



press release

ENDEAVOUR ANNOUNCES 2006 FISCAL PERIOD-END RESULTS AND INCREASES CASH DIVIDEND BY 43%

Toronto Stock Exchange: EDV

August 10, 2006

George Town, August 10, 2006 Endeavour Mining Capital Corp. ("Endeavour" or "Corporation") recorded net income of US\$73.6 million or US\$3.18 per share (or approximately CDN\$3.55 per share) for the ten month period ended June 30, 2006. This compares with net income of US\$26.6 million or US\$1.15 per share (or approximately CDN\$1.36 per share) recorded for the year ended August 31, 2005. The results in 2006 are for a ten month period as the Corporation changed its year-end date to June 30 as previously announced on June 12, 2006.

Fiscal 2006 is the fifth consecutive fiscal year of strong, profitable performance since the Corporation implemented its merchant banking business strategy in 2001. The Corporation's long-term results demonstrate its ability to generate high operating margins, strong earnings and growth. During fiscal 2006, total investment income was US\$92.0 million which compares to US\$33.5 million during the year ended August 31, 2005. The Corporation generated an annualized return on equity of 96% for the period, which compares to 36% during fiscal 2005, 26% during fiscal 2004, 71% during fiscal 2003 and 153% during fiscal 2002. The annualized, compound return on equity from the start of fiscal 2002 to June 30, 2006 has been 59%. While it is difficult to benchmark our performance to a peer group given our unique business profile, these returns compare very favourably with the major mining and commodity equity indices.

As of June 30, 2006, the Corporation's investment capital base was US\$172.0 million or US\$7.40 per share (or approximately CDN\$8.26 per share) which compares to US\$98.8 million or US\$4.27 per share (or approximately CDN\$5.07 per share) as of August 31, 2005, an increase of 73% over the ten month period ended June 30, 2006.

The board of directors have also declared a cash dividend of CDN\$0.05 per share, payable on August 31, 2006 to shareholders of record at the close of business on August 24, 2006. The Corporation's board maintains a policy of paying semi-annual dividends and has increased the semi-annual dividend payments from CDN\$0.035 per share to CDN\$0.05 per share, a 43% increase. As a result of the change in the Corporation's year-end date to June 30, the semi-annual dividend payment schedule will be moved to December and June on a go-forward basis.

ENDEAVOUR MINING CAPITAL CORP.

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Commenting on the results, Frank Holmes, Chairman said "Fiscal 2006 is marked with several corporate achievements, most notable our record high earnings and record high return on equity. As the scale of Endeavour Mining's merchant banking business continues to grow, these results clearly demonstrate the benefits of our dual-advisor structure which was implemented this year, with both Endeavour Financial and U.S. Global Investors acting as advisors to the Corporation. The Endeavour Mining Capital franchise is gaining strength and we are very optimistic with respect to future share price performance. The board has also voiced its confidence in our long term earnings outlook and we are delighted that we can provide additional value to our shareholders by increasing the semi-annual dividends to CDN\$0.05 per share"

Frank Holmes, Chairman and Bill Koutsouras, Chief Financial Officer, will host a conference call to discuss this announcement on Friday August 11th at 11am EST / 8am PST. The meeting will be webcast by V-Call and can be accessed from the Corporation's website at www.endeavourminingcapital.com or by calling the operator at 201-689-8567 or toll-free 1-877-407-0782 prior to the scheduled start time.

The conference call will be archived for later playback on the Corporation's website.

Endeavour Mining Capital Corp. is a publicly traded merchant banking company focused on the global natural resources sector. As a venture-capitalist for resource-based companies, the Corporation combines financial and intellectual capital to help build companies and create shareholder value. The Corporation has a demonstrated track-record of success and our shares are listed on the Toronto Stock Exchange under the symbol EDV.

For additional information, please visit our corporate website, www.endeavourminingcapital.com

On behalf of Endeavour Mining Capital Corp.

"Bill Koutsouras"
Chief Financial Officer, Director & Secretary

Consolidated Balance Sheets
(Expressed in Thousands of United States Dollars)

	June 30, 2006	August 31, 2005 Restated
ASSETS		
Cash and cash equivalents	\$ 59,791	\$ 5,702
Restricted cash	-	3,500
Investments (cost:71,957; Aug 31, 2005 \$57,213)	127,938	92,895
Receivables and other assets	29	886
	<u>\$ 187,758</u>	<u>\$ 102,983</u>
LIABILITIES		
Investment advisor fees payable	\$ 219	\$ 146
Performance fees payable	15,313	3,917
Accrued expenses and other liabilities	194	91
	<u>15,726</u>	<u>4,154</u>
SHAREHOLDERS' EQUITY		
Share capital	52,169	51,745
Warrants	-	240
Contributed surplus	680	536
Retained earnings	119,183	46,308
	<u>172,032</u>	<u>98,829</u>
	<u>\$ 187,758</u>	<u>\$ 102,983</u>

Consolidated Statements of Operations & Retained Earnings
(Expressed in Thousands of United States Dollars, except per share amounts)

	Ten Months Ended, June 30, 2006	Year Ended, August 31, 2005 (Restated)
INVESTMENT INCOME		
Net realized gain on investments	\$ 70,389	\$ 20,032
Change in net unrealized appreciation of investments and foreign currencies	20,840	11,884
Interest	685	809
Dividends, net of withholding taxes	78	89
Loan facility fees	46	696
	<u>92,038</u>	<u>33,510</u>
EXPENSES		
Performance fee	15,313	3,917
Investment advisory fee	1,885	1,618
General office and administrative	813	991
Professional fees	445	340
	<u>18,456</u>	<u>6,866</u>
NET INCOME	73,582	26,644
RETAINED EARNINGS, BEGINNING OF PERIOD	46,308	21,000
DIVIDENDS	(707)	(1,336)
RETAINED EARNINGS, END OF PERIOD	\$ 119,183	\$ 46,308
BASIC EARNINGS PER SHARE		
	\$ 3.18	\$ 1.15
DILUTED EARNINGS PER SHARE		
	\$ 3.11	\$ 1.15
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING	23,160,426	23,120,578
DILUTED WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING	23,638,383	23,190,558

Consolidated Statements of Cash Flows
(Expressed in Thousands of United States Dollars)

	Ten Months Ended, June 30, 2006	Year Ended, August 31, 2005 (Restated)
OPERATING ACTIVITIES		
Net income	73,582	\$ 26,644
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Net realized gain on investments	(70,389)	(20,032)
Change in net unrealized appreciation of investments and foreign currencies	(20,840)	(11,884)
Decrease (increase) in receivables and other assets	857	(767)
Increase in investment advisor fees payable	73	31
Increase in performance fees payable	11,396	2,366
Increase (decrease) in accrued expenses and other liabilities	103	(13)
Restricted cash	3,500	(3,500)
Purchase of investments	(57,975)	(36,574)
Proceeds from the sale of investments	114,161	45,466
	<u>54,468</u>	<u>1,737</u>
FINANCING ACTIVITIES		
Received from the issue of common shares	328	-
Dividends paid to shareholders	(707)	(1,336)
	<u>(379)</u>	<u>(1,336)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	54,089	401
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	5,702	5,301
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 59,791	\$ 5,702

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. The foregoing information may contain forward-looking statements relating to the future performance of Endeavour Mining Capital Corp. Forward-looking statements, specifically those concerning future performance, are subject to certain risks and uncertainties, and actual results may differ materially. These risks and uncertainties are detailed from time to time in the Corporation's filings with the appropriate securities commissions.

For additional information, contact:

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