Endeavour Mining To Acquire Avnel to Further Strengthen its High-Quality Project Pipeline

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TRANSACTION HIGHLIGHTS

- Endeavour to acquire Avnel, which owns the Kalana Gold project in Mali, in an all-share transaction
  - Transaction values Avnel at US$ 122m (C$ 159m), representing a premium of 48% to the closing price of Avnel's ordinary shares on the Toronto Stock Exchange ("TSX") on 28th June 2017, and a premium of 52% to Avnel's 20-day trailing VWAP on the same date
  - With robust project economics, the transaction will be value accretive on a Net Asset Value basis to Endeavour shareholders
  - The Boards of Directors of both Endeavour and Avnel have unanimously approved the transaction
  - Transaction is expected to close in September 2017
- Adding the Kalana Gold project strengthens Endeavour's construction pipeline following the completion of the Hounde and Ity CIL projects and leverages its operational synergies in the region
- Kalana is a high-quality project that fits Endeavour's strategic portfolio criteria
  - easibility-stage project based on a 1.2Mtpa CIL plant and a single open-pit with proven and probable reserves of nearly 2.0Moz at 2.8 g/t
  - 18-year mine life, with expected annual production of 148koz at an average AISC of US$561/oz over the first 5 years, based on the optimization scenarios pursued by Avnel
  - The same optimization scenarios, if adopted, could provide an after-tax $NPV_{5\%}$ of US$ 321m and an after-tax IRR of 50% based on a gold price of $1,200/oz
  - Endeavour intends to re-design and optimize the current feasibility study and anticipates expanding the plant capacity, which would increase the average annual production and shorten the mine life based on current reserves
  - Endeavour also intends to launch a new exploration program to capture additional potential

George Town & St Peter Port, June 28, 2017 - Endeavour Mining Corporation (TSX:EDV OTCQX: EDVMF) ("Endeavour") and Avnel Gold Mining Ltd. (TSX:AVK) ("Avnel") are pleased to announce that they have reached an agreement under which Endeavour will acquire Avnel in an all-share transaction for a total consideration of approximately US$ 122 million (CAD$ 159 million). The terms of the transaction have been unanimously approved by the Boards of Directors of both companies.

Avnel holds an 80% interest in the Kalana Gold project ("Kalana") in Mali and holds significant exploration permits in the surrounding area. Kalana is a fully permitted feasibility-stage project based on a 1.2Mtpa carbon-in-leach ("CIL") plant and a single open-pit constrained reserve of approximately 2.0Moz grading 2.8 g/t. According to the feasibility study, it has an 18-year mine life and an expected production of 101,000 ounces per year at an average All-in Sustaining Cost ("AISC") of $784/oz (with 148,000 ounces on average during the first 5 years at an average AISC of $589/oz). The initial capital cost is forecast at $196.3 million and Kalana demonstrates robust economics with an after-tax $NPV_{5\%}$ of $257 million, an after-tax IRR of 38% and a payback of 1.2 years based on a gold price of $1,200/oz[1].

Avnel has pursued optimization scenarios that, if adopted, could provide Kalana with an after-tax $NPV_{5\%}$ of US$321 million and an after-tax IRR of 50%. In addition, such optimization scenarios could reduce average AISC to US$730/oz over the 18-year mine life and to US$561/oz over the first five years. Endeavour expects to take advantage of its construction expertise, operating synergies and exploration experience to re-design and optimize the current feasibility study, which is expected to increase the annual production profile and improve the project economics.

Sébastien de Montessus, President & CEO, said: "We are delighted to have reached this agreement with Avnel. We believe that Kalana fits well within our strategy of building a high quality portfolio of long-life, low AISC assets with exploration upside. Furthermore, this acquisition expands our footprint in Mali and reinforces our project pipeline, which will allow us to continue to leverage our in-house construction expertise.

Kalana adds a third high-quality project to our portfolio, which we intend to develop following the completion of our Hounde and Ity CIL projects. In the interim, we look forward to optimizing the current feasibility study

which should unlock further value for both Endeavour and Avnel shareholders, as well as benefiting our partners, the State of Mali and the local communities around Kalana."

Howard Miller, Chairman and CEO of Avnel, said: "This transaction with Endeavour will deliver many benefits to all our stakeholders. Avnel's shareholders will receive an immediate premium and benefit from the Kalana project being part of a diversified West African gold producer with significant growth potential and an experienced operational team. With a strong track record of successfully building mines on time and on budget in West Africa, we are confident that Endeavour is the ideal partner to develop Kalana. As such, this transaction will benefit our shareholders, the local community and our partners in the Malian government."

A compelling Transaction for all shareholders

Benefits For Endeavour Shareholders

- Kalana is a high-quality project that fits Endeavour's strategic portfolio criteria of having assets with the potential to:
    1. produce more than 150,000 ounces per year;
    2. produce at an AISC of below $850/oz; and
    3. have a mine life of above 10 years with significant further exploration potential.
- Following the completion of the Hounde and Ity CIL projects, Kalana will become the next priority in Endeavour's development pipeline and will benefit from Endeavour's proven construction expertise.
- Potential to unlock further value at Kalana as the project is successfully advanced.
- Endeavour's West African presence will benefit Kalana and provide opportunities to draw on operating synergies in a country where Endeavour already has a producing mine, in addition to leveraging corporate synergies.
- With already robust economics, the transaction is value accretive on a Net Asset Value basis to Endeavour shareholders.

Benefits For Avnel Shareholders

- Delivers a significant premium for their current investment in Avnel.
- Provides Avnel shareholders with continued exposure to Kalana through their interest in Endeavour, providing access to an experienced management team with a proven track record of building and operating mines in West Africa.
- Gives Avnel shareholders exposure to Endeavour's financial strength and flexibility to develop Kalana.
- Avnel shareholders will benefit from diversifying their exposure from a single pre-construction asset in a single geography to a multi-asset, multijurisdictional portfolio of high quality assets.
- Avnel shareholders will also gain exposure to the value upside in Endeavour's growth portfolio, with material near term development growth and exploration potential.

Summary of transaction

Endeavour will acquire 100% of Avnel's issued and outstanding common shares under a court-sanctioned scheme of arrangement under Part VIII of the Companies (Guernsey) Law, 2008 (the "Scheme").

Under the terms of the Scheme, Avnel shareholders will receive 0.0187 of an Endeavour share for each Avnel share held, which represents a value of C$0.42 per share based on Endeavour's 5 days VWAP (C$ 22.58 per share) on the TSX on 28 June 2017 and a total transaction consideration of approximately C$159 million (US$122 million). This represents a premium of 48% to the closing price of Avnel's ordinary shares on the TSX on 28 June 2017, and a 52% premium based on Avnel's 20-day trailing VWAP on the TSX for the period ending on 28 June 2017.

The number of Endeavour shares to be issued under the Scheme will be approximately 7 million based on the issued and outstanding shares of Avnel as of the date of this announcement. Following the completion of the transaction, Endeavour will have approximately 103.6 million ordinary shares in issue, with former Avnel shareholders holding approximately 6.8% of Endeavour's pro forma share capital.

BMO Capital Markets and Cormark Securities Inc. have provided opinions to the Avnel Board of Directors that as of the date of such opinions and subject to the assumptions, limitations, and qualifications stated in such opinions, the consideration to be received by the Avnel shareholders under the transaction is fair, from

a financial point of view, to the Avnel shareholders (other than affiliates of Elliott Management Corporation (the "Elliott Group")).

The Scheme has been unanimously approved by the Boards of Directors of Avnel and Endeavour and will be subject to, among other things, the favourable vote by a majority in number of the Avnel shareholders voting at the Guernsey Court Meeting, either in person or by proxy, representing at least 75% in value of the Avnel shares voted.

Avnel's Directors intend to recommend that Avnel shareholders vote in favour of the Scheme, and directors holding shares have irrevocably undertaken to Endeavour to do so in respect of their holdings of, in aggregate, 1,000 Avnel shares. Fern Trust has irrevocably undertaken to vote in favour of the Scheme in respect of its holdings of, in aggregate, 33,602,022 Avnel shares, representing 8.91% of the existing issued ordinary share capital of Avnel as at the date of this announcement.

In addition to the irrevocable undertakings from the Avnel Directors and Fern Trust, Endeavour has also received irrevocable undertakings from members of the Elliott Group (and their nominees), subject to certain exceptions, to vote in favour of the Scheme in respect of their holdings of, in aggregate 238,839,089 Avnel shares, representing 63.35% of the existing issued ordinary share capital of Avnel.

The total irrevocable undertakings represent 72.27% of the existing issued ordinary share capital of Avnel as at the date of this announcement.

A copy of the Arrangement Agreement, the Scheme circular (once published) and ancillary documents required to be filed with the Canadian securities regulatory authorities will be so filed and made available for viewing on the System for Electronic Documents Analysis and Retrieval ("SEDAR") website at www.sedar.com.

Closing of the transaction is subject to customary conditions, including shareholder approval, as well as sanction of the Scheme by the Guernsey Royal Court.

Subject to the satisfaction of various conditions, including the receipt of the requisite approval of Avnel shareholders and sanction by the Guernsey Royal Court, the transaction is expected to close in September 2017. Details concerning the review and approval process carried out by the Special Committee and the Board of Avnel, together with a copy of the fairness opinions prepared by BMO Capital Markets and Cormark Securities Inc., will be contained in a management information circular to be provided for the extraordinary general meeting of shareholders of Avnel. The Avnel management information circular is expected to be filed and mailed to Avnel shareholders in late July 2017 and will be available on Avnel's website and on its SEDAR profile at www.sedar.com.

QUALIFIED PERSONS

Adriaan "Attie" Roux, Pr.Sci.Nat, Endeavour's Chief Operating Officer, has reviewed and approved the technical information in this news release relating to Endeavour and Roy Meade, Avnel's President, has reviewed and approved the technical information in this news release relating to Avnel, except where noted otherwise. Both are Qualified Persons under NI 43-101.

ADVISERS

Endeavour's financial adviser is Gleacher Shacklock LLP and its legal advisers are Linklaters LLP, Stikeman Elliott LLP and Mourant Ozannes LP.

Avnel's financial advisors are BMO Capital Markets and Cormark Securities Inc. and its legal advisors are Blake, Cassels & Graydon LLP, Berwin Leighton Paisner LLP and Carey Olsen.

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ABOUT ENDEAVOUR

Endeavour Mining is a TSX-listed intermediate gold producer, focused on developing a portfolio of high quality mines in the prolific West-African region, where it has established a solid operational and construction track record.

Endeavour is ideally positioned as the major pure West-African multi-operation gold mining company, operating 5 mines across Côte d'Ivoire (Agbaou and Ity), Burkina Faso (Karma), Mali (Tabakoto), and Ghana (Nzema). In 2017, it expects to produce between 600koz and 640koz at an AISC of US$860 to US$905/oz. Endeavour is currently building its Houndé project in Burkina Faso, which is expected to commence production in Q4-2017 and to become its flagship low-cost mine with an average annual production of 190koz at an AISC of US$709/oz over an initial 10-year mine life, based on reserves. The development of the Houndé and Ity CIL projects are expected to lift Endeavour's group production to +900kozpa and decrease its average AISC to circa $800/oz by 2019, while exploration aims to extend all mine lives to +10 years.

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ABOUT AVNEL

Avnel Gold is a TSX-listed gold mining, exploration and development company with operations in southwestern Mali in West Africa. The Company's focus is to develop its 80%-owned Kalana Main Project from a small underground mine into a low-cost, high-grade, open pit mining operation. The Company is also advancing exploration on several nearby satellite deposits on the 387 km² 30-year Kalana Exploitation Permit.

On January 9, 2017, the Company reported the results of an Optimized Feasibility Study ("OFS") prepared by Snowden Mining Industry Consultants. The OFS outlines an 18-year open-pit mine life at the Kalana Main Project recovering 1.82 million ozs of gold at an average "all-in sustaining cost" of $561/oz over the first five years of steady state production and $730/oz over the life of mine with an initial capital cost of $171 million. Utilising a gold price of $1,200/oz and a 5% discount rate, the OFS reported a net present value ("NPV") of $321 million after-tax and imputed interest, and an internal rate of return ("IRR") of 50% on a 100% project basis.

TECHNICAL INFORMATION

Except where indicated, the disclosure of an economic, scientific or technical nature relating to Kalana contained in this release has been summarized or extracted from the Feasibility Study (as defined below) and the National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") compliant technical report titled "NI43-101 Technical Report on Kalana Main Project", dated effective 30 March 2016 (the "Kalana Technical Report"), prepared by Snowden Mining Industry Consultants (Pty) Ltd. ("Snowden"), Denny Jones Ltd ("Denny Jones"), DRA Projects SA (Pty) Ltd ("DRA") and Epoch Resources (Pty) Ltd ("Epoch Resources"). The feasibility study prepared by Snowden, Denny Jones, DRA, and Epoch Resources (the "Feasibility Study") and the Kalana Technical Report was prepared under the supervision of Mr. Allan

Earl (Executive Consultant - Mining Engineering of Snowden), Mr. Ivor Jones (Executive Consultant - Applied Geosciences of Denny Jones), Mr. Glenn Bezuidenhout (Principal Process Engineer of DRA), Mr. Sybrand van der Spuy (Civil Engineer of DRA), Mr. Guy Wiid (Principal Consultant - Tailings and Waste Rock Facilities of Epoch Resources), and Mr. Stephanus (Fanie) Coetzee (Principal Consultant - Environmental and Social of Epoch Resources), all of whom are independent "Qualified Persons". Readers should consult the Kalana Technical Report to obtain further particulars regarding Kalana, which contains the Kalana Main Project, the underground Kalana Mine, plus a number of mineral exploration prospects. The Kalana Technical Report, which constitutes the current technical report for Kalana, was filed on SEDAR on May 6, 2016 and is available for review at www.SEDAR.com.

FORWARD-LOOKING INFORMATION

This news release includes certain "forward-looking statements". Forward-looking statement include, but are not limited to, Endeavour's expectations regarding its ability to increase annual production profile and improve project economics of Kalana and the receipt of the required shareholder approval and court sanction of the Scheme. All statements, other than statements of historical fact, included in this release, including the future plans and objectives of Endeavour and Avnel, are forward-looking statements that involve various risks and uncertainties.

There can be no assurance that forward-looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Endeavour's or Avnel's expectations include, among others, risks related to international operations, the actual results of current exploration activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as future prices of gold and silver, as well as those factors discussed in the section entitled "Risk Factors" in Endeavour's and Avnel's most recently completed Annual Information Forms, which are available on SEDAR (www.sedar.com). Although Endeavour and Avnel have attempted to identify important factors that could cause actual results to differ materially, 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.

NON-IFRS FINANCIAL MEASURES

Avnel's audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and the accounting policies adopted by Avnel in accordance with IFRS.

Management uses both IFRS and non-IFRS measures to monitor and assess the operating performance of Avnel's operations. In this press release, certain non-IFRS performance measures are used to provide additional information, as Avnel believes that certain investors use these measures to assess the performance and prospectus of gold mining companies. These non-IFRS performance measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Non-IFRS performance measures do not have standardized definition under IFRS and therefore may not be comparable to similar measures presented by other organizations:

- "All-in Sustaining Cost" or "AISC" is defined in the feasibility study as mine site cash operating costs, which include costs such as mining, processing, administration, plus transport and refining of metals, stamp duty, and royalties, mine management fees to be earned by Avnel, plus sustaining capital costs, which includes community and environmental. These costs are then divided by the number of ounces of expected production to be sold to arrive at "On-site All-in Sustaining Cost per Ounce Sold".

[1] Readers should refer to Avnel's press release dated Jan. 9, 2017, available on Avnel's website.

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