

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half year June 30, 2015

Australian Registered Business Number: 153 067 639

"Results for announcement to the market"

(in thousands of US dollars except percentages)	Six months ended June 30, 2015	Six months ended June 30, 2014	Change Amount	Change %
Revenue from ordinary activities	\$ 306,694	\$ 290,609	\$ 16,085	6%
Net earnings (loss) and total comprehensive earnings (loss) from continuing operations attributable to shareholders of Endeavour Mining Corporation	39,392	5,065	34,327	678%

Dividends

The Corporation does not propose to pay any dividends.

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Three and six months ended June 30, 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)**

	June 30, 2015	December 31, 2014
ASSETS		
Current		
Cash	52,708	62,179
Cash - restricted	4,818	4,517
Trade and other receivables	17,061	21,530
Inventories (Note 3)	97,460	86,212
Prepaid expenses and other	11,461	15,113
	183,508	189,551
Mining interests (Note 4)	702,979	698,031
Deferred income taxes	71,428	68,121
Other long term assets (Note 5)	8,921	8,172
	\$ 966,836	\$ 963,875
LIABILITIES		
Current		
Trade and other payables	113,794	127,905
Current portion of finance lease obligations (Note 6)	4,315	4,296
Current portion of derivative financial liabilities (Note 8)	5,567	6,420
Income taxes payable (Note 13)	7,457	8,142
	131,133	146,763
Finance lease obligations (Note 6)	10,693	11,952
Long-term debt (Note 7)	264,617	290,996
Derivative financial liabilities (Note 8)	1,535	4,621
Provisions (Note 9)	37,343	35,899
Deferred income taxes	26,956	30,274
	472,277	520,505
EQUITY		
Share capital (Note 10 (a))	991,569	991,569
Equity reserve	41,097	39,961
Retained deficit	(527,786)	(567,178)
Equity attributable to shareholders of the Corporation	504,880	464,352
Non-controlling interests (Note 11)	(10,321)	(20,982)
Total equity	494,559	443,370
	\$ 966,836	\$ 963,875
SUBSEQUENT EVENT (NOTE 7)		
COMMITMENTS AND CONTINGENCIES (NOTE 18)		

Approved by the Board: July 30, 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****(Expressed in Thousands of United States Dollars)****(Unaudited)**

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Revenues				
Gold revenue (Note 14)	\$ 154,629	\$ 153,398	306,694	\$ 290,609
Cost of sales				
Operating expenses	88,128	99,842	182,372	189,052
Depreciation and depletion	18,207	22,968	37,658	40,350
Royalties	7,419	7,675	14,660	14,833
Earnings from mine operations	40,875	22,913	72,004	46,374
Corporate costs	4,450	4,705	8,433	10,100
Share-based payments (Note 10 (b))	1,110	264	2,240	442
Exploration	483	536	1,186	892
Earnings from operations	34,832	17,408	60,145	34,940
Other income (expenses)				
Gains (losses) on financial instruments (Note 12)	925	(5,688)	3,567	(15,027)
Finance costs	(8,846)	(6,977)	(16,682)	(13,704)
Other income	(34)	(190)	136	986
	(7,955)	(12,855)	(12,979)	(27,745)
Earnings before taxes	26,877	4,553	47,166	7,195
Current income taxes expense	(1,526)	(2,392)	(3,253)	(4,686)
Deferred income taxes (expense) recovery (Note 13)	7,646	(1,209)	6,625	7,392
Net earnings and total comprehensive earnings	32,997	952	50,538	9,901
Attributable to:				
Shareholders of Endeavour Mining Corporation	26,677	40	39,392	5,065
Non-controlling interests (Note 11)	6,320	912	11,146	4,836
Net earnings and total comprehensive earnings	\$ 32,997	\$ 952	\$ 50,538	\$ 9,901
Net earnings per share (Note 10 (c))				
Basic earnings per share	\$ 0.06	\$ 0.00	\$ 0.10	\$ 0.01
Diluted earnings per share	\$ 0.06	\$ 0.00	\$ 0.10	\$ 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 June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Operating Activities				
Earnings before taxes	\$ 26,877	\$ 4,553	\$ 47,166	\$ 7,195
Adjustments for:				
Depreciation and depletion	18,207	22,968	37,658	40,350
Unwinding of reclamation obligation	195	482	389	963
Amortization of financing costs	1,054	1,059	2,070	2,106
Unrealized loss on marketable securities and (gain) on imputed interest on promissory note	(26)	(541)	(105)	(1,020)
Share-based payments and settlements	1,099	264	2,229	394
Unrealized (gain) loss on derivative financial assets and liabilities	(1,880)	(1,114)	(3,905)	6,546
Realized loss on derivative financial instruments	1,840	4,908	4,124	7,579
Interest expense	4,436	3,612	8,373	6,871
Unrealized foreign exchange loss	2,334	575	742	2,684
Income taxes paid	(1,991)	(3,840)	(4,825)	(6,963)
Operating cash flows before non-cash working capital	52,145	32,926	93,916	66,705
Changes in non-cash working capital:				
Trade and other receivables	7,700	(8,967)	5,539	(23,177)
Prepaid expenses and other	(1,395)	8,326	(97)	14,191
Inventories	(10,780)	3,049	(11,074)	(14,262)
Trade and other payables	(1,484)	(9,891)	(11,194)	3,719
Other	-	(177)	522	(177)
Cash generated from operating activities	\$ 46,186	\$ 25,266	\$ 77,612	\$ 46,999
Investing Activities				
Expenditures and prepayments on mining interests	(18,303)	(23,447)	(43,236)	(49,812)
Other	(164)	(312)	(625)	(312)
Cash used in investing activities	\$ (18,467)	\$ (23,759)	\$ (43,861)	\$ (50,124)
Financing Activities				
Proceeds received from the issue of common shares	-	54	-	73
Cash payment on settlement of gold hedge program	(1,828)	(4,908)	(4,111)	(7,579)
Dividends paid	(485)	(881)	(485)	(881)
Sale-leaseback proceeds	-	-	-	2,035
Payment of financing and other fees	(1,315)	-	(6,702)	-
Interest paid	(4,397)	(6,804)	(8,569)	(6,804)
Repayment of long-term debt	(20,000)	-	(20,000)	-
Repayment of finance lease obligation	(766)	(112)	(1,584)	(435)
Cash used in financing activities	\$ (28,791)	\$ (12,651)	\$ (41,451)	\$ (13,591)
Effect of exchange rate changes on cash	(2,624)	532	(1,771)	483
Decrease in cash	(3,696)	(10,612)	(9,471)	(16,233)
Cash, beginning of period	56,404	67,703	62,179	73,324
Cash, end of period	\$ 52,708	\$ 57,091	\$ 52,708	\$ 57,091

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						Total Number of Shares	Total Share Capital	Equity Reserve	Retained Deficit	Total Attributable to Shareholders	Non- Controlling Interests	Total
	Number of Common Shares	Par Value	Additional Paid in Capital	Number of Exchangeable Shares	Par Value	Additional Paid in Capital							
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	21,626	-	55	(21,626)	-	(55)	-	-	-	-	-	-	-
Share options exercised	100,375	1	248	-	-	-	100,375	249	(176)	-	73	-	73
Share based payments	-	-	-	-	-	-	-	-	125	-	125	-	125
Dividends	-	-	-	-	-	-	-	-	-	-	-	(881)	(881)
Net earnings and total comprehensive earnings	-	-	-	-	-	-	-	-	-	5,065	5,065	4,836	9,901
At June 30, 2014	412,463,796	\$ 4,119	\$ 985,712	679,872	7	\$ 1,731	413,143,668	\$ 991,569	\$ 39,214	\$ (288,463)	\$ 742,320	\$ 38,404	\$ 780,724
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
Exchangeable shares exchanged into common shares	10,950	-	28	(10,950)	-	(28)	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	1,136	-	1,136	-	1,136
Dividends	-	-	-	-	-	-	-	-	-	-	-	(485)	(485)
Net earnings and total comprehensive earnings	-	-	-	-	-	-	-	-	-	39,392	39,392	11,146	50,538
At June 30, 2015	412,497,814	\$ 4,119	\$ 985,774	645,854	7	\$ 1,669	413,143,668	\$ 991,569	\$ 41,097	\$ (527,786)	\$ 504,880	\$ (10,321)	\$ 494,559

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 (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 Standard (“IAS”) 34, *Interim Financial Reporting*, using the accounting policies consistent with International Financial Reporting Standards (“IFRS”).

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 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, 2018, 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*

ENDEAVOUR MINING CORPORATION**Notes to the Unaudited Condensed Interim Consolidated Financial Statements**
(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

	June 30, 2015	December 31, 2014
Doré bars ⁽¹⁾	\$ 5,405	\$ 5,506
Gold in circuit ⁽²⁾	10,744	10,369
Ore stockpiles ⁽³⁾	36,263	24,619
Spare parts and supplies	45,048	45,718
	<u>\$ 97,460</u>	<u>\$ 86,212</u>

⁽¹⁾ Includes a reversal of a previous impairment of \$0.07 million to adjust the costs of inventory to net realizable value at the Tabakoto mine (December 31, 2014, impairment of \$0.7 million) and an impairment of \$0.03 million at the Nzema mine (December 31, 2014, impairment of \$0.6 million).

⁽²⁾ Includes a reversal of a previous impairment of \$0.06 million to adjust the costs of inventory to net realizable value at the Tabakoto mine (December 31, 2014, impairment of \$0.6 million) and an impairment of \$0.9 million at the Nzema mine (December 31, 2014, impairment of \$1.1 million).

⁽³⁾ Includes a reversal of a previous impairment of \$1.6 million to adjust the costs of inventory to net realizable value at the Tabakoto mine (December 31, 2014, impairment of \$1.6 million) and an impairment of \$1.4 million at the Nzema mine (December 31, 2014, \$nil).

The cost of inventories recognized as expense for the three and six months ended June 30, 2015, were \$102.3 million and \$214.9 million, respectively, and were included in operating expenses (three and six months ended June 30, 2014 - \$122.1 million and \$226.6 million, respectively).

ENDEAVOUR MINING CORPORATION
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Thousands of United States Dollars, except per share amounts)
4. MINING INTERESTS

	Mining Properties			Plant and equipment	Corporate assets	Total
	Depletable	Non depletable	Assets under construction			
Cost						
Balance as at December 31, 2013	\$ 747,203	\$ 554,110	\$ 910	\$ 382,286	\$ 1,867	\$ 1,686,376
Expenditures/additions	63,305	13,909	-	59,614	-	136,828
Transfers	34,090	(131,814)	(910)	98,638	(4)	-
Transfers (to) from inventory	(13,866)	-	-	2,795	-	(11,071)
Reclamation liability change in estimate	5,180	-	-	-	-	5,180
Disposals	(2,757)	-	-	(409)	(1)	(3,167)
Balance as at December 31, 2014	833,155	436,205	-	542,924	1,862	1,814,146
Expenditures/additions	25,416	5,230	-	12,271	319	43,236
Transfers	(6,944)	-	-	6,944	-	-
Balance as at June 30, 2015	\$ 851,627	\$ 441,435	\$ -	\$ 562,139	\$ 2,181	\$ 1,857,382
Accumulated depreciation and impairment						
Balance as at December 31, 2013	\$ 369,200	\$ 122,922	\$ -	\$ 155,529	\$ 1,476	\$ 649,127
Depreciation/depletion	48,837	-	-	42,947	105	91,889
Depreciation charge included in inventory	4,653	-	-	4,567	-	9,220
Impairment charges (Note 8)	151,121	89,153	-	125,666	-	365,940
Disposals	-	-	-	(61)	-	(61)
Balance as at December 31, 2014	573,811	212,075	-	328,648	1,581	1,116,115
Depreciation/depletion	19,817	-	-	17,791	50	37,658
Depreciation charge included in inventory	1,055	-	-	(425)	-	630
Balance as at June 30, 2015	\$ 594,683	\$ 212,075	\$ -	\$ 346,014	\$ 1,631	\$ 1,154,403
Carrying amounts						
At December 31, 2014	\$ 259,344	\$ 224,130	\$ -	\$ 214,276	\$ 281	\$ 698,031
At June 30, 2015	\$ 256,944	\$ 229,360	\$ -	\$ 216,125	\$ 550	\$ 702,979

At June 30, 2015, the carrying amount of plant and equipment included \$21.1 million of assets under finance leases (December 31, 2014 - \$20.7 million).

ENDEAVOUR MINING CORPORATION
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(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		Exploration Properties	Assets under construction	Corporate assets	Total
					Houndé Project	Ouaré Project				
Cost										
Balance as at December 31, 2013	\$ 589,699	\$ 604,174	\$ 161,936	\$ 190,805	\$ 122,394	\$ 11,422	\$ 3,169	\$ 910	\$ 1,867	\$ 1,686,376
Expenditures/additions	89,011	23,863	2,078	12,004	9,476	396	-	-	-	136,828
Reclamation liability change in estimate	2,799	(2,904)	2,778	2,507	-	-	-	-	-	5,180
Transfers (to) from inventory	1,631	-	810	(12,602)	-	-	-	(910)	-	(11,071)
Transfers	202	(1)	2	(10)	-	(189)	-	-	(4)	-
Disposals	(27)	(2,757)	(93)	(289)	-	-	-	-	(1)	(3,167)
Balance as at December 31, 2014	683,315	622,375	167,511	192,415	131,870	11,629	3,169	-	1,862	1,814,146
Expenditures/additions	19,683	8,262	574	12,307	2,091	-	-	-	319	43,236
Balance as at June 30, 2015	\$ 702,998	\$ 630,637	\$ 168,085	\$ 204,722	\$ 133,961	\$ 11,629	\$ 3,169	\$ -	\$ 2,181	\$ 1,857,382
Accumulated depreciation and impairment										
Balance as at December 31, 2013	\$ 106,429	\$ 418,234	\$ 115,945	\$ -	\$ -	\$ 3,874	\$ 3,169	\$ -	\$ 1,476	\$ 649,127
Depreciation/depletion	36,757	14,840	13,013	27,174	-	-	-	-	105	91,889
Depreciation captured in inventory	4,419	1,467	781	2,553	-	-	-	-	-	9,220
Impairment charges (Note 8)	327,803	10,621	19,761	-	-	7,755	-	-	-	365,940
Disposals	-	-	(61)	-	-	-	-	-	-	(61)
Balance as at December 31, 2014	475,408	445,162	149,439	29,727	-	11,629	3,169	-	1,581	1,116,115
Depreciation/depletion	14,533	7,062	2,792	13,221	-	-	-	-	50	37,658
Depreciation captured in inventory	(1,227)	1,704	688	(535)	-	-	-	-	-	630
Balance as at June 30, 2015	\$ 488,714	\$ 453,928	\$ 152,919	\$ 42,413	\$ -	\$ 11,629	\$ 3,169	\$ -	\$ 1,631	\$ 1,154,403
Carrying amounts										
At December 31, 2014	\$ 207,907	\$ 177,213	\$ 18,072	\$ 162,688	\$ 131,870	\$ -	\$ -	\$ -	\$ 281	\$ 698,031
At June 30, 2015	\$ 214,284	\$ 176,709	\$ 15,166	\$ 162,309	\$ 133,961	\$ -	\$ -	\$ -	\$ 550	\$ 702,979

ENDEAVOUR MINING CORPORATION**Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Thousands of United States Dollars, except per share amounts)****5. OTHER LONG TERM ASSETS**

Other long term assets are comprised of:

	June 30, 2015	December 31, 2014
Promissory note and working capital loan	\$ 5,834	\$ 5,394
Long term stockpiles	3,087	2,778
Total	\$ 8,921	\$ 8,172

Promissory note and working capital loan

The Corporation holds a promissory note for 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 June 30, 2015, a reversal of prior impairment of \$0.2 million (December 31, 2014, \$4.5 million) was recorded to adjust the cost to recoverable 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:

	June 30, 2015	December 31, 2014
Equipment lease obligations	\$ 15,008	\$ 16,248
Less: current portion	(4,315)	(4,296)
Long-term equipment lease obligations	\$ 10,693	\$ 11,952

	Minimum lease payments		Present value of minimum lease payments	
	June 30, 2015	December 31, 2014	June 30, 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	13,547	15,485	10,693	11,952
	18,087	20,002	15,008	16,248
Less future finance charges	(3,079)	(3,754)	-	-
Present value of minimum lease payments	\$ 15,008	\$ 16,248	\$ 15,008	\$ 16,248

ENDEAVOUR MINING CORPORATION**Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Thousands of United States Dollars, except per share amounts)****7. LONG-TERM DEBT**

	June 30, 2015	December 31, 2014
Corporate loan facility (a)	\$ 280,000	\$ 300,000
Deferred financing costs (a)	(15,945)	(9,563)
Corporate loan facility	264,055	290,437
Other long-term debt	562	559
Total debt	264,617	290,996

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 and utilized \$300 million of the amended Facility while completing the expansion of the Tabakoto mine and the construction of the Agbaou mine.

On March 10, 2015, the Corporation renewed its Facility with 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 include the following:

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

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

Subsequent to quarter-end, on July 8, 2015, the Corporation made another principal payment of \$20.0 million to reduce the drawn amount on the Facility further to \$260.0 million.

ENDEAVOUR MINING CORPORATION**Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(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:

	June 30, 2015	December 31, 2014
Gold and fuel price protection programs (a)	\$ 7,102	\$ 11,041
Less: current portion	(5,567)	(6,420)
Derivative financial liabilities	\$ 1,535	\$ 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 June 30, 2015	2014	Six months ended June 30, 2015	2014
Realized loss - gold and fuel price protection programs	\$ (1,840)	\$ (4,908)	\$ (4,124)	\$ (7,579)
Change in unrealized gain on gold and fuel price protection programs	1,880	1,486	3,940	(4,698)
Total gain (loss) on the gold and fuel price protection programs	\$ 40	\$ (3,422)	\$ (184)	\$ (12,277)

*(a) Gold and fuel price protection programs**(i) Options*

Prior to Endeavour's acquisition, a wholly owned subsidiary 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 is in cash as there is no exchange of physical gold. During the three and six months ended June 30, 2015, the Corporation settled the remaining 3,033 and 6,066 ounces of gold resulting in a realized loss of \$0.9 million and \$1.8 million, respectively.

(ii) Gold 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;

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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 and six months ended June 30, 2015, the Corporation settled 6,949 and 15,177 ounces of gold resulting in a realized loss of \$1.0 million and \$2.3 million, respectively.

As at June 30, 2015, 48,986 ounces (16,823 in 2015 and 32,163 in 2016) of gold forward contracts remain outstanding with a fair value of \$6.7 million (December 31, 2014, \$9.3 million).

(iii) Fuel Swap Contracts

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

During the three and six months ended June 30, 2015, the Corporation settled 1,268 Mtonnes of Gas Oil resulting in a realized loss of \$0.01 million and \$0.01 million, respectively.

As at June 30, 2015, 12,680 Mtonnes (7,608 in 2015 and 5,072 in 2016) of Gas Oil swap contracts remain outstanding as a liability of \$0.4 million (December 31, 2014, \$nil).

9. PROVISIONS

Provisions are comprised of:

	June 30, 2015	December 31, 2014
Environmental rehabilitation provision	\$ 35,784	\$ 35,432
Deferred and performance share liability (Note 10)	1,559	467
Total	\$ 37,343	\$ 35,899

ENDEAVOUR MINING CORPORATION**Notes to the Unaudited Condensed Interim Consolidated Financial Statements**
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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 June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Amortization of option grants				
Share based compensation	\$ 576	\$ 139	\$ 1,136	\$ 125
Total expense recognized on grant and change in fair value of DSUs	126	125	333	317
Total expense recognized on grant and change in fair value of PSUs	408	-	771	-
Total share-based payments	\$ 1,110	\$ 264	\$ 2,240	\$ 442

(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	(2,862,042)	1.62
At June 30, 2015	28,665,758	\$ 1.78

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 expected volatility is based on the historical volatility of Endeavour's Canadian dollar common share price on the Toronto Stock Exchange.

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The following table summarizes information about the outstanding and exercisable share options outstanding as at June 30, 2015:

Exercise Prices (C\$)	Outstanding	Exercisable	Weighted average exercise price (C\$)	Weighted average remaining contractual life
\$0.61 - \$0.81	7,086,000	466,666	\$ 0.81	3.87 years
\$0.82 - \$1.50	6,518,260	463,260	1.36	2.10 years
\$1.51 - \$2.00	3,124,400	3,124,400	1.52	2.03 years
\$2.01 - \$2.50	4,109,503	4,109,503	2.28	2.49 years
\$2.51 - \$3.00	5,529,312	5,529,312	2.67	1.26 years
\$3.51 - \$4.00	80,300	80,300	3.70	0.87 years
\$4.01 - \$44.96	2,217,983	2,217,983	4.99	0.98 years
	28,665,758	15,991,424	\$ 2.58	1.79 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 June 30, 2015, there were 41,314,367 (December 31, 2014 – 41,314,367) options available for grant under the plan, of which 12,648,609 (December 31, 2014 – 16,172,567) are still available to be granted.

(ii) *Deferred share units*

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

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

A summary of the changes in DSUs is presented below:

	DSUs outstanding
At December 31, 2013	336,994
Granted	684,148
Exercised/released	(53,333)
At December 31, 2014	967,809
Granted	406,914
At June 30, 2015	1,374,723

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The total fair value of DSUs at June 30, 2015, was \$0.7 million (December 31, 2014 – \$0.4 million). The fair value of the DSUs was recognized as share-based payments totaling \$0.1 million and \$0.3 million for the three and six months ended June 30, 2015 (June 30, 2014 – \$0.2 million and \$0.4 million, respectively) with a corresponding amount recorded as a deferred share unit liability in the consolidated statement of financial position (Note 9).

(iii) Performance share units

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

A summary of the changes in PSUs is presented below:

	PSUs outstanding
At December 31, 2013	-
Granted	2,627,000
At December 31, 2014	2,627,000
Granted	2,698,000
Exercised/Released	(18,889)
Forfeited	(410,111)
At June 30, 2015	4,896,000

The total fair value of outstanding PSUs at June 30, 2015, was \$0.9 million (December 31, 2014 - \$0.1 million). The fair value of the PSUs was recognized as share-based payment expense totaling \$0.4 million and \$0.8 million for the three and six months ended June 30, 2015, respectively (June 30, 2014, \$nil), with a corresponding amount recorded as a preferred share unit liability in the consolidated statement of financial position (Note 9).

(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 and six months ended June 30, 2015, of C\$0.61 and C\$0.59 respectively (C\$0.80 and C\$0.79 for the three and six months ended June 30, 2014).

Three months ended June 30,		Six months ended June 30,	
2015	2014	2015	2014
28,665,758	24,587,318	28,665,758	24,511,506

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

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Basic and diluted weighted average number of shares outstanding	413,143,668	413,141,261	413,143,668	412,361,842

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	3,513	499	87	737	4,836
Dividend distribution	-	-	-	(881)	(881)
At June 30, 2014	3,513	(3,124)	32,137	5,878	38,404
Net earnings (loss)	5,445	(1,648)	(61,738)	(1,445)	(59,386)
At December 31, 2014	8,958	(4,772)	(29,601)	4,433	(20,982)
Net earnings	7,877	518	2,277	474	11,146
Dividend distribution	-	-	-	(485)	(485)
At June 30, 2015	\$ 16,835	\$ (4,254)	\$ (27,324)	\$ 4,422	\$ (10,321)

During the period ended June 30, 2015, Burkina Mining Company, declared a \$4.9 million dividend based on its 2014 results. The dividend resulted in a cash payment of \$0.5 million (inclusive of withholding taxes) to the Burkina Faso Government (June 30, 2014 - \$0.9 million).

12. GAINS (LOSSES) ON FINANCIAL INSTRUMENTS, NET

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
(Loss) gain on marketable securities	\$ (193)	\$ 81	\$ (334)	\$ 101
Imputed interest on promissory note and other assets	\$ 220	460	439	919
Interest (loss) income	\$ 7	(4)	(172)	20
Loss on derivative financial assets	\$ -	(372)	(35)	(1,848)
(Loss) gain on derivative financial liabilities (Note 8)	\$ 40	(3,422)	(184)	(12,277)
Gain on foreign currency	\$ 851	(2,431)	3,853	(1,942)
	\$ 925	\$ (5,688)	\$ 3,567	\$ (15,027)

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 Générale Des Impôts ("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 three and six months ended June 30, 2015, the Corporation paid \$1.3 million and \$2.7 million (2014 - \$1.7 million), respectively, settling its liability.

In the fourth quarter of 2014, the Corporation's Malian subsidiary, Segala Mining Corporation SA ("Semico"), received a tax assessment from the Malian tax authority of \$40.6 million related to the fiscal years 2011 to 2013 and related to various taxes. The Corporation and its advisors believe that a significant portion of the assessment's tax claims are wholly without merit and as such have actively engaged with the tax authority 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.

The presentation of the condensed interim consolidated financial statements as at and for the three months ended March 31, 2015 has been amended (for comparative purposes) to correct the deferred income tax expense for the quarter by \$4.6 million to reflect the appropriate tax basis of the Corporation's mineral interests at Tabakoto. The amendment has no impact on cash, cash flows or the presentation of the condensed interim consolidated financial statements for the three and six months ended June 30, 2015. The effect of the amendment results in a decrease in the deferred tax expense for the three months ended March 31, 2015 of \$4.6 million and a corresponding increase in the deferred income tax asset at March 31, 2015. As a result, the Corporation's deferred income tax assets at March 31, 2015 were \$71.3 million, the deferred income tax expense in the three months ended March 31, 2015 is \$1.0 million, and the net earnings are \$17.5 million, of which \$12.7 million are attributable to the shareholders of the Corporation and \$4.8 million are attributable to the non-controlling interests. Basic and diluted earnings per share increases by \$0.01 per share to \$0.03 per share as a result of this amendment.

14. SEGMENTED INFORMATION

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

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Three months ended June 30, 2015								
	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Youga Mine Burkina Faso	Exploration	Non-Mining	Total	
Revenue								
Gold revenue	\$ 47,902	\$ 39,041	\$ 45,855	\$ 21,831	\$ -	\$ -	\$ 154,629	
Cost of sales								
Operating expenses	19,318	21,773	32,036	15,001	-	-	88,128	
Depreciation and depletion	5,971	4,030	6,882	1,299	-	25	18,207	
Royalties	1,732	2,215	2,743	729	-	-	7,419	
Earnings (loss) from mine operations	20,881	11,023	4,194	4,802	-	(25)	40,875	
Corporate costs	-	-	-	-	-	4,450	4,450	
Share-based payments	-	-	-	-	-	1,110	1,110	
Exploration	-	-	-	-	483	-	483	
Earnings (loss) from operations	20,881	11,023	4,194	4,802	(483)	(5,585)	34,832	
Other income (expenses)								
(Losses) gains on financial instruments	649	3,141	(1,129)	964	286	(2,986)	925	
Finance costs	(115)	(70)	(435)	(26)	-	(8,200)	(8,846)	
Other (expense) income	-	-	(34)	-	-	-	(34)	
	534	3,071	(1,598)	938	286	(11,186)	(7,955)	
Earnings (loss) before taxes	21,415	14,094	2,596	5,740	(197)	(16,771)	26,877	
Income taxes (expense) recovery	6,800	427	(734)	(11)	(53)	(309)	6,120	
Net earnings (loss) and total comprehensive earnings (loss)	\$ 28,215	\$ 14,521	\$ 1,862	\$ 5,729	\$ (250)	\$ (17,080)	\$ 32,997	

Three months ended June 30, 2014								
	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Youga Mine Burkina Faso	Exploration	Non-Mining	Total	
Revenue								
Gold revenue	\$ 38,258	\$ 46,265	\$ 45,032	\$ 23,843	\$ -	\$ -	\$ 153,398	
Cost of sales								
Operating expenses - cash costs	19,783	27,173	38,140	14,746	-	-	\$ 99,842	
Depreciation and depletion	5,742	4,259	9,194	3,749	-	24	\$ 22,968	
Royalties	1,377	2,558	2,686	1,054	-	-	\$ 7,675	
Earnings (loss) from mine operations	11,356	12,275	(4,988)	4,294	-	(24)	22,913	
Corporate costs	-	-	-	-	-	4,705	\$ 4,705	
Share-based payments	-	-	-	-	-	264	\$ 264	
Exploration	-	-	-	-	536	-	\$ 536	
Earnings (loss) from operations	11,356	12,275	(4,988)	4,294	(536)	(4,993)	17,408	
Other income (expense)								
Gains (losses) on financial instruments	(498)	(568)	(1,696)	433	(756)	(2,603)	(5,688)	
Finance costs	(40)	(249)	(150)	(39)	-	(6,499)	(6,977)	
Other income (expense)	-	-	-	-	(190)	-	(190)	
	(538)	(817)	(1,846)	394	(946)	(9,102)	(12,855)	
Earnings (loss) before taxes	10,818	11,458	(6,834)	4,688	(1,482)	(14,095)	4,553	
Income taxes expense	(113)	(2,116)	805	(1,668)	-	(509)	(3,601)	
Net earnings (loss) and total comprehensive earnings (loss)	\$ 10,705	\$ 9,342	\$ (6,029)	\$ 3,020	\$ (1,482)	\$ (14,604)	\$ 952	

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Six months ended June 30, 2015							
	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Youga Mine Burkina Faso	Exploration	Non-Mining	Total
Revenue							
Gold revenue	\$ 103,707	\$ 71,953	\$ 87,586	\$ 43,448	\$ -	\$ -	\$ 306,694
Cost of sales							
Operating expenses	38,571	52,964	61,350	29,487	-	-	182,372
Depreciation and depletion	13,221	7,062	14,533	2,792	-	50	37,658
Royalties	3,683	4,122	5,238	1,617	-	-	14,660
Earnings (loss) from mine operations	48,232	7,805	6,465	9,552	-	(50)	72,004
Corporate costs	-	-	-	-	-	8,433	8,433
Share-based payments	-	-	-	-	-	2,240	2,240
Exploration	-	-	-	-	1,186	-	1,186
Earnings (loss) from operations	48,232	7,805	6,465	9,552	(1,186)	(10,723)	60,145
Other income (expenses)							
(Losses) gains on financial instruments	5	169	3,634	(250)	264	(255)	3,567
Finance costs	(147)	(139)	(889)	(55)	-	(15,452)	(16,682)
Other (expense) income	-	-	157	-	(21)	-	136
	(142)	30	2,902	(305)	243	(15,707)	(12,979)
Earnings (loss) before taxes	48,090	7,835	9,367	9,247	(943)	(26,430)	47,166
Income taxes (expense) recovery	3,195	2,944	(528)	(1,402)	(53)	(784)	3,372
Net earnings (loss) and total comprehensive earnings (loss)	\$ 51,285	\$ 10,779	\$ 8,839	\$ 7,845	\$ (996)	\$ (27,214)	\$ 50,538

Six months ended June 30, 2014							
	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Youga Mine Burkina Faso	Exploration	Non-Mining	Total
Revenue							
Gold revenue	\$ 66,906	\$ 83,281	\$ 90,838	\$ 49,584	\$ -	\$ -	\$ 290,609
Cost of sales							
Operating expenses	32,783	52,413	75,623	28,233	-	-	189,052
Depreciation and depletion	8,301	7,766	16,970	7,261	-	52	40,350
Royalties	2,483	4,645	5,432	2,273	-	-	14,833
Earnings (loss) from mine operations	23,339	18,457	(7,187)	11,817	-	(52)	46,374
Corporate costs	-	-	-	-	-	10,100	10,100
Share-based payments	-	-	-	-	-	442	442
Exploration	-	-	-	-	892	-	892
Earnings (loss) from operations	23,339	18,457	(7,187)	11,817	(892)	(10,594)	34,940
Other income (expense)							
Gains (losses) on financial instruments	(123)	(239)	(1,596)	222	(751)	(12,540)	(15,027)
Finance costs	(97)	(498)	(317)	(78)	-	(12,714)	(13,704)
Other income (expense)	-	-	-	-	986	-	986
	(220)	(737)	(1,913)	144	235	(25,254)	(27,745)
Earnings (loss) before taxes	23,119	17,720	(9,100)	11,961	(657)	(35,848)	7,195
Income taxes (expense) recovery	108	(2,378)	8,751	(3,026)	-	(749)	2,706
Net earnings (loss) and total comprehensive earnings (loss)	\$ 23,227	\$ 15,342	\$ (349)	\$ 8,935	\$ (657)	\$ (36,597)	\$ 9,901

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Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales during the three and six months ended June 30, 2015.

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		June 30, 2015	December 31, 2014
Côte d'Ivoire	\$	162,309	\$ 162,688
Ghana		187,601	245,334
Mali		277,907	207,907
Burkina Faso		149,127	149,942
Other		6,384	8,453
	\$	783,328	\$ 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

	June 30, 2015		December 31, 2014	
	Total assets	Total liabilities	Total assets	Total liabilities
Agbaou Project	\$ 192,800	\$ 34,030	\$ 192,501	\$ 31,284
Nzema Mine	220,769	39,322	219,965	40,889
Tabakoto Mine	328,462	80,526	351,494	98,933
Youga Mine	59,456	20,891	54,870	20,012
Houndé Project	133,961	-	131,870	-
Exploration	642	19,384	517	20,057
Non-Mining	30,746	278,124	12,658	309,330
	\$ 966,836	\$ 472,277	\$ 963,875	\$ 520,505

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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:

	June 30, 2015	December 31, 2014
Equity	\$ 494,559	\$ 443,370
Current and long-term debt	264,617	290,996
	<u>759,176</u>	<u>734,366</u>
Less:		
Cash	(52,708)	(62,179)
Cash - restricted	(4,818)	(4,517)
Marketable securities	(650)	(854)
	<u>\$ 701,000</u>	<u>\$ 666,816</u>

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).

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At June 30, 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:

June 30, 2015				
	Level 1 Input	Level 2 Input	Level 3 Input	Aggregate Fair Value
Assets:				
Cash	\$ 52,708	\$ -	\$ -	\$ 52,708
Cash - restricted	4,818	-	-	4,818
Marketable securities	581	69	-	650
	<u>\$ 58,107</u>	<u>\$ 69</u>	<u>\$ -</u>	<u>\$ 58,176</u>
Liabilities:				
Derivative financial liabilities	-	7,102	-	7,102
	<u>\$ -</u>	<u>\$ 7,102</u>	<u>\$ -</u>	<u>\$ 7,102</u>

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	\$ 62,179	\$ -	\$ -	\$ 62,179
Cash - restricted	4,517	-	-	4,517
Marketable securities	770	84	-	854
Derivative financial asset	-	35	-	35
	<u>\$ 67,466</u>	<u>\$ 119</u>	<u>\$ -</u>	<u>\$ 67,585</u>
Liabilities:				
Derivative financial liabilities	-	11,042	-	11,042
	<u>\$ -</u>	<u>\$ 11,042</u>	<u>\$ -</u>	<u>\$ 11,042</u>

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

ENDEAVOUR MINING CORPORATION**Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Thousands of United States Dollars, except per share amounts)*****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 and six months ended June 30, 2015.

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

	June 30, 2015	December 31, 2014
Cash	\$ 52,708	\$ 62,179
Cash - restricted	4,818	4,517
Trade and other receivables	17,061	21,530
Other assets	8,921	8,172
	<u>\$ 83,508</u>	<u>\$ 96,398</u>

(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 June 30, 2015:

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	\$ 113,794	\$ -	\$ -	\$ -	\$ 113,794
Long-term debt	-	-	230,000	50,000	280,000
Finance lease obligations	4,315	10,693	-	-	15,008
Minimum operating lease payments	1,593	2,307	1,767	-	5,667
Derivative financial liabilities	5,567	1,535	-	-	7,102
	<u>\$ 125,269</u>	<u>\$ 14,535</u>	<u>\$ 231,767</u>	<u>\$ 50,000</u>	<u>\$ 421,571</u>

ENDEAVOUR MINING CORPORATION**Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Thousands of United States Dollars, except per share amounts)**

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 and six months ended June 30, 2015.

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

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

	June 30, 2015	December 31, 2014
Canadian dollar	\$ (1,353)	\$ 1,111
CFA Francs	(8,553)	(6,451)
Other currencies	4,673	4,046
	<u>\$ (5,233)</u>	<u>\$ (1,294)</u>

The effect on earnings and other comprehensive earnings before tax as at June 30, 2015, of a 10% appreciation or depreciation in the foreign currencies against the US dollar on the above mentioned financial and non-financial assets and liabilities of the Corporation is estimated to be \$0.5 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 June 30, 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 June 30, 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 and six ended June 30, 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.