



NEWS RELEASE

Endeavour Silver Reports Financial Results for Second Quarter, 2017; Updates on Development Projects and 2017 Guidance

Vancouver, Canada – August 3, 2017 - Endeavour Silver Corp. (NYSE: EXK; TSX: EDR) released today its financial results for the second quarter ended June 30, 2017. Endeavour owns and operates three underground silver-gold mines in Mexico: the Guanaceví mine in Durango state, and the Bolañitos and El Cubo mines in Guanajuato state.

The Company's financial performance in the Second Quarter, 2017 was impacted by lower production and increased exploration and development activities compared to the Second Quarter, 2016. Production was lower in Q2, 2017 compared to Q2, 2016 due to differences in the annual mine plans. In 2016, production was higher in H1 and declined in H2 whereas in 2017, production should rise incrementally from H1 to H2 with increased access to reserves at all three mines.

Production in the Second Quarter, 2017 was higher than the First Quarter, 2017 due primarily to improved performance of the Bolañitos and El Cubo mines. Both mines are now performing in line with their operating plans for the year whereas Guanaceví continues to lag behind plan. ([Click here for an audio review of Q2 highlights](#)).

Highlights of Second Quarter 2017 (Compared to Second Quarter 2016)

Financial

- Net loss of \$16 thousand⁽¹⁾ (loss of \$0.00 per share) compared to net earnings of \$1.7 million (\$0.01 per share)
- EBITDA⁽²⁾ decreased 64% to \$3.7 million
- Cash flow from operations before working capital changes decreased 53% to \$4.4 million
- Mine operating cash flow before taxes⁽¹⁾ decreased 49% to \$8.8 million
- Revenue decreased 27% to \$32.7 million
- Realized silver price increased 4% to \$17.16 per ounce (oz) sold
- Realized gold price decreased 1% to \$1,270 per oz sold
- Cash costs⁽²⁾ increased 56% to \$8.36 per oz silver payable (net of gold credits)
- All-in sustaining costs (AISC)⁽²⁾ increased 94% to \$20.46 per oz silver payable (net of gold credits)
- Working capital decreased 8% to \$75.2 million from year end

Operations

- Silver production decreased 26% to 1,143,788 oz
- Gold production decreased 17% to 13,058 oz
- Silver equivalent production was 2.1 million oz (at a 70:1 silver: gold ratio)
- Silver oz sold down 34% to 988,821 oz
- Gold oz sold down 20% to 12,294 oz
- Bullion inventory at quarter-end included 226,437 oz silver and 631 oz gold
- Concentrate inventory at quarter-end included 50,644 oz silver and 890 oz gold
- Acquired the Calicanto and Veta Grande properties near the El Compas gold-silver mine project in Zacatecas, Mexico

- (1) The Consolidated Interim Financial Statements and Management's Discussion & Analysis can be viewed on the Company's website at www.edrsilver.com, on SEDAR at www.sedar.com and EDGAR at www.sec.gov. All amounts are reported in US\$
- (2) Mine operating cash flow, EBITDA, cash costs and all-in sustaining costs are non-IFRS measures. Please refer to the definitions in the Company's Management Discussion & Analysis

Endeavour CEO Bradford Cooke commented, "Our second quarter production was an improvement over the first quarter thanks to higher tonnes and/or grades from the Bolañitos and El Cubo mines. The Guanaceví mine continued to lag behind plan and another internal review was initiated in order to better understand the new issues and possible resolutions.

"At Guanaceví, power outages in the first quarter caused pump failures and some flooding underground. Slower than planned mine development due to narrower vein widths than in the resource model also contributed to lower mine output than planned, while excess dilution of the ore resulted in lower than planned grades. In July, a lightning strike caused a repeat in the electrical issues just as electrical repairs were nearing completion, resulting in another pump failure and renewed flooding in the deeper workings. Recent completion of electrical and ventilation repairs and construction of a new underground pump station should help smooth production in H2, 2017. However, given these setbacks, we have concluded that Guanaceví will not meet its planned production this year and accordingly, we are reducing our consolidated production guidance and raising our consolidated cost guidance.

"We will continue to closely monitor the operating performance at Guanaceví. Returning Guanaceví to long-term profitability relies in part on developing two new orebodies, Milache and Santa Cruz Sur. Underground ramp access is already underway towards Milache and initial production is expected in the second half of 2018. Mine development at Santa Cruz Sur is scheduled to coincide with the development of Milache."

Mine Operations Update

In January, management guided Guanaceví 2017 production to range between 2.4 to 2.6 million silver ounces and 5,300 to 6,300 gold ounces. Due to the narrower vein widths, management now estimates production will range from 800 to 900 tonnes per day, generating 1.0 to 1.1 million silver ounces and 2,100 to 2,200 gold ounces in the second half of 2017. As a result, the revised Guanaceví 2017 full year forecast production is 2.0 to 2.1 million ounces silver and 4,400 to 4,500 ounces gold.

At Bolañitos, silver grades improved during the Second Quarter but were below plan due to grade variations in the LL-Asunción vein. The lower silver grades were offset by higher throughput than planned. Gold production exceeded plan due to higher throughput and gold grades. Management expects production on a silver equivalent basis to meet 2017 production guidance.

At El Cubo, both silver and gold grades were higher than plan, and throughput was slightly below plan. During the quarter, management made changes to both mining methods and ore control processes to reduce the dilution and provide higher-grade material to the plant. Grades are expected to stabilize and throughput should regain plan through year-end with the completion of a secondary ramp to access better grades. Management expects production on a silver equivalent basis to meet 2017 production guidance.

Development Projects Update

At El Compas, work has begun on installing project infrastructure, collaring the mine access ramp and refurbishing the plant. Project engineering is being refined and optimization studies are underway on mining methods and crushing and grinding alternatives. The Company is waiting for clarification from the state government of Zacatecas regarding an exemption from the new environmental taxes. The explosives permit may take until year-end due to a substantial slowdown in the government permitting process. In the interim, mine development will proceed using a form of low impact gunpowder. Management therefore anticipates an increase in the timeline to production compared to the PEA with mine and plant commissioning now expected to commence in the first quarter, 2018.

At Terronera, work is currently focused on refinement of the project engineering and optimization studies on mining methods, crushing and grinding alternatives and power options. Similar to El Compas, permitting delays have affected the explosives, mine dumps and plant tailings permits so management does not expect to break ground on mine development until the first quarter, 2018, with mine and plant commissioning now anticipated to commence in mid-2019.

Revised 2017 Guidance

Silver production is now expected to be in the range of 4.8-5.2 million oz and gold production is expected to be in the 49,100-51,200 oz range. Silver equivalent production is forecast to be 8.5-9.0 million oz using a 75:1 silver:gold ratio, as shown in the table below.

Mine	Silver (M oz)	Gold (K oz)	Ag Eq (M oz)	Tonnes/Day (tpd)
Guanaceví	2.0-2.1	4.4-4.5	2.3-2.4	800-900
Bolañitos	0.9-1.0	21.5-22.5	2.5-2.7	1,000-1,100
El Cubo	1.9-2.1	23.2-24.2	3.6-3.9	1,300-1,500
Total	4.8-5.2	49.1-51.2	8.5-9.0	3,100-3,500

Using the 2017 annual guidance assumptions of \$17 per oz silver price, \$1,190 per oz gold price, and 20:1 Mexican peso per U.S. dollar exchange rate, cash costs, net of gold by-product credits, are now expected to be \$7.00 to \$8.00 per oz of silver produced in 2017. Consolidated cash costs on a co-product basis are anticipated to be \$10.75 to \$11.75 per oz silver and \$825 to \$900 per oz gold.

All-in sustaining costs of production, net of gold by-product credits in accordance with the World Gold Council standard, are estimated to be \$15.25 to \$16.25 per oz of silver produced in 2017. When non-cash items such as stock-based compensation are excluded, all-in sustaining costs are estimated to be in the \$14.75 to \$15.75 range. Direct operating costs are estimated to be in the range of \$75 to \$80 per tonne. Guanacevi has incurred \$10.1 million to date of the annual budgeted \$16.7 million in sustaining capital.

Financial Results

For the second quarter ended June 30, 2017, the Company generated revenue totaling \$32.7 million (2016 - \$44.5 million). During the quarter, the Company sold 988,821 silver oz and 13,058 gold oz at realized prices of \$17.16 and \$1,270 per oz respectively, compared to sales of 1,493,790 silver oz and 15,364 gold oz at realized prices of \$16.54 and \$1,289 per oz respectively in Q2, 2016.

After cost of sales of \$27.2 million (2016 - \$31.6 million), mine operating earnings amounted to \$5.4 million (2016 - \$12.9 million). Excluding depreciation and depletion of \$3.3 million (2016 - \$4.1 million), and share-based compensation of \$0.1 million (2016 - \$0.2 million), mine operating cash flow before taxes was \$8.8 million (2016 - \$17.3 million) in Q2, 2017. Net loss was \$16 thousand (2016 - net earnings of \$1.7 million) after exploration expense of \$3.8 million (2016 - \$1.9 million) and corporate general and administrative costs of \$2.4 million (2016 - \$3.2 million).

Direct production costs per tonne per ounce in Q2, 2017 increased 15% compared with Q2, 2016. Reduced mining activity was offset by cost reductions and the benefits of a lower Mexican peso. Cash costs per ounce rose 56% due to the higher costs per tonne and lower silver grades. All-in sustaining costs rose as a result of management significantly increasing capital investments for the long-term benefit of Guanaceví and El Cubo operations after a two-year period of reduced capital investment to maximize cash flow and ensure the viability of its operations during times of low silver and gold prices.

Working capital dipped to \$75.2 million, down 8% from December 31, 2016, more than sufficient for the Company to meet its short and medium term goals.

Conference Call

A conference call to discuss the results will be held today, Thursday, August 3rd at 10am PDT (1pm EDT). To participate in the conference call, please dial the following:

Toll-free in Canada and the US: 1-800-319-4610

Local Vancouver: 604-638-5340

Outside of Canada and the US: 1-604-638-5340

No pass-code is necessary to participate in the conference call.

A replay of the conference call will be available by dialing 1-800-319-6413 in Canada and the US (toll-free) or 1-604-638-9010 outside of Canada and the US. The required pass-code is 1573 followed by the # sign. The audio replay and a written transcript will also be made available on the Company's website at www.edrsilver.com.

About Endeavour Silver – Endeavour Silver is a mid-tier precious metals mining company that owns three high grade, underground, silver-gold mines in Mexico. Since start-up in 2004, Endeavour has grown its mining operations organically to produce 9.7 million ounces of silver and equivalents in 2016. We find, build and operate quality silver mines in a sustainable way to create real value for all stakeholders. Endeavour Silver's shares trade on the TSX (EDR) and the NYSE (EXK).

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Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of the United States private securities litigation reform act of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking statements and information herein include but are not limited to statements regarding Endeavour's anticipated performance in 2017 including changes in mining and operations and the timing and results of various activities. The Company does not intend to, and does not assume any obligation to update such forward-looking statements or information, other than as required by applicable law.

Forward-looking statements or information involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Endeavour and its operations to be materially different from those expressed or implied by such statements. Such factors include, among others, changes in national and local governments, legislation, taxation, controls, regulations and political or economic developments in Canada and Mexico; financial risks due to precious metals prices, operating or technical difficulties in mineral exploration, development and mining activities; risks and hazards of mineral exploration, development and mining; the speculative nature of mineral exploration and development, risks in obtaining necessary licenses and permits, and challenges to the Company's title to properties; as well as those factors described in the section "risk factors" contained in the Company's most recent form 40F/Annual Information Form filed with the S.E.C. and Canadian securities regulatory authorities.

Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to: the continued operation of the Company's mining operations, no material adverse change in the market price of commodities, mining operations will operate and the mining products will be completed in accordance with management's expectations and achieve their stated production outcomes, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or information, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed or intended. There can be no assurance that any forward-looking statements or information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information.

ENDEAVOUR SILVER CORP.
COMPARATIVE HIGHLIGHTS

Three Months Ended June 30			Q2 2017 Highlights	Six Months Ended June 30		
2017	2016	% Change		2017	2016	% Change
Production						
1,143,788	1,551,851	(26%)	Silver ounces produced	2,220,762	3,061,916	(27%)
13,058	15,649	(17%)	Gold ounces produced	24,782	31,609	(22%)
1,116,799	1,511,109	(26%)	Payable silver ounces produced	2,170,909	2,984,791	(27%)
12,756	15,200	(16%)	Payable gold ounces produced	24,215	30,718	(21%)
2,057,848	2,725,526	(24%)	Silver equivalent ounces produced ⁽¹⁾	3,955,502	5,274,546	(25%)
8.36	5.37	56%	Cash costs per silver ounce ⁽²⁾	8.09	6.49	25%
12.02	8.30	45%	Total production costs per ounce ⁽²⁾	11.83	9.61	23%
20.46	10.53	94%	All-in sustaining costs per ounce ⁽²⁾	19.38	10.82	79%
303,943	377,198	(19%)	Processed tonnes	607,165	785,751	(23%)
84.01	73.01	15%	Direct production costs per tonne ⁽²⁾	79.90	73.66	8%
12.10	9.94	22%	Silver co-product cash costs ⁽²⁾	12.05	10.41	16%
896	774	16%	Gold co-product cash costs ⁽²⁾	878	823	7%
Financial						
32.7	44.5	(27%)	Revenue (\$ millions)	69.1	86.0	(20%)
988,821	1,493,790	(34%)	Silver ounces sold	2,224,415	3,005,109	(26%)
12,294	15,364	(20%)	Gold ounces sold	23,584	30,619	(23%)
17.16	16.54	4%	Realized silver price per ounce	17.51	15.86	10%
1,270	1,289	(1%)	Realized gold price per ounce	1,275	1,254	2%
(0.0)	1.7	(101%)	Net earnings (loss) (\$ millions)	6.0	3.5	71%
5.5	12.9	(58%)	Mine operating earnings (loss) (\$ millions)	13.3	19.2	(31%)
8.8	17.3	(49%)	Mine operating cash flow ⁽⁸⁾ (\$ millions)	20.8	28.7	(28%)
4.4	9.4	(53%)	Operating cash flow before working capital changes ⁽²⁾	13.3	16.8	(21%)
3.7	10.1	(64%)	Earnings before ITDA ⁽¹⁰⁾	12.6	18.8	(33%)
75.2	72.1	4%	Working capital (\$ millions)	75.2	72.1	4%
Shareholders						
0.00	0.01	100%	Earnings (loss) per share – basic	0.05	0.03	67%
0.03	0.08	(59%)	Operating cash flow before working capital changes per share ⁽²⁾	0.10	0.15	(33%)
127,318,926	113,236,504	12%	Weighted average shares outstanding	127,207,961	108,941,454	17%

- 1) Silver equivalents are calculated using a 70:1 ratio. 2016 Silver equivalents have been restated from 75:1 to 70:1 for comparative purposes
- 2) Cost metrics, EBITDA, mine operating cash flow, operating cash flow before working capital changes are non-IFRS measures. Please refer to the definitions in the Company's Management Discussion & Analysis.

ENDEAVOUR SILVER CORP.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(expressed in thousands of U.S. dollars)

	Three Months Ended		Six Months Ended	
	June 30 2017	June 30 2016	June 30 2017	June 30 2016
Operating activities				
Net earnings (loss) for the period	\$ (16)	\$ 1,699	\$ 6,019	\$ 3,528
Items not affecting cash:				
Share-based compensation	1,231	1,404	1,568	1,861
Depreciation and depletion	3,333	4,211	7,515	9,433
Deferred income tax expense (recovery)	(354)	46	(2,019)	(57)
Unrealized foreign exchange loss (gain)	30	108	(432)	(134)
Loss (gain) on available for sale assets	(72)	-	(72)	269
Loss on derivative liability	-	1,372	-	1,372
Finance costs	208	518	444	581
Write off of exploration property	-	-	233	-
Net changes in non-cash working capital	(8,636)	828	(7,865)	(9,496)
Cash from operating activities	(4,276)	10,186	5,391	7,357
Investing activities				
Mineral property, plant and equipment expenditures	(11,371)	(4,122)	(20,739)	(7,209)
Proceeds from disposition of available for sale assets	72	-	72	448
Investment in long term deposits	(6)	-	(6)	133
Cash used in investing activities	(11,305)	(4,122)	(20,673)	(6,628)
Financing activities				
Repayment of revolving credit facility	(2,500)	(5,000)	(5,000)	(8,000)
Repayment of obligation under finance lease	-	(163)	-	(389)
Debt issuance costs	-	(170)	-	(474)
Interest paid	(137)	(215)	(304)	(389)
Public equity offerings	-	32,026	-	41,124
Exercise of options	-	5,254	74	5,285
Share issuance costs	-	(1,168)	-	(1,446)
Cash from (used in) financing activities	(2,637)	30,564	(5,230)	35,711
Effect of exchange rate change on cash and cash equivalents	(30)	(165)	432	(5)
Increase (decrease) in cash and cash equivalents	(18,218)	36,628	(20,512)	36,440
Cash and cash equivalents, beginning of period	70,485	20,385	72,317	20,413
Cash and cash equivalents, end of period	\$ 52,237	\$ 56,848	\$ 52,237	\$ 56,848

This statement should be read in conjunction with the condensed consolidated interim financial statements for the period ended June 30, 2017 and the related notes contained therein.

ENDEAVOUR SILVER CORP.**CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME**

(expressed in thousands of US dollars, except for shares and per share amounts)

	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Revenue	\$ 32,636	\$ 44,510	\$ 69,077	\$ 86,051
Cost of sales:				
Direct production costs	23,483	26,975	47,531	56,819
Royalties	340	276	780	485
Share-based compensation	92	230	92	286
Depreciation and depletion	3,271	4,144	7,384	9,298
	27,186	31,625	55,787	66,888
Mine operating earnings	5,450	12,885	13,290	19,163
Expenses:				
Exploration	3,765	1,908	7,101	3,107
General and administrative	2,431	3,155	4,386	5,183
	6,196	5,063	11,487	8,290
Operating earnings (loss)	(746)	7,822	1,803	10,873
Finance costs	208	294	444	581
Other income (expense):				
Foreign exchange	868	(1,847)	3,015	(1,333)
Investment and other	212	(43)	289	(184)
	1,080	(1,890)	3,304	(1,517)
Earnings (loss) before income taxes	126	5,638	4,663	8,775
Income tax expense (recovery):				
Current income tax expense	545	3,480	844	4,891
Deferred income tax (recovery)	(403)	459	(2,200)	356
	142	3,939	(1,356)	5,247
Net earnings (loss) for the period	(16)	1,699	6,019	3,528
Other comprehensive income (loss), net of tax				
Realized (gain) on available-for-sale financial assets included in net income	(72)	-	(72)	-
Unrealized gain (loss) on available-for-sale financial assets	163	45	180	207
Comprehensive income (loss) for the period	\$ 75	\$ 1,744	\$ 6,127	\$ 3,735
Basic earnings (loss) per share based on net earnings	\$ (0.00)	\$ 0.01	\$ 0.05	\$ 0.03
Diluted earnings (loss) per share based on net earnings	\$ (0.00)	\$ 0.01	\$ 0.05	\$ 0.03

This statement should be read in conjunction with the condensed consolidated interim financial statements for the period ended June 30, 2017 and the related notes contained therein.

ENDEAVOUR SILVER CORP.
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(expressed in thousands of US dollars)

	June 30, 2017	December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	\$ 52,237	\$ 72,317
Investments	193	85
Accounts receivable	30,381	25,560
Inventories	15,055	13,431
Prepaid expenses	1,693	2,037
Total current assets	99,559	113,430
Non-current deposits	665	659
Deferred income tax asset	569	183
Mineral properties, plant and equipment	78,957	66,238
Total assets	\$ 179,750	\$ 180,510
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 18,543	\$ 18,229
Income taxes payable	1,863	4,631
Credit facility	4,000	9,000
Total current liabilities	24,406	31,860
Provision for reclamation and rehabilitation	7,889	7,846
Deferred income tax liability	5,912	7,545
Total liabilities	38,207	47,251
Shareholders' equity		
Common shares, unlimited shares authorized, no par value, issued and outstanding 127,456,410 shares (Dec 31, 2016 - 127,080,264 shares)	450,642	449,594
Contributed surplus	7,712	6,689
Accumulated comprehensive income (loss)	152	44
Retained earnings (deficit)	(316,963)	(323,068)
Total shareholders' equity	141,543	133,259
Total liabilities and shareholders' equity	\$ 179,750	\$ 180,510

This statement should be read in conjunction with the condensed consolidated interim financial statements for the period ended June 30, 2017 and the related notes contained therein.