

## Q4 2021 Earnings Call

### Company Participants

- Joanna Pearson, Executive Vice President and Chief Financial Officer
- Mark Morcombe, Executive Vice President and Chief Operating Officer
- Martino De Ciccio, VP - Strategy and Investor Relations
- Patrick Bouisset, Executive Vice President, Exploration and Growth
- Sebastien De Montessus, President and Chief Executive Officer

### Other Participants

- Anita Soni, Analyst
- Dan Shaw, Analyst
- Don DeMarco, Analyst
- Fahad Tariq, Analyst
- Josefina Rodriguez, Analyst
- Lorenzo Parisi, Analyst
- Ovais Habib, Analyst
- Wayne Lam, Analyst

### Presentation

#### Operator

Ladies and gentlemen, thank you for standing by and welcome to Endeavour Mining's Fourth Quarter and Full Year 2021 Results Conference Call. At this time, all participants are in listen-only mode. After management's presentation, there will be a question-and-answer session. We note that due to time constraints, we'll be prioritizing questions from covering analyst. Today's conference call is being recorded and a transcript of the call will be available on Endeavour's website tomorrow.

I would now like to hand over the conference to management. Please go ahead.

#### Martino De Ciccio {BIO 19759578 <GO>}

Hello, everyone. I am Martino De Ciccio, Vice President - Strategy and Investor Relations. And I'd like to welcome you to Endeavour's Q4 and full year 2021 results webcast. Before we start, please note the usual disclaimer. On the call today, I am joined by Sebastien, Mark, Joanna, and Patrick. Sebastien will start by recapping our 2021 accomplishment and finish by outlining the key priorities for 2022. In the second section, Joanna will start by walking through our Q4 financial results and then Mark will walk you through our detailed

operational results mine by mine. As usual, we will be as quick as possible to leave sufficient time for questions at the end of the call.

I will now hand it over to Sebastien.

## **Sebastien De Montessus** {BIO 16048135 <GO>}

Thank you, Martino, and hello to everyone on the call. It's great to be speaking again. 2021 was a very successful year for us where we achieved a number of accomplishments across the business. The year also marked the culmination of all our hard work over the last 5 years to transform the company.

As you recall, our goal has been and continues to be to create a resilient business capable of generating sufficient cash flow to reinvest into the business, fund exploration and growth and reward our shareholders. 2021 therefore marked an important milestone as it was the first year where we were able to do all of these. If you remember between '16 and '19, we focused on building Ity and Hounde. In 2020 we focused on reducing our net debt and we consolidated our position in West Africa with the acquisition of SEMAFO and Teranga. And last year after reaching a net cash position, we started rewarding shareholders with the launch of our shareholder returns program, while continuing to strengthen our balance sheet.

Looking a bit more closely at the '21 key themes. We've highlighted six of them on this page, which we will cover in more detail throughout the presentation. First is our continued success on the operational front, where we have now met or exceeded guidance for the last 9 years. The strong performance allow us to generate \$1.2 billion in operating cash flow, which created significant flexibility in covering our capital allocation priorities. We finished the year with a similar net cash position as we started at the beginning of the year with approximately \$76 million. This is a strong achievement considering that we absorbed \$330 million of debt from Teranga in Q1. And we also declared \$278 million in shareholder returns in the form of both dividends and buybacks. This is more than 2 times our minimum commitment for the year.

During '21, we also continued to progress our organic growth pipeline. We notably completed our previous 5-year exploration strategy by discovering 11.5 million ounces of indicated resources. Given its success we proceeded to launch our next 5-year strategy, which aims to discover between 15 million ounces to 20 million ounces. On the project side, we completed the Phase 1 expansion at Sabodala-Massawa and advanced a number of DFS studies. On the ESG front, we published our new strategy last June, which reflects our bigger size and ambition. We are making good progress on a number of initiatives, and we look forward to providing a detailed update when we publish our sustainability report in May. And finally, we achieved an important milestone with the successful completion of our premium LSE listing. We are now very well-positioned in the UK space and are seeing strong investor demand in particular as we'll gain FTSE 100 indexation from next Monday.

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Before I move to the body of the presentation, I'd like to take a moment to thank Michael Beckett, who will be retiring from the Board after 12 years as Chair at the next AGM in May. Michael has been a mentor for me and his advice and support has been instrumental to our collective success. Given we have built a resilient, high quality business, our nomination community has been well-positioned to attract high-caliber Board members capable of supporting us through our next phase. The Board and I are extremely thrilled to welcome Venkat as our incoming new Independent Non-Executive Chair of the Board, and Ian Cockerill as our Senior Independent Director. Both Venkat as former CEO of AngloGold and Ian as former CEO of Gold Fields are seasoned veterans in our industry in particular in Africa and we are extremely lucky to be able to benefit from their leadership and knowledge. Those changes will occur following our AGM end of May.

Turning now to Slide 7, we see the operational and financial highlights for the year. We produced over 1.5 million ounces at a low all-in sustaining cost of \$885 per ounce, cementing our position as a leading global gold producer and the largest in West Africa. This allows us to generate almost \$1.2 billion in operating cash flow and \$1.5 billion in EBITDA for the full year. On a per share basis, our operating cash flow before working capital and our adjusted net earnings were both up, which is nice to see given our focus on per share metrics.

Turning to Slide 8, you can see how we performed against our operating targets. Safety is our first priority. And we're happy to continue performing well with our lost time injury frequency rate remaining significantly lower than the industry average. However, even though our safety performance is industry-leading, we believe there is always room to improve and we continue to make it a priority to drive that figure even lower. With respect to operating performance, production for the full year beat our guidance, while the all-in sustaining cost was within the guided range, which was particularly pleasing given the inflationary backdrop.

As you can see on Slide 9, our production increased by over 600,000 ounces year-on-year, largely due to the acquisitions of Sabodala-Massawa and Wahgnion, but also thanks to the strong performance at Ity and Hounde. I'm particularly pleased with the diversification of our portfolio. As you can see in the bottom right pie chart, our productions come from six operating mines in three countries, following the divestment of the Karma and Agbaou mines with no one mine accounting for of the bulk of the production. Regarding our production cost, we are proud to have kept our all-in sustaining cost in line with the previous year, despite the inflationary pressures I mentioned a moment ago.

Turning to Slide 10, on this page, you're seeing in blue our operating cash flow and in grey our annual CapEx spend, which I think illustrate inflection point for Endeavour from an investment phase to a cash flow phase. You see that from 2017 until mid-2019 was our investment phase when we built Hounde and Ity. Commencing in the second half of '19, we began to be in positive free cash flow territory, which has been growing ever since. And we benefited from those earlier investments. In '21, our operating cash flow increased by 57% over '20 due to increased production from two of our flagship assets, Ity and Hounde. The addition of the Teranga assets, which were acquired in February and a full year of operations from the former SEMAFO assets, which were acquired in mid '20. In

addition, we benefited from a higher gold price environment. We are now in a position where we can continue to meaningfully invest in the business, while still generating positive free cash flow.

Given that increase in our cash flow generation, I think it is important to highlight how our capital allocation priorities have evolved, which are illustrated on Page 11. As I mentioned in my opening remarks, '21 was a hallmark year for us as it was the first year of many to come, I hope, in which we were able to tick all the boxes of our capital allocation framework. You can see on this page that we have created a resilient business that can generate sufficient cash flow to reinvest into the business in the form of sustaining and non-sustaining capital, provide economic contributions to governments, where we operate, fund exploration and growth, all while maintaining a healthy balance sheet and offering attractive shareholder returns.

To give you some context on our balance sheet, since completing the construction of Ity, we have significantly reduced our net debt from \$660 million at mid '19 to a net cash position of \$75 million by the end of '20. We then absorbed \$332 million of net debt from Teranga in '21, following which we continued to reduce our leverage, finishing the year with a net cash balance of \$76 million. Notably we did this while simultaneously paying down the debt and paying out \$268 million to shareholders during the year.

On Slide 13, you can see more detail on how we are tracking against our shareholder returns commitment. As you recall we have outlined a 3-year dividend policy to pay a progressive fixed minimum dividend, which increases each year with the aim of distributing a cumulative minimum of just over \$500 million by the end of full-year '23. For '21, we exceeded our minimum dividend of \$125 million, paying \$140 million. In yellow, you can see that in addition to our supplemental dividend, we executed \$138 million in share buybacks during the year. Looking at the waterfall chart, you see that since paying our maiden dividend in February '21, we've returned over \$338 million to shareholders. For context, this is near the equivalent of the CapEx required to build a new mine. We hope this shows how committed we are to delivering shareholder returns.

To put these shareholder returns numbers in context for full-year '21, for every single ounce of gold we produced in '21, we returned \$180 to our shareholders, which was equivalent to 10% of our revenues or 24% of our operating cash flow. Perhaps a more conventional measure of shareholder returns is yield. Where the dividend plus buyback implied yield stand at about 4.6%.

Turning to Slide 15, we highlight our return on capital employed performance over recent years. As you know, we target a 20% return on capital employed across our business, which we achieved in '20. These came down slightly in '21 following the addition of the newly acquired asset. However, we expect the return on capital employed to increase in the upcoming years. And it is easy to see why we can make this claim with conviction on this slide. In the middle of the screen, you see that we are achieving a very high plus 40% ROCE for our legacy assets. The key driver has been our ability to optimize the assets and unlock value through exploration. It is particularly noticeable at Hounde where the spike in '20 came on the back of us starting to mine high-grade Kari Pump discovery.

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On the right hand of the page, you see the return on capital employed for the acquired assets based on the purchase price allocations. While these amounts are currently below our target, we expect to increase them given the ongoing optimization programs and a strong exploration potential we see. On the left-hand side of the page, you see the breakdown of our capital employed, Sabodala-Massawa represents the bulk for the Group, while its ROCE is the lowest. This is a timing issue as we expect its ROCE to be unlocked once the Phase 2 expansion is completed.

Speaking about growth plans, that's a good lead into the next slide where we highlight our key growth projects. We have an attractive pipeline of growth projects, which compete for capital internally. Our priority is the Sabodala-Massawa Phase 2 expansion. The successful completion of the Phase 1 expansion to the back end of the existing plant came in below budget and on time in December last year. And we expect to restart reaping the benefits of these upgrades this year, as we start to feed higher grade ore from the Massawa Central and North Zone pits. While working on Phase 1, we've been simultaneously finalizing the DFS for Phase 2, which we expect to publish in the coming weeks.

Our greenfield development pipeline is also progressing well, at Lafigue on the Fetekro property, we expect to publish the DFS during the second quarter, while at Kalana, we're working on advancing some of desktop work that contributes to the DFS and expect to publish the DFS results later this year. Both projects looks attractive and thanks to the long production, visibility, we have from our portfolio, we have the flexibility to decide when is the optimum time to launch one of these projects into construction.

In the meantime, turning to the next slide, you can see the continued importance of our refreshed exploration efforts with an \$80 million budget committed for '22. We firmly believe that the Greenstone Belt in West Africa is one of the world's most prospective and under-explored belts and we are strategically positioned as the largest player in the region to continue to reap the benefits.

Why are we so confident? Well, on Slide 19, you see that during the year, we discovered over 3 million ounces of indicated resources and over 11 million ounces since 2016. This marked the successful completion of our 5-year target of discovering between 10 million ounces to 15 million ounces. As we continue to have high confidence in exploration success, late last year we published our new 5-year target, which you see on the next slide.

Owing to our larger Group size, we are now targeting between 15 million ounces and 20 million ounces of indicated resources discoveries over the next 5 years, while maintaining a discovery cost of below \$25 per ounce. This represents discovering more than 2 times our annual mine depletion at a cost that is over 3 times lower than the global average discovery cost. In this graph, you can see in blue, the existing ounces and in grey the ounces we expect to find. Discovering these ounces is directly linked to our capacity to increase our return on capital employed as we mentioned earlier and will unlock value for shareholders.

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Before handing over to, Joanna, I want to touch on our London listing that was completed in June last year. Given our strong fundamentals, the fact that we are the largest pure gold producer on the LSE, both in terms of annual production and market cap, we are well-positioned to attract new investors looking for gold exposure. And we expect to see the full benefits this year. A key stat for us is how much of the free float shares are held in the UK, and that number stands now at 24%. We believe this is a good figure given that we haven't raised equity along with our listing, that may have raised liquidity, but would have been completely counter-intuitive to our focus on shareholder returns.

Another key stat is the LSE trading liquidity, and since listing on the LSE, 26% of all Endeavour shares have now been traded on the LSE and is associated over the counter exchange. Our goal is to continue to increase liquidity in the UK and we believe that indexation and strong marketing efforts will help. We've also noticed the trading liquidity in the UK doesn't tell the whole story. Given we are LSE listed, we tick the box and are now investable for certain funds. However, there could be -- it could very well buy the shares on the TSX and bring them over to the UK. The last indicator is tracking how many new UK, and European shareholders have been added to the register following the LSE listing. And that amount is climbing. We expect it to continue to climb, as we are now about to reach a new milestone, FTSE 100 inclusion, which is set to take place on Monday of next week.

Overall it's good news for current shareholders as we expect this will drive further demand for our shares. Once we are part of the larger indices and visible to the broader market, investors tends to note to not only compare you against your peers, but also against other sectors. And I believe that we started very well on that front too. Looking ahead, we may be considered for more indices later this year, which could drive additional incremental demand for our shares.

I will now hand over to Joanna to talk you through our quarterly financial results.

**Joanna Pearson** {BIO 21927022 <GO>}

Thank you. Sebastien, and hello everyone on the call.

Turning to Slide 23, you can see our Q4 performance illustrated by strong production up 16,000 ounces over the previous quarter. While all-in sustaining costs was up modestly at 1% over the quarter. This strong production was driven by good performances from the Hounde, Mana, and Wahgnion mines. We are continuing to generate significant margins given our low all-in sustaining costs and the high gold price environment. To make sure that we will continue to generate healthy margins, we have put in place a revenue protection programme similar to the one that we implemented during the construction of our two flagship assets Hounde and Ity.

Late last year we entered into a low premium collar for 75,000 ounces of production a quarter starting in Q1, 2022, which extends until Q4, 2023. Securing a put price of \$1,750 per ounce and a call price of \$2,100 per ounce for a premium of \$10 million which we paid in Q4. This ensures that we protect our exposure to gold price as we advance our pipeline

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for organic growth projects. We also entered into forward sales contracts for approximately 520,000 ounces in 2022 and 120,000 ounces in 2023, securing a price of around \$1,830 per ounce, which ensures that we continue to generate healthy margins and increases cash flow visibility during the upcoming investment phase.

On Slide 24, you can see the trend of our operating cash flow, which increased by \$44 million or 14% over the third quarter. As Sebastien mentioned earlier, for the full year, we generated close to \$1.2 billion in operating cash flows.

Moving to Slide 25, you can see the bridge between our Q3 and Q4 operating cash flows. Moving from left to right, you see that we benefited from a slightly higher realized gold price. We then had higher operating expenses, which were largely driven by higher royalties, corporate costs, and the cash impact of negative movements in foreign exchange. These were partially offset by lower mine site operating expenses. We then had the benefit of lower taxes paid and the working capital inflows in the quarter. But working capital inflow was an inflow mainly due to an inflow in payables from an increase in payables at Ity, Hounde, and Mana. And an inflow in receivables due to a decrease in receivables related to amounts received from a contractor at our Ity mine.

Moving to the next slide, on Page 26, we illustrate how our financial position strengthened during the year. We ended the quarter with a net cash position of \$76 million, an improvement of \$146 million over Q3, and returning the balance sheet to a net cash position once again. As mentioned previously, our operating cash flow was \$356 million for the quarter, investing activities saw an outflow of \$132 million, composed of sustaining and non-sustaining capital expenditures as well as a limited amount of growth capital, mainly for the completion of the Phase 1 project at Sabodala-Massawa, and the ongoing study work at our near-term developments. Financing activities for the quarter were an outflow of \$71 million due to share buybacks and financing fees. We also recognized a foreign exchange gain of \$70 million. At quarter and year-end Endeavour's liquidity remained strong with \$906 million of cash and \$500 million undrawn on our RCF.

Moving to the next slide, we touch on our new debt structure, following our successful refinancing conducted in the fourth quarter. We refinanced our existing RCF and corporate loans with a new \$500 million unsecured RCF and a \$500 million fixed-rate senior bond. Our \$500 million senior notes have a 5% fixed coupon that's paid semi-annually and matures in October 2026. Proceeds from the notes issued were used to repay all of our amounts outstanding under the company's existing loan facilities. This now leaves us with a diversified long-term and low-cost capital structure. We also have the \$330 million in convertible notes outstanding with a 3% coupon payable semi-annually and maturing in February 2023. We retained the flexibility to redeem these notes in cash, which given our focus on per share metrics would be our preference.

Moving to Slide 28, we have a detailed breakdown of our net earnings for the past two quarters. As usual, I won't go through every line here, but I will address a few of the most significant items. In Note 1, you see that the increase in corporate costs are primarily due to the integration of the SEMAFO and Teranga assets as well as seasonally higher costs associated with bonus payment. In Note 2, you see that we recognized an impairment for 2021, which primarily consists of a \$246 million impairment for our Boungou mine.

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Though Boungou's reserves have increased by 110,000 ounces compared to last year and we continued to believe that there is exploration upside at the Boungou mine, the recoverable amount based on our impairment testing has decreased relative to the fair value that was recognized at the acquisition date in July 2020. The recoverable amount calculated has decreased as the current-year model was based primarily on a reserve case with updated cost and production parameters, while the previous plan included more resource to reserve conversion and exploration upside.

Our updated valuation model reflects the current security environment at the Boungou mine and increased costs associated with the operations as it relates to the security logistics, as well as the limited exploration activities undertaken on higher-grade targets due to security constraints. As for Karma, we looked at \$12 million impairment on an expected fair value of the consideration received at the closing of the sale. In Note 3, you see that the gain on financial instruments during the quarter was due to an unrealized gain on the revaluation of the conversion option on the convertible notes. And again on other financial instruments, including the gold collar and the forward sales, which are part of our revenue protection program. When looking at the bottom line, you see that our adjusted net earnings for the quarter were \$0.03 below Q3 at \$0.58 per share.

I will now hand it over to Mark to walk you through our operating results mine by mine. Mark?

### **Mark Morcombe** {BIO 18316915 <GO>}

Thank you, Joanna. And hello to everyone on the call. Before taking you through the performance of each asset, I would like to touch briefly on our overall performance for the year. As Sebastien and Joanna mentioned, our operational performance for 2021 was strong and reflects the benefit of having multiple mines in multiple jurisdictions in our portfolio.

Looking at the production bridge on Slide 30. Our core legacy mines exceeded their 2020 output while the addition of Sabodala-Massawa and Wahgnion provided nearly 500,000 ounces of additional production. The result was a record year for Endeavour producing over 1.5 million ounces. In terms of costs, we have also performed very well achieving our guidance despite some of the inflationary pressures that our industry is facing. This is testament to the hard work that has been done on the ground to both manage costs and optimize the operation to ensure that our costs continue to improve on a relative basis. The goal is to remain in the bottom cost quartile among our peers.

Moving on to Slide 31, this shows the evolution of our reserves and resources at each asset. Overall, the Group reserves remained flat year-on-year net of depletion, while resources were up 4%. Having said that, we are awaiting on some of the recently discovered resources to be converted into reserves. To give you a bit more color on this, it relates to the timing of completing drill programs and resource model updates and then the finalization of necessary geo-technical and metallurgical test work to support the models. While this has been completed at Ity and Lafigue, we are currently in the process of completing the work for Hounde and Sabodala-Massawa. Hence, the increased resources and decreased reserves shown for last year. If we look in at the detail, we made

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good progress at Ity, Hounde and Lafigue where drilling has been underway all year, resulting in 1.7 million ounces being discovered. At Sabodala and Wahgnion, exploration was limited as we needed time post-acquisition to develop and prepare our new programs for 2022 onwards. The drilling campaign for Boungou related to extensional drilling around the existing pits, whilst at Mana, the focus was on early-stage work.

I will now talk to each of the mines in detail, starting with Sabodala-Massawa on the next slide. Quarter-on-quarter production performance was stable. Ore resource mainly from the Sofia North and Sofia Main pits supplemented by ore from the Sabodala pit. All-in sustaining cost decreased during the quarter due to slightly increased operating costs, offset by additions to ore stockpiles and supported by decreased sustaining capital spend. Looking forward to 2022, Sabodala-Massawa is expected to produce between 360,000 ounces and 375,000 ounces at an all-in sustaining cost of \$675 to \$725 per ounce. Ore will be sourced initially from the Sofia North pit with supplemental feed coming from the Sabodala pit in the first half of 2022.

Mining commenced at Massawa Central in January of this year. And along with Massawa North, the oxide portion of the ore bodies will provide an increasing contribution to CIL gold production as the year progresses. One interesting opportunity that we are looking at is the use of fully-depleted pits for tailings storage. This approach is used very successfully in many parts of the world and has multiple benefits, particularly on the environmental side, including increasing water recycling, back-filling the pit voids and deferring or eliminating the need to take further land to construct new tailing storage facilities.

Turning to the next slide, we have been busy with a number of projects at Sabodala-Massawa since we acquired the asset. Continuing from the work that Teranga undertook to access and establish the Sofia pits, we have now successfully commenced mining at the Massawa pits and upgraded the old Massawa exploration camp for the mining crews to stay closer to the new operations. We are also installing a 30-kilometer power line to link the Massawa facilities to the existing Sabodala power station. The Sabodala and Medina [ph] village relocations are also well advanced. The Phase 1 plant expansion was completed on budget and on schedule in December last year. So we now have a gravity circuit, additional leaching time and improved carbon management capacity in the processing plant. All-in preparation for the higher grade ore from the Massawa Central and Northern pits that will start coming through this year.

At the same time we've been progressing the DFS for Phase 2 expansion, which will add a refractory ore processing plant to allow us to process the high-grade ore from the Massawa deposits. The DFS is on track to be completed later this quarter. And given that the study is well advanced, I can give you a flavor of what the project will look like. The graphic on the right-hand side shows the updated plant design and incorporates the key changes that have been made since the Teranga PFS was published in August 2020. We are still focused on constructing 1.2 million tonne per annum standalone BIOX plant. However, rather than batch crush the BIOX feed using the existing CIL crushing circuit, we have added a separate crusher to improve plant management and prevent refractory and non-refractory ore from becoming cross-contaminated. We have also added a gravity

circuit to recover any free gold and flotation cleaner cells to improve the quality of the concentrate that will be fit to the BIOX reactors.

Lastly, we have added further reagent storage, process services, and backup power to ensure that the BIOX plant can operate uninterrupted to keep the bacteria healthy, which is a key element to the success of a BIOX circuit. I look forward to sharing the results of the DFS with you all in the coming weeks.

Moving on to Hounde on Slide 34. 2021 was a record year for production, while all-in sustaining cost remained below \$850 per ounce. Production was higher than 2020 due to increased tonnes milled, while grades remained relatively consistent. The key factor in the success of Hounde has been the Kari Pump pit, which has grown rapidly from discovery to becoming a significant ore source, providing high-grade oxide ore to the processing plant. Kari Pump will remain a key ore source for the first half of 2022 before the focus shifts to waste stripping of the next stage of the pit. By this time, we plan to increase the amount of feed from Kari West, which although slightly lower grade will be blended with the stockpile of Kari Pump pool to maintain the feed grade.

Following a record 2021 performance, Hounde is expected to produce between 260,000 and 275,000 ounces for 2022 at an all-in sustaining cost of \$875 to \$925 per ounce. Mill throughput, average processed grades and recoveries are expected to remain broadly consistent with 2021 and mining activities will be spread quite uniformly between the Kari Pump, Kari West and Vindaloo Main pits. We are also advancing well on the next TSF wall raise, which we expect to complete ahead of the wet season.

Turning to Ity, full year production increased significantly compared to 2020 due to increased throughput while all-in sustaining costs increased slightly. High mill throughput was achieved by feeding supplemental oxide ore through the surge bin, which is used to process some of the higher moisture content oxide ore that can slow down crushing and milling if fed through the crusher. During the second half of 2021, we opened up access to the Le Plaque pit by an all-weather haul road and commenced mining. Over the past few years, the overall layout at Ity has improved significantly following the completion of a number of small (inaudible) to open up new areas around the Bakatuou, Walter and Colline Sud pits. This has significantly improved mining conditions, enabled further pit cutbacks and provided new areas for exploration team to add near-mine resources.

Looking ahead to 2022, Ity is expected to produce between 255,000 ounces and 270,000 ounces at an all-in sustaining cost of \$850 to \$900 per ounce. Ore will be mined from the Le Plaque, Daapleu, Ity, Bakatuou, Walter and Colline Sud pits. This will be supplemented by ore from historical heap dumps at Verse Ouest and Heap 2. Mining at the current phase of Daapleu will be completed in the first half of the year with increased contributions of high-grade ore from Le Plaque and Walter pits in the second half of the year. The further wall raise will be completed on the existing TSF, while preparation works including permitting, land compensation, and clearing will commence for the new TSF in the second half of the year.

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Turning to Bounbou on Slide 36, production was high year-on-year, but trended lower as the year progressed due to a decrease in the ore feed grade, which was partially offset by a higher throughput rate. All-in sustaining cost increased due to the significant increase in mining volumes following the commencement of open-pit mining in quarter four 2020 and a full year of mining in 2021.

Looking ahead to 2022, Bounbou is expected to produce between 130,000 ounces and 140,000 ounces at an all-in sustaining cost of \$900 to \$1,000 per annum. Mining activities in the first half of 2022 will focus on waste stripping and ore extraction from the East pit and waste stripping in the West pit. In the second half of 2022, stripping activities will continue in both pits while ore will be sourced mainly from the West pit. We will continue to optimize processing plant throughout the course of the year to increase throughput.

Moving to Slide 37. Mana had a very strong 2021 with production beating our guidance whilst all-in sustaining cost was in line with guidance. This was due to the successful transition of open-pit mining from Wona North stage 3 to Wona South stages, 2 and 3, which were mined concurrently. Development of the Siou underground was largely completed during the year with the contribution from stope production increasing as the year progressed. Capital development at the Wona underground commenced in the last quarter of the year. Following the stellar out-performance in 2021, Mana is expected to produce between 170,000 ounces and 190,000 ounces in 2022 at an all-in sustaining costs of between \$1,000 and \$1,100 per ounce.

Mining of the Wona open pit is expected to finish towards the end of the first half of 2022, while in the second half of the year North stage is expected to be sourced primarily from the Siou underground, supplemented by early-stage development and production ore from the Wona underground commencing in quarter three and the small Maoula satellite pit commencing in quarter four. The Wona underground will become a primary ore source to Mana in the future and development of this orebody is progressing well with more than 1,700 metres completed to date.

Onto the next asset, Wahgnion on Slide 38. Full year production of 147,000 ounces in 2021 at an all-in sustaining cost of \$994 per ounce was in line with expectation. Wahgnion is a fairly new mine, which has been processing at well above nameplate capacity since operations commenced, which has posed some challenges, requiring both increased mining and tailing storage capacity. The increase in mining capacity has been achieved through the use of additional contractors, with a further step-change required this coming year. Due to the nature of the ore bodies, Wahgnion is comprised of a number of small pits. We are working closely with the exploration team to extend our orebody knowledge around the existing and planned pit and scheduling our grade control drilling program so they are completed well in advance of mining to provide accurate detail for planning.

In 2022, Wahgnion is expected to produce between 140,000 ounces and 150,000 ounces at an all-in sustaining cost of \$1,050 to \$1,150 per ounce. Ore will be sourced primarily from the Nogbele North and Fourkoura pits with supplemental feed coming from the Nogbele South pits in the first half of the year. In the second half of the year, greater volumes of ore are expected to be sourced from the Nogbele North pit with mining at Fourkoura remaining steady throughout. Mining at the (inaudible) satellite pit is being

accelerated, which is requiring the whole rate to be constructed this year rather than in 2023, along with land compensation and resettlement of people living around these planned pits. In addition to this, the TSF (inaudible), which was completed in January will continue immediately with the wall raise to provide additional storage capacity. To reduce construction costs, the same contractor is mining waste directly from the Nogbele North pit (inaudible) construction. We've also started option studies for (inaudible) including investigating in pit deposition.

And finally Karma on Slide 39. As you know, we have announced the sale of Karma last week, so we're not going to any further detail on performance. However, I would like to take this opportunity to personally thank the team at Karma for their hard work and their ability to rapidly establish new satellite pits and continuous heap leach (inaudible). The team have got this (inaudible) fine out now. I wish both the new owners and the team all the very best for the future.

I will now hand back to Sebastien.

## **Sebastien De Montessus** {BIO 16048135 <GO>}

Thanks, Joanna and Mark. As we have heard -- as you have heard, 2021 was a good year for us. And we are very well-positioned to again have a strong success across the business in '22. We expect to continue to strengthen our business resilience and allow us to continue to reward our shareholders over the long-term.

Before we move to Q&A, I want to thank all of our staff for their incredible efforts and commitment over the recent years, our strategic progress, and for everything that they continue to achieve. I'm thrilled with the commitments and the quality of the team we have and proud to lead such an amazing business.

Thank you all for dialing in. And we'll now open the line up to questions.

## **Questions And Answers**

### **Operator**

Thank you sir. (Operator Instructions) We have first question coming from Ovais Habib from Scotiabank. Please ask your question.

### **Q - Ovais Habib** {BIO 15255902 <GO>}

Thanks, operator. Congrats Sebastien and Endeavour team on a strong 2021. Really looking towards a strong operational updates in 2022 as well. Sebastien, a couple of questions from me. Just starting off with, the fact that you have two project feasibility studies that you're planning to release over the next couple of weeks. Now are you considering giving the green light to both projects or are you looking to stagger the Sabodala expansion and/or vertical construction start, just based on the fact that you've got some inflationary pressures across the industry as well right now?

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**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Sure, Ovais. I mean, I think you're right, the priority for us today is really Sabodala-Massawa Phase 2. And I think that the, the DFS should come out in the next 2, 3 weeks we said before the end of Q1. So we're getting there shortly. As for Fetekro, I realized that given the inflationary pressures, investor sentiment is shifting towards a bit more focused on preserving and maximizing free cash flow and shareholder returns. We remain extremely bullish on our project pipeline, but I agree that we are in good spot because we aren't under any pressure to need to launch the greenfield as soon as possible.

I think that mainly due to the long visibility we have on production on the existing assets, and given the inflationary pressures, we've been taking our time to see where prices stabilize. And we'll stick to selecting all the key suppliers ourselves to negotiate the prices. So I would expect again that the DFS for Lafigue Fetekro would come out in Q2. And to your point, you know, we are extremely cautious and trying to find all the levers to ensure that we don't rush into building a greenfield at the time where inflationary pressure is at its maximum.

**Q - Ovais Habib** {BIO 15255902 <GO>}

Got it. Thanks for that update on Fetekro site. The second question, Sebastien now you've listed on the LSE and Endeavour is looking to be added on the FTSE 100 next week as well. Any plans of implementing an ADR in New York?

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Well look, we always said that once we are well-settled on the LSE that we might consider looking at an ADR program in the US, we all know that the biggest pool of investors are in the US. And therefore that's something that we will investigate in the future. But as you know, it's a long process, we went through it diligently, I think you know to get into the LSE, in particular as a premium listed company. So we just need to take our time to prepare for the next step. It's also linked to size, I think that we are getting now other sides where US listing will be interesting down the road, but same thing there is no rush.

**Q - Ovais Habib** {BIO 15255902 <GO>}

Got it. Thanks for that Sebastien. And I'll leave it there on that two questions. And then I'll jump back in the queue if I have more questions. Thank you.

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Great. Thank you very much, Ovais.

**Operator**

We have the next questions coming from Fahad Tariq from Credit Suisse. Please ask your question.

**Q - Fahad Tariq** {BIO 19821564 <GO>}

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Hi, good morning. Thanks for taking my question. On Slide 11 you mentioned the different phases that the company has gone through the investment phase, and now getting into a cash flow generation phase. As you think about maybe the next 2, 3 years, it sounds like there may be a transition back to an investment phase. And Sebastien, I just wanted to get your thoughts on how you think about the company may be returning to that in the next few years with some of these greenfield projects? Thanks.

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Sure, hi, Fahad. I think the biggest difference compared to 2 years or 3 years ago when we were in this heavy investment phase with the construction of Hounde and Ity, was clearly the balance sheet. So we did at the time and it got us to a point where we had over \$650 million of net debt through that construction phase. The big difference today is, as I said, I believe we have now a very strong and resilient business, which is able to do the three things, which is running the existing operations, building sequentially the right mines for the future. And at the same time investing in the exploration and given our cost profile and production level, being able to do all that without impacting the balance sheet. And I think that's the biggest difference on where we are today. We are at the stage where we can do the three without putting pressure on the balance sheet.

**Q - Fahad Tariq** {BIO 19821564 <GO>}

Okay, great. That's it from me. Thanks.

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Thanks Fahad.

**Operator**

We have the next questions coming from Anita Soni from CIBC World Markets. Please ask your question.

**Q - Anita Soni** {BIO 7539461 <GO>}

Hey, good morning, CIBC World Markets. Good morning, Sebastien and team. My questions are with regard to some of the reserve resource update that you provided. So firstly on, let's address Boungou and the write-down that we took there, like the reserves went up, but basically was it the result of the inferred going down, is that the reason why that you're -- that the write-down took place there?

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Hi, Anita. Yes, I mean exactly as you know, I mean, the way you do impairment is, you take a management view on the asset. And as part of the allocation of the purchase price, we clearly had views with reserves and also conversion from resources into reserves. Fundamentally this hasn't changed. The only difference is because of the security environment, we had to delay our exploration program there. And therefore the resource conversions that we were expected to do in '21 has been delayed. And therefore in order to be, I would say, cautious in the current environment, we prefer to do the impairment

calculation based on the reserves rather than including also the resources that we haven't been able to drill yet. So I would say, again, it's more a cautious approach rather than a change in our approach to the asset.

**Q - Anita Soni** {BIO 7539461 <GO>}

Okay. And then just moving to (inaudible) because when I look at that asset, the reserves went down, the global resource actually went down by 22%, in overall ounces it went from 2.7 million ounces when you include measured and indicated and inferred and 2Ps. And yet that asset didn't take a write-down, there isn't much difference in the grades, I'm trying to understand what the difference between those two assets as in why one took the write-down and the other one, which to me by (inaudible) should have taken write down, but not.

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

So, on Mana, there is a bit of a different story where we were able to do a lot of work on the Wona open pit. And basically go with an underground approach. So -- and we started, as you know, we started now the decline on the underground. So we were able to basically move from one open-pit extension to an underground with higher grades. And get comfortable as we move forward on the value of the assets and the future of the assets.

**Q - Anita Soni** {BIO 7539461 <GO>}

Okay because I'd assume that the M&I went down, (inaudible) about 400,000 ounces there. So maybe I can take that one offline. And then...

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Yeah, we can I mean, just on Wona, we can take it offline. There was a reduction in the reserves, which was based on the open pit expansion that SEMAFO had in mind. And we basically converted resources on the underground into reserves. So that's the shift that has been going on around Mana. So taking out existing reserves that SEMAFO had on open pit expansion. And on the other side, including into reserves now resources that they had for the underground that we are convinced are more attractive than the expansion of the open pit. But we can take that offline, yeah.

**Q - Anita Soni** {BIO 7539461 <GO>}

Sure. And then the last one, the Sabodala-Massawa. Can you just walk me through the mechanics of what happened there? It's a little -- I mean the ounces on reserves, the ounces went down. But you just lost a lot of tonnes at super low grade, and I'm just wondering what went on there. But then you added M&I as well, but also at lower grades. Can you give us some color on what the additions there were?

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Sure. I mean, I can ask Martino and Mark to come back on this. It's mainly the fact that we haven't yet converted the additional resources into reserves. So it's just a timing effect. As you know, usually during the year and this is why it's always tough for us. I mean, in terms

of having a cut-off date at the end of the calendar year, because a lot of the drilling programs are basically happening in Q4 and in Q1, and results are coming across the year. So in that case, we had all the new resources coming in before year-end, but the conversion into reserves is going to happen now. So we were not able to include them into the new reserves.

**Q - Anita Soni** {BIO 7539461 <GO>}

Okay. And last question before I take it offline, you assumed in your fair value assessments, 5% operating cost escalation as a sensitivity. And then similarly for the CapEx escalation, is that in line with the kinds of cost escalations you've seen at the various assets when you did the fair value test?

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

So, again, can you just repeat Anita?

**Q - Anita Soni** {BIO 7539461 <GO>}

Sure. When you did the fair value tests, and you put your sensitivities around the operating costs and CapEx, I think in both cases, for all of the assets you assumed a 5% escalation and then summarized and said, therefore we do not see using reasonable assumptions that we will have the carrying value will exceed recoverable value. And I'm just trying to understand if 5% is correlating to the kind of cost escalation you're seeing at (inaudible) that you did the fair value tests on.

**A - Joanna Pearson** {BIO 21927022 <GO>}

Yeah, on an overall basis, I would say that's accurate. I mean, when we've talked about this quarter-to-quarter, what's the inflation concerns et cetera, generally it is around 5%. I mean, we think there is other levers, if that were to be higher that we would still be able to use so that 5% is a reasonable range to use in terms of the sensitivity analysis.

**Q - Anita Soni** {BIO 7539461 <GO>}

Okay. Thank you.

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Thanks, Anita.

**Operator**

We have the next questions coming from the line of Don DeMarco from National Bank Financial. Please ask your question.

**Q - Don DeMarco** {BIO 18858871 <GO>}

Okay, thank you operator. And good morning, good afternoon, Sebastien and team. Congratulations on the quarter strong free cash flow. A couple of questions on inflation. Can you tell me the oil price assumption that you used in your 2022 guidance? Are you

still comfortable with the cost guidance? And what's the sensitivity for each say, 10% increase in oil price if you have that kind of information available?

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Sure, Don. So what's important is -- and that's probably one of the strengths of being in West Africa, fuel is both in-country and in the West African countries where we operate, about 75% of the fuel cost is taxes. So -- and then the prices are revised on a quarterly basis or on a semi-annual basis by government. So that's very important because it means that you don't have any direct correlation between the oil price that you see, the spot oil price and the fuel price. So I would say that in 2022 we factored in about between 5% to 7% increase in the fuel price, compared to '21. And so far you know when I look at Q1, we are below what we had included in terms of increased prices.

**Q - Don DeMarco** {BIO 18858871 <GO>}

Okay. So when you (Technical Difficulty), was there an assumption (Technical Difficulty) and where that assumption and it's still valid for the rest of the year given that the dynamics and despite cost increases and price of oil.

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Yeah. So we, again when we put out the guidance and the guidance on cost, we had included our own fuel price, which is based on local fuel price. So there is not related, I mean, to market spot oil price. And what I can say is that included in the guidance was local fuel price that we haven't reached in Q1. So we haven't seen yet the upper part, I would say of inflation locally on the fuel price. And I remain, I would say, pretty confident. As you know in West Africa, governments tend to try to reduce the taxes in order not to impact too much, I mean, the fuel cost, rather than directly translating the oil price into the fuel cost.

**Q - Don DeMarco** {BIO 18858871 <GO>}

Okay, perfect. And maybe just to touch on Boungou, I know it's non-core, but good to see reserves are up (Technical Difficulty) we didn't see any guidance change. (Technical Difficulty) And is there any plan to...

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Sorry Don, you broke up.

**Q - Don DeMarco** {BIO 18858871 <GO>}

I was just asking about -- quick question on Boungou, whether or not the 2022 guidance is still intact. I see some reserves are up and are you planning on doing (Technical Difficulty). Thank you.

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Yeah, no changes, I mean, to the Boungou guidance. It's all said and no changes there.

**Q - Don DeMarco** {BIO 18858871 <GO>}

Okay. Thank you.

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Thank you very much, Don.

**Operator**

We have the next questions coming from the line of Dan Shaw from Morgan Stanley. Please ask your question.

**Q - Dan Shaw** {BIO 18638510 <GO>}

Hi, thanks for taking my question. Actually a lot of it's been answered already. But just perhaps a follow-up on the oil price and your exposure there. Can you just remind us of your exposure in terms of, how many of your assets are linked to grid power versus using diesel generators. Can you share any information on that? Thank you.

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

So we have, I mean, it varies, I mean, from site to site. What I would say is there is about \$250 million of fuel cost in the business for Endeavour on a yearly basis, \$250 million. So that's the amount of fuel that we're buying in average for a year. And then I'll refer to what I just said to Don, we've included between 5% to 7% underlying fuel price increases in our 2022 budget. And again given that the revised prices in country are done either quarterly or semi-annually, we don't see any massive variation that you can see on the oil price.

**Q - Dan Shaw** {BIO 18638510 <GO>}

That's very clear. Thanks very much.

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Thanks Dan.

**Operator**

We have the next questions coming from the line of Wayne Lam from RBC. Please ask your question.

**Q - Wayne Lam** {BIO 20551875 <GO>}

Hey, good morning guys. Just a question on Massawa. Just wondering when you expect Sofia to be mined out. And then can you just walk us through the current tailings capacity there? And just a bit more detail on the long-term strategy on that front?

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Sure. Mark, you want to comment on Sofia?

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**A - Mark Morcombe** {BIO 18316915 <GO>}

Sofia Main pit will be finished in quarter one. And then the Sofia North pit will extend into next year. So on the TSF capacity that's -- I guess that's an interesting one, because we've got TSF capacity for the existing CIL, which we can comfortably last for another probably 3 years or 4 years. What it's really about is what do we do for the BIOX. And this what we've considered in the study at present is that we're actually going to construct a brand new TSF, which was the existing plan. And that's all actually permitted and ready to go. But it's a very large land take. And we actually believe that a better scenario is to do an in-pit tailings storage at the Sabodala pit. So we're mining at that Sabodala pit and we're looking at the timing, to be able to effectively transition across to that, so that we can use the current TSF footprint for the flotation tailings for the BIOX circuit and then construct a small cell within that footprint for the BIOX CIL tailings.

So it is a work in progress. What we've got forecasted both from a study and a cost perspective is to construct the new TSF, however we're advancing down a path to go to the deposition, starting with obviously getting all of the regulatory approvals and so forth.

**Q - Wayne Lam** {BIO 20551875 <GO>}

Okay, perfect. Thank you. And then can you just walk us through the exploration strategy now at Boungou and managing the security situation and trying to ramp up the drilling activity. And just wondering given the history of the company and constantly upgrading the asset portfolio, is there a scenario where Boungou could now start to become non-core given the shorter mine life there and falling outside that magic box.

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Thanks. I think I'll let Patrick give you a bit of a feedback on the exploration. As for the more strategic question, I mean Boungou is a core asset today. I mean there is no change on that front. And again as I explained the shorter mine life is simply because we took a view just based on reserves because we wanted to have a cautious approach, I mean, to the impairment test given the security environment. But doesn't change our view on the asset and its potential.

Patrick, do you want to say something on the exploration?

**A - Patrick Bouisset** {BIO 18046838 <GO>}

No, not much. Actually as you may have seen in the spending, we have been spending less in 2021 than we initially thought. This is just due to the fact that we have been very careful in stepping out outside of the mine and outside the fence area. What I can say that we started to go out a little bit outside the mine area looking at the more proximal target that we have today. But we want to take all of our time to analyse all that, because security is something that we want to take care of. Basically we see, in the area the same, overall exploration potential. The only thing is we are much more cautious in terms of the speed in which we can analyze the exploration in this area, that's all.

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Thanks, Patrick.

**Q - Wayne Lam** {BIO 20551875 <GO>}

Okay, got it. And maybe just last one from me. Just wondering now what the proportion of oxide ore is at Wahgnion. And just given the challenges in continuing to run it above design capacity, could the mill kind of be scaled back and what kind of throughput rates should we maybe be thinking about going forward?

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

I don't have the exact number in terms of the oxide fresh ratio from a life of mine perspective. But the key point is that we are still like we've got additional pits to mine that Nogbele North and South at Fourkoura, then we go to Samavogo, then we go to Stinger. So there is always going to be that oxide proportion. And you can imagine as we get towards the back end of the mine life, and as we start depleting the oxides and we only have fresh -- firstly the fresh grade will be higher, and secondly we will have the low grade oxide stockpiled or to supplement it. So from that perspective, the life of mine feed rate will be more or less the same as we progress. The grade profile will ultimately tail down as mining is finished and we're on the stockpiles.

**Q - Wayne Lam** {BIO 20551875 <GO>}

Okay, great. Thank you. That's all from me. Thank you very much guys.

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Thanks.

**Operator**

We have the next questions coming from Lorenzo Parisi from JP Morgan. Please ask your question.

**Q - Lorenzo Parisi** {BIO 22196660 <GO>}

Good afternoon. And thanks for the call. I have three questions, if I may. So the first one is that, do we have any updates on the situation in Burkina Faso given the recent change in government? And what are your expectation for the operations going forward? The second one is, if that's possible to have the current split between cash offshore and cash onshore in West Africa because when I read the latest S&P report, they mentioned that the company has taken some cash management initiatives. So it will be good to understand better, what exactly? And third question is the total CapEx guidance for this year and next year also including growth CapEx for Fetekro and the Sabodala Phase 2, if that's already available. Thank you very much.

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Sure. Hi, Lorenzo. So, just on the Burkina political situation, I mean, it's been almost two months since the former President of Burkina resigned amid the military pressure. The

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new government, which was announced 10 days ago will gave assurance to (inaudible) for the different country in the same economic zone, that it would obviously due course return to constitutional life. And has so far kept their word. A transitional committee of 15 numbers was called down to draft a transition chart an agenda working on a voluntary basis. There are no representative from political parties in this commission. The committee charter was signed last week, outlining a three-year transition with the 24 member cabinet during the transition. The transitional leader will be the senior Col. Paul Henri Damiba, the leader of the MPSR we're familiar with and we are very familiar, I mean with him and the key people, which are around him.

Importantly, Damiba will not be allowed to run for election in three years to ensure a smooth transition. We expect, I mean, through that tough stance on terrorism, which should improve the security situation. They have very strong proximity with France, which will be more and more involved in the country to fight back terrorism. So we see that as positive. And again what has been positive is so far it hasn't been sanctioned to the country, mainly because they see that the country is on the right track to find the right thing and putting in place the civil government. In the new government, I mean we know the Minister of Mine and we know most of the key members of the government, and therefore we are not expecting any particular turbulence on that front.

Maybe, Joanna, do you want to give a quick word to Lorenzo, on the split between onshore and offshore cash?

#### **A - Joanna Pearson** {BIO 21927022 <GO>}

Yeah, for sure. The -- I would say that at year-end our onshore offshore split was about one-third, two-third. One-third being offshore and it does vary during the quarter with the timing of gold sales and just the movement of cash and the dividend payment that we have this week. So, it would fluctuate, but generally I would say that the ratio that we were aiming to maintain. With respect to the cash management in Burkina, that was mentioned by, I believe, it's S&P. That was primarily driven by when the coup happened in January, we had a significant amount of cash in Burkina. And in the (inaudible) jurisdiction you're able to have bank accounts in various countries. So the local mines, all having bank account in Senegal.

So we were able to manage the cash and move a significant amount of it to the bank accounts in Senegal and maintained our cash locally at the levels that we need from a working capital perspective. So that in there -- there is a few other things that we did from a cash management perspective just to manage that over the course of the quarter with the political situation in Burkina.

#### **A - Sebastien De Montessus** {BIO 16048135 <GO>}

And then on the CapEx, I mean, we are on track with guidance we gave on sustaining and non-sustaining CapEx. And I think I would refer to Slide 33 in our presentation where we describe them, which is about 170 for sustaining and 170 in about four non-sustaining. As for gross CapEx, I think it will come as we publish the DFS for the different projects, that as you saw, we've been deferring in order to improve the overall CapEx. And therefore, you

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should expect that this is coming more towards '23 than strong numbers, I mean through '22.

**Q - Lorenzo Parisi** {BIO 22196660 <GO>}

Thank you very much. Can I just follow-up on my first question. Have you had any -- directly any talks with the new government about what is their intention for the mining operation in the country or that has not happened yet?

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Yes, of course, we have had a lot of discussions in fact that started even two or three days after the coup. Our country manager has been discussing daily. And now that there is a minister in place, continue to have regular interaction with them. Our country manager there is also the President of the Chamber of Mines. So obviously he is talking on behalf of Endeavour, but also on behalf of the rest of the mining sector. And the feedback has been extremely positive and supportive towards the mining industry. I would refer to, you know, as part of the first speech that was made, there was strong support from the beginning in the outset from the new ruler and the government to support the mining sector as a critical sector going forward for the country. So again, don't expect any particular issues on that front.

**Q - Lorenzo Parisi** {BIO 22196660 <GO>}

Okay. Thank you very much again.

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Thanks Lorenzo.

**Operator**

We have the next questions coming from Josefina Rodriguez from Morgan Stanley. Please ask your question.

**Q - Josefina Rodriguez** {BIO 22400860 <GO>}

Hi, thanks for your presentation. I think a follow-up on the question that Lorenzo just did. So on your rating on S&P, I know that you have an (inaudible) methodology and they take the average rating of the countries in which you operate. And in that sense, you're affected as well by the rating downgrade on Burkina Faso. Have you had talks with the rating -- with S&P in particular and what do you expect out that rating because I know they also mentioned that given your expansion plans, your reliance on Burkina Faso is going to decline. But any -- what's your view on that?

**A - Sebastien De Montessus** {BIO 16048135 <GO>}

Sure. Yes, obviously we've been having continuous dialogue with the rating agencies. As you probably saw on the S&P side, we've been put on the watch for the next 3 months. And there will be reassessing after three months their own views on the country risk. And

it's based on that they will reassess the credit ratings. But again based on the current situation and the fact that the country hasn't been going through sanctions, I'm not expecting any changes on that front.

**Q - Josefina Rodriguez** {BIO 22400860 <GO>}

Okay, thanks. That's clear.

**Operator**

Thank you. That will conclude today's Q&A session. I would now like to turn the call back to Martino for any additional or closing remarks.

**A - Martino De Ciccio** {BIO 19759578 <GO>}

Thank you everyone for joining the call today. I realize there might still be questions in the queue. Given timing we remain available offline to answer these. Thank you and have a good day.

**Operator**

Ladies and gentlemen, that does conclude today's conference call. Thank you for your participation, you may now disconnect.

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