

Form 51-102F4
BUSINESS ACQUISITION REPORT
Part 8 of National Instrument 51-102
Continuous Disclosure Obligations

Item 1 Identity of Company

1.1 Name and Address of Company

Endeavour Mining Corporation ("**Endeavour**")
Suite 3123 – 595 Burrard Street
P.O. Box 49139
Vancouver, British Columbia
V7X 1J1

1.2 Executive Officer

The following executive officer of Endeavour is knowledgeable about the significant acquisition and this report:

Morgan Carroll
Executive Vice President, Corporate Finance and General Counsel
Endeavour Mining Corporation
Telephone: +377 97 98 71 66

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

Endeavour, through its indirect wholly-owned subsidiary, 1070655 B.C. Unlimited Liability Company ("**Endeavour SubCo**"), acquired all of the issued and outstanding shares of True Gold Mining Inc. ("**True Gold**") by way of a statutory plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (British Columbia).

True Gold is a mineral exploration and development company focused on exploring and developing gold projects in West Africa. True Gold's only material project is the Karma project, located in north-central Burkina Faso near the city of Ouahigouya, which includes six identified gold deposits. For more information on the Karma project and its resource, see the technical report titled "*Technical Report on An Updated Feasibility Study (GGI, GGII, Kao, Rambo & Nami Deposits) and Preliminary Economic Assessment (North Koa Deposit) for the Karma Gold Project Burkina Faso, West Africa*" dated effective August 10, 2014 and executed on December 5, 2014 available under Endeavour's profile on SEDAR at www.sedar.com.

For additional information about True Gold, please refer to Endeavour's management information circular dated March 15, 2016 (the "**Circular**"), which is

available under Endeavour's SEDAR profile at www.sedar.com and is incorporated by reference into, and forms a part of, this report.

2.2 Acquisition Date

The effective date of the Arrangement was April 26, 2016.

2.3 Consideration

Under the Arrangement, former holders of common shares of True Gold ("**True Gold Shares**") received 0.044 of an ordinary share of Endeavour (each whole share, an "**Endeavour Share**") in exchange for each True Gold Share held immediately prior to the effective time of the Arrangement (the "**Effective Time**"), for a total issuance by Endeavour of 17,600,982 Endeavour Shares. In addition, under the Arrangement, each option of True Gold to acquire True Gold Shares (a "**True Gold Option**") outstanding immediately before the Effective Time was exchanged for a replacement option to acquire Endeavour Shares (a "**Replacement Option**") entitling the holder thereof to receive 0.044 of an Endeavour Share, at an exercise price per 0.044 of an Endeavour Share equal to the exercise price per True Gold Share previously issuable under such True Hold Option, for a period of: (i) 180 days following the Effective Time; or (ii) 12 months following the Effective Time for those former holders of True Gold Options entitled to such longer period of time pursuant to their existing employment or similar agreement. An aggregate of 1,353,422 Endeavour Shares have been reserved for issuance in respect of the Replacement Options.

In connection with the Arrangement, 4,015,000 stock appreciation rights of True Gold outstanding immediately before the Effective Time will continue to be exercisable by the holders thereof until February 2017, and will be cash-settled by Endeavour upon exercise by the holders thereof at a price reflecting the value of 0.044 of an Endeavour Share less \$0.19 at the time of exercise.

2.4 Effect on Financial Position

The effect of the Arrangement on Endeavour's financial position is described in Endeavour's unaudited pro forma consolidated financial statements which are incorporated by reference into this report and referred to in Item 3 below.

Endeavour does not currently have any other plans or proposals for material changes in Endeavour's business affairs or the affairs of True Gold which may have a significant effect on the results of operations and financial position of Endeavour.

2.5 Prior Valuations

Not applicable.

2.6 Parties to Transaction

Other than Endeavour Gold Corporation and Endeavour SubCo, each of which is a wholly-owned subsidiary of Endeavour, which played a structural role in the Arrangement, the Arrangement was not with an informed person, associate or affiliate of Endeavour.

2.7 Date of Report

May 26, 2016.

Item 3 Financial Statements and Other Information

Pro Forma Financial Statements

The following unaudited pro forma condensed consolidated financial statements, which were included in the Circular, which is available under Endeavour's SEDAR profile at www.sedar.com, are incorporated by reference into, and form a part of, this report:

- unaudited pro forma condensed consolidated statement of financial position of Endeavour as at December 31, 2015;
- unaudited pro forma condensed consolidated statement of earnings of Endeavour for the year ended December 31, 2015; and
- notes and schedules thereto.

Financial Statements of True Gold

The following financial statements of True Gold were filed under True Gold's SEDAR profile at www.sedar.com on March 17, 2016 and were incorporated by reference into the Circular, which is available under Endeavour's SEDAR profile at www.sedar.com, and are incorporated by reference into, and form a part of, this report:

- audited annual financial statements of True Gold for the years ended December 31, 2015 and 2014. Endeavour has not requested or obtained the consent of True Gold's auditors to include their audit report related to these financial statements in this report.

The True Gold financial statements noted above are available under True Gold's SEDAR profile at www.sedar.com.