

APPENDIX 2: FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of US\$	Note	As at March 31, 2018	As at December 31, 2017
ASSETS			
Current			
Cash		93,863	122,702
Cash - restricted		807	1,327
Trade and other receivables		46,168	50,698
Income taxes receivable		378	627
Inventories	5	157,174	134,766
Prepaid expenses and other	6	45,492	44,514
		343,882	354,634
Mining interests	7	1,394,833	1,317,952
Deferred income taxes		6,169	6,267
Other long term assets	8	19,928	14,658
Total assets		\$ 1,764,812	\$ 1,693,511
LIABILITIES			
Current			
Trade and other payables	9	181,470	220,781
Current portion of finance obligations	10	22,636	17,658
Current portion of derivative financial liabilities	16	4,161	-
Income taxes payable		2,991	2,746
		211,258	241,185
Finance obligations	10	56,441	36,744
Long term debt	11	341,168	286,440
Other long-term liabilities	12	52,740	52,615
Deferred income taxes		71,750	75,906
Total liabilities		\$ 733,357	\$ 692,890
EQUITY			
Share capital		1,735,859	1,735,074
Equity reserve	13	58,526	56,041
Deficit		(793,159)	(806,251)
Equity attributable to shareholders of the Corporation		1,001,226	984,864
Non-controlling interests	14	30,229	15,757
Total equity		1,031,455	1,000,621
		\$ 1,764,812	\$ 1,693,511

Please consult Financial Statements for notes and more information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE EARNINGS/LOSS

	Note	THREE MONTHS ENDED MARCH 31,	
		2018	2017
In thousands of US\$			
Revenues			
Gold revenue	18	240,281	157,924
Cost of sales			
Operating expenses		(115,417)	(96,513)
Depreciation and depletion	7	(44,067)	(31,442)
Royalties		(14,657)	(7,890)
Earnings from mine operations		66,140	22,079
Corporate costs		(6,488)	(5,930)
Acquisition and restructuring costs		-	(1,524)
Share-based compensation	13	(2,668)	(7,634)
Exploration costs		(2,754)	(2,241)
Earnings from operations		54,230	4,750
Other income (expenses)			
Loss on financial instruments	15	(11,934)	(9,787)
Finance costs	11	(7,758)	(5,874)
Other expenses		(165)	3,537
Earnings/(loss) from continuing operations before taxes		34,373	(7,374)
Current income tax expense		(10,772)	(2,522)
Deferred income tax recovery	17	4,058	2,078
Net and comprehensive earnings/(loss) from continuing operations		27,659	(7,818)
Net income from discontinued operations	4	-	5,628
Total net and comprehensive earnings/(loss)		27,659	(2,190)
Net earnings/(loss) from continuing operations attributable to:			
Shareholders of Endeavour Mining Corporation		13,092	(12,521)
Non-controlling interests	14	14,567	5,034
Net earnings/(loss) from continuing operations		27,659	(7,487)
Total net earnings/(loss) attributable to:			
Shareholders of Endeavour Mining Corporation		13,092	(7,714)
Non-controlling interests	14	14,567	5,524
Total net earnings/(loss)		\$ 27,659	\$ (2,190)
Net earnings/(loss) per share from continuing operations	13		
Basic earnings/(loss) per share		\$ 0.12	\$ (0.13)
Diluted earnings/(loss) per share		\$ 0.12	\$ (0.13)
Net earnings/(loss) per share	13		
Basic earnings/(loss) per share		\$ 0.12	\$ (0.08)
Diluted earnings/(loss) per share		\$ 0.12	\$ (0.08)

CASH FLOW STATEMENT

In thousands of US\$	Note	THREE MONTHS ENDED MARCH 31,	
		2018	2017
Operating Activities			
Earnings/(loss) before taxes ¹		34,373	(1,665)
Adjustments for:			
Depreciation and depletion	7	44,067	36,092
Financing costs	11	7,758	5,924
Share based compensation	13	2,668	7,634
Loss on financial instruments	15	11,934	9,064
Loss on disposal of mining interest		-	(3,537)
Cash paid on settlement of share appreciation rights, DSUs and PSUs	13	(2,557)	(172)
Income taxes paid		(2,290)	(1,202)
Payment of gold collar premium	16	(581)	(1,829)
Net non-cash inventory adjustments		4,793	3,600
Foreign exchange loss		(5,444)	(5,508)
Operating cash flows before non-cash working capital		94,721	48,401
Trade and other receivables		2,419	(1,201)
Inventories		(23,205)	(6,380)
Prepaid expenses and other		806	1,724
Trade and other payables		(26,438)	10,745
Changes in non-cash working capital		(46,418)	4,888
Cash generated from operating activities		\$ 48,303	\$ 53,289
Investing Activities			
Expenditures and prepayments on mining interests - Mining interests		(41,512)	(30,930)
Expenditures and prepayments on mining interests - Assets under construction		(74,780)	(68,886)
Changes in long-term inventories	8	(3,055)	-
Other		-	5,504
Cash used in investing activities		\$ (119,347)	\$ (94,312)
Financing Activities			
Proceeds received from the issue of common shares	13	602	4,787
Payment of financing and other fees	11	(3,619)	-
Interest paid		(388)	(282)
Repayment of long-term debt	11	(280,000)	-
Convertible senior bond	11	330,000	-
Repayment of finance lease obligation		(4,079)	(904)
Deposit paid on reclamation liability bond		(157)	(229)
Cash generated from financing activities		\$ 42,359	\$ 3,372
Effect of exchange rate changes on cash		(154)	511
Decrease in cash		(28,839)	(37,140)
Cash, beginning of period		122,702	124,294
Cash, end of period		\$ 93,863	\$ 87,154

Please consult Financial Statements for notes and more information.