ENDEAVOUR MINING CORPORATION
Management's Discussion and Analysis of
Results of Operations and Financial Condition
For the Three and Six Months ended June 30, 2014

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with Endeavour Mining Corporation's ("Endeavour" or the "Corporation") unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2014 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board. 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. This Management's Discussion and Analysis is prepared as of August 11, 2014. Additional information relating to the Corporation, including the Corporation's Annual Information Form, is available on SEDAR at www.sedar.com.

OVERVIEW

Endeavour is a gold mining company with four operating mines and an advanced permitting–stage project in West Africa. Endeavour's gold production guidance for 2014 is 400,000 to 440,000 ounces at an all-in sustaining cost ("AISC")[1] of between $985 and $1,070 per ounce. Actual gold production for the six-month period ended June 30, 2014 was 228,429 ounces at an AISC of $1,039 per ounce. Endeavour's four producing gold mines are the Nzema mine in Ghana, the Youga mine in Burkina Faso, the Tabakoto mine in Mali, and the Agbaou mine in Côte d'Ivoire, which achieved commercial production at the end of January 2014. Endeavour is also advancing the Houndé gold project in Burkina Faso, which is currently in permitting. The 2013 Houndé Feasibility Study demonstrated a gold production profile of 180,000 ounces per year for eight years and its location in a well mineralized greenstone belt provides significant exploration potential.

Endeavour is focused on effectively managing its existing assets to maximize cash flow as well as pursuing organic and strategic growth opportunities that benefit from its management and operational expertise. Endeavour's shares are listed on the Toronto Stock Exchange ("TSX") (symbol EDV) and the Australian Securities Exchange ("ASX") (symbol EVR) and quoted in the United States on the OTCQX International under the symbol 'EDVMF'.

Figure 1: Endeavour's West African mines and the Houndé project.

[1]Total cash costs, cash costs, AISC, all-in sustaining costs at the mine level, adjusted EBITDA and all-in sustaining margin 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 Corporation excludes royalties in its calculation of total cash costs and cash costs.

OPERATIONAL HIGHLIGHTS FOR THE SECOND QUARTER 2014

- Record gold production of 122,517 ounces (an increase of 16% over the first quarter of 2014) led to sales of 118,653 ounces, compared to production of 75,421 ounces for the same period in 2013.

- The Corporation is benefiting from the addition of higher-margin Agbaou production, the transition to owner-mining at Tabakoto, and the results of on-going optimization programs.

- Cash cost per gold ounce sold was $854 in the current quarter compared to $890 for the same period in the prior year.

- EBITDA[1] of $40.2 million was achieved in the quarter compared to $13.9 million achieved for the same period in the prior year.

- AISC was $1,021 per ounce, which has decreased significantly compared to $1,115 in the second quarter of 2013 and improved compared to $1,059 in the first quarter of 2014.

- All-in sustaining margin of $32.3 million was achieved in the quarter compared to $19.7 million in the comparable prior year period.

- The Agbaou mine continued to operate above plan and above name plate capacity in the mill, producing 31,878 ounces in the quarter at a mine level all-in sustaining cost of $728 per ounce.

- The Corporation transitioned to owner-mining at the Tabakoto underground operations with the contractor leaving the site effective March 31, 2014. Endeavour's underground mining team successfully advanced the development of the new Segala underground mine with first stoping production ore achieved in June. The ramp up of ore production from the Segala deposit will continue in the third quarter and positions the Tabakoto mine to have a strong second half of 2014 with improved operating margins.

- As part of the Tabakoto optimization plan, additional long-term sources of mill feed are being developed. During the second quarter the permit for the Kofi Nord property was received. This mining permit area covers all eight of the known deposits on the Kofi property and includes the Kofi C deposit which is now incorporated in the Tabakoto production schedule for early 2015.

[1] The Corporation's adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation) is a non-GAAP measure with no standard meaning under IFRS, further discussed in the section Non-GAAP Measures.

The following table summarizes the consolidated operating results for the three and six months ended June 30, 2014 and 2013:

	Three months ended June 30,		Six months ended June 30,	
Operating Data:	2014	2013	2014	2013
Gold ounces produced[1]:	122,517	75,421	228,429	149,075
Gold ounces sold[1]:	118,653	73,004	230,451	144,930
Realized gold price ($/ounce)[2]	1,293	1,385	1,296	1,504
Total cash cost per gold ounce sold ($/ounce)[3]	854	890	866	893
All-in sustaining costs per gold ounce sold ($/ounce)[3]	1,021	1,115	1,039	1,144
Sustaining capital (US dollars in thousands)[3]	6,462	6,358	12,231	15,869
Financial Data (US dollars in thousands)				
Revenues	153,398	101,104	290,609	218,028
Royalties	7,675	5,444	14,833	11,715
Earnings from operations	22,913	1,787	46,374	23,667

[1] Gold ounces produced and sold includes pre-commercial production ounces from the Agbaou mine which achieved commercial production on January 27, 2014.
[2] Throughout this MD&A, the realized price is the realized average gold price received for all ounces sold.
[3]Total cash cost, AISC, and sustaining capital are non-GAAP financial performance measures with no standard meaning under IFRS. Refer to the section Non-GAAP Measures.

FINANCIAL HIGHLIGHTS FOR THE THREE MONTHS ENDED JUNE 30, 2014

- A cash balance of $57.1 million at June 30, 2014 compared to $67.7 million at March 31, 2014 and the total working capital of $106.4 million remained in line with $104.0 million at the end of the prior quarter. With the completion of the Agbaou mine construction and commercial start up, the Corporation's remaining undrawn $50 million credit facility is now fully available for general corporate purposes.

- Revenue increased by $52.3 million to $153.4 million from $101.1 million for the same period in 2013 with the addition of Agbaou, Endeavour's fourth operating mine.

- Earnings from mine operations increased by $21.1 million to $22.9 million from $1.8 million for the same period in 2013.

- Net earnings attributable to shareholders of Endeavour were $0.04 million, or $0.00 per share, compared to a net loss of $257.6 million, or $(0.62) per share, for the same period in 2013.

- Adjusted net earnings were $7.4 million or $0.02 per share for the second quarter of 2014 compared to an adjusted net loss of $11.5 million or $(0.03) per share for the same period in 2013. See the Non-GAAP Measures section which provides a reconciliation of net earnings to adjusted net earnings.

OUTLOOK

Corporate Objectives

Endeavour has focused on optimizing current operations, as well as lowering overall costs and improving cash flows at its producing gold mines. During the first half of 2014 the optimization focused on the conversion to owner mining at Tabakoto and readying for the ramp-up of commercial ore production at the Segala deposit to enhance the Tabakoto mill feed. The investments and focus on optimizing the operations is well under way and Endeavour plans to become net cash flow positive in the fourth quarter of 2014. Endeavour is also advancing its Houndé project, which is currently in permitting. The potential development of Houndé would benefit from Endeavour's operating experience in Burkina Faso and recent construction experience in West Africa at Agbaou and Nzema.

The Corporation's 2014 objectives include the following:

- Successful first year of operations at Agbaou mine;
- Completion of the access and ramp development for the Segala deposit at the Tabakoto mine complex in 2014;
- Transition to full owner-mining activities at all Tabakoto mines;
- Achievement of 2014 gold production and cost guidance;
- Continuing improvement of the purchasing, warehousing and logistics functions at each mine to realize working capital and purchasing cycle improvements;
- Receipt of the mining permit for Houndé, which is expected in the second half of 2014;
- Receipt of the mining permit for the Kofi deposits, achieved in June 2014, which includes Kofi C that is expected to contribute to the 2015 Tabakoto mill processing schedule; and
- Extension of mine lives through exploration and conversion of resources to reserves.

Production, Cost and Investment Guidance for 2014

Guidance remains as published in the December 31, 2013 MD&A, with Endeavour's 2014 gold production forecast between 400,000 to 440,000 ounces at an all-in sustaining cost of between $985 and $1,070 per ounce. Based on production in the first half of 2014 of 228,429 ounces at an AISC of $1,039 per ounce, Endeavour expects to complete the year at the upper end of its production guidance with all-in sustaining costs within the guidance range. Further details of each mine's costs are discussed in the section Operations Review, on a mine by mine basis.

At a gold price of $1,250 per ounce, the mid-point of Endeavour's 2014 guidance range generates an all-in sustaining cost margin of approximately $95 million (refer to Non-GAAP Measures) with both sustaining and non-sustaining capital expenditure forecasts for the year unchanged from those published at year-end. For the first half of 2014 and with an average realized gold price of $1,296 per ounce, the all-in sustaining cost margin was $57.5 million. The 2014 all-in sustaining cost definition includes all underground development expenses as "sustaining capital" at Tabakoto and at Segala from the fourth quarter of 2014 once commercial stoping ore production has achieved expected rates.

All-in Sustaining Cost Guidance

2014 Guidance, in $/oz	
Gold Production Ranges (ozs)	400,000 - 440,000
	$/oz
Royalties	$60 - $70
Cash costs	$775 - $825
Corporate G&A	$40- $45
Sustaining capital	$110 - $130
AISC per ounce	**$985 - $1,070**

All-in sustaining cost guidance notes

a) Royalties: Approximately 5% to 6% of assumed $1,250 gold price.
b) Corporate G&A: 2014 $/oz range based on $17 million budget, or approximately 3% of gold sales.
c) Sustaining capital of approximately $50 million is inclusive of $27 million for underground development at Tabakoto and Segala from mid-year once commercial stoping ore production is achieved and $16 million at Nzema for waste capitalization, tailings storage facility lift, property access and other sustaining capital investments including near-mine exploration.

	Gold Production (ozs)[1]			
Mine	2011 Actual	2012 Actual	2013 Actual	**2014 Guidance Range**
Tabakoto, Mali	91,200	110,301	125,231	**140,000 - 155,000**
Nzema, Ghana[2]	90,026	109,447	103,464	**110,000 - 120,000**
Agbaou, Côte d'Ivoire[3]	-	-	6,132	**85,000 - 95,000**
Youga, Burkina Faso	87,264	91,030	89,448	**65,000 - 70,000**
Total	268,490	310,778	324,275	**400,000 - 440,000**

[1] On a 100% basis.
[2] Includes purchased ore.
[3] Agbaou commercial production was declared on January 27, 2014.

OPERATIONS REVIEW

Tabakoto Gold Mine, Mali

The following table summarizes the operating results of the Tabakoto Gold Mine for the three and six months ended June 30, 2014 and 2013:

	Three months ended June 30,		Six months ended June 30,	
Operating Data:	2014	2013	2014	2013
Tonnes of ore mined - Open pit (000's)	157	155	263	296
Average gold grade mined - Open pit (grams/tonne)	2.80	3.04	2.89	3.17
Tonnes of ore mined - Underground (000's)	175	121	297	212
Average gold grade mined - Underground (grams/tonne)	3.90	4.79	4.20	4.69
Tonnes of ore milled (000's)	373	265	723	466
Average gold grade milled (grams/tonne)	3.21	3.73	3.23	4.11
Gold ounces produced:	36,408	27,405	69,880	55,564
Gold ounces sold:	34,916	26,407	70,323	55,034
Realized gold price ($/ounce)	1,290	1,372	1,292	1,504
Total cash cost per gold ounce sold ($/ounce)[1]	1,133	941	1,145	960
Sustaining capital (US dollars in thousands)[1]	2,541	4,359	5,563	10,881
Financial Data (US dollars in thousands)				
Revenues	45,031	36,234	90,838	82,749
Royalties	2,686	2,160	5,432	4,954
Earnings(loss) from mine operations	(4,988)	(6,207)	(7,188)	1,908

[1]Total cash cost and sustaining capital are non-GAAP financial performance measures with no standard meaning under IFRS. Refer to the section Non-GAAP Measures.

The highlights for the second quarter ended June 30, 2014 for Tabakoto are as follows:

- Gold production of 36,408 ounces was achieved compared to 27,405 ounces for the same period in 2013;
- The process plant treated 373,000 tonnes of ore at an average grade of 3.21 g/t, compared to 265,000 tonnes at an average grade of 3.73 g/t;
- Gold ounces sold were 34,916 at a realized average gold price of $1,290 compared to 26,407 ounces at a realized gold price of $1,372 in the same period in 2013;
- Total cash costs per ounce sold for the second quarter of 2014 were $1,133 compared to $941 for the same period in the prior year;
- All-in sustaining costs at the mine level of $1,283 per gold ounce sold. Tabakoto's cash costs and all-in sustaining costs have been above the annual guidance range in the first half of 2014 primarily due to an overlap of certain owner mining and contractor costs, some Segala capital costs anticipated to be classified as non-sustaining in nature have been included in operating costs and as part of all-in sustaining costs, and the final mining in the Djambaye open pit is of relatively high cost ounces.
- Tabakoto incurred a $7.9 million operating cash outflow from mine operations (which includes an $11.2 million use of cash due primarily to the timing of payments to contractors in the current quarter following the March 31 initiation of underground owner mining), compared to a $10.3 million outflow for the same period in 2013; and
- Tabakoto incurred a $5.0 million loss from mine operations compared to a $6.2 million loss in the comparable period of 2013 due to a lower gold price and continued high depreciation from purchase price accounting.

The Tabakoto complex includes the Tabakoto underground mine, the Djambaye open pit, and the Segala underground mine, located approximately five kilometres from the Tabakoto mill. These three deposits contributed to production in the current quarter. The Tabakoto complex also includes the permitted Kofi deposits which are now being developed for production. Endeavour completed the expansion of the Tabakoto mill in June 2013 and the mill continued to operate at design capacity with throughput averaging just above 4,000 tpd in the current quarter.

Tabakoto cash costs guidance is from $790 to $840 per ounce for the year, however, cash costs are expected to improve only in the latter part of 2014 with the ramp up of Segala ore production rates and the tapering of Djambaye open pit feed.

A total of 128,245 tonnes of material was mined from the Tabakoto underground mine, of which 120,339 tonnes was ore. Underground mining of the Tabakoto deposit is by long-hole open stoping with access to several mining areas from two portals at the bottom of the Tabakoto pit.

In the current quarter, a total of 1,953,783 tonnes of material was mined from the Djambaye pit, including 157,381 tonnes of ore. Final open pit mining is scheduled to taper and end in late 2014.

The first ore tonnes from stoping at the Segala mine were received by the Tabakoto mill in June. Work continues on developing the underground infrastructure and stope preparations for the next three stopes. Mining equipment deliveries are on schedule for the production ramp up at Segala and the final pieces of equipment are expected in the fourth quarter, thereby leading to an increase in mill feed grades as Segala replaces ore from low-grade stockpiles and the Djambaye open pit. Full production is expected at the end of November 2014. Until the scheduled delivery of all required equipment for full production at Segala is received, unit operating costs are expected to be higher through the third quarter of 2014. In the current quarter, a total of 93,750 tonnes of material mined from the Segala underground mine, of which 55,040 tonnes was ore. The Segala deposit forms just over one third of the total reserves at the Tabakoto complex.

The Kofi Nord permit was received in the current quarter and work to access Kofi C has commenced. The total known resource of the eight deposits identified to date on the Kofi property is 0.6 million ounces of indicated plus 0.6 million ounces of inferred resources. The Kofi C deposit is the first deposit that has been added to reserves with 1.55 million tonnes at 4.3 g/t containing 213,000 ounces. Work continues on the conversion of resources to reserves for the other Kofi deposits and infill drilling on the Kofi B ore body has been completed and the updated resource and reserve statement is expected by early 2015. Geotechnical and metallurgical drill holes have been part of the drill program. In early 2015, ore from the Kofi C open pit mine is scheduled to contribute to production.

Approximately $1.9 million has been spent at Tabakoto in the current quarter on both underground and surface exploration. Underground drilling has two components, resource conversion drilling with 24,000 metres planned and exploration drilling with 28,000 metres planned (including both underground and surface drilling of resources accessible from the Tabakoto and Segala mines).

At the end of the second quarter of 2014 approximately 52% of the planned resource and exploration drilling has been completed. Initial indications confirm that the areas drilled have demonstrated continuity and potential for increased resources. Additionally much of the inferred resource drilled to date is being successfully converted to indicated resources and shows potential to add to reserves after modelling. Reverse circulation ("RC") drilling at the Moralia target has been ongoing, where high grade intersections have been encountered and three mineralized trends are being investigated. Whilst many assay results are outstanding, indications confirm that mineralization is continuous along several defined North-South trends with increased grade tenor at cross cutting structures. The deposit is being evaluated to justify a comprehensive RC drilling campaign in the future.

Nzema Gold Mine, Ghana

The following table summarizes the operating results of the Nzema Gold Mine for the three and six months ended June 30, 2014 and 2013:

	Three months ended June 30,		Six months ended June 30,	
Operating Data:	2014	2013	2014	2013
Tonnes of ore mined (000's)	368	505	681	1,261
Average gold grade mined (grams/tonne)	2.05	1.31	2.05	1.30
Tonnes of ore milled (000's)	391	501	786	1,037
Average gold grade milled (grams/tonne)	3.13	1.59	2.94	1.63
Gold ounces produced[1]:	35,946	24,053	64,433	46,509
Gold ounces sold:	35,878	22,729	64,411	44,742
Realized gold price ($/ounce)	1,289	1,389	1,293	1,507
Total cash cost per gold ounce sold ($/ounce)[2]	758	1,072	816	1,049
Sustaining capital (US dollars in thousands)[2]	3,098	1,324	5,478	2,985
Financial Data (US dollars in thousands)				
Revenues	46,264	31,575	83,280	67,440
Royalties	2,557	1,582	4,645	3,378
Earnings(loss) from mine operations	12,275	(2,929)	18,457	(4,473)

[1] Includes purchased ore of 9,234 and 19,257 ounces for the three and six months ended June 30, 2014 and 4,867 and 8,677 ounces in the comparable periods in 2013.
[2] Total cash cost and sustaining capital are non-GAAP financial performance measures with no standard meaning under IFRS. Refer to the section Non-GAAP Measures.

The highlights for the second quarter ended June 30, 2014 for Nzema are as follows:

- Gold production was up significantly from the prior period at 35,946 ounces in the second quarter of 2014 compared to gold production of 24,053 ounces in the same period in 2013, primarily due to higher grades mined as well as higher volumes and grades of purchased ore;
- The process plant treated 391,000 tonnes of ore at 3.13 g/t in the second quarter of 2014 compared to 501,000 tonnes in the same period in 2013 at 1.59 g/t;
- Gold ounces sold were 35,878 at a realized average gold price of $1,289 per ounce compared to 22,729 at a realized gold price of $1,389 per ounce for the same period in 2013;
- Total cash costs per ounce sold for the second quarter of 2014 were significantly improved at $758 compared to $1,072 for the same period in 2013;
- All-in sustaining costs at the mine level of $916 per gold ounce sold;
- Nzema generated $6.7 million of operating cash flow from mine operations compared to $2.2 million for the same period in 2013; and
- Nzema generated $12.3 million of earnings from mine operations compared to losses of $2.9 million for the same period in 2013 primarily due to more gold sold at a lower cash cost per ounce sold.

Cash costs are below the range of guidance of $780 to $830 per ounce for the year and an attractive all-in sustaining cost of $916 per gold ounce sold as a result of the mining and processing of higher grades, as well as increased access to purchased third party ore.

Mining during the three month period ended June 30, 2014 was solely from the Adamus Pit, which currently accounts for approximately seventy percent of the total Nzema reserves. A total of 1,067,929 bank cubic metres ("BCM") of material were mined in the three months ended June 30, 2014. Ore grade mined has improved significantly from the comparable period in 2013 as mining has progressed to deeper, higher grade levels in the Adamus Pit.

Agbaou Gold Mine, Côte *d'Ivoire*

The following table summarizes the operating results of the newly commissioned Agbaou Gold Mine for the three and six months ended June 30, 2014:

Operating Data:	Three months ended June 30, 2014	Six months ended June 30, 2014
Tonnes of ore mined (000's)	527	1,276
Average gold grade mined (grams/tonne)	2.35	1.84
Tonnes of ore milled (000's)	520	1,009
Average gold grade milled (grams/tonne)	1.78	1.77
Gold ounces produced:	31,878	55,964
Gold ounces sold:	29,499	57,519
Realized gold price ($/ounce)	1,297	1,302
Total cash cost per gold ounce sold ($/ounce)[1]	671	638
Sustaining capital (US dollars in thousands)[1]	312	364
Financial Data (US dollars in thousands)		
Revenues	38,259	66,907
Royalties	1,377	2,483
Earnings from mine operations	11,357	23,339

[1]Total cash cost and sustaining capital are non-GAAP financial performance measures with no standard meaning under IFRS. Refer to the section Non-GAAP Measures.

The highlights for the quarter ended June 30, 2014 at Agbaou are as follows:

- Gold production of 31,878 ounces was achieved during the second quarter of 2014;
- The process plant treated 520,000 tonnes of ore at an average grade of 1.78 g/t;
- Gold ounces sold were 29,499 at a realized gold price of $1,297;
- Total cash costs per ounce sold for the second quarter of 2014 were $671 and remained attractive due to stable grades mined and good throughput and recoveries in the mill;
- All-in sustaining costs at the mine level of $728 per gold ounce sold;
- Agbaou generated $19.0 million of operating cash flow from mine operations in the current quarter, which is a very strong performance for its first five months of commercial operations; and
- Agbaou generated $11.4 million in earnings from mine operations.

Agbaou continued to perform well since commercial production was declared in January 2014. Overall, the operation has performed well after a short ramp up from November 2013 through to the end of January 2014 and is well positioned to meet the upper end of the 2014 guidance production of 85,000 to 95,000 ounces. The average annual gold production of approximately 100,000 ounces over an eight year mine life will position Agbaou as a strong cash flow generator for Endeavour. The soft nature of the oxide ore allowed above plan ore processing and recoveries, and the resource continues to perform well. Cash costs are below the range of guidance of $730 to $780 per ounce for the year as a result of improved grade, high mill throughput and strong recoveries. The forecast is for costs to come in around the lower end of guidance for the full year.

Agbaou is situated approximately 200 kilometres northwest of the port city of Abidjan. The property covers 334 square kilometres, giving Endeavour access to the 40 kilometre strike length of the Agbaou gold belt. The concession is reached by paved highway and gravel roads. Electrical power is supplied from the national grid and a diesel power plant has been installed at site for emergency standby purposes. Currently Agbaou has over 500 people working on site including contractors. An exploration program is underway at Agbaou and is expected to add to the life of the mine.

Youga Gold Mine, Burkina Faso

The following table summarizes the operating results of the Youga Gold Mine for the three and six months ended June 30, 2014 and 2013:

	Three months ended June 30,		Six months ended June 30,	
Operating Data:	2014	2013	2014	2013
Tonnes of ore mined (000's)	344	291	671	507
Average gold grade mined (grams/tonne)	2.10	3.09	2.43	3.11
Tonnes of ore milled (000's)	242	268	493	509
Average gold grade milled (grams/tonne)	2.55	3.08	2.66	3.17
Gold ounces produced:	18,285	23,963	38,152	47,002
Gold ounces sold:	18,360	23,868	38,198	45,154
Realized gold price ($/ounce)	1,299	1,395	1,298	1,502
Total cash cost per gold ounce sold ($/ounce)[1]	803	661	739	656
Sustaining capital (US dollars in thousands)[1]	511	675	826	2,003
Financial Data (US dollars in thousands)				
Revenues	23,844	33,293	49,584	67,838
Royalties	1,055	1,702	2,273	3,383
Earnings from mine operations	4,294	11,007	11,817	26,349

[1] Total cash cost and sustaining capital are non-GAAP financial performance measures with no standard meaning under IFRS. Refer to the section Non-GAAP Measures.

The highlights for the second quarter ended June 30, 2014 for Youga are as follows:

- Youga mine delivered gold production of 18,285 ounces compared to 23,963 ounces for the same period in 2013, as lower grades were mined and processed;
- The process plant treated 242,000 tonnes of ore at an average grade of 2.55 g/t compared to 268,000 tonnes of ore at an average grade of 3.08 g/t for the same period in 2013;
- Gold ounces sold were 18,360 at a realized average gold price of $1,299 compared to 23,868 ounces at a realized gold price of $1,395 in the same period in 2013;
- Total cash costs per ounce sold for the second quarter of 2014 were $803 compared to $661 for the same period in the prior year;
- All-in sustaining costs at the mine level of $888 per gold ounce sold;
- Youga generated $9.8 million of operating cash flow from mine operations compared to $20.6 million for the same period in 2013; and
- Youga generated $4.3 million of earnings from mine operations compared to $11.0 million for the same period in 2013 primarily due to a combination of relatively lower milled grades resulting in lower gold production and the lower price received for gold sold.

Cash costs in the current quarter were within the guidance range of $790 to $840 per ounce for the year. Costs per ounce are expected to increase in the second half of 2014 as mill feed grades are scheduled in the mill plan to decline to approximately 2.1 g/t delivering lower gold production.

A total of 375,670 BCM of material was mined during the three month period ended June 30, 2014. During the second quarter of 2014, mined volumes were in line with plan and were primarily from the Main, East, West 3 and West 2 pits. The East Pit is scheduled to be depleted in third quarter of 2014 and the West 3 pit will be fully depleted in last quarter of 2014.

DEVELOPMENT PROJECT REVIEW

Houndé Project, Burkina Faso, Permitting Stage

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. Ownership is currently 100%, however, at production Endeavour's ownership would decrease to 90% with the remaining 10% ownership held as a free carried interest by the Government of Burkina Faso.

On November 6, 2013 Endeavour announced the results of a positive Feasibility Study ("FS") focused on the Vindaloo group of deposits. The deposits are approximately 2.7 kilometres from a paved highway and as close as 100 metres to a 225 kV power line that extends from Côte d'Ivoire through to Ouagadougou, the capital of Burkina Faso. The nearby town of Houndé has a population of approximately 22,000 people. 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 at the Youga Gold Mine, also located in Burkina Faso, and its recent construction experience at the Agbaou gold mine.

The highlights of the Houndé FS, on a 100% basis, include:

- Estimated average annual production of 178,000 ounces of gold per year over an 8 year mine life, with a total proven and probable mineral reserve of 1.55 million ounces and life of mine production of 1.44 million ounces;
- An average 93.3% process recovery at a milling rate of 9,000 tpd (nameplate) through a SAG/ball mill, gravity, CIL circuit;
- Owner operated open pit mining with reserves of 25 million tonnes grading 1.95 g/t Au;
- Initial start-up capital is estimated at $315 million (including working capital, import duties and contingency) with life of mine sustaining capital estimated at $62 million and $26 million of rehabilitation and closure costs;
- Forecast life of mine direct cash cost of $636 per ounce (excluding royalties) and all-in sustaining cost of $775 per ounce (including royalties, rehabilitation and closure costs);
- Based on a gold price of $1,300 per ounce the project yields after-tax:
    - Internal rate of return 22.4%
    - Net present value of $364 million @ 0%
    - Net present value of $230 million @ 5%

Copies of the FS and environmental and social impact assessments ("ESIA") were presented to the Government of Burkina Faso in the fourth quarter of 2013 followed by public meetings and technical review meetings held in the first quarter of 2014. In the current quarter, the permitting progress continued with a focus to get the ESIA report reflecting specific requests arising from the meetings held (the report was subsequently submitted on July 14, 2014). Once the ESIA process is complete, Endeavour will apply for an Industrial Operating Permit, which is expected to be granted in the second half of 2014. Granting of a mine permit would follow with timing dependent on the Mines Ministry, but is expected before year end 2014. The Houndé project also holds good exploration potential that could further improve the project's economics.

QUARTERLY FINANCIAL AND OPERATING RESULTS

The following tables summarize the Corporation's financial and operational information for the last eight quarters. The significant factors affecting results in the quarters presented below are; volatility of realized gold prices, the timing of metal sales, and commencing with the fourth quarter of 2012, quarterly results include those of the Tabakoto mine acquired with the completion of the Avion Gold Corporation acquisition on October 18, 2012. Additionally, the Agbaou mine achieved commercial production on January 27, 2014.

(US dollars in thousands except per share amounts)	June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013
Gold revenues	$ 153,398	$ 137,211	$ 104,232	$ 121,054
Gold ounces sold	118,653	111,798	82,578	90,997
Cash flows from mine operations	27,647	35,147	3,800	31,300
Net earning (loss) attributable to shareholders of Endeavour Mining Corporation	40	5,027	(74,719)	(15,266)
Basic earnings (loss) per share	0.00	0.01	(0.18)	(0.04)
Diluted earnings (loss) per share	0.00	0.01	(0.18)	(0.04)
Cash and cash equivalents	57,091	67,703	73,324	119,351
Total assets	1,292,545	1,296,265	1,273,993	1,396,041

(US dollars in thousands except per share amounts)	June 30,[2] 2013	March 31, 2013	December 31,[1] 2012	September 30, 2012
Gold revenues	$ 101,104	$ 116,924	$ 117,162	$ 83,347
Gold ounces sold	73,004	71,926	68,721	50,192
Cash flows from mine operations	13,900	38,100	53,100	40,700
Net earning (loss) attributable to shareholders of Endeavour Mining Corporation	(257,609)	15,138	(23,065)	(1,102)
Basic earnings (loss) per share	(0.62)	0.04	(0.01)	0.00
Diluted earnings (loss) per share	(0.62)	0.03	(0.01)	0.00
Cash and cash equivalents	62,188	84,880	105,900	122,648
Total assets	1,290,235	1,765,996	1,726,124	1,018,879

[1] Results include the operations of the Tabakoto Gold Mine for the period October 18, 2012 to December 31, 2012.
[2] The cash flow includes approximately $8.5 million of gold proceeds (related to three lots from March production) received in the first few days of April 2013.

Three months ended June 30, 2014 compared to the three months ended June 30, 2013

Net earnings attributable to shareholders were $0.0 million, or $0.00 per share, compared to a net loss of $257.6 million, or $(0.62) per share, in the same period in 2013, attributable to the following components:

- Revenue for the second quarter of 2014 increased by $52.3 million to $153.4 million from $101.1 million in the same period in 2013. The increase was a result of higher gold sales compared to the prior year. Gold ounces sold increased from 73,004 ounces in 2013 to 118,653 ounces for the second quarter of 2014. The realized price of gold per ounce for the second quarter of 2014 was $1,293 compared to $1,385 per ounce in the same period in 2013.

- Operating expenses for the second quarter of 2014 increased by $30.8 million to $99.8 million predominantly due to the inclusion of Endeavour's fourth mine, Agbaou, since commercial production was achieved on January 27, 2014.

- Depreciation and depletion for the second quarter of 2014 was $23.0 million compared to $24.8 million for the same prior year period in 2013. This is driven as a result of additional ounces being produced and sold subsequent to commercial production being declared by the Agbaou operations offset by reduced depreciation resulting from lower carrying values of certain mining assets following impairment charges that occurred in 2013.

- Earnings from mine operations for the second quarter of 2014 were $22.9 million compared to $1.8 million for the same period in 2013, this variance was predominantly driven by the Agbaou operations and the additional ounces contributed at a lower operational cost in the current reporting period.

- Corporate costs for the second quarter of 2014 were $4.7 million compared to $5.4 million for the same period in 2013.

- Losses on financial instruments for the second quarter of 2014 were $5.7 million compared to a gain of $33.7 million for the same period in 2013. The prior year's quarter gain was mainly driven by a substantial decrease in the gold price used to fair value the Corporation's derivative financial liabilities.

- Finance costs for the second quarter of 2014 were $7.0 million compared to $3.1 million for the same period in 2013. The finance costs relate primarily to the commitment fees on the undrawn portion and interest on the drawn portion of the $350 million Corporate Facility, which was increased from $200 million to $350 million in the third quarter of 2013.

- The current income and other tax expense for the second quarter of 2014 was $2.4 million compared to $0.9 million for the same period in 2013.

- Deferred income tax expense for the second quarter of 2014 was $1.2 million compared to a $128.9 million deferred tax recovery for the same period in 2013. The significant variance was almost entirely driven by the $432.3 million impairment charge incurred during the same period in 2013.

Net change in cash position from March 31, 2014 was a reduction of $10.6 million, attributable to the following components of the consolidated cash flow statement and discussed in more detail in the section Liquidity and Capital Resources:

- Operating activities generated $25.3 million in comparison to $5.6 million used in the same period of the previous year primarily due to the improved mine operating margin year over year and changes in non-cash working capital. In the current quarter, normal course timing induced changes in working capital balances consumed $7.1 million of cash.

- Investing activities used $23.8 million in comparison with $14.6 used in the same period of the previous year. The current period outflow consisted primarily of $6.5 million of sustaining capital and $16.9 million of non-sustaining capital primarily invested at the Tabakoto mine in the conversion to owner-mining and development in preparation for increased underground extraction. In the comparable period, the primary investment was in the construction of the Agbaou mine of $58.4 million while $43.0 million of gold bullion sale and other asset sales proceeds were received.

- Financing activities used cash of $12.7 million in comparison to a $2.0 million outflow in the prior period.

Six months ended June 30, 2014 compared to the six months ended June 30, 2013

Net earnings attributable to shareholders were $5.1 million, or $0.01 per share, compared to a net loss of $242.5 million, or $(0.59) per share, in the same period in 2013, attributable to the following components:

- Revenue for the first six months of 2014 increased by $72.6 million to $290.6 million from $218.0 million in the same period in 2013. The increase was a result of higher gold sales compared to the prior year. Gold ounces sold increased from 144,930 ounces in 2013 to 230,451 ounces for the first six months of 2014. The realized price of gold per ounce for the first six months of 2014 was $1,296 compared to $1,504 per ounce in the same period in 2013.

- Operating expenses for the first six months of 2014 increased by $54.7 million to $189.1 million predominantly due to the inclusion of Agbaou since commercial production was achieved on January 27, 2014.

- Depreciation and depletion for the first six months of 2014 was $40.4 million compared to $48.3 million for the same prior year period in 2013. Despite additional ounces being produced and sold subsequent to commercial production being declared by the Agbaou operations, lower depreciation resulted from lower carrying values of certain mining assets following impairment charges that occurred in 2013.

- Earnings from mine operations for the first six months of 2014 were $46.4 million compared to $23.7 million for the same period in 2013, this variance was predominantly driven by the Agbaou operations and the additional ounces contributed at a lower operational cost in the current reporting period.

- Corporate costs for the first six months of 2014 were $10.1 million compared to $9.9 million for the same period in 2013.

- Losses on financial instruments for the first six months of 2014 were $15.0 million compared to a gain of $49.3 million for the same period in 2013. The prior year's quarter gain was mainly driven by a substantial decrease in the gold price used to fair value the corporation derivative financial liabilities.

- Finance costs for the first six months of 2014 were $13.7 million compared to $4.7 million for the same period in 2013. The 2014 finance costs relate primarily to the commitment fees on the undrawn portion and interest on the drawn portion of the $350 million Corporate Facility.

- The current income and other tax expense for the first six months of 2014 was $4.7 million compared to $5.0 million for the same period in 2013.

- Deferred income tax recovery for the first six months of 2014 was $7.4 million compared to a recovery of $125.8 million for the same period in 2013.The significant variance was purely driven by the $432.3 million impairment charge incurred during the same period in 2013.

Net change in cash position from December 31, 2013 was a reduction of $16.2 million, attributable to the following components of the consolidated cash flow statement and discussed in more detail in the section Liquidity and Capital Resources:

- Operating activities generated $47.0 million in comparison to $30.5 the same period of the previous year primarily due to the increased operating margin.

- Investing activities used $50.1 million in comparison with $71.5 used in the same period of the previous year. The current period outflow consisted primarily of $12.2 million of sustaining capital and $35.8 million of non-sustaining capital primarily invested at the Tabakoto mine in the conversion to owner-mining and development in preparation for increased underground extraction. In the comparable period, the primary investment was in the construction of the Agbaou mine.

- Financing activities used cash of $13.6 million in comparison to $2.1 used in the prior period.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2014, Endeavour had cash of $57.1 million (December 31, 2013 – $73.3 million). In addition, at June 30, 2014, Endeavour held $2.3 million of marketable securities (December 31, 2013 – $1.7 million) and $4.5 million in restricted cash, unchanged from the prior year end. Total working capital as at June 30, 2014 was $106.4 million (December 31, 2013 - $90.3 million).

The reconciliation for the cash movement during the first six months of 2014, highlighting the significant movements, is as follows:

		Six months ended June 30, 2014
(US dollars in millions)		
Opening balance at January 1,	**$**	**73.3**
All-in sustaining margin		57.5
Non-sustaining investments in new mines and developments		(35.8)
Settlement of gold hedge program		(7.6)
Change in working capital and other		(16.5)
Taxes and interest paid		(13.8)
Closing balance at June 30,	**$**	**57.1**

The $35.8 million of non-sustaining investments primarily relates to owner mining equipment at Tabakoto and the pre-commercial production underground development at Segala. Additionally, a significant investment in working capital has also been made with operating supplies taken on to support the owner mining transition.

On July 24, 2013 the Corporation signed a $350 million amended senior secured revolving corporate loan facility (the "Facility") with UniCredit Bank AG, BNP Paribas, ING Bank NV, Société Générale and Deutsche Bank AG. With the completion of the Agbaou construction and commercial start up, the full $350 million is available for general corporate purposes (previously up to $300 million of the Facility could be used for general corporate purposes), and thus provides $50 million of additional liquidity. The Facility is secured by shares of Endeavour's material gold mining subsidiaries and certain material assets of those subsidiaries.

The key terms of the Facility include:

- Maturity date is five years from signing or July 24, 2018, and the available Facility amount declines with six equal semi-annual reductions of $58.3 million commencing January 1, 2016;
- The Facility incorporates 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 3.25 times, calculated on a rolling 12 month basis
  - Minimum tangible net worth of $600 million; and
- Interest is based on LIBOR plus a margin ranging between 3.75% and 5.5% per annum (sliding scale based on the actual Net Debt to EBITDA ratio).

In the opinion of management, Endeavour's cash position and working capital at June 30, 2014, together with anticipated cash flows from operations, are sufficient to support the Corporation's on-going operational requirements, planned sustaining investments, and commitments.

FINANCIAL INSTRUMENTS

Endeavour believes the best long term risk management is achieved through lower, sustainable, cost management activities. The Corporation has two legacy gold price protection programs that were acquired in past acquisitions. The following tables detail the call options and forward contracts as at June 30, 2014.

Period	Forward contracts (ounces)		Price per Ounce		Fair Value
2014	13,162	$	1,332	$	3,738
2015	32,000	$	1,332		8,653
2016	32,163	$	1,332		8,230
	77,325	$	1,332	$	20,621

On July 29, 2013 Endeavour re-distributed a portion of the then remaining 96,163 ounces of forward contracts to several new lenders. The amended strike price increased from $1,061 per ounce to a weighted average strike price of $1,332 per ounce. On the close out of the former hedge, a $300 per ounce increase in the strike price gave rise to a crystallized loss; this crystallized loss is being 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).

Period	Call options (ounces)		Price per Ounce		Fair Value
2014	6,066	$	900	$	2,513
2015	6,066	$	900		2,433
	12,132	$	900	$	4,946

At June 30, 2014, these derivative financial liabilities had a fair value of $25.6 million (December 31, 2013 - $ 20.9 million).

Additionally, as at June 30, 2014, 21,000 ounces of gold put options held by the Company remain outstanding from a risk management program undertaken in the challenging gold price environment that precipitated in the second quarter of 2013, with a strike price of $1,150 and a fair value of $0.4 million. These options have equal monthly settlements through to January 2015. During the current quarter, 9,000 ounces of gold put options expired, and an unrealized loss of $0.4 million was incurred on the mark to market of the outstanding put options (nil in the second quarter of 2013).

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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 terms extending through to February 2016. Additionally, the Corporation has four contracts in place at Nzema to purchase on average up to 14,000 tonnes of higher grade ore per month from third parties that extend through to November 30, 2014.

The Corporation 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.

On March 7, 2014 the Corporation's Malian subsidiary, Segala Mining Corporation SA ("Segala"), entered into a five year, $18 million equipment lease financing facility (the "Equipment Lease") with BNP Paribas's bank subsidiary in Abidjan, Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire ("BICICI"). The Equipment Lease will be used to purchase a portion of the owner-operated mining equipment for the Tabakoto and Segala underground developments. Segala will pay a fixed rate of 9.5% per annum to amortise the principal and pay interest to BICICI. Segala also has a purchase option to buy the equipment outright at the end of the lease life for 0.5% of cost. The Equipment Lease will be treated as a finance lease, and is guaranteed by the Corporation.

The following table summarizes the contractual maturities of the Corporation's financial liabilities and operating and capital commitments at June 30, 2014:

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	$ 94,473	$ -	$ -	$ -	$ 94,473
Long-term debt	-	116,600	183,400	-	300,000
Finance lease obligations	3,784	12,443	-	-	16,227
Minimum operating lease payments	461	-	-	-	461
Environmental rehabilitation provision	380	1,076	8,762	19,546	29,764
Derivative financial liabilities	12,857	12,709			25,566
	$ 111,955	$ 142,828	$ 192,162	$ 19,546	$ 466,491

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.

OUTSTANDING SHARE DATA

Endeavour's authorized capital is US$20,000,000 divided into 1,000,000,000 ordinary shares with a par value of US $0.01 each and 1,000,000,000 undesignated shares; no undesignated shares have been issued. The table below summarizes Endeavour's share structure at August 11, 2014.

Shares issued and outstanding	413,143,668
Stock options	30,980,877

The following table summarizes share option details outstanding as at June 30, 2014:

Exercise Prices (C$)	Outstanding	Exercisable	Weighted average exercise price (C$)	Weighted average remaining contractual life
$0.80 - $1.50	1,380,695	780,696	$ 1.15	3.74 years
$1.51 - $2.00	10,537,350	10,537,350	1.76	1.25 years
$2.01 - $2.50	4,853,050	4,239,717	2.29	3.26 years
$2.51 - $3.00	5,899,312	5,899,312	2.67	2.32 years
$3.51 - $4.00	80,300	80,300	3.70	1.87 years
$4.01 - $44.96	2,226,837	2,226,837	5.05	1.98 years
	24,977,544	23,764,212	$ 2.37	2.03 years

Subsequent to June 30, 2014, and upon 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 new PSU program is intended to increase the pay mix in favour of long-term equity-based compensation with 3 year "cliff-vesting" to serve as an employee retention mechanism. As part of the LTI Plan, 2,627,000 PSUs and 6,255,000 options with an exercise price of C$0.95 and an expiry date of July 17, 2019, were granted on July 18, 2014.

NON-GAAP MEASURES

All-in sustaining margin and adjusted EBITDA

The Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use the all-in sustaining margin and adjusted earnings before interest, tax, depreciation and amortization ("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 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 tables provide the illustration of the calculation of this margin and EBITDA, as adjusted and calculated by the Corporation, for the three and six months ended June 30, 2014 and 2013:

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
(US dollars in thousands)				
Revenues	$ 153,398	$ 101,104	$ 290,609	$ 218,028
Less: royalties	(7,675)	(5,444)	(14,833)	(11,715)
Less: cash costs of ounces sold (see table that follows)	(101,295)	(64,979)	(194,151)	(129,427)
Less: corporate G&A[1]	(4,705)	(4,032)	(10,100)	(7,394)
Subtotal	39,722	26,649	71,525	69,492
Less: sustaining capital (see table that follows)	(6,462)	(6,358)	(12,231)	(15,869)
Less: sustaining exploration	(987)	(606)	(1,750)	(1,400)
All-in sustaining margin	$ 32,273	$ 19,685	$ 57,544	$ 52,223

[1] 75% of the corporate costs were attributed to operations in 2013 with the Agbaou mine under construction while the corporate costs in 2014 are considered 100% attributable to operations.

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
(US dollars in thousands)				
Earnings(loss) before tax[1]	$ 4,553	$ (412,711)	$ 7,195	$ (388,866)
Add back: Depreciation, depletion and impairments[1,2]	22,968	457,143	40,350	480,566
Add back: Finance costs[1]	6,977	3,128	13,704	4,677
Add back: Losses (gains) on financial instruments[1]	5,688	(33,651)	15,027	(49,285)
Adjusted EBITDA	40,186	13,909	76,276	47,092

[1]As found on the unaudited interim consolidated statement of comprehensive income.
[2]Sum of depreciation, depletion and impairment of mining interests and goodwill as found on the unaudited interim consolidated statement of comprehensive income.

Total cash costs

The Corporation reports total 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 total cash costs per ounce of gold sold (including the ounces sold from ore purchased), for the three and six months ended June 30, 2014 and 2013:

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
(US dollars in thousands except ounces sold)				
Operating expenses from continuing mining operations	$ 99,863	$ 69,037	$ 189,074	$ 134,387
Non-cash adjustments included in operating expenses	1,432	(4,058)	5,077	(4,960)
Total cash cost	101,295	64,979	194,151	129,427
Divided by ounces of gold sold	118,653	73,004	224,319	144,930
Total cash cost per ounce of gold sold	$ 854	$ 890	$ 866	$ 893

All-in sustaining costs

The Corporation is reporting all-in sustaining costs per ounce. 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.

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
(US dollars in thousands except ounces)				
Cash cost for ounces sold	$ 101,295	$ 64,974	$ 194,151	$ 129,422
Royalties	7,675	5,444	14,833	11,715
Corporate G&A[1]	4,705	4,032	10,100	7,394
Sustaining capital[2]	6,462	6,358	12,231	15,869
Sustaining exploration	987	606	1,750	1,400
All-in sustaining costs	121,124	81,414	233,065	165,800
Divided by gold ounces sold	118,653	73,004	224,319	144,930
All-in sustaining cost per ounce sold	$ 1,021	$ 1,115	$ 1,039	$ 1,144

[1] 75% of the corporate costs were attributed to operations in 2013 with the Agbaou mine under construction while the corporate costs incurred in 2014 are considered 100% attributable to operations.
[2] 2013 sustaining capital restated from $2.9 million to $9.5 million as presented in the prior year which did not include sustaining capital at Tabakoto due to the Corporation acquiring the mine in the fourth quarter of 2012 and concurrently the Corporation has also adopted a revised sustaining capital definition to include underground sustaining capital in 2014.

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
(US dollars in thousands)				
Investments in capital projects and capitalized exploration[1]	$ 23,447	$ 58,372	$ 49,812	$ 115,428
Non-sustaining capital at Tabakoto	(12,418)	(6,092)	(29,675)	(15,002)
Sustaining exploration	(987)	(606)	(1,750)	(1,400)
Project capital spend predominantly at Agbaou and Houndé	(842)	(39,031)	(1,549)	(74,343)
Other non-sustaining capital predominantly at Nzema	(2,738)	(6,285)	(4,607)	(8,814)
Sustaining Capital	**6,462**	**6,358**	**12,231**	**15,869**

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

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 current quarter.

		Tabakoto	Nzema	Youga	Agbaou	Total
Mining Physicals						
Total tonnes mined - Open pit	000t	1,954	2,045	1,014	4,328	
Total tonnes mined - Underground	000t	222	-	-	-	
Total ore tonnes - Open pit	000t	157	368	344	527	
Total ore tonnes - Underground	000t	175	-	-	-	
Total tonnes milled	000t	373	391	342	520	
Gold sold	ozs	34,916	35,878	18,360	29,499	118,653
Unit cost analysis						
Mining costs - Open pit[1]	$/t mined	4.55	4.83	6.11	2.93	
Mining costs - Underground[1]	$/t ore	56.19	-	-	-	
Processing and maintenance	$/t milled	34.19	19.82	17.04	9.32	
Site G&A	$/t milled	17.50	7.46	7.83	4.58	
Cash cost details						
Mining costs - Open pit	$000s	$8,895	$8,439	$6,199	$12,667	$36,200
Mining costs - Underground	$000s	9,571	-	-	-	9,571
Processing and maintenance	$000s	12,752	7,748	5,828	4,847	31,175
Site G&A	$000s	6,526	2,916	2,678	2,379	14,499
Purchased ore at Nzema	$000s	-	6,516	-	-	6,516
Inventory adjustments	$000s	1,829	1,575	41	-111	3,334
Cash costs for ounces sold	$000s	**$39,573**	**$27,194**	**$14,746**	**$19,782**	**$101,295**
Royalties	$000s	$2,686	$2,557	$1,055	$1,377	$7,675
Sustaining capital	$000s	$2,541	$3,098	$511	$312	$6,462
Cash cost per ounce sold	$/oz	$1,133	$758	$803	$671	$854
Mine-level AISC per ounce sold	$/oz	$1,283	$916	$888	$728	$973
Other costs used to derive unit mining cost						
Capitalized mining costs	$000s	$262	$1,445			

[1] Includes capitalized mining costs

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. Net earnings have been adjusted for items considered exceptional and non-operating in nature and Endeavour 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 items are excluded from net earnings:

- Realized and unrealized gain / loss – gold price protection program and gold put program
- Change in unrealized gain – C$ share purchase warrants
- Non-cash impairment charges
- Gain / loss on financial instruments
- Imputed interest on promissory note
- Gains / losses on foreign currency
- Losses associated with gold bullion
- Losses associated with Namibia Rare Earths Inc., or ("NREI")
- Gains / losses on sale of subsidiaries
- Loss on change of ownership
- Stock-based payments
- Finance costs (incurred for the amended Facility)
- Deferred income taxes
- Other non-operating and exceptional items

Adjusted net earnings are intended to provide additional information only and do not have any standardized definition 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.

The following table reconciles these non-GAAP measures to the most directly comparable IFRS measure. The reconciliation of net earnings to adjusted net earnings is below.

Adjusted Net Earnings

(US dollars in millions except per share and share amounts)	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Net earnings attributable to shareholders of Endeavour Mining Corporation	**$ 0.0**	**$ (257.6)**	**$ 5.1**	**$ (242.5)**
Net attributable non-cash impairment charges	-	402.0	-	402.0
Loss (gain) on derivative instruments and marketable securities	3.7	(34.9)	14.0	(50.5)
Imputed interest on promissory note	(0.4)	(0.6)	(0.9)	(1.2)
Loss on foreign currency	2.4	2.0	1.9	2.5
Losses associated with gold bullion	-	5.5	-	7.6
Losses associated with NREI	-	-	-	1.3
Loss (gain) on sale of subsidiary	0.2	-	(1.0)	-
Loss on change of ownership	-	0.6	-	0.6
Stock-based payments	0.2	0.4	0.4	3.4
Deferred income taxes (recovery)	1.2	(128.9)	(7.4)	(125.8)
Adjusted net earnings after tax	**$ 7.4**	**$ (11.5)**	**$ 12.1**	**$ (2.6)**
Weighted average number of outstanding shares	413,141,261	412,827,190	413,094,363	412,871,556
Adjusted net earnings per share (basic)	**0.02**	**(0.03)**	**0.03**	**(0.01)**

HEALTH, SAFETY AND CORPORATE SOCIAL RESPONSIBILITY

Endeavour emphasises 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, 2013.

Incident Category	Tabakoto	Agbaou[1]	Nzema	Youga	Total	Ontario Mining Industry
Fatality	0	0	0	0	0	
Lost Time Injury (LTI)	3	1	2	1	7	
Total Man Hours	**3,452,248**	**2,084,408**	**3,422,338**	**2,604,154**	**11,563,148**	
LTIFR[2]	**0.87**	**0.48**	**0.58**	**0.38**	**0.61**	**2.00**

[1] For the period March to December 2013

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

The Corporation notes that the LTIFR at Tabakoto is higher than the Corporation's other mines, reflecting the higher risk associated with underground mining operations. The aggregate LTIFR for the mining industry in the province of Ontario, Canada in 2012 was 2.0, for which data was available. This is provided as a benchmark, which suggests that the Corporation is applying an effective Health and Safety program.

Endeavour sees itself as an integral part of the communities in which it operates, as well as a responsible development partner. Endeavour 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 critical judgments that the Corporation's management has made in the process of applying the Corporation's accounting policies, apart from those involving estimations to the consolidated financial statements 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. Commercial production at the Agbaou Mine was declared on January 27, 2014 (accounting for commercial production commenced on February 1, 2014).

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.

(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) Exchangeable shares

As part of the acquisition of Avion Gold Corporation 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.

NEWLY ADOPTED AND ISSUED BUT NOT YET EFFECTIVE ACCOUNTING STANDARDS

The following standards became effective for annual periods beginning on or after January 1, 2014, with earlier application permitted. The Corporation adopted these standards and they did not have a material impact on its consolidated financial statements.

- *IAS 32, Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)*: On December 16, 2011, the IASB published amendments to IAS 32, *Financial Instruments: Presentation* to clarify the application of the offsetting requirements. The Corporation adopted this standard as of January 1, 2014, and determined its impact not to be significant.
- IFRIC 21 *Levies*: In May 2013, the IASB issued IFRIC 21 on the accounting for levies imposed by governments. The Corporation adopted this standard as of January 1, 2014, and determined its impact not to be significant.

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 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 period beginning on or after January 1, 2017, with early adoption permitted. The Corporation is currently evaluating the potential impact of the new standard on its 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 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.

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 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.

(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) Fair values of assets and liabilities acquired in business combinations

In a business combination, it generally takes time to obtain the information necessary to measure the fair values of assets acquired and liabilities assumed and the resulting goodwill, if any. Changes to the provisional measurements of assets and liabilities acquired including the associated deferred income taxes and resulting goodwill may be retrospectively adjusted when new information is obtained until the final measurements are determined (within one year of acquisition date). The determination of fair value as of the acquisition date requires management to make certain judgments and estimates about future events, including, but not restricted to, estimates of mineral reserves and resources acquired, exploration potential, future operating costs and capital expenditures, future metal prices, long-term foreign exchange rates, and discount rates.

In determining the amount for goodwill, the Corporation's management makes estimates of the discounted future after-tax cash flows expected to be derived from the acquired business based on estimates of future revenues, expected conversions of resources to reserves, future production costs and capital expenditures, based on a life of mine plan. To estimate the fair value of the exploration potential, a market approach is used which evaluates recent comparable gold property transactions. The excess of acquisition cost over the net identifiable assets acquired represents goodwill.

(e) 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.

(f) 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.

(g) 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.

(h) *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.

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, 2013. 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 details of risk factors, please refer to the 2013 year-end audited consolidated financial statements, Management's Discussion and Analysis and Annual Information Form filed on SEDAR at www.sedar.com.

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 and six months ended June 30, 2014.

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

(US dollars in thousands)	June 30, 2014	December 31, 2013
Cash and cash equivalents	$ 57,091	$ 73,324
Cash - restricted	4,517	4,517
Marketable securities	2,265	1,731
Trade and other receivables	55,747	38,662
Long-term receivable	4,274	4,274
Promissory note and other assets	11,114	10,197
Derivative Financial Asset	40	1,888
	$ 135,048	$ 134,593

(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. There has been no change in the Corporation's objectives and policies for managing this risk during the three and six months ended June 30, 2014.

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

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

(US dollars in thousands)	June 30, 2014	December 31, 2013
Canadian dollar	$ 5,042	$ 3,153
CFA Francs	31,049	15,460
Other currencies	5,815	4,433
	$ 41,906	$ 23,046

(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.

(v) *Price risk*

Price risk is the risk that future cash flows primarily from gold sales, or the fair value of the Corporation's financial instruments, will fluctuate because of changes in market prices. Profitability of the Corporation depends on metal prices, primarily gold. Metal prices are affected by numerous factors such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the US dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major producing countries throughout the world.

The Corporation is 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. Additionally, the Corporation marks its investments to market at each reporting period. This process could result in write-downs of the Corporation's investments over one or more reporting periods, particularly during periods of declining resource equity markets.

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), so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this management's discussion and analysis, management evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Canadian Securities Law.

Based on that evaluation, the CEO and CFO have concluded, that as of the end of the periods covered by this Management's Discussion and Analysis, the disclosure controls and procedures were designed to 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.

Internal controls and procedures

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 control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

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 the end of the period covered by this Management's Discussion and Analysis, management evaluated the effectiveness of the Corporation's internal control over financial reporting as required by Canadian securities laws.

Based on that evaluation, the CEO and CFO have concluded that, as of the end of the three and six month periods covered by this Management's Discussion and Analysis, the internal controls over financial reporting were designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

There have been no material changes in the Corporation's internal controls over financial reporting since the year ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

Additional information relating to the Corporation is available on the Corporation's web site at www.endeavourmining.com and in the Corporation's Annual Information Form for the year ended December 31, 2013 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 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's annual information form for the year ended December 31, 2013, available on SEDAR at www.sedar.com. Although Endeavour has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. 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 annual information form of Endeavour for the year ended December 31, 2013 and other continuous disclosure documents filed by Endeavour available at www.sedar.com, for further information on mineral reserves and resources, which is subject to the qualifications and notes set forth therein.