Three and six months ended June 30, 2016 and 2015

(Expressed in Thousands of United States Dollars)

(Unaudited)

ENDEAVOUR MINING CORPORATION
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Thousands of United States Dollars)
(Unaudited)

	June 30, 2016	December 31, 2015
ASSETS		
Current		
Cash	$ 133,985	109,519
Cash - restricted	5,205	4,824
Trade and other receivables	7,319	13,045
Income taxes receivable	169	2,945
Inventories (Note 5)	82,005	93,939
Prepaid expenses and other	18,626	12,640
	247,309	236,912
Mining interests (Note 6)	1,032,739	740,756
Deferred income taxes	72,976	70,116
Other long term assets (Note 7)	5,803	6,310
	$ 1,358,827	$ 1,054,094
LIABILITIES		
Current		
Trade and other payables	143,656	127,581
Current portion of finance lease obligations (Note 8)	4,315	4,394
Current portion of derivative financial liabilities (Note 9)	16,265	5,463
Income taxes payable	14,177	16,061
	178,413	153,499
Finance lease obligations (Note 8)	7,440	9,025
Long-term debt (Note 10)	192,294	225,582
Other long term liabilities (Note 11)	40,990	38,862
Deferred income taxes	46,725	30,014
	465,862	456,982
EQUITY		
Share capital (Note 12 (a))	1,367,919	1,071,088
Equity reserve (Note 12)	43,720	41,966
Deficit	(569,134)	(548,951)
Equity attributable to shareholders of the Corporation	842,505	564,103
Non-controlling interests (Note 13)	50,460	33,009
Total equity	892,965	597,112
	$ 1,358,827	$ 1,054,094

COMMITMENTS AND CONTINGENCIES (NOTE 19)
SUBSEQUENT EVENTS (NOTES 8,10, 20)

Approved by the Board: July 28, 2016
"Sebastien de Montessus" Director *"Wayne McManus"* Director

ENDEAVOUR MINING CORPORATION

Condensed Interim Consolidated Statements of Comprehensive (Loss) Earnings
(Expressed in Thousands of United States Dollars)
(Unaudited)

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
Revenues				
Gold revenue	$ 160,373	$ 132,798	$ 304,331	$ 263,246
Cost of sales				
Operating expenses	87,496	73,127	171,481	152,886
Depreciation and depletion	21,781	16,908	48,005	34,866
Royalties	7,229	6,690	13,819	13,043
Earnings from mine operations	43,867	36,073	71,026	62,451
Corporate costs	5,595	4,450	10,421	8,433
Acquisition and restructuring costs (Note 3)	16,773	-	18,022	-
Share-based expenses (Note 12 (b))	3,162	1,110	5,717	2,240
Exploration costs	953	416	1,868	1,066
Earnings from operations	17,384	30,097	34,998	50,712
(Losses) gains on financial instruments (Note 14)	(21,135)	(35)	(24,010)	3,857
Finance costs	(6,304)	(8,819)	(13,148)	(16,627)
Other expenses	180	(34)	270	136
Other (expenses) income	(27,259)	(8,888)	(36,888)	(12,634)
(Loss) earnings from continuing operations before taxes	(9,875)	21,209	(1,890)	38,078
Current income taxes expense	(2,975)	(849)	(5,317)	(1,727)
Deferred income taxes (expense) recovery	(2,566)	6,980	2,922	6,501
Net and comprehensive (loss) earnings from continuing operations	(15,416)	27,340	(4,285)	42,852
Net (loss) earnings from discontinued operations and loss on disposal (Note 4)	-	5,658	(3,273)	7,685
Total net and comprehensive (loss) earnings	(15,416)	32,998	(7,558)	50,537
Net (loss) earnings from continuing operations attributable to:				
Shareholders of Endeavour Mining Corporation	(21,139)	21,241	(17,085)	32,180
Non-controlling interests (Note 13)	5,723	6,099	12,800	10,672
Net (loss) earnings from continuing operations	$ (15,416)	$ 27,340	$ (4,285)	$ 42,852
Total net (loss) earnings attributable to:				
Shareholders of Endeavour Mining Corporation	(21,138)	26,678	(20,183)	39,391
Non-controlling interests (Note 13)	5,722	6,320	12,625	11,146
Total net (loss) earnings	$ (15,416)	$ 32,998	$ (7,558)	$ 50,537
Net (loss) earnings per share from continuing operations (Note 12 (c))				
Basic (loss) earnings per share	$ (0.27)	$ 0.51	$ (0.25)	$ 0.78
Diluted (loss) earnings per share	$ (0.27)	$ 0.51	$ (0.25)	$ 0.78
Net (loss) earnings per share (Note 12 (c))				
Basic (loss) earnings per share	$ (0.27)	$ 0.65	$ (0.29)	$ 0.95
Diluted (loss) earnings per share	$ (0.27)	$ 0.65	$ (0.29)	$ 0.95

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

ENDEAVOUR MINING CORPORATION

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Thousands of United States Dollars)
(Unaudited)

	Three months ended June 30, 2016[1]	Three months ended June 30, 2015 [1]	Six months ended June 30, 2016[1]	Six months ended June 30, 2015 [1]
Operating Activities				
Earnings before taxes	$ (9,875)	$ 26,877	$ (4,292)	$ 47,165
Adjustments for:				
Depreciation and depletion	21,781	18,207	49,264	37,658
Unwinding of reclamation obligation	175	195	367	389
Amortization of financing costs	1,124	1,054	2,249	2,070
Unrealized gain on marketable securities and interest on working capital loan	(201)	(26)	(316)	(105)
Share-based payments, net of cash paid on settlement of performance share units	3,653	1,099	5,604	2,229
Unrealized loss (gain) on derivative financial instruments	10,711	(1,880)	10,803	(3,905)
Realized loss on derivative financial instruments	4,721	1,840	8,223	4,124
Pension adjustment	(354)	-	(282)	-
Loss on disposition of Youga Mine (Note 4)	-	-	1,025	-
Interest expense	2,785	4,436	6,333	8,373
Unrealized foreign exchange loss	3,310	2,334	2,060	742
Cash paid on settlement of share appreciation rights	(968)	-	(968)	-
Payment of gold collar premiums	(1,883)	-	(1,883)	-
Income taxes paid	(6,157)	(1,991)	(8,781)	(4,825)
Operating cash flows before non-cash working capital	28,822	52,145	69,406	93,915
Changes in non-cash working capital:				
Trade and other receivables	2,740	7,700	2,840	5,539
Inventories	(2,462)	(10,780)	(7,099)	(11,074)
Prepaid expenses and other	(4,929)	(1,395)	(7,257)	(97)
Trade and other payables	6,016	(1,484)	(7,554)	(11,194)
Other	-	-	-	522
Cash generated from operating activities	$ 30,187	$ 46,186	$ 50,336	$ 77,611
Investing Activities				
Expenditures and prepayments on mining interests	(59,600)	(18,303)	(80,632)	(43,236)
Cash acquired on acquisition of the Karma Mine (Note 3(b))	10,031	-	10,031	-
Bridge loan advanced to True Gold (Note 3(b))	-	-	(15,000)	-
Cash received on sale of Youga Mine (net) (Note 4)	-	-	22,086	-
Proceeds from pre-production gold sales	19,498	-	19,498	-
Other	(844)	(164)	(305)	(625)
Cash used in investing activities	$ (30,915)	$ (18,467)	$ (44,322)	$ (43,861)
Financing Activities				
Proceeds received from the issue of common shares	72,257	-	72,796	-
Cash settlement of hedge programs (Note 9)	437	(1,828)	(2,774)	(4,111)
Payment of financing and other fees	-	(1,315)	-	(6,702)
Dividends paid to minority shareholders (Note 13)	-	(485)	-	(485)
Interest paid	(6,343)	(4,397)	(6,774)	(8,569)
Repayment of long-term debt (Note 10)	(40,000)	(20,000)	(40,000)	(20,000)
Repayment of the Auramet Loan (Note 10 (b))	(1,125)	-	(1,125)	-
Repayment of finance lease obligation (Note 8)	(842)	(766)	(1,665)	(1,584)
Deposit paid on reclamation liability bond	(1,436)	-	(1,436)	-
Cash used in financing activities	$ 22,948	$ (28,791)	$ 19,022	$ (41,451)
Effect of exchange rate changes on cash	(5,239)	(2,624)	(570)	(1,770)
Increase (decrease) in cash	16,981	(3,696)	24,466	(9,471)
Cash, beginning of year	117,004	56,404	109,519	62,179
Cash, end of year	$ 133,985	$ 52,708	$ 133,985	$ 52,708

[1] The earnings before income taxes were determined as:

Earnings before taxes from continuing operations	(9,875)	21,209	(1,890)	38,078
Net (loss) earnings from discontinued operations and loss on disposal (Note 4)	-	5,658	(3,273)	7,685
Deferred and current income taxes on discontinued operations	-	11	871	1,402
Earnings before income taxes	(9,875)	26,877	(4,292)	47,165

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

ENDEAVOUR MINING CORPORATION

Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Thousands of United States Dollars)
(Unaudited)

	Share Capital												
	Number of Common Shares	Par Value	Additional Paid in Capital	Number of Exchangeable Shares	Par Value	Additional Paid in Capital	Total Number of Shares	Total Share Capital	Equity Reserve Shares	Deficit	Total Attributable to Shareholders	Non-Controlling Interests	Total
At January 1, 2015	41,248,686	$ 4,119	$ 985,746	65,680	$ 7	$ 1,697	41,314,366	$ 991,569	$ 39,961	$ (567,178)	$ 464,352	$ (20,982)	443,370
Exchangeable shares exchanged into common shares	1,095		28	(1,095)	-	(28)	-	-	-				-
Share based payments	-	-	-	-	-	-	-	-	1,136	-	1,136	-	1,136
Dividends (Note 13)	-	-	-	-	-	-	-	-	-			(485)	(485)
Net loss and total comprehensive loss	-	-	-	-	-	-	-	-	-	39,392	39,392	11,146	50,538
At June 30, 2015	41,249,781	$ 4,119	$ 985,774	64,585	$ 7	$ 1,669	41,314,366	$ 991,569	$ 41,097	$ (527,786)	$ 504,880	$ (10,321)	$ 494,559
At January 1, 2016	58,969,264	$ 5,892	$ 1,063,876	50,678	$ 5	$ 1,315	59,019,942	$ 1,071,088	$ 41,966	$ (548,951)	$ 564,103	$ 33,009	$ 597,112
Shares issued on acquisition of the Karma Mine	17,600,982	1,760	214,679	-	-	-	17,600,982	216,439	-	-	216,439	-	216,439
Shares issued to La Mancha	7,546,775	755	64,353	-	-	-	7,546,775	65,108	-	-	65,108	-	65,108
Assumed on acquisition of the Karma Mine (Note 3)	-	-	-	-	-	-	-	-	8,771	-	8,771	11,530	20,301
Exchangeable shares exchanged into common shares	24,765	2	247	(24,765)	(2)	(247)	-	-	-	-	-	-	-
Share options exercised	1,237,543	123	15,161	-	-	-	1,237,543	15,284	(7,597)	-	7,687	-	7,687
Share based payments (Note 12 (b))	-	-	-	-	-	-	-	-	580	-	580	-	580
Dividends (Note 13)	-	-	-	-	-	-	-	-	-	-	-	(2,596)	(2,596)
New share issuance	-	-	-	-	-	-	-	-	-	-	-	22	22
Disposal of the Youga Mine (Note 4)	-	-	-	-	-	-	-	-	-	-	-	(4,130)	(4,130)
Net earnings and total comprehensive earnings	-	-	-	-	-	-	-	-	-	(20,183)	(20,183)	12,625	(7,558)
At June 30, 2016	85,379,329	$ 8,532	$ 1,358,316	25,913	$ 3	$ 1,068	85,405,242	$ 1,367,919	$ 43,720	$ (569,134)	$ 842,505	$ 50,460	$ 892,965

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

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

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

Endeavour's corporate office is in Paris, France, and its shares are listed on the Toronto Stock Exchange ("TSX") (symbol EDV) and quoted in the United States on the OTCQX International under the symbol 'EDVMF'. The Corporation is incorporated in the Cayman Islands and its registered office is located at 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting,* using the accounting policies consistent with International Financial Reporting Standards ("IFRS").

These condensed interim consolidated financial statements should be read in conjunction with the most recently issued annual consolidated financial statements of the Corporation, which include information necessary or useful to understanding the Corporation's business and financial statement presentation. In particular, the Corporation's significant accounting policies were presented as Note 2 to the consolidated financial statements for the fiscal year ended December 31, 2015, and have been consistently applied in the preparation of these interim financial statements.

(b) Basis of preparation

These condensed interim consolidated financial statements have been prepared on the historical cost basis, except certain financial instruments that are measured at fair value at the end of each reporting period. The Corporation's accounting policies have been applied consistently in preparing these condensed interim consolidated financial statements.

(c) Accounting Standards recently adopted

Effective January 1, 2016, the Corporation adopted the following new accounting standards:

- *IAS 1, Presentation of Financial Statements:* the amendments clarify guidance on materiality and aggregation, use of subtotals, aggregation and disaggregation of financial statement line items, the order of the notes to the financial statements and disclosure of significant accounting policies. The adoption of this amended standard had no material impact on the Corporation's condensed interim consolidated financial statements.
- *IFRS 7, Financial Instruments:* Disclosures: the amendments require increased disclosure regarding derecognition of financial assets and the continuing involvement accounting in connection with servicing contracts for annual periods beginning on or after January 1, 2016. The adoption of this amended standard had no material impact on the Corporation's condensed interim consolidated financial statements.
- *IAS 34, Interim Financial Reporting:* the amendments clarify the requirements relating to information required by IAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The adoption of this amended standard has no impact on the Corporation's condensed interim consolidated financial statements.

3. ACQUISITIONS AND RESTRUCTURING

(a) Acquisition of the Ity Mine

On November 27, 2015, the Corporation completed the acquisition of a 55% interest in Société des Mines d'Ity S.A. ("Ity Mine"), in exchange for 17,706,157 million common shares of Endeavour. The consideration and preliminary allocation of the fair value of assets acquired and liabilities assumed was presented in the Corporation's consolidated financial statements for the year ended December 31, 2015. There has been no change to the consideration and the allocation of the fair value of assets and liabilities is still preliminary as at June 30, 2016.

In the three and six months ended June 30, 2016, the Corporation incurred $0.2 million (year ended December 31, 2015 - $13.1 million) in costs related to this acquisition.

(b) Acquisition of the Karma Mine

On April 26, 2016, the Corporation completed the acquisition of True Gold Mining Inc. ("True Gold") with an issuance of 17,600,982 common shares.

In connection with the acquisition, on April 26, 2016, La Mancha Holding S.à.r.l, exercised an anti-dilution right to maintain its 30% stake and invested $65.1 million (C$82.6 million) via an equity placement for 7,546,775 common shares.

For the three and six months ended June 30, 2016, the Corporation incurred $3.1 million and $4.3 million, respectively, in acquisition-related costs, including advisory, legal, valuation and other professional fees. These costs are presented as acquisition costs within the consolidated statements of comprehensive (loss) earnings.

On March 22, 2016, as part of the arrangement agreement with True Gold, the Corporation provided a $15.0 million convertible bridge loan ("Bridge Loan") to True Gold to ensure True Gold remained well funded as it completed construction of the Karma Mine.

As of the date of these condensed interim consolidated financial statements, the determination of fair value of assets and liabilities acquired is based on preliminary estimates and has not been finalized. The Corporation is currently in the process of determining the fair values of the net assets acquired, assessing and measuring the associated deferred income tax assets and liabilities and potential goodwill on the acquisition. Non-controlling interest is measured at its proportionate share of the fair value of net assets. The actual fair values of the assets and liabilities may differ materially from the amounts disclosed in the preliminary fair value below and are subject to change.

(Expressed in Thousands of United States Dollars, except per share amounts

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

Purchase price:		
Fair value of 17,600,982 Endeavour common shares issued as consideratioı	$	216,439
Valuation of stock options (Note 12 (b)(i))		8,771
Valuation of stock appreciation rights (Note 12 (b)(iv))		1,529
Bridge loan		15,000
	$	**241,739**

Net assets/(liabilities) acquired		
Mining interests		281,713
Cash		10,031
Provision for reclamation		(2,307)
Long term loan		(6,213)
Non-controlling interest		(11,530)
Net working capital acquired (excluding cash)		(11,743)
Deferred income and mining taxes		(18,212)
Net Assets	**$**	**241,739**

Karma Gold Stream

On August 11, 2014, True Gold, then the owner of the Karma Mine, entered into a $100 million definitive agreement with Franco-Nevada Corporation and Sandstorm Gold Ltd. (the "Syndicate") to complete funding for the construction of the Karma Project. In exchange for $100 million in funding (the "Deposit"), True Gold is obligated to deliver 100,000 ounces of gold over five years (the "Delivery Period"). During the Delivery Period, which started on March 31, 2016, True Gold has committed to deliver an aggregate of 20,000 ounces of gold each year. The Syndicate will pay True Gold 20% of the spot price of gold ("Ongoing Payment") for each ounce delivered. The Deposit is reduced on each delivery by the excess of the prevailing market value of the gold delivered over the Ongoing Payment made by the Syndicate. Following the Delivery Period, True Gold has committed to deliver an amount of refined gold equal to 6.5% of the equivalent amount of gold production at the Karma Project for the life of the Project in exchange for Ongoing Payments. The Corporation assumed the gold stream when it acquired the Karma Mine on April 26, 2016.

The expected cash flows associated with the sale of gold to the Syndicate at a price lower than market price have been reflected in the fair value of the mining interest recorded upon acquisition of the Karma mine. The Corporation has presented the value of any expected future cash flows from the sale of any future gold production to the Syndicate as part of the mining interest, as the Corporation did not receive any of the upfront payment made by the Syndicate in accordance with the agreement.

(c) Acquisition and restructuring costs

During the three and six months ended June 30, 2016, the Corporation recognized $3.3 million and $4.5 million in acquisition costs and $13.5 million and $13.5 million in restructuring costs, respectively. The restructuring costs related to severance, relocation, legal and other fees associated with the changes in senior and executive management and transfer of administrative offices. At June 30, 2016, $11.1 million in restructuring costs was included in accounts payable (December 31, 2015 - $nil).

(Expressed in Thousands of United States Dollars, except per share amounts

4. DISPOSITION OF MINING INTERESTS

On February 29, 2016, the Corporation announced and completed the sale of its non-core Youga Mine to MNG Gold for $25.3 million. The sale includes the Youga Mine, Ouaré Project and the related exploration properties and is part of the Corporation's plan to focus on its core mining operations and assets.
The total cash consideration is comprised of $20 million for the asset and $5.3 million for the cash-on-hand. In addition, Endeavour has retained a 1.8% Net Smelter Royalty ("NSR") on production realized beyond the current reserve from the property sold, with the inclusion of a buyback provision.

The Corporation recognized a loss on disposition of $1.0 million, net of tax, calculated as follows:

Cash proceeds	25,228
Transaction costs	(934)
Total proceeds	24,294
Net assets sold and derecognized:	
Cash	3,142
Inventories	21,199
Other current assets	12,406
Mining interests	10,826
Other non-current assets	658
Accounts payable and accrued liabilities	(12,542)
Provisions	(4,800)
Other non-current liabilities	(1,440)
	29,449
Non-controlling interest	4,130
Net assets attributable to Endeavour	25,319
Loss on disposition	(1,025)

(Expressed in Thousands of United States Dollars, except per share amounts

The components of net loss from discontinued operation for the three and six months ended June 30, 2016 and 2015, were as follows:

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
Revenue				
Gold revenue	$ -	$ 21,832	$ 7,457	$ 43,447
Cost of sales				
Operating expenses	-	15,001	6,911	29,486
Depreciation and depletion	-	1,299	1,259	2,792
Royalties	-	728	327	1,617
Earnings (loss) from mine operations	-	4,803	(1,040)	9,552
Exploration	-	66	278	120
Earnings (loss) from operations	-	4,736	(1,318)	9,432
Other income (expenses)				
(Losses) gains on financial instruments	-	959	-	(289)
Finance costs	-	(28)	(59)	(55)
Loss on disposition	-	-	(1,025)	-
	-	931	(1,084)	(344)
Earnings (loss) before taxes	-	5,669	(2,402)	9,088
Income taxes (expense) recovery	-	(11)	(871)	(1,402)
Net (loss) earnings from discontinued operations	-	5,658	(3,273)	7,685
Shareholders of Endeavour Mining Corporation	-	5,437	(3,099)	7,211
Non-controlling interest	-	221	(175)	474
Total (loss) earnings from discontinued operations	$ -	$ 5,658	$ (3,273)	$ 7,685
Net (loss) earnings per share from discontinued operations				
Basic	$ -	$ 0.13	$ (0.05)	$ 0.17
Diluted	$ -	$ 0.13	$ (0.05)	$ 0.17

The net cash flows from discontinued operation for the three and six months ended June 30, 2016 and 2015, were as follows:

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
Net cash (used in) generated from operating activities	$ -	$ (1,200)	$ (3,871)	$ 3,064
Cash generated from (used) in investing activities	-	(290)	22,086	(574)
Total	$ -	$ (1,490)	$ 18,215	$ 2,490

(Expressed in Thousands of United States Dollars, except per share amounts

5. INVENTORIES

		June 30, 2016		December 31, 2015
Doré bars[(1)]	$	1,616	$	1,950
Gold in circuit[(2)]		12,984		13,675
Ore stockpiles[(3)]		19,257		33,547
Spare parts and supplies		48,148		44,767
	$	82,005	$	93,939

(1) Includes a charge of $Nil to reduce the costs of inventory to net realizable value at the Tabakoto mine (December 31, 2015, recovery of $0.7 million) and a recovery of $0.01 million at the Nzema mine (December 31, 2015, recovery of $0.4 million).
(2) Includes a charge of $Nil to reduce the costs of inventory to net realizable value at the Tabakoto mine (December 31, 2015, recovery of $0.6 million) and an impairment of $0.4 million at the Nzema mine (December 31, 2015, recovery of $0.7 million).
(3) Includes a charge of $Nil to reduce the costs of inventory to net realizable value at the Tabakoto mine (December 31, 2015, recovery of $1.6 million) and recovery of $3.1 million at the Nzema mine (December 31, 2015, $3.6 million).

The $82.0 million inventory balance at June 30, 2016, does not include inventory related to the disposed Youga Mine (December 31, 2015, $19.8 million included in the $93.9 million balance) (Note 4).

The cost of inventories recognized as expense for the three and six months ended June 30, 2016, were $109.1 million and $219.2 million, respectively, and were included in operating expenses (three and six months ended June 30, 2015 - $90.0 million and $187.7 million, respectively).

(Expressed in Thousands of United States Dollars, except per share amounts

6. MINING INTERESTS

	Mining Properties					
	Depletable	Non depletable	Plant and equipment	Assets under construction	Corporate assets	Total
Cost						
Balance as at December 31, 2014	$ 833,155	$ 436,205	$ 542,924	$ -	$ 1,862	$ 1,814,146
Acquisition of the Ity Mine (Note 3(a))	15,823	-	15,361	-	346	31,530
Additions/expenditures	65,950	10,065	19,578	-	477	96,070
Transfers	(6,944)	-	6,944	-	-	-
Reclamation liability change in estimate	(1,671)	-	-	-	-	(1,671)
Disposals	-	-	(142)	-	-	(142)
Balance as at December 31, 2015	906,313	446,270	584,665	-	2,685	1,939,933
Acquisition of the Karma Mine (Note 3(b))	-	-	-	281,179	534	281,713
Additions/expenditures	25,353	7,470	6,581	26,620	28	66,052
Transfers	-	(138,440)	(8,307)	146,747	-	-
Disposal of the Youga Mine (Note 4)	(84,837)	(19,538)	(75,267)	-	-	(179,642)
Balance as at June 30, 2016	$ 846,829	$ 295,762	$ 507,672	$ 454,546	$ 3,247	$ 2,108,056
Accumulated depreciation and impairment						
Balance as at December 31, 2014	$ 573,811	$ 212,075	$ 328,648	$ -	$ 1,581	$ 1,116,115
Depreciation/depletion	44,096	-	39,143	-	415	83,654
Depreciation charge included in inventory	1,298	-	(1,875)	-	-	(577)
Disposals	-	-	(15)	-	-	(15)
Balance as at December 31, 2015	619,205	212,075	365,901	-	1,996	1,199,177
Depreciation/depletion	25,823	-	21,977	-	205	48,005
Depreciation charge included in inventory	(2,025)	-	(1,883)	-	-	(3,908)
Disposal of the Youga Mine (Note 4)	(79,404)	(16,772)	(71,781)	-	-	(167,957)
Balance as at June 30, 2016	$ 563,599	$ 195,303	$ 314,214	$ -	$ 2,201	$ 1,075,317
Carrying amounts						
At December 31, 2015	$ 287,108	$ 234,195	$ 218,764	$ -	$ 689	$ 740,756
At June 30, 2016	$ 283,230	$ 100,459	$ 193,458	$ 454,546	$ 1,046	$ 1,032,739

At June 30, 2016, the carrying amount of plant and equipment included $11.7 million of assets under finance leases (December 31, 2015 - $14.3 million).

At June 30, 2016, mineral property additions included $2.7 million in accounts payable (December 31, 2015 - $3.4 million).

(Expressed in Thousands of United States Dollars, except per share amounts

A summary by property of the carrying value is as follows:

						Development Projects					
	Tabakoto Mine	Nzema Mine	Youga Mine	Agbaou Mine	Ity Mine	Houndé Project	Ouaré Project	Karma Mine	Exploration Properties	Corporate assets	Total
Cost											
Balance as at December 31, 2014	$ 683,315	$ 622,375	$ 167,511	$ 192,415	$ -	$ 131,870	$ 11,629	$ -	$ 3,169	$ 1,862	$ 1,814,146
Acquisition of the Ity Mine (Note 3(a))	-	-	-	-	31,184	-	-	-	-	346	31,530
Additions/expenditures	53,675	11,367	934	19,067	3,980	6,570	-	-	-	477	96,070
Reclamation liability change in estimate	2,055	(4,546)	(289)	1,127	(18)	-	-	-	-	-	(1,671)
Disposals	-	-	(142)	-	-	-	-	-	-	-	(142)
Balance as at December 31, 2015	739,045	629,196	168,014	212,609	35,146	138,440	11,629	-	3,169	2,685	1,939,933
Acquisition of Karma Mine (Note 3(b))	-	-	-	-	-	-	-	281,179	-	534	281,713
Additions/expenditures	17,083	6,284	-	15,782	10,602	14,617	-	1,655	-	29	66,052
Disposal of the Youga Mine (Note 4)	-	-	(168,014)	-	-	-	(11,629)	-	-	1	(179,642)
Balance as at June 30, 2016	$ 756,128	$ 635,480	$ -	$ 228,391	$ 45,748	$ 153,057	$ -	$ 282,834	$ 3,169	$ 3,249	$ 2,108,056
Accumulated depreciation and impairment											
Balance as at December 31, 2014	$ 475,408	$ 445,162	$ 149,439	$ 29,727	$ -	$ -	$ 11,629	$ -	$ 3,169	$ 1,581	$ 1,116,115
Depreciation/depletion	29,211	18,032	6,109	29,143	744	-	-	-	-	415	83,654
Depreciation captured in inventory	(1,159)	(340)	795	(1,035)	1,162	-	-	-	-	-	(577)
Disposals	-	-	(15)	-	-	-	-	-	-	-	(15)
Balance as at December 31, 2015	503,460	462,854	156,328	57,835	1,906	-	11,629	-	3,169	1,996	1,199,177
Depreciation/depletion	14,829	9,202	-	13,206	10,562	-	-	-	-	206	48,005
Depreciation captured in inventory	-	(2,618)	-	392	(1,682)	-	-	-	-	-	(3,908)
Disposal of the Youga Mine (Note 4)	-	-	(156,328)	-	-	-	(11,629)	-	-	-	(167,957)
Balance as at June 30, 2016	$ 518,289	$ 469,438	$ -	$ 71,433	$ 10,786	$ -	$ -	$ -	$ 3,169	$ 2,202	$ 1,075,317
Carrying amounts											
At December 31, 2015	$ 235,585	$ 166,342	$ 11,686	$ 154,774	$ 33,240	$ 138,440	$ -	$ -	$ -	$ 689	$ 740,756
At June 30, 2016	$ 237,839	$ 166,042	$ -	$ 156,958	$ 34,962	$ 153,057	$ -	$ 282,834	$ -	$ 1,047	$ 1,032,739

(Expressed in Thousands of United States Dollars, except per share amounts

7. OTHER LONG TERM ASSETS

Other long term assets are comprised of:

	June 30, 2016	December 31, 2015
Working capital loan	$ 1,038	$ 1,017
Investment in associate	2,000	2,000
Long term stockpiles	2,765	3,047
Long term receivable	-	246
Total	$ 5,803	$ 6,310

Investment in associate and working capital loan

The Corporation holds a 15% investment in associate and applies the equity method to account for the investment. The Corporation also has a working capital loan receivable from the associate.

Long term stockpiles

Certain low grade stockpiles that are not expected to be processed until the end of mine life are classified as long term assets. In the three and six months ended June 30, 2016, a charge of $Nil (June 30, 2015, a reversal of $0.2 million) was recorded to adjust the cost to net realizable value.

8. FINANCE LEASE OBLIGATIONS

On March 7, 2014, the Corporation's Malian subsidiary entered into a five year, $18 million equipment lease financing facility. The equipment lease was used to purchase a portion of the owner-operated mining equipment for the Tabakoto and Segala underground developments. The lease terms have a fixed rate of 9.5% per annum to amortize the principal and there exists a purchase option to buy the equipment outright at the end of the lease life for 0.5% of cost. The equipment lease is treated as a finance lease.

The finance leases were composed of the following obligations:

	June 30, 2016	December 31, 2015
Equipment lease obligations	$ 11,755	$ 13,419
Less: current portion	(4,315)	(4,394)
Long-term equipment lease obligations	$ 7,440	$ 9,025

	Minimum lease payments	
	June 30, 2016	December 31, 2015
Not later than one year	$ 4,540	$ 4,540
Later than one year and not later than five years	9,008	11,278
	13,548	15,818
Less future finance charges	(1,793)	(2,399)
Present value of minimum lease payments	$ 11,755	$ 13,419

(Expressed in Thousands of United States Dollars, except per share amounts

Houndé financing arrangement

On June 9, 2016, the Corporation entered into a financing arrangement with the Komatsu Group to purchase mining fleet equipment for the Houndé project. Under this arrangement the Corporation agreed to make an initial down-payment of $7.1million on July 1, 2016 followed by seventeen quarterly payments between the first quarter of 2018 and the first quarter of 2022, totaling $46.9 million.

9. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial liabilities

The following table summarizes the derivative financial liabilities:

	June 30, 2016	December 31, 2015
Gold price protection programs (a)	$ 3,251	$ 4,005
Fuel price protection program (b)	-	1,458
Gold revenue protection strategy (c)	13,014	-
Derivative financial liabilities, current portion	16,265	5,463
Derivative financial liabilities, long term	$ -	$ -

The following table summarizes the gain (loss) on derivative financial liabilities that have been recognized through the consolidated statements of comprehensive earnings (loss):

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Realized loss - gold and fuel price protection programs	$ (3,376)	$ (1,840)	$ (6,878)	$ (4,124)
Realized gain on foreign exchange option	538	-	538	-
Realized loss on gold revenue protection strategy premiums	(1,883)	-	(1,883)	-
Change in unrealized (loss) gain on gold price and revenue and fuel price protection programs	(10,711)	1,880	(10,803)	3,940
Total loss on the gold price and revenue and fuel price protection programs	$ (15,432)	$ 40	$ (19,026)	$ (184)

(a) Gold forward contracts

Prior to Endeavour's acquisition, Adamus implemented a gold price protection program as part of the initial project financing of the Nzema Gold Mine. The gold price protection program consisted of gold forward contracts initially covering 290,000 ounces at a forward price of $1,075 per ounce and subsequently amended to $1,061 per ounce. The program required no cash or other margin.

On July 29, 2013, Endeavour re-distributed a portion of the 96,163 ounces of remaining forward contracts to several new lenders. The amended strike price has increased from $1,061 per ounce to a weighted average strike price $1,332 per ounce. On the close out of the former hedge under the Nzema project financing, a $300 per ounce increase in the strike price gave rise to a crystallized loss; this crystallized loss will be allocated and paid over the remaining hedge deliveries, resulting in the net proceeds to be received of $1,032 per ounce ($1,332 per ounce less the loss of $300 per ounce). Other terms and conditions remain the same.

The settlements of the forward contracts are in cash as there is no exchange of physical gold between the Corporation and the buyer. During the three and six months ended June 30, 2016, the Corporation settled 6,376 and 13,039 ounces of gold resulting in a realized loss of $2.9 million and $5.4 million, respectively (June 30, 2015, $1.0 million and $2.3 million, respectively). Unrealized gains of $1.7 million and $0.7 million was recognized in the same period.

As at June 30, 2016, 7,062 ounces of gold forward contracts remain outstanding with a fair value of $3.3 million (December 31, 2015, $4.0 million).

(b) Fuel Swap Contracts

On June 1, 2015, Endeavour initiated a 12-month fuel price protection program approximately equal to 50% of the diesel fuel requirement at the Tabakoto Mine in the form of a cash-settled commodity swap transaction with Societe Generale. The strike price of the swap is $572 per metric tonne (Mtonne) of Gas Oil, with monthly settlements of 1,268 Mtonnes.

During the three and six months ended June 30, 2016, the Corporation settled the remaining Mtonnes of Gas Oil (2,537 and 6,341 Mtonnes, respectively), resulting in a realized loss of $0.5 million and $1.5 million, respectively (June 30, 2015, $0.01 million in the three and six months). Unrealized gains of $0.6 million and $1.5 million was recorded in the same periods.

(c) Gold revenue protection strategy

In the three and six months ended June 30, 2016, the Corporation has implemented a deferred premium collar strategy (“collar”) using written call options and bought put options for the 15-months period from April 2016 to June 2017. The program covers a total of 400,000 ounces, representing approximately 50% of Endeavour’s total estimated gold production for the period, with a floor price of $1,200 per ounce and ceiling price of $1,400 per ounce.

This derivative instrument was not designated as a hedge by the Corporation and is recorded at its fair value at the end of each reporting period with changes in fair value recorded in the consolidated comprehensive statement of (loss) earnings.

As at June 30, 2016, 320,000 ounces remain outstanding with a fair value of $13.0 million (December 31, 2015 - $nil). The $13.0 million change in fair value was recorded as unrealized loss in the comprehensive statement of (loss) earnings in the three and six months ended June 30, 2016.

The total premium payable for entering into this program is $9.2 million, included as part of the collar fair value, and cash-settled on a net basis as monthly contracts mature.

In the three and six months ended June 30, 2015, the Corporation incurred $1.9 million in premium costs (2015 - $nil) included in (losses) gains on financial instruments in the consolidated statements of comprehensive (loss) earnings.

(d) Foreign exchange option (“FX option”)

On June 21, 2016, the Corporation entered into a single foreign exchange option contract for USD put options of $105.7 million and CAD call options of $134.0 million, with settlement date of July 11, 2016.
The Corporation realized a $0.5 million in gain in the second quarter of 2016, reflecting premiums paid in advance; and no liability or asset was recognised on the balance sheet at June 30, 2016 (2015 - $0 million).

(Expressed in Thousands of United States Dollars, except per share amounts

10. LONG-TERM DEBT

	June 30, 2016	December 31, 2015
Corporate loan facility (a)	$ 200,000	$ 240,000
Deferred financing costs	(12,735)	(14,983)
Corporate loan facility	187,265	225,017
Auramet loan (b)	5,030	-
Other	-	565
Total debt	$ 192,294	$ 225,582

(a) Corporate loan facility

On July 24, 2013, the Corporation signed a $350 million amended senior secured revolving corporate loan facility (the "Facility") with UniCredit Bank AG, BNP Paribas, ING Bank NV, Société Générale and Deutsche Bank AG and utilized $300 million of the amended Facility while completing the expansion of the Tabakoto mine and the construction of the Agbaou mine.

On March 10, 2015, the Corporation renewed its Facility with UniCredit Bank AG, BNP Paribas, ING Bank NV, Société Générale and Investec Bank Plc. The renewed Facility's key terms include the following:

- The maturity date is five years from signing, March 9, 2020, and the available Facility amount declines with four equal semi-annual reductions of $87.5 million commencing September 2018;
- The Facility includes standard corporate financial covenants, including:
  - Interest Cover shall not be less than 3 to 1, calculated on a rolling 12 month basis;
  - Net Debt to EBITDA shall not exceed 3.5 times, calculated on a rolling 12 month basis;
  - Minimum Tangible Net Worth shall not be less than US$350 million.
  - The Corporation was in compliance with these covenants at June 30, 2016.
- The interest is based on LIBOR plus a margin ranging between 3.75% and 5.75% per annum (sliding scale based on the actual Net Debt to EBITDA ratio). At June 30, 2016, the interest rate was 4.46%.
- The Facility is secured by shares of Endeavour's material gold mining subsidiaries and certain material assets of those subsidiaries.

On April 28, 2016, the Corporation made a principal payment of $40.0 million to reduce the drawn amount on the Facility to $200.0 million.

(Expressed in Thousands of United States Dollars, except per share amounts

(b) Auramet loan

In January 2016, True Gold entered into an equipment refinancing facility with Auramet for $10.0 million. The term of the facility is from January 2016 to June 30, 2017, with early repayment option. The facility has an interest rate of LIBOR + 9.75%, commitment for 200,000 gold ounces at a $5 per ounce discount to the spot gold price, and the security of the Company's mobile equipment and a parent company guarantee. The number of ounces at the $5 per ounce discount to the spot gold price will be prorated to the total amount of the $10 million drawn. The facility is flexible with no restrictive financial covenants or hedging requirements, no penalty on early repayment and is repaid over 16 months, starting in March 2016. The Corporation assumed the loan on acquisition of the Karma Mine (Note 3).

Since acquisition, the Corporation made a principal repayment of $1.1 million, bringing the balance of the loan to $4.5 million.

On July 26, 2016, the Corporation repaid the outstanding amount of the loan. The commitment of gold ounces remains outstanding.

11. OTHER LONG TERM LIABILITIES

Provisions are comprised of:

	June 30, 2016	December 31, 2015
Environmental rehabilitation provision[1]	$ 32,746	$ 35,893
Deferred and performance share liability and SARs	8,151	2,608
Net pension obligation	93	361
Total	$ 40,990	$ 38,862

(1) As at June 30, 2016, the environmental rehabilitation provision reflects the reduction of $4.8 million related to the disposed Youga Mine (Note 4).

12. SHARE CAPITAL

(a) Voting shares

Authorized
100,000,000 voting shares of $0.10 par value
100,000,000 undesignated shares

(Expressed in Thousands of United States Dollars, except per share amounts

(b) Share-based expenses

The following table summarizes the share-based expenses:

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
Amortization of option grants	$ 292	$ 576	$ 580	$ 1,136
Total expense recognized on grant and change in fair value of DSUs	$ 1,731	126	2,392	333
Total expense recognized on grant and change in fair value of PSUs	$ 1,101	408	2,104	771
Total expense recognized on settlement of PSUs	$ 38	-	641	-
Total share-based expenses	$ 3,162	$ 1,110	$ 5,717	$ 2,240

(i) Options

A summary of the changes in share options is presented below:

	Options outstanding	Weighted average exercise price (C$)
At December 31, 2014	2,514,127	$ 20.61
Granted	699,374	6.02
Expired	(479,097)	17.33
At December 31, 2015	2,734,404	17.45
Granted	1,700,213	9.23
Exercised	(1,237,543)	8.34
Expired	(369,668)	27.70
At June 30, 2016	2,827,406	$ 15.16

On March 11, 2016, the Corporation issued 346,790 options with a strike price of C$10.94 and a fair value of $1.16 million (C$1.8 million), to be expensed over 2 years. The options were valued using the Black-Scholes option pricing model. Assumptions used were a dividend yield of nil, expected volatility of 71.3%, risk free rate of 0.9% and expected life of 3.24 years.

On April 26, 2016, the Corporation issued 1,353,423 replacement options to former employees of True Gold, with an average strike price of C$8.79 and a fair value of $8.8 million (C$11.1 million), included as part of purchase consideration (Note 3). Assumptions used were a dividend yield of nil, expected volatility of 66.30 – 68.63%, risk free rate of 0.5% and expected life of 0.75 years.

(Expressed in Thousands of United States Dollars, except per share amounts

The following table summarizes information about the outstanding and exercisable share options outstanding as at June 30, 2016:

Exercise Prices (C$)	Outstanding	Exercisable		Weighted average exercise price (C$)	Weighted average remaining contractual life
$4.77 - $7.99	746,016	439,700	$	5.34	1.09 years
$8.00 - $14.99	930,608	359,968		10.47	1.39 years
$15.00 - $19.99	202,811	202,811		15.25	1.01 years
$20.00 - $24.99	411,105	411,105		23.01	1.45 years
$25.00 - $29.99	430,692	430,692		26.43	0.48 years
$30.00 - $84.99	103,285	103,285		39.85	0.44 years
$85.00 - $449.57	2,889	2,889		328.55	0.83 years
	2,827,406	1,950,450	$	18.00	1.04 years

The Corporation has established a share option plan whereby the Corporation's directors may from time to time grant options to directors, employees or consultants. The maximum term of any option is ten years. The exercise price of an option is not less than the volume weighted average trading price of the shares traded on the exchange for the five trading days immediately preceding the grant date. At June 30, 2016, there were 8,540,524 (December 31, 2015 – 5,902,031) options eligible to be granted under the plan, of which 5,713,118 (December 31, 2015 – 3,167,627) are still available for future grants.

(ii) *Deferred share units*

On January 26, 2013, the Corporation established a deferred share unit plan ("DSU") for the purposes of strengthening the alignment of interests between non-executive directors of the Corporation and shareholders by linking a portion of the annual director compensation to the future value of the Corporation's common shares. Upon establishing the DSU plan for non-executive directors, the Corporation no longer grants options to non-executive directors.

The DSU allows each non-executive director to choose to receive, in the form of DSUs, all or a percentage of the 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 fully 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 that time.

A summary of the changes in DSUs is presented below:

	DSUs outstanding		Weighted average exercise price (C$)
At December 31, 2014	96,763	$	4.54
Granted	81,321		6.36
At December 31, 2015	178,084		5.37
Granted	21,672		14.68
At June 30, 2016	199,756	$	6.38

(Expressed in Thousands of United States Dollars, except per share amounts

The total fair value of DSUs at June 30, 2016, was $3.4 million (December 31, 2015 – $1.0 million). The fair value of the DSUs was recognized as share-based payments totaling $1.7 million and $2.4 million for the three and six months ended June 30, 2016 (June 30, 2015, $0.1 million and $0.3 million, respectively), with a corresponding amount recorded as a deferred share unit liability in the consolidated statement of financial position (Note 11).

Following the resignation of one of the Corporation's directors on July 12, 2016, the Corporation settled $0.3 million in outstanding DSUs (2015 - $Nil) on July 19, 2016.

(iii) *Performance share units*

In March 2014, following a comprehensive review of its executive compensation programs and pay practices, the Corporation introduced a change in its long term incentive plan ("LTI Plan") to include a portion of performance-linked share unit awards ("PSUs"). The PSU program is intended to increase the pay mix in favour of long-term equity-based compensation with 3 year cliff-vesting to serve as an employee retention mechanism.

A summary of the changes in PSUs is presented below:

	PSUs outstanding	Weighted average exercise price (C$)
At December 31, 2014	262,700	$ 9.50
Granted	298,000	6.10
Exercised/Released	(1,888)	9.50
Expired	(41,012)	8.02
At December 31, 2015	517,800	7.61
Granted	205,430	10.94
Exercised/Released	(113,423)	7.83
Expired	(116,897)	8.51
At June 30, 2016	492,910	$ 8.64

The total fair value of outstanding PSUs at June 30, 2016, was $3.7 million (December 31, 2015 - $1.6 million). The fair value of the PSUs was recognized as share-based payment expense totaling $1.1 million and $2.7 million for the three and six months ended June 30, 2016, (June 30, 2015, $0.4 million), with a corresponding amount recorded as a preferred share unit liability in the consolidated statement of financial position (Note 11), which reflects additional expense of $0.6 million for certain PSUs exercised in the quarter.

(iv) *Stock appreciation rights*

As part of the Karma Mine acquisition, the Corporation acquired 5,295,000 stock appreciation rights ("SARs") from True Gold. Each SAR is converted to cash based on the closing price of Endeavour on the day prior to exercise multiplied by the ration of 0.044, less C$0.19, until February 7, 2017.

In the six months ended June 30, 2016, 2,245,000 SARs were exercised for total proceeds of $1.0 million (2015 - $nil) and 200,000 SARs expired.

As at June 30, 2016, 1,770,000 SARs remain outstanding with a fair value of $1.0 million (December 31, 2015 - $Nil).

(Expressed in Thousands of United States Dollars, except per share amounts

(c) Diluted earnings per share

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

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
Basic and diluted weighted average number of shares outstanding	77,860,700	41,314,367	68,455,926	41,314,367

The following summarizes the stock options excluded from the computation of diluted earnings per share because the exercise prices exceeded the daily weighted average market values of the common shares for the three and six months ended June 30, 2016, of C$17.92 and $C13.70 (June 30, 2015 – C$6.10 and C$5.90, respectively).

	Three months ended June 30, 2015	Three months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
Stock Options	3,431,099	2,866,576	3,180,148	2,866,576

13. NON-CONTROLLING INTERESTS

The composition of the non-controlling interests is as follows:

	Agbaou Gold Operations SA (Agbaou Mine)	Adamus Resources Limited (Nzema Mine)	Segala Mining Corporation SA (Tabakoto Mine)	Burkina Mining Company SA (Youga Mine)	Societe des Mines d'Ity (Ity Mine)	Riverstone Karma SA (Karma Mine)	Total
At December 31, 2014	$ 8,958	$ (4,772)	$ (29,601)	$ 4,433	$ -	$ -	$ (20,982)
Net earnings (loss)	7,877	518	2,277	474	-	-	11,146
Dividend distribution	-	-	-	(485)	-	-	(485)
At June 30, 2015	16,835	(4,254)	(27,324)	4,422	-	-	(10,321)
Arising on acquisition of the Ity Mine	-	-	-	-	37,102	-	37,102
Net earnings (loss)	5,828	(291)	273	(117)	535	-	6,228
At December 31, 2015	22,663	(4,545)	(27,051)	4,305	37,637	-	33,009
Arising on acquisition of the Karma Mine	-	-	-	-	-	11,530	11,530
Net earnings (loss)	6,760	(581)	2,010	(175)	4,730	(120)	12,625
Dividend distribution	(1,310)	-	-	-	(1,286)	-	(2,596)
New share issuance	22	-	-	-	-	-	22
Disposal of the Youga Mine (Note 4)	-	-	-	(4,130)	-	-	(4,130)
At June 30, 2016	$ 28,135	$ (5,126)	$ (25,041)	$ -	$ 41,081	$ 11,410	$ 50,460

(Expressed in Thousands of United States Dollars, except per share amounts

14. (LOSSES) GAINS ON FINANCIAL INSTRUMENTS, NET

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Gain (loss) on marketable securities	$ 213	$ (193)	$ 316	$ (334)
Imputed interest on promissory note and other assets	13	220	25	439
Interest income (loss)	525	7	851	(172)
Loss on derivative financial assets	-	-	-	(35)
Loss on derivative financial liabilities (Note 9)	(15,432)	40	(19,026)	(184)
Loss on foreign currency	(6,454)	(109)	(6,176)	4,143
	$ (21,135)	$ (35)	$ (24,010)	$ 3,857

15. INCOME TAXES

The Corporation 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. From time to time the Corporation 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 Corporation's business conducted within the country involved. If the Corporation is unable to resolve any of these matters favorably, there may be a material adverse impact on the Corporation's financial performance, cash flows or results of operations. In the event that management's estimate of the future resolution of these matters changes, the Corporation will recognize the effects of the changes in its consolidated financial statements in the period that such changes occur.

In the fourth quarter of 2014, the Corporation's Malian subsidiary, Segala Mining Corporation SA ("Semico"), received a tax assessment from the Malian tax authority of $40.6 million related to the fiscal years 2011 to 2013 and to various taxes. The Corporation and its advisors believe that a significant portion of the assessment's tax claims are wholly without merit and as such have engaged with the tax authority actively since receiving the assessment in the fourth quarter of 2014 to resolve this matter. The Corporation continues to engage with the highest levels of Malian authorities together with its advisors to resolve this matter and given the response presented to the authorities as well as advice received from its advisors, a vigorous process is underway to refute the notified amounts as well as avoid any additional payments.

If the Corporation is unable to resolve these matters favorably, there may be a material adverse impact on the Corporation's financial performance, cash flows and results of operations. In the event that management's estimate of the future resolution of these matters changes, the Corporation will recognize the effects of the changes in its consolidated financial statements in the period that such changes occur.

As at June 30, 2016, there has been no update on any of the ongoing taxation matters discussed above.

16. SEGMENTED INFORMATION

The following is an analysis of the Corporation's revenue and results by reportable segment.

The Youga Mine is no longer included in the Corporation's operating segments due to its disposition by the Corporation on February 29, 2016, as discussed in Note 4.

(Expressed in Thousands of United States Dollars, except per share amounts

	Three months ended June 30, 2016							
	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Ity Mine Côte d'Ivoire	Karma Mine Burkina Faso	Exploration	Non-Mining	Total
Revenue								
Gold revenue	$ 60,131	$ 24,906	$ 49,086	$ 26,250	$ -	$ -	$ -	$ 160,373
Cost of sales								
Operating expenses	20,754	19,523	34,344	12,875	-	-	-	87,496
Depreciation and depletion	6,653	2,995	7,268	4,716	-	-	148	21,781
Royalties	2,037	1,322	2,951	919	-	-	-	7,229
Earnings (loss) from mine operations	30,687	1,066	4,523	7,740	-	-	(148)	43,867
Corporate costs	-	-	-	-	-	-	5,595	5,595
Acquisition and restructuring costs (Note 3)	-	-	-	-	-	-	16,773	16,773
Share-based payments	-	-	-	-	-	-	3,162	3,162
Exploration	-	-	-	-	-	953	-	953
Earnings (loss) from operations	30,687	1,066	4,523	7,740	-	(953)	(25,678)	17,384
Other (expenses) income								
(Losses) gains on financial instruments	(2,279)	(151)	265	(3,066)	(657)	(19)	(15,226)	(21,135)
Finance costs	(39)	(274)	(375)	(10)	-	-	(5,606)	(6,304)
Other income	-	-	-	-	-	-	180	180
	(2,318)	(425)	(110)	(3,076)	(657)	(19)	(20,652)	(27,259)
Earnings (loss) before taxes	28,368	640	4,413	4,665	(657)	(972)	(46,330)	(9,875)
Income taxes expense	(2,174)	417	(649)	(2,352)	(548)	-	(236)	(5,541)
Net earnings (loss) from continuing operations	26,194	1,057	3,764	2,313	(1,205)	(972)	(46,566)	(15,416)

	Three months ended June 30, 2015					
	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Exploration	Non-Mining	Total
Revenue						
Gold revenue	$ 47,902	$ 39,041	$ 45,855	$ -	$ -	$ 132,798
Cost of sales						
Operating expenses	19,318	21,773	32,036	-	-	73,127
Depreciation and depletion	5,971	4,030	6,882	-	25	16,908
Royalties	1,732	2,215	2,743	-	-	6,690
Earnings (loss) from mine operations	20,881	11,023	4,194	-	(25)	36,073
Corporate costs	-	-	-	-	4,450	4,450
Share-based payments	-	-	-	-	1,110	1,110
Exploration	-	-	-	416	-	416
Earnings (loss) from operations	20,881	11,023	4,194	(416)	(5,585)	30,097
Other income (expenses)						
(Losses) gains on financial instruments	649	3,141	(1,129)	291	(2,986)	(34)
Finance costs	(115)	(70)	(435)	-	(8,199)	(8,819)
Other (expense) income	-	-	(34)	-	-	(34)
	534	3,071	(1,598)	291	(11,185)	(8,888)
Earnings (loss) before taxes	21,415	14,094	2,596	(125)	(16,770)	21,207
Income taxes recovery (expense)	6,800	427	(734)	(53)	(310)	6,131
Net earnings (loss) from continuing operations	$ 28,215	$ 14,521	$ 1,862	$ (178)	$ (17,080)	$ 27,340

(Expressed in Thousands of United States Dollars, except per share amounts

	Six months ended June 30, 2016							
	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Ity Mine Côte d'Ivoire	Karma Mine Burkina Faso	Exploration	Non-Mining	Total
Revenue								
Gold revenue	$ 108,415	$ 48,596	$ 94,333	$ 52,987	$ -	$ -	$ -	$ 304,331
Cost of sales								
Operating expenses	37,815	41,870	65,437	26,360	-	-	-	171,481
Depreciation and depletion	13,206	9,201	14,830	10,497		-	272	48,005
Royalties	3,770	2,547	5,651	1,851	-	-	-	13,819
Earnings (loss) from mine operations	53,624	(5,022)	8,415	14,279	-	-	(272)	71,026
Corporate costs	-	-	-	-	-	-	10,421	10,421
Acquisition and restructuring costs (Note 3)	-	-	-	-	-	-	18,022	18,022
Share-based payments	-	-	-	-	-	-	5,717	5,717
Exploration	-	-	-	-	-	1,868	-	1,868
Earnings (loss) from operations	53,624	(5,022)	8,415	14,279	-	(1,868)	(34,432)	34,998
Other (expenses) income								
(Losses) gains on financial instruments	(1,845)	(255)	(2,618)	76	(657)	90	(18,801)	(24,010)
Finance costs	(77)	(320)	(771)	(20)	-	-	(11,960)	(13,148)
Other income	-	-	-	-	-	-	270	270
	(1,922)	(575)	(3,389)	56	(657)	90	(30,491)	(36,888)
Earnings (loss) before taxes	51,701	(5,597)	5,025	14,335	(657)	(1,777)	(64,923)	(1,890)
Income taxes recovery (expense)	610	4,008	(2,589)	(4,232)	(548)	811	(455)	(2,395)
Net earnings (loss) from continuing operations	52,311	(1,589)	2,437	10,103	(1,205)	(966)	(65,377)	(4,285)

	Six months ended June 30, 2015					
	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Exploration	Non-Mining	Total
Revenue						
Gold revenue	$ 103,707	$ 71,953	$ 87,586	$ -	$ -	$ 263,246
Cost of sales						
Operating expenses	38,571	52,964	61,351	-	-	152,886
Depreciation and depletion	13,221	7,062	14,533	-	50	34,866
Royalties	3,683	4,122	5,238	-	-	13,043
Earnings (loss) from mine operations	48,232	7,805	6,464	-	(50)	62,451
Corporate costs	-	-	-	-	8,433	8,433
Share-based payments	-	-	-	-	2,240	2,240
Exploration	-	-	-	1,066	-	1,066
Earnings (loss) from operations	48,232	7,805	6,464	(1,066)	(10,723)	50,712
Other income (expenses)						
(Losses) gains on financial instruments	5	169	3,634	303	(254)	3,857
Finance costs	(147)	(139)	(889)	-	(15,452)	(16,627)
Other income (expense)	-	-	157	(21)	-	136
	(142)	30	2,902	282	(15,706)	(12,634)
Earnings (loss) before taxes	48,091	7,835	9,366	(785)	(26,429)	38,078
Income taxes recovery (expense)	3,195	2,944	(528)	(52)	(785)	4,774
Net earnings (loss) from continuing operations	$ 51,286	$ 10,779	$ 8,838	$ (837)	$ (27,214)	$ 42,852

(Expressed in Thousands of United States Dollars, except per share amounts

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales during the three and six months ended June 30, 2016.

Geographical information

The Corporation's revenue from continuing operations from external customers by location of operations is presented above and information about its non-current assets by location is detailed below:

Non-current assets

	June 30, 2016	December 31, 2015
Côte d'Ivoire	$ 196,639	$ 192,529
Ghana	184,104	180,338
Mali	290,372	290,055
Burkina Faso	435,891	150,128
Other	4,512	4,132
	$ 1,111,518	$ 817,182

Information about major customers

The Corporation's segments have two major customers – Metalor and INTL. The Corporation 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.

Total assets and liabilities

	June 30, 2016		December 31, 2015	
	Total assets	Total liabilities	Total assets	Total liabilities
Agbaou Project	$ 214,164	$ 33,765	$ 197,977	$ 37,063
Nzema Mine	203,991	32,980	204,185	31,831
Tabakoto Mine	347,704	80,406	342,597	75,465
Youga Mine (Note 4)	-	-	51,646	20,760
Ity Mine (Note 3)	82,152	20,507	104,739	21,274
Karma Mine (Note 3)	307,949	41,440	-	-
Houndé Project	168,950	18,831	138,440	-
Exploration	886	181	857	19,887
Non-Mining	33,031	237,752	13,653	250,702
	$ 1,358,827	$ 465,862	$ 1,054,094	$ 456,982

(Expressed in Thousands of United States Dollars, except per share amounts

17. CAPITAL MANAGEMENT

The Corporation's objectives of capital management are to safeguard the entity's ability to support the Corporation's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans. In the management of capital, the Corporation includes the components of equity, short-term borrowings and long-term debt, net of cash and cash equivalents, restricted cash and marketable securities.

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

	June 30, 2016	December 31, 2015
Equity	$ 892,965	$ 597,112
Current and long-term debt	192,294	225,582
	1,085,259	822,694
Less:		
Cash	(133,985)	(109,519)
Cash - restricted	(5,205)	(4,824)
Marketable securities	(665)	(375)
	$ 945,404	$ 707,976

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

18. FINANCIAL INSTRUMENTS

Financial assets and liabilities

The Corporation's financial instruments consist of cash, cash-restricted, marketable securities, trade and other receivables, promissory note and other assets, long-term receivable, trade and other payables, derivative financial liabilities and current and long-term debt. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

The Corporation 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).

(Expressed in Thousands of United States Dollars, except per share amounts

At June 30, 2016, the levels in the fair value hierarchy into which the Corporation's financial assets and liabilities measured and recognized in the statement of financial position at fair value are categorized are as follows:

	June 30, 2016			
	Level 1 Input	Level 2 Input	Level 3 Input	Aggregate Fair Value
Assets:				
Cash	$ 133,985	$ -	$ -	$ 133,985
Cash - restricted	5,205	-	-	5,205
Marketable securities	665	-	-	665
	$ 139,855	$ -	$ -	$ 139,855
Liabilities:				
Derivative financial liabilities (Note 9)	-	16,265	-	16,265
	$ -	$ 16,265	$ -	$ 16,265

At December 31, 2015, the levels in the fair value hierarchy into which the Corporation's financial assets and liabilities are measured and recognized in the statement of financial position at fair value are categorized as follows:

	December 31, 2015			
	Level 1 Input	Level 2 Input	Level 3 Input	Aggregate Fair Value
Assets:				
Cash	$ 109,519	$ -	$ -	$ 109,519
Cash - restricted	4,824	-	-	$ 4,824
Marketable securities	375	-	-	$ 375
	$ 114,718	$ -	$ -	$ 114,718
Liabilities:				
Derivative financial liabilities (Note 9)	-	5,463	-	5,463
	$ -	$ 5,463	$ -	$ 5,463

There were no transfers between any of the levels in the periods.

Financial instrument risk exposure

The Corporation'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 Corporation examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks.

(i) *Credit risk*

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Corporation by failing to discharge its obligations. There has been no change in the Corporation's objectives and policies for managing this risk in the three and six months ended June 30, 2016.

(Expressed in Thousands of United States Dollars, except per share amounts

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

	June 30, 2016	December 31, 2015
Cash	$ 133,985	$ 109,519
Cash - restricted	5,205	4,824
Marketable securities	665	375
Trade and other receivables	7,319	13,045
Working capital loan	1,038	1,017
Long-term receivable	-	246
	$ 148,212	$ 129,026

(ii) Liquidity risk

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

The following table summarizes the contractual obligations at June 30, 2016:

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	$ 143,656	$ -	$ -	$ -	$ 143,656
Long-term debt	-	190,000	10,000	-	200,000
Finance lease obligations	11,640	29,893	21,441	4,840	67,815
Minimum operating lease payments	2,380	4,202	3,067	1,183	10,832
Derivative financial liabilities	16,265	-	-	-	16,265
	$ 173,941	$ 224,095	$ 34,508	$ 6,023	$ 438,568

Market risk

(i) Currency risk

Currency risk relates to the risk that the fair values or future cash flows of the Corporation's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs that the Corporation incurs in its operations. There has been no change in the Corporation's objectives and policies for managing this risk during the three and six months ended June 30, 2016. The Corporation has not hedged its exposure to foreign currency exchange risk.

(Expressed in Thousands of United States Dollars, except per share amounts

The table below highlights the monetary net assets denominated in foreign currencies (in $US):

		June 30, 2016		December 31, 2015
Canadian dollar	$	(6,282)	$	(2,961)
CFA Francs		49,699		60,530
Other currencies		3,896		(687)
	$	47,313	$	56,882

The effect on earnings and other comprehensive earnings before tax as at June 30, 2016, 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 Corporation is estimated to be $2.9 million (December 31, 2015, $5.7 million), assuming that all other variables remained constant. The calculation is based on the Corporation's statement of financial position as at June 30, 2016.

(ii) Interest rate risk

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

The effect on earnings and other comprehensive earnings before tax as at June 30, 2016, of a 10% change in interest rate on the Facility is estimated to be $0.1 million (December 31, 2015 - $0.1 million).

19. COMMITMENTS AND CONTINGENCIES

Contracts and Leases

(i) The Corporation has commitments in place at all four of its mines for drill and blasting services, load and haul services, and supply of explosives and hydrocarbon services.

(ii) The Corporation has various contracts in place at Nzema mine to purchase higher grade ore from third parties for processing that typically do not extend to more than one year.

(iii) The Corporation has various contracts in place for the construction of the Hounde mine.

(iv) The Corporation is subject to operating and finance lease commitments in connection with the purchase of mining equipment, light duty vehicles, operational building facilities and rented office premises.

(v) The Corporation is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Corporation cannot reasonably predict the likelihood or outcome of these actions. The Corporation 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.

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

Long-term compensation award – Gold Strategy

In early 2009, Endeavour launched its gold investment strategy ("Gold Strategy"), which is the basis of the Corporation's gold mining business. In order to retain, attract, and motivate a group of specialist professional employees with the skills and experience necessary to significantly enhance the profitability and growth of Endeavour's gold business, a long term bonus policy (the "Gold LTI Policy") was established concurrently with the implementation of the Gold Strategy. An award under the Gold LTI Policy (a "Gold LTI Award") is crystalized and becomes payable upon the sale of a material gold asset, completion of a corporate transaction, and certain other events. The Gold LTI Award is calculated as 10% of the difference between the market value of the transaction and the equity cost base of the Corporation. The equity cost base is the accumulation of the values at which the shares were issued by Endeavour to build the gold company. As of June 30, 2016, was equivalent to approximately C$16.70 per issued share.

The Gold LTI Award payable on a crystallization event would be determined based on the nature of the crystallization event at the date of the transaction and may vary significantly from an estimate derived from Endeavour's market capitalization at June 30, 2016. No crystallization event has occurred at June 30, 2016.

20. SUBSEQUENT EVENTS

Bought deal

On July 11, 2016, the Corporation closed the bought deal financing announced on June 13, 2016. The Company issued a total of 7,187,500 ordinary shares at a price of C$20.00 per Share, which includes the exercise of the underwriters' over-allotment option in full, for aggregate gross proceeds of $104.0 million (C$143.8 million) and net proceeds of 95.3 million (C$136.4 million) (the "Offering").

As part of the Offering, La Mancha Holding S.àr.l. purchased 1 million shares, on the same terms and conditions, for $14.0 million (C$20 million).