

Endeavour Mining to acquire True Gold to grow its low-cost gold production

George Town, March 4, 2016 – Endeavour Mining (TSX:EDV) (OTCQX:EDVMF) is pleased to announce that it has entered into a definitive arrangement agreement with True Gold Mining Inc. (“True Gold”) (TSX-V:TGM) pursuant to which Endeavour Mining will acquire all of the issued and outstanding common shares of True Gold via a court-approved plan of arrangement (the “Arrangement Agreement”). In conjunction with the acquisition, Endeavour Mining is pleased to announce that La Mancha Holding S.à.r.l., its largest shareholder with 30% ownership, intends to exercise an anti-dilution right that will result in an approximate CDN\$82.6 million (US\$61.5 million) new equity placement in Endeavour Mining.

> Summary of the transaction

- Acquisition of True Gold in an all share transaction with each True Gold common share exchanged for 0.044 of an Endeavour Mining common share valuing True Gold at approximately CDN\$0.57 per share or CDN\$226 million, using closing prices on the TSX and TSX-V as of March 3, 2016. Using Endeavour Mining’s 20-day volume weighted average price (“VWAP”), the acquisition is valued at CDN\$191 million.
- The offer represents a 43.4% premium for the True Gold shareholders using closing prices as of March 3, 2016 and a 32.7% premium using 20-day VWAPs, on the TSX and TSX-V, respectively.
- True Gold has a 90% interest in the Karma gold mine in Burkina Faso, which is nearing production start-up with first gold pour anticipated in late March / early April 2016. The acquisition will increase Endeavour Mining’s forecast gold production rate by approximately 110,000 – 120,000 ounces per year at a low AISC of approximately US\$700/oz in years 1 to 5, with a mine life of 8.5 years based on current reserves.
- Endeavour Mining’s attributable Proven and Probable gold reserves will increase by 19% to 5.4 million ounces and Measured and Indicated gold resources will increase by 39% to 10.2 million ounces, and Inferred gold resources will increase by 123% to 3.9 million ounces (see Appendix 2).
- Under the transaction, Endeavour Mining is providing a US\$15 million convertible bridge loan to True Gold (the “Bridge Loan”) to ensure True Gold remains well funded as it completes construction of the Karma Mine. Currently, True Gold has drawn US\$105 million of its US\$120 million gold streaming facility with Franco-Nevada Corporation and Sandstorm Gold Ltd. Endeavour Mining is providing the Bridge Loan as a financing alternative that allows True Gold to maintain its current liquidity without additional gold streaming.
- The anti-dilution right permits La Mancha to subscribe for new Endeavour Mining shares to maintain its current 30% ownership. Upon completion of the True Gold acquisition, La Mancha has committed to purchase approximately 7.5 million Endeavour Mining shares at a price of CDN\$10.94 (in line with 20-day VWAP) for proceeds of approximately CDN\$82.6 million. The subscription for, and listing of, all new shares is subject to TSX and other regulatory approvals.

Neil Woodyer, CEO of Endeavour Mining, stated: "The production profile and low cost of True Gold's Karma Mine is a very attractive fit with our West African operating portfolio. Karma is nearing production, and Endeavour Mining has both the financial strength and an experienced operations team to ensure Karma's value is maximized during this important stage. While True Gold shareholders are receiving an attractive premium and an opportunity to participate in a larger diversified West African producer, Endeavour Mining shareholders are gaining a new, low-cost mine that boosts group production while reducing group AISC/oz in a value accretive transaction. In the long term, the Karma Mine has extensive exploration potential to extend its mine life. Endeavour Mining's enhanced ability to finance an expanded exploration strategy at Karma, and at our own mines, is expected to generate significant value.

With the expected closing of this acquisition in April 2016, we intend to see Karma complete its production ramp-up and then commence construction of the Houndé Project.

This transaction also demonstrates the strength of Endeavour Mining's strategic relationship with La Mancha and Naguib Sawiris as our long term partner with the shared vision of building a leading, Africa-focused gold producer."

> **Terms of the Arrangement Agreement**

Under the Arrangement Agreement, each True Gold shareholder will receive 0.044 of an Endeavour Mining common share ("Endeavour Mining Share") in exchange for each True Gold common share. Also under the Arrangement Agreement, True Gold stock options will become exercisable for Endeavour Mining Shares using the same 0.044 exchange ratio subject to a maximum term of 180 days from closing, or 1 year from closing if so provided under the relevant optionee's employment agreement.

True Gold shareholders will represent 20.9% of Endeavour Mining capital after the exercise of the La Mancha anti-dilution right.

Completion of the Arrangement will be subject to, among other things, approval by 66 2/3% of the True Gold shareholder votes cast, approval by 50% of the Endeavour Mining shareholder votes cast, and other customary conditions including court approvals. The two shareholder meetings are expected to occur in the third week of April 2016 and the transaction is expected to close before the end of April 2016.

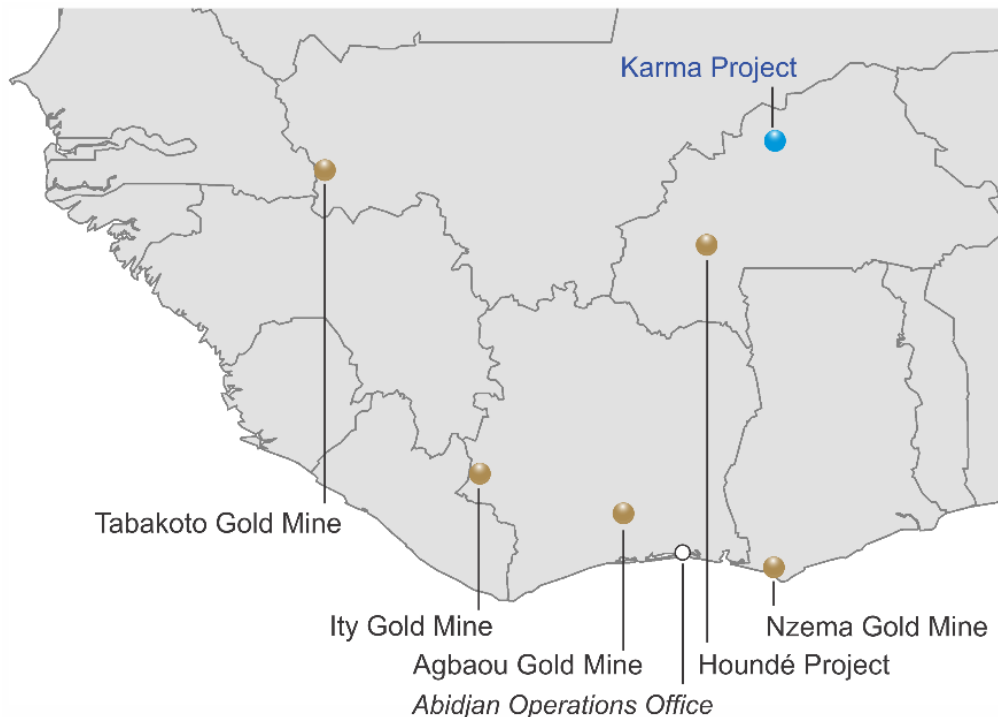
For the benefit of Endeavour Mining's shareholders, full details of the proposed transaction will be included in a management information circular to be filed with regulatory authorities in Canada and mailed to the Endeavour Mining shareholders in accordance with applicable securities laws. The record date for the special meeting of the Endeavour Mining shareholders will be announced in the near future.

> **Highlights of the Acquisition**

- The True Gold acquisition is consistent with Endeavour Mining's previously-announced 'buy-and-build' strategy and firmly positions the company as one of West Africa's premier gold miners.
- The Karma Mine provides a material upgrade to the recently divested Youga Mine and emphasizes management's dedication to proactive portfolio management and cash flow maximization.
- On a pro forma basis, Endeavour Mining will have five producing mines; the Houndé Project, a long-life and low-cost development project that is construction ready; and an attractive pipeline of development and exploration properties (see Figure 1 for locations).

- Through an all-stock transaction, True Gold shareholders can continue to participate in the future growth of Karma through Endeavour Mining shares and, importantly, access its superior financial capacity and leverage its proven operating team.
- Endeavour Mining’s cash balance and available amount from its revolving credit facility totaled US\$220 million, as of December 31, 2015. Including the US\$20 million proceeds received from the sale of the Youga Mine on February 29, 2016 and the La Mancha anti-dilution investment of US\$61.5 million increases the available liquidity to approximately US\$301.5 million.
- A pro forma market capitalization of CDN\$1.08 billion using Endeavour Mining’s closing price on the TSX as of March 3, 2016.
- For 2016, Endeavour Mining has production guidance range of 535,000 to 560,000 ounces (updated to exclude the recently sold Youga Mine) at an AISC/oz range of US\$870 to US\$920. Adding the Karma Mine potentially lowers the AISC range by approximately US\$25/oz (assuming Karma achieves US\$700 AISC/oz in 2016).
- Endeavour Mining will integrate Karma into its existing operations management structures and does not anticipate an increase in its corporate G&A expense also True Gold G&A will be eliminated (~6 m C\$/year).
- Across a range of valuation metrics and contribution analysis, this acquisition is value accretive to the Endeavour Mining shareholders.
- Valuation upside as Endeavour Mining continues to grow its low-cost gold production, and this transaction enhances a financing plan that accelerates the construction of the Houndé Project and the ability to finance an expanded exploration strategy.

Figure 1 – Mine & Project Location Map



> **Additional Transaction Details**

The proceeds of the US\$15 million Bridge Loan may be used by True Gold to fund capital expenditures for the completion of the Karma Mine, and for other working capital needs. The terms of the Bridge Loan include a repayment date which is 12 months from the date of the loan; the loan may be repaid in cash or, at Endeavour Mining's sole election, may be converted into common shares of True Gold on certain events. The conversion price for the principal amount of the Bridge Loan will be at a price per common share equal to the 5-day VWAP on the date prior to True Gold's drawdown of the Bridge Loan. Interest on the Bridge Loan will accrue from draw-down at a rate of LIBOR plus 4% and may be paid in cash or in True Gold shares based on True Gold's future market price prevailing at the time.

The Arrangement Agreement includes customary deal protections. True Gold has agreed not to solicit any alternative transactions; Endeavour Mining has been granted the right to match any superior competing offer; True Gold has agreed to pay Endeavour Mining a break fee of approximately C\$4.5 million in certain circumstances; Endeavour Mining has agreed to pay True Gold an expense fee of C\$4.5 million in certain circumstances.

Both the Endeavour Mining and True Gold Boards of Directors have unanimously approved the terms of the Arrangement Agreement and recommend that their respective shareholders vote in favour of the proposed acquisition.

All of True Gold's officers and directors and certain shareholders, holding, in the aggregate 15.7% of the issued and outstanding True Gold shares, have entered into support agreements with Endeavour Mining to vote in favour of the Transaction.

All of Endeavour Mining's directors and officers and certain shareholders, holding in the aggregate 31.5% of the issued and outstanding ordinary shares of Endeavour Mining have entered into support agreements with True Gold to vote in favour of the issuance of the ordinary shares pursuant to the Transaction.

> Pro Forma Capital Structure

Table 1: Pro Forma Capital Structure

	Issued and outstanding shares (millions)	Pro Forma Issued shares (millions)	Pro Forma Ownership	
Endeavour Mining	59.04	59.04	70.19%	
True Gold	398.84	17.55	20.86%	
La Mancha, anti-dilution investment		7.53	8.95%	30.00%¹
Total issued shares		84.12	100.00%	

¹ La Mancha currently owns 17,706,157 shares of Endeavour Mining such that it will hold 30.00% ownership following the anti-dilution investment

> **Advisors**

Endeavour Mining is being advised by UBS Investment Bank and Stikeman Elliott LLP.

True Gold is being advised by National Bank Financial, Haywood Securities Inc. (Special Committee) and Blake, Cassels & Graydon LLP.

La Mancha is being advised by Norton Rose Fulbright LLP.

> **Conference Call and Webcast Details**

Endeavour Mining will host a conference call and webcast to discuss the transaction as part of its previously announced year-end results conference call and live webcast at 9:00 am Toronto time (EST) on Friday, March 4th, 2016.

The conference call and live webcast are scheduled on Friday March 4, 2016 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:

<http://edge.media-server.com/m/p/p944mzru>

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

International: 1 212 444 0412

North American toll-free: 1 877 280 2342

UK toll-free: 0800 279 5004

Australian toll-free: 1 800 027 830

Confirmation code: 4692288

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

Contact Information

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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 in this news release, except where noted otherwise.

About Endeavour Mining Corporation

Endeavour Mining is a TSX-listed intermediate gold mining company which operates four West African mines in Côte d’Ivoire, Mali, Burkina Faso and Ghana. In 2016, it expects to produce between 535,000 and 560,000 ounces at an all-in sustaining cost of US\$870 to US\$920 per ounce, after the sale of the Youga Mine and before the addition of the Karma Mine. Endeavour Mining is focused on effectively managing its existing assets to maximize cash flow as well as pursuing organic and strategic growth opportunities that benefit from its management and operational expertise.

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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.

Appendix 1: Endeavour Mining's Mineral Reserves and Resources Statement and Notes¹

Resources inclusive of Reserves	On a 100% basis			On an attributable basis		
	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)
Nzema Mine (90% owned)						
Proven Reserves	3.2	2.25	230	2.9	2.25	207
Probable Reserves	1.5	2.57	125	1.4	2.57	113
P&P Reserves	4.7	2.35	356	4.2	2.35	320
Measured Resource	22.4	1.36	976	20.2	1.36	878
Indicated Resources	12.2	1.31	514	11.0	1.31	463
M&I Resources	34.6	1.34	1,490	31.1	1.34	1,341
Inferred Resources	5.9	1.28	244	5.3	1.28	219
Agbaou Mine (85% owned)						
Proven Reserves	1.9	2.53	156	1.6	2.53	132
Probable Reserves	11.3	2.40	871	9.6	2.40	741
P&P Reserves	13.2	2.42	1,027	11.2	2.42	873
Measured Resource	1.9	2.67	166	1.6	2.67	141
Indicated Resources	12.5	2.53	1,014	10.6	2.53	862
M&I Resources	14.4	2.54	1,180	12.3	2.54	1,003
Inferred Resources	1.2	1.71	65	1.0	1.71	56
Tabakoto Mine (80-90% owned)						
Proven Reserves	2.3	3.19	235	1.9	3.18	190
Probable Reserves	4.2	3.68	491	3.5	3.67	413
P&P Reserves	6.4	3.50	725	5.4	3.50	603
Measured Resource	6.3	2.86	575	5.1	2.85	463
Indicated Resources	12.3	3.22	1,270	10.5	3.17	1,068
M&I Resources	18.5	3.09	1,844	15.5	3.07	1,531
Inferred Resources	9.0	3.55	1,023	7.3	3.52	826
Houndé Project (90% owned)						
Proven Reserves	3.7	2.48	296	3.3	2.48	266
Probable Reserves	26.9	2.06	1,779	24.2	2.06	1,601
P&P Reserves	30.6	2.11	2,075	27.5	2.11	1,867
Measured Resource	3.7	2.57	305	3.3	2.57	274
Indicated Resources	34.2	2.04	2,247	30.8	2.04	2,022
M&I Resources	37.9	2.09	2,551	34.1	2.09	2,296
Inferred Resources	3.2	2.62	274	2.9	2.62	246
Ity Mine & CIL Project (55% owned)						
Proven Reserves	-	-	-	-	-	-
Probable Reserves	30.4	1.65	1,613	16.7	1.65	887
P&P Reserves	30.4	1.65	1,613	16.7	1.65	887
Measured Resource	27.3	1.35	1,190	15.0	1.35	655
Indicated Resources	34.1	1.75	1,916	18.7	1.75	1,054
M&I Resources	61.4	1.57	3,106	33.8	1.57	1,708
Inferred Resources	14.1	1.52	687	7.7	1.52	378
Total						
Proven Reserves	11.1	2.57	916	9.7	2.56	796
Probable Reserves	74.2	2.04	4,879	56.8	2.06	3,757
P&P Reserves	85.3	2.11	5,795	65.1	2.17	4,550
Measured Resource	61.6	1.62	3,211	45.2	1.66	2,411
Indicated Resources	105.3	2.06	6,960	81.6	2.08	5,468
M&I Resources	166.9	1.90	10,172	126.8	1.93	7,879
Inferred Resources	33.4	2.13	2,293	24.3	2.21	1,726

¹Please refer to Endeavour Mining's Notes to Mineral Reserves and Resources as published on Feb 29th, 2016 in the press release entitled "Endeavour Mining Increases P&P Reserves and M&I Resources by 32% and 39%, respectively" available on the Company's website at www.endeavourmining.com

Appendix 2: Pro Forma Mineral Reserves and Resources Statement and Notes

Resources inclusive of Reserves	On a 100% basis			On an attributable basis		
	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)	Tonnage (Mt)	Grade (Au g/t)	Content (Au koz)
Total - Endeavour Mining¹						
Proven Reserves	11.1	2.57	916	9.7	2.56	796
Probable Reserves	74.2	2.04	4,879	56.8	2.06	3,757
P&P Reserves	85.3	2.11	5,795	65.1	2.17	4,550
Measured Resource	61.6	1.62	3,211	45.2	1.66	2,411
Indicated Resources	105.3	2.06	6,960	81.6	2.08	5,468
M&I Resources	166.9	1.90	10,172	126.8	1.93	7,879
Inferred Resources	33.4	2.13	2,293	24.3	2.21	1,726
True Gold's Karma Mine (90% owned)²						
Proven Reserves	-	-	-	-	-	-
Probable Reserves	33.2	0.89	949	29.9	0.89	854
P&P Reserves	33.2	0.89	949	29.9	0.89	854
Measured Resource	-	-	-	-	-	-
Indicated Resources	75.2	1.08	2,621	67.7	1.08	2,359
M&I Resources	75.2	1.08	2,621	67.7	1.08	2,359
Inferred Resources	65.3	1.13	2,362	58.8	1.13	2,126
Pro Forma - Endeavour Mining & True Gold						
Proven Reserves	11.1	2.57	916	9.7	2.56	796
Probable Reserves	107.4	1.69	5,828	86.7	1.65	4,611
P&P Reserves	118.5	1.77	6,744	95.0	1.77	5,405
Measured Resource	61.6	1.62	3,211	45.2	1.66	2,411
Indicated Resources	180.5	1.65	9,581	149.3	1.63	7,827
M&I Resources	242.1	1.64	12,793	194.5	1.64	10,238
Inferred Resources	98.7	1.47	4,655	83.1	1.44	3,852

Technical Notes:

1- Please refer Appendix 1 of this news release for additional details and to www.endeavourmining.com for Endeavour Mining's Notes to Mineral Reserves and Resources

2- Karma

Mineral Reserves are that portion of the mineral resource that has been identified as mineable within a design pit and incorporates criteria such as mining recoveries and waste dilution. The Mineral Resources are inclusive of Mineral Reserves. The Mineral Reserves are reported on the basis of parameters and assumptions defined in True Gold's Feasibility Study, which is published on SEDAR at www.sedar.com. The Feasibility Study is based on an open-pit operation averaging 97,000 ounces of gold per year over 8.5 years and all-in sustaining cash costs of \$720/oz gold, at a US\$1250/oz gold price. Cut-off grades (COG) vary by pit and material type as shown in the Feasibility Study.

Mineral Resource estimates were based on a gold price of US\$1,557 per ounce, a 90%, 80% and 85% respective process recoveries for oxide, transition and sulphide; oxide mining costs of US\$1.61/tonne, \$US1.94 per tonne for transition and US\$2.05 for sulphide; process costs of US\$7.25/tonne for oxide and transition and US\$19 per tonne for sulphide; and General & Administrative costs of US\$1.35 per tonne were used to determine the respective 0.20, 0.22 and 0.50 oxide, transition and sulphide open pit cut-off grades. Mineral resources are reported at cut-off grades of 0.20 g/t Au for oxide material in all deposits, 0.22 g/t Au for transition material in all deposits and the sulphide material at Rambo and Nami, and at 0.5 g/t Au for the remaining sulphide material at GG1, GG2, Kao and North Kao. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The quantity and grade of reported Inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred mineral resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category. The mineral resources reported here was estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council. Material within optimized pit shells have engineering mining aspects applied to the global mineral inventory.

For more information on Karma Resources and Reserves, please refer to NI 43-101 technical report entitled "Technical Report on an Updated Feasibility Study (GGI, GGII, Kao, Rambo & Nami Deposits) and a Preliminary Economic Assessment (North Kao Deposit) for the Karma Gold Project, Burkina Faso, West Africa", dated August 10, 2014 and filed on SEDAR on December 5, 2014 at www.sedar.com.

Scott Heffernan, M.Sc., P. Geo, is True Gold's Vice President Exploration and a Qualified Person within the meaning of NI 43-101. Mr Heffernan has reviewed and verified that the technical information related to Karma's Mineral Resources and Mineral Reserves contained herein is accurate and approves of the written disclosure of same.