ENDEAVOUR MINING

Three months ended March 31, 2015 and 2014

(Expressed in Thousands of United States Dollars)

(Unaudited)

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

	March 31, 2015	December 31, 2014
ASSETS		
Current		
Cash	56,404	62,179
Cash - restricted	4,813	4,517
Trade and other receivables	17,177	21,530
Inventories (Note 3)	84,808	86,212
Prepaid expenses and other	13,326	15,113
	176,528	189,551
Mining interests (Note 4)	704,619	698,031
Deferred income taxes	66,658	68,121
Other long term assets (Note 5)	8,808	8,172
	$ 956,613	$ 963,875
LIABILITIES		
Current		
Trade and other payables	112,278	127,905
Current portion of finance lease obligations (Note 6)	4,315	4,296
Current portion of derivative financial liabilities (Note 8)	5,905	6,420
Income taxes payable (Note 13)	7,020	8,142
	129,518	146,763
Finance lease obligations (Note 6)	11,460	11,952
Long-term debt (Note 7)	284,593	290,996
Derivative financial liabilities (Note 8)	3,076	4,621
Provisions (Note 9)	36,662	35,899
Deferred income taxes	34,423	30,274
	499,732	520,505
EQUITY		
Share capital (Note 10 (a))	991,569	991,569
Equity reserve	40,521	39,961
Retained deficit	(558,133)	(567,178)
Equity attributable to shareholders of the Corporation	473,957	464,352
Non-controlling interests (Note 11)	(17,076)	(20,982)
Total equity	456,881	443,370
	$ 956,613	$ 963,875

SUBSEQUENT EVENT (NOTE 7)
COMMITMENTS AND CONTINGENCIES (NOTE 18)

Approved by the Board: May 1, 2015

"Neil Woodyer" Director *"Wayne McManus"* Director

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

ENDEAVOUR MINING CORPORATION

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

	Three months ended March 31,			
		2015		2014
Revenues				
Gold revenue		152,065	$	137,211
Cost of sales				
Operating expenses		94,244		89,210
Depreciation and depletion		19,451		17,382
Royalties		7,241		7,158
Earnings from mine operations		31,129		23,461
Corporate costs		3,983		5,395
Share-based payments (Note 10 (b))		1,130		178
Exploration		703		356
Earnings from operations		25,313		17,532
Other income (expenses)				
Gains (losses) on financial instruments (Note 12)		2,642		(9,336)
Finance costs		(7,835)		(6,727)
Other income		169		1,176
		(5,024)		(14,887)
Earnings before taxes		20,289		2,645
Current income taxes expense		(1,727)		(2,293)
Deferred income taxes (expense) recovery		(5,611)		8,601
Net earnings and total comprehensive earnings		12,951		8,953
Attributable to:				
Shareholders of Endeavour Mining Corporation		9,045		5,027
Non-controlling interests (Note 11)		3,906		3,926
Net earnings and total comprehensive earnings	$	12,951	$	8,953
Net earnings per share (Note 10 (c))				
Basic earnings per share	$	0.02	$	0.01
Diluted earnings per share	$	0.02	$	0.01

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

ENDEAVOUR MINING CORPORATION

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Thousands of United States Dollars)
(Unaudited)

	Three months ended March 31, 2015	2014
Operating Activities		
Earnings before taxes	$ 20,289	$ 2,645
Adjustments for:		
Depreciation and depletion	19,451	17,382
Accretion of reclamation	194	481
Amortization of financing costs	1,016	1,047
Unrealized loss on marketable securities and imputed interest on promissory note	(79)	(481)
Share-based payments and settlements	1,130	130
Unrealized (gain) loss on derivative financial assets and liabilities	(2,025)	7,660
Realized loss on derivative financial instruments	2,283	2,671
Interest expense	3,937	3,260
Unrealized foreign exchange gain	(1,592)	(1,040)
Income taxes paid	(2,834)	(3,123)
Operating cash flows before non-cash working capital	41,770	30,632
Changes in non-cash working capital:		
Trade and other receivables	(2,161)	(10,215)
Prepaid expenses and other	1,298	8,228
Inventories	(294)	(17,311)
Trade and other payables	(9,710)	10,400
Other	522	12
Cash generated from operating activities	$ 31,425	$ 21,746
Investing Activities		
Expenditures and prepayments on mining interests	(24,933)	(26,365)
Other	(461)	-
Cash used in investing activities	$ (25,394)	$ (26,365)
Financing Activities		
Received from the issue of common shares	-	19
Settlement of gold hedge program	(2,283)	(2,671)
Sale-leaseback proceeds	-	2,035
Payment of financing and other fees	(5,387)	-
Interest paid	(4,172)	-
Repayment of finance lease obligation	(818)	(324)
Cash used in financing activities	$ (12,660)	$ (941)
Effect of exchange rate changes on cash	854	(61)
Decrease in cash	(5,775)	(5,621)
Cash, beginning of period	62,179	73,324
Cash, end of period	$ 56,404	$ 67,703

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

ENDEAVOUR MINING CORPORATION

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

	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 Deficit	Total Attributable to Shareholders	Non-Controlling Interests	Total
At January 1, 2014	412,341,795	$ 4,118	$ 985,409	701,498	$ 7	$ 1,786	413,043,293	$ 991,320	$ 39,265	$ (293,528)	$ 737,057	$ 34,449	771,506
Exchangeable shares exchanged into common shares	5,201	-	13	(5,201)	-	(13)	-	-	-	-	-	-	-
Share options exercised	27,375	-	67	-	-	-	27,375	67	(48)	-	19	-	19
Share based payments	-	-	-	-	-	-	-	-	(14)	-	(14)	-	(14)
Net earnings and total comprehensive earnings	-	-	-	-	-	-	-	-		5,027	5,027	3,926	8,953
At March 31, 2014	412,374,371	$ 4,118	$ 985,489	696,297	7	$ 1,773	413,070,668	$ 991,387	$ 39,203	$ (288,501)	$ 742,089	$ 38,375	$ 780,464
At January 1, 2015	412,486,864	$ 4,119	$ 985,746	656,804	7	$ 1,697	413,143,668	$ 991,569	$ 39,961	$ (567,178)	$ 464,352	$ (20,982)	$ 443,370
Share based payments	-	-	-	-	-	-	-	-	560	-	560		560
Net earnings and total comprehensive earnings	-	-	-	-	-	-	-	-	-	9,045	9,045	3,906	12,951
At March 31, 2015	412,486,864	$ 4,119	$ 985,746	656,804	$ 7	$ 1,697	413,143,668	$ 991,569	$ 40,521	$ (558,133)	$ 473,957	$ (17,076)	$ 456,881

The accompanying notes are an integral part of these condensed interim 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 four 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 ("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'. The Corporation is incorporated in the Cayman Islands and its registered office is located at 190 Elgin Avenue, George Town, Grand Cayman, Cayman Islands.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) *Statement of compliance*

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting,* using the accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Boards.

These condensed interim consolidated financial statements should be read in conjunction with the most recently issued annual consolidated financial statements of the Corporation, which include information necessary or useful to understanding the Corporation's business and financial statement presentation. In particular, the Corporation's significant accounting policies were presented as Note 2 to the consolidated financial statements for the fiscal year ended December 31, 2014, and have been consistently applied in the preparation of these interim financial statements.

(b) *Basis of preparation*

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

(c) *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 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 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*

(Expressed in Thousands of United States Dollars, except per share amounts)

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.

3. INVENTORIES

		March 31, 2015		December 31, 2014
Doré bars[(1)]	$	3,915	$	5,506
Gold in circuit[(2)]		9,615		10,369
Ore stockpiles[(3)]		25,254		24,619
Spare parts and supplies		46,024		45,718
	$	84,808	$	86,212

(1) Includes a charge of $0.06 million to reduce the costs of inventory to net realizable value at the Tabakoto mine (December 31, 2014, $0.2 million) and a recovery of $0.03 million at the Nzema mine (December 31, 2014, decrease of $0.5 million).
(2) Includes a charge of $0.06 million to reduce the costs of inventory to net realizable value at the Tabakoto mine (December 31, 2014, $0.2 million) and $0.3 million at the Nzema mine (December 31, 2014, $1.4 million).
(3) Includes a charge of $nil to reduce the costs of inventory to net realizable value at the Tabakoto mine (December 31, 2014, $1.6 million) and $3.6 million at the Nzema mine (December 31, 2014, $nil).

(Expressed in Thousands of United States Dollars, except per share amounts)

4. MINING INTERESTS

	Mining Properties				
	Depletable	Non depletable	Plant and equipment	Corporate assets	Total
Cost					
Balance as at January 1, 2015	$ 833,155	$ 436,205	$ 542,924	$ 1,862	$ 1,814,146
Expenditures/additions	14,276	2,901	7,952	150	25,279
Transfers	(6,944)	-	6,944	-	-
Balance as at March 31, 2015	$ 840,487	$ 439,106	$ 557,820	$ 2,012	$ 1,839,425
Accumulated depreciation and impairment					
Balance as at January 1, 2015	$ 573,811	$ 212,075	$ 328,648	$ 1,581	$ 1,116,115
Depreciation/depletion	9,849	-	9,576	26	19,451
Depreciation charge included in inventory	(22)	-	(738)	-	(760)
Balance as at March 31, 2015	$ 583,638	$ 212,075	$ 337,486	$ 1,607	$ 1,134,806
Carrying amounts					
At January 1, 2015	$ 259,344	$ 224,130	$ 214,276	$ 281	$ 698,031
At March 31, 2015	$ 256,849	$ 227,031	$ 220,334	$ 405	$ 704,619

(Expressed in Thousands of United States Dollars, except per share amounts)

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

	Tabakoto Mine	Nzema Mine	Youga Mine	Agbaou Mine	Development Projects: Houndé Project	Development Projects: Ouaré Project	Exploration Properties	Corporate assets	Total
Cost									
Balance as at January 1, 2015	$ 683,315	$ 622,375	$ 167,511	$ 192,415	$ 131,870	$ 11,629	$ 3,169	$ 1,862	$ 1,814,146
Expenditures/additions	12,415	3,832	284	7,532	1,066	-	-	150	25,279
Balance as at March 31, 2015	$ 695,730	$ 626,207	$ 167,795	$ 199,947	$ 132,936	$ 11,629	$ 3,169	$ 2,012	$ 1,839,425
Accumulated depreciation and impairment									
Balance as at January 1, 2015	$ 475,408	$ 445,162	$ 149,439	$ 29,727	$ -	$ 11,629	$ 3,169	$ 1,581	$ 1,116,115
Depreciation/depletion	7,650	3,032	1,493	7,250	-	-	-	26	19,451
Depreciation captured in inventory	(1,256)	1,024	235	(763)	-	-	-	-	(760)
Balance as at March 31, 2015	$ 481,802	$ 449,218	$ 151,167	$ 36,214	$ -	$ 11,629	$ 3,169	$ 1,607	$ 1,134,806
Carrying amounts									
At January 1, 2015	$ 207,907	$ 177,213	$ 18,072	$ 162,688	$ 131,870	$ -	$ -	$ 281	$ 698,031
At March 31, 2015	$ 213,928	$ 176,989	$ 16,628	$ 163,733	$ 132,936	$ -	$ -	$ 405	$ 704,619

(Expressed in Thousands of United States Dollars, except per share amounts)

5. OTHER LONG TERM ASSETS

Other long term assets are comprised of:

	March 31, 2015	December 31, 2014
Promissory note and working capital loan	$ 5,614	$ 5,394
Long term stockpiles	3,194	2,778
Total	$ 8,808	$ 8,172

Promissory note and working capital loan

The Corporation holds a promissory note of $20.0 million in future consideration from the sale of its debt advisory business in December 2011 and a working capital loan facility of $1.0 million provided to the purchaser in January 2012.

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. In the period ended March 31, 2015, a charge of $0.2 million (December 31, 2014, $4.5 million) was recorded to adjust the cost to net realizable value.

6. 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:

	March 31, 2015	December 31, 2014
Equipment lease obligations	$ 15,775	$ 16,248
Less: current portion	(4,315)	(4,296)
Long-term equipment lease obligations	$ 11,460	$ 11,952

	Minimum lease payments		Present value of minimum lease payments	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Not later than one year	$ 4,540	$ 4,517	$ 4,315	$ 4,296
Later than one year and not later than five years	14,682	15,485	11,460	11,952
	19,222	20,002	15,775	16,248
Less future finance charges	(3,447)	(3,754)	-	-
Present value of minimum lease payments	$ 15,775	$ 16,248	$ 15,775	$ 16,248

(Expressed in Thousands of United States Dollars, except per share amounts)

7. LONG-TERM DEBT

	March 31, 2015	December 31, 2014
Corporate loan facility	$ 300,000	$ 300,000
Deferred financing costs	(15,967)	(9,563)
Corporate loan facility	284,033	290,437
Other long-term debt	560	559
Total debt	284,593	290,996

On July 24, 2013, the Corporation signed a five-year, $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. Up to $300 million of the Facility can be used for general corporate purposes including working capital and capital expenditures. The Facility is secured by shares of Endeavour’s material gold mining subsidiaries and certain material assets of those subsidiaries.

On March 10, 2015, the Corporation renewed its Facility with UniCredit Bank AG, BNP Paribas, ING Bank NV, Société Générale and Investec Bank Plc. The renewed Facility has a new maturity date of March 2020 and key terms including:

- 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.
- 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).

On April 30, 2015, the Corporation made a principal payment of $20.0 million to reduce the drawn amount on the Facility to $280.0 million.

(Expressed in Thousands of United States Dollars, except per share amounts)

8. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial liabilities

The following table summarizes the derivative financial liabilities:

	March 31, 2015	December 31, 2014
Gold price protection programs (a)	$ 8,981	$ 11,041
Less: current portion	(5,905)	(6,420)
Derivative financial liabilities	$ 3,076	$ 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):

	Three months ended March 31, 2015	2014
Realized loss - gold price protection programs	$ (2,283)	$ (2,671)
Change in unrealized gain gold price protection programs	2,060	(6,184)
Total (loss) gain on the gold price protection programs	$ (223)	$ (8,855)

(a) Gold price protection programs

(i) Options

Prior to Endeavour's acquisition, Avion sold twelve call options that entitle the buyer to purchase 36,396 ounces of gold (3,033 ounces per call option) at 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 are in cash as there is no exchange of physical gold. During the three months ended March 31, 2015, the Corporation settled 3,033 ounces of gold resulting in a realized loss of $0.9 million.

As at March 31, 2015, 3,033 ounces of gold call options remain outstanding with a fair value of $0.8 million (December 31, 2014, $1.7 million).

(ii) Forward contracts

Prior to Endeavour's acquisition, Adamus 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 has 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;

(Expressed in Thousands of United States Dollars, except per share amounts)

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 three months ended March 31, 2015, the Corporation settled 8,228 ounces of gold resulting in a realized loss of $1.3 million.

As at March 31, 2015, 55,935 ounces (23,772 in 2015 and 32,163 in 2016) of gold forward contracts remain outstanding with a fair value of $8.1 million (December 31, 2014, $9.3 million).

9. PROVISIONS

Provisions are comprised of:

	March 31, 2015	December 31, 2014
Environmental rehabilitation provision	$ 35,626	$ 35,432
Deferred and performance share liability	1,036	467
Total	$ 36,662	$ 35,899

10. SHARE CAPITAL

(a) Voting shares

Authorized
1,000,000,000 voting shares of $0.01 par value
1,000,000,000 undesignated shares

(b) Share-based compensation

The following table summarizes the share-based compensation:

	Three months ended March 31	
	2015	2014
Amortization of option grants	$ 561	$ (14)
Total expense recognized on grant and change in fair value of DSUs	207	192
Total expense recognized on grant and change in fair value of PSUs	362	-
Total share-based payments	$ 1,130	$ 178

(Expressed in Thousands of United States Dollars, except per share amounts)

(i) *Options*

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

	Options outstanding		Weighted average exercise price (C$)
At December 31, 2013	24,560,352	$	2.38
Granted	7,155,000		0.93
Exercised	(100,375)		0.80
Expired	(6,473,177)		2.30
At December 31, 2014	25,141,800		2.06
Granted	6,386,000		0.61
Expired	(730,932)		1.86
At March 31, 2015	30,796,868	$	1.76

On January 19, 2015, the Corporation issued 6,386,000 options with a strike price of $0.61 and a fair value of $1.5 million, to be expensed over the 2-year vesting period. 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 2.25 years.

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

Exercise Prices (C$)	Outstanding	Exercisable		Weighted average exercise price (C$)	Weighted average remaining contractual life
$0.61 - $0.81	7,286,000	300,001	$	0.81	4.11 years
$0.82 - $1.50	6,718,260	463,260		1.36	2.35 years
$1.51 - $2.00	4,850,850	4,850,850		1.57	1.53 years
$2.01 - $2.50	4,109,503	4,109,503		2.28	2.74 years
$2.51 - $3.00	5,529,312	5,529,312		2.67	1.51 years
$3.51 - $4.00	80,300	80,300		3.70	1.12 years
$4.01 - $44.96	2,222,643	2,222,643		5.00	1.22 years
	30,796,868	17,555,869	$	2.51	1.83 years

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 not less than the volume weighted average trading price of the shares traded on the exchange for the five trading days immediately preceding the grant date. At March 31, 2015, there were 41,314,367 (December 31, 2014 – 41,314,367) options available for grant under the plan, of which 10,517,499 (December 31, 2013 – 16,172,567) are still available to be granted.

(Expressed in Thousands of United States Dollars, except per share amounts)

(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 that time.

In the three months ended March 31, 2015, 208,244 DSUs were granted.

At March 31, 2015, 1,176,053 (December 31, 2014 – 967,809) DSUs were held by participating directors with a fair value of $0.6 million (December 31, 2014 – $0.4 million). The fair value of the DSUs was recognized as share-based payments totaling $0.2 million for the three months ended March 31, 2015 (March 31, 2014 – $0.2 million) with a corresponding amount recorded as a deferred share unit liability in the consolidated statement of financial position.

(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 3 year cliff-vesting to serve as an employee retention mechanism.

In the three months ended March 31, 2015, 2,698,000 PSUs were granted. The total number of PSUs outstanding at March 31, 2015 was 5,325,000.

The fair value of the PSUs was recognized as share-based payment expense totaling $0.4 million for the three months ended March 31, 2015 (March 31, 2014, $nil), with a corresponding amount recorded as a preferred share unit liability in the consolidated statement of financial position.

(c) Diluted earnings per share

The following table summarizes the stock options excluded from the computation of diluted earnings per share because the exercise prices exceeded the daily weighted average market values of the common shares for the three months ended March 31, 2015, of C$0.57 (C$0.79 for the three months ended March 31, 2014).

	Three months ended March 31, 2015	2014
Stock options	30,796,868	24,299,644

(Expressed in Thousands of United States Dollars, except per share amounts)

Basic and diluted net earnings per share was calculated on the following:

	Three months ended March 31, 2015	2014
Basic and diluted weighted average number of shares outstanding	413,143,668	413,046,943

11. 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)	Total
At December 31, 2013	$ -	$ (3,623)	$ 32,050	$ 6,022	$ 34,449
Net earnings (loss)	1,896	71	1,254	705	3,926
At March 31, 2014	1,896	(3,552)	33,304	6,727	38,375
Net earnings (loss)	7,062	(1,220)	(62,905)	(1,413)	(58,476)
Dividend distribution	-	-	-	(881)	(881)
At December 31, 2014	8,958	(4,772)	(29,601)	4,433	(20,982)
Net earnings (loss)	3,513	(359)	499	253	3,906
At March 31, 2015	$ 12,471	$ (5,131)	$ (29,102)	$ 4,686	$ (17,076)

12. GAINS (LOSSES) ON FINANCIAL INSTRUMENTS, NET

	Three months ended March 31, 2015	2014
(Loss) gain on marketable securities	$ (141)	$ 21
Imputed interest on promissory note and other assets	220	460
Interest (loss) income	(179)	23
Loss on derivative financial assets	(35)	(1,476)
Loss on derivative financial liabilities (Note 8)	(223)	(8,855)
Gain on foreign currency	3,000	491
	$ 2,642	$ (9,336)

13. INCOME TAXES

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.

The Corporation's Burkina Faso subsidiary, Burkina Mining Corporation SA ("BMC"), was audited by the Direction Généralé Des Impots ("DGI") for its fiscal taxation years December 31, 2010 and December 31, 2011, and received a final tax assessment amounting to approximately $7.5 million, a reduction from the initial amount assessed of approximately $27.9 million. In the quarter ended March, 31, 2015, the Corporation paid $0.9 million (2014 - $1.7 million), reducing the outstanding amount payable to $1.8 million.

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 various taxes for the fiscal years 2011 to 2013. 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. Subsequent to December 31, 2014, on February 13, 2015, the tax authority re-confirmed the amounts owing as a result of the assessments at approximately $25 million. 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.

14. SEGMENTED INFORMATION

The following is an analysis of the Corporation's revenue and results by reportable segment.

(Expressed in Thousands of United States Dollars, except per share amounts)

	Three months ended March 31, 2015						
	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Youga Mine Burkina Faso	Exploration	Non-Mining	Total
Revenue							
Gold revenue	$ 55,806	$ 32,912	$ 41,731	$ 21,616	$ -	$ -	$ 152,065
Cost of sales							
Operating expenses	19,253	31,191	29,314	14,486	-	-	94,244
Depreciation and depletion	7,250	3,032	7,650	1,493	-	26	19,451
Royalties	1,950	1,907	2,495	889	-	-	7,241
Earnings (loss) from mine operations	27,353	(3,218)	2,272	4,748	-	(26)	31,129
Corporate costs	-	-	-	-	-	3,983	3,983
Share-based payments	-	-	-	-	-	1,130	1,130
Exploration	-	-	-	-	703	-	703
Earnings (loss) from operations	27,353	(3,218)	2,272	4,748	(703)	(5,139)	25,313
Other income (expenses)							
(Losses) gains on financial instruments	(644)	(2,972)	4,763	(1,214)	(22)	2,731	2,642
Finance costs	(32)	(70)	(454)	(27)	-	(7,252)	(7,835)
Other (expense) income	-	-	190	-	(21)	-	169
	(676)	(3,042)	4,499	(1,241)	(43)	(4,521)	(5,024)
Earnings (loss) before taxes	26,677	(6,260)	6,771	3,507	(746)	(9,660)	20,289
Income taxes (expense) recovery	(3,605)	2,517	(4,384)	(1,391)	-	(475)	(7,338)
Net earnings (loss) and total comprehensive earnings (loss)	$ 23,072	$ (3,743)	$ 2,387	$ 2,116	$ (746)	$ (10,135)	$ 12,951

	Three months ended March 31, 2014						
	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Youga Mine Burkina Faso	Exploration	Non-Mining	Total
Revenue							
Gold revenue	$ 28,648	$ 37,016	$ 45,807	$ 25,740	$ -	$ -	$ 137,211
Cost of sales							
Operating expenses	13,000	25,240	37,483	13,487	-	-	89,210
Depreciation and depletion	2,560	3,508	7,776	3,512	-	26	17,382
Royalties	1,106	2,088	2,746	1,218	-	-	7,158
Earnings (loss) from mine operations	11,982	6,180	(2,198)	7,523	-	(26)	23,461
Corporate costs	-	-	-	-	-	5,395	5,395
Share-based payments	-	-	-	-	-	178	178
Exploration	-	-	-	-	356	-	356
Earnings (loss) from operations	11,982	6,180	(2,198)	7,523	(356)	(5,599)	17,532
Other (expenses) income							
Gains (losses) on financial instruments	375	329	99	(210)	5	(9,934)	(9,336)
Gain on sale of subsidiaries	-	-	-	-	1,176	-	1,176
Finance costs	(56)	(248)	(169)	(38)	-	(6,216)	(6,727)
	319	81	(70)	(248)	1,181	(16,150)	(14,887)
Earnigns (loss) before taxes	12,301	6,261	(2,268)	7,275	825	(21,749)	2,645
Income taxes recovery (expense)	221	(262)	7,946	(1,358)	-	(239)	6,308
Net earnings (loss) and total comprehensive earnings (loss)	$ 12,522	$ 5,999	$ 5,678	$ 5,917	$ 825	$ (21,988)	$ 8,953

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales during the three months ended March 31, 2015.

(Expressed in Thousands of United States Dollars, except per share amounts)

Geographical information

The Corporation's revenue from continuing operations from external customers by location of operations is presented above and information about its non-current assets by location is detailed below:

Non-current assets		March 31, 2015		December 31, 2014
Côte d'Ivoire	$	163,733	$	162,688
Ghana		187,425		245,334
Mali		273,323		207,907
Burkina Faso		149,564		149,942
Other		6,040		8,453
	$	780,085	$	774,324

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.

Total assets and liabilities

	March 31, 2015				December 31, 2014			
		Total assets		Total liabilities		Total assets		Total liabilities
Agbaou Project	$	188,365	$	33,983	$	192,501	$	31,284
Nzema Mine		220,429		41,655		219,965		40,889
Tabakoto Mine		338,507		84,263		351,494		98,933
Youga Mine		57,496		20,210		54,870		20,012
Houndé Project		132,936		-		131,870		-
Exploration		1,248		19,870		517		20,057
Non-Mining		17,632		299,751		12,658		309,330
	$	956,613	$	499,732	$	963,875	$	520,505

(Expressed in Thousands of United States Dollars, except per share amounts)

15. 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:

	March 31, 2015	December 31, 2014
Equity	$ 456,881	$ 443,370
Current and long-term debt	284,593	290,996
	741,475	734,366
Less:		
Cash	(56,404)	(62,179)
Cash - restricted	(4,813)	(4,517)
Marketable securities	(843)	(854)
	$ 679,414	$ 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.

17. FINANCIAL INSTRUMENTS

Financial assets and liabilities

The Corporation's financial instruments consist of cash, marketable securities, trade and other receivables, promissory note 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).

(Expressed in Thousands of United States Dollars, except per share amounts)

At March 31, 2015, 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:

	March 31, 2015			
	Level 1 Input	Level 2 Input	Level 3 Input	Aggregate Fair Value
Assets:				
Cash and cash equivalents	$ 56,404	$ -	$ -	$ 56,404
Cash - restricted	4,813	-	-	4,813
Marketable securities	770	73	-	843
	$ 61,987	$ 73	$ -	$ 62,060
Liabilities:				
Derivative financial liabilities	-	8,981	-	8,981
	$ -	$ 8,981	$ -	$ 8,981

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

	December 31, 2014			
	Level 1 Input	Level 2 Input	Level 3 Input	Aggregate Fair Value
Assets:				
Cash and cash equivalents	$ 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 periods.

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. There has been no change in the Corporation's objectives and policies for managing this risk in the three months ended March 31, 2015.

(Expressed in Thousands of United States Dollars, except per share amounts)

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

	March 31, 2015	December 31, 2014
Cash	$ 56,404	$ 62,179
Cash - restricted	4,813	4,517
Trade and other receivables	17,177	21,530
Other assets	8,808	8,172
	$ 87,202	$ 96,398

(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 March 31, 2015:

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	$ 112,278	$ -	$ -	$ -	$ 112,278
Long-term debt	-	-	230,000	70,000	300,000
Finance lease obligations	4,315	11,460	-	-	15,775
Minimum operating lease payments	1,194	1,860	1,767	221	5,042
Derivative financial liabilities	5,905	3,076	-	-	8,981
	$ 123,692	$ 16,396	$ 231,767	$ 70,221	$ 442,076

Market risk

(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 the three months ended March 31, 2015.

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

(Expressed in Thousands of United States Dollars, except per share amounts)

The table below highlights the monetary net assets denominated in foreign currencies (in $US):

		March 31, 2015		December 31, 2014
Canadian dollar	$	(350)	$	1,111
CFA Francs		12,390		(6,451)
Other currencies		2,414		4,046
	$	14,454	$	(1,294)

The effect on earnings and other comprehensive earnings before tax as at March 31, 2015, of a 10% appreciation or depreciation in the foreign curerncies against the US dollar on the above mentioned financial and non-financial assets and liabilities of the Corporateion is estimated to be $1.4 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 March 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 March 31, 2015, of a 10% change in interest 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 three months ended March 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.

18. COMMITMENTS AND CONTINGENCIES

Contracts and Leases

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