

Endeavour Reports Q3-2017 Results; FY-2017 Guidance Increased with Houndé

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OPERATIONAL AND FINANCIAL Highlights

- Q3 total production remained fairly flat over Q2 at 148koz with AISC also flat at \$906/oz; year-to-date performance on track to meet the initial FY-2017 guidance
- Successful early commissioning of the Houndé flagship mine lifts full year production guidance to 630-675koz and decreases AISC guidance to below \$900/oz
- Q3 Free Cash Flow Before Growth Projects flat over Q2 at \$34m, with \$100m achieved year-to-date
- Net Debt increased from \$183m to \$221m since the previous quarter-end due to Houndé construction spend, with Net Debt to EBITDA ratio remaining healthy at 0.98 times
- Well positioned to fund growth with \$325m in available sources of financing and liquidity

Project Highlights

- Houndé construction and commissioning completed ahead of schedule and below budget
- Ity CIL Project construction launched in September after Optimization Study demonstrated it will be another flagship asset with a long 14-year mine life, average annual production of 235koz at AISC of \$494/oz over the first 5 years, and an after-tax NPV_{5%} of \$710m and IRR of 40% at \$1,250/oz

EXPLORATION Highlights

- Exploration success increases FY-2017 budget from \$40m to \$45m, with \$37m already spent YTD
- Near-mine exploration success includes 1Moz already added at Ity this year and new discoveries made at both Karma and Houndé
- Greenfield exploration activities launched in early 2017 with encouraging results already received
- Exploration JV formed in Q4 2017 with Randgold for adjacent properties in Ivory Coast

George Town, November 9, 2017 - Endeavour Mining (TSX:EDV) (OTCQX:EDVMF) is pleased to announce its financial and operating results for the quarter ended September 30, 2017, with highlights provided in the table below.

Table 1: Key Operational and Financial Highlights

(Held-for-sale Nzema asset included for all figure, except where indicated as for continuing operations)	QUARTER ENDED			NINE MONTHS ENDED		
	Sep. 30, 2017	Jun. 30, 2017	Sep. 30, 2016	Sep. 30, 2017	Sep. 30, 2016	Variance
Total Gold Production, oz	148	152	146	459	416	+10%
Realized Gold Price, \$/oz	1,235	1,219	1,328	1,214	1,238	(2%)
AISC, \$/oz	906	897	898	903	900	0%
All-in Sustaining Margin, \$/oz	330	322	430	311	338	(8%)
Free Cash Flow Before Growth Projects ¹ , \$m	34	33	44	100	106	(6%)
Net Free Cash Flow From Operations, \$m	32	(11)	2	59	12	+392%
Net Debt At Period End, \$m	(221)	(183)	83	(221)	83	+166%
Earnings from Continuing Mine Operations, \$m	7	35	49	66	125	(47%)
Basic Net Earnings (Loss) from Cont. \$/share	(0.26)	0.20	0.16	(0.24)	(0.01)	n.a
Adj. Net Earnings (Loss) from Cont. Operations, \$/share	(0.10)	0.11	0.26	0.10	0.91	(88%)

Reference MD&A for more details. 1) Free Cash Flow before Growth Projects stated before WC, tax &

financing costs.

Sébastien de Montessus, President & CEO, stated: "While the year is not yet over, clearly 2017 will be underpinned by the successful construction and commissioning of our flagship Houndé mine which reached commercial production under-budget and two months ahead of schedule. Houndé will now have an immediate positive impact on our operational and financial performance for the remainder of 2017 and beyond, enabling us to increase group production, lower group AISC and ultimately increase group free cash flow generation.

During the third quarter we also set in motion our next growth phase by launching the construction of the Ity CIL project which will become our second flagship mine as shown with the recently published optimization study. In addition, we have launched the Kalana Project optimization study to maintain a growth pipeline beyond Houndé and Ity CIL.

On the operational front we have successfully completed the mill optimization program at Karma, executed a turn-around at Nzema which enabled us to successfully sell the asset, and advanced restructuring and cost-cutting initiatives at Tabakoto which should start to yield positive results in the upcoming quarters.

Recently, we also upsized our revolving credit facility from \$350 to 500 million, which provides us with additional financial flexibility to advance our growth projects.

We are confident the important strategic milestones already achieved this year, combined with our exploration success, have us well positioned to meet our 2019 objective of achieving an annual production of more than 800koz with AISC of below \$800/oz and mine lives of more than 10 years."

PRODUCTION & AISC ON TRACK TO MEET FULL YEAR GUIDANCE

- Group production totaled 148koz in Q3-2017 and 459koz for the first nine months of the year, on track to meet the initial full year guidance of 600-640koz.
 - The Group's total production in Q3-2017 remained fairly flat compared to Q2-2017 (down 4koz), as a strong increase at Nzema (due to higher grades following the cut-back) compensated for the expected lower production at Tabakoto (open pit mining transitioned to a lower grade deposit) and the impact of the rainy season.
 - As announced on August 9, 2017, Nzema has been classified as an asset held-for-sale according to IFRS and the transaction is expected to close upon receiving regulatory approval.
 - The Group remains on-track to meet its initial full year guidance as strong performance at Agbaou and Nzema are expected to counterbalance Ity's under-performance, while both Tabakoto and Karma are expected to be within guidance.

Table 2: Group Production, koz

(All amounts in koz, on a 100% basis)	QUARTER ENDED			NINE MONTHS ENDED		INITIAL 2017 FULL- GUIDANCE
	Sep. 30, 2017	Jun. 30, 2017	Sep. 30, 2016	Sep. 30, 2017	Sep. 30, 2016	
Agbaou	46	45	49	134	138	175 -
Tabakoto	32	41	37	116	115	150 -
Ity	12	14	15	42	58	75 -
Karma	21	24	20	77	33	100 -
PRODUCTION FROM CONTINUING OPERATIONS	111	124	121	369	344	500 -
Nzema (held for sale)	37	27	24	91	64	100 -
Youga (sold in March 2016)	-	-	-	-	8	- -
TOTAL PRODUCTION	148	152	146	459	416	600 -

- Group AISC was \$906/oz in Q3 and \$903/oz for the first nine months of the year, on track to meet the higher-end of the initial FY-2017 guidance.
 - Group AISC in Q3-2017 increased slightly compared to Q2-2017, as the reduction at Nzema was offset by increases across the other mines due to seasonal and mine sequencing factors. In addition, the AISC were adversely impacted by the 7% appreciation of the Euro versus the US dollar in Q3-2017.
 - Group AISC for the first nine months of the year remained fairly flat compared to the same period of 2016 as the increases at Agbaou, Ity, and Tabakoto were offset by the addition of Karma and a reduction at Nzema. In addition, G&A costs decreased from \$52/oz to \$42/oz while sustaining exploration increased from \$18/oz to \$26/oz in line with Endeavour's reinvigorated exploration strategy.
 - The Group remains on track to meet the higher-end of the initial FY-2017 guidance as the over-performance of Agbaou and Nzema is expected to offset higher costs at Ity and Tabakoto.

Table 3: Group All-In Sustaining Costs, US\$/oz

	QUARTER ENDED			NINE MONTHS ENDED		INITIAL 2017 FULL-YEAR GUIDANCE
	Sep. 30, 2017	Jun. 30, 2017	Sep. 30, 2016	Sep. 30, 2017	Sep. 30, 2016	
(All amounts in US\$/oz)						GUIDANCE
Agbaou	638	606	550	634	534	660 - 700
Tabakoto	1,278	1,054	1,071	1,085	1,067	950 - 980
Ity	1,141	780	724	920	737	740 - 780
Karma	973	755	-	811	-	750 - 800
MINE-LEVEL AISC FOR CONTINUING OPERATIONS	937	801	763	846	768	785 - 815
Corporate G&A	28	51	58	42	52	42 - 48
Sustaining Exploration	11	28	24	26	18	28 - 32
GROUP AISC FOR CONTINUING OPERATIONS	976	880	844	914	838	855 - 900
Nzema (held for sale)	705	985	1,136	859	1,184	895 - 950
Youga (sold in March 2016)	-	-	-	-	1,101	- -
GROUP AISC	906	897	898	903	900	860 - 900

FULL YEAR GUIDANCE INCREASED WITH SUCCESSFUL HOUNDE START-UP

Due to its quicker than expected construction and ramp-up period, commercial production at Houndé was declared two months ahead of schedule on November 1, 2017. With the Houndé flagship mine expected to produce between 30,000 and 35,000 ounces during Q4-2017 at AISC between \$550-600/oz, the Group's 2017 full year total production guidance has been increased from 600,000 - 640,000 ounces to 630,000 - 675,000 ounces while the total AISC guidance has been decreased to below \$900/oz, as shown in Tables 4 and 5 below.

Table 4: Updated Group Production Guidance, koz

	UPDATED 2017 FULL-YEAR GUIDANCE		
(All amounts in koz, on a 100% basis)			
Current Production From Continuing Operations (Unchanged as per Table 2)	500	-	530
Houndé	30	-	35
PRODUCTION FROM CONTINUING OPERATIONS	530	-	565
Nzema (held for sale)	100	-	110
TOTAL PRODUCTION	630	-	675

Table 5: Updated All-In Sustaining Costs Guidance, US\$/oz

	UPDATED 2017 FULL-YEAR GUIDANCE		
(All amounts in US\$/oz)			
Current Group AISC For Continuing Operations (Unchanged as per Table 3)	855	-	900
Houndé	550	-	600
GROUP AISC FOR CONTINUING OPERATIONS	845	-	890
Nzema (held for sale)	895	-	940
GROUP AISC	850	-	895

Houndé is expected to immediately be cash flow generative. As such, the Group's 2017 expected Free Cash

Flow before growth projects (and before working capital movement, tax and financing costs) has been increased from \$155 million to \$165 million, assuming a gold price of \$1,250/oz. In addition to adding Houndé, the guidance has been updated to incorporate an increase in the Group's non-sustaining exploration budget by \$5 million following significant exploration success at Ity and to classify Nzema as a non-continuing operation, as presented in Table 6 below.

Table 6: Updated Free Cash Flow Guidance based on US\$1,250/oz, in \$m

In \$m	INITIAL GUIDANCE	REVISED GUIDANCE
NET REVENUE (based on production guidance mid-point for continuing operations)	755	665
Mine level AISC costs (based on AISC guidance mid-point for continuing operations)	(510)	(440)
Corporate G&A	(21)	(21)
Sustaining exploration	(14)	(14)
GROUP ALL-IN SUSTAINING MARGIN FOR CONTINUING OPERATIONS	210	190
Nzema All-in Sustaining Margin (based on guidance mid-points)	-	35
Non-sustaining mine exploration	(20)	(25)
Non-sustaining capital	(35)	(35)
FREE CASH FLOW BEFORE GROWTH PROJECTS (and before WC, tax and financing cost)	155	165

AGBAOU MINE

Q3 vs Q2-2017 Insights

- Production remained fairly flat as greater tonnes processed offset the lower head grade.
 - Tonnes of ore mined increased due to the continued improvement in equipment availability. As the rainy season limited access to the higher grade harder transitional/fresh ore in the South pit, mining activities shifted to the lower grade softer oxide ore in the West pit.
 - Mill throughput increased as the proportion of fresh ore processed decreased from 21% to 15%.
 - Recovery rates remained fairly constant.
- All-in sustaining costs increased by \$32/oz due to planned higher sustaining capital costs, while increased mining unit costs were offset by lower processing unit costs.
 - The mining unit costs increased from \$2.40/t to \$2.62/t mainly due to increased blasting in the South pit and deeper elevations mined.
 - Processing unit costs decreased from \$7.67/t to \$7.08/t mainly due to greater throughput volume associated with a lower quantity of harder fresh material processed.
 - As planned, sustaining capital costs increased from \$12/oz to \$46/oz due to land compensation and increased waste capitalisation.

YTD 2017 vs YTD 2016 Insights

- In line with guidance, production decreased slightly and AISC increased as Agbaou moved from processing mainly soft oxide ore in 2016 to processing a blend of oxide and harder transitional and fresh ore in 2017.
- AISC since the beginning of the year stand at \$634/oz, well below the guided \$660-700/oz, as less fresh and transitional ore was processed than planned.

Table 7: Agbaou Quarterly Performance Indicators

For The Quarter Ended	Q3-2017	Q2-2017	Q3-2016
Tonnes ore mined, kt	824	709	651
Strip ratio (incl. waste cap)	8.19	8.81	9.56
Tonnes milled, kt	770	693	709
Grade, g/t	1.96	2.23	2.21
Recovery rate, %	93%	94%	96%
PRODUCTION, KOZ	46	45	49
Cash Cost/oz	548	528	432
AISC/OZ	638	606	550

Table 8: Agbaou 9 Months Performance Indicators

For The Nine Months Ended	Sept 30 2017	Sept 30 2016
Tonnes ore mined, kt	2,157	2,123
Strip ratio (incl. waste cap)	8.68	7.89
Tonnes milled, kt	2,146	2,106
Grade, g/t	2.09	2.20
Recovery rate, %	94%	97%
PRODUCTION, KOZ	134	138
Cash Cost/oz	541	430
AISC/OZ	634	534

Outlook

- In Q4-2017, production is expected to decrease slightly and AISC is expected to increase as the mine continues to progress towards a greater oxide to fresh/transitional ore blend, with an increased planned sustaining capital spend.
- Agbaou remains on track to meet the FY-2017 production guidance of 175,000-180,000 ounces and is expected to achieve the lower-end of the initial AISC guidance of \$660-700/oz.

TABAKOTO MINE

Q3 vs Q2-2017 Insights

- Production decreased mainly due to lower open pit tonnage and grade, in addition to the impact of strong rainfall and a national strike.
 - As anticipated, the high grade Kofi C pit was depleted during the quarter and activities transitioned to mining the Kofi B pit and to initiating pre-stripping at the Tabakoto North pit, which resulted in a higher strip ratio.
 - Open pit tonnes of ore mined decreased due to the aforementioned depletion of Kofi C and pit access at Kofi B being limited because of the wet road conditions.
 - Underground tonnes of ore mined slightly decreased due to increased development activities and the national strike.
 - Processing activities continued to perform well, maintaining a fairly stable throughput as the old Djambaye deposit low grade ore stockpiles were used to supplement the feed supply to the plant.
 - The recovery rate decreased slightly due to the ore characteristics of the old Djambaye stockpiles.
 - The head grade decreased due to the aforementioned depletion of Kofi C and the contribution from lower grade stockpiles.
- AISC increased by \$224/oz mainly due to the volume effect related to the decrease in gold sold, an increased strip ratio and an increase in mining, processing and G&A unit costs, which were partially offset by lower sustaining costs.
 - Open pit mining unit costs increased from \$3.72/t to \$3.91/t due to lower volumes mined and increased pumping because of the rainy season.
 - Underground mining costs increased from \$61.18/t to \$75.79/t due to more maintenance on the underground mining fleet.
 - Processing unit costs increased from \$19.00/t to \$20.83/t due to increased cyanide and lime consumption due to the ore characteristics of Djambaye stockpiles treated.
 - G&A unit costs increased from \$9.39/t to \$12.13/t due to the timing of expenditures, remaining flat compared to Q3-2016.
 - Sustaining capital decreased from \$252/oz to \$174/oz mainly as a result of less open-pit waste capitalization and underground development.

YTD 2017 vs YTD 2016 Insights

- Production remained flat as higher open pit feed compensated for lower underground feed, while the overall head grade and recovery remained constant.
- AISC increased as higher mining costs and the use of low grade stockpiles was partially offset by lower processing, G&A and sustaining costs.

Table 9: Tabakoto Quarterly Performance Indicators

For The Quarter Ended	Q3-2017	Q2-2017	Q3-2016
OP tonnes ore mined, kt	108	157	160
OP strip ratio (incl. waste cap)	9.13	8.87	8.81
UG tonnes ore mined, kt	179	184	238
Tonnes milled, kt	392	407	381
Grade, g/t	2.64	3.32	3.31
Recovery rate, %	93%	94%	95%
PRODUCTION, KOZ	32	41	37
Cash cost/oz	1,104	802	894
AISC/OZ	1,278	1,054	1,071

Table 10: Tabakoto 9 Months Performance Indicators

For Nine Months Ended	Sept 30 2017	Sept 30 2016
OP tonnes ore mined, kt	482	454
OP strip ratio (incl. waste cap)	8.40	11.13
UG tonnes ore mined, kt	599	691
Tonnes milled, kt	1,204	1,186
Grade, g/t	3.16	3.17
Recovery rate, %	94%	94%
PRODUCTION, KOZ	116	115
Cash Cost/oz	872	843
AISC/OZ	1,085	1,067

Outlook

- Ongoing cost saving and optimization programs are underway including overhead reduction, centralizing procurement, fleet replacement, and improvement of equipment availability and mining efficiency. A redundancy program totaling approximately 300 people has already been completed in early Q4-2017.
- Q4 production is expected to remain stable and AISC are expected to slightly improve following implementation of the aforementioned cost savings program, as well as the end of the rainy season.
- Tabakoto is on track to meet the lower-end of the initial FY-2017 production guidance of 150,000 - 160,000 ounces while AISC are expected to be above the initial guidance of \$950-990/oz.

Baboto North Acquisition

- After quarter-end, Endeavour entered into an agreement with [Randgold Resources Ltd.](#) to purchase the Baboto North deposit, which is adjacent to Endeavour's Kofi C deposit, for \$12 million payable in two tranches. Endeavour expects to initiate mining activities at Baboto North in late 2018.

ITY MINE

Q3 vs Q2-2017 Insights

- Production decreased due to lower processed grades and recovery rates, which were partially offset by increased stacked tonnage.
- Tonnes of ore mined decreased over the previous quarter as mining activities were slowed due to the rainy season, but increased over the previous year as a result of improved equipment availability.

- Mining activities initially focused on the high-grade Bakatouo deposit early in the quarter. However, due to its low heap leach recovery rate, a decision was made to preserve Bakatouo for the upcoming CIL plant (due to better economics from high CIL recovery rates and lower operating costs). Consequently, mining activities were shifted to the Zia and Ity Flat pits where only lower grade areas were accessible on short notice.
- Ore stacked significantly increased despite the rainy season, due to the softer nature of the Ity Flat laterite ore.
- The stacked grade decreased as a result of the aforementioned mine plan change, which resulted in lower grade areas being accessible for mining on short notice.
- Recovery rates decreased as a result of Bakatouo's low heap leach recovery rate due to its high soluble copper content.
- AISC increased due to higher mining costs and increased sustaining capital expenditures, which were partially offset by lower stacking costs.
- Mining unit costs increased from \$2.86/t to \$5.16/t, following a similar trend to last year due to increased pumping required during the rainy season and lower volumes mined.
- Stacking costs decreased from \$16.03/t to \$14.75/t, despite the higher cyanide consumption rate associated with the ore processed from the Bakatouo deposit which was mainly due to greater stacking volumes.
- Sustaining capital costs increased from \$50/oz to \$149/oz due to upgrades in the mining fleet which were allocated over reduced production.

YTD 2017 vs YTD 2016 Insights

- Production decreased as mining shifted to lower grade deposits, stacking activities were negatively impacted by wet and sticky ore from Bakatouo, and the recovery rate returned to normalised levels.
- While mining and processing costs per tonne decreased, the AISC increased as fixed costs were allocated over less production.

Table 11: Ity Quarterly Performance Indicators

For The Quarter Ended	Q3-2017	Q2-2017	Q3-2016
Tonnes ore mined, kt	305	374	200
Strip ratio (incl. waste cap)	2.90	4.32	3.74
Tonnes stacked, kt	312	243	271
Grade, g/t	1.58	2.15	1.90
Recovery rate, %	74%	84%	91%
PRODUCTION, KOZ	12	14	15
Cash cost/oz	933	625	456
AISC/OZ	1,141	780	724

Table 12: Ity YTD Performance Indicators

For The Nine Months Ended	Sept 30 2017	Sept 30 2016
Tonnes ore mined, kt	1,008	870
Strip ratio (incl. waste cap)	3.93	4.32
Tonnes stacked, kt	822	878
Grade, g/t	1.85	2.20
Recovery rate, %	85%	94%
PRODUCTION, KOZ	42	58
Cash cost/oz	762	566
AISC/OZ	920	737

Outlook

- In Q4, Ity's production and cost profile is expected to improve slightly as the grade profile increases.
- The construction of the Ity CIL Project, which commenced in September, is now the priority on site due to its significant importance for the Group. This was demonstrated by the published optimization study which outlined its potential for annual production of 235koz at AISC below \$500/oz over the first 5 years. As such, if deemed necessary, the current heap leach activities may be slowed (due to its immaterial production over the construction period) in favour of quickly advancing the CIL construction.

- Due to the shift away from mining the higher grade Bakatouo deposit in H2-2017 and greater priority given to the CIL construction activities, production is expected to fall below the initial guidance of 75,000 - 80,000 ounces and AISC are expected to be above the initial guidance of \$740-780/oz.

KARMA MINE

Q3 vs Q2-2017 Insights

- Production decreased due to lower grades and tonnage stacked which was partially offset by higher recovery rates.
- Total tonnes mined remained flat at 3.6Mt, and tonnes of ore mined decreased as a greater amount of waste was mined at GG2 due to the mine plan sequencing. As a result, the strip ratio temporarily increased and is expected to decrease to a normalized level in Q4-2017.
- Mining activities focused on the GG2 lower-grade deposit as less tonnes were extracted at the higher-grade Rambo pit where mining its harder transitional ore has been postponed to Q4-2017 given it is better suited to be stacked with the upgraded crushing circuit.
- Stacking decreased due to the downtime associated with commissioning the upgraded crushing circuit, as well as decommissioning the original circuit.
- Stacked grade decreased as lower quantities of higher-grade Rambo ore was stacked and low grade stockpiles represented nearly 20% of the total feed (130,000 tonnes at 0.6 grams per tonne).
- Recovery rates increased as less Rambo harder transitional ore was introduced onto the heap.
- AISC increased as a result of the aforementioned lower grades and higher strip ratio, in addition to higher unit processing costs which were partially offset by lower unit mining costs.
- Mining unit costs decreased from \$1.96/t to \$1.75/t, due to lower drilling and blasting requirements as a result of mining less hard ore from the Rambo deposit and less drill grade control due to mining more waste.
- Stacking costs increased from \$9.30/t to \$11.25/t, due to lower volumes stacked and increased cyanide and cement consumption associated with the GG2 transitional ore.
- Sustaining capital costs increased from \$65/oz to \$85/oz due to the aforementioned increased capitalized stripping which were allocated over fewer ounces sold.

YTD 2017 vs YTD 2016 Insights

- Karma had its first gold pour in Q2-2016. Its year-to-date financial data is not presented for the pre-commercial production period up to October 1, 2016.

Table 13: Karma Performance Indicators*

For The Quarter Ended	Q3-2017	Q2-2017	Q3-2016
Tonnes ore mined, kt	593	1,035	3,040
Strip ratio (incl. waste cap)	5.13	2.49	3.68
Tonnes stacked, kt	720	852	570
Grade, g/t	0.91	1.24	1.21
Recovery rate, %	87%	83%	90%
PRODUCTION, KOZ	21	24	20
Cash cost/oz	786	657	n.a.
AISC/OZ	973	755	n.a.

Table 14: Karma YTD Performance Indicators*

For The Nine Months Ended	Sept 30 2017	Sept 30 2016
Tonnes ore mined, kt	2,678	4,730
Strip ratio (incl. waste cap)	3.33	3.32
Total Tonnes milled, kt	2,526	927
Grade, g/t	1.08	1.18
Recovery rate, %	85%	90%
PRODUCTION, KOZ	77	33
Cash cost/oz	694	n.a.
AISC/OZ	811	n.a.

*AISC for the pre-commercial period before October 1, 2016, not available

Optimization Project Insights

- Plant optimization work has been successfully carried out during the past year. The newly installed front-end completed its performance testing and is running at steady-state while the new ADR plant is expected to be commissioned by mid-November. In addition, an on-site camp was built.

Outlook

- Q4 profile is expected to slightly improve as the grades are expected to increase with the higher-grade Rambo ore feed, which is expected to be however slightly offset by its lower recovery rates due to its higher transitional and fresh ore content. In addition, stacking capacity is expected to increase following the upgrades made to the plant and crushing circuit.
- Karma is on track to meet the initial FY-2017 production guidance of 100,000 - 110,000 ounces and with AISC expected to be at the top end of the initial guidance of \$750-800/oz.

NZEMA MINE - ASSET HELD FOR SALE

Nzema Sale Insights

- On August 9, Endeavour announced it had agreed to sell its 90% stake in the non-core Nzema Mine to BCM International Ltd for a total cash consideration of up to \$65m. Under the sale agreement, BCM will pay Endeavour US\$20 million upon closing of the transaction, with an additional US\$45 million in deferred payments to be made over the remaining current mine life, until 2019, based upon reaching certain agreed upon milestones related to mine free cash flow generation.
- The transaction will close following the approval from the Ghanaian government.

Q3 vs Q2-2017 Insights

- Production increased significantly due to higher processed grades and increased mill throughput.
- As expected, tonnes of ore mined decreased slightly due to the rainy season. Following the completion of the Adamus push-back in H1-2017, mined grades continued to increase.
- Quality control processes for purchased ore established in H1-2017 led to higher purchased ore grades with a lower tonnage.
- Mill throughput performed very well, marking a strong increase as the previous quarter was impacted by an increased proportion of fresh ore processed.
- The head grade significantly increased as both the mined and purchased ores contributed to the improvement.
- Recovery rates remained constant.
- AISC decreased by \$280/oz mainly due to the aforementioned higher grades and subsequent increased production.
- The mining costs decreased from \$6.45/t to \$6.20/t mainly due to shorter load and haul distances.
- Processing costs increased from \$15.88/t to \$17.00/t mainly due to an increase in power and water treatment costs.
- Sustaining capital costs decreased from \$36/oz to \$34/oz due to reduced activity on the tailings storage facility lift during the wet season.

YTD 2017 vs YTD 2016 Insights

- Production significantly increased and AISC significantly decreased as the mine is benefiting from higher grade ore following the push-back, and from high-grade purchased ore.

Table 15: Nzema Performance Indicators

For The Quarter Ended	Q3-2017	Q2-2017	Q3-2016
Tonnes ore mined, kt	310	352	222
Mined ore grade, g/t	2.91	2.24	2.05
Strip ratio (incl. waste cap)	3.30	3.01	11.83
Purchased ore milled, kt	53	82	141
Purchased ore grade, g/t	4.69	3.20	3.23
Total Tonnes milled, kt	368	362	424
Grade, g/t	3.39	2.46	2.40
Recovery rate, %	92%	92%	82%
PRODUCTION, KOZ	37	27	24
Cash cost/oz	600	838	1,038
AISC/OZ	705	985	1,136

Table 16: Nzema YTD Performance Indicators

For The Nine Months Ended	Sept 30 2017	Sept 30 2016
Tonnes ore mined, kt	1,058	712
Mined ore grade, g/t	2.38	1.57
Strip ratio (incl. waste cap)	4.14	8.00
Purchased ore milled, kt	213	332
Purchased ore grade, g/t	3.51	3.11
Total Tonnes milled, kt	1,121	1,333
Grade, g/t	2.73	1.77
Recovery rate, %	93%	85%
PRODUCTION, KOZ	91	64
Cash cost/oz	739	1,099
AISC/OZ	859	1,184

Outlook

- After a strong Q3, production in Q4 is expected to decrease and AISC are expected to increase notably due to anticipated lower grade and recovery rate.
- Nzema is on track to meet the top-end of the initial FY-2017 production guidance of 100,000 - 110,000 ounces and the low-end of the initial AISC guidance of \$895-940/oz.

HOUNDE MINE

- Houndé achieved its first gold pour on October 18, 2017.
- Commercial production was declared on November 1, more than 2 months ahead of schedule following the rapid construction and ramp-up periods, with nameplate capacity achieved within weeks following the introduction of ore into the mill on September 25, 2017.
- A successful performance trial over seven days was completed in late October with all key metrics exceeded: processing rate is 8,600 tonnes per day (105% of nameplate capacity), overall plant capacity is 96% and the gold recovery rate is 95% - all above design parameters.
- Construction was completed \$15 million below the initial \$328 million budget. An additional \$21 million has been spent, mainly on the addition of a 26MW back up power station and fuel farm and to build a second tailings storage facility.
- No Lost-Time-Injury occurred over the 7-million man hours worked during the construction period.
- Mining activities are progressing well with nearly 3-months of feed already stockpiled and positive grade reconciliation against the resource model being achieved.
- Houndé is expected to produce between 30,000 and 35,000 ounces at an AISC of \$550-600/oz for Q4-2017.

ITY CIL PROJECT UPDATE

- Ity CIL Project Optimization Study was published in September and demonstrated it will be another flagship asset with a long 14-year mine life, average annual production of 235koz at AISC of \$494/oz over the first 5 years, and an after-tax NPV_{5%} of \$710m and IRR of 40% at \$1,250/oz.
- Construction was launched in September as the Houndé construction team transitioned to Ity.
- Long-lead items have been ordered and \$116 million has already committed.
- The EPCM contracted was award to Lycopodium.

- Construction workforce mobilisation is progressing well.
- Process plant area earthworks progressing well.
- Danane to Ity 90kV OHL corridor compensation estimation in progress.

KALANA PROJECT UPDATE

- The Avnel transaction was closed on September 18, 2017.
- Following the close of the transaction, Endeavour completed the integration of Avnel and initiated pre-development activities to optimize the Kalana Project, which include:
 - Ceasing the current small-scale operations and clearing the underground workings and existing infrastructure to allow for the development of future open pits, as well as grant access to exploration.
 - Resuming exploration activities on both the Kalana deposit and nearby targets including Kalanako, with the initial campaign expected to run until the end of 2018.
 - Launching a revised Feasibility Study with the aim to increase the current plant design capacity to lift the average annual production and shorten the mine life based on current reserves, integrate the exploration results from the upcoming drilling campaign, and leverage Endeavour's construction expertise and integrate operating synergies.
 - Creating dedicated Kalana Project Community Relations and HSE teams to validate the census and stakeholder mapping, with the aim of defining a resettlement action plan before relocation activities commence.

EXPLORATION ACTIVITIES

- In line with Endeavour's strategic exploration focus, the exploration program increased from \$23 million in the first 9 months of 2016 to \$37 million in the same period of 2017, with \$40 million budgeted for the full year.

Table 17: Exploration Expenditure
(Includes expensed, sustaining and non-sustaining)

AREAS OF FOCUS	Q3-2017	YTD SEPT. 30, 2017	FY-2017 INITIAL GUIDANCE
Agbaou	2.0	5.1	7.0
Tabakoto	1.4	6.6	9.0
Ity	1.8	7.7	10.0
Karma	0.5	2.2	4.0
Houndé	1.0	4.0	5.0
Other	2.4	11.6	5.0
Total	9.2	37.2	40.0

- During the first 9 months, the near-mine exploration expenditures were focused on Ity, Tabakoto, Agbaou and Karma, in line with guidance and our Strategic Exploration plan.
- Due to significant exploration success, in particular at Ity, the FY-2017 budget has been increased to \$45 million.

Agbaou

- Exploration activity during the first 9 months amounted to approximately 31,000 meters drilled out of the 45,000 meters planned for the year. In addition, several ground geophysics were acquired.
- The drill program focused on various pit extensions, the Agbaou south and Niafouta targets, targets on structurally parallel trends, in addition to exploration targets located within a 20km range of the processing plant.
- A dedicated deeper drilling program was also initiated in Q3-2017 targeting Agbaou's at-depth potential.

Karma

- In 2017 a \$4 million exploration program totaling approximately 38,500 meters has been planned and approximately 41,000 meters were effectively drilled during the first nine months.
- During 2017, drilling focused on testing the extensions of the Rambo, Goulagou and North Kao deposits, as well as the Yabongso target.
- A maiden Resource is expected to be delineated by year-end, with the aim of further extending the mine life.
- After quarter-end, Endeavour paid \$0.6 million to [Golden Rim Resources Ltd.](#) to acquire geological data relating to their previously owned tenement in proximity to Karma, which Endeavour recently secured.

Tabakoto

- As Tabakoto operations are characterized by a short-term mine life, a \$9 million exploration program totalling approximately 86,000 meters of drilling on the Tabakoto and Kofi properties has been planned for 2017, of which 54,000 meters were drilled in the first nine months of 2017.
- During the first nine months, the Tabakoto open pit program focused mainly on drilling out the Kreko and Fougala West targets and on testing exploration targets supported by the ongoing auger program.
- During the first nine months, underground drilling focused on testing the eastern side extensions at Segala and the north-east extensions at Tabakoto, which generated encouraging preliminary results.

Ity

- In 2017, a \$10 million exploration program totalling approximately 52,500 meters has been planned for the greater Ity area. Due to the initial success of the program, the 2017 exploration budget was increased to \$15 million. During the first nine months of 2017, some 56,000 meters were drilled, and drilling is ongoing on the Le Plaque discovery.
- During the first nine months, drilling focused on the Bakatouo, Mont Ity Flat, Daapleu, and Colline Sud areas. Positive results were achieved as the Indicated Resource grew by 1.0 million ounces since the beginning of the year, reaching 3.8 million ounces (as announced on July 27, 2017).
- The Le Plaque discovery was announced, and a maiden Inferred Resource is expected by year-end.
- A regional auger campaign is underway and drilling was initiated at Yacetouo, Vavoua, Daapleu southwest, Bakatouo northeast targets. On the Toulepleu exploration license, which is situated to the southwest of the Ity area, a comprehensive gold in soil program was performed to consolidate and validate the only existing and very old data available for this area, and a very preliminary short RC drilling campaign was conducted with results still being analyzed.
- A large airborne VTEM/Mag/spectro geophysical program totaling \$0.8 million was also acquired in 2017, to better prioritize and define exploration targets for 2018 and beyond.

Houndé

- Following a two-year period of no exploration drilling, activities resumed in 2017 with a \$5 million program.
- During the first nine months a total of 6,400 meters diamond drilling, 2,700 meters reverse circulation drilling and 48,300 meters air-core drilling were conducted on:
- Bouere with the aim of increasing the current resource;
- Kari Pump/Sia/Sianikoui (higher grade exploration targets) which resulted in positive initial results; and
- Grand Espoir, Bombi, Koho and Kari Fault, which resulted in initial exploration works.
- Work performed also included advanced soil geochemistry, ground geophysics on selected targets, regolith and geological mapping.
- After significant effort was concentrated on the Kari area during H1-2017, our Q4 activity will concentrate on interpreting all the results and conduct some additional drilling on the Sia/Sianikoui area.

Greenfields Exploration

- In addition to near-mine activities, greenfield exploration efforts were initiated on the 80km Greater Ity trend, Houndé, and other regional exploration properties in Burkina Faso, and pursued in Côte d'Ivoire.
- Due to exploration success, a total expenditure of \$11 million has been incurred since the beginning of the year compared to an initial budget of \$5 million.
- A detailed review of Endeavour's exploration portfolio was also conducted, which resulted in some exploration licenses being dropped, and others applied for or newly awarded, so as to concentrate our efforts on the most promising areas.

- After the quarter-end, Endeavour and Randgold Resources established a 30:70 joint venture covering their adjacent Sissedougou and Mankono exploration properties located in the northern region of Côte d'Ivoire. A \$3.8 million exploration campaign has been approved for the remainder of 2017 and 2018.

NET FREE CASH FLOW FROM OPERATIONS DOUBLED

- Year-to-date gold sales from continuing operations totaled 370koz, up from 312koz in the same period in 2016, mainly due to the addition of the Karma mine.
- The year-to-date realized gold price was \$1,214/oz (net of the impact of the Karma stream) compared to \$1,238/oz in the same period in 2016. Without the stream the year-to-date 2017 realized gold price would have been \$1,251/oz.
- The Group's year-to-date Free Cash Flow (before working capital, tax, finance cost, and growth projects) decreased by \$6 million to \$100 million, compared to the same period of 2016, as increased gold sales were offset by a \$12 million increase in sustaining and non-sustaining exploration expenditures and lower margins from notably the Tabakoto and Ity mines.
- The working capital variation improved to \$18 million in Q3-2017, from negative \$27 million in Q2-2017, with the year-to-date outflow reduced to \$1 million.
- The year-to-date Net Free Cash Flow from Operations increase from \$12 million in 2016 to \$59 million in 2017 mainly due a large negative working capital variation in 2016.
- Growth projects cash outflow was \$90 million in Q3-2017 compared to \$63 million in Q2-2017 and \$221 million for year-to-date compared to \$92 million for year-to-date 2016. The year-to-date 2017 spend consists of \$186 million of Houndé construction costs, \$13 million on the Ity CIL project, and \$22 million on Karma optimisation.
- Acquisition of mining interests consists mainly of \$54 million for the purchase of an additional 25% stake in the Ity mine which was offset by the \$8 million inflow of cash acquired upon the Avnel acquisition.

Table 18: Simplified Cash Flow Statement

(in US\$ million)	NINE MONTHS ENDED	
	SEPT. 30, 2017	SEPT. 30, 2016
GOLD SOLD FROM CONTINUING OPERATIONS, koz	370	312
Gold Price, \$/oz	1,214	1,238
REVENUE FROM CONTINUING OPERATIONS	445	394
Total cash costs	(260)	(190)
Royalties	(23)	(18)
Corporate costs	(15)	(15)
Sustaining capex	(30)	(32)
Sustaining exploration	(9)	(5)
ALL-IN SUSTAINING COSTS ("AISC")	(338)	(260)
ALL-IN SUSTAINING MARGIN FROM CONTINUING OPERATIONS	107	133
AISC Margin from asset held for sale	37	5
Less: Non-sustaining capital	(23)	(20)
Less: Non-sustaining exploration	(22)	(13)
FREE CASH FLOW BEFORE GROWTH PROJECTS (and before interest, working capital, tax & financing costs)	100	106
Working capital	(1)	(49)
Taxes paid	(16)	(12)
Interest paid	(19)	(19)
Cash settlements on hedge programs and gold collar premiums	(4)	(13)
NET FREE CASH FLOW FROM OPERATIONS	59	12
Growth projects	(221)	(80)
Greenfield exploration expense	(6)	(4)
Restructuring costs	(7)	(18)
Acquisition & disposal of mining interests	(54)	11
Cash paid on settlement of share appreciation rights, DSUs and PSUs	(4)	(2)
Net equity proceeds and dividends to non-controlling interests	77	181
Proceeds (repayment) of long-term debt	160	(106)
Proceeds from pre-production gold sales	-	34
Other (foreign exchange gains/losses and other)	(4)	-
CASH INFLOW (OUTFLOW) FOR THE PERIOD	1	28

Additional notes available in Endeavour's MD&A filed on Sedar.

BALANCE SHEET AND FINANCING & LIQUIDITY SOURCES

- As expected, the Net Debt position increased from \$26 million as at the end of December 2016, to \$221 million as at the end of September, 2017, mainly due to:
- \$221 million spent on growth projects,
- \$39 million added from the Houndé financing agreement,
- \$54 million for the purchase of an additional 25% stake in the Ity mine, partially offset by the net equity proceeds of \$77 million since the beginning of the year.
- Upon closing of the Avnel acquisition, La Mancha Holding S.A.R.L. exercised its anti-dilution right via a private placement of circa \$60 million (C\$73 million), of which \$30 million was received after quarter-end. The pro-forma Net Debt position, as at September 2017, inclusive of the private placement received after quarter-end, stood at \$191 million.
- During Q3-2017, Endeavour drew a further \$80 million on its Revolving Credit Facility ("RCF") to fund its growth projects, increasing the total drawn amount to \$300 million.
- During the quarter Endeavour upsized its previous \$350 million RCF to \$500 million on improved terms.
- Endeavour is well positioned to fund its growth as its available sources of financing and liquidity increased from \$215 million at the end of June to \$325 million at the end of September comprised of its \$125 million cash position and \$200 million undrawn on its upsized RCF. In addition, Endeavour expects to obtain equipment financing of approximately \$60 million for its Ity CIL Project and expects to receive proceeds from the Nzema sale.

Table 19: Net Debt Position

(in US\$ million)	SEPT. 30, 2017 PRO-FORMA ²	SEPT. 30, 2017	JUN. 30, 2017	DEC. 30, 2016
Cash ¹	155	125	85	124
Less: Equipment finance lease	(46)	(46)	(47)	(10)
Less: Drawn portion of \$500 million RCF	(300)	(300)	(220)	(140)
NET DEBT POSITION	(191)	(221)	(183)	(26)
NET DEBT / ADJUSTED EBITDA (LTM) RATIO	0.85	0.98	0.76	0.11

Notes:

¹September 30, 2017 position includes \$28m of cash held at the Nzema held-for-sale asset.

²Includes La Mancha private placement which closed after quarter-end.

ADJUSTED NET EARNINGS

- Year-to-date adjusted net earnings of \$19 million compare to \$83 million for the same period of 2016.
- Total adjustments of \$62 million were made over the 2017 year-to-date period, mainly related to net loss on discontinued operations, unrealised loss on financial instruments, stock-based compensation, acquisition and restructuring costs, non-cash inventory adjustments, and deferred income tax expense.
- Adjusted net earnings attributable to shareholders amounted to \$10 million for the year-to-date, representing an adjusted net earnings per share of \$0.10.

Table 20: Net Earnings and Adjusted Earnings

(in US\$ million except per share amounts)	Three months ended			NINE MONTHS ENDED	
	SEPT. 30, 2017	JUN. 30, 2017	SEPT. 30, 2016	SEPT. 30, 2017	SEPT. 30, 2016
TOTAL NET EARNINGS (LOSS)	(65)	22	24	(43)	17
Less adjustments (see MD&A non-GAAP section)	55	(8)	10	62	66
ADJUSTED NET EARNINGS	(10)	14	34	19	83
Less portion attributable to non-controlling interests	1	4	10	8	13
ATTRIBUTABLE TO SHAREHOLDERS	(11)	10	24	10	69
Divided by weighted average number of O/S shares	106	96	92	106	76
ADJUSTED NET EARNINGS PER SHARE (BASIC) FROM CONTINUING OPERATIONS*	(0.10)	0.11	0.26	0.10	0.91

*Net non-cash inventory adjustments per the adjusted EBITDA have been added in the current and comparative periods.

CONFERENCE CALL AND LIVE WEBCAST

Management will host a conference call and live webcast today at 9:00am Toronto time (EST) to discuss the Company's financial results.

The conference call and live webcast are scheduled today at:

6:00am in Vancouver

9:00am in Toronto and New York

2:00pm in London

10:00pm in Hong Kong and Perth

The live webcast can be accessed through the following link:

<https://edge.media-server.com/m6/p/ybkujgsx>

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

International: +44(0)20 3450 9987

North American toll-free: 1877 280 1254

UK toll-free: 0800 279 4992

Confirmation code: 5253206

The conference call and webcast will be available for playback on Endeavour's website.

[Click here to add Webcast reminder to Outlook Calendar](#)

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

QUALIFIED PERSONS

Jeremy Langford, Endeavour's Chief Operating Officer - Fellow of the Australasian Institute of Mining and Metallurgy - FAusIMM, is a Qualified Person under NI 43-101, and has reviewed and approved the technical information in this news release.

CONTACT INFORMATION

Martino De Ciccio DFH Public Affairs in Toronto

VP - Strategy & Investor Relations John Vincic, Senior Advisor
+44 203 640 8665 (416) 206-0118 x.224
mddeciccio@endeavourmining.com jvincic@dfhpublicaffairs.com

Brunswick Group LLP in London

Carole Cable, Partner
+44 7974 982 458
ccable@brunswickgroup.com

ABOUT ENDEAVOUR MINING CORPORATION

Endeavour Mining 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 five 6 mines across Côte d'Ivoire (Agbaou and Ity), Burkina Faso (Houndé, Karma), Mali (Tabakoto), and Ghana (Nzema) which are expected to produce 630-675koz of gold at an AISC of US\$850-895/oz in 2017. Endeavour's high quality development projects (recently commissioned Houndé, Ity CIL and Kalana) have the combined potential to deliver an additional 600koz per year at an AISC well below \$700/oz between 2018 and 2020. In addition, its exploration program aims to discover 10-15Moz of gold by 2021 which represents more than twice the reserve depletion during the period.

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

Corporate Office: 5 Young St, Kensington, London W8 5EH, UK

This news release contains "forward-looking statements" including but not limited to, statements with respect to Endeavour's plans and operating performance, the estimation of mineral reserves and resources, the timing and amount of estimated future production, costs of future production, future capital expenditures, and the success of exploration activities. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "expected", "budgeted", "forecasts", and "anticipates". Forward-looking statements, while based on management's best estimates and assumptions, are subject to

risks and uncertainties that may cause actual results to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the successful integration of acquisitions; risks related to international operations; risks related to general economic conditions and credit availability, actual results of current exploration activities, unanticipated reclamation expenses; changes in project parameters as plans continue to be refined; fluctuations in prices of metals including gold; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables, possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in the completion of development or construction activities, changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which Endeavour operates. Although Endeavour has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Please refer to Endeavour's most recent Annual Information Form filed under its profile at www.sedar.com for further information respecting the risks affecting Endeavour and its business. AISC, all-in sustaining costs at the mine level, cash costs, operating EBITDA, all-in sustaining margin, free cash flow, net free cash flow, free cash flow per share, net debt, and adjusted earnings are non-GAAP financial performance measures with no standard meaning under IFRS, further discussed in the section Non-GAAP Measures in the most recently filed Management Discussion and Analysis.

Appendix 1: Production and Cost Details by Mine
[View Appendix 1 - Production and Cost Details by Mine](#)
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