

Endeavour Mining Corp

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Endeavour Mining has ambitious plans to grow resources and value in West Africa

- Building high quality projects and expanding resources
- Has significant resources to fund growth
- On track to meet full year 2019 production guidance

What Endeavour Mining does:

Endeavour Mining Corporation (TSE:EDV) (OTCMKTS:EDVMF) is an ambitious gold producer focused on West Africa, which has its headquarters in the Cayman Islands.

The firm, which has 2,800 employees worldwide, has 14 million ounces of measured and indicated resources (M&I) and aims to have discovered 10 to 15 million ounces of the precious metal within five years. It's 2019 target is to produce between 615,000 and 695,000 ounces at an all-in-sustaining cost (AISC) of US\$760-US\$810 per ounce.

Endeavour operates four producing mines across Côte d'Ivoire (Agbaou and Ity) and Burkina Faso (Houndé, Karma).

The Ity CIL project began processing ore in February and achieved its first gold pour on March 18, 2019.

The Houndé mine has become the group's flagship low-cost project, ranking among West Africa's top tier cash generating mines, with an average annual production of 235,000 ounces at an impressive AISC of US\$610 per ounce over its first four years.

The low-cost Karma mine was acquired in 2016, shortly before its first gold pour. The property includes six identified gold deposits and is a shallow open pit with little blasting required and a low strip ratio.

Elsewhere, the Kalana exploration project in Mali boasts current reserves of 2 million ounces in a single open pit. The current feasibility study looked at a 1.2 million tonne per annum (Mtpa) CIL plant, producing an average of 101,000 ounces per year with an AISC of \$730 per ounce over an 18-year mine life. The after-tax net present value (NPV) was C\$321 million with gold at US\$1,200 an ounce.

Endeavour reckons that with an expanded plant capacity, Kalana has the potential to increase its annual production profile to more than 150,000 ounces a year.

How is it doing:

Price: 36.57

Market Cap: \$5.96 billion

1 Year Share Price Graph



August 2019 February 2020 August 2020

Share Information

Code: EDV

Listing: TSX

52 week High Low
38.98 15.68

Sector: Gold & silver

Website: www.endeavourmining.com

Company Synopsis:

Endeavour Mining is a premier intermediate gold producer, with a solid track record of operational excellence, project development and exploration in the highly prospective Birimian greenstone belt in West Africa. Endeavour operates 4 mines across Côte d'Ivoire (Agbaou and Ity) and Burkina Faso (Houndé, Karma), which produced 612koz at an All-In Sustaining Cost (AISC) of \$744/oz in 2018.

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In June, the group revealed it was poised to improve output at the Houndé mine in Burkina Faso as it posted a 41% increase in reserves. This was due to the maiden reserve at the Kari Pump area of 7.3 million tonnes at 3.01 grams per ton (g/t) of the yellow metal for 710,000 ounces, which lifted Houndé's total reserves.

There was an 89% conversion rate of the higher confidence M&I resource from Kari Pump into reserves based on a gold price of \$1,250 per ounce.

Kari Pump is just one of three discoveries in the larger Kari area - and lies 7 kilometers west of the processing plant - where a 200,000 meter drilling campaign with a budget of \$17 million is underway mainly focused on the adjacent Kari West and Kari Center discoveries.

Drill results for Kari West and Kari Center are expected to be published in early in the third quarter this year, with maiden resource and reserve estimates expected in the fourth quarter.

In August, the firm said it had upped the high grade indicated resources at its Le Plaque discovery at the Ity asset by over five times with potential to grow it even more. The Le Plaque deposit now consists of three zones - Le Plaque Main, Epsilon and Le Plaque South - all of which are open at depth and in multiple directions as confirmed by step-out drilling,

Meanwhile, Endeavour's second quarter results, also posted in August, showed the very positive impact of the Ity mine coming online.

Group production for the three months to end June came in at 171,000 ounces gold, which was 42% higher than the first quarter this year, following the successful commissioning of Ity, while AISC decreased by US\$87 per ounce to US\$790 per ounce.

That led to net earnings of US\$1 million, while revenue was US\$219 million, up from US\$190 million in the same quarter of 2018.

Endeavour also said it was well positioned to meet its full year 2019 output guidance of between 615,000 and 695,000 ounces and an AISC of between US\$760 and US\$810 per ounce.

On September 3, the firm revealed more resource growth progress, with a 141% increase in the indicated resources at its greenfield exploration property Fetekro in the Ivory Coast, underlining the group's ability to achieve its key strategy of discovering a stand-alone project through exploration.

The indicated resource for the Lafigué deposit now consists of 1.2 million ounces at 2.54 g/t gold and the inferred resource boasts 60,000 ounces of the precious metal at a grade of 2.17 g/t. The firm noted that the indicated resource was discovered at low cost - just US\$9 per ounce.

Inflexion points:

- Update on Kari West and Kari Center discoveries
- New resource for last Ity discovery
- Additional resource numbers added

What the boss says:

"With a solid performance in the first half of the year and the successful commissioning and ramp-up of the Ity CIL project, we are well on track to meet our full year guidance for 2019," Endeavour's chief executive Sébastien de Montessus said in a statement accompanying the group's secondquarter results in August.

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