Years ended December 31, 2015 and 2014

(Expressed in Thousands of United States Dollars)

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with Endeavour Mining Corporation's ("Endeavour Mining" or the "Corporation") audited consolidated financial statements for the twelve months ended December 31, 2015 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS").This Management's Discussion and Analysis contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. The reader is cautioned not to place undue reliance on forward-looking statements. All figures are in United States Dollars, unless otherwise indicated. Tabular amounts are in thousands of United States Dollars, except per share amounts and where otherwise indicated. This Management's Discussion and Analysis is prepared as of March 3, 2016. Additional information relating to the Corporation, including the Corporation's Annual Information Form, is available on SEDAR at www.sedar.com.

ASSETS OVERVIEW

Endeavour Mining is a Canadian listed intermediate gold producer with four operating mines in West Africa as of the date of this MD&A. However, the Corporation's assets for the year ended December 31, 2015 comprised of the Agbaou Gold Mine in Côte d'Ivoire, the Nzema Gold Mine in Ghana, the Tabakoto Gold Mine in Mali, the Youga Gold Mine in Burkina Faso, the recently acquired Ity Gold Mine in Côte d'Ivoire, and the permitted Houndé Gold Project in Burkina Faso.

On November 27, 2015 the Ity Gold Mine was acquired as part of a long term strategic partnership with La Mancha Holding S.àr.l., a privately-held gold investment company controlled by the Sawiris family. As part of the agreement, Endeavour Mining acquired La Mancha's indirect 55% interest in the Ity Gold Mine in Côte d'Ivoire, plus various regional exploration properties, the feasibility study stage Ity CIL project, and La Mancha contributed $63 million cash with the acquired businesses. With the completion of the transaction, La Mancha was issued new Endeavour Mining shares representing 30% of the enlarged share capital.

On February 29, 2016 the Corporation announced that it had completed the sale of the Youga Gold Mine in Burkina Faso, receiving $25.3 million of cash proceeds whilst retaining a 1.8% Net Smelter Royalty ("NSR") on production realized beyond the current reserve from the property sold, and with the inclusion of a buyback provision. The sale is in line with Endeavour Mining's objective in actively managing its portfolio of assets and improving overall quality.

Figure 1: Endeavour Mining's principal properties in West Africa as of December 31, 2015

Endeavour Mining's shares are listed on the Toronto Stock Exchange (symbol EDV) and quoted in the United States on the OTCQX International (symbol EDVMF). On January 11, 2016, Endeavour Mining announced that it had successfully been removed from the official list of the Australian Securities Exchange.

HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2015

For the year ended December 31, 2015, Endeavour Mining achieved gold production of 516,646 ounces (includes 5,689 ounces from the Ity Gold Mine) which exceeded guidance (475,000 – 500,000 ounces) at an all-in sustaining cost ('AISC") of $922, below the range of guidance of $930 - $980, and an operating EBITDA[1] of $163.7 million. The Corporation repaid $60 million voluntarily against the revolving credit facility reducing net debt to $143.9 million, and completed the year with a cash balance of $109.6 million at December 31, 2015.

Table 1: Year over year and quarterly key figures

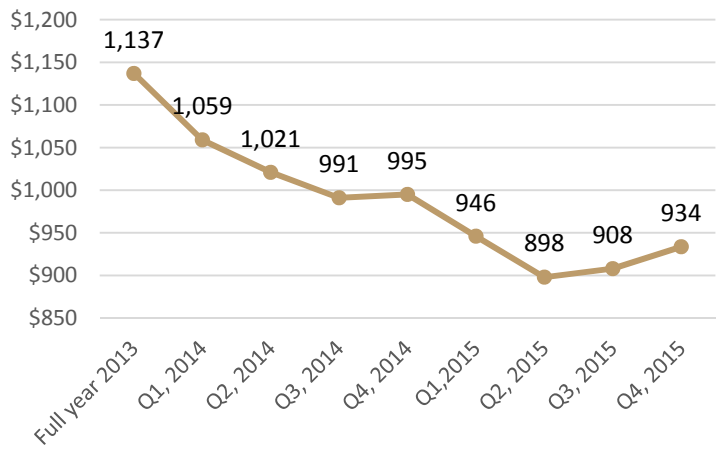
	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Operating Data				
Gold ounces produced:	136,844	119,729	516,646	465,770
Gold ounces sold:	142,343	123,354	519,812	467,887
Realized gold price ($/ounce)	1,102	1,198	1,157	1,264
Cash cost per gold ounce sold ($/ounce)[1]	740	767	720	826
All-in sustaining costs per gold ounce sold ($/ounce)[1]	934	995	922	1,010
Sustaining capital ($ '000')[1]	9,924	12,973	48,451	30,580
Financial Data ($ '000')				
Revenues	156,823	147,744	601,376	583,576
Royalties	7,510	6,657	28,820	28,307
Operating EBITDA[1]	29,495	29,877	163,719	142,771
Net earnings (loss)	(21,643)	(340,156)	35,601	(328,200)
Basic earnings (loss) per share ($/share)	(0.51)	(6.79)	0.42	(6.62)
All-in sustaining margin[1]	23,929	25,012	122,162	117,103
Cash generated from operating activities	41,913	57,610	147,301	127,438
Net debt[1]			143,899	254,069

[1]Cash cost, AISC, sustaining capital, operating EBTDA, all-in sustaining margin and net debt are non-GAAP financial performance measures with no standard meaning under IFRS. Refer to the section Non-GAAP Measures. Throughout this MD&A, the Corporation excludes royalties in its calculation of cash costs.

- Gold production of 516,646 ounces and sales of 519,812 ounces at an AISC of $922 compared to production of 465,770 ounces and 467,887 ounces sold at an AISC of $1,010 for the year ended December 31, 2014. Realized gold price was $1,157 versus $1,264 in the prior year.
- The Agbaou Mine continued to outperform expectations producing 181,365 ounces of gold at an AISC of $576 per ounce, above guidance range in production and below guidance in AISC.
- Endeavour Mining has achieved significant progress in optimizing the performance of its mines, as demonstrated by the 18% decline in AISC since the year ended December 31, 2013. AISC of $934 for the current quarter ended December 31, 2015 demonstrates continued significant improvements in our operations as well as the benefit of the decline of crude oil prices and favourable exchange rates.

[1] AISC, all-in sustaining costs at the mine level, cash costs, operating EBITDA, all-in sustaining margin, free cash flow, and adjusted earnings are non-GAAP financial performance measures with no standard meaning under IFRS, further discussed in the section Non-GAAP Measures. Throughout this MD&A, the realized price is the realized average gold price received for all ounces sold.

Figure 2: AISC quarterly evolution



- Operating EBITDA of $163.7 million was achieved in 2015 compared to $142.8 million achieved for the same period in the prior year.
- Net earnings of $35.6 million resulted in earnings attributable to shareholders of the Corporation of $18.2 million or $0.42 per share, compared to a net loss of $273.7 million or ($6.62) per share for the prior year.
- All-in sustaining margin of $122.2 million was achieved in the current year, which compares favorably with the prior year figure of $117.1 million. Cash generated from operating activities of $147.3 million compares to $127.4 million in the prior year.

Table 2: Free cash flow before working capital, tax and financing costs

	Year ended December 31, 2015	Year ended December 31, 2014
Gold production (ounces)	516,646	465,770
Gold sold (ounces)	519,812	467,887
Gold price ($/oz)	1,157	1,264
In US$ millions		
Revenue	601.4	583.6
Less: AISC cost	479.2	466.5
AISC margin	122.2	117.1
Less: Non-sustaining capital & exploration	37.5	82.2
Free cash flow (before working capital, tax & financing costs)	**84.7**	**34.9**

- In December 2015, the Corporation continued its revolving credit facility reduction program with a third $20.0 million voluntary repayment following $20 million repaid in April 2015 and $20 million in July 2015. The Corporation's undrawn portion of the credit facility was $110 million at year end, which remains fully available for general corporate purposes. With the total repayments of $60 million during 2015 the Corporation has successfully achieved its objective in reducing net debt to $143.9 million at December 31, 2015 down from $254.0 million for the comparable reporting period. Net debt to Operating EBITDA has decreased to a ratio of 0.9 from 1.8 in the prior year.

Table 3: Net debt evolution

In US$ millions	Year ended December 31, 2015	Year ended December 31, 2014
Cash	109.5	62.2
Less: Equipment finance lease	13.4	16.2
Less: Drawn portion of $350 million RCF	240.0	300.0
Net debt	143.9	254.0
Operating EBITDA	163.7	142.8
Net debt to operating EBITDA ratio	0.9	1.8

RESOURCES AND RESERVES

As of December 31, 2015, our mines and projects had Proven and Probable Mineral Reserves ("P&P reserves") totaling approximately 5.9 million ounces ("Moz"), (4.7Moz on an attributable basis) and Measured and Indicated resources ("M&I resources") amounted to 11.0 million ounces of gold (8.6Moz on an attributable basis), representing a 32% and 39% increase, respectively, over the previous year on a 100% basis.

Table 4: Year over year Reserve and Resource variation

On a 100% basis, in koz	As at December 31, 2015	As at December 31, 2014	Variation	
P&P Reserves	5,925	4,505	**1,420**	**32%**
M&I Resources	10,973	7,901	**3,072**	**39%**
Inferred Resources	2,443	2,463	**(20)**	**(1%)**

[1]*Note: M&I resources shown are inclusive of P&P reserves. Further information concerning the Mineral Resource and Mineral Reserve as at December 31, 2014, is available in the February 19, 2015, press release entitled "Endeavour Mining increases Mineral Reserves to 4.5Moz with exploration additions of 870,000 oz in 2014". The December 31, 2015 Mineral Reserve and Mineral Resources were published on Feb. 29, 2016.*

As shown in Table 5, a total of 494,000 ounces ("koz") were depleted during 2015, with 61% and 93%, respectively, of depleted P&P reserves and M&I resources being replaced. Exploration additions (excluding the Ity mine acquisition) amounted to 460koz of M&I resources, which includes the negative impact of reducing the gold price estimate from $1,600/oz to $1,500/oz for the Agbaou, Nzema and Youga mines. A total of 301koz were added to reserves (exclusive of depletion), as a result of the resource conversion at the Agbaou and Tabakoto mines.

Table 5: P&P reserves and M&I resources replenished

		P&P Reserve Depletion/Replacement		M&I Resource Depletion/Replacement	
On a 100% basis, in koz	2015 Ore depletion[1]	Ounces added (removed)[2]	% of depletion replenished	Ounces added (removed)[2]	% of depletion replenished
Tabakoto	162	80	49%	167	103%
Nzema[3]	73	(67)	(92%)	(27)	(37%)
Youga	75	3	4%	64	85%
Agbaou	184	285	155%	256	139%
Sub-total	**494**	**301**	**61%**	**460**	**93%**
Ity[4]	7	1,620		3,113	
Total	**501**	**1,921**		**3,573**	

[1] *Depletion on a processed ore contained ounce basis*
[2] *Includes exploration ounces delineated and changes due to gold price and cut-off grade. Excludes ore depleted.*
[3] *Nzema ore depletion is based on EDV ore and excludes purchased ore*
[4]*Ity is included for the post-acquisition period of November 28 to December 31, 2015*

OUTLOOK

2016 Production and AISC/oz Guidance

- Endeavour Mining is providing 2016 production guidance updated for the sale of the Youga mine, of 535,000 to 560,000 ounces at an all-in sustaining cost per ounce of $870 to $920.

- The mine production forecasts are largely in line with 2015 production rates, with the following variances: Agbaou production is expected to decline modestly due to changing ore feed; Nzema production is expected to increase with additional deliveries of high grade third-party ore during the Adamus pit push-back period; and Tabakoto production is expected to increase as the operating improvements of the fourth quarter of 2015 are sustained in 2016.

Table 6: 2016 Production guidance by mine (ounces, 100% basis[1])

	Actual			Guidance Range 2016		
	2013	2014	2015			
Agbaou	6,132	146,757	181,365	165,000	-	175,000
Nzema	103,464	115,129	110,302	110,000	-	130,000
Tabakoto	125,231	127,323	151,067	155,000	-	175,000
Youga[2]	89,448	76,561	68,223	7,000	-	8,000
Ity[3]	-	-	80,807	65,000	-	75,000
Total	**324,275**	**465,770**	**591,764**	**502,000**		**563,000**
Selected 2016 guidance range				**535,000**	**-**	**560,000**

[1] Gold production is on a 100% consolidated basis. Actual mine ownership is Agbaou – 85%, Nzema – 90%, Tabakoto – 80%, Youga – 90%, Ity – 55%
[2] Youga 2016 guidance is based on estimate for the pre-sale period ended February 29, 2016
[3] Ity produced 5,689 ounces since acquisition on November 27, 2015

The fully permitted Houndé Gold Project continues to be the key construction project in our future plans. Our community and social sensitization plans are well underway along with the implementation of human resource, financial and logistical support services that are necessary to be in place prior to project commencement. These early efforts and Endeavour Mining's pre-project planning is being done to facilitate a construction decision in the first half of 2016, which will consider several factors including the gold price outlook.

Table 7: 2016 AISC/oz guidance by mine ($/oz)

	2016 Guidance Range ($/oz)		
Agbaou	650	-	700
Nzema	970	-	1,020
Tabakoto	920	-	970
Youga	980	-	1,030
Ity	800	-	850
Mine-level AISC/oz	820	-	870
Plus corporate G&A		38	
Plus sustaining exploration		11	
AISC/oz	**870**	**-**	**920**

2016 AISC Margin and Free Cash Flow

- At a gold price of $1,150 per ounce and using the mid-point of 2016 production and AISC/oz guidance ranges, Endeavour Mining is projecting an AISC margin of approximately $138 million in 2016, or $255 per ounce.

- Exploration has been allocated $20 million toward programs focused on reserve replacement and mine life extensions, with $6 million or approximately $11 per 2016 production ounce toward sustaining exploration programs and $14 million toward non-sustaining exploration programs.

- Non-sustaining project capital has been allocated $48 million, which includes installation of a secondary crusher at the Agbaou Mine, a pit wall push-back at the Nzema Mine, non-sustaining exploration programs ($14 million mentioned earlier), and project-related investments at both Houndé and Ity CIL projects.

Endeavour Mining is continuing to prepare the Houndé Project for a construction decision in the first half of 2016 and expects to complete the Ity CIL feasibility study by mid-year 2016.

Table 8: 2016 Free Cash Flow before working capital, tax and financing costs assuming a gold price of 1,150 $/oz 2016[1]

2016 Production (ounces, guidance range mid-point)	**547,500**	
2016 AISC/oz ($/oz, guidance range mid-point)	**$895**	
	$ million	**$/ounce**
Revenue	630	1,150
Less: AISC costs (includes corporate G&A, sustaining capital and sustaining exploration costs)	492	895
All-in sustaining margin	**138**	**255**
Non-sustaining capital	(48)	(80)
Agbaou Mine secondary crusher - $12 million		
Nzema Mine push-back - $12 million		
Houndé Project - $5 million		
Ity CIL Project - $5 million		
Non-sustaining exploration - $14 million		
Free cash flow (before working capital movement, tax and financing costs)	**90**	**175**

[1]Numbers may differ due to rounding

- At $1,150 gold price, and with the current allocations to non-sustaining capital, the free cash flow (before working capital movement, tax and financing costs) is projected to be $90 million or $175 per ounce, with a $30 million sensitivity for a $50 per ounce gold price movement.

OPERATIONS REVIEW

Agbaou Gold Mine, Côte *d'Ivoire*

The following table shows the evolution of the reserves and resources at Agbaou between 2015 and 2014:

Table 9: Agbaou 2015 and 2014 Reserves and Resources [1]

	As at December 31, 2015			As at December 31, 2014		
Resources shown inclusive of Reserves	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)
Proven Reserves	1.9	2.53	156	2.7	2.69	236
Probable Reserves	11.3	2.40	871	8.8	2.44	690
P&P Reserves	**13.2**	**2.42**	**1,027**	**11.5**	**2.50**	**926**
Measured Resource	1.9	2.67	166	2.9	2.75	255
Indicated Resources	12.5	2.53	1,014	11.1	2.40	854
M&I Resources	**14.4**	**2.54**	**1,180**	**13.9**	**2.48**	**1,109**
Inferred Resources	1.2	1.71	65	2.1	2.31	154

[1] Numbers may differ due to rounding

The following table summarizes the operating results of the Agbaou Gold Mine for the three months and years ended December 31, 2015 and 2014:

Table 10: Agbaou key performance indicators

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Operating Data				
Tonnes of ore mined (000's)	753	796	2,818	2,741
Average gold grade mined (g/tonne)	2.05	1.92	2.00	1.97
Tonnes of ore milled (000's)	748	629	2,665	2,241
Average gold grade milled (g/tonne)	2.05	2.50	2.15	2.10
Gold ounces produced:	51,732	47,365	181,365	146,757
Gold ounces sold:	53,298	50,466	182,219	149,904
Financial Data ($ '000')				
Revenues	58,904	60,433	211,204	180,513
Realized gold price ($/ounce)	1,105	1,197	1,159	1,256
Royalties	2,143	2,061	7,574	6,399
Cash cost per ounce sold ($/ounce)[1]	452	452	462	523
Sustaining capital[1]	2,390	4,088	13,191	7,650
All-In sustaining costs ($/ounce)[1]	537	574	576	621
All-in sustaining margin[1]	30,289	31,466	106,272	91,231

[1] Cash cost per ounce sold, sustaining capital, all-in sustaining costs and all-in sustaining margin are non-GAAP financial performance measures with no standard meaning under IFRS. Refer to the section Non-GAAP Measures.

Agbaou continued its excellent performance during the second year of operations with cash flow generated from operations of $128.4 million at an AISC of $576 which is significantly below the 2015 range of guidance of $690 to $740. The soft nature of the oxide ore mined throughout the year allowed above plan ore tonnes to be processed with higher recoveries. Agbaou generated an all-in sustaining margin of $106.3 million and $90.3 million of earnings from mine operations for the full year.

Sustaining capital of $13.2 million for the year was primarily invested in waste capitalization ($5.1m), a tailings storage facility ("TSF") lift ($4.7m) and land compensation ($1.0m).

At Agbaou, the $5.8 million exploration program successfully delineated 256koz of M&I resources, mainly comprised of oxide ore from the West Pit extension, which should allow the mine to both maintain its current production level over the next few years and extend its mine life. Total P&P reserves increased by 11% over the previous year, from 926koz to 1,027koz, despite the depletion of 184koz following the record production achieved in 2015. M&I resources increased by 6% over the previous year, from 1,109koz to 1,180koz, with nearly 90% converted to reserves. The current reserve is now 13% greater than the 2014 pre-production reserve of 0.9Moz. In 2016, exploration is expected to focus on the North Pit and South Pit extensions, the Agbaou South target, and to generate targets beyond the current resource boundaries.

Nzema Gold Mine, Ghana

The following table shows the evolution of the reserves and resources at Nzema between 2015 and 2014:

Table 11: Nzema 2015 and 2014 Reserves and Resources

	As at December 31, 2015			As at December 31, 2014		
Resources shown inclusive of Reserves	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)
Proven Reserves	3.2	2.25	230	5.2	2.03	339
Probable Reserves	1.5	2.57	125	2.1	2.33	156
P&P Reserves	**4.7**	**2.35**	**356**	**7.3**	**2.11**	**496**
Measured Resource	22.4	1.36	976	23.7	1.36	1,040
Indicated Resources	12.2	1.31	514	13.0	1.30	550
M&I Resources	**34.6**	**1.34**	**1,490**	**36.7**	**1.35**	**1,590**
Inferred Resources	5.9	1.28	244	7.6	1.30	311

The following table summarizes the operating results of the Nzema Gold Mine for the three months and years ended December 31, 2015 and 2014:

Table 12: Nzema key performance indicators

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Operating Data				
Tonnes of ore mined (000's)	278	342	1,310	1,366
Average gold grade mined (g/tonne)	1.53	1.78	1.64	1.87
Tonnes of ore milled (000's)	446	400	1,783	1,587
Average gold grade milled (g/tonne)	1.80	2.27	2.21	2.51
Gold ounces produced[1]:	23,076	25,810	110,302	115,129
Gold ounces sold:	22,526	25,402	110,404	114,044
Financial Data ($ '000')				
Revenues	24,934	30,262	128,342	144,593
Realized gold price ($/ounce)	1,107	1,191	1,162	1,268
Royalties	1,344	1,663	7,234	8,014
Cash cost per ounce sold ($/ounce)	1,033	1,007	900	880
Sustaining capital	897	3,022	10,839	9,795
All-In sustaining sosts ($/ounce)	1,133	1,191	1,064	1,036
All-in sustaining margin	(587)	8	10,895	26,443

[1] Includes purchased ore of 6,315 ounces and 47,383 ounces for the three months and year ended December 31, 2015, and 12,168 ounces and 42,633 ounces in the comparable periods in 2014.

Nzema completed the year with an AISC of $1,064 which was slightly above the range of guidance of $1,000 to $1,050 per ounce. The decrease in ounces produced in comparison with the prior year was due to the lack of readily available high grade tolled ore in supplementing mined ore from the Adamus pit, particularly in the fourth quarter. The rainy season experienced during the third quarter impacted the grade of some of the purchased ore, negatively affecting ounces produced. Nzema generated $18.3 million of operating cash flow at an all-in sustaining margin of $10.9 million for the 2015 year.

Sustaining capital of $10.8 million for the year was primarily a result of waste capitalization ($7.4m) and the TSF lift ($2.7m).

Due to Nzema's mine life visibility over the next few years, no significant exploration capital was allocated in 2015. Consequently, the reserve and resource variances are due to mining depletion and a lower gold price used for the resource estimate.

Tabakoto Gold Mine, Mali

The following table shows the evolution of the reserves and resources at Tabakoto between 2015 and 2014:

Table 13: Tabakoto 2015 and 2014 Reserves and Resources

	As at December 31, 2015			As at December 31, 2014		
Resources shown inclusive of Reserves	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)
Proven Reserves	2.3	3.19	235	2.3	3.33	249
Probable Reserves	4.2	3.68	491	4.4	3.96	558
P&P Reserves	**6.4**	**3.50**	**725**	**6.7**	**3.74**	**807**
Measured Resource	6.3	2.86	575	5.6	2.93	529
Indicated Resources	12.3	3.22	1,270	13.4	3.04	1,310
M&I Resources	**18.5**	**3.09**	**1,844**	**19.0**	**3.01**	**1,839**
Inferred Resources	9.0	3.55	1,023	17.6	2.79	1,582

The following table summarizes the operating results of the Tabakoto Gold Mine for the three months and years ended December 31, 2015 and 2014:

Table 14: Tabakoto key performance indicators

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Operating Data				
Tonnes of ore mined - Open pit (000's)	137	211	520	638
Average gold grade mined - Open pit (grams/tonne)	4.62	2.41	3.78	2.74
Tonnes of ore mined - Underground (000's)	215	280	1,009	807
Average gold grade mined - Underground (grams/tonne)	3.19	2.72	3.08	3.28
Tonnes of ore milled (000's)	392	371	1,588	1,485
Average gold grade milled (grams/tonne)	3.53	2.52	3.17	2.88
Gold ounces produced:	41,546	26,577	151,067	127,323
Gold ounces sold:	41,118	27,600	151,345	127,357
Financial Data ($ '000')				
Revenues	45,319	33,275	174,685	161,727
Realized gold price ($/ounce)	1,102	1,206	1,154	1,270
Royalties	2,702	1,979	10,438	9,665
Cash cost per gold ounce sold ($/ounce)	907	1,126	846	1,172
Sustaining capital	6,024	4,831	23,048	11,078
All-In sustaining costs ($/ounce)	1,119	1,373	1,067	1,335
All-in sustaining margin	(702)	(4,620)	13,158	(8,295)

The Tabakoto complex, which includes the Kofi C open pit, the Tabakoto underground mine, the Segala underground mine, and the Tabakoto mill delivered an improved year in comparison to the prior year generating a positive all-in sustaining margin of $13.2 million and $9.8 million of earnings from mine operations. In the current year, Tabakoto's AISC of $1,067 per ounce decreased significantly from $1,335 per ounce in 2014. The AISC which was above the guidance range for the year of $950 to $1,000 per ounce and is partly due to the severe rain fall experienced during the third quarter. This affected overall operations, in particular production from the Tabakoto underground where flooding was experienced, and Kofi ore that was difficult to re-handle following the heavy rains.

Sustaining capital of $23.0 million for the year was primarily invested in Kofi C waste capitalization ($6.6m) and underground development at Segala ($9.1m) and Tabakoto ($4.8m).

At Tabakoto, the $7.8 million exploration program focused primarily on the underground drilling of mineralized zones below development in the Tabakoto and Segala mines. Despite realizing only 40% of the planned underground exploration campaign due to the lack of drilling access and flooding, successful exploration replaced 85% of the M&I resources depleted, although only 49% of reserves were replaced due to the delays encountered. Surface exploration delineated an open pit M&I resource of 0.9Mt at 3.45g/t Au containing 105koz at the Tabakoto Northwest deposit.

In 2016, the focus will be directed towards delineating additional underground resources and resource-to-reserve conversion. Furthermore, exploration is expected to test the potential extension of the Kofi B deposit and generate new open pit targets on the Kofi trend, which lies immediately north of Randgold's Loulo endowment.

Youga Gold Mine, Burkina Faso

The following table shows the evolution of the reserves and resources at Youga between 2015 and 2014:

Table 15: Youga 2015 and 2014 Reserves and Resources

	As at December 31, 2015			As at December 31, 2014		
Resources shown inclusive of Reserves	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)
Proven Reserves	1.9	1.49	93	2.5	1.69	139
Probable Reserves	0.6	1.95	37	1.0	2.03	63
P&P Reserves	**2.5**	**1.59**	**130**	**3.5**	**1.79**	**202**
Measured Resource	8.1	1.24	321	7.3	1.35	318
Indicated Resources	9.7	1.54	480	9.7	1.58	494
M&I Resources	**17.8**	**1.40**	**801**	**17.0**	**1.48**	**812**
Inferred Resources	3.1	1.53	150	2.8	1.59	142

On February 29, 2016 the Corporation announced that it had sold the Youga Gold Mine in Burkina Faso for $25.3 million whilst retaining a 1.8% Net Smelter Royalty ("NSR") on production realized beyond the current reserve from the property sold, and with the inclusion of a buyback provision.

The following table summarizes the operating results of the Youga Gold Mine for the three months and years ended December 31, 2015 and 2014.

Table 16: Youga key performance indicators

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Operating Data				
Tonnes of ore mined (000's)	275	251	1,335	1,161
Average gold grade mined (grams/tonne)	1.99	2.53	2.13	2.47
Tonnes of ore milled (000's)	281	261	1,064	991
Average gold grade milled (grams/tonne)	1.94	2.70	2.19	2.67
Gold ounces produced:	14,801	19,977	68,223	76,561
Gold ounces sold:	17,484	19,886	67,927	76,582
Financial Data ($ '000')				
Revenues	19,244	23,719	78,724	96,743
Realized gold price ($/ounce)	1,101	1,193	1,159	1,263
Royalties	780	954	3,038	4,229
Cash cost per gold ounce sold ($/ounce)	935	759	856	742
Sustaining capital	94	1,032	854	2,057
All-In sustaining costs ($/ounce)	985	859	913	824
All-in sustaining margin	2,021	6,637	16,702	33,639

The Youga mine completed another successful year in line with expectations with gold production of 68,223 ounces. AISC of $913 per ounce is below the range of guidance of $975 to $1,025 per ounce. During the year, the higher grade open pits which comprised the original Youga pits were depleted and the Zergoré pit became the principal source of ore supply to the processing plant. Youga continued to generate positive operating cash contributing $11.3 million for the year to the group. Sustaining capital of $0.9 million for

the year was invested in a variety of mine maintenance requirements.

The Youga mine recovered a total of over 600,000 ounces of gold since operations commenced in 2008 and employs approximately 665 workers in total, including full time Endeavour employees and contractors. The sale of the mine to MNG Gold will provide additional life to the Youga operation through MNG Gold's nearby Balogo high-grade deposit and is expected to be well received by all levels of the mine's stakeholders.

Ity Gold Mine, Côte d'Ivoire

The following table details the reserves and resources of the Ity mine:

Table 17: Ity 2015 Reserves and Resources

	As at December 31, 2015		
Resources shown inclusive of Reserves	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)
Proven Reserves	-	-	-
Probable Reserves	30.4	1.65	1,613
P&P Reserves	**30.4**	**1.65**	**1,613**
Measured Resource	27.3	1.35	1,190
Indicated Resources	34.1	1.75	1,916
M&I Resources	**61.4**	**1.57**	**3,106**
Inferred Resources	14.1	1.52	687

The following table summarizes the operating results of the Ity Gold Mine for the period ended December 31, 2015, since its acquisition on November 27, 2015:

Table 18: Ity key performance indicators

	Period ended December 31, 2015
Operating Data	
Tonnes of ore mined (000's)	63
Average gold grade mined (grams/tonne)	2.38
Tonnes of ore milled (000's)	71
Average gold grade milled (grams/tonne)	2.39
Gold ounces produced:	5,689
Gold ounces sold:	7,917
Financial Data ($ '000')	
Revenues	8,421
Realized gold price ($/ounce)	1,064
Royalties	536
Cash cost per gold ounce sold ($/ounce)	550
Sustaining capital	519
All-In sustaining costs ($/ounce)	683
All-in sustaining margin	**3,011**

The Ity mine produced 5,689 ounces of gold in 2015 since the mine was acquired on November 27, 2015 (80,807 ounces in 2015 including post acquisition by Endeavour). AISC of $683 per ounce with operating cash flow of $3.8 million over the ownership period contributed positively to the group.

Sustaining capital of $0.5 million for the period since acquisition was invested in a small variety of mine maintenance requirements.

Following the acquisition of the Ity mine in November 2015, the short-term exploration objective was to add heap-leachable reserves and resources. Subsequently, the heap leach reserve now stands at 191koz, up 10% compared to the amount communicated in September 2015 with the acquisition. Furthermore, several targets

have been identified and are currently being drilled, which should allow the mine to continue to extend its heap leach mine life.

New targets are expected to be drilled on the Ity property in 2016, aimed at delineating additional resources for the CIL project. Furthermore, Endeavour has strategically applied for adjacent exploration tenements in light of the exploration success achieved at Ity over the recent years, which allowed its M&I resources to increase from 0.2Moz to 3.1Moz between 2012 and 2015.

DEVELOPMENT PROJECT REVIEW

Houndé Project, Burkina Faso, Pre-construction stage

On February 19, 2015, Endeavour Mining announced an update to the year-end mineral reserves from the November 2013 Feasibility Study ("FS"). The Houndé Project now has 2.1 Moz in Proven and Probable mineral reserves, an increase of 34% from the original reserves due to the expansion of the Vindaloo deposit and inclusion of two new deposits, Bouéré and Dohoun, both located within 12 kilometers of the proposed plant site.

The Vindaloo deposits and proposed plant site are approximately 2 kilometers from a paved highway and as close as 50 meters to a 225 kV power line corridor that extends from Côte d'Ivoire through to Ouagadougou, the capital of Burkina Faso. A rail line that extends to the port of Abidjan, Côte d'Ivoire, lies approximately 25 kilometres west of the deposit area. The project will benefit from Endeavour's experience operating the Youga Mine, also located in Burkina Faso, and the recent construction experience at the Nzema and Agbaou Mines.

The highlights of the Houndé Project drilling and reserve and resource update include:

- Estimated average annual production of 190,000 ounces of gold per year over a 10 year mine life, with average annual production of 240,000 ounces expected over the first three years;
- Total Proven and Probable mineral reserves of 2.07 Moz and life of mine production of 1.91 Moz;
- An average 92.7% process recovery at a milling rate of 3.0 million tpa (nameplate) through a SAG/ball mill, gravity, CIL circuit;
- Owner operated open pit mining with reserves of 30.6 million tonnes grading 2.1 g/t Au;
- Initial start-up capital is estimated at $327.7 million (including full mining fleet, working capital, import duties and contingency);
- Forecast life of mine all-in sustaining cost of $714 per ounce;
- Based on a gold price of $1,200 per ounce, the project yields an after-tax
    - Internal rate of return of 27.9%; and
    - Net present value of $302 million @ 5%.

The Houndé Project is situated in the southwestern region of Burkina Faso just south of Semafo's Mana mine and the property totals approximately 1,000 square kilometres. The nearby town of Houndé, located 5 kilometers from the project site has a population of approximately 70,000 people. Ownership is currently 100%, however, at production Endeavour Mining's ownership would decrease to 90% with the remaining 10% ownership held as a free carried interest by the Government of Burkina Faso.

The Houndé Project is fully permitted and it is expected that it can be built and self-financed from existing operations, together with lease financing, the use of our existing corporate credit facility and funds received from the recently announced long term strategic partnership with the Sawiris family. Construction and operational optimization was undertaken during the second half of 2015 with positive results. The Construction Services Team spent the second half of 2015 increasing our in-country presence and further developing and enhancing our government and local community relationships in Ouagadougou, and on-site at Houndé. Community and social sensitization plans are well underway along with the implementation of human resource, financial and logistical support services that are necessary to be in place prior to project commencement. These early efforts and Endeavour Mining's pre-project planning are being undertaken to facilitate the construction decision in the first half of 2016, which will consider several factors including the gold price outlook.

Ity CIL Project, Cote d'Ivoire

As part of the strategic partnership with the Sawiris family, Endeavour Mining acquired the Ity CIL Project in Cote d'Ivoire. Endeavour has continued to perform further work on the project and expects to complete the Ity CIL feasibility study in the third quarter of 2016.

In 2014, a pre-feasibility study ("PFS") to replace the current heap leach plant with a CIL plant was completed by SNC-Lavalin using a processing rate of 1.5 MTPA based on Indicated Mineral Resources at the time. Following the positive PFS results, in late 2014 and early 2015, the La Mancha Group conducted drilling programs at Daapleu, Zia NE and Mont Ity that were designed to upgrade all Inferred material from the latest resource estimate to Indicated, as well as to delineate each deposit further along strike. The resulting resource estimate update yielded a significant increase in Indicated Mineral Resource for all three areas. An updated PFS was completed in July 2015 for the CIL Project using a processing rate of 2.0 MTPA. The 2015 aggressive exploration program increased Measured and Indicated Mineral Resources to 3.1Moz. As such, a definitive feasibility study is currently underway using a 3.0MTPA processing rate.

QUARTERLY AND ANNUAL FINANCIAL AND OPERATING RESULTS

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

Table 19: 2015 Quarterly Key Performance Indicators

	For the three months ended			
($ '000')	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Gold revenues	156,823	137,859	154,629	152,065
Gold ounces sold	142,343	123,002	129,614	124,850
Cash flows from operations	41,913	27,547	46,186	31,425
Earnings from mine operations	13,119	21,824	40,875	31,129
Net earnings (loss) and total comprehensive earnings (loss)	(21,643)	6,705	32,997	17,541
Net earnings (loss) attributable to shareholders of Endeavour Mining Corporation	(24,670)	3,503	26,677	12,715
Basic earnings (loss) per share	(0.51)	0.08	0.60	0.30
Diluted earnings (loss) per share	(0.51)	0.08	0.60	0.30

Table 20: 2014 Quarterly Key Performance Indicators

	For the three months ended			
($ '000')	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Gold revenues	147,744	145,223	153,398	137,211
Gold ounces sold	123,354	114,082	118,653	111,798
Cash flows from operations	58,017	22,587	25,266	21,746
Earnings from mine operations	14,266	15,256	22,913	23,461
Net earnings (loss) and total comprehensive earnings (loss)	(340,157)	2,056	952	8,953
Net earnings (loss) attributable to shareholders of Endeavour Mining Corporation	(280,576)	1,859	40	5,027
Basic earnings (loss) per share	(6.80)	0.04	0.10	0.10
Diluted earnings (loss) per share	(6.80)	0.04	0.10	0.10

Table 21: Annual Key Performance Indicators

($ '000')	For the year ended December 31, 2015	December 31, 2014	December 31, 2013
Gold revenues	601,376	583,576	443,314
Gold ounces sold	519,812	467,887	318,505
Cash flows from operations	147,302	127,438	43,834
Earnings from mine operations	106,947	75,897	11,136
Net earnings (loss) and total comprehensive earnings (loss)	35,601	(328,200)	(371,715)
Net earnings (loss) attributable to shareholders	18,227	(273,650)	(332,456)
Basic loss per share	0.42	(6.62)	(8.10)
Diluted loss per share	0.42	(6.62)	(8.10)
Total assets	1,054,094	963,875	1,273,993
Total long term financial liabilities	273,469	343,468	327,411
Total attributable shareholders' equity	564,103	464,352	737,057
Adjusted earnings per share	0.99	0.34	(0.60)

Year ended December 31, 2015 compared to the year ended December 31 2014

Net earnings attributable to shareholders were $18.2 million, or $0.42 per share, compared to net losses of $273.7 million, or ($6.62) per share, in the same period in 2014, attributable to the following components:

- Revenue for the year increased by $17.8 million to $601.4 million from $583.6 million for the comparable year. Gold ounces sold increased from 467,887 ounces in 2014 to 519,812 ounces for the year ended December 31, 2015. The realized price of gold per ounce for the full year 2015 was $1,157 compared to $1,264 per ounce for the year ended December 31, 2014.

- Operating expenses for the year ended December 31, 2015 decreased by $5.5 million to $382.0 million despite the increased ore tonnes mined and milled year over year in the production of an additional 51,925 ounces sold. Effective cost management in addition to the depreciation of the Euro against the dollar affecting certain CFA input costs and the lower cost of diesel fuel assisted in reducing operating expenses compared to the prior year period.

- Depreciation and depletion for the year ended December 31, 2015 was $83.7 million compared to $91.9 million for the comparable year despite higher gold production, partially on account of lower mineral property values at the end of 2014.

- Earnings from mine operations for the year ended December 31, 2015 were $106.9 million compared to $75.9 million for the comparable year and further illustrates the Corporation's improvement in both the operating and cost management areas.

- Corporate costs for the year ended December 31, 2015 were $21.1 million compared to $21.7 million for the comparable year.

- Acquisition costs of $13.1 million were incurred with the acquisition of the Ity Gold mine on November 27, 2015 compared to nil in the prior year.

- Gains on financial instruments for the year ended December 31, 2015 were $9.5 million compared to losses of $11.2 million for the prior year mainly due to the gain on foreign exchange of $7.7 million in the current year, compared to a loss of $4.6 million in 2014.

- Finance costs for the year ended December 31, 2015 were $30.5 million compared to $27.9 million for the comparable year due to the additional finance costs relating to the revolving credit facility renewal.

- The current income and other tax expense for the year ended December 31, 2015 was $4.3 million compared to $33.5 million for the comparable year, the decrease was due mainly to the inclusion of the Malian tax provision in the prior year. Deferred income tax expense for the year ended December 31, 2015 was $2.7 million compared to a recovery of $81.2 million for the comparable year primarily associated to the impairment expense incurred over certain mining interests in 2014. For the year ended December 31, 2014 the Corporation incurred an impairment expense on mining interests and related assets of $365.9 million compared nil for the current year ended December 31, 2015.

Three months ended December 31, 2015 compared to the three months ended December 31, 2014

Net losses attributable to shareholders were $24.7 million, or ($0.51) per share, compared to net losses of $280.6 million, or ($6.80) per share, in the same period in 2014, attributable to the following components:

- Revenue for the fourth quarter of 2015 increased by $9.1 million to $156.8 million from $147.7 million in the same period in 2014. Gold ounces sold increased from 123,354 ounces in 2014 to 142,343 ounces for the fourth quarter of 2015. The realized price of gold per ounce for the fourth quarter of 2015 was $1,102 compared to $1,198 per ounce in the same period in 2014.

- Operating expenses for the fourth quarter of 2015 increased by $8.2 million to $110.7 million affected by $8.1 million in operating costs incurred at the Ity mine for the first time since acquisition in the current quarter.

- Depreciation and depletion for the fourth quarter of 2015 was $25.4 million compared to $24.3 million for the same prior year period in 2014.

- Earnings from mine operations for the fourth quarter of 2015 were $13.1 million compared to $14.3 million for the same period in 2014.

- Corporate costs for the fourth quarter of 2015 were $8.0 million compared to $7.5 million for the same period in 2014.

- Acquisition costs of $13.1 million were incurred in the fourth quarter with the acquisition of the Ity Gold mine on November 27, 2015 compared to nil in the comparable quarter.

- Gains on financial instruments for the fourth quarter of 2015 were $5.9 million compared to losses of $0.9 million for the same period in 2014 primarily due the gain on foreign exchange of $5.6 million in the current quarter off set by other financial instrument losses.

- Finance costs for the fourth quarter of 2015 were $6.7 million compared to $6.6 million for the same period in 2014.

- The current income and other tax expense for the fourth quarter of 2015 was $0.4 million compared to an expense of $27.2 million for the same period in 2014 due to the inclusion of the Malian tax provision in 2014. Deferred income tax expense for the fourth quarter of 2015 was $8.1 million compared to $75.5 million recovery for the same period in 2014 due to the impairment expense incurred over certain mining interests in the fourth quarter of 2014.

LIQUIDITY AND CAPITAL RESOURCES

On March 10, 2015, the Corporation renewed its $350 million senior secured revolving corporate loan facility (the "Facility") with a syndicate of leading international banks. The Facility has a new maturity date of March 2020 and key terms including the following:

- The maturity date is five years from signing, March 9, 2020, and the available Facility amount declines with four equal semi-annual reductions of $87.5 million commencing September 2018;
- The Facility includes standard corporate financial covenants, including:
  - Interest Cover shall not be less than 3 to 1, calculated on a rolling 12 month basis;
  - Net Debt to EBITDA shall not exceed 3.5 times, calculated on a rolling 12 month basis;
  - Minimum Tangible Net Worth shall not be less than US$350 million.
- The interest is based on LIBOR plus a margin ranging between 3.75% and 5.75% per annum (sliding scale based on the actual Net Debt to EBITDA ratio).

The Facility is secured by shares of the Corporation's material gold mining subsidiaries and certain material assets of those subsidiaries.

Table 22: Gross Debt and Cash

	For the year ended	
In $ millions	December 31, 2015	December 31, 2014
Cash	109.5	62.2
Less: Equipment finance lease	13.4	16.2
Less: Drawn portion of $350 million RCF	240.0	300.0
Net Debt	**143.9**	**254.0**

With the investment phase of the Corporation's strategy winding down at the end of 2014 and its cash flows growing, the Corporation embarked on its revolving credit facility reduction program with a third $20.0 million repayment in December 2015 following $20.0 million repaid in April 2015 and $20.0 million repaid in July 2015. The Corporation's undrawn portion of the credit facility was $110 million at December 31, 2015.

At December 31, 2015, Endeavour Mining had cash of $109.6 million (December 31, 2014 – $62.2 million) and $4.8 million in restricted cash (December 31, 2014 – $4.5 million).

Total working capital as at December 31, 2015 was $83.4 million (December 31, 2014 - $42.8 million).

Net change in cash position from December 31, 2014, was an increase of $47.3 million, attributable to the following components of the consolidated cash flow statement:

- Operating activities generated $147.3 million in comparison to $127.4 million generated in the same period of the previous year primarily due to more robust mine operating earnings. Timing induced changes in working capital balances generated an inflow $5.6 million of cash versus $21.0 million in the comparable year.
- Investing activities used $7.3 million in comparison to $112.9 million used in the comparable year. Included in investing activities was $86.1 million of cash acquired from the strategic partnership with the Sawiris family. The current period outflow consisted primarily of $55.2 million of sustaining capital including sustaining exploration, and $37.5 million of non-sustaining investments. The sustaining capital related to capitalized waste and the normal course timing of planned mine capital investments and non-sustaining investments related primarily to non-sustaining capital at Tabakoto.
- Financing activities used cash of $91.7 million in comparison to $27.2 million in the prior comparable year. The current year outflows consisted primarily of the repayments of the revolving credit facility of $60.0 million, refinancing fees of $8.8 million, and interest paid on the Facility amounting to $16.4 million.

Net change in cash position for the current quarter from September 30, 2015, was an increase of $77.5 million, attributable to the following components of the consolidated cash flow statement:

- Operating activities generated $41.9 million in comparison to $57.6 million generated in the same period of the previous year. Timing induced changes in working capital balances generated an inflow of $26.1 million of cash versus $49.6 million in the comparable period in 2014.

- Investing activities generated $61.3 million in comparison to an outflow of $43.0 million used in the same period of the previous year. The inflow included $86.1 million of cash acquired from the strategic partnership with the Sawiris family. The cash outflows consisted primarily of $12.1 million of sustaining capital including sustaining exploration, and $10.4 million of non-sustaining investments. The sustaining capital related to capitalized waste and the normal course timing of planned mine capital investments and non-sustaining investments related primarily to non-sustaining capital at Tabakoto.

- Financing activities used cash of $27.1 million in comparison to $9.7 million in the prior comparable period. The current period outflows consisted primarily of the reduction of the revolving credit facility of $20.0 million and interest paid on the facility amounting to $7.4 million.

In the opinion of management, Endeavour Mining's cash position, undrawn facility, and working capital at December 31, 2015, together with anticipated cash flows from operations, are sufficient to support the Corporation's on-going operational requirements, planned sustaining investments, and commitments.

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

Table 23: Net free cash flow generation

	For the year ended	
In $ millions	December 31, 2015	December 31, 2014
Revenue	601.4	583.6
Less: AISC costs	479.2	466.5
AISC margin	122.2	117.1
Less: Non-sustaining capital & exploration	37.5	82.2
Free cash flow (before working capital, tax & financing costs)	84.7	34.9
Taxes paid	(7.2)	(11.7)
Interest paid	(16.4)	(13.5)
Net other financial items (fees, lease repayments & hedge settlements)	(15.4)	(13.7)
Realized loss on derivative financial instruments	(3.6)	(11.9)
Unrealized foreign exchange loss on cash	(2.1)	(2.9)
Working capital & other non-operating cash adjustments	(5.7)	7.7
Net free cash llow before other items	34.3	(11.1)
La Mancha acquisition cash received	86.1	-
La Mancha transaction costs	(13.1)	-
Revolving credit facility payments	(60.0)	-
Year over year change in cash	**47.3**	**(11.1)**

FINANCIAL INSTRUMENTS

With the acquisition of the Nzema and Tabakoto mines by way of acquisitions of Adamus Resources and Avion Gold, Endeavour Mining inherited several hedge programs which have been reduced, amended and settled in the periods subsequent to the acquisitions.

As at December 31, 2015, only 20,101 ounces of gold forward contracts remain outstanding with a fair value of the liability at $4.0 million (December 31, 2014 - $9.3 million), to be settled in 2016. During the year ended December 31, 2015, the Corporation settled 44,062 ounces of gold forward contracts resulting in a realized loss of $0.7 million. Additionally, at December 31, 2015, the Corporation settled the remaining 6,066 ounces of gold call options resulting in a realized loss of $1.8 million. The settlements of the calls and forward contracts are in cash as there is no exchange of physical gold between the Corporation and the buyer.

The Corporation also entered a 12 month fuel price protection program in June 2015, in line with approximately 50% of the diesel volume scheduled to be consumed at the Tabakoto mine, by way of fuel swap contracts on 1,268 metric tonnes of Gas Oil per month. The program is cash settled and had a fair value liability of $1.5 million as at December 31, 2015 (December 31, 2014 - $nil), to be settled in 2016.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table summarizes the contractual maturities of the Corporation's financial liabilities at December 31, 2015:

Table 24: Financial liabilities as of December 31, 2015

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	$ 127,581	$ -	$ -	$ -	$ 127,581
Long-term debt	-	-	230,000	10,000	240,000
Finance lease obligations	4,540	11,278	-	-	15,818
Minimum operating lease payments	1,288	2,151	1,325	-	4,764
Derivative financial liabilities	5,463	-	-	-	5,463
	$ 138,872	$ 13,429	$ 231,325	$ 10,000	$ 393,626

The Corporation has commitments in place at its operations for drill and blasting services, load and haul services, and the supply of explosives and hydrocarbon services with varying terms, and is subject to operating and finance lease commitments in connection with the purchase of mining equipment, light duty vehicles, operational building facilities and rented office premises. Additionally, the Corporation has at times contracts in place at the Nzema mine to purchase higher grade ore from third parties. The above table does not include the Corporation's environmental rehabilitation provision which is in place at each of the operating mines, the majority of which is expected to be incurred concurrent with the end of mining operations at each of the mines.

During 2014, the Corporation's Malian subsidiary entered into a five year, $18 million equipment lease financing facility. The equipment lease was used to purchase a portion of the owner-operated mining equipment for the Tabakoto and Segala underground developments. The lease terms have a fixed rate of 9.5% per annum to amortize the principal and there exists a purchase option to buy the equipment outright at the end of the lease life for 0.5% of cost. The equipment lease is treated as a finance lease.

CONTINGENCIES

The Corporation is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Corporation cannot reasonably predict the likelihood or outcome of these actions. The Corporation does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason thereof, will have a material effect on the financial condition or future results of operations.

The Corporation's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Corporation believes its operations are materially in compliance with all applicable laws and regulations. The Corporation has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Corporation operates in numerous countries and, accordingly, it is subject to, and pays annual income taxes under, the various income tax regimes in the countries in which it operates. From time to time the Corporation is subject to a review of its income tax filings and in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain rules to the Corporation's business conducted within the country involved. If the Corporation is unable to resolve any of these matters favorably, there may be a material adverse impact on the Corporation's financial performance, cash flows or results of operations. In the event that management's estimate of the future resolution of these matters changes, the Corporation will recognize the effects of the changes in its consolidated financial statements in the period that such changes occur.

In the fourth quarter of 2014, the Corporation's Malian subsidiary, Segala Mining Corporation SA ("Semico"), received a tax assessment from the Malian tax authority of $40.6 million related to the fiscal years 2011 to 2013 and to various taxes. The Corporation and its advisors believe that a significant portion of the assessment's tax claims are wholly without merit and as such have engaged with the tax authority actively since receiving the assessment in the fourth quarter of 2014 to resolve this matter. The Corporation continues to engage with the highest levels of Malian authorities together with its advisors to resolve this matter and given the response presented to the authorities as well as advice received from its advisors, a vigorous process is underway to refute the notified amounts as well as avoid any additional payments. The tax assessment was fully provided for in 2014 and the tax office has offset certain VAT receivables against the assessment reducing the Corporation's exposure to actual payments needing to be made.

If the Corporation is unable to resolve these matters favorably, there may be a material adverse impact on the Corporation's financial performance, cash flows and results of operations. In the event that management's estimate of the future resolution of these matters changes, the Corporation will recognize the effects of the changes in its consolidated financial statements in the period that such changes occur.

RELATED PARTIES AND TRANSACTIONS AND OFF-BALANCE SHEET ITEMS

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

OUTSTANDING SHARE DATA

Endeavour Mining's authorized capital is $200,000,000 divided into 100,000,000 ordinary shares with a par value of $0.10 each and 100,000,000 undesignated shares; no undesignated shares have been issued. The table below summarizes Endeavour Mining's share structure at December 31, 2015.

Table 25: Outstanding shares evolution

	December 31, 2015	December 31, 2014
Shares issued and outstanding	58,969,629	41,248,472
Stock options	2,734,404	2,514,180

As at March 3, 2016 the date of this MD&A, the Corporation has 59,040,392 shares issued and outstanding, as well as 2,625,035 stock options outstanding.

The following table summarizes share option details outstanding as at December 31, 2015:

Table 26: Options schedule

Exercise Prices (CAD$)	Outstanding	Exercisable	Weighted average exercise price (CAD$)	Weighted average remaining contractual life
$5.20 - $7.99	657,074	-	-	0.00 years
$8.00 - $14.99	681,818	375,736	9.84	3.26 years
$15.00 - $19.99	312,437	312,437	15.19	1.53 years
$20.00 - $24.99	394,288	394,288	22.79	2.09 years
$25.00 - $29.99	459,000	459,000	26.4	0.97 years
$30.00 - $84.99	225,966	225,966	45.14	0.46 years
$85.00 - $449.57	3,821	3,821	301.54	1.23 years
	2,734,404	**1,771,248**	**23.09**	**1.74 years**

SUBSEQUENT EVENTS

On February 29, 2016, the Corporation announced the sale of its non-core Youga Mine to MNG Gold for $25.3 million. The sale includes the Youga Mine and the related exploration properties and is part of the Corporation's plan to focus on its core mining operations and assets.

The total cash consideration is comprised of US$20 million for the asset and US$5.3 million for the cash-on-hand. In addition, Endeavour has retained a 1.8% Net Smelter Royalty ("NSR") on production realized beyond the current reserve from the property sold, with the inclusion of a buyback provision.

NON-GAAP MEASURES

All-in sustaining margin and operating EBITDA

The Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use the all-in sustaining margin and operating earnings before interest, tax, depreciation and amortization ("operating EBITDA") to evaluate the Corporation's performance and ability to generate cash flows and service debt. Accordingly, these do not have a standard meaning and are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

The following tables provide the illustration of the calculation of this margin and operating EBITDA, as adjusted and calculated by the Corporation, for the three months and years ended December 31, 2015 and 2014:

Table 27: All-In Sustaining Margin

	Three months ended		Year ended	
($ '000')	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Revenues	156,823	147,744	601,376	583,576
Less: royalties	(7,510)	(6,657)	(28,820)	(28,307)
Less: cash costs of ounces sold (see table that follows)	(105,361)	(94,570)	(374,067)	(381,570)
Less: corporate G&A	(7,968)	(7,500)	(21,145)	(21,720)
Subtotal	35,984	39,017	177,344	151,979
Less: sustaining capital (see table that follows)	(9,924)	(12,973)	(48,451)	(30,580)
Less: sustaining exploration	(2,131)	(1,032)	(6,731)	(4,296)
All-in Sustaining Margin	**23,929**	**25,012**	**122,162**	**117,103**

Table 28: Operating EBITDA calculation

	Three months ended		Year ended	
($ '000')	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Earnings (loss) before tax[1]	(13,204)	(388,452)	42,555	(375,856)
Add back: Depreciation and depletion[1]	25,445	24,258	83,655	91,886
Add back: Impairment and write-downs[1]	-	365,940	-	365,940
Add back: Acquisition costs[1]	13,099	-	13,099	-
Deduct: Non recurring mineral property and other assets sales[1]	3,430	20,640	3,430	21,747
Add back: Finance costs[1]	6,665	6,601	30,452	27,862
Add back: (gains) losses on financial instruments[1]	(5,940)	890	(9,472)	11,192
Operating EBITDA	**29,495**	**29,877**	**163,719**	**142,771**

[1]As found on the consolidated statement of comprehensive income.

Cash cost per ounce of gold sold

The Corporation reports cash costs on the basis of ounces sold. In the gold mining industry these are common performance measures but do not have any standardized meanings. The Corporation follows the recommendation of the Gold Institute Production Cost Standard. The Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Corporation's performance and ability to generate cash flows. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

The following table provides a reconciliation of cash costs per ounce of gold sold (including the ounces sold from ore purchased), for the three months and years ended December 31, 2015 and 2014:

Table 29: Cash costs

	Three months ended		Year ended	
($ '000' except ounces sold)	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Operating expenses from mine operations[1]	110,748	102,562	381,954	387,486
Non-cash adjustments included in operating expenses	(5,387)	(7,992)	(7,887)	(5,916)
Cash cost	105,361	94,570	374,067	381,570
Divided by ounces of gold sold	142,343	123,354	519,812	461,755
Total cash cost per ounce of gold sold	**740**	**767**	**720**	**826**

[1] As found on the statement of earnings

The Corporation is reporting all-in sustaining costs per ounce sold. The methodology for calculating all-in sustaining costs per ounce was developed internally and is calculated below, and readers should be aware that this measure does not have a standardized meaning. This non-GAAP measure provides investors with transparency to the total period-attributable cash cost of producing an ounce of gold, and may aid in the comparison with other gold mining peers. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Table 30: All-In Sustaining Costs

	Three months ended		Year ended	
($ '000' except ounces sold)	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Cash cost for ounces sold	105,361	94,570	374,067	381,570
Royalties	7,505	6,657	28,820	28,307
Corporate G&A	7,968	7,500	21,145	21,720
Sustaining capital	9,924	12,973	48,451	30,580
Sustaining exploration	2,131	1,032	6,731	4,296
All-in sustaining costs	132,889	122,732	479,214	466,473
Divided by gold ounces sold	142,343	123,354	519,812	461,755
All-In Sustaining Cost per ounce sold	**934**	**995**	**922**	**1,010**

Table 31: Sustaining capital

	Three months ended		Year ended	
($ '000' except ounces sold)	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Expenditures and prepayments on mining interests[1]	23,834	42,952	92,648	117,114
Non-sustaining capital at Tabakoto, Nzema and Agbaou mines	(9,364)	(24,523)	(30,419)	(72,762)
Sustaining exploration	(2,131)	(1,032)	(6,731)	(4,296)
Project capital spend at Houndé project	(2,415)	(4,424)	(7,047)	(9,476)
Sustaining capital	**9,924**	**12,973**	**48,451**	**30,580**

[1] As found on the statement of cash flows.

The $11.8 million of non-sustaining investments for the current three month period consists primarily of underground development at the Segala and Tabakoto underground mines, as well as non-sustaining exploration. Capital of $2.7 million was also spent on the Houndé Project in the fourth quarter and $2.1 million was incurred in ongoing resource conversion considered sustaining exploration.

The $37.5 million of non-sustaining investments for the current year end consists of $18.7 million at Tabakoto; $9.2 million in non-sustaining exploration; $7.0 million at Houndé; $2.1 million at Ity and $0.5 million at Nzema.

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

Cash costs and all-in sustaining costs on mine by mine basis

The following table provides additional detail as to how cash costs and all-in sustaining costs at the mine site level are calculated on a mine by mine basis for the years ended December 31, 2015 and 2014.

Table 32: 2015 Mines cash costs and AISC

For the year ended December 31, 2015	Unit	Agbaou	Nzema	Tabakoto	Youga	Ity	Total
Mining Physicals							
Total tonnes mined - Open pit	000t	20,447	8,144	9,333	8,026	368	
Total ore tonnes - Open pit	000t	2,818	1,310	520	1,335	63	
Total ore tonnes - Underground	000t	-	-	1,009	-	-	
Total tonnes milled	000t	2,665	1,783	1,588	1,064	102	
Gold sold	**oz**	**182,219**	**110,404**	**151,345**	**67,927**	**7,917**	**519,812**
Unit cost analysis							
Mining costs - Open pit[1]	$/t mined	2.63	4.73	2.59	3.86	2.38	
Mining costs – Underground[1]	$/t ore	-	-	40.02	-	-	
Processing and maintenance	$/t milled	6.88	14.28	22.90	20.10	16.26	
Site G&A	$/t milled	5.39	7.14	20.21	8.95	11.86	
Cash cost details							
Mining costs - Open pit	$000s	48,685	31,125	17,651	31,013	892	129,366
Mining costs -Underground	$000s	-	-	40,366	-	-	40,366
Processing and maintenance	$000s	18,330	25,454	36,357	21,388	1,653	103,182
Site G&A	$000s	14,372	12,727	32,095	9,519	1,205	69,918
Purchased ore at Nzema	$000s	-	29,447	-	-	-	29,447
Inventory adjustments	$000s	2,785	594	1,572	(3,793)	602	1,760
Cash costs for ounces sold	$000s	84,172	99,347	128,041	58,127	4,352	374,039
Royalties	$000s	7,575	7,234	10,438	3,038	535	28,820
Sustaining capital	$000s	13,191	10,839	23,048	854	519	48,451
Cash cost per ounce sold	$/oz	462	900	846	856	550	720
Mine-level AISC per ounce sold	**$/oz**	**576**	**1,064**	**1,067**	**913**	**683**	**868**

Table 33: 2014 Mines cash costs and AISC

For the year ended December 31, 2014	Unit	Agbaou	Nzema	Tabakoto	Youga	Total
Mining Physicals						
Total tonnes mined - Open pit	000t	19,560	8,769	7,046	4,993	
Total ore tonnes - Open pit	000t	2,741	1,366	638	1,161	
Total ore tonnes - Underground	000t	-	-	807	-	
Total tonnes milled	000t	2,241	1,587	1,485	991	
Gold sold[2]	**oz**	**143,772**	**114,044**	**127,357**	**76,582**	**461,755**
Unit cost analysis						
Mining costs - Open pit	$/t mined	2.61	4.56	4.55	4.98	
Mining costs – Underground	$/t ore	-	-	50.77	-	
Processing and maintenance	$/t milled	7.66	17.90	30.11	24.24	
Site G&A	$/t milled	3.84	7.87	17.62	10.88	
Cash cost details						
Mining costs - Open pit[1]	$000s	46,395	34,821	32,035	24,887	138,138
Mining costs -Underground[1]	$000s	-	-	40,956	-	40,956
Processing and maintenance	$000s	17,175	28,410	44,696	24,022	114,303
Site G&A	$000s	8,601	12,491	26,164	10,783	58,039
Purchased ore at Nzema	$000s	-	24,409	-	-	24,409
Inventory adjustments	$000s	2,999	231	5,376	(2,882)	5,725
Cash costs for ounces sold	$000s	75,170	100,362	149,227	56,810	381,570
Royalties	$000s	6,399	8,014	9,665	4,229	28,307
Sustaining capital	$000s	7,650	9,795	11,078	2,057	30,580
Cash cost per ounce sold	$/oz	523	880	1,172	742	826
Mine-level AISC per ounce sold	**$/oz**	**621**	**1,036**	**1,335**	**824**	**954**

Numbers may not add due to rounding, [1]Includes all capitalized mining costs, [2]Agbaou excludes pre-commercial production

Adjusted net earnings and adjusted net earnings per share

Adjusted net earnings and adjusted net earnings per share are financial measures with no standard meaning under IFRS. They should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently. Net earnings have been adjusted for items considered exceptional in nature and not related to Endeavour Mining's core operating of mining assets and Endeavour Mining uses this measure for its own internal purposes. The presentation of adjusted net earnings may enable investors and analysts to better understand the underlying operating performance of our core mining business through the eyes of management. Management periodically evaluates the components of adjusted net earnings based on an internal assessment of performance measures that are useful for evaluating the operating performance of our business and a review of the non-GAAP measures used by mining industry analysts and other mining companies.

The following table reconciles these non-GAAP measures to the most directly comparable IFRS measure.

Table 34: Adjusted net earnings

	For the three months ended		For the year ended	
($ in millions except per share and share amounts)	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Net earnings (loss) and total comprehensive earnings (loss)	(21.6)	(340.2)	35.6	(328.2)
Non-cash impairment charges	-	365.9	-	365.9
(Gain) loss on derivative instruments, marketable securities and interest	(0.3)	(1.5)	(1.1)	5.2
Loss on promissory note	-	3.3	-	3.3
Imputed interest on promissory note	-	(0.5)	(0.7)	(1.8)
Gain (loss) on foreign currency	(5.6)	(0.4)	(7.7)	4.6
Other expenses (income)	-	20.6	3.4	21.7
Stock-based payments	1.3	0.3	4.2	1.2
Acquisition costs	13.1	-	13.1	-
Deferred income tax expense (recovery)	8.1	(50.2)	2.7	(55.9)
Adjusted net earnings (loss) after tax	**(5.0)**	**(2.7)**	**49.5**	**16.0**
Attributable to non-controlling interests	**0.7**	**(0.3)**	**7.1**	**2.1**
Attributable to shareholders of the Corporation	**(5.7)**	**(2.4)**	**42.4**	**13.9**
Weighted average number of outstanding shares	48,050,323	41,314,367	42,963,687	41,314,152
Adjusted net earnings (loss) per share (basic)	**(0.12)**	**(0.06)**	**0.99**	**0.34**

HEALTH, SAFETY AND CORPORATE SOCIAL RESPONSIBILITY

Endeavour Mining emphasizes employee and affected stakeholders' health and safety and puts the highest priority on safe, healthy and environmentally sound work practices and systems. The Corporation's values and business principles on safety and health underpin its safety and health policy and represent the minimum guidelines for the Corporation and its employees in this respect. The Corporation has a Zero Harm policy which is applied at all sites, and continuous efforts are made to reduce the lost time injury frequency rate ("LTIFR") at all the operations. The following table shows the safety statistics for the most recent full year period, 2015.

Table 35: 2015 Statistics

Incident Category	Tabakoto	Agbaou	Nzema	Youga	Ity	Total
Fatality	0	0	0	0	0	0
Lost Time Injury	4	0	1	1	4	10
Total Man Hours (millions)	3.8	2.3	3.3	1.7	2.1	13.2
LTIFR[1]	1.05	0	0.31	0.59	1.88	0.76

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

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

(a) Commencement of commercial production

Prior to a mine being capable of operating at levels intended by management, costs incurred are capitalized as part of the costs of related mining properties and proceeds from mineral sales are offset against costs capitalized. The Corporation defines the commencement of commercial production as the date that a mine has achieved a consistent level of production. Management considers several factors in determining when a mining interest is capable of operating at levels intended by management. Depletion of capitalized costs for mining properties begins when the mine is capable of operating at levels intended by management. Commercial production at the Agbaou Mine was declared on January 27, 2014 (accounting for commercial production commenced on February 1, 2014).

(b) Determination of economic viability

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

(c) Functional currency

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

(d) Business combinations

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

(e) Capitalization of waste stripping

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

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Corporation has not early adopted the following new and revised Standards, Amendments and Interpretations that have been issued but are not yet effective. The Corporation is currently assessing the impact they will have on the consolidated financial statements.

- *IFRS 9, Financial Instrument*s: IFRS 9 introduces the new requirements for the classification, measurement and de-recognition of financial assets and financial liabilities. Specifically, IFRS 9 requires all recognized financial assets that are within the scope of *IAS 39 Financial Instruments: Recognition and Measurement* to be subsequently measured at amortized cost or fair value, and all financial liabilities classified as subsequently measured at amortized cost except for financial liabilities measured at fair value through profit and loss. In July 2014, the IASB issued the final version of *IFRS 9 Financial Instruments* bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace *IAS 39 Financial Instruments: Recognition and Measurement.* The mandatory effective date of IFRS 9 would be annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the impact of adopting IFRS 9 on its consolidated financial statements.

- *IFRS 15, Revenue from Contracts with Customers:* IFRS 15 introduces a new framework for determining the nature, amount, timing and uncertainty of revenues and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation is currently evaluating the potential impact of the new standard on its consolidated financial statements.

- *IFRS 16, Leases:* IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance. The standard is effective for annual periods beginning on or after January 1, 2019. The Corporation is currently evaluating the potential impact of the new standards on its consolidated financial statements.

KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Corporation's assets and liabilities are as follows:

(a) Value Added Tax ("VAT")

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

(b) Impairment of mining interests and goodwill

The Corporation considers both external and internal sources of information in assessing whether there are any indications that mining interests and goodwill are impaired. External sources of information the Corporation considers include changes in the market, economic and legal environment in which the Corporation operates that are not within its control and affect the recoverable amount of mining interests and goodwill. Internal sources of information the Corporation considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets.

In determining the recoverable amounts of the Corporation's mining interests and goodwill, the Corporation's management makes estimates of the discounted future cash flows expected to be derived from the Corporation's mining properties, costs to sell the mining properties and the appropriate discount rate. The projected cash flows are significantly affected by changes in assumptions about gold's selling price, future capital expenditures, reductions in the amount of recoverable reserves, resources, and exploration potential, production cost estimates, discount rates and exchange rates. Reductions in gold price forecasts, increases in estimated future costs of production, increases in estimated future non-expansionary capital expenditures, reductions in the amount of recoverable reserves, resources, and exploration potential, and/or adverse current economics can result in a write-down of the carrying amounts of the Corporation's mining interests and/or goodwill. These factors moving in the opposite direction could result in full or partial reversals of previous write-downs to mining interests.

(c) Estimated recoverable ounces

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

(d) Mineral reserves

Mineral reserves and mineral resources are determined in accordance with Canadian Securities Administrator's national Instrument *43-101* Standards of Disclosure *for Mineral Projects.* Mineral reserve and resource estimates included numerous estimates. Such estimation is a subjective process, and the accuracy of any mineral reserve or resource estimate is a dependent on the

quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as gold prices and market conditions could have a material effect in the future on the Corporation's financial position and results of operation.

(e) Environmental rehabilitation costs

The provisions for rehabilitation of mine and project sites and the related accretion expense are based on the expected costs of environmental rehabilitation and inputs used to determine the present value of such provisions using the information available at the reporting date. To the extent the actual costs differ from these estimates, adjustments will be recorded and the profit or loss may be impacted.

(f) Deferred income taxes

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

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

(g) Share-based payments

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

(h) Contingencies

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

RISK FACTORS

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

OPERATIONAL RISKS

a) *Political Risks*

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

b) *Mineral Legislation*

Mineral reserve and mineral resource estimates are imprecise and depend partially on statistical inference drawn from drilling and other data, which may prove to be unreliable. Estimates, which were valid when made, may c0eral indicators of mine life. Reserves should not be interpreted as assurances of mine life or of the profitability of current or future production. There can be no assurance that those portions of such mineral resources that are not mineral reserves will ultimately be converted into mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Mining reserves depleted by production must be continually replaced to maintain production levels over the long term. There is no assurance that current or future exploration programs will result in any new commercial mining operations or yield new reserves to replace or expand current reserves.

c) *Outside Contractor Risks*

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

FINANCIAL AND RELATED RISKS

The Corporation's activities expose it to a variety of risks that may include currency risk, credit risk, liquidity risk, interest rate risk and other price risks, including equity price risk. The Corporation examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks.

(i) *Credit risk*

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Corporation by failing to discharge its obligations. There has been no change in the Corporation's objectives and policies for managing this risk in the three months and year ended December 31, 2015.

The Corporation's maximum exposure to credit risk is as follows:

Table 36: Exposure to credit risk

	December 31, 2015	December 31, 2014
Cash and cash equivalents	$ 109,519	$ 62,179
Cash - restricted	4,824	4,517
Marketable securities	375	854
Trade and other receivables	13,045	21,530
	$ 127,763	$ 89,080

(ii) *Liquidity risk*

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Corporation has a planning and budgeting process in place to help determine the funds required to support the Corporation's normal operating requirements.

(iii) *Currency risk*

Currency risk relates to the risk that the fair values or future cash flows of the Corporation's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs that the Corporation incurs in its operations including its capital expenditures. Gold is sold in US dollars and the Corporation's costs are incurred principally in CFA Franc, Canadian dollars, Euros, Ghana Cedi, and US dollars. The Corporation also holds cash and cash equivalents, marketable securities, and other receivables that are denominated in non-US dollar currencies which are subject to currency risk. The Corporation has not hedged its exposure to foreign currency exchange risk. The Corporation has not hedged its exposure to foreign currency exchange risk.

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

Table 37: Net assets in foreign currencies

	December 31, 2015	December 31, 2014
Canadian dollar	$ (2,961)	$ 1,111
CFA Francs	60,530	(6,451)
Other currencies	(687)	4,046
	$ 56,882	$ (1,294)

The effect on earnings and other comprehensive earnings before tax as at December 31, 2015, of a 10% appreciation or depreciation in the foreign currencies against the US dollar on the above mentioned financial and non-financial assets and liabilities of the Corporation is estimated to be

$5.7 million (December 31, 2014, $0.1 million), assuming that all other variables remained constant. The calculation is based on the Corporation's statement of financial position as at December 31, 2015.

(iv) *Interest rate risk*

Interest rate risk is the risk that future cash flows from, or the fair values of, the Corporation's financial instruments will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk primarily on its long-term debt. Since marketable securities and government treasury securities held as loans are short term in nature and are usually held to maturity, there is minimal fair value sensitivity to changes in interest rates,. The Corporation continually monitors its exposure to interest rates and is comfortable with its exposure given the relatively low short-term US interest rates and LIBOR.

The effect on earnings and other comprehensive earnings before tax as at December 31, 2015, of a 10% change in the LIBOR rate on the Facility is estimated to be $0.1 million (December 31, 2014 - $0.1 million).

(v) *Price risk*

Price risk is the risk that the fair value or future cash flows of the Corporation's financial instruments will fluctuate because of changes in market prices. There has been no change in the Corporation's objectives and policies for managing this risk and no significant changes to the Corporation's exposure to price risk during the three months and nine ended December 31, 2015.

CONTROLS AND PROCEDURES

Disclosure controls and procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). Additionally, these controls and procedures provide reasonable assurance that information required to be disclosed in the Corporation's annual and interim filings (as such terms are defined under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) and other reports filed or submitted under Canadian securities law is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to management including the CEO and CFO as appropriate to allow timely decisions regarding required disclosure.

As at the end of and for the year ended December 31, 2015, management evaluated the design and operating effectiveness of the Corporation's disclosure controls and procedures as required by Canadian Securities Law. Based on that evaluation, the CEO and CFO concluded that as of December 31, 2015, the disclosure controls and procedures were effective.

Internal controls over financial reporting

The Corporation's management, with the participation of its CEO and CFO, is responsible for establishing and maintaining adequate internal controls over financial reporting. Under the supervision of the CFO, the Corporation's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. As at December 31, 2015, management evaluated the effectiveness of the Corporation's internal control over financial reporting as required by Canadian securities laws.

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

There have been no material changes in the Corporation's internal controls over financial reporting during the year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

Based on that evaluation, the CEO and CFO have concluded that, as at December 31, 2015, the internal controls over financial reporting were effective and able to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

CAUTIONARY NOTE REGARDING RESERVES AND RESOURCES

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Endeavour Mining Corporation

We have audited the accompanying consolidated financial statements of Endeavour Mining Corporation, which comprise the consolidated statements of financial position as at December 31, 2015, and December 31, 2014, and the consolidated statements of comprehensive earnings (loss), changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Endeavour Mining Corporation as at December 31, 2015, and December 31, 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

/s/ Deloitte LLP

Chartered Professional Accountants
March 3, 2016
Vancouver, Canada

ENDEAVOUR MINING CORPORATION
Consolidated Statements of Financial Position
(Expressed in Thousands of United States Dollars)

	December 31, 2015	December 31, 2014
ASSETS		
Current		
Cash	$ 109,519	62,179
Cash - restricted (Note 6)	4,824	4,517
Trade and other receivables	13,045	21,530
Income taxes receivable (Note 19 (b))	2,945	-
Inventories (Note 7)	93,939	86,212
Prepaid expenses and other	12,640	15,113
	236,912	189,551
Mining interests (Note 8)	740,756	698,031
Deferred income taxes (Note 19 (c))	70,116	68,121
Other long term assets (Note 10)	6,310	8,172
	$ 1,054,094	$ 963,875
LIABILITIES		
Current		
Trade and other payables	127,581	127,905
Current portion of finance lease obligations (Note 11)	4,394	4,296
Current portion of derivative financial liabilities (Note 12)	5,463	6,420
Income taxes payable (Note 19 (b))	16,061	8,142
	153,499	146,763
Finance lease obligations (Note 11)	9,025	11,952
Long-term debt (Note 13)	225,582	290,996
Derivative financial liabilities (Note 12)	-	4,621
Provisions (Note 14)	38,862	35,899
Deferred income taxes (Note 19 (c))	30,014	30,274
	456,982	520,505
EQUITY		
Share capital (Note 15 (a))	1,071,088	991,569
Equity reserve (Note 15)	41,966	39,961
Retained earnings	(548,951)	(567,178)
Equity attributable to shareholders of the Corporation	564,103	464,352
Non-controlling interests (Note 16)	33,009	(20,982)
Total equity	597,112	443,370
	$ 1,054,094	$ 963,875

SUBSEQUENT EVENTS (NOTE 25)
COMMITMENTS AND CONTINGENCIES (NOTE 24)

Approved by the Board: March 3, 2016
"Neil Woodyer" Director *"Wayne McManus"* Director

The accompanying notes are an integral part of these consolidated financial statements

ENDEAVOUR MINING CORPORATION

Consolidated Statements of Comprehensive Earnings (Loss)
(Expressed in Thousands of United States Dollars)

		2015		2014
Revenues				
Gold revenue	$	601,376	$	583,576
Cost of sales				
Operating expenses		381,954		387,486
Depreciation and depletion		83,655		91,886
Royalties		28,820		28,307
Earnings from mine operations		106,947		75,897
Corporate costs		21,145		21,720
Impairment of mining interests and related assets (Note 9)		-		365,940
Acquisition costs (Note 5)		13,099		-
Share-based payments (Note 15 (b))		4,240		1,239
Exploration		1,498		2,053
Earnings (loss) from operations		66,965		(315,055)
Other income (expenses)				
Gains (losses) on financial instruments (Note 17)		9,472		(11,192)
Finance costs		(30,452)		(27,862)
Other expenses (Note 18)		(3,430)		(21,747)
		(24,410)		(60,801)
Earnings (loss) before taxes		42,555		(375,856)
Current income taxes expense (Note 19 (a))		(4,262)		(33,546)
Deferred income taxes (expense) recovery (Note 19 (a))		(2,692)		81,202
Net and total comprehensive earnings (loss)		35,601		(328,200)
Attributable to:				
Shareholders of Endeavour Mining Corporation		18,227		(273,650)
Non-controlling interests (Note 16)		17,374		(54,550)
Net and total comprehensive earnings (loss)	$	35,601	$	(328,200)
Net earnings (loss) per share (Note 15 (c))				
Basic earnings (loss) per share	$	0.42	$	(6.62)
Diluted earnings (loss) per share	$	0.42	$	(6.62)

The accompanying notes are an integral part of these consolidated financial statements

ENDEAVOUR MINING CORPORATION
Consolidated Statements of Cash Flows
(Expressed in Thousands of United States Dollars)

		2015		2014
Operating Activities				
Earnings (loss) before taxes	$	42,555	$	(375,856)
Adjustments for:				
Depreciation and depletion		83,655		91,886
Impairment of mining interests and related assets (Note 9)		-		365,940
Unwinding of reclamation obligation (Note 14 (a))		784		1,937
Amortization of financing costs		4,257		4,248
Unrealized (gain) loss on marketable securities and (gain) on imputed interest on promissory note		(71)		8,216
Share-based payments		4,229		1,191
Unrealized gain on derivative financial instruments		(5,544)		(7,975)
Loss on derecognition of promissory note		3,049		-
Realized loss on derivative financial instruments		3,604		11,905
Loss on sale of subsidiaries		252		1,817
Pension adjustment		222		-
Interest expense		16,043		14,265
Unrealized foreign exchange (gain) loss		(4,051)		641
Income taxes paid		(7,248)		(11,735)
Operating cash flows before non-cash working capital		141,736		106,480
Changes in non-cash working capital:				
Trade and other receivables		11,900		14,312
Prepaid expenses and other		2,419		11,045
Inventories		4,925		(8,691)
Trade and other payables		(13,679)		4,292
Cash generated from operating activities	$	147,301	$	127,438
Investing Activities				
Expenditures and prepayments on mining interests		(92,648)		(117,114)
Cash acquired on acquisition of the Ity Mine (Note 5)		86,121		-
Proceeds from distribution of promissory note		-		3,381
(Payments) proceeds from disposal of mining interests and other		(779)		852
Cash used in investing activities	$	(7,306)	$	(112,881)
Financing Activities				
Proceeds received from the issue of common shares		-		73
Cash payment on settlement of hedge programs (Note 12)		(3,296)		(11,905)
Payment of financing and other fees		(8,743)		-
Dividends paid to minority shareholders (Note 16)		(485)		(881)
Proceeds from sale-leaseback		-		2,035
Interest paid		(16,391)		(13,502)
Repayment of long-term debt (Note 13)		(60,000)		-
Repayment of finance lease obligation (Note 11)		(2,828)		(2,986)
Cash used in financing activities	$	(91,743)	$	(27,166)
Effect of exchange rate changes on cash		(912)		1,464
Increase (decrease) in cash		47,340		(11,145)
Cash, beginning of year		62,179		73,324
Cash, end of year	$	109,519	$	62,179

The accompanying notes are an integral part of these consolidated financial statements.

ENDEAVOUR MINING CORPORATION

Consolidated Statements of Changes in Equity
(Expressed in Thousands of United States Dollars)

	Share Capital												
	Number of Common Shares	Par Value	Additional Paid in Capital	Number of Exchangeable Shares	Par Value	Additional Paid in Capital	Total Number of Shares	Total Share Capital	Equity Reserve Shares	Retained Earnings	Total Attributable to Shareholders	Non-Controlling Interests	Total
At January 1, 2014	41,233,965	$ 4,118	$ 985,408	70,149	$ 7	$ 1,786	41,304,114	$ 991,320	$ 39,265	$ (293,528)	$ 737,057	$ 34,449	771,506
Exchangeable shares exchanged into common shares	4,469	-	89	(4,469)	-	(89)	-	-	-	-	-	-	-
Share options exercised	10,038	1	248	-	-	-	10,038	249	(176)	-	73	-	73
Warrants exercised													-
Share based payments (Note 15 (b))	-	-	-	-	-	-	-	-	872	-	872	-	872
Dividends (Note 16)	-	-	-	-	-	-	-	-	-	-	-	(881)	(881)
Net loss and total comprehensive loss	-	-	-	-	-	-	-	-	-	(273,650)	(273,650)	(54,550)	(328,200)
At December 31, 2014	41,248,472	$ 4,119	$ 985,745	65,680	$ 7	$ 1,697	41,314,152	$ 991,569	$ 39,961	$ (567,178)	$ 464,352	$ (20,982)	$ 443,370
At January 1, 2015	41,248,472	4,119	985,745	65,680	7	1,697	41,314,152	991,569	39,961	(567,178)	464,352	(20,982)	443,370
Shares issued on acquisition of the Ity Mine (Note 5)	17,706,157	1,771	77,749	-	-	-	17,706,157	79,519	-	-	79,519	-	79,519
Assumed on acquisition of the Ity Mine (Note 5)	-	-	-	-	-	-	-	-	-	-	-	37,102	37,102
Exchangeable shares exchanged into common shares	15,000	2	382	(15,000)	(2)	(382)	-	-	-	-	-	-	-
Share based payments (Note 15 (b))	-	-	-	-	-	-	-	-	2,005	-	2,005	-	2,005
Dividends (Note 16)	-	-	-	-	-	-	-	-	-	-	-	(485)	(485)
Net earnings and total comprehensive earnings	-	-	-	-	-	-	-	-	-	18,227	18,227	17,374	35,601
At December 31, 2015	58,969,629	$ 5,892	$ 1,063,876	50,680	$ 5	$ 1,315	59,020,309	$ 1,071,088	$ 41,966	$ (548,951)	$ 564,103	$ 33,009	$ 597,112

The accompanying notes are an integral part of these consolidated financial statements

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Endeavour Mining Corporation ("Endeavour" or the "Corporation") is a publicly listed gold mining company that operates five mines in West Africa in addition to having project development and exploration assets. Endeavour is focused on effectively managing its existing assets to maximize cash flows as well as pursuing organic and strategic growth opportunities that benefit from its management and operational expertise.

Endeavour's corporate office is in Vancouver, Canada and its shares are listed on the Toronto Stock Exchange (symbol EDV) and quoted in the United States on the OTCQX International under the symbol 'EDVMF'. The Corporation is incorporated in the Cayman Islands and its registered office is located at 27 Hospital Road, George Town, Grand Cayman, Cayman Islands.

Australian Securities Exchange Delisting

Effective January 11, 2016, the Corporation delisted from the Australian Securities Exchange, on which it previously traded under the symbol EVR.

Share Consolidation

On November 27, 2015, the Corporation filed articles of amendment to complete an approved consolidation of the Corporation's issued and outstanding common shares, options, deferred share units ("DSUs") and performance share units ("PSUs") on a basis of 10 pre-consolidation common shares, options, DSUs and PSUs to one (1) post consolidation common share, option, DSU and PSU. All information relating to basic and diluted loss per share, issued and outstanding common shares, share options, DSUs and PSUs in these consolidated financial statements have been adjusted retrospectively to reflect the share consolidation.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

These consolidated financial statements were approved by the Board of Directors of the Corporation on March 3, 2016.

(b) Basis of preparation

These consolidated financial statements have been prepared on the historical cost basis, except certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. The Corporation's accounting policies have been applied consistently in preparing these consolidated annual financial statements.

The Corporation has changed presentation of items in its financial statements from prior year. The Corporation has grouped together the comparative balances for certain assets that are not individually material: marketable securities ($0.9 million), prepaid expenses and other ($14.2 million) and current portion of derivative financial asset ($0.01 million) have been presented as Prepaid Expenses and Other in the consolidated statement of financial position. On the consolidated statement of cash flows, unrealized loss on marketable securities ($1.3 million), unrealized loss on promissory note and other assets ($8.7 million) and imputed interest on promissory note ($1.8 million) have been presented as Unrealized (Gain) Loss on Marketable Securities and (Gain) on Imputed Interest on Promissory Note. Also, (payments)

proceeds from purchase and disposal of marketable securities ($0.4 million) and proceeds from disposal of mining interests and other ($1.3 million) have been presented as (Payments) Proceeds from Disposal of Mining Interests and Other in the consolidated statement of cash flows. There is no net impact on the financial position, earnings (loss), cash flows or earnings per share in 2014 as a result of these reclassifications.

(c) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Corporation and entities controlled by the Corporation ("Subsidiaries").

Control is achieved when the Corporation has (i) power over the investee; (ii) is exposed, or has rights, to variable returns from its involvement with the investee and (iii) has the ability to use its power to affect its returns. Subsidiaries are included in the consolidated financial results of the Corporation from the effective date of acquisition up to the effective date of disposition or loss of control. The Corporation reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

Details of the Corporation's material subsidiaries at the end of the reporting period are as follows:

Entities	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			December 31, 2015	December 31, 2014
Adamus Resources Limited	Gold Operations	Ghana	90%	90%
Agbaou Gold Operations S.A.	Gold Operations	Côte d' Ivoire	85%	85%
Société des Mines d'Ity S.A.	Gold Operations	Côte d' Ivoire	55%	-
Avion Gold (Burkina Faso) Sarl	Exploration	Burkina Faso	100%	100%
Burkina Mining Company S.A.	Gold Operations	Burkina Faso	90%	90%
Hounde Gold Operations	Project	Burkina Faso	90%	90%
Kofi Mining SARL	Gold Operations	Mali	90%	90%
Segala Mining Co SA	Gold Operations	Mali	80%	80%

(d) Foreign currency translation

The presentation and functional currency of the Corporation is the US dollar. The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which the entity operates (its functional currency). In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates at the date of the transaction.

(e) Business combinations

A business combination is defined as an acquisition of assets and liabilities that constitute a business. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return to the Corporation and its shareholders in the form of dividends, lower costs or other economic benefits. A business consists of inputs, including non-current assets, and processes, including operational processes, that when applied to those inputs, have the ability to create outputs that provide a return to the Corporation and its shareholders. A business also includes those assets and liabilities that do not necessarily have all the inputs and processes required to produce outputs, but can be integrated with the inputs and processes of the Corporation to create outputs. When acquiring a set of activities or assets in the exploration and development stage, which may not have outputs, the Corporation considers other factors to determine whether the set of activities or assets is a business. Those factors include, but are not limited to, whether the set of activities or assets:

(i) has commenced planned principal activities;
(ii) has employees, intellectual property and other inputs and processes that could be applied to those inputs;
(iii) is pursuing a plan to produce outputs; and
(iv) will be able to obtain access to customers that will purchase the outputs.

Not all of the above factors need to be present for a particular integrated set of activities or assets in the exploration and development stage to qualify as a business.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Corporation, the liabilities, including contingent consideration, incurred and payable by the Corporation to former owners of the acquiree and the equity interests issued by the Corporation. The measurement date for equity interests issued by the Corporation is the acquisition date. The acquisition date is the date the Corporation obtains control over the acquiree, which is generally the date that consideration is transferred and the Corporation acquires the assets and assumes the liabilities of the acquiree. The Corporation considers all relevant facts and circumstances in determining the acquisition date.

Acquisition-related costs, other than costs to issue equity securities, of the acquirer, including investment banking fees, legal fees, accounting fees, valuation fees, severance costs and change of control payments and other professional or consulting fees are expensed as incurred. The costs to issue equity securities of the Corporation as consideration for the acquisition are reduced from share capital as share issue costs.

It generally requires time to obtain the information necessary to complete the purchase price accounting following an acquisition. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Corporation reports in its financial statements provisional amounts for the items for which the accounting is incomplete.

During the measurement period, the Corporation will retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the Corporation will also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the Corporation receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable and shall not exceed one year from the acquisition date.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the Corporation's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction by transaction basis. All other components of non-controlling interests are measured at acquisition date fair values or, when applicable on the basis specified in another IFRS.

The excess of (i) total consideration transferred by the Corporation, measured at fair value, including contingent consideration, and (ii) the non-controlling interests in the acquiree, over the acquisition-date fair value of net assets acquired, is recorded as goodwill.

Goodwill is not amortized; rather it is tested annually for impairment or at any time during the year that an indicator of impairment is identified.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash balances held with banks and brokers and highly liquid short-term investments with terms of three months or less. There were no cash equivalents at December 31, 2015 and 2014.

(g) Restricted cash

Cash and cash equivalents unavailable for use by the Corporation or its subsidiaries due to certain restrictions that may be in place are classified as restricted cash.

(h) Inventories

Finished goods, work-in-process, and stockpiled ore are valued at the lower of average production cost and net realizable value. Production costs include the cost of raw materials, direct labour, mine-site overhead expenses and depreciation and depletion of mining interests. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and long-term metal prices less estimated future production costs to convert the inventories into saleable form.

Ore extracted from the mines is stockpiled and subsequently processed into finished goods in the form of dore bars. Production costs are capitalized and included in work-in-process inventory based on the current mining costs incurred up to the point prior to the refining process, including applicable overhead, depreciation and depletion relating to mining interests, and removed at the average production cost per recoverable ounce of gold. The average production costs of finished goods represent the average costs of work-in-process inventories incurred prior to the refining process, plus applicable refining costs and associated royalties. Stockpiles are segregated between current and non-current inventories in the consolidated statement of financial position based on the period of planned usage.

Supplies are valued at the lower of average cost and net realizable value.

(i) Mining interests

Mineral interests include interests in mining properties and related plant and equipment.

Mineral deposits in the reserve category are classified as depletable mining properties when operating levels intended by management have been reached and a plan to mine those reserves is in place. Prior to this, they are classified as non-depletable mining properties.

Resources not categorized as reserves and exploration potential are classified as non-depletable mining properties. The value associated with resources and exploration potential is often referred to as value beyond proven and probable reserves, which includes amounts assigned from costs of property acquisitions. At least annually or when otherwise appropriate and subsequent to a review and evaluation for impairment, carrying amounts of non-depletable mining properties are reclassified to depletable mining properties as a result of the conversion into reserves that have reached operating levels intended by management.

Recognition

Capitalized costs associated with mining properties include the following:

(i) Costs of direct acquisitions of production, development and exploration stage properties;
(ii) Costs attributed to mining properties acquired in connection with business combinations;
(iii) Expenditures related to the development of mining properties;
(iv) Expenditures related to economically recoverable exploration;
(v) Borrowing costs incurred directly attributable to qualifying assets;
(vi) Certain costs incurred during production, net of proceeds from sales prior to reaching operating levels intended by management; and
(vii) Estimates of reclamation and closure costs.

Capitalization ceases when an asset is capable of operating in the manner intended by management.

Acquisitions

The cost of a property acquired as an individual asset purchase or as part of a business combination represents the property's fair value at the date of acquisition. This cost is capitalized until the viability of the mining property is determined. When it is determined that a property is not economically viable, the amount capitalized is written off, which includes expenditures which were capitalized to the carrying amount of the property subsequent to its acquisition.

Development expenditures

Drilling and related costs incurred to define and delineate a mineral deposit that has not been classified as proven and probable reserves at a development stage or production stage mine are capitalized as part of the carrying amount of the related property in the period incurred, when management determines that there is sufficient evidence that the expenditure will result in a future economic benefit to the Corporation.

Drilling and related costs incurred on sites without an existing mine and on areas outside the boundary of a known mineral deposit which contains proven and probable reserves are exploration expenditures and are expensed as incurred to the date of establishing that costs incurred are economically recoverable. Further exploration expenditures, subsequent to the establishment of economic recoverability, are capitalized and included in the carrying amount of the related property.

Management uses the following criteria in its assessments of economic recoverability and probability of future economic benefit:

- Geology: there is sufficient geologic and economic certainty of converting a residual mineral deposit into a proven and probable reserve at a development stage or production stage mine, based on the known geology and metallurgy. There is history of conversion of resources to reserves at operating mines to support the likelihood of conversion.
- Scoping: there is a scoping study or preliminary feasibility study that demonstrates the additional resources will generate a positive commercial outcome. Known metallurgy provides a basis for concluding there is a significant likelihood of being able to recoup the incremental costs of extraction and production.
- Accessible facilities: the mining property can be processed economically at accessible mining and processing facilities where applicable.
- Life of mine plans: an overall life of mine plan and economic model to support the mine and the economic extraction of resources/reserves exists. A long-term life of mine plan, and supporting geological model identifies the drilling and related development work required to expand or further define the existing ore body.
- Authorizations: operating permits and feasible environmental programs exist or are obtainable.

Borrowing costs

Borrowing costs are capitalized when they are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale. Borrowing costs are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale, or if construction is interrupted for an extended period. Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalized is calculated using a weighted average of the rates applicable to the relevant borrowings during the period. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Costs incurred during production

Mine development costs incurred to maintain current production are included in profit or loss. The distinction between mining expenditures incurred to develop new ore bodies and to develop mine areas in advance of current production is mainly the production timeframe of the mining area. For those areas being developed, which will be mined in future periods, the costs incurred are capitalized and depleted when the related mining area is mined as compared to current production areas where development costs are considered as costs of sales and included in operating expenses given that the short-term nature of these expenditures matches the economic benefit of the ore being mined.

Capitalization of costs incurred ceases when an asset is capable of operating in the manner intended by management. Production costs incurred and revenue earned subsequent to this point are recognized in profit or loss.

Mining properties are recorded at cost less accumulated depletion and impairment losses.

Capitalization of waste in open pit operations

Capitalization of waste stripping requires the Corporation to make judgments and estimates in determining the amounts to be capitalized. In open pit mining operations, it is necessary to incur costs to remove overburden and other mine waste materials in order to access the ore body ("stripping costs"). During the development of a mine, stripping costs are capitalized and included in the carrying amount of the related mining property and depleted over the productive life of the mine using the unit-of-production method. During the production phase of a mine, stripping costs incurred to provide access to sources of reserves that will be produced in future periods that would not have otherwise been accessible are capitalized and included in the carrying amount of the related mining property. Stripping costs incurred and capitalized during the production phase are depleted using the unit-of-production method over the reserves and a portion of resources that directly benefit from the specific stripping activity. Costs incurred for regular waste removal that do not give rise to future economic benefits are considered as costs of sales and included in operating expenses.

Depletion

The carrying amounts of mining properties are depleted using the unit-of-production method over the estimated recoverable ounces, when operating levels intended by management for the mining properties have been reached. Under this method, depletable costs are multiplied by the number of ounces extracted divided by the estimated total ounces to be extracted in current and future periods based on proven and probable reserves and a portion of resources.

Management reviews the estimated total recoverable ounces contained in depletable reserves and resources each financial year and when events and circumstances indicate that such a review should be made. Changes to estimated total recoverable ounces contained in depletable reserves and resources are accounted for prospectively.

(j) Plant and equipment

Plant and equipment are recorded at cost less accumulated depreciation and impairment losses. Plant and equipment are depreciated using the unit- of production method based on ounces produced, or the straight-line method over the estimated useful lives of the related assets using the following rates:

Plant	Shorter of useful life or life of mine
Mobile equipment	3 - 5 years
Computer equipment	3 years
Office and computer equipment	3 - 5 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where shorter, the term of the relevant lease.

Where parts (components) of an item of plant and equipment have different useful lives they are accounted for as separate items of plant and equipment. Each asset or parts estimated useful life is determined considering its physical life limitations. This physical life of each asset cannot exceed the life of the mine at which the asset is utilized. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Amounts expended on assets under construction are capitalized until the asset becomes available for its intended use, at which time depreciation commences on the assets over its useful life. Repairs and maintenance of plant and equipment are expensed as incurred. Costs incurred to enhance the service potential of plant and equipment are capitalized and depreciated over the remaining useful life of the improved asset.

Derecognition

Upon disposal or abandonment, the carrying amounts of mining properties and plant and equipment and accumulated depreciation and depletion are removed from the accounts and any associated gains or losses are recorded in profit or loss.

Commencement of commercial production:

Commercial production is deemed to have commenced when a mining interest is capable of operating at levels intended by management. This is achieved when management determines that the operational commissioning of major mine and plant components is complete, operating results are being achieved consistently for a period of time and that there are indications that these operating results will continue. The Corporation determines commencement of commercial production based on the following factors:

- All major capital expenditures to bring the mine to the condition necessary for it to be capable for operating in the manner intended by management have been completed;
- The completion of a reasonable period of testing of the mine plant and equipment;
- The mine or mill has reached a pre-determined percentage of design capacity; and
- The ability to sustain ongoing production of ore.

The list is not exhaustive and each specific circumstance is taken into account before making the decision.

(k) Impairment of mining interests and goodwill

At each reporting date, the Corporation gives consideration whether any indicators of impairment exist. If any such indicators exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Goodwill is tested for impairment annually or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or a cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Impairment losses reverse in some circumstances. When an impairment loss subsequently reverses, it is recognized immediately in profit or loss. The carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years.

The Corporation performs goodwill impairment tests annually or when events and circumstances indicate that the carrying amounts may no longer be recoverable. In performing the impairment tests, the Corporation estimates the recoverable amount of its cash-generating units that include goodwill and compares recoverable amounts to the cash-generating unit's carrying amount. If a cash-generating unit's carrying amount exceeds its recoverable amount, the Corporation reduces the carrying value of the cash-generating unit or group of cash-generating units by first reducing the carrying amount of the goodwill and then reducing the carrying amount of the remaining assets on a pro-rata basis. Impairment of goodwill cannot be reversed.

Leases

Leases in which the Corporation assumes substantially all risks and rewards of ownership are classified as finance leases. Assets held under finance leases are recognized at the lower of the fair value and the present value of minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

All other leases are classified as operating leases. Operating lease payments are recognized as an operating cost in profit or loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which benefits from the leased asset are consumed.

(l) Income and deferred taxes

The Corporation uses the liability method of accounting for income and mining taxes. Under the liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for unused tax losses and other income tax deductions. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply if the related assets are realized or the liabilities are settled. To the extent that it is probable that taxable profit will not be available against which deductible temporary differences can be utilized a deferred tax asset may not be recognized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period in which the change is substantively enacted. Deferred tax assets and liabilities are considered monetary assets. Deferred tax balances denominated in other than US dollars are translated into US dollars using current exchange rates at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

(m) Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial instruments at fair value through profit or loss ("FVTPL")

Financial assets and liabilities are classified as at FVTPL when: (i) they are acquired or incurred principally for short-term profit taking and/or meet the definition of a derivative (held-for-trading); or (ii) they meet the criteria for being designated as at FVTPL and have been designated as such on initial recognition. These instruments are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned or paid on the financial instrument. Fair value is determined in the manner described in Notes 13 and 17.
The Corporation classifies its cash and cash equivalents and investments in marketable securities as FVTPL. The purchase and sale of investments are recognized on the trade date, which is the date that the Corporation commits to purchase or sell the asset.

Available-for-sale financial assets ("AFS financial assets")

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL. Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognized in profit or loss. Other changes in the carrying amount of AFS financial assets are recognized in other comprehensive income. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Loans and receivables, held-to-maturity investments and other financial liabilities

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Corporation has the positive intent and ability to hold to maturity.

Subsequent to initial recognition, loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost using the effective interest method, less any impairment. The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial assets other than those at FVTPL are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Classification as debt or equity

Debt and equity instruments issued by the Corporation are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Repurchase of the Corporation's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Corporation's own equity instruments.

Derecognition of financial assets and liabilities

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Corporation neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

The Corporation derecognizes financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire. The difference between carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Impairment of financial assets

Derivative financial instruments

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts, and a separate instrument with the same terms as the embedded derivative would also meet the definition of a derivative.

(n) Environmental rehabilitation provisions

The Corporation's mining and exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. These environmental regulations are continually changing. The Corporation has made, and intends to make in the future, expenditures to comply with such laws and regulations or constructive obligations. The Corporation records a liability for the estimated future

rehabilitation costs and decommissioning of its operating mines and development projects at the time the environmental disturbance occurs or a constructive obligation is determined.

Environmental rehabilitation provisions are measured at the expected value of future cash flows including expected inflation, and discounted to their present value using the current market assessment of the time value of money. The unwinding of the discount, referred to as accretion expense, is included in finance costs and results in an increase in the amount of the provision.

When provisions for closure and environmental rehabilitation are initially recognized, the corresponding cost is capitalized as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalized cost of closure and environmental rehabilitation activities is recognized in mining interests and depreciated over the expected useful life of the operation to which it relates.

Environmental rehabilitation provisions are updated annually for changes to expected cash flows and for the effect of changes in the discount rate, and the change in estimate is added or deducted from the related asset and depreciated over the expected useful life of the operation to which it relates.

Increases or decreases to the provision also arise due to changes in legal or regulatory requirements, the extent of environmental remediation required and cost estimates. The net present value of the estimated costs of these changes is recorded in the period which the change is identified and quantifiable.

(o) Share capital

Common and exchangeable shares are classified as share capital. Incremental costs directly attributable to the issue of new share or options are shown in equity as a deduction, net of tax from the proceeds. If the Corporation reacquires its own equity the cost is deducted from equity and the associated share are cancelled or held in treasury.

(p) Earnings per share

Earnings per share calculations are based on the weighted average number of common and exchangeable shares issued and outstanding during the period. The rights of the common and exchangeable shares are the same and therefore economically equivalent. As such, common and exchangeable shares are treated as one class of shares for the earnings per share calculation. Diluted earnings per share are calculated using the treasury stock method, whereby the proceeds from the potential exercise of dilutive stock options and share purchase warrants with exercise prices that are below the average market price of the underlying shares are assumed to be used in purchasing the Corporation's common shares at their average market price for the period. In addition, the effect of the Corporation's dilutive share purchase warrants includes adjusting the numerator for mark-to-market gains and losses recognized in profit or loss during the period for changes in the fair value of the dilutive share purchase warrants.

(q) Revenue recognition

Revenue from the sale of gold in dore bar form is recognized when the Corporation has transferred to the buyer the significant risks and rewards of ownership; the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred or to be incurred in respect of the sale can be measured reliably. The Corporation receives sales proceeds from its refiners, net of refining and treatment charges. Revenue is gross of royalties but net of refining and treatment charges.

(r) Share-based payment arrangements

Equity settled share-based payments to employees and other providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 14 (b)(ii).

Performance share units ("PSUs") can be settled in cash or, upon shareholder approval, in shares of the Corporation. The fair value of the estimated number of PSUs that will eventually vest, determined at the date of grant, is recognized as share-based compensation expense over the vesting period, with a corresponding amount recorded as a liability. Until the liability is settled, the fair value of the PSUs is re-measured at the end of each reporting period and at the date of settlement, with changes in fair value recognized as share-based compensation expense or recovery over the vesting period. The fair value of the PSUs is estimated using the market value of the underlying shares at the date of grant and at the end of each reporting period.

Equity settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Corporation obtains the goods or the counterparty renders the service.
The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded basis over the vesting period, based on the Corporation's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Corporation revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity reserve.

Exchanges of share options or other share-based payment awards in conjunction with a business combination are accounted for as modifications of the share-based payments awards. Where the Corporation is obliged to replace the acquiree awards, either all or a portion of the market-based measure of the Corporation's replacement awards is included in measuring the consideration transferred in the business combination. In determining the portion of the replacement award that is part of the consideration transferred for the acquiree, both the replacement awards and the acquiree awards are measured at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognized as remuneration cost for post transaction service.

(s) Provisions

Provisions are recorded when a present legal or constructive obligation arises as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at the end of each reporting period and adjusted to reflect management's current best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognized as finance expense and included in finance costs in the statement of comprehensive earnings.

(t) Accounting standards that are issued but not yet effective

The Corporation has not early adopted the following new and revised Standards, Amendments and Interpretations that have been issued but are not yet effective. The Corporation is currently assessing the impact they will have on the consolidated financial statements.

- *IFRS 9, Financial Instruments*: IFRS 9 introduces the new requirements for the classification, measurement and de-recognition of financial assets and financial liabilities. Specifically, IFRS 9 requires all recognized financial assets that are within the scope of *IAS 39 Financial Instruments: Recognition and Measurement* to be subsequently measured at amortized cost or fair value, and all financial liabilities classified as subsequently measured at amortized cost except for financial liabilities measured at fair value through profit or loss. In July 2014, the IASB issued the final version of *IFRS 9 Financial Instruments* bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace *IAS 39 Financial Instruments: Recognition and Measurement.* The mandatory effective date of IFRS 9 is annual periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation is currently assessing the impact of adopting IFRS 9 on its consolidated financial statements.
- *IFRS 15, Revenue from Contracts with Customers:* IFRS 15 introduces a new framework for determining the nature, amount, timing and uncertainty of revenues and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation is currently evaluating the potential impact of the new standard on its consolidated financial statements.
- *IFRS 16, Leases:* IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance. The standard is effective for annual periods beginning on or after January 1, 2019. The Corporation is currently evaluating the potential impact of the new standards on its consolidated financial statements.

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The critical judgments that the Corporation's management has made in the process of applying the Corporation's accounting policies, apart from those involving estimations (Note 4), that have the most significant effect on the amounts recognized in the Corporation's consolidated financial statements are as follows:

(a) Commencement of commercial production

Prior to a mine being capable of operating at levels intended by management, costs incurred are capitalized as part of the costs of related mining properties and proceeds from mineral sales are offset against costs capitalized. The Corporation defines the commencement of commercial production as the date that a mine operates at the levels intended by management. Management considers several factors (Note 2 (j)) in determining when commercial production has been reached. Depletion of capitalized costs for mining properties begins when the mine is capable of operating at levels intended by management.

(b) Determination of economic viability

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

(c) Functional currency

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

(d) Business combinations

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

(e) Exchangeable shares

As part of the acquisition of Avion Gold Corporation on October 18, 2012, certain eligible Avion shareholders could elect to receive their consideration in the form of exchangeable shares in lieu of Endeavour common shares. These exchangeable shares participate equally in voting and dividends with the shareholders of Endeavour and the exchangeable shares are considered the economic equivalent of the common shares. The Corporation has presented these exchangeable shares as a part of shareholders' equity within these consolidated financial statements due to (i) the fact that they are economically equivalent to the common shares and (ii) the holders of the exchangeable shares can only dispose of the exchangeable shares by exchanging them for common shares of the Corporation. Changes in these assumptions would affect the presentation of the exchangeable shares from shareholders' equity to non-controlling interests; however there would be no impact on earnings per share.

(f) Capitalization of waste stripping

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Corporation's assets and liabilities are as follows:

(a) Value Added Tax ("VAT")

Included in trade and other receivables are recoverable VAT balances owing by the fiscal authorities in Burkina Faso, Ghana and Mali. The Corporation is following the relevant process in each country to recoup

the VAT balances owing and continues to engage with authorities to accelerate the repayment of the outstanding VAT balances.

(b) Impairment of mining interests

The Corporation considers both external and internal sources of information in assessing whether there are any indications that mining interests are impaired. External sources of information the Corporation considers include changes in the market, economic and legal environment in which the Corporation operates that are not within its control and affect the recoverable amount of mining interests. Internal sources of information the Corporation considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets.

In determining the recoverable amounts of the Corporation's mining interests, the Corporation's management makes estimates of the discounted future cash flows expected to be derived from the Corporation's mining properties, costs to sell the mining properties and the appropriate discount rate. The projected cash flows are significantly affected by changes in assumptions about gold's selling price, future capital expenditures, changes in the amount of recoverable reserves, resources, and exploration potential, production cost estimates, discount rates and exchange rates. Reductions in gold price forecasts, increases in estimated future costs of production, increases in estimated future non-expansionary capital expenditures, reductions in the amount of recoverable reserves, resources, and exploration potential, and/or adverse current economics can result in a write-down of the carrying amounts of the Corporation's mining interests.

(c) Estimated recoverable ounces

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

(d) Mineral reserves

Mineral reserves and mineral resources are determined in accordance with Canadian Securities Administrator's national Instrument *43-101 Standards of Disclosure for Mineral Projects.* Mineral reserve and resource estimates include numerous estimates. Such estimation is a subjective process, and the accuracy of any mineral reserve or resource estimate is dependent on the quantity and quality of available data and on the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as gold prices and market conditions could have a material effect in the future on the Corporation's financial position and results of operation.

(e) Environmental rehabilitation costs

The provisions for rehabilitation are based on the expected costs of environmental rehabilitation and inputs used to determine the present value of such provisions and the related accretion expense using the information available at the reporting date. To the extent the actual costs differ from these estimates, adjustments will be recorded and the profit or loss may be impacted.

(f) Deferred income taxes

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

(g) Share-based payments

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

(h) Contingencies

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

5. ACQUISITION OF THE ITY MINE

On September 21, 2015, the Corporation announced that it had entered into a long-term strategic partnership with La Mancha Holding SARL ("La Mancha"), a privately-held gold investment company controlled by the Sawiris Family. As part of the transaction, Endeavour acquired La Mancha's indirect 55% interest in Société des Mines d'Ity S.A. ("Ity Mine"), which operates the Ity Gold Mine in Côte d'Ivoire, various regional exploration properties and the feasibility study stage Ity CIL project, and $63 million cash in exchange for 17.7 million common shares of Endeavour. La Mancha has also expressed an in-principle commitment to invest up to $75 million in additional funds to support Endeavour's growth.

The long term strategic partnership was approved by shareholders on November 5, 2015, with 93.4% voting in support, and completed on November 27, 2015, through the issuance of 17,706,157 Endeavour shares, representing 30% of the Corporation's share capital.

For the year ended December 31, 2015, the Corporation incurred $13.1 million in transaction and acquisition-related costs, including advisory, legal, valuation and other professional fees. These costs are presented as acquisition costs within the consolidated statements of comprehensive earnings (loss).

As of the date of these consolidated financial statements, the determination of fair value of assets and liabilities acquired is based on preliminary estimates and has not been finalized. The Corporation is currently in the process of determining the fair values of the net assets acquired, assessing and measuring the associated deferred income

tax assets and liabilities and potential goodwill on the acquisition. Non-controlling interest is measured at its proportionate share of net assets. The actual fair values of the assets and liabilities may differ materially from the amounts disclosed in the preliminary fair value below and are subject to change.

The consideration and preliminary allocation of the fair value of assets acquired and liabilities assumed are as follows:

Purchase price:		
Fair value of 17,706,157 EDV common shares issued as consideration	$	79,519
	$	79,519
Net assets (liabilities) acquired:		
Cash	$	86,121
Mining interests		31,530
Deferred income and mining taxes		4,947
Defined benefit asset		1,760
Non-current receivables		182
Provision for reclamation		(1,827)
Pension obligation (Note 14(c))		(1,903)
Net working capital acquired (excluding cash)		(4,189)
Non-controlling interest		(37,102)
	$	79,519

6. CASH - RESTRICTED

The Corporation's restricted cash balance of $4.8 million is primarily comprised of reclamation deposits through facility agreements that provide bank guarantees to enable the Corporation to fulfill certain reclamation obligations in respect of disturbed mining lands at its operations.

7. INVENTORIES

		December 31, 2015		December 31, 2014
Doré bars[(1)]	$	1,950	$	5,506
Gold in circuit[(2)]		13,675		10,369
Ore stockpiles[(3)]		33,547		24,619
Spare parts and supplies		44,767		45,718
	$	93,939	$	86,212

(1) Includes a recovery of $0.7 million to adjust the costs of inventory to net realizable value ("NRV") of $0.3 million at the Tabakoto mine (December 31, 2014, $0.7 million and NRV of $2.3 million) and $0.4 million to NRV of $1.1 million at the Nzema mine (December 31, 2014, $0.6 million and NRV of $1.6 million).

(2) Includes a recovery of $0.6 million to adjust the costs of inventory to NRV of $2.8 million at the Tabakoto mine (December 31, 2014, $0.6 million and NRV of $1.9 million) and $0.7 million to NRV of $2.1 million at the Nzema mine (December 31, 2014, $1.1 million and NRV of 2.8 million).

(3) Includes a recovery of $1.6 million to adjust the costs of inventory to NRV of $7.4 million at the Tabakoto mine (December 31, 2014, $1.6 million and NRV of $6.3 million) and $3.6 million to NRV of $5.9 million at the Nzema mine (December 31, 2014, $ nil and NRV of $7.5 million).

The cost of inventories recognized as expense in the year ended December 31, 2015, was $465.2 million, and were included in operating expenses (December 31, 2014 - $478.9 million).

8. MINING INTERESTS

	Mining Properties					
	Depletable	Non depletable	Assets under construction	Plant and equipment	Corporate assets	Total
Cost						
Balance as at December 31, 2013	$ 747,203	$ 554,110	$ 910	$ 382,286	$ 1,867	$ 1,686,376
Expenditures/additions	63,305	13,909	-	59,614	-	136,828
Transfers	34,090	(131,814)	(910)	98,638	(4)	-
Transfers (to) from inventory	(13,866)	-	-	2,795	-	(11,071)
Reclamation liability change in estimate	5,180	-	-	-	-	5,180
Disposals	(2,757)	-	-	(409)	(1)	(3,167)
Balance as at December 31, 2014	833,155	436,205	-	542,924	1,862	1,814,146
Acquisition of the Ity Mine (Note 5)	15,823	-	-	15,361	346	31,530
Expenditures/additions	65,950	10,065	-	19,578	477	96,070
Transfers	(6,944)	-	-	6,944	-	-
Reclamation liability change in estimate	(1,671)	-	-	-	-	(1,671)
Disposals	-	-	-	(142)	-	(142)
Balance as at December 31, 2015	$ 906,313	$ 446,270	$ -	$ 584,665	$ 2,685	$ 1,939,933
Accumulated depreciation and impairment						
Balance as at December 31, 2013	$ 369,200	$ 122,922	$ -	$ 155,529	$ 1,476	$ 649,127
Depreciation/depletion	48,837	-	-	42,947	105	91,889
Depreciation charge included in inventory	4,653	-	-	4,567	-	9,220
Impairment charges	151,121	89,153	-	125,666	-	365,940
Disposals	-	-	-	(61)	-	(61)
Balance as at December 31, 2014	573,811	212,075	-	328,648	1,581	1,116,115
Depreciation/depletion	44,096	-	-	39,143	415	83,654
Depreciation charge included in inventory	1,298	-	-	(1,875)	-	(577)
Disposals	-	-	-	(15)	-	(15)
Balance as at December 31, 2015	$ 619,205	$ 212,075	$ -	$ 365,901	$ 1,996	$ 1,199,177
Carrying amounts						
At December 31, 2014	$ 259,344	$ 224,130	$ -	$ 214,276	$ 281	$ 698,031
At December 31, 2015	$ 287,108	$ 234,195	$ -	$ 218,764	$ 689	$ 740,756

At December 31, 2015, the carrying amount of plant and equipment included $14.3 million of assets under finance leases (December 31, 2014 - $20.7 million).

At December 31, 2015, mineral property additions included $3.4 million in accounts payable (December 31, 2014 - $2.8 million).

A summary of the carrying values by property is as follows:

						Development Projects					
	Tabakoto Mine	Nzema Mine	Youga Mine	Agbaou Mine	Ity Mine	Houndé Project	Ouaré Project	Exploration Properties	Assets under construction	Corporate assets	Total
Cost											
Balance as at December 31, 2013	$ 589,699	$ 604,174	$ 161,936	$ 190,805	$ -	$ 122,394	$ 11,422	$ 3,169	$ 910	$ 1,867	$ 1,686,376
Expenditures/additions	89,011	23,863	2,078	12,004	-	9,476	396	-	-	-	136,828
Reclamation liability change in estimate	2,799	(2,904)	2,778	2,507	-	-	-	-	-	-	5,180
Transfers (to) from inventory	1,631	-	810	(12,602)	-	-	-	-	(910)	-	(11,071)
Transfers	202	(1)	2	(10)	-	-	(189)	-	-	(4)	-
Disposals	(27)	(2,757)	(93)	(289)	-	-	-	-	-	(1)	(3,167)
Balance as at December 31, 2014	683,315	622,375	167,511	192,415	-	131,870	11,629	3,169	-	1,862	1,814,146
Acquisition of the Ity Mine (Note 5)	-	-	-	-	31,184	-	-	-	-	346	31,530
Expenditures/additions	53,675	11,367	934	19,067	3,980	6,570	-	-	-	477	96,070
Reclamation liability change in estimate	2,055	(4,546)	(289)	1,127	(18)	-	-	-	-	-	(1,671)
Disposals	-	-	(142)	-	-	-	-	-	-	-	(142)
Balance as at December 31, 2015	$ 739,045	$ 629,196	$ 168,014	$ 212,609	$ 35,146	$ 138,440	$ 11,629	$ 3,169	$ -	$ 2,685	$ 1,939,933
Accumulated depreciation and impairment											
Balance as at December 31, 2013	$ 106,429	$ 418,234	$ 115,945	$ -	$ -	$ -	$ 3,874	$ 3,169	$ -	$ 1,476	$ 649,127
Depreciation/depletion	36,757	14,840	13,013	27,174	-	-	-	-	-	105	91,889
Depreciation captured in inventory	4,419	1,467	781	2,553	-	-	-	-	-	-	9,220
Impairment charges	327,803	10,621	19,761	-	-	-	7,755	-	-	-	365,940
Disposals	-	-	(61)	-	-	-	-	-	-	-	(61)
Balance as at December 31, 2014	475,408	445,162	149,439	29,727	-	-	11,629	3,169	-	1,581	1,116,115
Depreciation/depletion	29,211	18,032	6,109	29,143	744	-	-	-	-	415	83,654
Depreciation captured in inventory	(1,159)	(340)	795	(1,035)	1,162	-	-	-	-	-	(577)
Disposals	-	-	(15)	-	-	-	-	-	-	-	(15)
Balance as at December 31, 2015	$ 503,460	$ 462,854	$ 156,328	$ 57,835	$ 1,906	$ -	$ 11,629	$ 3,169	$ -	$ 1,996	$ 1,199,177
Carrying amounts											
At December 31, 2014	$ 207,907	$ 177,213	$ 18,072	$ 162,688	$ -	$ 131,870	$ -	$ -	$ -	$ 281	$ 698,031
At December 31, 2015	$ 235,585	$ 166,342	$ 11,686	$ 154,774	$ 33,240	$ 138,440	$ -	$ -	$ -	$ 689	$ 740,756

9. IMPAIRMENT CHARGE

The Corporation did not recognize any impairment nor had any indication of prior impairments needing to be reversed in whole or part in the year ended December 31, 2015.

In comparison, an impairment charge of $365.9 million was recognized in the year ended December 31, 2014, following revisions to mine plans, updates to reserves and resources, a decrease in the long-term gold price assumed, and a review of appropriate discount rates applicable to each of the Corporation's cash generating units ("CGU").

The following table summarizes the allocation of the impairment charges related to mining properties, plant and equipment and the related deferred tax recovery by each CGU for the year ended December 31, 2014:

CGU	Depletable mineral property	Non-depletable mineral property	Property, plant & equipment	Total impairment
Youga	$ 15,117	$ -	$ 4,644	$ 19,761
Nzema	5,286	3,942	1,391	10,619
Tabakoto	130,718	77,456	119,631	327,805
Ouare	-	7,755	-	7,755
Total impairment	$ 151,121	$ 89,153	$ 125,666	$ 365,940

Key assumptions in the year ended December 31, 2014

The key assumptions used to determine the recoverable amount for each cash-generating unit are long-term commodity prices ($1,250 per ounce), discount rates (8.5%-12.0%), and an assessment of the measured and indicated resources, inferred resources, and other geological information beyond the mineral reserves.

Impairment charges recognized against mining properties and plant and equipment may be reversed if there are changes in the assumptions or estimates used in determining the recoverable amounts of the cash-generating unit which indicate that a previously recognized impairment loss may no longer exist or may have decreased.

10. OTHER LONG TERM ASSETS

Other long term assets are comprised of:

	December 31, 2015	December 31, 2014
Promissory note and working capital loan	$ 1,017	$ 5,394
Investment in associate	2,000	-
Long term stockpiles	3,047	2,778
Long term receivable	246	-
Total	$ 6,310	$ 8,172

Investment in associate and working capital loan

The Corporation disposed of its debt advisory business in December 2011 for future consideration of $20.0 million. In addition, on January 1, 2012, the Corporation provided a $1.0 million working capital loan facility to the purchaser.

During the year ended December 31, 2015, the Corporation entered into an agreement to terminate the promissory note in exchange for a 15% investment in associate. The Corporation applies the equity method to account for the investment. Transactions with the associate are disclosed in Note 20.

In the year ended December 31, 2015, the Corporation wrote down the investment in associate to $2.0 million, recognizing a loss of $3.0 million (Note 18).

As at December 31, 2015, the working capital loan remains outstanding.

Long term stockpiles

Certain low grade stockpiles that are not expected to be processed until the end of mine life are classified as long term assets. As at December 31, 2015, a recovery of $0.2 million was recognized to adjust the cost to net realizable value of $3.0 million (December 31, 2014, $2.8 million).

11. FINANCE LEASE OBLIGATIONS

On March 7, 2014, the Corporation's Malian subsidiary entered into a five year, $18 million equipment lease financing facility. The equipment lease was used to purchase a portion of the owner-operated mining equipment for the Tabakoto and Segala underground developments. The lease terms have a fixed rate of 9.5% per annum to amortize the principal and there exists a purchase option to buy the equipment outright at the end of the lease life for 0.5% of cost. The equipment lease is treated as a finance lease.

The finance leases were composed of the following obligations:

	December 31, 2015	December 31, 2014
Equipment lease obligations	$ 13,419	$ 16,248
Less: current portion	(4,394)	(4,296)
Long-term equipment lease obligations	$ 9,025	$ 11,952

	Minimum lease payments	
	December 31, 2015	December 31, 2014
Not later than one year	$ 4,540	$ 4,517
Later than one year and not later than five years	11,278	15,485
	15,818	20,002
Less future finance charges	(2,399)	(3,754)
Present value of minimum lease payments	$ 13,419	$ 16,248

12. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial liabilities

The following table summarizes the derivative financial liabilities:

	December 31, 2015	December 31, 2014
Gold price protection programs (a)	$ 4,005	$ 11,041
Fuel price protection program (b)	$ 1,458	$ -
Less: current portion	(5,463)	(6,420)
Derivative financial liabilities, long term	$ -	$ 4,621

The following table summarizes the gain (loss) on derivative financial liabilities that have been recognized through the consolidated statements of comprehensive earnings (loss):

	December 31, 2015	December 31, 2014
Realized loss - gold and fuel price protection programs	$ (3,604)	$ (11,905)
Change in unrealized loss on gold and fuel price protection programs	5,579	9,827
Total gain (loss) on the gold and fuel price protection programs	$ 1,975	$ (2,078)

(a) Gold price protection programs

(i) Options

Prior to Endeavour's acquisition, Avion (parent company of Segala Mining Corporation SA) sold twelve call options that entitle the buyer to purchase 36,396 ounces of gold (3,033 ounces per call option) at a strike price of $900 over twelve consecutive quarters from September 1, 2012 to June 1, 2015. In exchange, Avion received cash consideration of $25.0 million.

The settlement of the call options was in cash as there is no exchange of physical gold. During the year ended December 31, 2015, the Corporation settled the remaining 6,066 ounces of gold resulting in a realized loss of $1.8 million (December 31, 2014, $4.5 million).

(ii) Gold forward contracts

Prior to Endeavour's acquisition, Adamus (parent company of Adamus Resources Limited) implemented a gold price protection program as part of the initial project financing of the Nzema Gold Mine. The gold price protection program consisted of gold forward contracts initially covering 290,000 ounces at a forward price of $1,075 per ounce and subsequently amended to $1,061 per ounce. The program required no cash or other margin.

On July 29, 2013, Endeavour re-distributed a portion of the 96,163 ounces of remaining forward contracts to several new lenders. The amended strike price increased from $1,061 per ounce to a

weighted average strike price $1,332 per ounce. On the close out of the former hedge under the Nzema project financing, a $300 per ounce increase in the strike price gave rise to a crystallized loss; this crystallized loss will be allocated and paid over the remaining hedge deliveries, resulting in the net proceeds to be received of $1,032 per ounce ($1,332 per ounce less the loss of $300 per ounce). Other terms and conditions remain the same.

The settlements of the forward contracts are in cash as there is no exchange of physical gold between the Corporation and the buyer. During the year ended December 31, 2015, the Corporation settled 44,062 ounces of gold resulting in a realized loss of $0.7 million (December 31, 2014, $7.4 million).

As at December 31, 2015, 20,101 ounces of gold forward contracts remain outstanding with a fair value of $4.0 million (December 31, 2014, $9.3 million), to be settled in 2016.

(b) Fuel Swap Contracts

On June 1, 2015, Endeavour initiated a 12-month fuel price protection program approximately equal to 50% of the diesel fuel requirement at the Tabakoto Mine in the form of a cash-settled commodity swap transaction with Societe Generale. The strike price of the swap is $572 per metric tonne (Mtonne) of Gas Oil, with monthly settlements of 1,268 Mtonnes.

During the year ended December 31, 2015, the Corporation settled 8,876 Mtonnes of Gas Oil resulting in a realized loss of $1.1 million (December 31, 2014, $nil).

As at December 31, 2015, 6,341 Mtonnes of Gas Oil swap contracts remain outstanding as a liability of $1.5 million (December 31, 2014, $nil), to be settled in 2016.

13. LONG-TERM DEBT

	December 31, 2015	December 31, 2014
Corporate loan facility	$ 240,000	$ 300,000
Deferred financing costs	(14,983)	(9,563)
Corporate loan facility	225,017	290,437
Other	565	559
Total debt	$ 225,582	$ 290,996

On July 24, 2013, the Corporation signed a $350 million amended senior secured revolving corporate loan facility (the “Facility”) and utilized $300 million of the amended Facility while completing the expansion of the Tabakoto mine and the construction of the Agbaou mine.

On March 10, 2015, the Corporation renewed its Facility with a syndicate of leading international banks. The renewed Facility has a maturity date of March 2020 and key terms including the following:

- The maturity date is five years from signing, March 9, 2020, and the available Facility amount declines with four equal semi-annual reductions of $87.5 million commencing September 2018;
- The Facility includes standard corporate financial covenants, including:
  - Interest Cover shall not be less than 3 to 1, calculated on a rolling 12 month basis;
  - Net Debt to EBITDA shall not exceed 3.5 times, calculated on a rolling 12 month basis;
  - Minimum Tangible Net Worth shall not be less than US$350 million.

- The interest is based on LIBOR plus a margin ranging between 3.75% and 5.75% per annum (sliding scale based on the actual Net Debt to EBITDA ratio).
- The Facility is secured by shares of Endeavour's material gold mining subsidiaries and certain material assets of those subsidiaries.

On April 30, July 8 and December 18, 2015, the Corporation made three principal payments of $20.0 million each to reduce the drawn amount on the Facility to $240.0 million.

14. PROVISIONS

Provisions are comprised of:

	December 31, 2015	December 31, 2014
Environmental rehabilitation provision (a)	$ 35,893	$ 35,432
Deferred and performance share liability (b)	2,608	467
Net pension obligation (c)	361	-
Total	$ 38,862	$ 35,899

(a) Environmental rehabilitation provision

	December 31, 2015	December 31, 2014
Balance beginning of year	$ 35,432	$ 28,315
Assumed on acquisition of the Ity Mine (Note 5)	1,827	-
Revisions in estimates and obligations incurred	(1,671)	5,180
Accretion	784	1,937
Rehabilitation work performed	(479)	-
Balance end of year	$ 35,893	$ 35,432

The liabilities of each mine will be accreted over the projected life of each mine.

The Corporation measures the provision at the expected value of future cash flows including U.S. based nominal inflation of 2.0%, discounted to the present value of the inflated values using a current US dollar risk free discount rate of 2.25%. The undiscounted value of the provision as of the balance sheet date was $36.3 million (2014 - $39.9 million).

(b) Deferred and performance share liability

As discussed further in Note 15 (b) (ii and iii), the Corporation had a deferred share unit and preferred share unit liability of $2.6 million at December 31, 2015 (December 31, 2014, $0.5 million)

(c) Pension Obligation

The Corporation has a funded defined benefit plan ("plan") at its Ity mine. Pursuant to the plan, the Corporation is committed to pay retirement bonuses or one-time post-service benefits to retiring or departing employees, based on their compensation and seniority. The plan commitments are determined at each year-end.

The pension obligation is presented on a net basis of $1.8 million pension asset and $2.1 million pension obligation.

(d) Long-term compensation award – Gold Strategy

In early 2009, Endeavour launched its gold investment strategy ("Gold Strategy"), which is the basis of the Corporation's gold mining business. In order to retain, attract, and motivate a group of specialist professional employees with the skills and experience necessary to significantly enhance the profitability and growth of Endeavour's gold business, a long term bonus policy (the "Gold LTI Policy") was established concurrently with the implementation of the Gold Strategy. To ensure that the interests of Endeavour's management team were aligned with shareholders over the long term, the Gold LTI Policy was designed to compensate management when shareholders receive a direct benefit or realization. An award under the Gold LTI Policy (a "Gold LTI Award") is calculated as 10% of the increase in value of Gold Strategy assets and is crystalized and becomes payable upon the sale of a material gold asset, the realization of increased value on completion of a corporate transaction, and certain other events necessary to protect the integrity of the Gold LTI Policy.

Since the start of the Gold LTI Policy, one crystallization event has occurred which resulted in the disbursal of a Gold LTI Award of $8.0 million in aggregate under the Gold LTI Policy. No other crystallization events have occurred in the implementation of the Gold LTI Policy and therefore no other Gold LTI Awards have been paid or accrued to date.

The calculation of a Gold LTI Award is dependent on the nature of the crystallization event that gives rise to the obligation to make a Gold LTI Award. Intermediate gold producers with attractive growth profiles have been attractive acquisition targets for larger gold producers. In the event an offer is made for the Corporation that is accepted by its shareholders, a Gold LTI Award would be determined as 10% of the acquisition value in excess of the equity cost base of the Corporation on an issued share basis. The equity cost base is the accumulation of the historic market values (or strike prices of exercised stock options) for all of the shares issued by Endeavour to build the gold company, which as of December 31, 2015 was equivalent to approximately C$1,061 million (or C$17.97 per issued share), (December 31, 2014, C$955 million or C$2.31 per issued share). Future Gold LTI Awards payable on a crystallization event will be calculated based on the value of the actual consideration exchanged, which may vary significantly from an estimate derived from Endeavour's market capitalization.

15. SHARE CAPITAL

(a) Voting shares

Authorized
100,000,000 voting shares of $0.10 par value
100,000,000 undesignated shares

(b) Share-based compensation

The following table summarizes the share-based compensation:

	2015	2014
Amortization of option grants	$ 2,005	$ 873
Total expense recognized on grant and change in fair value of DSUs	625	246
Total expense recognized on grant and change in fair value of PSUs	1,610	120
Total share-based payments	$ 4,240	$ 1,239

(i) Options

The Corporation has established a share option plan whereby the Corporation's directors may from time to time grant options to directors, employees or consultants. The maximum term of any option is ten years. The exercise price of an option is set at the higher of (i) the volume weighted average trading price of the shares traded on the exchange for the five trading days immediately preceding the grant date and (ii) the closing trading price on the grant date. At December 31, 2015, there were 5,902,031 (December 31, 2014 – 4,131,436) options available for grant under the plan, of which 3,167,627 (December 31, 2014 – 1,617,256) are still available to be granted.

A summary of the changes in share options is presented below:

	Options outstanding	Weighted average exercise price (C$)
At December 31, 2013	2,455,982	$ 23.76
Granted	715,500	9.32
Exercised	(10,037)	8.00
Expired	(647,318)	20.27
At December 31, 2014	2,514,127	20.61
Granted	699,374	6.02
Expired	(479,097)	17.33
At December 31, 2015	2,734,404	$ 17.45

On January 19, 2015, the Corporation issued 638,600 options with a strike price of $6.10 and a fair value of $1.8 million, to be expensed over 3 years. The options were valued using the Black-Scholes option pricing model. Assumptions used were a dividend yield of nil, expected volatility of 74.8%, risk free rate of 1.29% and expected life of 3.25 years.

On August 4, 2015, the Corporation issued 60,774 options with a strike price of $5.20 and a fair value of $0.1 million, to be expensed over 3 years. The options were valued using the Black-Scholes option pricing model. Assumptions used were a dividend yield of nil, expected volatility of 64.9%, risk free rate of 0.9% and expected life of 3.24 years.

The following table summarizes information about the exercisable share options outstanding as at December 31, 2015:

Exercise Prices (C$)	Outstanding	Exercisable	Weighted average exercise price (C$)	Weighted average remaining contractual life
$5.20 - $7.99	657,074	0	$ -	0.00 years
$8.00 - $14.99	681,818	375,736	9.84	3.26 years
$15.00 - $19.99	312,437	312,437	15.19	1.53 years
$20.00 - $24.99	394,288	394,288	22.79	2.09 years
$25.00 - $29.99	459,000	459,000	26.40	0.97 years
$30.00 - $84.99	225,966	225,966	45.14	0.46 years
$85.00 - $449.57	3,821	3,821	301.54	1.23 years
	2,734,404	1,771,248	$ 23.09	1.74 years

(ii) Deferred share units

On January 26, 2013, the Corporation established a deferred share unit plan ("DSU") for the purposes of strengthening the alignment of interests between non-executive directors of the Corporation and shareholders by linking a portion of the annual director compensation to the future value of the Corporation's common shares. Upon establishing the DSU plan for non-executive directors, the Corporation no longer grants options to non-executive directors.

The DSU allows each non-executive director to choose to receive, in the form of DSUs, all or a percentage of the director's fees, which would otherwise be payable in cash. Compensation for serving on committees must be paid in the form of DSUs. The plan also provides for discretionary grants of additional DSUs by the Board. Each DSU fully vests upon award, but is distributed only when the director has ceased to be a member of the Board. Vested units are settled in cash based on the common share price at the date of settlement.

A summary of the changes in DSUs is presented below:

	DSUs outstanding	Weighted average exercise price (C$)
At December 31, 2013	33,693	$ -
Granted	68,403	6.43
Exercised/released	(5,333)	-
At December 31, 2014	96,763	4.54
Granted	81,321	6.36
At December 31, 2015	178,084	$ 5.37

The total fair value of DSUs at December 31, 2015, was $1.0 million (December 31, 2014 – $0.4 million). The fair value of the DSUs was recognized as share-based payments totaling $0.6 million for the year ended December 31, 2015 (December 31, 2014, $0.2 million), with a corresponding amount recorded as a deferred share unit liability in the consolidated statement of financial position (Note 14 (b)).

(iii) Performance share units

In March 2014, following a comprehensive review of its executive compensation programs and pay practices, the Corporation introduced a change in its long term incentive plan ("LTI Plan") to include a portion of performance-linked share unit awards ("PSUs"). The PSU program is intended to increase the pay mix in favour of long-term equity-based compensation with three year cliff-vesting to serve as an employee retention mechanism.

A summary of the changes in PSUs is presented below:

	PSUs outstanding	Weighted average exercise price (C$)
At December 31, 2013	-	$ -
Granted	262,700	9.50
At December 31, 2014	262,700	9.50
Granted	298,000	6.01
Exercised/Released	(1,888)	9.50
Expired	(41,012)	8.02
At December 31, 2015	517,800	$ 7.61

The total fair value of outstanding PSUs at December 31, 2015, was $1.6 million (December 31, 2014 - $0.1 million). The fair value of the PSUs was recognized as share-based payment expense totaling $1.6 million for the year ended December 31, 2015, (December 31, 2014, $0.1 million), with a corresponding amount recorded as a preferred share unit liability in the consolidated statement of financial position (Note 14 (b)).

(c) Diluted earnings/loss per share

Diluted net earnings (loss) per share was calculated based on the following:

	2015	2014
Earnings (loss) attributable to shareholders of the Corporation	18,227	(273,650)
Basic weighted average number of shares outstanding	42,963,687	41,314,152
Effect of dilutive securities		
Stock options	3,381	-
Diluted weighted average number of shares outstanding	42,967,068	41,314,152

The following summarizes the stock options excluded from the computation of diluted earnings (loss) per share because the exercise prices exceeded the daily weighted average market values of the common shares for the year ended December 31, 2015, of C$6.01 (December 31, 2014 – C$7.33).

	2015	2014
Stock Options	2,673,630	2,514,127

16. NON-CONTROLLING INTERESTS

The composition of the non-controlling interests is as follows:

	Agbaou Gold Operations SA (Agbaou Mine)	Adamus Resources Limited (Nzema Mine)	Segala Mining Corporation SA (Tabakoto Mine)	Burkina Mining Company SA (Youga Mine)	Societe des Mines d'Ity (Ity Mine)	Total
At December 31, 2013	$ -	$ (3,623)	$ 32,050	$ 6,022	$ -	$ 34,449
Net earnings (loss)	8,958	(1,149)	(61,651)	(708)	-	(54,550)
Dividend distribution	-	-	-	(881)	-	(881)
At December 31, 2014	8,958	(4,772)	(29,601)	4,433	-	(20,982)
Arising on acquisition of the Ity Mine	-	-	-	-	37,102	37,102
Net earnings (loss)	13,705	227	2,550	357	535	17,374
Dividend distribution	-	-	-	(485)	-	(485)
At December 31, 2015	$ 22,663	$ (4,545)	$ (27,051)	$ 4,305	$ 37,637	$ 33,009

For summarized information related to these subsidiaries, refer to Note 20, Segmented Information.

During the year ended December 31, 2015, Burkina Mining Corporation declared a $4.9 million dividend (December 31, 2014, $8.8 million) based on its 2014 results. The payment of the dividend resulted in a cash payment of $0.5 million (inclusive of withholding taxes) to the Burkina Faso Government (December 31, 2014, $0.9 million).

17. GAINS (LOSSES) ON FINANCIAL INSTRUMENTS, NET

	2015	2014
Loss on marketable securities	$ (600)	$ (1,313)
Impairment of promissory note	-	(3,260)
Imputed interest on promissory note and other assets	671	1,839
Interest (loss) income	(227)	30
Loss on derivative financial assets	(35)	(1,852)
Gain (loss) on derivative financial liabilities (Note 12)	1,975	(2,078)
Gain (loss) on foreign currency	7,688	(4,558)
	$ 9,472	$ (11,192)

18. OTHER EXPENSES

	2015	2014
Loss on sale of subsidiaries and assets	$ (252)	$ (1,170)
Loss on tax assessment contingencies	-	(9,671)
Loss on adjustment on VAT provision	-	(3,581)
Provision for long term receivable (Note 9)	-	(4,274)
Loss on derecognition of promissory note	(3,049)	-
Other	(129)	(3,051)
	$ (3,430)	$ (21,747)

19. INCOME TAXES

(a) Income tax recognized in net income (loss) and total comprehensive income (loss)

Details of the income tax expense (recovery) are as follows:

	2015	2014
Current income and other tax expenses	$ 4,262	$ 33,546
Deferred income taxes expense (recovery)	2,692	(81,202)
Income tax expense (recovery)	$ 6,954	$ (47,656)

The Corporation is not subject to corporate taxation in the Cayman Islands. However, the taxable earnings of the corporate entities in Australia, Barbados, Burkina Faso, Canada, Côte d'Ivoire, Ghana, Mali, Monaco, France and Luxembourg are subject to tax under the tax law of the respective jurisdiction. The Corporation is using a weighted average of the domestic tax rate applicable, except in Barbados and the Cayman Islands, to reconcile earnings to the income tax expense.

	December 31, 2015	December 31, 2014
Profit (loss) from continuing operations	$ 42,555	$ (375,856)
Weighted average domestic tax rate	22.7%	25.5%
Income tax expense (recovery) based on weighted average domestic tax rates	9,667	(95,734)
Reconciling items:		
Rate differential	14,296	13,721
Effect of changes in tax rates	-	(8,622)
Effect of foreign exchange rate changes on deferred taxes	347	8,598
Non-deductible (non-taxable) expenses	5,278	4,497
Mining convention benefits	(21,602)	(18,023)
Effect of alternative minimum taxes and withholding taxes paid	1,678	4,783
Accruals for tax and statutory audits	-	25,300
Effect of changes in deferred tax assets not recognized	695	12,933
Other	(3,405)	4,891
Income tax expense (recovery) recognized in net loss and total comprehensive loss	$ 6,954	$ (47,656)

The following is a summary of the tax rates in the various taxable jurisdictions:

	2015	2014
Australia	30.0%	30.0%
Barbados	2.5%	2.5%
Burkina Faso	17.5%	17.5%
Canada	26.0%	26.0%
Cayman Islands	0.0%	0.0%
Côte d'Ivoire	25.0%	25.0%
Ghana	35.0%	35.0%
Mali	25.0-30.0%	25.0-30.0%
Monaco	33.3%	33.3%
France	33.3%	33.3%
Luxembourg	21.0%	21.0%

(b) Income taxes payable

	December 31, 2015	December 31, 2014
Current income taxes receivable	2,945	
Income tax receivable	$ 2,945	$ -
Current income taxes payable		
Income taxes payable related to current year taxable profits	$ 16,061	$ 5,469
Tax audit assessment accrual	-	2,673
	$ 16,061	$ 8,142

(c) Deferred tax balances

	December 31, 2015	December 31, 2014
Deferred income tax assets		
Tax losses not utilized	$ 65,231	$ 12,424
Unrealized foreign exchange and other timing differences	27,981	-
Mining interests, and property, plant and equipment	10,826	56,508
Inventory	2,968	335
Trade receivables	2,944	-
Reclamation and closure cost obligations	1,724	1,409
	$ 111,674	$ 70,676
Deferred income tax liabilities		
Inventory	(2,490)	(1,860)
Mining interests	(69,083)	(30,970)
Deferred income tax assets, net	$ 40,101	$ 37,846

Net deferred income tax asset (liability) at beginning of year	$	37,846	$	(43,356)
Acquisition of the Ity Mine (Note 5)		4,947		-
Income tax expense charge to earnings during the year		(2,692)		81,202
Net deferred income tax asset at end of year	$	40,101	$	37,846

		December 31, 2015		December 31, 2014
Net deferred income tax asset, as reported in the consolidated statements of financial position	$	70,116	$	68,121
Net deferred income tax liability, as reported in the consolidated statements of financial position		(30,014)		(30,274)
	$	40,101	$	37,846

(d) Unrecognized deductible temporary differences

At December 31, 2015, the Corporation had deductible temporary differences for which deferred tax assets have not been recognized because it is not probable that future profits will be available against which the Corporation can utilize the benefit. These were comprised as follows: (i) in Barbados arising from losses of $13.8 million (December 31, 2014 - $13.8 million), (ii) in Burkina Faso and Cote d'Ivoire arising from undepreciated capital expenditures for tax purposes of $nil and $11.0 million, respectively (December 31, 2014 - $4.7 million and $nil, respectively), and (iii) in Burkina Faso, Mali, Ghana and Cote d'Ivoire arising from mine closure liabilities of $27.2 million (December 31, 2014 - $29.8 million).

(e) Tax rules, regulations, and assessments

The Corporation operates in numerous countries and, accordingly, it is subject to, and pays annual income taxes under, the various income tax regimes in the countries in which it operates. From time to time the Corporation is subject to a review of its income tax filings and in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain rules to the Corporation's business conducted within the country involved. If the Corporation is unable to resolve any of these matters favorably, there may be a material adverse impact on the Corporation's financial performance, cash flows or results of operations. In the event that management's estimate of the future resolution of these matters changes, the Corporation will recognize the effects of the changes in its consolidated financial statements in the period that such changes occur.

In the fourth quarter of 2014, the Corporation's Malian subsidiary, Segala Mining Corporation SA ("Semico"), received a tax assessment from the Malian tax authority of $40.6 million related to the fiscal years 2011 to 2013 and to various taxes. The Corporation and its advisors believe that a significant portion of the assessment's tax claims are wholly without merit and as such have engaged with the tax authority actively since receiving the assessment in the fourth quarter of 2014 to resolve this matter. The Corporation continues to engage with the highest levels of Malian authorities together with its advisors to resolve this matter and given the response presented to the authorities as well as advice received from its advisors, a vigorous process is underway to refute the notified amounts as well as avoid any additional payments.

If the Corporation is unable to resolve these matters favorably, there may be a material adverse impact on the Corporation's financial performance, cash flows and results of operations. In the event that management's estimate of the future resolution of these matters changes, the Corporation will recognize the effects of the changes in its consolidated financial statements in the period that such changes occur.

20. RELATED PARTY TRANSACTIONS

Compensation of key management personnel and directors

The remuneration of directors and a number of other members of key management personnel responsible for planning, directing and controlling the activities of the Corporation during the year were as follows:

		2015		2014
Short-term benefits	$	19,014	$	9,480
Share-based payments		3,146		4,710
	$	22,160	$	14,190

Endeavour reviews its compensation practises on an ongoing basis and is dedicated to maintaining an effective compensation program that is market competitive, aligns with business strategy and shareholder interests, and attracts and retains a high-performing executive team.

Related parties and transactions

The Corporation's related parties include its subsidiaries and key management personnel. During the normal course of operations, the Corporation enters into transactions with related parties for goods and services which are measured at the exchange amount, which is the amount of consideration established and agreed by the parties.

The Corporation had a consulting agreement with the associate for a total amount of $0.2 million in the year ended December 31, 2015.

21. SEGMENTED INFORMATION

The Corporation operates in four principal geographical areas, Burkina Faso (Youga), Côte d'Ivoire (Agbaou and Ity mines), Ghana (Nzema mine) and Mali (Tabakoto mine). The following table provides the Corporation's revenue and results by reportable segment.

	Year Ended December 31, 2015							
	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Youga Mine Burkina Faso	Ity Mine Côte d'Ivoire	Exploration	Non-Mining	Total
Revenue								
Gold revenue	$ 211,204	$ 128,342	$ 174,685	$ 78,724	$ 8,421	$ -	$ -	$ 601,376
Cost of sales								
Operating expenses	84,167	103,122	125,194	61,336	8,135	-	-	381,954
Depreciation and depletion	29,143	18,032	29,211	6,109	744	-	416	83,655
Royalties	7,574	7,234	10,438	3,038	536	-	-	28,820
Earnings (loss) from mine operations	90,320	(46)	9,842	8,241	(994)	-	(416)	106,947
Corporate costs	-	-	-	-	-	-	21,145	21,145
Impairment of mining interests	-	-	-	-	-	-	-	-
Acquisition costs		-	-	-		-	13,099	13,099
Share-based payments	-	-	-	-	-	-	4,240	4,240
Exploration	-	-	-	-	-	1,498	-	1,498
Earnings (loss) from operations	90,320	(46)	9,842	8,241	(994)	(1,498)	(38,900)	66,965
Other income (expenses)								
Gains (losses) on financial instruments	549	(656)	5,623	(1,581)	2,983	212	2,342	9,472
Finance costs	(291)	(278)	(1,705)	(110)	50	-	(28,118)	(30,452)
Other income (expense)	-	-	-	(0)	-	(379)	(3,051)	(3,430)
	258	(934)	3,918	(1,691)	3,033	(167)	(28,827)	(24,410)
Earnings (loss) before taxes	90,578	(980)	13,760	6,550	2,039	(1,665)	(67,727)	42,555
Income taxes (expense) recovery	417	6,017	(10,476)	(430)	(1,079)	(53)	(1,350)	(6,954)
Net earnings (loss) and total comprehensive earnings (loss)	$ 90,995	$ 5,037	$ 3,284	$ 6,120	$ 960	$ (1,718)	$ (69,077)	$ 35,601

	Year Ended December 31, 2014						
	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Youga Mine Burkina Faso	Exploration	Non-Mining	Total
Revenue							
Gold revenue	$ 180,513	$ 144,593	$ 161,727	$ 96,743	$ -	$ -	$ 583,576
Cost of sales							
Operating expenses	75,170	101,921	149,680	60,715	-	-	387,486
Depreciation and depletion	27,174	14,840	36,754	12,611	402	105	91,886
Royalties	6,399	8,014	9,665	4,229	-	-	28,307
Earnings (loss) from mine operations	71,770	19,818	(34,372)	19,188	(402)	(105)	75,897
Corporate costs	-	-	-	-	-	21,720	21,720
Impairment of mining interests	-	10,619	327,805	19,761	7,755	-	365,940
Share-based payments	-	-	-	-	-	1,239	1,239
Exploration	-	-	-	-	2,053	-	2,053
Earnings (loss) from operations	71,770	9,199	(362,177)	(573)	(10,210)	(23,064)	(315,055)
Other income (expenses)							
(Losses) gains on financial instruments	(584)	(18,804)	(3,279)	534	(803)	11,744	(11,192)
Finance costs	(195)	(1,004)	(1,241)	(156)	-	(25,266)	(27,862)
Other (expense) income	-	(2,757)	(18,504)	2	1,554	(2,042)	(21,747)
	(779)	(22,565)	(23,024)	380	751	(15,564)	(60,801)
Earnings (loss) before taxes	70,991	(13,366)	(385,201)	(193)	(9,459)	(38,628)	(375,856)
Income taxes (expense) recovery	(11,469)	(6,088)	73,604	(6,617)	-	(1,774)	47,656
Net earnings (loss) and total comprehensive earnings (loss)	$ 59,522	$ (19,454)	$ (311,597)	$ (6,810)	$ (9,459)	$ (40,402)	$ (328,200)

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales during the years ended December 31, 2015 or December 31, 2014.

Information about major customers

Each segment has only one customer which accounts for all of its revenues.

The Corporation is not economically dependent on a limited number of customers for the sale of gold because gold can be sold through numerous commodity market traders worldwide.

The Corporation's non-current assets by geographic location of assets are detailed below:

Non-current assets	December 31, 2015	December 31, 2014
Côte d'Ivoire	$ 192,529	$ 162,688
Ghana	180,338	245,334
Mali	290,055	207,907
Burkina Faso	150,127	149,942
Other	4,132	8,453
	$ 817,181	$ 774,324

Total assets and liabilities

	December 31, 2015		December 31, 2014	
	Total assets	Total liabilities	Total assets	Total liabilities
Agbaou Project	$ 197,977	$ 37,063	$ 192,501	$ 31,284
Nzema Mine	204,185	31,831	219,967	40,889
Tabakoto Mine	342,597	75,465	351,491	98,933
Youga Mine	51,646	20,760	54,870	20,012
Ity Mine	104,739	21,274		
Houndé Project	138,440	-	131,870	-
Exploration	857	19,887	517	20,057
Non-Mining	13,654	250,702	12,660	309,330
	$ 1,054,094	$ 456,982	$ 963,876	$ 520,505

22. CAPITAL MANAGEMENT

The Corporation's objectives of capital management are to safeguard the entity's ability to support the Corporation's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

In the management of capital, the Corporation includes the components of equity, short-term borrowings and long-term debt, net of cash and cash equivalents, restricted cash and marketable securities.

Capital, as defined above, is summarized in the following table:

	December 31, 2015	December 31, 2014
Equity	$ 597,112	$ 443,370
Current and long-term debt	225,582	290,996
	822,694	734,366
Less:		
Cash	(109,519)	(62,179)
Cash - restricted	(4,824)	(4,517)
Marketable securities	375	(854)
	$ 708,726	$ 666,816

The Corporation manages its capital structure and makes adjustments to it in light of changes in its economic environment and the risk characteristics of the Corporation's assets. To effectively manage the entity's capital requirements, the Corporation has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Corporation has the appropriate liquidity to meet its operating and growth objectives.

23. FINANCIAL INSTRUMENTS

Financial assets and liabilities

The Corporation's financial instruments consist of cash, restricted cash, marketable securities, trade and other receivables, working capital loan and other assets, long-term receivable, derivative financial assets, trade and other payables, derivative financial liabilities and current and long-term debt. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

The Corporation has certain financial assets and liabilities that are held at fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques to measure fair value:

Classification of financial assets and liabilities

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Derivative financial assets and liabilities (level 2) are valued using either present value techniques or option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs.

At each of December 31, 2015 and December 31, 2014, the levels in the fair value hierarchy into which the Corporation's financial assets and liabilities measured and recognized in the statement of financial position at fair value are categorized are as follows:

	December 31, 2015			
	Level 1 Input	Level 2 Input	Level 3 Input	Aggregate Fair Value
Assets:				
Cash	$ 109,519	$ -	$ -	$ 109,519
Cash - restricted	4,824	-	-	4,824
Marketable securities	375	-	-	375
	$ 114,718	$ -	$ -	$ 114,718
Liabilities:				
Derivative financial liabilities	-	5,463	-	5,463
	$ -	$ 5,463	$ -	$ 5,463

	December 31, 2014			
	Level 1 Input	Level 2 Input	Level 3 Input	Aggregate Fair Value
Assets:				
Cash	$ 62,179	$ -	$ -	$ 62,179
Cash - restricted	4,517	-	-	4,517
Marketable securities	770	84	-	854
Derivative financial asset	-	35	-	35
	$ 67,466	$ 119	$ -	$ 67,585
Liabilities:				
Derivative financial liabilities	-	11,042	-	11,042
	$ -	$ 11,042	$ -	$ 11,042

There were no transfers between level 1 and 2 in the period.

Financial instrument risk exposure

The Corporation's activities expose it to a variety of risks that may include credit risk, liquidity risk, currency risk, interest rate risk and other price risks, including equity price risk. The Corporation examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks.

(i) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Corporation by failing to discharge its obligations. Credit risk arises from cash and cash equivalents, restricted-cash, marketable securities held with investment dealers, marketable securities, trade and other receivables, long-term receivable and promissory note and other assets.

The Corporation closely monitors its financial assets and does not have any significant concentration of credit risk other than receivable balances owed from the governments in the countries the Corporation operates in. The Corporation sells its gold to large international organizations with strong credit ratings but the historical level of customer defaults is minimal and, as a result, the credit risk associated with gold trade receivables at December 31, 2015 is considered to be negligible. The Corporation does not rely on ratings issued by credit rating agencies in evaluating counterparties' related credit risk.

Trade and other receivables include amounts that are past due at the end of the reporting period but against which the Corporation has not recognized an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Corporation does not have any collateral or other credit enhancements over these balances nor does it have a legal right to offset any of the amounts owed by the Corporation to the counterparty.

In determining the recoverability of a receivable, the Corporation considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

The Corporation's maximum exposure to credit risk is as follows:

	December 31, 2015	December 31, 2014
Cash	$ 109,519	$ 62,179
Cash - restricted	4,824	4,517
Marketable securities	375	854
Trade and other receivables	13,045	21,530
	$ 127,763	$ 89,080

(ii) Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash, physical gold or another financial asset. The Corporation has a planning and budgeting process in place to help determine the funds required to support the Corporation's normal operating requirements.

The following table summarizes the contractual obligations at December 31, 2015:

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	$ 127,581	$ -	$ -	$ -	$ 127,581
Long-term debt	-	-	230,000	10,000	240,000
Finance lease obligations	4,540	11,278	-	-	15,818
Minimum operating lease payments	1,288	2,151	1,325	-	4,764
Derivative financial liabilities	5,463	-	-	-	5,463
	$ 138,872	$ 13,429	$ 231,325	$ 10,000	$ 393,626

Market risks

(i) Currency risk

Currency risk relates to the risk that the fair values or future cash flows of the Corporation's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs that the Corporation incurs in its operations. There has been no change in the Corporation's objectives and policies for managing this risk during year ended December 31, 2015.

The Corporation has not hedged its exposure to foreign currency exchange risk.

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

	December 31, 2015	December 31, 2014
Canadian dollar	$ (2,961)	$ 1,111
CFA Francs	60,530	(6,451)
Other currencies	(687)	4,046
	$ 56,882	$ (1,294)

The effect on earnings and other comprehensive earnings before tax as at December 31, 2015, of a 10% appreciation or depreciation in the foreign currencies against the US dollar on the above mentioned financial and non-financial assets and liabilities of the Corporation is estimated to be $5.7 million (December 31, 2014, $0.1 million), assuming that all other variables remained constant. The calculation is based on the Corporation's statement of financial position as at December 31, 2015.

(ii) *Interest rate risk*

Interest rate risk is the risk that future cash flows from, or the fair values of, the Corporation's financial instruments will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk primarily on its long-term debt. Since marketable securities and government treasury securities held as loans are short term in nature and are usually held to maturity, there is minimal fair value sensitivity to changes in interest rates,. The Corporation continually monitors its exposure to interest rates and is comfortable with its exposure given the relatively low short-term US interest rates and LIBOR.

The effect on earnings and other comprehensive earnings before tax as at December 31, 2015, of a 10% change in the LIBOR rate on the Facility is estimated to be $0.1 million (December 31, 2014 - $0.1 million).

(iii) *Price risk*

Price risk is the risk that the fair value or future cash flows of the Corporation's financial instruments will fluctuate because of changes in market prices. There has been no change in the Corporation's objectives and policies for managing this risk and no significant changes to the Corporation's exposure to price risk during the year ended December 31, 2015.

The Corporation is also exposed to other price risk or equity price risk in trading its marketable securities and unfavorable market conditions could result in dispositions of marketable securities at less than favorable prices.

24. COMMITMENTS AND CONTINGENCIES

(i) The Corporation has commitments in place at all five of its mines for drill and blasting services, load and haul services, supply of explosives and supply of hydrocarbon services.

(ii) The Corporation has various contracts in place at Nzema mine to purchase higher grade ore from third parties for processing that typically do not extend to more than one year.

(iii) The Corporation is subject to operating and finance lease commitments in connection with the purchase of mining equipment, light duty vehicles and workshop and rented office premises.

(iv) The Corporation is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Corporation cannot reasonably predict the likelihood or outcome of these actions. The Corporation does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason thereof, will have a material effect on the financial condition or future results of operations.

(v) The Corporation's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Corporation believes its operations are materially in compliance with all applicable laws and regulations. The Corporation has made, and expects to make in the future, expenditures to comply with such laws and regulations.

25. SUBSEQUENT EVENTS

On February 29, 2016, the Corporation announced the sale of its non-core Youga Mine to MNG Gold for $25.3 million. The sale includes the Youga Mine and the related exploration properties and is part of the Corporation's plan to focus on its core mining operations and assets.

The total cash consideration is comprised of $20 million for the asset and $5.3 million for the cash-on-hand. In addition, Endeavour has retained a 1.8% Net Smelter Royalty ("NSR") on production realized beyond the current reserve from the property sold, with the inclusion of a buyback provision.