



## NEWS RELEASE

### Endeavour Silver Reports 2016 Financial Results; Conference Call at 10am PST (1pm EST) on March 2, 2017

*Vancouver, Canada – March 2, 2017 - Endeavour Silver Corp. (NYSE: EXK, TSX: EDR - <http://www.commodity-tv.net/c/mid,1323,Interviews/?v=297273>)* announces its financial results for the fourth quarter and year end as of December 31, 2016. The company 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 complete financial statements and Management's Discussion & Analysis can be viewed on the Company's website, on SEDAR at [www.sedar.com](http://www.sedar.com) and on EDGAR at [www.sec.gov](http://www.sec.gov). All shareholders can receive a hard copy of the Company's complete audited financial statements free of charge upon request. All amounts are reported in US\$.

#### **Highlights of Fiscal 2016 (Compared to Fiscal 2015)**

##### **Financial**

- Net earnings of \$3.9 million (\$0.03 per share), compared to a loss in 2015 of \$149.9 million (\$1.47 per share) which included an \$134.0 million impairment of El Cubo and Bolañitos mines
- Adjusted income<sup>(1)</sup> improved to \$3.9 million (\$0.03 per share) compared to adjusted loss of \$11.2 million (\$0.11 per share)
- EBITDA<sup>(1)</sup> decreased 19% to \$27.8 million
- Cash flow from operations before working capital changes decreased 32% to \$24.0 million
- Mine operating cash flow<sup>(1)</sup> decreased 8% to \$52.9 million
- Revenue decreased 15% to \$156.8 million
- Realized silver price increased 7% to \$16.84 per ounce (oz) sold (2% below the 2016 average spot price)
- Realized gold price increased 9% to \$1,253 per oz sold (consistent with 2016 average spot price)
- Cash costs<sup>(1)</sup> significantly beat guidance falling to \$6.78 per oz silver payable (net of gold credits), a 19% decrease from 2015
- All-in sustaining costs met the low end of guidance, decreasing 20% to \$12.43 per oz silver payable (net of gold credits)
- Bullion inventory at year-end of 311,625 oz silver and 665 oz gold
- Concentrate inventory at year-end of 18,962 oz silver and 218 oz gold
- Cash and equivalents increased 254% to \$72.3 million at year-end
- Working capital increased 374% to \$81.6 million at year end
- Raised net proceeds of \$53.3 million through public financing
- Debt reduced 59% to \$9.0 million

##### **Operations**

- Silver production fell 1% short of guidance and decreased 24% year-on-year to 5,435,407 oz
- Gold production exceeded guidance and decreased 4% to 57,375 oz year-on-year
- Silver equivalent production met guidance at 9.7 million oz (at a 75:1 silver: gold ratio)
- Silver ounces sold totaled 5,152,031 oz
- Gold ounces sold totaled 55,851 oz

- Acquired the El Compas Project in Zacatecas, Mexico consisting of 28 concessions fully permitted for mining and a five year renewable lease agreement to operate a nominal 500 tonne per day plant for total consideration of \$6.8 million
- Acquired the prospective Parral Project in the historic silver mining district of Hidalgo de Parral in southern Chihuahua state, Mexico for total consideration of \$5.3 million
- Extended Santa Cruz and Porvenir Centro orebodies at Guanaceví
- Infilled and extended main zone and mapped other prospective veins at the Terronera project
- Advanced Pre-feasibility Study at the Terronera project
- Advanced a Preliminary Economic Assessment at the El Compas project
- Received “Socially Responsible Company” awards for all three mines

## **Highlights of Fourth Quarter 2016 (Compared to Fourth Quarter 2015)**

### **Financial**

- Net loss of \$5.2 million (\$0.04 per share) compared to a loss of \$136.2 million (\$1.33 per share) which included a \$134.0 million impairment of the El Cubo and Bolañitos mines
- Adjusted loss increased to \$5.2 million (\$0.04 per share) compared to adjusted loss of \$2.2 million (\$0.02 per share)
- EBITDA<sup>(1)</sup> decreased 134% to a loss of \$1.8 million
- Cash flow from operations before working capital changes decreased 120% to negative \$1.1 million
- Revenue decreased 32% to \$28.7 million on 946,456 silver oz sold and 11,004 gold oz sold
- Realized silver price increased 14% to \$17.03 per oz sold (consistent with Q4 average spot price)
- Realized gold price increased 3% to \$1,139 per oz sold (7% below Q4 average spot price)
- Cash costs<sup>(1)</sup> decreased 4% to \$9.39 per oz silver payable (net of gold credits)
- All-in sustaining costs increased 16% to \$20.11 per oz silver payable (net of gold credits)

### **Operations**

- Silver production decreased 37% to 1,088,845 oz
- Gold production decreased 26% to 11,402 oz
- Silver equivalent production was 1.9 million oz (at a 75:1 silver: gold ratio)

(1) Adjusted earnings, mine operating cash flow, EBITDA and cash costs are non-IFRS measures. Please refer to the definitions in the Company's Management Discussion & Analysis.

Bradford Cooke, CEO, commented, “Looking back, 2016 was a year of transition for Endeavour Silver. We delivered sharply improved financial performance in 2016 primarily due to higher metal prices and lower operating costs, notwithstanding lower cash flow and revenue resulting from lower production. We readily met our cost guidance, and with the exception of a slight (1%) miss on silver production, we met our production guidance which was revised upwards in July last year.

“Production was down year on year due to our decisions in January to significantly reduce spending on exploration and development in 2016 at low metal prices, which reduced our mine access and therefore metal production. We reversed that decision at the end of the second quarter and restarted our exploration and development programs to once again expand resources and access reserves.

“With the acquisition last year of two high grade silver-gold development projects in the historic silver mining districts of Zacatecas and Parral, Mexico and the advancement of our exciting new discovery on the Terronera property, our focus has now turned to near term growth. That makes 2017 a year of transformation for Endeavour as the company is now in a position to potentially build three new mines over the next three years to fuel Endeavour's next phase of organic growth.”

## **Financial Results (Consolidated Statement of Operations appended below)**

For the year ended December 31, 2016, the Company generated revenue totaling \$156.8 million (2015 - \$183.5 million). During the year, the Company sold 5,152,031 oz silver and 55,851 oz gold at realized prices of \$16.84 and \$1,253 per oz respectively, compared to sales of 7,301,698 oz silver and 59,450 oz gold at realized prices of \$15.79 and \$1,148 per oz respectively in 2015.

After cost of sales of \$117.9 million (2015 - \$166.8 million), mine operating earnings amounted to \$38.9 million (2015 - \$16.7 million) from mining and milling operations in Mexico.

Excluding depreciation and depletion of \$13.9 million (2015 - \$40.3 million) and stock-based compensation of \$0.1 million (2015- \$0.4 million) mine operating cash flow before taxes was \$52.9 million (2015 – \$57.7 million) in 2016. Operating earnings were \$19.2 million (2015 – loss of \$131.3 million) after exploration expenditures of \$10.4 million (2015 – \$6.3 million) and general and administrative expense of \$9.3 million (2015 – \$7.7 million). In 2015, the \$131.3 million loss was driven by impairment charges of \$134.0 million on the El Cubo and Bolañitos mines.

Net and adjusted earnings were both \$3.9 million (\$0.03 per share) compared to an adjusted loss of \$11.2 million (\$0.11 per share) adjusted for impairment charges in 2015. Slightly higher precious metal prices, significantly lower direct production costs and depreciation expenses plus the depreciation of the Mexican peso were the key drivers to improved earnings in 2016, offset partly by higher exploration and administration costs.

The falling Mexican peso, continued focus on cost reductions and processing more stockpile tonnes than previously estimated resulted in lower consolidated costs per tonne, which fell 10% to \$72.42 in 2016. Lower costs per tonne, partly offset by lower silver grades, resulted in a 19% decrease in cash costs, net of by-product credits (a non-IFRS measure and a standard of the Silver Institute), to \$6.78 per oz of payable silver compared to \$8.39 per oz in 2015. In the first half of 2016 management reduced capital investments to maximize cash flow and ensure the viability of its operations at low metal prices. The lower exploration and development expenditures resulted in all-in-sustaining costs (also a non-IFRS measure) decreasing 20% to \$12.43 per oz compared to \$15.62 per oz in 2015.

The Company guided consolidated cash costs of production, net of gold by-product credits, to be \$8-9 per oz of silver in 2016, slightly higher than 2015 due to the lower value of the gold credit. The higher metal production, weaker Mexican peso and higher gold price each contributed to the lower than guided cash costs.

All-in sustaining costs (AISC), net of gold by-product credits, in accordance with the World Gold Council standard, were forecast to be \$12-13 per oz of silver in 2016, substantially lower than 2015 AISC due to the lower Mexican peso and lower sustaining capital and exploration investments. Consolidated AISC was within the low range of guidance as increased investments announced in July were partly offset by the weaker Mexican peso.

### **Conference Call**

A conference call to discuss the results will be held today, Thursday, March 2 at 10am PST (1pm EST). To participate in the conference call, please dial the numbers below. No pass-code is necessary.

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

Local Vancouver: 604-638-5340

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

A replay of the conference call will be available by dialing 1-800-319-6413 in Canada and the US (toll-free) or +604-638-9010 outside of Canada and the US. The required pass-code is 1086#. The replay will also be available on the Company's website at [www.edrsilver.com](http://www.edrsilver.com).

All shareholders can receive a hard copy of the Company's complete audited financial statements free of charge upon request. To receive this material in hard copy, please contact Meghan Brown, Director Investor Relations at 604-640-4804 or toll free at 1-877-685-9775.

**About Endeavour** – 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, the company has grown its mining operations 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 (symbol EDR) and on the NYSE (symbol EXK).

**Contact Information** - For more information, please contact:

Meghan Brown, Director Investor Relations

Toll free: 1-877-685-9775

Tel: 604-640-4804

Fax: 604-685-9744

Email: [mbrown@edrsilver.com](mailto:mbrown@edrsilver.com)

Website: [www.edrsilver.com](http://www.edrsilver.com)

In Europe:

Swiss Resource Capital AG

Jochen Staiger

[info@resource-capital.ch](mailto:info@resource-capital.ch)

[www.resource-capital.ch](http://www.resource-capital.ch)

#### **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 2016 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 December 31			2016 Highlights	Year Ended December 31		
2016	2015	% Change		2016	2015	% Change
<b>Production</b>						
1,088,845	1,732,765	(37%)	Silver ounces produced	5,435,407	7,178,666	(24%)
11,402	15,433	(26%)	Gold ounces produced	57,375	59,990	(4%)
1,064,827	1,686,330	(37%)	Payable silver ounces produced	5,308,026	6,991,639	(24%)
11,059	15,073	(27%)	Payable gold ounces produced	55,716	58,585	(5%)
1,943,995	2,813,075	(31%)	Silver equivalent ounces produced	9,738,532	11,377,966	(14%)
9.39	9.76	(4%)	Cash costs per silver ounce	6.78	8.39	(19%)
11.31	16.11	(30%)	Total production costs per ounce	9.40	14.11	(33%)
20.11	17.33	16%	All-in sustaining costs per ounce	12.43	15.62	(20%)
317,555	408,092	(22%)	Processed tonnes	1,458,917	1,565,507	(7%)
70.72	80.39	(12%)	Direct production costs per tonne	72.42	80.14	(10%)
12.13	11.41	6%	Silver co-product cash costs	10.89	10.87	0%
811	845	(4%)	Gold co-product cash costs	810	791	2%
<b>Financial</b>						
28.7	41.9	(32%)	Revenue (\$ millions)	156.8	183.6	(15%)
946,456	1,682,572	(44%)	Silver ounces sold	5,152,031	7,301,698	(29%)
11,004	15,255	(28%)	Gold ounces sold	55,851	59,450	(6%)
17.03	14.93	14%	Realized silver price per ounce	16.84	15.79	7%
1,139	1,105	3%	Realized gold price per ounce	1,253	1,148	9%
(5.2)	(136.2)	96%	Net earnings (loss) (\$ millions)	3.9	(149.9)	103%
(5.2)	(2.2)	(132%)	Adjusted net earnings (loss) (\$ millions)	3.9	(11.2)	135%
4.5	(1.3)	(454%)	Mine operating earnings (loss) (\$ millions)	38.9	16.7	132%
6.4	9.7	(34%)	Mine operating cash flow (\$ millions)	52.9	57.7	(8%)
(1.1)	5.7	(120%)	Operating cash flow before working capital changes	24.0	35.2	(32%)
(1.8)	5.5	(134%)	Earnings before ITDA	27.8	34.1	(19%)
81.6	17.2	374%	Working capital (\$ millions)	81.6	17.2	374%
<b>Shareholders</b>						
(0.04)	(1.33)	97%	Earnings (loss) per share – basic	0.03	(1.47)	102%
(0.04)	(0.02)	(100%)	Adjusted earnings (loss) per share – basic	0.03	(0.11)	130%
(0.01)	0.06	(116%)	Operating cash flow before working capital changes per share	0.20	0.35	(41%)
126,676,562	102,054,670	24%	Weighted average shares outstanding	117,505,811	101,996,503	15%

The above highlights are key measures used by management, however they should not be the sole measures used in determining the performance of the Company's operations. The related definitions and reconciliations are contained in the Management Discussion and Analysis.

**ENDEAVOUR SILVER CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(expressed in thousands of U.S. dollars)

	Years Ended	
	December 31, 2016	December 31, 2015
<b>Operating activities</b>		
Net earnings (loss) for the year	\$ 3,910	\$(149,941)
Items not affecting cash:		
Share-based compensation	3,482	2,885
Impairment of non-current assets	-	134,000
Depreciation and depletion	14,261	40,599
Deferred income tax expense (recovery)	(38)	1,174
Unrealized foreign exchange loss (gain)	462	309
Loss on available for sale assets	269	-
Finance costs	1,172	1,193
Write off of IVA receivable	434	-
Write down of available-for-sale financial assets	-	4,785
Write down of inventory to net realizable value	-	234
Net changes in non-cash working capital	(983)	(2,591)
Cash from operating activities	22,969	32,647
<b>Investing activities</b>		
Property, plant and equipment expenditures	(19,635)	(35,662)
Proceeds from disposition of available for sale assets	449	-
Redemption of long term deposits	120	-
Cash used in investing activities	(19,066)	(35,662)
<b>Financing activities</b>		
Repayment of credit facility	(13,000)	(7,000)
Repayment of obligation under finance lease	(1,180)	(425)
Debt issuance costs	(474)	-
Interest paid	(779)	(928)
Public equity offerings	55,353	1,146
Exercise of options	10,548	-
Share issuance costs	(2,005)	(101)
Cash used in financing activities	48,463	(7,308)
Effect of exchange rate change on cash and cash equivalents	(462)	(309)
Increase (decrease) in cash and cash equivalents	52,366	(10,323)
Cash and cash equivalents, beginning of year	20,413	31,045
<b>Cash and cash equivalents, end of year</b>	<b>\$ 72,317</b>	<b>\$ 20,413</b>

This statement should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2016 and the related notes contained therein.

**ENDEAVOUR SILVER CORP.****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

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

	Years Ended	
	December 31, 2016	December 31, 2015
Revenue	\$ 156,767	\$ 183,556
Cost of sales:		
Direct production costs	101,896	124,840
Royalties	1,948	1,032
Share-based compensation	78	432
Depreciation and depletion	13,952	40,278
Write down of inventory to net realizable value	-	234
	117,874	166,816
Mine operating earnings	38,893	16,740
Expenses:		
Exploration	10,378	6,327
General and administrative	9,284	7,721
Impairment of non-current assets	-	134,000
	19,662	148,048
Operating earnings (loss)	19,231	(131,308)
Finance costs	1,172	1,368
Other income (expense):		
Write down of available-for-sale financial assets	-	(4,785)
Write off of IVA receivable	(434)	-
Foreign exchange	(5,069)	(5,006)
Investment and other	(237)	553
	(5,740)	(9,238)
Earnings (loss) before income taxes	12,319	(141,914)
Income tax expense (recovery):		
Current income tax expense	7,755	6,853
Deferred income tax expense (recovery)	654	1,174
	8,409	8,027
Net earnings (loss) for the year	3,910	(149,941)
Other comprehensive income (loss), net of tax:		
Unrealized gain (loss) on available-for-sale financial assets	80	(145)
Reclassification for realized gain (loss) on available-for-sale financial assets	(269)	-
Available-for-sale financial assets reclassified to net loss	-	4,785
Total other comprehensive income (loss) for the year	(189)	4,640
<b>Comprehensive income (loss) for the year</b>	<b>\$ 3,721</b>	<b>\$ (145,301)</b>
Basic earnings (loss) per share based on net earnings	\$ 0.03	\$ (1.47)
Diluted earnings (loss) per share based on net earnings	\$ 0.03	\$ (1.47)
Basic weighted average number of shares outstanding	117,505,811	101,996,503
Diluted weighted average number of shares outstanding	119,030,666	101,996,503

This statement should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2016 and the related notes contained therein.

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

	December 31, 2016	December 31, 2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 72,317	\$ 20,413
Investments	85	614
Accounts receivable	25,560	24,343
Inventories	13,431	17,350
Prepaid expenses	2,037	2,510
<b>Total current assets</b>	<b>113,430</b>	<b>65,230</b>
Non-current deposits	659	855
Deferred income tax asset	183	223
Mineral properties, plant and equipment	66,238	47,925
<b>Total assets</b>	<b>\$ 180,510</b>	<b>\$ 114,233</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 18,229	\$ 18,949
Finance lease obligation	-	1,180
Income taxes payable	4,631	5,844
Credit facility	9,000	22,000
<b>Total current liabilities</b>	<b>31,860</b>	<b>47,973</b>
Provision for reclamation and rehabilitation	7,846	7,762
Deferred income tax liability	7,545	7,623
<b>Total liabilities</b>	<b>47,251</b>	<b>63,358</b>
<b>Shareholders' equity</b>		
Common shares, unlimited shares authorized, no par value, issued and outstanding 127,080,264 shares (Dec 31, 2015 - 102,776,470 shares)	449,594	368,898
Contributed surplus	6,689	9,465
Accumulated comprehensive income (loss)	44	(145)
Retained earnings (deficit)	(323,068)	(327,343)
<b>Total shareholders' equity</b>	<b>133,259</b>	<b>50,875</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 180,510</b>	<b>\$ 114,233</b>

This statement should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2016 and the related notes contained therein.