Management Discussion and Analysis,
For the three and six months ended
June 30, 2016

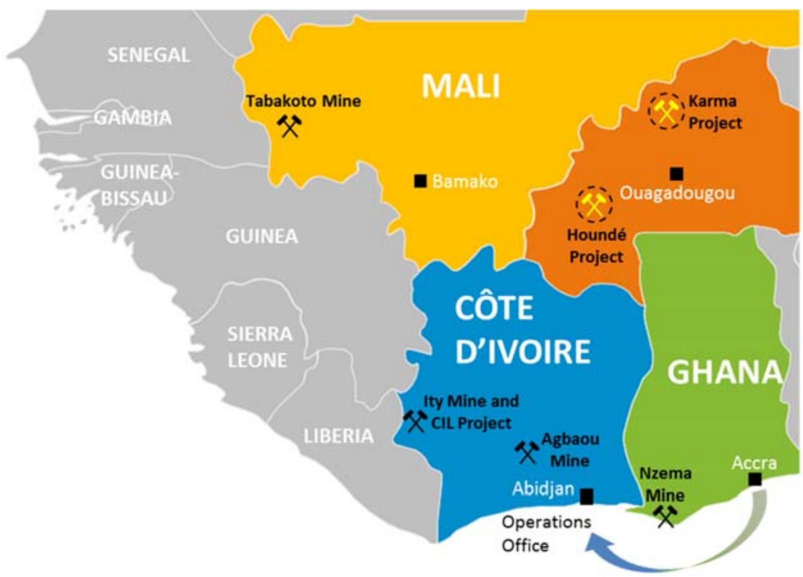
Contents

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with Endeavour Mining Corporation's ("Endeavour Mining" or the "Corporation") unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2016 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS").This Management's Discussion and Analysis 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's Discussion and Analysis is prepared as of July 28, 2016. Additional information relating to the Corporation, including the Corporation's Annual Information Form, is available on SEDAR at www.sedar.com.

I. BUSINESS OVERVIEW

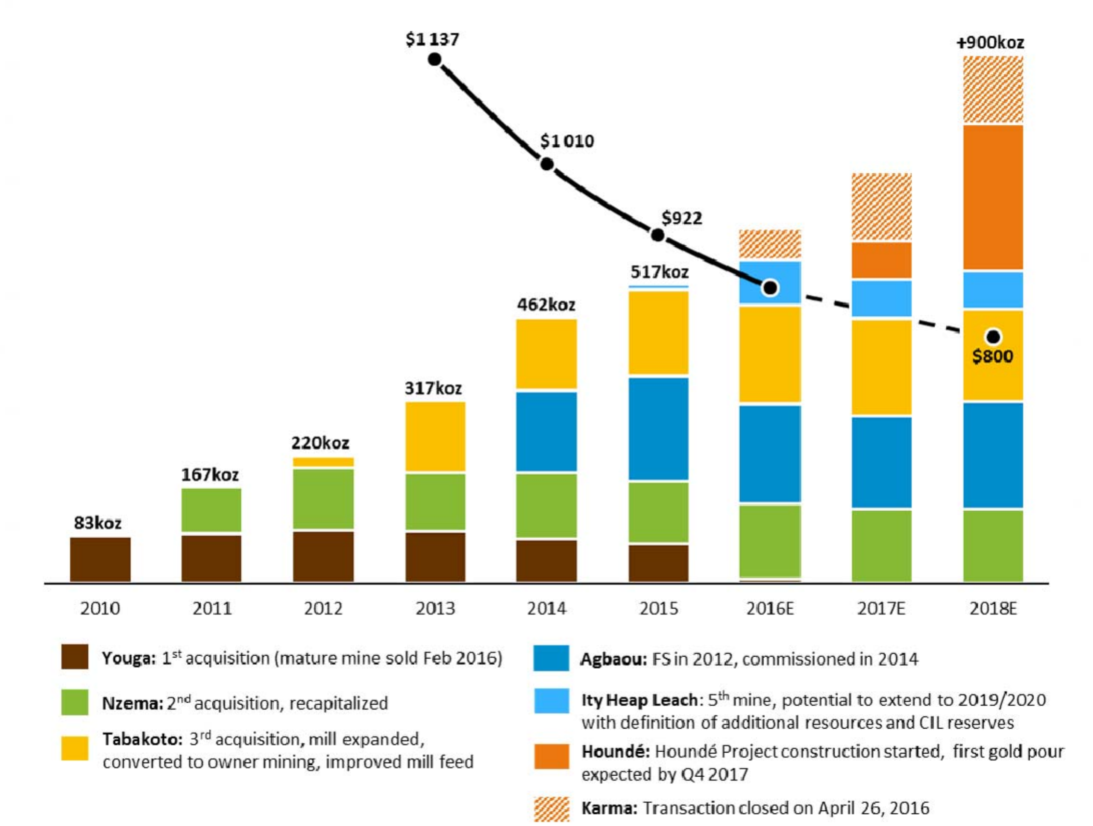
A. Operations description

Endeavour Mining is a Canadian listed intermediate gold producer with five operating mines in West Africa as of the date of this MD&A. The Corporation's operating assets for the three and six months ended June 30, 2016 comprised the Agbaou and Ity Gold Mines in Côte d'Ivoire, the Nzema Gold Mine in Ghana, the Tabakoto Gold Mine in Mali and the Karma Gold Mine in Burkina Faso. Endeavour Mining's shares are listed on the Toronto Stock Exchange (symbol EDV) and quoted in the United States on the OTCQX International (symbol EDVMF). On January 11, 2016, Endeavour Mining announced that it had successfully been removed from the official list of the Australian Securities Exchange.



B. Strategy summary

Endeavour Mining's medium term aim is to increase group production to over 900,000 ounces per annum and decrease its average all-in sustaining costs ("AISC") to approximately $800 ounces by 2018, with all mines having lives greater than 10 years.



To reach that objective, Endeavour Mining is focused on four strategic levers:

- Driving operational excellence, through a safety-first approach to optimizing operations, increasing production and reducing AISC.
- Developing high value projects including the Houndé Project in Burkina Faso and the Ity Mine Carbon in Leach ("CIL") Project in Côte d'Ivoire, on time and budget.
- Unlocking exploration value associated with one of the largest exploration packages in West Africa.
- Taking an opportunistic approach to M&A in order to increase average life of mine, decrease AISC, secure exploration potential, improve cash-flow per share and benefit from cluster synergies in West Africa.

III. SECOND QUARTER CORPORATE HIGHLIGHTS

A. Corporate highlights

- On April 11, 2016, Endeavour Mining announced that the 90%-owned Houndé Project in Burkina Faso had entered the construction phase. The Houndé Project is expected to deliver average production of 190,000 ounces per year over a 10-year mine life, at an AISC of $709 per ounce, with average annual production in the first 4 years of 235,000 ounces at an AISC of $610 per ounce.
- On April 26, 2016, Endeavour Mining announced that it had completed the acquisition of True Gold Mining Inc. ("True Gold") in an all share transaction, whereby each True Gold common share was exchanged for 0.044 of a share in Endeavour Mining. In conjunction with this acquisition, La Mancha Holding S.àr.l. exercised its anti-dilution right to preserve its 30% ownership, through an anti-dilution private placement, and contributed approximately $65 million to the Corporation's cash position.
- On June 13, 2016, Endeavour Mining entered into a bought deal with a syndicate of underwriters led by BMO Capital Markets. On July 11, 2016, the Corporation issued a total of 7,187,500 ordinary shares at a price of C$20.00 per share, which included the exercise of the underwriters' over-allotment option, for aggregate gross proceeds of C$143.8 million (US$104.0 million). The net proceeds of the offering are intended to fund Endeavour Mining's expanded exploration strategy, the potential development of the Ity CIL project and general corporate purposes. Taking into account this transaction, the Corporation would have had a pro forma net cash position of $21.2 million at June 30, 2016.
- On June 28, 2016, Endeavour Mining announced that Sebastien de Montessus was appointed as CEO of the Corporation. Mr de Montessus has been working with the Board and senior management to redevelop Endeavour Mining's long-term strategy and vision.

B. Quarterly highlights for operating assets

The following table summarises data for the operating entities for the quarter and year to date. The gold produced figures include the Youga and Karma mines (disposed in the first quarter and acquired in the second quarter, respectively), whereas these mines are excluded from all other data.

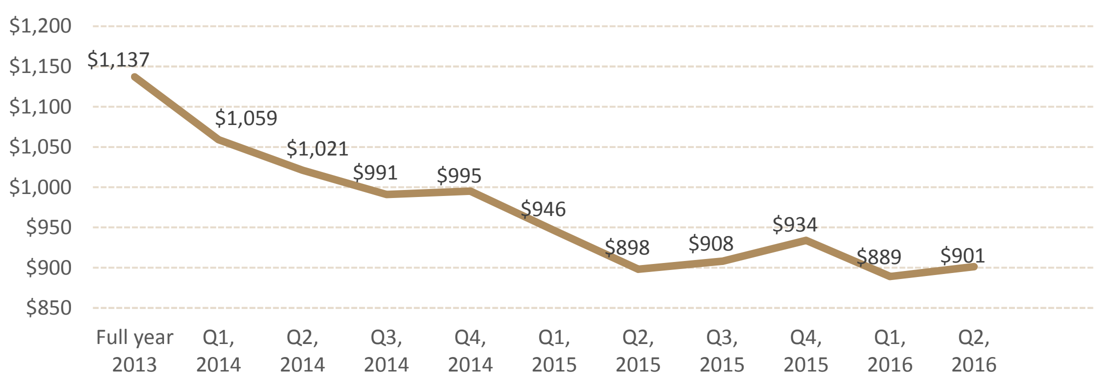
Table 1: Quarterly & YTD key figures for operating entities

	Three months ended			Six months ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Operating Data:					
Gold ounces produced:	138,487	131,567	131,165	270,054	254,909
Gold ounces sold	127,602	120,777	111,293	248,379	218,355
Realized gold price ($/ounce)	1,257	1,192	1,193	1,225	1,206
Cash cost per gold ounce sold ($/ounce)[1]	698	690	674	695	698
All-in sustaining costs per gold ounce sold ($/ounce)[1]	901	889	902	896	931
Profit and Loss ($'000')					
Revenues	160,373	143,958	132,798	304,331	263,246
Operating EBITDA[1]	55,938	45,028	53,040	101,085	97,802
Net adjusted income attributable to shareholders [1]	14,090	2,934	23,978	17,025	37,181
Net adjusted income attributable to shareholders ($/share) [1]	0.18	0.05	0.58	0.25	0.90
Cash Flow Data ($'000)					
All-in sustaining margin[1]	45,372	36,524	32,128	81,896	59,295
Non-sustaining capex (includes exploration) [1]	(27,533)	(8,395)	(3,764)	(35,928)	(13,144)
Free cash flow before Houdé, Karma working capital, interest and taxes[1]	28,914	29,803	29,262	58,718	47,465
Net debt[1]	82,800	135,593	242,300		
Net Debt / EBITDA (LTM) ratio [1]	0.50	0.81	0.88		

1. Throughout this MD&A, cash costs, all-in sustaining costs, operating EBITDA, adjusted earnings attributable to shareholders, all-in sustaining margin, non-sustaining capex, free cash flow, net debt and net debt/EBITDA are non-GAAP financial performance measures with no standard meaning under IFRS, further discussed in the section Non-GAAP Measures.

- Gold sales were 127,602 ounces in the second quarter of 2016 and 248,379 ounces in the first half of 2016, with associated revenue of $160.4 million and $304.3 million, respectively. The primary driver for increased sales compared to last year were the acquisition of the Ity mine in November 2015, improved throughput and production at Agbaou, and improved realized prices.
- AISC per ounce was $901 per ounce in the second quarter of 2016 and $896 per ounce in the first half of 2016 reflecting management's continued commitment and focus on reducing AISC through operational excellence. The evolution of AISC is in the graph that follows.
- Free cash flow before working capital, interest and taxes was $28.9 million for the second quarter of 2016 and $58.7 million in the first half of 2016, which is on track with guidance.
- Net debt was $82.8 million as at June 30, 2016, compared with $135.6 million as at March 31, 2016 and $242.3 million as at June 30, 2015. Taking into account the closure of the bought deal on July 11, 2016, Endeavour Mining would have had a proforma net cash position of $21.2 million at June 30, 2016.

Figure 1: AISC quarterly history



Figures are as presented in prior reporting. The Youga Gold Mine is excluded in 2016, following reclassification to discontinued operation. The data also does not include the Karma mine, which has not yet entered commercial production.

V. GUIDANCE

Following the sale of the Youga mine, Endeavour Mining provided updated guidance for 2016 in the 2015 year-end MD&A. During the second quarter of 2016, Endeavour Mining undertook a detailed review of the outlook for 2016, including an assessment of the recently acquired Karma mine. Following this review, management concluded that the previous overall guidance for the existing mines (excluding Karma) is still valid. However, the specific contribution of the individual mines has been amended. In addition, the contribution of the Karma mine has been added to the guidance. The following tables provide a detailed update of the revised guidance, compared with the previous guidance.

Table 2: 2016 Updated production guidance

(in koz on a 100% basis)	H1-2016 Actual	Initial 2016 Guidance			Revised 2016 Guidance		
Agbaou	89	165	-	175	180	-	195
Tabakoto	78	155	-	175	155	-	175
Nzema	40	110	-	130	90	-	100
Ity	43	65	-	75	70	-	80
Youga	8	7	-	8	7	-	8
Sub-total	**258**	**502**	**-**	**563**	**502**	**-**	**558**
Karma (including pre-commercial production)	12	-	-	-	50	-	60
Removal of Youga (discontinued operation)	-	-	-	-	(7)	-	(8)
Total	**270**	**502**	**-**	**563**	**545**		**610**
Group Selected Guidance range	**270**	**535**	**-**	**560**	**575**	**-**	**610**

Table 3: 2016 Updated AISC guidance

(in $/oz)	H1-2016 Actual	Initial 2016 Guidance			Revised 2016 Guidance		
Agbaou	525	650	-	700	550	-	600
Tabakoto	1,066	920	-	970	970	-	1,050
Nzema	1,212	970	-	1,020	1,050	-	1,125
Ity	742	800	-	850	800	-	850
Youga	1,101	980	-	1,030	980	-	1,030
Subtotal Mine-level AISC	**848**	**820**	**-**	**870**	**820**	**-**	**870**
Karma (excluding pre-commercial production[1])	n.a.	-	-	-	750	-	850
Remove Youga (discontinued operation)	-	-	-	-	(980)	-	(1,030)
Mine-level AISC	**861**	**820**	**-**	**870**	**810**	**-**	**860**
Corporate G&A	41		38			40	
Sustaining exploration	12		11			20	
Group AISC	**901**	**870**	**-**	**920**	**870**	**-**	**920**

1. Assuming 3 months of commercial production

Table 4: 2016 Updated free cash flow (before Working Capital, Tax and Financing Costs) Guidance

(in US$m)	Initial Guidance	Revised Guidance
Revenue (based on production guidance range mid-point)[1]	**630**	**665**
AISC costs (based on AISC guidance range mid-point)	(492)	(481)
All-in sustaining margin	**138**	**185**
Agbaou secondary crusher ($12m) Nzema pit wall push-back ($12m) Non-sustaining exploration ($16m, increased from $14m) Houndé and the Ity CIL projects ($10m)	(48)	(50)
Free cash flow before Houndé and Karma (before WC, tax and financing costs, excluding Houndé and Karma)	**90**	**135**
Houndé capex	n/a	(80)
Karma net pre-production	n/a	(15)
Free cash flow (before working capital, tax and financing costs)	**N/a**	**40**

1. Assuming a gold price of $1,250 per ounce in the second half of 2016

VI. OPERATIONS REVIEW

A. Heath, Safety, Environment and Corporate Responsibility

The Corporation's values and business principles on safety and health underpin its safety and health policy and represent the minimum guidelines for the Corporation and its employees in this respect. The Corporation has a Zero Harm policy which is applied at all sites, and continuous efforts are made to reduce the lost time injury frequency rate ("LTIFR") at all the operations. The following table shows the safety statistics for the first half of 2016.

Table 5: 2016 H1 EHS Statistics

Incident Category	Tabakoto	Agbaou	Nzema	Karma	Ity	Total
Fatality	0	0	0	0	0	0
Lost Time Injury (LTI)	4	0	1	1	4	10
Total Man Hours	**3,823,809**	**2,290,734**	**3,265,481**	**1,693,992**	**2,131,451**	**13,205,467**
LTIFR[1]	1.05	0.00	0.31	0.59	1.88	0.76

[1] Lost Time Injury Frequency Rate= (Number of LTIs in the Period X 1,000,000)/ (Total man hours worked for the period)

On July 10, 2016, an operator at the Tabakoto underground mine suffered a fall and subsequently passed away. Management are currently undertaking a detailed analysis of the root cause of this incident, as well as co-operating with the local authorities, to ensure that such events are prevented from recurring. In addition, Endeavour Mining is re-emphasizing to all staff and management that the Corporation puts the highest priority on safe, healthy and environmentally sound work practices and systems; under the guiding principle that no job is so important that it cannot be done safely, and everyone is accountable for their own safety and for that of those around them.

Endeavour Mining views itself as an integral part of the communities in which it operates, as well as a responsible development partner. Endeavour Mining works in collaboration with, and engages government, local communities and outside organizations to ensure it supports economic sustainability and social development, with projects including skills training and educational scholarships, healthcare, water and sanitation, public infrastructure maintenance, institutional capacity building and livelihood programs.

B. Consolidated reserves and resources

Detailed information regarding reserves and resources is contained in the Corporation's Annual Information Form for the year ended December 31, 2015. There have been no changes in estimates since publication of this data and a summary of this information is provided in appendix A.

D. Continuing operations

1. Agbaou Gold Mine, Côte d'Ivoire

The following table summarizes the operating results of the Agbaou Gold Mine for the three months ended June 30, 2016; March 31, 2016, and June 30, 2015, and the six months ended June 30, 2016, and June 30, 2015.

Table 6: Agbaou key performance indicators

		Three months ended			Six months ended	
	Unit	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Operating Data						
Tonnes mined (000's)	Kt	5,918	6,071	5,075	11,989	10,294
Tonnes of waste mined (000's)	Kt	5,264	5,251	4,311	10,515	8,935
Open pit strip ratio		8.05	6.40	5.64	7.13	6.57
Tonnes milled (000's)	Kt	743	654	590	1,397	1,172
Average gold grade milled (grams/tonne)		2.15	2.05	2.15	2.20	2.30
Recovery (%)		97%	98%	97%	98%	97%
Gold ounces produced:		46,295	42,765	40,508	89,060	85,831
Gold ounces sold (A):		47,638	40,434	40,078	88,072	85,616
Financial Data ($'000')						
Revenues		60,131	48,284	47,902	108,415	103,707
Mining costs-open pit		11,008	14,325	14,025	25,333	26,909
Processing cost		5,312	3,788	3,922	9,100	8,494
G&A cost		3,396	3,035	5,443	6,431	8,481
Inventory adjustments, waste capitalised and other		1,038	(4,087)	(4,072)	(3,049)	(6,094)
Total Cash Cost (B)		20,754	17,061	19,318	37,815	37,790
Royalties		2,037	1,733	1,732	3,770	3,683
Sustaining capital[1]		2,206	2,443	3,763	4,649	9,614
Total All-In Sustaining Costs[1] (C)		24,997	21,237	24,813	46,234	51,087
All-In Sustaining Margin[1]		35,134	27,047	23,089	62,181	52,620
Unit cost analysis						
Realized gold price	$/oz	1,262	1,194	1,195	1,231	1,211
Open pit mining cost per tonne mined	$/t	1.86	2.36	2.76	2.11	2.61
Processing cost per tonne milled	$/t	7.15	5.79	6.65	6.51	7.25
G&A cost per tonne milled	$/t	4.57	4.64	9.23	4.60	7.24
Cash cost per ounce sold[1] D=B/A	$/oz	436	422	482	429	441
Mine All-In Sustaining Costs [1] E=C/A	$/oz	525	525	619	525	597

1.Sustaining capital, cash cost per ounce sold, sustaining capital, all-in sustaining costs, all-in sustaining margin, cash costs per ounce and "all-in" sustaining costs per ounce are non-GAAP financial performance measures with no standard meaning under IFRS. Refer to the Non-GAAP Measures section for further details.

- Gold produced and sold increased by 18% in the second quarter of 2016 compared with the previous quarter, due to ongoing optimization of the processing plant facilities, resulting in improved throughput. The mine continued to process only oxide ore during the quarter, highly amenable to robust throughput.
- Production is expected to increase in the second half of 2016 due to the blending of higher grade transitional ore.
- Revenues increased by 25% during the period compared with the previous quarter due to higher volumes and increased realized gold prices.
- Total AISC increased by 18% compared with the previous quarter due to movements in inventory and the scheduling of planned maintenance at the processing facilities, which were partially offset by the benefit of a full quarter of savings associated with the renegotiation of the mining contract.
- AISC per ounce was in line with prior quarter at $525 per ounce, reflecting the impact of higher gold production on a higher cost base.
- Non-sustaining capex at Agbaou was $6.7 million reflecting costs for construction of the secondary crusher. The crusher has been commissioned at the end of July, on time and below budget.

3. Nzema Gold Mine, Ghana

The following table summarizes the operating results of the Nzema Gold Mine for the three months ended June 30, 2016; March 31, 2016, and June 30, 2015, and the six months ended June 30, 2016, and June 30, 2015.

Table 7: Nzema key performance indicators

		Three months ended			Six months ended	
	Unit	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Operating Data:						
Tonnes mined (000's)	Kt	1,852	1,710	2,450	3,562	5,384
Tonnes of waste mined (000's)	Kt	1,639	1,433	2,042	3,072	4,584
Open pit strip ratio		7.69	5.17	5.00	6.27	5.73
Purchased Ore processed	Kt	112	79	109	191	185
Purchased Ore grade (grams/tonne)		2.97	3.09	4.94	3.02	4.99
Tonnes milled (000's)	Kt	450	459	461	909	867
Average gold grade milled (grams/tonne)		1.63	1.53	2.48	1.58	2.44
Recovery (%)		85%	86%	89%	86%	88%
Gold ounces produced:		19,800	19,757	32,842	39,557	59,821
Gold ounces sold (A):		19,827	20,109	32,728	39,936	59,806
Financial Data ($'000')						
Revenues		24,906	23,690	39,041	48,596	71,953
Mining costs-open pit		9,992	9,109	11,273	19,101	23,706
Processing cost		5,541	5,578	5,801	11,119	13,481
G&A cost		2,837	3,289	3,265	6,126	6,244
Purchased Ore		5,574	3,771	10,092	9,345	17,760
Inventory adjustments, waste capitalised and other		(670)	278	(5,582)	(392)	(9,639)
Total Cash Cost (B)		23,274	22,025	24,849	45,299	51,552
Royalties		1,322	1,225	2,215	2,547	4,122
Sustaining capital[1]		506	36	4,140	542	7,859
Total All-In Sustaining Costs[1] (C)		25,102	23,286	31,204	48,388	63,533
All-In Sustaining Margin [1]		(196)	404	7,837	208	8,420
Unit cost analysis						
Realized gold price	$/oz	1,256	1,178	1,193	1,217	1,203
Open pit mining cost per tonne mined	$/t	5.40	5.33	4.60	5.36	4.40
Processing cost per tonne milled	$/t	12.31	12.15	12.58	12.23	15.55
G&A cost per tonne milled	$/t	6.30	7.17	7.08	6.74	7.20
Cash cost per ounce sold[1] D=B/A	$/oz	1,174	1,095	759	1,134	862
Mine All-In Sustaining Costs [1] E=C/A	$/oz	1,266	1,158	953	1,212	1,062

1. Sustaining capital, cash cost per ounce sold, sustaining capital, all-in sustaining costs, all-in sustaining margin, cash costs per ounce and "all-in" sustaining costs per ounce are non-GAAP financial performance measures with no standard meaning under IFRS. Refer to the Non-GAAP Measures section for further details.

- Gold produced and sold in the second quarter of 2016 was in line with the first quarter. The lower level of production compared with the prior year reflects lower grade and volumes of toll ore from third party suppliers. Current quarter production was also impacted by mining activity advancing the push-back project, and consequently, the processing of lower grade stockpiles.
- Production is expected to increase in the second half of 2016 due to higher grades and volumes from third party suppliers, combined with access to Adamus pit push-back higher grade ore earlier than planned. Owner mining is performing slightly above expectations with the push back project on schedule and budget.
- Revenues were 5% higher than the previous quarter primarily reflecting increased gold prices.
- Total AISC was 8% higher than the previous quarter, reflecting higher purchased ore costs and royalties which are gold price linked.

AISC per ounce was 9% higher than the previous quarter, reflecting the gold price linked cost increases mentioned above as well the use of lower grade stockpiles. The increase compared to the prior year due, reflects the change in ore feed mix and lower overall gold production.

4. Tabakoto Gold Mine, Mali

The following table summarizes the operating results of the Tabakoto Gold Mine for the three months ended June 30, 2016; March 31, 2016, and June 30, 2015, and the six months ended June 30, 2016, and June 30, 2015.

Table 8: Tabakoto key performance indicators

		Three months ended			Six months ended	
	Unit	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Operating Data						
Tonnes mined- Open pit (000's)	Kt	1,704	2,232	2,480	3,936	4,780
Ore mined- Underground (000's)	Kt	221	232	261	453	539
Tonnes of waste mined - Open pit (000's)	Kt	1,556	2,086	2,334	3,642	4,520
Open pit strip ratio		10.51	14.29	15.99	12.39	17.38
Tonnes milled (000's)	Kt	399	406	399	805	788
Average gold grade milled (grams/tonne)		3.31	3.10	3.30	3.20	3.09
Recovery (%)		95%	94%	94%	94%	93%
Gold ounces produced:		39,372	38,542	39,574	77,914	73,148
Gold ounces sold (A):		39,156	38,270	38,487	77,426	72,928
Financial Data ($'000')						
Revenues		49,086	45,247	45,855	94,333	87,586
Mining costs- Open pit		6,527	6,688	5,568	13,215	10,786
Mining costs- Underground		15,740	15,736	14,520	31,476	30,680
Processing cost		8,470	8,307	8,823	16,777	17,387
G&A cost		4,519	5,369	6,256	9,888	12,344
Inventory adjustments, waste capitalised and other		(2,815)	(5,191)	(4,344)	(8,006)	(8,156)
Total Cash Cost (B)		32,441	30,909	30,823	63,350	63,041
Royalties		2,951	2,700	2,743	5,651	5,238
Sustaining capital[1]		6,134	7,368	4,546	13,502	8,645
Total All-In Sustaining Costs[1] (C)		41,526	40,978	38,112	82,503	76,924
All-In Sustaining Margin [1]		7,560	4,270	7,743	11,830	10,662
Unit cost analysis						
Realized gold price	$/oz	1,254	1,182	1,191	1,218	1,201
Open pit mining cost per tonne mined	$/t	3.83	3.00	2.25	3.36	2.26
Underground mining cost per tonne mined	$/t	71.22	67.83	55.63	69.48	56.92
Processing cost per tonne milled	$/t	21.23	20.46	22.11	20.84	22.06
G&A cost per tonne milled	$/t	11.33	13.22	15.68	12.28	15.66
Cash cost per ounce sold[1] D=B/A	$/oz	829	808	801	818	864
Mine All-In Sustaining Costs [1] E=C/A	$/oz	1,061	1,071	990	1,066	1,055

1.Sustaining capital, cash cost per ounce sold, sustaining capital, all-in sustaining costs, all-in sustaining margin, cash costs per ounce and "all-in" sustaining costs per ounce are non-GAAP financial performance measures with no standard meaning under IFRS. Refer to the Non-GAAP Measures section for further details.

- Gold produced and sold was 2% higher in the second quarter of 2016 compared to the previous quarter, due to improved grades and sound performance of the Segala underground and Kofi open pits. This has been achieved despite 8 days of countrywide mining strikes during the second quarter.
- Production is expected to increase in the second half of 2016 due to improved equipment availability and improved underground mining efficiency.
- Revenues were 8% higher than previous quarter, reflecting slightly higher production and increased realized prices.
- Total AISC was in line with the previous quarter, reflecting higher open pit mining costs due to increased drilling and blasting, partially offset by reductions in employee numbers and lower underground costs due to lower production. The comparable quarter in the prior year reflects a portion of mining cost allocated to non-sustaining capital expenditures during the Kofi and Segala mine ramp-ups.
- AISC per ounce was 1% lower than the previous quarter reflecting higher volumes, partially offset by increased costs.

5. Ity Gold Mine, Côte d'Ivoire

Endeavour Mining acquired the Ity Gold Mine in Côte d'Ivoire in November 2015, as part of the strategic partnership with La Mancha and the Sawiris family. The following table summarizes the operating results of the Ity Gold Mine for the three months ended June 30, 2016 and March 31, 2016, and the six months ended June 30, 2016.

Table 9: Ity key performance indicators

	Unit	June 30, 2016	March 31, 2016	June 30, 2016
Operating Data:				
Tonnes mined (000's)	Kt	1,584	2,098	3,682
Tonnes of waste mined (000's)	Kt	1,201	1,811	3,012
Open pit strip ratio		3.14	6.31	4.50
Tonnes of ore stacked (000's)	Kt	304	303	607
Average gold grade stacked (grams/tonne)		2.10	2.53	2.30
Recovery (%)		101%[2]	90%	95%
Gold ounces produced:		20,729	22,324	43,053
Gold ounces sold (A):		20,981	21,964	42,945
Financial Data ($'000')				
Revenues		26,251	26,736	52,987
Mining costs-open pit		4,450	5,670	10,120
Processing cost		4,841	4,953	9,794
G&A cost		2,154	3,263	5,417
Inventory adjustments, waste capitalised and other		1,187	(501)	686
Total Cash Cost (B)		12,632	13,385	26,017
Royalties		919	932	1,851
Sustaining capital[1]		2,709	1,285	3,994
Total All-In Sustaining Costs [1] (C)		16,260	15,602	31,862
All-In Sustaining Margin [1]		9,991	11,134	21,125
Unit cost analysis				
Realized gold price	$/oz	1,251	1,217	1,234
Open pit mining cost per tonne mined	$/t	2.81	2.70	2.75
Processing cost per tonne milled	$/t	15.92	16.35	16.14
G&A cost per tonne milled	$/t	7.09	10.77	8.92
Cash cost per ounce sold[1] D=B/A	$/oz	602	609	606
Mine All-In Sustaining Costs [1] E=C/A	$/oz	775	710	742

1. Sustaining capital, cash cost per ounce sold, sustaining capital, all-in sustaining costs, all-in sustaining margin, cash costs per ounce and "all-in" sustaining costs per ounce are non-GAAP financial performance measures with no standard meaning under IFRS. Refer to the Non-GAAP Measures section for further details.
2. The greater than 100% recovery rate in the second quarter reflects the cyclical nature of heap leach processing recovery rates.

- Gold produced and sold decreased by 4% during the quarter compared with the previous quarter, primarily as a result of expected lower gold grade ore stacked. This reduced from 2.5 grams/tonne in the first quarter to 2.1 grams/tonne in the second quarter.
- Production is expected to decrease further in the second half of 2016 due to planned structural grade decline.
- Revenues were $26.3 million in the second quarter in line with the first quarter.
- Total AISC rose by 4% compared with the first quarter due to the timing of expenditures on mining fleet equipment, combined with movements in inventory and waste capitalized, which were partially offset by lower mining costs, following the demobilization of the waste stripping contractor.

- AISC per ounce increased by 9% compared with the previous quarter, due to a combination of lower ounces sold and higher sustaining capital expenditure with the arrival at site of additional mobile gear.

E. Discontinued operations

1. Youga Gold Mine, Burkina Faso

On February 29, 2016, the Corporation announced that it had sold the Youga Gold Mine in Burkina Faso for $20 million, while retaining a 1.8% Net Smelter Royalty ("NSR") on production realized beyond the Mineral Reserve as at December 31, 2015, from the property sold, and with the inclusion of a buyback provision for the NSR in favour of the purchaser.

The Corporation, in accordance with IFRS, has classifed Youga as discontinued operations, in the current and comparable periods. The following table summarizes the abbreviated operating results of the Youga Gold Mine for the two months ended February 29, 2016, the three months ended June 30, 2015, and the six months ended June 30, 2015.

Table 10: Youga key performance indicators

	Unit	Period ended February 29, 2016	Three months ended June 30, 2015	Six months ended June 30, 2015
Operating Data				
Tonnes mined (000's)	Kt	1,145	1,890	3,719
Tonnes of waste mined (000's)	Kt	950	1,433	2,969
Open pit strip ratio		4.87	3.14	3.96
Tonnes milled (000's)	Kt	181	259	506
Average gold grade milled (grams/tonne)		1.50	2.31	2.35
Recovery (%)		89%	92%	92%
Gold ounces produced:		8,179	18,241	36,109
Gold ounces sold (A):		6,578	18,322	36,114
Financial Data ($'000')				
Revenues		7,457	21,832	43,447
Mining costs-open pit		3,717	8,244	15,743
Processing cost		3,398	5,371	10,810
G&A cost		1,487	2,382	4,611
Inventory adjustments, waste capitalised and other		(1,691)	(996)	(2,200)
Total Cash Cost (B)		6,911	15,001	28,964
Royalties		327	728	1,617
Sustaining capital[1]		5	290	574
Total All-In Sustaining Costs (C)		7,243	16,020	31,155
All-In Sustaining Margin		214	5,811	12,293
Unit cost analysis				
Realized gold price	$/oz	1,134	1,192	1,203
Open pit mining cost per tonne mined	$/t	3.25	4.36	4.23
Processing cost per tonne milled	$/t	18.77	20.74	21.36
G&A cost per tonne milled	$/t	8.22	9.20	9.11
Cash cost per ounce sold[1] D=B/A	$/oz	1,051	819	802
Mine All-In Sustaining Costs [1] E=C/A	$/oz	1,101.09	874.36	862.68

1.Sustaining capital, cash cost per ounce sold, sustaining capital, all-in sustaining costs, all-in sustaining margin, cash costs per ounce and "all-in" sustaining costs per ounce are non-GAAP financial performance measures with no standard meaning under IFRS. Refer to the Non-GAAP Measures section for further details.

The Youga mine recovered a total of over 600,000 ounces of gold since operations commenced in 2008.

F. Pre-production review

1. Karma Gold Mine, Burkina Faso

On March 4, 2016, the Corporation announced that it had entered into a definitive agreement to acquire True Gold. This transaction was completed on April 26, 2016. The primary asset acquired as part of this transaction was the Karma mine. Key features of the Karma mine are as follows:

- Karma is located in north-central Burkina Faso, near the city of Ouahigouya. The Corporation owns a 90% interest, with the remaining 10% owned by the Burkina Faso government.
- The mine includes six identified gold deposits and has reserves of 0.9 million ounces, measured and indicated resources (inclusive of reserves) of 2.6 million ounces and additional inferred resources of 2.4 million ounces.
- It is a shallow open pit mine with a low strip ratio. Ore is processed using heap leach facilities, with an expected rate of gold recovery of 87%, as per the published feasibility study.
- When operating at full capacity the mine is forecast to produce 110,000 – 120,000 ounces of gold per year at an AISC of approximately US$700 per ounce in years 1 to 5, with a mine life of 8.5 years based on current reserves.
- Karma hosts a target-rich landscape with the essential hallmarks of a multi-deposit environment. The property consists of six contiguous exploration permits (Goulagou, Rambo, Kao, Rounga, Youba, and Tougou) totaling more than 856 square km and includes more than 45 high-priority targets with high-grade rock values associated with gold-in-soil anomalies and historical workings that remain untested to date.

Situation to date

On April 11, 2016, the Karma mine announced that it achieved its first gold pour. Following the acquisition of True Gold by Endeavour Mining in April 2016, 1.7 million tonnes ("Mt") of material has been mined, comprising 0.5Mt of ore 1.2Mt of waste. Since the commencement of processing, 0.4Mt of ore has been stacked, and 12,291 of ounces have been poured 14,655 ounces have been sold, realizing $19.5 million of gold proceeds. The difference between poured and sold quantities relates to the sale of 2,200 ounces of gold, which were poured but not sold prior to the acquisition.

The shortfall in production compared to nameplate throughput capacity is being addressed by construction work to improve performance of the plant, primarily the front-end crusher, in line with the operational design capacity.

Commercial production is only deemed to have commenced, when a mining interest is capable of operating at levels intended by management. More specifically, this is when management determines that the operational commissioning of major mine and plant components is complete, operating results have been consistently achieved and that there are indications that these operating results will continue. Given the current production shortfalls compared to nameplate capacity, management has concluded that these conditions have not yet been met for the Karma mine. Therefore, the mine is still classified as a construction project for reporting purposes, and expenditure incurred, aswell as revenues earned, are being capitalized accordingly. The optimization of the front-end facilities are in progress and, once complete, the project will be reclassified to production accordingly. During this pre-production period, the Corporation benefits from certain taxation benefits associated with the construction costs.

G. Development project review

1. Houndé Project, Burkina Faso

Endeavour Mining's 90%-owned Houndé project is an open pit mine with a 3.0Mt per annum gravity circuit Carbon-In-Leach plant. During 2015 and early 2016, a thorough review and optimization of the Houndé Project was completed and an implementation plan was established. The mining and ore processing schedules remained unchanged since February 2015, while the operating and capital costs were fully scoped and optimized. Construction began in April 2016 and is progressing on-time and on-budget with the first gold pour expected during the fourth quarter of 2017. The initial capital cost is estimated at $328 million, inclusive of $47 million for the owner-mining fleet.

During the six months ended June 30, 2016, $14.6 million was incurred on the project and work was focused on the following areas.

- Construction is progressing on-time and on-budget. Procurement is approximately 30% complete with total capital commitments incurred amounting to $105.0 million (inclusive of expenditures made to date).
- Tendering of mining fleet equipment, mining spares agreements and labour supply financing packages. Komatsu Ltd was the successful tenderer for the mining fleet. Deliveries are due to commence in August 2016, with the first of the open pit fleet arriving in the fourth quarter of 2016.
- All long lead-time capital items have been ordered, including the Ball and Semi-Autogenous Grinding ("SAG") mill which will be manufactured by Outotec (who previously successfully supplied Endeavour's Nzema and Agbaou projects). Delivery of the mills expected in April 2017.
- Signing the grid power offtake agreement with Sonabel, the national electricity provider, with a 38km overhead power line and a dedicated substation scheduled to be operational in the third quarter of 2017.
- Commencing the infrastructure and bulk earthworks, notably with the clearing and preparation of the process plant area, the water storage dam, and the water harvest dam; construction of roads within the project footprint; and construction of the 300 person permanent accommodation camp.
- Completing Front End Engineering Design ("FEED") on the processing facility.
- Commencing detailed design of processing facilities ahead of first concrete pour in the CIL area of the process plant.
- Completing the land compensation process and commencing resettlement.
- Establishing the project team in line with Endeavour Mining's objective of employing 90% Burkinabe nationals at Houndé and commencing community investment program initiatives.

Once in production, the Houndé Project will become the Company's flagship low-cost mine, ranking amongst West Africa's top tier cash generating mines, with an average annual production of 190,000 ounces at an AISC of $709 per ounce over an initial 10-year mine life based on reserves. Moreover, in its first four years, the average annual production is expected to be 235,000 ounces at an AISC of $610 per ounce. The Corporation will employ up to 1,800 people during Houndé's construction phase and 470 once the project reaches commercial production, with an objective of employing 90% Burkinabe nationals and a focus on increasing female employment in the region.

The following table summarizes the project highlights.

Table 11: Houndé Project Highlights

Ownership	90% Endeavour Mining, 10% Burkina Faso
Reserve and Resources	
Proven and Probable Reserves	31Mt at 2.1 g/t Au for 2.1 million ounces
Measured and Indicated Resources (inclusive of reserves)	38Mt at 2.1 g/t Au for 2.5 million ounces
Inferred Resources	3Mt at 2.6 g/t Au for 0.3 million ounces
Mine type	Open pit
Mill type	Gravity / CIL plant
Production	
Mine life, current plan	10 years
Strip ratio W:O	8.4
Processing rate	3.0 Mt per annum
Average LOM Recovery rate	93%
Total LOM gold production	1,906,000 ounces
Average annual production	190,000 ounces
Average LOM AISC	$709/ounce
Upfront Capital	**$328 million, inclusive of $47 million for owner mining fleet**

The following table highlights the robust economics of the project.

Table 12: Houndé Project Economics

Gold Price (US$/ounce)	$1 150	$1 200	$1 250	$1 300	1 350
After-tax Project $NPV_{5\%}$	$230	$286	$342	$398	$437
After-tax Project IRR	24%	28%	32%	36%	39%
Payback, years	2.7	2.4	2.2	2.0	1.8

3. Ity CIL Project, Côte d'Ivoire

Endeavour Mining acquired the Ity CIL Project in Côte d'Ivoire in 2015, as part of the strategic partnership with La Mancha and the Sawiris family.

In 2014, a pre-feasibility study ("PFS") to replace the current heap leach plant with a Greenfields CIL plant was completed by SNC-Lavalin using a processing rate of 1.5 Mt per annum based on indicated mineral resources at the time. Following the positive PFS results, in late 2014 and early 2015, the La Mancha Group conducted drilling programs at the Daapleu, Zia NE and Mont Ity deposits that were designed to upgrade all inferred material from the latest resource estimate to indicated, as well as to delineate each deposit further along strike. As a result the resource estimate was updated to 3.1 million ounces of measured and indicated mineral resources. An updated PFS was completed in July 2015 for the CIL Project using a processing rate of 2.0 Mt per annum.

During 2016, Endeavour's Construction Services Group, together with Lycopodium Minerals alongside Endeavour's other consultants, such as Knight Piesold, Kalsta, Peter O'Brien & Associates and ECG Engineering, focused on undertaking a definitive feasibility study focusing on the following key areas.

- Completion of the Geological Resource models.
- Further metallurgical testing of the 12 different rock facies of the Ity project.
- Hydrogeological modelling.
- Assessing the current infrastructure and the life of mine.
- Revising the mining methods and fleet to be utilized.
- Assessment and optimization of the operating costs.
- Reviewing opportunities of common synergy with Agbaou/Houndé.
- Assessing infrastructure design and location.
- Establishing power supply sources.

During the first half of 2016 Endeavour Mining spent $1.8 million on the Ity CIL project, primarily associated with design and Definitive Feasibility Study ("DFS") works, project management and site related study costs. Endeavour Mining has continued to perform further work on the project and expects to complete the Ity CIL DFS early in the fourth quarter of 2016.

I. Exploration Review

Exploration activity in the first half of 2016 focused on the following activities:

- At Agbaou, resolution of ground reclamation issues and compensation issues with local communities, enabled drilling to commence. This was based on previous geophysics survey and soil geochemistry results and, by June 30, 2016, over 8,000 meters of drilling had been completed. This represented approximately 20% of the initial program. Initial results indicate the extension of mineralized zones which will be further investigated by additional geochemical, resistivity and magnetic studies.
- At Tabakoto, Kofi B North, a 244 hole Reverse Circulation ("RC") drilling program and a 1,311 hole Auger drilling program were completed. In addition, a shallow RC program of 334 holes was completed on the Tabakoto Fougala and Kreko targets. The Kreko program successfully targeted structural intercepts below laterite, and the Fougala program confirmed two mineralized trends, that will be evaluated in the second half of 2016.
- At Ity, approximately 42 kilometre of drilling is planned in 2016, to add one year of heap leach operations (oxide ore > 2,5g/t), to add additional >2g/t new resources for the CIL project, and to delineate certain exploration anomalies identified in 2015. This activity is all located within a 5km radius around the Ity mine. In addition, an 18 kilometre RC and Diamond Drilling ("DD") program has been completed to date and the results are being analyzed and processed. A large auger drilling program has also been successfully performed, which has identified five new drilling targets. These will be drilled in the second half of 2016 and 2017.
- At Karma, exploration will start in the second half of 2016 with a 60 kilometre program at Kao North, with the aim of extending mine life and sterilization.
- No drilling was planned or performed in Houndé or Nzema.
- A global strategic exploration review was performed during the first half of 2016, and all producing and exploration properties have been analyzed and ranked, and a strategic exploration plan is being finalized. Following the first conclusion of this strategic review, additional funding has been allocated to boost and accelerate resources definition for Tabakoto, the Greater Ity Area and Regional Exploration in the second half of 2016. As a result, the non-sustaining exploration budget will be increased from $14 million to $20 million in the full year 2016.

VII. RESULTS FOR THE PERIOD

A. Statement of comprehensive income

Table 13: Statement of comprehensive income

	Three months ended			Six months ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Gold Revenue	**160,373**	**143,958**	**132,798**	**304,331**	**263,246**
Operating expenses	(87,496)	(83,985)	(73,127)	(171,481)	(152,886)
Depreciation and depletion	(21,781)	(26,224)	(16,908)	(48,005)	(34,866)
Royalties	(7,229)	(6,590)	(6,690)	(13,819)	(13,043)
Earnings from mine operations	**43,867**	**27,158**	**36,073**	**71,026**	**62,451**
Corporate costs	(5,595)	(4,826)	(4,450)	(10,421)	(8,433)
Transaction and restructuring costs	(16,773)	(1,249)	-	(18,022)	-
Share based expenses	(3,162)	(2,555)	(1,110)	(5,717)	(2,240)
Exploration	(953)	(914)	(416)	(1,868)	(1,066)
Earnings from operations	**17,384**	**17,614**	**30,097**	**34,997**	**50,713**
(Losses)/gains on financial instruments	(21,135)	(2,875)	(35)	(24,010)	3,857
Finance costs	(6,304)	(6,844)	(8,819)	(13,148)	(16,627)
Other income (expenses)	180	90	(34)	270	136
Earnings (loss) from continuing operations before taxes	(9,875)	7,985	21,209	(1,891)	38,078
Current income tax	(2,975)	(2,342)	(849)	(5,317)	(1,727)
Deferred taxes recovery (expense)	(2,566)	5,488	6,980	2,923	6,501
Net (loss)/earnings from discontinued operations	-	(3,273)	5,658	(3,273)	7,685
Total net and comprehensive earnings (loss)	**(15,416)**	**7,858**	**32,998**	**(7,558)**	**50,537**

The explanations for the key variances are as follows:

- Revenues were \$160.4 million in the second quarter of 2016 and \$304.3 million in the first half of 2016. The primary driver for these increases were the purchase of the Ity mine in November 2015 and improved throughput at Agbaou, combined with improving commodity prices.
- Operating expenses for the second quarter of 2016 were \$87.5 million and \$171.5 million in the first half of 2016. The upward trend since 2015 reflects increased volumes.
- Depreciation and depletion for the second quarter of 2016 was \$21.8 and \$48.0 million in the first half of 2016. The upward trend since 2015 reflects increased volumes.
- Corporate costs for the second quarter of 2016 were \$5.6 million and \$10.4 million in the first half of 2016, reflecting a broadly stable level of underlying corporate expenditure.
- Transaction and restructuring costs for the second quarter of 2016 were \$16.8 million and \$18.0 million in the first half of 2016. These costs relate to the purchase of True Gold, combined with ex-CEO and executive level restructuring costs.
- Share based payments expenses were \$3.2 million for the second quarter of 2016 and \$5.7 million in the first half of 2016. The upward trend in this item reflects the increase in the share price, combined with an increased number of options granted.
- Exploration costs were \$1.0 million for the second quarter of 2016 and \$1.9 million in the first half of 2016 reflecting the portion of this activity which was not allocated to capital expenditure.
- Losses on financial instruments for the second quarter of 2016 were \$21.1 million and \$24.0 million in the first half of 2016. These charges to unrealized losses primarily relate to the gold revenue protection program, which commenced in April 2016, and was followed by increases in commodity prices. Losses on other hedge instruments, and losses associated with movements on balances held in foreign currency, also contribute to this charge.
- Finance costs were \$6.3 million for the second quarter of 2016 and \$13.1 million for the first half of 2016. The primary elements of the year to date charge are \$6.3 million of loan interest and \$6.4 million of finance related expenses.

- The current income and deferred tax expense for the second quarter of 2016 was $5.5 million and $2.4 million in the first half of 2016. The key reason for these movements was primarily temporary differences between the accounting and tax treatment of various expenditures.

B. Cash flow

The following table reconciles the AISC margin and free cash flow to the year over year and quarterly change in cash.

Table 14: Free cash flow[1]

	Three months ended			Six months ended	
$(000's)	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Revenue	160,373	143,958	132,798	304,331	263,246
Total cash costs	(89,122)	(83,380)	(74,990)	(172,502)	(152,383)
Royalties	(7,229)	(6,590)	(6,690)	(13,819)	(13,043)
Corporate costs	(5,595)	(4,826)	(4,450)	(10,421)	(8,433)
Sustaining capex	(11,555)	(11,137)	(12,739)	(22,692)	(26,692)
Sustaining exploration	(1,500)	(1,500)	(1,800)	(3,000)	(3,400)
AISC costs	(115,001)	(107,433)	(100,669)	(222,435)	(203,951)
AISC Margin	45,372	36,524	32,128	81,896	59,295
Less: Non-sustaining capital	(10,868)	(3,719)	(1,403)	(14,587)	(8,623)
Less: Non-sustaining exploration	(5,590)	(3,002)	(1,463)	(8,592)	(3,207)
Free cash flow (before Hounde, Karma working capital, tax & financing costs)	**28,914**	**29,803**	**29,262**	**58,718**	**47,465**
Hounde project costs	(12,029)	(2,588)	(1,314)	(14,617)	(2,380)
Karma non transaction cash flow	(2,111)			(2,111)	
Free cash flow (before working capital, tax & financing costs)	**14,775**	**27,215**	**27,948**	**41,990**	**45,085**
Working capital changes as per statement of cash flows	1,365	(20,435)	(5,959)	(19,070)	(16,826)
Taxes paid	(6,157)	(2,624)	(1,991)	(8,781)	(4,825)
Interest paid	(6,343)	(431)	(4,397)	(6,774)	(8,569)
Other (hedge payments, financing fees, foreign exchange gains/losses and other)	(15,021)	293	1,469	(14,730)	(2,752)
Free Cash Flow before other items	**(11,381)**	**4,018**	**17,070**	**(7,365)**	**12,114**
Cash received for Youga mineral property interests	-	20,000	-	20,000	-
Bridge loan advanced to True Gold	-	(15,000)	-	(15,000)	-
Karma cash acquired	3,690	-	-	3,690	-
True gold acquisition costs	(5,617)	(1,249)	-	(6,866)	-
Shares issue relating to La Mancha anti-dilution and share options.	72,257	539	-	72,796	-
RCF, debt and lease repayments	(41,967)	(823)	(20,766)	(42,790)	(21,584)
Cash inflow (outflow) for the period	**16,981**	**7,486**	**(3,696)**	**24,465**	**(9,470)**

1. Free cash flow is a non-GAAP financial performance measures with no standard meaning under IFRS. Refer to the Non-GAAP Measures section for further details.
2. Transaction and restructuring costs do not equal the value in the statement of comprehensive income as the amount in the free cash flow statement reflects only cash paid and does not include amounts accrued.

- Free cash flow (before Houndé capital expenditure, Karma, working capital, tax & financing costs) for the second quarter of 2016 was $28.9 million, and $58.7 million for the first half of 2016. The upward trend in this variable reflects increasing production, associated with the acquisition of the Ity mine and optimization of throughput at Agbaou. Sustaining capital expenditure of $22.7 million in the first half of 2016 primarily relates to underground development at Tabakoto, waste capitalization at Tabakoto and Agbaou, mobile equipment purchases at Ity, and tailings facility work at Nzema. Non-sustaining capital expenditure of $14.6 million in the first half of 2016, relates to construction of the secondary crusher at Agbaou, waste capitalization of the pit push back project at Nzema, and the Ity CIL project.
- After taking into account capital expenditure on the Houndé project and the net impact of the newly acquired Karma mine, free cash flow was $14.8 million for the quarter and $42.0 million for the first half of 2016.

- Free cash flow before other items for the second quarter and first half of 2016 was ($11.4 million) and ($7.4 million), respectively. This reflects taxes paid associated with the newly acquired Ity mine, working capital movements (explained in the working capital section below) and other items, including increased hedge payments, due to the higher gold price, and net foreign exchange losses.
- Cash inflow over the second quarter and first half of 2016 was $17.0 million and $24.5 million, respectively. This item was positively affected by the issue of shares associated with La Mancha's anti-dilution rights, share options exercised, and the proceeds from the Youga mine sale. This was partially offset by the True Gold bridge loan prior to the acquisition, transaction and restructuring costs, and voluntary Revolving Credit Facility ("RCF") debt repayments.

C. Balance sheet

Table 15: Balance sheet

$'(000's)	June 30, 2016	March 31, 2016	December 31, 2015
ASSETS			
Cash	133,985	117,004	109,519
Cash-restricted	5,205	3,583	4,824
Trade and other recievables	7,319	5,474	13,045
Income taxes receivable	169	283	2,945
Inventories	82,005	74,653	93,939
Prepaid expenses and other	18,626	12,603	12,640
Loan receivable	-	15,000	-
CURRENT ASSETS	247,309	228,600	236,912
Mining interests	1,032,739	731,282	740,756
Deferred income taxes	72,976	72,820	70,116
Other long term assets	5,803	6,083	6,310
LONG TERM ASSETS	1,111,518	810,185	817,182
TOTAL ASSETS	**1,358,827**	**1,038,785**	**1,054,094**
LIABILITIES			
Trade and other payables	143,656	112,659	127,581
Current portion of finance lease obligations	4,315	4,315	4,394
Current portion of derivative financial liabilities	16,265	5,554	5,463
Income taxes payable	14,177	17,759	16,061
CURRENT LIABILITIES	178,413	140,286	153,499
Finance lease obligations	7,440	8,282	9,025
Long-term debt	192,294	226,708	225,582
Other long term liabilities	40,990	36,052	38,862
Deferred income taxes	46,725	25,791	30,014
LONG TERM LIABILITIES	287,450	296,833	303,483
TOTAL LIABILITIES	**465,862**	**437,120**	**456,982**
Share capital	1,367,919	1,071,898	1,071,088
Equity reserve	43,720	41,981	41,966
Retained earnings	(569,134)	(547,995)	(548,951)
Non-controlling interest	50,460	35,781	33,009
TOTAL EQUITY	**892,965**	**601,664**	**597,112**

1. Working Capital

The explanations for the key variances in working capital are as follows, with notable differences arising from the disposition of Youga working capital balances with the sale of the mine (during the first quarter 2016), and the recognition of the Karma mine balances following the acquisition (during the second quarter 2016):

- Trade and other receivables were $7.3 million on June 30, 2016, compared to $5.5 million at March 31, 2016, and $13.0 million as at December 31, 2015. This decrease is primarily due to a VAT receivable balance of $8.8 million at Youga at December 31, 2015. This mine was sold during the first quarter and therefore this balance was not included in the balance sheet at March 31, 2016, or June 30, 2016.
- Income taxes receivable were $0.2 million at June 30, 2016, compared to $0.3 million at March 31, 2016 and $2.9 million as at December 31, 2015. This decrease is primarily due to an income tax receivable balance of $2.9 million at Youga at December 31, 2015.
- Inventories were $82.0 million at June 30, 2016, compared to $74.7 million at March 31, 2016, and $93.9 million as at December 31, 2015. The decrease in the first quarter is primarily due to an inventory balance of $19.8 million, representing long-term ore stockpiles at Youga at December 31, 2015. The increase in the second quarter primarily relates to consumables at the Karma mine of $6.9m. The Corporation completed the acquisition of True Gold on April 26, 2016, and therefore, from that date any Karma balances are included in the consolidated group balance sheet.
- Prepaid expenses and other were $18.6 million at June 30, 2016, compared to $12.6 million at March 31, 2016, and $12.6 million as at December 31, 2015. This increase is due the additional prepayments of $5.8 million associated with the Houndé project activity in the second quarter of 2016.
- On March 22, 2016, the Corporation provided a $15.0 million convertible bridge loan to True Gold, to ensure that the borrower remained well funded as it completed the construction of the Karma Mine. As a result, a loan receivable balance of $15.0 million existed at March 31, 2016. The Corporation completed the acquisition of True Gold on April 26, 2016, and therefore these balances were eliminated on consolidation as at June 30, 2016.
- Trade and other payables were $143.7 million at June 30, 2016, compared to $112.7 million at March 31, 2016, and $127.6 million as at December 31, 2015. The decrease in the first quarter was primarily related to the $14.5 million of payables at Youga, which were included in the balance sheet on December 31, 2015. The second quarter increase relates to the Karma mine and an increase in corporate balances. The consolidated group balance included $13.8 million of Karma balances at at June 30, 2016. The corporate level balances increased by $16.7 million in the second quarter of 2016, due to accruals for restructuring costs and hedge settlements.

3. Net Debt Position

The Corporation has a $350 million senior secured revolving corporate loan facility (the "Facility") with a syndicate of leading international banks, which is scheduled to be repaid between September 2018 and March 2020. The interest rate is LIBOR plus a margin of between 3.75% and 5.75% per annum, based on the actual Net Debt to EBITDA ratio. The Facility is secured by shares in the Corporation's material gold mining subsidiaries and certain material assets and includes standard Interest Cover, Net Debt to EBITDA and Minimum Tangible Net Worth covenants. The following table summarizes the Corporation's net debt position as at June 30, 2016, March 31, 2016 and December 31, 2015. In addition, the table shows the pro forma position on July 11, 2016, following the receipt of proceeds from the bought deal.

Table 16: Net debt/(Cash) position

$'(000's)	July 11, 2016 (Proforma)	June 30, 2016	March 31, 2016
Cash	133,985	133,985	117,004
Net proceeds from bought deal	104,000	-	-
Less: Auramet loan	5,030	5,030	-
Less: Equipment finance lease	11,755	11,755	12,597
Less: Drawn portion of $350 million RCF	200,000	200,000	240,000
Net Debt/(Cash) position	**(21,200)**	**82,800**	**135,593**

4. Equity and Capital

Endeavour Mining's authorized capital is $200,000,000 divided into 100,000,000 ordinary shares with a par value of $0.10 each and 100,000,000 undesignated shares; no undesignated shares have been issued. The table below summarizes Endeavour Mining's share structure at June 30, 2016.

Table 17: Outstanding shares

	June 30, 2016	March 31, 2016	December 31,2015
Shares issued and outstanding	85,405,242	59,122,842	59,019,942
Stock options	2,827,406	2,782,069	2,734,404

The increase in shares in the second quarter of 2016 reflects completion of the acquisition True Gold in an all share transaction, the associated exercise of La Mancha Holding S.àr.l. of its anti-dilution right to preserve its 30% ownership, and the issue of share options. Additionally, on June 13, 2016, Endeavour Mining entered into a bought deal with a syndicate of underwriters led by BMO Capital Markets. This transaction was completed on July 11, 2016, the Corporation issued a total of 7,187,500 ordinary shares at a price of C$20.00 per Share. As at July 27, 2016, the Corporation had 92,592,022 shares issued and outstanding, as well as 2,777,276 stock options outstanding.

The following table summarizes share option details outstanding as at June 30, 2016.

Table 18: Options schedule

Exercices Prices (C$)	Outstanding	Exercisable	Weighted average exercise price (C$)	Weighted average remaining contractual life
$5.20 - $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

Project financing

Endeavour Mining announced in April that its 90%-owned Houndé Project in Burkina Faso has entered the construction phase of its development. This project is expected to require initial capital investment of $328 million, of which $14.6 million was incurred in the six months ended June 30, 2016. The Corporation intends to finance the Houndé Project using a combination of existing cash balances, free cash flow generated from Endeavour's existing operating mines and equipment financing arrangements. In June 2016, Endeavour Mining entered into a financing arrangement with the Komatsu Group to purchase mining fleet equipment for the project. Under this arrangement, Endeavour Mining agreed to make an initial down-payment of $7.1 million followed by seventeen quarterly payments between the first quarter of 2018 and the first quarter of 2022, totaling $46.9 million.

In addition**,** Endeavour Mining closed a bought deal financing arrangement for aggregate net proceeds of $104.0 million on July 11, 2016. The net proceeds of this financing are primarily intended to be used to accelerate Endeavour Mining's organic growth potential by significantly expanding the current exploration programs by leveraging Endeavour Mining's high-quality West-African exploration portfolio and for the potential development of the Ity carbon-in-leach gold process plant.

5. Financial instruments

Prior to its acquisition by Endeavour Mining, Adamus Resources 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 was 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 on the remaining gold forward contracts. 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).

On June 1, 2015, Endeavour Mining 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. The strike price of the swap is $572 per metric tonne of Gas Oil, with monthly settlements of 1,268 Mt. During the three and six months ended June 30, 2016, the Corporation settled the remaining tonnes of Gas Oil (2,537 and 6,341 Mt, 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 were recorded in the same periods.

In the three and six months ended June 30, 2016, the Corporation 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 Mining'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 an 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, 2016, the Corporation incurred $1.9 million in premium costs (2015 - $nil) included in finance costs in the consolidated statements of comprehensive (loss) earnings.

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).

6. Provisions

In early 2009, Endeavour Mining 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 Mining'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 crystallized 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 Mining to build the gold company. As of June 30, 2016, this 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 Mining's market capitalization at June 30, 2016. No crystallization event has occurred at June 30, 2016.

7. Related parties and off balance sheet transactions

The Corporation's related parties include its subsidiaries and key management personnel. During the normal course of operations, the Corporation enters into transactions with related parties for goods and services which are measured at the exchange amount, which is the amount of consideration established and agreed by the parties. The Corporation has no off balance sheet items.

8. Contractual commitments

The following table summarizes the contractual maturities of the Corporation's financial liabilities at June 30, 2016.

Table 19: Financial liabilities as of 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	4,841	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**	**$6,024**	**$438,568**

During 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 above table does not include the Corporation's environmental rehabilitation provision associated with decommissioning activity, which will be incurred concurrently with the end of mining operations at each of the mines. The Corporation has commitments in place at its operations for drill and blasting services, load and haul services, and the supply of explosives and hydrocarbon services with varying terms, and 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. Additionally, the Corporation has at times contracts in place at the Nzema mine to purchase higher grade ore from third parties. Construction is progressing on-time and on-budget. Finally, the Corporation has entered into various contracts to facilitate the construction of the Houndé project. As at June 30, 2016, total capital commitments incurred amounted to $105.0 million (inclusive of $14.6 million already incurred.)

9. Contingencies

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.

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.

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. The tax assessment was fully provided for in 2014 and the tax office has offset certain VAT receivables against the assessment reducing the Corporation's exposure to actual payments needing to be made.

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.

D. Accounting policies

1. Accounting policies overview

The Company's unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* ("IAS 34") as issued by the IASB. Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2015. The accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2015.

2. Critical accounting policies and estimates

The Corporation's management has made critical judgments and estimates in the process of applying the Corporation's accounting policies to the consolidated financial statements that have significant effect on the amounts recognized in the Corporation's consolidated financial statements. The most critical accounting policies follow:

(a) Commencement of commercial production

Prior to a mine being capable of operating at levels intended by management, costs incurred are capitalized as part of the costs of related mining properties and proceeds from mineral sales are offset against costs capitalized. The Corporation defines the commencement of commercial production as the date that a mine has achieved a consistent level of production. Management considers several factors in determining when a mining interest is capable of operating at levels intended by management. Depletion of capitalized costs for mining properties begins when the mine is capable of operating at levels intended by management.

(b) Determination of economic viability

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

(c) Functional currency

The functional currency for each of the Corporation's subsidiaries, and investments in associates, is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Corporation reconsiders functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

(d) Business combinations

Determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Corporation to make certain judgements, taking into account all facts and circumstances. If an acquired set of assets and liabilities includes goodwill, the set is presumed to be a business.

(e) Capitalization of waste stripping

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

3. Key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires the Corporation's management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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 Corporation's assets and liabilities are as follows:

(a) Value Added Tax ("VAT")

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

(b) Impairment of mining interests and goodwill

The Corporation considers both external and internal sources of information in assessing whether there are any indications that mining interests and goodwill are impaired. External sources of information the Corporation considers include changes in the market, economic and legal environment in which the Corporation operates that are not within its control and affect the recoverable amount of mining interests and goodwill. Internal sources of information the Corporation considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets. In determining the recoverable amounts of the Corporation's mining interests and goodwill, the Corporation's management makes estimates of the discounted future cash flows expected to be derived from the Corporation'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, reductions 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 Corporation's mining interests and/or goodwill. These factors moving in the opposite direction could result in full or partial reversals of previous write-downs to mining interests.

(c) Estimated recoverable ounces

The carrying amounts of the Corporation's mining interests are depleted based on recoverable ounces. Changes to estimates of recoverable ounces including changes from revisions to the Corporation's mine plans and changes in gold price forecasts can results in a change to future depletion rates.

(d) 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 are calculated based on numerous estimates. Such estimation is a subjective process, and the accuracy of any mineral reserve or resource estimate is a dependent on the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as gold prices and market conditions could have a material effect in the future on the Corporation's financial position and results of operation.

(e) Environmental rehabilitation costs

The provisions for rehabilitation of mine and project sites and the related accretion expense are based on the expected costs of environmental rehabilitation and inputs used to determine the present value of such provisions 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 may be impacted.

(f) Deferred income taxes

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed and reviewed by management. Weight is attached to tax planning opportunities that are within the Corporation's control, and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Corporation reassesses unrecognized and recognized income tax assets.

(g) Share-based payments

Significant assumptions are made when accounting for share-based payments. Changes to these assumptions may alter the resulting accounting and ultimately the amount charged to profit or loss.

(h) Contingencies

Due to the nature and complexity of the Corporation's operations, various legal and tax matters are ongoing at any given time. In the event that the circumstances surrounding these matters change or the Corporation's outlook for the outcomes of these matters changes, the effects will be recognized in the consolidated financial statements.

VIII.NON-GAAP MEASURES

A. All-in sustaining margin and operating EBITDA

The Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use the all-in sustaining margin and operating earnings before interest, tax, depreciation and amortization ("operating EBITDA") to evaluate the Corporation's performance and ability to generate cash flows and service debt. These do not have a standard meaning and are 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 following tables provide the illustration of the calculation of this margin and operating EBITDA, for the three months ended June 30, 2016, March 31, 2016 and June 30, 2015.

Table 20: All-In Sustaining Margin[1]

	Three months ended			Six months ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
($'000)					
Revenues[1]	160,373	143,958	132,798	304,331	263,246
Less: royalties[1]	(7,229)	(6,590)	(6,690)	(13,819)	(13,043)
Less: total cash costs[1]	(89,122)	(83,380)	(74,990)	(172,502)	(152,383)
Less: corporate G&A	(5,595)	(4,826)	(4,450)	(10,421)	(8,433)
Subtotal	**58,427**	**49,161**	**46,667**	**107,588**	**89,387**
Less: sustaining capital (see table that follows)	(11,555)	(11,137)	(12,739)	(22,692)	(26,692)
Less: sustaining exploration	(1,500)	(1,500)	(1,800)	(3,000)	(3,400)
All-in sustaining margin	**45,372**	**36,524**	**32,128**	**81,896**	**59,295**

1.Data does not include Youga.

Table 21: Operating EBITDA calculation

	Three months ended			Six months ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
($'000)					
Earnings(loss) before tax[1]	(9,875)	7,985	21,208	(1,890)	38,078
Add back: Depreciation and depletion[1]	21,781	26,224	16,908	48,005	34,866
Add back: Acquisiton and restructuring costs[1]	16,773	1,249	-	18,022	-
Deduct: Non recurring mineral property and other assets sales[1]	(180)	(90)	34	(270)	(136)
Add: Net earnings (loss) from discontinued operations and loss on disposal	-	(59)	6,036	59	12,224
Add back: Finance costs[1]	6,304	6,844	8,819	13,148	16,627
Add back: (Gains) losses on financial instruments[1]	21,135	2,875	35	24,010	(3,857)
Operating EBITDA	**55,938**	**45,028**	**53,040**	**101,085**	**97,802**

1.Found on the consolidated statement of comprehensive earnings.

B. Cash cost per ounce of gold sold

The Corporation reports cash costs on the basis of ounces sold. Therefore, the Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors may find this information useful. However, there is no standardized meanings, and therefore this additional information and should not be considered in isolation, or as a substitute for measures of performance prepared in accordance with GAAP. The following table provides a reconciliation of cash costs per ounce of gold sold (including the ounces sold from ore purchased), for the three months ended June 30, 2016; March 31, 2016, and June 30, 2015 and the six months ended June 30, 2016 and June 30, 2015.

Table 22: Cash costs

	Three months ended			Six months ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
$'000's except ounces sold					
Operating expenses from mine operations	$ 87,496	$ 83,985	$ 73,127	$ 171,481	$ 152,886
Non-cash and other adjustments	1,626	(605)	1,863	1,021	(503)
Total cash costs for the Youga Mine	-	6,911	15,001	6,911	28,964
Total cash cost	**$ 89,122**	**$ 90,291**	**$ 89,991**	**$ 179,413**	**$ 181,347**
Divided by ounces of gold sold	127,602	127,355	129,614	254,957	254,464
Total cash cost per ounce of gold sold including Youga	698	709	694	704	713
Cash costs from continuing operations	89,122	83,380	74,990	172,502	152,383
Divided by ounces of gold sold (continuing operations)	127,602	120,777	111,293	248,379	218,355
Total cash cost from continuing operations	**$ 698**	**$ 690**	**$ 674**	**$ 695**	**$ 698**

The Corporation is reporting all-in sustaining costs per ounce sold. The methodology for calculating all-in sustaining costs per ounce was developed internally and is calculated below. This non-GAAP measure provides investors with transparency regarding the total cash cost of producing an ounce of gold, in a given period. Readers should be aware that this measure does not have a standardized 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 GAAP.

Table 23: All-In Sustaining Costs

	Three months ended			Six months ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
($'000 except ounces)					
Total cash cost for ounces sold[1]	$ 89,125	90,290	89,991	179,413	181,347
Royalties[1]	$ 7,229	6,917	7,419	14,146	14,660
Corporate G&A	$ 5,595	4,826	4,450	10,421	8,433
Sustaining capital	$ 11,555	11,137	12,739	22,692	26,692
Sustaining exploration	$ 1,500	1,500	1,800	3,000	3,400
All-in sustaining costs	115,002	114,670	116,399	229,673	234,532
Divided by gold ounces sold[1]	127,602	127,355	129,604	254,957	254,464
All-in sustaining cost per ounce sold	**$ 901**	**$ 900**	**$ 898**	**$ 901**	**$ 922**
Excluding discontinued operations					
All-in sustaining costs from Youga Mine	-	7,243	16,019	7,243	31,155
All-in sustaining costs excluding discontinued operations	115,002	107,428	100,380	222,430	203,377
Divided by gold ounces sold1	127,602	120,777	111,293	248,379	218,355
All-in sustaining costs per ounce sold - excluding discontinued operations	**$ 901**	**$ 889**	**$ 902**	**$ 896**	**$ 931**

1. Figures include Youga mine.

Table 24: Sustaining and non-sustaining capital

		Three months ended			Six months ended	
		June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
($'000)						
Expenditures and prepayments on mining interests	$	59,600	21,032	18,303	80,632	43,236
Less Karma capitalised operating costs	$	(9,343)	-	-	(9,343)	-
Underlying capital expenditure	$	50,257	21,032	18,303	71,289	43,236
Non-sustaining capital spend		(10,868)	(3,719)	(1,403)	(14,587)	(8,623)
Non-sustaining exploration	$	(4,636)	(2,088)	(1,047)	(6,724)	(2,141)
Sustaining exploration	$	(1,500)	(1,500)	(1,800)	(3,000)	(3,400)
Net project capital spend at Karma	$	(9,669)	-	-	(9,669)	-
Project capital spend at Houndé	$	(12,029)	(2,588)	(1,314)	(14,617)	(2,380)
Sustaining Capital		**11,555**	**11,137**	**12,739**	**22,692**	**26,692**

The Corporation utilizes components of the above tables to calculate free cash flow.

C. 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 Mining'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 25: Adjusted net earnings

	Three months ended			Six months ended	
($'000)	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Total net earnings	**(15,416)**	**7,858**	**32,988**	**(7,558)**	**50,537**
(Gain) loss on financial instruments	21,135	2,875	35	24,010	(3,857)
Other expenses (income)	(180)	(90)	34	(270)	(136)
Stock-based payments	3,162	2,555	1,110	5,717	2,240
Acquisition and restructuring costs	16,773	1,249	-	18,022	-
Deferred income tax expense (recovery)	2,566	(5,488)	(6,980)	(2,922)	(6,501)
Adjusted net earnings after tax	**28,040**	**8,959**	**27,187**	**36,999**	**42,283**
Attributable to non-controlling interests	**13,949**	**6,024**	**3,208**	**19,973**	**5,103**
Attributable to shareholders of the Corporation	**14,091**	**2,935**	**23,979**	**17,026**	**37,180**
Weighted average number of outstanding shares	77,860,700	59,051,152	41,314,367	68,455,926	41,314,367
Adjusted net earnings per share (basic) from continuing operations	**0.18**	**0.05**	**0.58**	**0.25**	**0.90**

D. Free cash flow

The Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use free cash to assess the Corporation's ability 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 for measures of performance prepared in accordance with GAAP. The calculation of these items is detailed in table 14.

E. Net debt and Net debt/EBITDA (LTM) ratio

The Corporation is reporting net debt and net debt/EBITDA (LTM) ratio. Net debt is calculated as nominal undiscounted debt less cash. This non-GAAP measure provides investors with transparency to regarding the liquidity position of the Corporation. 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 debt is shown in table 16. The following table explains the calculation of net debt/last twelve months (LTM) ratio.

Table 26: Net Debt/ EBITDA ratio

$'(000's)	June 30, 2016	March 31, 2016	December 31, 2015
Net Debt/(Cash) position	82,800	135,593	143,900
EBITDA	167,001	168,145	163,719
Net Debt / EBITDA ratio	**0.50**	**0.81**	**0.88**

IX. QUARTERLY AND ANNUAL FINANCIAL AND OPERATING RESULTS

The following tables summarize the Corporation's financial and operational information for the last eight quarters and three fiscal years. The significant factors affecting results in the quarters presented below are volatility of realized gold prices, the commencement of operations at the Agbaou Mine in the first quarter of 2014, and non-cash impairments of mineral interests. The Ity Mine was added during the fourth quarter of 2015. The Youga financial results have been removed from revenues and earnings from mining operations for quarterly periods after 2014.

Table 27: 2016/2015 Quarterly Key Performance Indicators

	For the three months ended:			
($'000' except ounces sold)	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
Gold ounces sold	127,602	120,777	142,343	123,002
Gold revenues	160,373	143,957	137,579	121,826
Cash flows from operations	30,187	20,147	39,769	31,314
Earnings from mine operations	43,867	27,158	13,119	21,824
Net earnings (loss) and total comprehensive earnings (loss)	(15,416)	7,858	(21,643)	6,705
Net earnings (loss) attributable to shareholders of Endeavour Mining Corporation	(28,039)	956	(24,670)	3,503
Basic earnings (loss) per share	(0.36)	0.02	(0.51)	0.08
Diluted earnings (loss) per share	**(0.36)**	**0.02**	**(0.51)**	**0.08**

Table 28: 2015/2014 Quarterly Key Performance Indicators

	For the three months ended:			
($'000' except ounces sold)	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Gold ounces sold	129,614	124,850	123,354	114,082
Gold revenues	132,797	130,449	147,744	145,223
Cash flows from operations	40,511	31,425	58,017	22,587
Earnings from mine operations	40,875	26,379	14,266	15,256
Net earnings (loss) and total comprehensive earnings (loss)	32,997	12,951	(340,157)	2,056
Net earnings (loss) attributable to shareholders of Endeavour Mining Corporation	26,678	9,045	(280,576)	1,859
Basic earnings (loss) per share	0.60	0.22	(6.80)	0.04
Diluted earnings (loss) per share	**0.60**	**0.22**	**(6.80)**	**0.04**

Table 29: Annual Key Performance Indicators

($'000' except ounces sold)	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
Gold ounces sold	519,812	467,887	318,505
Gold revenues	601,376	583,576	443,314
Cash flows from operations	147,301	127,438	43,834
Earnings from mine operations	106,947	75,897	11,136
Net earnings (loss) and total comprehensive earnings (loss)	35,601	(328,200)	(371,715)
Net earnings (loss) attributable to shareholders	18,227	(273,650)	(332,456)
Basic loss per share	0.42	(6.62)	(8.10)
Diluted loss per share	0.42	(6.62)	(8.10)
Total assets	1,054,094	963,875	1,273,993
Total long term financial liabilities	273,469	343,468	327,411
Total attributable shareholders' equity	564,103	464,352	737,057
Adjusted earnings (loss) per share	**0.99**	**0.34**	**(0.60)**

X. RISK FACTORS

Readers of this Management's Discussion and Analysis should give careful consideration to the information included or incorporated by reference in this document and the Corporation's audited consolidated financial statements and related notes for the year ended December 31, 2015. Significant risk factors for the Corporation are metal prices, government regulations, foreign operations, environmental compliance, dependence on management, title to the Corporation's mineral properties and litigation. For further details of risk factors, please refer to the most recent Annual Information Form filed on SEDAR at http://www.sedar.com/, the 2015 year-end audited consolidated financial statements, and the below discussions.

A. Operational risks

1. Political risks

The majority of Endeavour Mining's assets are located in West Africa. Endeavour Mining believes that the governments of the countries that the Corporation holds assets in support the development of their natural resources by foreign companies. There is no assurance however that future political and economic conditions of these countries will not result in their governments adopting different policies respecting foreign ownership of mineral resources, taxation, rates of exchange, environmental protection, labour relations, repatriation of income or return of capital, restrictions on production, price controls, export controls, local beneficiation of gold production, expropriation of property, foreign investment, maintenance of claims and mine safety. The possibility that a future government in any of these countries may adopt substantially different policies, which might include the expropriation of assets, cannot be ruled out. There is also a risk of limitations being placed on the ability to repatriate funds.

2. Mineral Reserves and Resources

Mineral reserve and mineral resource estimates are imprecise and depend partially on statistical inference drawn from drilling and other data, which may prove to be unreliable. Estimates, which were valid when made, may change over the course of the mine life. Reserves should not be interpreted as assurances of mine life or of the profitability of current or future production. Furthermore there can be no assurance that those portions of such mineral resources that are not mineral reserves will ultimately be converted into mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Mining reserves depleted by production must be continually replaced to maintain production levels over the long term. There is no assurance that current or future exploration programs will result in any new commercial mining operations or yield new reserves to replace or expand current reserves.

3. Outside contractor risks

It is common for certain aspects of mining operations, such as drilling, blasting and hauling to be conducted by an outside contractor. The mining operations at the Youga Gold Mine, the Nzema Gold Mine and the Agbaou Gold Mine are undertaken by contactors and as a result, the Corporation is subject to a number of risks, including reduced control over the aspects of the operations that are the responsibility of the contractor, failure of a contractor to perform under its agreement with the companies, inability to replace the contractor if either party terminates the contract, interruption of operations in the event the contractor ceases operations due to insolvency or other unforeseen events, failure of the contractor to comply with applicable legal and regulatory requirements and failure of the contractor to properly manage its workforce resulting in labour unrest or other employment issues.

B. Financial Risks

The Corporation's activities expose it to a variety of risks that may include currency risk, credit risk, liquidity 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.

1. 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 months ended June 30, 2016.
The Corporation's maximum exposure to credit risk is as follows:

Table 30: Exposure to credit risk

	June 30, 2016	March 31, 2016	December 31, 2015
(US dollars in thousands)			
Cash and cash equivalents	$ 133,985	$ 117,004	$ 109,519
Cash - restricted	5,205	3,583	4,824
Marketable securities	665	452	375
Trade and other receivables	7,319	5,474	13,045
Loan recievable	-	15,000	-
Working capital loan	1,038	1,025	1,017
Long-term receivable	-	293	246
	$ 148,212	**$ 142,831**	**$ 129,026**

2. 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 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.

3. 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 including its capital expenditures. Gold is sold in US dollars and the Corporation's costs are incurred principally in CFA Franc, Canadian dollars, Euros, Ghana Cedi, and US dollars. The Corporation also holds cash and cash equivalents, marketable securities, and other receivables that are denominated in non-US dollar currencies which are subject to currency risk. The Corporation has not hedged its exposure to foreign currency exchange risk. The Corporation has not hedged its exposure to foreign currency exchange risk.

The table below highlights the net assets (liabilities) held in foreign currencies:

Table 31: Net assets in foreign currencies

	June 30, 2016	March 31, 2016	June 30, 2017
			-
Canadian dollar	(6,282)	(4,012)	(2,961)
CFA Francs	49,699	65,296	60,530
Other currencies	3,896	(3,119)	(687)
	47,313	58,165	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 (March 31, 2016, $5.8 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.

4. 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 (March 31, 2016 - $0.1 million).

5. Price risk

Price risk is the risk that the fair value or future cash flows of the Corporation's financial instruments will fluctuate because of changes in market prices. There has been no change in the Corporation's objectives and policies for managing this risk and no significant changes to the Corporation's exposure to price risk during the three months ended June 30, 2016.

XI. CONTROLS AND PROCEDURES

A. 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 Corporation'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, summarized 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.

As at the end of and for the year ended December 31, 2015, management evaluated the design and operating effectiveness of the Corporation's disclosure controls and procedures as required by Canadian Securities Law. Based on that evaluation, the CEO and CFO concluded that as of December 31, 2015, the disclosure controls and procedures were effective. There have been no material changes in the Corporation's disclosure controls and procedures since the year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Corporation's disclosure controls and procedures.

B. Internal controls over financial reporting

The Corporation's management, with the participation of its CEO and CFO, is responsible for establishing and maintaining adequate internal controls over financial reporting. Under the supervision of the CFO, the Corporation'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, 2015, management evaluated the effectiveness of the Corporation's internal control over financial reporting as required by Canadian securities laws.

Endeavour Mining acquired the Ity Gold Mine on November 27, 2015. Therefore, the Corporation was unable to conduct an assessment of the Ity Gold Mine's internal control over financial reporting in the period between the acquisition date and the date of management's internal control assessment, due to the timing of the acquisition. Accordingly, management excluded from its assessment the internal control over financial reporting of the Ity Gold Mine. As permitted under National Instrument 52-109 Certification of Disclosure, the Company will include its assessment of in its 2016 annual management report on internal control.

Based on that evaluation, and with the exclusion of the Ity Gold Mine's internal control over financial reporting, the CEO and CFO have concluded that, as at December 31, 2015, 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.

On the April 26, 2016, Endeavour Mining acquired the Karma Gold Mine. Therefore, the Corporation has not yet conducted an assessment of the Karma Gold Mine's internal control over financial reporting.

There have been no material changes in the Corporation's internal controls over financial reporting since the year ended December 31, 2015, (excluding the acquisition of the Karma Gold Mine) that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

C. Limitations of controls and procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer 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 unauthorized 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 RESOURCES

The following table shows the consolidated reserves and resources as at December 31, 2015.

Table 29: Mineral Reserves and Mineral Resources as at December 31, 2015

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)
Agbaou Mine (85% owned)[1]						
Proven Reserves	1.9	2.53	156	1.6	2.53	132
Probable Reserves	11.3	2.40	871	9.6	2.40	741
P&P Reserves	**13.2**	**2.42**	**1,027**	**11.2**	**2.42**	**873**
Measured Resource	1.9	2.67	166	1.6	2.67	141
Indicated Resources	12.5	2.53	1,014	10.6	2.53	862
M&I Resources	**14.4**	**2.54**	**1,180**	**12.3**	**2.54**	**1,003**
Inferred Resources	1.2	1.71	65	1.0	1.71	56
Nzema Mine (90% owned)[2]						
Proven Reserves	3.2	2.25	230	2.9	2.25	207
Probable Reserves	1.5	2.57	125	1.4	2.57	113
P&P Reserves	**4.7**	**2.35**	**356**	**4.2**	**2.35**	**320**
Measured Resource	22.4	1.36	976	20.2	1.36	878
Indicated Resources	12.2	1.31	514	11.0	1.31	463
M&I Resources	**34.6**	**1.34**	**1,490**	**31.1**	**1.34**	**1,341**
Inferred Resources	5.9	1.28	244	5.3	1.28	219
Tabakoto Mine (80-90% owned)[3]						
Proven Reserves	2.3	3.19	235	1.9	3.18	190
Probable Reserves	4.2	3.68	491	4.9	2.63	415
P&P Reserves	**6.4**	**3.50**	**725**	**5.4**	**3.50**	**603**
Measured Resource	6.3	2.86	575	5.1	2.85	463
Indicated Resources	12.3	3.22	1,270	10.5	3.17	1,068
M&I Resources	**18.5**	**3.09**	**1,844**	**15.5**	**3.07**	**1,531**
Inferred Resources	9.0	3.55	1,023	7.3	3.52	826
Houndé Project (90% owned)[4]						
Proven Reserves	3.7	2.48	296	3.3	2.48	266
Probable Reserves	26.9	2.06	1,779	24.2	2.06	1,601
P&P Reserves	**30.6**	**2.11**	**2,075**	**27.5**	**2.11**	**1,867**
Measured Resource	3.7	2.57	305	3.3	2.57	274
Indicated Resources	34.2	2.04	2,247	30.8	2.04	2,022
M&I Resources	**37.9**	**2.09**	**2,551**	**34.1**	**2.09**	**2,296**
Inferred Resources	3.2	2.62	274	2.9	2.62	246
Ity Mine & CIL Project (55% owned)[5]						
Proven Reserves	-	-	-	-	-	-
Probable Reserves	30.4	1.65	1,613	16.7	1.65	887
P&P Reserves	**30.4**	**1.65**	**1,613**	**16.7**	**1.65**	**887**
Measured Resource	27.3	1.35	1,190	15.0	1.35	655
Indicated Resources	34.1	1.75	1,916	18.7	1.75	1,054
M&I Resources	**61.4**	**1.57**	**3,106**	**33.8**	**1.57**	**1,708**
Inferred Resources	14.1	1.52	687	7.7	1.52	378
Karma Mine (90% owned)[6]						
Proven Reserves	-	-	-	-	-	-
Probable Reserves	33.2	0.89	949	29.9	0.89	854
P&P Reserves	**33.2**	**0.89**	**949**	**29.9**	**0.89**	**854**
Measured Resource	-	-	-	-	-	-
Indicated Resources	75.2	1.08	2,621	67.7	1.08	2,359
M&I Resources	**75.2**	**1.08**	**2,621**	**67.7**	**1.08**	**2,359**
Inferred Resources	65.3	1.13	2,362	58.8	1.13	2,126
Total - Endeavour Mining						
Proven Reserves	11	2.57	916	10	2.56	796
Probable Reserves	107	1.69	5,828	87	1.65	4,611
P&P Reserves	**119**	**1.77**	**6,744**	**95**	**1.77**	**5,405**
Measured Resource	62	1.62	3,211	45	1.66	2,411
Indicated Resources	180	1.65	9,581	149	1.63	7,827
M&I Resources	**242**	**1.64**	**12,793**	**194**	**1.64**	**10,238**
Inferred Resources	99	1.47	4,655	83	1.44	3,852

Notes to Mineral Reserves and Resources:

1- Agbaou

Resource updated from 43-101 technical report titled "Technical Report Mineral Resource and Reserve Update for the Agbaou Gold Mine Côte d'Ivoire West Africa" effective December 31, 2014. Update mineral resources estimates effective December 31, 2015 prepared by Kevin Harris (CPG), Qualified Person not independent of Endeavour Mining Corporation. Reserve Update for the Agbaou Gold Mine, Côte d'Ivoire, West Africa, prepared by Michael Alyoshin MAusIMM CP (Mining), Qualified Person Not Independent of Endeavour Mining Corporation.

2- Nzema

Mineral resource update prepared by Eric Acheampong (Endeavour) as depletion, effective date December 31, 2015, of mineral resource prepared by N.J. Johnson MAIG (MPR Geological Consultants Pty Ltd.), Qualified Person for the mineral resources; M. Alyoshin MAusIMM CP Min (Endeavour) is Qualified Person for Nzema mineral reserves. Most recent filed report is "Technical Report and Mineral Resource and Reserve Update for the Nzema Gold Mine, Ghana, West Africa", effective date December 31, 2012, prepared by N.J. Johnson MAIG (MPR Geological Consultants Pty Ltd.), Q. De Klerk FAusIMM (Cube Consulting Pty Ltd.) and W.J.A. Yeo MAIG (Endeavour), A.A. Roux Pr.Sci.Nat. (Endeavour).

3- Tabakoto

The breakdown for underground and open pit reserves is as follows:

	Underground Reserves			Open Pit Reserves		
(on a 100% basis)	Tonnage (kt)	Grade (Au g/t)	Content (Au koz)	Tonnage (kt)	Grade (Au g/t)	Content (Au koz)
Proven Reserves	1,753	3.46	195	538	2.29	40
Probable Reserves	1,958	3.86	243	2,195	3.51	248
P&P Reserves	3,711	3.67	438	2,733	3.27	287

K. Harris CPG (Endeavour) is Qualified Person for Tabakoto and Kofi B, ALinear and Betea mineral resources; E. Puritch, P.Eng (P&E Mining Consultants Inc.) is the Qualified Person for the Kofi A, Kofi C, and Blanaid mineral resources. M. Alyoshin MAusIMM CP Min (Endeavour) is Qualified Person for open pit mineral reserves; V. Duke ECSA (Sound Mining) is Qualified Person for underground mineral reserves. Most recent filed report is "Technical Report and Mineral Resource and Mineral Reserve Update for the Tabakoto Gold Mine, Mali, West Africa" effective date December 31, 2013, prepared by G. de Hert EurGeol (Endeavour); K. Harris CPG (Endeavour); M. Alyoshin MAusIMM CP Min (Endeavour), V. Duke ECSA (Sound Mining), A.A. Roux Pr.Sci.Nat.(Endeavour), E. Puritch, P.Eng (P&E Mining Consultants Inc.), Antoine Yassa, P.Geo (P&E Mining Consultants Inc.).

4- Hounde

M. Zammit MAIG (Cube Consulting) is an independent Qualified Person for the Vindaloo mineral resources. Kevin Harris CPG (Endeavour) is a Qualified Person for the Bouéré and Dohoun mineral resources. R.M. Cheyne FAusIMM (Oreology) is an independent Qualified Person for the Vindaloo mineral reserves and the overall mining schedule. Michael Alyoshin MAusIMM CP Min (Endeavour) is a Qualified Person for the Bouéré and Dohoun mineral reserves. Most recent filed report is "Houndé Gold Project - Burkina Faso, Feasibility Study NI 43-101 Technical Report" effective date October 31, 2013, prepared by M. Zammit MAIG (Cube Consulting), M. Warren MIEAust CPEng (Lycopodium), R.M. Cheyne FAusIMM (ORELOGY), D. Morgan CPEng (Knight Piésold), P. O'Bryan MAusIMM (CP) (Peter O'Bryan and Associates).

5- Ity

The breakdown for the heap leach operation and CIL project reserves is as follows:

	Heap Leach Reserves			CIL Reserves		
(on a 100% basis)	Tonnage (kt)	Grade (Au g/t)	Content (Au koz)	Tonnage (kt)	Grade (Au g/t)	Content (Au koz)
Proven Reserves	-	-	-	-	-	-
Probable Reserves	2,392	2.39	184	27,967	1.59	1,429
P&P Reserves	2,392	2.39	184	27,967	1.59	1,429

K. Body Pr.Sci.Nat. (Coffey) is the independent Qualified Persons for the Aires, Teckraie, Verse Ouest, Daapleu, ZiaNE, Ity Flat and Mont Ity mineral resources and R. Bosc Eur.Geol. (Arethuse) is the independent Qualified Person for the Walter and Gbeitouo mineral resources. M. Alyoshin MAusIMM CP Min (Endeavour) is a Qualified Person for the Ity Heap Leach mineral reserves and J. Baker P.Eng. (SNC-Lavalin) is a Qualified Person for the CIL mineral reserves. Most recent filed report is "Technical Report for the Ity Gold Mine, Cote d'Ivoire, West Africa" effective date July 31, 2015, prepared by K. Body Pr.Sci.Nat. (Coffey), M. Mudau Pr.Sci.Nat. (Coffey), C. Cunningham Pr.Eng. (Turnberry), R. Bosc Eur.Geol. (Arethuse), P. Perez P.Eng. (SGS), J. Baker P.Eng. (SNC-Lavalin), D. Gauthier Eng. (SNC-Lavalin), P. Larochelle Eng. (SNC-Lavalin) and H. Sangam Eng. (SNC-Lavalin).

6- Karma

Mineral Reserves are that portion of the mineral resource that has been identified as mineable within a design pit and incorporates criteria such as mining recoveries and waste dilution. The Mineral Reserves are reported on the basis of parameters and assumptions defined in True Gold's Feasibility Study, which is published on SEDAR at www.sedar.com. The Feasibility Study is based on an open-pit operation averaging 97,000 ounces of gold per year over 8.5 years and all-in sustaining cash costs of $720/oz gold, at a US$1250/oz gold price. Cut-off grades (COG) vary by pit and material type as shown in the Feasibility Study.

Mineral Resource estimates were based on a gold price of US$1,557 per ounce, a 90%, 80% and 85% respective process recoveries for oxide, transition and sulphide; oxide mining costs of US$1.61/tonne, $US1.94 per tonne for transition and US$2.05 for sulphide ; process costs of US$7.25/tonne for oxide and transition and US$19 per tonne for sulphide; and General & Administrative costs of US$1.35 per tonne were used to determine the respective 0.20, 0.22 and 0.50 oxide, transition and sulphide open pit cut-off grades. Mineral resources are reported at cut-off grades of 0.20 g/t Au for oxide material in all deposits, 0.22 g/t Au for transition material in all deposits and the sulphide material at Rambo and Nami, and at 0.5 g/t Au for the remaining sulphide material at GG1, GG2, Kao and North Kao. Mineral resources are inclusive of mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported Inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred mineral resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category. The mineral resources reported here was estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council. Material within optimized pit shells have engineering mining aspects applied to the global mineral inventory.

For more information on Karma Resources and Reserves, please refer to NI 43-101 technical report entitled "Updated Resource Estimate and Feasibility Study on the Karma Gold Project, Burkina Faso, West Africa", dated December 17, 2013 and filed on SEDAR on January 27, 2014 at www.sedar.com. For more information on the North Kao Inferred Resource, please see True Gold's news release dated March 13, 2014, filed on SEDAR at www.sedar.com

The following notes apply to the tables:

• Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
• Tonnages are rounded to the nearest 100,000 tonnes; gold grades are rounded to two decimal place; ounces are rounded to the nearest 1,000 ounces. Rounding may result in apparent summation differences.
• Tonnes and grade measurements are in metric units; contained gold is in troy ounces.

Gold price and cut-off grades

	Resources Gold price, US$/oz	Resource lower cut-off grade, g/t Au	Reserves Gold Price, US$/oz	Reserve lower cut-off grade, g/t Au
Nzema	1,500	0.5	1,250	0.8 to 1.9
Youga	1,500 to 1,600*	0.5	1,150	1
Agbaou	1,500	0.5	1,350	0.6 to 0.8
Tabakoto	1,350 to 1,600*	0.5 to 1.5*	1,250	1.1 to 1.9*
Houndé	1,500	0.5	1,300	0.4 to 0.8
Ity	1,500	0 to 0.5	HL: 1,250 CIL: 1,150*	0.6 to 1.5
Karma	1,557	0.2 to 0.5	1,250	0.2 to 0.3

*Varies by distance from deposit to the mill, ore type and mining method (OP/UG)

Additional information relating to the Corporation is available on the Corporation's web site at www.endeavourmining.com and in the Corporation's most recently filed Annual Information Form filed on SEDAR at www.sedar.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A and certain information incorporated herein by reference constitute forward-looking statements. Forward-looking statements include, but are not limited to, statements with respect to the Corporation's plans or future financial or operating performance, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, conclusions of economic assessments of projects, the timing and amount of estimated future production, costs of future production, future capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits and future outcome of legal and tax matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "will continue" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". The material factors or assumptions used to develop material forward-looking statements are disclosed throughout this document.

Forward-looking statements, while based on management's best estimates and assumptions, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Endeavour Mining to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the successful integration of acquisitions; risks related to international operations; risks related to joint venture operations; risks related to general economic conditions and credit availability, actual results of current exploration activities, unanticipated reclamation expenses; changes in project parameters as plans continue to be refined; fluctuations in prices of metals including gold; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables, possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which the Corporation operates, actual resolutions of legal and tax matters, as well as those factors discussed in the section entitled "Description of the Business – Risk Factors" in Endeavour Mining's most recent Annual Information Form available on SEDAR at www.sedar.com. Although Endeavour Mining has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation's management reviews periodically information reflected in forward-looking statements. The Corporation has and continues to disclose in its Management's Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

CAUTIONARY NOTE REGARDING RESERVES AND RESOURCES

Readers should refer to the most recent Annual Information Form of Endeavour Mining and other continuous disclosure documents filed by Endeavour Mining available at www.sedar.com, for further information on mineral reserves and resources, which is subject to the qualifications and notes set forth therein.