



# ANNUAL INFORMATION FORM

For the financial year ended December 31, 2021

March 31, 2022

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## 1. PRELIMINARY NOTES AND CAUTIONARY STATEMENT

### 1.1 DATE OF INFORMATION

In this Annual Information Form ("AIF"), information is given as at December 31, 2021, unless stated otherwise.

Except as otherwise required by the context, reference to "Endeavour" or the "Company" in this AIF means, collectively, Endeavour Mining plc and its subsidiaries.

All references in this AIF to mine-level all-in sustaining cost ("AISC") exclude depreciation and depletion, corporate costs and other non-cash adjustments, unless otherwise indicated.

### 1.2 CURRENCY AND EXCHANGE RATES

All currency references in this AIF are in United States dollars, unless otherwise indicated. Reference to "Canadian dollars" or the use of the symbol "C\$" refers to Canadian dollars. The daily average rate of exchange reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars on March 30, 2022 was C\$1.00 = \$0. 0.8019 (\$1.00 = C\$1.2470).

### 1.3 CONVERSION TABLE AND TECHNICAL ABBREVIATIONS

Amounts in this AIF are generally in metric units. Conversion rates from Imperial measure to metric and from metric to Imperial are provided below. All ounces are troy ounces and 14.58 troy ounces equal one pound (containing 16 imperial ounces).

*Table 1: Conversion from Imperial measure to Metric and from Metric to Imperial*

| Imperial Measure        | Metric Unit   | Metric Measure      | Imperial Unit      |
|-------------------------|---------------|---------------------|--------------------|
| 2.47 acres              | 1 hectare     | 0.4047 hectares     | 1 acre             |
| 3.28 feet               | 1 metre       | 0.3048 metres       | 1 foot             |
| 0.62 miles              | 1 kilometre   | 1.609 kilometres    | 1 mile             |
| 35.315 cubic feet       | 1 cubic metre | 0.0283 cubic metres | 1 cubic foot       |
| 0.032 ounces (troy)     | 1 gram        | 31.103 grams        | 1 ounce (troy)     |
| 1.102 tons (short)      | 1 tonne       | 0.907 tonnes        | 1 ton              |
| 0.029 ounces (troy/ton) | 1 gram/tonne  | 34.28 grams/tonne   | 1 ounce (troy/ton) |

Unless otherwise defined, abbreviations used in this AIF have the following meanings:

*Table 2: Abbreviation Definitions*

| Abbreviation | Definition                               |
|--------------|------------------------------------------|
| AISC         | All-in sustaining cost                   |
| Au           | gold                                     |
| CFA          | French West African currency (CFA franc) |
| DD           | diamond drilling                         |
| g            | gram                                     |
| ha           | hectare                                  |
| kg           | kilogram                                 |
| km           | kilometre                                |
| koz          | thousands of ounces (troy)               |

|       |                                 |
|-------|---------------------------------|
| kV    | kilovolt                        |
| LOM   | Life of Mine                    |
| m     | metre                           |
| M     | million                         |
| Moz   | million ounces (troy)           |
| Mt    | million metric tonnes           |
| Mtpa  | million metric tonnes per annum |
| MW    | megawatt                        |
| Mwh   | megawatt hour                   |
| oz(s) | ounce or ounces (troy)          |
| RAB   | rotary air blast                |
| RC    | reverse circulation             |
| ROM   | run of mine                     |
| t     | metric tonne                    |

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## 1.4 CAUTION ON FORWARD-LOOKING STATEMENTS

This AIF contains "forward-looking statements". Forward-looking statements include, but are not limited to, statements with respect to Endeavour's plans or future financial or operating performance, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, commodity prices, 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 timelines, requirements for additional capital, sources and timing of additional financing, economic, political and regulatory conditions, realization of unused tax benefits and the 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 statements that certain actions, events or results "may", "could", "would", "might", "have potential" 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 and other publicly available filings of Endeavour. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward looking statements include the ability to deliver gold production growth coupled with a further decline in total cash cost per ounce produced and a reduction in capital expenditures in 2022, attaining 2022 production guidance, the ability to fund all of Endeavour's cash requirements for 2022 with existing sources of liquidity and forecasted cash flow from operations, the ability to carry out the planned 2022 exploration program and obtain results within anticipated schedules, political and social stability in West Africa (including Endeavour's ability to maintain or renew licenses and permits) and other risks described in this AIF and in other documents filed from time to time with Canadian securities regulatory authorities.

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 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

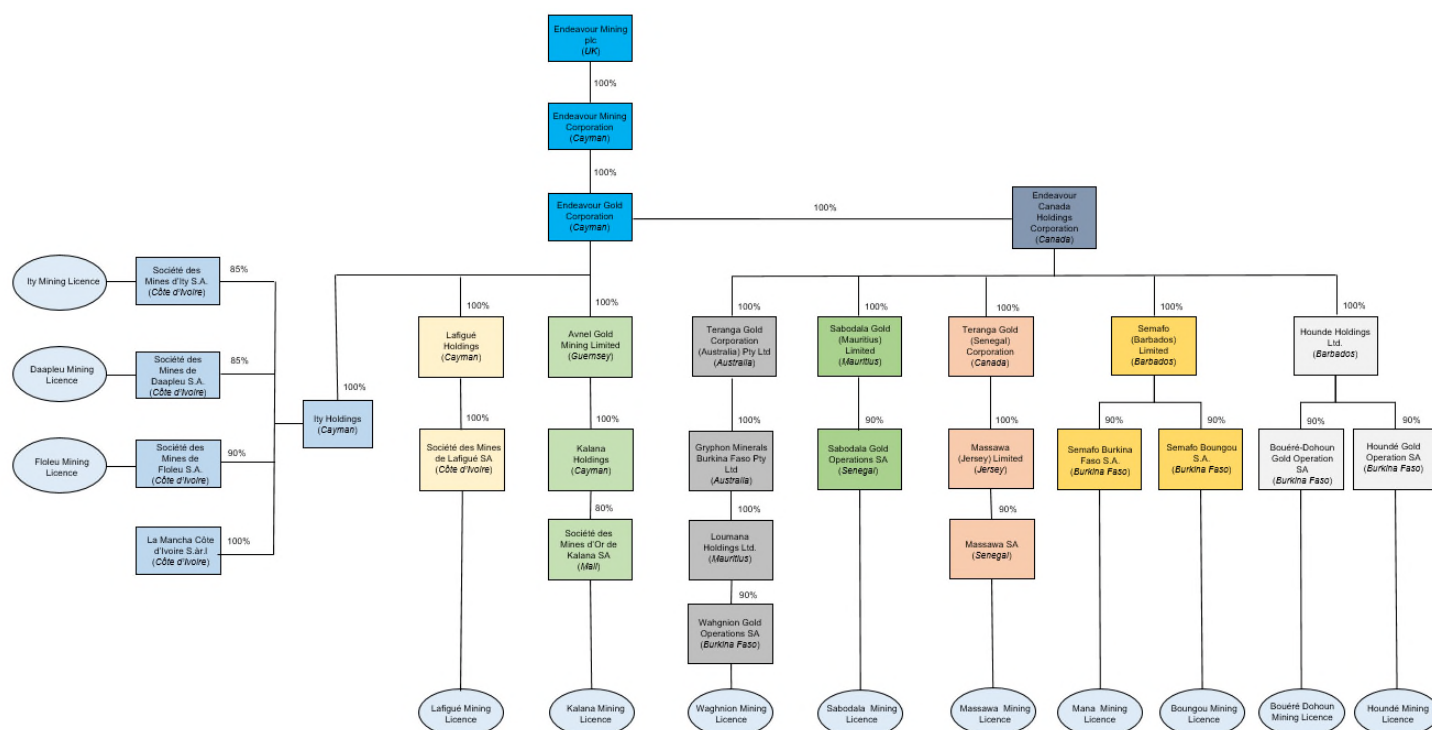
construction activities; changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which Endeavour operates; actual resolutions of legal and tax matters, as well as those factors discussed in the section titled "Risk Factors" in this AIF. 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 are cautioned not to place undue reliance on forward-looking statements. Except as required under applicable securities legislation, Endeavour undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

## 2. CORPORATE STRUCTURE

Endeavour Mining Corporation ("Old EDV"), the former parent company of the group of Endeavour entities (the "Group"), was incorporated on July 25, 2002 under the laws of the Cayman Islands under the name "Endeavour Mining Capital Corp". On July 16, 2008, it changed its name to "Endeavour Financial Corporation" and then on September 14, 2010, it changed its name to "Endeavour Mining Corporation".

The Company was incorporated in the UK on March 21, 2021 as a public limited company limited by shares with registered number 13280545. The Company principally operates under the UK Companies Act 2006 and the regulations made thereunder.

On June 11, 2021, Old EDV announced that the scheme of arrangement to establish the Company as the parent company of Old EDV (the "Scheme") had become effective. Each shareholder in Old EDV at the effective time of the Scheme received one ordinary share of the Company (an "Endeavour Share") for each ordinary share held in Old EDV at such time. On the Scheme taking effect, the entire issued share capital of Old EDV was transferred to the Company and the Company became the parent company of the Group. Old EDV became a wholly-owned subsidiary of the Company.



The Company's registered office and executive office is located at 5 Young Street, London, England, W8 5EH.

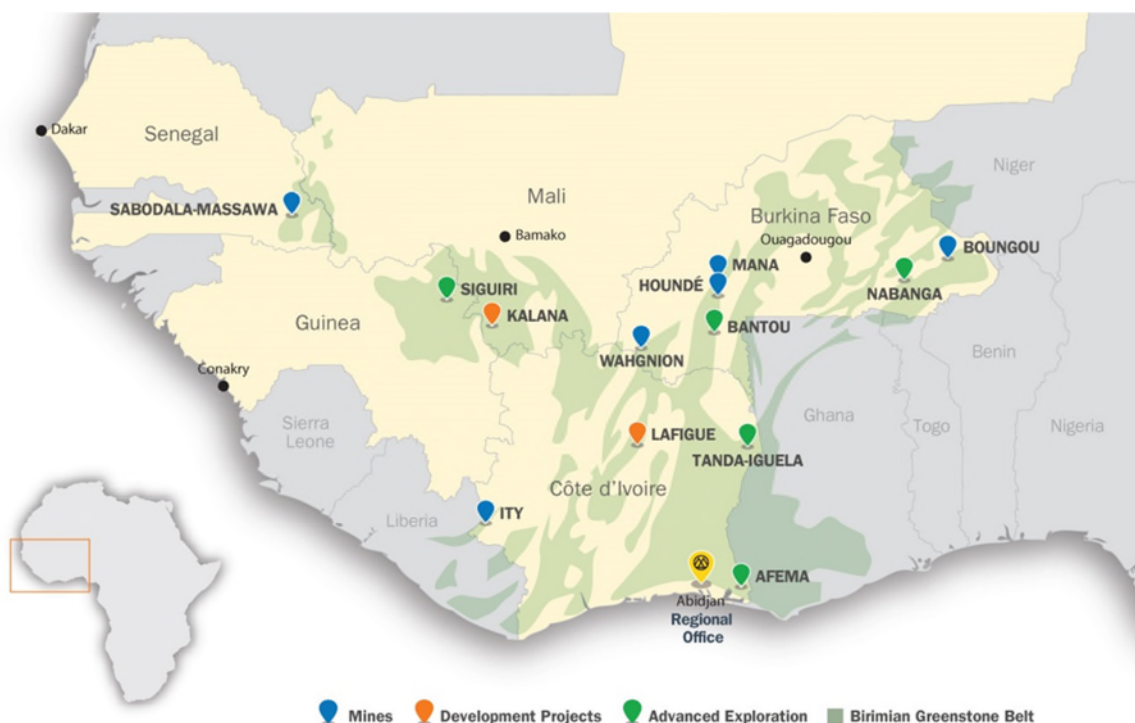
Except as otherwise indicated or the context otherwise requires, in this AIF, references to "the Company" refers to the Company and its subsidiaries, and, prior to the effective date of the Scheme (June 11, 2021), refers to Old EDV and its subsidiaries.

### 3. GENERAL DEVELOPMENT OF THE BUSINESS OF THE COMPANY

#### 3.1 OVERVIEW OF THE BUSINESS

Endeavour is a senior gold producer focused on developing and operating a portfolio of high quality low-cost, long-life mines in West Africa and is dual-listed on the Toronto Stock Exchange ("TSX") and the London Stock Exchange ("LSE") under the symbol EDV on both exchanges and is quoted in the United States on the OTCQX International ("the OTCQX") under the symbol EDVMF. On 10 February 2021, Endeavour completed the acquisition of Teranga Gold Corporation ("Teranga"), a TSX-listed gold company which owned the Sabodala-Massawa and Wahgnion mines, as well as certain development and exploration assets. On 10 March 2022, the Company completed the sale of its Karma mine in Burkina Faso. As a leading global gold producer and the largest in West Africa, Endeavour is committed to principles of responsible mining and delivering sustainable value to its employees, stakeholders, and the communities where it operates.

With its technical teams based in proximity to its mines, Endeavour has established a solid track record of successful operational management, project development and exploration in the highly prospective Birimian greenstone belt.



As of the date of this AIF, Endeavour's mining operations comprise of the following:

- › In Burkina Faso, the Bounghou mine, Houndé mine, Mana mine and Wahgnion mine;

- › In Côte d'Ivoire, the Ity mine; and
- › In Senegal, the Sabodala-Massawa mine.

Endeavour considers its material properties to be the Houndé, Ity and Sabodala-Massawa mines.

In 2021, Endeavour's operations produced 1,524koz of gold at an AISC of \$883/oz from its continuing operations (excluding the Agbaou mine which was sold in March 2021). In 2022, Endeavour expects to produce 1,315-1,400koz of gold at an AISC of \$880-930/oz from its continuing operations (excluding the Karma mine which was sold in March 2022).

## 2022

On March 16, 2022, the Company announced the appointment of Srinivasan Venkatakrishnan ("Venkat") as an Independent Non-Executive Director and Chair of the Company's board of directors (the "Board") and Ian Cockerill as the Senior Independent Non-Executive Director. Both appointments will become effective at the forthcoming AGM on May 24, 2022. Venkat will succeed Michael Beckett who will retire as Chair of the Board at the AGM.

On March 14, 2022, the Company received approval to renew its Normal Course Issuer Bid ("NCIB") for its share repurchase program. Under the NCIB, the Company is entitled to repurchase up to 5% of its total issued and outstanding shares at March 14, 2022, or 12,458,989 shares, during the 12-month period of the NCIB, and up to 25% of the average daily volume for the six months ended February 28, 2022, calculated in accordance with the rules of the TSX. All ordinary shares repurchased under the NCIB will be cancelled.

Effective March 10, 2022, Endeavour closed the sale of its 90% interest in its non-core Karma mine in Burkina Faso to Néré Mining SA for total consideration of approximately \$25 million, which includes a 2.5% Net Smelter Return ("NSR") royalty. The total consideration consists of \$10 million in cash (which was received prior to closing in the form of a reimbursement of historical shareholder loans), a deferred cash payment of \$5 million to be paid 6 months after closing, and a contingent payment of up to \$10 million, payable 12 months after closing, based on a sliding scale, linked to the average spot gold price, as follows: (i) no payment if the average gold price is less than \$1,700/oz; (ii) \$5 million payment if the average gold price is \$1,701 to \$1,950/oz; (iii) \$8 million payment if the average gold price is \$1,951 to \$2,049/oz; and (iv) \$10 million if the average gold price is greater than \$2,050/oz. In addition, Endeavour has a 2.5% NSR royalty on all ounces produced in excess of 160 koz of recovered gold from January 1, 2022.

On January 24, 2022, the Company announced the payment of an interim dividend for the last six months of 2021 of \$70 million, or \$0.28 per share based on its issued share capital on the record date. The dividend was paid on March 16, 2022.

## 2021

On October 7, 2021, the Company announced the pricing of an offering of \$500 million of fixed rate senior notes (the "Notes"). The Company will pay interest on the Notes semi-annually at a rate equal to 5.00% per annum. The Notes are due to mature on October 14, 2026. The proceeds of the Notes, together with certain cash of the Company, was used: (i) to repay all amounts outstanding under the Bridge Loan (as such term is defined herein) that were used to retire higher cost debt facilities acquired upon acquisition of Teranga Gold Corporation, (ii) to repay the existing 2020 RCF (as such term is defined herein), and (iii) to pay fees and expenses in connection with the offering of the Notes. As part of the Company's refinancing strategy, the Company also entered into a \$500 million unsecured revolving credit facility on September 30, 2021 (the "RCF"). The RCF has a four-year tenor, with an interest rate ranging between 2.40 - 3.40% plus LIBOR (or SOFR) depending on leverage. The undrawn portion has a commitment fee of 35% of the applicable margin (0.84% based on currently applicable margin). The RCF will replace the Bridge Facility and the existing 2020 RCF.

On September 9, 2021, the Company's shareholders approved a reduction of capital through the capitalization of a merger reserve to create distributable reserves which may be used to support the payment of dividends and any potential share repurchases by the Company over the longer term. The reduction of capital approved by the Company's shareholders was approved by the UK High Court on October 6, 2021.

On August 4, 2021, the Company announced the payment of an interim dividend for the first six months of 2021 of \$70 million, or \$0.28 per share based on its issued share capital on the record date. The dividend was paid on September 28, 2021.

On June 14, 2021, the Company announced that its entire issued ordinary share capital had been admitted to listing on the premium segment of the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market.

On June 11, 2021, the Company announced that the Scheme had become effective. Each shareholder in Old EDV at the effective time of the Scheme received one Endeavour Share for each ordinary share held in Old EDV at such time. On the Scheme taking effect, the entire issued share capital of Old EDV was transferred to the Company and the Company became the parent company of the Group. Old EDV became a wholly-owned subsidiary of the Company.

On June 8, 2021, the Company entered into a relationship agreement with La Mancha Investments S.à.r.l. and its affiliates (together "La Mancha"), which, in effect, replaced the investor rights agreement dated September 18, 2015, as amended, between Old EDV and La Mancha (the "Investor Rights Agreement").

On March 22, 2021, the Company received approval for a NCIB for its share repurchase program. Under the NCIB, the Company was entitled to repurchase up to 5% of its total issued and outstanding shares at March 22, 2021, or 12,172,871 shares, during the 12-month period of the NCIB, and up to 25% of the average daily volume for the six months ended March 17, 2021, calculated in accordance with the rules of the TSX. All ordinary shares repurchased under the NCIB will be cancelled. During the twelve months of the NCIB, the Company purchased a total of 7,136,656 ordinary shares at a weighted average price of C\$29.32 per share.

On February 10, 2021, the Company completed the acquisition of Teranga. Through the acquisition, the Company added the Wahgnion Mine in Burkina Faso and the Sabodala-Massawa Mine in Senegal to its portfolio. The acquisition was effected through a court-approved plan of arrangement, through which the shareholders of Teranga received 0.47 of an ordinary share of Old EDV for each Teranga share held. A Form 51-102F4 – *Business Acquisition Report* has been filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) further detailing the transaction. In connection with the acquisition of Teranga, La Mancha exercised its anti-dilution right and invested \$200 million via a placement of approximately 8.9 million Old EDV shares. The investment closed on March 30, 2021 and following this investment, La Mancha's anti-dilution rights were extinguished.

On January 21, 2021, the Company announced the sale of its non-core Agbaou Mine in Côte d'Ivoire to Allied Gold Corp. ("Allied Gold"). The Company completed the transaction on March 2, 2021, selling its 85% interest in the mine for a consideration of approximately \$61.9 million, net of transaction costs, with further upside through its equity exposure and an NSR royalty. The total consideration consisted of \$16.4 million in cash (\$20.0 million net of working capital adjustments of \$3.6 million upon closing) of which \$10.5 million was paid in the first quarter of 2021, \$40 million in Allied Gold shares, and a contingent payment of up to \$20 million, comprised of \$5 million for each quarter of 2021 where the average gold price exceeds \$1,900/oz (of which none is receivable for the first two quarters of 2021), which had a fair value of \$0.5 million. In addition, the Company received a net smelter royalty on ounces produced in excess of the Agbaou reserves estimated as at December 31, 2019. The royalty is based on a sliding scale, linked to the average spot gold price as follows: 2.5% if the gold price is at least \$1,400/oz, 2% if the gold price is at least \$1,200/oz and less than \$1,400/oz, 1% if the gold price is at least \$1,000/oz and less than \$1,200/oz, and 0% if gold price is below \$1,000/oz, and had a fair value of \$5.5 million.

## 2020

On December 24, 2020, Endeavour closed an \$800 million debt refinancing package. The refinancing consisted of an amendment and extension of Endeavour's existing \$430 million revolving credit facility ("2020 RCF") and a \$370 million bridge facility ("Bridge Loan"). The amended 2020 RCF had interest payable at the same rate as previously, at LIBOR plus a margin between 2.95% and 3.95%, on a sliding scale depending on leverage. The Bridge Loan had interest payable at 2.25%, increasing by 0.5% every six months until both facilities would mature in January 2023 (after exercise of extension options if required). The refinancing proceeds were used to retire Teranga's various higher cost debt facilities acquired upon closing of the acquisition in February 2021.

On December 21, 2020, Endeavour announced an increase in its stake in the Fetekro Project (now renamed as the Lafigué Project). Under the terms of the agreement, once the mining permit is granted, Endeavour is entitled to an 80% stake in the Fetekro Project, compared to the previous 65%, while Société pour le Développement Minier de la Côte d'Ivoire ("SODEMI"), the State-owned mining company, and the State of Côte d'Ivoire each have a 10% stake. Endeavour retains full ownership of the Fetekro exploration license until it is converted into a mining license. The exploitation license application was submitted on February 2, 2021. Endeavour acquired the additional stake from SODEMI for a consideration of \$19 million plus contingent payments of \$3 per ounce for future Proven and Probable Reserves defined outside of the existing Measured and Indicated Resource boundary.

On November 16, 2020, Endeavour entered into an Arrangement Agreement with Teranga pursuant to which Endeavour agreed to acquire all of the issued and outstanding common shares of Teranga by way of a Plan of Arrangement under the Canada Business Corporations Act, and holders of common shares of Teranga would receive 0.47 of an Old EDV share for each Teranga share. On February 10, 2021, Endeavour completed the acquisition of Teranga.

On July 1, 2020, Endeavour completed the acquisition of SEMAFO Inc. ("SEMAFO") pursuant to the terms of an arrangement pursuant to which Endeavour acquired all of the issued and outstanding common shares of SEMAFO by way of a Plan of Arrangement under the Business Corporations Act (Quebec), and holders of common shares of SEMAFO received 0.1422 of an Old EDV share for each SEMAFO common share. A Form 51-102F4 – *Business Acquisition Report* was filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) further detailing the transaction.

In connection with the acquisition of SEMAFO, La Mancha exercised its anti-dilution right and invested \$100 million via a placement (under a short form base shelf prospectus) of approximately 4.5 million Old EDV shares.

## 2019

On January 11, 2019, the Company acquired an additional 5% interest in the Ity mine from Keyman Investment (the Didier Drogba Group) for approximately \$15 million. This followed the May 2017 acquisition of a 25% interest from SODEMI for \$52 million (plus \$5/oz of additional reserves added post-December 31, 2016). Currently Endeavour owns 85% of the Ity mine, with the Government of Côte d'Ivoire owning 10% and SODEMI owning 5%.

A feasibility study on a Carbon-in-Leach Plant (the "CIL Project") was completed at Ity in November 2016 and a technical report was filed in December 2016, which showed economic viability of the CIL Project. Construction commenced in September 2017 and the CIL Project was completed on-budget and ahead of schedule. The first gold pour occurred on March 18, 2019 and commercial production was declared on April 8, 2019.

## **3.2 DESCRIPTION OF THE BUSINESS**

### **PRINCIPAL PRODUCT AND DISTRIBUTION**

The Company's revenue is generated exclusively from the sale of gold. The Company's principal product is gold doré which, once refined, is sold to one or more market participants on the basis of pricing that is at or close to spot prices.

Each of the operating subsidiaries has in place offtake and refining contracts which allow them to obtain best terms for gold sales depending on global gold market conditions. Offtake arrangements for all mines are provided by StoneX Group Inc. ("StoneX"), a NASDAQ listed company with headquarters in New York which trades in commodities and in foreign exchange, METALOR Technologies SA ("METALOR") and with other syndicate banks associated to the companies' financing arrangements. Refining arrangements are provided by METALOR, a Swiss-based refiner of precious metals, for all mines. The Company has negotiated terms with METALOR for all its mines, which allow the operating subsidiaries to pass risk for a shipment at the mine gate, with payment for the gold content of a shipment occurring on the same day when elected by the Company.

Certain amounts of the Sabodala-Massawa refined gold are delivered to Franco Nevada under a 2014 streaming arrangement relating to the mine. The streaming agreement (the "FN Stream") was amended in 2020 to allow commingling of ore from Massawa, by converting a portion of the FN Stream to a fixed delivery basis. Under this amendment the Company will deliver 783 ounces per month beginning September 1, 2020 until 105,750 ounces have been delivered to Franco-Nevada (the "Fixed Delivery Period") based on the Sabodala standalone life of mine plan prior to the Massawa acquisition. At the end of the Fixed Delivery Period, any difference between total gold ounces delivered during the Fixed Delivery Period and 6 percent of production from the Company's existing properties in Senegal (excluding Massawa) could result in a credit from, or additional gold deliveries to, Franco-Nevada. Subsequent to the Fixed Delivery Period, the Company is required to deliver 6 percent of production from the Company's existing properties in Senegal (excluding Massawa). The FN Stream does not extend to ore from the Massawa project area. For ounces of gold delivered under the FN Stream, Franco Nevada will pay the equivalent of the prevailing spot price of gold on 20 percent of the ounces delivered at the date of delivery.

Gold is traded on a world-wide basis. The demand for gold is primarily for jewelry fabrication purposes and bullion investment. The use of gold as a store of value and the large quantities of gold held for this latter purpose play a role in pricing, as well as current supply and demand trends, which play some part in determining the price of gold. However, easily measurable macroeconomic factors do not play the same role in price discovery to the same extent as with other commodities. Gold prices are significantly affected by factors such as US dollar strength, expectations for US inflation and US bond yields, US interest rates cycle, international exchange rates, changes in reserve policy by central banks and global or regional political and economic crises. Due to these factors, the gold price fluctuates continually, and such fluctuations are beyond the Company's control.

### **SPECIALIZED SKILLS AND KNOWLEDGE**

All aspects of Endeavour's business require specialized skills and knowledge. Such skills and knowledge include, but are not limited to, the areas of strategic development, geology, exploratory drilling, engineering, construction, mine planning, mining operations, processing, regulatory compliance, legal and finance and accounting. Endeavour relies on skilled and experienced personnel to fulfill these requirements.

### **COMPETITIVE CONDITIONS**

The gold mining industry is competitive, particularly in the acquisition of mineral reserves and mineral resources. The continued growth of Endeavour relies on the organic growth and development of gold projects, as well as strategic acquisitions. Although Endeavour has acquired and developed such assets in the past, there can be no assurance that its acquisition or organic development efforts will succeed in the future.

## ENVIRONMENTAL PROTECTION

A critical objective and obligation of Endeavour is to minimize the potential environmental impacts of its mines throughout the lifecycle, from discovery through to post-closure. The Company's sustainability and environmental policies, standards, systems and processes are designed to ensure that environmental risks are addressed while ensuring the environment is maintained, if not enhanced, for current and future generations of its host communities.

All of Endeavour's mining, exploration and development activities are subject to extensive local laws and specific statutory and regulatory regulations and requirements relating to the protection of the environment, including, but not limited to, air quality, water management and quality, solid and hazardous waste management and disposal, land use and reclamation. Failure to comply with these environmental laws or regulations could result in fines, penalties, the suspension or revocation of permits, civil sanctions or lawsuits.

As part of its business planning, Endeavour identifies significant environmental risks and reviews and updates the closure costs for each property to account for additional knowledge acquired with respect to a property or for changes in applicable laws or regulations. This process ensures that the Company properly budgets for the costs associated with closure and with implementing appropriate sustainability management measures.

The International Cyanide Management Code ("ICMC") is a voluntary industry program for companies involved in the production of gold by the cyanidation process. The ICMC addresses, among other things, the production of cyanide, its transport from the producer to the mine, its on-site storage and use, and decommissioning. In 2020, Endeavour completed an ICMC compliance audit (remotely) at four of its mines (Agbaou, Houndé, Ity and Karma). All of Endeavour's mines are undergoing site ICMC compliance audits in 2022.

The financial and operational effects of environmental protection requirements on the capital expenditures and earnings for each of the Company's mines is not significantly different than that of similar sized mines, and therefore are not expected to significantly impact Endeavour's competitive position in the future.

The Company's total liability for reclamation and closure cost obligation as at December 31, 2021 was approximately \$162.9 million. Regulatory authorities in certain countries require security to be provided to cover the estimated rehabilitation provisions. Restricted cash held for this purpose as at December 31, 2021 was \$31.6 million. For more information, refer to Note 18 in the Annual Financial Statements.

## EMPLOYEES

Our workforce continued to grow in 2021 as a result of our acquisition of Teranga. At the end of the year, we had a total workforce of 14,258 people, a 26% increase from 11,305 in 2020, comprised of 5,951 employees and 8,307 contractors, with 10% female representation across the total workforce. With regards to Endeavour's employees, 95% are nationals, 39% are from our host communities and 9% are women. 53% of our Senior Management are West African; comprising 36% nationals, 12% regional West African expatriates and 5% from our local communities.

## HEALTH AND SAFETY

Endeavour places the highest priority on the health, safety and welfare of its employees and contractors. The Company's business principles and policies are based on targeting the achievement of "zero harm" performance. All of Endeavour's Occupational Health and Safety ("OH&S") policies, standards and procedures are aligned to best industry practices (ISO 45001).

Management and performance of OH&S starts with the Board, assisted by the Technical, Health & Safety Committee. The Chief Executive Officer is the Executive responsible, supported by the Chief Operating Officer and the Vice President for Health, Safety and Environment.

Each mine site has a dedicated health and safety team. They are responsible for identifying occupational health and safety hazards based on job safety analysis and comprehensive hazard and risk assessments, using widely established methodologies. Going beyond the regulatory requirements, Endeavour's prevention programs include awareness sessions, operational training and inspections and are supplemented by additional initiatives that promote its health and safety objectives.

Since the outbreak of the global COVID-19 pandemic, Endeavour has been focused on ensuring the well-being of its employees, contractors and local communities, while ensuring business continuity. In addition, host governments have taken strict and proactive measures to minimize overall exposure. Endeavour continues to work in close coordination with the national health authorities to implement and augment government protocols in surrounding communities and has implemented a range of preventative measures across all its sites, including social distancing, health screening, augmented hygiene and restricted access to sites. Safety measures at our sites included testing and isolation requirements for everyone arriving to and leaving from the Company's various operations, as well as adjusting rotation schedules to ensure these were appropriately managed for those employees where there were significant travel restrictions. In addition, where possible, employees were encouraged to work remotely. In the second half of 2021, the Company's focus shifted to protecting its workforce through an extensive vaccination campaign for all employees and contractors at all of our sites, which included posters and employee incentives. This also supported the Company's host governments' vaccination efforts.

## **SUSTAINABLE DEVELOPMENT**

At Endeavour, we are committed to being a responsible miner, building and maintaining meaningful and mutually beneficial long-term partnerships with key stakeholders, including our local communities, host countries and our investors.

In Côte d'Ivoire and Senegal, Endeavour contributes 0.5% of its revenue from Ity and Sabodala-Massawa, respectively and, in Burkina Faso, 1.0% of its revenue from Boungou, Houndé, Mana and Wahgnion, to the mandatory local mining development funds that finance community projects in accordance with community-approved local development plans. For 2021, this amounted to a total of \$21.6 million.

In 2018, Endeavour set up an impact investment fund, named EcoDev, to promote and generate sustainable economic activity in the area of influence of Endeavour's mines that can endure beyond the life of Endeavour's individual assets.

In 2019, EcoDev made its first investment, investing \$1 million for a 35% share in an industrial shea butter processing facility based in Bamako, Mali. Mali is the world's second largest producer of shea nuts and accounts for 20% of the global market; however, it lacked any modern industrial processing capability. This initiative has created 128 direct jobs and currently supports 21,000 women farmers across 4 regions in Mali (including 2000 women from the local communities surrounding the Kalana Project in Mali), with a long term aim to economically empower more than 120,000 local women. The goal is for this investment to be profitable and sustainable within a few years, repaying Endeavour's original investment. Construction of the production plant began in 2020, and the plant was commissioned in March 2021. Since production began, it has produced 4.2 million litres of shea butter.

In 2020, EcoDev started work on its next investment, the Ranch du Tuy project in Burkina Faso. Ranch du Tuy is an intensive cattle feedlot project to produce fresh, export-quality meat to supply neighbouring countries. In 2020 and 2021, 40 hectares of land was acquired near the Houndé mine, and two Burkinabe industrial partners and co-investors for the project were identified. In 2022, ECODEV plans to officially launch the Ranch du Tuy Project in Burkina Faso, with construction due to commence during the second half of the year.

In January 2019, Endeavour became a member of the World Gold Council ("WGC"), the market development organization for the gold industry. In September 2019, the WGC launched the Responsible Gold Mining Principles ("RGMPs"). The RGMPs reflect the commitment of the WGC's members to responsible mining and provide an over-arching framework that sets out clear expectations as to what constitutes responsible gold mining to provide

confidence to investors and supply chain participants. Endeavour has commenced implementing the RGMPs, in accordance with the WGC's timetable. In 2020, the Company received external assurance for seven RGMPs. In 2021, Endeavour continued to progress the implementation of the RGMPs and is addressing the gaps identified by Endeavour's internal gap assessment in preparation for external assurance in 2022 of the outstanding RGMPs.

## **COMMUNITY RELATIONS AND SOCIAL**

Endeavour views itself as an integral part of the countries and communities in which it operates, as well as a responsible development partner. It is committed to building and maintaining strong, transparent relationships, underpinned by open and constructive dialogue, with its host communities, host governments, NGOs and other local and national stakeholders.

The Company has a range of policies in place to govern its approach to stakeholder engagement, including anti-bribery and anti-corruption, business conduct and ethics, social responsibility, diversity, harassment, sanctions, environmental, safety and health, human rights and whistleblower. These policies can be found on Endeavour's website: [www.endeavourmining.com](http://www.endeavourmining.com).

Key stakeholder groups at the local, regional and national levels at each mine have been identified. The mines have site-specific annual stakeholder engagement plans that identify the stakeholders' main concerns and expectations, along with a strategy to communicate and engage with them. These plans include a functional, accessible and widely published external grievance mechanism. Engagement is managed by the mine's Social Performance teams through a detailed management system.

The Company believes that providing employment and procuring from local suppliers are two of the most significant economic contributions it can make to the communities in which it operates.

Endeavour aims to hire much of its workforce from the local region in which the operation is located. In 2021, 95% of Endeavour's workforce were West African nationals. The Company also aims to procure as much as possible locally, in-country or from within the West African region. In 2021, Endeavour procured approximately \$1.3 billion worth of goods, being about 80% of its supplies, from West African suppliers.

Alongside employment and procurement, Endeavour also undertakes a number of community investment projects at each of its mines and development projects, including skills training, educational scholarships, healthcare, water and sanitation, public infrastructure maintenance, capacity building and livelihood programs. Further details can be found in the Minerals Properties of the Company section of this AIF under each mine, as well as in Endeavour's annual sustainability reports, available on its website: [www.endeavourmining.com](http://www.endeavourmining.com).

## **MATERIAL REORGANIZATIONS**

In connection with the Company's admission for listing on the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market, it completed an internal reorganization pursuant to the Scheme through which Endeavour Mining plc was established as the new parent company of the Group. Pursuant to the Scheme, the entire issued share capital of Old EDV was transferred to Endeavour Mining plc on June 11, 2021, being the Scheme effective date. In consideration for such transfer, Endeavour Mining plc issued to Old EDV shareholders one Endeavour Share for each Old EDV share. In connection with the Scheme, Old EDV amended its articles of association to a form which is suitable for a wholly-owned subsidiary.

### **3.3 EMERGING MARKET ISSUER DISCLOSURE**

#### **CORPORATE GOVERNANCE AND INTERNAL CONTROLS**

Endeavour conducts mining, development, exploration and other activities through subsidiaries in several West African countries considered to be emerging markets, including Côte d'Ivoire, Burkina Faso and Senegal. Endeavour has a track record of successfully developing and operating mines in emerging markets and has the organizational and governance structures and protocols in place to manage the regulatory, legal, linguistic and cultural challenges and risks associated with having operations in these jurisdictions.

Endeavour holds its properties and projects indirectly through subsidiaries which are locally incorporated. These operating subsidiaries are in turn held through holding companies incorporated in jurisdictions with well-developed and reliable legal and tax systems. Such holding companies facilitate Endeavour's international staffing and corporate financing arrangements, facilitate internal reorganizations, and provide for predictability and legitimate dispute resolution processes. Endeavour has designed a system of corporate governance, internal controls over financial reporting and disclosure controls and procedures that apply to it and its consolidated subsidiaries. These systems, which are coordinated by Endeavour's senior management and overseen by its Board, are designed to monitor the activities, performance and risks at Endeavour's operating subsidiaries.

To ensure that Endeavour has appropriate control and direction over its subsidiaries, there are common directors and management between Endeavour and each of its subsidiaries, including its subsidiaries in Côte d'Ivoire, Burkina Faso and Senegal. Endeavour's Board and executive committee regularly receive financial and technical updates on the operational matters of the Group and its subsidiaries. Endeavour is either a direct or indirect majority shareholder in each of its subsidiaries. As a result, the operations and business objectives of Endeavour and its subsidiaries are effectively aligned and controlled.

All of the minute books and corporate records of Endeavour's subsidiaries are, to the extent required under local regulations, kept at the offices of Endeavour or Endeavour's local counsel, or with a local corporate advisory services firm.

#### **BOARD AND MANAGEMENT EXPERIENCE IN EMERGING MARKETS AND BUSINESS OVERSIGHT**

Endeavour's Board and executive committee are comprised of international business leaders and mining industry professionals with expertise and experience working in the jurisdictions in which Endeavour currently operates. Each of Endeavour's executives has at least a decade of experience in Africa, and half of them are either based in Côte d'Ivoire or spend a substantial portion of their time in Côte d'Ivoire, Burkina Faso and Senegal.

Endeavour's chairman, Michael Beckett, has over 45 years' experience in the mining sector and was previously the managing director of Consolidated Gold Fields and the chairman of, among other companies, Ashanti Goldfields. During his extensive mining career, Mr. Beckett has gained in-depth and wide-ranging knowledge in the evaluation, development and operation of gold mining projects in emerging markets, including Africa. He has remained actively engaged in the African gold mining sector as the chairman of Endeavour since 2008. James Askew, who was appointed to the Board in 2017, is a mining engineer with more than 45 years of international and technical expertise. Mr. Askew has served as the chief executive officer or a board member for a number of publicly listed mining companies, and brings a wealth of experience in design, construction and operations of both open pit and underground mines. He is currently chairman of Syrah Resources, which has operations in Mozambique, and a non-executive director of Evolution Mining. Livia Mahler, who was appointed to the Board in 2016, was formerly an independent director at Ivanhoe Mines, and has previously served on the boards of other resource companies, including Turquoise Hill Resources. Sofia Bianchi, who was appointed to the Board in 2019, is a finance professional who played a leading role in the establishment of the first dedicated African infrastructure fund, was formerly the senior independent director of Kenmare Resources and is currently a non-executive director of Yellow Cake plc. Alison Baker is a chartered accountant and previously led the UK Energy, Utilities and Mining Assurance practice at Ernst & Young. She is currently a non-executive director at Helios Towers plc, a leading independent

telecommunications tower company in Africa, at Capstone Corporate Corp. and at Rockhopper Exploration. Naguib Sawiris has over 40 years' experience building businesses in Africa. He founded Orascom Telecom Holding and led it to become the world's sixth largest mobile telecommunications provider. Mr. Sawiris serves on a number of boards, committees and councils including the Advisory Board of La Mancha, London Stock Exchange's Africa Advisory Group, and the Arab Thought Foundation. Sébastien de Montessus is a director, CEO and President of Endeavour. During his time at Endeavour, Mr. de Montessus has overseen the successful construction of two mines and the strategic repositioning of Endeavour as a leading low-cost gold producer with six mines, two development projects and a strong exploration pipeline across three West African countries. Prior to joining Endeavour in 2016, he was CEO of the La Mancha Group, a member of the Executive Board and Group Deputy CEO of Orano Group (formerly AREVA Group, a world leader in nuclear energy) and CEO of AREVA Mining (which included uranium assets in Africa). Mr. de Montessus was a board member of Evolution Mining between 2015 and 2018, and of ERAMET, a world leader in alloying metals, between 2010 and 2012. Dr. Carmen Letton is a mining engineer and mineral economist with over 35 years of global mining exposure and a diverse background in senior leadership roles in operations, business improvement and operational excellence, most recently as head of resource development and life of asset planning for Anglo-American. She is a former non-executive director of Gold Fields. David Mimran was formerly a director and the largest shareholder of TSX-listed Teranga, and brings tremendous knowledge and experience of operating within West Africa. Mr. Mimran is currently CEO of Tablo Corporation, Miminvest SA, and Mimran Natural Resources, all established as investment vehicles into West Africa's natural resource sector by himself and the Mimran Group, a family conglomerate with a history of successful business operations in Africa and Europe. Tertius Zongo is a former Prime Minister of Burkina Faso, a position which he held from 2007 until 2011. Prior to this, Mr. Zongo served as Burkina Faso's Ambassador Extraordinary and Plenipotentiary to the USA from 2002 until 2007. He has also held a number of positions within the Burkinabe government including Minister of State for Planning and Budget and Minister of Economy and Finance, and was a non-executive director of SEMAFO Inc.

Endeavour's Board meets once a year in West Africa, and individual members of the Board make additional visits at regular intervals to Endeavour's operations in Côte d'Ivoire, Burkina Faso and Senegal. During these visits, which are often made to carry out the functions of the various Board committees, Endeavour's directors ("Directors") interact with local employees, government officials and community leaders. These interactions enhance the Directors' knowledge of local culture and business practices. In 2021, the Board visited the Sabodala-Massawa mine in Senegal, an asset which was acquired in February 2021 as part of the Teranga transaction, and which is the site of a planned BiOx expansion project in 2022. No site visits occurred during 2020 owing to the then prevailing COVID-19 pandemic. However, the Directors visited the Ity mine in 2019 to monitor progress and risks in relation to the commencement of the CIL operation, and several of the Directors also visited the Houndé mine.

The Board regularly receives in-depth technical briefings, risk assessments and progress reports in connection with the operations in each of the emerging markets in which Endeavour operates, and in so doing, maintains effective oversight of its business and operations. Through these updates, assessments and reports, the Board gains familiarity with the operations, laws and risks associated with operations in such jurisdictions. Further, the Directors also have access to head office management who in turn work directly with local management. Head office and local management personnel are familiar with the local laws, business culture and standard practices, have local language proficiency where required, are experienced in working in the applicable emerging jurisdiction and in dealing with the respective government authorities and have experience and knowledge of the local banking systems and treasury requirements.

#### **INTERNAL CONTROLS AND CASH MANAGEMENT**

Endeavour maintains internal controls over financial reporting with respect to its operations in emerging markets by taking various measures and consistently applying them across its operations. It maintains and uses a financial authorities matrix which is regularly reviewed to ensure that a process and mechanism of approvals is maintained and followed for the disbursement of corporate funds. Pursuant to the requirements of National Instrument 52-109 – *Certification of Disclosure in the Company's Annual and Interim Filings* ("NI 52-109"), Endeavour assesses the design and operation of internal controls over financial reporting on an annual basis at a minimum, following a risk-based approach. Endeavour has developed and implemented internal procedures to provide

assurances that it has timely access to material information about its subsidiaries and that the matters to which the Chief Executive Officer and Chief Financial Officer attest in the certifications required under NI 52-109 are true and correct. The audit committee also receives regular reports from Endeavour's internal audit team, which include updates on the internal audit plan and audit findings.

Differences in banking systems and controls in the emerging markets in which Endeavour operates are addressed by having stringent controls over cash kept in the jurisdiction, especially with respect to access to cash, cash disbursements, appropriate authorization levels, performing and reviewing bank reconciliations on at least a monthly basis and the segregation of duties. Endeavour maintains banking relationships only with banks that follow international standards.

Endeavour has established practices, protocols and routines for the management and eventual distribution of its cash. The distribution mechanisms depend upon local circumstances and financing arrangements in place and are compliant with applicable law. All material practices, protocols and routines are controlled and overseen by Endeavour's Chief Financial Officer and are subject to customary internal reviews.

Endeavour maintains a comprehensive set of policies that all Directors, employees, consultants and contractors must follow, including a Business Conduct & Ethics Policy, an Anti-Bribery & Anti-Corruption Policy, a Business Conduct & Ethics Policy, a Diversity Policy, an Environmental Policy, a Majority Voting Policy, a Social Responsibility Policy, a Sanctions Policy, a Harassment Prevention Policy, a Supplier Code of Conduct and a Safety & Health Policy. It also maintains a Whistleblower Policy and an anonymous whistle-blower system for reporting fraud and financial offenses. Furthermore, in accordance with its UK obligations the Company maintains a Board of Directors Charter & Corporate Governance Guidelines, as well as a Disclosure Procedures Manual and Rules on Share Dealing. Endeavour's policies are reviewed and approved by the Board annually. Its Directors, executives, senior management and employees, consultants and contractors in key positions of trust are also required to complete annual compliance training on ethics, corruption and sanctions and sign certificates annually confirming that they are familiar with Endeavour's policies and will adhere to them.

## **HEALTH AND SECURITY**

Differences in the health and security risk in the emerging markets in which Endeavour operates are managed by dedicated teams of health and security professionals. The Board and executive committee regularly receive risk assessments, public affairs updates and progress reports on the health and security risks affecting Endeavour's operations and personnel in West Africa, and in so doing, maintain effective oversight of such risks.

With malaria being endemic in its countries of operation, Endeavour utilizes vector controls and other established public health practices, such as anti-mosquito sprays, mosquito nets and appropriate clothing, to mitigate the impact of malaria on its work force. Such approach also applies to Ebola risk management, where standardized Ebola response protocols have been developed and applied across its operations. Endeavour works closely with the health ministries in Côte d'Ivoire, Burkina Faso and Senegal, and offers voluntary health screening for HIV/AIDS, hepatitis, typhoid and other diseases to employees and members of the local communities around Endeavour's operational sites. Endeavour's people, contractors and suppliers face risks associated with operating in the West African region, which include risks related to terrorism and political violence, extortion and other harm due to insecurity in certain jurisdictions in which the Company operates.

The security of its people and mines in West Africa is ensured by a security team which includes ex-French intelligence and military officers and personnel who work closely with national and international intelligence and military forces to monitor and respond to regional security risks. Endeavour's security team utilizes a combination of established practices, protocols and routines to detect, deter and protect against such risks and comply with internationally recognized standards. All of Endeavour's security personnel have substantial experience working in the jurisdictions in which Endeavour currently operates and are based either on mine sites or in offices in the region. Endeavour has developed enhanced security-related infrastructure at sites deemed vulnerable to such risks, and its

security team and site teams work in collaboration with local gendarmerie, security companies, and national military forces to manage and mitigate these risks.

Endeavour maintains a fleet of two Pilatus PC-6 and two Pilatus PC-12 light aircraft for medivac and travel to its mine sites. The Company has landing strips at each of its mines.

## COMMUNICATION AND CULTURAL DIFFERENCES

While the reporting language of management is English, the primary operating language in the emerging markets in which Endeavour operates is French. Differences in cultures and practices in each emerging market in which Endeavour operates are addressed by employing competent staff who are familiar with the local laws, business culture and standard practices, have local language proficiency, are experienced in working in that jurisdiction and in dealing with the relevant government authorities and have experience and knowledge of the local banking systems and treasury requirements. Our focus on developing local talent across our operations in West Africa has led to the appointment of five African nationals as General Managers of our mines in recent years. This in turn has helped us promote a culture of success for high achievers, with the added benefit of enhancing communication with locally based employees.

All of Endeavour's policies, procedures, standards and training are available in both English and French. The majority of Endeavour's executives speak French fluently, as do the majority of Endeavour's managers based in West Africa.

Board meetings are conducted in English, and English is the primary language used in meetings with head office management. Material documents relating to Endeavour's operations that are provided to the Board are in English. Material documents relating to Endeavour's material operations in West Africa are either in English or, where they are in French, are translated into or summarized in English.

Each of Endeavour's mine sites holds weekly meetings with the Chief Operating Officer, who in turn participates in weekly Executive Committee meetings, to ensure adequate and timely communication of operations-related issues.

## 4. MINERAL PROPERTIES OF THE COMPANY

### 4.1 MINERAL RESERVES AND RESOURCES

The following mineral reserves and resources were estimated as at December 31, 2021 in accordance with the provisions adopted by the Canadian Institute of Mining Metallurgy and Petroleum ("CIM") and incorporated into Canadian National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101").

**Table 3: Mineral Reserves and Mineral Resources**

| Resources shown<br>Inclusive of Reserves  | On a 100% basis |                   |                     | On an attributable basis |                   |                     |
|-------------------------------------------|-----------------|-------------------|---------------------|--------------------------|-------------------|---------------------|
|                                           | Tonnage<br>(Mt) | Grade<br>(Au g/t) | Content<br>(Au koz) | Tonnage<br>(Mt)          | Grade<br>(Au g/t) | Content<br>(Au koz) |
| <b>Bougou Mine (90% owned)</b>            |                 |                   |                     |                          |                   |                     |
| Proven Reserves                           | 0.6             | 1.95              | 39                  | 0.6                      | 1.95              | 35                  |
| Probable Reserves                         | 9.3             | 3.61              | 1,075               | 8.3                      | 3.61              | 968                 |
| <b>P&amp;P Reserves</b>                   | <b>9.9</b>      | <b>3.51</b>       | <b>1,114</b>        | <b>8.9</b>               | <b>3.51</b>       | <b>1,003</b>        |
| Measured Resource (incl. reserves)        | 0.6             | 2.04              | 40                  | 0.6                      | 2.04              | 36                  |
| Indicated Resources (incl. reserves)      | 10.5            | 3.95              | 1,336               | 9.5                      | 3.95              | 1,202               |
| <b>M&amp;I Resources (incl. reserves)</b> | <b>11.1</b>     | <b>3.85</b>       | <b>1,376</b>        | <b>10.0</b>              | <b>3.85</b>       | <b>1,239</b>        |

|                                                              |              |             |              |             |             |              |
|--------------------------------------------------------------|--------------|-------------|--------------|-------------|-------------|--------------|
| Inferred Resources                                           | 0.1          | 4.89        | 14           | 0.1         | 4.89        | 13           |
| <b>Houndé Mine (90% owned except 100% owned Golden Hill)</b> |              |             |              |             |             |              |
| Proven Reserves                                              | 2.3          | 1.25        | 93           | 2.1         | 1.25        | 84           |
| Probable Reserves                                            | 44.6         | 1.69        | 2,420        | 40.2        | 1.69        | 2,178        |
| <b>P&amp;P Reserves</b>                                      | <b>47.0</b>  | <b>1.66</b> | <b>2,513</b> | <b>42.3</b> | <b>1.66</b> | <b>2,262</b> |
| Measured Resource (incl. reserves)                           | 2.4          | 1.24        | 97           | 2.2         | 1.24        | 87           |
| Indicated Resources (incl. reserves)                         | 101.5        | 1.55        | 5,067        | 92.6        | 1.56        | 4,636        |
| <b>M&amp;I Resources (incl. reserves)</b>                    | <b>103.9</b> | <b>1.55</b> | <b>5,165</b> | <b>94.8</b> | <b>1.55</b> | <b>4,723</b> |
| Inferred Resources                                           | 20.5         | 1.60        | 1,052        | 19.6        | 1.61        | 1,014        |
| <b>Ity Mine (85% owned except 90% owned Le Plaque area)</b>  |              |             |              |             |             |              |
| Proven Reserves                                              | 11.9         | 0.89        | 338          | 10.1        | 0.89        | 287          |
| Probable Reserves                                            | 51.2         | 1.61        | 2,641        | 43.9        | 1.61        | 2,273        |
| <b>P&amp;P Reserves</b>                                      | <b>63.0</b>  | <b>1.47</b> | <b>2,979</b> | <b>54.0</b> | <b>1.47</b> | <b>2,560</b> |
| Measured Resource (incl. reserves)                           | 12.1         | 0.88        | 344          | 10.3        | 0.88        | 293          |
| Indicated Resources (incl. reserves)                         | 77.3         | 1.66        | 4,131        | 66.1        | 1.66        | 3,547        |
| <b>M&amp;I Resources (incl. reserves)</b>                    | <b>89.5</b>  | <b>1.56</b> | <b>4,475</b> | <b>76.5</b> | <b>1.56</b> | <b>3,840</b> |
| Inferred Resources                                           | 27.1         | 1.47        | 1,279        | 23.1        | 1.47        | 1,088        |
| <b>Mana Mine (90% owned)</b>                                 |              |             |              |             |             |              |
| Proven Reserves                                              | 1.3          | 3.54        | 150          | 1.2         | 3.54        | 135          |
| Probable Reserves                                            | 10.1         | 3.09        | 1,007        | 9.1         | 3.09        | 906          |
| <b>P&amp;P Reserves</b>                                      | <b>11.5</b>  | <b>3.14</b> | <b>1,157</b> | <b>10.3</b> | <b>3.14</b> | <b>1,041</b> |
| Measured Resource (incl. reserves)                           | 7.5          | 1.48        | 359          | 6.8         | 1.48        | 323          |
| Indicated Resources (incl. reserves)                         | 30.1         | 1.99        | 1,928        | 27.1        | 1.99        | 1,735        |
| <b>M&amp;I Resources (incl. reserves)</b>                    | <b>37.6</b>  | <b>1.89</b> | <b>2,287</b> | <b>33.9</b> | <b>1.89</b> | <b>2,058</b> |
| Inferred Resources                                           | 7.8          | 2.27        | 570          | 7.0         | 2.27        | 513          |
| <b>Sabodala-Massawa Complex (90% owned)</b>                  |              |             |              |             |             |              |
| Proven Reserves                                              | 19.9         | 1.36        | 866          | 17.9        | 1.36        | 780          |
| Probable Reserves                                            | 46.5         | 2.39        | 3,574        | 41.9        | 2.39        | 3,217        |
| <b>P&amp;P Reserves</b>                                      | <b>66.4</b>  | <b>2.08</b> | <b>4,440</b> | <b>59.7</b> | <b>2.08</b> | <b>3,996</b> |
| Measured Resource (incl. reserves)                           | 21.2         | 1.32        | 900          | 19.1        | 1.32        | 810          |
| Indicated Resources (incl. reserves)                         | 88.9         | 2.09        | 5,977        | 80.0        | 2.09        | 5,379        |
| <b>M&amp;I Resources (incl. reserves)</b>                    | <b>110.1</b> | <b>1.94</b> | <b>6,877</b> | <b>99.1</b> | <b>1.94</b> | <b>6,190</b> |
| Inferred Resources                                           | 24.3         | 2.16        | 1,682        | 21.8        | 2.16        | 1,514        |
| <b>Wahgnion Mine (90% owned)</b>                             |              |             |              |             |             |              |
| Proven Reserves                                              | 2.1          | 0.78        | 52           | 1.9         | 0.78        | 47           |
| Probable Reserves                                            | 19.5         | 1.60        | 1,006        | 17.6        | 1.60        | 906          |
| <b>P&amp;P Reserves</b>                                      | <b>21.6</b>  | <b>1.52</b> | <b>1,059</b> | <b>19.4</b> | <b>1.52</b> | <b>953</b>   |
| Measured Resource (incl. reserves)                           | 2.3          | 0.82        | 60           | 2.1         | 0.82        | 54           |
| Indicated Resources (incl. reserves)                         | 38.4         | 1.52        | 1,879        | 34.6        | 1.52        | 1,692        |
| <b>M&amp;I Resources (incl. reserves)</b>                    | <b>40.7</b>  | <b>1.48</b> | <b>1,940</b> | <b>36.6</b> | <b>1.48</b> | <b>1,746</b> |
| Inferred Resources                                           | 5.0          | 1.53        | 247          | 4.5         | 1.53        | 222          |
| <b>Bantou (90% owned except 81% owned Karankasso)</b>        |              |             |              |             |             |              |
| Proven Reserves                                              | —            | —           | —            | —           | —           | —            |
| Probable Reserves                                            | —            | —           | —            | —           | —           | —            |
| <b>P&amp;P Reserves</b>                                      | <b>—</b>     | <b>—</b>    | <b>—</b>     | <b>—</b>    | <b>—</b>    | <b>—</b>     |
| Measured Resource (incl. reserves)                           | —            | —           | —            | —           | —           | —            |
| Indicated Resources (incl. reserves)                         | —            | —           | —            | —           | —           | —            |
| <b>M&amp;I Resources (incl. reserves)</b>                    | <b>—</b>     | <b>—</b>    | <b>—</b>     | <b>—</b>    | <b>—</b>    | <b>—</b>     |
| Inferred Resources                                           | 51.1         | 1.37        | 2,245        | 44.9        | 1.36        | 1,956        |
| <b>Lafigué Project(80% owned)</b>                            |              |             |              |             |             |              |
| Proven Reserves                                              | —            | —           | —            | —           | —           | —            |

|                                           |              |             |               |  |              |             |               |
|-------------------------------------------|--------------|-------------|---------------|--|--------------|-------------|---------------|
| Probable Reserves                         | 48.7         | 1.70        | 2,662         |  | 39.0         | 1.70        | 2,130         |
| <b>P&amp;P Reserves</b>                   | <b>48.7</b>  | <b>1.70</b> | <b>2,662</b>  |  | <b>39.0</b>  | <b>1.70</b> | <b>2,130</b>  |
| Measured Resource (incl. reserves)        | —            | —           | —             |  | —            | —           | —             |
| Indicated Resources (incl. reserves)      | 44.8         | 2.02        | 2,916         |  | 35.8         | 2.02        | 2,333         |
| <b>M&amp;I Resources (incl. reserves)</b> | <b>44.8</b>  | <b>2.02</b> | <b>2,916</b>  |  | <b>35.8</b>  | <b>2.02</b> | <b>2,333</b>  |
| Inferred Resources                        | 3.6          | 2.35        | 269           |  | 2.8          | 2.35        | 215           |
| <b>Kalana Project (80% owned)</b>         |              |             |               |  |              |             |               |
| Proven Reserves                           | —            | —           | —             |  | —            | —           | —             |
| Probable Reserves                         | 35.6         | 1.60        | 1,829         |  | 28.5         | 1.60        | 1,463         |
| <b>P&amp;P Reserves</b>                   | <b>35.6</b>  | <b>1.60</b> | <b>1,829</b>  |  | <b>28.5</b>  | <b>1.60</b> | <b>1,463</b>  |
| Measured Resource (incl. reserves)        | —            | —           | —             |  | —            | —           | —             |
| Indicated Resources (incl. reserves)      | 46.0         | 1.57        | 2,318         |  | 36.8         | 1.57        | 1,854         |
| <b>M&amp;I Resources (incl. reserves)</b> | <b>46.0</b>  | <b>1.57</b> | <b>2,318</b>  |  | <b>36.8</b>  | <b>1.57</b> | <b>1,854</b>  |
| Inferred Resources                        | 4.6          | 1.67        | 245           |  | 3.6          | 1.67        | 196           |
| <b>Nabanga (90% owned)</b>                |              |             |               |  |              |             |               |
| Proven Reserves                           | —            | —           | —             |  | —            | —           | —             |
| Probable Reserves                         | —            | —           | —             |  | —            | —           | —             |
| <b>P&amp;P Reserves</b>                   | <b>—</b>     | <b>—</b>    | <b>—</b>      |  | <b>—</b>     | <b>—</b>    | <b>—</b>      |
| Measured Resource (incl. reserves)        | —            | —           | —             |  | —            | —           | —             |
| Indicated Resources (incl. reserves)      | —            | —           | —             |  | —            | —           | —             |
| <b>M&amp;I Resources (incl. reserves)</b> | <b>—</b>     | <b>—</b>    | <b>—</b>      |  | <b>—</b>     | <b>—</b>    | <b>—</b>      |
| Inferred Resources                        | 3.4          | 7.69        | 841           |  | 3.1          | 7.69        | 757           |
| <b>Afema (51% owned)</b>                  |              |             |               |  |              |             |               |
| Proven Reserves                           | —            | —           | —             |  | —            | —           | —             |
| Probable Reserves                         | —            | —           | —             |  | —            | —           | —             |
| <b>P&amp;P Reserves</b>                   | <b>—</b>     | <b>—</b>    | <b>—</b>      |  | <b>—</b>     | <b>—</b>    | <b>—</b>      |
| Measured Resource (incl. reserves)        | —            | —           | —             |  | —            | —           | —             |
| Indicated Resources (incl. reserves)      | 5.1          | 1.10        | 179           |  | 2.6          | 1.10        | 91            |
| <b>M&amp;I Resources (incl. reserves)</b> | <b>5.1</b>   | <b>1.10</b> | <b>179</b>    |  | <b>2.6</b>   | <b>1.10</b> | <b>91</b>     |
| Inferred Resources                        | 3.4          | 1.05        | 116           |  | 1.7          | 1.05        | 59            |
| <b>Total - Endeavour Mining</b>           |              |             |               |  |              |             |               |
| Proven Reserves                           | 38.1         | 1.26        | 1,539         |  | 33.7         | 1.26        | 1,368         |
| Probable Reserves                         | 265.6        | 1.90        | 16,215        |  | 228.4        | 1.91        | 14,040        |
| <b>P&amp;P Reserves</b>                   | <b>303.6</b> | <b>1.82</b> | <b>17,753</b> |  | <b>262.1</b> | <b>1.83</b> | <b>15,408</b> |
| Measured Resource (incl. reserves)        | 46.2         | 1.21        | 1,802         |  | 41.0         | 1.22        | 1,604         |
| Indicated Resources (incl. reserves)      | 442.6        | 1.81        | 25,730        |  | 385.1        | 1.81        | 22,469        |
| <b>M&amp;I Resources (incl. reserves)</b> | <b>488.8</b> | <b>1.75</b> | <b>27,532</b> |  | <b>426.1</b> | <b>1.76</b> | <b>24,073</b> |
| Inferred Resources                        | 150.8        | 1.77        | 8,560         |  | 132.2        | 1.76        | 7,489         |

## QUALIFIED PERSONS

The Qualified Persons responsible for the Mineral Reserve and Resource estimates for Endeavour's properties described in this AIF are detailed in the following tables.

### MINERAL RESOURCES

| QUALIFIED PERSON              | POSITION                                                                   | PROPERTY/DEPOSIT                                                                                                                                                               |
|-------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Kevin Harris, CPG             | VP Resources, Endeavour Mining plc                                         | Ity (Colline Sud, LaPlaque, Mont Ity/Flat/Walter, Bakatouo, Verse Ouest, Teckraie, Aires, West Flotouo, Yopleu); Hounde (Dohoun, Kari Pump), Sabodala/Massawa, Wahgnion; Afema |
| Helen Oliver, FGS, CGeol      | Group Resource Geologist, Endeavour Mining                                 | Hounde (Kari West, Kari Center-South, Vindaloo South,                                                                                                                          |
| Joseph Hirst, FGS, CGeol      | Group Resource Geologist, Endeavour Mining plc                             | Mana (Wona-Kona UG, Siou UG, Boungou, Massawa (Sofia North Extension))                                                                                                         |
| Patti Nakai-Lajoie, P.Geo.    | VP Mine Geology and Grade Control, Endeavour Mining plc                    | Golden Hill                                                                                                                                                                    |
| Michel Plasse, P.Geo          | Group Manager, OP Geology and Reconciliation Support, Endeavour Mining plc | Mana (Wona-Kona OP), Fifina, Yaho, Filon 67, Fobiri, Yama, Nabanga, Bantou                                                                                                     |
| Mark Zammit, MAIG             | Principal, Cube Consulting Pty Ltd                                         | Ity (Daapleu, Gbeitouo), Hounde (Vindaloo)                                                                                                                                     |
| Dr. Lucy Roberts, AusIMM (CP) | Principal Consultant, SRK Consulting (UK) Ltd                              | Lafigué                                                                                                                                                                        |
| Paul Blackney, MAusIMM, MAIG  | Principal Consultant, Optiro Pty Limited                                   | Kalana Project                                                                                                                                                                 |

### MINERAL RESERVES

| QUALIFIED PERSON       | POSITION                                                            | PROPERTY/DEPOSIT                                         |
|------------------------|---------------------------------------------------------------------|----------------------------------------------------------|
| Salih Ramazan, FAusIMM | Vice President, Mine Planning, Endeavour Mining plc                 | Ity, Houndé, Sabodala-Massawa (OP), Boungou and Wahgnion |
| Sam Myers, MIMM        | Mining Manager, Endeavour Mining plc                                | Mana                                                     |
| Bryan Pullman, P.Eng   | Principal Mining Engineer – Mining Advisory, SLR (UK)               | Sabodala UG                                              |
| Francois Taljaard      | Principal Consultant, Mining Engineering, SRK Consulting (UK) Ltd   | Lafigué                                                  |
| Allan Earl, FAusIMM    | Executive Consultant, Snowden Mining Industry Consultants (Pty) Ltd | Kalana Project                                           |

1. The mineral resources and reserves have been estimated and reported in accordance with Canadian National Instrument 43-101, 'Standards of Disclosure for Mineral Projects' and the Definition Standards adopted by CIM Council in May 2014.
2. Mineral resources that are not mineral reserves have not demonstrated economic viability.
3. All mineral resources are reported inclusive of mineral reserves.
4. Tonnages are rounded to the nearest 100,000 tonnes; gold grades are rounded to one decimal place; ounces are rounded to the nearest 1,000oz. Rounding may result in apparent differences between tonnes, grade and contained metal.
5. Tonnes and grade measurements are in metric units; contained gold is in troy ounces.
6. Processing recoveries vary at each pit by many factors including material types, mineralogy and chemistry of the ore. The overall average recoveries are around 89% at Sabodala, 91% at Houndé, 86% at Ity, 95% at Boungou, 88% at Mana and

92% at Wahgnion. The average processing recoveries at the development project's Lafigué and Kalana are 95% and 91% respectively.

7. A mining permit application was submitted for the Golden Hill property, but the Company subsequently requested a withdrawal of that application in order to submit an exploration permit application. The prior exploration permit has expired. The Company has not yet received a decision from the Ministry of Mines in Burkina Faso with respect to its application for an exploration permit, but confirmation from the Ministry of Mines was received on March 4, 2022 stating that the exploration permit application has been received and is being considered.
8. The reporting of mineral reserves and resources are based on a gold price as detailed below:

| Au Price \$/Oz | BOUNGOU | HOUNDÉ                      | ITY   | MANA                       | SABODALA-<br>MASSAWA       | WAHGNION | LAFIGUÉ | KALANA |
|----------------|---------|-----------------------------|-------|----------------------------|----------------------------|----------|---------|--------|
| 2021 Reserves  | 1,300   | 1,300                       | 1,300 | UG & OP<br>1,300           | UG & OP<br>1,300           | 1,300    | 1,300   | 1,500  |
| 2020 Reserves  | 1,300   | 1,300                       | 1,300 | UG at 1,300<br>OP at 1,500 | UG at 1,200<br>OP at 1,300 | 1,300    | 1,500   | 1,500  |
| 2021 Resources | 1,500   | 1,500<br>1,800 <sup>1</sup> | 1,500 | UG at 1,500<br>OP at 1,500 | 1,500                      | 1,500    | 1,500   | 1,500  |
| 2020 Resources | 1,500   | 1,500<br>1,800 <sup>1</sup> | 1,500 | UG at 1,500<br>OP at 1,700 | 1,500                      | 1,500    | 1,500   | 1,500  |

1. Golden Hill resources, within the Houndé mine resources are at a Gold Price of \$1,800 per ounce.

Cut-off grades for the resources are as follows:

- a. Houndé: at 0.50g/t Au
- b. Ity at 0.50g/t Au except ZiaNE which is at 0.30g/t Au
- c. Sabodala-Massawa: open pit from 0.31g/t to 1.00g/t Au. Underground from 2.00g/t to 2.84g/t Au
- d. Boungou: oxide at 0.91g/t Au, transition at 0.91g/t Au, sulphide at 1.09 g/t Au
- e. Mana: open pit for oxide at 0.41g/t Au to 0.56g/t Au, for transitional 0.44g/t Au to 0.69 g/t Au, and sulphide at 0.72g/t Au to 2.54g/t Au
- f. Wahgnion: from 0.35g/t Au to 0.60g/t Au
- g. Lafigué: oxide at 0.40g/t Au, transitional and fresh at 0.50g/t Au
- h. Kalana: all 0.50g/t Au
- i. Bantou: from 0.43g/t Au to 0.86g/t Au
- j. Nabanga: at 3.00g/t Au
- k. Afema: at 0.50g/t Au
- l. Golden Hill: from 0.49g/t to 0.55g/t Au

Cut-off grades for the reserves are as follows:

- a. Houndé: oxide: 0.40g/t Au to 0.60g/t Au; transitional: 0.50g/t Au to 0.60g/t Au; fresh: 0.60g/t Au to 0.70g/t Au
- b. Ity: oxide: 0.40g/t Au to 0.50g/t Au; transitional: 0.40g/t Au to 0.80g/t Au; fresh: 0.40g/t Au to 0.80g/t Au
- c. Sabodala Open Pit WOLP: oxide: 0.50/t Au to 0.60g/t Au; transitional: 0.60g/t Au to 0.80g/t Au; fresh: 0.60g/t Au to 0.70g/t Au. Sabodala Sulphide Treatment Plant (SSTP) : 1.20g/t Au
- d. Sabodala UG: 2.82g/t Au
- e. Boungou: oxide: 1.20g/t Au; transitional: 1.30g/t Au; fresh: 1.30g/t Au
- f. Mana OP: oxide: 0.50g/t Au; transitional: 0.60g/t Au; fresh: 1.20g/t Au. UG: Siou: 2.50g/t Au; Wona: 2.30g/t Au
- g. Wahgnion: oxide: 0.40g/t Au to 0.50g/t Au; transitional: 0.50g/t Au to 0.60g/t Au; fresh: 0.60g/t Au to 0.70g/t Au
- h. Lafigué: 0.40g/t Au Kalana: oxide: 0.40g/t Au; transitional: 0.60g/t Au; fresh: 0.60g/t Au

## TECHNICAL REPORTS

The scientific and technical information relating to the Company's properties described in this AIF has been derived from or is based on the following technical reports, copies of which are available electronically on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's profile.

| Property         | Report                                                                                                          | Date Filed       |
|------------------|-----------------------------------------------------------------------------------------------------------------|------------------|
| Houndé           | Technical Report on the Houndé Gold Mine, Republic of Burkina Faso                                              | October 13, 2021 |
| Ity              | Technical Report on the Ity Gold Mine, Republic of Cote D'Ivoire                                                | October 13, 2021 |
| Mana             | Technical Report on the Results of the Siou Underground Prefeasibility Study at the Mana Property, Burkina Faso | December 1, 2021 |
| Sabodala-Massawa | Sabodala – Massawa Project Pre-feasibility Study National Instrument 43-101 Technical Report, Senegal           | October 13, 2021 |
| Wahgnion         | Amended Technical Report on the Wahgnion Gold Operations, Burkina Faso                                          | October 13, 2021 |

### 4.2 Boungou Mine, Burkina Faso

The following summary sets forth information concerning Endeavour's Boungou Mine, which is not considered to be a material property to Endeavour.

#### LOCATION

The Boungou gold deposits lie within the Boungou Permit Group located in eastern Burkina Faso. The property lies approximately 323 km east-southeast of Ouagadougou, the capital of Burkina Faso. The plant is centred on UTM coordinates 980,734 mE and 1,329,353 mN (WGS84 Zone 31 North).

Access to the site is by means of Route Nationale RN04, an all-weather bitumen road from Ouagadougou through Fada n'Gourma to the Ougarou junction. From there, travel is via a laterite road to the property 60 km to the southeast. Fada n'Gourma is the nearest town with basic hospital, hotel and limited resupply facilities.

The climate of Burkina Faso is semi-arid, with a rainy season from May to September, and a hot dry season from February to April. Access for exploration activities are limited during the rainy season.

#### OWNERSHIP

Boungou's mineral rights comprise of one mining exploitation permit (the "Boungou License"). The Boungou License is held by Semafo Boungou SA. Endeavour, indirectly through its subsidiary Semafo (Barbados) Ltd., holds a 90% stake in Semafo Boungou SA. The remaining 10% interest in Semafo Boungou SA is held by the State of Burkina Faso. Pursuant to its mining convention with the State and local legislation, Endeavour is to pay the State of Burkina Faso a 3% to 5% royalty, on a sliding scale based on prevailing gold prices (i.e. all shipments with gold spot prices lower or equal to \$1,000 per ounce are subject to a royalty rate of 3%, a 4% rate is applied to all shipments with gold spot prices between \$1,000 and \$1,300 per ounce, and a 5% royalty rate is applied on all shipments with a gold spot price greater than \$1,300 per ounce). Boungou's tax rate is 27.5%.

The Boungou License has a perimeter of 29.06 km<sup>2</sup> and will expire on January 22, 2024. It remains renewable for consecutive five-year periods.

## HISTORY

No exploration is known to have occurred on the Tapoa permit group prior to 2010 when Orbis Gold Limited ("Orbis Gold") commenced soil and rock chip sampling. The soil and rock chip sampling were followed up in 2012 with a regional RC drilling program that resulted in the discovery of the Boungou gold deposit. Resource drilling commenced at Boungou in 2012 and culminated with an initial mineral resource estimate being completed by Snowden in August 2013, which was classified and reported in accordance with the 2004 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Orbis Gold completed further infill drilling at Boungou in 2014 and the mineral resource estimate was updated by Snowden in August 2014 and was classified and reported in accordance with the 2012 edition of the JORC Code. In February 2015, SEMAFO acquired Orbis Gold. A conversion of the resource from JORC Code to NI 43-101 was completed by Snowden in March 2015 for SEMAFO and reported in accordance with NI 43-101 regulations. Between March 2015 and August 2015, SEMAFO completed an infill drilling program at Boungou aimed at upgrading the confidence in the resource estimate along with exploring targets proximal to the resource area.

No modern production of gold has occurred within the Tapoa permit group. The central part of the Boungou exploration permit has artisanal activity along the north-to-south trending drainage system. Extraction of gold by the local community from artisanal workings has occurred for an unknown period of time, with free gold recovered by gravity methods in gold pans or through simple sluicing methods. The vertical extent of the workings is unknown, however it is believed to reach a maximum depth of approximately 20 m to 40 m, although the vast majority of the workings are less than 5 m deep. Snowden noted that the deeper workings are extremely localized and limited in extent. The total tonnage and grade of material extracted from artisanal workings at the Boungou gold deposit is unknown, however it is not considered to be material to the current mineral resource estimate.

## GEOLOGY

The Tawori exploration permit (initially the Boungou exploration permit), which contains the Boungou gold deposit, lies within the Diapaga greenstone belt, a northeast-southwest orientated belt that extends over 250 km in length and over 50 km in width. Endeavour holds four contiguous permits, collectively known as the Tapoa permit group, covering approximately 70 km in strike length along the Diapaga belt.

The stratigraphy at Boungou is relatively simple and quite consistent from hole to hole. The stratigraphy consists of two volcanic flows separated by a volcanoclastic unit. The footwall flow generally progresses upwards from a massive basalt flow to pillowed flows followed by flow breccia and volcanoclastics. The hangingwall is characterized by a medium grained volcanic flow (or sill). All these units are intruded by diorite and/or granodiorite sills, possibly originating from the felsic intrusion located immediately west of the deposit. Late dolerite dykes are also present and appear to be sub-vertical and strike northwest. The Boungou Shear Zone, which hosts the main gold mineralization at Boungou, is located at the contact between the footwall and hangingwall volcanic units, where the volcanic flow top breccias have formed and the volcanoclastics deposited. The contact zone is thought to have served as an area of weakness, focusing the deformation. While the volcanoclastic units are not always present (although the intensity of the alteration can make it difficult to identify), the flow top breccias are interpreted to be ubiquitous across the deposit area.

The Boungou gold deposit can be described as a West African shear zone hosted greenstone gold deposit. The main mineralized lode is interpreted as a flat-lying anticlinal shear that outcrops in the southeast and plunges gently to the northwest. The mineralization has a strike length of approximately 2 km, striking towards a bearing of 315° and an across-strike length of approximately 1 km (towards 45°). The mineralization is gently folded with the fold axis oriented along strike and the limbs dipping gently at approximately 15°.

Gold mineralization is associated with biotite and silica-sericite alteration, along with disseminated sulphides, such as pyrrhotite, pyrite and minor arsenopyrite and chalcopyrite, with occasional free gold. The mineralization is structurally controlled and is hosted primarily within a large shear zone and its associated alteration. Arsenopyrite is almost invariably associated with the presence of gold in assayed samples. The percent arsenopyrite

logged can be used as an initial identification of the mineralized lode. Although not common, visible gold has been observed in core in some drill holes.

## EXPLORATION

Regional soil sampling and rock chip sampling programs were commenced by Orbis Gold in 2010 and permit scale mapping was conducted during the 2014 field season. SEMAFO updated the works in 2015 to identify areas for detailed investigation.

Orbis Gold defined a large-scale high order (+50 ppb Au) gold-in-soil anomaly in the area surrounding the Natougou discovery. The soil anomaly, defined within a six km by four km survey area, includes multiple zones of higher-order anomalism that have received minimal exploration drilling to date. The higher order soil anomalies present as priority areas for follow-up exploration. A group of anomalous rock chip samples immediately to the north of the Natougou deposit coincided with the +50 ppb Au soil anomaly and are associated with extensive artisanal workings in the area.

Additionally, Orbis Gold completed 13 trenches between November 2014 and January 2015, with an average length of approximately 38m. All of the trenches were within the Boungou permit. The trenches were hand dug to an approximate depth of 1.5m and chip samples collected at one-metre intervals from the side wall close to the base of the trench. Nine of the trenches showed no significant intersections. The best results were obtained from trench BOTR006, which returned an intersection of 9m at 9.43 g/t Au (horizontal width; not true width) based on a lower cut-off of 1 g/t Au (or 12m at 7.15 g/t Au if a lower cut-off of 0.2 g/t Au is used).

In 2018, an exploration budget of \$4.96 million contributed to the drilling of 55,512m of RC (526 holes), 615.10 m of DD (three holes) and 26,480 m of auger (1,911 holes). On the mine permit, a total of 213 RC holes were drilled targeting various extensions to the mineralization around the open pit designs. A total of 78 RC holes were completed on the Tawori permit targeting the continuation of the Boungou Main Shear mineralization, as well as 609 auger holes at the Osaanpalo Target as infill to reconnaissance auger lines drilled in previous years. On the Dangou permit 1911 auger holes were completed on the Dangou Centre target. Promising results were followed up with 105 RC holes. A further 131 RC holes and three DD holes were completed at the Dangou NE target, following up on anomalous rock chip values collected from an artisanal working site.

In 2019, an exploration budget of \$4.02 million contributed to the drilling of 24,496 m of RC (222 holes), 587.00 m of DD (3 holes) and 8,169 m of auger (807 holes). On the mine permit, 17 RC holes were drilled targeting extensions to the mineralization around the open pit designs. A total of 110 RC holes were completed on the Tawori permit targeting the continuation of the Boungou Main Shear mineralization, with the program supporting positive results from 2018. At the Osaanpalo Target, 13 RC holes and 807 auger holes were completed to follow up on previous years drill results. On the Dangou permit 35 RC holes drilled on the Dangou Centre target produced irregular but anomalous intercepts requiring further interpretation before follow-up drilling. At Dangou NE, a further 30 RC and three DD holes were drilled to investigate possible mineralized trends highlighted by previous drill results in the artisanal workings. Exploration activities further afield on the permits was restricted due to the security incident in late 2019.

Endeavour spent a total of \$1.0 million in 2020 following the integration of Boungou. Exploration activities resumed in Q4-2020 with a total of 3,921 m of reverse circulation from 61 holes drilled to test for high grade pockets in the future high wall between the East and West Open pit designs.

In 2021, an exploration program of \$7.0 million was planned, of which \$5.4 million was spent consisting of 25,700 metres of drilling across 280 drillholes. Exploration efforts were focused on delineating near mine targets including Natougou Northwest, Boungou Northwest and Boungou North. At Natougou Northwest, drilling delineated a zone of higher-grade mineralization trending north to northwest that remains open towards the Boungou North and Boungou Northwest targets. In 2022, drilling will focus on evaluating the targets along this trend.

## **SAMPLING AND DATA VERIFICATION**

Samples used for resource estimates at Boungou are from exploration and grade control drill chips from RC drilling or core from diamond drill drilling.

Reverse circulation samples are collected from every one-metre drill run in pre-labelled plastic bags directly from the cyclone on the drill rig. Approximately 30 kg to 40 kg of material is reduced using a tiered riffle splitter to obtain a subsample of about 2 kg which is packed in a poly bag. Sample tickets are placed into each poly bag, and the hole ID and sample depth recorded on the remaining ticket stub. The riffle splitter is cleaned after each sample with compressed air. A second split of the same size is kept on-site for reference, and the rest of the RC-sampled material discarded. A small sample of chips from each one-metre interval is removed with a sieve, washed and placed in labelled chip trays for logging and future reference. RC samples are generally dry when they descend from the RC rig cyclone. Sample bags are then transported to the on-site sample management facility for preparation for dispatch to the laboratory. Quality control samples, including certified reference materials and blanks, are inserted into the drill sourced sample stream at the sample management facility prior to dispatch.

Diamond core samples are collected on a maximum of 1.2 m intervals or to the lithological/alteration/mineralization boundaries, with a minimum sample length of 0.2 m. The core is cut in half lengthwise using a diamond saw and the sampled half core placed in a plastic bag and labelled with the hole ID and depth. A sample ticket labelled with the hole ID and depth is also placed in the bag. Quality control samples are also submitted inserted into the drill sourced sample stream. The other half is retained for reference in core storage shelters at the Boungou exploration camp.

Boungou has an on-site laboratory owned by Endeavour and operated by WESTAGO. The laboratory is not accredited, but regularly participates in international proficiency testing programs. In addition, Mana mine's site laboratory facilities (Mana Lab) is owned and operated by Endeavour. This laboratory is also not accredited, but regularly participates in international proficiency testing programs and acted as referee lab for the annual check assay as part of the quality control process. Premerger in 2020, both exploration and mine samples were processed at the Mana and Boungou laboratories. Quality control samples, including reference materials and blanks, were submitted with the exploration and mine grade control samples.

After the merger with Endeavour Mining in 2020, mine grade control samples continue to be processed at the Boungou on-site laboratory. Exploration samples however, are submitted to ALS Burkina laboratory in Ouagadougou, Burkina Faso. ALS Burkina is part of the ALS Group of laboratories that operates under a global quality management system ISO 9001:2008 and participates in international proficiency testing programs. The Ouagadougou lab is accredited by West African Accreditation System (WAAS) with accreditation certificate number ES20005. Quality control samples, including reference materials and blanks, are submitted with the exploration samples.

The Quality Assurance/Quality Control ("QA/QC") measures employed at the Boungou project include the insertion of blank samples ("blanks"), certified reference materials ("CRM"), and field duplicates. The CRMs are supplied by ROCKLABS Limited, Geostats and OREAS for a variety of gold grade ranges and oxidation states suitable for this type of deposit. All exploration related assay data, laboratory management, QA/QC data analysis / authorization and reanalysis management is reviewed, processed, and managed by the Endeavour Exploration central database team following group policies and validation procedures based on industry standards. The team is project independent. Assays that exceed industry standard failure thresholds are investigated and resubmitted for re-assay, if deemed necessary. Additionally, umpire assaying of a set number of sample pulps at a secondary laboratory is performed on a yearly basis as an additional test of the reliability of assaying results.

Mine grade control assay data, laboratory management, QA/QC data analysis/authorization and reanalysis management is reviewed, processed, and managed by relevant mining team personnel.

Up to the merger with Endeavour Mining, exploration drilling data was entered directly into a laptop using Geobank Mobile software and thereafter synchronized and transferred into a central database using the Geobank data management system from Micromine. A set of predefined validation rules were run on the data as part of the importation process. Final data validation, including geological and survey data, was carried out by project geologists and/or database geologists. A separate set of validation steps were followed for assay data after it was imported into Geobank.

Post-merger, exploration drilling data is captured on paper logs and later electronically captured via data entry into the DataShed based database management system (DBMS) in the exploration office. A set of predefined validation rules are built into the DBMS controlling errors. Data validation continues by the onsite database administration team, and project geologists. Final audits are undertaken by the Endeavour Exploration central database team. All assay and QA/QC data is managed and audited by the Endeavour Exploration central database team.

Grade control drilling data was, and continued, to be handled through Datamine Fusion data repository and management suite. Data are transferred and stored through secure connection to local-based and central corporate servers.

Sampling and logging procedures are reviewed periodically by the relevant QP and have been found to be appropriate and conducted to industry standards. The genetic model adopted is appropriate and represents the mineralization at Boungou. The database used for the resource estimate was generated in a credible manner and properly assembled and is therefore suitable for use in estimating the mineral resource.

#### **MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES**

See the Mineral Reserves and Mineral Resources table above for information on the mineral reserves and mineral resources.

Mineral resources for the Boungou mine were estimated in one model for the entire deposit. The resources were divided by mine areas of West, East, West Flank, East Flank, and North for reporting purposes. The active mining areas were depleted for mining in 2021. The resource model for Boungou was updated in 2021 based upon new drilling data and interpretations.

The main modeling methodology involves creating wireframe models from logged drill hole data for weathering profiles, mineralization domains and significant lithology to be used as boundaries for bulk density determinations and mineral resource estimation. The wireframe modeling was completed using LeapFrog Geo software. Block modeling was completed using Datamine software. Standard statistics for raw gold assays were analyzed for modeled mineralized zones to determine appropriate gold grade capping levels. Capping levels were applied either to assays prior to compositing, or to one-metre composites generated from one-metre assays, to limit the influence of high-grade outliers for all deposits. Run-length composites were generated inside mineralization wireframes.

Block gold grades were estimated using the Ordinary Kriging (OK) estimation method. The block grades were estimated through multiple estimation passes using increasingly larger search distances, either based on variograms, or visual checks of grade and geological continuity.

CIM definitions were followed for mineral resource classification. Resource classification is primarily based on drill hole spacing and continuity of grade. In addition, qualitative criteria were used to outline areas of measured, indicated, and inferred mineral resources. Resource classification wireframes were created on section to ensure that only areas, which could be considered as continuous, were classified together.

For reporting of open pit mineral resources, open pit shells were produced for each of the resource models using Whittle open pit optimization software using the Lerchs-Grossman algorithm. Only classified blocks greater

than or equal to the open pit cut-off grades and within the open pit shells were reported. This is in compliance with the CIM (2014) resource definition requirement of “reasonable prospects for eventual economic extraction”.

## **MINING METHOD**

Mining uses a conventional open-pit mining method, with hydraulic excavators in backhoe configuration to mine both the mineralized zone and waste. The majority of the rock requires blasting and only the softer material located within the top 5m to 10m of the deposit is free digging and loaded directly by hydraulic excavators.

Mine production was halted on November 6, 2019 due to a security incident on the main route to Boungou. The Boungou Mine was put on care and maintenance for the rest of the year. On February 6, 2020, the Boungou plant was restarted and began processing the stockpile. Open pit mining restarted in July 2020 with a local contractor undertaking load and haul. Full contract mining with SFTP contractors started on October 15, 2020.

Golder Associates carried out the geotechnical analysis and design studies at Boungou Deposit for Orbis Gold between 2013 and 2014 and provided the geotechnical design criteria for Boungou open pits: batter angle, batter height, berm width and Inter-Ramp Angle (“IRA”) for various geotechnical domains. Rock mass characterization indicated a very thin Saprolite/Saprock domain (7 m to 15 m thick) underlain by very strong and competent metabasalts and metavolcanic sediments fresh rock mass domain. Structural fabric (joint and bedding) control pit wall stability.

The average annual rainfall at Boungou is 784 mm, with a wet season from June to September. The geology of the pit comprises metabasalts and metavolcanic sediments with a relatively flat mineralized shear zone. Historical records indicate that dewatering rates peak in August (90000 m<sup>3</sup>). Groundwater contribution is in the order of 5000 m<sup>3</sup>/month (167 m<sup>3</sup>/day).

Open pit mine production at Boungou averages approximately 3,600 t/d of ore in bedrock, from the West, East and West Flank pits, that can be blended with ore currently on the Rompad up to 4,000 t/d for processing in the mill.

Pit optimization was conducted using Datamine’s NPV Scheduler software based on the Lerchs-Grossman algorithm at \$1,300 /oz base gold price allowing only measured and indicated material for the processing, and treating all inferred material as waste.

The production, drilling and blasting operations are carried out on 6m benches on ore and 9m bench on waste. To be able to achieve the best degree of selectivity, ore mining is undertaken on a 2 m flitch. The highly weathered (strongly and moderately oxide) zone is amenable to free digging or soft blasting. Emulsion is used in both wet and dry blasting conditions for efficiency.

Grade control drilling is carried out by a same mining contractor and the samples are tested at the in-house laboratory. Sampling commences with grade control drilling ahead of the mining front, aimed at assisting the short to medium term mine planning process. The grade control is based on 127 mm diameter RC drilling and sampling practice. A grade control pattern of 10 m x 10 m is used for 30 m vertical deep and 1.0m vertical sampling intervals.

In 2021, a total of 26.4 Mt material was mined and 1.4 Mt of ore was moved from the pits at an average grade 3.6 g/t containing 167 koz of gold. A total of 1.35 Mt of ore was processed at an average gold grade of 4.1 g/t containing 177.5 koz at an average recovery rate of 95%, producing 174.3 koz with the removal of some additional gold from the circuit together with the 168.9 koz recovered gold.

## **METALLURGY AND MINERAL PROCESSING**

In general, the Boungou primary ore is an abrasive, competent ore with above average comminution energy requirements. The ore has a high-gravity recoverable gold content; leach kinetics are very slow when gravity is not

included in the flowsheet. High dissolved oxygen levels and lead nitrate are required to achieve fast leach kinetics and adequate gold recovery. Anticipated lime consumption for primary ore is low to moderate, provided good quality water can be provided on site. Cyanide consumption is moderate. High lime consumption will be experienced when oxide ore forms part of the feed blend.

A detailed metallurgical testwork program was undertaken that focused on primary ore from the Boungou gold deposit. Quantities of oxide ore presented to the process plant are expected to be around 1% of reserves and as such, this ore type was not included in the master composite work. However, it was tested in the variability work. The detailed testwork was carried out from March 2013 to August 2015 under the direction of Lycopodium, with input from the former owners, Orbis Gold and later SEMAFO, using HQ and PQ (123 mm) drill core recovered from both resource and metallurgical drilling campaigns.

The metallurgical treatment route selected has been based on the results of the testwork program and includes processing ore at 4,000 tpd via the following unit process operations:

- › Single-stage primary crushing with a jaw crusher to produce a crushed product size of 80% passing (P80) of 133 mm.
- › Mill feed surge/overflow bin that overflows to an 8,000-tonne stockpile to provide 48 hours of capacity. During extended periods of up to two days for primary crusher equipment maintenance, ore from the stockpile will be reclaimed by a loader to feed the grinding circuit.
- › The grinding circuit is a SATMC type, which consists of a closed circuit semi-autogenous grinding ("SAG") mill, a pebble crusher for SAG mill discharge oversize and a closed-circuit tower mill to produce a P80 grind size of 63 µm.
- › A gravity gold recovery circuit.
- › Hydrocyclones are operated to achieve a cyclone overflow slurry density of 27% solids to promote better particle size separation efficiency. Subsequently, a pre-leach thickener is included to increase slurry density to the leach circuit, minimize leach tank volume requirements and reduce overall reagent consumption.
- › Leach circuit with five tanks to achieve the required 36 hours of residence time at nominal plant throughput. Carbon-in-pulp carousel circuit consisting of seven stages is a carbon adsorption circuit for recovery of gold dissolved in the leaching circuit.
- › AARL elution circuit with gold recovery to doré. The circuit includes an acid wash column to remove inorganic foulants from the carbon with hydrochloric acid.
- › Charged solutions (obtained during elution and intensive cyanidation) are both sent to the refinery and processed in separate electrolysis cells.
- › Carbon regeneration kiln to remove organic foulants from the carbon with heat.
- › Tailings thickener to increase slurry density for water recovery prior to tailings discharge to the tailings storage facility.

The processing facility also includes water, air and oxygen services (storage and distribution), and reagent and grinding media storage.

The variability testwork showed that overall gold recoveries for the Boungou primary ore ranged from 84% to 99%. There was a distinct relationship between recovery in the gravity stage and overall recovery. LOM head grades for the process plant are expected to average 4.15 g/t Au with a gold recovery of 92.9%. The results suggest that the residue grade is moderately correlated with the amount of coarse gold in the sample (measured by % gold in +75 micron fraction of the screen fire assay), arsenic head assay, and gold head assay.

As silver residue grades are frequently at the assay detection limit and no trend with head grade is apparent, it is recommended that a simple arithmetic average of all the silver recovery figures be used i.e. 67%.

Following construction and commissioning of the site, commercial production was achieved on September 1, 2018. For the remainder of the year, a total of 76,138 oz was produced (or 63,605 oz excluding the commissioning period).

#### **ENVIRONMENTAL, PERMITTING & SOCIAL**

Several environmental studies were conducted from 2013 onwards to document the sensitive environmental and social components of Boungou. A comprehensive environmental and social impact assessment ("ESIA") was completed in Q2 2016.

Several environmental permits have been granted covering the active mining areas and surrounding the current pits namely East pit and East flank, West pit and West flank, and process plant, tailings storage facility, mining and surface infrastructure.

In 2017, a resettlement action plan ("RAP") for the location of the Boungou village was completed and successfully implemented. A total of 165 concessions and 900 people were relocated. The new village opened in October 2017 and community infrastructure includes water boreholes, a school, a livestock vaccination pen, a church and mosque.

A range of programs to support impacted local communities have also been implemented. In 2021, these included support to education and health facilities and Income Generating activities.

For the year ended December 31, 2021, the Boungou Mine contributed \$ 3.76 million to the government-mandated Local Development Mining Fund, which requires a contribution of 1% of revenue.

#### **INFRASTRUCTURE**

The infrastructure at site supports the 4,000 tpd (1.34 Mtpa) mining and processing facility.

Power is generated on site from hybrid heavy fuel oil and light fuel oil generators, generating approximately 15.5 Megawatts. For the throughput of 1.34 Mtpa, an estimated 48.3 kWh/t is the total power consumption (30.9 kWh/t for crushing and milling, and 17.4 kWh/t for the remaining plant). The power plant has a total installed capacity of 15.5MW, and can accommodate a peak demand of 11.6 MW, and an average running demand of 7.9 MW, with the configuration of 3 x 2.5 MW medium speed HFO units and 5 x 1.6 MW high speed diesel units.

The electrical system is based on 6.6 kV distribution and 400 V, 50 Hz working voltage. The 6.6 kV feeder from the power plant feeds the site distribution 6.6 kV switchboard. For the process plant the 6.6 kV supply is stepped down to 400 V at each switchroom. 6.6 kV overhead power lines provide power to various remote facilities (TSF pumps, bore pumps, WSF pump, water storage supply dam pumps, etc.). Pole mounted transformers step down the voltage at each location and supply an outdoor 400 V switchboard local to each equipment area. The staff camp power is supplied from a local MCC/transformer fed from the 6.6 kV overhead line.

Bulk fuel supply is provided by TOTAL. There is an onsite fuel storage facility with approximately three-week storage of HFO (800 m<sup>3</sup>) and diesel (1,155 m<sup>3</sup>) for HFO. Day storage tanks are provided at the power plant and in the process plant. Diesel fuel dispensing is also provided for the mine trucks and light vehicles.

A common potable water system is provided for the accommodation camps and process plant usage and is located at the staff camp and distributed to the various users. Water is delivered via a reticulation system using a constant pressure variable flow pump system. The pump skid includes a UV disinfection unit to provide additional security against contamination.

The TSF has been designed to store 10 Mt of tailings generated by the process plant required for the LOM with tailings being produced at a rate of 1.34 Mtpa. The selected site is located 800m to the north-east of the process plant and requires a single embankment along its south and western extents with a total embankment length of 1,665 m and with a maximum embankment height of approximately 24 m at the southwest corner. The eastern and northern margins of the storage facility are confined by a natural laterite ridge line, and therefore no supporting embankment is required along these margins. The tailings beach surface at full capacity covers an area of approximately 76.5 hectares. Tailings are pumped to the TSF as a slurry at 62% to 65% solids and are deposited sub-aerially to facilitate drying and consolidation of the tailings mass. A total of six lifts will be required throughout the LOM which correspond to a lift every 1.5 years. The stage three lift was completed in September 2021. The last audit of the TSF by was conducted in Q3 2021 by Knight Piésold. No points of material concern were noted in its report.

Geochemical testing of two composite tailings samples were conducted and found to be non-acid forming but were highly enriched in arsenic which was soluble under the pH conditions anticipated in the TSF. As a result of the high arsenic in the tailings solids and supernatant, a robust seepage control system comprising an above liner underdrainage system, a geomembrane liner overlying a compacted in-situ low permeability sub-base, and a sub-liner seepage recovery drain were included in the design.

The total water demand for the site is estimated at between 1.1 and 1.4 Mm<sup>3</sup> per year. The water demand for the process plant amounts to 0.75 Mm<sup>3</sup>, which includes the process raw water requirement of 0.25 Mm<sup>3</sup>. The demand is met from TSF decant, pit dewatering (including precipitation on the pit area), runoff from the ROM pad and plant site and sediment impacted runoff collected in the sediment control ponds. The balance of the water demands is made up of raw water harvested from the groundwater and surface water sources. Raw water demand at Boungou is met from two creeks located to the east and west of the process plant and water harvested from the sediment ponds located around the site. There is an east water supply dam 1.5 km to the northeast of the processing plant and a west water supply sump 2.0 km to the west south-west of the processing plant. In addition, there is a raw water pond that acts as a supplementary water storage facility. In 2021, raw water consumption averaged 0.517 m<sup>3</sup>/tonne. The actual level of water storage on site provides sufficient amount of water for more than a year of production.

## **CAPITAL AND OPERATING COSTS**

### ***Operating and Capital Costs (\$m unless stated)***

| <b>Item</b>                                         | <b>2021</b> | <b>2022 Guidance</b> |
|-----------------------------------------------------|-------------|----------------------|
| Sustaining capital                                  | 18.1        | 15.0                 |
| Non-sustaining capital                              | 22.9        | 19.0                 |
| Mine all-in sustaining costs per ounce sold (\$/oz) | 801         | 900 – 1,000          |

## **PRODUCTION, EXPLORATION AND DEVELOPMENT**

In 2021, Boungou produced 174 koz at an AISC of \$801/oz.

Boungou is expected to produce between 130—140koz in 2022 at an AISC of between \$900—1,000/oz.

Mining activities in 2022 will focus on Vindaloo Main, Kari Pump and Kari West. In H1-2022, ore will primarily be mined from Kari Pump, supplemented by Vindaloo Main, while stripping is underway at Kari West. In H2-2022, ore will be mined from Kari Pump and Kari West, once stripping has been completed. Mill throughput and recoveries are expected to decline slightly in 2022 due to changes in the ore blend.

Sustaining capital expenditure is expected to decrease from \$49.1 million in 2021 to approximately \$44.0 million in FY-2022, with FY-2022 expenditure relating mainly to waste extraction and fleet re-builds.

Non-sustaining capital expenditure is expected to remain broadly consistent with the \$17.1 million in 2021 at approximately \$18.0 million in 2022. The 2022 expenditures are mainly related to waste stripping, resettlement and associated mine infrastructure in the Kari area and completion of a TSF wall raise.

An exploration program of \$4.0 million is planned for 2022 with drilling focused on expanding the footprints and defining resources at Natougou Northwest, Boungou North, and Boungou Northwest. In addition, reconnaissance drilling to the north of Boungou will follow up on geochemical and geophysical anomalies at the Osaanpalo and Tawori targets.

### **4.3     Houndé Mine, Burkina Faso**

Information in this section is derived substantially from the technical report titled "Technical Report on the Houndé Gold Mine, Republic of Burkina Faso", dated effective December 31, 2019 (the "Houndé Report") prepared by prepared by Mark Zammit of Cube Consulting Pty Ltd, Gerard De Hert, a former employee of Endeavour, and Salih Ramazan, and Kevin Harris, each of whom is an employee of Endeavour and all of whom are Qualified Persons under NI 43-101. To obtain further information readers should consult the Houndé Report which is available for review electronically on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's profile.

Unless otherwise indicated, technical information disclosed herein since the release of the Houndé Report has been updated under the supervision of, or reviewed, in the case of resources, by Kevin Harris, CPG, Vice President Exploration at Endeavour, and in the case of mining and reserves, by Salih Ramazan, FAusIMM, Vice President Mine Planning at Endeavour, each of whom is a "Qualified Person" under NI 43-101.

#### **LOCATION**

Houndé is located approximately 250 km southwest of Ouagadougou, the capital city of Burkina Faso. Access is by following the sealed national highway (N1) to Houndé town. Immediately south of the town, a 1 km sealed road leads to the mine gate. Mine infrastructure is also less than 1 km away from a national 225kV power line that extends from Côte d'Ivoire through to Ouagadougou. The nearby town of Houndé is the centre of the Houndé municipality which has a population of approximately 50,000. A rail line that extends from the port of Abidjan, Côte d'Ivoire through to Ouagadougou, passes through the town of Boromo which lies approximately 25 km west of the mine site. The plant is centred on UTM coordinates 441,375 mE and 1,263,174 mN (WGS84 Zone 31 North).

#### **OWNERSHIP**

Endeavour, indirectly, owns the 1,324.17 km<sup>2</sup> Houndé mineral titles, situated in the south-western region of Burkina Faso. It is comprised of 12 exploration permits (1,183.1km<sup>2</sup>) and two exploitation permits (Houndé and Bouéré Dohoun). The Houndé exploitation permit is held by Houndé Gold Operation SA ("HGO"). The Houndé exploitation permit was initially granted to HGO on February 5, 2015 covering 23.20 km<sup>2</sup> before being extended on the Kari area to reach 61,79 km<sup>2</sup> on July 16, 2020 and subsequently amended on December 31, 2020. It is valid until February 5, 2035. It may be renewed for consecutive five-year periods until deposits are depleted. The nearby Bouéré Dohoun exploitation permit was granted to Bouéré-Dohoun Gold Operation SA ("BDGO") on January 23, 2017 covering 5.37km<sup>2</sup> and is valid until January 23, 2022. It may be renewed for consecutive five-year periods until deposits are depleted. HGO and BDGO are each held 90% by Endeavour and 10% by the Government of Burkina Faso. A royalty on both exploitation permits is owed to the Government of Burkina Faso based on a 3% to 5% sliding scale linked to prevailing gold prices. There is also a 2% NSR royalty in favour of Sandstorm Gold Ltd over a portion of the Houndé – Bouéré Dohoun permit area.

## HISTORY

Mineral exploration in the Houndé area began in 1939 by the Bureau de Recherches Géologiques et Minières and Bureau des Mines et de la Géologie du Burkina Faso and continued by various companies until 1982. Exploration was resumed in the 1990's by a number of companies that conducted regional geochemical surveys, which were then followed up by more detailed geochemistry, prospecting, mapping and RAB to RC drilling. Several gold targets were identified during this work. As a result of Endeavour's acquisition of Avion on October 18, 2012, Endeavour acquired Houndé. Endeavour initiated an in-fill drill program, which consisted of 358 holes (40,534 m), over the Vindaloo and Madras NW zones in late October 2012, with the goal to upgrade the mineral resources. Including this most recent drill program, 751 core and RC holes (103,677 m) along the trend of the Vindaloo and Madras NW zones were completed by Endeavour (or predecessor companies) by 2013. All of this data was incorporated into section sets, interpreted and used in the updated mineral resource estimate. This new resource estimate was used as the basis for a feasibility study and NI 43-101 technical report to assess the economic viability of the project.

The report was finalized in October 2013 with a positive conclusion concerning a development decision for the project given the favourable economics.

Construction was completed in October 2017 ahead of schedule and \$15 million below the initial capital budget of \$328 million. As construction was tracking ahead of schedule and below budget Endeavour decided to spend approximately \$21 million in addition to the initially planned works (mainly for a 26 MW back-up power station and fuel farm and to build Cell 2 of the tailings storage facility), bringing the total investment to \$334 million.

Houndé achieved the first gold pour on October 18, 2017 and nameplate capacity was reached by the end of October 2017. Following the rapid ramp-up period, commercial production was declared on November 1, 2017.

## GEOLOGY

On the Houndé land package, six deposits have been discovered with Vindaloo being the main and historical one leading to the construction of the mine. The six deposits are Vindaloo, Bouéré, Dohoun, Kari Pump, Kari West and Kari Center. Bouéré, Dohoun, and Kari Centre are small satellite deposits while Vindaloo, Kari Pump and Kari West host most of the current resources and are summarized in this section. In 2021, extensions of the Kari Centre deposit included the Kari Gap and Kari South deposits, a continuation of the same mineralizing system. Mambo is a new discovery, located on an exploration permit approximately 14 km north-northeast of the mine.

The Vindaloo deposits are hosted by Proterozoic-age, Birimian Group, intensely sericite- and silica-altered mafic intrusions, similarly-altered, strongly foliated and altered intermediate to mafic volcanics and occasionally sediments. The mineralization is often quartz stockwork style and is weakly to moderately pyritic. The Vindaloo trend has been drill tested for a distance of approximately 7.7 km along strike and up to 350 m in depth. The intrusion-hosted zones range up to 70 m in true thickness and average close to 20 m true thickness along a 1.2 km section of the zone called Vindaloo Main. Volcanic and sediment-hosted zones are generally less than 5 m wide. The entire mineralized package strikes north-northeast and dips steeply to the west to vertical. The mineralization remains open both along strike and to depth.

Geologically, Kari Pump is underlain by andesite flows with minor volcano-sediment and sediments that are locally intruded by few diorite sills. Gold mineralization occurs within a sheared reverse fault (D2) that appears to be folded and dipping from 0° to 40° to the west-northwest and northwest. Observed clear alteration consists of pervasive creamy sericite, intermittent rhodochrosite, chlorite seams and pyritized quartz/carbonate veining. The laterite and saprolite are relatively thick at Kari Pump with an average thickness ranging from 50 m to 85 m.

At Kari West the weathered bedrock and saprolite thickness vary between 25 m and 75 m with thicker zones noted to the south. Laterite up to 20 m thick covers most of the area. The Kari West deposit is located in the hanging wall of a N240 trending and steep northwest-dipping lithological contact zone between dominantly meta-volcanic

units (hanging wall) and a dominant metasedimentary unit (footwall). The deposit was formed under purely brittle conditions. The mineralization of Kari West remains open down dip along the low angle structures and steeper and deeply rooted structures and open along the central extend of the deposit on the east (100 m wide) and on the west/southwest.

Kari Center area can be subdivided into three deposits which are Kari Center Main, Kari Gap, and Kari South. The three deposits are continuous, extend up to 3.2 km in length, and cover the same structurally controlled mineralizing system. The stratigraphy of those zones is composed of volcanic rocks interbedded with volcano-sediments and locally by graphitic sediments. The laterite thickness ranges between 12 to 20 m and the saprolite reaches in places 100 metres depth. Most gold at the Kari Centre Main, Gap and South is concentrated in multiple lenses of variable length and thickness within a northeast striking shear zone. The mineralization is associated with white quartz veins, sericite-albite alteration and disseminated pyrite. The mineralized lenses dip 50° towards the north-west. At Kari South the altered rocks commonly associated with gold mineralization host two mineralized structures. The first structure is oriented north northwest and dips steeply towards the east-northeast while a second structure trends 010° and dips 30° towards the east.

At Mambo, mineralized shear zones are interpreted to be exploiting the contact between a granitoid intrusive and hangingwall mafic volcanics. The mineralized trend has been defined over 1,400 m and remains open to the northeast, and at depth. The mineralized lenses range between 10-40 m thick, with higher grades concentrated at the contacts between the volcanics and the granitoid. The gold is hosted within pyrite, with no arsenopyrite observed in drill cuttings. Graphitic shear material has not been observed, and alteration is pervasive sericite with local silica flooding and quartz veining.

## EXPLORATION

Endeavour completed 40,534 m of drilling in 358 holes with a specific goal of upgrading the inferred in-pit mineral resources to indicated mineral resources and indicated mineral resources to measured mineral resources during the fourth quarter of 2012 and the first quarter of 2013.

Sterilization drilling led to the recognition of several parallel zones of gold enrichment, one of which, the Koho East zone, returned a drill intercept of 1.22 g/t Au over 21.0 m. Several of these zones have added resources to the project.

An extensive drill program was undertaken between June and November 2014. The program included 57,978 m of drilling, comprised of 110 DD holes (22,780 m) and 358 RC holes (35,198 m). The drill program successfully completed a number of objectives, including:

- › testing the extents of the Vindaloo Main mineralization at depth and on strike;
- › converting inferred mineral resources to indicated category along the Vindaloo trend;
- › testing mineralization at Bouéré, located 12km west of the Houndé process plant site; and
- › testing mineralization at Dohoun, located approximately 14km northwest of the Houndé process plant site.

No exploration or additional drilling was completed in 2015-2016. In 2017, a \$4 million exploration program totalling 69,700 m and 805 holes was completed. The 2017 exploration leveraged the 2016 data analysis, structural geology and ground geophysical analytical work. The focus was aimed at delineating high-grade targets at Bouéré and Kari Pump, and to perform reconnaissance drilling.

The 2017 campaign yielded positive results with the discovery of high-grade intercepts at both the Kari Pump target and the Sia/Sianikoui targets. Kari Pump is located approximately 7 km west-northwest of the Houndé process plant, within 1 km of the haud road that links the Bouéré deposit with the Houndé process plant haul road. The Sia/Sianikoui target is located further north, 1.5 km northeast of the Dohoun deposit.

Houndé was the primary focus of exploration work for Endeavour in 2018. A total of 165,700 m of drilling focused on the Kari anomaly. The programs enabled the estimation of a maiden mineral resource estimate at Kari Pump. The Company initiated geotechnical studies (internal) and metallurgical test work (ALS Metallurgy Perth) on Kari Pump as part of pre- feasibility studies.

Houndé was Endeavour's largest exploration focus in 2019 with a total of 174,710 m drilled. The drill programs focused on extending the mineralization of the Kari Pump resource and delineating maiden mineral resource estimates for both the Kari West and Kari Centre deposits, each located 3 km west and 1.8 km southwest, respectively, from the Kari Pump Deposit. As with Kari Pump, the two new deposits are all within 1km of the active haul road linking Bouéré and the process plant.

An exploration program of \$17 million totaling approximately 82,500 m was completed in 2020. The program was designed to delineate additional resources in the Kari area, where 46,500 m were drilled, and at the Vindaloo South and Vindaloo North targets. In addition, a small 18,500 m reconnaissance drilling program was completed at Sianikoui, Mambo and Marzipan, yielding positive initial results. Over 6,000 m were drilled for geotechnical and metallurgical purposes at Kari West, Kari Centre and Kari Gap, and 11,500 m were drilled for sterilization at Kari Pump.

The updated resource model in 2021 for Kari Center and Gap area, included an identification field for Carbonaceous material for each block at the transitional and fresh rocks. This material currently cannot be processed with the existing processing circuit, and they are treated as waste and not included as part of the Mineral Reserve. The remaining ore at the Transitional and Fresh zone, can be mined selectively and included as part of the Ore Reserve.

In 2021, an exploration program of \$7.0 million was initially planned, however given the exploration success during the year, \$13.9 million was spent, consisting of 75,300 metres across 668 drillholes. The exploration efforts were focused on Mambo (14km to the north-east of the processing plant), Vindaloo South, Vindaloo Deeps and the Kari area; including Kari Centre, Kari Gap and Kari South.

During 2021, exploration efforts delineated a maiden Indicated resource for Mambo, increased resources at the Kari Center-Gap-South area, and identified an initial maiden resource at the Vindaloo South target. Scout drilling beneath the southern end of the Vindaloo main pit identified a southward plunging higher grade zone which will be further investigated in 2022.

#### **SAMPLING AND DATA VERIFICATION**

RC drill samples were collected at one-metre intervals using dual tube, percussion hammer with drop centre bit. This same configuration was used on modified Air Core drills for regional programs.

RC and Air Core samples were split at the drill site using one tier or three tier riffle splitters based on bulk sample weight collected at the cyclone. The target was a two to three kilograms sample for Au analysis in addition to an equivalent backup reference sample. Bulk weights, analysis sample weights and reference sample weights were all recorded. All measures were employed to avoid collecting wet samples. However, if wet samples were generated the entire sample was dried and split using 1 tier and 3 tier splitting equipment. Representative samples for each interval were collected with a spear from the bulk sample bag and sieved into chip trays for geological logging and stored in a secure location.

Drill core (PQ, HQ and NQ size) samples were selected by geologists and cut in half with a diamond blade saw at the project site. Half of the core was retained in the core trays at the site for reference purposes. The average sample interval was approximately one metre in length and two to three kilograms in weight.

All aspects of sampling at the Kari and Mambo areas were monitored with a QA/QC program, compliant with NI 43-101 standards. This to ensure adequate internal quality control samples in each analytical batch: coarse

blanks, field duplicates and certified reference material (CRM) were inserted by geologists into the sample stream for verification of the analysis at the laboratory.

#### **MINERAL RESOURCE AND MINERAL RESERVE ESTIMATE**

See the Mineral Reserves and Mineral Resources table above for information on the mineral reserves and mineral resources.

Mineral resources for the Houndé mine are estimated for the deposits at Vindaloo-Madras-Koho, Dohoun, Kari Pump, Kari West, Kari Center-Gap-South, Dafra, Vindaloo South, and Mambo. The active mine areas at Vindaloo, Kari Pump, Kari West, Bouéré and Kari Pump NE were depleted for mining in 2021. The Bouéré and Kari Pump NE resources were mined to completion in 2021. The resource model for Kari Center-Gap-South was updated in 2021 based upon new drilling data and interpretations. New resource models were added at Vindaloo South and Mambo in 2021 based on new drilling data.

The main modeling methodology involves creating wireframe models from logged drill hole data for weathering profiles, mineralization domains and significant lithology for use as boundaries for bulk density determinations and mineral resource estimation. The wireframe modeling was completed using Geovia's Surpac software. Block modeling was completed using Surpac or Isatis software. Standard statistics for raw gold assays were analyzed for modeled mineralized zones to determine appropriate gold grade capping levels. Capping levels were applied either to assays prior to compositing, or to one-metre composites generated from one-metre assays, to limit the influence of high-grade outliers for all deposits. Run-length composites were generated inside mineralization wireframes.

Block gold grades were estimated using the Ordinary Kriging (OK), Inverse Distance Squared (ID<sup>2</sup>), or Localized Uniform Conditioning (LUC) estimation method. The block grades were estimated using multiple estimation passes using increasingly larger search distances, either based on variograms or visual estimates of grade and geological continuity.

CIM definitions were followed for mineral resource classification. Resource classification is primarily based on drill hole spacing and continuity of grade. In addition, qualitative criteria were used to outline areas of measured, indicated, and inferred mineral resources. Resource classification wireframes were created on section to ensure that only areas, which could be considered as continuous, were classified together.

For reporting of open pit mineral resources, open pit shells were produced for each of the resource models using Whittle open pit optimization software using the Lerchs-Grossman algorithm. Only classified blocks greater than or equal to the open pit cut-off grades and within the open pit shells were reported. This is in compliance with the CIM (2014) resource definition requirement of "reasonable prospects for eventual economic extraction".

#### **MINING METHOD**

The mining method at Houndé is conventional open pit mining including drilling, blasting, loading and hauling. Load and haul activities are owner operated. Contract service providers, SFTP Mining and African Explosives Limited ("AEL"), carry out drilling and blasting activities. Mining and processing of transition/fresh ore began in Q4 2017. In 2021, more oxide was mined as Kari Pump came into production. In 2022, Kari West will provide 1.0 Mt of Oxide mill feed to increase the oxide ratio for the total mill throughput from 40.1% in 2021 to 45.2% in 2022 and then oxide ratio drops to around 20 to 30% for the remaining LOM. Ore was mined from the Vindaloo Main, Vindaloo Central, Bouéré, Kari Pump and Kari West pits to feed the process plant in 2021. Bouéré pit was mined out to completion.

The in-pit material excavation is conducted by a fleet of eight Komatsu excavators consisting of one PC3000-8R, three PC 2000-8R and four PC 1250-8R. Material haulage is done by 35 Komatsu HD785-7 rear dump trucks. Key items of the ancillary fleet are nine dozers, four 50 m<sup>3</sup> water trucks and four motor graders. Ore mined is hauled to

the ROM pad and near ROM stockpiles. Waste mined from the pit is hauled to the waste dumps and other projects requiring waste material for construction (i.e. tailing storage facility, haul roads etc.).

The ore control strategy targeting delineation of ore and waste uses RC holes piercing multiple benches. The geological and assay information, obtained from 32 m deep inclined holes are sampled and assayed every 1 m to generate wireframes from sectional interpretation, for grade control block modelling and ore outline generation. The ore outlines are then used by geologists and surveyors for final ore/waste discrimination and in-pit mark-up. In 2018, Houndé introduced blast movement simulation technology to better predict movement of ore resulting from blasting as a key measure in reducing ore loss and dilution. Production drilling and blasting is performed on contract by SFTP with Sandvik DP1500s drill rigs on 9 m benches with one-metre sub-drill using 115 mm diameter drill bits. Blasted material is excavated in 3 m high flitches except for Kari pump flat ore body where 2.5 m flitches are commonly used and 1.25 m flitches in some areas.

During 2021, AEL provided down-the-hole blasting services. The AEL plant on site consists of an ammonium nitrate mixing shed for the manufacturing of bulk explosives and four 30 tonne capacity iso-tank containers for storage. The supply of detonators, boosters, bulk explosives, initiating systems and other explosives material into the site-based magazines for storage is the responsibility of AEL. A tender process for blasting services was carried out in 2021, with Maxam winning the tender and set to mobilize and begin taking on all of the associated services by mid-2022.

Waste rock dumps associated with mining operations are constructed to meet the stipulated guidelines of the Burkina Faso Mining and Explosive and Environmental Regulations. All areas earmarked for waste dumps are sterilized before dumping commences.

In 2020, 8 dewatering boreholes were drilled in Vindaloo Main, 3 boreholes in Vindaloo Central, 14 boreholes in Kari Pump and 10 boreholes drilled in Kari West (drilling completed in 2021). In 2021, 13 boreholes were developed from 16 pilot holes in Kari Pump. In 2022, a planned 13 boreholes will be developed from 16 pilot holes at Kari West stage\_3. A Slope Stability Radar was purchased in 2020 to allow for a 24/7 pit wall monitoring, and in 2022 a second Radar will be purchased to monitor Kari Pump pit walls. In 2021, a total of 49.9 Mt material was mined and 4.4 Mt of ore was moved from the pits at an average grade 2.16 g/t containing 305 koz of gold. A total of 4.6 Mt of ore was processed at an average gold grade of 2.13 g/t containing 316 koz at an average recovery rate of 92% producing 292 koz.

## **METALLURGY AND MINERAL PROCESSING**

The processing plant at Houndé consists of a carbon-in-leach ("CIL") plant with a nameplate capacity of 3.0 Mt per annum with SABC milling circuit with the following characteristics:

Crushing: The run of mine ore is delivered to a jaw crusher which reduces the ore to less than 200 mm. The crushed ore is then transferred to a surge bin with a nominal 1-hour capacity, the surge bin overflow is directed to an emergency stockpile. During normal operation, the crushed ore from the surge bin is transported to the grinding circuit via a conveyor. In case of a breakdown or maintenance of the crushing circuit, crushed ore is recovered from the emergency stockpile by a loader and directed to the surge bin.

Grinding: The primary grinding circuit consists of a standard SAG/Ball and Scats Crushing (SABC) circuit originally designed to treat 3.0 Mtpa to produce a ground ore where 80% is sub 90 microns in size. A portion of freshly ground ore is directed to the gravity circuit where coarse liberated gold is recovered and leached via an intensive leach reactor, followed by electrowinning and eventual gold recovery.

Leaching: Ore that is not recovered via the gravity circuit is screened to remove any extraneous trash (wood, plastic, etc.) then can either be sent to a thickener to increase the percentage solids in the leach slurry or pumped directly to a conventional CIL circuit. The CIL circuit consists of a series of six agitated tanks where gold is dissolved in the presence of cyanide and oxygen as the slurry flows sequentially from tank 1 to 6. The dissolved gold adsorbs

on the coarse activated carbon particles which are pumped in a counter-current direction from tank 6 to 1, becoming progressively more loaded with gold in the process.

Carbon Recovery: Once sufficiently loaded, by the time the carbon reaches tank 1, the carbon granules are pumped from the primary tank over a screen to remove the slurry. The clean carbon is then washed with hydrochloric acid to remove any acid soluble base metals and impurities, before being transferred to the elution circuit.

Elution and Gold Production: Cyanide caustic solution is circulated in the elution column and heated to 120 degrees Celsius. After sufficient time to enable the gold to be released from the carbon, the gold bearing solution is sent for electrowinning and eventual gold bullion production.

Tailing Detoxification and Disposal: The leached slurry, devoid of leachable gold exits the CIL where the free and weak acid dissociable (WAD) cyanide are destroyed through the INCO cyanide detoxification process. In this process sulphur dioxide, oxygen and copper sulphate are agitated in the tailings stream to destroy the remaining cyanide complexes. The detoxified tailings are pumped to a HDPE plastic lined TSF, where the solid and liquid phases separate. The liquid phase is recycled back to the process plant and the solids allowed to dry and compact in the TSF.

## **ENVIRONMENTAL, PERMITTING & SOCIAL**

A comprehensive ESIA was completed in 2014. Environmental permits have been granted covering the open pit mining operations, the process plant and surface infrastructure.

An ESIA was completed for Bouéré Dohoun operations in 2016 and for the Kari Pump project in 2020.

In 2018, a RAP for the resettlement of the Bouéré village was completed and successfully implemented. A total of 31 concessions were built, relocating about 130 people. The new village opened in June 2019 and has solar powered boreholes for water supply as well as two water wells.

A RAP was completed in 2020 for the Kari Pump deposit area, following the granting of a mining permit extension by the Burkina Faso Government for the Kari Area. Approximately 142 households, representing 694 inhabitants, is currently being relocated to a new village. The Kari West and Kari Center resettlement of approximately 74 households is expected to be completed Q3 2022.

A range of programs to support impacted local communities have also been implemented. In 2021, these included support to education with university bursaries for 25 youths, support to health facilities around the mine, access to water with the construction of boreholes.

For the year ended December 31, 2021, the Houndé Mine contributed \$6.71 million to the government-mandated Local Mining Development Fund, which requires a contribution of 1% of revenue.

## **INFRASTRUCTURE**

The TSF consists of a two-cell, paddock storage formed by multi-zoned earth-fill embankments (surrounded by waste rock on all four sides). It comprises a cleared and grubbed basin, a composite soil/HDPE liner, a basin underdrainage system and a pump out decant system. It is located adjacent to the Vindaloo pit and processing facility and forms part of the original project design and capital budget. The facility is designed to be raised in stages (every 1-2 years) over the mine life using downstream embankment construction techniques. The Houndé TSF was designed and is audited by Knight Piésold. The original impact assessment carried out by Knight Piésold, including a dam break scenario, indicated a high consequence in the event of a wall failure and the tailings embankments were designed to reduce this risk.

Closure at the end of the mine life will require covering the surface with 0.5 m of broken rock. The stage four and five raises were successfully completed in 2020. The deposition of bulk zone C fill material for stage six wall raise is underway and is expected to be completed by the end of 2021. The placement of engineered fill is expected to commence at the end of 2021. All stages of construction conform to American, Australian and local guidelines. Inspections are done on a regular basis and includes an annual audit by the Engineer of Record (EoR – Knight Piésold) which was last completed during Q3 2021 with no significant adverse findings.

Power for the processing plant is supplied from the grid via a 38 km long, 225 kV overhead power line where the nearest substation is located near the town of Pa. A power supply agreement has been entered into with SONABEL, the state power company. A Caterpillar high speed diesel back-up power station has been installed to provide 100% redundancy.

Raw water is pumped from a water harvest dam and bores to a surge tank ahead of a treatment plant. Water from this surge tank is pumped on demand to the plant raw water tank. The raw water tank has sufficient capacity to minimize the impact of short-term supply interruptions. Duty/stand-by water pumps are provided for the raw water distribution to the plant.

Filtered water for the process plant is produced by treating raw water in the filtered water treatment plant. The treatment plant consists of clarification through flocculant addition, sand filtration, carbon filtration and biocide dosing. Filtered water reports to the filtered water storage tank and is distributed to the plant as required using duty / stand-by pumps. Filtered water is supplied to the plant potable water treatment plant, which includes micro filtration, ultra-violet sterilization and chlorination processes. Potable water is stored in the plant potable water tank and is reticulated to the site ablutions, safety showers and other potable water outlets. Transfer pumps also feed water to a separate camp potable water tank for reticulation. Additional ultra-violet sterilization units are installed on outgoing potable water distribution headers.

Process water is pumped from the TSF decant to the plant process water tank. The plant process water consists of TSF decant return water and raw water tank overflow. The process water tank is located such that the raw water tank overflows to the process water tank allowing the process water tank to be kept full at all times.

Fuel storage comprises of two 800 m<sup>3</sup> double skinned self-bunded fuel storage tanks and pump skids located within the mining services area. This provides sufficient fuel for the needs of the mining fleet and emergency power for three months if there is any disruption of fuel supply. The fuel farm is managed by the fuel supplier (TOTAL) with fuel trucked in regularly from Ouagadougou to maintain volumes.

## **CAPITAL AND OPERATING COSTS**

### ***Operating and Capital Costs (\$m unless stated)***

| <b>Item</b>                      | <b>2021</b> | <b>2022 Guidance</b> |
|----------------------------------|-------------|----------------------|
| Sustaining capital               | 49.1        | 44.0                 |
| Non-sustaining capital           | 17.1        | 18.0                 |
| Mine AISC per ounce sold (\$/oz) | 843         | 875 – 925            |

## **PRODUCTION, EXPLORATION AND DEVELOPMENT**

In 2021, Houndé produced 293 koz at an AISC of \$843/oz.

Houndé is expected to produce between 260—275koz in 2022 at AISC of \$875—925/ oz.

Mining activities in 2022 will focus on Vindaloo Main, Kari Pump and Kari West pits. In H1-2022, ore will primarily be mined from Kari Pump, supplemented by Vindaloo Main, while stripping is underway at Kari West. In

H2-2022, ore will be mined from Kari Pump and Kari West, once stripping for this phase has been completed. Processing throughput and recoveries are expected to decline slightly in 2022 due to changes in the ore blend.

Sustaining capital expenditure is expected to decrease from \$49.1 million in 2021 to approximately \$44.0 million in 2022, with 2022 expenditure relating mainly to waste extraction and fleet re-builds.

Non-sustaining capital expenditure is expected to remain broadly consistent with the \$17.1 million in 2021 at approximately \$18.0 million in 2022. The 2022 expenditures are mainly related to waste stripping, resettlement and associated mine infrastructure in the Kari area and completion of a TSF wall raise.

An exploration program of \$14.0 million is planned for 2022, with drilling focused on delineating resources at Sianikoui, investigating mineralized trends around the Dohoun deposit, extending the Vindaloo South mineralization to the south along the Koho trend and investigating continuations of the Mambo resource towards the north-east. In addition, reconnaissance drilling will focus on several targets to the north-west of the Houndé mine including Tioro, Grand Espoir, Baraki and Hondjo.

#### **4.4     Ity Mine, Côte D'Ivoire**

Information in this section is derived substantially from the technical report titled "Technical Report on the Ity Gold Mine, Republic of Côte D'Ivoire" with an effective date of December 31, 2019 (the "Ity Report"), prepared by Mark Zammit of Cube Consulting Pty Ltd, Gerard de Hert, a former employee of Endeavour, and Salih Ramazan, and Kevin Harris each of whom is an employee of Endeavour, all of whom are Qualified Persons under NI 43-101. To obtain further information readers should consult the Ity Report which is available for review electronically on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's profile.

Unless otherwise indicated, technical information disclosed herein since the release of the Ity Report has been updated under the supervision of, or reviewed, in the case of resources, by Kevin Harris, CPG, Vice President Exploration at Endeavour, and in the case of mining and reserves, by Salih Ramazan, FAusIMM, Vice President Mine Planning at Endeavour, each of whom is a "Qualified Person" under NI 43-101.

#### **LOCATION**

The Ity deposits are all part of the mining property of Société des Mines d'Ity ("SMI"), Société des Mines de Daapleu ("SMD") and Société des Mines de Floleu ("SMF") in Côte d'Ivoire and are centered on 06°52'16" north latitude and 08°06'30" west longitude. The Ity gold deposits are located in western Côte d'Ivoire, 480 km from the economic capital of Abidjan, near the border with Liberia and Guinea. The Ity Mine is located in the prefecture of Zouan-Hounien. The site is accessible via paved road from Abidjan, passing through the capital Yamoussoukro, Daloa and Duekoué. From Duekoué, two roads access the Mine from both north and south. The north access is through Man and then on to Danané and Zouan-Hounien where a 15 km unsealed road maintained by SMI leads to the village of Ouyatouo. Southern access is through Guiglo and Toulepleu. Endeavour also has access to site via air from Abidjan to an airstrip located on the SMI License (defined below) area.

#### **OWNERSHIP**

Ity's mineral rights comprise of three mining licenses – exploitation permit PE26 ("SMI License"), exploitation permit PE49 ("SMD License") and exploitation permit PE53 ("SMF License"). The SMI License is held by SMI, the SMD License is held by SMD and the SMF License is held by SMF. Endeavour, indirectly through its subsidiaries, holds an 85% stake in SMI and SMD and a 90% stake in SMF. The remaining interest in SMI and SMD is held as follows - 5% by SODEMI, the State-owned mining company, and 10% by the State of Côte d'Ivoire. The remaining interest of 10% in SMF is held by the State of Côte d'Ivoire. Pursuant to its mining convention with the State, Endeavour is to pay the State of Côte d'Ivoire a 3% to 6% royalty, on a sliding scale based on prevailing gold prices.

Ity's processing facility is located on the SMI License, whereas the deposits that will be processed are located on the three License areas. The SMI License has an area of 25 km<sup>2</sup>, which includes the Mont Ity, ZiaNE, Colline Sud, Bakatouo and Walter deposits, the Aires (decommissioned heap-leach pads) and the Verse Ouest and Teckraie dumps. The SMI License expires on November 14, 2023 following its fourth renewal but is renewable again for consecutive periods of a maximum of 10 years each time. The SMD License has an area of 13.2km<sup>2</sup>, which includes the Gbeitouo and Daapleu deposits. The license was initially issued on April 11, 2018 to La Mancha Côte d'Ivoire s.à r.l. ("LMCI"), a wholly owned exploration subsidiary of Endeavour, and then transferred to SMD on September 10, 2018. The SMD License is valid for 14 years and thus, expires on April 10, 2032. It is then renewable for successive periods of a maximum of 10 years each time. The SMF License has an area of 49.5 km<sup>2</sup>, which includes the Le Plaque deposit. The SMF License was initially issued on August 5, 2020 to LMCI and then transferred to SMF on October 8, 2020. The SMF license is valid for seven years and will expire on August 5, 2027. It is renewable for consecutive periods of a maximum of 10 years each time.

## HISTORY

Copper and gold were first discovered near the village of Ity in the 1950's during regional exploration by the Bureau de Recherches Géologique et Minière de la France d'Outre-Mer. Initial attempts to recover the gold were unsuccessful due to the fineness of the gold and the rheology of the ore. In 1983, SMI was incorporated to develop the Flotouo deposit which poured its first gold in 1991. Substantial exploration was done in the 1990s and many of the deposits were discovered or expanded at the time. Since then, ownership has changed several times until the La Mancha Group ("LM Group") acquired a stake in SMI in 2012. In 2014, a change in shareholders was authorized by the Government of Côte d'Ivoire leading to the majority ownership being held by the LM Group. In late 2015, Endeavour acquired LM Group's interest in SMI (55%) and LMCI (100%). During 2017 and 2018, Endeavour acquired an additional aggregate 30% of SMI such that it now holds an 85% interest in SMI. Similarly, Endeavour holds an 85% interest in SMD and a 90% interest in SMF.

In 2014, a scoping study to replace the current heap leach plant with a greenfields CIL plant was completed using a processing rate of 1.5 Mt per annum based on indicated mineral resources. Following the positive results of this study, in late 2014 and early 2015 LM Group conducted drilling programs at the Daapleu, Zia NE, Bakatouo and Mont Ity deposits designed to upgrade inferred material from the latest resource estimate to an indicated resource, as well as to delineate each deposit further along strike. The updated resources and reserves lead to a pre-feasibility study of the CIL Project completed in July 2015 using a processing rate of 2.0 Mt per annum.

Following the results of the pre-feasibility study and Endeavour's acquisition of the LM Group's interest in SMI, Endeavour engaged Lycopodium Minerals to undertake a feasibility study. The Ity CIL feasibility study (the "Ity CIL Feasibility Study") was completed in October 2016 based on a 3.0 Mt per annum plant. Following the publication of the Ity CIL Feasibility Study, an optimization study (the "Ity Optimization Study") was completed in September 2017 which improved the project economics of the Ity CIL Feasibility Study due to the inclusion of additional reserves and further upsizing the plan from 3.0 to 4.0 Mt per year.

The first gold pour from the Ity CIL Project took place on March 18, 2019, ahead of schedule and under-budget. Following performance tests conducted, Endeavour launched optimization and debottlenecking work to increase the plant capacity by 1.0 Mtpa to 5.0 Mtpa, these upgrades were completed before the end of 2019. As crushing became the primary bottleneck, supplementary crushing operations to bypass the primary crushing circuit have been utilized from 2020 to achieve in excess of 6.0 Mtpa through the grinding circuit. The supplementary operations consist of mobile crushers, power screens and portable conveyors supported by heavy mobile plant.

## GEOLOGY

Ity is located in the Lower Proterozoic Birimian Formation of the Toulépleu-Ity klippe. The Toulépleu-Ity klippe is a small remnant of Birimian within the older Archean portion of the West African Craton which spans 10 countries between Côte d'Ivoire, Senegal, Niger and Ghana. The Ity area is characterized by a series of granodioritic intrusions into a sedimentary sequence of volcano- sediments and carbonates with a general NE-SW strike. The

volcanic rocks are generally tuffaceous with chemistry that ranges from basic to acidic. All formations have been subjected to regional metamorphism.

The deposits of Ity are classified as skarn or typical shear-hosted greenstone deposits. The skarns developed at the contacts of a central northeast trending lensoidal shaped body of granodiorite intrusives with the carbonate units on both northwest and southeast contacts. The Ity, Ity Flat, Tontouo and Walter deposits are hosted along the southeastern contact, whilst Flotouo, Zia and ZiaNE are hosted along the northwestern contact. Bakatouo deposit is interpreted as being hosted by the northeast continuation of the carbonate units, whilst the Colline Sud skarn deposit represents the southwest continuation. The skarns are characterized by epidote, carbonate, diopside, chlorite, tremolite, magnetite and garnet with gold associated with pyrite and chalcopyrite. The Teckraie and Verse Ouest deposits are rock dumps of the now depleted Flotouo (skarn) open pit and sit on top of weathered granodiorite. Aires consists of the decommissioned heap leach pads from the historic operation of the mine.

The in-situ deposits of Daapleu and Gbeitouo share many characteristics with typical shear zone deposits known in Birimian greenstone belts of West Africa. The deposits are associated with a major regional, NE-trending shear zone but are developed on secondary structures. The Daapleu deposit is characterized by the presence of a "rhyolitic" intrusive surrounded by a package of volcano-sediments. The "rhyolite" is locally called "daaplite". The "daaplite" is strongly altered and sheared and, at the contact, both lithologies have been affected by phyllic style hydrothermal alteration (sericite-silica-pyrite). Gold mineralization is mesothermal and occurs as fine-grained free gold within foliation and silicified strips, associated with arsenopyrite and to a lesser extent with pyrite and silver-copper-antimony sulfosalts. The Gbeitouo deposit is hosted within volcano-sediments with variable intensity silica-sericite-pyrite alteration. Minor pyrrhotite, galena and sphalerite have been noted in association with auriferous pyrite in proximal mineralized shears.

Le Plaque was discovered in 2017 and is a shear hosted deposit located mainly at the contact between granodiorite and diorite intrusions, developing a skarn unit with the country rocks. The geology of Le Plaque consists of a granodiorite batholith intruded into a sequence of Birimian meta-volcano-sediments, dominantly meta-sediments (impure marbles, metasiltstones and sandstones) to the west, and a belt of mafic metavolcanics to the east. Several generations of diorite and microdiorite bodies of variable thickness occur within the metasediments as sheeted sills and dykes, including some which are cutting through or bordering the granodiorite. The metasediments and magmatic rocks have been affected by skarn alteration forming exoskarn and endoskarn, although this event appears not associated with gold, contrary to general Ity style mineralization, whose mineral paragenesis bears significant copper.

The mineralization in Le Plaque is broadly associated with few metres-thick ductile and brittle ductile shears with quartz veining, silica-sericite alteration and locally massive sulfidic seams (pyrite, with subordinate sphalerite, minor chalcopyrite and local trace of galena and pyrrhotite). There is no visible gold on core, even within the highest-grade intercepts, and almost no arsenopyrite. The presence of sphalerite, strong silicification and quartz veining usually correlates very well with the best grades. The anastomosed shearing network is usually well developed in the outer shell of the granodiorite, within the granodiorite and diorite units, and to a lesser extent within the skarn host rocks themselves.

## EXPLORATION

At Ity, regional scale geochemical stream sediment sampling and soil sampling programs and airborne geophysics (magnetics) were completed by Bureau de Recherches Géologiques et Minières ("BRGM"), the French geological survey institute, in several phases from the 1930s up to the 1990s. The geochemical surveys highlighted several anomalies in the project area, the strongest being the Ity deposit. Follow up geochemical surveys and shallow drill results were successful in delineating the Ity mineralization, and mining for a heap leach operation commenced in 1991. In 1999, the BRGM completed further ground-based exploration in the wider PE26 and PR609 permit areas including IP and ground magnetic geophysical surveys, infill soils and pitting, and drilling of reconnaissance core holes.

Little information is available between 2002 and 2011 with data and maps being lost during three periods of civil conflict, during which time mining operations and exploration activities were sporadic.

La Mancha's evaluation of Ity began in 2012 following the change in ownership and management. All data acquired meets or exceeds industry standards and all exploration work has been carried out by or supervised by technical personnel of the operator. Work prior to 2012 has been validated or replaced with new information.

Recent exploration at Ity generally follows a systematic approach depending on the available information of each target area or deposit. Due to the success of the previous geochemical sampling programs in highlighting surface mineralization at Ity and Daapleu deposits, a large soil sampling program encompassing large portions of PR609 was completed in 2013. To assist with the interpretation of the soil results, the data from 1979 airborne magnetic survey, the 1999 IP survey and 1999 ground magnetic survey were re-processed by SAGAX Afrique SA using modern processing methodologies. The combination of results led to core drilling which identified transported alluvial cover from the Cavally River in some of the target areas. The observation helped explain why some of the previous shallow geochemical anomalies did not persist in the bedrock, but it also flagged a lowering confidence in the results of the soil program.

To provide clarity, the exploration program was adapted in 2015 to enable grid-based bedrock sampling auger drill programs across large tracts of lithological and structurally favorable ground trending northeast-southwest from Ity and Daapleu deposits. The programs identified several anomalies. Large scale auger programs in 2016 and 2017 identified numerous anomalous values along strike to the northeast and southwest of the Ity deposit. Follow up RC and DD drill programs confirmed some of the anomalies at depth, whilst others resulted in minimal sub-surface support. To help delineate between anomalies with deep seated roots against those resulting from surficial enrichment processes, the drilling type for the 2018 auger program was changed to Air Core with holes drilled at minus 50-degree declination.

Further ground IP geophysical surveys to track out mineralized shear structures on a prospect scale, in conjunction with recently completed regional scale airborne VTEM geophysical survey were used in the interpretation of the auger and Air Core programs results. Ity's 2017 exploration program amounted to \$8 million, totaling 58,500 m of drilling focused on increasing the resource base for the Ity Optimization Study. More than 1.0 Moz of indicated resources were added in 2017 following the successful drilling campaigns at the Bakatouo, Ity, Daapleu and Verse Ouest deposits and at the recent Le Plaque discovery.

As announced on February 23, 2018, a maiden resource for an area that represents about 25% of the Le Plaque target. In light of positive 2017 results, a further exploration campaign was planned for near-mill targets (including testing of extensions at the Mont Ity, Bakatouo, Daapleu, Le Plaque deposits) with the aim of delineating additional resources for the CIL Project.

In 2018, the exploration program amounted to \$9 million, totaling 49,600 m of drilling, focused mainly on the Le Plaque area and Daapleu deposit. The mineralization in the Le Plaque area was extended and drilling continued.

The validation of a high-grade at depth plunge at the Daapleu deposit was confirmed, and mineralization below the existing heap leach pad has been encountered suggesting a possible extension of the Bakatouo deposit.

In 2019, exploration efforts were focused on the Le Plaque target. Due to the success of the campaign, the initial budget of 71,000m was exceeded with a total of 83,436 m of drilling completed, amounting to \$11 million. As announced on July 8, 2019, the Le Plaque Indicated resource increased as a result. Further potential extensions were identified in H2-2020 by a combination of Air Core and follow-up core and RC drilling, notably toward the south in Delta Extension.

In August 2019, the Mahapleu tenement was purchased for a minimal cash consideration and a royalty based on a sliding scale depending on the gold price (varying from 1% below \$1,200/oz to 2.5% above \$1,850/oz).

Following this land consolidation, Endeavour now controls the whole extent of the Ity Birimian corridor that stretches nearly 125 km.

In 2020, exploration continued on the Le Plaque area to further increase the resources, and on Ity near-mine targets, including under the Leachpad (Heap 2), Verse Ouest and Daapleu SW. A total of 97,000 metres were drilled for a budget of \$14 million. Le Plaque area to further increase the resource, as announced on July 7, 2020, with further drilling at Le Plaque having been completed in H2-2020. Reconnaissance drilling on near-mill targets such as Verse Ouest, Leach pad and Daapleu SW was also completed.

An exploration program of \$9.0 million was initially planned for 2021, however given the success of the program, \$11.0 million was spent during the year consisting of 72,800 metres across 557 drillholes. In 2021, exploration efforts delineated resources at the junction between Walter and Bakatouo pits, the West Flotouo deposit, and at the extension of the Le Plaque deposit. In addition, early stage drilling at the adjacent Yopleu-Legaleu target successfully intercepted mineralization.

### **SAMPLING AND DATA VERIFICATION**

Drilling and survey procedures observed are to acceptable industry standards, are appropriate to the deposits being drilled and are appropriate for mineral resource estimation.

All assays for the most recent exploration campaigns were done by Bureau Veritas laboratory, Abidjan, Côte d'Ivoire with 50g fire-assay analyses. In addition to the above, six batches of samples were sent to ALS-Chemex, Ouagadougou, Burkina Faso as umpire checks. These samples came from the various exploration targets.

In general, the results of the assays were within acceptable limits and deemed suitable for use in the mineral resource database. Any data deemed not to be suitable was removed from the database.

In 2017, Endeavour entered into an agreement with SGS Côte d'Ivoire SA to establish and operate independent mineral assay laboratory services at Ity. The services include dedicated sample preparation, leach, soluble copper and fire assay services for mine and grade control operations, as well as dedicated sample preparation and fire assay facilities for exploration samples. Sample collection followed established procedures, and sample submission included the same control samples and insertion procedures as used in previous campaigns. Umpire samples will continue to be sent to an independent laboratory in either Burkina Faso or Côte d'Ivoire.

The sampling and assaying are monitored through the implementation of a QA/QC program. The QA/QC program was audited by an independent international consultant in 2019 and consequently designed to follow industry best practices.

Current exploration practices are appropriate to the deposits being evaluated. All historical data has been assessed for accuracy and incorporated into the database and was found acceptable for use in geological and mineral resource evaluations.

### **MINERAL RESOURCES ESTIMATES**

See the Mineral Reserves and Mineral Resources table above for information on the mineral resources.

Mineral resources for the Ity mine are estimated for the in-situ deposits at Daapleu, Mont Ity/Itly Flat, Walter, Gbeitouo, ZiaNE, Bakatouo, Colline Sud, Laplaque, West Flotouo, and Yopleu, and for the dump and leach pad deposits at Verse Ouest/Teckraie, and Aries. The active mine areas were depleted for mining in 2021. The resource models for Mont Ity/Itly Flat/Water, Bakatouo and Laplaque were updated in 2021 based upon new drilling data and interpretations. New resource models were added at West Flotouo and Yopleu in 2021 based on new drilling data.

The main modeling methodology involves creating wireframe models from logged drill hole data for weathering profiles, mineralization domains and significant lithology for use as boundaries for bulk density determinations and mineral resource estimation. All wireframe modeling was completed using Seequent's Leapfrog Geo and Geovia's Surpac software. Block modeling was completed using Surpac. Standard statistics for raw gold assays were analyzed for modeled mineralized zones to determine appropriate gold grade capping levels. Capping levels were applied either to assays prior to compositing, or to one-metre composites generated from one-metre assays, to limit the influence of high-grade outliers for all deposits. Run-length composites were generated inside mineralization wireframes.

Block gold grades were estimated using the Ordinary Kriging (OK), Inverse Distance Squared (ID<sup>2</sup>), or Localized Uniform Conditioning (LUC) estimation method. The block grades were estimated using multiple estimation passes using increasingly larger search distances, either based on variograms or visual estimates of grade and geological continuity.

CIM definitions were followed for mineral resource classification. Resource classification is primarily based on drill hole spacing and continuity of grade. In addition, qualitative criteria were used to outline areas of measured, indicated, and inferred mineral resources. Resource classification wireframes were created on section to ensure that only areas, which could be considered as continuous, were classified together.

For reporting of open pit mineral resources, open pit shells were produced for each of the resource models using Whittle open pit optimization software using the Lerchs-Grossman algorithm. Only classified blocks greater than or equal to the open pit cut-off grades and within the open pit shells were reported. This is in compliance with the CIM (2014) resource definition requirement of "reasonable prospects for eventual economic extraction".

## **MINING METHOD**

For CIL operations, the selected mining approach is conventional open pit excavator-truck operation with the production unit operations (drilling, blasting, loading, hauling and dumping) carried out by mining contractors SFTP and SMS, with small earth works being done by Sopremi. The mining fleet consists of larger capacity 90 t dump trucks and 120 t class backhoe excavators. The 40 t articulated dump trucks are still utilized depending on pit and dump conditions, in particular, during the wet season. Ore and waste production rates are monitored, and material reconciliations are carried out continuously for the pit areas in production.

The production, drilling and blasting operations are carried out on 10 m benches. A half bench height (flitch) of 2.5 m is mined in ore to achieve a high degree of selectivity in loading and hauling operations. The highly weathered zone (clays and laterites) and transitional zone with a density below 2.0 t/m<sup>3</sup> are amenable to free digging. Emulsion is used in both wet and dry blasting for efficiency.

Various contracts were awarded following a competitive bidding process for parts of the mining operations, prices are within the industry range and comparable to other operations in Côte d'Ivoire or West Africa. Endeavour contracts the supply of explosives and blasting accessories to an approved explosives supplier, who in addition to the supply of primary explosives and blasting accessories, provides mixing equipment and technical blasting advice when needed.

Grade control drilling is carried out by a drilling contractor and the samples are tested in the onsite laboratory. Sampling commences with grade control drilling ahead of the mining front, aimed at assisting the short to medium term mine planning process. The grade control is based on 138 mm diameter RC drilling and sampling practice. A grade control pattern of 12.5 m x 6 m is used for 36 m deep holes (30 m vertical) and 1.0 m vertical sampling intervals. The holes are angled 50-55 degrees from the hanging wall side of the ore zones to provide a good intersection with the mineralized structures.

In 2021, a total of 25.0 Mt ore and waste was mined, including 7.9 Mt of ore at an average gold grade of 1.47 g/t containing 373 koz. A total of 6.2 Mt ore at an average grade of 1.67 g/t containing 336.5 koz gold was

processed with an overall recovery rate of 80% producing 272 koz gold with the additional gold removed from the processing circuit on top the recovered 270 koz gold.

### **ORE PROCESSING**

Construction of the CIL plant commenced in September 2017 and was completed under budget and ahead of schedule with the first gold pour occurring on March 18, 2019. Previous mining at Ity consisted of conventional open pit with heap leach ore processing. By the end of 2018 the heap leach facility wound up operations to pave the way for the commencement of the CIL plant. In 2019, the heap leach facilities were dismantled and removed. The Ity CIL plant processes oxide, transition and fresh ore with variable ore characteristics, gold grades and metallurgical treatment requirements. The primary ores are significantly more competent than the oxide ores. The flowsheet includes a single stage jaw crusher, two stage SAG/ball milling comminution circuit, gravity concentration for removal of coarse gold, pre-leach thickener, CIL circuit comprising eight tanks, split Anglo (AARL) elution circuit, electrowinning and gold smelting and tailings detoxification.

Following the commissioning of the 4.0 Mtpa plant in April 2019, Endeavour launched optimization and de-bottlenecking work to increase the plant capacity by 25% to 5.0 Mtpa. Integration of components to achieve the increased throughput was carried out during the scheduled maintenance downtime with the plant achieving an annualized throughput exceeding 5.0 Mtpa in 2019. Utilization of supplementary crushing (mobile crushing and screening supported by heavy mobile plant) allowed for grinding circuit throughput in excess of 6.0 Mtpa from 2020.

### **ENVIRONMENTAL, PERMITTING & SOCIAL**

Several environmental studies were conducted over the past 15 years. A comprehensive ESIA was completed for the CIL Project and was published in March 2016. The most recent ESIA was for Floleu (Le Plaque) and was approved by the Minister of Environment on July 10, 2020.

Several environmental permits have been granted covering the mining and process plant, Daapleu, Gbeitouo and Le Plaque exploitation and mining and surface infrastructure.

In 2018, a RAP for the resettlement of Daapleu village was completed and successfully implemented. A total of 85 houses were built, relocating about 1,000 people from six villages. The new village opened in October 2018 and has solar streetlights, five water wells, a community centre, a school and six housing units for teachers.

A range of programs to support impacted local communities have also been implemented. In 2021, these included development of income generating activities around market gardening and fisheries.

For the year ended December 31, 2021, the Ity Mine contributed \$2.31 million to the government-mandated Local Mining Development Fund, which requires a contribution of 0.5% of revenue.

### **INFRASTRUCTURE**

The tailings storage facility ("TSF") for the CIL plant has been designed for a total capacity of 57Mt. The facility was designed by Knight Piésold who has also been involved with QA/QC activities on site throughout construction. The Ity TSF is located adjacent to the processing facility and forms part of the original project design and capital budget. Decant fluids are not suitable for release to the environment and are pumped back to the plant.

As per Knight Piésold's design, the TSF is made of compacted soil liner, overlain by HDPE geomembrane liner over the entire basin area (including embankment face), a system of finger and collector drains within low lying areas of the TSF basin, and a leakage collection and recovery system ("LCRS") installed beneath the basin liner. Closure at the end of the mine life will require covering the surface with 0.3 m low permeability mine waste and 0.2 m of topsoil.

The facility is designed to be raised in annual stages over the mine life using downstream embankment construction techniques. The most recent Engineer of Record inspection was completed by Knight Piésold in Q1 2022. No points of material concern were noted in their report.

Power for the CIL plant is provided via a connection to the national grid at Danané, approximately 58 km from site. A 90 kV single circuit lattice tower transmission overhead line connects Ity to the national grid. The connection supplies the main HV switch room inside the processing plant from which power is distributed. Backup power is available onsite from 16 Caterpillar high speed diesel generators with a total capacity of 21 MW, providing 100% redundancy of power supply to the CIL operations.

Raw water is pumped from the Cavally River and pit dewatering bores to a surge tank ahead of a treatment plant. Water from this surge tank is pumped on demand to the plant raw water tank. Duty/stand-by water pumps are provided for the raw water distribution to the plant.

Filtered water for the process plant is produced by treating raw water in the filtered water treatment plant. Filtered water is report to the filtered water storage tank and is distributed to the plant as required using duty / stand-by filtered water pumps. Filtered water is supplied to the plant potable water treatment plant. The water treatment facility will include micro filtration, ultra-violet sterilization and chlorination. Potable water is stored in the plant potable water tank and is reticulated to the site ablutions, safety showers and other potable water outlets. Transfer pumps feed water to a separate camp potable water tank for reticulation. Additional ultra-violet sterilization units are installed on outgoing potable water distribution headers.

Process water is pumped from the TSF decant to the plant process water tank. The plant process water consists of TSF decant return water and raw water tank overflow. The process water tank is located so that the raw water tank overflows to the process water tank allowing the process water tank to be always kept full.

Fuel storage comprises of two 1,200 m<sup>3</sup> double skinned self-bunded fuel storage tanks and pump skids located within the mining services area. This provides sufficient fuel for the needs of the mining fleet and emergency power for the processing plant. Fuel levels are regularly monitored by both the fuel supply contractor (TOTAL) and the site supply chain department, with shipments readily available from Abidjan.

## **CAPITAL AND OPERATING COSTS**

### ***Operating and Capital Costs (\$m unless stated)***

| <b>Item</b>                      | <b>2021</b> | <b>2022 Guidance</b> |
|----------------------------------|-------------|----------------------|
| Sustaining capital               | 24.0        | 20.0                 |
| Non-sustaining capital           | 35.3        | 29.0                 |
| Mine AISC per ounce sold (\$/oz) | 836         | 850 - 900            |

## **PRODUCTION, EXPLORATION AND DEVELOPMENT**

In 2021, Ity CIL produced 272 koz of gold at an overall AISC of \$836/oz.

Ity is expected to produce between 255—270koz in 2022 at an AISC of between \$850—900/oz.

Ore will be mined from Le Plaque, Daapleu, Ity, Bakatouo, Walter, and Colline Sud pits and supplemented by historical ore sources including Verse Ouest stockpile and the spent Heap 2 dump. In H1-2022, mining at the current phase of Daapleu is expected to be completed, with increased contributions expected from Le Plaque and higher grade ore coming from the Walter pit in H2-2022.

Ore tonnes processed are expected to remain fairly constant throughout the year, however grades are expected to decline in H2-2022 as feed material moves away from Daapleu. The decline in grade is expected to be partially offset by increased recoveries associated with increased oxide ore sourced from Le Plaque and from the addition of the pre-leach tank. Average processed grade for the year is expected to be consistent with 2021.

Sustaining capital is expected to amount to \$20.0 million in 2022 compared to \$24 million in 2021. The 2022 sustaining capital relates mainly to capitalized waste.

Non-sustaining capital is expected to decrease from \$35.3 million in FY-2021 to approximately \$29.0 million in 2022, with non-sustaining capital in 2022 relating to processing plant enhancements, land compensation, and the stage 4 TSF raise.

An exploration program of \$10.0 million is planned for 2022, with drilling focused on increasing the size of resources at Yopleu-Legaleu, West Flotouo, Walter-Bakatouo, Verse Est, Colline Sud and evaluating the continuity of Daapleu Deep mineralization. In addition, early stage drilling at the Delta Extension, Goleu and Gbampleu targets is planned.

#### **4.5     Mana Mine, Burkina Faso**

The following summary sets forth information concerning Endeavour's Mana mine, which is not considered to be a material property to Endeavour. Below is a reproduction of the summary contained in the technical report entitled "Mana Property, Burkina Faso, NI 43 101 Technical Report, Disclosing the Results of the Siou Underground Prefeasibility Study", dated November 5, 2021, with an effective date of December 31, 2017 (the "Mana Report") and prepared under the supervision of Richard Gowans from Micon, with the participation of Christopher Jacobs from Micon, Eur Ing Bruce Pilcher from Micon, Jane Spooner from Micon, and Charley Murahwi from Micon, all "Qualified Persons" under NI 43-101. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Readers should consult the Mana Report which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) to obtain further particulars regarding the Mana gold deposit.

Unless otherwise indicated, technical information disclosed herein since the release of the Mana Report has been updated under the supervision of, or reviewed, in the case of resources, by Kevin Harris, CPG, Vice President Resources at Endeavour, and in the case of mining and reserves by, Sam Myers, Mine Manager at Mana Mine (Endeavour), MIMM, who is a "Qualified Person" under NI 43-101.

#### **LOCATION**

The Mana gold deposits lie within the Mana permit group located in Burkina Faso, West Africa. The property lies approximately 210 km west-southwest of Ouagadougou, the capital of Burkina Faso. The plant is centred on UTM coordinates 455,442 m E and 1,325,534 m N (WGS84 Zone 31 North).

The Mana operation is accessible by road from the capital city of Ouagadougou via 206 km on sealed road N1 to Ouahabou, then to Banou via a 32 km route on dirt road D29; then from Banou to Wona, a 24 km dirt road transiting through local villages of Kahin, Kan & Bana.

Access to the various parts of the concessions is provided by a network of roads and trails that were locally upgraded or built by Semafo BF (defined below). An approximate 15 km haul road has been constructed between the Mana mine and Siou deposit.

The climate of Burkina Faso is semi-arid, with a rainy season from May to September, and a hot dry season from February to April, with a mean annual rainfall of 736 mm. Access for exploration activities are limited during the rainy season.

## OWNERSHIP

Mana's mineral rights comprise of one mining exploitation permit (the "Mana License"). The Mana License is held by Semafo Burkina Faso ("Semafo BF"). Endeavour, indirectly through its subsidiary Semafo (Barbados) Ltd., holds a 90% stake in Semafo BF. The remaining 10% interest in Semafo BF is held by the State of Burkina Faso. Pursuant to its mining convention with the State and local legislation, Endeavour is to pay the State of Burkina Faso a 3% to 5% royalty, on a sliding scale based on prevailing gold prices (i.e. all shipments with gold spot prices lower or equal to \$1,000 per ounce are subject to a royalty rate of 3%, a 4% rate is applied to all shipments with gold spot prices between \$1,000 and \$1,300 per ounce, and a 5% royalty rate is applied on all shipments with a gold spot price greater than \$1,300 per ounce). Mana corporate tax rate is 17.5%.

Following several extension procedures in 2013 and 2014 and one partial abandonment of perimeter in 2019, the Mana License decreased from an original area of 93.5 km<sup>2</sup> to a current perimeter of 76.88 km<sup>2</sup>. The Mana License expires on March 20, 2027 and is renewable for consecutive five-year periods. Production plans are frequently updated by way of Ministerial Orders pursuant to the submission of updated feasibility studies to the Administration (e.g. to add Wona Underground, Maoula pit, etc.).

Endeavour holds nine contiguous exploration permits collectively known as the Mana permit group, covering approximately 1,262 km<sup>2</sup>.

## HISTORY

All but one of the permits forming the Mana Property were obtained by Mana Mineral SARL, an indirect subsidiary of Endeavour, directly from the government of Burkina Faso. No previous work was carried out in the area apart from minor artisanal mining. Exploration work by Mana Mineral SARL on the Mana property started in October 1997 and led to the initial discovery of the Nyafé, Filon 67 and Wona deposits. The latter was renamed Wona-Kona following the discovery of the Kona deposit in 2010. A formal feasibility study and environmental impact study were initiated in 2004. The results of the feasibility study were made public in August 2005 while the environmental impact study was completed in 2006.

A public hearing on environmental impact began in 2006. The Ministry of Environment of Burkina Faso approved the project and the mining permit for development of the Wona and Nyafé deposits was granted in February 2007.

Mill start-up took place on February 15, 2008 and the first doré bar was poured on March 31, 2008. Initial capacity was 2,000 t/d based on ball mill capacity. A few months later, the capacity was increased to 4,000 t/d. In 2010, a semi-autogenous grinding (SAG) mill was added to increase mill throughput to 6,000 t/d. Two additional CIL tanks were added in 2010 to optimise gold recovery. In February 2011, a fourth phase of plant expansion to attain up to 7,200 t/d in fresh ore and up to 8,000 t/d in blended fresh and oxide ore was launched.

The principal changes to the processing plant include the installation of a new pebble crusher into the grinding circuit, addition of two new generation units to the power plant, addition of one CIL tank, upgrade of the elution circuit and upgrading all services in the mill. The commissioning of the latest expansion (Phase 4) was completed in July 2012 and current plant capacity exceeds nameplate capacity.

Further exploration between 2010 and 2016 led to the discovery and delineation of five different mineralized zones, of which two, Siou and Fofina, have since contributed significantly to gold production. More recently, drilling has principally focused on evaluating the underground potential of the Siou deposit which subsequently commenced ore production in the first quarter of 2020.

Minor exploration was completed by Goldrush on the Pompoi permit, prior to the acquisition by SEMAFO, including a soil sampling program on the south part of the permit and 131m (five holes) of air core drilling to test two soil sample anomalies.

There are no historical mineral resource or reserve estimates on the property prepared prior to SEMAFO gaining the Mana permits.

## **GEOLOGY**

The Mana district is located in the northern part of the Houndé greenstone belt. Five gold deposits, Wona-Kona, Nyafé, Fofina, Yaho and Siou, are hosted in different rock types. The lithostratigraphic succession is typical of greenstone belts and is characterized at the base by a major tholeiitic basaltic suite with some intercalations of argillic sedimentary rocks that are overlain by predominant pelagic and detrital sedimentary rocks (shale, sandstones, greywacke and volcanoclastics). The Mana district basalt unit has undergone submarine hydrothermal alteration with epidote, chlorite and local albite, and shows zones of strong silicification, some of which are anomalous in gold. The Paleoproterozoic formations are affected by polyphase deformation and greenschist facies metamorphism with amphibolite facies assemblages that locally occur as metamorphic aureoles around some later formed granitoids.

All deposits on the Mana property are characterized as typical West African, shear-hosted orogenic gold deposits. The major sulphides associated with the gold mineralization are pyrite and arsenopyrite. Free visible gold is encountered at the Wona-Kona and Siou deposits. Magnetite occurs as small millimetric prisms along schistosity planes in the walls of mineralized zones. The five major deposits of the Mana property are described below.

The Wona-Kona deposit is hosted in a series of deformed sedimentary, volcano-sedimentary and metavolcanic rocks. The gold mineralization has developed along a major northeast-southwest subvertical fault zone of regional extent. The shear zone is about 200 m wide in the Wona-Kona pit sector. The original stratigraphic sequence is a succession of pelitic sediments with graphitic horizons and volcanoclastics. They have been affected by a pervasive schistosity associated with vertical movements along the fault (the east block rising with respect to the west one) as well as sinistral lateral movements. Those foliated rocks are cut by mafic to intermediate dykes. The mineralization appears to be associated with movement along the fault accompanied by hydrothermal fluid circulation and intense silicification.

The Nyafé and related Filon 67 deposits are hosted in a purely volcanic sequence of basalt and mafic tuffs. The original stratigraphic sequence is sub-horizontal and overturned, with pillow lava at the bottom, pillow breccias and finally massive lava at the top. Several subvertical decimetre scale dykes crosscut the volcanic sequence. The Filon 67 (F67) deposit, adjacent to Nyafé is composed of quartz veins associated to shear zones with dextral motion within a package of greenschist rocks. These composite veins show textures indicative of several successive phases of mineralization.

The Fofina deposit is divided into two sectors separated by a zone of volcanoclastic/mafic volcanic rocks. The western zones are located in a sheared sedimentary unit dipping moderately west and trending north-northeast. They are related to a rheological contact with a massive basalt unit to the east. The eastern zones are within the basaltic lavas and have similar characteristics to the Nyafé deposit.

The Yaho deposit is hosted in a wide north-striking and steeply west-dipping sandstone unit flanked by shales and siltstones to the west and basaltic flows to the east. The mineralization is associated with silicified and sericitised corridors within the sandstone which also contain increased amounts of sulphides, pyrite and arsenopyrite.

The Siou deposit is a typical shear-hosted quartz vein deposit. The two principal zones are the Siou and No. 9 zones. The Siou zone is hosted in a single quartz vein located within the Siou Granitic Intrusive, but near the contact with sandstones and shales to the west. The No. 9 zone is located at the contact between the sediments and the Siou Intrusive and generally consists of quartz veining and veinlets intruding the granitic intrusive. Both the Siou and No. 9 zones are north-striking and moderately east-dipping.

## EXPLORATION

Exploration work at Mana started in October 1997. Work in 1998-1999 led to the discovery of the Nyafé deposit (to the south of the mining permit). After acquiring the Fobiri permit in July of 1999, geochemical and geophysical (gradient induced polarization ("IP") or IP and magnetometric) prospecting on the Mana and Fobiri permits helped identify other anomalous zones, i.e. the 67 zone to the SE of Nyafé, the Maoula zone to the south and the Wona zone to the north. All those zones were elongated along the same NE-SW orientation as the Nyafé zone.

Detailed work on the Wona anomaly started in 2000-2001 confirmed the extension of the Wona structure over a 1,600m strike length with opening at both NE and SW extremities. Between 2002 and 2008, exploration activities focused on delineation and growth of the Wona-Kona deposit resource and reserves, to enable completion of feasibility studies.

Exploration drilling between 2009 and 2012 focused on Wona SW and Kona Zones and extending the mineralization trends vertically and laterally. Holes were also drilled to delineate mineralization at the Fofina, Fobiri, and Yaho deposits, and expanding understanding of the Maoula, Filon 67 and Nyafé deposits.

By 2012, eight separate deposits were recognized on the Mana property. The Wona open pit mine was in production over a strike length of 4.8 km which provided the bulk of the ore for processing. The Nyafé deposit represented a higher grade but thinner mineralized structure. The Filon 67, Maoula, Fobiri and Fofina deposits represented thinner mineralized vein systems. The Yaho deposit, which represented a new geological context for mineralization on the Mana property, sediment hosted mineralization. And the higher grade Siou deposit which consisted of six sub-parallel shear zones dipping moderately to the east.

In 2013 and 2014, following the Siou discovery, exploration activity was dedicated to the east half of the property, especially proximal to the Siou Intrusive. This work has considerably added to the understanding of the eastern limit of the Houndé Belt.

In 2016 and 2017 delineation drilling provided positive results from Yama, a recently discovered mineralized zone located 22 kilometres southwest of the Mana mill and hosted by the same structure hosting the Wona-Kona mineralization.

In 2018, an exploration budget of \$3.3 million contributed to the drilling of 24,022 m of RC (177 holes), 5,270.80 m of DD (17 holes), eight RC holes with DD tails (1,198 m RC plus 2,406 m DD) and 71,843 m of auger (5,610 holes).

In 2019, an exploration budget of \$3.8 million contributed to the drilling of 19,197 m of RC (158 holes) and 35,707 m of auger (3,492 holes).

In 2020, Endeavour spent a total of \$3 million following the integration of Semafo and the Mana deposit. During the full year, a total of 9,381 m of RC (76 holes) 2,382.29 m of DD (9 holes) and 16,095 m Auger (1,249 holes) were drilled at the project to follow up on resource expansion and targets identified by geological review. Drilling focused on the Kona open pit to evaluate the northeast extension of the Wona Kona Shear (8,008 m RC from 66 holes), and the northeast extension of the Siou and Zone 9 shears (1,373 m RC from 10 holes). Infill drilling at the southern end of the Siou underground focused on the potential conversion of Inferred material (2,382 m DD from 9 holes). Auger drilling (9,080 m from 892 holes) was completed on the Bana exploration permit to test geologic models for mineralization at the Kana, Basana and Kokoi Sud targets, whilst 7,015 m Auger (357 holes) was completed on the Kokoi exploration permit testing continuation of the Kokoi Sud target.

An exploration program of \$8.0 million was planned for 2021 of which \$9.1 million was spent, consisting of 59,600 metres across 459 drillholes.

In 2021, at Maoula the focus was placed on delineating Indicated resources and on identifying extensions. At Siou South and Nyafé, work focused on testing continuations of mineralized structures and revising geological models as part of the target generation work.

### **SAMPLING AND DATA VERIFICATION**

Drilling and survey procedures observed are to acceptable industry standards, appropriate to the deposits being drilled, and appropriate for mineral resource estimation.

Premmerger in 2020, both exploration and mine samples were processed at the Mana on-site laboratory. Quality control samples, including reference materials and blanks, were submitted with the exploration and mine grade control samples.

Semafo BF also used ALS-Chemex in Ouagadougou for sample preparation and assaying of umpire RC and core drilling samples. The on-site lab does not have recognized accreditation but participates in international proficiency testing programs.

After the acquisition by Endeavour in 2020, mine grade control RC and DD samples continue to be processed at the Mana on-site laboratory. Exploration samples however are submitted to ALS Burkina laboratory in Ouagadougou, Burkina Faso. ALS Burkina is part of the ALS Group of laboratories that operates under a global quality management system ISO 9001:2008 and participates in international proficiency testing programs. The Ouagadougou lab is accredited by West African Accreditation System (WAAS) with accreditation certificate number ES20005. Quality control samples, including reference materials and blanks, are submitted with the exploration samples.

The QA/QC measures employed at the Mana project include the insertion of blank samples (“blanks”), CRM, and field duplicates. The CRMs are supplied by ROCKLABS Limited, Geostats and OREAS for a variety of gold grade ranges and oxidation states suitable for this type of deposit.

All exploration related assay data, laboratory management, QA/QC data analysis / authorization and reanalysis management is reviewed, processed, and managed by the Endeavour exploration central database team following group policies and validation procedures based on industry standards. The team is project independent. Assays that exceed industry standard failure thresholds are investigated and resubmitted for re-assay, if deemed necessary. Additionally, umpire assaying of a set number of sample pulps at a secondary laboratory is performed on a yearly basis as an additional test of the reliability of assaying results.

Mine grade control assay data, laboratory management, QA/QC data analysis / authorization and reanalysis management is reviewed, processed, and managed by relevant mining team personnel.

QA/QC results are reviewed by the appropriate QP on a regular basis, and QA/QC summaries are included in 43-101 reports issued at required intervals.

Endeavour considers that the sampling and analytical methods and security procedures are adequate for the purposes of the resource estimation.

Until the acquisition by Endeavour in 2020, exploration drilling data was entered directly into a laptop using Geobank Mobile software and thereafter synchronized and transferred into a central database using the Geobank data management system from Micromine. A set of predefined validation rules were run on the data as part of the importation process. Final data validation, including geological and survey data, was carried out by project geologists and/or database geologists. A separate set of validation steps was followed for assay data after it was imported into Geobank.

Following the acquisition, exploration drilling data is captured on paper logs and later electronically captured via data entry into the DataShed based database management system (DBMS) in the exploration office. A set of predefined validation rules are built into the DBMS controlling errors. Data validation continues by the onsite database administration team, and project geologists. Final audits are undertaken by the Endeavour exploration central database team. All assay and QA/QC data is managed and audited by the Endeavour exploration central database team.

Grade control drilling data was and continues to be handled through Datamine Fusion data repository and management suite. Data is transferred and stored through secure connection to local-based and central corporate servers.

Sampling and logging procedures are reviewed periodically by the relevant QP and have been found to be appropriate and conducted to industry standards. The database used for the resource estimates was generated in a credible manner and properly assembled and is therefore considered suitable for use in estimating the mineral resources.

### **MINERAL RESOURCE ESTIMATE**

See the Mineral Reserves and Mineral Resources table above for information on the mineral reserves and mineral resources.

Mineral resources for the Mana mine are estimated for the deposits at Wona-Kona, Fofina, Yaho, Filon 67, Fobiri, Maoula, Siou and Yama. The active mine areas at Wona-Kona, and Siou were depleted for mining in 2021. The resource models for Maoula, Wona-Kona underground and Siou underground were updated in 2021 based upon new drilling data and interpretations.

The main modeling methodology involves creating wireframe models from logged drill hole data for weathering profiles, mineralization domains and significant lithology for use as boundaries for bulk density determinations and mineral resource estimation. The wireframe modeling was completed using Geovia's Surpac, Leapfrog Geo or Micromine software. Block modeling was completed using Surpac or Datamine software. Standard statistics for raw gold assays were analysed for modeled mineralized zones to determine appropriate gold grade capping levels. Capping levels were applied either to assays prior to compositing, or to one-metre composites generated from one-metre assays, to limit the influence of high-grade outliers for all deposits. Run-length composites were generated inside mineralization wireframes.

Block gold grades were estimated using the Ordinary Kriging (OK) or Inverse Distance Squared (ID<sup>2</sup>) estimation methods. The block grades were estimated using multiple estimation passes using increasingly larger search distances, either based on variograms or visual estimates of grade and geological continuity.

CIM definitions were followed for mineral resource classification. Resource classification is primarily based on drill hole spacing and continuity of grade. In addition, qualitative criteria were used to outline areas of measured, indicated, and inferred mineral resources. Resource classification wireframes were created on section to ensure that only areas, which could be considered as continuous, were classified together.

For reporting of open pit mineral resources, open pit shells were produced for each of the resource models using Whittle open pit optimization software using the Lerchs-Grossman algorithm or Datamine's NPV Scheduler. The underground resources are constrained by MSO (Mineable Shape Optimiser) created by Datamine. Only classified blocks greater than or equal to the open pit or underground cut-off grades and within the open pit shells and MSO shapes are reported. This is in compliance with the CIM (2014) resource definition requirement of "reasonable prospects for eventual economic extraction".

## **MINING AND METALLURGY AND MINERAL PROCESSING**

Two mining methods are employed at the Mana Mine, namely open pit and underground. Open pit mining will continue in 2022 in the Wona South pit, and underground mining at Siou. Following completion of the updated Pre-feasibility Study (“PFS”), underground mining will be employed below the Wona open pit, in addition to the existing Siou underground mine.

### **> OPEN PIT MINING**

Open pit mine production at Mana averages approximately 5,000 t/d of ore (bedrock), and mining has been mainly active in the Wona and Siou pits prior to 2021.

To achieve optimal plant performance, open pit and underground ore is blended to a maximum of 7,000 t/d for processing in the mill.

The Siou open pit was exhausted in 2020, and open pit production will focus on the southern half of the Wona pit in 2021 and 2022, through to completion of that pit. Mining is carried out using a mix of ‘owner’ and ‘rental’ fleets. The equipment ranges from 120-250 t backhoe excavators, loading 90 t rigid dump trucks. Drilling is currently carried out using a combination of Endeavour owned and contracted drill rigs.

Production drilling and blasting is carried out on 10m benches. Loading and hauling is carried out in four flitches each measuring 2.5 m. The highly weathered zone of oxide (clays and saprolite) and transitional zone with a density below 2.0 t/m<sup>3</sup> are amenable to free digging. Emulsion is used in both wet and dry blasting for efficiency.

Sampling commences with grade control drilling ahead of the mining front, aimed at assisting the short to medium term mine planning process. Grade control drilling is carried out by a drilling contractor and the samples are tested at on site laboratory. Around 5% of the mineralized material declared by site laboratory are tested at the external ALS lab. The grade control is based on 152 mm diameter RC drilling on a pattern of 12.5 m x 10 m. The holes are angled between 42 and 60 degrees from both hanging and footwall (sub vertical ore body) sides of the ore zones to provide a good intersection with the mineralized structures and provides for a 10 m horizontal and 1.0 m vertical sampling interval.

### **> UNDERGROUND MINING AT SIOU**

Longitudinal sublevel retreat and transverse open stope long-hole mining methods were selected for Siou underground due to the inclination of mineralized lenses and varying widths associated with wide stockwork ore zones. Transverse open stoping is the main mining method and Cemented Rock Fill (CRF) is used to ensure safe ore recovery from secondary transverse stopes. Waste rock backfill is used in secondary stopes in all levels other than sill levels (5070 and 4995). Large sill pillars have been left in the first horizon under 5070 level and the second horizon under 4995 level. These will be extracted late in the mining sequence.

The mine design and planning was based on the Siou geological model results. Production ramp up to 2,000 t/d using AUMS as the contract miner was achieved in February 2020.

In 2021, 6.0 km of lateral and 0.5 km of vertical development was completed. 15,677 m of grade control diamond drilling was realized and ventilation and escapeway networks were built while delivering 838 kt of ore at 3.85 g/t to the processing plant.

Golder Associates was retained to undertake the geotechnical and hydrogeological analysis of the underground project at Siou, including stope dimension, ground support and pillar dimension. The rock is classified as Good to Very Good for the four geological units present at Siou. Mining occurs in a very tight bedrock complex which produces insignificant water inflows into the workings. These inflows are typically associated with isolated

quartz veins in the hanging wall and pink granites. Observations indicate that pore pressures in stopes and drives are reduced passively. Under steady state conditions a total water inflow of 700 m<sup>3</sup>/d is estimated for the underground mine.

## > **UNDERGROUND MINING AT WONA**

The mine design and planning were based on the Wona geological model. The Datamine Mineable Stope Optimiser (MSO) software applied a cut-off grade of 2.25 g/t gold to delineate and select mineable shapes for inclusion into the Mineral Reserve estimate.

Two underground long-hole mining methods will be used at Wona; longitudinal sublevel retreat and transverse open stoping. These methods were selected due to the inclination of mineralized lenses and width associated with wide stockwork ore zones. Longitudinal mining with Cemented rock fill (CRF) will be used when the orebody is narrow, where stope dimensions vary from 3.5 m to 15 m in width perpendicular to the strike of the orebody, with 20 – 40 m stope lengths along strike of the orebody and 25 m stope sublevel intervals. Each level will be backfilled prior to mining of the level above. The transverse stope dimensions vary from 15 – 30 m perpendicular to the strike of the orebody, with 15 m stope lengths along strike of the orebody and 25 m stope sublevel intervals. Primary stopes will be extracted first followed by secondary stopes once backfilling of the adjacent primary stopes are complete. It is noted that several lenses may be mined independently if there is a minimum 10 m waste pillar between them. If there is insufficient pillar material, they are either combined into a single stope, or only the economic portion is mined.

The geotechnical assessment and review undertaken by Golder Associates included stope dimension, ground support, backfill and pillar dimensions. The minimum pillar dimension between orebody lenses is kept at 10 m. An external dilution of 0.5 m at the footwall side and 1 m to 2 m dilution at the hanging wall side was included. Mining recovery for the sill and crown pillars was estimated to be 75% and 50% respectively.

The Wona underground mineralization has been divided into three areas, South, Central and North. These areas will be accessed via three decline ramps developed from two portals, established on the Wona open pit footwall. The Wona underground will be developed in two phases.

Dewatering by bore holes located around the pit will still be required after surface mining has finished. These surface dewatering bore holes will assist in keeping the water table down and reduce the quantity of water to be pumped out from the underground mine. Additional waste rock will be hauled from surface, back underground, to sustain backfill operations as insufficient waste rock will be available from underground development.

The ore production rate for Wona Underground is planned to ramp up to 4,000 tpd of combined development and production stoping ore, utilising contract mining similar to the Siou Underground.

## > **PROCESSING**

Gold from the Mana deposit is recovered by a metallurgical plant which was constructed in 2008. The Mana plant processes oxide, transition and fresh ore with variable ore characteristics, gold grades and metallurgical treatment requirements. The primary ores are significantly more competent than the oxide ores. The flowsheet includes a single stage jaw crusher, two stage SAG/ball milling comminution circuit, pre-leach tanker, CIL circuit comprising eight tanks, Zadra elution circuit, electrowinning and gold smelting. Slurry tails from the CIL circuit are pumped to the tailings storage facility and supernatant water is recycled back to the mill.

In 2021, a total of 23.5 Mt ore and waste was mined from the open pits, including 2.0 Mt of ore at an average gold grade of 1.86 g/t containing 121 koz from the open pits, and a total of 1.06 Mt ore and waste was mined from the Siou underground, including 0.84 Mt of ore at an average gold grade of 3.85 g/t containing 104 koz

from the underground. A total of 2.6 Mt ore at an average grade of 2.65 g/t containing 221 koz gold was processed with an overall recovery rate of 91% producing 205 koz of gold.

#### **ENVIRONMENTAL, PERMITTING & SOCIAL**

A comprehensive ESIA was completed in 2006. Additional ESIA's were submitted in relation to Siou Underground (environmental permit obtained by Ministerial Order n°2019-093 dated March 1<sup>st</sup>, 2019), Wona underground (final ESIA submitted on November 22, 2021 and Ministerial Order signature ongoing at the date of this report) and Maoula pit (ESIA drafting ongoing as of the date of this Report).

Several environmental permits have been granted covering the mining and process plant, the Wona, Nyafé, Filon 67, Siou and Fofina pits, and surface infrastructure.

Two resettlements have taken place in 2007 and 2014 respectively, with a total of 271 households relocated. In 2021, a range of programs to support impacted local communities were implemented, these included support to education with school kits for students and support for school canteens, the development of income-generating activities with the modernization of market gardens, development of beekeeping and continued support for the Shea butter production center.

For the year ended December 31, 2021, the Mana Mine contributed \$4.59 million to the government-mandated Local Development Mining Fund, which requires a contribution of 1% of revenue.

#### **INFRASTRUCTURE**

Due to the remote location of the Mana site, power is provided by a diesel-fueled generation station located adjacent to the process plant.

An on-site bulk fuel storage facility is located close to the power plant and provides diesel for power generation, mine trucks, light vehicles and users at the process plant. Fuel is provided by TOTAL.

Operational water demand is met from tailings storage facility decant, pit dewatering (including precipitation in the pit area), surface runoff and site groundwater which is collected in raw water dams and ponds around the site. The total plant water demand is between 2.6 and 2.9 Mm<sup>3</sup>/y. The surface water collection network consists of five collection basins located north and south of the treatment plant with a nominal holding capacity of 600,000 m<sup>3</sup>.

Potable water for the Mana site is supplied from bore holes.

A TSF with a storage capacity of 32.3 Mm<sup>3</sup> of tailings generated by the ore processing operations is required for the life of the project at a rate of 2.7 Mt/y. Tailings are discharged to the facility via a 5 km pipeline. The supernatant water is recycled to the plant. Ten control wells around the TSF monitor groundwater quality and fluctuations in the water table. The TSF embankments are raised annually alternating between the east and west cells, with a total area of approximately 130 ha. The tailings are deposited alternately in the cells to accelerate consolidation and evaporation. The Mana TSF was initially designed as an upstream lift however, the current lift is center line lift, coupled with a rock buttress, to increase the safety factor. The last audit was conducted in June 2021 by Knight Piésold Perth. No items of material concern were noted.

## CAPITAL AND OPERATING COSTS

### *Operating and Capital Costs (\$m unless stated)*

| Item                             | 2021  | 2022 Guidance |
|----------------------------------|-------|---------------|
| Sustaining capital               | 12.6  | 7.0           |
| Non-sustaining capital           | 63.3  | 40.0          |
| Mine AISC per ounce sold (\$/oz) | 1,026 | 1,000 – 1,100 |

## PRODUCTION, EXPLORATION AND DEVELOPMENT

In 2021, Mana produced 205 koz at an AISC of \$1,026/oz.

Mana is expected to produce between 170—190koz in 2022 at an AISC of \$1,000—1,100/oz.

Mining at Wona open pit is expected to conclude at the end of H1-2022, while in H2-2022 mill feed is expected to be sourced primarily from Siou underground whilst development progresses at Wona underground where stope production is expected to commence in late 2022. Siou underground is largely developed and stope production is expected to be consistent throughout the year, though grade will vary depending on the stopes in production. Mining at the Maoula satellite pit, is planned to commence in late H2-2022. Mill throughput is expected to be lower in H2-2022 following the transition away from the Wona open pit. This is expected to be partially offset by supplemental feed from stockpiles and from Wona underground development as well as slightly higher grades from Siou underground, while recovery rates are expected to remain strong.

Sustaining capital expenditure is expected to decrease from \$12.6 million in FY-2021 to approximately \$7.0 million in 2022, with expenditure relating mainly to plant maintenance and equipment re-builds.

Non-sustaining capital expenditure is expected to decrease to approximately \$40.0 million in 2022, with expenditure relating mainly to the Wona underground development and associated infrastructure as well as Maoula infrastructure and a TSF wall raise.

An exploration program of \$6.0 million is planned for 2022, with drilling focused on increasing resources at Maoula, Nyafé and Fofina, as well as early stage exploration at several targets along the Greenville-Wona-Kona shear zone and the Boni shear zone, including Siou NW, Tounou, Kokoi Sud, Bombouela and Doumakele. In addition, early stage exploration work will look to delineate the under explored refractory resources in the Mana area.

### 4.6 Sabodala-Massawa Mine, Senegal

Unless otherwise stated, the information that follows relating to the Sabodala-Massawa Mine is derived from, and in some instances is an extract from, the Pre-feasibility report titled “Sabodala – Massawa Project Pre-feasibility Study National Instrument 43-101 Technical Report”, dated August 21, 2020 (the “SAB-MAS, NI 43-101 Technical Report Update”, the “SAB-MAS Report”). Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Readers should consult the full text of the SAB-MAS Report, which is available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Unless otherwise indicated, technical information disclosed herein since the release of the SAB-MAS Report has been updated under the supervision of, or reviewed, in the case of resources, by Kevin Harris, CPG, Vice President Resources at Endeavour, and in the case of mining and reserves, by Salih Ramazan, FAusIMM, Vice President Mine Planning at Endeavour, each of whom is a “Qualified Person” under NI 43-101 rules.

## LOCATION

The Sabodala-Massawa Mine is located approximately 650 km east-southeast of the capital of Senegal, Dakar, and 96 km north of the town of Kédougou. Access to the property from Dakar is by sealed road, Highway N1, to the regional centre of Tambacounda and then via a good all-weather sealed road, Highway N7, 230 km southeast to Kédougou, connecting with 96 km of sealed and laterite-surfaced roads. The Sabodala-Massawa Mine is located at 13°4'51"N latitude and 12°4'6"W longitude.

## OWNERSHIP

The Sabodala-Massawa Mine consists of two mining licenses – the Sabodala exploitation permit (“Sabodala Concession”) and the Massawa exploitation permit (“Massawa Mining License”). The Sabodala Concession is held by Sabodala Gold Operations SA (“SGO”) while the Massawa Mining License is held by Massawa SA (“Massawa”). Endeavour, indirectly through its subsidiaries, holds a 90% stake in SGO and Massawa, whilst the State of Senegal holds the remaining interest. Pursuant to its mining convention with the State, for each license, Endeavour is to pay the State of Senegal a 5% royalty on gold production.

The Sabodala processing facility is located on the Sabodala property, whereas the deposits that will be processed over the mine life are located across the two properties. The Sabodala Concession covers an area of 291.2 km<sup>2</sup> and is renewable for one or several periods of not more than 10 years each, until the depletion of the deposit subject to the condition that Endeavour has satisfied in all material respects its legal and regulatory obligations as set out in the Sabodala Mining Convention. The initial 10-year period would have expired on April 30, 2017, however the signing of the amended and restated Sabodala Mining Convention on April 7, 2015 with the government of Senegal extended the term to January 2025. The Sabodala Mining License will remain renewable for successive five-year terms thereafter based on anticipated mine life and ongoing regulatory compliance.

Related to Sabodala are two exploration permits held 100% by Sabodala Mining Company Sarl (“SMC”), an indirect subsidiary of Endeavour - the Bransan and Sounkounkou exploration permits covering 337.3 km<sup>2</sup> and 291.7 km<sup>2</sup> respectively and valid for four years from April 20, 2018 and renewable twice for three years each time. The Sounkounkou and Bransan exploration permits are located either adjacent to, or in close proximity to the Sabodala Mining License. The Sounkounkou exploration permit is held 100% by SMC. The Bransan exploration permit comprises of Lot A, Lot B and Lot C. The Bransan Lot A permit is held 70% by SMC and a 30% ownership right is assigned to Senegal Nominees Limited. The Bransan Lot B and Lot C permits are held 100% by SMC.

The Massawa License is contiguous with the Sabodala Lot-A mining concession and covers an area of 320.2 km<sup>2</sup>. The Massawa License is valid for 20 years from February 21, 2020 and may be renewed for periods of five years at a time. Related to Massawa is the Kanoumba exploration permit which extends to the southwest of the Massawa Mining License and covers 286 km<sup>2</sup>. It is valid for four years from February 25, 2020 and renewable twice for three years each time. The Kanoumba exploration permit is held 100% by Endeavour through its subsidiary Massawa (Jersey) Limited.

## HISTORY

### SABODALA

The Sabodala deposit was discovered by BRGM in 1961. Subsequently, from 1961 to 1998, BRGM, a Soviet-Senegal joint venture, a Société Minière de Sabodala/Page Mining Ltd. joint venture, and Eximcor-Afrique SA conducted exploration programs including geological mapping, geochemical sampling, metallurgical studies and limited exploitation.

In 2004, the government of Senegal announced that the Sabodala area was available for international open tender and Mineral Deposits Limited (“MDL”), an Australian-based publicly traded mining company, submitted a competitive bid on the Sabodala Gold project. The Sabodala Gold project was awarded to MDL. The Sabodala Mining

Convention was executed on March 23, 2005 and exploration drilling commenced on June 29, 2005. Subsequently, a supplementary deed to the Sabodala Mining Convention was executed on January 23, 2007. On May 2, 2007, MDL received mining concession status for the Sabodala Gold project by decree of the president of Senegal.

Construction and development of the Sabodala Mine and plant occurred throughout 2008 with full commissioning occurring in early 2009, with first gold poured in March 2009.

On November 23, 2010, Teranga completed the acquisition of the Sabodala Mine and the Regional Land Package by way of a restructuring and demerger from MDL.

## MASSAWA

From December 1996 to January 2000, AngloGold Ashanti Limited conducted regional geochemistry, sampling and mapping, airborne surveying, and drilling over selected targets.

Randgold discovered the Massawa gold deposit in early 2004 utilizing soil surveying methods. The ground was selected based on a mineralized structure that was interpreted from Landsat imagery to extend south from the Sabodala gold deposit and Niamia Permit in the north. A total of eleven targets were identified, among which seven were ranked as a priority for detailed work.

Other than the regional soil geochemistry from AngloGold Ashanti, all of the work at Sofia was completed by Randgold over several years of exploration. Delya was discovered in early 2004 by a regional soil survey.

On March 4, 2020, Teranga acquired a 90% interest in Massawa from a wholly-owned subsidiary of Barrick Gold Corporation and its joint venture partner, Compagnie Sénégalaise de Transports Transatlantiques Afrique de l'Ouest SA (CSTTAO) with the Government of Senegal holding the remaining 10% interest in Massawa.

## GEOLOGY

The Sabodala and Massawa Mining Licenses and exploration permits straddle two major divisions of the Kedougou-Kenieba inlier: the volcanic-dominated Mako Supergroup to the west, and the sediment-dominated Diale-Dalema Supergroup to the east. The Mako Supergroup consists mainly of tholeiitic basalts and andesitic lavas (massive and pillowed flows) with minor komatiitic units interbedded with volcanoclastic sediments (pyroclastic banded tuffs and agglomerates), quartzite and chert as well as ultramafics, dolerites, and gabbros. The Diale and Dalema Supergroup are characterized by folded sandstones and siltstones interbedded with calc-alkaline ash and lapilli tuffs that are more pelitic and siliceous in the Diale Supergroup and more calcareous in the Dalema Supergroup.

The Mako and Diale-Dalema supracrustal sequences are intruded by a series of variably deformed granitoid intrusions that range in age from 2,160 Ma to 2,000 Ma. These include the Karkadian Batholith, which bounds the Mako Belt to the west, and several major large stocks in the central Mako Belt in the project areas. Northeast trending intermediate to felsic and later, post-tectonic mafic dykes are present throughout the region, the latter forming prominent linear magnetic features. Felsic and intermediate composition dykes are often spatially associated with shear zones hosting gold mineralization, and locally are host to significant gold mineralization themselves.

Birimian rocks of the Kedougou-Kenieba inlier show a polycyclic deformation and metamorphic history. The first phase of deformation was compressive followed by a later transcurrent movement and deformation. Major crustal shear zones regionally bound, and influence the overall north-northeast lithologic grain in the region. These include a north-northeast trending shear zone which is interpreted to form a boundary between the Mako and Diale-Dalema groups which is termed the Senegal-Tombo Shear Zone or Main Transcurrent Shear Zone (MTZ). The MTZ hosts the Massawa and Delya deposits.

## EXPLORATION

On the Sabodala Mining License and Exploration Permit in 1961, BRGM conducted initial exploration work on the Sabodala property which resulted in the discovery of the Sabodala deposit. From 1971 to 1994, subsequent follow up drilling was undertaken to further delineate mineralization by BRGM and various joint venture partners. In October 2005, Worley Parsons GPX conducted an airborne survey on 100 m line spacing, acquiring magnetic, radiometric and digital terrain data covering the Near Mine, Faleme, and 60% of the Dembala Berola exploration projects. In 2007, Fugro Airborne Surveys (Pty) Limited flew an aeromagnetic and radiometric survey over eastern Senegal, on 250 m spaced lines on a 135-degree azimuth, at a survey height of 80 m. This survey provided coverage over the remaining parts of the exploration permits. A dipole-dipole IP survey was completed over the mine lease during 2008. Since 2008, cathedral termite mound sampling was adopted as the preferred regional geochemical sampling medium, in conjunction with soil and rock chip sampling. Regional and prospect scale mapping was also undertaken on all exploration project areas and the Sabodala Mining License.

Initial exploration work on the OJVG exploration permit commenced in 2005 by Oromin with its OJVG partners. Ongoing expansion and exploration drilling programs continued to expand the resource base which was reported in a PFS in 2009, an updated PFS in 2010 and a FS in 2010. Exploration from 2010 to 2011 consisted largely of infill and step-out resource expansion drilling with some trenching. The 2012 exploration program consisted of prospecting, mapping, and manual trenching in underexplored areas of the mine license, which generated new prospective targets. As of 2013, OJVG had successfully advanced a total of fourteen deposits to the stage of resource estimation and identified a significant number of gold-in-soil geochemical anomalies. Since 2014 exploration consisting of soil sampling, mapping, trenching and drilling, focused on 20 targets within the regional exploration permits and 19 targets on the combined Sabodala Mining License area.

On the Sabodala Mining License, no exploration was undertaken during 2018. Exploration activities during 2019 focused on sterilization drilling at both the Maki Medina deposit as well as at the Goumbati West – Kobokoto deposit. The Maki Medina sterilization included the completion of 17 RC drill holes totaling 612 metres. In addition, a detailed gridded soil program and excavator-trenching program was undertaken to the south and east of the Goumbati West – Kobokoto deposit based on a structural interpretation that the Goumbati West – Kobokoto deposit southern extension may have been structurally offset in an eastward direction. In 2019, a detailed in-pit and near-pit drilling program was also conducted in and around the defined resource area of the Goumbati West – Kobokoto deposit comprising 81 holes, totaling 2,623 metres of RC drilling. The resource definition program at Goumbati West – Kobokoto was completed early in 2020 with the drilling of an additional 39 RC holes totaling 2,640 m. No additional exploration work was undertaken within the Sabodala Mining License in 2020. No exploration activities were undertaken on the Sabodala regional exploration permits in 2019 or 2020.

On the Massawa Mining License and Exploration Permit from December 1996 to January 2000, AngloGold Ashanti Limited conducted regional exploration programs on the Massawa property.

In 2004, Randgold conducted soil sampling programs over the property, which returned anomalous results over the Massawa Central and North Zones, Sofia, Delya and Bambaraya prospects. The Tina prospect was identified in 2007. Exploration continued through to 2018 with additional soil and rock chip sampling, trenching, mapping and drilling to further delineate previous positive results.

Prior to Teranga's acquisition of the Massawa property, Barrick and Randgold had drilled 6,512 diamond core, RC, and RAB drill holes totalling 545,643 m within the current property boundary.

On the Sabodala-Massawa Licenses and Exploration Permits over 36,000 m were drilled in 2020 with activity planned to ramp up significantly in 2021, specifically on the Massawa deposits, which represents Endeavour's largest single project exploration spend.

An exploration program of \$13.0 million was planned for 2021, of which \$12.5 million was spent comprised of 100,000 metres across 929 drillholes.

During 2021, exploration efforts have successfully delineated resources at Massawa Central Zone and Massawa North Zone, Sofia, Tina and Samina significantly extending the strike lengths of the existing mineralization at all of these deposit.

### ***SAMPLING AND DATA VERIFICATION***

One sample is taken for each one metre interval drilled by reverse circulation and for each two metre interval drilled by RAB. Jones riffle splitters are used at the drill site to obtain a representative sub-sample. Drill core sampling intervals are defined, then cut in half with a diamond saw along the core length. Half core is sampled over approximate one metre lengths or based on lithology intervals.

All samples are placed into sample bags with assigned sample numbers, then closed, sealed, and inserted into larger rice bags that are securely sealed. Samples that are sent for assay to the on-site SGS laboratory are securely transported by company trucks. Samples that are sent for assay to off-site laboratories are inserted into large metal drums that are securely sealed, then transported off-site by contract transport trucks to Dakar and either by land transport or air freight to off-site laboratories. Sample intervals that are not assayed remain in storage at the mine site or exploration camps.

Sabodala samples were sent for gold analysis to the on-site laboratory operated by SGS Minerals as its primary laboratory for atomic absorption analyses and to the ALS Laboratory in Ouagadougou Burkina Faso for fire assay analyses. Massawa North Zone and satellite deposit samples were assayed at the on-site laboratory at the Loulo mine in Mali, operated by SGS Minerals, for fire assay. Massawa Central Zone samples were assayed at SGS Ouagadougou in Burkina Faso by LeachWELL analysis. Sofia samples were analysed at the SGS Loulo laboratory or SGS Bamako laboratory, also located in Mali. All laboratories are certified.

In addition to the standard internal laboratory quality control measures employed, a blind QA/QC program was established at both Sabodala and Massawa, consisting of geological standards, blanks, and duplicate samples inserted into the sample stream at regular intervals. Results indicate no evidence of contamination, reasonable to good correlation between original and duplicate samples and no significant issues with specific sample batches or long-term biases.

Standard operating procedures for sample preparation, analyses, and security, have been established, which are appropriate for gold mineralization and which follow industry standards.

Independent and internal reviews of procedures and data involving general knowledge and practices, laboratory facilities, sample preparation, analysis and security and QA/QC procedures; drilling programs including standard operating procedures, collar and downhole surveys, logging and sampling; geological interpretation, assay verification, density determinations and data management. Standard industry practices were followed, with no significant discrepancies identified during the reviews. The resource database is considered to be valid and acceptable for use in mineral resource estimates.

### ***MINERAL RESERVES AND MINERAL RESOURCES ESTIMATES***

See the Mineral Reserves and Mineral Resources table above for information on the mineral reserves and mineral resources.

Mineral resources for the Sabodala-Massawa Mine are estimated for 26 gold deposits and prospects located on the Sabodala and Massawa Mining Licenses, and the Bransan exploration permit. The resources in the active mine areas of Sabodala, Kourouloulou, Golouma, and Sofia were depleted for mining. The resource models for Massawa CZ, NZ, Delya, Sofia North Extension and Tina were updated in 2021 based upon new drilling data and interpretations. New resource models were added at Samina in 2021 based on new drilling data.

Wireframe models were generated from logged drill hole data for topography, oxide, mineralization and significant lithology for use as hard boundaries for bulk density determinations and mineral resource estimation. All wireframe modeling was completed using Vulcan, Micromine, Surpac or Leapfrog. Block modeling was completed using Vulcan, Surpac or GEMS software. Classical statistics for raw gold assays were analyzed for modeled mineralized zones to determine appropriate gold grade capping levels. Capping levels were applied either to assays prior to compositing, or to one-metre composites generated from one-metre assays, to limit the influence of high-grade outliers for all deposits. Run-length composites were generated inside mineralization wireframes. Gold assay results reported below the detection limit were assigned half the detection limit. For most mineralization wireframes, non-logged and unsampled intervals were assigned a grade of 0.0 g/t Au prior to compositing.

Block gold grades were estimated using the Ordinary Kriging, Inverse Distance Squared, Inverse Distance Cubed or Nearest Neighbour estimation method. Except for the Nearest Neighbour method, blocks were estimated using multiple estimation passes using increasingly larger search distances, either based on variograms or visual estimates of grade and geological continuity.

CIM definitions were followed for mineral resource classification. Resource classification is primarily based on drill hole spacing and continuity of grade. In addition, qualitative criteria were used to outline areas of measured, indicated, and inferred mineral resources. Resource classification wireframes were created on section to ensure that only areas, which could be considered as continuous, were classified together.

For reporting of open pit mineral resources, open pit shells were produced for each of the resource models using Whittle open pit optimization software using the Lerchs-Grossman algorithm. Only classified blocks greater than or equal to the open pit cut-off grades and within the open pit shells were reported. This is in compliance with the CIM (2014) resource definition requirement of “reasonable prospects for eventual economic extraction”.

For reporting of underground mineral resources, only classified blocks greater than or equal to the underground cut-off grade outside of the open pit shells were reported. This complies with CIM resource definition requirements. In addition, Deswik Stope Optimizer software was used to generate wireframe models to constrain blocks satisfying minimum size and continuity criteria, which were used for reporting Sabodala underground mineral resources. The QP for the mineral resource estimates is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, or political issues that would materially affect the mineral resource estimates.

The mineral reserve estimate is as of December 31, 2021. The proven and probable mineral reserves for the deposits are based on only that part of the measured and indicated mineral resources that falls within the designed final pit limits.

Open pit Mineral Reserves cut-off grades range from 0.5 g/t Au to 0.6 g/t Au for oxide, cut-off grade range is 0.6 g/t to 0.7 g/t Au for transitional and fresh rock and 1.2 g/t Au for refractory ore, based on a \$1,300/oz gold price. Underground Mineral Reserve cut-off grade is 3.1 g/t Au based on a \$1,300/oz gold price.

Dilution and ore loss parameters were applied to each of the resource block models before undertaking open pit optimization work using the Whittle Pit Optimization software. Current pit surfaces and new cut-off grades were used in the dilution comparison.

Xstract Mining Consultants of Australia (“Xstract”) has been providing geotechnical expertise and advice for the Sabodala mine, and has developed the appropriate geotechnical model for all the deposits. Annual site visits (and additional inspections when necessary) provide continuous assessment in order to update issues of ground conditions and pit slopes. Xstract provides guidance for operating risks and outlines mitigation plans for the appropriate operating methods and parameters for the entire Sabodala operations.

Pit optimization runs were completed using Whittle software based on the Lerchs-Grossman (LG) algorithm for pit optimization. Pit optimization parameters such as mining cost, processing cost, and cut-off grades are applied

differently for the various pits because of the variable pit haulage distances from the Sabodala processing plant, oxide and fresh material.

### **MINING AND ORE PROCESSING**

Production began from the Sabodala open pit in March 2009. Subsequently, Masato, Gora and Golouma open pits were added to the production portfolio. Mining at Massawa's Sofia deposit started in July 2020 after the completion of the haul road to Sabodala plant and is the primary ore source for 2021. The mining is conventional truck and shovel and is conducted with Endeavour-owned fleet.

The production, drilling and blasting operations are carried out on 5 m or 10 m benches, defined by selectivity requirements. There is a relatively low percentage of highly weathered zone (oxides) that can be freely dug, so the majority of the material moved is via drilling and blasting operations. Emulsion is used in both wet and dry blasting for efficiency.

Endeavour contracts the supply of explosives and blasting accessories to an approved explosives supplier, who in addition, provides mixing equipment and technical blasting advice when needed.

Grade control drilling is carried out by a combined owner and contractor drilling fleet and the samples are tested in the onsite laboratory. Sampling commences with grade control drilling ahead of the mining front, aimed at assisting the short to medium term mine planning process.

The Sabodala processing plant or the Sabodala Whole Ore Leach Plant 'SWOLP' was expanded in late 2012 to a design capacity of approximately 3.6 Mtpa (db) (fresh ore) or 4.0 Mtpa (db) with a mix of fresh and oxidized ore. In mid-2015, a mill optimization project was initiated and commissioned in Q3 2016. As a result, annual throughput rates for the plant increased to (4.2 to 4.5) Mtpa (db). The plant comprises facilities for crushing, grinding, gravity gold recovery, CIL cyanidation, and tailings disposal. Gold recovery facilities include acid washing, carbon stripping and electro winning, followed by bullion smelting and carbon regeneration. In preparation of Massawa Whole Ore Leach (WOL) material becoming available, further upgrades of the SWOLP were undertaken from 2020, including the addition of an electrowinning cell, regeneration kiln, additional acid wash and elution circuit, leach tanks, and the installation of a gravity circuit.

In the SAB-MAS Report, the Sabodala Sulphide Treatment Plant 'SSTP' design is based on a projected plant throughput of 1.2 Mt/a (db) of non-free milling (reductive transitional and fresh sulphide) ore per year, and an average gold head grade of 4.43 g/t, with an expected gold recovery of 88.3%. The SSTP is estimated to produce the first gold pour during the first quarter of 2024.

The Massawa ore is fed in two phases, with the first phase, started in 2020, being WOL material fed to the SWOLP. Once the SSTP is commissioned, phase two consists of feeding both plants concurrently.

Following the acquisition of Sabodala-Massawa on February 10, 2021, a total of 40.9 Mt ore and waste was mined, including 6.6 Mt of ore at an average gold grade of 2.34 g/t containing 497 koz. A total of 3.8 Mt ore at an average grade of 3.19 g/t was processed with an overall recovery rate of 90% producing 345 koz gold.

### **ENVIRONMENTAL, PERMITTING & SOCIAL**

Several environmental studies were conducted over the past 12 years. An ESIA was completed for the Sabodala Mine in 2008. Several environmental permits have been granted covering the process plant, mining and surface infrastructure. An ESIA was completed for Massawa in 2019. During 2021, a combined ESIA for Sabodala-Massawa has been prepared and is expected to be completed by the Q1 2022.

Construction of the new resettlement of the Sabodala village is underway in order to ensure access to the Niakafiri deposit and expected to be completed in Q2 2022 with the move of the villages before end of Q3 2022.

A range of programs to support impacted local communities have also been implemented as part of the social fund for a total investment of \$0.86 million. These included support to education with the building of 5 classrooms, the provision of school supplies, a scholarship for girls studying sciences, and a scholarship for students at a secondary school. Support has also been provided to income generation activities, to health through the construction and equipment of a health post, the purchase of an ambulance, and the donation of an x-ray table for Saraya Health Center.

## INFRASTRUCTURE

The Sabodala Mining License infrastructure includes several open pits, a processing plant, a run of mine (“ROM”) pad, and a TSF.

Sabodala provides for the majority of its own infrastructure needs. Power is generated at the site using six Wartsila (6.1 to 6.5 MWe) low speed, heavy fuel oil generators (total installed capacity of 37.4 MWe), with fuel supply from Vivo Energy Senegal for HFO and diesel. The SSTP will require an additional three generators, bringing the total to nine heavy fuel oil generators (total planned installed capacity of 54.5 MWe). Water supply to service the processing plant and mine comprises three surface water storage dams from local catchment areas. There are sufficient waste disposal areas and tailings storage areas.

The Sabodala operations currently operate with one TSF (“TSF1”), however, a second tailings storage facility (“TSF2”) has been designed and permitted for future construction as and when needed. Due to integration of the Massawa deposits into the LOM, the construction timing and potential optimization of the TSF2 design, is currently in progress. TSF1B (not yet built), is a double HDPE-lined compartment within TSF1. This containment cell is designed to accommodate BIOX neutralization/CIL tailings from the new SSTP. The last audit of TSF1 was completed in October 2021 by Land & Marine Geological Services Pty Ltd (L&MG SPL). No points of material concern were noted in its report. Independent audits for the TSF infrastructure are planned on an annual basis going forward.

## CAPITAL AND OPERATING COSTS

### *Operating and Capital Costs (\$m unless stated)*

| Item                             | 2021 | 2022 Guidance |
|----------------------------------|------|---------------|
| Sustaining capital               | 50.3 | 63.0          |
| Non-sustaining capital           | 34.0 | 34.0          |
| Mine AISC per ounce sold (\$/oz) | 645  | 675 – 725     |

## PRODUCTION, EXPLORATION AND DEVELOPMENT

In 2021, Sabodala-Massawa produced 345 koz ounces of gold at an AISC of \$645/oz. Note this is from the date of acquisition on February 10, 2021 until December 31, 2021.

Sabodala-Massawa is expected to produce between 360—375koz in FY-2022 at an AISC of \$675—725/oz.

Ore is expected to be sourced primarily from the Massawa Central Zone and North Zone pits in 2022. The Massawa Central Zone pit will be mined from the start of the year, whilst the Massawa North Zone pit is expected to commence mid year. Mining of the Sofia North pit is expected to continue for the entire year though the mined grade is expected to be lower than the Massawa Central Zone and Massawa North Zone pits. Mining of the Sabodala pit will continue throughout the year, focussed on the pit cutback, with some supplemental low grade fresh ore expected in H1-2022. Processed grades are expected to decline compared to 2021, particularly in H1-2022 due to lower grade Sofia North feed, while mill throughput rates and recovery rates are expected to remain similar.

Sustaining capital expenditure is expected to increase from approximately \$50.3 million in 2021 (only the consolidated post acquisition portion) to \$63.0 million in 2022, related mainly to capitalized waste, fleet re-builds and continued investment in new mining equipment. Non-sustaining capital expenditure in 2022 is expected to remain flat at approximately \$34.0 million, with 2022 capital expenditures related mainly to the ongoing construction of the new Sabodala village and associated relocation costs plus infrastructure and establishment works for the Massawa pits.

An exploration programme of \$15.0 million is planned for 2022, focused expanding on the Sofia North, Delya, Samina and Tina deposits. Further exploration work will focus on other Massawa permit targets including Bambaraya, Tiwana, Kawasara and Makana. Reconnaissance drilling is planned on the Niakafiri Extensions and Goumbati Kobokoto targets on the Sabodala permit as well.

#### **4.7      Wahgnion Mine, Burkina Faso**

The following summary sets forth information concerning Endeavour's Wahgnion mine, which is not considered to be a material property to Endeavour. Unless otherwise stated, the information that follows relating to the Wahgnion Mine is derived from, and in some instances is an extract from the technical report titled "Technical Report on the Wahgnion Gold Operations, Burkina Faso." The amended Wahgnion Technical Report was filed on July 31, 2019, with resource and reserve estimates compliant with the CIM Definition Standards and NI 43-101. Portions of the following information are based on assumptions, qualifications, and procedures, which are not fully described herein. Readers should consult the full text of the Wahgnion Report which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Unless otherwise indicated, technical information disclosed herein since the release of the Wahgnion Report has been updated under the supervision of, or reviewed, in the case of resources, by Kevin Harris, CPG, Vice President of Resources at Endeavour, and in the case of mining and reserves, by Salih Ramazan, FAusIMM, Vice President Mine Planning at Endeavour, each of whom is a "Qualified Person" under NI 43-101.

#### **LOCATION**

The Wahgnion Mine is located in the southwestern corner of Burkina Faso and bound by the Côte d'Ivoire border to the south and the Mali border to the west. It consists of a contiguous block totaling approximately 102,236 ha comprising a mining license and five exploration permits located in Léraba Province, southwestern Burkina Faso, approximately 510 km southwest of the capital city of Ouagadougou. It is accessible by driving southwest along the Route Nationale (N1) from the capital of Ouagadougou to the town of Bobo-Dioulasso, then towards the southwest along paved secondary road (N2) to the town of Banfora, a distance of 440 km. From Banfora to the site via the town of Sindou, a distance of 75 km, the road is paved and well maintained, and an unpaved but well-maintained road exists from Sindou to the Wahgnion Mine.

#### **OWNERSHIP**

Wahgnion's mining rights comprise of a mining license and five exploration permits. The mining license covers an area of 89 km<sup>2</sup> (the "Wahgnion Mining License") within which a CIL processing plant has been constructed. A regional exploration package is within trucking distance of the process plant. The Wahgnion Mining License is 90% owned through Endeavour's Burkinabe subsidiary, Wahgnion Gold Operations SA ("WGO") (Burkina Faso government owns the remaining 10%).

All five of the current exploration permits are 100% held by Endeavour indirectly through its Burkinabe subsidiary, Gryphon Minerals Burkina Faso SARL. The current exploration licenses cover an area over 900 km<sup>2</sup>. The exploration permits and the Wahgnion Mining License are located in a major gold district.

A graduated royalty scheme exists in Burkina Faso under which gold spot prices lower or equal to \$1,000 per ounce are subject to royalty fees of 3%, a 4% royalty rate applies for spot prices between \$1,000 and \$1,300 per

ounce and a 5% royalty rate for spot prices greater than \$1,300. Repatriated dividends are subject to a 6.25% withholding tax.

## HISTORY

Much of the current Wahgnion Mine area was held by Western Mining Corporation Ltd (“WMC”) from 1996 to 1999. Initial wide spaced vertical RAB drilling by WMC encountered significant mineralization at the Nogbele and Fourkoura deposits. Resolute (West Africa) Ltd (“Resolute”) and Sanembaore held the property from 1999 to 2005 and completed geological mapping, soil sampling, RAB, and reverse circulation (RC) drilling (Resolute) and geological mapping and rock chip sampling (Sanembaore). Sanembaore joint ventured the property with Gryphon between 2005 and 2007.

In 2007, Gryphon acquired Sanembaore’s interest in the property and initiated a comprehensive exploration program consisting of geological mapping at various scales, remote sensing, soil and stream sediment sampling, trenching, airborne geophysical surveying, ground geophysical surveying and auger, air core, RAB, RC, and diamond drilling on a number of targets. Between 2011 and 2015, Gryphon completed mineral resource estimates and resource updates on the Nogbele, Fourkoura, and Samavogo zones. In 2013, Gryphon completed a feasibility study based on an open pit mining scenario and a 2.0 Mtpa CIL processing plant. An updated feasibility study examining the potential for reduced capital through the construction of a 2.0 Mtpa heap leach processing option was completed in 2014.

Previous ownership of the Wahgnion Gold project is as follows:

- › 1995 - 1999: Western Mining Corporation Ltd
- › 1999 - 2000: Resolute (West Africa) Ltd
- › 2004 - 2005: Sanembaore
- › 2005 - 2007: Gryphon /Sanembaore (joint venture)
- › 2007 - 2016: Gryphon (90%) (with 1% NSR)
- › 2016 - February 10, 2021: Teranga (90% with 1% NSR)
- › February 10, 2021 – current: Endeavour (90% with 1% NSR)

## GEOLOGY

The Wahgnion Mine is located in the southwest corner of Burkina Faso within the Paleoproterozoic Birimian Senoufo Belt. The Senoufo Belt trends north-northeast and comprises mainly basaltic and andesitic volcanic rocks, lesser sedimentary rocks, and numerous gabbroic to granitic sub-volcanic plutons.

The oldest greenstone rocks in southwestern Burkina Faso, and in much of the Birimian Belt, are tholeiitic to calc-alkaline volcanic rocks, which are predominantly extrusive volcanic units that are geochemically similar to rocks from present day volcanic island arc environments. Birimian sedimentary basins are abundant across the whole Baoulé-Mossi domain and are thought to unconformably overlie the older greenstone basement rocks.

Voluminous granitic and gneissic rocks surround the greenstone belts and are, in general, tonalites or granodiorites with a trondhjemitic affinity. More potassic, often biotite-bearing granitic rocks were intruded later which in places have evolved to more alkaline syenitic rocks. Early Proterozoic rocks within the concession area, are interpreted to be tholeiitic to calc-alkaline basalts, andesites, and volcanoclastic sediments. These units include pillow basalts, bomb agglomerates, and associated extrusive volcanic and occasional basaltic flows. These rocks probably correlate with the basal sequences in the adjacent Banfora, Houndé, and Boromo greenstone belts. Predominantly mafic, volcano-sedimentary packages dominate the younger parts of the local stratigraphy. Metamorphic conditions appear to have peaked at greenschist facies with occasional amphibolite facies rocks outcropping in contact aureoles around some of the intrusive rocks.

Mineralization at Wahgnion is structurally controlled and is widely associated with hematite, iron carbonate, sericite, pyrite and locally, with albitic alteration. Higher gold grades are commonly associated with stylolitic laminated quartz veins or pyrite veinlets. Coarse-grained gold is found in fractures within pyrite veins or in quartz-carbonate vein selvages. Mineralization is predominantly of a lode-style gold type, associated with discrete structures. The mineralization is interpreted to have formed from the same mineralizing system, with variations in style reflecting the difference in local lithological and structural settings.

## EXPLORATION

Soil geochemical data covering southwestern Burkina Faso generated by the Bureau des Mines et de la Géologie du Burkina, United Nations Development programme, and BHP, was acquired by Western Mining Corporation Ltd. in the 1990s, and used to target prospective areas for follow-up. WMC held much of the current Property area during the 1996-1999 period, conducting a 250 m line spacing aeromagnetic survey (flown by Geotrex in 1997), geological mapping, soil sampling, and first-pass Rotary Air Blast (RAB) drilling (196 holes for 5,014 m). All of the WMC drill holes were vertical and ranged from 4 m to 54 m depth (average 26 m). Four prospects were drilled, Nogbele, Fourkoura, Fambefesso, and Kassangara, with significant gold mineralization encountered at Nogbele and Fourkoura. WMC withdrew from its African projects in the late 1990s and divested the Property to Resolute (West Africa) Ltd (Resolute) in 1999.

Resolute completed soil sampling, detailed geological mapping, and RAB drilling (91 holes for 3,855 m) at the Nogbele, Fourkoura, and Woulafasso prospects. Several significant gold intercepts were encountered, however, Resolute became financially strained and withdrew in early 2000. Sanembaore continued exploration including detailed geological mapping (1:1,000, 1:5,000, and 1:20,000) and rock chip sampling within the Nianka and Nogbele permits until 2005 when a joint venture was initiated with Gryphon. Soil sampling covered much of the central part of the Property on a 300 m by 500 m grid, and locally down to 200 m by 100 m and 100 m by 50 m sample spacing over several prospects including Nogbele, Fourkoura, Woulafasso, Fambefesso, Kassangara, Bavigue, and Ouhirambougou.

In 2007, the Gryphon/Sanembaore joint venture was terminated, Gryphon assumed sole control of the Property, and completed exploration in four phases: regional soil geochemistry, district scale geological mapping, and rock chip sampling; reconnaissance RAB and air core drilling; broad spaced reverse circulation and diamond core drilling to determine approximate gold grade and lode geometry; and infill reverse circulation and diamond drilling to support a mineral resource estimate.

From 2007 to 2015, Gryphon excavated trenches to follow up anomalous soil results over a number of target areas. Trenches were dug both manually and mechanically to a depth of up to three metres. In addition, a total of 25,778 soil samples were taken from across the property area, including 3,933 samples taken from the mining lease. Soil samples were taken on 100 m by 20 m to 400 m by 200 m spaced grids. Samples were sieved to - 2 mm fraction to remove vegetation and rock fragments, then analyzed by bulk leach extractable gold analysis (BLEG).

From 2010 to 2011, Gryphon contracted airborne magnetic, radiometric and electromagnetic (VTEM) surveys over the property, with follow-up ground magnetic and gravity surveys from 2012 to 2014. From 2011 to 2012, a regional stream sediment sampling program was undertaken across the entire property, with samples taken at a density of one sample per 5 km<sup>2</sup>. Samples weighing 600 g each were analyzed by BLEG as well as analysis of a suite of minor elements by inductively coupled plasma optical emission spectroscopy (ICP-OES) following digestion by aqua regia, resulting in identification of anomalous areas. Prior to 2011, resource definition drilling began on all four deposits, Nogbele, Fourkoura, Stinger, and Samavogo, at a nominal 100 m by 100 m drill hole spacing, with some localized infill.

In 2017, the primary drilling activity at the Wahgnion Gold mining license was focused on infill drilling at the four deposits comprising the mineral resources and mineral reserves: Fourkoura, Stinger, Nogbele, and Samavogo. The objective was to increase drill hole density and upgrade the existing Inferred Resources located adjacent to the

reserve pits. Infill drilling identified additional mineralized zones, extensions of existing mineralization along strike and linking of individual mineralized zones. A total of 72,921 metres were completed in 1,666 holes, of which 64,518 metres were drilled in 1,581 reverse circulation holes, and 8,403 metres were drilled in 85 diamond core holes.

Exploration activities on the regional exploration permits consisted of prospecting, auger and RAB drilling and limited reverse circulation and diamond core drilling at a number of early-stage exploration prospects including, Hillside, Kafina West, Raul, Ouahiri, Petite Colline and Konatvogo. Favourable results from each of these early-stage prospects as well as additional prospects within the regional exploration permits will be followed up in subsequent exploration programs.

In 2018, exploration activities were scaled back to enable a focus on project development activities. Target data compilation was initiated, however, field activities were minimal and no new drilling was undertaken. In 2019, exploration activities continued at a reduced level, however, target data compilation and detailed interpretation was initiated with the purpose of designing exploration activities at various priority exploration targets for future implementation.

Exploration activities resumed at the Wahgnion Mining License during the last half of 2020 with drilling programs targeting resource expansion at the Fourkoura deposit as well as delineating potential mineral resources at the Konotvogo and Dagano prospects. A total of 104 reverse circulation and diamond core holes totalling 11,943 metres were completed. In addition, sterilization drilling was undertaken on waste dump areas, with 92 reverse circulation holes totaling 3,525 metres completed. Soil sampling was conducted on detailed grids at Danano and Muddhi prospects. In addition, 37 holes totalling 4,762 metres were drilled and a detailed soil grid-sampling program was completed at Banagoro South prospect on the regional land package.

An exploration programme of \$12.0 million was planned for 2021, of which \$8.5 million was spent consisting of over 46,000 metres across 363 drillholes.

The exploration efforts in 2021 continued to focus on the Nogbele North and Nogbele South deposits, targeting the continuation of mineralized structures beneath and between the pits. Delineation drilling at Fourkoura, as well as reconnaissance drilling at Bassongoro, Salenka, Dagano, Muddi and Muddi Junction targets commenced in 2021.

### **SAMPLING AND DATA VERIFICATION**

Drilling and survey procedures observed are to acceptable industry standards, are appropriate to the deposits being drilled and are appropriate for mineral resource estimation.

Core and RC samples are commonly taken at one-metre intervals. According to the current procedures, the core sample intervals are not stopped at the boundaries between different material and rock types. All samples are immediately removed from the field upon drilling and core is marked up in the core shed in a secure facility located at the exploration camp. Drill core sampling intervals are defined then cut in half with a diamond saw along the core length. Samples are bagged with assigned sample numbers, then closed, sealed, and inserted into larger rice bags that are securely sealed, and transported from site by the assay laboratory trucks to the BIGS Global Laboratory in Ouagadougou. Unsampld core, RC chip trays, and remaining RC material are stored at the exploration camp.

Upon receipt at the commercial laboratory, the samples are registered and weighed, dried, weighed again, and then crushed to 6 mm. After crushing the RC samples are quartered and reduced in a Rocklabs splitter. The core samples are not reduced. Samples are then pulverized to 70 µm to 75 µm. A 200 g sample is then sent for analysis and the remainder of the pulp was stored. The fire assay method is then used.

In addition to the standard internal laboratory quality control measure employed, a blind QA/QC program is followed, consisting of geological standards, blanks, and duplicate samples inserted into the sample stream at regular intervals. The sampling, sample preparation, and analytical procedures and QA/QC program are appropriate for gold mineralization and follow industry standards.

Independent and internal reviews of drill hole data, logging, drilling and sampling procedures, geological interpretation, density determinations and results of independent check samples were completed, with no significant discrepancies identified. The resource database is considered to be valid and acceptable for use in Mineral Resource estimates.

#### **MINERAL RESERVES AND MINERAL RESOURCES ESTIMATES**

See the Mineral Reserves and Mineral Resources table above for information on the mineral reserves and mineral resources.

Mineral resources include four main gold deposits: Nogbele, Foukoura, Samavogo and Stinger. Each deposit was modeled separately, except Nogbele which was separated into Nogbele North and Nogbele South. The resources were updated for mining depletion through December 31, 2021 for the active mine areas at Nogbele and Foukoura.

Wireframe models were generated from logged drill hole data for topography, oxide, mineralization and significant lithology for use as hard boundaries for bulk density determinations and mineral resource estimation. All wireframe modeling was completed using Leapfrog Geo version 4.2 software. Block modeling was completed using Vulcan or Micromine software. Classical statistics for raw gold assays were analyzed for modeled mineralized zones to determine appropriate gold grade capping levels. Capping levels were applied to assays prior to compositing to limit the influence of high-grade outliers for all deposits. Run-length composites were generated inside mineralization wireframes. Gold assay results reported below the detection limit were assigned half the detection limit. Non-logged and unsampled intervals were assigned a grade of 0.0 g/t Au prior to compositing.

Block gold grades were estimated using the Ordinary Kriging or Inverse Distance Cubed (ID3) estimation method. Search strategies were chosen based on variography, trend analysis results, and the understanding of the mineralization. Blocks were estimated using multiple estimation passes using increasingly larger search distances, either based on variograms or visual estimates of grade and geological continuity.

CIM definitions were followed for mineral resource classification. The basis for the classification is a distance-based scheme using the relative confidence expressed by the range of the variograms, distance to nearest neighbor, and apparent continuity of mineralization. In addition, qualitative criteria were used to outline areas of measured, indicated, and inferred mineral resources. Resource classification wireframes were created on section to ensure that only areas, which could be considered as continuous, were classified together.

For reporting of open pit mineral resources, open pit shells were produced for each of the resource models using Whittle open pit optimization software using the Lerchs-Grossman algorithm. Only classified blocks greater than or equal to the open pit cut-off grades and within the open pit shells were reported. This follows the CIM (2014) resource definition requirement of “reasonable prospects for eventual economic extraction”.

The Wahgnion Mine consists of four main regions; Nogbele, Fourkoura, Stinger, and Samavogo. Gold mineralization occurs in the laterite, saprolite, transition, and primary weathering horizons. Laterite and saprolite are assumed to be free digging material, whereas transition and primary material will be mined via drill and blast cycles.

The mineral reserve estimate relies on the mineral resource estimate with an effective date of December 31, 2021. Mineral Reserve cut-off grades range from 0.4 g/t to 0.5 g/t Au for oxide, 0.5 g/t to 0.6 g/t Au for transitional, and 0.6 g/t to 0.7 g/t Au for fresh rock based on a \$1300 /oz gold price.

Dilution and ore loss parameters were applied to each of the resource block models before undertaking open pit optimization work using the Whittle Pit Optimization software. Current pit surfaces and new cut-off grades were used in the dilution comparison.

Detailed pit designs were completed using pit slope recommendations from Xstract Mining Consultants Pty Ltd. (Xstract) for Banfora Gold project (Banfora Gold Project, Geotechnical Slope Design Study, May 2017).

Pit optimization runs were completed using Whittle™ software based on the Lerchs-Grossman (LG). Pit optimization parameters such as mining cost, processing cost, and cut-off grades are applied differently for the various pits because of the variable pit haulage distances from the processing plant, material type, oxide and fresh material.

## **MINING AND ORE PROCESSING**

The Wahgnion Mine is a conventional open pit mine, with several pits of varying sizes. The operations consist of five main regions: Nogbele North, Nogbele South, Fourkoura, Stinger, and Samavogo. Gold mineralization occurs in the laterite, saprolite, transition, and primary weathering horizons. Laterite and saprolite are assumed to be free digging material, whereas transition and primary material will be mined via drill and blast cycles.

Mining is by way of conventional open pit mining techniques using drill and blast as required with material movement by hydraulic excavators and trucks. The mine scale suits 90 tonne class excavators in a backhoe configuration matched to 50 tonne payload class mining haul trucks and 40 tonne payload articulated haul trucks. An extensive RC drill program is conducted to supplement the production blast hole sampling as part of the grade control strategy. WGO own and operate a significant portion of the mining fleet, which has been supplemented by contractor mining utilizing SFTP for the satellite deposits, commencing with Foukoura. Due to the nature of the mineralization, there are multiple small pits which require careful planning and consideration for aspects such as sequencing (of pits), staging (of cutbacks), waste dump location and potential for backfilling of depleted pits.

The process plant is located adjacent to the Nogbele deposit, which contains approximately 50% of the mineral reserves. The Fourkoura, Stinger, and Samavogo deposits are located six km, 15 km, and 25 km, respectively, from the process plant and the haul trucks selected have the ability to haul ore directly to the process plant. The plant was completed during the third quarter 2019 and commercial production was declared on November 1, 2019.

The process plant design is based on a conventional CIL gold process flowsheet consisting of primary crushing, semi-SAG and ball milling, with a pebble crusher, CIL gold extraction, elution, electrowinning, and gold smelting to produce doré on site. Throughput was designed to range between 2.2 Mtpa and 2.5 Mtpa, depending on the blend of soft and hard ore, however, throughput rates during 2019 and 2020 were materially higher than nameplate.

The average predicted plant gold recovery is 92%, with soft (oxide) material recoveries from some zones reaching as high as 95%. To date, actual recoveries have been running marginally higher than the predicted rates.

The ore characteristics are variable with the primary ores typically more competent than the oxide ores. The plant design allows treatment of both ores by adjusting various parameters within the SAG and ball milling operation.

The process plant design incorporates the following unit process operations:

- Single stage primary crushing with a single toggle jaw crusher to produce a crushed product size of 80% passing (P80) ranging from 100 mm to 140 mm, based on differing weathering types.
- A crushed ore stockpile with a live nominal capacity of 2,000 t.
- SAG and ball milling in closed circuit with a pebble crusher and hydrocyclones (SABC) to produce a P80 grind size of 106 µm.

- › Leach and CIL circuit incorporating eight stages with one stage of leaching without carbon and seven stages with carbon for gold adsorption.
- › Split Anglo-American Research Laboratory (SAARL) elution circuit, electrowinning, and gold smelting to recover gold from the loaded carbon to produce doré.
- › Carbon reactivation utilizing a rotary kiln.
- › Tailings thickening to recover and recycle process water and precious metal values from the CIL tailings.
- › Tailings pumping to the TSF.

In 2021, Wahgnion, produced 147 koz of gold. The plant continues to outperform, processing approximately 62% more material than its original designed capacity. The plant's design capacity is 2.0 Mt for oxide and 2.7 Mt for transitional and fresh ore, and the operation processed 1.95 Mt of oxide and 1.79 Mt of fresh ore.

In 2021 after the acquisition in February 10, a total of 27.2 Mt ore and waste was mined, 3.8 Mt of ore at an average gold grade of 1.31 g/t containing 161 koz was moved from the pits. A total of 3.3 Mt ore at an average grade of 1.43 g/t containing 153 koz gold was processed with an overall recovery rate of 94%.

#### **ENVIRONMENTAL, PERMITTING & SOCIAL**

An ESIA and associated Social and Environmental Management Plan (SEMP) for the property was submitted in April 2013. An Environmental Conformance Certificate (ECC) was granted for the property by the Bureau National des Evaluations Environnementales (BUNEE) and the Ministerial Order n°2014-019 executed on January 21, 2014. This ECC facilitated the granting of the mining licence n°2014-675 on August 1, 2014.

The following environmental, permitting and social information is subsequent to the report titled "Technical Report on the Wahgnion Gold Operations, Burkina Faso".

Village resettlements are ongoing in order to ensure access to satellite pits which are in trucking proximity to the processing plant. At the end of 2021, nearly 75% of households had settled into new housing. The resettlements are progressing on schedule and budget.

A range of programs to support impacted local communities have also been implemented. In 2021, these included drinking water boreholes, donations to community sports and cultural events and rehabilitation of a school.

For the year ended December 31, 2021, the Wahgnion Mine contributed \$2.61 million to the government-mandated Local Development Mining Fund, which requires a contribution of 1% of revenue. The Local Mining Development Fund is partially operational and is awaiting government support.

#### **INFRASTRUCTURE**

Wahgnion Mine has a fuel supply contract with TOTAL. There is an onsite fuel storage facility (fuel farm) which stores HFO and diesel for the power plant, mine trucks, light vehicles and other users at the process plant.

Site-wide electrical power requirements for infrastructure, mining, and processing is sourced from an on-site heavy fuel oil (HFO) fueled power station. This facility has a total generation capacity of 24.6 MW and is comprised of six MAK8 medium-speed running on HFO and three Caterpillar high-speed backup gensets running on diesel.

Tailings are stored in a conventional paddock style TSF, located east of the processing plant. The final TSF design comprises a two-cell paddock facility consisting of a lined, downstream constructed embankment. The facility is designed to store the LOM tailings, with capacity to contain all supernatant and runoff from wet rainfall events up to a 100-year average recurrence Interval (ARI) storm event. Since commencement of operations, two cells have

been completed with commissioning of cell two expected in January 2022. Independent audits for the TSF and water storage infrastructure are completed on an annual basis. The last audit was completed in October 2021 by Land & Marine Geological Services Pty Ltd. No items of material concern were noted.

The principal water storage facilities are the already mined out Nangolo pit, Nogbele South 6.1 pit, Nogbele North 1.1 pit and the water harvest dam (WHD) located between the permanent accommodation village and the processing plant. Water is collected and pumped back to the plant to supply make-up water for processing and to supply primary water requirements (i.e., potable water usage and dust suppression). Priority is for recycled water to be recovered from the TSF decant facility with minimal use of collected water in the raw water storages. The groundwater table ranges from surface during rainy season to approximately 20 m below surface during dry season. There is a sufficiency of surface rights and water.

## **CAPITAL AND OPERATING COSTS**

### ***Operating and Capital Costs (\$m unless stated)***

| <b>Item</b>                      | <b>2021</b> | <b>2022 Guidance</b> |
|----------------------------------|-------------|----------------------|
| Sustaining capital               | 12.3        | 20.0                 |
| Non-sustaining capital           | 27.5        | 23.0                 |
| Mine AISC per ounce sold (\$/oz) | 994         | 1,050 – 1,150        |

## **PRODUCTION, EXPLORATION AND DEVELOPMENT**

In 2021 (February 10, 2021 – December 31, 2021), Wahgnion Mine produced 147 koz of gold at an AISC of \$994/oz.

Wahgnion is expected to produce between 140—150koz in 2022 at an AISC of \$1,050—1,150/oz.

Ore is expected to be primarily sourced from the Nogbele North and Fourkoura pits, with supplemental feed coming from the Nogbele South pits in H1-2022. In H2-2022, greater volumes of ore are expected to be sourced from the Nogbele North pits while ore sourced from the Fourkoura pits is expected to remain steady throughout the year. Mill throughput rates are expected to decrease marginally in 2022 on account of increased fresh feed while process grades are expected to decline in line with the life of mine schedule.

Sustaining capital expenditure is expected to increase from \$12.3 million in 2021 (consolidated post acquisition portion) to approximately \$20.0 million in 2022, related mainly to waste extraction and equipment re-builds.

Non-sustaining capital expenditure is expected to decrease from \$27.5 million in 2021 (consolidated post acquisition portion) to approximately \$23.0 million in 2022, related mainly to infrastructure required to expand site operations at Samavogo, including land compensation, housing resettlement and haul road, and TSF cell 2 wall raise.

An exploration program of \$9.0 million is planned for 2021, focused on expanding the resources at Nogbele North, Nogbele South and Fourkoura as well as delineating resources at Kassera and Ouahiri South. Reconnaissance drilling at Bozogo, Stinger and Samavogo will follow up on several high priority soil anomalies and promising reconnaissance drill intercepts.

## 4.8 Fetekro Project, Côte d'Ivoire

The following summary sets forth information concerning Endeavour's Fetekro Project, which is not considered to be a material property to Endeavour. All references in this summary to Fetekro and Lafigué are in consideration to the Lafigué Project.

### *PRODUCTION, EXPLORATION AND DEVELOPMENT*

Based on the PEA results from August 2020, a PFS was launched in Q3-2020 on the updated mineral resource estimate showing 2.5Moz of Indicated resources. The PFS was completed in February 2021 and the results show that future operation could have a life of mine of about 10 years, with an average production in excess of 200koz/yr for the first eight years. Applying a long-term gold price of \$1,500/oz on a flat line basis from the commencement of production, the pre-tax NPV 5% is \$663 million and the pre-tax IRR is 38%. The life of mine average all-in sustaining cost is \$838/oz. The 43-101 Report was published April 1, 2021. The H1 2021 drilling program focused on the PFS recommendations (sterilization, geotechnical & hydrogeological program) and aimed to increase the Inferred and Indicated Resources at Lafigué.

### *LOCATION*

The Lafigué Project area is located in the northern part of Côte d'Ivoire in the Valley of Bandama, 550 km north of Abidjan. It is located 90 km northeast of the town of Bouaké and 45 km northeast of the town of Katiola. The permit is centered on 08° 14' 51" north latitude and 04° 40' 12" west longitude. The Project is located in the prefecture of Dabakala. The Project site is accessible via paved road from Abidjan, passing through the capital Yamoussoukro, Bouake and Katiola, then via sealed regional highway B412, which traverses in an east / west direction approximately 15 km to the north of the Project site. Finally, a gravel road of about 15 km connects Boniérédougou to the small village of Lafigué close to the project location.

### *OWNERSHIP*

The exploration permit PR57 was attributed to SODEMI, the State-owned mining company, on February 3, 1993 by Decree No. 2000-561 for a three-year period. The initial area was 2,600 km<sup>2</sup>. A first two-year renewal, through the 044/MRMP/DMG decree, was granted on May 28, 1996. On this occasion, the permit area was decreased to 1,300 km<sup>2</sup>. The second renewal, No. 054/MRMP/DM dated July 23, 1999, extended the validity period for another two years and reduced the surface area to 614 km<sup>2</sup>. An exceptional renewal (014/MME/DM) for three years was then granted on April 30, 2001 to SODEMI for a perimeter reduced to 307 km<sup>2</sup>.

Due to the political crises which started in September 2002, the exploration work was halted for seven years. In 2013, a new exploration permit PR329 was attributed to SODEMI on a similar perimeter to the former PR57 by Decree No. 2013-410 on June 6, 2013 with an area of 335.5 km<sup>2</sup>. The first renewal (for three years) happened by Arrêté No. 090/MIM/DGMG on July 11, 2017. The second renewal by Arrêté No. 0008/MMG/DGMG on January 13, 2020 extended the validity period for another three years and will expire on June 6, 2022. The Project sits on exploration permit PR 329 which covers an area of 249.8 km<sup>2</sup>.

LMCI, a wholly owned indirect subsidiary of Endeavour, has been the operator of the Fetekro permit since 2014.

On December 18, 2020, the PR329 permit was transferred from SODEMI to LMCI by Arrêté N° 00174/MMG/DGMG. As announced on December 21, 2020, Endeavour increased its stake in the Lafigué Project. Under the terms of the agreement, Endeavour is entitled to an 80% stake in the Lafigué Project, while SODEMI and the State of Côte d'Ivoire will each have a 10% stake.

The PE58 mining license was granted to La Mancha Côte d'Ivoire SARL by decree N°2021-538 of 22 September 2021. The application to transfer the PE58 mining license to the operating company Société de Mines de Lafigué (SML) was received 12 January 2022.

## HISTORY

The first geological mapping campaign and exploration started in 1935 (BUMIFORM). In 1962, the BRGM and the SODEMI did some more work on this area, to see if any gold or bauxite ore bodies could be found. At the same time, geophysical airborne surveys were undertaken (1965-1968: BRGM / Canadian Aero Mineral Surveys Ltd. and 1973-1976: CIDA / Côte d'Ivoire / Kenting Ltd).

In 1996, an exploration, development and operating agreement (the "Exploration Agreement") was entered into by SODEMI, the title holder, and GENCOR (through its Ivoirian company GATRO-CI) relating to the Fetekro Project. According to the Exploration Agreement, the exploration campaigns were done by GENCOR through its Ivoirian company (GATRO-CI) and SODEMI/BRGM/La Source. GATRO-CI identified four main targets including Lafigué. A first preliminary polygonal mineral estimation for internal use was done by GATRO-CI in February 1998. No top cut was applied. GATRO-CI found 1,595 Mt at 2.87 g/t Au in the overburden and in the oxidized zone.

A new estimation was done in 2003 where 3.7 Mt at 2.43 g/t Au in oxide and sulfide zone were calculated. The historical mineral resource estimates above were not reported publicly and within any regulatory environment. The estimates were for internal use. In 1999, the Compagnie Minière Or (COMINOR) took over la Source participation and the GATRO-CI contractual commitments under the Exploration Agreement.

In 2000, COMINOR was transferred to Compagnie Générale des Matières Atomiques (COGEMA) which was subsumed into La Mancha Group in 2006, via a reverse takeover of La Mancha by Compagnie Française de Mines et Métaux (CFMM), a wholly owned subsidiary of AREVA group. In 2013 AREVA sold its gold assets in Côte d'Ivoire to a private fund.

In 2014, LMCI was incorporated in Côte d'Ivoire as a 100% subsidiary of COMINOR and took over the exploration activities of COMINOR managed at that stage by its Ivoirian branch, COMINOR CI, including COMINOR contractual commitments under the Exploration Agreement.

Since 2014, exploration at the Lafigué Project has been carried out under the supervision of technically qualified personnel applying standard industry approaches. All data acquired meets or exceeds industry standards and all exploration work has been carried out, or supervised, by technical personnel of LMCI. Consultants and contractors have been engaged by LMCI for various activities including geological expertise, drilling and assaying.

LMCI became an indirect subsidiary of Endeavour in November 2015. It is held 100% by Ity Holdings.

Recently, pursuant to a sale of exploration permit agreement, PR 329 was transferred from SODEMI to LMCI by order Ministerial order N° 00174/MMG/DGMG dated December 18, 2020.

PE58 license was granted to La Mancha Côte d'Ivoire SARL by decree N°2021-538 of 22 September 2021. The application to transfer the PE58 to the operating company Société de Mines de Lafigué (SML) was filed on 19 November 2021. A government 'arrêté' (or decree) was received, dated 12 January 2022, formally transferring the ownership of PE58 to the operating entity SML.

## GEOLOGY

The Lafigué Project is in the northern part of the Oume-Fetekro Birimian greenstone belt (lower Proterozoic), which extends over a 300 km long N-S corridor that is 20 km wide. The greenstone belt is formed by a sheared volcano-sedimentary succession affected by a green schist facies metamorphism and surrounded by granodioritic intrusions. Known gold deposits such as Bonikro and Agbaou are hosted within the same belt.

The Lafigué deposit is a shear-zone hosted gold mineralization, sitting on the eastern side of the Fetekro permit and extends over an area that is 2.2 km long and 1 km wide. The geology is mostly composed of mafic rocks, namely metagabbros/metanorites and metabasalts. A felsic intrusive (granodiorite or tonalite) occurs in the western

part of the prospect and several felsic dykes possibly related to the principal body have been observed in various areas. Regional schistosity varies in strike from north to south to N70° with gentle to intermediate/steep dips to the east and south (25°- 65°).

The deposit is formed by a series of stacked mineralized lenses associated with a brittle-ductile shear zone slightly dipping to the SSE. Gold occurs mostly as free electrum within quartz-tourmaline-pyrrhotite-chlorite veins and veinlets.

## **EXPLORATION**

At regional scale geochemical stream sediment sampling and soil sampling programs and airborne geophysics (magnetics) were completed by BUMIFORM than BRGM, the French geological survey institute, in several phases from the 1935s up to the 1970s.

In 1996, GATRO-CI did classical stream sediment then soil geochemical sampling, pits, trenching and limited drilling (14 DD holes for 1,446 m and 37 RC for 1,549 m). Four main targets were identified, including Lafigué.

In 1999, COMINOR started an extension exploration program of Fetekro to find new resources to replace Angovia's production after its depletion.

In 2002, COMINOR realized 1,803 m of RAB drilling, 1,281 m of RC drilling and 461 m of DD drilling, showing that mineralization is not continuous between Lafigué Center and Lafigué North; and that felsic dykes play a role in mineralization control.

Field works were put on standby from 2002 to 2010 because of civil war.

In 2010, COMINOR drilled 11 RC holes for 1,109m and four DD holes for 396 m to check the mineralization extension downdip on the centre area.

In 2014, LMCI drilled 23 DD holes (1,864 m) and 54 RC holes (4,634 m) to get structural data and to check extension on the north area of Lafigué prospect. In 2015, LMCI did a lidar survey.

Exploration resumed in March 2017, following the full reinterpretation of the historical data. Drilling mainly focused on the highly prospective Lafigué target where a large mineralized vein system was defined over an area that is 2.5km long and 0.6km wide.

An intensive evaluation program began in early 2017 with nearly 86,000 m drilled in the property during 2017-2019 period. Drilling included 54 DD holes (8,677 m), 527 RC holes (66,679 m), and 35 RC-DD holes (10,466 m).

In addition, about 20 prospects mainly spread around the Lafigué deposit and on the western part of the permit were identified by gold in-soil campaign (6,844 samples) and VTEM aerial survey. In March 2017, Endeavour began intensive exploration on the Fetekro property following a strategic assessment of its exploration tenements which ranked the property as a priority target. A VTEM geophysical survey was done in 2017, which helped to better define the structural context of the permit. From 2017 to the end of 2019, 8,677 m DD (54 holes), 71,319 m RC (549 holes) and 11,467 m RCDD (38 holes) were drilled. The majority of drilling to-date has focused on the Lafigué target.

In October 2018, maiden resources were published.

An updated resource was published on September 3, 2019. Shortly after this updated Mineral Resource Estimate, Endeavour started a Preliminary Economic Assessment (PEA). The results of this PEA were positive, and a news release was issued on the PEA results on August 18, 2020.

In 2019, LMCI conducted a regional soil geochemical survey on the central part of the permit, which was underexplored, and a detailed soil geochemical survey on anomalies >50 Au ppb previously highlighted on the western part of the permit. A total of 3,469 soil samples were taken and five new targets were defined on well-structured soil anomalies several hundred metres long and probably corresponding to N10° to N25° shear zones.

The 2020 drilling program at Fetekro was primarily dedicated to convert the south extensions discovered in 2019 into Indicated Resources for the Prefeasibility Study. An exploration program was also conducted to test the down dip extensions on the western part of the orebody. Some holes have also been drilled for HPGR tests and hydrological purposes.

In 2020, 329 holes were drilled for a total of 80,584 m; 291 holes were drilled for infill drilling (35,693 m RC and 35,671 m RC-DD), 28 holes for nearby deposits exploration (2,921 m RC and 5,045 m RC-DD), and 10 holes for the PFS studies (108 m RC, 412 m DD and 734 m Hydrology). The campaign was conducted in two phases: Phase 1 led to the estimation of 2.54 Moz Indicated and Inferred resources and Phase 2 was dedicated to PFS hydrology and metallurgical drilling and nearby deposit exploration. The exploration program confirmed the down-dip extensions of the mineralization on the southwestern part of the orebody (Lafigué Centre and Sud).

In 2021, the Lafigué project at the Fetekro property was the largest greenfield exploration focus with \$10.0 million spent. In total, 58,100 metres of drilling were completed during the year. During 2021, exploration drilling was mainly focussed in the area located between the Lafigué Center and Lafigué North deposits. The results of this drilling program successfully demonstrated the overall continuity of the mineralized system, identifying shallow, subparallel, stacked mineralized lenses that were previously located outside of the 2020 resources pit shell. In addition, the exploration program focused on converting some of the remaining Inferred resources into Indicated resources at the Lafigué North deposit.

A PFS was completed in February 2021, and a News Release detailing its findings was published on February 23, 2021.

### **SAMPLING AND DATA VERIFICATION**

Only limited sample preparation was done on-site, and this pertains mainly to the cutting of core samples and the splitting of percussion drilling chips with riffle-splitters. All crushing and sample pulverization were completed by independent commercial laboratories following standard industry practice. The samples of the most recent campaigns were submitted to Bureau Veritas Mineral Laboratory Côte d'Ivoire in Abidjan for gold analyses using the fire-assay method with an atomic-absorption finish (50gr). An auditable chain of custody was established for the sample handling, data reporting and database capture.

A comprehensive QA/QC program was established throughout the drilling campaigns. Appropriate standards, coarse blanks and field duplicates were inserted into the assay stream at regular intervals. The results of the controls were monitored on a regular basis, before assays were entered into the master assay databases. In addition, selected samples were submitted to umpire laboratories. The laboratory returned very good results for the certified reference materials and blanks. The current quality systems in place at Fetekro to monitor the precision and accuracy of the sampling and assaying are adequate and the laboratory returned acceptable results for use in resource estimation.

### **MINERAL RESERVES AND MINERAL RESOURCES ESTIMATES**

See the Mineral Reserves and Mineral Resources table above for information on the mineral reserves and mineral resources.

The statistical analysis, geological modelling and resource estimation were prepared by a team of consultants from SRK Consulting (UK) Ltd. The Qualified Person as defined by NI 43-101 is Dr Lucy Roberts, Principal Consultant (Resource Geology) with SRK.

The Lafigué Mineral Resource model was developed in Seequent's Leapfrog Geo software. The database used to generate the Mineral Resources comprised some 1,546 drillholes, with a total drilling meterage of 252,660m. All drilling was supported by industry standard quality assurance and quality control systems, with quality control sampling comprising blanks, coarse blanks, certified reference materials, and field and pulp duplicates. SRK has reviewed the QA/QC data available and considers the assay data to be suitable for use in the subsequent Mineral Resource estimate.

Mineralization domains were modelled implicitly, using an indicator interpolant for areas of wider, more continuous mineralization, and vein wireframes for zones of less continuous mineralization. The gold assays from the drill holes were composited to 1.0m intervals. Capping varied depending on the mineralized domain, between no cap and 40g/t. Spatial analysis of the gold distribution within the mineralized zone indicated good continuity of the grades along strike and down dip within the mineralized zones. Variogram ranges in the direction of maximum continuity were between 45m and 75m.

Density measurements from 236 drillholes and covering each of the lithologies, were averaged based on the material type (and lithology, in the case of fresh material). Average density values were applied to the associated portions of the block model.

Gold grades were estimated using Ordinary Kriging for the majority of the modelled mineralization. Where it was not possible to define a well-structured variogram for the smallest domains with low sample support, an Inverse Distance Squared ("IDW2") estimator was used. The grade was estimated in multiple passes to define the higher confidence areas and extend the grade to the interpreted mineralized zone extents.

The grade estimation was validated with visual and statistical analysis, and comparison with the drilling data on sections with swath plots comparing the block grades with the composites.

SRK considers that the quality and spatial distribution of the data used, the geological continuity of the mineralization and the quality of the estimated block model for Lafigué deposit is sufficient for the reporting of Indicated and Inferred Mineral Resources, in accordance with the CIM Definition Standards. Indicated Mineral Resources have typically been defined in areas with a drillhole spacing of 20-40 m along sections, and 40-50 m between sections, where there is a reasonable level of confidence in geological and grade continuity. Inferred Mineral Resources have typically been defined in areas with a drillhole spacing of 50 to 75 m, and where the controls on mineralization are less well understood, or the continuity is much reduced.

Given the limited artisanal mining which occurred before the area was fenced and artisanal miners were removed, SRK depleted the declared Mineral Resources to reflect an estimated 50,000 ounces of depletion due to artisanal mining. A drone survey was conducted on 17 August 2021 and covered the full extent of the area impacted by artisanal mining. The drone survey identified areas which had been mined using open pit methods, with pits of up to 10m deep being observed. The drone survey was used to deplete these areas. In addition, underground mining activities were also identified, which cannot be captured by the drone survey. To reflect the underground activity, grades in the block model modelled as mineralized material within 5m of the pre-mining topographic surface (dated 2015), outside of, and below, where required, the drone survey voids, have been reduced to zero. The 5 m depth assumption is based on observations by Endeavour personnel in the field. In the absence of any underground survey, and to reflect the uncertainty for these areas, SRK has not depleted the tonnages. This area remains a risk to the Mineral Resource and requires further detailed investigation as part of the next phase of the study.

Mineral Resources are reported within an optimized pit shell using cut-off of grades of 0.4 g/t Au (oxide); 0.5 g/t Au (transition) and 0.5 g/t Au (fresh), which reflect the marginal cut-off grades for CIL processing determined during the pit optimization. Technical and economic assumptions were agreed between SRK and Endeavour for mining factors (mining and selling costs, mining recovery and dilution, pit slope angles) and processing factors (gold recovery, processing costs), which were used for optimization. The factors used for evaluation the Lafigué project are summarized below:

- › Mining cost (Ore + Waste): 2.75 (\$/t)
- › Mining cost includes drilling cost of grade control 0.03 (\$/t)
- › Grade control cost of assaying sampling and others: 0.07 (\$/t)
- › Waste mining cost: 2.70 (\$/t)
- › Processing cost: Oxide: 9.23 (\$/t); Transition: 10.88 (\$/t); Fresh: 12.73 (\$/t)
- › Selling cost: 4.0 (\$/oz Au)
- › Royalties cost: 58.5 (\$/oz Au)
- › Mining recovery: 95%
- › Mining dilution: Re-blocking to SMU size (5.0 m x 5.0 m x 2.5 m along Easting, Northing and the depth)
- › 10% additional direct block dilution for the Oxide/Transition within the zone affected by the artisanal mining
- › 5% additional direct block dilution for all other material
- › Processing recovery: Oxide/Transition: 94.9%; Fresh: 95.1% and overall average: ~95%
- › Average slope angles: 330 to 350 for oxide and transitional zones; 480 to 520 for fresh, dependent on geotechnical domains
- › G&A cost: 5.60 (\$/tore)
- › Discount rate: 5%

The Mineral Reserve estimate has been updated for Lafigué Project, based on the updated resource model 48.7 Mt at 1.7 g/t Au for 2.7 Moz of Probable reserves assuming \$1,300/oz gold price. For the reserve estimation, cut-off grade applied was 0.4 g/t for all material types. The Mineral Reserves were estimated based on a G&A cost of \$5.60/t ore and processing costs and recoveries were provided above for each weathering type.

#### **MINING AND PROCESS PLANT**

Based on the PFS results, the mining method will be conventional open pit mining including drilling, blasting, loading and hauling. It is anticipated that all the mining activities will be contracted to local or international mining services providers.

Ore mined will be hauled to the ROM pad and stockpiles. Waste mined from the pit will be hauled to the waste dumps and other projects requiring waste material for construction (i.e. tailing storage facility, haul roads etc.).

The 2019 Fetekro Metallurgical tests included a total of 36 Lafigué variability samples and 12 comminution composite samples representative of the ore resource.

The metallurgical Variability Test work focused on gravity gold recovery with cyanidation of the gravity tail. Gold recoveries were high from all facies with between 30 and 60% gravity gold recovery and overall gold extractions above 95%.

The comminution tests focussed on the determination of the abrasion index, and bond rod and ball work index. The purpose of the test program was to determine the ore physical characteristics to allow modelling of the grinding energy required for size reduction to facilitate a crushing and milling circuit design appropriate for the plant throughput and feed type.

Based on the updated plant design, the processing plant at Fetekro will consist of a CIL plant with a nameplate capacity of 4.0Mt per annum with a Primary and Secondary crushing, followed by a HPGR and Ball milling circuit to produce an 80% passing 106-micron grind size.

Ground fresh ore will be fed to continuous centrifugal gravity concentrators to recover free gold to a low mass gravity concentrate. This gravity concentrate is processed through an intensive Cyanide leach reactor followed by electrowinning to recover the gold.

Classifying cyclone overflow will be thickened and fed into a standard Leach-CIL circuit, with CIL tails passing into a thickener to recover process water before being pumped to the TSF.

#### ***PRODUCTION, EXPLORATION AND DEVELOPMENT***

Based on the PEA results from August 2020, a PFS was launched in Q3-2020 on the updated mineral resource estimate showing 2.5 Moz of Indicated resources. The PFS was completed in February 2021 and the results show that future operation could have a life of mine of about 10 years. The Mineral Reserve estimation and mine planning work with the updated resource model in November 2021 resulted in an average production in excess of 200 koz/yr for the first eleven years. Applying a long-term gold price of \$1,500/oz on a flat line basis from the commencement of production, the pre-tax NPV 5% is \$663 million, and the pre-tax IRR is 38%. The life of mine average all-in sustaining cost is \$838/oz. The H1 2021 drilling program focused on the sterilization, geotechnical and hydrogeological program, and the work aimed to increase the Inferred and Indicated Resources at Lafigué.

An exploration program of \$7.0 million is planned for FY-2022. The Lafigué deposit remains the priority at Fetekro, while the longer-term focus is on delineating several identified targets in the central and west areas of the Fetekro property, where very little exploration drilling has been completed to date. In FY-2021, approximately 4,920 metres of reconnaissance drilling was conducted on Targets 1, 2, 9 and 11 with further exploration on these and other targets to be pursued in FY-2022.

#### **4.9 Kalana Project, Mali**

The following summary sets forth information concerning Endeavour's Kalana Project, which is not considered to be a material property to Endeavour.

##### ***LOCATION***

The Kalana Project is located in the Sikasso Region of southwest Mali, approximately 250 km south of the capital Bamako near the border with Guinea in West Africa and covers a surface area of 387.4 km<sup>2</sup>. Access to the project area from Bamako is via the RN7 and RN8 sealed highways for approximately 240 km, and a sealed spur road for the last 10 km. The main deposit, Kalana, is located near the centre of the northern part of the project area and is within one kilometre of Kalana town. The satellite deposit of Kalanako is located three kilometres northeast of Kalana deposit. The Project also includes a historical TSF containing residual gold.

## OWNERSHIP

The Kalana Project comprises one exploitation permit (the "Kalana Permit") registered to, Endeavour's indirect subsidiary, Société des Mines d'Or de Kalana ("SOMIKA") and two permits held by Endeavour. The Kalana Permit is an exploitation and exploration permit that was derived from legislation passed to enable the Soviet Union-aided state company *La Société de Gestion et d'Exploration des Mines d'Or et de Kalana* ("SOGEMORK") to develop the Kalana Mine in the late 1960's.

The exploitation permit granted to SOGEMORK was transferred to Ashanti Gold Fields Company Limited ("Ashanti") on November 30, 1995; in April 2003, it was transferred to Avnel Gold Mining Limited ("Avnel") with the tenement simultaneously reinstated for a new term of 30 years. SOMIKA was formed on July 23, 2003 and the permit transferred by Avnel to SOMIKA; SOMIKA is owned 80% by Avnel and 20% by the State of Mali. In September 2017, Endeavour acquired Avnel.

The Kalana Permit confers the right to exploit and explore for gold and silver for a period of 30 years. The Kalana Report notes that if the exploitation of the mineral deposit or subsequent mineral finds are not completed at the end of the 30-year period, the permit may be renewed at the discretion of the Malian government, and on the terms negotiated at such time, for two additional 10-years terms until the mineral reserves are depleted within the boundaries of the permit.

In order to consolidate the land around the Kalana Permit, two additional contiguous exploration permits were sought and obtained by Endeavour in 2018: the Fougadian permit, which covers 100 km<sup>2</sup> located to the south of the Kalana Permit, was obtained on May 2, 2018, and the Kalako West permit, covers 21 km<sup>2</sup> located to the east of Kalana in the north, was obtained on December 6, 2018.

## HISTORY

Historically, the Kalana Mine was operated by SOGEMORK between 1982 and 1991. The underground workings were accessed by two vertical shafts to depths of 108m and 103m in order to mine the flat dipping quartz veins and some stockwork mineralization below the saprolite (approximately 80 m depth). During its seven-year tenure, SOGEMORK produced approximately 81,800 oz of gold from 0.227 Mt mined, grading an average of 13 g/t Au at a gravity-only recovery of 86%.

The Kalana Mine was restarted by Avnel in January 2004 as an underground mine, with gold being recovered in a gold plant using gravity recovery only. The mine reserves were extended by the deepening on No.2 vertical shaft to 180 m below surface. The mining method was room and pillar. Ore was extracted from narrow stopes by drilling and blasting with scraper winches removing ore from the stopes. The mine production rate was approximately 50 kt per annum. From 2004 to 2017, the mine produced 0.185 Moz of gold from 629 kt at an average grade of 11.6 Au g/t with 83% recovery.

Following its acquisition of Avnel in late Q3 2017, Endeavour completed the integration of Avnel and then ceased the small-scale underground operations and started clearing the underground workings and existing infrastructure to allow for the development of future open pits, as well as to establish access for exploration.

## GEOLOGY

The Kalana Project is located in close proximity to the western edge of the large Bagoé Basin, a component of the Man-Leo Shield of the West African Craton. The Kalana deposit is a Paleoproterozoic orogenic gold deposit associated with a diorite intrusion within sedimentary rocks of the lower part of the Upper Birimian Group. The mineralization is hosted in narrow shallow dipping quartz and associated inter-vein mineralization defining together the vein packages. The predominant strike and direction of quartz vein packages varies across the deposit, but with a relatively consistent orientation locally.

## EXPLORATION

Exploration activities in the Kalana Project have been divided into brownfield exploration around the Kalana Mine itself, and greenfield exploration in the rest of the land package.

The greenfield exploration has included the mapping of artisanal working sites, the sampling and analysis of termite mounds, the use of geophysical surveys (aeromagnetic, radiometric, ground induced polarization and gravity), and drilling campaigns. Anomalies within the permit area were identified by:

- › Significant gold in-soil anomalies;
- › Gold-arsenic correlation maps showing a good association of these two elements, indicating that the significant anomalies are most likely close to the source; and/or
- › Large-ion lithophile element ("LILE") maps delineating alluvium-filled drainage trends, which mask or hide parts of elongated gold-in-soil anomalies.

The brownfield exploration was originally focused largely on the compilation of prior work, as well as mapping and sampling of the underground workings and drilling. This work was boosted significantly in 2009 and included a three-year drilling exploration campaign over the Kalana deposit, Kalanako and the Djirila target (located in the southeast corner of the permit). A dedicated underground mine exploration team was formed in 2009 (until 2012) which focused on mapping, sampling and dedicated underground development to verify the concept of vein packages, examine the structural framework, verify drill hole grade variability within vein packages exposed in existing stopes and galleries, and understand the distribution of gold in the vein packages in order to constrain the drilling pattern and the variability of grade at a sample scale. It was reported that the underground sampling generally confirmed the mine grade control sampling results, with a less scattered statistical distribution noted. Sampling and mapping of the underground development confirmed the consistency of drill hole grades and structural interpretations with that observed in the workings.

In 2013, exploration activities focused on the reinterpretation of the geological framework, re-sampling and re-assaying historical drill samples and drilling new holes. The assaying of old and new samples used a two-kilogram LeachWELL (a fast cyanide bottle-leach method suitable for high grade and/or coarse gold) approach.

The re-sampling and re-assaying focused on samples that were significant to the mineralization. The results were included in revisions of the geological interpretations (minor) and updated resource models (the main difference was the change in grade and reduction of variability of the mineralization caused by the assaying).

In 2015, Avnel completed a total of 30,143 m of drilling on the Kalana deposit including RC, RC-DD and DD drilling. The revised interpretations and assay data were used as the primary basis of Avnel's resource model.

Starting in late, 2017 Endeavour initiated pre-development activities to optimize the Kalana Project, which included:

- › Resuming exploration activities on both the Kalana deposit and nearby Kalanako;
- › Considering a revised feasibility study with the goal of increasing the current plant design capacity to lift the average annual production and shorten the mine life based on current reserves, integrating the exploration results from the upcoming drilling campaign, and leveraging Endeavour's construction expertise and operating synergies; and

- › Creating dedicated Kalana Project Community Relations and HSE teams to validate the census and stakeholder mapping, with the aim of defining a resettlement action plan before relocation activities commence.

The Kalana exploration program in 2018 amounted to \$7 million and comprised of approximately 48,000 m of drilling, focused primarily on the Kalana deposit and to a lesser extent on the Kalanako deposit. At the Kalana deposit, the in-fill drilling program improved the geological model and converted a portion of the previously classified Inferred Resource in the northeastern part of the deposit to the Indicated category.

In 2019, a \$2 million reconnaissance drilling campaign comprising approximately 20,500 m, was conducted on targets in the Kalana project area.

The 2016 Kalana Mineral Resource Estimate ("MRE"), prepared on behalf of Avnel, was updated in 2018-20 following a rebuild of the geological model using a more conservative approach to incorporate tighter geological controls for the high-grade nugget effect, stacked vein sets and dilution. Endeavour considers the updated 2018 Kalana geological model to be a more robust and accurate model as:

- › The geological model was updated with over 30,000 m of in-fill drilling completed since the project was acquired in mid-2017. In total, more than 2,200 holes and more than 221,000 assays (including over 103,000 LeachWELL assays) were used to refine the geological model.
- › A total of 135 veins within 61 vein packages were individually modelled as opposed to the previous approach of applying geostatistics to 56 grouped vein packages, and thereby provided an upgraded confidence in the vein packages/domain/geological boundaries.
- › Mineralized intersections outside of the defined wireframes where continuity was not proven were excluded.
- › The cut-off grade was lowered from 0.9 Au g/t to 0.5 Au g/t.

The Kalanako geological model was updated in 2018 with a similar approach to that used at Kalana.

In 2020, greenfield exploration (including soil sampling and field mapping) was conducted on the Kalana project permits.

An exploration plan and budget for 2022 is to be evaluated following completion of the Definitive Feasibility Study (DFS).

#### **MINERAL RESERVES AND MINERAL RESOURCES ESTIMATES**

See the Mineral Reserves and Mineral Resources table above for information on the mineral reserves and mineral resources.

The Kalana Deposit MRE was updated in February 2020 by Paul Blackney from Optiro Consultants based on the updated geological model. The gold assays from the drill holes were composited to one-metre intervals within the mineralized wireframes and capped at various grades between 65 Au g/t to 150 Au g/t.

Density was measured in 13,079 core samples within the various rock types, averaged within the model by weathered zone. The laterite density was 1.67 t/m<sup>3</sup>, the saprolite density 1.64 t/m<sup>3</sup>, the transition 2.15 t/m<sup>3</sup> and fresh rock 2.68 t/m<sup>3</sup>.

The gold grade was estimated using Categorical and Ordinary Kriging constrained within the mineralized domains. The grade was estimated in multiple passes to define the higher confidence areas and to extend the grade to the interpreted mineralized zone extents.

The grade estimation was validated by visual analysis, global comparisons and profile plots within each structural domain. The parent block grades were post-processed using local uniform conditioning.

The mineralized domains were classified into Indicated and Inferred Mineral Resource classifications, depending on the drillhole spacing, number samples and geostatistical analysis. The Indicated classification was generally applied to blocks within the mineralized zones defined by at least three drill holes within a 50m search. No Measured category material was assigned, largely because of the coarse gold character of the deposit, the high nugget effect component and the relatively poor grade continuity definition provided by the drilling data.

The Mineral Resource was constrained by a \$1,500 pit shell and a cut-off grade of 0.5 Au g/t.

Following the completion of the Pre-Feasibility Study (PFS), a Mineral Reserve has been estimated for the Kalana Deposit including 33.6 Mt at 1.58 Au g/t for 1.71 Moz of Probable Reserves.

The Kalanako MRE was updated by Optiro in June 2020 and the TSF MRE by Endeavour in September 2020 which form part of the Kalana Project PFS, contributing 1.2 Mt at 2.21 Au g/t for 90 koz and 0.82 Mt at 1.67 Au g/t for 40 koz of Probable Reserves respectively.

## **MINING**

Based on the Kalana Project PFS results, the mining method will be conventional open pit mining including drilling, blasting, loading and hauling. It is anticipated that all the mining activities will be contracted to mining services providers.

Ore mined will be hauled to the ROM pad and stockpiles. Waste mined from the pit will be hauled to the waste dumps and other projects requiring waste material for construction (i.e. tailing storage facility, haul roads etc.).

## **METALLURGY AND PROCESS PLANT**

Several metallurgical testwork programs have been performed over the years on the Kalana Project. The metallurgical Variability Testwork focused on gravity gold recovery with cyanidation of the gravity tail. Gold recoveries were high from all facies with between 30% and 80% gravity gold recovery and overall gold extractions between 88% and 96% depending on the ore type.

Based on the PFS design, the processing plant at Kalana will consist of a CIL plant with a name plate capacity of 3.0 Mt per annum with a typical SABC comminution circuit to produce an 80% passing 90-micron grind size.

Ground fresh ore will be fed to continuous centrifugal gravity concentrators to recover free gold to a low mass gravity concentrate. This gravity concentrate will be processed through an intensive cyanide leach reactor followed by electrowinning to recover the gold.

The CIL feed will be thickened and fed into a standard CIL circuit, with leach tails passing into a cyanide destruction and arsenic precipitation process before being pumped to the TSF.

## **PRODUCTION, EXPLORATION AND DEVELOPMENT**

The PFS results show that the future Kalana operation could have a life of mine of about 11 years, with an average production in excess of 200 koz/year for the first three years, reducing to 150 koz/year for the following four years, and reducing further to 100 koz/year for the last four years.

Applying a long-term gold price of \$1,500/oz on a flat line basis from the commencement of production, the pre-tax NPV 5% is \$491 million and the pre-tax IRR is 55%. The life of mine average cash cost per ounce is \$825, after deduction of the State royalty.

### **4.10 Golden Hill Project, Burkina Faso**

The following summary sets forth information concerning Endeavour's Golden Hill Project, which is not considered to be a material property of Endeavour.

The Golden Hill project consists of three exploration permits covering 468 km<sup>2</sup> located in the south west of Burkina Faso (the "Golden Hill Project"): the IntiéDougou permit (231.7 km<sup>2</sup>) located in the Bougouriba, Ioba and Tuy provinces; the Baniri permit (144.7 km<sup>2</sup>) located in the Tuy province; and the Mougué permit (91.58 km<sup>2</sup>) located in the Bougouriba province. A mining permit application was submitted for the Golden Hill property, but Endeavour subsequently requested a withdrawal of that application in order to submit an exploration permit application. The prior exploration permits have expired. Endeavour has received confirmation from the Ministry of Mines on March 4, 2022 stating that they have received Endeavour's request.

The Golden Hill tenements were subject to a shareholder and earn-in agreement dated June 27, 2014 between Boss Resources Ltd., Gryphon Minerals Limited and Boss Minerals Pty Ltd, under which Gryphon had earned 51 percent of tenements. On October 12, 2016, Teranga completed its acquisition of Gryphon by way of the Scheme under the Australian Corporations Act and assumed Gryphon's 51 percent interest in Golden Hill. On January 20, 2017, Teranga changed the name of Gryphon, under Australian corporate law, to Teranga Gold (Australia) Pty Ltd. On October 2, 2018, Teranga completed its acquisition of the remaining 49 percent interest in Golden Hill from Boss to reach its ownership percentage to 100 percent interest in Golden Hill via Teranga's subsidiary in Burkina Faso, Boss Minerals, itself wholly owned by Teranga Gold (Australia) Pty Ltd.

The Golden Hill Project is considered particularly prospective, as it is located within the highly mineralized Houndé Greenstone Belt. This belt hosts the majority of the high-grade discovered gold oz in Burkina Faso, including the recently discovered Siou deposit plus the high-grade Yaramoko deposit. The belt also hosts the Mana Mine and the Houndé deposit. The Golden Hill Project straddles the same stratigraphy and structures that host these high-grade deposits.

The initial mineral resource was announced in early 2019 with the following estimate: 6.40 Mt grading 2.02 g/t Au for 415,000 oz of indicated mineral resources and 11.95 Mt grading 1.68 g/t Au for 644,000 oz of inferred mineral resources. During the second half of 2019, the Company initiated a further \$5 million program predominantly related to the initiation of a 27,000-metre diamond core and reverse circulation drilling program. In addition, an excavator-trenching program was utilized to provide detailed structural and lithologic information at numerous anomalous trends in advance or concurrent with the drilling evaluation program. As of December 31, 2019, a total of 171 diamond core and 44 reverse circulation holes comprising 18,520 metres of the drilling campaign had been completed. The remainder of the 27,000-metre drilling campaign was completed by February 28, 2020.

In 2020, exploration activities at the Golden Hill Project were limited to Q1 and Q4 as the field exploration program was suspended in Q2 and Q3 due to the impacts of the Covid-19 pandemic on travel and staff mobility. Although field activity programs were limited during the year, an additional 27,150 m, including 15,536 m of diamond drill core holes and 11,614 m of reverse circulation drill holes were completed. The majority of drilling was completed at various portions of the Ma Structural Complex, A-Zone, B-Zone and the Peksou/C-Zone deposits. In addition, soil sampling was undertaken over a number of target areas to further define mineralized structural trends, followed by

excavator trenching prior to drilling. Physical, biological and social surveys are ongoing, and will form the basis for an ESIA. A technical report titled, “Technical report on the Golden Hill Project, Burkina Faso”, dated December 17, 2020, was filed to support the disclosure of an updated Mineral Resource estimated on the Golden Hill Project.

Golden Hill Project is within trucking distance of the Houndé mine and Endeavour is assessing the viability of processing ore from Golden Hill at the Houndé plant. The mineral resources at Golden Hill Project have been consolidated under the Houndé Mine in Mineral Reserves and Mineral Resources table above.

#### **4.11 Other Properties**

Endeavour has various greenfield exploration properties in Côte d'Ivoire, Mali, Burkina Faso, Niger, and Guinea, at different stages of exploration, which are currently considered to be non-material to the Company, including the early-stage exploration properties described below.

##### **CÔTE D'IVOIRE**

The Company has been granted twelve exploration permits covering 2,823 km<sup>2</sup>. In addition, Mankono Exploration SA, a joint venture between Barrick Group (70%) and Endeavour (30%), holds two permits for an additional ~400km<sup>2</sup>. The exploration permits are at varying stages of progress. The Corporation also holds the Afema gold project in southeast Côte d'Ivoire. The Afema land package comprises of more than 1,400 km<sup>2</sup> consisting of the Afema mining license and three exploration permits – Ayame, Maferé and Aboisso. Finally, the Company is operator on two permits, Dianra and Sangaredougou for nearly 800km<sup>2</sup>, through a JV with Miminvest SA.

##### **BURKINA FASO**

Endeavour holds 47 exploration permits, five more in the processes of ownership transfer to the Company, and a further eighteen as new permit applications pending granting. All together 70 permits covering 9012 km<sup>2</sup> of highly prospective greenstone belts. Thirty-three of these permits are located in the prolific Houndé belt for a total of 4,122 km<sup>2</sup>. This includes, from North to South, nine permits in proximity to the Mana mining permit for 1,308 km<sup>2</sup>, twelve permits in proximity to the Houndé mining permit for 1,183 km<sup>2</sup> and twelve permits in the Bantou project (five permits 882 km<sup>2</sup>) including Karankasso JV project with Sarama Resources (seven permits 748 km<sup>2</sup> with Endeavour holding approximately 81%). The Bantou project hosts the Bantou and Bantou North deposits. Three exploration permits covering 468 km<sup>2</sup> were subject to a mining permit application at the Golden Hill project. The Company subsequently requested a withdrawal of that application in order to submit exploration permit applications covering the original exploration project. The prior exploration permits had expired. The Company has received confirmation from the Ministry of Mines on March 4, 2022 stating that they have received the Company's request. In the Wahgnion area, five permits for 920 km<sup>2</sup> are surrounding the Wahgnion mining lease. On the Goren greenstone belt, thirteen permits covering 1,027 km<sup>2</sup> are neighboring the Karma mining licence, in addition to the Bissa exploration area with its two exploration permits covering 428 km<sup>2</sup>. Five permits in the Diapaga greenstone belt form part of the Boungou project in proximity to the Boungou mining permit, totalizing 793 km<sup>2</sup>, along with four others of the Nabanga project, covering 657 km<sup>2</sup> in the SW extension of the belt and hosting the Nabanga deposit. The Liguidi permit covers 241 km<sup>2</sup> in the western extension of the Manga-Fada N'Gourma greenstone belt, and two permits for 256 km<sup>2</sup> are located in the under explored Banfora greenstone belt.

##### **MALI**

The Company holds six exploration permits in the western region of Mali. Greenfield exploration is conducted on these permits, which refer to the Netekoto exploration project, totaling a consolidated 366 km<sup>2</sup>.

##### **GUINEA**

The Company holds five exploration permits in the Siguiri region of Guinea. Greenfield exploration is conducted on these permits, referred to as the Siguiri exploration project, totaling a consolidated 280 km<sup>2</sup>.

## NIGER

Endeavour holds two exploration permits in the Liptako region of Niger. Greenfield exploration are on hold on these permits, which referred to the Nassile exploration project, totaling a consolidated 694 km<sup>2</sup>.

## 5. RISK FACTORS

### 5.1 OPERATIONAL RISKS

Endeavour has identified the following risks relevant to its business and operations. These risks and uncertainties could materially affect Endeavour's future operating results, financial performance and the value of Endeavour Shares, and are generally beyond the control of Endeavour. The following risk factors are not all-inclusive, and it is possible that other factors will affect Endeavour in the future.

- > The COVID-19 pandemic has had a negative impact on worldwide economic activity and may have an ongoing impact on our business.

The rapid, global spread of COVID-19 and its variants has adversely affected the global economy and has resulted in significant volatility in financial markets, volatility in the price of and the demand for gold and has reintroduced risks relating to quantitative easing, monetary accommodation and fiscal discipline. Government measures taken in response to the COVID-19 pandemic, including quarantine and lockdown orders, as well as other indirect effects from the COVID-19 pandemic on global economic activity, have resulted in some degree of global economic downturn.

The Company continues to actively monitor the impact of the COVID-19 pandemic, including the impact on economic activity and financial reporting. In response to health risks associated with the spread of COVID-19, the Company implemented a number of health and safety measures designed to protect employees and the local communities at its operations. Throughout the COVID-19 pandemic, the Company has monitored the impact that COVID-19 has had on its employees and contractors, in terms of potential health concerns, mobility to and from sites, as well as personal well-being. The Company has also monitored the impact on supply chain, infrastructure, as well as the ability to transport its gold for sale.

The extent to which COVID-19 may continue to impact the Group's operations will depend on future developments which are uncertain and cannot be predicted. These developments include, but are not limited to, the continued spread of COVID-19, increased severity of COVID-19, the emergence of any future variants of concern, the duration of the outbreak, and additional actions taken by the governments in the countries in which the Group operates to contain COVID-19.

- > Endeavour's business could be adversely affected by global economic conditions.

In recent years, global economic conditions have been characterized by ongoing volatility, and can suddenly and rapidly destabilize in response to any number of macro events, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. This has most recently been the case as a result of the COVID-19 pandemic. These global events are outside of our control and could have an impact on the operation of our assets, and in turn, our financial results.

Recent years have seen disruption and volatility in the global capital markets, including in response to the COVID-19 pandemic. In the future, such volatility could increase our cost of capital and adversely affect our ability to access the capital markets. Our ability to raise future financing for the funding of our operations or refinancing of existing indebtedness may be restricted, which could also have an adverse effect on our business and our ability to react to changing economic and business conditions.

In addition, an actual or perceived decline in economic and financial conditions globally or in a specific country, region or sector may have a material adverse effect on our business and ability to access external financing. A tightening of available credit may make it more difficult to obtain, or may increase the cost of obtaining, financing for our activities and capital expenditures at our mining assets.

> Endeavour's business is highly dependent on and sensitive to the price of gold.

Our business operations, profitability and long-term viability may be significantly affected by changes in the market price of gold. The price of gold has historically fluctuated significantly, and is affected by numerous factors beyond our control, including, without limitation, sales and purchases of gold, forward sales of gold by producers and speculators, world supply of gold, stability of exchange rates (in particular, the relative strength of the U.S. dollar versus other currencies), global and regional political and economic conditions or events, industrial and retail demand, the monetary policies implemented by central banks, sales by central banks and other holders, U.S. interest rates and inflation expectations, global gold production, and cost levels in major gold producing regions such as China, Russia and Australia and speculator and producer responses to any of the foregoing factors. Serious price declines in the market value of gold could render our assets uneconomic. There is no assurance that, even as commercial quantities of gold and other precious metals are produced, a profitable market will exist for them. There can be no assurance that the market price of gold will remain at current levels or that such price will improve. A decrease in the market price of gold could adversely affect the profitability of our existing mines and projects, our balance sheet and financial health, our ability to pay a dividend to shareholders or otherwise return capital to them, as well as our ability to finance the exploration and development of additional assets.

The market price for gold has been and continues to be volatile. Declining gold prices can also impact our operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. If a project or mine is determined to no longer be economically viable, we may nonetheless be obligated to continue our operations, due to our obligations under our mining licenses, regardless of profitability. The suspension or stoppage of mining operations at a site could result in the loss of the mining license or other penalties. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed. If revenue from gold doré sales decline, we may have insufficient cash flow from mining operations to meet our operating needs. Any of these factors could have a material adverse effect on our business, results of operations, and financial condition.

There can be no assurance that the market price of gold will remain at current levels or that such price will improve. A decrease in the market price of gold could adversely affect the profitability of our existing mines and projects as well as our ability to finance the exploration and development of additional properties.

> Endeavour's mining and exploration activities and future mining operations are, and will be, subject to operational risks and hazards inherent in the mining industry.

We currently have six operating mines, the Boungou, Houndé, Mana, and Wahgnion Mines in Burkina Faso, the Ity Mine in Côte d'Ivoire and the Sabodala-Massawa Mine in Senegal. We also have two advanced stage development projects, the Lafigué Project in Côte d'Ivoire and the Kalana Project in Mali, as well as several earlier stage development and exploration properties, and an extensive portfolio of greenfield exploration targets in a range of locations.

Our activities at these assets are subject to numerous development and operating risks and hazards normally associated with natural resource projects, many of which are beyond our control. These development and operating risks and hazards include unanticipated variations in grade and other geological problems, seismic activity, climatic conditions such as flooding, particularly during West Africa's rainy season, metallurgical and other processing problems, IT and technical failures, unavailability of materials and equipment, interruptions to power supplies, industrial actions or disputes, industrial accidents, labour force insufficiencies, disputes or disruptions, unanticipated logistical and transportation constraints, community action or political protests, epidemics or health emergencies,

force majeure factors, sabotage, cost overruns, fire, explosions, vandalism, political violence, terrorism and crime. There is the potential risk of a prolonged disruption or inoperability of one or more of our assets due to ineffective maintenance processes, personnel issues, lack of critical spares, repair cost budgeting, or poor record keeping and data analytics.

We are also subject to risks associated with the use of new technology. At our Sabodala-Massawa Mine in Senegal the life of mine plan relies on the implementation of a refractory ore treatment technology that utilizes bio-oxidation. This technology is complex to develop and to operate, and we do not currently operate this type of processing technology at any of our existing assets. If we fail to properly develop or properly operate the new processing circuit, it could materially affect our production levels and operating costs at the Sabodala-Massawa Mine. A disruption in operations or the inoperability of one or more of our assets could have a material adverse effect on our business, financial condition or results of operations.

In addition, our assets are subject to environmental hazards as a result of the processes and chemicals used in the extraction, production, storage, disposal and transportation of gold. Environmental hazards may exist on our properties or properties that may be encountered while our products are in transit. These risks and hazards could result in damage to, or destruction of, properties or production facilities, cause production to be reduced or to cease at those properties or production facilities, result in a decrease in the quality of the products, increased costs or delayed supplies, personal injury or death, environmental damage, suspension, or loss of our licenses or permits, business interruption and legal liability and result in actual production differing from estimates of production.

Our assets are located in West Africa, a region in which the year is divided into rainy and dry seasons. Heavy rains during the rainy season can contribute to flooding and an abundance of insects, some of which may carry diseases such as malaria, which can impact our employees and contractors. While we can mitigate the effects of the rains and flooding by utilizing stockpiles implementing malaria prevention measures and conducting activities such as drilling bore holes to reduce the effects of flooding, the seasonal rainfall may have an impact on our operations. Any of these factors could have a material adverse effect on our business, results of operations, financial condition or results of operations.

> **Government regulations may have an adverse effect on Endeavour's exploration, development and mining operations.**

The business of mineral exploration, development, mining and processing is subject to various national and local laws and plans relating to permitting and maintenance of title, environmental consents, taxation, employee relations, health and safety, royalties, land acquisitions, land use, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Although we believe we currently comply with all material rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. New laws and regulations, amendments to existing laws and regulations, administrative interpretation of existing laws and regulations, or more stringent enforcement of existing laws and regulations, whether in response to changes in the political or social environment in which we operate or otherwise, could cause us to incur additional expense or capital expenditure restrictions or suspensions of our activities and delays in the exploration and development of our properties.

We operate in four jurisdictions in West Africa, Burkina Faso, Côte d'Ivoire, Mali and Senegal. We are subject to local laws in each jurisdiction, including but not limited to tax laws, employment laws, environmental laws, laws related to bribery and corruption and financial regulation. We are also subject to local mining laws and regulations in each jurisdiction. Any existing and new mining, exploration operations and projects that we own and operate are subject to various national and local laws, policies and regulations governing the ownership, prospecting, development and mining of gold, taxation and royalties, exchange controls, import and export duties and restrictions, investment approvals, employee and social community relations and other matters.

Our efforts to comply with existing and new rules and regulations have resulted in, and may continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance-related activities. Any failure to comply with applicable laws and regulations, even if inadvertent, may result in regulatory challenges, litigation, civil or criminal fines or penalties, enforcement actions, including orders issued by regulatory or judicial authorities. We may also be the subject of legal claims brought by private parties. Any successful claims brought against the Company could result in material damages being awarded against the Company. Such failure to comply with applicable laws and regulations may ultimately result in interruption or closure of exploration, development or mining operations, which may have a material adverse effect on our business, results of operations and financial condition.

- > Endeavour's activities are extensively regulated in respect of environmental, health and safety standards which are likely to become more stringent over time and may be subject to unforeseen changes.

All phases of our mining operations are typically subject to environmental, health and safety regulations in the various jurisdictions in which we operate. Environmental, health and safety legislation in many countries is evolving and the trend has been toward stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, Directors and employees. Compliance with environmental, health and safety laws and regulations may require significant capital expenditure and may cause material changes or delays in our intended activities. There can be no assurance that future changes in environmental, health and safety regulations will not adversely affect our business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on a portion of our business, causing us to re-evaluate those affected activities at that time.

Our stakeholders and the communities in which we operate increasingly expect us to apply stringent internationally recognized environmental, health and safety benchmarks to our operations, in addition to complying with local laws and regulations. We follow a number of international standards and reporting requirements, including the IFC Performance Standards and the RGMPs. Additionally, certain financial institutions from which we have borrowed funds are signatories to the Equator Principles, a set of voluntary principles that require signatory banks not to advance loans to an entity whose operations do not meet internally recognized social or environmental standards. Our deviation from these standards or similar benchmarks could prevent or adversely affect our existing or future financing.

In addition, we must also continually engage with our stakeholders, local communities and other interested parties such as non-governmental organizations regarding the environmental and social impact of our operations and undertake steps to mitigate such impact where feasible. Our potential failure to meet the environmental, health and safety expectations of these various stakeholders may harm our stakeholders or our reputation, as well as our ability to bring projects into production, which could in turn adversely affect our revenues, results of operations and cash flows, potentially in a material manner. In addition, the cost of and management time allocated toward ensuring compliance with standards of social responsibility and sustainability are expected to increase over time. The complexity of these requirements may also change and become more complex which may see us struggle to meet or adapt to such requirements. We use sodium cyanide and other hazardous chemicals in our gold production at our mines and may in the future use sodium cyanide at future operating mines. If sodium cyanide or other chemicals leak or are otherwise discharged from our containment system, we may be subject to liability for clean-up work, for the impact on human health or for damage to the local environment and waterways. In addition, we are exposed to claims alleging injury or illness from exposure to hazardous materials present, used at or released into the environment from our sites.

Furthermore, environmental hazards may exist on or adjacent to our projects. We may be liable for losses associated with environmental hazards on or adjacent to our projects, or may be forced to undertake extensive remedial clean-up action or to pay for governmental remedial clean-up actions, even in cases where such hazards have been caused by previous or existing owners of or operations on project land, by past or present owners of adjacent properties or natural conditions, or where such hazards or action have not been undertaken by employees

of the Company. The costs of such clean-up actions may have a material adverse impact on our business, results of operations and financial condition.

> **Endeavour is subject to risks and potential liabilities related to its tailings storage facilities**

Mining and mineral processing operations generate waste rock and tailings. We store waste rock and tailings, respectively, in waste rock dumps and tailing storage facilities at our sites, and any failure or breach of these facilities, including any associated dam, could be significant and result in damage to the environment, personal property and could lead to personal injury or loss of life. The design and maintenance of the tailings facilities and/or the management of waste water may prove to be inadequate and may contribute to dam failures or tailings releases which may result in significant damage to the environment and wildlife or injury to persons. Such an incident at our operations could result, amongst other things, in enforcement actions, obligations to remediate environmental contamination, damage to our reputation, claims for property or natural resources damages, securities litigation, personal injury claims by adjacent communities and interruptions in production.

Failure to comply with environmental, health and safety laws and regulations relating to tailings facilities may also result in injunctions, fines, suspension or revocation of permits and other penalties. The costs and delays associated with a tailings spill, breach, or failure to comply with applicable regulations may prevent us from operating (or further developing) a mine or may increase the costs of production or development. Additionally, even though it may no longer be profitable to continue commercial production at a site due to a tailings failure, we may be obligated to continue operations due to the conditions of the relevant mining license. We may also be held responsible for the costs of investigating and addressing a spill (including possible claims for natural resource damages) or for fines or penalties from governmental authorities. Further, we may be held liable for third party claims for losses and damages relating to spills or failures of the tailing facilities. The costs associated with such responsibilities and liabilities may be significant, may be higher than estimated, may involve a lengthy clean-up and could materially adversely affect our business, results of operations or financial condition.

Incidents at other mining companies' operations could result in governmental action to tighten regulatory requirements and restrict mining activities, particularly with respect to tailings storage facilities. This could affect our results of operations or could lead us to have to dedicate significant capital expenditure in order to bring our facilities into line with changing regulations.

> **Endeavour is subject to risks and expenses related to reclamation costs and related liabilities.**

Land reclamation requirements are generally imposed on mining companies to minimize the long-term effects of land disturbance, and we are subject to such requirements at our assets. Reclamation may include requirements to treat ground and surface water to drinking water standards, control dispersion of potentially deleterious effluent and reasonably re-establish pre-disturbance land forms and vegetation. Such reclamation obligations require us to divert financial resources that might otherwise be directed to our operations or further exploration and development programs, or for purposes of shareholder returns.

Reclamation legislation in the jurisdictions in which we operate requires us to maintain certain funding accounts, restricted cash and bonding arrangements, including the following:

- ***Boungou, Houndé, Mana and Wahgnion Mines, Burkina Faso***

In connection with the Boungou, Houndé, Mana and Wahgnion Mines, applicable legislation requires us to open and fund a bank account at the West African Centrale Bank (BCEAO) to create a fund to be used to pay the costs of implementation of the environmental preservation and rehabilitation program. Withdrawals of funds on this account by the account holder are subject to (i) favorable opinions of the Ministers of Mines and of Environment and (ii) the prior authorization from the Minister of Finance. The annual contribution starts on January 1 of the first year following the start-up date of the mine, and thereafter the annual contribution can be made at any time during a given year. The annual contribution is equal to the total forecasted rehabilitation budget as stated in the environmental impact study (or any subsequent updated study) divided by the number of years of the life of the

mine. In relation to the Houndé Mine, the environmental preservation and rehabilitation bank account is set up and we proceed with yearly payments as legally required. In the case of the Bouéré-Dohoun Gold Operation, the process is underway, and we are waiting for BCEAO to confirm the account has been opened. Bounbou and Mana have set up bank accounts in commercial banks (Bank of Africa and United Bank of Africa, respectively) and are making yearly payments. For Wahgnion mine, payments are made on a quarterly basis into a separate rehabilitation account with Société Générale. In January 2021, the BCEAO account was finalized and opened. The funds will be transferred from the Société Générale account to the BCEAO account shortly.

*- Ity Mine, Côte d'Ivoire*

In connection with the Ity Mine, applicable legislation and the mining convention signed with the government of Côte d'Ivoire require us to open an environmental rehabilitation bank account in order to make annual contributions equal to 10% of the total forecast rehabilitation budget as stated in the environmental and social impact assessment (each an "Ity Instalment") during the number of years forming the mine life (i.e., 10 years). Consequently, each year, we should deposit in cash 20% of each Ity Instalment in the environmental rehabilitation bank account. The remaining 80% of each annual Ity Instalment must be covered by way of a bank guarantee.

*- Kalana Project, Mali*

The Mining Code of the Republic of Mali requires mining companies to open a bank account at the BCEAO to provide a form of financial assurance (bond or letter of credit) issued by an internationally recognized bank and equal to 5% of the mining company's forecasted turnover figure. This legislation has historically not been enforced since its passage in 2012, and we have not as yet fulfilled such requirements. While we do not expect any material liability to be incurred as a result of such non-compliance, and while we in any case expect to meet our reclamation obligations upon mine closure as required by local law, the strict environmental standards we are held to in the facilities, as well as on the basis of the international best practices we hold ourselves to, we can provide no assurance that the government of Mali will not impose penalties on us or otherwise require us to comply.

*- Sabodala-Massawa Mine, Senegal*

Since the implementation of the 2003 mining code in Senegal, holders of mining titles are technically required to rehabilitate their mining sites upon termination of their operations. Mining companies must provide for the rehabilitation of mine sites according to a rehabilitation plan approved by the Government, and must set aside rehabilitation funds in a specific fiduciary account. In practice, however, this obligation has not yet been implemented due to ongoing negotiations between the Government and mining companies to address concerns raised by the mining companies.

Our exploitation operations in Senegal, through our subsidiaries SGO and Massawa may be affected by the implementation of the obligation to create a rehabilitation fund. For exploitation companies like SGO and Massawa, the implementation of rehabilitation regulations means that they would be required to open and hold a fiduciary account within the *Caisse des Dépôts et des Consignations* (a state institution for financial deposits and consignments). Then, SGO and Massawa would be required to transfer the funds assigned to their rehabilitation plans on a yearly basis. These funds would be deducted from SGO and Massawa's operational revenues. Upon the opening of the account, they would also be obligated to deposit a sum equal to five times their annual contribution, to serve as a first-demand guarantee in favour of the Senegalese State.

To a lesser extent, the implementation of rehabilitation obligations may also impact our exploration subsidiary SMC. For SMC, it is still unclear how the implementation of the rehabilitation regulations would affect operations, as there are fewer regulatory provisions applicable to exploration entities. However, we expect a similar (although possibly less constraining) mechanism to be implemented in the longer term.

Although we believe we are in material compliance with our reclamation funding obligations, there can be no assurance that any such provisions will be sufficient to complete reclamation work actually required or that we will not be required to fund additional costs related to reclamation that could have a material adverse effect on our business, results of operations or financial position.

- > Endeavour's ability to maintain or increase its present levels of gold production is dependent in part on development projects, which are subject to numerous known and unknown risks.

Maintaining or increasing present levels of gold production is dependent on the successful development of new producing mines and/or identification of additional reserves at existing mining operations. Reduced production could have a material and adverse impact on our business, results of operations or financial condition. Feasibility studies are conducted to determine the economic viability of a deposit. Many factors and assumptions are involved in the determination of the economic viability of a deposit, including the achievement of satisfactory Mineral Reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and the estimate of future gold prices. Additionally, capital and operating cost estimates are based upon other factors and assumptions, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of the gold from the ore and anticipated environmental and regulatory compliance costs.

No assurance can be given that the intended or expected production estimates will be achieved by our operating mines or in respect of any future mining operations in which we own or may acquire interests. Failure to meet such production estimates could have a material effect on our business, results of operations, or financial condition. Production estimates are dependent on, among other things, the accuracy of Mineral Reserve estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions and physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics and the accuracy of estimated rates and costs of mining and processing.

A number of events could affect the profitability or economic feasibility of one of our projects. We could encounter unanticipated changes in grade and tonnage of ore to be mined and processed or adverse geotechnical conditions, incorrect data on which engineering assumptions are made or variances in actual versus projected costs of constructing and operating a mine in a specific environment. We also are open to risk based on availability of labour and skilled personnel and economic sources of power, availability and costs of processing and refining facilities, adequacy of water supply, availability of surface tenure on which to locate processing and refining facilities, adequate access to the site, including functional infrastructure and competing land uses (such as agriculture and artisanal mining) and unanticipated transportation costs. One or more of the above-mentioned factors may adversely affect the performance of mining assets that we have acquired in takeovers or mergers with other companies where due diligence conclusions may subsequently be proved to have been unreliable or inaccurate, or where matters of significant judgment at the time of the transaction are subsequently shown to have been erroneous or incomplete. Additionally, our projects could be affected by new or existing government regulations, geopolitical events, accidents, labour actions and force majeure events, or availability of financing.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. Each of these factors involves uncertainties and, as a result, we cannot give any assurance that our development or exploration projects will become operating mines. If a mine is developed, actual capital and operating costs and operating results may differ materially from those anticipated in a feasibility study or other internal estimates.

We are exposed to risks associated with fixed and floating gold delivery obligations

We also assumed certain obligations under a gold stream when we acquired the Sabodala-Massawa mine on February 10, 2021. Further to an amendment to the original stream agreement on September 25, 2020, we are obligated to deliver 783 ounces per month beginning September 1, 2020 until 105,750 ounces have been delivered to Franco-Nevada (the "Fixed Delivery Period"). At the end of the Fixed Delivery Period, any difference between total gold ounces delivered during the Fixed Delivery Period and 6% of production from our existing properties in Senegal (excluding Massawa) could result in a credit from or additional gold deliveries to Franco-Nevada. Subsequent to the Fixed Delivery Period, we are required to deliver 6% of production from our existing properties in Senegal (excluding Massawa). For the ounces delivered to FrancoNevada under the Sabodala-Massawa stream arrangement, the Group

receives cash proceeds equivalent to 20% of the spot price of gold, and the gold ounces sold are recognized as revenue only on the actual proceeds received.

While these types of financing transactions are common and well understood in the gold producer market, this delivery obligation results in the sale of a certain percentage of gold at below market gold prices, which could have a negative effect on our future results of operations, cash flows and financial condition. If metal prices improve over time, these obligations reduce our ability to sell our production at higher market prices.

> Endeavour's future exploration and development may not result in economically viable mining operations or yield new reserves.

In order to maintain or increase production levels in the long term, we must continually replace our gold reserves that are depleted by our mining activities. To replace our reserves, we rely on our exploration program, which is speculative by nature, to discover and develop near-mine and new gold deposits. Our ability to sustain or increase our present levels of gold production depends in part on the success of our exploration, and we may be unable to sustain or increase such levels of exploration.

The exploration and development of gold deposits involves significant risks, which even a combination of careful evaluation, experience and technical knowledge may not eliminate. The economics of exploration and the eventual development of gold properties are affected by many factors, including the cost of future operations, availability of capital, assumptions about the price of gold, the grade and recoverability of gold, the ratio of waste to ore, sufficiency of water, resettlement costs and other factors, such as government regulations. While the discovery of a mineable deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Further, major expenses may be required to identify ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site.

Any successful exploration efforts will require significant time as well as capital expenditure to achieve commercial production. It can take a number of years from the initial phases of drilling and identification of the mineralization until production is possible, during which time the economic feasibility of extraction may change and gold that was economically recoverable at the time of discovery ceases to be so. Feasibility studies and other project evaluation activities necessary to determine the current or future viability of a mining operation can be unproductive and require substantial expenditure, and may prove to be inaccurate or erroneous to a greater or lesser degree. Significant expenditure is necessary to conduct activities such as exploration drilling to establish the presence, extent and grade of mineralized material. We undertake feasibility studies to estimate the technical and economic viability of mining projects and to determine appropriate mining methods and metallurgical recovery processes. Feasibility studies include estimates which are based on assumptions made based on available data. These estimates are not precise calculations, involve significant judgment and depend on the interpretation of limited information on the location, shape and continuity of the mineral occurrence and on available samplings results. No assurance can be given that such estimates are accurate and that the indicated levels of gold published in the studies can be produced. As a result, there can be no assurances that our exploration or ongoing or future development will result in profitable commercial mining operations.

Due to a declining rate of discovery of new gold reserves in recent years, we face intense competition for the acquisition of attractive mining properties. As part of our business operations, on occasion we evaluate the acquisition of an early stage gold project, greenfield project, development projects, or operating mines, whether as standalone assets or as part of existing companies. Any decision to acquire these properties is based on a variety of factors, including historical operating results, estimates and assumptions regarding the extent of the reserve, cash and other operating costs, gold prices, projected economic returns and evaluations of existing or potential liabilities associated with the relevant property and our operations, potential for synergies with our existing operations, and how these factors may change in the future. Other than historical operating results, these factors are uncertain and could have an impact on revenue, cash and other operating costs, as well as the process used to estimate gold reserves.

> **No assurance can be given that Endeavour's current or future mineral production estimates will be achieved.**

Our mineral reserves are estimates based on assumptions, regarding, among other things, our costs, expenditures, commodity prices, exchange rates, metallurgical and mining recovery assumptions, which may prove inaccurate due to a number of factors. There are numerous uncertainties inherent in estimating quantities of Mineral Reserves and Mineral Resources and in projecting potential future rates of gold production, including many factors beyond our control, and such estimates should not be interpreted as assurances of mine life or of the profitability of current or future production. Mineral Reserve and Mineral Resource estimates are imprecise and depend partially on statistical inference drawn from drilling and other limited data, which may prove to be unreliable. These estimates are based on underlying data which may contain latent errors which could lead to inaccurate Mineral Reserve and Resource estimates. In particular, we have recently added a number of assets to our portfolio through the acquisitions of SEMAFO and Teranga, and consequently, did not have direct control over the production of the data that underpins the Mineral Reserve and Resource estimates relating to these assets.

Additionally, estimates which were valid when made, may have to be recalculated and may change significantly over the course of the relevant mine's life based on changes in mineral prices, further exploration or development activity, actual production results and impacts or upon other new information becoming available. Such changes could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence Mineral Reserve and Mineral Resource estimates. Material changes in Mineral Reserves and Mineral Resources, grades, stripping ratios or recovery rates may affect the economic viability of projects or may cause us to alter mining plans. Market price fluctuations for gold, increased production and capital costs, reduced recovery rates, changes in the mine plan or pit design, or other factors may render our present Mineral Reserves uneconomical or unprofitable to develop at a particular site or sites. A reduction in our estimated Mineral Reserves could require material writedowns in the affected mining property and/or increased amortization, reclamation and closure charges. Furthermore, any downward revision in our Mineral Reserves, and in the longer term, any failure to replace reserve ounces as they are mined may have a material adverse effect on our business, operating results, life of operations and financial condition.

Our ability to recover estimated Mineral Reserves and Mineral Resources can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. For instance, the grade of ore ultimately mined may differ from that indicated by results of drilling, sampling and other similar examinations. Short-term factors relating to Mineral Reserves and Mineral Resources, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on our results of operations. There can be no assurance that those portions of such Mineral Resources that are not Mineral Reserves will ultimately be re-classified into Mineral Reserves. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

> **Endeavour is subject to geopolitical and other risks associated with operating in West Africa.**

We operate and own assets in countries in Western Africa, some of which are categorized as developing, complex or having unstable political or social climates. As a result, we are exposed to a wide range of political, economic, regulatory, social and tax environments. Our operations may also be affected by political and economic instability, including terrorism, civil disturbance, crime, and social disruption. Political and economic conditions could change, with future governments adopting different laws or policies that may affect the cost of our operations or the manner in which we conduct them, as well as exchange rates and our ability to repatriate capital, procure key supplies internationally and export gold. Aggressive interpretation and enforcement of tax codes by local tax authorities has led to more tax audits and in some cases disputes with our host governments. Adverse actions by governments can also result in operational and or project delays or the loss of critical permits.

Geopolitical risk in the countries where we operate could affect our credit rating, which in turn could increase our cost of borrowing and free cash flow and result in lower levels of capital investment and production. The continued operation of our existing assets and future plans depend in part on our ability to secure and maintain key

permits. The suspension or loss of key permits could have a material impact on our ability to execute our mine plans and shorten mine life.

Policies and laws in the countries in which we operate may change in a manner that may negatively affect the Company. Failure to be up-to-date with any changes in the government or changes in government policy could result in inability to respond and adapt to political and policy changes and social disruption. All of these factors could, therefore, affect the long-term viability of our business. While we believe that the governments of the countries in which we hold our assets support the development of their natural resources by foreign companies, it is possible that future political and economic conditions of these countries will 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 the countries in which we operate may adopt substantially different policies, which might include the expropriation of assets, cannot be excluded.

The majority of our assets are diversified across four jurisdictions in West Africa, Burkina Faso, Côte d'Ivoire, Mali and Senegal, which have in the past experienced, and in certain areas continue to experience, a difficult security environment. In addition, various illegal groups active in regions in which we are present may pose a credible threat of organized crime, military repression, terrorism, civil unrest and disturbances, sabotage, extortion and kidnapping, which could have an adverse effect on our operations in these and other regions.

Other risks and uncertainties to which we are exposed through our operations in West Africa include, but are not limited to: hostage taking; military repression; human rights violations; high rates of inflation; labour unrest; political violence; war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits, contracts and fiscal stability arrangements; illegal mining; changes in taxation policies; convertibility or transfer restrictions on foreign exchange; loss due to disease and other potential endemic health issues; and changing political conditions, capital controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. There can be no assurance that such issues will not arise in the future.

Intrusions onto our tenement and operational areas, including artisanal and illegal-mining related activities in particular, continue to be a challenge. If the security environment surrounding our operations that are most exposed to those risks deteriorates, then employee, third-party and community members may be injured and fatalities could also result. Any such factors could disrupt our operations and adversely affect our reputation, results of operations and financial condition.

We operate in regions where pervasive poverty, unemployment and the lack of access to alternative livelihoods mean that the creation and distribution of economic benefits from mining operations may become concentrated in smaller community subgroups of the wider national population. This strain could pose operational and reputational risk and could threaten relationships with community or government, for whom the mining operations are significant area of economic focus.

Volatile commodity prices and other factors affecting the economic and fiscal health of our host countries have in the past resulted in increased resource nationalism trends in some African countries, with governments repudiating or renegotiating contracts with, and expropriating assets from, companies that are producing in such countries. The gold that we produce is considered a strategic resource by some of our host countries owing to their dependence on gold and the gold mining industry as an important source of national revenue. Governments in these countries may decide not to recognize previous arrangements if they regard them as no longer being in the national interest. Governments may also implement export controls on commodities regarded by them as strategic or place restrictions on foreign ownership of industrial assets. Renegotiation or nullification of existing agreements, leases, permits or tax rulings, changes in fiscal policies (including new or increased taxes or royalty rates, denial of tax deductions or aggressive tax policy interpretation or enforcement, or the implementation of windfall taxes) and currency transfer or convertibility restrictions imposed by the governments of countries in which we operate could

all have a material adverse effect on our business, results of operations and financial condition. Additionally, we rely on amicable relationships between our operations and key government representatives and if there were to be an erosion of such a relationship, it could similarly have an adverse effect on our business results of operations and financial condition.

> **The location of our assets subjects us to safety and security risks.**

Following instability in recent years in the countries of the Sahel, the prevailing security environment in the region has deteriorated due to the presence of various militant secessionist and Islamist paramilitary and terrorist, as well as local vigilante, groups. While we have implemented additional measures in response to ensure the security of our various assets, personnel and contractors, and continue to cooperate with regional governments, their security forces and third parties, there can be no assurance that these measures will be successful. Any failure to maintain the security of our assets, personnel and contractors may have a material adverse effect on our stakeholders, business, results of operations and financial condition.

In particular, we operate in Burkina Faso, which has been subject to political instability and has experienced various political issues in recent years. In 2014, the long-standing President of Burkina Faso was exiled following a popularly supported coup. The instability following the instalment of a civilian transitional government resulted in two further coup attempts in 2015 and 2016, neither of which were successful. During this time, elements of terrorist and paramilitary organizations, present in the wider Sahel region, consolidated their influence over parts of Northern and Eastern Burkina Faso. This resulted in a series of security incidents in 2019 involving improvised explosive devices on the road leading to the Boungou Mine, which we acquired from SEMAFO in July 2020. In November 2019, an attack occurred involving five buses carrying contractors and employees of the Boungou Mine, which resulted in 39 fatalities. Following the attack, the Boungou Mine was placed on temporary care and maintenance in order to address regional security issues. The security of our employees and contractors in Burkina Faso is key to our ability to perform our exploration, development and mining activities in the country. Since our acquisition of SEMAFO in July 2020 we have significantly enhanced site security and infrastructure, and have implemented security protocols at Boungou, and for the transportation of personnel and materials to Boungou, which reflect practices at our other mine sites. However, the security environment in Burkina Faso may deteriorate and adversely affect our operations or profitability or lead to loss of life and reputational risk. There can be no guarantee that this site, or others in Burkina Faso or elsewhere, may not suffer similar direct or indirect attacks on people, equipment and infrastructure.

> **Endeavour's continued operations depend on adequate infrastructure, which is underdeveloped in certain parts of West Africa, and the uninterrupted flow of power, materials, supplies and services.**

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation and/or development of our projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploitation and/or development of our projects will be commenced or completed on a timely basis, if at all, or that the resulting operations will achieve the anticipated production volume, or that construction costs and ongoing operating costs will not be higher than anticipated. In addition, unusual or infrequent weather phenomena, sabotage or other interference in the maintenance or provision of such infrastructure could adversely affect our business, financial condition and results of operations.

In particular, our mining interests are located in remote locations and depend on an uninterrupted flow of materials, supplies and services to those locations. Any interruptions to the procurement of equipment or the flow of materials, supplies and services to these properties could have an adverse impact on our business, results of operations and financial condition.

> **Endeavour faces risks associated with artisanal mining, which may, among other things, create environmental, health and safety liability.**

We face risks associated with artisanal mining on our properties. Artisanal miners may compromise the safety at our mines, cause contamination of the environment as the result of unauthorized use of chemicals, including cyanide, and in certain cases, accelerate the depletion of our ore bodies. Although we, with the assistance of both local government authorities and external contractors, have undertaken measures that have reduced the occurrence of illegal mining, we cannot provide assurance that these measures will be successful in reducing or eliminating illegal mining in the future. We may also be held liable for environmental damage and/or personal injury associated with artisanal mining activity on our properties despite our efforts to prevent that activity. Any of these factors could have a material adverse effect on our business, results of operations and financial condition.

- > [Surrounding communities may affect mining operations through restriction of access of supplies and workforce to the mine site or through legal challenges asserting ownership rights.](#)

The continued success of our existing operations and future projects are in part dependent upon broad support of and a healthy relationship with the respective local communities in which we operate. If it is perceived that we are not respecting or advancing the economic and social progress and safety of the local communities, our reputation could be damaged, which could have a negative impact on our “social license to operate”, our ability to secure new resources and labour and our financial performance.

Some of our current and potential assets are located in or near communities that may regard our operations as having a detrimental effect on their safety or environmental, economic or social circumstances. Our operations are located in communities which experience poverty and lack of stable employment or livelihood opportunities, factors which may contribute to tense relations between our operations and their surrounding communities. Mining is a skilled occupation and, consequently, we are not always able to source our employees or contractors from local communities which can lead to tension and a perception that our operations are not adequately contributing to the economic advancement of their host communities. The consequences of adverse community relations or allegations of human rights incidents could also adversely affect the cost, profitability, ability to finance or even the viability of an operation, as well as the safety and security of our workforce and assets. If our operations are delayed or shut down as a result of political and community instability, our earnings may be constrained and the long-term value of our business could be adversely impacted. Even in cases where no action adverse to us is actually taken, the uncertainty associated with such political or community instability could negatively impact the perceived value of our assets and, consequently, have a material adverse effect on our business, results of operations and financial condition.

Additionally, surrounding communities may affect the mining operations through the restriction of access of supplies and workforce to the mine site. Certain of our properties may be subject to the rights or asserted rights of various community stakeholders. While community outreach and development programs are maintained that can contribute to the mitigation of the risk of blockades or other restrictive measures by the communities, there are no assurances that our business, results of operations and financial condition will not be adversely impacted by the actions of the communities surrounding our properties.

- > [Endeavour's mining properties are subject to various government equity interests and royalty payments payable to the government of the countries in which the Company operates.](#)

Our mining properties in Burkina Faso, Côte d'Ivoire, Mali and Senegal are subject to certain government equity interests. The mining laws of Burkina Faso, Côte d'Ivoire and Mali and Senegal stipulate that when an economic ore body is discovered on a property subject to an exploration permit, a mining permit that allows processing operations on that property to be undertaken must be issued, or transferred, to a new mining company in which the company may hold a majority interest and the government retains a minority “free-carried interest” free of any financial obligation, of at least 10%, in any mining project. Such legislation entitles the respective governments in these countries to maintain the same percentage of equity interest in the event of capital increases, without a proportional contribution to the funding of the relevant asset. In addition, mining legislation in Mali, Côte d'Ivoire and Senegal provides that the respective government may exercise a right to purchase up to an additional 10%, 15% and 25% interest, respectively, in any mining company. Similarly, in Burkina Faso, the mining legislation allows the State to

increase its participation in any mining company. Although we believe we would be entitled to payment if the governments of Mali, Côte d'Ivoire, Senegal and Burkina Faso were to exercise such rights, we can provide no assurance that we would be compensated fairly or at all.

In addition, under the laws of, and pursuant to certain mining conventions in the countries in which we operate, we are required to make various royalty payments. Notwithstanding any stability agreements with the host governments contained in the relevant mining conventions, the laws and practices of the various governments as to foreign ownership, control of mining companies or required royalties may change in a manner which adversely affects our business, prospects, financial condition and results of operations. Furthermore, if we acquire mining interests in new jurisdictions, there can be no assurance that the legislation in those jurisdictions will be at least as favourable as the legislation that exists in the jurisdictions in which we currently operate.

> **There are health risks associated with the mining work force in Africa.**

Malaria, Ebola, HIV and other endemic diseases represent a serious threat to maintaining a skilled workforce in the mining industry throughout Africa and are a major healthcare challenge to our operations. For example, an epidemic of the Ebola virus disease in 2014 in parts of West Africa resulted in a substantial number of deaths and the World Health Organization ("WHO") declared it a global health emergency at that time. Additionally, malaria outbreaks affect our employees and contractors in the ordinary course of our business, particularly at the Ity Mine in Côte d'Ivoire, with outbreaks arising seasonally with the rainy season. Should there be an outbreak or epidemic in any country in which we operate, which is not satisfactorily contained, our workforce may be adversely impacted and we may face difficulties securing transportation of supplies and equipment essential to our mining operations. As a result, our exploration, development and production plans could be delayed or interrupted after commencement. Any changes to these operations could significantly increase the costs of operations and have a material adverse effect on our business, results of operations and financial condition.

> **Endeavour depends on management and skilled personnel and may not be able to attract and retain qualified personnel in the future.**

Our success depends, to a large degree, upon the continued service and skills of our existing management team. Our management team has significant experience and has been intimately involved in the development of our asset base, the integration of our acquisitions and the construction of new projects. If we lose the services of any key member of our management team and are unable to find a suitable replacement in a timely manner, we may be unable to effectively manage our business and execute our strategy.

In addition, we depend on skilled employees to carry out our operations. There is particular expertise that is applied and required in the areas of geology, metallurgy, mine operations and stakeholder relations across West Africa. It can be difficult to attract employees with the requisite technical expertise to West Africa, given the region's operating approach and complexity. The loss of these persons, any restrictions on hiring expatriates or our inability to attract and retain additional highly skilled employees required for the implementation of our business plan and ongoing development and expansion of our operating assets may have a material adverse effect on our business or future operations.

> **Endeavour is dependent on its workforce and the workforce of its third-party service providers to extract and process gold minerals and is therefore sensitive to any labor disruption at its material properties.**

As at December 31, 2021, we had over 5,951 employees and an additional 1,001 individuals who we employed indirectly through the use of third-party contractors. We are subject to collective bargaining agreements by law in Burkina Faso, Côte d'Ivoire, Mali and Senegal. We depend on our employees and third-party contractors to explore for mineral reserves and resources, develop our projects and operate our mines. We have in the past, and may in the future, experience labour disputes with our employees or third-party contractors and any breakdown or deterioration in relations with our employees or third-party contractors may adversely impact our operations. In 2020, two country-wide miners' strikes were held in Mali. Any strikes and other labour disruptions at any of our operations, including those involving the workforce of our third-party contractors, or lengthy work interruptions at

our existing and future development projects could result in a material adverse effect on the timing, completion and cost of any such project, as well as on our business, results of operations and financial condition.

> Endeavour faces risks associated with the use of third-party contractors.

As is common industry practice, certain aspects of our operations, such as mining, drilling, blasting, and security are conducted by outside contractors and as a result, we are subject to a number of risks associated with the use of such contractors, including reduced control over the aspects of the operations that are the responsibility of a contractor, failure of a contractor to perform under its agreement, our inability to replace the contractor if either we or the contractor terminate the service agreement, interruption of operations in the event the contractor ceases operations as a result of a contractual dispute with us or as a result of liquidity constraints, 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, strikes or other employment issues, and tax issues related to the arrangement of contracts, any of which may have a material adverse effect on our business, financial condition and results of operations. Available contractors in West Africa are drawn from a narrow pool of entities with the requisite experience, sophistication and skill, and our ability to manage the risk of overreliance on one or more contractors may be limited by the availability of credible or sufficiently attractive alternatives.

We also retain contractors and engineering services for the development and construction of our new assets (and may rely on contractors retained in the past by companies that we subsequently acquire in strategic corporate transactions) and, therefore, we are dependent on the quality of work that those contractors perform. Although we always seek to retain contractors we regard as reputable and competent for the scope of work required, and we seek to reduce our risk by negotiating contracts that apportion risk and liability appropriately, we cannot exclude the risk that those contractors may breach their contracts with us (or predecessor companies), or that contractors may be negligent or otherwise deficient in performing the services for which they were contracted. This may result in financial liability or penalties and we may be unable to recover from those contractors or may be unable to remediate errors made by contractors which are necessary for the optimal performance of our assets. Any of these factors could have a material adverse effect on our business, results of operations and financial condition.

> Endeavour's ability to expand or replace depleted reserves could materially affect its long-term viability.

Mineral reserves are reported as general indicators of mine life and should not be interpreted as assurances of mine life or of the profitability of current or future production. Mineral reserves depleted by production must be continually replaced to maintain production levels over the long term. In addition, mine life would be shortened if the Company expands production and does not replace depleted mineral reserves. Although Endeavour currently engages in exploration activities and seeks to expand existing ore bodies, such activity requires substantial expenditure and there is no assurance that current or future exploration or expansion programs will result in any new commercial mining operations or yield new reserves to replace or expand current mineral reserves. Failure to expand or replace depleted mineral reserves may render it difficult to sustain production beyond current mine lives and have a material adverse impact on Endeavour's operations.

> Endeavour may require further licenses and encounter title claims to develop and exploit certain gold reserves or to process the ore of third parties and may encounter title claims to any of our properties which may result in future losses or additional expenditures.

We are required to maintain approvals, licenses and permits from various governmental authorities in order to conduct our business. Such approvals, licenses and permits are complex and time consuming to obtain and, depending on the location of the project, may involve multiple governmental agencies. If procedures are not followed properly by these government agencies during the licensing process, we could be at risk of having our licenses declared invalid or revoked. In addition, the receipt, duration, amendment or renewal of such approvals, licenses and permits are subject to many variables outside our control, including potential legal challenges from various stakeholders such as environmental groups, non-governmental organizations, community groups or other claimants. The requirements to obtain or maintain such licenses and permits, however, are subject to change in

various circumstances. The costs and delays associated with obtaining the necessary permits, consents, authorizations and agreements required for our operations may stop or materially delay or restrict us from proceeding with the development of an exploration project or the operation or further development of an existing mine, resulting in a material adverse impact on our business, prospects, financial condition and results of operations.

In addition, to the extent that we may process third-party ore on a tolling basis, the seller of that ore may be required to hold the relevant in-country permits to carry out mining activities or to aggregate ore from other sources. In the absence of those permits, we may be forced to suspend or terminate our arrangements for the supply of that third-party ore. There can be no assurance that we or any relevant third parties will be able to obtain or maintain the approvals, permit or licenses that may be required to explore and develop any of our current or future properties, commence construction or operation of mining facilities on properties under exploration or development, or maintain continued operations that economically justify their cost.

The validity of ownership and of property holdings can be uncertain and may be contested in the countries in which we operate. Risk always exists that some titles, particularly titles to undeveloped properties, may be defective. We cannot provide assurance that we will be able to secure the grant or the renewal of existing mineral rights and tenures on terms satisfactory to us, or that governments in the jurisdictions in which we operate will not revoke or significantly alter such rights or tenures or that such rights or tenures will not be challenged or impugned by third parties, including local governments, indigenous peoples or other claimants. Further, we can provide no assurance that some of our titles to undeveloped properties are not defective or that title to our properties will not be challenged, encumbered, revoked or subject to additional conditions in the future. For example, in 2019, the government of Mali notified us that they regarded the pace of progress at our Kalana Project as not conforming with the requirements of our mining license, as we had halted mining operations subject to further exploration and various studies had been delayed. As a result of the discussions stemming from these events, we are now required to submit quarterly reports demonstrating our ongoing exploration studies at Kalana. The government of Mali could impose additional reporting requirements going forward, or may take a view about our mining license that is adverse to our ability to develop the Kalana Project. Any of these factors could have a material adverse effect on our business, results of operations and financial condition.

> Endeavour may be adversely affected by the availability and costs of key inputs.

Our competitive position depends on our ability to control the cost structure of each of our operations, which is based on many factors, including the location, grade and nature of the ore body, the management skills at each site and the costs of key inputs such as fuel, electricity, tires for mining equipment, reagents, and other supplies. The high level of fixed costs associated with these key inputs makes it difficult for us to respond quickly to price fluctuations. Because we produce gold and cannot pass increases in production costs on to customers for our product, any increases in input costs will adversely affect our profit margins. If supply of our key inputs becomes unavailable or their cost increases significantly, operations at our mines could be interrupted or halted, resulting in a material adverse impact on our business, prospects, financial condition and results of operations.

Additionally, the mining industry, particularly the gold mining industry, is generally labour intensive and is characterized by high fixed costs on a short-term operating basis. The majority of operating costs of each mine do not vary significantly with the production rate, and therefore, a relatively small change in productivity as a result of, for example strikes or work stoppages could have a disproportionate effect on operating and financial results.

Supply chains are subject to a number of risks not wholly within the Company's control, including: terrorism, political instability leading to the closing of borders, exchange rate fluctuation, inflation and changes in law (including increased environmental standards, international sanctions and local content requirements). Any disruption to supply chains could impact production, may require unplanned expenditure and could negatively impact cash flows. The Company is monitoring the impact of the current Russia-Ukraine conflict on global supply chains and the effect on energy and commodity prices.

While management prepares, on a quarterly basis, its cost and production guidance and other forecasts based on a comprehensive review of current and estimated future costs, such guidance and forecasts inevitably involve assumptions and judgment regarding the future availability of key input materials and supplies. Lack of supply of or increased costs for any of these inputs would decrease productivity, reduce the profitability of our mines, and potentially result in suspending all or a portion of our operations. In particular, our operations, by their nature, use large amounts of electricity and energy. Energy prices can be affected by numerous factors beyond our control, including global and regional supply and demand, political and economic conditions, and applicable regulatory regimes. The prices of various sources of energy may increase significantly from current levels. A decrease in the availability of, or increase in the price of, electricity and other energy sources may have a material adverse effect on our business, prospects, financial condition and results of operations. Over time, the mining industry has been impacted by increased worldwide demand for critical resources such as input commodities, drilling equipment, tires and skilled labour, and any shortages in those resources may cause unanticipated cost increases and delays in delivery times, thereby impacting operating costs, capital expenditure and production schedules. Any of these factors could have a material adverse effect on our business, results of operations and financial condition.

> Endeavour may fail to identify attractive acquisition candidates, may fail to successfully integrate acquired businesses, or may not be able to successfully divest non-core assets

We evaluate opportunities to acquire, divest and/or consolidate gold producing assets and similar businesses on an ongoing basis and have a history of making and integrating acquisitions, including our acquisition of SEMAFO in July 2020 and Teranga in February 2021. Our success in our acquisition, divestment and consolidation activities depends on our ability to identify suitable opportunities, implement such activities on acceptable terms and have the operations of any acquired companies successfully integrated with those of our business. However, we cannot give any assurance that we will successfully integrate these acquisitions into our existing operations.

Any future transactions may be significant in size, may change the scale of our business and may expose us to new geographic, political, operating, financial and geological risks. Such transactions may be accompanied by risks applicable to the exploration and development of resource properties and conduct of mining operations generally, to the difficulties of assimilating the operations and personnel of any acquired companies, and to the risk of unknown liabilities associated with acquired assets and businesses.

Both the successful integration of recent acquisitions (SEMAFO and Teranga) as well as any future acquisitions involve other inherent risks, including:

- > accurately assessing the value, strengths, weaknesses, contingent and other liabilities, and potential profitability of acquisition candidates;
- > ability to achieve identified and anticipated operating and financial synergies;
- > unanticipated costs;
- > diversion of management attention from existing business;
- > potential loss of Endeavour's key employees or key employees of any business acquired;
- > unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- > decline in the value of acquired properties, companies or securities.

Any one or more of these factors or other risks could cause us not to realize the anticipated financial synergies and other benefits of an acquisition of properties or companies, and could have a material adverse effect on our business, results of operations and financial condition.

In addition, we may use available cash, incur debt, and issue equity shares or other securities, or a combination of any one or more of these in order to make future acquisitions. This could limit our flexibility to raise capital, to operate, explore and develop our properties and to make additional acquisitions and meet our current and future obligations. When evaluating an acquisition opportunity, we cannot be certain that we will have correctly identified and managed risks and costs inherent in the business that we are acquiring.

Further, when non-core assets are divested Endeavour cannot be certain that all deferred consideration payments will be made in a timely manner. There is a risk that the acquiring party is unable to meet its contractual obligations.

> **Provisions related to the Notes could delay or prevent a friendly takeover of Endeavour.**

Certain provisions in the convertible senior notes due 2023 (the “2018 Notes”) the indenture dated February 5, 2018 in respect of the 2018 Notes certain provisions in the 2021 Notes and the indenture dated October 14, 2021 in respect of the 2021 Notes could make a third-party friendly merger more difficult or expensive. For example, if a takeover constitutes a fundamental change, then 2018 Note holders and 2021 Note holders will have the right to require the Company to repurchase their notes for cash. In addition, if a takeover constitutes a make-whole fundamental change, then the Company may be required to temporarily increase the conversion rate. In either case, and in other cases, the obligations of the Company under the notes and the respective Indenture could increase the cost of and discourage a third party from merging with the Company even if the transaction is in the best interests of the Company and viewed by the shareholders as being favourable.

> **Government regulation may have an adverse effect on our exploration, development and mining operations.**

The business of mineral exploration, development, mining and processing is subject to various national and local laws and plans relating to permitting and maintenance of title, environmental consents, taxation, employee relations, health and safety, royalties, land acquisitions, land use, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Although we believe we currently comply with all material rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. New laws and regulations, amendments to existing laws and regulations, administrative interpretation of existing laws and regulations, or more stringent enforcement of existing laws and regulations, whether in response to changes in the political or social environment in which we operate or otherwise, could cause us to incur additional expense or capital expenditure restrictions or suspensions of our activities and delays in the exploration and development of our properties. We operate in four jurisdictions in West Africa, Burkina Faso, Côte d’Ivoire, Mali and Senegal. We are subject to local laws in each jurisdiction, including but not limited to tax laws, employment laws, environmental laws, laws related to bribery and corruption and financial regulation. We are also subject to local mining laws and regulations in each jurisdiction. Any existing and new mining, exploration operations and projects that we own and operate are subject to various national and local laws, policies and regulations governing the ownership, prospecting, development and mining of gold, taxation and royalties, exchange controls, import and export duties and restrictions, investment approvals, employee and social community relations and other matters. Our efforts to comply with existing and new rules and regulations have resulted in, and may continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance-related activities. Any failure to comply with applicable laws and regulations, even if inadvertent, may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities. We may also be required to compensate third parties suffering loss or damage by reason of a breach of such laws and regulations. Such failure to comply with applicable laws and regulations may ultimately result in interruption or closure of exploration, development or mining operations, which may have a material adverse effect on our business, results of operations and financial condition.

- > Endeavour may be adversely affected by violations of applicable anti-corruption laws, as well as export control regulations and related laws and economic sanctions programs.

We conduct business in countries where there is an elevated risk of corruption. Acts and payments that may be considered illegal under applicable local and/or extraterritorial anti-corruption, anti-bribery, anti-money laundering or export control regulations and related laws may be considered an acceptable part of business culture in those countries. We are committed to doing business in accordance with all applicable local and/or extraterritorial anti-corruption laws and economic sanctions programs. We believe that we have a strong culture of compliance and an adequate system of internal controls and continuously seek to re-evaluate and improve such controls. We currently have a Business Conduct and Ethics Policy, Anti-Bribery and Anti-Corruption and Sanctions Policy in place, as well as a procedures and control system for financial approvals which is linked to tiered authority limits, and includes a requirement for multiple signatories. We also maintain compliance systems which involve annual online education for our employees concerning the risks of bribery and corruption, and ways in which those risks can be identified and mitigated with the aim of ensuring compliance. Likewise, we conduct annual training on sanctions for relevant employees. To further safeguard against the risks of impropriety or wrongdoing we retain the services of an independent whistle-blower line, accessible to anyone who wishes to elevate their concerns, and available on an anonymous basis. The independent whistle-blower line is supervised by the Chair of the Audit Committee. Nevertheless, there is a risk that we or our affiliated entities or respective officers, directors, employees, contractors or agents may act in violation of our policies, procedures and applicable laws, including the UK Bribery Act 2010, the Canadian Corruption of Foreign Public Officials Act, the U.S. Foreign Corrupt Practices Act (1977) and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Violations of applicable local and/or extraterritorial anti-corruption, anti-bribery, anti-money laundering and export control regulations and related laws are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts, termination of existing contracts, and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any such violations could result in damage to our reputation and may materially adversely affect our business, results of operations and financial condition.

- > Endeavour's business is subject to evolving corporate governance and public disclosure regulations that have increased both its compliance costs and the risk of non-compliance.

The Company is subject to changing rules and regulations promulgated by a number of Canadian and other governmental and self-regulated organizations, including the Canadian Securities Administrators and the Toronto Stock Exchange. These rules and regulations continue to evolve in scope and complexity and Endeavour's efforts to comply with such rules and regulations, as well as new rules and regulations, have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

- > Endeavour is exposed to tax risks by virtue of the international nature of its activities.

Endeavour has operations and conducts business in a number of jurisdictions and is subject to the taxation laws of these jurisdictions. These taxation laws are complex, subject to varying interpretations and applications by the relevant tax authorities and subject to changes and revisions in the ordinary course. Endeavour has been challenged by the tax authorities in the countries in which Endeavour operates in the past regarding tax positions taken, with results that negatively affected its earnings and there is no certainty that this will not occur again. In addition, as a result of a significant corporate reorganization in 2016, and intervening economic-substance laws in the Cayman Islands (aimed at conforming to OECD standards), although the Company remains a tax resident in the Cayman Islands there is a risk it might not be deemed a Cayman Islands tax resident. If the Company is unable to satisfy relevant economic-substance tests, or is deemed to be a tax resident elsewhere, its tax residency may be subject to challenge. Further, changes in taxation law or reviews and assessments could result in higher taxes being payable by Endeavour which could adversely affect profitability and cash flows. Although the Company has tax stabilization agreements with most of the countries in which it operates, there can be no certainty that such agreements will be upheld or not withdrawn in the future.

- > Endeavour's insurance coverage does not cover all of the potential losses, liabilities and damage related to its business, and certain risks are uninsured or uninsurable.

Our business is subject to a number of risks and hazards inherent in the mining industry, including risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, labour disputes, unusual or unexpected geological conditions, metallurgical or other processing problems, industrial accidents, fires, natural disasters, global health crises, delays in mining, changes in the regulatory environment and monetary losses and possible legal liability, are such that a liability could exceed our insurance policy limits or could be excluded from our coverage. The potential costs which could be associated with any liabilities not covered by insurance, or in excess of insurance coverage, may require significant capital outlays, adversely affecting our future earnings and competitive position and our business, results of operations and financial condition.

While we maintain insurance to protect against certain risks in such amounts as we consider reasonable, we cannot provide assurance that our insurance will be available at economically feasible premiums or at all in the future, or that it will provide sufficient coverage for losses related to these or other risks and hazards.

In addition, changes in the insurance market can lead to us having to alter our insurance program and could lead to changes in insurance costs and the coverage we maintain. For example, the ongoing COVID-19 pandemic has resulted in the largest insurable event in history. As a result, we have seen material movement in capacity and liquidity in the insurance market, with less liquidity and risk appetite willing to underwrite insurable risks. Particularly, there has been notable premium movement associated with Directors' and Officers' coverage, leading to an increase in premiums in 2020/2021 compared to 2019/2020. Material changes in the insurance market, such as those described above, could lead us to have to alter our insurance program and could lead to increased costs or liability. Furthermore, insurance against risks such as loss of title to mineral property, environmental pollution or other hazards as a result of exploration, development and production is not generally available to companies in the mining industry on acceptable terms. Losses from these events may cause us to incur significant costs that could have a material adverse effect on our business, results of operations and financial condition.

- > Endeavour is subject to a number of laws and regulations and may not be able to enforce its legal rights.

Our business activities are subject to extensive laws and regulations governing various matters. These include laws and regulations relating to environmental protection, management and use of hazardous substances and explosives, management of natural resources, licences over resources owned by various governments, exploration, development of projects, production and post-closure reclamation, labour and occupational health and safety standards, and historical and cultural preservation, the employment of expatriates, bribery and corruption, economic sanctions, taxation, antitrust, and financial markets regulation. Policies, laws and regulations in the countries in which we operate may change in a manner that adversely affects us. The terms attaching to any permit or licence to operate may become more onerous. Additionally, in many of the developing countries where we operate, the legal systems may not be mature, legislation may present conflicts, ambiguities, be poorly drafted or lack associated guidance, and legal practice may not be developed, such that, in certain cases, there may be significant uncertainty as to the correct legal position, as well as the possibility of laws changing or new laws and regulations being enacted, which has the potential to render us unable to enforce our understanding of title, permits or other rights, as well as to increase compliance costs.

We may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of the courts in the forum chosen in the relevant contract in the event of a dispute arising at our operations. In addition, the counterparties to several of our key contracts, as well as our joint venture partners, are government agencies or government owned entities. As such, we may also be hindered or prevented from enforcing our rights with respect to a government entity or agency because of the doctrine of sovereign immunity. It is also possible that our interests, on the one hand, and those of our joint venture partners, on the other, will not always be aligned, resulting in possible project delays, additional costs or disagreements. Any adverse

or arbitrary decision of a foreign court or our inability to bring a claim may have a material and adverse impact on our business, financial condition and results of operations.

> Endeavour may face the risk of litigation in connection with its business and other activities.

All industries, including the mining industry, are subject to legal claims, with and without merit. We may become party to new litigation or other proceedings in a number of jurisdictions in respect of any aspect of our business, whether under criminal law, in tort, contract or otherwise. The cost of defending such claims may take away from management's time and effort and, if adjudged adversely to us, the associated liability may have a material and adverse effect on our reputation, business, results of operations and financial condition.

Endeavour may become party to new litigation or other proceedings in a number of jurisdictions in respect of any aspect of its business, whether under criminal law, in tort, contract or otherwise. The causes of potential litigation cannot be known and may arise from, among other things, business activities, employment matters, including compensation issues, environmental, health and safety laws and regulations, tax matters, volatility in our stock price, failure to comply with disclosure obligations or the presence of illegal miners or labour disruptions at its mine sites. Regulatory and government agencies may initiate investigations relating to the enforcement of applicable laws or regulations and we may incur expenses in defending them and be subject to fines or penalties in case of any violation and could face damage to its reputation in the case of recurring workplace incidents resulting in an injury or fatality for which the Company is found responsible. With regard to any mining assets or mineral properties sold by the Company, the Company may sometimes retain residual liability to the buyer for certain risks and matters relating to the assets sold under the terms of the relevant sale and purchase agreement. We may attempt to resolve disputes involving foreign contractors/suppliers through arbitration in another country and such arbitration proceedings may be costly and protracted, which may have an adverse effect on our financial condition. The cost of defending claims may take away from management's time and effort and if adjudged adversely to the Company, may have a material and adverse effect on our cash flows, results of operations and financial condition.

> Endeavour's shareholders may have difficulty enforcing legal rights and judgements.

The Company is incorporated under the laws of the Cayman Islands. The foreign organization, management and offices of the Company may make it more difficult for shareholders to enforce their legal rights than if the Company was organized, managed and resident in Canada or the United States. The common law and statutory rights of shareholders under the laws of the Cayman Islands may be less extensive than statutory rights available to shareholders under the laws of Canada or the United States. Although the Cayman Islands enjoys a stable political climate, there can be no assurance that changing social and political conditions will not adversely affect the rights of shareholders of the Company in the future.

Most of our assets are located in jurisdictions outside of Canada and the United States. As a result, it may be difficult for shareholders resident in Canada or the United States or other jurisdictions to enforce judgments obtained against Endeavour in Canada or the United States if the damages awarded exceed the realizable value of Endeavour's Canadian or American assets, respectively.

> Endeavour may be unable to compete successfully with other mining companies.

The mining industry is intensely competitive. Significant competition exists in all aspects of the mining industry and we compete with other mining companies and with individuals for the acquisition of mining and exploration assets, for mining claims and leases on exploration properties, as well as for specialized equipment, components and supplies necessary for exploration, development and mining. Additionally, we may encounter increasing competition from other mining companies in our efforts to hire experienced mining professionals, particularly in West Africa.

When we compete for the acquisition of properties producing or capable of producing gold, we may be at a competitive disadvantage because we must compete with other individuals and companies, some of which may have greater financial resources, operational experience and technical capacities. As a result of this competition, we may be unable to identify, maintain or acquire attractive mining properties on acceptable terms, or at all, and our

business, results of operations and financial condition could be materially adversely affected. Increased competition could also adversely affect our ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future. Increased competition may also result in losses of market share and could materially adversely affect our business, results of operations and financial condition.

Further, industry consolidation may lead to increased levels of competition, and there can be no guarantee that we will not become an acquisition target ourselves. A number of transactions have been completed in the gold mining industry in recent years, with some of our competitors having made acquisitions or entered into business combinations, joint ventures, partnerships or other strategic relationships. The companies or alliances resulting from these transactions or any further consolidation in the industry may lead our competitors to benefit from greater economies of scale, significantly larger asset bases and broader differentiation of mining assets in respect of geographies and commodities, from which we do not benefit.

- > Endeavour's business is subject to evolving climate change initiatives and legislation that may increase both compliance costs and the risk of non-compliance.

Our presence in West Africa and participation in the mining industry exposes us to multiple jurisdictions in which regulations or laws have been, are being, or could be considered to limit or reduce emissions. The immediate financial effect of these changes is expected to be an increase in the cost of fossil fuels and/or the cost of carbon output, the imposition of levies for emissions in excess of certain permitted levels and an increase in administrative costs for monitoring and reporting. Greenhouse gases ("GHGs") are emitted directly by our operations, as well as by external utilities from which we purchase electricity. Additional measures addressing GHG emissions may be implemented at national or international levels in various countries, including those in which we operate. Energy is a significant input and cost to our mining and processing operations and its increasing cost and/or requirements to adapt our energy usage could adversely affect our operations and profitability. Regulatory and other initiatives designed to curb GHGs could increase our energy, production and transport cost, or could result in new forms of taxation, which could have a material effect on our business, financial condition and results of operations. Future measures could require us to reduce our direct GHG emissions or energy use or to incur significant costs for GHG emissions permits or taxes. While we currently monitor our GHG emissions and intensity, as well as our energy consumption and intensity, we could be subject to additional monitoring and reporting requirements. We could be required to incur significant costs related to implementing additional GHG monitoring and reporting, capital equipment designed to reduce GHG emissions, and other obligations to comply with applicable requirements.

New and/or future climate change legislation may affect our ability to continue to operate as currently operated or planned to be operated. Any changes to these current or planned operations could significantly increase our costs of operations and have a material adverse effect on our business, results of operations, and financial condition.

- > Our operations are subject to the physical risks of climate change

Our operations could be exposed to a number of physical risks from climate change, such as changes in rainfall rates or patterns, reduced process water availability, higher temperatures and extreme weather events. Such events or conditions, including flooding or inadequate water supplies, could disrupt mining and transport operations, mineral processing and rehabilitation efforts, create resources or energy shortages, increase energy costs, damage our property or equipment and/or increase health and safety risks at our assets. Such events or conditions could have other adverse effects on our workforce and on the communities surrounding our mine sites, such as an increased risk of food insecurity, water scarcity and prevalence of disease. We are also at risk of reputational damage if key external stakeholders perceive that we are not adequately responding to the threat of climate change. Any of the aforementioned risks related to climate change could have a material adverse effect on our business, financial condition and results of operations.

- > There are material differences for reporting mineralized material between United States reporting standards and the Canadian standards used in this AIF.

There are material differences between the standards and terms used for reporting reserves in Canada and the United States. While the terms Mineral Resource, measured Mineral Resource, indicated Mineral Resource and inferred Mineral Resource are defined by CIM and must be disclosed according to Canadian securities regulations, the SEC does not recognize them under SEC Industry Guide 7 and they are not normally permitted to be used in reports and registration statements filed with the SEC. Notwithstanding this, because we prepare our Mineral Reserve and Mineral Resource estimates in accordance with Canadian disclosure requirements, they contain Mineral Resource estimates, which are required by NI 43-101. Mineral Resource estimates for properties that have not commenced production are based, in many instances, on limited geological information and widely spaced drill hole information, which is not necessarily indicative of the conditions between and around drill holes, and a limited degree of other study work which would ordinarily be required to convert Mineral Resources into Mineral Reserves. Accordingly, such Mineral Resource estimates may require revision as more geological advancement, drilling or study information becomes available or as actual production experience is gained. No assurance can be given that any part or all of our Mineral Resources constitute or will be converted into Mineral Reserves. Information about our mineral deposits may not be comparable to similar information made public by U.S. domestic mining companies, including information prepared according to Industry Guide 7.

> **Endeavour's business may face IT and cyber security threats.**

Our operations depend, in part, on how well protected our software, hardware, telecommunication and other information technology systems are. Our operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software, as well as pre-emptive expenses to mitigate the risk of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. Such failure of the foregoing could, depending on the nature of such failure, adversely impact our reputation and results of operations. Due to the remote locations of our operations, we rely on microwave connectivity with a backup link to supply a network on which our employees can execute their work tasks and communicate with friends and family. A loss of connectivity at one or more of our sites or our corporate offices could materially impact operations. Furthermore, with many of our office staff working from home due to the COVID-19 pandemic, a failure of or breach of our cloud-based network could result in a material impact on our operations.

We are also subject to the risks related to cybersecurity attacks or cybercrime. The sophistication and magnitude of cybersecurity incidents are increasing and include malicious software, attempts to gain unauthorized access to data and other electronic security and protected information breaches that could lead to production downtime, attempts to induce the transfer of funds through fraud, operational delays, the comprising of confidential or otherwise protected information, destruction or corruption of data, other manipulation or improper use of our systems and networks or financial losses for remedial actions. Despite multi-layered security software having been implemented and being regularly maintained, there is no guarantee that our systems and the information they contain will not be hacked or compromised, which may result in the disclosure of confidential information or information that is protected by data privacy laws, the theft of our financial assets through fraudulent transactions, or the damage to, or unavailability or outage of, vital production monitoring systems and telemetry at our mine sites which results in operations being suspended for an indeterminate period of time. Any of these factors could have a material adverse effect on our business, results of operations and financial condition.

## **5.2 FINANCIAL RISKS**

Our activities expose us 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. We examine the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks.

> **Internal Controls**

Internal controls provide no absolute assurances as to reliability of financial reporting and financial statement preparation, and ongoing evaluation may identify areas in need of improvement. We assess our system of internal

control over financial reporting from time to time and undertakes continuous improvements of such internal controls. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, safeguards with respect to the reliability of financial reporting and financial statement preparation. Our internal controls over financial reporting may not be adequate. No evaluation can provide complete assurance that our internal control over financial reporting will detect or uncover all failures of persons within the business to disclose material information required to be reported. Accordingly, we do not expect that our internal control over financial reporting will prevent or detect all errors and all fraud. If we are unable to maintain effective internal controls on an ongoing basis, investors could lose confidence in the reliability of our financial statements, and this could harm our business and have a negative effect on the market value of our securities.

#### > Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. Credit risk arises from cash, restricted cash, marketable securities, trade and other receivables, long-term receivable and other assets.

The Group manages the credit risk associated with cash by investing these funds with highly rated financial institutions, and by monitoring its concentration of cash held in any one institution. As such, the Group deems the credit risk on its cash to be low.

The Group closely monitors its financial assets (excluding cash) and does not have any significant concentration of credit risk other than receivable balances owed from the governments in the countries the Group operates in and its other receivables of \$14.6 million due from third parties.

The Group has a receivable of \$5.9 million from Allied, who acquired the Agbaou mine in March 2021, which has not yet been repaid at December 31, 2021. Management monitors the results of Allied to evaluate the ability of the counterparty to repay the amount. In addition, the Group has an investment in shares of Allied which a value of \$40.0 million at December 31, 2021, and has the option to sell the shares back to Allied and receive \$40.0 million in cash. Management is monitoring Allied's results from operations to determine the fair value of the investment, as well as its ability to repay the receivable if the option to convert the shares into a receivable is exercised. The Group monitors the amounts outstanding from all its third parties regularly and does not believe that there is a significant level of credit risk associated with these receivables given the current nature of the amounts outstanding and the on-going customer/supplier relationships with those companies.

The Group sells its gold to large international organizations with strong credit ratings, and the historical level of customer defaults is minimal. As a result, the credit risk associated with gold trade receivables at December 31, 2021 is considered to be negligible. The Group does not rely on ratings issued by credit rating agencies in evaluating counterparties' related credit risk.

Our maximum exposure to credit risk is as follows:

**Table 4: Exposure to credit risk**

| (\$'000,000)                | December 31,<br>2021 | December 31,<br>2020 |
|-----------------------------|----------------------|----------------------|
| Cash                        | 906.2                | 645.0                |
| Trade and other receivables | 104.8                | 55.1                 |
| Other financial assets      | 41.0                 | 0.8                  |
| Derivative financial assets | 25.1                 | -                    |
| Marketable securities       | 3.1                  | -                    |
| Long-term receivable        | 5.9                  | -                    |
| Restricted cash             | 31.6                 | 24.4                 |
| <b>Total</b>                | <b>1,117.7</b>       | <b>725.3</b>         |

> **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash, physical gold or another financial asset. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements. The Company ensures that it has sufficient cash and cash equivalents and loan facilities available to meet its short term obligations.

> **Currency risk**

Currency risk relates to the risk that the fair values or future cash flows of our financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs that we incur in our operations including our capital expenditures. There has been no change in the Company's objectives and policies for managing this risk during the period ended December 31, 2021. Gold is sold in US dollars but our costs are incurred in other currencies including Franc CFA, Canadian dollars, Euros, Australian dollars, and UK pounds sterling. We also hold cash and cash equivalents, marketable securities, and other receivables that are denominated in non-US dollar currencies which are subject to currency risk. We have not hedged our exposure to foreign currency exchange risk. Therefore, changes in currency exchange rates as well as associated transaction costs could adversely affect our results in any given period. Any fluctuations in the value of these foreign currencies relative to the US dollar may result in variations in our net income. Foreign currencies are affected by several factors that are beyond our control. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. To date, we have not entered into hedging or derivative arrangements to manage its foreign exchange risk.

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

*Table 5: Net assets in foreign currencies*

| (\$'000,000)     | December 31, 2021 | December 31, 2020 |
|------------------|-------------------|-------------------|
| Canadian dollar  | (19.3)            | 92.4              |
| CFA Francs       | 451.4             | 175.9             |
| Euro             | (14.7)            | 0.6               |
| Other currencies | (0.4)             | 13.3              |
| <b>Total</b>     | <b>417.0</b>      | <b>282.2</b>      |

The effect on earnings before taxes as at December 31, 2021, 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 Company is estimated to be \$41.7 million (December 31, 2020, \$28.2 million), assuming that all other variables remained constant. The calculation is based on our statement of financial position as at December 31, 2021.

> **Interest rate risk**

Interest rate risk is the risk that future cash flows from, or the fair values of, our financial instruments will fluctuate because of changes in market interest rates. We are exposed to interest rate risk primarily on our 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. We continually monitor our exposure to interest rates and are comfortable with our exposure given the relatively low short-term US interest rates and LIBOR or the Secured Overnight Financing Rate ("SOFR").

The effect on earnings and other comprehensive loss before tax as at December 31, 2021, of a 10% change in the LIBOR rate on the RCF is estimated to be nil (December 31, 2020 - \$1.0 million).

Borrowings under our RCF accrue interest at variable rates and any borrowings would expose us to interest rate cost and interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remains the same. This would in turn result in a decrease in our net income and cash flows, limiting our ability to use resources for growth and investment in operations. The RCF contains a number of typical financial covenants, including maximum leverage levels and minimum interest cover levels, which, if breached, may result in the enforcement by secured lenders of their collateral interests, which may result in the acceleration of any other debt/financing we have containing a cross-acceleration or cross-default provision, including under the Notes.

Our ability to make scheduled payments on the Notes depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions beyond our control, including global financial conditions and related fluctuations in the gold price. Sustained falling gold prices may result in the deterioration of free cash flow generation. We cannot be certain that our future cash flow from operations will be sufficient to allow us to pay principal and interest on our debt and meet other obligations, including under the Notes. There is a possibility that we may need to access the RCF to provide the required funding to repay the Notes. However, a default and related enforcement by the secured lenders under RCF, would permit the lenders thereunder to terminate all commitments to extend further credit under the RCF, in such event, we may not have sufficient funds to repay amounts owing under the Notes, which would allow the acceleration of repayment of all amounts due under the Notes. Should this occur it may result in us losing control over our business and a material adverse effect on shareholder value.

> **Price risk**

Price risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. There has been no change in our objectives and policies for managing this risk and no significant changes to our exposure to price risk during the year ended December 31, 2021.

> **Endeavour's business requires substantial capital expenditure and there can be no assurance that such funding will be available on a timely basis, or at all.**

Our business is capital intensive and is funded through cash flow from our operations and external financing sources. If we decide to make further acquisitions or to construct greenfield projects or pursue an ambitious exploration program (which we currently have) we may require additional capital. We may also encounter significant unanticipated liabilities or expenses. Our ability to continue to implement our business strategy, as well as our ability to discharge unanticipated liabilities and expenses, depends on our ability to generate sufficient free cash flow from our operating mines, each of which is subject to certain risks and uncertainties. We may be required to obtain additional equity or debt financing in the future to fund exploration and development activities or acquisitions of additional assets. There can be no assurance that we will be able to obtain such financing in a timely manner, on acceptable terms or at all.

> **Endeavour's use of derivative instruments involves certain inherent risks, including credit risk, market liquidity risk, and unrealized mark-to-market risk.**

From time to time, we employ hedging tools for a portion of our gold production and commodity prices to protect a portion of our cash flows against decreases in the price of gold or increases in the price of the underlying commodities we use. The main hedging tools available to protect against price risk are collar contracts which involve a combination of put and call options or forward sales. Various strategies are available using these tools. Although hedging activities may protect us against a low gold price or commodity price fluctuations, they may also (i) limit the price that can be realized on the portion of hedged gold where the market price of gold exceeds the strike price in forward sale or call option contracts, and (ii) stipulate a price at which a commodity (such as fuel) must be purchased, which may be higher than the prevailing market price for that commodity.

## 6. DIVIDENDS AND DISTRIBUTIONS

In 2021, the Company implemented a shareholder returns program that is composed of a minimum progressive dividend of \$125 million, \$150 million and \$175 million for FY-2021, FY-2022, and FY-2023 respectively. This minimum dividend may be supplemented with additional dividends and buybacks, provided that the prevailing gold price remains above \$1,500/oz and that Endeavour's leverage remains below 0.5x Net Debt / adjusted EBITDA.

The Company announced its H2-2021 interim dividend on January 24, 2022. A dividend of \$0.28 per Endeavour Share was paid on March 16, 2022 to shareholders of record as at the close of business on February 11, 2022. For 2021, Endeavour's dividends totaled \$140 million, or \$0.57 per share, which represents \$15 million more than the minimum dividend commitment.

The Board expects to pay future dividends in line with the Company's shareholder returns program. The payment of future dividends and the amount of any such dividends will be subject to the determination of the Board, in its sole and absolute discretion, taking into account, among other things, economic conditions, business performance, financial condition, growth plans, expected capital requirements, compliance with constating documents, applicable laws, including the rules and policies of any applicable stock exchange, any contractual restrictions on dividends, and any other factors that the Board deems appropriate at the relevant time. There are no restrictions on the Company's ability to pay dividends or make distributions, other than pursuant to applicable laws.

## 7. DESCRIPTION OF CAPITAL STRUCTURE OF ISSUER

### 7.1 GENERAL DESCRIPTION OF CAPITAL STRUCTURE

As of December 31, 2021, Endeavour's issued share capital consisted of 248,038,422 Endeavour Shares at \$0.01 par value. As of this date of this AIF, Endeavour's issued share capital consisted of 248,883,802 Endeavour Shares at \$0.01 par value.

### 7.2 ENDEAVOUR SHARES

#### *RESPECTIVE RIGHTS OF DIFFERENT CLASSES OF ENDEAVOUR SHARES*

Without prejudice to any rights attached to any existing shares, Endeavour may issue shares with such rights or restrictions as determined by either ordinary resolution or, if Endeavour's shareholders pass a resolution to so authorize them, the Directors. Endeavour may also issue shares which are, or are liable to be, redeemed at the option of Endeavour or the holder and the Directors may determine the terms, conditions and manner of redemption of any such shares.

#### *VOTING RIGHTS*

At a general meeting, subject to any special rights or restrictions attached to any class of shares:

- (a) on a show of hands, every member present in person and every duly appointed proxy present shall have one vote;
- (b) on a show of hands, a proxy has one vote for and one vote against the resolution if the proxy has been duly appointed by more than one member entitled to vote on the resolution, and the proxy has been instructed:
  - (i) by one or more of those members to vote for the resolution and by one or more other of those members to vote against it; or

- (ii) by one or more of those members to vote either for or against the resolution and by one or more other of those members to use his/her discretion as to how to vote; and
- (c) on a poll, every member present in person or by proxy has one vote for every share of which such member is the holder.

A proxy shall not be entitled to vote on a show of hands or on a poll where the member appointing the proxy would not have been entitled to vote on the resolution had he been present in person. Unless the Directors resolve otherwise, no member shall be entitled in respect of any share held by such member to vote either personally or by proxy or to exercise any other right in relation to general meetings if any call or other sum due from him to Endeavour in respect of that share remains unpaid.

#### ***VARIATION OF RIGHTS***

Whenever the share capital of Endeavour is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the written consent of the holders of three-quarters in nominal value of the issued shares of the class (excluding shares held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class (but not otherwise), and may be so varied or abrogated either while Endeavour is a going concern or during or in contemplation of a winding-up.

The special rights attached to any class of shares having preferential rights will not, unless otherwise expressly provided by the terms of issue, be deemed to be varied by (i) the creation, allotment or issue of further shares ranking, as regards participation in the profits or assets of Endeavour, in some or all respects equally with them but in no respect in priority to them; or (ii) the purchase or redemption by Endeavour of any of its own shares.

#### ***FORFEITURE AND LIEN***

Endeavour shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to Endeavour (whether presently or not) in respect of that share. Endeavour may sell, in such manner as the Board determines, any share on which Endeavour has a lien if a sum in respect of which the lien exists is presently payable and is not paid within seven clear days after notice has been sent to the holder. Additionally, each member shall (subject to receiving at least seven clear days' notice) pay to Endeavour the amount called on his or her shares. If a call or any instalment of a call remains unpaid after it has become due and payable, the Board may require payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by Endeavour by reason of such nonpayment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made may be forfeited.

#### ***DIVIDENDS***

Endeavour may, by ordinary resolution, declare final dividends. However, no dividend shall be declared unless it has been recommended by the Directors and does not exceed the amount recommended by the Directors.

If and so far as in the opinion of the Directors the profits of Endeavour justify such payments, the Director may:

- (a) pay the fixed dividends on any class of share carrying a fixed dividend expressed to be payable on fixed dates prescribed for the payment of such dividends; and
- (b) pay interim dividends on shares of any class in amounts and on such dates and in respect of such periods as they think fit.

Provided the Directors act in good faith, they shall not incur any liability to the holders of any shares for any loss they may suffer by the lawful payment of any fixed or interim dividend on any other class of shares having rights ranking after or equal with those shares.

Unless and to the extent that the rights attached to any shares or the terms of issue of those shares otherwise provide, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid, and apportioned and paid proportionally to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

#### **PRE-EMPTION RIGHTS**

In accordance with English company law and the UK Listing Rules, shareholders in Endeavour have the benefit of pre-emptive rights such that where Endeavour allots shares and grants rights to subscribe for and to convert any security into shares for cash, it must first offer existing shareholders (on the same or more favorable terms) a proportion of those securities as nearly as practicably equal to the proportion in nominal value held by the shareholders of the ordinary share capital.

There are some circumstances in which statutory pre-emption rights will not apply. These include the allotment of shares under an employees' share scheme, the allotment of bonus shares and the allotment of equity securities that are paid up wholly or partly otherwise than in cash.

English company law allows Endeavour to disapply or modify such rights either by a special resolution (i.e. 75% of votes cast) or by a power given to the Directors in the articles of the company.

At a general meeting of Endeavour held prior to the admission of the Endeavour Shares to listing on the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities ("Admission"), certain capital authorities were put in place for the period after Admission with respect to the allotment of shares and the application of pre-emptive rights on such allotments:

- (a) the Board was generally and unconditionally authorised (pursuant to section 551 of the UK Companies Act 2006) to exercise all powers of Endeavour to allot shares or grant rights to subscribe for or to convert any security into shares:
  - (i) up to an aggregate nominal amount equal to one third of the aggregate nominal value of the ordinary share capital of Endeavour on the day following Admission; and
  - (ii) in connection with an offer by way of a rights issue only to holders of shares in proportion (as nearly as practicable) to their existing holdings and to people who are holders of other equity securities if this is required by the rights of those equity securities, or if the Directors consider it necessary, as permitted by the rights of those equity securities, up to an aggregate nominal amount equal to two thirds of the aggregate nominal value of the ordinary share capital of Endeavour on the day following Admission (including within such limit any shares or rights issued under (i)(a) above),

such authorities to apply in substitution for all previous authorities pursuant to section 551 of the UK Companies Act 2006 and to expire on 30 June 2022 or, if earlier, at the conclusion of the annual general meeting of Endeavour to be held in 2022 but, in each case, so that Endeavour may, before such expiry, make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority given by such resolution has expired; and

- (b) the Board will be authorized to allot equity securities (as defined in section 560(1) of the UK Companies Act 2006) wholly for cash:

- (i) pursuant to the authority referred to in paragraph (i)(a) above, or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the UK Companies Act 2006, in each case:
  - A. in connection with a pre-emptive offer; and
  - B. otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount equal to five per cent. of the aggregate nominal value of the ordinary share capital of Endeavour on the day following Admission; and
- (ii) pursuant to the authority referred to in paragraph (i)(b) above in connection with a pre-emptive rights issue (in the terms described in paragraph (i)(b) above),

as if section 561(1) of the UK Companies Act 2006 did not apply to any such allotment, with such authority to expire on 30 June 2022 or, if earlier, at the conclusion of the annual general meeting of Endeavour to be held in 2022 but, in each case, so that Endeavour may, before such expiry, make offers and enter into agreements which would, or might, require equity securities to be allotted and treasury shares to be sold after the authority given by this resolution has expired and the Directors may allot equity securities under any such offer or agreement as if the authority had not expired.

#### **SHARE REPURCHASES**

Shareholder approval must be obtained before Endeavour purchases any of its own shares. Endeavour may repurchase shares only if the shares are fully paid and only out of distributable profits or from the proceeds of a new issue of shares made for the purpose of the repurchase or redemption.

At a general meeting of Endeavour held prior to Admission, Endeavour was generally and unconditionally authorized for the period after Admission and for the purposes of section 701 of the UK Companies Act 2006 to make market purchases (within the meaning of section 693(4) of the UK Companies Act 2006) of shares, subject to the following conditions:

- (a) the maximum aggregate number of shares which may be purchased may not be more than the number that of shares that represents 10% of the ordinary share capital of Endeavour on the day following Admission;
- (b) the minimum price (excluding expenses) which may be paid for each share is \$ 0.01 (being the nominal value of a share);
- (c) the maximum price (excluding expenses) which may be paid for each share is an amount equal to the higher of: (i) 105% of the average of the average market value of a share for the five business days immediately preceding the day on which the share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of a share and the highest current independent bid for a share on the trading venue where the purchase is carried out; and
- (d) the authority shall expire on June 30, 2022 or, if earlier, at the conclusion of the annual general meeting of Endeavour to be held in 2022, save that Endeavour may before such expiry enter into any contract under which a purchase of shares may be completed or executed wholly or partly after such expiry and Endeavour may purchase ordinary shares in pursuance of such contract as if the authority conferred hereby had not expired.

In March 2022, Endeavour also received approval from the TSX to renew its NCIB for its share repurchase program. Under the NCIB, Endeavour is entitled to repurchase up to 5% of its total issued and outstanding shares as at March

14, 2022, or 12,458,989 shares, during the 12-month period of the NCIB. Endeavour may repurchase up to 25% of the average daily trading volume for the six months ended February 28, 2022, calculated in accordance with the rules of the TSX for purposes of the NCIB, or 195,081 Endeavour shares (during each trading day), excluding purchases made in accordance with the block purchase exemptions under applicable TSX policies. All Endeavour shares repurchased under the share repurchase program will be cancelled.

## 8. MARKET FOR SECURITIES

### 8.1 PRICE RANGE AND TRADING VOLUMES OF ENDEAVOUR SHARES

Endeavour Shares are listed and posted for trading on the TSX under the trading symbol "EDV" and are quoted for trading on the OTCQX under the symbol "EDVMF". Endeavour Shares are also admitted to listing on the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market of the London Stock Exchange under the trading symbol "EDV.L". The following table sets forth, for the periods indicated, the reported high and low trading prices and volume of trading of the Endeavour Shares on the TSX, the OTCQX, and the LSE.

*Table 6: Trading Data for Endeavour Shares*

|           | High  | Low   | TSX        | High  | Low   | OTCQX   | High    | Low     | LSE        |
|-----------|-------|-------|------------|-------|-------|---------|---------|---------|------------|
| 2021      | (C\$) | (C\$) | Volume     | (\$)  | (\$)  | Volume  | (GBP £) | (GBP £) | Volume     |
| January   | 33.37 | 24.57 | 15,851,158 | 20.86 | 17.87 | 265,710 | -       | -       | -          |
| February  | 28.90 | 23.49 | 19,106,726 | 21.86 | 16.87 | 566,944 | -       | -       | -          |
| March     | 26.85 | 23.12 | 20,935,428 | 18.68 | 11.02 | 393,073 | -       | -       | -          |
| April     | 29.47 | 25.48 | 15,449,134 | 20.00 | 13.67 | 337,178 | -       | -       | -          |
| May       | 29.66 | 25.50 | 13,764,301 | 24.45 | 17.33 | 355,186 | -       | -       | -          |
| June      | 30.30 | 26.42 | 25,736,554 | 25.05 | 21.50 | 514,128 | 1,800   | 1,513   | 764,329    |
| July      | 29.87 | 26.75 | 9,495,994  | 28.26 | 22.89 | 755,045 | 1,748   | 1,548   | 1,384,722  |
| August    | 31.87 | 27.78 | 12,525,225 | 29.41 | 24.15 | 487,469 | 1,840   | 1,590   | 3,945,540  |
| September | 31.64 | 28.37 | 23,044,008 | 30.33 | 24.31 | 580,839 | 1,885   | 1,650   | 21,047,180 |
| October   | 32.25 | 27.69 | 11,449,207 | 28.31 | 23.27 | 268,340 | 1,930   | 1,615   | 4,315,454  |
| November  | 35.94 | 29.46 | 19,067,944 | 27.50 | 21.74 | 490,779 | 2,150   | 1,735   | 3,318,212  |
| December  | 30.61 | 25.61 | 15,770,899 | 24.86 | 21.90 | 410,615 | 1,800   | 1,505   | 4,905,922  |

### 8.2 PRIOR SALES

The Company has issued the following unlisted securities during the most recently completed financial year:

*Table 7: 2021 Issued Unlisted Securities*

| Date of Issuance                             | Price per Security | Number of Securities Issued |
|----------------------------------------------|--------------------|-----------------------------|
| <b>Performance Share Units<sup>(1)</sup></b> |                    |                             |
| December 31, 2021                            | C\$27.73           | 1,618,705                   |
| <b>Deferred Share Units<sup>(2)</sup></b>    |                    |                             |
| December 31, 2021                            | C\$27.73           | 171,314                     |
| <b>Deferred Shares<sup>(3)</sup></b>         |                    |                             |
| March 21, 2021                               | £1.00              | 50,000                      |
| September 29, 2021                           | £1.00              | 4,500,000,000               |

<sup>(1)</sup> This is the Endeavour Share price at the time of grant approval. Performance Share Units ("PSUs") are issued pursuant to the Company's PSU Plans and settled in shares when they vest on the basis of the market price of the Endeavour Shares at that time and a performance multiplier.

<sup>(2)</sup> This is the Endeavour Share price at the time of grant. Deferred Share Units ("DSUs") are issued to non-executive Directors of the Company pursuant to the Company's DSU Plan. DSUs are settled in cash on the basis of the market price of the Endeavour Shares following a Director's resignation or retirement.

<sup>(3)</sup> The Deferred Shares did not carry any voting rights, economic rights, other than a right to a return of capital on a winding-up subject to a maximum of the paid-up capital on the Deferred Shares. The 50,000 Deferred Shares issued on the incorporation of the Company were cancelled on June 30, 2021 and an amount equal to the capital of those Deferred Shares was returned to Old EDV as the initial subscriber for shares in the Company. The 4,500,000,000 Deferred Shares issued on September 29, 2021 were cancelled on October 6, 2021 and an amount equal to the capital of those Deferred Shares was credited to distributable reserves.

## 9. DIRECTORS AND OFFICERS

The Board is currently comprised of ten Directors of which nine are independent<sup>1</sup> and four are women. The Directors are elected each year at the annual general meeting of shareholders to hold office until the next annual general meeting, resignation or until his or her successor is elected or appointed.

The following table lists the current Directors and executive officers of the Company and in respect of each, sets forth their present position with the Company, place of residence, principal occupation during the past five years, the date on which each of them commenced serving as a Director, and the number and percentages of Endeavour Shares (being the Company's only class of voting securities) owned directly or indirectly or over which control or direction is exercised by each of them as at March 31, 2022. The Directors and executive officers have provided and/or confirmed their respective information.

*Table 8: Directors and Officers*

| Name and Residence of Director/Officer and Present Position with the Company                                | Principal Occupation                       | Date Commenced Being a Director  | Number of Endeavour Shares |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------|----------------------------|
| <b>MICHAEL E. BECKETT</b> <sup>(1) (2) (3) (4) (5)</sup><br>London, England<br><i>Director and Chairman</i> | Chairman of the Company                    | September 1, 2010 <sup>(7)</sup> | Nil                        |
| <b>JAMES ASKEW</b> <sup>(2) (4) (5)</sup><br>Denver, Colorado<br><i>Director</i>                            | Various Chairman and Director appointments | July 20, 2017                    | Nil                        |

<sup>1</sup> References in this document to a Director being independent means independent within the meaning of such term in the applicable policies and guidelines of the Canadian Securities Administrators. The Board applies a different assessment of independence for the purposes of the UK Corporate Governance Code, which has not been set out in this document, but which is presented in the Company's annual report.

| Name and Residence of Director/Officer and Present Position with the Company                                                                                        | Principal Occupation                                                                                                                 | Date Commenced Being a Director | Number of Endeavour Shares |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------|
| <b>ALISON BAKER</b> <sup>(2) (6)</sup><br>London, England<br><i>Director</i>                                                                                        | Various Director appointments                                                                                                        | March 5, 2020                   | Nil                        |
| <b>SOFIA BIANCHI</b> <sup>(1) (3) (4) (5) (6)</sup><br>Zug, Switzerland<br><i>Director</i>                                                                          | Various Director appointments and Partner at Atlante Capital Partners, a financial advisory firm                                     | November 5, 2019                | 6,541                      |
| <b>SÉBASTIEN DE MONTESSUS</b><br>London, England<br><i>Director and Chief Executive Officer</i>                                                                     | Chief Executive Officer of the Company                                                                                               | November 27, 2015               | 1,031,154                  |
| <b>CARMEN LETTON</b><br>Brisbane, Australia<br><i>Director</i>                                                                                                      | Head of Resource Development Plan and Life of Asset Plan (Asset Strategy Development) of Anglo American plc, a global mining company | May 25, 2021                    | Nil                        |
| <b>LIVIA MAHLER</b> <sup>(1) (4) (5) (6)</sup><br>Vancouver, Canada<br><i>Director</i>                                                                              | Chief Executive Officer of Computational Geosciences Inc., a geophysical services company                                            | October 1, 2016                 | Nil                        |
| <b>DAVID MIMRAN</b><br>Abidjan, Côte d'Ivoire<br><i>Director</i>                                                                                                    | Entrepreneur and Investor                                                                                                            | February 10, 2021               | Nil <sup>(8)</sup>         |
| <b>NAGUIB SAWIRIS</b><br>Cairo, Egypt<br><i>Director</i>                                                                                                            | Entrepreneur, Investor and Philanthropist                                                                                            | November 27, 2015               | Nil <sup>(9)</sup>         |
| <b>TERTIUS ZONGO</b> <sup>(2) (3) (6)</sup><br>Ouagadougou, Burkina Faso<br><i>Director</i>                                                                         | Various Director appointments                                                                                                        | July 1, 2020                    | Nil                        |
| <b>PASCAL BERNASCONI</b><br>Abidjan, Côte d'Ivoire<br><i>Executive Vice President, Public Affairs, Corporate Social Responsibility, and Security of the Company</i> | Executive Vice President, Public Affairs, Corporate Social Responsibility, and Security of the Company                               | N/A                             | 157,426                    |
| <b>PATRICK BOUISSET</b><br>London, England<br><i>Executive Vice President, Exploration &amp; Growth</i>                                                             | Executive Vice President, Exploration & Growth of the Company                                                                        | N/A                             | 116,205                    |
| <b>MORGAN CARROLL</b><br>Monaco<br><i>Executive Vice President Corporate Finance, General Counsel and Secretary of the Company</i>                                  | Executive Vice President Corporate Finance, General Counsel and Secretary of the Company                                             | N/A                             | 313,863                    |
| <b>HENRI DE JOUX</b><br>London, England<br><i>Executive Vice President, People, IT and Supply Chain</i>                                                             | Executive Vice President, People, IT and Supply Chain of the Company                                                                 | N/A                             | 220,471                    |

| Name and Residence of Director/Officer and Present Position with the Company                            | Principal Occupation                                                                                                                                                     | Date Commenced Being a Director | Number of Endeavour Shares |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------|
| <b>MARK MORCOMBE</b><br>London, England<br><i>Executive Vice President and Chief Operating Officer</i>  | Executive Vice President and Chief Operating Officer of the Company<br>Chief Operating Officer, Centamin (2018-2019), Chief Operating Officer, Acacia Mining (2016-2018) | N/A                             | 52,626                     |
| <b>JOANNA PEARSON</b><br>London, England<br><i>Executive Vice President and Chief Financial Officer</i> | Executive Vice President and Chief Financial Officer of the Company<br>Partner, Deloitte LLP (2008-2020)                                                                 | N/A                             | Nil                        |

<sup>(1)</sup> Remuneration Committee Members: Michael Beckett (Chair), Sofia Bianchi and Livia Mahler

<sup>(2)</sup> ESG Committee Members: Michael Beckett (Chair), James Askew, Alison Baker, Carmen Letton and Tertius Zongo

<sup>(3)</sup> Corporate Governance and Nominating Committee Members: Michael Beckett, Sofia Bianchi (Chair) and Tertius Zongo

<sup>(4)</sup> Technical, Health and Safety Committee Members: Michael Beckett, James Askew (Chair), Sofia Bianchi, Livia Mahler, and Carmen Letton

<sup>(5)</sup> Special Committee Members: Michael Beckett, James Askew (Chair), Sofia Bianchi and Livia Mahler

<sup>(6)</sup> Audit Committee Members: Alison Baker (Chair), Sofia Bianchi, Livia Mahler and Tertius Zongo

<sup>(7)</sup> Prior to this Mr. Beckett was a director of Endeavour Financial Corporation, the forerunner of the Company.

<sup>(8)</sup> As at February 28, 2022, Tablo Corporation ("Tablo"), a privately-held investment holding company controlled by Mr. David Mimran, holds 15,578,307 Endeavour Shares. Mr. David Mimran has control over approximately 6.3% of the issued Endeavour Shares.

<sup>(9)</sup> As at February 28, 2022, La Mancha, a privately-held gold investment company, whose ultimate beneficial owner is Mrs. Yousriya Nassif Loza, holds 48,228,223 Endeavour Shares or 19.4% of the issued and outstanding Endeavour Shares. Mr. Naguib Sawiris is Chairman of La Mancha and as such has influence over La Mancha but does not exercise control over voting.

As at March 31, 2022, to the best of the Company's knowledge based on information furnished by the Directors and officers of the Company, as a group, except for the Endeavour Shares held by La Mancha but including the Endeavour Shares held by Tablo, the Directors and officers of the Company exercised control and direction, directly or indirectly, over 0.49% of the issued Endeavour Shares. As at 28 February, 2022, Tablo, a privately-held investment holding company controlled by Mr. David Mimran, holds 15,578,307 Endeavour Shares, representing approximately 6.3% of the issued Endeavour Shares. As at 28 February, 2022, La Mancha holds 48,228,223 Endeavour Shares or approximately 19.4% of the issued Endeavour Shares. La Mancha is a privately-held gold investment company, whose ultimate beneficial owner is Mrs. Yousriya Nassif Loza. Mr. Naguib Sawiris is Chairman of La Mancha and as such has influence over La Mancha but does not exercise control over voting.

## 9.1 CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

No Director or officer of the Company is or within the 10 years before the date of this AIF has been, a Director or officer of any other issuer that, while such person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied such other issuer access to any exemptions under Canadian securities legislation for a period of more than 30 consecutive days; or

- (b) was subject to an event that resulted, after the Director or officer ceased to be a Director or officer, in the Company being the subject of a cease trade order or similar order or an order that denied the relevant issuer access to any exemption order under Canadian securities legislation, for a period of more than 30 consecutive days.

Except as disclosed below, no Director or officer of the Company or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is or has been (within the 10 years before the date of this AIF), a Director or officer of any other issuer that, while such person was acting in that capacity within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Ms. Mahler was appointed a non-executive director of Zwoop Limited ("Zwoop"), a privately held technology company, on September 23, 2018. On December 18, 2018, Zwoop was placed into voluntary wind-up and liquidators were appointed under the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance (CWUMPO). Ms. Mahler was a director of Zwoop on the date it was placed into voluntary wind-up and liquidation.

## **9.2 PERSONAL BANKRUPTCIES**

No Director, officer or shareholder holding a sufficient number of the Company's securities to affect materially the control of the Company has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

## **9.3 PENALTIES OR SANCTIONS**

No Director, officer or shareholder holding a sufficient number of the Company's securities to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or has entered into a settlement agreement with a Canadian securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **9.4 CONFLICTS OF INTEREST**

To the best of knowledge of the Company, and other than as disclosed in this AIF, its latest AGM management information circular, in the notes to its consolidated financials and its MD&A, there are no existing or potential material conflicts of interest between the Company or any of its subsidiaries and any Director or officer of the Company/subsidiary. Computational Geosciences, of which Livia Mahler is CEO but is not a controlling shareholder, may from time to time provide geostatistical and predictive modelling services to the Company. Computational Geosciences is one of a handful of highly specialised geo-analytics companies in its field globally, and the Board has considered that it is in the best interest of the Company that Computational Geosciences provide such services. Livia Mahler has recused herself from any discussions of, or decisions by, the Company in connection with such arrangements.

The Company's Directors and officers may serve as directors or officers of other companies or have significant shareholdings in other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. These associations with other resource companies may give rise to conflicts of interest from time to time. The Directors and officers of the Company are required to disclose any interest that they may have in a contract or transaction, the Company has entered, or proposes to enter into. If a conflict of interest arises at a meeting of the Board, any Director in a conflict is required to disclose his/her interest and abstain

from voting on such matter. In determining whether the Company will participate in any project or opportunity, the Directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time. In accordance with the laws of England and Wales, the Directors of the Company are required, amongst other things, to act in the way that he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to other matters and the interests of other stakeholders when doing so). The Company has adopted a business conduct and ethics policy, which is applicable to all Directors, officers and employees. A copy of the policy can be obtained from our website at [www.endeavourmining.com](http://www.endeavourmining.com).

## 10. AUDIT COMMITTEE

The following information is provided in accordance with Form 52-110F1 – *Audit Committee Information Required in an AIF* of National Instrument 52-110 - *Audit Committees* adopted by the Canadian Securities Administrators.

### 10.1 AUDIT COMMITTEE CHARTER

The Audit Committee's charter is set out in full in Schedule "A".

### 10.2 COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is comprised of Alison Baker (Chair), Sofia Bianchi, Livia Mahler and Tertius Zongo. All members are independent<sup>2</sup> and financially literate.

### 10.3 RELEVANT EDUCATION AND EXPERIENCE

Alison Baker is a chartered accountant with over 25 years' experience in providing audit, capital markets, advisory and assurance services. She has extensive emerging markets experience in the energy and mining sectors, having previously led the UK and EMEA Oil & Gas practice at PricewaterhouseCoopers and prior to that the UK Energy, Utilities and Mining Assurance practice at Ernst & Young. She is currently Audit Committee Chair at FTSE250 listed Helios Towers plc, and Audit Committee Chair at Rockhopper Exploration plc. Ms. Baker is also a non-executive director of Capstone Copper Corp. She is a qualified chartered accountant of the Institute of Chartered Accountants of England and Wales.

Sofia Bianchi is a finance professional with over 30 years of experience. As Deputy Managing Director of the Emerging Africa Infrastructure Fund, she played a leading role in the establishment of the first dedicated African infrastructure fund focused on financing private sector infrastructure projects. She is the Founding Partner of Atlante Capital Partners, which specializes in financial restructuring and turnarounds of structurally undervalued businesses in emerging markets. Ms. Bianchi is currently an independent non-executive director of Yellow Cake plc and Sitex SA and served on the board of Kenmare Resources plc from 2008 to 2017. She holds an MBA from The Wharton School.

Livia Mahler has significant experience in corporate governance, having sat on a number of Audit and Compensation committees. Ms. Mahler previously served on the Audit and Compensation committees of Ivanhoe Mines (TSX), Diversified Royalty Corp. (TSX), Turquoise Hill Resources Ltd. (NYSE/TSX) and DuSolo Fertilizers Inc. (TSX.V). She holds an MBA from the University of British Columbia.

Tertius Zongo is the former Prime Minister of Burkina Faso (2007-2011). He has also held a number of positions within the Burkinabe government including Minister of State for Planning and Budget and Minister of

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<sup>2</sup> References in this document to a Director being independent means independent within the meaning of such term in the applicable policies and guidelines of the Canadian Securities Administrators. The Board applies a different assessment of independence for the purposes of the UK Corporate Governance Code, which has not been set out in this document.

Economy and Finance. Before his career in government, Mr. Zongo taught accounting, business economics and financial management at the University of Ouagadougou and the National School of Financial Controls in Burkina Faso. He holds a Bachelor of Arts and a master's degree in economics from the University of Dakar, Senegal, in addition to a business management degree from the Institute of Business Management of Nantes, France. He previously served as a non-executive director on the board of SEMAFO Inc.

#### 10.4 NON-AUDIT SERVICES

Engagements for the provision of non-audit services are approved by both the Audit Committee and the Board at the commencement of each financial year, and if applicable, will be considered on a case-by-case basis during the course of the year.

#### 10.5 EXTERNAL AUDITOR SERVICE FEES

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years are set out below:

*Table 9: Auditor Fees*

|                               | December 31, 2021<br>(C\$000) | December 31, 2020 <sup>(1)</sup><br>(C\$000) |
|-------------------------------|-------------------------------|----------------------------------------------|
| Audit Fees <sup>(2)</sup>     | 4,615                         | 2,583                                        |
| Tax Fees <sup>(3)</sup>       | -                             | 565                                          |
| All Other Fees <sup>(4)</sup> | -                             | 749                                          |
| <b>Total Fees</b>             | <b>4,615</b>                  | <b>3,897</b>                                 |

<sup>(1)</sup> The fees for 2020 include the fees for the Company's previous auditor, Deloitte LLP, up to the date of their resignation in August 2020, and the fees for the successor auditor, BDO LLP, from their date of appointment in August 2020 to the end of the year.

<sup>(2)</sup> "Audit Fees" are the aggregate fees billed by the auditors for audit services relating to the audit of the consolidated financial statements, review of the quarterly financial statements, services related to the London listing, the offering of Senior Notes, and prospectus filings in Canada.

<sup>(3)</sup> "Tax Fees" are fees for tax compliance work, preparing the annual tax returns and tax planning issues.

<sup>(4)</sup> "All Other Fees" are the aggregate fees paid to the auditors for general advisory services.

## 11. **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

The Company is not a party to, nor is any of its property the subject of, any material inbound legal proceedings, and there are no material inbound legal proceedings known by the Company to be contemplated. The Company has not (i) received any penalties or sanctions imposed against us by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2021, (ii) received any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision, or (iii) entered any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2021.

## 12. **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than a private placement to La Mancha following its exercise of pre-existing anti-dilution rights under its Investor Rights Agreement dated September 18, 2015, as amended on June 1, 2017, in connection with the acquisition of Teranga (as described elsewhere in this AIF), the Company is not aware of any material interest, direct or indirect, of any Director or officer of the Company, or any person or company that is a direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of the Endeavour Shares, or any affiliate of such persons or companies, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or will materially affect the Company.

## **13. TRANSFER AGENT AND REGISTRAR**

The Company's Canadian transfer agent and registrar is Computershare Investor Services Inc. at its principal office in Vancouver, British Columbia. The Company's UK transfer agent and registrar is Computershare Investor Services plc at its principal office in Bristol, United Kingdom.

## **14. MATERIAL CONTRACTS**

Except for contracts entered into by the Company in the ordinary course of business or otherwise disclosed herein, the Company has no contracts which can reasonably be regarded as material.

## **15. INTERESTS OF EXPERTS**

### **15.1 AUDITORS**

BDO LLP, Statutory Auditors, are the auditors of the Company and are independent of the Company within the meaning of the rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

### **15.2 OTHER EXPERTS**

Certain technical information relating to the Company's material mineral properties contained within this AIF is based on the following technical reports prepared in accordance with NI 43-101. Each of the following reports are available on SEDAR at [www.sedar.com](http://www.sedar.com):

- The Sabodala-Massawa Project Report titled "Sabodala-Massawa Project, Pre-feasibility Study, National Instrument 43-101 Technical Report", dated August 21, 2020, prepared by Manochehr Oliazadeh of Lycopodium Minerals Canada Ltd., Sindy Cheng of Lycopodium Minerals Canada Ltd., James Christopher Lane of L&MGS Pty Ltd, Graham E. Trusler of Digby Wells Environmental Ltd., Patti Nakai-Lajoie of Endeavour and Stephen Ling of Endeavour.
- The Ity Report titled "Technical Report on the Ity Gold Mine, Republic of Cote D'Ivoire" dated effective December 31, 2019, prepared by Salih Ramazan of Endeavour, Kevin Harris of Endeavour, Gerard De Hert, formerly of Endeavour and Mark Zammit of Cube Consulting Pty Ltd.
- The Houndé Report titled "Technical Report on the Houndé Gold Mine, Republic of Burkina Faso", dated effective December 31, 2019, prepared by Salih Ramazan of Endeavour, Kevin Harris of Endeavour, Gerard De Hert, formerly of Endeavour and Mark Zammit of Cube Consulting Pty Ltd.

None of the qualified persons referred to above, other than Kevin Harris, Stephen Ling, Patti Nakai-Lajoie and Salih Ramazan, who are employees of the Company, had any interest, direct or indirect, in any securities or other properties of the Company, or any of its associates or affiliates, at the time the applicable report was prepared. None of the authors of any report referred to above have received or will receive from the Company any properties

or any securities representing more than one percent of the outstanding securities of the Company or of any of the Company's associates or affiliates.

## **16. ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.endeavourmining.com](http://www.endeavourmining.com).

Additional information, including Directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's most recent management information circular.

Additional financial information is provided in the Company's audited consolidated financial statements and management report for the year ended December 31, 2021.

## APPENDIX "A" – AUDIT COMMITTEE CHARTER

Reference to the “**Board**” shall mean the Board of Directors.

Reference to the “**Committee**” shall mean the Audit Committee.

Reference to the “**Committee Chair**” shall mean the chair of the Committee.

Reference to the “**Senior Management**” means the executive management team, the Company Secretary, and any other senior executives or managers of the Company designated by the Board as “Senior Management” for this purpose.

### 1 Purpose

The purpose of the Committee is to ensure that there are formal and transparent policies and procedures in place to safeguard the independence and effectiveness of the internal and external audit functions, that assure the integrity of the Company’s financial and narrative statements and that manage risk through an effective internal framework of controls.

### 2 Membership

- 2.1 The Committee shall comprise at least three members, all of which shall be independent non-executive directors in accordance with the relevant provisions of the UK Corporate Governance Code and the applicable policies and guidelines of the Canadian Securities Administrators. At least one member shall have recent and relevant financial experience and competence in accounting and/or auditing and the Committee as a whole shall have competence relevant to the sector in which the Company operates. The Chair of the Board shall not be a member of the Committee.
- 2.2 Members of the Committee shall be appointed by the Board, on the recommendation of the Corporate Governance & Nomination Committee in consultation with the Chair of the Committee. Appointments shall be for a period of up to three years which may be extended for up to two additional three-year periods, provided members continue to be independent.
- 2.3 Only members of the Committee have the right to attend Committee meetings. However, the Chief Executive Officer, Chief Financial Officer, Director of Internal Audit and external audit lead partner will be invited to attend meetings of the Committee on a regular basis and other individuals may be invited to attend all or part of any meeting as and when appropriate. Other board members will also be invited to observe the meetings where external financial reporting matters are to be discussed.
- 2.4 The Board shall appoint the Committee Chair. In the absence of the Committee Chair and/or an appointed deputy at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.
- 2.5 Any Committee member may resign at any time by providing notice (whether by hand or in electronic form) to the Company Secretary. Any such resignation shall take effect from the receipt of the notice by the Company Secretary or any later time specified in the notice. Unless otherwise specified in the notice, a notice of resignation is not required to be accepted for it to be effective.

### **3 Secretary**

The Company Secretary or their nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

### **4 Quorum**

The quorum necessary for the transaction of business shall be two members.

### **5 Frequency of meetings**

- 5.1** The Committee shall meet at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.
- 5.2** Outside of the formal meeting programme, the Committee Chair will maintain a dialogue with key individuals involved in the Company's governance, including the Board Chair, the Chief Executive Officer, the Chief Financial Officer, the external audit lead partner and the Director of Internal Audit.

### **6 Notice of meetings**

- 6.1** Meetings of the Committee shall be convened by the secretary of the Committee at the request of the Committee Chair or any of its members, or at the request of the external audit lead partner or head of internal audit if they consider it necessary.
- 6.2** Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required or invited to attend no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

### **7 Minutes of meetings**

- 7.1** The secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2** The secretary shall also ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. If any conflicts of interest exist in relation to a particular member of the Committee on any particular issue, then such member of the Committee shall not participate or vote on the issue that gave rise to such a conflict of interest.
- 7.3** Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board and the Company Secretary, unless it would be inappropriate to do so.

### **8 Engagement with shareholders**

- 8.1** The Committee Chair should attend the annual general meeting to answer shareholder questions on the Committee's activities.
- 8.2** In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## **9 Duties**

The Committee should have oversight of the group as a whole and, unless required otherwise by regulation, carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.

### **9.1 Financial reporting**

**9.1.1** The Committee shall monitor the integrity of the financial statements of the Company, including its annual and quarterly reports, interim management discussion and analysis statements, preliminary announcements and any other formal statements, such as quarterly production reports and other press releases relating to its financial performance, and review and report to the Board on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the auditor. The Committee shall also (wherever practicable) review summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature.

**9.1.2** In particular, the Committee shall review and challenge where necessary:

- (i) the application of significant accounting policies and any changes to them;
- (ii) the methods used to account for significant or unusual transactions where different approaches are possible;
- (iii) whether the Company has adopted appropriate accounting principles and policies and made appropriate estimates and judgements, taking into account the external auditor's views on the financial statements (as well as being aware of new and developing accounting standards that may affect the Company);
- (iv) significant estimates made by management;
- (v) the clarity and completeness of disclosures in the financial statements and the context in which statements are made (and assessing the risk that financial statements contain material misstatements);
- (vi) all material information presented with the financial statements, including the strategic report and the corporate governance statements relating to the audit and to risk management, management's discussion and analysis of operations;
- (vii) management letters; and
- (viii) financial announcements and press releases for the purpose of recommending approval by the Board prior to its release.

**9.1.3** The Committee shall review any other statements requiring Board approval which contain financial information first, where to carry out a review prior to Board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation including the UK Listing Rules, Prospectus Regulation Rules or Disclosure Guidance and Transparency Rules.

**9.1.4** Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board.

## **9.2 Narrative reporting**

Where requested by the Board, the Committee should review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy and whether it informs the Board's statement in the annual report on these matters that is required under the Code.

## **9.3 Internal controls and risk management systems**

The Committee shall:

**9.3.1** keep under review the Company's disclosure controls and procedures and internal financial controls systems (the "**Controls**") that identify, assess, manage and monitor financial risks, and its internal control and risk management systems;

**9.3.2** consider whether the Controls:

- (i) provide reasonable assurance that material information relating to the Company (including its consolidated subsidiaries (if any)) is made to the Chief Executive Officer and Chief Financial Officer (particularly during the period in which the Company's annual filings are being prepared); and
- (ii) provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with the Company's Generally Accepted Accounting Principles;

**9.3.3** review and approve the statements to be included in the annual report concerning internal control, risk management, including the assessment of principal risks and emerging risks, and the viability statement;

**9.3.4** review the adequacy of resources assigned to assess control and what steps the Senior Management of the Company have taken to eliminate any potentially serious weaknesses in internal control, including a review of executive expense procedures and use of Company assets, the capital investment control process and financial instruments procedures; and

**9.3.5** review the systems established to ensure compliance with the Company's policies, plans, procedures, laws, regulations and means of safeguarding assets (including the adequacy of controls surrounding electronic data processing and computer security).

## **9.4 Compliance, speaking up and fraud**

The Committee shall:

**9.4.1** review the adequacy and security of the Company's arrangements for its employees, contractors and external parties to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters (including potential fraud or questionable accounting controls or auditing

matters). The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;

- 9.4.2** review and consider any transactions and agreements between the Group and any related parties, including considering any requirements under UK Listing Rule 11, and have the power to approve any small related party transactions (within the meaning of Annex 1 to UK Listing Rule 11);
- 9.4.3** review and maintain the Company's procedures for detecting fraud, including making modifications where appropriate;
- 9.4.4** review and maintain the Company's Whistle-blower Policy, including making modifications where appropriate;
- 9.4.5** review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance;
- 9.4.6** review regular reports from the Money Laundering Reporting Officer on the adequacy and effectiveness of the Company's anti-money laundering systems, policies and controls; and
- 9.4.7** review regular reports from the Compliance Officer and keep under review the adequacy and effectiveness of the Company's compliance function.

## **9.5 Internal audit**

The Committee shall:

- 9.5.1** approve the appointment or termination of appointment of the head of internal audit and the terms of any engagement of any external consultants for the purposes of internal audit activities;
- 9.5.2** review and approve the role and mandate of internal audit and monitor and review the effectiveness of its work;
- 9.5.3** review and annually approve the internal audit charter ensuring it is appropriate for the current needs of the organisation;
- 9.5.4** review and approve the annual internal audit plan to ensure it is aligned to the key risks of the business and receive regular reports on work carried out. The Committee shall pay particular attention to the areas in which the work of the risk, compliance, finance, internal audit and external audit functions may be aligned or overlapping and overseeing these relationships to ensure they are coordinated and operating effectively to avoid duplication;
- 9.5.5** ensure that the internal audit function has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, ensure there is open communication between the different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit plan, and ensure that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors;
- 9.5.6** ensure internal audit has direct access to the Board Chair and to the Committee Chair, providing independence from the executive and accountability to the Committee;

- 9.5.7** carry out an annual assessment of the effectiveness of the internal audit function and as part of this assessment:
- (i) meet with the Director of Internal Audit without the presence of management to discuss the effectiveness of the function;
  - (ii) review and assess the annual internal audit work plan;
  - (iii) receive a report on the results of the internal auditor's work;
  - (iv) determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business; and
  - (v) review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function;
- 9.5.8** monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management system and the work of compliance, finance and the external auditor; and
- 9.5.9** consider whether an independent, third party review of internal audit effectiveness and processes is appropriate.

## **9.6 External audit**

The Committee shall:

- 9.6.1** consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the Company's external auditor;
- 9.6.2** develop and oversee the selection procedure for the appointment of the external audit firm in accordance with applicable Code and regulatory requirements, conducting the tender process and ensuring that all tendering firms have access to all necessary information and individuals during the tender process;
- 9.6.3** if an external auditor resigns, investigate the issues leading to this and decide whether any action is required;
- 9.6.4** oversee the relationship with the external auditor. In this context, the Committee shall:
- (i) approve their remuneration, including both fees for audit and non-audit services, and ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted;
  - (ii) approve their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
- 9.6.5** assess annually, the external auditor's independence and objectivity taking into account relevant law, regulation, the Ethical Standard and other professional requirements and the group's relationship with the auditor as a whole, including any threats to the auditor's independence and the safeguards applied to mitigate those threats, including the provision of any non-audit services;

- 9.6.6** satisfy itself that there are no relationships between the auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
- 9.6.7** agree with the Board a policy on the employment of former employees of the Company's auditor, taking into account the Ethical Standard and legal requirements, and monitor the application of this policy;
- 9.6.8** monitor the auditor's processes for maintaining independence, its compliance with relevant UK law, Canadian law, regulation, other professional requirements and the Ethical Standard, including the guidance on the rotation of audit partner and staff and, if determined by the Committee, recommend to the Board that appropriate action is taken to ensure the independence of the auditor;
- 9.6.9** monitor the level of fees paid by the Company to the external auditor compared to the overall fee income of the firm, office and partner and assess these in the context of relevant legal, professional and regulatory requirements, guidance and the Ethical Standard;
- 9.6.10** assess annually the qualifications, expertise and resources, and independence of the external auditor and the effectiveness of the external audit process, which shall include a report from the external auditor on their own internal quality procedures;
- 9.6.11** seek to ensure co-ordination of the external audit with the activities of the internal audit function;
- 9.6.12** evaluate the risks to the quality and effectiveness of the financial reporting process in the light of the external auditor's communications with the Committee;
- 9.6.13** develop and recommend to the Board the Company's formal policy and guidelines on the provision of non-audit services by the auditor, including prior approval of non-audit services by the Committee and specifying the types of non-audit service to be pre-approved, and assessment of whether non-audit services have a direct or material effect on the audited financial statements. The policy should include consideration of the following matters:
- (i) threats to the independence and objectivity of the external auditor and any safeguards in place;
  - (ii) the nature of the non-audit services;
  - (iii) whether the external audit firm is the most suitable supplier of the non-audit service;
  - (iv) the fees for the non-audit services, both individually and in aggregate, relative to the audit fee; and
  - (v) the criteria governing compensation;
- 9.6.14** meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and, at least once a year, meet with the external auditor without management being present, to discuss the auditor's remit and any issues arising from the audit;

- 9.6.15** discuss with the external auditor the factors that could affect audit quality and review and approve the annual audit plan, ensuring it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;
- 9.6.16** review with the external auditor any audit problems or difficulties and management's response and facilitate the resolution of disagreements between management and the auditors regarding financial reporting;
- 9.6.17** review the findings of the audit with the external auditor. This shall include but not be limited to, the following;
- (i) a discussion of any major issues which arose during the audit;
  - (ii) the auditor's explanation of how the risks to audit quality were addressed;
  - (iii) key accounting and audit judgements;
  - (iv) the auditor's view of their interactions with Senior Management; and
  - (v) levels of errors identified during the audit;
- 9.6.18** review any representation letter(s) requested by the external auditor before they are signed by management;
- 9.6.19** review the management letter and management's response to the auditor's findings and recommendations; and
- 9.6.20** review the effectiveness of the external audit process, taking into consideration relevant UK and Canadian professional and regulatory requirements, and including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee.

## **10 Reporting responsibilities**

- 10.1** The Committee Chair shall report formally to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. This report shall include:
- 10.1.1** the significant issues that it considered in relation to the financial statements (required under paragraph 8.1.1) and how these were addressed;
  - 10.1.2** its assessment of the effectiveness of the external audit process (required under paragraph 8.6.10), the approach taken to the appointment or reappointment of the external auditor, length of tenure of audit firm, when a tender was last conducted and advance notice of any retendering plans; and
  - 10.1.3** any other issues on which the board has requested the Committee's opinion.
- 10.2** The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3** The Committee shall compile a report on its activities to be included in the Company's annual report. The report should describe the work of the Committee, including:

- 10.3.1** an explanation of how the Committee has addressed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans;
  - 10.3.2** the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the auditor;
  - 10.3.3** an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services, having regard to matters communicated to it by the auditor and all other information requirements set out in the Code; and
  - 10.3.4** a statement of compliance with the provisions of the CMA Order.
- 10.4** In compiling the reports referred to in 9.1 and 9.3, the Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant, but should include at least those matters that have informed the board's assessment of whether the Company is a going concern and the inputs to the Board's viability statement. The report to shareholders need not repeat information disclosed elsewhere in the annual report and accounts, but could provide cross-references to that information.
- 10.5** Disclose annually in the Company's Annual Information Form (and as required, by cross-reference, in the Management Information Circular) information on the carrying out of its responsibilities under this charter and on other matters as required by applicable securities regulatory authorities in Canada.
- 11 Other matters**
- The Committee shall:
- 11.1** have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
  - 11.2** be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
  - 11.3** give due consideration to laws and regulations, including the provisions of the Code and published guidance, the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules, the CMA Order and any other applicable rules, as appropriate;
  - 11.4** be responsible for co-ordination of the internal and external auditors;
  - 11.5** oversee any investigation of activities which are within its terms of reference;
  - 11.6** work and liaise as necessary with all other Board committees, ensuring interaction between committees and with the Board is reviewed regularly, taking particular account of the impact of risk management and internal controls being delegated to different committees;
  - 11.7** ensure that a periodic evaluation of the Committee's performance is carried out; and
  - 11.8** at least annually, review this Charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

## **12 Authority**

The Committee is authorised to:

- 12.1** seek any information it requires from any employee of the Company in order to perform its duties;
- 12.2** sub-delegate any or all of its powers and authority as it thinks fit to one or more of its members, members of management or the Company Secretary, including, without limitation, through the establishment of sub-committees which are to report back to the Committee.
- 12.3** obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so;
- 12.4** call any employee to be questioned at a meeting of the Committee as and when required; and
- 12.5** have the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board. If the Board has not accepted the Committee's recommendation on the external auditor appointment, reappointment or removal, the annual report should include a statement explaining the Committee's recommendation and the reasons why the Board has taken a different position.