 7.1 | **$ 464.2** | $ — | **$ 464.2** |

1. For further details refer to note 5
2. Exploration, Corporate and Kalana segments are included in the "other" category.

During the year ended 31 December 2021, the Boungou, Houndé, Ity, Mana and Sabodala-Massawa mines declared dividends to their shareholders. Dividends to minority shareholders to the value of $29.9 million were paid during the year and are included in cash flows from financing activities (year ended 31 December 2020 - minority dividends to the value of $2.4 million were declared by the Ity and Karma mines of which $1.7 million were paid and included in cash flows from financing activities. An additional amount of $6.8 million was included as dividends paid by Mana in cash flows from financing activities related to a dividend declared to minority shareholders before the acquisition of SEMAFO on 1 July 2020).

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

## 20 SUPPLEMENTARY CASH FLOW INFORMATION
### a. NON-CASH ITEMS
Below is a reconciliation of non-cash items adjusted for in the operating cash flows in the consolidated statement of cash flows for the year ended 31 December 2021:

| | | YEAR ENDED | |
|---|---|---|---|
| | Note | **31 December 2021** | 31 December 2020 |
| Depreciation and depletion | | **648.7** | 261.2 |
| Impairment | 6 | **259.4** | 64.5 |
| Finance costs | 9 | **66.1** | 48.8 |
| Share-based compensation | 7 | **32.5** | 18.8 |
| (Gain)/loss on financial instruments | 8 | **(22.9)** | 78.7 |
| Write down of inventory and other | | **4.1** | 12.4 |
| Loss on disposal of assets | | **2.4** | — |
| **Total non-cash items** | | **$ 990.3** | $ 484.4 |

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### b. CHANGES IN WORKING CAPITAL
Below is a reconciliation of changes in working capital included in operating cash flows in the consolidated statement of cash flows for the year ended 31 December 2021:

| | YEAR ENDED | |
|---|---|---|
| | **31 December 2021** | 31 December 2020 |
| Trade and other receivables | **(1.4)** | 4.1 |
| Inventories | **65.2** | 45.1 |
| Prepaid expenses and other | **4.6** | (10.0) |
| Trade and other payables | **(60.2)** | 42.7 |
| **Changes in working capital** | **$ 8.2** | $ 81.9 |

### c. CASH FLOWS ARISING FROM FINANCING ACTIVITIES
The table below details changes in the Group'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 Group's consolidated statement of cash flows as cash flows from financing activities.

| | Long-term debt | | | | | | Lease obligations | |
|---|---|---|---|---|---|---|---|---|
| | RCF | Other loan facilities | Accrued interest[1] | offtake liability | Senior notes | Convertible senior notes | Financing arrangements | Lease liabilities |
| **At 1 January 2021** | 301.7 | — | 0.9 | — | — | 386.5 | — | 37.2 |
| Added upon acquisition of Teranga | — | 343.1 | — | 49.7 | — | — | 8.9 | 5.6 |
| **Changes from financing cash flows** | | | | | | | | |
| Debt issued | 490.0 | — | — | — | 494.6 | — | — | — |
| Repayments | (800.0) | (343.1) | — | (49.7) | — | — | (8.9) | (19.4) |
| Interest paid | — | — | (13.7) | — | — | (9.9) | — | (3.3) |
| Payment of deferred financing costs and other | (14.8) | — | (1.8) | — | (11.0) | — | — | — |
| **Other changes** | | | | | | | | |
| Interest expense | — | — | 12.8 | — | 5.8 | 19.8 | — | 3.3 |
| New leases | — | — | — | | — | — | — | 27.9 |
| Amortisation of deferred financing costs and other fees | 15.9 | — | | — | — | — | — | — |
| Change in fair value of conversion option | — | — | — | — | — | (40.0) | — | — |
| Foreign exchange and other | — | — | 2.7 | — | 3.3 | — | — | (0.2) |
| **At 31 December 2021** | **$ (7.2)** | **$ —** | **$ 0.9** | **$ —** | **$ 492.7** | **$ 356.4** | **$ —** | **$ 51.1** |
| Current portion | $ — | $ — | $ 0.9 | $ — | $ — | $ — | $ — | $ 14.4 |
| Long-term portion | $ (7.2) | $ — | $ — | $ — | $ 492.7 | $ 356.4 | $ — | $ 36.7 |

1. Included in note 15: Trade and other payables

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| | Long-term debt | | | | Lease obligations | |
|---|---|---|---|---|---|---|
| | RCF | Corporate loan | Accrued interest[1] | Convertible senior notes | Financing arrangements | Lease liabilities |
| **At 1 January 2020** | 304.9 | — | 2.7 | 334.0 | 78.1 | 8.8 |
| Added upon acquisition of SEMAFO | — | 29.8 | — | — | — | 24.1 |
| **Changes from financing cash flows** | | | | | | |
| Debt issued | 120.0 | | — | — | — | — |
| Repayments | (120.0) | (30.0) | — | — | (74.6) | (9.3) |
| Interest paid | — | | (16.1) | (9.9) | (4.6) | (2.9) |
| Payment of deferred financing costs and other | (6.0) | | (0.9) | — | — | — |
| **Other changes** | | | | | | |
| Interest expense | — | | 14.3 | 19.2 | 5.3 | 8.5 |
| New leases | — | | — | — | — | 12.2 |
| Amortisation of deferred financing costs and other fees | 2.8 | 0.2 | — | — | — | — |
| Reclassification to liabilities held for sale | — | | — | — | — | (0.7) |
| Change in fair value of conversion option | — | | — | 43.2 | — | — |
| Foreign exchange and other | — | | 0.9 | — | (4.2) | (3.5) |
| **At 31 December 2020** | **$ 301.7** | **$ —** | **$ 0.9** | **$ 386.5** | **$ —** | **$ 37.2** |
| Current portion | $ — | | $ 0.9 | $ — | $ — | $ 13.7 |
| Long-term portion | $ 301.7 | | $ — | $ 386.5 | $ — | $ 23.5 |

1. Included in note 15: Trade and other payables

## 21 INCOME TAXES

### a. INCOME TAXES RECOGNISED IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE EARNINGS

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

| | YEAR ENDED | |
|---|---|---|
| | **31 December 2021** | 31 December 2020 |
| Current income and other tax expense | **(196.4)** | (122.6) |
| Deferred income tax recovery | **51.8** | 37.4 |
| **Total income tax expense** | **$ (144.6)** | $ (85.2) |

The Group 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. Some subsidiaries of the Group are 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, Senegal, Monaco, France, Luxembourg and the United Kingdom are subject to tax under the tax law of the respective jurisdiction. 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 Group 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 Group's business conducted within the country involved. Management evaluates each of the assessments and recognises 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 Group will recognise the effects of the changes in its condensed interim consolidated financial statements in the period that such changes occur.

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| | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Earnings before taxes | 424.1 | 219.5 |
| Weighted average domestic tax rate | 24% | 23% |
| Income tax expense based on weighted average domestic tax rates | 101.8 | 50.5 |
| Reconciling items: | | |
| Rate differential | 2.7 | 33.3 |
| Effect of foreign exchange rate changes on deferred taxes | 34.5 | (7.8) |
| Permanent differences | 33.4 | 0.3 |
| Mining convention benefits | (105.2) | (9.6) |
| Effect of alternative minimum taxes and withholding taxes paid | 51.3 | 4.7 |
| True up and tax amounts paid in respect of prior years | 16.3 | 1.8 |
| Effect of changes in deferred tax assets not recognised | 19.3 | 0.4 |
| Other | (9.5) | 11.6 |
| **Income tax expense** | **$ 144.6** | $ 85.2 |

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

| | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Barbados | 2.5 % | 2.5% |
| Burkina Faso | 17.5%/27.5% | 17.5%/27.5% |
| Canada | 27.0 % | 27.0% |
| Cayman Islands | 0.0 % | 0.0% |
| Senegal | 25.0 % | N/A |
| Côte d'Ivoire | 25.0 % | 25.0% |
| Ghana | 25.0 % | 25.0% |
| Mali | 30.0 % | 30.0% |
| Monaco | 28.0 % | 28.0% |
| France | 31.0 % | 31.0% |
| Luxembourg | 17.0 % | 17.0% |
| United Kingdom | 19.0 % | 19.0% |

## a. INCOME TAXES PAYABLE AND RECEIVABLE

| | YEAR ENDED | |
|---|---|---|
| | 31 December 2021 | 31 December 2020 |
| Income taxes payable related to current year taxable profits | 122.9 | 103.9 |
| Provision for income taxes | 46.4 | 30.3 |
| **Income taxes payable** | **$ 169.3** | $ 134.2 |

FINANCIAL STATEMENTS

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### b. DEFERRED TAX BALANCES

| | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Deferred income tax assets | | |
| Mining interests, and property, plant and equipment | **19.5** | 16.6 |
| Inventory | **1.2** | 1.6 |
| Trade receivables and other assets | **—** | 2.4 |
| Trade payables | **5.8** | — |
| | **$ 26.5** | $ 20.6 |
| Deferred income tax liabilities | | |
| Inventory | **(26.0)** | (1.5) |
| Current liabilities | **(6.3)** | (0.8) |
| Withholding tax on dividends | **(23.5)** | — |
| Mining interests and other | **(633.0)** | (303.6) |
| **Net deferred income tax liability** | **$ (662.3)** | $ (285.3) |

| | 31 December 2021 | 31 December 2020 |
|---|---|---|
| **Net deferred income tax liability at beginning of the year** | **(285.3)** | (44.5) |
| Deferred tax liability recognized as part of acquisitions | **(429.0)** | (271.6) |
| Income tax expense charge to earnings during the year | **52.0** | 44.4 |
| Deferred tax asset included in assets held for sale | **—** | (8.5) |
| Changes to foreign currency translation and other movements | | (5.1) |
| **Net deferred income tax liability at end of the year** | **$ (662.3)** | $ (285.3) |

| | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Net deferred income tax asset | **10.0** | 19.8 |
| Net deferred income tax liability | **(672.3)** | (305.1) |
| **Total** | **$ (662.3)** | $ (285.3) |

### c. UNRECOGNISED DEDUCTIBLE TEMPORARY DIFFERENCES

At 31 December 2021, the Group had deductible temporary differences for which deferred tax assets have not been recognised because it is not probable that future profits will be available against which the Group can utilise the benefit. The major components of the deductible temporary differences were comprised as follows:

- $35.4 million (31 December 2020 - $15.1 million) in Burkina Faso, Senegal and Cote d'Ivoire arising from mine closure liabilities.
- $1.2 million (31 December 2020 - $4.6 million) in Burkina Faso arising from the impairment of mining interests at Karma mine.

## 22 RELATED PARTY TRANSACTIONS

A related party is considered to include shareholders, affiliates, associates and entities under common control with the Group and members of key management personnel.

### a. COMPENSATION OF KEY MANAGEMENT PERSONNEL AND DIRECTORS

During the year ended 31 December 2021, an amount of $10.8 million was paid to senior and key management personnel as incentive awards for the completion of the Teranga acquisition and the successful listing on the LSE.

The remuneration of directors and other members of key management personnel, who are those members of management who are responsible for planning, directing and controlling the activities of the Group during the year, were as follows:

| | YEAR ENDED | |
|---|---|---|
| | 31 December 2021 | 31 December 2020 |
| Short-term benefits | **23.4** | 9.1 |
| Share-based payments | **10.5** | 11.8 |
| Termination benefits | **—** | 3.2 |
| **Total** | **$ 33.9** | $ 24.1 |

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### b. OTHER RELATED PARTY TRANSACTIONS
During the year ended 31 December 2021, the Group entered into a transaction with La Mancha when La Mancha exercised its anti-dilution right to maintain its interest in the Company and completed a $200.0 million private placement for 8,910,592 shares of Endeavour. La Mancha's future anti-dilution rights have now been extinguished and La Mancha's ownership interest in Endeavour was 19.4% at 31 December 2021 (31 December 2020 - 24.1%).

During the year ended 31 December 2021, and prior to the Company listing on the London Stock Exchange, the Group established an EBT in connection with the Group's employee share incentive plans, which may hold repurchased shares on trust to settle future employee share incentive obligations. During the three months ended 30 June 2021, the EBT acquired 576,308 outstanding common shares from certain employees of the Group, which remain held in the EBT at 31 December 2021. In exchange for the shares, the Group is obligated to repay the employees cash for the fair value of the underlying shares of the Company now held in the EBT. The amount of this liability is $13.2 million at 31 December 2021 and is included in current financial liabilities.

### c. SUBSIDIARIES

Details of the Company's subsidiaries at the end of the reporting periods are as follows:

| Entity | Principal activity | Place of incorporation and operation | Proportion of ownership interest and voting power held | | Registered address |
|---|---|---|---|---|---|
| | | | **31 December 2021** | 31 December 2020 | |
| Endeavour Mining Services LLP | Corporate | United Kingdom | **100 %** | 100 % | 2nd Floor, 5 Young Street, London, UK W8 5EH |
| Endeavour Mining Corporation | Corporate | Cayman | **100 %** | — | Mourant Governance Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands |
| Endeavour Gold Corporation | Corporate | Cayman | **100 %** | 100 % | Mourant Governance Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands |
| Teranga Gold Corporation | Corporate | Canada | **100 %** | — | 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto ON M5K 1E6, Canada |
| Arion Construction S.àr.l | Operations | Côte d'Ivoire | **100 %** | 100 % | Immeuble Palm Club, angle de la rue du Lycée Technique et du Boulevard Latrille, 08 BP 872 Abidjan 08 Abidjan, République de Côte d'Ivoire. |
| Endeavour Management Services Monaco S.A.M. | Corporate | Monaco | **100 %** | 100 % | 7 Boulevard des Moulins, Bureau 76, Monaco 98000 |
| Endeavour Management Services Abidjan S.àr.l | Corporate | Côte d'Ivoire | **100 %** | 100 % | Immeuble Palm Club, angle de la rue du Lycée Technique et du Boulevard Latrille, 08 BP 872 Abidjan 08 Abidjan, République de Côte d'Ivoire. |
| Endeavour Management Services France | Corporate | France | **100 %** | 100 % | 19 boulevard Malesherbes 75008 Paris |
| Endeavour Management Services London Limited. | Corporate | England | **100 %** | 100 % | 2nd Floor, 5 Young Street, London, UK W8 5EH |
| Hippocampus Mining Services S.àr.l | Operations | Côte d'Ivoire | **100 %** | 100 % | Immeuble Palm Club, angle de la rue du Lycée Technique et du Boulevard Latrille, 08 BP 872 Abidjan 08 Abidjan, République de Côte d'Ivoire. |
| Endeavour Management Services Halifax Ltd. | Corporate | Canada | **100 %** | 100 % | Suite 301, 1595 Bedford Highway (Bedford House), Halifax, NS B4A 3Y4 |
| SEMAFO Inc. | Corporate | Canada | **100 %** | 100 % | 2500-1000 rue De La Gauchetière O Montréal (Québec) H3B0A2 Canada |
| Avion Gold Corporation | Corporate | Canada | **100 %** | 100 % | 199 Bay Street, 5300 Commerce Court West, Toronto, Ontario, Canada, M5L 1B9 |
| Hounde Holdings Ltd (Formerly Avion Resources (Mali) Ltd.) | Holding | Barbados | **100 %** | 100 % | Radley Court, Upper Collymore Rock, St. Michael, Barbados |
| Avnel Gold Mining Limited | Holding | Guernsey | **100 %** | 100 % | Les Echelons Court, Les Echelons, St. Peter Port, Guernsey GY1 1AR |

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| Entity | Principal activity | Place of incorporation and operation | Proportion of ownership interest and voting power held | | Registered address |
|---|---|---|---|---|---|
| | | | **31 December 2021** | 31 December 2020 | |
| Burkina Faso Exploration Limited | Holding | Jersey | **100 %** | 100 % | 44 Esplanade, St Helier, Jersey JE4 9WG, Channel Islands |
| Ity Holdings | Holding | Cayman | **100 %** | 100 % | Mourant Governance Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands |
| Endeavour Exploration Ltd. | Holding | Cayman | **100 %** | 100 % | Mourant Governance Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands |
| Endeavour Resources Inc. | Holding | Cayman | **—** | 100 % | Mourant Governance Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, GrandN/A |
| Karma Mining Holdings Ltd. | Holding | Barbados | **100 %** | 100 % | Radley Court, Upper Collymore Rock, St. Michael, Barbados |
| True Gold Mining Inc. | Holding | Canada | **100 %** | 100 % | Suite 2400, 745 Thurlow Street, Vancouver, British Columbia, V6E 0C5 |
| Semafo (Barbados) Limited | Holding | Barbados | **100 %** | 100 % | J.W. Business Services Inc. The Gables, Haggatt Hall, St. Michael, Barbados |
| African GeoMin Mining Development Corporation Ltd | Holding | Barbados | **100 %** | 100 % | J.W. Business Services Inc. The Gables, Haggatt Hall, St. Michael, Barbados |
| Savary A1 Inc | Holding | British Virgin Islands | **100 %** | 100 % | PO Box 173, Road Town, Tortola, VG1110, British Virgin Islands. |
| Avion Gold (Burkina Faso) S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 15 Section B Lot 35 Parcelle 9, 01 BP 1324 Ouagadougou 06, Burkina Faso |
| Bouéré-Dohoun Gold Operation SA | Operations | Burkina Faso | **90 %** | 90 % | Ouaga 2000 (Zone A) Secteur 15 Section B Lot 35 Parcelle 9, 06 BP 9214 Ouagadougou 06, Burkina Faso |
| Bissa HoldCo S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 15 Section B Lot 35 Parcelle 9, 01 BP 1324 Ouagadougou 06, Burkina Faso |
| Burkina Faso Gold Exploration S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 15 Section B Lot 35 Parcelle 9, 01 BP 1324 Ouagadougou 06, Burkina Faso |
| Burkina Faso Gold S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 15 Section B Lot 35 Parcelle 9, 01 BP 1324 Ouagadougou 06, Burkina Faso |
| Golden Star Exploration – Burkina SA | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 15 Section B Lot 35 Parcelle 9, 01 BP 1324 Ouagadougou 06, Burkina Faso |
| Houndé Gold Operation SA | Operations | Burkina Faso | **90 %** | 90 % | Ouaga 2000 (Zone A) Secteur 15 Section B Lot 35 Parcelle 9, 06 BP 9214 Ouagadougou 06, Burkina Faso |
| Karma Exploration S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 15 Section B Lot 35 Parcelle 9, 01 BP 1324 Ouagadougou 06, Burkina Faso |
| Liguidi Holdco SARL | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 15 Section B Lot 35 Parcelle 9, 01 BP 1324 Ouagadougou 06, Burkina Faso |
| Liguidi Malguem JV S.àr.l. | Exploration | Burkina Faso | **80 %** | 80 % | VMAP, Petit Paris, 01 BP 1324 Ouagadougou 01, Burkina Faso |
| Riverstone Karma SA | Operations | Burkina Faso | **90 %** | 90 % | Ouaga 2000 (Zone A) Secteur 15 Section B Lot 35 Parcelle 9, 01 BP 1324 Ouagadougou 06, Burkina Faso |
| Riverstone Resources Burkina S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 15 Section B Lot 35 Parcelle 9, 01 BP 1324 Ouagadougou 06, Burkina Faso |

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|---|---|---|---|---|---|
| | | | **31 December 2021** | 31 December 2020 | |
| Endeavour Exploration Burkina S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 15 Section B Lot 35 Parcelle 9, 01 BP 1324 Ouagadougou 06, Burkina Faso |
| Yatenga Holdings Limited SA | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 15 Section B Lot 35 Parcelle 9, 01 BP 1324 Ouagadougou 06, Burkina Faso |
| Semafo Boungou SA | Operations | Burkina Faso | **90 %** | 90 % | Ouagadougou, Arrondissement 5, Secteur 22, Zone du Bois, Avenue Babanguida, Rue Benda, Porte 211, Section EP, Lot 10, Parcelle 12, 11 BP 1196, Ouagadougou 11, Burkina Faso |
| Semafo Burkina Faso SA | Operations | Burkina Faso | **90 %** | 90 % | Ouagadougou, Arrondissement 5, Secteur 22, Zone du Bois, Avenue Babanguida, Rue Benda, Porte 211, Section EP, Lot 10, Parcelle 12, 11 BP 1196, Ouagadougou 11, Burkina Faso |
| Houndé Exploration BF S.àr.l. | Exploration | Burkina Faso | **79 %** | 79 % | Ouaga 2000 (Zone A) Secteur 53 Section B Lot 35 Parcelle 9, 13 BP 60 Ouagadougou 13, Burkina Faso |
| Sarama JV Mining S.àr.l. | Exploration | Burkina Faso | **79 %** | 79 % | Ouaga 2000 (Zone A) Secteur 53 Section B Lot 35 Parcelle 9, 11 BP 818 CMS Ouagadougou 11, Burkina Faso |
| Semafo Minéral S.A | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 53 Section B Lot 35 Parcelle 9, 11 BP 818 CMS Ouagadougou 11, Burkina Faso |
| Burkina Geoservices S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 53 Section B Lot 35 Parcelle 9, 11 BP 1196 CMS Ouagadougou 11, Burkina Faso, |
| Exploration Atacora S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 53 Section B Lot 35 Parcelle 9, 11 BP 818 CMS Ouagadougou 11, Burkina Faso |
| Resources Tangayen S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 53 Section B Lot 35 Parcelle 9, 01 BP 390 Ouagadougou 01, Burkina Faso |
| Resources Burkinor S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 53 Section B Lot 35 Parcelle 9, 01 BP 390 Ouagadougou 01, Burkina Faso |
| Resources Ouango S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 53 Section B Lot 35 Parcelle 9, 01 BP 390 Ouagadougou 01, Burkina Faso |
| Resources Fitini S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 53 Section B Lot 35 Parcelle 9, 11 BP 1196 CMS Ouagadougou 11, Burkina Faso |
| Resources Mouhoun S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 53 Section B Lot 35 Parcelle 9, 01 BP 390 Ouagadougou 01, Burkina Faso |
| Ressources Ferke S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 53 Section B Lot 35 Parcelle 9, 01 BP 390 Ouagadougou 01, Burkina Faso |
| Birimian Resources S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 53 Section B Lot 35 Parcelle 9, 11 BP 1196 CMS Ouagadougou 11, Burkina Faso |
| Birimian Exploration S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 53 Section B Lot 35 Parcelle 9, 11 BP 1196 Ouagadougou 11, Burkina Faso |
| Birimian Discovery S.àr.l. | Exploration | Burkina Faso | **100 %** | 100 % | Ouaga 2000 (Zone A) Secteur 53 Section B Lot 35 Parcelle 9, 11 BP 1196 Ouagadougou 11, Burkina Faso |

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|---|---|---|---|---|---|
| | | | **31 December 2021** | 31 December 2020 | |
| Wahgnion Gold Operations SA | Operations | Burkina Faso | **90 %** | — | Avenue Gérard Kango Ouédraogo, secteur 15, Ouaga 2000, 01 BP 1334 Ouagadougou 01, BURKINA FASO |
| Boss Minerals SARL | Exploration | Burkina Faso | **100 %** | — | Avenue Gérard Kango Ouédraogo, secteur 15, Ouaga 2000, 01 BP 1334 Ouagadougou 01, BURKINA FASO |
| Boss Gold SARL | Exploration | Burkina Faso | **100 %** | — | Avenue Gérard Kango Ouédraogo, secteur 15, Ouaga 2000, 01 BP 1334 Ouagadougou 01, BURKINA FASO |
| Gryphon Minerals Burkina Faso SARL | Exploration | Burkina Faso | **100 %** | — | Avenue Gérard Kango Ouédraogo, secteur 15, Ouaga 2000, 01 BP 1334 Ouagadougou 01, BURKINA FASO |
| MET CI S.àr.l. | Exploration | Côte d'Ivoire | **100 %** | 100 % | Cocody, Croisement du Boulevard Latrille et rue du Lycée Technique, Hotel Palm Club, 2ème étage, 06 BP 1334 Abidjan 06, Cote d'Ivoire |
| Agbaou Gold Operations SA | Operations | Côte d'Ivoire | **—** | 85 % | Immeuble Palm Club, angle de la rue du Lycée Technique et du Boulevard Latrille, 06 BP 518 Abidjan 06 Abidjan, République de Côte d'Ivoire |
| Etruscan Resources Côte d'Ivoire S.à.r.l. | Exploration | Côte d'Ivoire | **100** | 100 % | Immeuble Palm Club, angle de la rue du Lycée Technique et du Boulevard Latrille, 25 BP 603 Abidjan 25 |
| Endeavour Aviation S.A.R.L | Corporate | Côte d'Ivoire | **100 %** | 100 % | Immeuble Palm Club, angle de la rue du Lycée Technique et du Boulevard Latrille, 08 BP 872 Abidjan 08 |
| Keyman Investment S.A. | Holding | Côte d'Ivoire | **100 %** | 100 % | Immeuble Palm Club, angle de la rue du Lycée Technique et du Boulevard Latrille, 08 BP 872 Abidjan 08 |
| La Mancha Côte d'Ivoire S.àr.l. | Exploration | Côte d'Ivoire | **100 %** | 100 % | Immeuble Palm Club, angle de la rue du Lycée Technique et du Boulevard Latrille, 06 BP 2220 Abidjan 06 |
| Société des Mines de Daapleu SA | Operations | Côte d'Ivoire | **85 %** | 85 % | Immeuble Palm Club, angle de la rue du Lycée Technique et du Boulevard Latrille, 08 BP 872 Abidjan 08 |
| Société des Mines d'Ity SA | Operations | Côte d'Ivoire | **85 %** | 85 % | Immeuble Palm Club, angle de la rue du Lycée Technique et du Boulevard Latrille, 08 BP 872 Abidjan 08, République de Côte d'Ivoire |
| Société des Mines de Floleu S.A | Operations | Côte d'Ivoire | **90 %** | 90 % | Immeuble Palm Club, angle de la rue du Lycée Technique et du Boulevard Latrille, 08 BP 872 Abidjan 08, République de Côte d'Ivoire |
| Société des Mines de Lafigué S.A | Operations | Côte d'Ivoire | **80 %** | — | Immeuble Palm Club, angle de la rue du Lycée Technique et du Boulevard Latrille, 08 BP 872 Abidjan 08, République de Côte d'Ivoire |
| Teranga Exploration (Ivory Coast) SARL | Exploration | Côte d'Ivoire | **100 %** | — | Abidjan Cocody, II Plateaux Vallons, Rue des Jardins, Immeuble NSIA Banque 3eme étage, 28 BP 1366, Abidjan 28, COTE D'IVOIRE |
| Afema Gold SA | Operations | Côte d'Ivoire | **46 %** | — | Abidjan Cocody, II Plateaux Vallons, Rue des Jardins, Immeuble NSIA Banque 3eme étage, 28 BP 1366, Abidjan 28, COTE D'IVOIRE |
| Taurus Gold CI SARL | Exploration | Côte d'Ivoire | **51 %** | — | Abidjan Cocody, II Plateaux Vallons, Rue des Jardins, Immeuble NSIA Banque 3eme étage, 28 BP 1366, Abidjan 28, COTE D'IVOIRE |
| Avion Mali Exploration S.A. | Exploration | Mali | **100 %** | 100 % | Badalabougou-Est, Rue 12, Villa N°5, 03 BP 68 Bamako 03 République du Mali |
| Avion Mali West Exploration S.A. | Exploration | Mali | **100 %** | 100 % | Badalabougou-Est, Rue 12, Villa N°5, 03 BP 68 Bamako 03 République du Mali |
| Avnel Mali S.àr.l. | Exploration | Mali | **100 %** | 100 % | Bamako Torokorobougou 03 BP 68 Bamako 03 République du Mali |

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|---|---|---|---|---|---|
| | | | **31 December 2021** | 31 December 2020 | |
| Bluebird Mali S.àr.l. | Exploration | Mali | **100 %** | 100 % | Badalabougou-Est, Rue 12, Villa N°5, 03 BP 68 Bamako 03 République du Mali |
| Nevsun Mali Exploration Ltd. SA | Exploration | Mali | **100 %** | 100 % | Badalabougou-Est, Rue 12, Villa N°5, 03 BP 68 Bamako 03 République du Mali |
| Société des Mines d'Or de Kalana SA | Operations | Mali | **80 %** | 80 % | Badalabougou Est, rue 12, villa n°5, 03 BP 68 Bamako 03 République du Mali. |
| Etruscan Resources Ghana Limited | Exploration | Ghana | **100 %** | 100 % | Y/B 15 Augusto Neto Road, Airport Residential Area, Accra, Ghana |
| Endeavour Niger SA | Exploration | Niger | **70 %** | 70 % | 457 boulevard de l'indépendance, plateau, Niamey, Niger, BP 10.014 |
| Endeavour Guinée S.àr.l. | Exploration | Guinée | **100 %** | 100 % | 5ème étage n°502, Résidence Joulia, Conakry, Guinée |
| Endeavour Siguiri. | Exploration | Guinée | **100 %** | — | 5ème étage n°502, Résidence Joulia, Conakry, Guinée |
| Blue Gold Mining Inc. | Holding | Canada | **100 %** | 100 % | Suite 2400, 745 Thurlow Street, Vancouver, British Columbia, V6E 0C5 |
| Burkina Gold Corporation | Holding | Canada | **100 %** | 100 % | Suite 2400, 745 Thurlow Street, Vancouver, British Columbia, V6E 0C5 |
| Teranga Gold (Burkina Faso) Corporation | Holding | Canada | **100 %** | — | 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto ON M5K 1E6, Canada |
| Teranga Gold (Mohanta) Corporation | Holding | Canada | **100 %** | — | 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto ON M5K 1E6, Canada |
| Teranga Gold (Senegal) Corporation | Holding | Canada | **100 %** | — | 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto ON M5K 1E6, Canada |
| Teranga Gold (Ivory Coast) Corporation | Holding | Canada | **100 %** | — | 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto ON M5K 1E6, Canada |
| Oromin Explorations Ltd. | Holding | Canada | **100 %** | — | 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto ON M5K 1E6, Canada |
| Kalana Holdings | Holding | Cayman | **100 %** | 100 % | Mourant Governance Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands |
| Lafigué Holdings | Holding | Cayman | **100 %** | — | Mourant Governance Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands |
| Kalana Mines Services Limited | Corporate | United Kingdom | **100 %** | 100 % | 2nd Floor, 5 Young Street, London, UK W8 5EH |
| Joint Venture BF1 | Holding | British Virgin Islands | **79 %** | 79 % | PO Box 173, Road Town, Tortola, VG1110, British Virgin Islands. |
| Hounde Exploration BF1 Inc | Holding | British Virgin Islands | **79 %** | 79 % | PO Box 173, Road Town, Tortola, VG1110, British Virgin Islands. |
| Sarama JV Holdings Limited | Holding | British Virgin Islands | **79 %** | 79 % | PO Box 173, Road Town, Tortola, VG1110, British Virgin Islands. |
| Teranga Gold Burkina Faso (B.V.I.) Corporation | Holding | British Virgin Islands | **100 %** | — | c/o Maples and Calder, Ritter House, PO Box 173, Road Town, Tortola, VG1110, British Virgin Islands |
| Teranga Gold (B.V.I) Corporation | Holding | British Virgin Islands | **100 %** | — | c/o Maples and Calder, Ritter House, PO Box 173, Road Town, Tortola, VG1110, British Virgin Islands |

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(EXPRESSED IN MILLIONS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)

| Entity | Principal activity | Place of incorporation and operation | Proportion of ownership interest and voting power held | | Registered address |
|---|---|---|---|---|---|
| | | | **31 December 2021** | 31 December 2020 | |
| Oromin Joint Venture Group Ltd. | Holding | British Virgin Islands | **100 %** | — | c/o Harneys Corporate Services Limited, Craigmuir Chambers, PO Box 71, Road Town, Tortola VG1110, British Virgin Islands |
| Sabodala Holdings Limited | Holding | British Virgin Islands | **100 %** | — | c/o Harneys Corporate Services Limited, Craigmuir Chambers, PO Box 71, Road Town, Tortola VG1110, British Virgin Islands |
| Taurus Gold Afema Holdings Ltd. | Holding | British Virgin Islands | **51 %** | — | C/o Maples Corporate Services (BVI) Limited, Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands |
| Orbis Gold Pty Ltd | Holding | Australia | **100 %** | 100 % | Level 8, Waterfront Place, 1 Eagle Street, Brisbane Qld, Australia 4000 |
| MET BF Pty. Ltd | Holding | Australia | **100 %** | 100 % | Level 8, Waterfront Place, 1 Eagle Street, Brisbane Qld, Australia 4000 |
| Teranga Gold (Australia) Pty Ltd | Holding | Australia | **100 %** | — | BLACKSTONE MINERALS LIMITED, LEVEL 3 , 24 OUTRAM STREET , WEST PERTH WA 6005 |
| Gryphon Minerals Burkina Faso Pty Ltd | Holding | Australia | **100 %** | — | BLACKSTONE MINERALS LIMITED, LEVEL 3 , 24 OUTRAM STREET , WEST PERTH WA 6005 |
| Gryphon Minerals West Africa Pty Ltd | Holding | Australia | **100 %** | — | BLACKSTONE MINERALS LIMITED, LEVEL 3 , 24 OUTRAM STREET , WEST PERTH WA 6005 |
| Sabodala Gold Operations SA | Operations | Senegal | **90 %** | — | 2 K Plaza, Route du Méridien Président, Dakar |
| Sabodala Mining Company SARL | Exploration | Senegal | **100 %** | — | 2 K Plaza, Route du Méridien Président, Dakar |
| Massawa SA | Operations | Senegal | **90 %** | — | 2 K Plaza, Route du Méridien Président, Dakar |
| Sabodala Gold (Mauritius) Limited | Exploration | Mauritius | **100 %** | — | C/O Juristax Corporate Fiduciary & Fund Services, Level 3, Ebene House, Hotel Avenue, 33 Cybercity, Ebene, 72201 Republic of Mauritius |
| SGML (Capital) Limited | Holding | Mauritius | **100 %** | — | C/O Juristax Corporate Fiduciary & Fund Services, Level 3, Ebene House, Hotel Avenue, 33 Cybercity, Ebene, 72201 Republic of Mauritius |
| Loumana Holdings Ltd. | Holding | Mauritius | **100 %** | — | C/O Juristax Corporate Fiduciary & Fund Services, Level 3, Ebene House, Hotel Avenue, 33 Cybercity, Ebene, 72201 Republic of Mauritius |
| Massawa (Jersey) Limited | Holding | Jersey | **100 %** | — | 2nd Floor Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey, JE2 3QB |
| Exploration Atacora S.àr.l. | Exploration | Benin | **100 %** | — | Ilot 6414 A M, Quartier Agori Aledjo, Abomey, Calavin, Cotonou, Bénin |

FINANCIAL STATEMENTS

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)

## 23 SEGMENTED INFORMATION

The Group operates in four principal countries, Burkina Faso (Karma, Houndé, Wahgnion, Mana and Boungou mines), Côte d'Ivoire (Ity mine), Senegal (Sabodala-Massawa mine) and Mali (Kalana Project). The following table provides the Group'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 Group considers each of its operational mines a separate segment. Discontinued operations are not included in the segmented information below. Exploration and Corporate are aggregated and presented together as part of the "other" segment on the basis of them sharing similar economic characteristics.

| | YEAR ENDED 31 DECEMBER 2021 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Ity Mine | Karma Mine | Houndé Mine | Mana Mine | Boungou Mine | Sabodala Massawa Mine | Wahgnion Mine | Other | **Total** |
| **Revenue** | | | | | | | | | |
| Gold revenue | 499.6 | 147.3 | 522.3 | 378.2 | 304.7 | 641.9 | 284.1 | — | **2,778.1** |
| **Cost of sales** | | | | | | | | | |
| Operating expenses | (181.8) | (91.5) | (161.9) | (179.5) | (104.7) | (209.2) | (134.3) | — | **(1,062.9)** |
| Depreciation and depletion | (82.5) | (48.9) | (82.1) | (68.7) | (110.8) | (174.7) | (71.4) | (9.6) | **(648.7)** |
| Royalties | (27.5) | (13.4) | (35.7) | (25.2) | (18.5) | (35.9) | (19.5) | — | **(175.7)** |
| **Earnings/(loss) from continuing mine operations** | **$ 207.8** | **$ (6.5)** | **$ 242.6** | **$ 104.8** | **$ 70.7** | **$ 222.1** | **$ 58.9** | **$ (9.6)** | **$ 890.8** |
| **Impairment of mining interests and goodwill** | $ — | $ 11.7 | $ — | $ — | $ 246.3 | $ — | $ — | $ 1.4 | **$ 259.4** |

| | YEAR ENDED 31 DECEMBER 2020 | | | | | |
|---|---|---|---|---|---|---|
| | Ity Mine | Karma Mine | Houndé Mine | Mana Mine | Boungou Mine | Other | **Total** |
| **Revenue** | | | | | | | |
| Gold revenue | 363.9 | 145.2 | 494.0 | 233.0 | 188.0 | — | **1,424.1** |
| **Cost of sales** | | | | | | | |
| Operating expenses | (139.3) | (100.4) | (156.6) | (86.2) | (89.0) | (3.3) | **(574.8)** |
| Depreciation and depletion | (36.2) | (58.7) | (62.6) | (59.6) | (36.6) | (7.5) | **(261.2)** |
| Royalties | (19.8) | (13.4) | (38.8) | (15.2) | (11.5) | — | **(98.7)** |
| **Earnings/(Loss) from continuing mine operations** | **$ 168.6** | **$ (27.3)** | **$ 236.0** | **$ 72.0** | **$ 50.9** | **$ (10.8)** | **$ 489.4** |
| **Impairment of mining interests and goodwill** | $ — | $ 44.6 | $ — | $ — | $ — | $ 19.9 | **$ 64.5** |

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales during the periods ended 31 December 2021 or 31 December 2020. The Group 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.

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

| | Ity Mine Côte d'Ivoire | Karma Mine Burkina Faso | Houndé Mine Burkina Faso | Mana Mine Burkina Faso | Boungou Mine Burkina Faso | Sabodala-Massawa Mine Senegal | Wahgnion Mine Burkina Faso | Other | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balances as at 31 December 2021** | | | | | | | | | |
| Current assets | 156.6 | 32.9 | 199.3 | 204.1 | 126.7 | 251.2 | 107.2 | 288.0 | **1,366.0** |
| Mining interests | 429.1 | 25.0 | 463.4 | 419.9 | 434.5 | 2,048.2 | 524.9 | 635.2 | **4,980.2** |
| Goodwill | — | — | — | 39.6 | — | 94.7 | — | 0.1 | **134.4** |
| Other long-term assets | 61.0 | 13.7 | 28.7 | 9.4 | 6.7 | 112.3 | (3.8) | 62.3 | **290.3** |
| **Total assets** | **$ 646.7** | **$ 71.6** | **$ 691.4** | **$ 673.0** | **$ 567.9** | **$ 2,506.4** | **$ 628.3** | **$ 985.6** | **$ 6,770.9** |
| Current liabilities | 99.1 | 24.4 | 76.1 | 63.7 | 46.1 | 113.6 | 49.5 | 94.6 | **567.1** |
| Other long-term liabilities | 45.5 | 16.8 | 53.4 | 81.9 | 120.0 | 419.3 | 68.0 | 1,013.2 | **1,818.1** |
| **Total liabilities** | $ 144.6 | $ 41.2 | $ 129.5 | $ 145.6 | $ 166.1 | $ 532.9 | $ 117.5 | $1,107.8 | **$ 2,385.2** |
| **For the year ended 31 December 2021** | | | | | | | | | |
| **Capital expenditures** | $ 83.0 | $ 4.9 | $ 78.2 | $ 85.0 | $ 46.5 | $ 126.7 | $ 47.7 | $ 78.6 | **$ 550.6** |

| | Ity Mine Côte d'Ivoire | Karma Mine Burkina Faso | Houndé Mine Burkina Faso | Mana Mine Burkina Faso | Boungou Mine Burkina Faso | Other | Total[1] |
|---|---|---|---|---|---|---|---|
| **Balances as at 31 December 2020** | | | | | | | |
| Current assets | 87.6 | 50.6 | 152.8 | 195.3 | 121.4 | 309.4 | **917.1** |
| Mining interests | 441.5 | 70.6 | 467.7 | 438.3 | 708.8 | 450.9 | **2,577.8** |
| Goodwill | — | — | — | 10.5 | 13.1 | 47.9 | **71.5** |
| Other long-term assets | 65.4 | 13.0 | 28.4 | 10.2 | 3.9 | 1.1 | **122.0** |
| **Total assets** | **$ 594.5** | **$ 134.2** | **$ 648.9** | **$ 654.3** | **$ 847.2** | **$ 809.3** | **$ 3,688.4** |
| Current liabilities | 110.6 | 28.8 | 80.7 | 68.3 | 75.4 | 46.3 | **410.1** |
| Other long-term liabilities | 17.4 | 13.9 | 49.4 | 64.9 | 192.8 | 759.6 | **1,098.0** |
| **Total liabilities** | **$ 128.0** | **$ 42.7** | **$ 130.1** | **$ 133.2** | **$ 268.2** | **$ 805.9** | **$ 1,508.1** |
| **For the year ended 31 December 2020** | | | | | | | |
| **Capital expenditures** | $ 65.4 | $ 17.4 | $ 59.2 | $ 45.9 | $ 9.2 | $ 48.3 | **$ 245.4** |

1. Totals are excluding assets and liabilities classified as held for sale as at 31 December 2020.

FINANCIAL STATEMENTS
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## 24 CAPITAL MANAGEMENT

The Group's objectives of capital management are to safeguard the entity's ability to support the Group'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 Group includes the components of equity, finance obligations, and long-term debt, net of cash and cash equivalents and restricted cash.

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

| | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Equity | **4,385.7** | 2,248.9 |
| Long-term debt | **841.9** | 688.3 |
| Lease liabilities | **51.1** | 37.2 |
| | **5,278.7** | 2,974.4 |
| **Less:** | | |
| Cash and cash equivalents | **(906.2)** | (645.0) |
| Restricted cash | **(31.6)** | (24.4) |
| **Total** | **$ 4,340.9** | $ 2,305.0 |

The Group manages its capital structure and adjusts it considering changes in its economic environment and the risk characteristics of the Group's assets. To effectively manage the entity's capital requirements, the Group has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Group has the appropriate liquidity to meet its operating and growth objectives. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group is not subject to any externally imposed capital requirements with the exception of complying with covenants under the RCF and Senior Notes. As at 31 December 2021 and 31 December 2020, the Group was in compliance with these covenants.

## 25 COMMITMENTS AND CONTINGENCIES

The Group has commitments in place at all seven of its mines and other key projects for drill and blasting services, load and haul services, supply of explosives and supply of hydrocarbon services. At 31 December 2021, the Group has approximately $66.7 million in commitments relating to on-going capital projects at its various mines.

The Group 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 Group cannot reasonably predict the likelihood or outcome of these actions. The Group does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason thereof, will have a material effect on the financial condition or future results of operations. The Group has recognised tax provisions with respect to current assessments received from the tax authorities in the various jurisdictions in which the Group operates, and from uncertain tax positions identified upon the acquisition of SEMAFO and Teranga as well as through review of the Group's historical tax positions. For those amounts recognised 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.

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The Group has received a notice of claim from a former service provider. The Group is taking legal advice on the merits of the claim and the probable outcome but intends to vigorously defend against the claims. The Group does not believe that the outcome of the claim will have a material impact to the Group's financial position.

The Group'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 Group believes its operations are materially in compliance with all applicable laws and regulations. The Group has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Group assumed a gold stream when it acquired the Karma Mine on 26 April 2016 ("Karma stream"), and when it acquired the Sabodala-Massawa mine on 10 February 2021 ("Sabodala stream").

- Under the Karma stream, the Group was obligated to deliver 100,000 ounces of gold (20,000 ounces per year) to Franco-Nevada Group and Sandstorm Gold Inc. (the "Syndicate") over a five-year period, which commenced on 31 March 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 Group 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 Group 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 recognised as revenue only on the actual proceeds received, which per the agreement is 20% of the spot gold price. As at 31 March 2021, the Group had completed the delivery of 100,000 ounces of gold and had started delivering 6.5% of gold production at the Karma Mine to the syndicate.
- Under the Sabodala stream, the Group is required to deliver 783 ounces of gold per month beginning 1 September 2020 until 105,750 ounces have been delivered to Franco-Nevada (the "Fixed Delivery Period") based on the Sabodala standalone life of mine plan prior to the Massawa Acquisition by Teranga on 4 March 2020. At the end of the Fixed Delivery Period, any difference between total gold ounces delivered during the Fixed Delivery Period and 6 percent of production from the Group's existing properties in Senegal (excluding Massawa) could result in a credit from or additional gold deliveries to Franco-Nevada. Subsequent to the Fixed Delivery Period, the Group is required to deliver 6 percent of production from the Group's existing properties in Senegal (excluding Massawa). For ounces of gold delivered to Franco-Nevada under the Stream Agreement, Franco-Nevada pays the Group cash at the date of delivery for the equivalent of the prevailing spot price of gold for on 20 percent of the ounces delivered. Revenue is recognised on actual proceeds received. The Group delivered 8,616 ounces during the period ended 31 December 2021 after its acquisition of Teranga and as at 31 December 2021, 92,089 ounces is still to be delivered under the Fixed Delivery Period.

## 26 SUBSEQUENT EVENTS

**Share buyback programme**
Subsequent to 31 December 2021 and up to 9 March 2022, the Group has repurchased a total of 1,049,100 shares at an average price of $23.31 for total cash outflows of $24.5 million.

**Disposal of Karma mine**
On 11 March 2022, management announced that it had completed the disposal of its 90% interest in the Karma mine to Néré Mining SA. The consideration upon sale of the Karma mine has an estimated fair value of $25.0 million (Note 6).

**Dividend**
On 24 January 2022, the Board of Directors of the Company declared a dividend of $0.28 per share totalling $70.0 million. The dividend was paid on 16 March 2022 to shareholders on record on the close of business on 11 February 2022.

**Forward contracts**
In January 2022, the Company entered into additional forward sales contract for approximately 400,000 ounces of production in 2022 and 120,000 ounces of production in 2023 at average gold prices of $1,822 per ounce and $1,828 per ounce, respectively. The 2022 additional forward sales are weighted towards the first quarter, with forward sales contracts for 200,000 ounces at an average price of $1,817 per ounce, and the remaining 200,000 ounces, at an average gold price of $1,827 per ounce, being equally weighted through the rest of 2022. The settlement of the 2023 forward sales are equally weighted through the year.

**Warrants**
Subsequent to 31 December 2021, all outstanding warrants were exercised for cash proceeds of $13.9 million.