## EDV EVF Toronto Australian Stock Securities

# Vancouver, November 14, 2012 – Endeavour Mining Corporation ("Endeavour" or the "Corporation") (TSX:EDV, ASX:EVR, OTCQX:EDVMF) announces strong financial and operational results for the third quarter of 2012, including operating cash flow from Youga and Nzema mine operations of \$40.7 million and production of 49,468 ounces of gold. The third quarter results do not include results from the

Tabakoto mine, acquired via the Avion transaction

**OZS AND \$40.7 MILLION OF** 

**ENDEAVOUR MINING** 

**PRODUCTION OF 49,468** 

OPERATING CASHFLOW

**REPORTS Q3 GOLD** 

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A Cayman Islands exempted company with limited liability.

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#### Neil Woodyer, CEO, stated

subsequent to quarter end.

"Our Nzema and Youga mines have delivered another strong quarter of production and cash flow, with our 9 month production totaling over 152,000 ounces and generating \$121 million of operating cash flow. Now that we have completed the Avion acquisition and added a third mine, Tabakoto, our full year 2012 gold production is expected to be approximately 300,000 ounces and our growth pipeline has expanded. We plan to complete the Tabakoto mill expansion during the first half of 2013, which is expected to increase Tabakoto gold production to approximately 150,000 ounces per year. In addition, Agbaou has achieved its first construction milestone as concrete pouring began this month. The Agbaou mine is on schedule to contribute an additional 100,000 ounces per year from early 2014."

(All amounts in US dollars unless otherwise indicated)

#### Q3/Nine months 2012 Financial and Operational Highlights

- Gold production at Youga and Nzema totaled 49,468 ounces for the third quarter and a total of 152,159 ounces were produced during the nine months ended September 2012
- Total cash cost<sup>1</sup> (excluding royalties) was \$644 per ounce produced at Youga and Nzema for the third quarter and for the nine months ended September 2012 was \$667 per ounce
- Operating cash flow from Youga and Nzema mine operations was \$40.7 million for the third quarter and totaled \$121.2 million for the nine months ended September 2012



- Youga and Nzema remain on target to deliver full year production of approximately 200,000 ounces within total
  cash cost<sup>1</sup> guidance of \$670 to \$690 per ounce (cost guidance excludes production from Nzema purchased ore
  which has a cash cost of approximately 58% of spot gold price).
- Adjusted net earnings were \$18.4 million or \$0.08 per share for the third quarter
- During the nine months ended September 30, 2012, the Corporation invested \$61.9 million from its operating cash flow into its operations and exploration programs. Of this, \$54.9 million was capitalized and \$7.0 million was expensed as exploration. These investments in operational improvements and growth include:

| • | Sustaining capital at Nzema:                    | \$7.4 million  |
|---|---|----------------|
| • | Sustaining capital at Youga:                    | \$2.2 million  |
| • | Development capital at Nzema:                   | \$13.1 million |
| • | Nzema & Youga "near-mine" exploration:          | \$11.6 million |
| • | Nzema sulphides project:                        | \$5.3 million  |
| • | Agbaou feasibility study (completed June 2012): | \$4.5 million  |
| • | Agbaou 2012 "near-pit design" exploration:      | \$4.0 million  |
| • | Agbaou construction spending:                   | \$9.4 million  |
| • | Regional exploration:                           | \$4.3 million  |
|   |   |                |

- At September 30, 2012, the Corporation had cash & equivalents and marketable securities of \$130.5 million, which includes \$100 million drawn from the \$200 million corporate debt facility.
- Production from the newly acquired Tabakoto mine will be included in Endeavour's fourth quarter results for the operating period of October 18, 2012 to December 31, 2012.

#### Attie Roux, COO, stated

"Our mines are continuing to demonstrate strong and consistent performance as we focus on optimizations and cost controls. Our operations hub in Accra, Ghana is proving to be very beneficial to integrating the newly acquired Tabakoto mine into our operations systems as we standardize mine reporting, share best practices, and implement cost saving initiatives such as bulk buying of key reagents and parts. We are pleased with the start-up of construction activities and progress at Agbaou as our fourth mine begins to take shape."

Financial Statements and related MD&A will be available on SEDAR, the ASX website, OTC Markets website, and in the Investor Relations section of Endeavour's website www.endeavourmining.com.

In order to access the Corporation's MD&A and financial statements directly, please click the following URL: <a href="http://files.newswire.ca/910/ENdeavourMDA.pdf">http://files.newswire.ca/910/ENdeavourMDA.pdf</a>.



Table 1 Nzema Gold Mine, Ghana – Quarterly Production

| NZEMA, Ghana   | 2012 Q3<br>3 months | 2012<br>9 months | 2012 Full Year<br>Guidance |
|--|---------------------|------------------|----------------------------|
| Ore Milled ('000 t)  | 555                 | 1,616            |                            |
| Milled Grade (g/t Au)  | 1.78                | 1.78             |                            |
| Gold Production (ozs)  | 26,942              | 82,780           | 102,000 to 112,000         |
| Cash Cost per Ounce Produced (US\$/oz) <sup>1</sup>                              | \$710               | \$709            |                            |
| Cash Cost per Ounce Produced (US\$/oz) –<br>Excluding purchased ore <sup>1</sup> | \$688               | \$675            | \$680 - \$700              |

- Total mining volumes exceeded budget by 5% during Q3
- 26,942 total ounces produced in Q3 (including purchased ore related production of 1,672 ounces) exceeded budget by 1,698 ounces
- During Q3, Nzema contributed \$23.0 million towards \$45.2 million of total operating cash flow from operations (adjusted to include add back of \$4.5 million payment of an Nzema reclamation deposit that is recognized as restricted cash on the financial statements)
- During Q3, Nzema generated \$10.1 million in earnings from mining operations
- During Q3, installation of a back-up diesel power plant advanced on schedule for completion by year-end

#### <u>Table 2 Youga Gold Mine, Burkina Faso – Quarterly Production</u>

| YOUGA, Burkina Faso                      | 2012 Q3<br>3 months | 2012<br>9 months | 2012 Full Year<br>Guidance |
|--|---------------------|------------------|----------------------------|
| Ore Milled ('000 t)                      | 261                 | 772              |                            |
| Milled Grade (g/t Au)                    | 2.90                | 2.90             |                            |
| Gold Production (ozs)                    | 22,526              | 69,379           | 85,000 - 90,000            |
| Cash Cost per Ounce Produced (US\$/oz) 1 | \$565               | \$616            | \$655 - \$675              |

- Total mined volumes were below budget by 37% due to mining contractor maintenance problems that have since been addressed and volumes have returned to budgeted levels
- Process plant treated a record 260,990 tonnes
- Phase II of the Ghana Grid Power project, which aims to improve grid power supply quality and availability, was advanced toward target completion during the fourth quarter of 2012
- During Q3, Youga contributed \$22.2 million towards \$40.7 million of total operating cash flow from mine operations
- During Q3, Youga generated \$19.6 million in earnings from mining operations
- Drill results were announced from the Preliminary Economic Assessment ("PEA") stage Ouaré Project near Youga that show good potential to both increase the level of certainty of the resource as well as the overall size. Delivery of the PEA is anticipated during the fourth quarter.



#### **Agbaou Project Development**

Endeavour's Agbaou mine is in construction and remains on schedule to achieve gold production during the first quarter of 2014. During the third quarter of 2012, Endeavour received its mining permit from the Government of Côte d'Ivoire and long-lead order items, including mills, transformers and power lines were ordered. In addition, earthworks began in September 2012, with areas now cleared for the camp, mine services area, contractor laydown yards and the plant. Furthermore, compensation has been completed for those areas and construction of the camp as well as some of the roads is in progress. Concrete pouring for the plant began during November 2012.

Figure 1: Agbaou Mill Site, concrete pour for CIL ring beam (November 12, 2012)



On August 15, 2012, positive drill results were announced that demonstrated potential to increase mineral resources and reserves near the planned pits at Agbaou.

#### **Adjusted Earnings**

Net earnings / (loss) from continuing operations have been adjusted for the impact of the fair value change of certain financial instruments, including the gold hedge liability and Endeavour's warrants that are denominated in Canadian dollars. Other adjustments were made for once off corporate costs associated with the acquisition of Avion, settlement of the Gold Reserve claim and deferred income tax expense, which relates to an increase in losses from a realized hedge loss.

Table 3 Adjusted Net Earnings Reconciliation for the quarter ended September 30, 2012

| US\$ Million                 |                |
|------------------------------|----------------|
|                              | (\$0.1)        |
| +                            | 13.4           |
| +                            | 1.9            |
| +                            | 3.1            |
| +                            | 1.5            |
| -                            | 1.4            |
| \$                           | 18.4           |
| 245,091,769<br><b>\$0.08</b> |                |
|                              | + + + + + - \$ |

<sup>&</sup>lt;sup>1</sup> Once off expenses of \$3.1 million worth of transaction costs incurred for the acquisition of Avion.

<sup>&</sup>lt;sup>2</sup> The deferred income tax recovery is a non-cash item and is primarily from an increase in losses arising from a realized hedge loss.



#### **Conference Call Details**

Management will host two conference calls to discuss the Q3 results on November 15 and November 16, 2012 as detailed below. Both conference calls will feature Neil Woodyer, Chief Executive Officer, Attie Roux, Chief Operating Officer, and Christian Milau, Chief Financial Officer.

Analysts and interested investors are invited to participate using the dial in numbers below. The same dial in numbers will be used for both conference calls

International: +1 201-689-8433 North American toll-free: +1 877-407-0832 Australian toll-free: 0011-800-2246-2666

The conference call can also be accessed through the following link:

http://www.endeavourmining.com/s/Webcasts.asp

To accommodate the North American/European market, the <u>first conference call</u> will be held and webcast by V-Call on <u>Thursday November 15, 2012</u> at:

8:00 am in Vancouver

11:00 am in Toronto and New York

4:00 pm in London

12:00 am in Perth (Nov 16, 2012) 3:00 am in Sydney (Nov 16, 2012)

To accommodate the Australian market, the <u>second conference call</u> will be held and webcast by V-Call on **Friday November 16, 2012** at:

7:00 am in Perth 10:00 am in Sydney

3:00 pm in Vancouver (Nov 15, 2012)

6:00 pm in Toronto and New York (Nov 15, 2012)

11:00 pm in London (Nov 15, 2012)

The calls will be archived for later playback on Endeavour's website until November 14, 2013.

#### **Qualified Persons**

Adriaan "Attie" Roux, Pr. Sci.Nat, Endeavour's Chief Operating Officer, is a Qualified Person under NI 43-101, and has reviewed and approved the technical information related to mining operations in this news release.



#### **About Endeavour Mining Corporation**

Endeavour is a gold producer delivering growth. Endeavour owns three gold mines producing approximately 300,000 ounces per year in Mali, Ghana and Burkina Faso that are generating significant operating cash flows to fund exploration and development growth. Including the Tabakoto mill expansion and completion of construction of Endeavour's fourth gold mine, Agbaou in Côte d'Ivoire scheduled for Q1 2014, Endeavour's gold production is forecast to reach approximately 450,000 ounces per year. Endeavour has a strong financial base from which to invest in long-term operational growth, exploration to replace and increase reserves, and further growth.

Endeavour Mining Corporation is listed on the TSX (symbol EDV) and ASX (symbol EVR), and also trades on the OTCQX (symbol EDVMF).

On behalf of Endeavour Mining Corporation

Neil Woodyer Chief Executive Officer

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 forwardlooking 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.

<sup>1</sup> Cash Cost per Ounce produced excluding royalties is a non-GAAP financial performance measure with no standard meaning under IFRS