



ENDEAVOUR TO COMBINE WITH SEMAFO TO CREATE A LEADING WEST AFRICAN GOLD PRODUCER

- Creates top 15 global gold producer with +1 million ounces of gold production per year
- Creates a leading West African gold producer with six operations and an attractive growth pipeline
- Strengthens strategic positioning and enhances ability to manage risks
- Offers ability to deliver significant synergies at corporate, country and asset level
- Enhances capital market profile with greater ability to fund growth
- Exchange ratio of 0.1422x represents a 27.2% premium to the 20-day VWAP for SEMAFO and is accretive on all metrics to Endeavour
- Combined management team leverages the strong skillsets of both companies
- La Mancha strongly supports the transaction and commits to inject \$100 million in the combined entity

George Town & Montreal, March 23, 2020 – Endeavour Mining Corporation (TSX:EDV) (OTCQX:EDVMF) (“Endeavour”) and SEMAFO Inc. (TSX, OMX: SMF) (“SEMAFO”) are pleased to announce that they have entered into a definitive agreement (the “Arrangement Agreement”) whereby Endeavour will acquire all of the issued and outstanding securities of SEMAFO by way of a Plan of Arrangement under the Business Corporations Act (Québec) (the “Transaction”). The Transaction will create a top 15 global gold producer and the largest in West Africa with six operations and an attractive growth pipeline.

Due to the strong strategic rationale for local consolidation, both sets of Board of Directors have unanimously approved the Transaction. Management will host a joint conference call and webcast today, at 8:30am Toronto time, 12:30pm London time (information provided in the section below).

TRANSACTION RATIONALE:

- **Creates a leading West African gold producer with enhanced strategic positioning and greater ability to manage risks while benefiting from significant synergies**
 - › Strategically positioned as the largest gold producer in both Cote d’Ivoire and Burkina Faso, which account for two-thirds of the highly prospective West African Birimian Greenstone Belt
 - › Ability to leverage its size and established relationships in the region to become the partner of choice for governments and key stakeholders
 - › Consolidates the Houndé belt in Burkina Faso to create a world class mining district with two mines, exploration upside and strong future development potential
 - › Ability to deliver synergies at the corporate, country and asset level through procurement and supply chain optimization, centralized technical services, and enhanced security measures
 - › Combines a pool of extensive management experience and complementary expertise in open pit and underground mining, heap leach and CIL processing plants, project development and exploration
- **The combined entity would benefit from four cornerstone mines, with combined production of over 800,000 ounces per year, and increased capital allocation efficiency due to its enhanced project and exploration pipeline**
 - › Brings together a diversified portfolio of six mines with strong cash flow capabilities, with the potential to further optimize the asset base
 - › Attractive growth project pipeline with optionality across the Fetekro, Kalana, Bantou and Nabanga projects

- › Strong potential to unlock exploration value through control of highly prospective grounds along the Birimian Greenstone Belt with the ability to deploy a significant exploration budget
- **The combined entity would have an enhanced capital markets profile with greater ability to fund growth**
 - › Strong cash flow profile and liquidity sources, together with a sound balance sheet underpinning the ability to pursue future organic growth while continuing to focus on shareholder returns
 - › Enhanced capital markets profile with the ability to meet investment hurdles of larger funds
 - › La Mancha will continue to be a highly supportive cornerstone shareholder, committing to invest \$100 million, although decreasing its overall stake from approximately 31% in Endeavour to approximately 25% in the combined entity (calculated on a pro forma basis using current share prices), to provide for a larger free float and greater stock liquidity

On a pro-forma basis, a combined Endeavour and SEMAFO would have:

- › More than 1.0 Moz of gold production in 2020 (based on current company guidance), placing it among the top 15 gold producers globally
- › All-In Sustaining Costs below \$900/oz in 2020 (based on current company guidance), placing it within the bottom third of the industry cost curve
- › 10.5Moz of Reserves and 20.7Moz of M&I Resources (inclusive of reserves based on the most recently published figures from both companies), plus an additional 6.3Moz of Inferred resources
- › Net debt to LTM Adjusted EBITDA ratio of 0.68x and access to liquidity sources of \$508 million, according to the most recent publicly available information, inclusive La Mancha's \$100 million commitment to invest in support of the Transaction

Pursuant to the Plan of Arrangement, SEMAFO common shares will be exchanged at a ratio of 0.1422 Endeavour ordinary shares for each one SEMAFO common share (the "Exchange Ratio"). The Exchange Ratio represents a premium of 27.2% based on the 20-day volume weighted average price of both companies for the period ended March 20, 2020 and a premium of 54.7% based on the closing price of Endeavour and SEMAFO's shares on the TSX on March 20, 2020. The implied equity value for SEMAFO is equal to C\$1.0 billion based on Endeavour's closing price on March 20, 2020. Existing Endeavour and SEMAFO shareholders will own approximately 70% and 30%, respectively, of the combined company on a fully-diluted in-the-money basis.

Michael Beckett, Chairman of Endeavour, stated:

"This combination will create one of the leading gold companies, with the largest portfolio of operating assets located entirely in West Africa. In addition to being immediately accretive on all key metrics, this transaction will enhance our scale as well as providing improved trading liquidity, greater asset diversification and a reduced risk profile for all shareholders.

We will also continue to benefit from having La Mancha as a cornerstone shareholder, who will invest \$100 million into the combined entity and hold a 25 per cent interest on a pro forma basis."

Sébastien de Montessus, President & CEO of Endeavour, stated:

"This combination offers a rare opportunity to bring together two leading West African mine operators with a shared strategic vision, complementary assets, and management teams with a proven track record. We believe this transaction represents a compelling value equation for both sets of shareholders with the potential for a meaningful re-rating, whilst providing increased asset diversification and enhancing our ability to manage risks within the business.

Together, we will create a leading West African gold company with production of more than 1 million ounces of gold annually, supported by a robust pipeline of development projects and a significantly enhanced exploration portfolio focused on the highly prospective Birimian Greenstone Belt.

With both companies having recently completed build-out phases and mine ramp-ups, the combined business is well positioned for a sustained period of strong cash flows. Our enhanced capital markets profile should provide added trading liquidity, free float and size, characteristics that investors are seeking in today's market environment, and we will continue to allocate capital in a disciplined and efficient manner with a focus on maximizing shareholder returns."

Benoit Desormeaux, President and CEO of SEMAFO, stated:

"This transaction has received strong support from our key shareholders who recognize it as an exciting value creating opportunity to bring together two companies with common values and shared cultures built on decades of successful West African experience. For our shareholders, this transaction offers the benefits of both an upfront premium and a significant re-rating opportunity within a stronger merged company.

Our team, and I, are thrilled to be joining forces with Endeavour and we look forward to the opportunity to leverage our combined skill sets to create value for all shareholders. We will leverage our expertise in Montreal to build a technical hub to realize operational, technical and exploration synergies, while advancing studies on our enhanced project pipeline."

STRONG BENEFITS FOR BOTH SETS OF SHAREHOLDERS

- **Benefits for Endeavour shareholders**
 - › Adds two cornerstone mines and enhances growth optionality
 - › Strengthens strategic positioning in West Africa
 - › Immediately accretive on all key financial metrics
- **Benefits for SEMAFO shareholders**
 - › Immediate premium and significant re-rating opportunity
 - › Brings diversification and enhances growth optionality
 - › Brings benefits of long-term strategic partner with La Mancha
- **Benefits for both sets of shareholders**
 - › Diversified across 4 cornerstone mines in multiple jurisdictions
 - › Strong cash flow profile and sound balance sheet underpinning the ability to pursue future organic growth
 - › Enhances ability to manage risks
 - › Combined company provides much stronger base in dealings with governments and key stakeholders
 - › Brings together experienced management teams with complementary skills
 - › Strong potential to further optimize the portfolio through exploration and active portfolio management
 - › Enhances capital markets profile

BACKGROUND TO THE TRANSACTION

For the past several years, Endeavour and SEMAFO have worked as industry partners to consider shared issues common to companies operating in West Africa. In early 2019, both companies engaged in a mutual dialogue in order to evaluate the merits of a business combination. The dialogue included extensive mutual due diligence as well as discussion of potential terms of a transaction, with a final proposal in May 2019. At that time, it was not possible to agree on terms which appropriately shared the risks and rewards of a combination.

In early 2020, discussions between Endeavour and SEMAFO recommenced. Endeavour's management team completed on-site due diligence at SEMAFO's operations in Burkina Faso during February 2020, including a comprehensive assessment of security, operations and exploration. Both companies also re-opened data rooms for mutual confirmatory due diligence, including visits and, following collaborative discussions, confirmed their shared strategic vision and desire to complete a combination subject to negotiation of agreeable terms. Negotiations proceeded, culminating in agreement on the terms of the Transaction detailed in this announcement.

BOARD OF DIRECTORS' RECOMMENDATIONS

SEMAFO appointed a special committee of independent directors to consider and make a recommendation with respect to the Transaction. The Arrangement Agreement has been unanimously approved by the Board of Directors of SEMAFO. The Arrangement Agreement has also been unanimously approved by the Board of Directors of Endeavour. Both Boards of Directors recommend that their respective shareholders vote in favour of the Transaction.

Maxit Capital LP and National Bank Financial Inc. have provided fairness opinions to, respectively, the Board of Directors and Special Committee of SEMAFO. Each fairness opinion stated that, as of the date thereof and, based upon and subject to the assumptions, limitations, and qualifications stated in such opinion, the exchange ratio is fair, from a financial point of view, to SEMAFO shareholders. BMO Capital Markets has provided a fairness opinion to the Board of Directors of Endeavour stating that, as of the date thereof and, based upon and subject to the assumptions, limitations, and qualifications stated in such opinion, the Exchange Ratio is fair, from a financial point of view, to Endeavour.

Mr. Naguib Sawiris, Chairman of the Advisory Board of La Mancha Holding S.à.r.l, abstained from voting as a director of Endeavour on the \$100 million investment by La Mancha.

TRANSACTION SUMMARY

For Endeavour, pursuant to the rules of the TSX, the Transaction will require approval by a simple majority of the votes cast by its shareholders. In addition, shareholders of Endeavour will be asked to approve the issuance of Endeavour ordinary shares to La Mancha Holding S.à.r.l., ("La Mancha") pursuant to the terms of a binding investment commitment term sheet entered into between Endeavour and La Mancha dated March 23, 2020. Such resolution will require the approval of a simple majority of votes cast by Endeavour shareholders.

For SEMAFO, the Transaction will require the approval of 66 2/3% of votes cast by shareholders of SEMAFO.

La Mancha, along with officers and directors of Endeavour, who together control approximately 31.8% of the outstanding shares of Endeavour, have entered into voting support agreements pursuant to which they have agreed to vote their ordinary shares in favor of the Transaction. Officers and directors of SEMAFO have entered into voting support agreements pursuant to which they have agreed to vote their common shares in favor of the Transaction. In addition to shareholder and court approvals, the Transaction is subject to applicable regulatory approvals including TSX approval and the satisfaction of certain other closing conditions customary in transactions of this nature.

The Arrangement Agreement includes customary provisions including non-solicitation provisions, a right to match any superior proposal, a \$20 million termination fee payable to SEMAFO under certain circumstances and a \$20 million termination fee payable to Endeavour under certain circumstances.

LA MANCHA COMMITS TO INVEST \$100 MILLION IN SUPPORT OF TRANSACTION

La Mancha is strongly supportive of the Transaction and has committed to invest \$100 million in the pro-forma group. This investment will strengthen the balance sheet of the combined entity and increase available liquidity.

On completion of the investment, La Mancha will hold an interest of approximately 25% in the combined entity (calculated on a pro forma basis using current share prices), a reduction from its current approximately 31% interest in Endeavour. This will provide for a larger free float and greater liquidity in the stock of the combined entity.

The placement is subject to TSX and other regulatory approvals. The price of the placement shares is to be agreed, and completion of the investment shall occur within 45 days following closing of the Transaction.

La Mancha will retain its anti-dilution and other rights under the Investor Rights Agreement between Endeavour and La Mancha.

The investment by La Mancha is considered to be a "related party transaction" for purposes of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Endeavour is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, respectively, in reliance on sections 5.5(a) and 5.7(b) of MI 61-101, respectively, as the fair market value of the investment is not more than the 25% of Endeavour's market capitalization. As part of the commitment, Endeavour has agreed to file a shelf prospectus.

MANAGEMENT TEAM AND BOARD OF DIRECTORS

The senior executive team and the Board of Directors of Endeavour will be enhanced by the new appointees from SEMAFO all of whom have a wealth of knowledge and experience to support the newly combined entity.

The combined entity will continue to have its headquarters in London while leveraging the existing expertise in Montreal to build a technical hub to realize operational, technical and exploration synergies, and advance studies. Detailed integration plans will be finalized over the next few months.

Sébastien de Montessus will continue as CEO of the combined entity. Benoit Desormeaux will become President, and will oversee operational performance. Upon closing of the transaction, Martin Milette will be appointed Executive Vice President and Chief Financial Officer of the combined entity and will relocate to London, England, replacing Louis Irvine.

SEMAFO's Montreal office will become the primary support office to the operations.

The new Board of Directors will be comprised of ten directors, seven of whom will be nominated by Endeavour and three of whom will be nominated by SEMAFO.

TIMING

Full details of the Transaction will be included in the joint management information circular of Endeavour and SEMAFO and are expected to be mailed to each company's respective shareholders at the end of April or early May 2020. It is anticipated that both shareholder meetings and the closing of the Transaction will take place in the second quarter of 2020.

ADVISOR AND COUNSEL

Gleacher Shacklock LLP is acting as financial advisor to Endeavour with McCarthy Tétrault LLP acting as Endeavour's legal advisor.

Maxit Capital LP is acting as financial advisor to SEMAFO with Davies Ward Phillips & Vineberg LLP acting as SEMAFO's legal advisor.

Norton Rose Fulbright Canada LLP is acting as La Mancha's legal advisor.

CONFERENCE CALL AND LIVE WEBCAST

Endeavour and SEMAFO management will jointly host a conference call and webcast on Monday March 23, 2020 at 8.30am ET to discuss the transaction.

The conference call and webcast are scheduled at:

5:30am in Vancouver

8:30am in Montreal, Toronto and New York

12:30pm in London

8:30pm in Hong Kong and Perth

The webcast can be accessed through the following link:

<https://edge.media-server.com/mmc/p/tozhwpvr>

Analysts and investors are also invited to participate and ask questions using the dial-in numbers below:

International: +1 646 741 3167

North American Toll Free: +1 877 870 9135

UK (Free toll): 0800 279 6619

Confirmation Code: **3697384**

The conference call and webcast will be available for playback on [Endeavour's website](#).

Access the live and On-Demand version of the webcast from mobile devices running iOS and Android:



ABOUT ENDEAVOUR

Endeavour Mining Corporation is a TSX listed intermediate African 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 is focused on offering both near-term and long-term growth opportunities with its project pipeline and its exploration strategy, while generating immediate cash flow from its operations.

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

For more information, please visit www.endeavourmining.com.

ABOUT SEMAFO

SEMAFO Inc. is a Canadian-based intermediate gold producer with over twenty years' experience building and operating mines in West Africa. SEMAFO Inc. operates two mines, the Mana and Boungou Mines in Burkina Faso. SEMAFO Inc. is committed to building value through responsible mining of its quality assets and leveraging its development pipeline.

CONTACT INFORMATION

For further information, please contact:

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The Toronto Stock Exchange has neither reviewed nor accepts responsibility for the adequacy or accuracy of this news release.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This press release contains statements which constitute “forward-looking information” within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of Endeavour and SEMAFO with respect to future business activities and operating performance. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and include information regarding: (i) expectations regarding whether the proposed Transaction will be consummated, including whether conditions to the consummation of the Transaction will be satisfied, or the timing for completing the Transaction, (ii) expectations for the effects of the Transaction or the ability of the combined company to successfully achieve business objectives, including integrating the companies or the effects of unexpected costs, liabilities or delays, (iii) the potential benefits and synergies of the Transaction and (iv) expectations for other economic, business, and/or competitive factors.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect Endeavour’s and SEMAFO’s respective management’s expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Endeavour and SEMAFO believe that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability to consummate the Transaction; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other conditions to the consummation of the Transaction on the proposed terms and schedule; the ability of Endeavour and SEMAFO to successfully integrate their respective operations and employees and realize synergies and cost savings at the times, and to the extent, anticipated; the potential impact on exploration activities; the potential impact of the announcement or consummation of the Transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; the re-rating potential following the consummation of the Transaction; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; and the diversion of management time on the Transaction. This forward-looking information may be affected by risks and uncertainties in the business of Endeavour and SEMAFO and market conditions. This information is qualified in its entirety by cautionary statements and risk factor disclosure contained in filings made by Endeavour and SEMAFO with the Canadian securities regulators, including Endeavour’s and SEMAFO’s respective annual information form, financial statements and related MD&A for the financial year ended December 31, 2019 filed with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Endeavour and SEMAFO have attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Endeavour and SEMAFO do not intend, and do not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

NON-IFRS FINANCIAL MEASURES

The information in this news release includes the following non-IFRS financial measures: all-in sustaining costs per ounce of gold sold (“AISC”), cash costs per ounce of gold sold, and free cash flow. These financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers, even as compared to other issuers who may also be applying the World Gold Council (“WGC”) guidelines, which can be found at <http://www.gold.org>. Management of Endeavour and SEMAFO believe that the use of these non-IFRS measures will assist analysts, investors and other stakeholders of the companies in understanding the costs associated with producing gold, understanding the economics of gold mining, assessing the companies’ operating performance, the combined company’s ability to generate free cash flow from current

operations and to generate free cash flow on an overall company basis, and for planning and forecasting of future periods. However, AISC does have limitations as an analytical tool as it may be influenced by the point in the life cycle of a specific mine and the level of additional exploration or expenditures a company has to make to fully develop its properties. Accordingly, these non-IFRS measures should not be considered in isolation, or as a substitute for, analysis of the companies; results as reported under IFRS. A reconciliation of certain the non-IFRS measures presented in this news release is contained in Endeavour's most recently filed annual MD&A, which is available on SEDAR at www.sedar.com

ENDEAVOUR QUALIFIED PERSON

The scientific and technical content of this news release has been reviewed, verified and compiled by Gérard de Hert, EurGeol, Senior VP Exploration for Endeavour Mining. Gérard de Hert has more than 20 years of mineral exploration and mining experience, and is a "Qualified Person" as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

SEMAFO QUALIFIED PERSON

All production information and other scientific and technical information in this news release with respect to SEMAFO and its assets were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and NI 43-101 and were prepared, reviewed, verified and compiled by SEMAFO's geological and mining staff under the supervision of Patrick Moryoussef, P. Eng., Vice-President, Mining Operations. The exploration programs across the company's land holdings were prepared, reviewed, verified and compiled by Richard Roy, P. Geo., Vice-President, Exploration. All reserve and resource estimates for the SEMAFO properties have been audited and verified, and the technical disclosure has been approved by François Thibert, P. Geo., MScA, Manager, Reserves and Resources Estimation Group who is a Qualified Person under NI 43-101. Sample preparation, analytical techniques, laboratories and quality assurance-quality control protocols used during the exploration drilling programs are done consistent with industry standards and independent certified assay labs.

LA MANCHA – EARLY WARNING REPORT

As date hereof, La Mancha Holding S.à r.l., indirectly through La Mancha Africa Holding Limited, owns 34,018,911 ordinary shares of Endeavour, representing approximately 30.6% of the issued and outstanding shares of Endeavour.

The La Mancha investment commitment in Endeavour is being undertaken for investment purposes and La Mancha may, from time to time, acquire additional securities of Endeavour or dispose of all or a portion of the ordinary shares of Endeavour previously acquired or held.

An early warning report containing additional information with respect to the foregoing matters will be filed under Endeavour's SEDAR profile at www.sedar.com.

For further information: A copy of the early warning report may be obtained by contacting: Tariq Qureshi, 125 Kensington High Street, London, W8 5SF; tel: +44 (0) 2030534299.