

Endeavour Reports Q2-2017 Results; On-Track to Meet Full Year Guidance



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ENDEAVOUR REPORTS Q2-2017 RESULTS; ON-TRACK TO MEET FULL YEAR GUIDANCE

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OPERATIONAL AND FINANCIAL Highlights

- Production of 152koz in Q2 and 311koz for H1, on track to meet FY-2017 guidance of 600-640koz
- AISC of \$897/oz in Q2 and \$901/oz for H1, on track to meet FY-2017 guidance of \$860-905/oz with costs expected to continue to trend lower in H2
- Stronger focus on exploration as expenditures increased from \$12m in H1-2016 to \$28m in H1-2017
- Free Cash Flow Before Growth Projects (and before interest, WC, tax and financing cost) of \$65m in H1-2017, up 8% over H1-2016 despite greater exploration expenditures; on track to meet FY-2017 guidance of \$125m
- Adjusted EBITDA of \$111m in H1-2017, up 10% over H1-2016
- Net Debt increased to \$183m from \$62m at the end of Q1-2017 due to Houndé construction spend
- Well positioned to fund growth with \$215m in available sources of financing and liquidity at quarter-end, compared to only \$83m remaining to spend on the Houndé construction
- Adjusted EPS of \$0.11 for Q2, totaling \$0.23 for H1-2017

Project Highlights

- Houndé construction remains on-time and on-budget; first gold pour expected in Q4-2017
- Optimization Study and investment decision for the Ity CIL Project expected in September; plant capacity increase from 3 Mtpa to 4 Mtpa under consideration following 1.5Moz increase in Indicated Resources

George Town, August 1, 2017 - Endeavour Mining (TSX:EDV) (OTCQX:EDVMF) is pleased to announce its financial and operating results for the quarter ended June 30, 2017, with highlights provided in the table below.

Table 1: Key Operational and Financial Highlights

QUARTER ENDED ¹			SIX MONTHS ENDED		
Jun. 30, 2017	Mar. 31, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016	Q2-17 vs. Q2-16

Gold Production, oz	152,283	158,640	138,487	310,923	261,876	+19%
Realized Gold Price, \$/oz	1,219	1,190	1,257	1,204	1,225	(2%)
AISC, \$/oz	897	905	901	901	896	+1%
All-in Sustaining Margin, \$/oz	321	285	356	303	330	(8%)
All-in Sustaining Margin, \$m	49	46	45	95	82	+16%
Free Cash Flow Before Growth Projects ² , \$m	33	32	29	65	61	+8%
Adjusted EBITDA, \$m	64	47	56	111	101	+10%
Net Debt At Period End, \$m	(183)	(62)	(26)	(183)	(26)	na
Earnings From Mine Operations, \$m	38	27	44	65	71	(8%)
Basic Net Earnings (Loss), \$/share	0.14	(0.08)	(0.27)	0.06	(0.25)	na
Adjusted Net Earnings, \$/share	0.11	0.12	0.27	0.23	0.39	(41%)

Reference MD&A for complete for more details.

1) All figures exclude discontinued Youga operation

2) Free Cash Flow before Growth Projects stated before WC, tax & financing costs, Houndé and Karma

Sébastien de Montessus, President & CEO, stated: "The momentum we injected into our business in 2016 has carried over into the first half of 2017 and is reflected in our results across our portfolio. Our team continues to make steady progress against the four strategic pillars we outlined last year and we are on track to meet the full year guidance.

On the operational front, our key priorities include the continued focus on cost optimization, efficient procurement and improved synergies across the organization while continuing to operate to the highest safety standards. On the development front, our Houndé project remains on-time and on-budget with first gold pour still on track for the fourth quarter of 2017. At Ity, we are finalising an optimization study to take advantage of the increased resource base, which should support a material increase to the plant size. Across our portfolio, we are also continuing to see the benefits of our reinvigorated exploration program which has begun to increase resources and confirmed new discoveries in support of our five-year strategic plan and targets.

Our focus on active portfolio management resulted in the acquisition of Avnel Mining, which added the Kalana Gold project in Mali to our project development pipeline. Kalana is another high-quality project with exploration upside that fits our strategic portfolio criteria and strengthens our construction pipeline beyond the completion of the Houndé and Ity CIL projects.

2017 is an important transition year for Endeavour and we look forward to the remainder of the year as we advance projects and other strategic initiatives in pursuit of our longer term goal of becoming a leading African gold producer."

PRODUCTION & AISC ON TRACK TO MEET FULL YEAR GUIDANCE

- Group production totaled 152koz in Q2-2017 and 311koz for H1-2017, on track to meet full year guidance of 600-640koz.
 - The Group's production in Q2-2017 decreased by 7koz (-4%) compared to Q1-2017, in line with projections, mainly due to an 8koz decrease at Karma following its over-performance in Q1-2017.
 - The Group's production from continuing operations in H1-2017 increased by 49koz (+19%) compared to H1-2016, mainly due to the addition of Karma and asset optimization work done at Tabakoto and Nzema which offset the decreased Ity

production, while Agbaou production remained fairly flat.

- Group AISC amounted to \$897/oz in Q2 and \$901/oz for H1, on track to meet FY-2017 guidance of \$860-905/oz with costs expected to continue to trend lower throughout the year as a result of increased production from Karma and Nzema, better grades at Ity.
 - The Group's AISC in Q2-2017 decreased slightly compared to Q1-2017, as reductions at Agbaou and Ity offset increases at Tabakoto and Nzema.
 - The Group's AISC for H1-2017 remained fairly flat over H1-2016 despite a \$14/oz increase in sustaining exploration, in line with Endeavour's reinvigorated exploration strategy.

Table 2: Group Production, koz

	QUARTER ENDED			SIX MONTHS ENDED		2017 FULL-YEAR GUIDANCE
	Jun. 30, 2017	Mar. 31, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016	
<i>(All amounts in koz, on a 100% basis)</i>						
Agbaou	45	42	46	87	89	175 - 180
Tabakoto	41	43	39	84	78	150 - 160
Nzema	27	26	20	53	40	100 - 110
Ity	14	16	21	30	43	75 - 80
Karma	24	32	12	56	12	100 - 110
PRODUCTION FROM CONTINUING OPERATIONS	152	159	138	311	262	600 - 640
Youga (divested in March 2016)	-	-	-	-	8	
TOTAL PRODUCTION	152	159	138	311	270	600 - 640

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

	QUARTER ENDED			SIX MONTHS ENDED		2017 FULL-YEAR GUIDANCE
	Jun. 30, 2017	Mar. 31, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016	
<i>(All amounts in US\$/oz)</i>						
Agbaou	606	660	525	631	525	660 - 700
Tabakoto	1,054	975	1,061	1,013	1,066	950 - 990
Nzema	985	951	1,266	967	1,212	895 - 940
Ity	780	879	775	838	742	740 - 780
Karma	755	748	-	751	-	750 - 800
MINE-LEVEL AISC	832	840	845	836	842	800 - 850
Corporate G&A	42	37	44	39	41	37 - 34
Sustaining Exploration	23	29	12	26	12	23 - 22
GROUP AISC	897	905	901	901	896	860 - 905

AGBAOU MINE

Q2 vs Q1-2017 Insights

- Production increased 8% due to more tonnes processed and better grades which offset the slightly lower recovery rate.
 - Mining activity has increased due to improved equipment availability.
 - Mill throughput continues to perform well, slightly up over Q1, and achieving an annualized throughput of 2.75 million tonnes with an oxide to transitional/fresh ore blend of 21% for H1-2017.
 - Head grade up 7% as the mining sequence moved from a lower grade oxide ore area to a higher grade transitional ore area.
 - Recovery rates slightly decreased due to processing more transitional and fresh ore in Q2.
- All-in sustaining decreased by 8% due to higher grades, a lower strip ratio and lower sustaining costs.
 - The mining unit costs decreased due to improved equipment availability which led to higher volumes mined.
 - Processing unit costs increased due to the increase in harder, fresh, ore put through the plant resulting in increased mill power, higher reagent consumption, higher general wear and tear on crushing and grinding equipment, and other maintenance costs.
 - Lower sustaining capital costs associated to timing on capital expenditures

H1-2017 vs H1-2016 Insights

- While production remained fairly flat, AISC increased as Agbaou moved from processing only soft ore in H1-2016 to processing 21% hard ore in H1-2017, as shown in Table 6

Table 4: Agbaou Performance Indicators

For The Quarter Ended	Q2-2017	Q1-2017	Q2-2016
Tonnes ore mined, kt	709	624	656
Strip ratio (incl. waste cap)	8.81	9.19	8.02
Tonnes milled, kt	693	683	743
Grade, g/t	2.23	2.09	2.15
Recovery rate, %	94%	95%	97%
PRODUCTION, KOZ	45	42	46
Cash Cost/oz	528	549	436
AISC/OZ	606	660	525

Table 5: Agbaou Half Year Performance Indicators

For The Half Year Ended	H1-2017	H1-2016
Tonnes ore mined, kt	1,333	1,474
Strip ratio (incl. waste cap)	8.98	7.13
Tonnes milled, kt	1,376	1,397
Grade, g/t	2.16	2.20

Recovery rate, %	94%	98%
PRODUCTION, KOZ	87	89
Cash Cost/oz	538	429
AISC/OZ	631	525

Table 6: Fresh Ore Break-down and Cost Impact

For The Quarter Ended	H1-2017	H1-2016
<i>Impact on throughput</i>		
% of hard ore processed	21%	0
Tonnes milled, kt	1,376	1,397
Annualized throughput, Mt	2.75	2.79
<i>Impact on unit costs</i>		
Mining costs, \$/t moved	2.42	2.11
Tonnes milled, \$/t	7.25	6.51

H2-2017 Outlook

- Agbaou remains on track to meet the FY-2017 guidance of 175,000-180,000 ounces at an AISC of \$660-700/oz.
- Production is expected to slightly increase in H2-2017 as higher hard ore grade is expected to compensate for lower mill throughput and recoveries as the mine continues to progress toward a 50% oxide to fresh/transitional ore blend.
- AISC are expected to remain within the guided range as sustaining capital spending is expected to increase with greater waste capitalisation in H1-2017.

TABAKOTO MINE

Q2 vs Q1-2017 Insights

- Production decreased in Q2-2017 mainly due to reduced open pit and underground volumes which was offset by the use of stockpiles.
 - Open pit production decreased due to lower activity level at Kofi C which was partially offset by the ramping up of activities at the lower grade Kofi B deposit.
 - Underground production decreased, despite higher grades mined at both Segala and Tabakoto underground, to due to less tonnage mined and increased development, which is expected to give access to higher grade ore zones in H2-12017.
 - Processing activities continued to perform well, maintaining stable throughput and recovery with the contribution from stockpiled ore processed.
- All-in sustaining costs increased, mainly due to increased sustaining capital spend.
 - Open pit mining unit costs increased due to increased waste mined at Kofi B and reduced volumes mined at Kofi C as it approaches the end of its mine life.
 - Underground mining unit costs increased due increased development which impacted volumes mined.
 - G&A unit costs decreased 17% in comparison to Q1 due to a focus on cost reduction programs and timing of expenditures.
 - Sustaining capital increased mainly as a result of increased underground development meters.

H1-2017 vs H1-2016 Insights

- Production increased mainly as a result of higher grades at the Kofi C deposit, as well as the inclusion of the Kofi B pit.
- AISC decreased due to the benefit of higher production and lower G&A costs which offset higher mining costs.

Table 7: Tabakoto Performance Indicators

For The Quarter Ended	Q2-2017	Q1-2017	Q2-2016
OP tonnes ore mined, kt	157	217	147
OP strip ratio (incl. waste cap)	8.87	7.70	10.51
UG tonnes ore mined, kt	184	236	220
Tonnes milled, kt	407	405	399
Grade, g/t	3.32	3.50	3.31
Recovery rate, %	94%	94%	95%
PRODUCTION, KOZ	41	43	39
Cash cost/oz	802	771	829
AISC/OZ	1,054	975	1,061

Table 8: Tabakoto Half Year Performance Indicators

For The Half Year Ended	H1-2017	H1-2016
OP tonnes ore mined, kt	374	294
OP strip ratio (incl. waste cap)	8.19	12.39
UG tonnes ore mined, kt	420	453
Tonnes milled, kt	812	805
Grade, g/t	3.41	3.20
Recovery rate, %	94%	94%
PRODUCTION, KOZ	84	78
Cash Cost/oz	786	818
AISC/OZ	1,013	1,066

H2-2017 Outlook

- Tabakoto is on track to meet its FY-2017 production guidance of 150,000 - 160,000 ounces and the top end of its AISC guidance of \$950-990/oz.
- Ongoing cost saving and optimisation programs are underway which include overhead reduction, centralizing procurement, fleet replacement, and improvement of equipment availability and mining efficiency.
- Production is expected to be lower in the second half of the year with the end of Kofi C mining and the full transition to Kofi B and Takakoto North.

ITY MINE

Q2 vs Q1-2017 Insights

- Production decreased due to the recovery rate decline and less stacked tonnage which was partially offset by better grades.
 - Mining activities increased over the previous quarter due to higher equipment availability, resulting in a 14% increase in ore tonnes mined.
 - Stacking activities decreased by 9% due to unexpectedly high rainfall in June which caused stoppages as the wet and sticky ore was processed.
 - Grade increased due to changes in the mine sequence.
 - Recovery rates returned to a normalized rate due to ore characteristics which led to a longer leach cycle.
- All-in sustaining costs decreased due to changes in inventory adjustments which offset higher mining costs.
 - Mining unit costs increased due to improved grade control efforts, as well as higher fuel consumption as increased haul road maintenance was needed due to the rain.
 - Processing costs per tonne have increased due to the lower stacking volumes.

H1-2017 vs H1-2016 Insights

- Production decreased as mining shifted to lower grade deposits, stacking activities were impacted by wet and sticky ore, and recovery rates returning to normalized levels.
- While mining and processing costs per tonne decreased, the AISC increased as fixed costs were allocated over reduced production.

Table 9: Ity Performance Indicators

For The Quarter Ended	Q2-2017	Q1-2017	Q2-2016
Tonnes ore mined, kt	374	329	383
Strip ratio (incl. waste cap)	4.32	4.44	6.31
Tonnes stacked, kt	243	267	303
Grade, g/t	2.15	1.90	2.10
Recovery rate, %	84%	98%	101%
PRODUCTION, KOZ	14	16	21
Cash cost/oz	625	750	602
AISC/OZ	780	879	775

Table 10: Ity Half Year Performance Indicators

For The Half Year Ended	H1-2017	H1-2016
Tonnes ore mined, kt	703	670
Strip ratio (incl. waste cap)	4.37	4.50
Tonnes stacked, kt	510	607
Grade, g/t	2.02	2.30
Recovery rate, %	91%	95%
PRODUCTION, KOZ	30	43

Cash cost/oz	697	606
AISC/OZ	838	742

H2-2017 Outlook

- Ity's production and cost profile is expected to improve over the remainder of 2017 as the grade profile increases.
- FY-2017 guidance remains unchanged with 75,000 - 80,000 ounces production expected at an AISC of \$740-780/oz.

CIL Project

- On July 27, 2017, Endeavour announced that Indicated Resource has increased by 1.0 million ounces since the beginning of the year, to reach 3.8 million ounces. This marks a 1.5 million ounce increase in the Indicated Resource base since the publication of the November 2016 Feasibility Study ("FS"), representing a 65% increase.
- A formal investment decision and an updated reserve estimate is expected to be published in September as part of an Optimization Study ("OS") which is expected to be based on a circa 4.0Mtpa gravity circuit/Carbon-In-Leach ("CIL") plant, an increase from the previously contemplated 3.0Mtpa plant, to better capture the value created from recent exploration success.

NZEMA MINE

Q2 vs Q1-2017 Insights

- Production increased due to improved recovery rates and higher grades, which compensated for lower throughput.
 - Mining activities were intentionally slowed in Q2 to match the processing plant requirement and optimize working capital associated with stockpiles.
 - The completion of the Adamus push-back improved the grade by 19%.
 - Quality control processes regarding purchased ore established in the first quarter led to higher purchased ore grades and an increase in total ore purchased, as well as an improvement in recovery rates.
 - Total mill throughput decreased by 7% in comparison to the previous quarter due to the increased proportion of fresh ore processed.
- All-in sustaining costs increased due to a decrease in the quantity of gold sold and increased sustaining capital spend.
 - Mining unit costs were higher due to a decrease in material mined, longer haul distances, higher drill and blast activity, and grade control.
 - Processing unit costs increased by 3% due to lower throughput and increases in water treatment cost in the second quarter.
 - Sustaining capital increased due to work on the tailings storage facility lift.

H1-2017 vs H1-2016 Insights

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

Table 11: Nzema Performance Indicators

For The Quarter Ended	Q2-2017	Q1-2017	Q2-2016
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Tonnes ore mined, kt	352	396	213
Mined ore grade, g/t	2.24	1.89	1.58
Strip ratio (incl. waste cap)	3.01	5.81	7.69
Purchased ore milled, kt	82	78	112
Purchased ore grade, g/t	3.20	3.04	2.97
Total Tonnes milled, kt	362	391	450
Grade, g/t	2.46	2.36	1.63
Recovery rate, %	92%	88%	85%
PRODUCTION, KOZ	27	26	20
Cash cost/oz	838	834	1,174
AISC/OZ	985	951	1,266

Table 12: Nzema Half Year Performance Indicators

For The Half Year Ended	H1-2017	H1-2016
Tonnes ore mined, kt	748	490
Mined ore grade, g/t	2.21	1.35
Strip ratio (incl. waste cap)	4.49	6.27
Purchased ore milled, kt	160	191
Purchased ore grade, g/t	3.12	3.02
Total Tonnes milled, kt	753	909
Grade, g/t	2.41	1.58
Recovery rate, %	90%	86%
PRODUCTION, KOZ	53	40
Cash cost/oz	836	1,134
AISC/OZ	967	1,212

H2-2017 Outlook

- Nzema remains on track for the FY-2017 guidance of 100,000 - 110,000 ounces of production at an AISC of \$895-940/oz.
- AISC are expected to continue to decline throughout the year with the grade profile continuing to improve.

KARMA MINE

Q2 vs Q1-2017 Insights

- Karma production decreased due to less tonnage stacked and lower recovery rates, partially offset by higher stacked grades.
 - Mining activity (waste + ore mined) decreased due to the lower strip ratio of tonnes mined in the GG2 pit.
 - Stacking decreased due to the introduction of harder transitional ore onto the heap, which also reduced recovery by 5% due to the slow percolation of the ore.

- All-in sustaining costs remained stable as a lower strip ratio was offset by a higher unit cost, as well as inventory adjustments.
 - Mining costs per tonne increased 7% due to less volume mined as well and increased blasting activity as the GG2 pit moves into transitional ore.
 - Processing costs per tonne increased by 31% due to increased cyanide and cement consumption associated with the transitional ore, as well as higher soft rock crusher maintenance costs.

H1-2017 vs H1-2016 Insights

- Karma had its first gold pour in Q2-2016. Its H1-2016 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	Q2-2017	Q1-2017	Q1-2016
Tonnes ore mined, kt	1,035	1,050	1,690
Strip ratio (incl. waste cap)	2.49	3.14	2.79
Tonnes stacked, kt	852	954	356
Grade, g/t	1.24	1.07	1.18
Recovery rate, %	83%	87%	90%
PRODUCTION, KOZ	24	32	12
Cash cost/oz	657	661	-
AISC/OZ	755	748	-

Table 14: Karma Half-Year Performance Indicators*

For The Haf Year Ended	H1-2017	H1-2016
Tonnes ore mined, kt	2,085	1,690
Strip ratio (incl. waste cap)	2.82	2.79
Total Tonnes milled, kt	1,806	356
Grade, g/t	1.15	1.18
Recovery rate, %	85%	90%
PRODUCTION, KOZ	56	12
Cash cost/oz	659	-
AISC/OZ	751	-

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

Optimization Project Insights

- Plant optimization work is progressing well and is expected to lift stacking capacity in H2-2017 as both the dry and wet plant are expected to be commissioned in Q3-2017.

2017 Outlook

- FY-2017 guidance remains unchanged with 100,000 - 110,000 ounces planned at an AISC of \$750-800/oz.
- The higher-grade Rambo ore feed will compliment that of the GG2 pit, which is expected to however cause lower recovery rates due to its higher transitional and fresh ore content.
- Stacking capacity is expected to increase in the second half of the year following the completion of the plant optimisation project, which is progressing on-time.
- Sustaining capital is expected to increase later in the year due to stripping activities related to the Rambo and GG2 pits.

HOUNDÉ CONSTRUCTION REMAINS ON-TIME AND ON-BUDGET

Construction Achievements To-Date

- Construction is progressing on-time with 90% of the total project complete, with the first gold pour expected in the fourth quarter of 2017.
- 100% of capital has already been committed to date, reducing cost over-run risk.
- \$198 million has been incurred on the project to date, with the remaining cash outlay spend amounting to \$83 million, as shown in the table below.

Table 15: Remaining capital spend, in \$m

UPFRONT PROJECT CAPITAL	328
Cash outlay to date	(198)
Mining fleet equipment financing	(47)
CASH OUTLAY REMAINING	~83

- 5 million man-hours worked without a lost time injury.
- The 38km long, 90 kilovolt overhead power line construction is 99% complete, and the system has been commissioned. Power from the national grid is scheduled for August 2017.
- Open pit pre-strip mining at the main Vindaloo open pit, adjacent to the processing facility, commenced in late December 2016.



- SAG and ball mill foundation concrete is complete, as well as the TSF (Cell 1) earthworks and rubber lining have been completed.
- The high speed power station is 87% complete with all 16 gensets delivered and installed.
- The two million liter diesel fuel farm installation has been completed.
- The construction of the water harvest dam, including decant tower, is complete, with water already being pumped to the water storage dam.
- Construction of the 300-person permanent accommodation village is approaching completion with only minor works to finish.
- Over 2,000 personnel including contractors are currently employed on-site, more than 94% of which are Burkinabe.
- The land compensation and relocation process has been successfully completed. The resettlement site opening ceremony took place on July 29, 2017.

EXPLORATION ACTIVITIES

- In line with Endeavour's strategic exploration focus, the exploration program increased from \$12 million in H1-2016 to \$28 million in H1-2017, with \$40 million budgeted for the year.
- In H1-2017, the near-mine exploration expenditures were mainly focused on Ity and Tabakoto, in line with guidance.
- In addition, greenfield exploration efforts were also conducted on the 80km Greater Ity trend, Liquidi, and other regional exploration properties.

Agbaou

- Exploration progressed well in H1-2017, with a total of approximately 26,000 meters drilled out of the 45,000 meters planned for the year.
- The drill program is focused on the MPN extension, Agbaou south, Niafouta, Beta extension targets, as well as on other exploration targets located within 20km from the processing plant.

- A dedicated deeper drilling program will be initiated in H2-2017 targeting Agbaou's at-depth potential.
- An update to the Reserves and Resources estimate will be made following the completion of the program in H2-2017.

**Table 16: Exploration Expenditure
(Includes expensed, sustaining and non-sustaining)**

AREAS OF FOCUS	H1-2017	FY-2017 GUIDANCE
Agbaou	3.1	7.0
Tabakoto	5.2	9.0
Nzema	-	-
Ity	5.9	10.0
Karma	1.7	4.0
Houndé	3.0	5.0
Other Greenfield	9.2	5.0
Total	28.0	40.0

Tabakoto

- As Tabakoto operations are characterized by a short-term mine life, a \$9 million exploration program totaling approximately 86,000 meters of drilling on Tabakoto and Kofi properties has been planned for 2017, of which 48,000 meters were drilled in H1-2017.
- During H1-2017, Tabakoto open pit program focused mainly on drilling the Kreko and Fougala West targets, for which a maiden Resource is expected during H2-2017, and on testing all identified exploration targets supported by the ongoing auger program.
- During H1-2017, underground drilling focused on testing the eastern side extensions at Segala and the north-east extensions at Tabakoto, with encouraging preliminary results received.
- In Q2-2017 Endeavour acquired the Bluebird properties, located immediately to the north and adjacent to Endeavour's Kofi exploration license in Mali, for \$5.2 million. This acquisition allows Endeavour to consolidate its greenfield exploration portfolio on trend with some of the targets in the northern part of the Kofi exploration tenement, where positive gold in soil and auger anomalies were recently discovered. These tenements, located between Tabakoto / Loulo and Sadiola are considered an underexplored area of the prolific Senegalo-Malian shear corridor. As it is located 80km to the north of the Tabakoto processing facility, it would be considered as a standalone project should exploration be successful.

Ity

- For 2017, a \$10 million exploration program totaling approximately 52,500 meters has been planned for the greater Ity area, of which roughly 42,000 meters was completed in H1-2017.
- In H1-2017 drilling focused on Bakatouo, Mont Ity Flat area, Daapleu, and Colline Sud. Positive results were achieved as the Indicated Resource grew by 1.0 million ounces since the beginning of the year, to reach 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, and on the Toulepleu exploration license to the southwest of the Ity area.

Karma

- In 2017 a \$4 million exploration program totaling approximately 38,000 meters has been planned of which approximately 28,000 meters was completed in H1-2017.
- During H1-2017, drilling focused on testing the extensions of the Rambo, Goulagou and North Kao deposits, as well as the Yabonso target (6,800 meters drilling completed, waiting on results).
- A maiden Resource is expected to be reached during H2-2017 with the aim of further extending the mine life.

Houndé

- Following a two year period of no exploration drilling, activities resumed in 2017 with a \$5 million program.
- During H1-2017 a total of 6,400 meters diamond drilling, 2,700 meters of reverse circulation drilling and 48,300 meters of air-core drilling were conducted on:
 - Bouere with the aim of increased the current resource.
 - Kari Pump/Sia/Sianikoui (higher grade exploration targets) which resulted in positive initial results.
 - Grand Espoir, Bombi, Koho, Kari Fault, which initial exploration works.
- Work performed also included advanced soil geochemistry, ground geophysics on selected targets, regolith and geological mapping.
- H2-2017 activity will concentrate on the most promising exploration targets identified during the initial campaign.

NET FREE CASH FLOW FROM OPERATIONS

- Gold sales totaled 315koz in H1-2017, up from 248koz in the same period in 2016, mainly due to the addition of the Karma mine, as well as an increase in production at Nzema and Tabakoto
- The realized gold price in H1-2017 was \$1,204/oz (net of the impact of the Karma stream) compared to \$1,225/oz in the same period in 2016
- The All-in Sustaining Margin in H1-2017 increased by 16% over H1-2016 to \$95 million
- Free cash flow (before working capital, tax, finance cost, and growth projects) increased by \$4 million in H1-2017 to \$65 million, compared to H1-2016, despite significantly increasing total exploration expenditures.
- Net free cash flow from current operations increased by \$8 million in H1-2017 to \$23 million as greater taxes payments at Tabakoto and Ity were offset by lower working capital variance and interest paid
- Growth projects capex of \$127 million incurred in H1-2017 consists of \$109 million for the Houndé construction, \$16 million for the Karma optimization, and \$2 million for the Ity CIL project.
- Acquisition of mining interests of \$59 million incurred in H1-2017 consists of \$54 million for the purchase of an additional 25% stake in the Ity mine and \$5 million for the acquisition of Malian Bluebird exploration tenements
- Net cash outflow in H1-2017 was \$39 million as growth project capital and acquisitions were partly offset by cash flow from operations, a \$52 private placement from La Mancha and debt drawdowns of \$78 million.

Table 17: Simplified Cash Flow Statement

(in US\$ million)

SIX MONTHS ENDED

JUN 30, 2017

JUN 30, 2016

GOLD SOLD, koz	315	248
Gold Price, \$/oz	1,204	1,225
REVENUE	379	304
Total cash costs	(219)	(173)
Royalties	(20)	(14)
Corporate costs	(12)	(10)
Sustaining capex	(25)	(23)
Sustaining exploration	(8)	(3)
ALL-IN SUSTAINING COSTS ("AISC")	283	222
ALL-IN SUSTAINING MARGIN	95	82
Less: Non-sustaining capital	(14)	(15)
Less: Non-sustaining exploration	(16)	(7)
FREE CASH FLOW BEFORE GROWTH PROJECTS (and before interest, working capital, tax & financing costs)	65	61
Working capital	(23)	(25)
Taxes paid	(11)	(9)
Interest paid	(5)	(7)
Cash settlements on hedge programs and gold collar premiums	(4)	(4)
NET FREE CASH FLOW FROM OPERATIONS	23	15
Growth projects	(127)	(17)
Exploration expense	(4)	(2)
Other (foreign exchange gains/losses and other)	2	(1)
Cash received from Youga mineral property interest	-	22
Operating cash flow from Youga discontinued operation	-	1
Cash paid on settlement of share appreciation rights, DSUs and PSUs	(1)	(1)
Bridge loan advanced to True Gold	-	(15)
True Gold cash acquired, less acquisition COC payments	-	10
Acquisition and restructuring costs	(2)	(18)
Acquisition of mining interests	(59)	-
Net equity proceeds	52	73
Proceeds (repayment) of long-term debt	78	(43)
CASH INFLOW (OUTFLOW) FOR THE PERIOD	(39)	24

Notes: Youga has been deconsolidated from the Net Free Cash Flow From Operations. 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, to \$183 million as at the end of June, 2017, mainly due to \$127 million spent on growth project, \$39 million added from Houndé financing agreement, and \$59 million of acquisitions made which were partially offset by the \$52 private placement from La Mancha Holding S.A.R.L..

- Endeavour remains well positioned to fund growth with \$215 million as at June 30, 2017, which includes its \$85 million cash position and \$130 million undrawn on the Revolving Credit Facility ("RCF"), in addition to its strong cash flow generation.
- Endeavour is currently re-negotiating its existing \$350 million RCF and received credit-approved commitments, indicating potential to upsize the facility to above \$500 million from top-tier mining banks received, subject to legal documentation. This negotiation is expected to improve the current terms, reflecting the improved credit story, and would provide a very high margin of maneuver to fund Endeavour's upcoming growth projects.

Table 18: Net Debt Position, in US\$m

<i>(in US\$ million)</i>	JUN. 30, 2017	MAR. 31, 2017	DEC. 31, 2016
Cash	85	87	124
Less: Equipment finance lease	(8)	(9)	(10)
Less: Houndé financing agreement	(39)	-	-
Less: Drawn portion of \$350 million RCF	(220)	(140)	(140)
NET DEBT POSITION	(183)	(62)	(26)
NET DEBT / ADJUSTED EBITDA (LTM) RATIO	0.75	0.27	0.11

ADJUSTED NET EARNINGS

- Net earnings of \$15 million were realized in H1-2017 compared to a loss of \$8 million in H1-2016.
- In H1-2017, total adjustments of \$16 million were made, mainly related to unrealized 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 \$22 million in H1-2017, representing an adjusted net earnings per share of \$0.23.

Table 19: Net Earnings and Adjusted Earnings

<i>(\$ in millions except per share amounts)</i>	Three months ended			SIX MONTHS ENDED	
	JUN. 30, 2017	MAR. 31, 2017	JUN. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
TOTAL NET EARNINGS (LOSS)	17	(2)	(15)	15	(8)
Less adjustments (see MD&A non-GAAP section)	2	18	42	16	47
ADJUSTED NET EARNINGS FROM CONTINUING OPERATIONS	15	16	26	31	39
Less portion attributable to non-controlling interests	4	5	6	9	12
ATTRIBUTABLE TO SHAREHOLDERS	11	11	21	22	27
Divided by weighted average number of O/S shares	96	94	78	96	64
ADJUSTED NET EARNINGS PER SHARE (BASIC) FROM CONTINUING OPERATIONS*	0.11	0.12	0.27	0.23	0.39

*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 **8:00am Toronto time (EST)** to discuss the Company's financial results.

The conference call and live webcast are scheduled today at:

5:00am in Vancouver
8:00am in Toronto and New York
1:00pm in London
8:00pm in Hong Kong and Perth

The live webcast can be accessed through the following link:

<http://edge.media-server.com/m/p/69jj4pip>

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

International: +44(0)20 3427 1919
North American toll-free: 1877 280 2296
UK toll-free: 0800 279 4977

Confirmation code: **4152866**

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

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

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.

CONTACT INFORMATION

Martino De Ciccio

VP - Strategy & Investor Relations
+44 203 640 8665
mdeciccio@endeavourmining.com

DFH Public Affairs in Toronto

John Vincic, Senior Advisor
(416) 206-0118 x.224
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 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 in 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 project is expected to lift Endeavour's group production +900kozpa and decrease its average AISC to circa \$800/oz by 2018, while exploration aims to extend all mine lives to +10 years.

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.

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