



**ENDEAVOUR
MINING**

**CONDENSED INTERIM
CONSOLIDATED FINANCIAL
STATEMENTS**

For the three and six months ended June 30, 2017 and 2016
(Unaudited)

August 01, 2017

TABLE OF CONTENTS

1	DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS	5
2	BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES.....	5
3	DISPOSALS OF MINING INTERESTS.....	6
3.1	DISPOSAL OF THE YOUNGA MINE.....	6
4	INVENTORIES.....	7
5	MINING INTERESTS	8
6	OTHER LONG TERM ASSETS	10
7	TRADE AND OTHER PAYABLES.....	10
8	FINANCE LEASE OBLIGATIONS.....	11
9	LONG-TERM DEBT	12
9.1	CORPORATE LOAN FACILITY	12
9.2	HOUNDE´ FINANCING ARRANGEMENT	13
10	OTHER LONG TERM LIABILITIES	13
10.1	ENVIRONMENTAL REHABILITATION PROVISION	13
11	SHARE CAPITAL	14
12	NON-CONTROLLING INTERESTS	17
13	GAINS (LOSSES) ON FINANCIAL INSTRUMENTS.....	18
14	DERIVATIVE FINANCIAL INSTRUMENTS.....	18
15	INCOME TAXES.....	19
16	SEGMENTED INFORMATION	20
17	CAPITAL MANAGEMENT	22
18	FINANCIAL INSTRUMENTS.....	23
18.1	FINANCIAL ASSETS AND LIABILITIES	23
18.2	FINANCIAL INSTRUMENT RISK EXPOSURE.....	24
18.3	MARKET RISKS.....	25
19	COMMITMENTS AND CONTINGENCIES.....	26
20	SUBSEQUENT EVENTS.....	26

ENDEAVOUR MINING CORPORATION
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Thousands of United States Dollars)
(Unaudited)

	Note	As at June 30, 2017	As at December 31, 2016
ASSETS			
Current			
Cash		\$ 84,862	124,294
Cash - restricted		1,967	5,270
Trade and other receivables		16,172	12,274
Income taxes receivable		-	373
Inventories	4	115,755	110,404
Current portion of derivative financial assets	14	-	6,623
Prepaid expenses and other		36,318	24,298
		255,074	283,536
Mining interests	5	1,198,374	1,039,529
Deferred income taxes		24,213	29,978
Other long term assets	6	3,979	4,055
		\$ 1,481,640	\$ 1,357,098
LIABILITIES			
Current			
Trade and other payables	7	153,679	128,860
Current portion of finance lease obligations	8	4,315	4,315
Income taxes payable		8,986	16,451
		166,980	149,626
Finance lease obligations	8	3,864	5,694
Long-term debt	9	246,704	140,957
Other long term liabilities	10	57,446	47,854
Deferred income taxes		43,362	52,306
		518,356	396,437
EQUITY			
Share capital	11	1,536,529	1,484,735
Equity reserve	11	38,461	39,727
Deficit		(644,186)	(615,673)
Equity attributable to shareholders of the Corporation		930,804	908,789
Non-controlling interests	12	32,480	51,872
Total equity		963,284	960,661
		\$ 1,481,640	\$ 1,357,098

COMMITMENTS AND CONTINGENCIES (NOTE 19)
SUBSEQUENT EVENTS (NOTE 20)

Approved by the Board: August 1, 2017

"Sebastien de Montessus" Director *"Wayne McManus"* Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

ENDEAVOUR MINING CORPORATION
Condensed Interim Consolidated Statements of Comprehensive Earnings/(Loss)
(Expressed in Thousands of United States Dollars)
(Unaudited)

	Note	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
		2017	2016	2017	2016
Revenues					
Gold revenue		185,497	160,373	378,637	304,331
Cost of sales					
Operating expenses		(101,984)	(87,496)	(222,049)	(171,481)
Depreciation and depletion		(35,811)	(21,781)	(71,903)	(48,005)
Royalties		(9,757)	(7,229)	(19,625)	(13,819)
Earnings from mine operations		37,945	43,867	65,060	71,026
Corporate costs		(6,365)	(5,595)	(12,295)	(10,421)
Acquisition and restructuring costs		(936)	(16,773)	(2,460)	(18,022)
Share-based expenses	11	(1,808)	(3,162)	(9,443)	(5,717)
Exploration costs		(1,995)	(953)	(4,236)	(1,868)
Earnings from operations		26,841	17,384	36,626	34,998
Gains (losses) on financial instruments	13	3,153	(21,135)	(5,911)	(24,010)
Finance costs	9	(5,818)	(6,304)	(11,742)	(13,148)
Other (expenses) income		(1,035)	180	2,502	270
Other expenses		(3,700)	(27,259)	(15,151)	(36,888)
Earnings (Loss) from continuing operations before taxes		23,141	(9,875)	21,475	(1,890)
Current income tax expense		(6,813)	(2,975)	(9,417)	(5,317)
Deferred income tax recovery and (expense)		941	(2,566)	3,019	2,922
Net and comprehensive earnings/(loss) from continuing operations		17,269	(15,416)	15,077	(4,285)
Net loss from discontinued operations and loss on disposal	3	-	-	-	(3,273)
Total net and comprehensive earnings/(loss)		17,269	(15,416)	15,077	(7,558)
Net earnings/(loss) from continuing operations attributable to:					
Shareholders of Endeavour Mining Corporation		13,444	(21,139)	5,728	(17,085)
Non-controlling interests	12	3,825	5,723	9,349	12,800
Net earnings/(loss) from continuing operations		17,269	(15,416)	15,077	(4,285)
Total net earnings/(loss) attributable to:					
Shareholders of Endeavour Mining Corporation		13,444	(21,139)	5,728	(20,183)
Non-controlling interests	12	3,825	5,723	9,349	12,625
Total net earnings/(loss)		17,269	(15,416)	15,077	(7,558)
Net earnings/(loss) per share from continuing operations					
Basic earnings/(loss) per share	11	\$ 0.14	\$ (0.27)	\$ 0.06	\$ (0.25)
Diluted earnings/(loss) per share		\$ 0.14	\$ (0.27)	\$ 0.06	\$ (0.25)
Net earnings/(loss) per share					
Basic earnings/(loss) per share	11	\$ 0.14	\$ (0.27)	\$ 0.06	\$ (0.29)
Diluted earnings/(loss) per share		\$ 0.14	\$ (0.27)	\$ 0.06	\$ (0.29)

The accompanying notes are an integral part of these condensed interim consolidated financial statements

ENDEAVOUR MINING CORPORATION
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Thousands of United States Dollars)
(Unaudited)

	Note	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
		2017	2016	2017	2016
Operating Activities					
Earnings/(loss) before taxes		\$ 23,141	\$ (9,875)	\$ 21,475	\$ (4,292)
Adjustments for:					
Depreciation and depletion	5	35,811	21,781	71,903	49,264
Financing costs	9	5,818	6,304	11,742	13,148
Share based expenses	11	1,809	3,162	9,443	5,717
Loss on financial instruments	13	(3,153)	21,135	5,911	24,010
Net non-cash inventory adjustments	4	(125)	605	3,475	-
Loss on other investments and disposals		-	-	-	1,025
Cash paid on settlement of share appreciation rights, DSUs and PSUs		(929)	(1,284)	(1,101)	(1,284)
Income taxes paid		(10,173)	(6,157)	(11,294)	(8,781)
Payment of gold collar premium	14	(1,829)	(1,883)	(3,658)	(1,883)
Foreign exchange gain/(loss)		4,604	1,911	(983)	(1,789)
Other		-	(458)	-	85
Operating cash flows before non-cash working capital		54,974	35,241	106,913	75,220
Changes in non-cash working capital:					
Trade and other receivables		(3,751)	2,740	(4,952)	2,840
Inventories		(2,446)	(2,462)	(8,826)	(7,099)
Prepaid expenses and other		(14,701)	(4,929)	(12,977)	(7,257)
Trade and other payables		(6,773)	202	3,972	(13,368)
Cash generated from operating activities		\$ 27,303	\$ 30,792	\$ 84,130	\$ 50,336
Investing Activities					
Expenditures and prepayments on mining interests		(97,821)	(59,600)	(197,637)	(80,632)
Cash consideration for additional share of Ity mine		(53,915)	-	(53,915)	-
Cash acquired on acquisitions		-	10,031	-	10,031
Proceeds from pre-production gold sales		-	19,498	-	19,498
Bridge loan advanced to True Gold		-	-	-	(15,000)
Sale of Youga mine and other		-	21,242	-	21,781
Cash used in investing activities		\$ (151,736)	\$ (8,829)	\$ (251,552)	\$ (44,322)
Financing Activities					
Proceeds received from the issue of common shares		47,019	72,257	51,806	72,796
Cash settlement of hedge programs		-	437	-	(2,774)
Payment of financing and other fees		(1,277)	-	(1,277)	-
Interest paid		(3,598)	(6,343)	(3,880)	(6,774)
Proceeds (repayment) of long-term debt	9	80,000	(40,000)	80,000	(40,000)
Repayment of the Auramet Loan		-	(1,125)	-	(1,125)
Repayment of finance lease obligation	8	(926)	(842)	(1,830)	(1,665)
Deposit paid on (refund of) reclamation liability bond		1,351	(2,280)	3,089	(1,436)
Cash generated from financing activities		\$ 122,569	\$ 22,104	\$ 127,908	\$ 19,022
Effect of exchange rate changes on cash		(429)	(5,239)	82	(570)
(Decrease)/increase in cash		(2,293)	16,981	(39,432)	24,466
Cash, beginning of period		87,156	117,004	124,294	109,519
Cash, end of period		\$ 84,863	\$ 133,985	\$ 84,862	\$ 133,985

	Note	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
		2017	2016	2017	2016
Earnings/(loss) before taxes from continuing operations		23,141	(9,875)	21,475	(1,890)
Net loss from discontinued operations and loss on disposal	3	-	-	-	(3,273)
Deferred and current income taxes on discontinued operations	3	-	-	-	871
Earnings/(loss) before income taxes		23,141	(9,875)	21,475	(4,292)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

ENDEAVOUR MINING CORPORATION
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Thousands of United States Dollars)
(Unaudited)

SHARE CAPITAL														
Note	Number of Common Shares	Par Value	Additional Paid in Capital	Number of Exchangeable Shares	Par Value	Additional Paid in Capital	Total Number of Shares	Total Share Capital	Equity Reserve	Deficit	Total Attributable to Shareholders	Non-Controlling Interests	Total	
At January 1, 2016	58,969,264	\$ 5,892	\$ 1,063,876	50,681	\$ 5	\$ 1,315	59,019,942	\$ 1,071,088	\$ 41,966	\$ (548,951)	\$ 564,103	\$ 33,009	\$ 597,112	
Consideration on acquisition of the Karma Mine	17,600,982	1,760	214,679	-	-	-	17,600,982	216,439	-	-	216,439	-	216,439	
Shares issued to La Mancha associated with the Karma mine acquisition	7,546,775	755	64,353	-	-	-	7,546,775	65,108	-	-	65,108	-	65,108	
Assumed on acquisition of the Karma Mine	-	-	-	-	-	-	-	-	8,771	-	8,771	11,530	20,301	
Exchangeable shares exchanged into common shares	24,765	2	247	(24,765)	(2)	(247)	-	-	-	-	-	-	-	
Share options exercised	1,237,543	124	15,161	-	-	-	1,237,543	15,284	(7,597)	-	7,687	-	7,687	
Dividends	12	-	-	-	-	-	-	-	-	-	-	(2,596)	(2,596)	
Amortization of option grants	-	-	-	-	-	-	-	-	580	-	580	-	580	
New share issuance	-	-	-	-	-	-	-	-	-	-	-	22	22	
Disposal of the Youga Mine	3	-	-	-	-	-	-	-	-	-	-	(4,130)	(4,130)	
Net earnings and total comprehensive earnings	-	-	-	-	-	-	-	-	-	(20,183)	(20,183)	12,625	(7,558)	
At June 30, 2016	85,379,329	\$ 8,532	\$ 1,358,316	25,913	\$ 3	\$ 1,068	85,405,242	\$ 1,367,919	\$ 43,720	\$ (569,134)	\$ 842,505	\$ 50,460	\$ 892,965	
At January 1, 2017	93,521,218	\$ 9,348	\$ 1,474,723	25,132	\$ 2	\$ 662	93,546,349	\$ 1,484,735	\$ 39,727	\$ (615,673)	\$ 908,789	\$ 51,872	\$ 960,661	
Assumed on the acquisition of the ity mine	12	-	-	-	-	-	-	-	-	(34,241)	(34,241)	(22,974)	(57,215)	
Exchangeable shares exchanged into common shares	2,761	-	73	(2,761)	-	(73)	-	-	-	-	-	-	-	
Share options exercised	380,020	38	4,180	-	-	-	380,020	4,218	(1,466)	-	2,752	-	2,752	
Amortization of option, PSU grants	11	-	-	-	-	-	-	-	200	-	200	-	200	
Dividends to non-controlling interests	12	-	-	-	-	-	-	-	-	-	-	(5,767)	(5,767)	
Shares issued in private placements	11	2,573,372	257	47,576	-	-	2,573,372	47,576	-	-	47,576	-	47,576	
Net earnings/(loss) and total comprehensive earnings	-	-	-	-	-	-	-	-	-	5,728	5,728	9,349	15,077	
At June 30, 2017	96,477,372	\$ 9,643	\$ 1,526,552	22,370	\$ 2	\$ 589	96,499,741	\$ 1,536,529	\$ 38,461	\$ (644,186)	\$ 930,804	\$ 32,480	\$ 963,284	

The accompanying notes are an integral part of these condensed interim consolidated financial statements

1 DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Endeavour Mining Corporation (“Endeavour” or the “Corporation”) is a publicly listed gold mining company that operates five mines in West Africa in addition to having project development and exploration assets. Endeavour is focused on effectively managing its existing assets to maximize cash flows as well as pursuing organic and strategic growth opportunities that benefit from its management and operational expertise.

Endeavour’s corporate office is in London, England, and its shares are listed on the Toronto Stock Exchange (“TSX”) (symbol EDV) and quoted in the United States on the OTCQX International under the symbol ‘EDVMF’. The Corporation is incorporated in the Cayman Islands and its registered office is located at 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands.

2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, using the accounting policies consistent with International Financial Reporting Standards (‘IFRS’).

These condensed interim consolidated financial statements should be read in conjunction with the most recently issued annual consolidated financial statements of the Corporation, which include information necessary or useful to understanding the Corporation’s business and financial statement presentation. In particular, the Corporation’s significant accountant policies were presented as Note 2 to the consolidated financial statements for the year ended December 31, 2016, and have been consistently applied in the preparation of these condensed interim consolidated financial statements.

BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared on the historical cost basis, except certain financial instruments that are measured at fair value at the end of each reporting period. The Corporation’s accounting policies have been applied consistently to all periods in the preparation of these condensed interim consolidated financial statements.

ACCOUNTING STANDARDS RECENTLY ISSUED

The Corporation has not applied the following revised or new IFRS that have been issued but were not yet effective at June 30, 2017. The Corporation is currently evaluating the impact these standards are expected to have on the Corporation's accounting policies and financial statements:

- › *IFRS 7, Financial Instruments Disclosures:* (effective January 1, 2018) the amendments require increased disclosure regarding derecognition of financial assets and the continuing involvement accounting in connection with servicing contracts for annual periods beginning on or after January 1, 2016.
- › *IFRS 9, Financial Instruments:* (effective January 1, 2018) introduces new requirements for the classification and measurements of financial assets and liabilities.
- › *IFRS 15 Revenue:* (Effective January 1, 2018) In May 2014, the International Accounting Standards Board issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRS Interpretations Committee ("IFRIC") 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC 31 Revenue Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.
- › *IFRS 16 Leases* (effective January 1, 2019), was issued in January 2016 and provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

3 DISPOSALS OF MINING INTERESTS

3.1 DISPOSAL OF THE YUGA MINE

On February 29, 2016, the Corporation announced and completed the sale of its non-core Youga Mine to MNG Gold for \$25.3 million. The sale included the Youga Mine, Ouaré Project and the related exploration properties and is part of the Corporation's plan to focus on its core mining operations and assets.

The total cash consideration was comprised of \$20 million for the asset and \$5.3 million for the cash-on-hand and working capital adjustments. The Corporation recognized a loss of \$1.0 million in the six months ended June 30, 2016 and a loss from discontinued operations of \$2.3 million. In addition, Endeavour retained a 1.8% Net Smelter Royalty ("NSR") on production realized beyond the current reserve from the property sold, with the inclusion of a buyback provision held by MNG.

ENDEAVOUR MINING CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Thousands of United States Dollars, except per share amounts)
(Unaudited)

4 INVENTORIES

	June 30, 2017	December 31, 2016
Doré bars ⁽¹⁾	\$ 3,208	\$ 8,291
Gold in circuit ⁽²⁾	25,918	27,623
Ore stockpiles	31,041	22,480
Spare parts and supplies ⁽³⁾	55,588	52,010
Total inventory	\$ 115,755	\$ 110,404

⁽¹⁾ Includes a provision of \$nil million at the Nzema mine from a reversal of previous impairments to net realizable value (“NRV”) (December 31, 2016: \$3.7 million).

⁽²⁾ Includes a provision of \$nil million at the Nzema mine from a reversal of previous impairments to NRV (December 31, 2016, recovery of \$0.7 million).

⁽³⁾ Includes a provision of \$5.3 million for obsolete inventory at the Tabakoto mine (December 31, 2016: \$nil)

The cost of inventories recognized as expense in the three month and six months ended June 30, 2017, was \$137.6 million and \$293.6 million respectively, and were included in operating expenses (three and six months ended June 30, 2016 - \$109.1 million and \$219.2 million respectively).

ENDEAVOUR MINING CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Thousands of United States Dollars, except per share amounts)
(Unaudited)

5 MINING INTERESTS

	MINING PROPERTIES						Total
	Note	Depletable	Non depletable	Plant and equipment	Assets under construction	Non mining	
Cost							
Balance as at December 31, 2015		\$ 908,950	\$ 446,270	\$ 584,665	\$ -	\$ 2,685	\$ 1,942,570
Acquisition of the Karma Mine		-	-	-	280,695	534	281,229
Additions/expenditures		65,826	9,547	31,962	86,775	246	194,356
Transfers related to Houunde construction to/(from)		-	(109,000)	-	109,000	-	-
Transfers on declaration of commercial production to/(from)		106,576	-	157,750	(264,326)	-	-
Reclamation liability change in estimate		4,791	-	-	-	-	4,791
Disposals		-	-	-	-	(887)	(887)
Disposal of the Youga Mine	3	(84,837)	(19,538)	(75,267)	-	-	(179,642)
Balance as at December 31, 2016		1,001,306	327,279	699,110	212,144	2,578	2,242,417
Acquisition of mining interest		-	5,206	-	-	-	5,206
Additions/expenditures		27,769	15,260	15,615	162,012	1,698	222,354
Balance as at June 30, 2017		\$ 1,029,075	\$ 347,745	\$ 714,725	\$ 374,156	\$ 4,276	\$ 2,469,977
Accumulated depreciation and impairment							
Balance as at December 31, 2015		\$ 619,205	\$ 212,075	\$ 365,901	\$ -	\$ 1,997	\$ 1,199,178
Depreciation/depletion		58,478	-	44,038	-	506	103,022
Depreciation captured in inventory		(1,663)	-	114	-	-	(1,549)
Impairment		34,230	26,761	10,044	-	-	71,035
Disposals		-	-	-	-	(841)	(841)
Disposal of the Youga Mine		(79,404)	(16,772)	(71,781)	-	-	(167,957)
Balance as at December 31, 2016		630,846	222,064	348,316	-	1,662	1,202,888
Depreciation/depletion		40,180	-	31,567	-	156	71,903
Depreciation captured in inventory		(767)	-	(2,210)	-	(211)	(3,188)
Balance as at June 30, 2017		\$ 670,259	\$ 222,064	\$ 377,673	\$ -	\$ 1,607	\$ 1,271,603
Carrying amounts							
At December 31, 2016		\$ 370,460	\$ 105,215	\$ 350,794	\$ 212,144	\$ 917	\$ 1,039,530
At June 30, 2017		\$ 358,816	\$ 125,681	\$ 337,052	\$ 374,156	\$ 2,669	\$ 1,198,374

At June 30, 2017, the additions of plant and equipment included \$23.5 million of assets under finance leases (December 31, 2016 - \$9.1 million).

At June 30, 2017, mineral property additions included \$9.6 million in accounts payable (December 31, 2016 - \$3.7 million).

ENDEAVOUR MINING CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Thousands of United States Dollars, except per share amounts)
(Unaudited)

A summary of the carrying values by property is as follows:

	Note	Tabakoto Mine	Nzema Mine	Youga Mine	Agbaou Mine	Ity Mine	Karma Mine	Houndé Project	Ouaré Project	Exploration Properties	Non mining	Total
Cost												
Balance as at December 31, 2015		\$ 739,045	\$ 629,196	\$ 168,014	\$ 212,609	\$ 37,782	\$ -	\$ 138,441	\$ 11,629	\$ 3,169	\$ 2,685	\$ 1,942,570
Acquisition of the Karma Mine		-	-	-	-	-	280,695	-	-	-	534	281,229
Additions/expenditures		31,248	19,986	-	27,139	20,846	4,860	102,192	-	-	246	206,517
Transfers (to) from inventory		-	-	-	-	-	(12,161)	-	-	-	-	(12,161)
Reclamation liability change in estimate		495	88	-	1,850	-	2,358	-	-	-	-	4,791
Disposals	3	-	-	-	-	-	-	-	-	-	(887)	(887)
Disposal of the Youga Mine		-	-	(168,014)	-	-	-	-	(11,629)	-	-	(179,642)
Balance as at December 31, 2016		770,788	649,270	-	241,598	58,628	275,752	240,633	-	3,169	2,578	2,242,417
Acquisition of mining interest ¹		5,206	-	-	-	-	-	-	-	-	-	5,206
Additions/expenditures ¹		18,311	8,206	-	6,964	16,093	24,190	143,835	-	3,057	1,698	222,354
Balance as at June 30, 2017		\$ 794,305	\$ 657,476	\$ -	\$ 248,562	\$ 74,721	\$ 299,942	\$ 384,468	\$ -	\$ 6,226	\$ 4,276	\$ 2,469,977
Accumulated depreciation and impairment												
Balance as at December 31, 2015		\$ 503,461	\$ 462,854	\$ 156,329	\$ 57,835	\$ 1,905	\$ -	\$ -	\$ 11,629	\$ 3,169	\$ 1,997	\$ 1,199,177
Depreciation/depletion		31,057	17,087	-	28,622	20,069	5,754	-	-	-	432	103,022
Depreciation captured in inventory		427	(752)	-	(178)	(1,046)	-	-	-	-	-	(1,549)
Impairment		-	71,035	-	-	-	-	-	-	-	-	71,035
Disposals		-	-	-	-	-	-	-	-	-	(841)	(841)
Disposal of the Youga Mine	3	-	-	(156,329)	-	-	-	-	(11,629)	-	1	(167,957)
Balance as at December 31, 2016		534,944	550,225	-	86,278	20,930	5,754	-	-	3,169	1,588	1,202,888
Depreciation/depletion		21,603	9,209	-	16,175	11,057	13,722	-	-	-	137	71,903
Depreciation captured in inventory		(13)	901	-	382	(1,753)	(2,707)	-	-	-	-	(3,191)
Balance as at June 30, 2017		\$ 556,534	\$ 560,335	\$ -	\$ 102,835	\$ 30,234	\$ 16,769	\$ -	\$ -	\$ 3,169	\$ 1,725	\$ 1,271,603
Carrying amounts												
At December 31, 2016		\$ 235,844	\$ 99,045	\$ -	\$ 155,320	\$ 37,699	\$ 269,998	\$ 240,633	\$ -	\$ -	\$ 990	\$ 1,039,529
At June 30, 2017		\$ 237,771	\$ 97,141	\$ -	\$ 145,727	\$ 44,487	\$ 283,173	\$ 384,468	\$ -	\$ 3,057	\$ 2,551	\$ 1,198,374

¹ Acquisitions of, and additions to mining interests of \$227.6 million net of leased additions and working capital changes result in \$197.6 million of cash utilized, as found on the Statement of Cash Flows

6 OTHER LONG TERM ASSETS

Other long term assets are comprised of:

	June 30, 2017	December 31, 2016
Working capital loan	\$ 1,038	\$ 1,012
Long term stockpiles	2,697	2,765
Long term receivable	244	278
Total	\$ 3,979	\$ 4,055

Working capital loan

The Corporation continues to maintain a working capital loan receivable from a former associate, which is still considered collectible.

Long term stockpiles

Certain low grade stockpiles that are not expected to be processed until the end of mine life are classified as long term assets. In the three and six months ended June 30, 2017, an adjustment of \$nil and \$0.1 million respectively was recognized to adjust the cost to a net realizable value of \$2.7 million (June 30, 2016 - \$2.8 million).

7 TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	June 30, 2017	December 31, 2016
Trade accounts payable - operations	115,833	102,295
Trade accounts payable - construction	19,474	4,230
Royalties	3,919	3,560
Taxes - direct and indirect	3,141	11,633
Payroll and social charges	5,248	5,778
Other	6,064	1,364
Total	\$ 153,679	\$ 128,860

8 FINANCE LEASE OBLIGATIONS

The finance leases were composed of the following obligations:

	June 30, 2017	December 31, 2016
Equipment lease obligations	\$ 8,179	\$ 10,009
Less: current portion	(4,315)	(4,315)
Long-term equipment lease obligations	\$ 3,864	\$ 5,694

	MINIMUM LEASE PAYMENTS	
	June 30, 2017	December 31, 2016
Not later than one year	\$ 4,540	\$ 4,540
Later than one year and not later than five years	4,468	6,738
	9,008	11,278
Less future finance charges	(829)	(1,269)
Present value of minimum lease payments	\$ 8,179	\$ 10,009

On March 7, 2014, the Corporation's Malian subsidiary entered a five year, \$18 million equipment lease financing facility. The equipment lease was used to purchase a portion of the owner-operated mining equipment for the Tabakoto and Segala underground developments. The lease terms have a fixed rate of 9.5% per annum to amortize the principal and there exists a purchase option to buy the equipment outright at the end of the lease life for 0.5% of cost. The equipment lease is treated as a finance lease.

9 LONG-TERM DEBT

	Note	June 30, 2017	December 31, 2016
Corporate loan facility	9.1	\$ 220,000	\$ 140,000
Deferred financing costs		(8,225)	(10,461)
Corporate loan facility		211,775	129,539
Houndé financing	9.2	34,929	11,418
Total long term debt		\$ 246,704	\$ 140,957

9.1 CORPORATE LOAN FACILITY

On July 24, 2013, the Corporation signed a \$350 million amended senior secured revolving corporate loan facility (the "Facility") with a syndicate of leading international banks and utilized \$300 million of the amended Facility while completing the expansion of the Tabakoto mine and the construction of the Agbaou mine.

On March 9, 2015, the Corporation renewed its Facility with the key terms including:

- › The maturity date is five years from signing, March 9, 2020, and the available Facility amount declines with four equal semi-annual reductions of \$87.5 million commencing September 2018;
- › The Facility includes standard corporate financial covenants, including:
 - Interest Cover shall not be less than 3 to 1, calculated on a rolling 12 month basis;
 - Net Debt to EBITDA shall not exceed 3.5 times, calculated on a rolling 12 month basis;
 - Minimum Tangible Net Worth shall not be less than US\$350 million;
 - As at June 30, 2017, the Corporation was in compliance with these covenants.
- › The interest is based on LIBOR plus a margin ranging between 3.75% and 5.75% per annum (sliding scale based on the actual Net Debt to EBITDA ratio). At June 30, 2017, the interest rate was 5.1% (December 31, 2016 – 5%).
- › The Facility is secured by shares of Endeavour's material gold mining subsidiaries and certain material assets of those subsidiaries.

On April 3 and May 19, 2017, further drawdowns were made of \$40 million and \$40 million, respectively to increase the drawdown amount on the Facility to \$220 million. Subsequent to June 30, 2017, the Corporation drew down an additional \$40 million, increasing the total amount drawn on the Facility to \$260 million.

As per the condensed interim consolidation statement of comprehensive earnings (loss), the Corporation incurred finance costs of \$5.8 million and \$11.7 million in the three and six months ended June 30, 2017 (June 30, 2016 - \$6.3 million and \$13.1 million respectively). These costs are recognized as interest expenses of \$2.5 million and \$5.7 million, three and six months respectively (June, 30 2016 - \$2.5 million and \$5.7 million respectively), amortization of deferred fees of \$1.2 million and \$2.3 million three and six months, respectively (June 30, 2016 - \$1.2 million and \$2.2 million respectively) and other related financing fees of \$2.1 million and \$3.7 million three and six months respectively (June 30, 2016 - \$2.6 million and \$5.2 million respectively).

9.2 HOUNDÉ FINANCING ARRANGEMENT

On June 9, 2016, the Corporation entered into a financing arrangement with the Komatsu Group to purchase mining fleet equipment for the Houndé project. The Corporation made an initial down-payment of \$7.1 million on July 1, 2016. Delivery of the mining fleet commenced from the fourth quarter of 2016 and seventeen quarterly payments are to be made between the first quarter of 2018 and the first quarter of 2022, totaling \$46.9 million. As at June 30, 2017 approximately \$39.9 million (March 31, 2017 - \$11.4 million) of the equipment has arrived at site and is currently being commissioned as a part of the construction phase.

On March 13, 2017, Houndé Gold Operation SA, Endeavour's main operating subsidiary for the Houndé project, entered into an equipment financing facility with Caterpillar Financial Services Corporation. The \$10 million facility will finance the purchase of backup power gensets for the Houndé project in Burkina Faso. The facility will mature 5 years from the date of first drawdown, which had not occurred at June 30, 2017. Availability of the facility is subject to the satisfaction of customary conditions precedent, including the provision of an equipment pledge.

10 OTHER LONG TERM LIABILITIES

Provisions are comprised of:

	Note	June 30, 2017	December 31, 2016
Environmental rehabilitation provision	10.1	\$ 39,204	\$ 38,864
Deferred, performance and restricted share units	11	17,948	8,679
Net pension obligation		294	311
Total		\$ 57,446	\$ 47,854

10.1 ENVIRONMENTAL REHABILITATION PROVISION

	June 30, 2017	December 31, 2016
Balance beginning of period	\$ 38,864	\$ 35,893
Assumed on acquisition of the Karma Mine	-	1,886
Derecognized on disposal of the Youga Mine	-	(4,786)
Revisions in estimates and obligations incurred	-	5,434
Accretion	554	698
Rehabilitation work performed	(214)	(261)
Balance end of period	\$ 39,204	\$ 38,864

The provisions of each mine will be accreted over the projected life of each mine.

11 SHARE CAPITAL

VOTING SHARES

Authorized

- › 200,000,000 voting shares of \$0.10 par value
- › 100,000,000 undesignated shares

SHARE-BASED COMPENSATION

The following table summarizes the share-based compensation expense:

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2017	2016	2017	2016
Amortization of option grants	\$ 58	\$ 292	\$ 200	\$ 580
Amortisation and change in fair value of DSUs	232	1,769	1,147	3,033
Amortisation and change in fair value of PSUs	176	1,101	5,332	2,104
Amortisation and change in fair value of RSUs	1,343	-	2,764	-
Total share-based expenses	\$ 1,809	\$ 3,162	\$ 9,443	\$ 5,717

OPTIONS

A summary of the changes in share options is presented below:

	Options outstanding	Weighted average exercise price (C\$)
At December 31, 2015	2,734,404	2.06
Granted	1,700,213	9.23
Exercised	(2,191,150)	9.84
Cancelled/Forfeited	(29,966)	8.12
Expired	(1,140,879)	23.24
At December 31, 2016	1,072,622	14.08
Exercised	(380,020)	11.17
Cancelled/Forfeited	(60,824)	8.91
Expired	(98,857)	38.17
At June 30, 2017	532,921	12.63

ENDEAVOUR MINING CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Thousands of United States Dollars, except per share amounts)
(Unaudited)

The following table summarizes information about the exercisable share options outstanding as at June 30, 2017:

Exercise Prices (C\$)	Outstanding	Exercisable	Weighted average exercise price (C\$)	Weighted average remaining contractual life
\$5.20 - \$7.99	100,387	80,129	\$5.98	2.62 years
\$8.00 - \$14.99	239,523	134,518	\$10.48	2.72 years
\$15.00 - \$19.99	133,587	133,587	\$15.31	0.03 years
\$20.00 - \$24.99	58,492	58,492	\$22.62	0.58 years
\$85.00 - \$449.57	932	932	\$233.91	0.61 years
	532,921	407,658	\$13.43	1.67 years

The Corporation has a share option plan whereby the Corporation's directors may from time to time grant options to directors, employees or consultants. The maximum term of any option is ten years. The exercise price of an option is set at the higher of (i) the volume weighted average trading price of the shares traded on the exchange for the five trading days immediately preceding the grant date and (ii) the closing trading price on the grant date. At June 30, 2017, there were 9,649,974 (December 31, 2016 – 9,354,635) options available for grant under the plan, of which 6,641,151 (December 31, 2016 – 8,252,047) are still available to be granted.

SHARE UNITS PLANS

A summary of the changes in share unit plans is presented below:

	DSUs outstanding	Weighted average grant price (C\$)	PSUs outstanding	Weighted average grant price (C\$)	RSUs outstanding	Weighted average grant price (C\$)
At December 31, 2015	178,084	5.37	517,800	9.50	-	-
Granted	34,516	16.76	1,122,226	18.99	398,446	21.12
Exercised/Released	(39,199)	7.05	(113,423)	7.83	-	-
Expired	-	-	(216,547)	8.45	-	-
At December 31, 2016	173,401	6.82	1,310,056	12.58	398,446	21.12
Granted	14,663	24.24	1,219,149	18.50	52,645	19.10
Exercised/Released	-	-	(55,540)	21.89	-	-
At June 30, 2017	188,064	7.62	2,473,665	15.33	451,091	21.00

DEFERRED SHARE UNITS

On January 26, 2013, the Corporation established a deferred share unit plan ("DSU") for the purposes of strengthening the alignment of interests between non-executive directors of the Corporation and shareholders by linking a portion of the annual director compensation to the future value of the Corporation's common shares. Upon establishing the DSU plan for non-executive directors, the Corporation no longer grants options to non-executive directors.

The DSU allows each non-executive director to choose to receive, in the form of DSUs, all or a percentage of their director's fees, which would otherwise be payable in cash. Compensation for

serving on committees must be paid in the form of DSUs. The plan also provides for discretionary grants of additional DSUs by the Board. Each DSU fully vests upon award, but is distributed only when the director has ceased to be a member of the Board. Vested units are settled in cash based on the common share price at the date of settlement.

The total fair value of DSUs at June 30, 2017, was \$3.2 million (December 31, 2016 – \$2.1 million). The change in fair value of the DSUs recognized as share-based expense was \$0.2 million and \$1.1 million for the three and six months ended June 30, 2017 (June 30, 2016, \$1.7 million and \$3 million respectively), with a corresponding amount recorded as a long-term liability in the condensed interim consolidated statement of financial position.

PERFORMANCE SHARE UNITS

In March 2014, following a comprehensive review of its executive compensation programs and pay practices, the Corporation introduced a change in its long-term incentive plan (“LTI Plan”) to include a portion of performance-linked share unit awards (“PSUs”). The PSU program is intended to increase the pay mix in favor of long-term equity-based compensation with three-year cliff-vesting to serve as an employee retention mechanism.

The fair value of the PSUs are determined based on Total Shareholder Return (“TSR”) relative to peer companies, achieving certain operational performance measures (key future operational indicators – All in Sustaining Cost “AISC” and project targets) and using the US\$ share price at each reporting date proportioned to the number of days vested per unit. The fair value related to the TSR portion is determined using a multi-asset Monte Carlo model while the fair value related to the achievement of operational performance measures is determined based the probability of reaching the operational targets.

The total fair value of outstanding PSUs at June 30, 2017, was \$10.9 million (December 31, 2016 - \$5.6 million).

The change in fair value of the PSUs was recognized as share-based expense totaling \$0.2 million and \$5.3 million for the three and six months ended June 30, 2017, (June 30, 2016, \$1.1 million and \$2.1 million respectively), with a corresponding amount recorded as a long-term liability in the condensed interim consolidated statement of financial position (Note 10).

RESTRICTED SHARE UNITS

In July 2016, the Corporation introduced a change in its long-term incentive plan (“LTI Plan”) to include a portion of restricted share unit awards (“RSUs”) for certain executives. The RSU program is intended to increase the pay mix in favour of long-term equity-based compensation to serve as an employee retention mechanism.

The total fair value of outstanding RSU’s at June 30, 2017 was \$3.7 million (December 31, 2016, \$1.0 million). The fair value of the RSU’s was recognized as share-based expenses of \$1.3 million and \$2.8 million for the three and six months ended June 30, 2017 (June 30, 2016 - \$nil), with a corresponding amount recorded as a RSU liability in the condensed interim consolidated statement of financial position (Note 10).

ENDEAVOUR MINING CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Thousands of United States Dollars, except per share amounts)
(Unaudited)

STOCK APPRECIATION RIGHTS

As part of the Karma Mine acquisition, the Corporation acquired 5,295,000 stock appreciation rights (“SARs”) from True Gold. Each SAR is exercised in cash, based on the closing price of Endeavour on the day prior to exercise multiplied by the ratio of 0.044, less C\$0.19, until February 27, 2017.

In the six-month period ended June 30, 2017, 405,000 SARs were exercised for total payments of \$0.3 million (June 30, 2016 - \$1 million). As at February 27, 2017 all remaining SARs have expired.

BASIC AND DILUTED EARNINGS PER SHARE

Diluted net earnings per share was calculated based on the following:

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2017	2016	2017	2016
Basic weighted average number of shares outstanding	95,807,936	77,860,700	94,757,477	68,455,926
Effect of dilutive securities				
Stock options	189,564	137,788	244,802	445,744
Diluted weighted average number of shares outstanding	95,997,500	77,998,488	95,002,279	68,901,670
Total basic share capital	96,499,741	85,405,242	96,499,741	85,405,242
Total diluted share capital	99,506,327	85,856,346	99,506,327	85,856,346

- On April 17, 2017 the Corporation announced that its largest shareholder, La Mancha Holding S.A R.L (“La Mancha”) exercised its anti-dilution right to increase its stake from the current 28.1% interest to the initial 29.9% ownership position, by means of a CAD\$63.4 million (US\$47.5 million) private placement.

Pursuant to the placement, La Mancha acquired 2,573,372 common shares of Endeavour Mining Corporation on April 25, 2017. Subsequent to the placement, La Mancha holds 28,826,304 common shares, representing 29.99% of the Corporation’s common shares.

12 NON-CONTROLLING INTERESTS

The composition of the non-controlling interests is as follows:

	Agbaou Gold Operations SA (Agbaou Mine) 15%	Adamus Resources Limited (Nzema Mine) 10%	Segala Mining Co SA/Kofi Mining S.à r.l. (Tabakoto Mine) 20%/10%	Burkina Mining Company SA (Youga Mine) 10%	Societe des Mines d'Ity (Ity Mine) 45%	Riverstone Karma SA (Karma Mine) 10%	Total
At December 31, 2015	\$ 22,663	\$ (4,545)	\$ (27,051)	\$ 4,305	\$ 38,646	\$ -	\$ 34,018
Arising on acquisition	-	-	-	-	-	11,530	11,530
Net earnings (loss)	16,964	(11,132)	6,101	-	3,255	(889)	14,299
Dividend distribution	(1,310)	-	(1,095)	-	(1,287)	-	(3,692)
New share issuance	22	-	-	-	-	-	22
Disposal of the Youga Mine	-	-	-	(4,305)	-	-	(4,305)
At December 31, 2016	38,339	(15,677)	(22,045)	-	40,614	10,641	51,872
Net earnings (loss)	7,575	566	(626)	-	848	986	9,349
Acquisition of NCI	-	-	-	-	(22,974)	-	(22,974)
Dividend distribution	(5,177)	-	(589)	-	-	-	(5,766)
At June 30, 2017	\$ 40,737	\$ (15,111)	\$ (23,260)	\$ -	\$ 18,488	\$ 11,627	\$ 32,481

For summarized information related to these subsidiaries, refer to Note 16, Segmented Information.

On May 19, 2017, The Corporation acquired an additional 25% stake in Société des Mines d'Ity ("SMI") from one of the non-controlling interests thereby increasing its ownership to 80% for consideration of \$54.4 million and a \$5 per ounce royalty for any additional reserves added subsequent to December 31, 2016. The consideration recognized in the period consists of \$54.4 million in cash and \$3.3 million in other transaction costs and accruals. This transaction has resulted in a decrease of NCI of \$23.0 million and a decrease in the deficit of \$34.7 million.

13 GAINS (LOSSES) ON FINANCIAL INSTRUMENTS

	Note	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
		2017	2016	2017	2016
Gain on marketable securities and investments		\$ (132)	\$ 213	\$ (132)	\$ 316
Imputed interest on promissory note and other assets		12	13	25	25
Interest income		-	525	661	851
Gain (loss) on derivative financial instruments	14	348	(15,432)	(10,281)	(19,026)
Gain on foreign exchange		2,925	(6,454)	3,816	(6,176)
Total		\$ 3,153	\$ (21,135)	\$ (5,911)	\$ (24,010)

14 DERIVATIVE FINANCIAL INSTRUMENTS

The following table summarizes the derivative financial assets (liabilities):

	June 30, 2017	December 31, 2016
Gold revenue protection strategy	\$ -	6,623
Derivative financial assets/(liabilities), current portion	\$ -	\$ 6,623

The following table summarizes the gain (loss) on derivative financial assets (liabilities) that have been recognized through the condensed interim consolidated statements of comprehensive earnings (loss):

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2017	2016	2017	2016
Realized loss on gold revenue protection strategy premium	\$ (1,829)	\$ (1,883)	\$ (3,658)	\$ (1,883)
Realized loss on gold and fuel price protection programs	-	(3,376)	-	(6,878)
Realized gain on foreign exchange option	-	538	-	538
Unrealized gain (loss) on gold and fuel price protection strategy	2,177	(10,711)	(6,623)	(10,803)
Loss on derivative financial instruments	\$ 348	\$ (15,432)	\$ (10,281)	\$ (19,026)

GOLD REVENUE PROTECTION STRATEGY

In the year ended December 31, 2016, the Corporation implemented a deferred premium collar strategy ("Collar") using written call options and bought put options for the 15-months period from April 2016 to June 2017. The program covered a total of 400,000 ounces, representing approximately

ENDEAVOUR MINING CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

(Expressed in Thousands of United States Dollars, except per share amounts)

(Unaudited)

50% of Endeavour's total estimated gold production for the period, with a floor price of \$1,200 per ounce and ceiling price of \$1,400 per ounce.

The Collar was not designated as a hedge by the Corporation and was recorded at its fair value at the end of each reporting period with changes in fair value recorded in the condensed interim consolidated statement of comprehensive earnings (loss).

As at June 30, 2017, no ounces remain outstanding under the Collar derivative liability which has been revalued to a completion fair value of \$nil million (December 31, 2016 - \$6.6 million derivative asset). An unrealized loss of \$6.8 million was reversed in the condensed interim consolidated statement of comprehensive earnings (loss) in the period ended June 30, 2017 (three and six months June 30, 2016 - \$1.7 million and \$0.7 million), from the reversal of the derivative asset in place at year end.

The total premium payable for entering into the Collar of \$9.2 million was included as part of the Collar fair value, and was cash-settled on a net basis as monthly contracts mature. In the three and six months ended June 30, 2017, the Corporation incurred \$1.8 and \$3.7 million in premium costs (three and six months June 30, 2016 - \$1.8 million and \$1.8 million respectively), included in realized losses on derivative financial instruments in the condensed interim consolidated statements of comprehensive earnings (loss).

15 INCOME TAXES

The Corporation operates in numerous countries and, accordingly, it is subject to, and pays annual income taxes under, the various income tax regimes in the countries in which it operates. From time to time the Corporation is subject to a review of its income tax filings and in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain rules to the Corporation's business conducted within the country involved. If the Corporation is unable to resolve any of these matters favorably, there may be a material adverse impact on the Corporation's financial performance, cash flows or results of operations. In the event that management's estimate of the future resolution of these matters changes, the Corporation will recognize the effects of the changes in its consolidated financial statements in the period that such changes occur.

ENDEAVOUR MINING CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

(Expressed in Thousands of United States Dollars, except per share amounts)

(Unaudited)

16 SEGMENTED INFORMATION

The Corporation operates in four principal geographical areas, Burkina Faso (Karma mine), Côte d'Ivoire (Agbaou and Ity mines), Ghana (Nzema mine) and Mali (Tabakoto mine). The following table provides the Corporation's revenue and results by reportable segment.

	THREE MONTHS JUNE 30, 2017									Total
	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Ity Mine Côte d'Ivoire	Karma Mine Burkina Faso	Houde Project Burkina Faso	Exploration	Non-Mining		
Revenue										
Gold revenue	\$ 58,888	\$ 33,002	\$ 51,975	\$ 16,684	\$ 24,948	\$ -	\$ -	\$ -	\$ -	\$ 185,497
Cost of sales										
Operating expenses	(24,691)	(21,991)	(30,717)	(8,777)	(15,808)	-	-	-	-	(101,984)
Depreciation and depletion	(8,814)	(4,559)	(11,050)	(5,716)	(5,458)	-	-	(214)	-	(35,811)
Royalties	(2,107)	(1,952)	(3,138)	(643)	(1,917)	-	-	-	-	(9,757)
Earnings (loss) from mine operations	23,276	4,500	7,070	1,548	1,765	-	-	-	(214)	37,945
Corporate costs	-	-	-	-	-	-	-	(6,364)	-	(6,364)
Acquisition and restructuring costs	-	-	-	-	-	-	-	(936)	-	(936)
Share-based payments	-	-	-	-	-	-	-	(1,809)	-	(1,809)
Exploration	-	-	-	426	(1,349)	-	(1,072)	-	-	(1,995)
Earnings (loss) from operations	23,276	4,500	7,070	1,974	416	-	(1,072)	(9,323)	(9,323)	26,841
Other (expenses) income										
(Losses) gains on financial instruments	(22)	(282)	(409)	(801)	(821)	1,960	119	3,409	-	3,153
Finance costs	(115)	(50)	(302)	355	(67)	-	-	(5,639)	-	(5,818)
Other income	-	-	-	-	-	-	-	(1,035)	-	(1,035)
	(137)	(332)	(711)	(446)	(888)	1,960	119	(3,265)	(3,265)	(3,700)
Earnings (loss) before taxes	23,139	4,168	6,359	1,528	(472)	1,960	(953)	(12,588)	(12,588)	23,141
Deferred and income tax recovery (expense)	202	(111)	(6,837)	(499)	1,585	-	-	(212)	-	(5,872)
Net earnings (loss) from continuing operations	23,341	4,057	(478)	1,029	1,113	1,960	(953)	(12,801)	(12,801)	17,269
	THREE MONTHS ENDED 30 JUNE, 2016									
	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Ity Mine Côte d'Ivoire	Karma Mine Burkina Faso	Houde Project Burkina Faso	Exploration	Non-Mining		Total
Revenue										
Gold revenue	\$ 60,131	\$ 24,906	\$ 49,086	\$ 26,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160,373
Cost of sales										
Operating expenses	(20,754)	(19,523)	(34,344)	(12,875)	-	-	-	-	-	(87,496)
Depreciation and depletion	(6,653)	(2,995)	(7,268)	(4,716)	-	-	-	(148)	-	(21,780)
Royalties	(2,037)	(1,322)	(2,951)	(919)	-	-	-	-	-	(7,229)
Earnings (loss) from mine operations	30,687	1,066	4,523	7,740	-	-	-	(148)	(148)	43,867
Corporate costs	-	-	-	-	-	-	-	(5,595)	-	(5,595)
Acquisition costs	-	-	-	-	-	-	-	(16,773)	-	(16,773)
Share-based payments	-	-	-	-	-	-	-	(3,162)	-	(3,162)
Exploration	-	-	-	-	-	-	(953)	-	-	(953)
Earnings (loss) from operations	30,687	1,066	4,523	7,740	-	-	(953)	(25,678)	(25,678)	17,384
Other (expenses)/income										
Losses/(gains) on financial instruments	(2,279)	(151)	265	(3,066)	(657)	-	(19)	(15,226)	-	(21,135)
Finance costs	(39)	(274)	(375)	(10)	-	-	-	(5,606)	-	(6,304)
Other income	-	-	-	-	-	-	-	180	-	180
	(2,318)	(425)	(110)	(3,076)	(657)	-	(19)	(20,652)	(20,652)	(27,259)
Earnings (loss) before taxes	28,368	640	4,413	4,665	(657)	-	(972)	(46,330)	(46,330)	(9,875)
Deferred and income tax recovery (expense)	(2,174)	417	(649)	(2,352)	(548)	-	-	(236)	-	(5,541)
Net earnings (loss) and total comprehensive earnings (loss)	\$ 26,194	\$ 1,057	\$ 3,764	\$ 2,313	\$ (1,205)	\$ -	\$ (972)	\$ (46,566)	\$ (46,566)	\$ (15,416)

ENDEAVOUR MINING CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Thousands of United States Dollars, except per share amounts)
(Unaudited)

SIX MONTHS ENDED 30 JUNE, 2017

	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Ity Mine Côte d'Ivoire	Karma Mine Burkina Faso	Houede Project Burkina Faso	Exploration	Non-Mining	Total
Revenue									
Gold revenue	\$ 107,476	\$ 68,218	\$ 105,718	\$ 39,151	\$ 58,074	\$ -	\$ -	\$ -	\$ 378,637
Cost of sales									
Operating expenses	(46,665)	(45,543)	(70,665)	(22,437)	(36,739)	-	-	-	(222,049)
Depreciation and depletion	(16,175)	(9,209)	(21,284)	(11,110)	(13,719)	-	-	(406)	(71,903)
Royalties	(3,814)	(3,930)	(6,303)	(1,413)	(4,165)	-	-	-	(19,625)
Earnings (loss) from mine operations	40,822	9,536	7,466	4,191	3,451	-	-	(406)	65,060
Corporate costs	-	-	-	-	-	-	-	(12,295)	(12,295)
Acquisition and restructuring costs	-	-	-	-	-	-	-	(2,460)	(2,460)
Share-based payments	-	-	-	-	-	-	-	(9,443)	(9,443)
Exploration	-	-	-	(750)	(1,349)	-	(2,137)	-	(4,236)
Earnings (loss) from operations	40,822	9,536	7,466	3,441	2,102	-	(2,137)	(24,604)	36,626
Other (expenses) income									
Gains/(losses) on financial instruments	(272)	441	2,169	(655)	(41)	2,486	99	(10,138)	(5,911)
Finance costs	(205)	(100)	(627)	336	(125)	-	-	(11,021)	(11,742)
Other expense	-	-	-	-	-	-	-	2,502	2,502
	(477)	341	1,542	(319)	(166)	2,486	99	(18,657)	(15,151)
Earnings (loss) before taxes	40,345	9,877	9,008	3,122	1,936	2,486	(2,038)	(43,261)	21,475
Deferred and income tax recovery (expense)	1,675	(192)	(8,500)	(1,639)	2,857	-	30	(629)	(6,398)
Net earnings (loss) from continuing operations	42,020	9,685	508	1,483	4,793	2,486	(2,008)	(43,890)	15,077
Total segment assets	183,534	124,808	317,479	89,267	348,759	393,353	4,033	20,407	1,481,640
Total segment liabilities	41,888	29,929	53,409	22,753	52,701	71,617	1,757	244,302	518,356

SIX MONTHS ENDED 30 JUNE, 2016

	Agbaou Mine Côte d'Ivoire	Nzema Mine Ghana	Tabakoto Mine Mali	Ity Mine Côte d'Ivoire	Karma Mine Burkina Faso	Houede Project Burkina Faso	Exploration	Non-Mining	Total
Revenue									
Gold revenue	\$ 108,415	\$ 48,596	\$ 94,333	\$ 52,987	\$ -	\$ -	\$ -	\$ -	\$ 304,331
Cost of sales									
Operating expenses	(37,815)	(41,870)	(65,437)	(26,360)	-	-	-	-	(171,482)
Depreciation and depletion	(13,206)	(9,201)	(14,830)	(10,497)	-	-	-	(272)	(48,006)
Royalties	(3,770)	(2,547)	(5,651)	(1,851)	-	-	-	-	(13,819)
Earnings (loss) from mine operations	53,624	(5,022)	8,415	14,279	-	-	-	(272)	71,024
Corporate costs	-	-	-	-	-	-	-	(10,421)	(10,421)
Acquisition costs	-	-	-	-	-	-	-	(18,022)	(18,022)
Share-based payments	-	-	-	-	-	-	-	(5,717)	(5,717)
Exploration	-	-	-	-	-	-	(1,868)	-	(1,868)
Earnings (loss) from operations	53,624	(5,022)	8,415	14,279	-	-	(1,868)	(34,432)	34,997
Other income (expenses)									
Losses (Gains) on financial instruments	(1,845)	(255)	(2,618)	76	(657)	-	90	(18,801)	(24,010)
Finance costs	(77)	(320)	(771)	(20)	-	-	-	(11,960)	(13,148)
Other (expense) income	-	-	-	-	-	-	-	270	270
	(1,922)	(575)	(3,389)	56	(657)	-	90	(30,491)	(36,888)
Earnings (loss) before taxes	51,702	(5,597)	5,025	14,335	(657)	-	(1,779)	(64,923)	1,890
Deferred and income tax recovery (expense)	610	4,008	(2,589)	(4,232)	(548)	-	811	(455)	2,395
Net earnings (loss) and total comprehensive earnings (loss)	\$ 52,311	\$ (1,589)	\$ 2,437	\$ 10,103	\$ (1,205)	\$ -	\$ (968)	\$ (65,377)	\$ (4,285)
Total segmental assets	\$ 214,164	\$ 203,991	\$ 347,704	\$ 82,152	\$ 307,949	\$ 168,950	\$ 886	\$ 33,031	\$ 1,358,827
Total segmental liabilities	\$ 33,765	\$ 32,980	\$ 80,406	\$ 20,507	\$ 41,440	\$ 18,831	\$ 181	\$ 237,752	\$ 465,862

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales during the periods ended June 30, 2017 or December 31, 2016.

The Corporation is not economically dependent on a limited number of customers for the sale of gold because gold can be sold through numerous commodity market traders worldwide.

The Corporation's non-current assets by geographic location of assets are detailed below:

NON-CURRENT ASSETS

	June 30, 2017	December 31, 2016
Côte d'Ivoire	\$ 196,482	\$ 199,322
Ghana	97,141	99,045
Mali	258,656	262,562
Burkina Faso	670,698	510,631
Other	3,589	2,002
Total non-current assets	\$ 1,226,566	\$ 1,073,562

17 CAPITAL MANAGEMENT

The Corporation's objectives of capital management are to safeguard the entity's ability to support the Corporation's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

In the management of capital, the Corporation includes the components of equity, short-term borrowings and long-term debt, net of cash and cash equivalents, restricted cash and marketable securities.

Capital, as defined above, is summarized in the following table:

	June 30, 2017	December 31, 2016
Equity	\$ 963,284	\$ 960,661
Current and long-term debt	246,704	140,957
	1,209,988	1,101,618
Less:		
Cash	(84,862)	(124,294)
Cash - restricted	(1,967)	(5,270)
Marketable securities	(465)	(506)
Total	\$ 1,122,694	\$ 971,548

The Corporation manages its capital structure and makes adjustments to it in light of changes in its economic environment and the risk characteristics of the Corporation's assets. To effectively manage the entity's capital requirements, the Corporation has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Corporation has the appropriate liquidity to meet its operating and growth objectives.

18 FINANCIAL INSTRUMENTS

18.1 FINANCIAL ASSETS AND LIABILITIES

The Corporation's financial instruments consist of cash, restricted cash, marketable securities, trade and other receivables, working capital, long-term receivable, trade and other payables and current and long-term debt. The fair value of these financial instruments approximates their carrying value, unless otherwise noted below.

The Corporation has certain financial assets and liabilities that are held at fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques to measure fair value:

Classification of financial assets and liabilities

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

As at each of June 30, 2017 and December 31, 2016, the levels in the fair value hierarchy into which the Corporation's financial assets and liabilities measured and recognized in the statement of financial position at fair value are categorized are as follows:

JUNE 30, 2017

	Note	Level 1 Input	Level 2 Input	Level 3 Input	Aggregate Fair Value
Assets:					
Cash		\$ 84,862	-	-	\$ 84,862
Cash - restricted		1,967	-	-	1,967
Marketable securities		465	-	-	465
Total		\$ 87,294	\$ -	\$ -	\$ 87,294

DECEMBER 31, 2016

	Note	Level 1 Input	Level 2 Input	Level 3 Input	Aggregate Fair Value
Assets:					
Cash		\$ 124,294	-	-	\$ 124,294
Cash - restricted		5,270	-	-	5,270
Marketable securities		506	-	-	506
Derivative financial asset	14	-	6,623	-	6,623
Total		\$ 130,070	\$ 6,623	\$ -	\$ 136,693

There were no transfers between level 1 and 2 in the period and as at June 30, 2017, no financial liabilities

18.2 FINANCIAL INSTRUMENT RISK EXPOSURE

The Corporation's activities expose it to a variety of risks that may include credit risk, liquidity risk, currency risk, interest rate risk and other price risks, including equity price risk. The Corporation examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks.

CREDIT RISK

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Corporation by failing to discharge its obligations. Credit risk arises from cash, cash-restricted, marketable securities, trade and other receivables, long-term receivable and other assets.

The Corporation closely monitors its financial assets and does not have any significant concentration of credit risk other than receivable balances owed from the governments in the countries the Corporation operates in. The Corporation sells its gold to large international organizations with strong credit ratings but the historical level of customer defaults is minimal and, as a result, the credit risk associated with gold trade receivables at June 30, 2017 is considered to be negligible. The Corporation does not rely on ratings issued by credit rating agencies in evaluating counterparties' related credit risk.

The Corporation's maximum exposure to credit risk is as follows:

	June 30, 2017	December 31, 2016
Cash	\$ 84,862	\$ 124,294
Cash - restricted	1,967	5,270
Trade and other receivables	16,172	12,274
Prepaid expenses and other	36,318	24,298
Working capital loan	1,038	1,012
Marketable securities	465	506
Long-term receivable	244	278
Total	\$ 141,066	\$ 167,932

LIQUIDITY RISK

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash, physical gold or another financial asset. The Corporation has a planning and budgeting process in place to help determine the funds required to support the Corporation's normal operating requirements.

ENDEAVOUR MINING CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

(Expressed in Thousands of United States Dollars, except per share amounts)

(Unaudited)

The following table summarizes the Corporation's liabilities that have contractual maturities as at June 30, 2017:

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	\$ 149,139	\$ -	\$ -	\$ -	\$ 149,139
Corporate loan facility	-	165,000	55,000	-	220,000
Other long-term debt	4,540	10,568	17,582	7,051	39,741
Minimum operating lease payments	4,315	3,864	-	-	8,179
Total	\$ 157,994	\$ 179,432	\$ 72,582	\$ 7,051	\$ 417,059

18.3 MARKET RISKS

CURRENCY RISK

Currency risk relates to the risk that the fair values or future cash flows of the Corporation's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs that the Corporation incurs in its operations. There has been no change in the Corporation's objectives and policies for managing this risk during the period ended June 30, 2017.

The Corporation has not hedged its exposure to foreign currency exchange risk.

The table below highlights the net assets (liabilities) held in foreign currencies, presented in US Dollars:

	June 30, 2017	December 31, 2016
Canadian dollar	\$ (10,137)	\$ (6,082)
CFA Francs	(8,765)	16,591
Euro	3,404	-
Other currencies	1,474	(668)
Total	\$ (14,024)	\$ 9,841

The effect on earnings and other comprehensive earnings (loss) before tax as at June 30, 2017, of a 10% appreciation or depreciation in the foreign currencies against the US dollar on the above mentioned financial and non-financial assets and liabilities of the Corporation is estimated to be \$1.4 million (December 31, 2016, \$1.0 million), assuming that all other variables remained constant. The calculation is based on the Corporation's statement of financial position as at June 30, 2017.

INTEREST RATE RISK

Interest rate risk is the risk that future cash flows from, or the fair values of, the Corporation's financial instruments will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk primarily on its long-term debt. Since marketable securities and government treasury securities held as loans are short term in nature and are usually held to maturity, there is minimal fair value sensitivity to changes in interest rates. The Corporation continually monitors its exposure to interest rates and is comfortable with its exposure given the relatively low short-term US interest rates and LIBOR.

The effect on earnings and other comprehensive earnings (loss) before tax as at June 30, 2017, of a 10% change in the LIBOR rate on the Facility is estimated to be \$0.1 million (December 31, 2016 - \$0.1 million).

PRICE RISK

Price risk is the risk that the fair value or future cash flows of the Corporation's financial instruments will fluctuate because of changes in market prices. There has been no change in the Corporation's objectives and policies for managing this risk and no significant changes to the Corporation's exposure to price risk during the period ended June 30, 2017.

19 COMMITMENTS AND CONTINGENCIES

- › The Corporation has commitments in place at all six of its mines and other key projects for drill and blasting services, load and haul services, supply of explosives and supply of hydrocarbon services.
- › The Corporation has various contracts in place at Nzema mine to purchase higher grade ore from third parties for processing that typically do not extend to more than one year.
- › The Corporation is subject to operating and finance lease commitments in connection with the purchase of mining equipment, light duty vehicles and workshop and rented office premises.
- › The Corporation is, from time to time, involved in various claims, legal proceedings, tax assessments and complaints arising in the ordinary course of business. The Corporation cannot reasonably predict the likelihood or outcome of these actions. The Corporation does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason thereof, will have a material effect on the financial condition or future results of operations.
- › The Corporation's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Corporation believes its operations are materially in compliance with all applicable laws and regulations. The Corporation has made, and expects to make in the future, expenditures to comply with such laws and regulations.

20 SUBSEQUENT EVENTS

- › On June 28, 2017 the Corporation announced that it has reached an agreement under which Endeavour will acquire all of the outstanding common shares of Avnel Gold Mining Limited ("Avnel") in an all-share transaction whereby each outstanding common share of Avnel will be exchanged for 0.0187 of an Endeavour common share. The total consideration is estimated to be approximately \$122 million. The terms of the transaction have been unanimously approved by the boards of both companies, but requires approval by the shareholders of Avnel.