

# ENDEAVOUR REPORTS STRONG Q4 RESULTS

Beat upper-end of full-year production guidance and bottom-end of AISC guidance

## HIGHLIGHTS

- Q4-2018 production up 25% over Q3-2018 to 174koz and AISC down 13% to ~\$715/oz
- FY-2018 production up 52% over the prior year to 612koz, beating the top end of the 555-590koz guidance
- FY-2018 AISC down ~\$30/oz over the prior year to ~\$745/oz, well below the guidance range of \$760 – 810/oz
- FY-2019 production expected to increase to 615 – 695koz and AISC expected to remain low at \$760 – 810/oz
- Ity CIL construction progressing on-budget and ahead of schedule with the dry plant commissioning completed, and first gold pour expected in early Q2-2019
- Following the strong success achieved in 2018, exploration will continue to be a strong focus in 2019 with a company-wide exploration program of \$45-50m

**George Town, January 24, 2019** – Endeavour Mining (TSX:EDV) (OTCQX:EDVMF) is pleased to announce its preliminary financial and operating results for the fourth quarter and full year 2018, with highlights provided in the table below.

*Table 1: Preliminary Key Operational and Financial Highlights*

	QUARTER ENDED			YEAR ENDED		Δ FY-18 vs. FY-17
	Dec. 31,	Sep. 30,	Dec. 31,	Dec. 31,	Dec. 31,	
	2018	2018	2017	2018	2017	
<i>(for continuing operations)</i>						
Gold Production, koz	174	139	151	612	403	+52%
All-in Sustaining Cost <sup>1</sup> , \$/oz	~715	820	674	~745	774	(4%)

<sup>1</sup>This is a non-GAAP measure.

Sébastien de Montessus, President & CEO, stated: "Our strong performance across all of our mines in Q4 capped a successful year for Endeavour during which we beat our production guidance and ended with AISC lower than the guided range while maintaining a strong safety record. The first full-year contribution from Houndé, coupled with the successful management of our portfolio, have sustainably decreased our all-in sustaining costs to below our strategic target of \$800/oz.

2019 is expected to be another strong year as we look forward to the first gold pour at the Ity CIL plant in early Q2, where construction continues to progress ahead of schedule and on budget. Meanwhile, we will maintain an aggressive exploration program to build on the significant success achieved thus far.

Over the past two years, we have diligently worked to transform our portfolio, investing nearly \$1 billion into the business. Once Ity CIL commences production, we expect to enter a period of sustained strong free cash flow generation with a continued focus on return on capital employed. In line with this approach, we have optimized our business plans with a greater emphasis on free cash flow metrics and intend to release working capital from the available low-grade stockpiles.

2019 is a pivotal year as the efforts we have made thus far are expected to generate significant growth in 2020 and beyond – Ity CIL will benefit from a full-year's production and Houndé from the newly discovered high-grade Kari Pump deposit."

## STRONG Q4-2018 PERFORMANCE; BEATING FULL-YEAR GUIDANCE

- › Continued strong safety record in 2018 with a low Lost Time Injury Frequency Rate (“LTIFR”) of 0.16 across the group.
- › Q4-2018 group production from continuing operations increased by 25% over the previous quarter to 174koz and AISC declined by 13% to circa \$715/oz due to a strong quarter at all mines.
- › Full-year 2018 production from continuing operations increased by 52% over the prior year to 612koz, beating the top end of the 555 – 590koz guidance, while AISC from continuing operations decreased by circa \$30/oz from prior year to circa \$745/oz, well below the guidance range of \$760 – 810/oz. 2018 benefited from a full-year of production at Houndé, and a better production and AISC performance at Ity and Karma, which more than compensated for the expected lower performance at Agbaou.
- › The Tabakoto sale closed on December 24, 2018, and will be deconsolidated in the year-end financial statements.

Table 2: Group Production, koz

(All amounts in koz, on a 100% basis)	THREE MONTHS ENDED			YEAR ENDED		2018 FULL-YEAR GUIDANCE		
	Dec. 31,	Sep. 30,	Dec. 31,	Dec. 31,	Dec. 31,			
	2018	2018	2017	2018	2017			
Agbaou	44	31	43	141	177	140	-	150
Ity	21	21	17	85	59	60	-	65
Karma	33	26	21	109	98	105	-	115
Houndé	76	61	69	277	69	250	-	260
<b>PRODUCTION FROM CONTINUING OPERATIONS</b>	<b>174</b>	<b>139</b>	<b>151</b>	<b>612</b>	<b>403</b>	<b>555</b>	-	<b>590</b>
Tabakoto (divested in December 2018)	30	26	28	115	144	115	-	130
Nzema (divested in December 2017)	-	-	24	-	116	n.a.	-	n.a.
<b>TOTAL PRODUCTION</b>	<b>203</b>	<b>165</b>	<b>203</b>	<b>727</b>	<b>663</b>	<b>670</b>	-	<b>720</b>

Table 3: Preliminary Group All-In Sustaining Costs, US\$/oz

(All amounts in US\$/oz)	THREE MONTHS ENDED			YEAR ENDED		2018 FULL-YEAR GUIDANCE		
	Dec. 31,	Sep. 30,	Dec. 31,	Dec. 31,	Dec. 31,			
	2018	2018	2017	2018	2017			
Agbaou	~775	954	690	~820	647	860	-	900
Ity	~625	730	869	~720	906	790	-	850
Karma	~750	841	918	~830	834	780	-	830
Houndé	~580	638	335	~565	335	580	-	630
Corporate G&A	~35	44	35	~35	34	30	-	30
Sustaining Exploration	~5	14	13	~10	16	10	-	10
<b>GROUP AISC FROM CONTINUING OPERATIONS</b>	<b>~715</b>	<b>820</b>	<b>674</b>	<b>~745</b>	<b>774</b>	<b>760</b>	-	<b>810</b>
Tabakoto (divested in December 2018)	~1,315	1,420	1,411	~1,330	1,148	1,200	-	1,250
Nzema (divested in December 2017)	-	-	855	-	859	n.a.	-	n.a.
<b>GROUP AISC</b>	<b>~800</b>	<b>917</b>	<b>776</b>	<b>~840</b>	<b>869</b>	<b>840</b>	-	<b>890</b>

- › The realized gold price from continuing operations (net of the Karma stream) amounted to \$1,199/oz and \$1,229/oz for respectively Q4-2018 and the full year ended December 31, 2018.

## HOUNDÉ MINE

### Q4 vs Q3-2018 Insights

- › A record quarter was achieved as production increased, mainly due to significantly higher grades following the end of the rainy season.
  - Tonnes of ore mined increased as mining activities ramped up following the end of the rainy season. Mining continued to focus on the Vindaloo Main and Vindaloo Central pits. The strip ratio was lower than initially planned due to a shift in the mine plan which delayed stripping to 2019.
  - Tonnes milled increased slightly, continuing to perform nearly 30% above nameplate capacity. The ore blend continued to be mainly transitional/fresh ore. Oxide ore represented 34% of the mill feed, up from 32% in Q3-2018.
  - Processed grades markedly improved as higher-grade areas of both the Vindaloo Main and Vindaloo Central pits became accessible following the end of the rainy season. In addition, the higher-grade ore mined was selectively processed while the lower-grade ore was stockpiled.
  - Recovery rates decreased slightly, however remaining at the level assumed in the Optimized Study.
- › AISC decreased due to higher production, lower unit mining costs associated with reduced water pumping requirements following the end of the rainy season, as well as the reduction in sustaining capital expenditures.

### FY-2018 vs FY-2017 Insights

- › Production increased significantly as 2018 benefited from a full year of production since commercial production began in Q4-2017.
- › As guided, AISC increased as last year's production benefited from processing primarily high-grade oxide material.
- › Stockpiles grew in 2018, amounting to 2.0Mt at 1.1g/t containing 70koz at year-end.

### 2018 Performance vs Guidance

- › Production totalled 277koz, significantly exceeding full-year guidance of 250-260koz due mainly to both the mining activities and the process plant performing above their nameplate capacities.
- › AISC amounted to circa \$565/oz, well below the guided \$580-630/oz range due to the outperformance of the operation and a lower than planned strip ratio in the second of half the year following a shift in the mine plan which delayed higher stripping to 2019.

Table 4: Houndé Quarterly Performance Indicators

For The Quarter Ended	Q4-2018	Q3-2018	Q4-2017
Tonnes ore mined, kt	1,736	1,413	663
Strip ratio (incl. waste cap)	5.9	6.0	13.8
Tonnes milled, kt	1,063	1,006	813
Grade, g/t	2.38	2.02	2.75
Recovery rate, %	93%	94%	95%
<b>PRODUCTION, KOZ</b>	<b>76</b>	<b>61</b>	<b>69</b>
Cash cost/oz	~510	519	194
<b>AISC/OZ (preliminary)</b>	<b>~580</b>	<b>638</b>	<b>335</b>

Table 5: Houndé Yearly Performance Indicator

For The Year Ended	Dec. 31, 2018	Dec. 31, 2017
Tonnes ore mined, kt	5,822	1,222
Strip ratio (incl. waste cap)	6.1	13.1
Tonnes milled, kt	3,948	813
Grade, g/t	2.29	2.75
Recovery rate, %	94%	95%
<b>PRODUCTION, KOZ</b>	<b>277</b>	<b>69</b>
Cash cost/oz	~460	194
<b>AISC/OZ (preliminary)</b>	<b>~565</b>	<b>335</b>

### 2019 Outlook

- › Houndé is expected to produce between 230-250koz in 2019, continuing to out-perform its feasibility study estimates, at an AISC of \$720-790/oz.
  - Mining is expected to continue in the Vindaloo deposit, while ore extraction at the Bouere deposit is expected to start in late H1-2019. The strip ratio is expected to increase in 2019, due to both the mine plan sequence and to the carry-over of stripping delayed from 2018.
  - Throughput is expected to remain above nameplate capacity while the ore blend is expected to shift from the current mix of ~30% oxide ore and ~70% transitional/fresh ore feed to mainly fresh ore by year-end, resulting in higher operating costs.
  - Despite the expected higher grades mined, the average processed grade is expected to decline due to the use of lower-grade stockpiles. This marks a change compared to the previous mine plan due to the company's strategic focus on reducing working capital.
  - Sustaining costs are expected to increase from \$6 million to circa \$35 million mainly due to the increased strip ratio, a TSF raise and components to be purchased for fleet maintenance.
- › Approximately \$7 million of non-sustaining expenditure is planned for 2019, mainly for the Bouéré pre-strip, road, and resettlement.

## AGBAOU MINE

### Q4 vs Q3-2018 Insights

- › Production increased as expected mainly due to a significant increase in milled grade following the waste extraction efforts over the course of the year which gave access to higher grade areas.
  - Ore mined increased due to greater extraction at the South Pit as less stripping was necessary. Waste extraction efforts continued in the West pit, resulting in an increase in the overall strip ratio.
  - Mill throughput increased as the proportion of fresh ore processed decreased from 15% to 12%.
  - Processed grades increased due to the change in mining sequence giving access to higher grade ore.
  - Recovery rates improved slightly due to a lower proportion of fresh ore processed.
- › All-in sustaining costs decreased, mainly due to increased gold sales, which were offset slightly by higher sustaining costs driven by increased waste capitalisation activity.

### FY-2018 vs FY-2017 Insights

- › Production decreased as guided, as low-grade stockpile feed supplemented the mine feed to allow waste capitalization activity to progress quicker in 2018. In addition, mining was constrained to lower grade areas.
- › AISC increased, as guided, due to the higher sustaining costs associated with the waste capitalisation activity, the impact of lower production, and higher operating costs related to mining and processing a greater volume of fresh and transitional ore.
- › Stockpiles declined in 2018, amounting to 1.6Mt at 0.6g/t containing 32koz at year-end.

### 2018 Performance vs Guidance

- › Production totalled 141koz, achieving the lower end of the guided 140-150koz range.
- › AISC amounted to circa \$820/oz, well below the guided \$860-900/oz range as a portion of the planned waste capitalization was shifted to 2019 and more oxide material was processed compared to the initial plan.

Table 6: Agbaou Quarterly Performance Indicators

For The Quarter Ended	Q4-2018	Q3-2018	Q4-2017
Tonnes ore mined, kt	481	625	826
Strip ratio (incl. waste cap)	13.6	10.1	7.7
Tonnes milled, kt	708	669	760
Grade, g/t	2.21	1.54	1.85
Recovery rate, %	95%	94%	93%
<b>PRODUCTION, KOZ</b>	<b>44</b>	<b>31</b>	<b>43</b>
Cash cost/oz	~600	791	608
<b>AISC/OZ (preliminary)</b>	<b>~775</b>	<b>954</b>	<b>690</b>

Table 7: Agbaou Yearly Performance Indicators

For The Year Ended	Dec. 31, 2018	Dec. 31, 2017
Tonnes ore mined, kt	2,399	2,983
Strip ratio (incl. waste cap)	11.4	8.4
Tonnes milled, kt	2,830	2,906
Grade, g/t	1.70	2.02
Recovery rate, %	94%	94%
<b>PRODUCTION, KOZ</b>	<b>141</b>	<b>177</b>
Cash cost/oz	~680	557
<b>AISC/OZ (preliminary)</b>	<b>~820</b>	<b>647</b>

### 2019 Outlook

- › Agbaou is expected to produce between 120-130koz in 2019 at an AISC of \$850-900/oz.
  - Mining is expected to focus mainly in the West pit, with some contribution from the North and South pits. The strip ratio is expected to remain at a high-level as a portion of the planned 2018 waste capitalization was shifted to 2019.
  - The plant throughput is expected to decline as the oxide ore blend is expected to reduce from approximately 80% in 2018 to 60%, with the remainder of the feed comprised of fresh and transitional ore.
  - Despite expecting to mine higher grade ore, the average processed grade is expected to remain fairly flat over 2018 due to the use of lower-grade stockpiles. This marks a change compared to the previous mine plan due to the company's strategic focus on maximizing free cash flow generation and reducing working capital.
  - Sustaining costs are expected to increase from \$13 million to circa \$24 million mainly due to increased waste capitalization.
- › Approximately \$8 million of non-sustaining expenditure is planned for 2019, mainly for a TSF raise.

## KARMA MINE

### Q4 vs Q3-2018 Insights

- › Production increased due to a significant increase in ore stacked following the end of the rainy season.
  - Tonnes of ore mined increased as mining activities ramped up following the end of the rainy season. Activities focused exclusively on mining oxide ore from the Kao pit.
  - Mill throughput increased as operating conditions improved, with increased stacker utilization.
  - Recovery rates remained high due to the improved leach characteristics of the oxide ore stacked.
- › AISC improved as the overall operating costs decreased, following the end of the rainy season, and due to an increase in ounces sold.

### FY-2018 vs FY-2017 Insights

- › Production increased as guided, despite a lower processed grade, as the plant optimisation work done in 2017 increased stacking capacity.
- › AISC slightly decreased, specifically in the second half of the year when most of ore stacked was oxide ore while transitional ore from the GG2 pit impacted costs in the first half of the year.
- › Stockpiles grew in 2018, amounting to 0.7Mt at 0.6g/t containing 13koz at year-end.

### 2018 Performance vs Guidance

- › Production totalled 109koz, achieving the middle of the guided 105-115koz range.
- › AISC amounted to circa \$830/oz, achieving the upper end of the guided \$780-830 range.

Table 8: Karma Quarterly Performance Indicators

For The Quarter Ended	Q4-2018	Q3-2018	Q4-2017
Tonnes ore mined, kt	788	755	1,184
Strip ratio (incl. waste cap)	5.5	3.0	2.1
Tonnes stacked, kt	1,037	981	1,026
Grade, g/t	0.98	1.02	1.06
Recovery rate, %	88%	89%	77%
<b>PRODUCTION, KOZ</b>	<b>33</b>	<b>26</b>	<b>21</b>
Cash cost/oz	~640	729	798
<b>AISC/OZ (preliminary)</b>	<b>~750</b>	<b>841</b>	<b>918</b>

Table 9: Karma Yearly Performance Indicators

For The Year Ended	Dec. 31, 2018	Dec. 31, 2017
Tonnes ore mined, kt	4,715	3,862
Strip ratio (incl. waste cap)	2.6	3.0
Tonnes stacked, kt	4,097	3,552
Grade, g/t	0.95	1.07
Recovery rate, %	82%	83%
<b>PRODUCTION, KOZ</b>	<b>109</b>	<b>98</b>
Cash cost/oz	~720	716
<b>AISC/OZ (preliminary)</b>	<b>~830</b>	<b>834</b>

### 2019 Outlook

- › Karma is expected to produce between 105-115koz in 2019 at an AISC of \$860-910/oz.
  - Mining is expected to focus mainly on oxide and transitional ore from the Kao pit, which is expected to be mined out by mid-year, and on oxide ore from the North Kao pit where pre-stripping will begin in Q1-2019 and ore extraction in Q2-2019. The strip ratio is expected to increase in 2019 due to North Kao.
  - Tonnes stacked and recovery rates are expected to remain fairly flat over 2018.
  - The mine's performance is expected to be better in the second of the year as the first half is expected to be impacted by the Kao pit transitional ore.
  - Sustaining costs are expected to decrease from \$7 million to circa \$5 million with the main spending related to the waste capitalization at North Kao pit.
- › Non-sustaining expenditures are expected to be relatively flat at ~\$24 million, comprised mainly of stacking line extension and lift preparation and lining, and pre-stripping for the North Kao deposit.

## ITY MINE: HEAP LEACH OPERATION

### Q4 vs Q3-2018 Insights

- › 2018 was guided to be a transition year for the heap leach operation with greater priority given to the CIL construction activities, particularly in the second half of the year for which the main goal was to stack ore from lower grade stockpiles. However, Ity's heap leach operation performed above expectations, particularly in Q4-2018 as mining was opportunistically conducted based on equipment availability and the good progress made on Ity CIL construction.
- › Production remained flat as a decrease in stacked grade was offset by a higher recovery rate.
  - Tonnes of ore mined decreased, in line with the plan, as mining activity for the heap leach decreased to prioritize the construction of the CIL plant. Mining for the heap leach operation ceased mid-December.
  - Ore stacked decreased as the quantity of ore mined decreased with lower-grade stockpiles supplementing the stacked feed. Stacking at the heap leach operation ceased mid-December.
  - The stacked grade decreased as mining activity at the high-grade Bakatouo pit ceased for heap leach operations and low grade ore stockpiles were used.
  - Recovery rates increased due to improved leach characteristics associated with the ore stacked from the Bakatouo pit.
- › AISC decreased due to lower unit mining costs associated with reduced water pumping requirements, as well as a lower strip ratio, processing and G&A costs, and increased ounces of gold sold in the period.

### FY-2018 vs FY-2017 Insights

- › Record production was achieved due to significantly higher grades stacked from the Bakatouo deposit and increased stacking.
- › AISC decreased due to increased production and lower sustaining costs.

### 2018 Performance vs Guidance

- › Production totalled 85koz, significantly exceeding its full-year guidance of 60-65koz as opportunistic mining was carried-out in the second half of the year.
- › AISC amounted to circa \$720/oz, well below the guided \$790-850/oz range, due to the above-mentioned opportunistic mining.

Table 10: Ity Quarterly Performance Indicators

For The Quarter Ended	Q4-2018	Q3-2018	Q4-2017
Tonnes ore mined, kt	200	253	402
Strip ratio (incl. waste cap)	1.5	2.4	3.2
Tonnes stacked, kt	316	326	372
Grade, g/t	2.37	2.64	1.86
Recovery rate, %	87%	78%	78%
<b>PRODUCTION, KOZ</b>	<b>21</b>	<b>21</b>	<b>17</b>
Cash cost/oz	~570	667	657
<b>AISC/OZ (preliminary)</b>	<b>~625</b>	<b>730</b>	<b>869</b>

Table 11: Ity Yearly Performance Indicators

For The Year Ended	Dec. 31, 2018	Dec. 31, 2017
Tonnes ore mined, kt	1,127	1,410
Strip ratio (incl. waste cap)	2.6	3.7
Tonnes stacked, kt	1,307	1,194
Grade, g/t	2.49	1.85
Recovery rate, %	81%	83%
<b>PRODUCTION, KOZ</b>	<b>85</b>	<b>59</b>
Cash cost/oz	~650	733
<b>AISC/OZ (preliminary)</b>	<b>~720</b>	<b>906</b>

### 2019 Outlook

- › Mining and stacking activities for the heap leach operation ceased mid-December. Residual gold from the heaps, of up to 5koz, is expected to be recovered in Q1-2019.
- › Transition preparation and training efforts are underway to shift to CIL production in early Q2-2019.

## TABAKOTO MINE (DISCONTINUED OPERATION)

### Tabakoto Sale Insights

- › On December 24, 2018, Endeavour completed the sale of its interest in the non-core Tabakoto mine to Algom Resources Limited, a subsidiary of BCM International Ltd ("BCM"), as previously announced on September 4, 2018.
- › Endeavour received upfront cash consideration of US\$35 million on December 24, 2018, with a deferred cash consideration of US\$10 million expected in 2019, subject to certain conditions, and a 10% net smelter royalty on the Dar Salaam deposit, capped at a maximum of 200,000 ounces of gold.

### Q4 vs Q3-2018 Insights

- › Production increased mainly due to higher average head grades, despite a decrease in milled tonnage.
  - Open pit production significantly decreased as the Tabakoto North pit neared its end of life.
  - Underground tonnes mined increased due to the end of the rainy season, allowing for improved stope access and productivity.
  - Despite a decrease in total milled tonnage, processing activities continued to perform well with throughput rates remaining flat.
  - The overall average grade processed increased as per the mine sequence.
  - The recovery rate remained flat.
- › AISC improved due to lower mining, process, and G&A unit costs, as well as an increase in gold sold.

### FY-2018 vs FY-2017 Insights

- › Production decreased and AISC increased mainly due to a decrease in processed grades following the completion of the high-grade Kofi C pit in 2017 and Kofi B pit in H1-2018.

### 2018 Performance vs Guidance

- › Production totalled 115koz, achieving the bottom-end of the guided 115-130koz range, while the AISC amounted to circa \$1,330/oz, missing the top-end of the guided \$1,200-1,250/oz range.
- › The lower than expected performance is mainly attributable to sub-optimal underground equipment availability and associated maintenance costs.

Table 12: Tabakoto Quarterly Performance Indicators

For The Quarter Ended	Q4-2018	Q3-2018	Q4-2017
OP Tonnes ore mined, kt	108	146	165
OP Strip ratio (incl. waste cap)	3.8	5.3	10.3
UG tonnes ore mined, kt	165	143	207
Tonnes milled, kt	417	433	436
Grade, g/t	2.41	2.08	2.20
Recovery rate, %	92%	92%	92%
<b>PRODUCTION, KOZ</b>	<b>30</b>	<b>26</b>	<b>28</b>
Cash cost/oz	~1,035	1,058	1,170
<b>AISC/OZ (preliminary)</b>	<b>~1,315</b>	<b>1,420</b>	<b>1,411</b>

Table 13: Tabakoto Yearly Performance Indicators

For The Year Ended	Dec. 31, 2018	Dec. 31, 2017
OP Tonnes ore mined, kt	572	647
OP Strip ratio (incl. waste cap)	7.0	8.9
UG tonnes ore mined, kt	601	756
Tonnes milled, kt	1,714	1,640
Grade, g/t	2.28	2.90
Recovery rate, %	92%	94%
<b>PRODUCTION, KOZ</b>	<b>115</b>	<b>144</b>
Cash cost/oz	~1,020	929
<b>AISC/OZ (preliminary)</b>	<b>~1,330</b>	<b>1,148</b>

## ITY CIL PROJECT CONSTRUCTION: AHEAD OF SCHEDULE AND ON-BUDGET

- › Construction is progressing on-budget and two months ahead of schedule with the first gold pour expected in early Q2-2019.
- › Ity is expected to produce 160 – 200koz in 2019 at an AISC of \$525 – 590/oz, with the bottom-end production guidance corresponding to the nameplate capacity while the top-end factors possible upsides such as an earlier start date, a quicker than expected ramp-up and the plant producing above its nameplate.
- › The major milestones achieved to date include:
  - More than 7 million man-hours worked with zero lost-time injuries.
  - Overall project completion stands at more than 95%, tracking approximately 2 months ahead of schedule.
  - The project remains on-budget with the remaining cash outflow for 2019 amounting to \$50 - \$60 million.
  - The dry commissioning of the SAG and Ball mills was recently completed, and the wet plant mechanical, piping and electrical works are progressing well.
  - Pre-stripping commenced at the Bakatouo and Ity Flat deposits.
  - Tailings storage facility earthworks are progressing well against schedule with over 90% completed.
  - The 91kv transmission line is 98% complete and the 29MW power station commissioning commenced with four gensets already available for operation.
  - The employee permanent camp construction was completed, with all 312 rooms available for occupation.
  - The resettlement of Daapleu was completed and the official ceremony of handing over the houses took place on December 10, 2018.
  - A portion of the construction team has already started to demobilize.

Picture 1: Ball and SAG mills



## KALANA PROJECT UPDATE

- › An exploration program consisting of 48,000 meters of drilling was finalized in 2018 on the Kalana and Kalanako deposits and an updated resource estimate is expected to be published in Q1-2019.
- › At the Kalana deposit, drilling confirmed the overall geological model and in-fill drilling is expected to convert a portion of the previously classified inferred resources in the northeastern part of the deposit, which will form the basis of the updated feasibility study.
- › At the Kalanako deposit, drilling has confirmed the continuation of the mineralization and is expected to convert a portion of the previously classified inferred resources.
- › A growth capital spend of \$9 million has been allocated for 2019 mainly for studies and maintenance.



## BALANCE SHEET, FINANCING & LIQUIDITY SOURCES

- › Net debt marginally increased from \$535 million to \$540 million since September 30, 2018 mainly due to:
  - Capital spend on the Ity CIL growth project which progressed ahead of schedule.
  - Increase in equipment financing relating to the backup CAT power generators and the commissioning of the second batch of Komatsu mine fleet at Ity.
  - Net cash impact from the Tabakoto disposal and the cash generated from the operating assets.
- › Despite the significant growth capital spend incurred in 2018, at year-end Endeavour's available sources of financing and liquidity remained strong at \$239 million, which included \$119 million from its current cash position and \$120 million in undrawn funds from its RCF.

Table 14: Net Debt Position

<i>(in US\$ million unless stated otherwise)</i>	Dec. 31, 2018 (PRELIMINARY)	Sep. 30, 2018	Dec. 31, 2017
Cash	119	33	123
Equipment financing	(99)	(69)	(54)
Convertible senior bond	(330)	(330)	-
Drawn portion of revolving credit facility	(230)	(170)	(300)
<b>NET DEBT POSITION</b>	<b>(540)</b>	<b>(535)</b>	<b>(232)</b>

## 2019 OUTLOOK

- › Group production from continuing operations is expected to increase to 615-695koz in 2019 and AISC is expected to be between \$760-810/oz due to the benefit of the Ity CIL project coming online in early Q2-2019. More details on individual mine guidance have been provided in the above sections.

Table 15: Production Guidance from Continuing Operations, koz

<i>(All amounts in koz, on a 100% basis)</i>	2018 ACTUALS	2019 FULL-YEAR GUIDANCE		
Agbaou	141	120	-	130
Ity	85	160	-	200
Karma	109	105	-	115
Houndé	277	230	-	250
<b>GROUP PRODUCTION</b>	<b>612</b>	<b>615</b>	<b>-</b>	<b>695</b>

Table 16: AISC Guidance from Continuing Operations, \$/oz

<i>(All amounts in US\$/oz)</i>	2018 ACTUALS (PRELIMINARY)	2019 FULL-YEAR GUIDANCE		
Agbaou	~820	850	-	900
Ity	~720	525	-	590
Karma	~830	860	-	910
Houndé	~565	720	-	790
Corporate G&A	~35	35	-	35
Sustaining exploration	~10	5	-	5
<b>GROUP AISC</b>	<b>~745</b>	<b>760</b>	<b>-</b>	<b>810</b>

- › As detailed in the table below, sustaining and non-sustaining capital allocations for 2019 amount to \$68 million and \$83 million respectively. Growth projects amount to \$64 million, mainly for the completion of the Ity CIL project construction. More details on individual mine capital expenditures have been provided in the above sections.

*Table 17: Capital Expenditure Guidance, \$m*

(All amounts in US\$m)	SUSTAINING CAPITAL	NON-SUSTAINING CAPITAL	GROWTH PROJECTS
Agbaou	24	8	
Ity	1	2	55
Karma	5	24	
Houndé	35	7	
Kalana	0	0	9
Exploration	3	36	
Corporate (mainly comprised IT systems across the Group)	0	6	
<b>TOTAL</b>	<b>68</b>	<b>83</b>	<b>64</b>

- › Exploration will continue to be a strong focus in 2019 with a company-wide exploration program of \$45-50 million, with approximately 20% expensed, 5% sustaining, and 75% non-sustaining.
- › A short-term Gold Revenue Protection Strategy was entered into in early 2018 to protect the company's cash generation during the Ity CIL construction period, beginning on February, 1, 2018 and ending on April 30, 2019. The program consists of a deferred premium collar strategy using written call options and bought put options with a floor price of \$1,300/oz and a ceiling price of \$1,500/oz. The program initially covered a total of 400,000 ounces and as at December 31, 2018, a total of 107,000 ounces remained. Once these contracts expire, Endeavour will return to a position where its gold production is fully exposed to spot gold prices.

## CONFERENCE CALL AND LIVE WEBCAST

Management will host a conference call and live webcast on Tuesday March 5<sup>th</sup> at 8:30am Toronto time (EST) to discuss the Company's financial results.

The conference call and live webcast are scheduled at:

5:30am in Vancouver

8:30am in Toronto and New York

1:30pm in London

9:30pm in Hong Kong and Perth

**The live webcast can be accessed through the following link:**

<https://edge.media-server.com/m6/p/n759ggdv>

**Analysts and investors are also invited to participate and ask questions using the dial-in numbers below:**

International: +16315107495

North American toll-free: + 18669661396

UK toll-free: 08003767922

Confirmation Code: **5693456**

**The conference call and webcast will be available for playback on [Endeavour's website](#).**

Click [here](#) to add Webcast reminder to Outlook Calendar

Access the live and On-Demand version of the webcast from mobile devices running iOS and Android:



## QUALIFIED PERSONS

Jeremy Langford, Endeavour's Chief Operating Officer - Fellow of the Australasian Institute of Mining and Metallurgy – FAusIMM, is a Qualified Person under NI 43-101, and has reviewed and approved the technical information in this news release.

## CONTACT INFORMATION

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## ABOUT ENDEAVOUR MINING CORPORATION

*Endeavour Mining is a TSX listed intermediate African gold producer with a solid track record of operational excellence, project development and exploration in the highly prospective Birimian greenstone belt in West Africa. Endeavour is focused on offering both near-term and long-term growth opportunities with its project pipeline and its exploration strategy, while generating immediate cash flow from its operations.*

*Endeavour operates 4 mines across Côte d'Ivoire (Agbaou and Ity) and Burkina Faso (Houndé, Karma) which are expected to produce 615-695koz in 2019 at an AISC of \$760-810/oz.*

*For more information, please visit [www.endeavourmining.com](http://www.endeavourmining.com).*

## CAUTIONARY STATEMENTS REGARDING 2018 PRODUCTION AND AISC

Endeavour cautions that, whether or not expressly stated, all figures contained in this press release including production and AISC levels are preliminary, and reflect our expected 2018 results as of the date of this press release. Actual reported fourth quarter and 2018 results are subject to management's final review, as well as audit by the company's independent accounting firm, and may vary significantly from those expectations because of a number of factors, including, without limitation, additional or revised information, and changes in accounting standards or policies, or in how those standards are applied. Endeavour will provide additional discussion and analysis and other important information about its 2018 production and AISC levels when it reports actual results.

## CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This news release contains "forward-looking statements" including but not limited to, statements with respect to Endeavour's plans and operating performance, the estimation of mineral reserves and resources, the timing and amount of estimated future production, costs of future production, future capital expenditures, and the success of exploration activities. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "expected", "budgeted", "forecasts", and "anticipates". Forward-looking statements, while based on management's best estimates and assumptions, are subject to risks and uncertainties that may cause actual results 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 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 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 Endeavour operates. Although Endeavour 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. Please refer to Endeavour's most recent Annual Information Form filed under its profile at [www.sedar.com](http://www.sedar.com) for further information respecting the risks affecting Endeavour and its business. AISC, all-in sustaining costs at the mine level, cash costs, operating EBITDA, all-in sustaining margin, free cash flow, net free cash flow, free cash flow per share, net debt, and adjusted earnings are non-GAAP financial performance measures with no standard meaning under IFRS, further discussed in the section Non-GAAP Measures in the most recently filed Management Discussion and Analysis.

**Corporate Office: 5 Young St, Kensington, London W8 5EH, UK**

## APPENDIX 1: PRODUCTION AND AISC BY MINE

### ON A QUARTERLY BASIS

		AGBAOU			TABAKOTO			ITY			KARMA			HOUNDE´		
		Q4-2018	Q3-2018	Q4-2017	Q4-2018	Q3-2018	Q4-2017	Q4-2018	Q3-2018	Q4-2017	Q4-2018	Q3-2018	Q4-2017	Q4-2018	Q3-2018	Q4-2017
<i>(on a 100% basis)</i>																
Total tonnes mined – OP <sup>1</sup>	000t	7,040	6,942	7,216	520	912	1,863	494	867	1,679	5,156	3,027	3,717	11,925	9,894	9,135
Total ore tonnes – OP	000t	481	625	826	108	146	165	200	253	402	788	755	1,184	1,736	1,413	663
Open pit strip ratio <sup>1</sup>	W:t ore	13.6	10.1	7.7	3.8	5.3	10.3	1.5	2.4	3.2	5.5	3.0	2.1	5.9	6.0	13.8
Total tonnes mined – UG	000t	-	-	-	211	182	207	-	-	-	-	-	-	-	-	-
Total ore tonnes – UG	000t	-	-	-	165	143	157	-	-	-	-	-	-	-	-	-
Total tonnes milled	000t	708	669	760	417	433	436	316	326	372	1,037	981	1,026	1,063	1,006	813
Average gold grade milled	g/t	2.21	1.54	1.85	2.41	2.08	2.20	2.37	2.64	1.86	0.98	1.02	1.06	2.38	2.02	2.75
Recovery rate	%	95%	94%	93%	92%	92%	92%	87%	78%	78%	88%	89%	77%	93%	94%	95%
Gold produced	oz	44,360	31,248	43,439	29,598	26,456	28,117	20,574	20,993	17,287	33,460	26,064	21,102	75,828	60,736	68,754
Gold sold	oz	43,880	30,649	41,490	29,398	25,851	27,741	20,462	20,929	16,316	33,516	24,668	20,574	75,567	57,913	61,024
Cash Cost Per Ounce Sold	\$/oz	~600	791	608	~1,035	1,058	1,170	~570	667	657	~640	729	798	~510	519	194
Mine-level AISC Per Ounce Sold	\$/oz	~775	954	690	~1,315	1,420	1,411	~625	730	869	~750	841	918	~580	638	335

1) Includes waste capitalized

### ON A FULL YEAR BASIS

		AGBAOU		TABAKOTO		ITY		KARMA		HOUNDE´	
		Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
<i>(on a 100% basis)</i>											
Total tonnes mined – OP <sup>1</sup>	000t	29,735	28,100	2,293	6,400	4,028	6,647	16,932	15,313	41,481	16,049
Total ore tonnes – OP	000t	2,399	2,983	572	647	1,127	1,410	4,715	3,862	5,822	1,222
Open pit strip ratio <sup>1</sup>	W:t ore	11.4	8.4	7.0	8.9	2.6	3.7	2.6	3.0	6.1	13.1
Total tonnes mined – UG	000t	-	-	784	997	-	-	-	-	-	-
Total ore tonnes – UG	000t	-	-	601	756	-	-	-	-	-	-
Total tonnes milled	000t	2,830	2,906	1,714	1,640	1,307	1,194	4,097	3,552	3,948	813
Average gold grade milled	g/t	1.70	2.02	2.28	2.90	2.49	1.85	0.95	1.07	2.29	2.75
Recovery rate	%	94%	94%	92%	94%	81%	83%	82%	83%	94%	95%
Gold produced	oz	141,335	177,191	115,240	143,995	84,832	59,026	108,733	97,982	277,218	68,754
Gold sold	oz	142,559	174,868	115,207	144,636	85,191	59,688	108,308	96,935	276,046	61,024
Cash Cost Per Ounce Sold	\$/oz	~680	557	~1,020	929	~650	733	~720	716	~460	194
Mine-level AISC Per Ounce Sold	\$/oz	~820	647	~1,330	1,148	~720	906	~830	834	~565	335

1) Includes waste capitalized