UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**
OR
☒ **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022

Commission file number: 001-33153

ENDEAVOUR SILVER CORP.

(Exact Name of Registrant as Specified in its Charter)

British Columbia	**1040**	**N/A**
(Province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code)	(I.R.S. Employer Identification No.)

#1130-609 Granville Street
Vancouver, British Columbia, Canada V7Y 1G5
(604) 685-9775
(Address and Telephone Number of Registrant's Principal Executive Offices)

DL Services Inc.
Columbia Center, 701 Fifth Avenue, Suite 6100
Seattle, Washington 98104
(206) 903-8800
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Copies to:
Jason K. Brenkert
Dorsey & Whitney LLP
1400 Wewatta Street, Suite 400
Denver, Colorado 80202-5549
(303) 629-3400

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class:	Trading Symbol(s)	Name of Each Exchange On Which Registered:
Common Shares, no par value	**EXK**	**New York Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this form:

☒ Annual Information Form ☒ Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: As at December 31, 2022, **189,644,734** common shares of the Registrant were issued and outstanding.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.
☐ Emerging growth company.

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting † standards provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report: ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

EXPLANATORY NOTE

Endeavour Silver Corp. (the "Company" or the "Registrant") is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), on Form 40-F pursuant to the multi-jurisdictional disclosure system of the Exchange Act (the "MJDS"). The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act. Equity securities of the Company are accordingly exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3 thereunder.

FORWARD-LOOKING STATEMENTS

This annual report on Form 40-F and the exhibits attached hereto contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" (or the negative and grammatical variations of any of these terms and similar expressions) be taken, occur or be achieved,) are not statements of historical fact and may be forward-looking statements. Such forward-looking statements concern the Company's anticipated results and developments in the Company's operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future.

Forward looking statements are made based upon certain assumptions and other important factors that, while considered reasonable by the Company, are inherently subject to significant business economic, competitive, political and social uncertainties and contingencies. The Company has made assumptions based on many of these factors which include, without limitation, present and future business strategies, the environment in which the Company will operate in the future, including the price of silver and gold, anticipated cost and the ability to achieve goals.

Statements concerning reserves and mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the Company's property is developed, and in the case of mineral reserves, such statements reflect the conclusion based on certain assumptions that a mineral deposit can be economically exploited. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- risks related to precious and base metal price fluctuations;
- risks related to fluctuations in the currency markets (particularly the Mexican peso, Canadian dollar and United States dollar);
- risks related to the impact of COVID-19 or future pandemics on our operations;
- risks related to the Ukraine-Russian conflict;
- risks related to increased interest rates;
- risks related to precious and base metal price fluctuations;
- risks related to the fluctuations in the price of consumed commodities;
- risks related to the inherently dangerous activity of mining, including conditions or events beyond our control, and operating or technical difficulties in mineral exploration, development and mining activities;
- uncertainty in our ability to obtain adequate financing for planned mine development and further exploration programs;
- uncertainty in the Company's ability to fund the development of its mineral properties or the completion of further exploration programs;
- uncertainty as to actual capital costs, operating costs, production and economic returns, and uncertainty that our development activities will result in profitable mining operations;
- risks related to the adequacy or availability of infrastructure to support current or future mining developments
- risks related to our reserves and mineral resource figures being estimates based on interpretations and assumptions which may result in less mineral production under actual conditions than is currently estimated and to diminishing quantities or grades of mineral reserves as properties are mined;

- uncertainty as to the market price of silver or gold;
- risks related to volatility of global financial markets and the Company's share price;
- risks related to the Company's ability to acquire new projects and to successfully integrate the acquisitions;
- risks related to changes in governmental regulations, tax and labour laws and obtaining necessary licenses and permits;
- risks related to mine closure and reclamation ;

- risks related to climate change;
- risks related to our mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title;
- risks related to recruiting and retaining qualified personnel;
- risks relating to inadequate insurance or inability to obtain insurance;
- the Company operating in foreign jurisdictiona, including political, economic, and regulatory instability;
- risks related to our officers and directors becoming associated with other natural resource companies which may give rise to conflicts of interests
- risks relating to financial instruments; and
- risks relating to our securities

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in the exhibits attached to this annual report on Form 40-F, including in the Annual Information Form ("AIF") of the Company filed as Exhibit 99.1 to this annual report on Form 40-F and are incorporated by reference herein. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. The Company's forward-looking statements and information are based on beliefs, expectations and opinions of management on the date the statements are made and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

NOTE TO UNITED STATES READERS- DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Company is permitted, under the multi-jurisdictional disclosure system adopted by the United States Securities and Exchange Commission (the "SEC"), to prepare this annual report on Form 40-F in accordance with Canadian disclosure requirements, which differ from those of the United States. The Company has prepared its consolidated financial statements, which are filed as Exhibit 99.2 to this annual report on Form 40-F, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and they are not comparable to financial statements of United States companies.

MINERAL RESOURCE AND RESERVE ESTIMATES

The Company's AIF filed as Exhibit 99.1 to this annual report on Form 40-F and management's discussion and analysis for the fiscal year ended December 31,2022 filed as Exhibit 99.3 have been prepared in accordance with the requirements of Canadian provincial securities laws, which differ from the requirements of United States securities laws.

As a result, the Company reports the mineral reserves and resources of the projects it has an interest in according to Canadian standards. Canadian reporting requirements for disclosure of mineral properties are governed by National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("**NI 43-101**"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ from the requirements of the SEC that are applicable to domestic United States reporting companies under subpart 1300 of Regulation S-K ("**S-K 1300**") under the Exchange Act. As an issuer that prepares and files its reports with the SEC pursuant to the MJDS, the Company is not subject to the requirements of S-K 1300. Any mineral reserves and mineral resources reported by the Company in accordance with NI 43-101 may not qualify as such under or differ from those prepared in accordance with S-K 1300. Accordingly, information included or incorporated by reference in the Company's AIF filed as Exhibit 99.1 to this annual report on Form 40-F and management's discussion and analysis for the fiscal year ended December 31, 2022 filed as Exhibit 99.3 concerning descriptions of mineralization and estimates of mineral reserves and resources under Canadian standards may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of S-K 1300.

CURRENCY

Unless otherwise indicated, all dollar amounts in this annual report on Form 40-F are in United States dollars. The exchange rate of Canadian dollars into United States dollars, on December 31, 2022, based upon the closing exchange rate as quoted by the Bank of Canada, was Cdn.$1.00 = US.$0.7383.

ANNUAL INFORMATION FORM

The Company's AIF for the fiscal year ended December 31, 2022 is filed as Exhibit 99.1 to this annual report on Form 40-F and is incorporated by reference herein.

AUDITED ANNUAL FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the years ended December 31, 2022 and 2021, including the report of the independent auditor with respect thereto, are filed as Exhibit 99.2 to this annual report on Form 40-F and are incorporated by reference herein.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's management's discussion and analysis for the fiscal year ended December 31, 2022 ("MD&A") is filed as Exhibit 99.3 to this annual report on Form 40-F and is incorporated by reference herein.

TAX MATTERS

Purchasing, holding, or disposing of the Company's securities may have tax consequences under the laws of the United States and Canada that are not described in this annual report on Form 40-F or the documents incorporated by reference herein.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

At the end of the period covered by this annual report on Form 40-F for the fiscal year ended December 31, 2022, an evaluation was carried out under the supervision of, and with the participation of, the Company's management, including its Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act). Based upon that evaluation, the Company's CEO and CFO have concluded that the Company's disclosure controls and procedures were effective to give reasonable assurance that the information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) of the Exchange Act. A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable assurance, not absolute assurance, that the objectives of the control system are met.

Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

Management, including the CEO and CFO, assessed the effectiveness of the Company's internal control over financial reporting as of December 31,2022. In making this assessment, management used the criteria set forth in the Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on its assessment, management has concluded that, as of December 31, 2022, the Company's internal control over financial reporting was effective and no material weaknesses in the Company's internal control over financial reporting were discovered.

The Company is required to provide an auditor's attestation report on its internal control over financial reporting for the fiscal year ended December 31, 2022. In this annual report on Form 40-F, the Company's independent registered public accounting firm, KPMG LLP ("KPMG"), has provided its opinion as to the effectiveness of the Company's internal control over financial reporting as of December 31, 2022. KPMG has also audited the Company's financial statements included in this annual report on Form 40-F and issued a report thereon.

Auditor's Attestation Report

KPMG's attestation report on the Company's internal control over financial reporting is included in the Audited Consolidated Financial Statements filed in Exhibit 99.2 of this annual report on Form 40-F and is incorporated by reference herein.

Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting that occurred during the fiscal year ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

CORPORATE GOVERNANCE

The Company's Board of Directors (the "Board of Directors") is responsible for the Company's Corporate Governance policies and has separately designated standing Compensation, Corporate Governance and Nominating, and Audit Committees. The Board of Directors has determined that all the members of the Compensation, Corporate Governance and Nominating, and Audit Committees are independent, based on the criteria for independence prescribed by section 303A.02 of the NYSE Listed Company Manual.

Compensation Committee

Compensation of the Company's CEO and all other officers is recommended by management to the Compensation Committee, established in accordance with section 303A.05 of the NYSE Listed Company Manual, for evaluation and recommendation to the Board of Directors.

The Compensation Committee develops, reviews and monitors director and executive compensation and policies. The Compensation Committee is also responsible for annually reviewing the adequacy of compensation for directors and others and the composition of compensation

packages. The Company's CEO cannot be present during the Committee's deliberations or vote. The Compensation Committee is composed of three independent directors (as determined under section 303A.02 and section 303A.05 of the NYSE Listed Company Manual): Ricardo Campoy (Chair), Ken Pickering and Mario Szotlender. The Company's Compensation Committee Charter is available on the Company's website at www.edrsilver.com.

Corporate Governance and Nominating Committee

The Company's Corporate Governance and Nominating Committee, established in accordance with section 303A.04 of the NYSE Listed Company Manual, is tasked with (a) developing and recommending to the Board of Directors corporate governance principles applicable to the Company; (b) identifying and recommending qualified individuals for nomination to the Board of Directors; and (c) providing such assistance as the Chair of the Board of Directors, if independent, or alternatively the lead director of the Board of Directors, may require. The Corporate Governance and Nominating Committee is composed of three independent directors (as determined under Section 303A.02 of the NYSE Listed Company Manual): Rex McLennan (Chair), Mario Szotlender and Margaret Beck. The Corporate Governance and Nominating Committee Charter is available on the Company's website at www.edrsilver.com.

The principal corporate governance responsibilities of the Corporate Governance and Nominating Committee include the following:

a) reviewing and reassessing at least annually the adequacy of the Company's corporate governance procedures and recommending any proposed changes to the Board of Directors for approval;

b) reviewing and recommending changes to the Board of Directors of the Company's Code of Conduct and considering any requests for waivers from the Company's Code of Conduct;

c) receiving comments from all directors and reporting annually to the Board of Directors with an assessment of the Board of Director's performance to be discussed with the full Board of Directors following the end of each fiscal year.

The principal responsibilities of the Corporate Governance and Nominating Committee for selection and nomination of director nominees include the following:

a) in making recommendations to the Board of Directors regarding director nominees, the Corporate Governance and Nominating Committee shall consider the appropriate size of the Board of Directors; the competencies and skills that the Board of Directors considers to be necessary for the Board of Directors, as a whole, to possess; the competencies and skills that the Board of Directors considers each existing director to possess; the competencies and skills each new nominee will bring to the Board of Directors; and whether or not each new nominee can devote sufficient time and resources to the nominee's duties as a director of the Company;

b) developing qualification criteria for directors for recommendation to the Board of Directors and, in conjunction with the Chair of the Board of Directors (or, if the Chair is not an independent director, any lead director of the Board of Directors), the Corporate Governance and Nominating Committee shall appoint directors to the various committees of the Board of Directors;

c) having the sole authority to retain and terminate any search firm to be used to identify director candidates or any other outside advisors considered necessary to carry out its duties and to determine the terms of such retainer;

d) in conjunction with the Chair of the Board of Directors (or, if the Chair of the Board of Directors is not an independent director, any lead director of the Board of Directors), overseeing the evaluation of the Board of Directors and of the Company and making recommendations to the Board of Directors as appropriate.

AUDIT COMMITTEE

The Company's Board of Directors has a separately designated standing Audit Committee established in accordance with section 3(a)(58)(A) of the Exchange Act and section 303A.06 and 303A.07 of the NYSE Listed Company Manual. The Company's Audit Committee is comprised of:

- Margaret Beck (Chair)
- Rex McLennan
- Ken Pickering
- Ricardo Campoy
- Amy Jacobsen

In the opinion of the Company's Board of Directors, all members of the Audit Committee are independent (as determined under Rule 10A-3 of the Exchange Act and section 303A.02 of the NYSE Listed Company Manual) and are financially literate. The members of the Audit Committee do not have fixed terms and are appointed and replaced from time to time by resolution of the Board of Directors.

The Audit Committee meets with the Company's President, the CEO, the CFO and the Company's independent auditors to review and inquire into matters affecting financial reporting, the system of internal accounting and financial controls, as well as audit procedures and audit plans. The Audit Committee also recommends to the Board of Directors which independent registered public auditing firm should be appointed by the Company. In addition, the Audit Committee reviews and recommends to the Board of Directors for approval the annual financial statements, the MD&A, and undertakes other activities required by exchanges on which the Company's securities are listed and by regulatory authorities to which the Company is held responsible. The Company's Audit Committee Charter is available on the Company's website at www.edrsilver.com.

Audit Committee Financial Expert

The Company's Board of Directors has determined that Margaret Beck and Rex McLennan qualify as financial experts (as defined in Item 407 (d)(5)(ii) of Regulation S-K under the Exchange Act), has financial management expertise (pursuant to section 303A.07 of the NYSE Listed Company Manual) and is independent (as determined under Exchange Act Rule 10A-3 and section 303A.02 of the NYSE Listed Company Manual).

PRINCIPAL ACCOUNTING FEES AND SERVICES - INDEPENDENT AUDITORS

The following table shows the aggregate fees billed to the Company by KPMG LLP, Chartered Professional Accountants, the Company's independent registered public auditing firm, and its affiliates in each of the last two years.

	2022	2021
Audit Fees (1)	$914,934	$708,584
Tax Fees (2)	$0	$0
All other fees (3)	$0	$0
Total*	**$914,934**	**$708,584**

* All amounts are expressed in Canadian dollars

(1) The aggregate fees billed in each of the last two fiscal years for audit services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements.
(2) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the company's external auditor for tax compliance and tax advice.
(3) The aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than the services reported under clauses 1 and 2 above.

PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES PROVIDED BY INDEPENDENT AUDITORS

The Audit Committee pre-approves all audit services to be provided to the Company by its independent auditors. Non-audit services that are prohibited to be provided to the Company by its independent auditors may not be pre-approved. In addition, prior to the granting of any pre-approval, the Audit Committee must be satisfied that the performance of the services in question will not compromise the independence of the independent auditors. All non-audit services performed by the Company's auditor for the fiscal year ended December 31, 2022 were pre-approved by the Audit Committee of the Company. No non-audit services were approved pursuant to the *de minimis* exemption to the pre-approval requirement.

OFF-BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet financing arrangements or relationships with unconsolidated special purpose entities.

CODE OF ETHICS

The Company has adopted a Code of Business Conduct and Ethics (the "Code") that applies to all the Company's directors, executive officers and employees, which is available on the Company's website at www.edrsilver.com and in print to any shareholder who requests it. The Code meets the requirements for a "code of ethics" within the meaning of that term in General Instruction 9(b) of Form 40-F.

All amendments to the Code, and all waivers of the Code with respect to any of the officers covered by it, will be posted on the Company's website, www.edrsilver.com within five business days of the amendment or waiver and will remain available for a twelve-month period and provided in print to any shareholder who requests them. During the fiscal year ended December 31, 2022, the Company did not substantively amend, waive or implicitly waive any provision of the Code with respect to any of the directors, executive officers or employees subject to it.

CASH REQUIREMENTS

The Company's material cash requirements are discussed in management's discussion and analysis for the fiscal year ended December 31,2022 filed as Exhibit 99.3 under the headings "Capital Requirements" and "Contractual Obligations".

NOTICES PURSUANT TO REGULATION BTR

There were no notices required by Rule 104 of Regulation BTR that the Registrant sent during the year ended December 31, 2022 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

NYSE CORPORATE GOVERNANCE

The Company's common shares are listed on the NYSE. Sections 103.00 and 303A.11 of the NYSE Listed Company Manual permit foreign private issuers to follow home country practices in lieu of certain provisions of the NYSE Listed Company Manual. A foreign private issuer that follows home country practices in lieu of certain provision of the NYSE Listed Company Manual must disclose any significant ways in which its corporate governance practices differ from those followed by domestic companies either on the its website or in the annual report that it distributes to shareholders in the United States. A description of the significant ways in which the Company's governance practices differ from those followed by domestic companies pursuant to NYSE standards is as follows:

Shareholder Meeting Quorum Requirement: The NYSE is of the opinion that the quorum required for any meeting of shareholders should be sufficiently high to insure a representative vote. The Company's quorum requirement is set forth in its Memorandum and Articles. A quorum for a meeting of members of the Company is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the shares entitled to be voted at the meeting.

Proxy Delivery Requirement: The NYSE requires the solicitation of proxies and delivery of proxy statements for all shareholder meetings, and requires that these proxies shall be solicited pursuant to a proxy statement that conforms to SEC proxy rules. The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act, and the equity securities of the Company are accordingly exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act. The Company solicits proxies in accordance with applicable rules and regulations in Canada.

Shareholder Approval Requirement: The Company will follow Toronto Stock Exchange rules for shareholder approval of new issuances of its common shares and for the approval of equity plans. Following Toronto Stock Exchange rules, shareholder approval is required for certain issuances of shares that: (i) materially affect control of the Company; or (ii) provide consideration to insiders in aggregate of 10% or greater of the market capitalization of the listed issuer and have not been negotiated at arm's length. Shareholder approval is also required, pursuant to Toronto Stock Exchange rules, in the case of private placements: (x) for an aggregate number of listed securities issuable greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction if the price per security is less than the market price; or (y) that during any six month period are to insiders for listed securities or options, rights or other entitlements to listed securities greater than 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the closing of the first private placement to an insider during the six month period. The Company will also follow Toronto Stock Exchange rules for shareholder approval of the Company's equity compensation plans rather than NYSE requirements. Under NYSE rules, shareholder approval is required for all equity compensation plans and any material revisions thereto. For "Rolling" or "evergreen" equity plans, like the Company's, which reserve a set percentage of the Company's issued and outstanding shares under the plan, each increase pursuant to such formula is subject to shareholder approval unless the plan has a term of not more than ten years. TSX rules provide that all security based compensation arrangements must be approved by a listed issuer's security holders at a meeting. This applies not only to plans, but also to individual stock options and entitlements not granted pursuant to an arrangement. Security holder approval is also required for any amendment to an arrangement or entitlement (e.g. an individual option or award), unless the plan permits such amendment without security holder approval. For evergreen plans, the TSX requires shareholder approval within three years after institution and within every three years thereafter.

The foregoing are consistent with the laws, customs and practices in Canada.

In addition, the Company may from time-to-time seek relief from the NYSE corporate governance requirements on specific transactions under the NYSE Listed Company Guide, in which case, the Company shall make the disclosure of such transactions available on the Company's website at www.edrsilver.com. Information contained on the Company's website is not part of this annual report on Form 40-F.

MINE SAFETY DISCLOSURE

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities under the regulation of the Federal Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 (the "Mine Act"). During the fiscal year ended December 31, 2022, the Company had no mines in the United States subject to regulation by MSHA under the Mine Act.

RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

Not applicable.

UNDERTAKING

The Company undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Company filed an Appointment of Agent for Service of Process and Undertaking on Form F-X/A with the SEC on February 25, 2021, with respect to the class of securities in relation to which the obligation to file this annual report on Form 40-F arises. Any change to the name or address of the agent for service of process will be communicated promptly to the SEC by amendment to Form F-X/A referencing the Company's file number.

EXHIBIT INDEX

The following exhibits have been filed as part of this annual report on Form 40-F:

Exhibit	Description
Annual Information	
99.1.	Annual Information Form of the Company for the year ended December 31, 2022
99.2.	The following audited consolidated financial statements of the Company, are exhibits to and form a part of this annual report:
	Independent Registered Public Accounting Firm's Reports on Consolidated Financial Statements and Effectiveness of Internal Control Over Financial Reporting (KPMG LLP, Vancouver, BC, Canada, Auditor Firm ID:85)
	Consolidated Statements of Financial Position as of December 31, 2022 and 2021
	Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2022 and December 31, 2021
	Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2022 and December 31, 2021
	Consolidated Statements of Cash Flow for the years ended December 31, 2022 and December 31, 2021
	Notes to Consolidated Financial Statements
99.3.	Management's Discussion and Analysis
Certifications	
99.4.	Certificate of Chief Executive Officer Pursuant to Rule 13a-14(a) of the Exchange Act
99.5.	Certificate of Chief Financial Officer Pursuant to Rule 13a-14(a) of the Exchange Act

99.6.	Certificate of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.7.	Certificate of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Consents

99.8.	Consent of KPMG LLP, Independent Registered Public Accounting Firm
99.9.	Consent of Wood Canada Limited, co-author of the technical report entitled NI 43-101 Technical Report on the Feasibility Study of the Terronera Project Jalisco State, Mexico, dated October 21, 2021
99.10	Consents of Dale Mah, P. Geo. of Endeavour Silver Corp., co-author of the technical reports entitled NI 43-101 Technical Report on the Feasibility Study of the Terronera Project Jalisco State, Mexico, dated October 21, 2021; NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Bolañitos Project, Guanajuato State, Mexico, dated December 14, 2022; and NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Guanaceví Project, Durango State, Mexico, dated December 14, 2022.

99.11.	Consents of Donald Gray, SME-RM of Endeavour Silver Corp., co-author of the technical reports entitled NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Bolañitos Project, Guanajuato State, Mexico, dated December 14, 2022; and NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Guanaceví Project, Durango State, Mexico, dated December 14, 2022.
99.12.	Consents of Richard A. Schwering, P.G., SME-RM., of Hard Rock Consulting, LLC, co-author of the technical reports entitled NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Bolañitos Project, Guanajuato State, Mexico, dated December 14, 2022; and NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Guanaceví Project, Durango State, Mexico, dated December 14, 2022.
99.13.	Consent of Allan Armitage, Ph. D., P. Geo., of SGS Geological Services, author of the amended technical report entitled Mineral Resource Estimate for the Pitarrilla Ag-Pb-Zn Project, Durango State, Mexico, dated March 15, 2023.
101	Inline XBRL Instance Document–the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

ENDEAVOUR SILVER CORP.

By: /s/ *Daniel Dickson*
Name: Daniel Dickson
Title: Chief Executive Officer

Date: March 30, 2023

ANNUAL INFORMATION FORM

of

ENDEAVOUR SILVER CORP.

(the "Company" or "Endeavour")

Suite 1130 - 609 Granville Street
Vancouver, British Columbia
Canada, V7Y 1G5
Phone: (604) 685-9775
Fax: (604) 685-9744

Dated as of March 29, 2023

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ITEM 1: PRELIMINARY NOTES

1.1 Incorporation of Documents by Reference

Except as otherwise disclosed herein, all financial information in this Annual Information Form (" **AIF**") has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as prescribed by the International Accounting Standards Board.

The information provided in the AIF is supplemented by disclosure contained in the technical reports listed below. The detailed disclosure in each of the technical reports below is incorporated by reference into this AIF. The technical reports listed below are not contained within, nor attached to, this document but may be accessed at www.sedar.com or on the Company's website at www.edrsilver.com.

Type of Document	Report Date / Effective Date	Date Filed / Posted	Document name which may be viewed at the SEDAR website at www.sedar.com
NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Guanaceví Project, Durango State, Mexico	December 14, 2022 (Effective date: November 5, 2022)	January 26, 2023	Technical Report (NI 43-101) - English Qualification Certificate(s) and Consent(s)
NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Bolañitos Project, Guanajuato State, Mexico	December 14, 2022 (Effective date: November 9, 2022)	January 26, 2023	Technical Report (NI 43-101) - English Qualification Certificate(s) and Consent(s)
NI 43-101 Technical Report on the Feasibility Study of the Terronera Project, Jalisco State, Mexico	Dated October 21, 2021 (Effective date: September 9, 2021)	October 25, 2021	Technical Report (NI 43-101) - English Qualification Certificate(s) and Consent(s)
Mineral Resource Estimate for the Pitarrilla Ag-Pb-Zn Project, Durango State, Mexico (Amended)	Report Date: March 15, 2023 (Effective Date: October 6, 2022)	March 29, 2023	Technical Report (NI 43-101) – English Qualification Certificate(s) and Consent(s)

References to "the Company" or "Endeavour" are to Endeavour Silver Corp. and where applicable and as the context requires, include its subsidiaries.

1.2 Date of Information

All information in this AIF is as of December 31, 2022 unless otherwise indicated.

1.3 Forward-Looking Statements

This AIF contains "forward-looking statements" within the meaning of the U.S. Securities Litigation Reform Act of 1995, as amended and "forward-looking information" within the meaning of applicable Canadian securities legislation. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, forecasts, objectives, assumptions or future events or performance are not statements of historical fact and may be forward-looking statements. Such forward-looking statements concern the Company's anticipated results and developments in the Company's operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements relate to analyses and other information that are based on expectations of future performance, including silver and gold production and planned work programs.

Statements concerning reserves and mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed and, in the case of mineral reserves, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically exploited.

Forward-looking statements are made based upon certain assumptions and other important factors that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. The Company has made assumptions based on many of these factors which include, without limitation, present and future business strategies, the environment in which the Company will operate in the future, including the price of silver and gold, anticipated cost and the ability to achieve goals.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation, the following and those disclosed in this AIF under "Description of the Business - Risk Factors":

- the impact of COVID-19 or future pandemics on our operations;
- Ukraine-Russia conflict;
- risks related to increased interest rates;
- precious and base metal price fluctuations;
- fluctuations in the price of consumed commodities;
- risks related to fluctuations in the currency markets (particularly the Mexican peso, Chilean peso, Canadian dollar and United States dollar);
- risks related to increased competition that could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties for mineral exploration in the future;
- risks related to the inherently dangerous activity of mining, including conditions or events beyond the Company's control, and operating or technical difficulties in mineral exploration, development and mining activities;
- uncertainty as to actual capital costs, operating costs, production and economic returns, and uncertainty that the Company's development activities will result in profitable mining operations;
- risks related to the adequacy or availability of infrastructure to support current or future mining developments;
- uncertainty in the Company's ability to fund the development of its mineral properties or the completion of further exploration programs;
- risks related to the Company's reserves and mineral resource figures being estimates based on interpretations and assumptions which may result in less mineral production under actual conditions than is currently estimated and to diminishing quantities or grades of mineral reserves as properties are mined;
- uncertainty as to the market price of silver or gold;
- volatility of global financial markets and the Company's share price;

- uncertainty in the Company's ability to obtain adequate financing for planned mine development and further exploration programs;
- risks related to the Company's ability to acquire new projects and to successfully integrate the acquisitions;
- risks related to the Company operating in foreign jurisdictions, including political, economic, and regulatory instability;
- risks related to changes in governmental regulations, including environmental, tax and labour laws and obtaining necessary licenses and permits;
- risks related to mine closure and reclamation;
- risks related to climate change;
- risks related to the Company's mineral properties being subject to prior unregistered agreements, transfers, indigenous peoples' claims and other defects in title;
- risks related to recruiting and retaining qualified personnel;
- risks relating to inadequate insurance or inability to obtain insurance;
- risks related to the Company's officers and directors becoming associated with other natural resource companies which may give rise to conflicts of interests; and
- risks relating to financial instruments.

This list is not exhaustive of the factors that may affect the Company's forward-looking statements. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. The Company's forward-looking statements and information are based on the assumptions, beliefs, expectations and opinions of management as of the date of this AIF. The Company will update forward-looking statements and information if and when, and to the extent, required by applicable securities laws. Readers should not place undue reliance on forward-looking statements. The forward-looking statements and information contained herein are expressly qualified by this cautionary statement.

1.4 Conversion Table

All data and information is presented in metric units. In this AIF, the following conversion factors were used:

2.47 acres	= 1 hectare	1%	= 10,000 ppm
3.28 feet	= 1 metre	0.4047 hectares	= 1 acre
0.62 miles	= 1 kilometre	0.3048 metres	= 1 foot
0.032 ounces (troy)	= 1 gram	1.609 kilometres	= 1 mile
1.102 tons (short)	= 1 tonne	31.103 grams	= 1 ounce (troy)
0.029 ounces/ton	= 1 gram/tonne	0.907 tonnes	= 1 ton
1 ppm	= 1 gram/tonne	34.286 grams/tonne	= 1 ounce/ton
1 ounce/ton	= 34.286 ppm		

1.5 Technical Abbreviations

Ag	silver	m	metres
Ag Eq.	silver equivalent	NI 43-101	National Instrument 43-101 Standards of Disclosure for Mineral Projects
Au	gold	NSR	net smelter returns
Au Eq.	gold equivalent	opt	ounces per ton
aver.	average	oz	ounce(s)
cm	centimetres	Pb	lead
g	grams	RC	reverse circulation
gpt or g/t	grams per tonne	t	tonne
ha	hectares	tpd	tonnes per day
km	kilometres	tr	trench
lb	pound	Zn	zinc

1.6 Currency and Exchange Rates

All dollar amounts in this AIF are expressed in U.S. dollars ("**$**") unless otherwise indicated. References to "Cdn.$" are to Canadian dollars.

The high, low, average and closing rates for the United States dollar in terms of Canadian dollars for each of the financial periods of the Company ended December 31, 2022, December 31, 2021 and December 31, 2020, as quoted by the Bank of Canada, were as follows:

	Year ended December 31, 2022	Year ended December 31, 2021	Year ended December 31, 2020
High	1.3856	1.2942	1.4496
Low	1.2451	1.2040	1. 2718
Average	1.3013	1.2535	1.3415
Closing	1.3544	1.2678	1.2732

On December 31, 2022, the closing exchange rate for the United States dollar in terms of Canadian dollars, as quoted by the Bank of Canada, was U.S.$1.00 = Cdn.$1.3544 (Cdn.$1.00 = U.S.$0.7383). On March 29, 2023, the daily average exchange rate for the United States dollar in terms of Canadian dollars, as quoted by the Bank of Canada, was U.S.$1.00 = Cdn.$1.3576 (Cdn.$1.00 = U.S.$0.7366).

1.7 Classification of Mineral Reserves and Resources

In this AIF, the definitions of proven and probable mineral reserves, and measured, indicated and inferred mineral resources are those used by the Canadian provincial securities regulatory authorities and conform to the definitions utilized by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council, as amended.

1.8 Cautionary Note to U.S. Investors concerning Estimates of Mineral Reserves and Measured, Indicated and Inferred Mineral Resources

This AIF has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. As a result, the Company reports the mineral reserves and resources of the projects it has an interest in according to Canadian standards. Canadian reporting requirements for disclosure of mineral properties are governed by National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("**NI 43-101**"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ from the requirements of the SEC that are applicable to domestic United States reporting companies under subpart 1300 of Regulation S-K ("**S K 1300**") under the Exchange Act. As an issuer that prepares and files its reports with the SEC pursuant to the MJDS, the Company is not subject to the requirements of S K 1300. Any mineral reserves and mineral resources reported by the Company in accordance with NI 43-101 may not qualify as such under or differ from those prepared in accordance with S K 1300. Accordingly, information included or incorporated by reference in this AIF concerning descriptions of mineralization and estimates of mineral reserves and resources under Canadian standards may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of S K 1300.

ITEM 2: CORPORATE STRUCTURE

2.1 Name, Address and Incorporation

The Company was incorporated under the laws of the Province of British Columbia on March 11, 1981 under the name, "Levelland Energy & Resources Ltd". Effective August 27, 2002, the Company changed its name to "Endeavour Gold Corp.", consolidated its share capital on the basis of four old common shares for one new common share and increased its share capital to 100,000,000 common shares without par value. On September 13, 2004, the Company changed its name to "Endeavour Silver Corp.", transitioned from the *Company Act* (British Columbia) to the *Business Corporations Act* (British Columbia) and increased its authorized share capital to unlimited common shares without par value.

The Company's principal business office is located at:

Suite 1130 - 609 Granville Street
Vancouver, British Columbia
Canada, V7Y 1G5

and its registered and records office is located at:

19th Floor, 885 West Georgia Street
Vancouver, British Columbia
Canada, V6C 3H4

2.2 Subsidiaries

The Company conducts its business primarily in Mexico through subsidiary companies. The following table lists the Company's material direct and indirect subsidiaries, their jurisdiction of incorporation, and percentage owned by the Company directly, indirectly or beneficially.

Name of Company	Incorporated	Percentage owned directly or indirectly
Endeavour Gold Corporation S.A. de C.V.	Mexico	100%
EDR Silver de Mexico S.A. de C.V. SOFOM	Mexico	100%
Minera Plata Adelante, S.A. de C.V.	Mexico	100%
Minera Santa Cruz y Garibaldi S.A. de C.V.	Mexico	100%
Refinadora Plata Guanaceví, S.A. de C.V.	Mexico	100%
Mina Bolañitos S.A de C.V.	Mexico	100%
Minas Lupycal S.A. de C.V.	Mexico	100%
Terronera Precious Metals S.A. de C.V.	Mexico	100%
Minera Pitarrilla S.A. de C.V.	Mexico	100%
Minera Plata Carina S.P.A.	Chile	100%
Endeavour USA Holdings	USA	100%
Endeavour USA Corp.	USA	100%
Oro Silver Resources Ltd.	British Columbia, Canada	100%
MXRT Holdings Ltd.	British Columbia, Canada	100%

ITEM 3: GENERAL DEVELOPMENT OF THE BUSINESS

The Company is a Canadian mineral company engaged in the evaluation, acquisition, exploration, development and exploitation of precious metal properties in Mexico, Chile and the USA. The Company has two producing silver-gold mines in Mexico: the Guanaceví Mine in Durango acquired in 2004 and the Bolañitos Mine in Guanajuato acquired in 2007. In addition to operating these two mines, the Company is advancing one development and three exploration projects in Mexico: the Terronera property in Jalisco acquired in 2010 that is now in the development stage, the prospective Pitarrilla property in Durango State acquired in 2022 and the Parral properties in Chihuahua acquired in 2016.

The Company has two exploration projects in northern Chile that have been advanced over the past seven years: the Aida project (silver) and the Paloma project (gold).

In 2021, the Company acquired the Bruner Property, located in Nye County, Nevada, USA which is an exploration project that includes mineral claims, mining rights, property assets, water rights, and government authorizations and permits.

3.1 Three Year History

Financial Year ended December 31, 2022

On January 12, 2022, the Company entered into a definitive agreement to purchase the Pitarrilla project in Durango State, Mexico from SSR Mining Inc. ("**SSR**") for total consideration of $70 million, consisting of $35 million in common shares and a further $35 million in cash or in common shares at the election of SSR and agreed to by the Company, and a grant of a 1.25% net smelter returns ("**NSR**") royalty.

Pitarrilla is a large undeveloped silver, lead, and zinc project located 160 kilometres north of Durango City, in northern Mexico. The Pitarrilla property consists of 4,950 hectares across five concessions and has significant infrastructure in place with direct access to utilities.

The acquisition was completed on July 6, 2022. Total consideration included 8,577,380 shares of the Company issued on July 6, 2022 based on a deemed price of $4.07 per share and a $35.1 million cash payment. Fair value of the 8,577,380 common shares issued on July 6, 2022 was $25.6 million at Cdn$3.89 per share.

On March 22, 2022, the Company completed a prospectus equity financing with the offering co-led by BMO Capital Markets and PI Financial Corp., together with a syndicate of underwriters consisting of CIBC World Markets Inc., B. Riley Securities Inc., and H.C. Wainwright & Co., LLC. The Company issued a total of 9,293,150 common shares at a price of $4.95 per share for aggregate proceeds of $46 million, less commission of $2.5 million and $0.3 million in transaction related costs.

On September 9, 2022, the Company entered into an agreement to sell a 100% interest in Minera Oro Silver de Mexico, S.A. de C.V. (" **MOS**"), a wholly-owned subsidiary of Endeavour to Grupo ROSGO, S.A. de C.V., ("**Grupo ROSGO**"). MOS held the El Compas property and the lease on the La Plata processing plant in Zacatecas, Mexico.

Pursuant to the agreement, Grupo ROSGO will pay Endeavour $5 million cash over five years with an initial payment of $250,000 on signing of the definitive agreement. Instalment payments of $500,000 will be made every six months other than the third payment, which will be $750,000. The payments are secured by a pledge of the shares of MOS.

During 2022, the Company continued progress on development activities at the Terronera Project including onsite delivery of mobile mining equipment, procurement of major equipment, and assembly of initial project infrastructure such as the temporary mine maintenance shop and a permanent camp facility. Earthworks included site clearing, road upgrades and underground mine access development. The Company intends to make a formal construction decision subject to completion of a financing package and receipt of additional amended permits in 2023.

Financial Year ended December 31, 2021

On March 17, 2021, the Company signed a definitive agreement to sell the El Cubo Mine in Guanajuato, Mexico to Guanajuato Silver Company Ltd. (formerly VanGold Mining Corp.) ("**GSilver**") for $15 million in cash and share payments plus up to $3 million in future contingent payments (the "**El Cubo Transaction**"). On April 9, 2021, the purchase was completed for the following gross consideration:

- $7.5 million cash on closing.
- $9.8 million (Cdn.$12,372,014) in GSilver common shares ("**GSilver Shares**") on closing, priced at $0.4617 (Cdn.$0.58) per GSilver Share for a total of 21,331,058 GSilver Shares representing approximately 10.9% of the issued and outstanding GSilver Shares. The total fair value of the shares at the time of the definitive agreement was $5 million (Cdn.$6,399,317.40), priced at $0.2344 (Cdn.$0.30).
- $2.5 million promissory note due 12 months from closing, which note has since been discharged following GSilver's payment of the amount due.

GSilver has also agreed to pay the Company up to an additional $3 million in contingent payments based on the following:

- $1 million upon GSilver producing 3,000,000 Ag Eq. oz from the El Cubo mill, derived from either the El Cubo or El Pinguico project, $500,000 of which may, in GSilver's discretion, be paid in GSilver Shares.
- $1 million if the price of gold closes at or above $2,000 per oz for 20 consecutive trading days within two years after the closing date of the El Cubo Transaction.
- A further $1 million if the price of gold closes at or above $2,200 per oz for 20 consecutive trading days within three years after the closing date of the El Cubo Transaction.

In mid-August 2021, the Company suspended mining and milling operations at El Compas. Mining assets and key talent were transferred within the Company to Bolañitos and Terronera.

On August 31, 2021, the Company acquired the Bruner Property, located in Nye County, Nevada, from Canamex Gold Corp. ("**Canamex**"). The Company paid $10 million in cash for 100% of the Bruner Gold Project which includes mineral claims, mining rights, property assets, water rights, and government authorizations and permits.

The Bruner Gold Project is an exploration and development stage project located approximately 180 km southeast of Reno, Nevada. Gold was originally discovered in the district in 1906 and saw intermittent historic mining between 1906 and 1998. Recent exploration activities by previous operators included mapping, drilling, geophysical surveys and sampling culminating in a mineral resource estimate in 2015 and a preliminary economic assessment in 2017 outlining a low capital cost, open pit, heap leach operation.

A historic resource estimate of 342,000 oz of gold contained in 17.5 million tonnes grading 0.61 gpt Au in three zones, Paymaster, HRA and Penelas, was prepared for Canamex in a technical report dated January 22, 2018 titled "NI 43-101 Technical Report on the Bruner Gold Project, Updated Preliminary Economic Assessment, Nye County, Nevada, USA" by Welsh Hagen Associates. A "qualified person" (as defined in NI 43-101) has not done sufficient work for the Company to classify the historical estimate as a current mineral resource or mineral reserve. The Company is not treating the historical estimate as a current mineral resource or mineral reserve, has not verified the historical resource estimate and is not relying on it.

On September 9, 2021, the Company announced positive results from a feasibility study (the " **2021 Feasibility Study**") on its 100% owned Terronera Project in Jalisco state, Mexico. Details of the 2021 Feasibility Study, including updated mineral resource and mineral reserve estimates, are provided in the technical report titled "NI 43-101 Technical Report on the Feasibility Study of the Terronera Project, Jalisco State, Mexico" dated October 21, 2021 with an effective date of September 9, 2021 (the "**2021 Terronera Technical Report** "). The 2021 Terronera Technical Report was prepared by Wood Canada Limited together with the Company.

The 2021 Feasibility Study supports a high grade, silver-gold underground mining operation at Terronera producing an average of 3.3 million payable oz Ag and 32.8 thousand payable oz Au per year over a 12-year mine life. The Company commenced initial earthworks with the intention of making a formal construction decision, subject to completion of a financing package and receipt of additional amended permits.

Financial Year ended December 31, 2020

On March 31, 2020, the Mexican government declared a national health emergency with extraordinary measures due to the COVID-19 pandemic. Numerous health precautions were decreed, including the suspension of non-essential businesses, with only essential services to remain open. At March 31, 2020, mining did not qualify as an essential service so for the protection of the Company's staff, employees, contractors and communities, the Company suspended its three mining operations in Mexico as of April 1, 2020 as mandated by the Mexican government. The Company retained essential personnel at each mine site during the suspension period to maintain safety protocols, environmental monitoring, security measures and equipment maintenance. Essential personnel followed the Company's strict COVID-19 safety protocols and non-essential employees were sent home to self-isolate and stay healthy, while continuing to receive their base pay. The suspension of activities ceased in May 2020 as mining was declared an essential business.

The Company implemented plans to minimize the risks of the COVID-19 virus, both to employees and to the business. At each site, the Company followed government health protocols and closely monitored the pandemic with local health authorities. The Company posted health advisories to educate employees about COVID-19 symptoms, best practices to avoid contracting and spreading the virus, and procedures to follow if symptoms were experienced.

In April 2020, the Company filed a short form base shelf prospectus (" **Base Shelf**") to qualify the distribution of up to Cdn$150 million of various securities of the Company, including common shares. The distribution of such securities of the Company could be effected from time to time in one or more transactions at a fixed price or prices, which could vary with market prices prevailing at the time of sale, or at prices related to such prevailing market prices to be negotiated with purchasers and as set forth in an accompanying prospectus supplement, including transactions that were deemed to be at the market distributions. The Base Shelf also provided the Company with the ability to conduct an "At-The-Market" ("**ATM**") offering through an ATM facility equity distribution agreement.

On May 14, 2020, the Company entered into an ATM equity facility (the " **May 2020 ATM Facility**") with a syndicate of agents. Under the terms of the 2020 ATM Facility, the Company could, from time to time, sell common shares having an aggregate offering value of up to $23 million on the NYSE. The Company determined, at its sole discretion, the timing and number of shares to be sold under the May 2020 ATM Facility.

From May 14, 2020 to August 17, 2020, the Company issued 11,640,411 common shares under the 2020 ATM Facility at an average price of $1.97 per share for gross proceeds of $23.0 million less commission of $0.6 million and deferred financing costs of $0.3 million which has been presented net of share capital. The May 2020 ATM Facility was completed in August 2020.

On October 1, 2020, the Company entered into an ATM equity facility (the " **October 2020 ATM Facility**") with a syndicate of agents. Under the terms of the October 2020 ATM Facility, the Company could, from time to time, sell common shares having an aggregate offering value of up to $60 million on the NYSE. The Company determined, at its sole discretion, the timing and number of shares to be sold under the October 2020 ATM Facility during the 20 month sales agreement term.

From October 1, 2020 to July 20, 2021, when the ATM facility was completed, the Company issued 10,060,398 common shares under the October 2020 ATM Facility at an average price of $5.96 per share for gross proceeds of approximately $60 million, less commission of $1.23 million and recognized $0.379 million of other transaction costs related to the October 2020 ATM Facility as share issuance costs, which have been presented net within share capital.

The Company completed an updated NI 43-101 Technical Report for the Terronera Project, Jalisco State Mexico dated July 31, 2020, with effect July 14, 2020 (the "**2020 Terronera PFS**"). Endeavour management worked with Ausenco Engineering Canada Inc. (Ausenco) on the re-conceptualization and re-engineering of the project to generate the significantly improved 2020 pre-feasibility study economics. This 2020 Terronera PFS has been superseded by the 2021 Feasibility Study as described above.

In April 2018, the Company filed a short form base shelf prospectus that qualified the distribution of up to Cdn$150 million of common shares, debt securities, warrants or units of the Company comprising any combination of common shares and warrants (the "**Securities**"). The Company filed a corresponding registration statement in the United States registering the Securities under United States federal securities laws. The distribution of Securities could be effected from time to time in one or more transactions at a fixed price or prices, which could be changed, at market prices prevailing at the time of sale, or at prices related to such prevailing market prices to be negotiated with purchasers and as set forth in an accompanying prospectus supplement, including transactions that were deemed to be ATM distributions.

On June 13, 2018, the Company entered into an ATM equity facility (the " **2018 ATM Facility**") with BMO Capital Markets (the lead agent), CIBC Capital Markets, H.C. Wainwright & Co., HSBC and TD Securities (together, the "**Agents**"). Under the terms of the 2018 ATM Facility, the Company could, from time to time, sell common stock having an aggregate offering value of up to $35.7 million on the NYSE. The Company determined, at its sole discretion, the timing and number of shares to be sold under the 2018 ATM Facility. From January 1 to April 21, 2020, the Company issued the final 2,164,119 common shares under the 2018 ATM Facility at an average price of $1.56 per share for gross proceeds of $3.4 million, less commissions of $76,000. The 2018 ATM Facility was completed in April 2020.

In total, during 2020, the Company issued 13,804,530 common shares under the combined ATM facilities at an average price of $1.91 per share for gross proceeds of $26.4 million, less commission of $0.64 million and recognized $0.52 million of transaction costs related to the ATM financings as share issuance costs, which have been presented net of share capital.

On December 18, 2020, the Company announced that it had signed a binding letter agreement to sell its El Cubo Mine and related assets to GSilver, which completed on April 9, 2021 as described above.

3.2 Significant Acquisitions

No significant acquisitions for which disclosure is required under Part 8 of National Instrument 51-102 were completed by the Company during its most recently completed financial year.

ITEM 4: DESCRIPTION OF THE BUSINESS

4.1 General Description

Business of the Company

The Company's principal business activities are the evaluation, acquisition, exploration, development and exploitation of mineral properties. The Company produces silver and gold from its underground mines at Guanaceví and Bolañitos, and is advancing the Terronera development project in Mexico. The Company also has interests in and is advancing certain exploration properties in Mexico, the USA and Chile.

Since 2002, the Company's business strategy has been to focus on acquiring advanced-stage silver mining properties in Mexico. Mexico, despite its long and prolific history of metal production, appears to be relatively under-explored using modern exploration techniques and offers promising geological potential for precious metals exploration and production.

The Company's Guanaceví and Bolañitos mines acquired in 2004 and 2007, respectively, demonstrate its business model of acquiring fully built and permitted silver mines that were about to close for lack of ore. By bringing the money and expertise needed to find new silver ore-bodies, Endeavour successfully re-opened and expanded these mines to develop their full potential. The benefit of acquiring fully built and permitted mining and milling infrastructure is that, if new exploration efforts are successful, the mine development cycle from discovery to production only takes a matter of months instead of the several years normally required in the traditional mining business model. In 2012, the Company acquired the El Cubo silver-gold mine which operated until November 2019 and subsequently sold in April 2021. In 2016, the Company acquired the El Compas gold-silver mine which was subsequently sold in September 2022.

In addition to operating the Guanaceví and Bolañitos mines, the Company is advancing its Terronera development project to a construction decision. The Company is also exploring a number of other properties in both Mexico, the USA and Chile towards achieving its goal to become a premier senior producer in the silver mining sector.

Production

The Guanaceví and Bolañitos mines produce silver and gold which are sold as bullion or in the form of metal concentrates. The Guanaceví mine produces silver doré delivered to the Penoles Torreon refinery, in Chihuahua state. After the doré is refined to bullion, the silver and gold bullion is sold by an agent through commodity exchanges. In 2022, the Guanaceví mine accounted for 92% of silver revenue (2021- 88%), 39% of gold revenue (2021-32%) and 74% of total consolidated revenue (2021- 65%).

The Bolañitos mine produces a concentrate that contains high grade gold and silver. The concentrate is shipped to Manzanillo and sold to various metal traders for blending with other metal concentrate and shipped globally for smelting and refining. The high grade precious metal contents of the Bolañitos concentrate are highly conducive for concentrate blending and therefore highly marketable. Annually, the mine renews sales contracts through a competitive bid process. During 2022, Bolañitos annual sales to three customers accounted for 100% of concentrate sales (2021- four customers).

In 2022, the Bolañitos mine accounted for 8% of silver revenue (2021- 10%), 61% of gold revenue (2021- 55%) and 26% of total consolidated revenue (2021- 29%).

On a consolidated basis, silver attributed 66% of total revenue (2021- 58%) and gold attributed 34% (2021-42%) of total revenue.
The market prices of gold and silver are key drivers of the Company's profitability. The prices of gold and silver can fluctuate widely and are affected by a number of macroeconomic factors, including global or regional consumption patterns, the supply of and demand for gold and silver, interest rates, exchange rates, inflation or deflation, global economic conditions resulting from the COVID-19 pandemic, and the political and economic conditions of major gold and silver producing and gold and silver consuming countries throughout the world. Importantly, the price of gold and silver can be impacted by their role as safe havens during periods of market turmoil and as defense against the perceived inflationary impacts and currency depreciation caused by the responses of governments and central banking authorities to the economic threats caused by the COVID-19 pandemic and the recent bank failures in the US and Europe.

During 2022, the average price of silver was $21.73 per ounce, with silver trading between $17.77 and $26.18 per ounce based on the London Fix silver price. This compares to an average of $25.14 per ounce during 2021, with a low of $21.53 and a high of $29.59 per ounce.

During 2022, the average price of gold was $1,800 per ounce, with gold trading between $1,628 and $2,039 per ounce based on the London Fix PM gold price. This compares to an average of $1,799 per ounce during 2021, with a low of $1,684 and a high of $1,943 per ounce.

Specialized Skill and Knowledge

Most aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, exploration, development, technology, financing and accounting. The Company has executive officers and employees with extensive experience in geology, exploration and mine development in Mexico and other parts of North and South America. As well, the Company's executive officers, directors and employees have significant experience in mining, processing technologies, international finance, mergers and acquisitions and accounting. They provide a strong foundation of advanced skills and knowledge and specialized mineral exploration experience, complemented by their demonstrated ability to succeed in the management and administration of a mining company.

Competitive Conditions

The Company competes with other mining companies and smaller natural resource companies in the acquisition, exploration, development and financing of new properties and projects in Mexico. Many of these companies are more experienced, larger and have greater financial resources for, among other things, financing and the recruitment and retention of qualified personnel. See "Risk Factors - Competitive Conditions".

Environmental Protection

The Company's environmental permits require that it reclaim certain lands it disturbs during mining operations and exploration and development activities. Significant reclamation and closure activities include land rehabilitation, decommissioning of buildings and mine facilities, ongoing care and maintenance and other costs. Although the ultimate amount of the reclamation and rehabilitation costs to be incurred cannot be predicted with certainty, the total undiscounted amount of probability weighted estimated cash flows required to settle the Company's estimated obligations is $6.2 million for the Guanaceví mine operations, $4.5 million for the Bolañitos mine operations, $0.8 million for the Terronera project and $0.1 million for the Pitarrilla project.

Employees

As at December 31, 2022, the Company had approximately 18 employees based in its Vancouver corporate office and employed through its Mexican subsidiaries over 1,280 full and part-time employees in Mexico. Consultants and contractors are also retained from time to time to assist with or conduct specific corporate activities, development and exploration programs.

Foreign Operations

As the Company's producing mines and mineral exploration interests are principally located in Mexico, the Company's business is dependent on foreign operations. As a developing economy, operating in Mexico has certain risks. See "Risk Factors - Foreign Operations".

Intangibles, Cycles and Changes to Contracts

The Company's business is not materially affected by intangibles such as licences, patents and trademarks, nor is it significantly affected by seasonal changes. Other than as disclosed in this AIF, the Company is not aware of any aspect of its business which may be affected in the current financial year by renegotiation or termination of contracts.

Community, Environmental and Corporate Safety Policies

Endeavour is focused on the development of sustainability programs for all stakeholders and understands that such programs contribute to the long-term benefit of the Company and society at large. Sustainability programs implemented by the Company range from improving the Company's safety policies and practices; supporting health programs for the Company's employees and the local communities; enhancing environmental stewardship and reclamation; sponsoring educational scholarships and job skills training programs; sponsoring community cultural events and infrastructure improvements; and supporting charitable causes.

The Company's Sustainability Committee oversees the Company's compliance with the Sustainability Policy. The Sustainability Policy sets out the Company's sustainability strategy which centres on three pillars: people, planet and business. Under the "people" pillar, Endeavour is committed to, amongst other things, protecting the health and safety of our workforce and host communities, providing a work environment free of discrimination, promoting respect for human rights, promoting the development of communities in the jurisdictions in which the Company operates, and working to identify hazards in order to minimize or eliminate socio-environmental risks associated with work tasks. Under the "planet" pillar, Endeavour is committed to promoting efficient use of natural resources, identifying and evaluating environmental impacts produced in all stages of the Company's operations, promoting use of clean technologies, and considering environmental factors (including climate-related risks) in operational decisions and new projects. Under the "business" pillar, Endeavour is committed to conducting business in an ethical way, prioritizing local recruitment, promoting diversity based on principles of merit and qualifications and maintaining a risk management system that supports monitoring or traditional and emerging risks. In furtherance of the Company's commitments under its Sustainability Policy, the Company publishes a sustainability report annually and, in March 2023, published its inaugural Task Force on Climate-Related Financial Disclosures ("**TFCD**") report entitled "Our Climate Journey". The full report can be read on the Company's website at https://edrsilver.com/sustainability/reports-resources/2021/.

The Sustainability Committee also oversees the Company's compliance with its Human Rights Policy, which sets out the Company's commitment to respecting human rights related to working conditions and equal opportunity, engaging with indigenous peoples to respect cultural traditions, protecting against discrimination towards any individual based on religion, ethnicity, gender or other protected characteristics.

4.2 Risk Factors

Investment in securities of the Company should be considered a speculative investment due to the high-risk nature of the Company's business and the present stage of the Company's development. The following risk factors, as well as risks currently unknown to the Company, could materially adversely affect the future business, operations and financial condition of the Company and could cause them to differ materially from the Company's current business, property or financial results, each of which could cause investors to lose part or all of their investment in the Company's securities.

The following factors are those which are the most applicable to the Company. The discussion which follows is not inclusive of all potential risks. Risk management is an ongoing exercise upon which the Company spends a substantial amount of time. While it is not possible to eliminate all of the risks inherent to the mining business, the Company strives to manage these risks, to the greatest extent possible, to ensure that its assets are protected.

Impact of COVID-19 and Other Pandemics

The Company's business could be significantly adversely affected by the outbreak of epidemics or pandemics or other health crises, including any outbreak of additional strains of COVID-19. Global reactions to the spread of COVID-19 led to, among other things, significant restrictions in many jurisdictions on travel and gatherings of individuals, quarantines, temporary business closures and a general reduction in consumer activity. Although quarantines have been lifted in many jurisdictions and vaccination programs have been implemented, countries globally continue to experience negative impacts as the result of COVID-19. The duration of related financial impact on the Company and the economy in general cannot be estimated with any degree of certainty at this time. Such public health crises can adversely impact the Company's operations and result in volatility and disruptions in supply and demand for gold and silver, as well as declining trade and market sentiment, all of which can affect commodity prices, interest rates, share prices and inflation.

The continued spread of COVID-19 globally and other future public health crises could materially and adversely impact the Company's business, including without limitation, employee health, workforce availability and productivity, limitations on travel, supply chain disruptions, increased insurance premiums, increased costs and reduced efficiencies, the availability of industry experts and personnel, restrictions on the Company's exploration and drilling programs and/or the timing to process drill and other metallurgical testing and the slowdown or temporary suspension of operations at some or all of the Company's properties. Although the Company has the capacity to continue certain administrative functions remotely, many other functions, including mining operations, cannot be conducted remotely.

The Company continues to monitor the evolution of the COVID-19 pandemic and applies operational and safety procedures in accordance with guidelines outlined in the jurisdictions in which it operates. As the COVID-19 global pandemic is dynamic and, given that the ultimate duration and severity of the pandemic remains uncertain, the impact of COVID-19 on the Company's operations, exploration and development activities cannot be reasonably estimated with a high level of certainty. A local outbreak, the occurrence of new variants or changes in government health orders remains a significant risk.

Ukraine-Russia Conflict

As the conflict in Ukraine continues to develop, the Company's business could be materially adversely affected by increased commodity prices and supply-chain disruptions. Oil and gas prices have increased rapidly due to the ongoing conflict and the escalating sanctions threatened or imposed by several nations against Russia and Russian oil and gas exports have added to global uncertainty. In the event that the Ukraine-Russia conflict escalates and expands to other nations, such a shift in the conflict could result in a global economic downturn that could adversely affect the Company's business. The Company cannot accurately predict the impact that the ongoing conflict in Ukraine will have on its financial position or operations.

Interest Rate Risk

Increases to benchmark interest rates may have an impact on any debt financing the Company may negotiate, resulting in reduced amounts available to fund the Company's exploration, development and production activities and could negatively impact the market price of its common shares and/or the price of gold or silver, which could have a material adverse effect on the Company's operations and financial condition.

Precious and Base Metal Price Fluctuations

The Company's revenue is primarily dependent on the sale of silver and gold and movements in the spot price of silver or gold may have a direct and immediate impact on the Company's income and the value of related financial instruments. The Company's sales are directly dependent on commodity prices. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control including international economic and political trends, expectations for inflation, currency exchange rate fluctuations, interest rates, global and regional supply and demand, consumption patterns, speculative market activities, worldwide production and inventory levels, and sales programs by central banks. The exact effect of these factors on metal prices cannot be accurately predicted. Declining market prices for these metals could materially adversely affect the Company's operations and profitability and could affect the Company's ability to finance the exploration and development of any of the Company's other mineral properties.

Fluctuations in the Price of Consumed Commodities

Prices and availability of commodities consumed or used in connection with exploration, development and mining, such as natural gas, diesel, oil, electricity, cyanide and other re-agents, fluctuate and affect the Company's operations and financial condition. These fluctuations can be unpredictable, can occur over short periods of time and may have a materially adverse impact on the Company's operating costs or the timing and costs of various projects. The Company's general policy is not to hedge its exposure to changes in prices of the commodities that its uses in its operations.

Foreign Exchange Rate Fluctuations

Operations in Mexico, Chile, USA and Canada are subject to foreign currency exchange fluctuations. The Company raises its funds through equity issuances which are priced in Canadian or United States dollars, and the majority of the exploration costs of the Company are denominated in United States dollars, Mexican pesos and Chilean pesos. The Company may suffer losses due to adverse foreign currency fluctuations.

Competitive Conditions

Significant competition exists for natural resource acquisition opportunities. As a result of this competition, some of which is with large, well established mining companies with substantial capabilities and significant financial and technical resources, the Company may be unable to either compete for or acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the Company will be able to acquire any interest in additional projects that would yield resources, reserves or results for commercial mining operations and failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

Operating Hazards and Risks

Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include, but are not limited to, the following: environmental hazards and catastrophes, industrial accidents and explosions, third party accidents, unusual or unexpected geological structures or formations, failure of engineered structures, inaccurate mineral modelling, metallurgical and other processing problems, remote locations and inadequate infrastructure, equipment failure, changes in the costs of consumables, power outages, fires, labour shortages and disruptions (including due to public health issues or strikes), floods, cave-ins, landslides, acts of God, periodic interruptions due to inclement or hazardous weather conditions, earthquakes, war, rebellion, organized crime, revolution, delays in transportation, inaccessibility to property, restrictions of courts and/or government authorities, other restrictive matters beyond the reasonable control of the Company, and the inability to obtain suitable or adequate machinery, equipment or labour and other risks involved in the operation of mines.

Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, delayed production and resultant losses, increased production costs, asset write downs, monetary losses, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damages. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. Any compensation for such liabilities may have a material, adverse effect on the Company's financial position.

The Company's property, business interruption and liability insurance may not provide sufficient coverage for losses related to these or other hazards. Insurance against certain risks, including certain liabilities for environmental pollution, may not be available to the Company or to other companies within the industry at reasonable terms or at all. In addition, the Company's insurance coverage may not continue to be available at economically feasible premiums, or at all. Any such event could have a material adverse effect on the Company's business.

Mining Operations

The capital costs required by the Company's projects may be significantly higher than anticipated. Capital and operating costs, production and economic returns, and other estimates contained in the Company's current technical reports, may differ significantly from those provided for in future studies and estimates and from management guidance, and there can be no assurance that the Company's actual capital and operating costs will not be higher than currently anticipated. In addition, delays to construction and exploration schedules may negatively impact the net present value and internal rates of return of the Company's mineral properties as set forth in the applicable technical report. Similarly, there can be no assurance that historical rates of production, grades of ore processed, rates of recoveries or mining cash costs will not experience fluctuations or differ significantly from current levels over the course of the mining operations conducted by the Company. Failure to achieve production or cost estimates, or increases in costs, could have a material adverse effect on the Company's future cash flows, earnings, results of operations and financial condition. There can be no assurance that the Company will be able to continue to extend the production from its current operations through exploration and drilling programs.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration, exploitation or development of the Company's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploitation or development of the Company's projects will be commenced or completed on a timely basis, if at all or that the resulting operations will achieve the anticipated production volume, or that the construction costs and ongoing operating costs associated with the exploitation and/or development of the Company's advanced projects will not be higher than anticipated. In addition, unusual or infrequent weather phenomena, sabotage, vandalism, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability.

While the Company believes that it has adequate infrastructure to support current operations, future developments could limit the availability of certain aspects of the infrastructure. The Company could be adversely affected by the need for new infrastructure. There can be no guarantee that the Company will be successful in maintaining adequate infrastructure for its operations which could adversely affect the Company's business, operations and profitability.

Future increases in metal prices may lead to renewed increases in demand for exploration, development and construction services and equipment used in mineral exploration and development activities. Such increases could result in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability and may cause delays due to the need to coordinate the availability of services or equipment, any of which could materially decrease project exploration and development and/or increase production costs and limit profits.

Exploration and Development

There is no assurance that the Company's exploration and development programs and properties will result in the discovery, development or production of a commercially viable ore body or yield new reserves to replace or expand current reserves.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At this time, other than the mineral reserves on the Company's Guanaceví Mines Project, Bolañitos Mines Project and Terronera property, none of the Company's properties have any defined ore-bodies with reserves.

Substantial expenditures are required to discover an ore-body, to establish reserves, to identify the appropriate metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure. The economics of developing silver, gold and other mineral properties are affected by many factors including the accuracy of mineral resource and resource estimates, metal recoveries, capital and operating costs, variations of the tonnage and grade of ore mined, fluctuating mineral markets, the proximity and capacity of milling and smelting facilities, the availability and cost of skilled labour, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The Company is also subject to the risks associated with establishing mining operations including the potential for labour unrest, potential increases in cost structures due to changes in the cost of consumables, and construction and development costs exceeding the Company's forecasted costs. Development projects are also subject to the successful completion of economic evaluations or feasibility studies, issuance of necessary governmental permits and availability of adequate financing. Depending on the prices of silver, gold or other minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

In order to commence exploitation of certain properties presently held under exploration concessions, it is necessary for the Company to apply for an exploitation concession. There can be no guarantee that such a concession will be granted. Unsuccessful exploration or development programs could have a material adverse impact on the Company's operations and profitability.

Estimation of Mineral Reserves and Resources and Precious Metal Recoveries

There is a degree of uncertainty attributable to the calculation and estimation of mineral reserves and resources and their corresponding metal grades to be mined and recovered. Until reserves or resources are actually mined and processed, the quantities of mineralization and metal grades must be considered as estimates only. Any material change in the quantity of mineral reserves, mineral resources, grades and recoveries may affect the economic viability of the Company's properties. Mineral reserves with respect to the Company's properties have been calculated on the basis of economic factors at the time of calculation. Any subsequent variations in such factors may have an impact on the amount of the Company's mineral reserves. In addition, there can be no assurance that silver and gold recoveries or other metal recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production, or that the existing known and experienced recoveries will continue.

Decreases in the Market Price of Silver or Gold may render the Mining of Reserves Uneconomic

The mineral resource and reserve figures included in this AIF and the documents incorporated by reference have been estimated on the basis of economic factors at the time of estimation and no assurance can be given that the indicated level of silver and gold will be produced. Factors such as metal price fluctuations, increased production costs and reduced recovery rates may render the present proven and probable reserves unprofitable to develop at a particular site or sites for periods of time. Depending on metal prices, projected cash flow from planned mining operations may not be sufficient and the Company could be forced to discontinue operations or development at some of its properties or may be forced to sell some of its properties. Future production from the Company's mining properties is dependent on metal prices that are adequate to make these properties economic. Furthermore, mineral reserve and resource estimations and life-of-mine plans using significantly lower metal prices could result in material write-downs of the Company's investment in mineral properties and increased amortization, reclamation and closure charges. In addition, declining metal prices may impact operations by requiring a reassessment of the feasibility of a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Economic Conditions for Mining

Global financial markets are experiencing extreme volatility as a result of the ongoing COVID-19 pandemic, the Ukraine-Russia conflict, inflation, interest rate increases and the recent bank failures in the US and Europe. Events in global financial markets, and the volatility of global financial conditions, will continue to have an impact on the global economy. Many industries, including the mining sector, are impacted by market conditions. Some of the key impacts of financial market turmoil include devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. Financial institutions and large corporations may be forced into bankruptcy or need to be rescued by government authorities. Access to financing may also be negatively impacted by future liquidity crises throughout the world. These factors may impact the Company's ability to obtain equity or debt financing and, where available, to obtain such financing on terms favorable to the Company.

Increased levels of volatility and market turmoil could have an adverse impact on the Company's operations and planned growth and the trading price of the securities of the Company may be adversely affected.

The Company assesses the carrying values of its mineral properties on a quarterly basis.

Substantial Volatility of Share Price

The market prices for the securities of mining companies, including the Company's securities, have historically been highly volatile. The market has from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of any particular company. In addition, because of the nature of the Company's business, certain factors such as announcements and the public's reaction, the Company's operating performance and the performance of competitors and other similar companies, fluctuations in the market prices of resources, government regulations, changes in earnings estimates or recommendations by research analysts who track the Company's securities or securities of other companies in the resource sector, general market conditions, announcements relating to litigation, acquisitions or sales, equity financings by the Company, the arrival or departure of key personnel and the risk factors described in this AIF can have an adverse impact on the market price of the Company's common shares.

Any negative change in the public's perception of Endeavour's prospects could cause the price of the Company's securities, including the price of its common shares, to decrease dramatically. Furthermore, any negative change in the public's perception of the prospects of mining companies in general could depress the price of the Company's securities, including the price of its common shares, regardless of the Company's results. Following declines in the market price of a company's securities, securities class-action litigation is often instituted. Litigation of this type, if instituted, could result in substantial costs and a diversion of management's attention and resources.

Need for Additional Financing

The Company's current cash and cash-flows may not be sufficient to pursue additional exploration, development or discovery of additional reserves, extension to life-of-mines or new acquisitions and, the Company may require additional financing. Additional financing may not be available on acceptable terms, if at all. The Company may need additional financing by way of private or public offerings of equity or debt or the sale of project or property interests in order to have sufficient working capital for its business objectives, as well as for general working capital purposes.

The success and the pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions at that time. There can be no assurance that financing will be available to the Company or, if it is available, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, this may negatively impact the price of the Company's common shares and could result in dilution to shareholders and the interests of shareholders in the net assets of the Company may be diluted.

Replacement of Reserves and Resources

The Guanaceví and Bolañitos mines are the Company's only current sources of mineral production. Current life-of-mine plans provide for a defined production life for mining at the Company's mines. The Company's operating mines have expected lives of three to four years based on current proven and probable reserves, current production levels and managements estimated conversion of resources to reserves. If the Company's mineral reserves and resources are not replaced either by the development or discovery of additional reserves and/or extension of the life-of-mine at its current operating mines or through the acquisition or development of an additional producing mine, this could have an adverse impact on the Company's future cash flows, earnings, financial performance and financial condition, including as a result of requirements to expend funds for reclamation and decommissioning.

Acquisition Strategy

As part of the Company's business strategy, it has sought and will continue to seek new exploration, mining and development opportunities in the mining industry with a focus on silver and gold. In pursuit of such opportunities, it may fail to select appropriate acquisition candidates, negotiate appropriate acquisition terms, conduct sufficient due diligence to determine all related liabilities or to negotiate favourable financing terms. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit its business.

Any future acquisitions would be accompanied by risks, such as a significant decline in the relevant metal price after the Company commits to complete an acquisition on certain terms; the quality of the mineral deposit acquired proving to be lower than expected; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of its ongoing business; the inability of management to realize anticipated synergies and maximize its financial and strategic position; the failure to maintain uniform standards, controls, procedures and policies; and the potential for unknown or unanticipated liabilities associated with acquired assets and businesses, including tax, environmental or other liabilities. The attention required from the Company's management team may detract from the Company's day-to-day operations. There can be no assurance that any business or assets acquired in the future will prove to be profitable, that the Company will be able to integrate the acquired businesses or assets successfully or that the Company will identify all potential liabilities during the course of due diligence. Any of these factors could have a material adverse effect on its business, expansion, results of operations and financial condition.

Future acquisitions by the Company may be completed through the issuance of equity, in which case the interests of shareholders in the net assets of the Company may be diluted.

Foreign Operations

The Company's operations are currently conducted through subsidiaries principally in Mexico and secondarily in Chile and the USA. As such, its operations are exposed to various levels of political, economic and other risks and uncertainties which could result in work stoppages, blockades of the Company's mining operations and appropriation of assets. Some of the Company's operations are located in areas where Mexican drug cartels operate. These risks and uncertainties vary from region to region and include, but are not limited to, terrorism; hostage taking; local drug gang activities; military repression; expropriation; extreme fluctuations in currency exchange rates; changes in royalty regimes, including the elimination of tax exemptions; underdeveloped industrial and economic infrastructure; unenforceability of judgements; high rates of inflation; labour unrest; the risks of war or civil unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions arising from changes in government and otherwise, currency controls, import and export regulations and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Local opposition to mine development projects could arise in Mexico, and such opposition could be violent. If the Company were to experience resistance or unrest in connection with its Mexican operations, it could have a material adverse effect on its operations and profitability. To the extent the Company acquires mineral properties in jurisdictions other than Mexico, it may be subject to similar and additional risks with respect to its operations in those jurisdictions.

Government Regulation

The Company's operations, exploration and development activities are subject to extensive foreign federal, state and local laws and regulations governing such matters as environmental protection, management and use of toxic substances and explosives, management of natural resources, health, exploration and development of mines, production and post-closure reclamation, safety and labour, mining law reform, price controls, import and export laws, taxation, maintenance of claims, land use, land claims of local people, tenure, government royalties and expropriation of property.

Such laws and regulations may require the Company to obtain licenses and permits from various governmental authorities. The costs associated with compliance with these laws and regulations are substantial. Failure to comply with applicable laws and regulations, including licensing and permitting requirements, may result in civil or criminal fines, penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures, requiring the installation of additional equipment, requiring remedial actions or imposing additional local or foreign parties as joint venture partners, any of which could result in significant expenditures or loss of income by the Company.

Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Company's past and current operations, or possibly even those actions of parties from whom the Company acquired its mines or properties, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The Company retains competent and well trained individuals and consultants in jurisdictions in which it does business, however, even with the application of considerable skill the Company may inadvertently fail to comply with certain laws. Such events can lead to financial restatements, fines, penalties and other material negative impacts on the Company.

The Company's income and its mining, exploration and development projects, could be adversely affected by amendments to such laws and regulations, by future laws and regulations, by more stringent enforcement of current laws and regulations, by changes in the policies of Mexico and other applicable jurisdictions affecting investment, mining and repatriation of financial assets, by shifts in political attitudes in Mexico and by exchange controls and currency fluctuations. To the extent the Company acquires mineral properties in jurisdictions other than Mexico, it may be subject to similar and additional risks with respect to its operations in those jurisdictions. The effect, if any, of these factors cannot be accurately predicted.

The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing the Company's mining, exploration and development activities and operations in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations, and new taxes, could become such that the Company would not proceed with mining, exploration and development at one or more of its properties. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, and claims for damages to property and persons resulting from the Company's mining, exploration and development projects could result in substantial costs and liabilities for the Company, such that the Company would halt or not proceed with mining, exploration and development at one or more of its properties

Taxation in Multiple Jurisdictions

In the normal course of business, the Company is subject to assessment by taxation authorities in various jurisdictions. Income tax provisions and income tax filing positions require estimates and interpretations of income tax rules and regulations of the various jurisdictions in which the Company operates and judgments as to their interpretation and application to the Company's specific situation. The Company's business and operations of the business and operations of its subsidiaries is complex, and the Company has, historically, undertaken a number of significant financings, acquisitions and other material transactions. The computation of income taxes payable as a result of these transactions involves many complex factors as well as the Company's interpretation of, and compliance with, relevant tax legislation and regulations. While the Company's management believes that the provision for income tax is appropriate and in accordance with IFRS and applicable legislation and regulations, tax filing positions are subject to review and adjustment by taxation authorities, which may challenge the Company's interpretation of the applicable tax legislation and regulations. Any review or adjustment may have a material adverse effect on the Company's financial condition.

The introduction of new tax laws, tax reforms, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in Canada, the USA, México, or Chile or any other countries in which the Company's subsidiaries may be located, or to which shipments of products are made, could result in an increase in the Company's taxes payable, or other governmental charges, interest and penalties, duties or impositions. No assurance can be given that new tax laws, tax reforms, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted or applied in a manner which could result in the Company's profits being subject to additional taxation, interest and penalties, or which could otherwise have a material adverse effect on the Company.

Obtaining and Renewing Government Permits

In the ordinary course of business, the Company is required to obtain and renew government permits for the operation and expansion of existing operations or for the development, construction and commencement of new operations. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and possibly involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control including the interpretation of applicable requirements implemented by the permitting authority. Further, there can be no assurance that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at the Company's projects.

The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

Environmental, Health and Safety Regulations

The Company's operations are subject to extensive laws and regulations governing the protection of the environment, natural resources and human health. These laws address, among other things, emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species, reclamation of lands disturbed by mining operations, and employee safety and health. The Company is required to obtain governmental permits and, in some instances, provide bonding requirements under federal, state or provincial air, water quality, and mine reclamation rules and permits. Although the Company makes provisions for reclamation costs, it cannot be assured that these provisions will be adequate to discharge the Company's future obligations for these costs. Violations of environmental, health and safety laws may be subject to civil sanctions and, in some cases, criminal sanctions, including the suspension or revocation of permits. While responsible environmental, health and safety stewardship is one of the Company's core values, there can be no assurance that it has been or will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future environmental laws and permits will not materially and adversely affect the Company's business, results of operations or financial condition.

Under certain environmental laws, the Company could be held jointly and severally liable for removal or remediation of any hazardous substance contamination at its current, former and future properties, at nearby properties, or at other third-party sites where the Company's wastes may have migrated or been disposed. The Company could also be held liable for damages to natural resources resulting from hazardous substance contamination. Additionally, environmental laws in some of the countries in which the Company operates require that the Company periodically perform environmental impact studies at the Company's mines. The Company cannot guarantee that these studies will not reveal environmental impacts that would require the Company to make significant capital outlays or cause material changes or delays in its intended activities, any of which could adversely affect the Company's business.

There has also been increased global attention and the introduction of regulations restricting or prohibiting the use of cyanide and other hazardous substances in mineral processing activities. If legislation restricting or prohibiting the use of cyanide were to be adopted in a region in which the Company relies on the use of cyanide, it would have a significant adverse impact on the Company's results of operations and financial condition as there are few, if any, substitutes for cyanide in extracting metals from certain types of ore.

The failure to comply with environmental laws and regulations or liabilities related to hazardous substance contamination could result in project development delays, material financial impacts or other material impacts to the Company's projects and activities, fines, penalties, lawsuits by the government or private parties, or material capital expenditures. Environmental legislation in many countries is evolving and the trend has been towards stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects, and increasing responsibility for companies and their officers, directors and employees. Future changes in these laws or regulations could have a significant adverse impact on some portion of the Company's business, causing the Company to re-evaluate those activities at that time.

Environmental hazards that may have been caused by previous or existing owners or operators may exist on the Company's mineral properties, but are unknown to the Company at present.

Mine Closure and Reclamation

Mine closure and reclamation involves long-term management of permanent engineered structures, achievement of environmental closure standards, orderly termination of employees and contractors and ultimately relinquishment of the site. The successful completion of these and other associated tasks is dependent on sufficient financial resources and the ability to successfully implement negotiated agreements with relevant governmental authorities, communities, unions, employees and other stakeholders. Over the last several years, such requirements have been changing, with increasing obligations imposed in many jurisdictions.

In order to carry out reclamation and mine closure obligations imposed on the Company in connection with its exploration, potential development and production activities, the Company must allocate financial resources that might otherwise be spent on further exploration and development programs, including providing the appropriate regulatory authorities with reclamation financial assurance. The amount and nature of the financial assurance are dependent upon a number of factors, including the Company's financial condition and reclamation cost estimates. Changes to these amounts, as well as the nature of the collateral to be provided, could significantly increase the Company's costs, making the maintenance and development of existing and new mines less economically feasible. To the extent that the value of the collateral provided to the regulatory authorities is or becomes insufficient to cover the amount of financial assurance the Company is required to post, the Company would be required to replace or supplement the existing security with more expensive forms of security, which might include cash deposits, which would reduce the Company's cash available for operations and financing activities. There can be no guarantee that the Company will be able to maintain or add to the Company's current level of financial assurance. The Company may not have sufficient capital resources to further supplement the Company's existing security.

Certain of the Company's mineral properties have been subject to historic mining operations and certain of the mineral properties that were historically mined by the Company are subject to remediation obligations. In addition, the actual costs of reclamation and mine closure are uncertain and planned expenditures may differ from the actual expenditures required. Therefore, the amount that the Company is required to spend could be materially higher than current estimates. Any additional amounts required to be spent on reclamation and mine closure may have an adverse effect on the Company's financial position and results of operations and may cause the Company to alter the Company's operations.

Climate Change

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent.

Currently, a number of international and national measures to address or limit emissions are in various phases of discussion or implementation in the countries in which the Company operates. These or future measures could require the Company to reduce its direct emissions or energy use or to incur significant costs for emissions permits or taxes or have these costs or taxes passed on by electricity utilities which supply the Company's operations. The cost of compliance with environmental regulation and changes in environmental regulation have the potential to result in increased cost of operations, reducing the profitability of the Company's operations. The Company could also incur significant costs associated with capital equipment, emission monitoring and reporting and other obligations to comply with applicable requirements. If the current regulatory trend continues, this may result in increased costs at some or all of the Company's operations.

The Company's operations could also be exposed to a number of physical risks from climate change, such as changes in rainfall rates, reduced water availability, higher temperatures and extreme weather events. Events or conditions such as flooding or inadequate water supplies could disrupt mining and transport operations, mineral processing and rehabilitation efforts, could create resource shortages and could damage the Company's property or equipment and increase health and safety risks on site. Such events or conditions could have other adverse effects on the Company's workforce and on the communities around the Company's mines, such as an increased risk of food insecurity, water scarcity and prevalence of disease. There can be no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have an adverse effect on the Company's operations and profitability.

Health and Safety Hazards

Workers involved in mining operations are subject to many inherent health and safety risks and hazards, including, but not limited to, contraction of COVID-19, rock bursts, cave-ins, floods, falls of ground, tailings dam failures, chemical hazards, mineral dust and gases, use of explosives, noise, electricity and moving equipment (especially heavy equipment) and slips and falls, which could result in occupational illness or health issues, personal injury, and loss of life, and/or facility and workforce evacuation. These risks cannot be eliminated and may adversely affect the Company's reputation, business and future operations.

Title to Assets

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. The Company's claims may be subject to prior unregistered agreements, transfers or indigenous peoples' land claims and title may be affected by unidentified or unknown defects.

The Company has conducted as thorough an investigation as possible on the title of properties that it has acquired or will be acquiring to be certain that there are no other claims or agreements that could affect its title to the concessions or claims. If title to the Company's properties is disputed, it may result in the Company paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Company.

Indigenous Peoples' Title Claims

Some of the Company's properties may be subject to the rights or the asserted rights of various community stakeholders, including indigenous peoples. The presence of community stakeholders may impact the Company's ability to develop or operate its mining properties and projects or to conduct exploration activities. Accordingly, the Company is subject to the risk that one or more groups may oppose the continued operation, further development, or new development or exploration of the Company's current or future mining properties and projects. Such opposition may be directed through legal or administrative proceedings, or through protests or other campaigns against the Company's activities. Governments in many jurisdictions must consult with, or require the Company to consult with, indigenous peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations and permits, pursuant to various international and national laws, codes, resolutions, conventions and guidelines.

Consultation and other rights of indigenous peoples may require accommodation including undertakings regarding employment, royalty payments and other matters. This may affect the Company's ability to acquire within a reasonable time effective mineral titles, permits or licenses in these jurisdictions, including in some parts of the United States, Mexico and Chile in which title or other rights are claimed by indigenous peoples, and may affect the timetable and costs of development and operation of the Company's mineral properties in these jurisdictions. In addition, the risk of unforeseen title claims by indigenous peoples could affect existing operations and development projects. These legal requirements may also affect the Company's ability to expand or transfer existing operations or to develop new projects.

Employee Recruitment and Retention

Recruiting and retaining qualified personnel is critical to the Company's success. The Company is dependent on the services of key executives including the Company's Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and other highly skilled and experienced executives and personnel focused on managing the Company's interests. The number of persons skilled in acquisition, exploration, development and operation of mining properties are limited and competition for such persons is intense. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that the Company will be successful in attracting, training and retaining qualified personnel. If the Company is not able to attract, hire and retain qualified personnel, the efficiency of the Company's operations could be impaired, which could have an adverse impact on the Company's future cash flows, earnings, financial performance and financial condition. The lack of availability of qualified personnel may also cause the Company to experience increases in recruiting and training costs and decreases in operating efficiency, productivity and profit margins.

Community Relations

The Company's relationships with the communities in which the Company operates are critical to ensuring the future success of existing operations and the construction and development of future projects. There is an increasing level of public interest worldwide relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations ("**NGO**"), some of which oppose globalization and resource development, are often vocal critics and attempt to interfere with the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. Adverse publicity generated by such NGOs or others related to extractive industries generally, or their operations specifically, could have an adverse effect on the Company's reputation or financial condition and may impact the Company's relationship with the communities in which it operates. While the Company believes that it operates in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

Potential Conflicts of Interest

The directors and officers of the Company may serve as directors and/or officers of other public and private companies, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest.

To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

There is no assurance that the needs of the Company will receive priority in all cases. From time to time, several companies may participate together in the acquisition, exploration and development of natural resource properties, thereby allowing these companies to: (i) participate in larger properties and programs; (ii) acquire an interest in a greater number of properties and programs; and (iii) reduce their financial exposure to any one property or program. A particular company may assign, at its cost, all or a portion of its interests in a particular program to another affiliated company due to the financial position of the company making the assignment.

In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, it is expected that the directors and officers of the Company will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time. If a conflict of interest arises, any director in a conflict is required to disclose his or her interest and abstain from voting on such matter. Such conflicts of the Company's directors and officers may result in a material and adverse effect on the Company's profitability, results of operation and financial condition. As a result of these conflicts of interest, the Company may miss the opportunity to participate in certain transactions, which may have a material adverse effect on the Company's financial position.

Third Party Reliance

The Company's rights to acquire interests in certain mineral properties have been granted by third parties who themselves may hold only an option to acquire such properties. As a result, the Company may have no direct contractual relationship with the underlying property holder.

Dilution

The Company may issue and sell additional securities of the Company from time to time. The Company cannot predict the size of future issuances of securities of the Company or the effect, if any, that future issuances and sales of securities will have on the market price of any securities of the Company that are issued and outstanding from time to time. Sales or issuances of substantial amounts of securities of the Company, or the perception that such sales could occur, may adversely affect prevailing market prices for the securities of the Company that are issued and outstanding from time to time. With any additional sale or issuance of securities of the Company, holders will suffer dilution with respect to voting power and may experience dilution in the Company's earnings per share.

Differences in U.S. and Canadian reporting of mineral reserves and resources

The Company's mineral reserve and resource estimates are not directly comparable to those made in filings subject to SEC reporting and disclosure requirements as the Company generally reports mineral reserves and resources in accordance with Canadian practices. These practices are different from those used to report mineral reserve and resource estimates in reports and other materials filed with the SEC.

Accordingly, information concerning descriptions of mineralization, reserves and resources contained in this AIF, or in the documents incorporated herein by reference, may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.

Financial Reporting Standards

The Company prepares its financial reports in accordance with IFRS. In preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. Significant accounting policies are described in more detail in the Company's audited financial statements. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported, the Company has implemented and continues to analyze its internal control systems for financial reporting. Although the Company believes its financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, the Company cannot provide absolute assurance.

Material weaknesses in the internal control over financial reporting

The Company documented and tested, during its most recent fiscal year, its internal control procedures in order to satisfy the requirements of Section 404 of the U.S. Sarbanes-Oxley Act ("**SOX**") which requires an annual assessment by management of the effectiveness of the Company's internal control over financial reporting and an attestation report by the Company's independent auditor addressing this assessment. The Company may fail to achieve and maintain the adequacy of its internal control over financial reporting as such standards are modified, supplemented, or amended from time to time, and the Company may not be able to ensure that it can conclude on an ongoing basis that it has effective internal control over financial reporting in accordance with Section 404 of SOX. The Company's failure to satisfy the requirements of Section 404 of SOX on an ongoing, timely basis could result in the loss of investor confidence in the reliability of the Company's financial statements, which in turn could harm the business and negatively affect the trading price of the Company's common shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause us to fail to meet reporting obligations.

Future acquisitions of companies may also provide the Company with challenges in implementing the required processes, procedures and controls in its acquired operations. Acquired companies may not have disclosure controls and procedures or internal control over financial reporting that are as thorough or effective as those required by securities laws currently applicable to the Company.

No evaluation can provide complete assurance that the internal control over financial reporting will detect or uncover all failures of persons within the Company to disclose material information required to be reported. The effectiveness of the Company's controls and procedures could also be limited by simple errors or faulty judgments. In addition, as the Company expands, the challenges involved in implementing appropriate internal control over financial reporting will increase and will require that it continue to improve the internal control over financial reporting. Although the Company intends to devote substantial time and incur substantial costs, as necessary, to ensure ongoing compliance, it cannot be certain that it will be successful in complying with Section 404 of SOX.

As a "foreign private issuer", the Company is exempt from Section 14 proxy rules and Section 16 of the Securities Exchange Act of 1934

The Company is a "foreign private issuer" as defined in Rule 3b-4 under the United States Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"). Equity securities of the Company are accordingly exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the U.S. Exchange Act pursuant to Rule 3a12-3 of the U.S. Exchange Act. Therefore, the Company is not required to file a Schedule 14A proxy statement in relation to the annual meeting of shareholders. The submission of proxy and annual meeting of shareholder information on Form 6-K may result in shareholders having less complete and timely information in connection with shareholder actions. The exemption from Section 16 rules regarding reports of beneficial ownership and purchases and sales of common shares by insiders and restrictions on insider trading in the Company's securities may result in shareholders having less data and there being fewer restrictions on insiders' activities in the Company's securities.

Claims under U.S. Securities Laws

The enforcement by investors of civil liabilities under the federal securities laws of the United States may be affected adversely by the fact that the Company is incorporated under the laws of British Columbia, Canada, that the independent chartered public accountants who have audited the Company's financial statements and some or all of the Company's directors and officers may be residents of Canada or elsewhere, and that all or a substantial portion of the Company's assets and said persons are located outside the United States. As a result, it may be difficult for holders of the Company's common shares to effect service of process within the United States upon people who are not residents of the United States or to realize in the United States upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States.

Lack of Dividends

The Company has never declared or paid any dividends on the common shares. Endeavour intends, for the foreseeable future, to retain its future earnings, if any, to finance its exploration activities and further development and the expansion of the business. The payment of future dividends, if any, will be reviewed periodically by the Board of Directors of Endeavour and will depend upon, among other things, conditions then existing including earnings, financial conditions, cash on hand, financial requirements to fund the Company's exploration activities, development and growth, and other factors that the Board may consider appropriate in the circumstances.

Financial Instruments

From time to time, the Company may use certain financial instruments to manage the risks associated with changes in silver prices, interest rates and foreign currency exchange rates. The use of financial instruments involves certain inherent risks including, among other things: (i) credit risk, the risk of default on amounts owing to the Company by the counterparties with which Company has entered into such transaction; (ii) market liquidity risk, the risk that the Company has entered into a position that cannot be closed out quickly, either by liquidating such financial instrument or by establishing an offsetting position; and (iii) unrealized mark-to-market risk, the risk that, in respect of certain financial instruments, an adverse change in market prices for commodities, currencies or interest rates will result in the Company incurring an unrealized mark-to-market loss in respect of such derivative products. Volatility of external factors beyond the Company's control may result in substantial and permanent losses. Furthermore, to adequately reduce these risks to acceptable levels, available investment alternatives may result in limited or no return on these assets and any derivative which may be acquired in attempt to mitigate these risks may be ineffective.

Legal Proceedings

The Company is subject to various claims and legal proceedings, including adverse rulings in current or future litigation against the Company and/or its directors or officers, covering a wide range of matters that arise in the ordinary course of business activities. Each of these matters is subject to various uncertainties and it is possible that some of these matters may be resolved unfavorably to the Company, which may result in a material adverse impact on the Company's financial performance, cash flow or results of operations. The Company carries liability insurance coverage and establishes reserves for matters that are probable and can be reasonably estimated; however, there can be no guarantee that the amount of such coverage is sufficient to protect against all potential liabilities. In addition, the Company may be involved in disputes with other parties in the future that may result in litigation, which may have a material adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Anti-Corruption and Anti-Bribery Laws

The Company's operations are governed by, and involve interactions with, various levels of government in foreign countries. The Company is required to comply with anti-corruption and anti-bribery laws, including the *Corruption of Foreign Public Officials Act* (Canada) and the *Foreign Corrupt Practices Act* (US) and similar laws in México and other jurisdictions in which it operates. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. A company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. The Company's internal procedures and programs may not always be effective in ensuring that it, its employees, contractors or third-party agents will comply strictly with all such applicable laws. If the Company becomes subject to an enforcement action or is found to be in violation of such laws, this may have a material adverse effect on the Company's reputation, result in significant penalties or sanctions, and have a material adverse effect on the Company's operations.

Compliance with Canada's Extractive Sector Transparency Measures Act

The *Extractive Sector Transparency Measures Act* (Canada) ("**ESTMA**") requires public disclosure of certain payments to governments by companies engaged in the commercial development of minerals which are publicly listed in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments, including aboriginal groups.

ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends and infrastructure improvements. If the Company becomes subject to an enforcement action or is in violation of ESTMA, this may result in significant penalties or sanctions which may also have a material adverse effect on the Company's reputation.

Information Systems and Cyber Security

Our operations depend, in part, upon information technology systems. The Company's information technology systems are subject to disruption, damage or failure from a number of sources, including, but not limited to, hacking, computer viruses, security breaches, natural disasters, power loss, vandalism, theft and defects in design. Any of these and other events could result in information technology systems failures, operational delays, production downtimes, destruction or corruption of data, security breaches or other manipulation or improper use of the Company's data, systems and networks, any of which could have adverse effects on the Company's reputation, business, results of operations, financial condition and share price.

Our risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect the Company's systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

4.3 Asset-Backed Securities Outstanding

The Company has not issued any asset-backed securities.

4.4 Mineral Projects - Recent Developments

Summary of Mineral Reserves and Mineral Resources Estimates

The following tables summarize as at December 31, 2022 the Company's estimated mineral reserves and mineral resources on its material mineral properties and select non-material mineral properties, all of which are wholly owned. Information in the following tables and the notes thereto are from the respective technical reports and include updates on operations at Guanaceví and Bolañitos that consider extraction of reserves and resources for the full calendar 2022 year and resources/reserves generated by additional drilling and/or development.

Silver-Gold Proven and Probable Reserves (as at December 31, 2022)	Tonnes (000s)	Ag g/t	Au g/t	Ag Eq g/t	Ag oz (000s)	Au oz (000s)	Ag Eq oz (000s)
Proven							
Guanaceví	311	527	1.45	643	5,274	14.5	6,435
Bolañitos	169	65	2.60	273	352	14.1	1,479
Total Proven	**480**	**365**	**1.85**	**513**	**5,626**	**28.6**	**7,914**
Probable							
Guanaceví	690	408	1.09	495	9,052	24.3	10,995
Bolañitos	350	64	2.27	246	723	25.6	2,768
Terronera	7,380	197	2.25	374	46,707	534.0	88,834
Total Probable	**8,420**	**209**	**2.16**	**379**	**56,482**	**583.9**	**102,597**
Total Proven & Probable	**8,900**	**217**	**2.14**	**386**	**62,108**	**612.5**	**110,511**

Silver-Gold Measured and Indicated Resources (as at December 31, 2022)	Tonnes (000s)	Ag g/t	Au g/t	Ag Eq g/t	Ag oz (000s)	Au oz (000s)	Ag Eq oz (000s)
Measured							
Guanaceví	165	538	1.37	647	2,860	7.3	3,440
Bolañitos	91	75	3.24	334	219	9.4	974
Total Measured	**256**	**374**	**2.03**	**537**	**3,079**	**16.7**	**4,414**
Indicated							
Guanaceví	446	335	0.79	399	4,813	11.3	5,720
Bolañitos	355	107	2.36	296	1,216	27.0	3,374
Parral	433	271	-	271	3,773	-	3,773
Total Indicated	**1,234**	**247**	**0.97**	**324**	**9,802**	**38.3**	**12,866**
Total Measured & Indicated	**1,490**	**269**	**1.15**	**361**	**12,881**	**55.0**	**17,280**

Silver-Gold Inferred Resources (as at December 31, 2022)	Tonnes (000s)	Ag g/t	Au g/t	Ag Eq g/t	Ag oz (000s)	Au oz (000s)	Ag Eq oz (000s)
Inferred							
Guanaceví	711	460	0.95	535	10,506	21.7	12,239
Bolañitos	1,230	143	2.11	312	5,642	83.4	12,315
Terronera	1058	212	2.50	400	7,214	85.0	13,601
Parral	3,180	322	0.21	339	32,938	21.7	34,677
Total Inferred	**6,179**	**283**	**1.07**	**367**	**56,300**	**211.8**	**72,831**

Silver-Gold-Lead-Zinc Resources (as at December 31, 2022)										
	Tonnes (000s)	Ag g/t	Au g/t	Ag Eq g/t	Ag oz (000s)	Au oz (000s)	Ag Eq oz (000s)	Pb%	Zn%	Cu%
Indicated										
Guanacevi	363	208	0.26	229	2,421	3.1	2,670	0.78	1.32	-
Pitarrilla in Pit (Oxide & Transition)	133,900	87	-	112	375,100	-	483,200	0.19	0.48	-
Pitarrilla Underground (Sulphide)	24,800	146	-	264	116,500	-	210,700	1.01	2.14	-
Parral (Cometa)	180	55	1.17	149	320	6.8	860	3.20	3.30	-
Calicanto	360	146	0.97	224	1,690	11.0	2,600	3.19	4.17	0.11
Total Indicated	**159,603**	**97**	**0.00**	**136**	**496,031**	**20.9**	**700,030**	**0.33**	**0.75**	**0.00**
Inferred										
Guanacevi	488	132	0.16	145	2,076	2.5	2,272	1.36	2.54	-
Pitarrilla in Pit (Oxide & Transition)	25,600	76	-	100	63,000	-	82,700	0.14	0.48	-
Pitarrilla Underground (Sulphide)	9,800	116	-	218	36,400	-	68,600	0.93	1.8	-
Parral (Cometa)	880	74	1.45	190	2,100	41.0	5,376	3.27	3.24	-
Calicanto	268	111	1.01	192	960	9.0	1,650	2.65	3.73	0.09
Total Inferred	**37,036**	**88**	**0.04**	**135**	**104,536**	**52.5**	**160,598**	**0.46**	**0.95**	**0.00**

Notes to Mineral Resources and Reserves tables

1 Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that any or all part of the Mineral Resources will be converted into Mineral Reserves. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

2 The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

3 The Mineral Resources in this estimate were calculated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

4 Mineral Resources are exclusive of and in addition to Mineral Reserves.

5 Guanacevi Mineral Resource and Mineral Reserve cut-off grades are based on a 201 g/t silver equivalent for Santa Cruz Sur of Guanacevi and 207 g/t silver equivalent for Santa Cruz, 207 g/t silver equivalent for Milache and 254 g/t silver equivalent for Ocampo and Porvenir Norte of Guanaceví; Metallurgical recoveries were 87.4% silver and 91.8% gold for Guanaceví.

6 The cutoff grade applied for resource calculation at the regional polymetallic projects at Guanacevi (Noche Buena and Buena Fe) is 202g/t silver equivalent. The silver equivalent is based on the calculated NSR for each element based on the following price assumptions US$16.29/oz for silver, US$1,195/oz for gold, US$0.82/lb for lead and US$0.90/lb for zinc.

7 Bolañitos Mineral Resource and Mineral Reserve cut-off grades are based on 161 g/t silver equivalent for Golondrinas, Belen and Veta Madre, 152 g/t silver equivalent for La Luz Ramp, 161 g/t Silver equivalent for the Lucero Ramp and 154 g/t silver equivalent for San Miguel ramp area. Metallurgical recoveries were 87.3% silver and 90.7% gold for Bolañitos silver and 90.1% gold for Bolañitos.

8 Terronera mineral reserves are reported using a silver equivalency cut-off formula AgEq (g/t) = Ag (g/t) + (Au (g/t) x 78.9474). Cut-off grade varies between 156 g/t to 200 g/t AgEq depending on mining method. Metal prices used were $1,500/oz Au and $19.00/oz Ag. Metallurgical recovery of 84.9% for silver and 79.8% for gold, transport, treatment and refining charges of $0.75/oz Ag, and NSR royalties of 2.5%. Mineral Reserves are reported based on mining costs of $30.00/t for sub-level open stoping, $49.18/t for cut and fill, and $48.00/t for shrinkage mining, and $28.46/t for process costs, and $8.49/t for G&A costs.

9 Terronera mineral resources are constrained within a wireframe constructed at a nominal 150 g/t AuEq cut-off grade. A 150 g/t AgEq cut-off grade considers Wood's guidance on industry consensus for long term silver and gold prices for Mineral Resource estimation, metallurgical performance, mining, processing, and site G&A operating costs, treatment and refining charges, and royalties. Mineral Resources are stated as in-situ with no consideration for planned or unplanned external mining dilution. The silver and gold ounces estimates presented in the Mineral Resource estimate table have not been adjusted for metallurgical recoveries.

10 Parral Mineral Resources are estimated at a cut-off grade of 130 g/t AgEq for Palmilla, Veta Colorada, and San Patricio, 200 g/t Ag for Sierra Plata, and an NSR cut-off value of US$55/t for El Cometa. The NSR and AgEq values are based on estimated metallurgical recoveries, assumed metal prices and smelter terms, which include payable factors, treatment charges, penalties, and refining charges. Metal price assumptions were: US$17/oz Ag, US$1,275/oz Au, US$1.15/lb Zn, and US$1.00/lb Pb A minimum mining width of 1.5 m was used for Sierra Plata, and 1.75 m for all other veins.

11 Calicanto Mineral Resources are estimated at a cut-off value of US$200 VIT (value in-situ) for Calicanto, Santa Fe and Misie veins areas. The VIT values are based on metal price assumptions of: US$23.98/oz Ag, US$1,815/oz Au, US$3.5/lb Cu, US$0.94/lb Pb, and US$1.25/lb Zn. A minimum mining width of 1.0 m was used.

12 Mining recovery of 91% was applied for Guanaceví; 93% for Bolañitos, and 95% for Terronera for Mineral Reserve Estimate calculations. Minimum mining widths were 0.8 metres for Mineral Reserve Estimate calculations.
13 Dilution factors for Mineral Reserve Estimate calculations averaged 35.5% for Guanaceví, 37.3% for Bolañitos, and 20% for Terronera. For current operations dilution factors are based on vein width diluted to width of drive for lateral sill preparation (generally >30%) and internal stope dilution calculations and external dilution factors of 24% for cut and fill mining and 40% for long hole mining.
14 Silver equivalent grades are based on a 80:1 silver:gold ratio and calculated including only silver and gold. Silver equivalent grades for Terronera are based on a 78:9474 silver:gold ratio and calculated including only silver and gold.
15 Indicated and Inferred Silver-Gold Mineral Resources for "Parral" includes the Colorada, Palmilla and San Patricio areas.
16 The Veta Colorada structure (Parral) does not contain gold on an economic scale.
17 Price assumptions for Guanaceví and Bolañitos, are US$23/oz for silver, US$1,725/oz for gold.
18 Figures in tables are rounded to reflect estimate precision; small differences generated by rounding are not material to the estimates.

Notes on the Pitarrilla Resource Estimate

19 The classification of the current Mineral Resource Estimate into Indicated and Inferred Mineral Resources is consistent with current 2014 CIM Definition Standards - For Mineral Resources and Mineral Reserves.
20 All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.
21 All Mineral Resources are presented undiluted and in situ, constrained by continuous 3D wireframe models, and are considered to have reasonable prospects for eventual economic extraction.
22 Mineral Resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
23 It is envisioned that parts of the Pitarrilla deposit (oxide and transition mineralization) may be mined using open pit mining methods. In-pit mineral resources are reported at a cut-off grade of 50 g/t AgEq within a conceptual pit shell, which has been limited to the base of the transition mineralization.
24 The results from the pit optimization are used solely for the purpose of testing the "reasonable prospects for economic extraction" by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the Property. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade.
25 It is envisioned that parts of the Pitarrilla deposit (sulphide mineralization) may be mined using underground mining methods. Underground (below-pit) Mineral Resources are estimated from the bottom of the pit (base of transition mineralization) and are reported at a base case cut-off grade of 150 g/t AgEq. The underground Mineral Resource grade blocks were quantified above the base case cut-off grade, below the constraining pit shell and within the constraining mineralized wireframes. At this base case cut-off grade the deposit shows good deposit continuity with limited orphaned blocks. Any orphaned blocks are connected within the models by lower grade blocks and are included in the Mineral Resource estimate.
26 Based on the size, shape, location and orientation of the Pitarrilla deposit, it is envisioned that the deposit may be mined using low cost underground bulk mining methods (i.e. longhole mining).
27 High grade capping of Ag, Pb and Zn was done on 1.50 metre composite data.
28 Bulk density values were determined based on physical test work from each deposit model and waste model.
29 AgEq Cut-off grades consider metal prices of $22.00/oz Ag, $1.00/lb Pb and $1.30/lb Zn and considers variable metal recoveries for Ag, Pb and Zn: oxide and transition mineralization - 75% for silver, 70% for Pb and 65% for Zn; sulphide mineralization - 86% for silver, 91% for Pb and 85% for Zn.
30 The pit optimization and in-pit base case cut-off grade of 50 g/t AgEq considers a mining cost of US$2.50/t rock and processing, treatment and refining, transportation and G&A cost of US$22.40/t mineralized material, an overall pit slope of 42° for oxide and 48° for transition and metal recoveries. The below-pit base case cut-off grade of 150 g/t AgEq considers a mining cost of US$46.50/t rock and processing, treatment and refining, transportation and G&A cost of US$30.90/t mineralized material.
31 The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
32 The database used for the current mineral resource estimate comprises data for 804 surface reverse circulation and diamond drill holes completed in the deposit area, which total 254,386 metres. The database totals 134,441 assay intervals for 188,816 metres.

33 The mineral resource estimate is based on 19 three-dimensional ("3D") resource models representing oxide, transition and sulphide mineralization, as well as 9 lithological 3D solids and a digital elevation surface model. The main Pitarrilla deposit generally strikes 330° to 335° and dips/plunges steeply east-northeast (-60° to -65°). The oxide mineralization in the Cordon Colorado and Javelina Creek Zones extend for 700 to 900 metres southwest and northeast of the main Breccia Ridge Zone.

34 Silver, lead and zinc were estimated for each mineralization domain in the Pitarrilla deposit. Blocks within each mineralized domain were interpolated using 1.5 metres capped composites assigned to that domain. To generate grade within the blocks, the inverse distance squared (ID 2) interpolation method was used for all domains.

Guanaceví Mines Project, Durango State, Mexico

The executive summary of the Guanaceví Mines Project attached hereto as Schedule "A" is extracted from a technical report titled "NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Guanaceví Project, Durango State, Mexico" co-authored by the Company and by Hard Rock Consulting, LLC (" Hard Rock "), a full-service geologic and mine engineering firm, with an effective date of November 5, 2022 and dated December 14, 2022 (the "**Guanaceví Technical Report** "). The detailed disclosure on the Guanaceví Project in the Guanaceví Technical Report is incorporated into this AIF by reference and the summary attached as Schedule "A" is subject to all the assumptions, qualifications and procedures set out in the Guanaceví Technical Report. The complete report can be viewed on SEDAR at www.sedar.com.

Guanaceví Exploration Update

During 2022, the Company drilled 10,424 m in 38 holes to delineate and test extensions of the El Curso and Porvenir Dos orebodies. Drilling confirmed expectations and intersected significant silver-gold mineralization with similar grades and vein widths to historical intercepts and ore grades. The Company also invested $16.9 million to develop 4.7 km of underground ramps and access.

In 2023, management plans to invest $22.9 million in capital projects at the Guanaceví mine, including the development of 4.5 km of mine access at the Milache, SCS and the P4E orebodies for an estimated $14.0 million. The additional $8.9 million will go to upgrade the mining fleet, support site infrastructure and improve plant infrastructure.

Guanaceví Mineral Resource Estimation Update

The estimation of the mineral resource for the Guanaceví mining operation is based on drill hole data constrained by geologic vein boundaries. Both, exploration and production data (development drives and stopes) are used for modelling estimation and classification. The interpolation is assessed through Ordinary Kriging algorithm.

The channel composite database cut-off date for mineral resource estimation was September 30, 2022, while the cut-off date for exploration drilling used for mineral resource estimation was October 31, 2022. Unfortunately, at Guanacevi, a new area between Porvenir 2 and Porvenir 4 could not be incorporated as results were not received in time due to delays at the assay labs. Significant intersections in this area are summarized below:

The Company used criteria of distance from composites and the number of samples to classify the mineral resources into measured, indicated or inferred. Measured mineral resources are those blocks with at least 6 composites, laying within 1/3 of the variogram range (25m x 10m x vein width). Indicated mineral resources are those blocks estimated by at least 2 drill holes or 2 composites laying within 2/3 of the variogram range (50m x 20m x vein width). Inferred mineral resources are those blocks with at least one drill hole laying within 1.5x variogram range (75m x 50m x vein width).

Guanacevi Silver-Gold Mineral Resources (as at December 31, 2022)							
	Tonnes (000s)	Ag g/t	Au g/t	Ag Eq g/t	Ag oz (000s)	Au oz (000s)	Ag Eq oz (000s)
Measured	165	538	1.37	647	2,860	7	3,440
Indicated	446	335	0.79	399	4,813	11	5,720
Total Measured and Indicated	**612**	**390**	**0.94**	**466**	**7,673**	**19**	**9,160**
Inferred	**711**	**460**	**0.95**	**535**	**10,506**	**22**	**12,239**

Notes for Mineral Resource estimation

1. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that any or all of the mineral resources will be converted into mineral reserves.
2. Mineral resources are exclusive of and in addition to mineral reserves.
3. Guanaceví mineral resource cut-off grades are based on a 201 g/t silver equivalent for Santa Cruz Sur, 207 g/t silver equivalent for Santa Cruz, 207 g/t silver equivalent for Milache of Guanaceví and 254 g/t silver equivalent for Porvenir Norte and the El Curso concession of Guanaceví.
4. Dilution factor and mining recovery for mineral resources are not applied.
5. Price assumptions are $23/oz for silver and $1,725/oz for gold

Guanaceví Mineral Reserve Estimation Update

The mineral reserve estimate includes the Santa Cruz, Porvenir Norte, Milache and Porvenir Cuatro areas of the mine with an effective date of December 31, 2022.

The mining breakeven cut-off grade includes internal stope dilution and was utilized to generate the stope designs for defining the reserves. The cut-off is stated as silver equivalent since the ratio between gold and silver is variable and both commodities are sold. Silver equivalent grade is calculated as the silver grade plus gold grade multiplied by 80, taking into account gold and silver prices and expected mill recoveries.

Mineral reserves are derived from measured and indicated resources after applying the economic parameters as stated below, while utilizing Vulcan software to generate stope designs for the reserve mine plan. The Guanaceví Project mineral reserves are derived and classified according to the following criteria:

- Proven mineral reserves are the economically mineable part of the measured resource for which mining and processing / metallurgy information and other relevant factors demonstrate that economic extraction is feasible. For Guanaceví Project, this applies to blocks located within approximately 15 m of existing development and for which the Company has a mine plan in place.
- Probable mineral reserves are those measured or indicated mineral resource blocks which are considered economic and for which the Company has a mine plan in place. For the Guanaceví mine project, this is applicable to blocks located a maximum of 25 m to 40 m either vertically or horizontally from development and the drill hole data.

Guanacevi Silver-Gold Mineral Reserves (as at December 31, 2022)	Tonnes (000s)	Ag g/t	Au g/t	Ag Eq g/t	Ag oz (000s)	Au oz (000s)	Ag Eq oz (000s)
Proven	311	527	1.45	643	5,274	15	6,435
Probable	690	408	1.09	495	9,052	24	10,995
Total Proven and Probable	**1,002**	**445**	**1.21**	**541**	**14,325**	**39**	**17,431**

Notes for Mineral Reserve estimation

1. Guanaceví mineral reserve cut-off grades are based on a 201 g/t silver equivalent for Santa Cruz Sur of Guanaceví, 207 g/t silver equivalent for Santa Cruz, 207 g/t silver equivalent for Milache of Guanaceví and 254 g/t silver equivalent for Porvenir Norte and the El Curso concession of Guanaceví.
2. Guanaceví metallurgical recoveries are 87.4% silver and 91.8% gold.
3. Mining recoveries of 91% were applied for mineral reserve estimate calculations.
4. Minimum mining widths are 0.8 m for mineral reserve estimate calculations.
5. Dilution factor is 24.0% for cut and fill mining and 40.0% for longhole mining, the dilution factors are calculated based on estimates of internal dilution of cameras and external empirical factor dilution.
6. Price assumptions are $23/oz for silver and $1,725/oz for gold.

Bolañitos Mines Project, Guanajuato State, Mexico

The executive summary of the Bolañitos Mines Project attached hereto as Schedule "B" is extracted from the technical report titled "NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Bolañitos Project, Guanajuato State, Mexico" co-authored by the Company and by Hard Rock Consulting, LLC (" Hard Rock "), a full-service geologic and mine engineering, with an effective date of November 9, 2022 and dated December 14, 2022 (the "**Bolañitos Technical Report**"). The detailed disclosure on the Bolañitos Mines Project in the Bolañitos Technical Report is incorporated into this AIF by reference and the summary attached as Schedule "B" is subject to all the assumptions, qualifications and procedures set out in the Bolañitos Technical Report. The complete report can be viewed on SEDAR at www.sedar.com.

Bolañitos Exploration Update

During 2022, the Company drilled 8,635 m in 42 holes to target the Tepetateras, La Cuesta, Gina and Maru veins and drilled 3,348 metres in 10 holes to target the Virginia, Karina, Fernanda and Daniela veins, all located in Bolañitos South. Surface and underground drilling intersected significant mineralization with ore grades over mineable widths.

The Company invested $8.9 million to develop 5.7 km of underground ramps and access. These exploration results and development activities with previous information were considered and included in an internal updated mineral reserve and resource estimation as of December 31, 2022.

In 2023, the Company plans to invest $11.8 million in capital projects, including $8.2 million for 3.8 km of mine development to access resources in the Plateros- La Luz, Lucero-Karina, and Bolañitos -San Miguel vein systems. The remaining $3.6 million will go to upgrade the mining fleet, support site infrastructure and raise the tailings dam.

Bolañitos Mineral Resource Estimation Update

The channel composite database cut-off date for mineral resource estimation was September 30, 2022, while the cut-off date for exploration drilling used for mineral resource estimation was October 31, 2022.

The Company used criteria of distance from composites and the number of samples to classify the mineral resources into measured, indicated or inferred. Measured mineral resources are those blocks with at least 6 composites, laying within 1/3 of the variogram range (25m x 10m x vein width). Indicated mineral resources are those blocks estimated by at least 2 drill holes or 2 composites laying within 2/3 of the variogram range (50m x 20m x vein width). Inferred mineral resources are those blocks with at least one drill hole laying within 1.5x variogram range (75m x 50m x vein width).

Bolanitos Silver-Gold Mineral Resources (as at December 31, 2022)							
	Tonnes (000s)	Ag g/t	Au g/t	Ag Eq g/t	Ag oz (000s)	Au oz (000s)	Ag Eq oz (000s)
Measured	91	75	3.24	334	219	9	974
Indicated	355	107	2.36	296	1,216	27	3,374
Total Measured and Indicated	**446**	**100**	**2.54**	**304**	**1,435**	**36**	**4,348**
Inferred	**1,230**	**143**	**2.11**	**312**	**5,642**	**83**	**12,315**

Notes for Mineral Resource estimation

1. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources will be converted into mineral reserves.
2. Mineral resources are exclusive of and in addition to mineral reserves.
3. Bolañitos Mineral Resource and Mineral Reserve cut-off grades are based on 161 g/t silver equivalent for Golondrinas, Belen and Veta Madre, 152 g/t silver equivalent for La Luz Ramp, 161 g/t Silver equivalent for the Lucero Ramp and 154 g/t silver equivalent for San Miguel ramp area.
4. Dilution factor and mining recovery for mineral resources are not applied.
5. Price assumptions are $23/oz for silver and $1,725/oz for gold.

Bolañitos Mineral Reserve Estimation Update

The reserve calculation for the Bolañitos mining operation was completed with an effective date of December 31, 2022.

The mining breakeven cut-off grade, which includes internal stope dilution, was utilized to generate the stope designs for defining the reserves. The cut-off is stated as silver equivalent since the ratio between gold and silver is variable and both commodities are sold. The Bolañitos Mineral Resource and Mineral Reserve cut-off grades are based on 161 g/t silver equivalent for Golondrinas, Belen and Veta Madre, 152 g/t silver equivalent for La Luz Ramp, 161 g/t Silver equivalent for the Lucero Ramp and 154 g/t silver equivalent for San Miguel ramp area. Metallurgical recoveries were 87.3% silver and 90.7% gold for Bolañitos silver and 90.1% gold for Bolañitos.

Silver equivalent grade is calculated as the silver grade in addition to gold grade multiplied by 80, taking into account gold and silver prices and expected mill recoveries.

Mineral reserves are derived from measured and indicated resources after applying the economic parameters as previously stated, and utilizing program to generate stope designs for the reserve mine plan. The Bolañitos mineral reserves are derived and classified according to the following criteria:

- Proven mineral reserves are the economically mineable part of the measured resource for which mining and processing / metallurgy information and other relevant factors demonstrate that economic extraction is feasible. For Bolañitos Project, this applies to blocks located within approximately 15m of existing development and for which Endeavour has a mine plan in place.
- Probable mineral reserves are those measured or indicated mineral resource blocks which are considered economic and for which Endeavour has a mine plan in place. For the Bolañitos mine project, this is applicable to blocks located a maximum of 25 m to 40 m either vertically or horizontally from development and the drill hole data.

Bolanitos Silver-Gold Mineral Reserves (as at December 31, 2022)	Tonnes (000s)	Ag g/t	Au g/t	Ag Eq g/t	Ag oz (000s)	Au oz (000s)	Ag Eq oz (000s)
Proven	169	65	2.60	273	352	14	1,479
Probable	350	64	2.27	246	723	26	2,768
Total Proven and Probable	**518**	**65**	**2.38**	**255**	**1,075**	**40**	**4,247**

Notes for Mineral Reserve estimation

1. Bolañitos mineral resource and mineral reserve cut-off grades are based on a 141 g/t silver equivalent for the Lucero ramp, 149 g/t silver equivalent for Belen, 141 g/t silver equivalent for the La Luz ramp and 141 g/t silver equivalent for San Miguel ramp area of Bolanitos.
2. Bolañitos metallurgical recoveries are 87.3% silver and 90.7% gold.
3. Mining recoveries of 93% were applied for mineral reserve estimate calculations.
4. Minimum mining widths are 0.8 m for mineral reserve estimate calculations.
5. Dilution factor is 24% for cut and fill mining, and 40% for longhole mining, the dilution factors are calculated based on estimates of internal dilution of cameras and external empirical factors dilution.
6. Price assumptions are $23/oz for silver and $1,725/oz for gold.

Terronera Project, Jalisco State, Mexico

On October 25, 2021, the Company filed the 2021 Terronera Technical Report prepared by Wood Canada Ltd. together with the Company and dated October 21, 2021 with an effective date of September 9, 2021. The executive summary of the Terronera Project attached hereto as Schedule "C" is extracted from the 2021 Terronera Technical Report. The detailed disclosure on the Terronera Project in the 2021 Terronera Technical Report is incorporated into this AIF by reference and the summary attached as Schedule "C" is subject to all the assumptions, qualifications and procedures set out in the 2021 Terronera Technical Report. The complete report can be viewed on SEDAR at www.sedar.com.

The Company requested the British Columbia Securities Commission (" **BCSC**") to conduct a pre-filing review of the 2021 Terronera Technical Report, among others. The comments received by the BCSC include questioning the qualifications of one of seven qualified persons ("QP")who prepared the 2021 Terronera Technical Report, and other minor matters. The Company has arranged for a new QP to review and confirm the current mineral resource estimate which will result in the filing of an amended technical report. The Company does not anticipate any material changes to the mineral resource estimate in the amended technical report.

The following sections in the 2021 Terronera Technical Report have been identified as containing incorrect information. None of this information is material to the 2021 Terronera Technical Report:

- The third paragraph in Section 14.2.8 which reads as follows:

  "Blocks estimated with composites from at least two drill holes with a nominal drill hole spacing of 30 m x 30 m along strike and down dip are classified as Indicated Mineral Resources for the La Luz deposit and blocks estimated with composites from only one hole or holes spaced wider than the nominal 30m spacing are classified as Inferred."

  should be deleted and replaced by the following:

  "The classification criteria for La Luz deposit is as follows:
  Indicated - blocks estimated in Ag Pass 1. Also, blocks estimated in Ag Pass 2 with the closest sample distance to blocks less than or equal to 22.5m. Blocks estimated in Pass 1 required two drill holes while blocks estimated in Pass 2 could be estimated by a single drill hole (Table 14-5).
  Inferred - all remaining blocks within the vein wireframes"

- In Tables 1-2 and 14-8 titled La Luz Deposit Mineral Resource Estimate with Effective Date March 5, 2021, the Tonnes (000s) classified as Indicated should be 127 instead of 122. The tonnage used throughout correctly used the figure 127.

- In Sections 1.14 and 18.6, reference to "3.2 million m3 (5.3 million tonnes)" is incorrect and should be "4.4 million m3 (7.2 million tonnes)". The correct figures have been used elsewhere in the 2021 Terronera Technical Report.

Pre-construction Activities

The Company has commenced initial earthworks and the procurement of long lead items and intends to make a formal construction decision, subject to completion of a financing package and receipt of additional amended permits, in the coming months. While the Company continues to advance financial due diligence, the Board has approved certain early expenditures to de-risk various aspects of the project in a deliberate and disciplined manner to minimize risk prior to the final construction decision.

The Company re-classified the Terronera Project from an exploration and evaluation project to a development project in September 2021 and has subsequently spent $41.7 million on land acquisition, initial capital development and capital assets to advance development and $7.2 million on development activities ineligible to be capitalized including supervision, evaluation activities, administrative costs, environmental studies and community relations.

An expenditure budget of $41.0 million was approved for 2022 to continue advancing the site clearing, to begin initial earthworks, a temporary and permanent camp, road construction and procuring long lead items. An additional $25.7 million development expenditure budget has been approved for the first quarter of 2023 to continue with pre-construction activities. The approval is based on utilizing existing cash on hand and cash flow from operations, ahead of formalized project financing as the Company continues to advance the project.

During 2022, the company spent $40.9 million at the Terronera Project, including $35.2 on land acquisition, initial capital development and capital assets to advance development and $5.6 million on development activities ineligible to be capitalized including supervision, evaluation activities, administrative costs, environmental studies and community relations.

The Company's progress on predevelopment activities are as follows:

- On-Site Delivery of Mobile Mining Equipment - Since Q3 2021, the Company has received 30 Sandvik and Getman mobile mine units including three development jumbos, three bolters, three scoops, three dump trucks, four scissor lifts, three explosive chargers and other support equipment such as pallet handlers and cranes. With these orders complete, equipment required for mine development has been delivered.
- Major Equipment Purchases - Major mill equipment has been ordered through 12 equipment procurement contracts. The Company expects delivery in H1 2023 of the SAG mill, primary crusher, pebble crusher, concentrate bagging and weighing system, primary and regrind hydrocyclones, apron feeder, wet vibrating screens, and concentrate and tailings thickeners. The ball mill is already on site.
- Access Road Construction - Significant road upgrade work, totalling over seven kilometres, primarily involving slope stabilization and drainage, has been completed for access to the mill site and mine portals. Road improvement work required for the construction phase will be complete in H1 2023.
- Permanent Camp Construction - Installation is underway for the permanent camp facility that will accommodate 550 personnel. It is expected the permanent camp will be operational in the first half of 2023. Overall permanent camp progress is 50% with the training room, clinic, dining room, kitchen, gym and laundry facilities in place.
- Process Plant Construction - At the mill site, work is ongoing with site clearing and initial earthworks including tree and vegetation removal, excavation and leveling the area prior to beginning plant foundations in H1 2023. As of December 31, 2022, over 126,000 cubic metres had been excavated.
- Underground Development - Site preparation for Portal #2 commenced and by year end the portal brow had been created to advance underground mine access development. Mine support facilities have been mobilized at site as the project prepares to move forward with development.
- Initial Project Infrastructure - The temporary mine maintenance shop is operational and field offices have been installed at the mill site along with improved communications.

The Company continues to further evaluate cost benefit initiatives and technologies to further enhance the operating flexibility of the project and economics during the construction preparation phase.

Terronera Exploration Update

At Terronera, the drill program targeted the regional area acquired in 2020. A total of 8,228 metres were drilled in 29 holes at a total expense of $1.5 million. Surface drilling was conducted on the Coral vein which is located south of the Los Cuates vein, which is approximately 10 km to the northwest of the Terronera Project, and on the Pena Gorda, Los Negros, Tablones and El Tajo veins located in the Real Alto area at the southern end of the project area. Assays returned various amounts of mineralization requiring interpretation and follow up.

Pitarrilla Acquisition, Durango State, Mexico

On January 12, 2022, the Company entered into a definitive agreement to purchase the Pitarrilla project, a large undeveloped silver, lead, and zinc project, located in Durango State, Mexico, by acquiring all of the issued and outstanding shares of SSR Durango, S.A. de C.V. from SSR Mining Inc. ("**SSR Mining**") for total consideration of $70 million (consisting of $35 million in Company's shares and a further $35 million in cash or in the Company's shares at the election of SSR Mining and as agreed to by the Company) and a 1.25% net smelter returns ("**NSR**") royalty. SSR Mining retains a 1.25% NSR royalty in Pitarrilla. Endeavour has matching rights to purchase the NSR royalty in the event SSR Mining proposes to sell it. The acquisition was completed on July 6, 2022.

Total consideration paid included 8,577,380 shares of the Company issued on July 6, 2022 and a $35.1 million cash payment. Fair value of the 8,577,380 common shares issued on July 6, 2022 was $25.6 million at CAN$3.89 per share. The deemed value of the common shares issued, at the time of agreement was $34.9 million.

The Pitarrilla property consists of 4,950 hectares across five concessions and has significant infrastructure in place with direct access to utilities.

On March 29, 2023, the Company filed an amended technical report for the Pitarrilla Project titled “Mineral Resource Estimate for the Pitarrilla Ag-Pb-Zn Project, Durango State, Mexico” prepared by SGS Geological Services Inc., dated March 15, 2023 with an effective date of October 6, 2022 (the “2022 **Pitarrilla Technical Report**”). The executive summary of the Pitarrilla Project attached hereto as Schedule “D” is extracted from the 2022 Pitarrilla Technical Report. The detailed disclosure on the Pitarrilla Project in the 2022 Pitarrilla Technical Report is incorporated into this AIF by reference and the summary attached as Schedule “D” is subject to all the assumptions, qualifications and procedures set out in the 2022 Pitarrilla Technical Report. The complete report can be viewed on SEDAR at www.sedar.com.

[Note: To be updated pending filing of the amended report]

Non-Material Properties

The Company continually evaluates additional silver and gold prospects in Mexico, Chile and the USA, which includes acquiring and disposing of rights to greenfield and brownfield mineral concessions. Currently, four exploration projects are being advanced - Parral (Mexico), Bruner (USA), Paloma (Chile) and Aida (Chile) and one exploration project, Guadalupe y Calvo (Mexico) has been optioned to a third party. The following properties are presently in the exploration stage. These properties are not considered by the Company to be material for the purposes of this AIF.

Parral Properties, Chihuahua State, Mexico

In October 2016, the Company acquired a 100% interest in the Parral properties located in the historic silver mining district of Hidalgo de Parral in southern Chihuahua state, Mexico. SGM, the Mexican Geological Survey, estimates historic production of approximately 250 million oz of silver from this district. The properties cover 3,432 ha, across three large properties, Veta Colorada, La Pamilla and San Patricio. These properties are accessible by paved highway and a well maintained gravel road only five km north of the city of Hidalgo Del Parral. The area has excellent infrastructure including grid power, water, labour, services and three nearby 500 tpd plants.

In 2019, the Company completed 25 surface and underground drill holes to test an area 600 m long by 500 m deep in and around the Sierra Plata mine workings in the Sierra Plata mine on the Veta Colorada vein system. The Veta Colorada (including the Sierra Plata and El Verde mines) was a past producing mining operation owned by Grupo Mexico that closed in 1991 due to the low silver price. The Veta Colorada is a major silver vein structure that ranges from 1 to 30 m thick (average 5-10 m), was mined on 7 levels down to 300 m depths below surface in places and has been traced for 7 km. Several drill holes intersected two mineralized zones, the Veta Colorada and the HW Veta Colorada in the hanging wall, with a total true width of mineralization up to 16.5 m in hole VCU-17.
Due to the COVID-19 pandemic, the Company suspended the Parral drill programs in early 2020 and resumed drilling in March 2021, completing 80 holes totalling 18,245 m, with a total cost of $2.6 million targeting various areas of the Colorada vein in 2021. During 2022, the Company drilled 49 holes totalling 12,355 metres with a cost of $2.1 million targeting various areas of the Veta Colorada and San Patricio veins. Drilling confirmed expectations in a number of areas, intersecting significant mineralization with meaningful vein widths.

The current resource estimate consists of an indicated mineral resource of 433,000 tonnes grading 271 gpt silver for an estimated 3.8 million silver ounces and an inferred mineral resource of 3,180,000 tonnes grading 322 gpt silver and 0.21 gpt gold for an estimated 321.9 million silver ounces and 21,700 gold ounces. The 2021 and 2022 drill results are not included as part the current mineral resource estimate.

Paloma Project, Chile

The Paloma project is a high-sulphidation, epithermal-style hydrothermal system located in the Chilean Miocene deposit belt, 180 km southeast of the city of Calama, 5,000 m above sea level. Endeavour has an option to acquire up to 70% ownership of 5,100 ha from Compañía Minera del Pacifico. The Company's 2021 drill program confirmed widespread alteration and low-grade gold mineralization at its Paloma project. The exploration team analyzed drill results and commenced a second drill program to test targets for higher grade mineralization. The second phase of drilling to test for the possibility of higher grade mineralization and interpretation was completed in the second half of 2022.

Aida Project, Chile

The Aida project is located in northern Chile Region II along the Argentina border, 180 km southeast of Calama and 60 km southwest of SSR's Pirquitas mine in northern Argentina, accessible by paved highway and dirt road. The town of San Pedro de Atacama is about 110 km west of Aida and has modern infrastructure with a natural gas pipeline that follows the highway, within 22 km of the property. The project concessions covers 7,900 ha total, consisting of three 100% optioned mineral concessions which cover a small historic mine, surrounded by 30 new mineral concessions staked by the Company. The project covers a 4 km long x 2 km wide, argillic-phyllic-silicic alteration zone within dacite-andesite tuffs, breccias, flows, siltstones, sandstones and conglomerates intruded by a Miocene rhyo-dacite dome. A drilling program is planned for 2023.

Guadalupe y Calvo project, Chihuahua State, Mexico

On February 1, 2021, the Company granted an option to purchase a 100% interest in its Guadalupe y Calvo gold-silver exploration project in Chihuahua, Mexico to Ridgestone Mining Inc. ("**Ridgestone**"). Pursuant to the terms of the option agreement, Ridgestone has the right to acquire a 100% interest in the project through payments over a four-year period of $1.5 million in cash and $1.75 million in shares based on the 20-day volume weighted average price of the shares preceding each issuance, plus $0.75 million in exploration expenditures, for a total commitment of $4 million. Ridgestone will grant a 2% NSR royalty to the Company, with the option to buy back the royalty for $2 million prior to the commencement of commercial production.

ITEM 5: DIVIDENDS

5.1 Dividends

The Company has not declared any dividends during the past three fiscal years ended December 31, 2022. The Company otherwise has no present intention of paying dividends on its common shares as it anticipates that all available funds will be invested to finance further acquisition, exploration and development of its mineral properties.

ITEM 6: DESCRIPTION OF CAPITAL STRUCTURE

6.1 General Description of Capital Structure

The Company's authorized share capital is comprised of an unlimited number of common shares without par value. All common shares of the Company rank equally as to voting rights, dividends and participation in the distribution of assets upon dissolution, liquidation or winding-up and in all other respects. Each share carries one vote per share at meetings of the shareholders of the Company.

The following table provides a summary concerning the Company's share capital as of December 31, 2022:

	December 31, 2022
Authorized share capital	Unlimited number of common shares without par value
Number of shares issued and outstanding	189,644,734 common shares without par value

As at March 29, 2023, the Company has 191,276,399common shares issued and outstanding.

6.2 Constraints

The Company is not aware of any constraints imposed on the ownership of its securities to ensure that the Company has a required level of Canadian ownership.

6.3 Ratings

The Company is not aware of any ratings, including provisional ratings, from rating organizations for the Company's securities that are outstanding and continue in effect.

ITEM 7: MARKET FOR SECURITIES

7.1 Trading Price and Volume

The Company's common shares are listed for trading on the TSX under the symbol "EDR" and on the NYSE under the symbol "EXK".

The following table sets forth the price ranges and volume traded of the common shares of the Company for each month in 2022 on the TSX, the Canadian marketplace on which the greatest volume of trading or quotation for the common shares generally occurs.

Month	High (Cdn.$)	Low (Cdn.$)	Volume Traded
December 2022	4.80	4.13	8,842,136
November 2022	5.19	4.20	9,526,719
October 2022	5.04	4.22	7,522,530
September 2022	4.29	3.40	7,683,344
August 2022	4.95	3.76	5,402,050
July 2022	4.73	3.77	5,797,913
June 2022	5.22	4.02	6,885,543
May 2022	5.14	3.99	10,396,909
April 2022	7.27	4.77	10,526,048
March 2022	7.24	5.38	14,661,620
February 2022	5.97	4.32	7,804,136
January 2022	5.90	4.28	7,670,130

The following table sets forth the price ranges and volume traded of the common shares of the Company for each month in 2022 as reported by the NYSE. The data includes common shares sold through certain quotation systems in the United States.

Month	High (U.S.$)	Low (U.S.$)	Volume Traded
December 2022	3.58	3.03	48,486,958
November 2022	3.87	3.11	51,925,160
October 2022	3.68	3.07	52,599,517
September 2022	3.31	2.47	47,095,602
August 2022	3.85	2.86	46,877,496
July 2022	3.69	2.89	49,771,641
June 2022	4.18	3.10	61,023,148
May 2022	4.02	3.05	79,644,968
April 2022	5.78	3.71	78,391,251
March 2022	5.69	4.23	113,975,349
February 2022	4.64	3.38	54,671,822
January 2022	4.73	3.35	58,822,795

7.2 Prior Sales

The following table summarizes the issuances of stock options, performance share units ("**PSUs**"), and deferred share units ("**DSUs**") by the Company for the year ended December 31, 2022:

Date of Issue	Number of Securities	Exercise Price Cdn$	Type of Security
March 24, 2022	736,986	6.24	Stock Options
March 24, 2022	256,000	6.24	PSUs
March 24, 2022	90,675	6.24	DSUs
March 31, 2022	2,600	6.01	DSUs
April 24, 2022	60,000	6.29	PSUs
June 30, 2022	3,549	4.40	DSUs
September 30, 2022	4,291	3.64	DSUs
December 31, 2022	3,481	4.49	DSUs

ITEM 8: ESCROWED SECURITIES

8.1 Escrowed Securities

To the Company's knowledge, as at December 31, 2022, there were no escrowed common shares of the Company or common shares of the Company subject to contractual restriction on transfer.

ITEM 9: DIRECTORS AND OFFICERS

9.1 Name, Occupation and Security Holding

The following is a list of the current directors and executive officers of the Company, their province/state and country of residence, their current positions with the Company and their principal occupations during the five preceding years. Each director is elected to serve until the next annual general meeting of shareholders or until his successor is elected or appointed, or unless his office is earlier vacated under any of the relevant provisions of the articles of the Company or the *Business Corporations Act* (British Columbia).

Name and Province/State and Country of Residence	Position	Date of Appointment as Director	Principal Occupation During Five Preceding Years
Rex McLennan[(2)(3)(4)] British Columbia, Canada	Director, Chairman	June 12, 2007	Corporate Director and former Director of several public mineral exploration and mining companies.
Mario D. Szotlender[(1)(2)(4)] Caracas, Venezuela	Director	July 25, 2002	Independent Consultant and Director of several public mineral exploration and mining companies.
Ricardo Campoy[(1)(3)] New York, USA	Director	July 9, 2010	Senior Advisor, Capstone Partners and Managing Director of HeadwatersMB.

Name and Province/State and Country of Residence	Position	Date of Appointment as Director	Principal Occupation During Five Preceding Years
Ken Pickering[1][3][4] British Columbia, Canada	Director	August 20, 2012	Independent Director of several public mineral exploration and mining companies.
Margaret Beck [2][3] Arizona, USA	Director	May 7, 2019	Retired since January 2019, Vice President Finance Minerals Australia, BHP Billiton from April 2016 to January 2019, VP Finance Iron Ore, BHP Billiton from October 2013 to March 2016.
Amy E. Jacobsen[3][4] South Carolina, USA	Director	January 3, 2022	President of Windward Consulting LLC since 2007; Director of Behre Dolbear Group Inc from October 2016 to July 2019; Corporate Treasurer of Behre Dolbear Group from July 2019 to December 2022.
Daniel Dickson British Columbia, Canada	Director and Chief Executive Officer	May 12, 2021	Chief Executive Officer of Endeavour since May 2021; Chief Financial Officer of Endeavour from February 2009 to May 2021.
Donald Gray Tennessee, USA	Chief Operating Officer	N/A	Chief Operating Officer of Endeavour since September 2020 and Chief Operating Officer of Continental Gold Inc from June 2015 to March 2020.
Luis Castro Durango, Mexico	Vice President, Exploration	N/A	Vice President, Exploration of Endeavour.
Nicholas Shakesby Texas, USA	Vice President, Operations, Mexico	N/A	Vice President, Operations, Mexico of Endeavour since October 2018.
Dale Mah British Columbia, Canada	Vice President of Corporate Development	N/A	Vice President of Corporate Development of Endeavour since June 2016; Vice President, Geology, Quintana Resources Capital from April 2014 to May 2016.
Christine West British Columbia, Canada	Chief Financial Officer	N/A	Chief Financial Officer of Endeavour since May 2021, Vice President Controller of Endeavour from March 2017 to May 2021.

Name and Province/State and Country of Residence	Position	Date of Appointment as Director	Principal Occupation During Five Preceding Years
Galina Meleger British Columbia, Canada	Vice President, Investor Relations	N/A	Vice President of Investor Relations of Endeavour since July 2021, Director of Investor Relations of Endeavour October 2017 to July 2021.
Bernard Poznanski British Columbia, Canada	Corporate Secretary	N/A	Lawyer, Koffman Kalef LLP, Business Lawyers.

(1) Member of Compensation Committee
(2) Member of Corporate Governance and Nominating Committee
(3) Member of Audit Committee
(4) Member of Sustainability Committee

As at March 29, 2023, the directors and executive officers of the Company as a group beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 530,924 common shares of the Company, representing approximately 0.28% of the issued and outstanding common shares of the Company.

9.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed herein, no director or executive officer of the Company is, as at the date of this AIF, or has been, within the ten years preceding the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, when such order was issued while the person was acting in the capacity of a director, chief executive officer or chief financial officer of the relevant company, or

(b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after such person ceased to be a director, chief executive officer or chief financial officer of the relevant company, and which resulted from an event that occurred while the person was acting in the capacity of a director, chief executive officer or chief financial officer of the relevant company.

Mario Szotlender is a director of Fortuna Silver Mines Inc. (" **Fortuna**") and was a director of Fortuna when a management cease trade order was issued by the British Columbia Securities Commission ("**BCSC**") on April 3, 2017 against the CEO and CFO of Fortuna in connection with Fortuna's failure to timely file financial statements, related management discussion and analysis and an annual information form for its financial year ended December 31, 2016. Fortuna reported that the delay in the filing of these documents was due to pending resolution of a regulatory review of certain of the Company's filings by the United States Securities and Exchange Commission. On May 25, 2017, the BCSC revoked this management cease trade order after Fortuna filed the required records.

Ricardo Campoy was Chairman and a director of General Moly, Inc. (" **General Moly**") and held such positions on November 20, 2020 when the Ontario Securities Commission issued a cease trade order ("**CTO**") in respect of the securities of General Moly as a result of General Moly's failure to file by the filing deadline its interim financial statements for the quarter ended September 30, 2020, the related management's discussion and analysis, and the required related certifications. The CTO was applicable in all jurisdictions in Canada in which General Moly is a reporting issuer with certain exemptions for beneficial holders of General Moly's securities. The TSX delisted General Moly's common stock effective at the close of market on December 29, 2020.

Other than as disclosed herein, no director or executive officer of the Company or any shareholder holding a sufficient number of common shares of the Company to affect materially the control of the Company:

(a) is, as at the date of this AIF, or has been, within the ten years preceding the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets,

(b) has, within the ten years preceding the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person,

(c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or

(d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision regarding the Company.

Ricardo Campoy was Chairman and a director of General Moly and held such positions on November 18, 2020 when General Moly filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Colorado (the "**Bankruptcy Court**"). General Moly announced on October 1, 2020 that NYSE American had suspended the trading of General Moly's common stock. The OTC Pink Open Market in the United States also halted trading in General Moly's common stock on November 17, 2020. The TSX delisted General Moly's common stock effective at the close of market on December 29, 2020. On March 31, 2021, General Moly announced that, on March 30, 2021, the Bankruptcy Court issued an order confirming General Moly's Chapter 11 plan of reorganization and that, under the plan of reorganization, General Moly's assets would be transferred to a new venture and the existing equity interests in General Moly would be cancelled. In connection with that order, Mr. Campoy resigned as a director of General Moly effective March 31, 2021.

Margaret Beck was an alternate director of Samarco Mineração S.A's (" **Samarco**"), an entity in which BHP Billiton holds a 50% interest, when a dam failure occurred on November 5, 2015 at Samarco's iron ore operation in Minas Gerais, Brazil. The Ministerio Público Federal of Brazil (Federal Prosecutors Office) has filed criminal charges before the Federal Court of Ponte Nova against BHP Billiton Brasil Ltda ("**BHP Billiton Brasil**") as well as eight current or former employees of BHP or BHP Billiton Brasil, including Ms. Beck. On August 6, 2019 a habeas corpus petition filed on behalf of Ms. Beck was granted and the entire criminal case against her was dismissed. The Federal Prosecutors Office has appealed this decision and the appeal process is pending.

9.3 Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest in or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Corporations Act* (British Columbia) and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

To the best of its knowledge, the Company is not aware of any such conflicts of interest.

ITEM 10: PROMOTERS

Since January 1, 2021, no person or company has acted as a promoter of the Company.

ITEM 11: LEGAL PROCEEDINGS

11.1 Legal Proceedings

Other than discussed below, there are no material legal proceedings in the Company's last fiscal year to which the Company is a party or to which any of its property is subject, and there are no such proceedings known to the Company to be contemplated.

Minera Santa Cruz y Garibaldi SA de CV ("**MSCG**"), a subsidiary of the Company, received a MXN 238 million assessment on October 12, 2010 by Mexican fiscal authorities for failure to provide the appropriate support for certain expense deductions taken in MSCG's 2006 tax return, failure to provide appropriate support for loans made to MSCG from affiliated companies, and deemed an unrecorded distribution of dividends to shareholders, among other individually immaterial items. MSCG immediately initiated a Nullity action and filed an administrative attachment to dispute the assessment.

In June 2015, the Superior Court ruled in favour of MSCG on a number of the matters under appeal; however, the Superior Court ruled against MSCG for failure to provide appropriate support for certain deductions taken in MSCG's 2006 tax return. In June 2016, the Company received a MXN 122.9 million ($6.3 million) tax assessment based on the June 2015 ruling. The 2016 tax assessment is comprised of MXN 41.8 million in taxes owed ($2.1 million), MXN 17.7 million ($0.9 million) in inflationary charges, MXN 40.4 million ($2.1 million) in interest and MXN 23.0 million ($1.2 million) in penalties. The 2016 tax assessment was issued for failure to provide the appropriate support for certain expense deductions taken in MSCG's 2006 tax return and failure to provide appropriate support for loans made to MSCG from affiliated companies and includes interest and penalties. If MSCG agrees to pay the tax assessment, or a lesser settled amount, it is eligible to apply for forgiveness of 100% of the penalties and 50% of the interest.

The Company filed an appeal against the June 2016 tax assessment on the basis that certain items rejected by the courts were included in the new tax assessment and a number of deficiencies exist within the assessment. Since issuance of the assessment interest charges of MXN 16.1 million ($0.9 million) and inflationary charges of MXN 24.0 million ($1.3 million) has accumulated.

Included in the Company's consolidated financial statements, are net assets of $964,000, held by MSCG. Following the Tax Court's rulings, MSCG is in discussions with the tax authorities with regards to the shortfall of assets within MSCG to settle its estimated tax liability. An alternative settlement option would be to transfer the shares and assets of MSCG to the tax authorities. The Company recognized an allowance for transferring the shares and assets of MSCG amounting to $964,000 in a prior year. The Company is currently assessing MSCG's settlement options based on ongoing court proceedings and discussion with the tax authorities. The Company has been advised that the appeal filed with the Federal Tax Court, and the Supreme Court of Justice, against the June 2016 tax assessment has been rejected. The Company continues to assess MSCG's settlement options.

Compania Minera Del Cubo SA de CV ("**Cubo**"), a subsidiary of the Company, received an MXN 58.5 million ($2.9 million) assessment in 2019 by Mexican fiscal authorities for failure to provide the appropriate support for depreciation deductions taken in the Cubo 2016 tax return and denied deductions of certain suppliers. The tax assessment consists of MXN 24.1 million ($1.2 million) for taxes, MXN 21.0 million ($1.1 million) for penalties, 10.4 million ($0.5 million) for interest and MXN 3.0 million ($0.1 million) for inflation. At the time of the tax assessment the Cubo entity had and continues to have sufficient loss carry forwards which would be applied against the assessed difference of taxable income. The Mexican tax authorities did not consider these losses in the assessment.

Due to the denial of certain suppliers for income tax purposes, the invoices are deemed ineligible for refunds of IVA paid on the invoices. The assessment includes MXN 14.7 million ($0.7 million) for re-payment of IVA (value added taxes) refunded on these supplier payments. In the Company's judgement the suppliers and invoices meet the necessary requirements to be deductible for income tax purposes and the recovery of IVA.

The Company has filed an administrative appeal related to the 2016 Cubo Tax assessment. Cubo had previously provided a lien on certain El Cubo mining concessions during the appeal process. To facilitate the sale of the El Cubo mine and related assets, the Company elected to pay the assessed amount of $3.5 million during Q1, 2021. During the appeal process the amount paid has been classified as a non-current income tax recoverable. Since issuance of the assessment, interest charges of MXN 9.9 million ($0.5 million) and inflationary charges of MXN 1.6 million ($0.1 million) had accumulated. The Company continues to assess that it is probable that its appeal will prevail, and no provision is recognized in respect to the Cubo tax assessment.

11.2 Regulatory Actions

During the year ended December 31, 2022, there were no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority and there were no settlement agreements that the Company entered into before a court relating to securities legislation or with a securities regulatory authority. Except as described in item 11.1, there are no other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision.

ITEM 12: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

12.1 Interest of Management and Others in Material Transactions

None of the following persons or companies has had any material interest, direct or indirect in any transaction since January 1, 2020 that has materially affected or is reasonably expected to materially affect the Company:

(a) a director or executive officer of the Company;

(b) a person or company that beneficially owns, or controls or directs, directly or indirectly more than 10% of any class or series of the outstanding voting securities of the Company; and

(c) an associate or affiliate of any of the persons or companies referred to in the above paragraphs (a) or (b).

The Company's directors and officers may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The interests of these companies may differ from time to time. See "Risk Factors - Potential Conflicts of Interest" and "Directors and Officers - Conflicts of Interest".

ITEM 13: TRANSFER AGENT AND REGISTRAR

13.1 Transfer Agent and Registrar

The transfer agent and registrar for the common shares of the Company is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

ITEM 14: MATERIAL CONTRACTS

14.1 Material Contracts

Other than the following contracts, there are no contracts that are material to the Company that were entered into during the financial year ended December 31, 2022 or prior thereto but which are still in effect, (other than contracts entered into in the ordinary course of business of the Company):

(a) Underwriting Agreement dated March 16, 2022 among BMO Nesbit Burns Inc., PI Financial Corp., CIBC World Markets Inc., B. Riley Securities Inc. and H.C. Wainwright & Co., LLC (as underwriters) and Endeavour in respect of a prospectus offering of 9,293,150 common shares at a price of $4.95 per common share for aggregate gross proceeds of $46,001,092.

ITEM 15: INTERESTS OF EXPERTS

15.1 Names of Experts

The technical report titled "NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Guanaceví Project, Durango State, Mexico" dated December 14, 2022, with an effective date of November 5, 2022, was prepared by and Richard A. Schwering, P.G., SME-RM of Hard Rock Consulting, LLC, Dale Mah, P.Geo., Vice President, Corporate Development of Endeavour and Donald P. Gray, SME-RM, Chief Operating Officer of Endeavour.

The technical report titled "NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Bolañitos Project, Guanajuato State, Mexcio" dated December 14, 2022, with an effective date of November 9, 2022, was prepared by and Richard A. Schwering, P.G., SME-RM of Hard Rock Consulting, LLC, Dale Mah, P.Geo., Vice President, Corporate Development of Endeavour and Donald P. Gray, SME-RM, Chief Operating Officer of Endeavour.

The technical report titled "NI 43-101 Technical Report on the Feasibility Study of the Terronera Project Jalisco State, Mexico" dated October 21, 2021, with an effective date of September 9, 2021, including the Mineral Reserve Estimate for Terronera in the report, was prepared by Dale Mah, P.Geo., Vice President, Corporate Development of Endeavour and by Wood Canada Limited under the direction of the following Independent Qualified Persons: Tatiana Alva, P. Geo.; William Bagnell, P.Eng.; Adam Coulson, P.Eng.; Alan Drake, P.Eng.; Kirk Hanson, P.E.; Paul Ivancie, C.P.G.; and Humberto Preciado, P.E.

The amended technical report titled “Mineral Resource Estimate for the Pitarrilla Ag-Pb-Zn Project, Durango State, Mexico”, dated March 15, 2023, with an effective date of October 6, 2022, was prepared by Allan Armitage, Ph. D., P. Geo., of SGS Geological Services (“SGS”).

Dale Mah, P.Geo., Vice President, Corporate Development of Endeavour is the Qualified Person who reviewed and approved the technical information contained in the Updated Company Mineral Reserve and Resource Estimates of the Guanaceví Mine and the Bolañitos Mine as of December 31, 2022. Dale Mah, P.Geo also reviewed and approved the technical information contained in the Terronera Project, the Parral project, the Calicanto project and the Guadalupe y Calvo exploration project. .

15.2 Interests of Experts

KPMG LLP is the auditor of the Company and has confirmed with respect to the Company that it is independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations under all relevant United States professional and regulatory standards.

To the best of the Company's knowledge, other than Mr. Mah and Mr. Gray, the other experts named in Item 15.1 did not have any registered or beneficial interest, direct or indirect, in any securities or other property of the Company when the experts prepared their respective reports or afterwards, nor will they receive any such interest. Mr. Mah holds, directly or indirectly, options to acquire 125,200 common shares of the Company and 99,000 performance share units (each convertible into common shares of the Company). Mr. Gray holds, directly or indirectly, options to acquire 253,000 common shares of the Company and 97,000 performance share units (each convertible into common shares of the Company).

ITEM 16: ADDITIONAL INFORMATION

16.1 Additional Information

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's Information Circular for its most recent Annual General Meeting of shareholders held on May 12, 2022. Additional financial information is also provided in the Company's financial statements and management's discussion and analysis for its most recently completed financial year ended December 31, 2022.

16.2 Audit Committee

1. The Audit Committee's Charter

National Instrument 52-110 - Audit Committees ("**NI 52-110**") requires every issuer to disclose certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below. A copy of the Company's Audit Committee Charter is set out in Schedule "E" to this AIF.

2. Composition of the Audit Committee

The Company's audit committee is comprised of five directors, as set forth below:

Rex McLennan	Ricardo Campoy	Ken Pickering	Margaret Beck	Amy Jacobsen

As defined in NI 52-110, Rex McLennan, Ken Pickering, Ricardo Campoy, Margaret Beck and Amy Jacobsen are "independent" directors. The Company therefore meets the requirement in NI 52-110 that all audit committee members be independent directors.

All members of the audit committee are financially literate.

3. Relevant Education and Experience

Rex McLennan - Mr. McLennan holds a Master of Business Administration degree (Finance & Accounting) from McGill University and a Bachelor of Science degree (Mathematics & Economics) from the University of British Columbia. Mr. McLennan has an ICD.D designation with the Canadian Institute of Corporate Directors. Mr. McLennan was a past Chief Financial Officer of Viterra Inc., a major global agricultural commodity company, and from 1997 to 2005, he was the Executive Vice President and Chief Financial Officer of Placer Dome Inc., a major global mining company. In his earlier career in the oil and gas industry he held positions of increasing responsibility in business planning, finance and treasury for Imperial Oil, a publicly traded Canadian subsidiary of Exxon Corporation.

Ricardo Campoy - Mr. Campoy has a Bachelor of Science in Mine Engineering from the Colorado School of Mines and a Master of International Management (Finance) from the American Graduate School of International Management. Mr. Campoy has over 30 years of experience as a mine engineer, investment banker and financial advisor for the resource industry, financial institutions and investment funds.

Ken Pickering - Mr. Pickering is a professional engineer and mining executive with more than 50 years of experience working in the natural resource sector building and managing major mining operations in Canada, Chile, Australia, Peru and the United States. Mr. Pickering has held independent director positions with Teck Resources, Taseko Mines and Northern Dynasty Minerals. Mr. Pickering previously held a number of positions worldwide over a 39 year career with BHP Billiton Base Metals including President of Minera Escondida Ltda. and was intimately involved in the planning, development, initial operation and subsequent expansion phase of the Escondida copper project. He is a graduate of the University of British Columbia (BASc) and AMP Harvard Business School.

Margaret Beck - Ms. Beck has a Bachelor of Science in Business Administration, Accounting from the University of Arizona, Tucson and has over 30 years of experience in the mining industry. Prior to retirement, Ms. Beck ascended the ranks with global conglomerate BHP, at different levels of the organization including executive, regional and operational levels across four countries. Ms. Beck held multiple senior executive positions with BHP including Vice President Finance Minerals Australia, Vice President Finance Iron Ore, Vice President Finance Mineral Exploration and Vice President Finance Base Metals.

Amy Jacobsen - Ms. Jacobsen has a Bachelor of Science in Metallurgical Engineering from the Colorado School of Mines and a Master of Business Administration from the Executive MBA program at the University of Denver. Ms. Jacobsen has over 30 years of diverse global experience and was recognized among the 100 Global Inspirational Women in Mining 2020. Ms. Jacobsen is a Qualified Professional in metallurgy through the Mining and Metallurgical Society of America, a registered Professional Engineer in the state of Colorado and an Associate Member of the International Institute of Mineral Appraisers.

4. Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the following exemptions or provisions under NI 52-110:

(a) the exemption in section 2.4 (*De Minimis Non-audit Services*),
(b) the exemption in section 3.2 (*Initial Public Offerings*),
(c) the exemption in subsection 3.3(2) (*Controlled Companies*)
(d) the exemption in section 3.4 (*Events Outside Control of Member*),
(e) the exemption in section 3.5 (*Death, Disability or Resignation of Audit Committee Member*), or
(f) the exemption in section 3.6 (*Temporary Exemption for Limited and Exceptional Circumstances*)
(g) section 3.8 (*Acquisition of Financial Literacy*),
(h) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

5. Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year has a recommendation of the audit committee to nominate or compensate an external auditor not been adopted by the Board of Directors.

6. Pre-Approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board of Directors and, where applicable, by the audit committee, on a case-by-case basis.

7. External Auditor Service Fees (By Category)

Set forth below are details of certain service fees paid to the Company's external auditor in each of the last two fiscal years for audit services:

Financial Year End	Audit Fees[1]	Audit-related Fees[2]	Tax Fees[3]	All Other Fees[4]
December 31, 2022	Cdn.$914,934*	Nil	Nil	Nil
December 31, 2021	Cdn.$708,584*	Nil	Nil	Nil

* All amounts are expressed in Canadian dollars

(1) Relates to fees for audit services.
(2) Relates to fees for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees".
(3) Relates to fees for professional services rendered by the Company's external auditor for tax compliance, tax advice, and tax planning.
(4) Relates to fees for products and services provided by the Company's external auditor other than the services reported under the other categories.

1. EXECUTIVE SUMMARY

1.1 Introduction

This report provides updated information on the operation of the Guanacevi Project, including an updated Mineral Resource and Mineral Reserve estimate. The information will be used to support disclosures in Endeavour Silver's Annual Information Form (AIF). Units used in the report are metric units unless otherwise noted. Monetary units are in United States dollars (US$) unless otherwise stated. This report was prepared in accordance with the requirements and guidelines set forth in National Instrument 43-101 (NI43-101), Companion Policy 43-101CP and Form 43-101F1 (June 2011), and the mineral resources and reserves presented herein are classified according to Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards - For Mineral Resources and Mineral Reserves, prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council on May 10, 2014. The mineral resource and mineral reserve estimates reported here are based on all available technical data and information as of May 31, 2022.

1.2 Property Description and Ownership

The Guanaceví Project is in the northwest portion of the Mexican state of Durango, approximately 3.6 km west of the town of Guanaceví and 260 km northwest of the capital city of Durango. The approximate geographic center of the Project is 105°58'20"W longitude and 25°54'47"N latitude. At present, the Project is comprised of 51 mineral concessions for a total property area of 4,171.5546 ha.

EDR controls the Guanaceví Project through its 100% owned Mexican subsidiary, Endeavour Gold Corporation S.A. de C.V. (Endeavour Gold). Endeavour Gold holds the project through its two 100% owned subsidiaries, Minera Plata Adelante S.A. de C.V. (Minera Plata Adelante) and Refinadora Plata Guanaceví S.A. de C.V. (Refinadora Plata Guanaceví).

1.3 Geology and Mineralization

The Guanaceví silver-gold district hosts classic, high-grade silver-gold, epithermal vein deposits characterized by low sulphidation mineralization and adularia-sericite alteration. The Guanaceví veins are typical of many epithermal silver-gold vein deposits in Mexico in that they are primarily hosted in the Tertiary Lower Volcanic series of andesite flows, pyroclastics and epiclastics, overlain by the Upper Volcanic series of rhyolite pyroclastics and ignimbrites. Evidence is accumulating in the Guanaceví mining district that the mineralization is closely associated with a pulse of silicic eruptions that either signaled the end of Lower Volcanic Sequence magmatism or the onset of Upper Volcanic Sequence activity.

Mineralization at Guanaceví occurs in association with an epithermal low sulphidation, quartz-carbonate, fracture-filling vein hosted by a structure trending approximately N45°W, dipping 55° southwest. The Santa Cruz vein is the principal host of silver and gold mineralization at Guanaceví and is located on the west side of the horst of the Guanaceví Formation. The mineralized vein is part of a major fault system that trends northwest and principally places the Guanaceví Formation in the footwall against andesite and/or rhyolite in the hanging wall. The fault and vein comprise a structural system referred to locally as the Santa Cruz vein structure or Santa Cruz vein fault. The Santa Cruz vein itself has been traced for 5 km along trend, and averages approximately 3.0 m in width. High-grade mineralization in the system is not continuous but occurs in steeply northwest raking shoots up to 200 m in strike length. A secondary mineralized vein is located sub-parallel and subjacent to the Santa Cruz vein, in the footwall, and while less continuous is economically significant in the Porvenir Dos and North Porvenir portions of the Project.

1.4 Status of Exploration

In 2021, EDR spent US $1,681,454 (including property holding costs) on exploration activities carried out in the El Curso and Santa Cruz Sur areas. An underground exploration drill program focused on the Santa Cruz vein and included a total of 15,327.10m in 60 holes, with a total of 3,435 samples submitted for assays.

Since acquisition of the Guanaceví Project in 2004, and prior to the 2021 exploration season, EDR had completed 817 diamond drill holes totaling 224,010 m and 22 reverse circulation drill holes totaling 2,977 m on the entire Guanaceví Project. Of this total, approximately 180,611 m of diamond drilling in 631 holes were completed on the Santa Cruz vein structure. Drill holes were drilled from both surface and underground drill stations, and 66,070 samples were collected and submitted for assay.

1.5 Development and Operations

Long-hole stoping was introduced at Guanacevi in 2013. Since 2020, the operation has transitioned from conventional cut and fill to entirely long-hole stoping. In 2021 production was exclusively long-hole stoping.

The long-hole method has increased stope heights from typically 1.8m to up to 17m, which has reduced mining costs. Dilution and hanging wall stability is controlled using 11m long cemented cable bolts. Mining dilution has been estimated using a minimum 0.4m of over break dilution and a minimum operational 2.2m width. Additional dilution is derived from the footwall during sill development, from occasional hanging wall sloughing and from re-mucking of floor fill.

In 2021, the total ore mined by EDR was 364,955 tonnes with an additional 46,433 tonnes of third-party ore purchased for a total of 411,388 tonnes at and average of 391 g/t silver and 1.2 g/t gold. The 4 operating mine areas were Santa Cruz Sur (35.3% production), El Porvenir (7.8% production), El Curso (53% production) and Milache (3.9% production).

As of November 5, 2022, the Guanaceví mines project had 554 employees and an additional 341 contractors. The mine operates with two 10-hour shifts, 7 days per week, whereas the mill operates with two 12-hour shifts, 7 days per week.

1.6 Mineral Resource Estimate

Richard A. Schwering SME-RM with Hard Rock Consulting, LLC ("HRC"), is responsible for the estimation of the mineral resource herein. Mr. Schwering is a qualified person as defined by NI 43-101 and is independent of EDR. Mineral Resources for the Guanaceví mine were estimated from drillhole and channel sample data, constrained by geologic vein boundaries using two methods. 3D block models were estimated using an ordinary kriging ("OK") algorithm using Leapfrog Geo® and Leapfrog EDGE® software version(s) 2021.2.4 and 2021.2.5 ("Leapfrog"). Veins converted to 2D Vertical Longitudinal Projections ("VLP") were estimated using polygonal methods. The metals of interest at Guanaceví are gold and silver.

The Mineral Resources contained within this Technical Report have been classified under the categories of Measured, Indicated, and Inferred in accordance with standards as defined by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions (May 10, 2014) and Best Practices Guidelines (November 29, 2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.

The Guanaceví Mineral Resource is comprised of 15 individual veins. The veins are further subdivided into areas and modeling method. The Mineral Resources have been estimated using either a Vertical Longitudinal Projection (VLP) polygonal method (7 veins) or as 3-dimensional ("3D") block models (8 veins).

The results reported in the undiluted Guanaceví mine Mineral Resource have been rounded to reflect the approximation of grade and quantity which can be achieved at this level of resource estimation. Rounding may result in apparent differences when summing tonnes, grade and contained metal content. Tonnage and grade measurements are reported in metric units, contained metal is reported as troy ounces (t. oz). Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability and may be materially affected by modifying factors including but not restricted to mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors. Inferred Mineral Resources are that part of a Mineral Resource for which the grade or quality are estimated on the basis of limited geological evidence and sampling. Inferred Mineral Resources do not have demonstrated economic viability and may not be converted to a Mineral Reserve. It is reasonably expected, though not guaranteed, that the majority of Inferred mineral resources could be upgraded to Indicated mineral resources with continued exploration. The test for reasonable prospects for economic extraction is satisfied using the criteria described in the following paragraphs.

Mineral Resources are reported using three silver equivalent ("AgEq") cut-off grades based on the area of production and concession boundary. Baseline assumptions for breakeven cut-off grades are presented on Table 14-11 and all prices are in $US. The gold price of $1,735.00/oz. and silver price of $21.80/oz are based on the 36-month moving average as of May 31, 2022. Metal recoveries, mining, processing, G&A, royalties and other costs associated with the calculation of break-even cut-offs are based on actual production costs provided by Endeavour Silver Corp. AgEq grade is calculated using a 79.6 silver to gold ratio. Mineral Resources inside the El Curso and Porvenir Frisco concessions are reported using a AgEq cut-off of 252g/t. Mineral Resources inside the Provenir Concession and located at Santa Cruz Sur are reported at a 212g/t AgEq cut-off. The remaining Mineral Resources constrained within the 3D modeled veins are reported at a 219g/t AgEq cut-off. Mineral Resources for veins modeled using the VLP estimation methodology are also reported using a AgEq cut-off of 219g/t.

Mineral Resource estimates using 3D block models are constrained to geologic vein solids that show continuous grade continuity and are within 100 meters of drilling or existing underground development. The maximum distance for reported Mineral Resources is based on the average maximum range defined by modeled variograms, 89 meters for silver and 98 meters for gold. After the block grade estimations were complete the AgEq grades for each vein were reviewed in long section by the QP, and the large majority of estimated blocks were found to show excellent grade continuity and tonnage meeting the criteria of a minable shape. All small isolated blocks not meeting the criteria of a reasonable mining shape (at least five contiguous blocks above cutoff) were removed from the estimate and excluded from the Mineral Resource statement.

Mineral Resources estimated using 2D VLP methods are classified entirely as Inferred. Mineral Resources are calculated using true thickness composites from drillhole intercepts identified as the vein. Polygonal methods assume grade continuity surrounding the composite. The smallest VLP volume is 4,776 tonnes, meeting the criteria for a minable shape.

The undiluted mineral resources for the Guanaceví mine with an effective date of May 31, 2022 are summarized in Table 1-1 and are exclusive of mineral reserves.

Table 1-1 Mineral Resource Estimate, May 31, 2022

Classification	Density g/cm³	*Cut-off* AgEq g/t	Mass kt	*Average Value* AgEq g/t	Silver g/t	Gold g/t	*Material Content* AgEq thousand t. oz	Silver thousand t. oz	Gold thousand t. oz
Measured	Variable	Variable	138.8	670	569	1.4	2,992	2,538	6.1
Indicated			575.6	528	443	1.1	9,770	8,197	21.0
Measured + Indicated			714.4	556	467	1.2	12,762	10,735	27.0
Inferred			838.7	487	416	0.9	13,132	11,225	25.0

1. The effective date of the Mineral Resource estimate is May 31, 2022. The QP for the estimate, Mr. Richard A. Schwering, SME-RM of HRC, is independent of EDR.
2. Inferred Mineral Resources are that part of a Mineral Resource for which the grade or quality are estimated on the basis of limited geological evidence and sampling. Inferred Mineral Resources do not have demonstrated economic viability and may not be converted to a Mineral Reserve. It is reasonably expected, though not guaranteed, that the majority of Inferred Mineral Resources could be upgraded to Indicated mineral resources with continued exploration.
3. Measured, Indicated and Inferred Mineral Resource silver equivalent cut-off grades were 252 g/t for veins inside the El Curso and Porvenir Frisco Concession, 212 g/t for the Santa Cruz Sur Vein System, and 219 g/t for the remaining Mineral Resources including those veins estimated using VLP methods at Guanaceví.
4. Metallurgical recoveries were 86.4% for silver and 90.1% for gold.
5. Silver equivalents are based on a 79.6:1 silver to gold price ratio.
6. Price assumptions are $US21.80 per troy ounce for silver and $US1,735.00 per troy ounce for gold for the mineral resource cut-off calculations. These prices are based on the 36-month moving average as of the effective date.
7. Mineral resources are reported exclusive of mineral reserves.
8. Rounding may result in apparent differences when summing tonnes, grade and contained metal content. Tonnage and grade measurements are in metric units. Grades are reported in grams per tonne (g/t). Contained metal is reported as troy ounces (t. oz).

1.7 Mineral Reserve Estimate

Donald Gray, P.E., SME-RM, of EDR is responsible for the mineral reserve estimate presented in this report. Mr. Gray is a Qualified Person as defined by NI 43-101 and is not independent of EDR. The mineral reserves reported herein are classified as Proven and Probable according to CIM Definition Standards. The mineral reserve estimate for EDR's Guanaceví Project has an effective date of May 31st, 2022. The mineral reserve estimate includes the Santa Cruz, El Curso and Milache areas of the mine and the ore stockpiles at the mill site. Stope designs for reporting the mineral reserves were created utilizing the updated resources and cutoffs established for 2022 by Richard A. Schwering SME-RM with Hard Rock Consulting, LLC ("HRC"). All stopes are within readily accessible areas of the active mining areas. Ore is processed in the on-site mill, leaching circuit and Merrill Crowe process capable of processing 1,300 tpd.

Measured and Indicated mineral resources within mineable areas have been converted to Proven and Probable mineral reserves as defined by CIM. Inferred mineral resources are classified as waste. Dilution is applied to Measured and Indicated resource blocks depending on the mining method chosen. Mining stopes were created based solely on Measured and Indicated resources above the calculated cutoff grade which have reasonable prospects of economic extraction after applying certain modifying factors:

Cutoff Grades: 219 g/t AgEq for Milache; 212 g/t AgEq for Santa Cruz Sur and 252 g/t AgEq for El Curso and El Porvenir including the royalties payable.

- Minimum Mining Width: 0.8m.
- External Dilution Long Hole: 35% (Milache 40%)
- Silver Equivalent: 79.6:1 silver to gold
- Gold Price: US $1,735/oz.
- Silver Price: US $21.80/oz.
- Gold Recovery: 91.0%
- Silver Recovery: 86.4%

The Guanaceví Project mineral reserves are derived and classified according to the following criteria:

- Proven mineral reserves are the economically mineable part of the Measured resource for which mining and processing / metallurgy information and other relevant factors demonstrate that economic extraction is feasible. For Guanaceví Project, this applies to blocks located within approximately 10m of existing development and for which EDR has a mine plan in place.
- Probable mineral reserves are those Measured or Indicated mineral resource blocks which are considered economic and for which EDR has a mine plan in place. For the Guanaceví mine project, this is applicable to blocks located a maximum of 35m either vertically or horizontally from development with one exception in the main lower Santa Cruz vein the maximum distance to development was extended to 110m as this area is currently being developed.

The Proven and Probable mineral reserves for the Guanaceví mine as of May 31, 2022 are summarized in Table 1-2. The reserves are exclusive of the mineral resources reported in Section 14 of this report.

Table 1-2 Mineral Reserve Estimate

Classification	Vein	Dilution %	Mass kt	*Average Value*			*Material Content*		
				AgEq g/t	Silver g/t	Gold g/t	AgEq thousand t. oz	Silver thousand t. oz	Gold thousand t. oz
Proven	Alondra	35	0.1	578	469	1.36	2	2	0.005
	El Curso	35	88.9	808	681	1.60	2,311	1,946	4.6
	Milache	40	15.7	316	264	0.65	160	133	0.3
	Milache HW	40	21.5	460	375	1.06	318	260	0.7
	Santa Cruz Sur	35	21.8	448	368	1.00	314	258	0.7
	Stockpiles	0	14.7	605	515	1.13	286	243	0.5
Total Proven			162.7	648	543	1.31	3,390	2,841	6.9
Probable	Alondra	35	251.2	441	367	0.93	3,565	2,965	7.5
	El Curso	35	608.5	659	555	1.30	12,891	10,858	25.4
	Milache	40	28.0	388	327	0.76	349	294	0.7
	Milache HW	40	44.2	366	305	0.76	520	433	1.1
	Santa Cruz Sur	35	164.8	426	358	0.85	2,255	1,895	4.5
Total Probable		Variable	1,096.7	555	466	1.11	19,579	16,445	39
Proven + Probable		Variable	1,259.4	567	476	1.14	22,969	19,287	46.0

1. Mineral resources are estimated exclusive of and in addition to mineral reserves.
2. Figures in table are rounded to reflect estimate precision; small differences generated by rounding are not material to estimates.

1.8 Conclusions and Recommendations

The QPs considers the Guanaceví resource and reserve estimates presented here to conform with the requirements and guidelines set forth in Companion Policy 43-101CP and Form 43-101F1 (June 2011), and the mineral resources and reserves presented herein are classified according to Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards - For Mineral Resources and Mineral Reserves, prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council on May 10, 2014. These resources and reserves form the basis for EDR's ongoing mining operations at the Guanaceví Project.

The QPs are unaware of any significant technical, legal, environmental or political considerations which would have an adverse effect on the extraction and processing of the resources and reserves located at the Guanaceví Mines Project. Mineral resources which have not been converted to mineral reserves, and do not demonstrate economic viability shall remain mineral resources. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves.

The QPs considers that the mineral concessions in the Guanaceví mining district controlled by EDR continue to be highly prospective both along strike and down dip of the existing mineralization.

EDR's Guanaceví Project has an extensive mining history with well-known silver and gold bearing vein systems. Ongoing exploration has continued to identify additional resources at the project and within the district surrounding the mine. Since EDR took control of the Guanaceví properties, new mining areas identified have enabled EDR to increase production by providing additional sources of mill feed. EDR's operation management teams continue improving efficiency, lowering costs and researching and applying low-cost mining techniques. This report demonstrates that the project has positive cash flow, and mineral reserve estimates can be supported.

For 2022, approved exploration budget for Guanaceví includes 11,000 meters of drilling, which is estimated to be approximately US $1,800,000.

The QPs recommends that the continuation of the conversion of all resource models from 2D polygons to 3D block models be continued. Between 2017 and 2021, considerable progress was made in this regard. Additional modeling efforts should be made to define the mineralized brecciated areas as they have been an import source of economic material encountered in the current operation and could continue to provide additional tonnage to support the mine plan. Work programs should continue to focus on areas to explore for mine life extensions.

1. EXECUTIVE SUMMARY

1.1 Introduction

This report provides updated information on the operation of Endeavour Silver Corporation's (EDR) Bolañitos Project, including an updated Mineral Resource and Mineral Reserve estimate. The information will be used to support disclosures in Endeavour Silver's Annual Information Form (AIF). Units used in the report are metric units unless otherwise noted. Monetary units are in United States dollars (US$) unless otherwise stated. This report was prepared in accordance with the requirements and guidelines set forth in National Instrument 43-101 (NI43-101), Companion Policy 43-101CP and Form 43-101F1 (June 2011), and the mineral resources and reserves presented herein are classified according to Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards - For Mineral Resources and Mineral Reserves, prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council on May 10, 2014. The mineral resource and mineral reserve estimates reported here are based on all available technical data and information as of May 31, 2022.

1.2 Property Description and Ownership

In 2007, EDR acquired the Bolañitos mine from Industrias Peñoles S.A. de C.V. (Peñoles), the owner at the time, and Minas de la Luz, S.A. de C.V. (Minas de la Luz), the operator at the time. The acquisition included the Mina Cebada, Mina Bolañitos, Mina Golondrinas and Mina Asunción (as well as a few other currently closed mines). Minas de la Luz continued as the operator of the mines until June, 2007, when EDR assumed control. The Mina Asunción is very close to the Mina Bolañitos and the two are currently connected underground.

The Bolañitos Project is in the state of Guanajuato, Mexico. The mine consists of three operating mines: the Bolañitos, Lucero, and Asuncion mines, which are located near the town of La Luz, about 12 km to the northeast of Guanajuato. All the mines are readily accessed by paved and gravel roads. EDR also owns the inactive Cebada mine, located about 5 km north of the city of Guanajuato, and the inactive Golondrinas mine, which is 3.5 km to the southwest of Cebada.

1.3 Geology and Mineralization

The Bolañitos mine is in the eastern part of the Guanajuato mining district, in the southeastern portion of the Sierra de Guanajuato, which is an anticlinal structure about 100 km long and 20 km wide. Bolañitos is located on the northeast side of this structure where typical primary bedding textures dip 10° to 20° to the north-northeast. Economic mineralization at Bolañitos is known to extend as much as 250 m vertically from 2300 m to 2050 m elevation except for the La Luz vein that extends 400 m vertically from 2300 m to 1900 m.

The Guanajuato mining district is characterized by classic, high grade silver-gold, epithermal vein deposits with low sulfidation mineralization and adularia-sericite alteration. Veins in the Guanajuato district are typical of most epithermal silver-gold vein deposits in Mexico with respect to the volcanic or sedimentary host rocks and the paragenesis and tenor of mineralization. The Guanajuato mining district hosts three major mineralized fault systems, the La Luz, Veta Madre and Sierra systems.

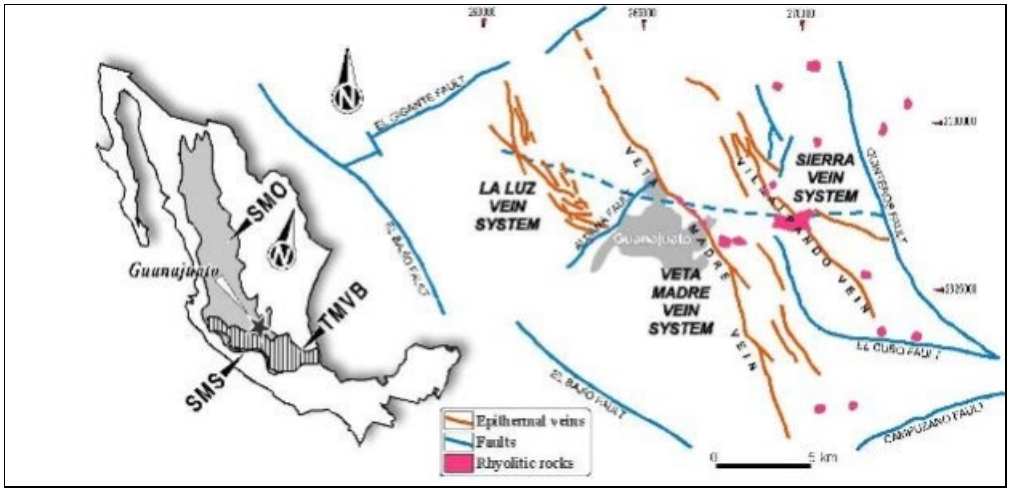


Figure 1-1: Map of the Guanajuato mining district, with the main epithermal veins and other significant geological structures; modified from Randall et al. (1994). The La Luz and Sierra systems are basically constituted by low sulfidation mineralization whereas most of the Veta Madre system belongs to the intermediate sulfidation type. The rhyolitic rocks shown in the map are those that are most likely to have ages similar to those of epithermal deposits. Key: SMO = Sierra Madre Occidental, SMS = Sierra Madre del Sur, TMVB = Trans-Mexican Volcanic Belt. (Martinez-Reyes et al; 2015)

Of the geological formations associated with the Guanajuato district, only the Esperanza and La Luz Formations occur in the Bolañitos mine area with mineralization residing primarily within the La Luz Formation. Mineralization is known to dissipate at the contact with the Esperanza Formation.

The Veta Madre historically was the most productive vein in the Guanajuato district, and is by far the most continuous, having been traced on the surface for nearly 25 km. The vein dips from 35° to 55º to the southwest with measured displacement of around 1,200m near the Las Torres mine and 1,700 m near La Valenciana mine. The most productive veins at Bolañitos strike parallel to the Veta Madre system.

Bolañitos mineralization is directly related to faulting. Mineralization occurs as open-space fillings in fracture zones or impregnations in locally porous wall rock. Veins which formed in relatively open spaces are the main targets for mining.

Mineralized veins at Bolañitos consist of the classic banded and brecciated epithermal variety. Silver occurs primarily in dark sulfide-rich bands within the veins, with little mineralization within the wall rocks. The major metallic minerals reported include pyrite, argentite, electrum and ruby silver, as well as some galena and sphalerite, generally deeper in the veins. Mineralization is generally associated with phyllic (sericite) and silicification alteration which forms haloes around the mineralizing structures. The vein textures are attributed to the brittle fracturing-healing cycle of the fault-hosted veins during and/or after faulting.

Economic concentrations of precious metals are present in "shoots" distributed vertically and laterally between non-mineralized segments of the veins. Overall, the style of mineralization is pinch-and-swell with some flexures resulting in closures and others generating wide sigmoidal breccia zones.

1.4 Development and Operations

Mining methods used at Bolañitos include long-hole stoping and conventional cut and fill mining. Cut and fill stopes are generally mined 15m along strike and in 1.5 - 1.8m high cuts, and long hole stopes are 15m long and 20m high (20m between levels floor to floor). Access to the stoping areas is provided by a series of primary and secondary ramps located in the footwalls of the target structures. In Bolañitos numerous veins are mined. The ramps have grades from minus 15% to plus 12%, with plus or minus 12% as standard. The ramps and crosscuts are generally 4 m by 4 m.

In 2021, the total ore mined by EDR was 412,295 metric tonnes from 3 different mines; La Luz (39%) Lucero (44%), San Miguel (25%).

As of November 9, 2022, the Bolañitos Mine had a roster of 490 employees and an additional 157 contractors. The mine operates on two 10-hour shifts, 7 days per week, whereas the mill operates on a 24/7 schedule.

1.5 Status of Exploration

In 2021, EDR spent US $1,268,877 on property holding costs and exploration activities such as drilling, geological mapping and sampling, at the Bolañitos Project. Field exploration mainly focused on the Bolañitos South area while the drilling campaign focused on exploring the Bolañitos North (Melladito and Bolañitos veins), Belén and Bolañitos South (Lourdes, Cabrera Carrica, Tepetateras-Lulú, La Cuesta North, La Cuesta South and Margaritas) areas. A total of 15,380 meters completed in 72 drill holes and 3,663 samples submitted for analysis.

1.6 Mineral Resource Estimate

Richard A. Schwering SME-RM with Hard Rock Consulting, LLC ("HRC"), is responsible for the estimation of the mineral resource herein. Mr. Schwering is a qualified person as defined by NI 43-101 and is independent of EDR. Mineral resources for the Bolañitos mine were estimated from drillhole and channel sample data, constrained by geologic vein boundaries using two methods. 3D block models were estimated using an ordinary kriging ("OK") algorithm using Leapfrog Geo® and Leapfrog EDGE® software version(s) 2021.2.4 and 2021.2.5 ("Leapfrog"). Veins converted to 2D Vertical Longitudinal Projections ("VLP") were estimated using polygonal methods. The metals of interest at Bolañitos are gold and silver.

The mineral resources contained within this Technical Report have been classified under the categories of Measured, Indicated, and Inferred in accordance with standards as defined by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions (May 10, 2014) and Best Practices Guidelines (November 29, 2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.

The Bolañitos mineral resource is comprised of 55 individual veins. The veins are further subdivided into vein sets and modeling method. The mineral resources have been estimated using either a Vertical Longitudinal Projection ("VLP") polygonal method (10 veins) or as 3-dimensional ("3D") block models (45 veins).

Mineral resources are reported using four silver equivalent ("AgEq") cut-off grades based on the area of production. Baseline assumptions for breakeven cut-off grades are presented on Table 14-11 and all prices are in $US. The gold price of $1,735.00/oz. and silver price of $21.80/oz are based on the 36-month moving average as of May 31, 2022. Metal recoveries, mining, processing, G&A, royalties and other costs associated with the calculation of break-even cut-offs are based on actual production costs provided by Endeavour Silver Corp. AgEq grade is calculated using a 79.6 silver to gold ratio. Mineral Resources for veins located within the Lucero production area were reported using a 151g/t AgEq cut-off. Mineral Resources within the Belen vein system are reported at a 157 g/t AgEq cut-off. A AgEq cut-off of 149 g/t was applied to remaining Mineral Resources for veins inside the La Luz and San Miguel production areas. Mineral Resources for veins modeled using the VLP estimation methodology were also reported using a AgEq cut-off of 149g/t.

Mineral Resource estimates using 3D block models are constrained to geologic vein solids that show continuous grade continuity and are within 60 meters of drilling or existing underground development. The maximum distance for reported Mineral Resources is based on the average maximum range defined by modeled variograms, 66 meters for silver and 64 meters for gold. After the block grade estimations were complete the AgEq grades for each vein were reviewed in long section by the QP, and the large majority of estimated blocks were found to show excellent grade continuity and tonnage meeting the criteria of a minable shape. All small isolated blocks not meeting the criteria of a reasonable mining shape (at least five contiguous blocks above cutoff) were removed from the estimate and excluded from the Mineral Resource statement.

Mineral Resources estimated using 2D VLP methods are classified entirely as Inferred. Mineral Resources are calculated using true thickness composites from drillhole intercepts identified as the vein. Polygonal methods assume grade continuity surrounding the composite. The smallest VLP volume is 328 tonnes, meeting the criteria for a minable shape.

Table 1-1 Mineral Resource Estimate, Effective Date May 31 st, 2022

Classification	*Cut-off* AgEq g/t	Mass kt	*Average Value* AgEq g/t	Silver g/t	Gold g/t	*Material Content* AgEq thousand t. oz	Silver thousand t. oz	Gold thousand t. oz
Measured	Variable	42.0	322	97	3.0	435	131	4.0
Indicated	Variable	411.5	279	111	2.3	3,697	1,470	30.0
Measured + Indicated	Variable	453.5	283	110	2.3	4,132	1,601	34.0
Inferred	Variable	1,656.6	331	141	2.5	17,608	7,494	132.2

1. The effective date of the Mineral Resource estimate is May 31, 2022. The QP for the estimate, Mr. Richard A. Schwering, SME-RM of HRC, is independent of EDR.
2. Inferred Mineral Resources are that part of a mineral resource for which the grade or quality are estimated on the basis of limited geological evidence and sampling. Inferred Mineral Resources do not have demonstrated economic viability and may not be converted to a Mineral Reserve. It is reasonably expected, though not guaranteed, that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
3. Measured, Indicated, and Inferred Mineral Resource silver equivalent cut-off grades were 149 g/t for veins located in the La Luz and San Miguel production areas and veins estimated using VLP methods at Bolañitos, 157 g/t for the Belen vein system, and 151 g/t for veins located in the Lucero production area.

4. Metallurgical recoveries were 85.7% for silver and 90.1% for gold.

5. Silver equivalents are based on a 79.6:1 silver to gold price ratio.

6. Price assumptions are $US21.80 per troy ounce for silver and $US1,735.00 per troy ounce for gold for resource cut-off calculations. These prices are based on the 36-month moving average as of the effective date.

7. Mineral Resources are reported exclusive of Mineral Reserves.

8. Rounding may result in apparent differences when summing tonnes, grade and contained metal content. Tonnage and grade measurements are in metric units. Grades are reported in grams per tonne (g/t). Contained metal is reported as troy ounces (t. oz).

1.7 Mineral Reserve Estimate

Mr. Don Gray, P.E., SME-RM, of EDR is responsible for the mineral reserve estimate presented in this report. Mr. Gray is Qualified Person as defined by NI 43-101 and is not independent of EDR. The reserve calculation for the Bolañitos Project was completed in accordance with NI 43-101 and has an effective date of May 31st, 2022. Stope designs for reporting the reserves were created utilizing the updated resources and cutoffs established for 2022 by Richard A. Schwering SME-RM with Hard Rock Consulting, LLC ("HRC"). All the stopes are within readily accessible areas of the active mining areas. Ore is milled and undergoes floatation at a rate of 1,100 tpd.

EDR utilized Vulcan program to generate the stopes for the reserve mine plan. The parameters used to create the stopes are listed below;

- Cut-Off Grades:
  - 149 g/t silver equivalent for San Miguel
  - 149 g/t silver equivalent for La Luz
  - 151 g/t silver equivalent for Lucero
  - 157 g/t silver equivalent for Belen
- Minimum Mining Width: 0.8 m.
- Cut and Fill Stope Size: 7m W x 4m H
- Long Hole Stope Size: 7m W x 20m H
- External Dilution Cut and Fill: 24%
- External Dilution Long Hole: 40%
- Silver Equivalent: 79.6:1 silver to gold
- Gold Price: US $1,735 /oz
- Silver Price: US $21.80 /oz
- Gold Recovery: 90.1%
- Silver Recovery: 85.7%
- Dilution factors averaged 37.14%. Dilution factors are calculated based on internal stope dilution calculations and external dilution factors of 24% for cutand fill and 40% for long hole.
- Silver equivalents are based on a 79.6:1 silver:gold ratio.

The stopes were design using only the updated Measured and Indicated resources above the calculated cutoff including internal stope dilution and were determined to be economically viable. The Measured and Indicated mineral resources within the stopes have been converted to Proven and Probable reserves as defined by NI 43-101. All inferred material has been classified as waste.

Table 1-1 Mineral Reserve Estimate

Classification	AgEq Cut-off g/t	Mass kt	*Average Value*			*Material Content*		
			AgEq g/t	Silver g/t	Gold g/t	AgEq thousand t. oz	Silver thousand t. oz	Gold thousand t. oz
Proven	Variable	158	266	57	2.63	1,357	290	13.4
Probable	Variable	376	265	73	2.41	3,199	878	29.2
Proven + Probable	Variable	534	326	101	2.8	4,556	1,168	42.6

1. Mineral resources are estimated exclusive of and in addition to mineral reserves.
2. Figures in table are rounded to reflect estimate precision; small differences generated by rounding are not material to estimates.

1.8 Conclusions and Recommendations

The QPs consider the Bolañitos mineral resource and reserve estimates presented herein to conform with the requirements and guidelines set forth in Companion Policy 43-101CP and Form 43-101F1 (June 2011), and the mineral resources and reserves presented herein are classified according to Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards - For Mineral Resources and Mineral Reserves, prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council on May 10, 2014. These mineral resources and reserves form the basis for EDR's ongoing mining operations at the Bolañitos Mines Project.

The QPs are unaware of any significant technical, legal, environmental, or political considerations which would have an adverse effect on the extraction and processing of the resources and reserves located at the Bolañitos Mines Project. Mineral resources which have not been converted to mineral reserves, and do not demonstrate economic viability shall remain mineral resources. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves.

The QPs consider that the mineral concessions in the Bolañitos mining district controlled by EDR continue to be highly prospective both along strike and down dip of the existing mineralization.

EDR's Bolañitos Mines Project has an extensive mining history with well-known silver and gold bearing vein systems. Ongoing exploration has continued to demonstrate the potential for the discovery of additional resources at the project and within the district surrounding the mine. Outside of the currently known reserve/resource areas, the mineral exploration potential for the Bolañitos Project is considered to be very good. Parts of the known vein splays beyond the historically mined areas also represent good exploration targets for additional resource tonnage

Since EDR took control of the Bolañitos Mines Project, new mining areas have enabled EDR to increase production by providing additional sources of mill feed. EDR's operation management teams continue to search for improvements in efficiency, lowering costs and researching and applying low-cost mining techniques.

In 2022, EDR plans to drill 10,000 meters of surface drilling in the Bolañitos Project, at an estimated cost of US$1,500,000. Drilling campaigns will be carried out mainly in the Bolañitos South and Virginia areas.

The QPs recommends that the process of converting mineral resources into reserves from 2D polygons to 3D block models be continued. During the last couple of years, considerable progress has been made on this process with only nine veins remaining to be converted to 3D. Additional modeling efforts should be made to define the mineralized brecciated areas as they have been an important source of economic material encountered in the current operation, and could provide additional tonnage to support the mine plan.

EDR currently utilizes the exploration drilling and chip and muck samples in their resource and reserve calculations. It is recommended that future efforts focus on constructing block models for resource and reserve reporting utilizing only the exploration and underground drilling results.

Although the reconciliations conducted by EDR show good comparison between planned versus actual values, the reconciliation process should be improved to include the estimated tonnes and grade from the resource models. Because the LOM plan is compared to the plant production monthly, the actual physical location of the material mined may be different than the planned location. Due to the many stopes that are mined during a day this can only be completed on an average monthly basis due to blending of stope material into the mill. The monthly surveyed as mined areas should be created into triangulation solids and saved monthly for reporting the modeled tonnes for each month. The combination of the 3D block models and 2D and polygonal reserves makes this process difficult but considerable progress has been made during the last year to get all resources and reserves into 3D block models. The model-predicted results versus actual can then be used to determine if dilution factors need to be adjusted, or perhaps the resource modeling parameters may require adjustment if there are large variances. The mill production should be reconciled to the final concentrate shipments on a yearly basis and resulting adjustment factors should be explained and reported.

1.0 SUMMARY

1.1 Introduction

Wood Canada Ltd. (Wood), together with Endeavour Silver Corp. (Endeavour Silver), prepared the Technical Report (Report) summarizing the results of a feasibility study (FS) on the Terronera Silver-Gold Project (Terronera Project). The Terronera Project is located 50 km northeast of Puerto Vallarta in Jalisco State, Mexico.

1.2 Terms of Reference

Mineral Resource and Mineral Reserve estimates were prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (November 29, 2019) and followed the definitions in CIM Definition Standards for Mineral Resources and Mineral Reserves (May 10, 2014).

Measurement units used in this Report are metric unless otherwise noted. Currency is expressed in US dollars or unless specified as Mexican pesos (MXN).

1.3 Property Description and Location

The Terronera Project is located in the mountainous region of San Sebastián, a historical mining district in Mexico. The site can be accessed via Federal Highway No. 70 from Guadalajara, approximately 160 km southeast, and from Puerto Vallarta approximately 50 km southwest (Figure 1-1).

Endeavour Silver holds the Terronera Project through its 100% owned Mexican subsidiary, Endeavour Gold Corporation S.A. de C.V. (Endeavour Gold). Endeavour Gold holds the Terronera Project through its 100% owned subsidiaries Terronera Precious Metals S.A. de C.V. (TPM) and Minera Plata Adelante S.A. de C.V. (MPA).

The Terronera Project consists of 24 mineral concessions, totalling 17,369 ha all of which are valid and in good standing. Surface rights and access rights have been negotiated with various private ranch owners and three local three local Ejidos in support of exploration activities. Mexican Mining law provides the right to use water from the mine for exploration, exploitation, processing, and project personnel.

The Terronera Project is subject to three royalties. The Mexican government retains 0.5% royalty on any precious metals produced. Industrias Minera México S.A. de C.V. (IMMSA) and Compañia Plata San Sebastian S.A. de C.V. (AGREMIN) retains 2% net smelter return (NSR) royalty on mineral production from the concessions each individually conveyed or optioned to Endeavour Silver (10 concessions totaling 3,388 ha from IMMSA; and 4 concessions totaling 9,752 ha from AGREMIN).

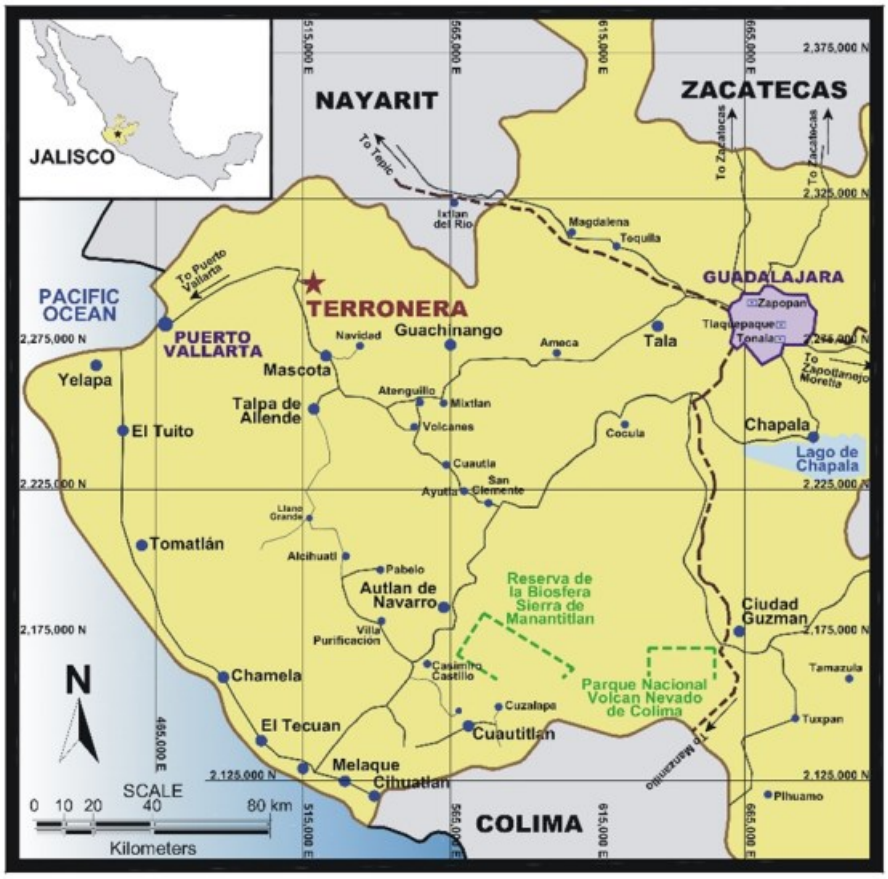


Figure 1-1: Terronera Project Location Map (Burga et al., 2020)

1.4 History

The Terronera Project is situated near the town of Sebastián del Oeste founded in 1605 during the Spanish colonial period. By 1785 the Sebastián del Oeste mining district consisted of more than 25 mines and a number of smelters and was considered one of the principal sources of gold, silver, and copper for New Spain. The main mines in the district included Real de Oxtotipan, Los Reyes, Santa Gertrudis, Terronera, and La Quiteria.

In 1979 Consejo de Recursos Minerales conducted regional and local semi-detailed mapping and exploration followed by prospecting activities in 1985 by Compañía Minera Bolaños, S.A. In the late 1980s IMMSA began exploring the historical mining district and continued with geological mapping and sampling of outcropping structures of a number of veins to the mid-1990s. Over the years, IMMSA drilled several holes intersecting widespread silver-gold mineralization, mainly at the Terronera Vein; however, a Mineral Resource estimate was not undertaken.

In 2010, Endeavour Silver acquired the option to purchase the San Sebastián properties from IMMSA and have conducted several exploration, and drilling campaigns that have resulted in Mineral Resource estimates, a preliminary economic assessment in 2015, a pre-feasibility study in 2017, and an updated pre-feasibility study in 2020.

There has reportedly been significant historical production from the San Sebastian del Oeste region spanning from 1566 through to the early 20th century; however, the amount of silver production is unknown.

1.5 Geology and Mineralization

The San Sebastián del Oeste mining district is situated at the southern end of the Sierra Madre Occidental metallogenic province, a north-northwesterly trending volcanic belt of mainly Tertiary age. This volcanic belt is more than 1,200 km long and 200 to 300 km wide and hosts most of Mexico's gold and silver deposits. The volcanic belt is one of the world's largest epithermal precious metal systems.

The San Sebastián del Oeste silver-gold district hosts high-grade silver-gold, epithermal vein deposits characterized by low-sulphidation mineralization and adularia-sericite alteration. The veins are typical of epithermal silver-gold vein deposits in Mexico in that they are primarily hosted in volcanic flows, pyroclastic, and epiclastic rocks, or sedimentary sequences of shale and its metamorphic counterparts.

The Terronera Project lies within the structurally and tectonically complex Jalisco Block at the western end of the younger (early Miocene to late Pliocene) Trans-Mexican Volcanic Belt. The more important mineralized veins in the San Sebastián del Oeste district are controlled by west-northwest to northwest striking structures related to a transcurrent fault system.

The Terronera Project is underlain by a volcano-sedimentary sequence which consists of shale, sandstone, and narrow calcareous-clayey interbeds overlain by tuffs, volcanic breccias, and lava flows of mainly andesitic composition. The volcano-sedimentary units crop out in the north-central part of the district. Further to the north, granitic to granodioritic intrusive rocks are present.

The principal Terronera Vein has been traced by drilling for 1.5 km on strike and from surface to the maximum depth of drilling at 546 m identifying its average true width to be 3.9 m. In addition to the main Terronera Vein, there are additional hanging wall and footwall veins. The veins are primarily hosted in volcanic flows, pyroclastic and epiclastic rocks, associated shales, and metamorphic counterparts.

1.6 Exploration

Endeavour Silver has conducted several exploration programs since 2010. Exploration activities include geological mapping, data compilation, rock chip sampling, trenching, soil geochemistry surveys, and topographical and geographical mapping using satellite photogrammetry.

Areas explored include: Real Alto, located in the southern part of the Terronera Project (including the Real, Tajo, Las Animas, Los Negros, La Escurana, Los Lodos, La Mora, Peña Gorda, El Maguey, Monte Obscuro and several other structures located in the area); Central part of the project (which includes the Terronera, La Luz and Quiteria West veins, in addition, several other structures in the area, highlighting El Padre, Los Espinos, Democrata, El Fraile, La Escondida, Vista Hermosa, La Atrevida, La Loma, Los Pajaros, Valentina, Jabalí, Lindero, San Simón, El Fresno, Zavala and Pendencia); North part of the project, around the Santiago de los Pinos town, including Los Reyes, La Ermita, Las Coloradas, La Plomosa and Los Encinos veins; La Unica area (La Unica vein and Julio-Camichina system); and more recently Los Cuates area (La Sanguijuela and San Sebastian 11 claims).

1.7 Drilling and Sampling

Drilling was initiated by IMMSA between 1995 and 2010, completing 17 diamond drill holes. Since 2011 Endeavour Silver completed 194 diamond drill holes and 40 channels totaling 66,076.6 m on the Terronera Vein and 41 diamond drill holes totaling 9,795.65 m on the La Luz Vein. Only holes drilled by Endeavour Silver were used to construct the Mineral Resource estimates.

Core logging recorded mineralization types, structure, density, recovery, rock quality designation (RQD), alteration, and geology. Core recovery is within acceptable levels with an average of 90% in the Terronera Vein, 100% in the La Luz Vein, and 100% in the host rock surrounding both.

Collar surveys are carried out with total station and a dual-band global positioning system (GPS), while surface holes are surveyed using a Reflex multi-shot down-hole survey instrument at 30 m intervals from the bottom of the hole and back up the collar.

Sampling is conducted in the Endeavour Silver core storage facilities, where it is geologically and geotechnically logged (RQD). Sampling is done in the mineralized structure with intervals between 20 and 100 cm and within the surrounding host rock with intervals between 20 and 150 cm. Photographs and density measurements are taken.

The whole core is cut in half with a diamond rotary saw, and broken core pieces are split with a pneumatic core splitter for sampling and are bagged and tagged. Samples are prepared at the ALS Chemex facility Guadalajara (ALS Guadalajara) which is independent of Endeavour Silver and holds an ISO/IEC 17025 accreditation. Independent laboratory ALS laboratory in Vancouver, Canada (ALS Canada) with ISO/IEC 17025 accreditation carried out the analytical process between 2012 and 2018. Samples from the 2020 campaign were sent to the SGS Durango-Mexico laboratory (SGS Durango) which is also independent of Endeavour Silver and accredited under ISO/IEC 17025. SGS Durango were also used as the secondary laboratory for the 2019 drilling campaign. Inspectorate laboratory in Hermosillo has been used as a secondary laboratory since 2012. They are independent of Endeavour Silver and hold global quality certifications under ISO9001:2008, Environmental Management under ISO14001, and Safety Management under OH SAS 18001 and AS4801.

Silver grades were determined by ALS Canada using inductively couple plasma atomic emission spectroscopy (ICP-AES) following aqua regia digestion. Gold was assayed by fire assay (FA) followed by atomic absorption (AA) analysis of the FA bead on a 30 g pulp sample. Assays reporting over the gold and silver limit is FA followed by gravimetric analysis on a 30 g pulp sample. Detection limits for high-grade gold assays are 0.5 to 1,000 ppm and 5 to 10,000 ppm for silver assays.

SGS Durango uses aqua regia digestion followed by ICP optical emission spectroscopy (OES) for silver and FA for gold. Overlimit silver and gold assays are by FA with a gravimetric finish.

Endeavour Silver employed a quality assurance quality control (QA/QC) program, including certified reference materials (CRMs), blanks, and duplicates inserted in the sample stream at a rate of approximately one control for every 20 samples. Check assaying was also conducted with a frequency of approximately 5%. A review of the QC data from drilling used for Mineral Resource estimation found potential low-level carry-through contamination in ALS Canada results that have been deemed minor and not material to the Mineral Resource estimate. The Qualified Person (QP) concludes that the sample preparation, security, and analytical procedures are adequate for use in Mineral Resource estimation.

1.8 Data Verification

The drill hole database was inspected and validated by the QP. Assay data was verified against the original laboratory certificates. Minor errors were found, addressed and discussed with Terronera's team.

The QP performed verification and validation of drill hole collars, downhole surveys, geological logging, sampling, sample preparation, and assaying procedures during their site visit. Drilling practices were reviewed by visiting a rig, drilling an exploration drill hole, and checking downhole survey measurements. Core logging of drill holes from the Terronera and La Luz veins were reviewed. Sampling practices were reviewed together with the Terronera Project geologists. Witness samples were selected from the Terronera and La Luz veins, sent to ALS Canada, and a blank and standard for each vein. Results confirm the data to be reliable and suitable for use in updating the Mineral Resource.

1.9 Mineral Processing and Metallurgical Testing

Hazen Research completed initial comminution testing in 2016 and 2019. Samples were subjected to semi-autogenous grind mill comminution (SMC), Bond rod mill and ball mill work indexes (BWi and RWi, respectively), Bond abrasion index (Ai), and Bond impact work index (CWi) with results showing material classified as hard and highly abrasive. Additional comminution testing performed in 2021 supported these initial results with ore classified as very hard and highly abrasive.

ALS Metallurgy performed metallurgical test work in Kamloops, B.C., Canada. Testing before 2019 focused on evaluating flotation parameters from composite samples representative of materials with various precious metal grades, and reviewing the potential for deleterious elements.

The 2019/2020 metallurgical program included grind versus recovery, flash flotation, rougher and cleaner circuit confirmation testing with the aim to refine the process design parameters and flowsheet. Recovery models were generated from composites from current and previous testwork campaigns.

The 2021 testwork focused on assessing the metallurgical performance of both the Terronera and La Luz veins. Testwork completed includes Ai, BWi, flash flotation, rougher and batch cleaner flotation, and locked cycle tests. Additional comminution tests determined the hardness of the Terronera ore be 19.1 kWh/t and an Ai of 0.47. Results showed a two-stage flotation cleaning circuit is recommended to achieve a marketable concentrate grade. Additionally, recycling the cleaner scavenger tails should be implemented and maintained as an option in the current circuit. The final concentrate quality used in the lock cycle tests was analyzed for minor and deleterious elements and was deemed not to affect the extraction of gold and silver significantly.

Based on the projected LOM plan, overall recoveries of silver and gold are 87.7% and 76.3%, respectively.

1.10 Mineral Resource Estimate

Mineral Resources estimates were prepared for the Terronera and La Luz veins using drill holes completed by Endeavour Silver between 2010 and 2020. Estimation domains were constructed to include the mineralization portions of the veins and wall rock along the structural corridors responsible for vein emplacement and silver and gold deposition using a nominal 150 g/t silver equivalent (AgEq) cut-off grade.

Following the identification of a high-grade silver sample population, continuity of high-grade samples at the scale of the drill hole spacing and sampling interval was found. Based on these findings, a high-yield restriction was used to model the high-grade mineralization and prevent the over-projection of extreme silver grades.

An in-situ bulk density model used core recovery data to adjust the modeled density to reflect voids and open spaces and expected reduction in metal contained in the rock mass.

Estimation for both veins was performed in three passes using anisotropic search ellipsoids and inverse distance weighting to the third power. The models were validated by means of visual inspection and checked for global bias and local bias using swath plots. No areas of significant bias were noted.

Blocks in the Terronera Mineral Resource model have been assigned a resource confidence category based on drill hole spacing criteria selected that considers a visual assessment of the continuity of the mineralized zones width along strike and down dip, and a geostatistical drill hole spacing study. For the Terronera Zone, a 50 m drill spacing was used to define Indicated Mineral Resources with all remaining blocks inside the mineralized domain classified Inferred Mineral Resources. For the La Luz Zone, blocks estimated with composites from at least two drill holes with a nominal drill hole spacing of 30 m are classified as Indicated Mineral Resources. Holes spaced wider than the nominal 30 m spacing are classified as Inferred Mineral Resources.

A cut-off grade of 150 g/t silver equivalent (AgEq) is applied to identify blocks that will have reasonable prospects of eventual economic extraction.

The silver equivalent calculation and cut-off grades used for the 2021 Mineral Resource estimate are consistent with values used from the preliminary economic assessment and pre-feasibility studies. AgEq for the Terronera Project is Ag + 75 x Au. The AgEq value takes into account silver grade plus gold grade factored by the differential of gold and silver metal prices and metallurgical recoveries. The 150 g/t AgEq cut-off grade generates sufficient revenue assuming metallurgical recovery and long-range silver price to cover operating costs, including mining, processing, general and administrative (G&A), treatment, refining, and royalties.

The Mineral Resource estimates for the Terronera, and La Luz deposits are summarized in Table 1-1 and Table 1-2, respectively and are reported according to the 2014 CIM Definition Standards.

The majority of the Terronera Mineral Resources have been classified as Indicated, and it is possible that infill and grade control drilling and production sampling may result in local changes to the thickness and grade of the blocks currently drilled at nominally 50 m spacing. Additional drilling and production sampling are recommended to produce accurate forecasts for annual and short-range plans. Other factors that could affect the Mineral Resource estimate include changes to metal prices, mine, and process operating cost, variability in metallurgical performance, mine design, and mining method selection due to geotechnical stability.

Table 1-1: Terronera Deposit Mineral Resource Estimate with Effective Date March 5, 2021

Classification	Tonnes (000s)	Ag (g/t)	Ag (000s oz)	Au (g/t)	Au (000s oz)	AgEq (g/t)	AgEq (000s oz)
Indicated	5,181	256	42,707	2.49	415	443	73,755
Inferred	997	216	6,919	1.96	63	363	11,624

Notes:

1. Mineral Resources have an effective date of March 5, 2021. The Qualified Person responsible for the Mineral Resource estimate is Tatiana Alva, P. Geo, an employee of Wood Canada Ltd.
2. Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
3. AgEq is calculated as the sum of silver plus gold grades factored by the differential in gold and silver metal prices and metallurgical recoveries
4. Mineral Resources are constrained within a wireframe constructed at a nominal 150 g/t AgEq cut-off grade
5. A 150 g/t AgEq cut-off grade considers Wood's guidance on industry consensus for long term silver and gold prices for Mineral Resource estimation, metallurgical performance, mining, processing, and site G&A operating costs, treatment and refining charges, and royalties
6. Mineral Resources are stated as in-situ with no consideration for planned or unplanned external mining dilution.
7. The silver and gold ounces estimates presented in the Mineral Resource estimate table have not been adjusted for metallurgical recoveries.
8. Numbers have been rounded as required by reporting guidelines and may result in apparent summation differences.

Table 1-2: La Luz Deposit Mineral Resource Estimate with Effective Date March 5, 2021

Classification	Tonnes (000s)	Ag (g/t)	Ag (000s oz)	Au (g/t)	Au (000s oz)	AgEq (g/t)	AgEq (000s oz)
Indicated	122	182	745	13.11	54	1,165	4,774
Inferred	61	150	295	11.35	22	1,001	1,977

Notes:

1. Mineral Resources have an effective date of March 5, 2021. The Qualified Person responsible for the Mineral Resource estimate is Tatiana Alva, P. Geo, an employee of Wood Canada Ltd.
2. Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
3. AgEq is calculated as the sum of silver plus gold grades factored by the differential in gold and silver metal prices and metallurgical recoveries
4. Mineral Resources are constrained within a wireframe constructed at a nominal 150 g/t AgEq cut-off grade
5. A 150 g/t AgEq cut-off grade considers Wood's guidance on industry consensus for long-term silver and gold prices for Mineral Resource estimation, metallurgical performance, mining, processing, and site G&A operating costs, treatment and refining charges, and royalties
6. Mineral Resources are stated as in-situ with no consideration for planned or unplanned external mining dilution.
7. The silver and gold ounces presented in the Mineral Resource estimate table have not been adjusted for metallurgical recoveries.
8. Numbers have been rounded as required by reporting guidelines and may result in apparent summation differences.

1.11 Mineral Reserve Estimate

Mineral Reserves were classified in accordance with the 2014 CIM Definition Standards. All Mineral Reserves were converted from Indicated Mineral Resources and are classified as Probable.

The Probable Mineral Reserve estimates for the Terronera and La Luz deposits are provided in Table 1-3. There is no Proven Mineral Reserve for either zone.

Factors that could affect the Mineral Reserve estimate include but are not limited to dilution, recovery, metal prices, underground and site operating costs, and management of the operation and environmental or social impacts. Factors with the largest impacts to the Mineral Reserve estimates are the gold price for the La Luz Zone, silver prices for the Terronera Zone, and the ground conditions in the Terronera Zone during mining.

Table 1-3: Terronera and La Luz Probable Mineral Reserve

Zone	Tonnes (000s)	Ag (g/t)	Au (g/t)	AgEq (g/t)	Ag (000s oz)	Au (000s oz)	AgEq (000s oz)
Terronera	7,227	197	1.97	353	45,856	459	82,055
La Luz	153	173	15.00	1,378	851	75	6,780
Total	**7,380**	**197**	**2.25**	**374**	**46,707**	**534**	**88,834**

Note:

1. The Mineral Reserve estimate was prepared in accordance with the 2014 CIM Definition Standards by William Bagnell, P.Eng., an employee of Wood.
2. The Mineral Reserves have an effective date of June 30, 2021.
3. Mineral reserves are reported using a silver equivalency cut-off formula
   AgEq (g/t) = Ag (g/t) + (Au (g/t) x 78.9474). Cut-off grade varies between 156 g/t to 200 g/t AgEq depending on mining method. Metal prices used were $1,500/oz Au and $19.00/oz Ag. Metallurgical recovery of 84.9% for silver and 79.8% for gold, transport, treatment and refining charges of $0.75/oz Ag, and NSR royalties of 2.5%.
4. Mineral Reserves are reported based on mining costs of $30.00/t for sub-level open stoping, $49.18/t for cut and fill, and $48.00/t for shrinkage mining, and $28.46/t for process costs, and $8.49/t for G&A costs.
5. Figures in the table may not sum due to rounding.

1.12 Mining Methods

A geomechanical underground mine design study was performed on available core and review of previous studies. The study was used to determine location within the orebodies of the mining method, stability of openings, and requirements for ground support and dilution estimates.

Three declines from the surface will achieve underground access to Terronera and La Luz. The declines collar at the process plant pad, the mine dry, and the upper zone of the deposit. The La Luz access decline extends from the process plant decline to the La luz deposit.

Shrinkage mining methods will extract mineral Reserves at La Luz. Shrinkage is an amenable method given the narrow thickness and the vertical nature of the deposit. Broken ore will be extracted with scooptrams and hauled to remucks or direct loaded to 30-tonne haul trucks. The trucks will then haul the material to the process plant stockpile.

The Terronera deposit will be extracted by a combination of sub-level stoping (SLS) methods and cut and fill (CAF) mining. SLS accounts for approximately 59% of the extraction at Terronera. CAF mining accounts for approximately 23% of the extraction, and the remaining 11% is extracted as development ore. Primary transverse sub-level stopes and longitudinal sub-level stopes will be backfilled with cemented rockfill with an average of 5% binder content. Secondary transverse stopes will be backfilled with uncemented mine development rock.

Development of the declines will start in January 2022, and development ore extracted during this time will be stockpiled for later processing. The process plant is commissioned at the end of the third quarter of 2023. Between October and December 2023, the process plant will ramp up to 1,700 tpd sustained production rate on stockpiled material and development ore. Stoping commences in January 2024 from La Luz and Terronera. Mining is completed in La Luz in late 2025, and Terronera mining is complete at the end of the first half of 2035.

1.13 Recovery Methods

The process design was developed from the comminution and flotation testwork completed between 2017 and 2021. The process plant will operate continuously 365 days per annum with an assumed availability of 92% producing a high-grade concentrate.

Run-of-mine (ROM) material is transported to stockpiles, where a three-stage then processes it, closed crushing circuit with a designed capacity of 1,700 dry tpd in 16 hours of operation. Finely crushed product with a P80 of 6.7 mm will be conveyed to a fine ore bin and then to a primary grinding circuit to produce a product that is 80% minus 70 µm. Ground ores will be treated by flash flotation and conventional flotation with two stages of cleaning. Based on testwork results, overall recoveries of 87.7% for silver and 76.3% for gold are assumed for the LOM. Flotation tailings will be filtered and stored on the surface in a dry tailings storage facility (TSF).

Reagents used in the flotation of sulphide mineralization will be handled and stored on site. Freshwater will be provided by the Terronera and La Luz underground mining operations and used as make-up/firewater and process water. Annual power consumption required by the process is 43.3 GWh and will be supplied to the various process plant areas by the onsite power plant via overhead powerlines

1.14 Project Infrastructure

Onsite infrastructure and services required for the Terronera Project include road and air (helipad) access, a process plant, process, and mine ancillary buildings, mine portals and associated mine facilities, waste and tailings storage facilities, onsite power generation and distribution, sewage and potable water treatment facilities (Figure 1-2).

The site can be accessed by unpaved public roads that will require upgrading to a single-lane road of crushed gravel material. A helipad will provide additional access with its primary purpose for emergency use.

The majority of the process facilities will be open structures that are typically structural steel stick built. Ancillary buildings located in and around the process plant site and Portal 1 will include the gatehouse, mine emergency services, dining room, mine portal tag in/out building, truck shop and wash bay and a maintenance workshop and warehouse. Additional ancillary buildings around Portal 2/3 include a truck shop and mine portal tag in/out buildings and mine dry and administration buildings.

Tailings will be piped from the process plant to a filter plant, where a dry tailings material will be produced and trucked to the TSF located northwest of the process plant. The current footprint of the TSF occupies an area of approximately 89,760 m^2 and will accommodate approximately 3.2 million m^3 (5.3 million tonnes) of compacted filtered tailings over a 12-year mine life based on a process rate of 1,700 tpd.

A temporary waste rock storage facility (WRSF) will be constructed southeast and uphill from Portal 2 and will vary in size throughout the life-of-mine (LOM), reaching a maximum capacity of approximately 1.2 million tonnes.

Power will be provided by an onsite natural gas generator and will supply the 14.6 MW of connected load power required at the site. Power will be distributed by 13.8 kV overhead power lines from the primary power switchgear line up with two breakers. One breaker will supply for the process plant and ancillary buildings, while the second breaker will supply the surface ancillary loads at Portal 1, Portal 2, Portal 3, and the mine water management system. Electrical houses will be modular units and installed close to the main load points.

Freshwater will be piped from Portal 1 and Portal 2 to tanks located close by. Potable water will be distributed by a high-density polyethylene pipe (HDPE) pipeline to facilities around the process plant site and those around Portal 2.

An offsite construction camp facility adjacent to Santiago de Los Pinos will be converted to a permanent camp to provide personnel accommodation, meals, and ancillary services.

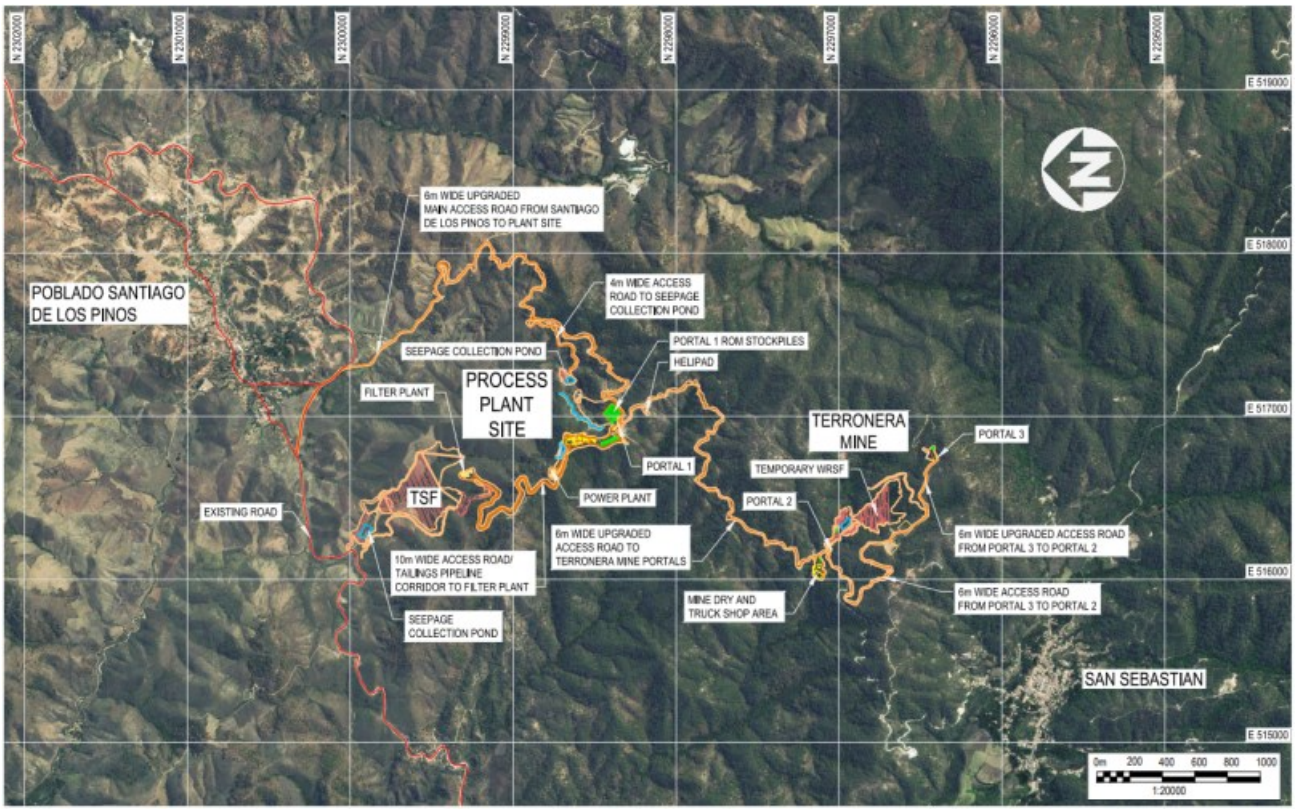


Figure 1-2: Terronera Site Layout (prepared by Wood, dated 2021)

1.15 Market Studies and Contracts

The long term silver price is assumed at $20.00/oz, and the long term gold price is assumed at $1,575/oz based on Wood's third-quarter 2021 guidelines derived from a survey of industry-consensus of forecast prices.

Endeavour Silver has not conducted any market studies, as gold and silver are commodities widely traded in world markets. Due to the size of the bullion market and the above-ground inventory of bullion, Endeavour Silver's activities will not influence gold or silver prices. Endeavour Silver produces a silver concentrate from its other current operating mines, which is then shipped to third parties for further refining before being sold. To a large extent, silver concentrate is sold at the spot price.

In its current operations, Endeavour Silver has no current contracts or agreements for mining, concentrating, smelting, refining, transportation, handling, or sales that are outside normal or generally accepted practices within the mining industry. No contracts or agreements are in place for the Terronera Project. Endeavour Silver's current hedge policy is to not enter into long-term hedge contracts or forward sales.

1.16 Environmental Studies, Permitting, and Social or Community Impact

Environmental baseline studies relating to meteorology and air quality, climatology, soil erosion and contamination, surface and subsurface hydrology, flora and fauna, and cultural, historical, and archaeological resources have been performed in support of the Manifest of Environmental Impact (MIA) initially submitted to SEMARNAT (Secretaria de Medio Ambiente y Recursos Naturales) in December 2013 for a 500 tpd operation. A modified MIA application was submitted to SEMARNAT in February 2017 with a proposed process rate of up to 1,500 tpd and a TSF developed as a filtered tailings storage facility. A further update to the MIA will be required to address the current production rate of 1,700 tpd. The QP does not consider this to be an issue.

A conceptual closure plan has been developed to ensure the post-mining landscape is safe and physically, geochemically, and ecologically stable. The plan ensures that the quality of water resources (possible effluents) in the area is protected and that communities and regulators welcome the restitution plan.

1.17 Capital and Operating Costs

1.17.1 Capital Cost

Terronera Project's initial capital cost (Table 1-4) is $175 M expressed in the second quarter of 2021 US dollars. This estimate falls under the AACE International Recommended Practice No. 47R-11 Class 3 Classification Guideline, with an expected accuracy to be within +15%/-10% of the Terronera Project's final cost, including contingency.

Sustaining capital is estimated to be $108.5 M and considers underground mining activities, mine surface facilities, tailings management, and filter plant standby requirements.

Table 1-4: Summary of Capital Costs

Area	Initial Capital ($M)	Sustaining Capital ($M)	Total Cost ($M)
Mining	54.2	105.4	159.6
Tailings management facility	2.6	1.1	3.7
Ore crushing and handling	6.6	-	6.6
Mineral processing	28.6	2.0	30.6
Onsite infrastructure	22.2	-	22.2
Offsite infrastructure	2.3	-	2.3
Project indirects and Owner costs	43.8	-	43.8
Contingency	14.6	-	14.6
Total	**175.0**	**108.5**	**283.5**

Note: Figures may not sum due to rounding.

1.17.1 Operating Cost

Total operating costs over the LOM is estimated at $494.1 M. Average operating costs are estimated at $66.96/t of processed ore and summarized in Table 1-5.

Mine operating costs account for all mining operations, excluding capital development and delineation drilling. Cost models are based on site-specific inputs provided from Endeavour Silver.

Process operating costs include labour, energy consumption, supplies (operating and maintenance), mobile equipment, laboratory, and TSF and were estimated using first principles, budget quotations for reagents, and experience with similar projects.

G&A operating costs average approximately $6.8 M/yr or $ 10.90/t of processed ore.

Table 1-5: Operating Cost Summary

Cost Area	Total ($M)	$/t	% of Total
Mining	225.7	30.58	46
Process	188.0	25.47	38
G&A	80.5	10.90	16
Total	**494.1**	**66.96**	**100**

Note: Figures may not sum due to rounding.

1.18 Economic Analysis

Certain information and statements contained in this section are forward-looking in nature and are subject to known and unknown risks, uncertainties, and other factors, many of which cannot be controlled or predicted and may cause actual results to differ materially from those presented here. Forward-looking statements include, but are not limited to, statements with respect to the economic and study parameters of the Terronera Project; mineral reserves; the cost and timing of any development of the Terronera Project; the proposed mine plan and mining strategy; dilution and extraction recoveries; processing method and rates and production rates; projected metallurgical recovery rates; infrastructure requirements; capital, operating and sustaining cost estimates; concentrate marketability and commercial terms; the projected LOM and other expected attributes of the project; the net present value (NPV), internal rate of return (IRR) and payback period of capital; future metal prices and currency exchange rates; government regulations and permitting timelines; estimates of reclamation obligations; requirements for additional capital; environmental risks; and general business and economic conditions.

The financial analysis was carried out using a discounted cash flow (DCF) methodology. Net annual cash flows were estimated to project yearly cash inflows (or revenues) and subtract projected cash outflows (such as capital and operating costs, royalties, and taxes). These annual cash flows were assumed to occur at year-end and were discounted back to the beginning of 2022 (Year -2), the start year of capital expenditure, and totalled to determine the NPV of the Terronera Project at a selected discount rate.

The financial evaluation of the Terronera Project generates positive before and after-tax results. The results show an after-tax NPV of $174.1 M at a 5% discount rate, an IRR of 21.3%, and a payback period of 3.6 years. A summary of the financial analysis results is presented in Table 1-6.

The Terronera Project is most sensitive to fluctuations in the silver price, then to silver feed grades, gold price, and gold feed grades. It is less sensitive to changes in operating costs. It is least sensitive to changes in initial capital cost. Spider graphs showing the Terronera Project's sensitivity to capital costs, operating costs, grade, and metal price are shown in Figure 1-3 and Figure 1-4.

Table 1-6: Summary of Economic Results

Description	Units	Value
Ag payable	000 oz	39,341
Au payable	000 oz	393
Ag payable equivalent	000 oz	70,310
After-Tax Valuation Indicators		
Undiscounted cash flow	$M	311.4
NPV @ 5%	**$M**	**174.1**
Payback period (from start of operations)	years	3.6
IRR	%	21.3%
Project capital (initial)	$M	175.0
Sustaining capital	$M	108.5
Closure cost	$M	7.1
Mining operating cost	$M	225.7
Processing operating cost	$M	188.0
G&A	$M	80.5

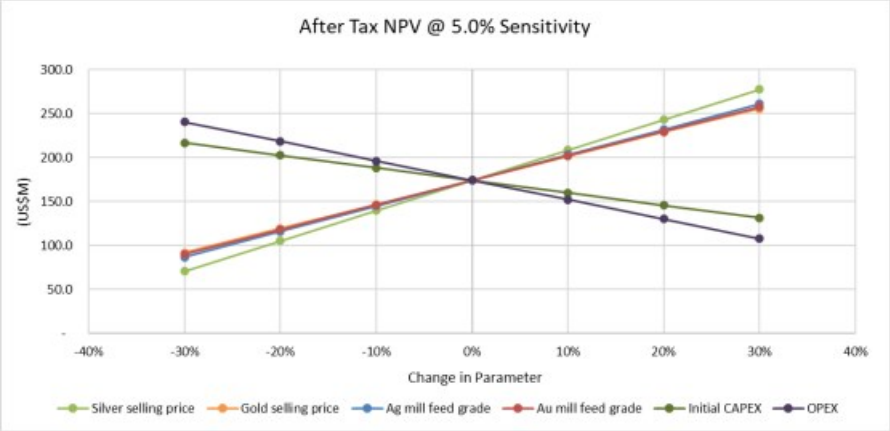


Figure 1-3: Sensitivity of After-Tax NPV Discounted at 5% (prepared by Wood, dated 2021)

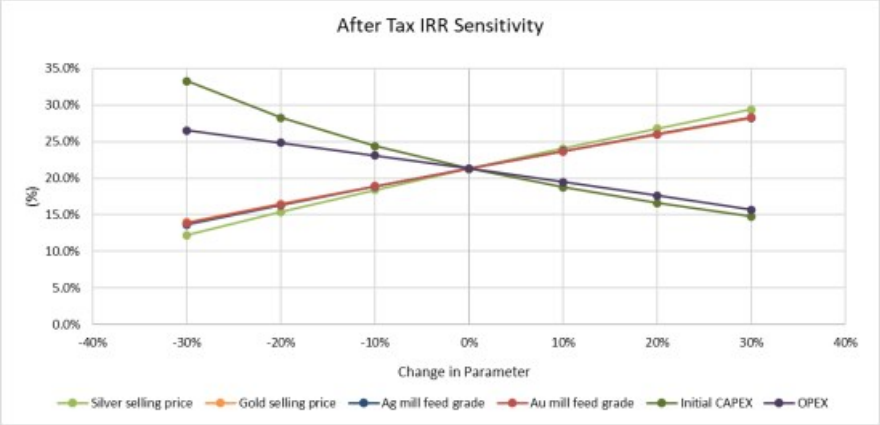


Figure 1-4: Sensitivity of After-Tax IRR Discounted at 5% (prepared by Wood, dated 2021)

1.19 Interpretation and Conclusions

Under the assumptions discussed in this Report, the Terronera Project is technically feasible and returns a positive economic outcome.

1.20 Opportunities and Risk

The following opportunities for the Terronera Project have been identified:

- A better understanding of the distribution of oxide, transition, and sulphide could improve the production and metallurgical performance forecast.
- Use mineralogical analysis to improve the understanding of the losses of gold and silver to tailings, which could identify how to reduce these losses.
- Rock mechanics conditions underground are better than currently modeled and actual conditions may allow more extensive use of SLS as the primary production method and a reduction in external dilution.
- Groundwater flows are lower than estimated, and the dewatering system requirements are less than currently designed
- If surface rights outside the property boundary can be negotiated, the filter plant could be relocated north (downhill) from its current location. This would result in cost savings of up to $1.5 M associated with access road infrastructure and filtered tailings transport.

The following risks have been identified for the Terronera Project:

- The presence of clays has potential of a negative impact on plant performance.
- Underground development, production costs and dilution may increase due to actual ground conditions being different from what was captured in the rock mechanics analysis.
- Operating costs estimates may increase as Endeavour Silver G&A costs are typically higher than those of similar-sized Mexican operations.
- The current mine plan does not optimize production from oxide, transition and sulphide ore zones. Ore blending may be required for optimal process plant performance, and this may impact mine production rate and operating costs.
- The drainage water quality at Terronera assumed to be similar to other Endeavour Silver mine sites of similar geological conditions. However, mine water quality is also influenced by site-specific factors, which could result in Terronera mine drainage requiring treatment.
- The current filtered TSF does not have an out-of-specification area for temporary filtered tailings disposal. This could result in the need for redundant filtering systems at the filter plant or an additional temporary tailings disposal site.

1.21 Recommendations

Recommended work programs provide opportunities for improvements to mitigate risks and have higher confidence in how the mine will behave in the first few years of mining. The program is estimated at $6.05 M and includes recommendations relating to rock mechanics, hydrogeological testing and modeling, testwork to support refinements to the processing plant, activities to support the TSF, investigations to support the design of site infrastructure, and water management.

SCHEDULE "D"

Technical Report - 2022 Mineral Resource Estimate - Pitarrilla AG-PB-ZN Project, Mexico

1. SUMMARY

SGS Geological Services Inc. ("SGS") was contracted by Endeavour Silver Corp., ("Endeavour" or the "Company") to complete a Mineral Resource Estimate ("MRE") update for the Pitarrilla Project ("Project" or "Property") including the Pitarrilla Silver-Lead-Zinc Deposit ("Deposit"), located near Durango State, Mexico, and to prepare a National Instrument 43-101 ("NI 43-101") Technical Report written in support of the MRE.

On January 12, 2022, Endeavour entered into a definitive agreement to purchase the Project by acquiring all of the issued and outstanding shares of SSR Durango S.A. de C.V. (SSD) from SSR Mining Inc. ("SSR") for total consideration of $70 million, consisting of $35 million in common shares and a further $35 million in cash or in common shares at the election of SSR and agreed to by the Company, and a grant of a 1.25% NSR royalty. The acquisition was completed on July 6, 2022. Total consideration paid included 8,577,380 shares of the Company issued on July 6, 2022, with a deemed value of $34,909,937 and a $35,066,829 cash payment.

The Company is engaged in silver mining in Mexico and related activities including property acquisition, exploration, development, mineral extraction, processing, refining and reclamation. The Company is also engaged in exploration activities in Chile and Nevada, USA. Since 2002, the Company's business strategy has been to focus on acquiring advanced-stage silver mining properties in Mexico. Endeavour is headquartered in Vancouver, British Columbia (1130 - 609 Granville Street Vancouver, B.C., Canada, V7Y 1G5) with management offices in Leon, Mexico and Durango, Mexico, and is listed on the Toronto (TSX:EDR), New York (NYSE:EXK) and Frankfurt (FSE:EJD) stock exchanges.

The current report is authored by Allan Armitage, Ph.D., P. Geo., ("Armitage" or the "Author") of SGS, and the MRE presented in this report was estimated by Armitage. Armitage is an independent Qualified Person as defined by NI 43-101 and is responsible for all sections of this report.

1.1 Property Description, Location, Access, and Physiography

The Property is located within the Municipality of Inde, on the eastern flank of the Sierra Madre Occidental mountain range in the central part of Durango State, Mexico, and is centered at 25 degrees 25 minutes south latitude and 104 degrees 57 minutes west longitude. The city of Victoria de Durango, the capital of Durango state, is located 160 km southwest of the property and the major city of Torreón (capital of Coahuila state) 160 km to the east.

The nearest population centers are San Francisco de Asís (located 12 km to the northeast of the property) and Casas Blancas (situated in the northeast portion of the project concessions). Both villages are located in Durango State. San Francisco de Asís has a population of about 800 and Casas Blancas has a population of approximately 120. The larger population centers near the project, Torreón and Victoria de Durango, have approximately 1.5 million and 1 million inhabitants, respectively.

The Property is defined as the group of mining concessions and the surface rights that partially overlie the mining concessions. The Property is formed by 5 contiguous mineral concessions entitled to SSD and covering a total area of approximately 4,950 hectares. SSD is a Mexican corporate entity, and a wholly-owned subsidiary of Endeavour.

On June 30, 2015 SSD requested before the mining authorities the reduction of the mining concession "La Pitarrilla 2" (title number 220231), from 5,771.2505 hectares to 3,221.2517 hectares, assigning a new name to the claim "La Pitarrilla 2 Reducción", record number 2/2-0245. The reduction is in process to be approved.

SSD has acquired surface rights to most of the lands required for successful project permitting, construction and operation.

The Property is currently accessible through a network of public roadways in the region. From Durango, access is gained by traveling north along paved highway 45 for 235 km, then south west on paved highway 30 to El Palmeto and then south on unpaved public roads to Casa Blancas. The main access to the Project site is planned to be along the approximate 47 km of public and private dirt roadways, from the junction with paved Highway 45, to the Project's southeast gate. The primary site access road will utilize the existing roadway serving the nearby local community of San Francisco de Asís, with secondary access via the existing road to Casas Blancas. Improvements are required for the main road, the most significant of which is the addition of a permanent bridge over the Nazas River, approximately 11 km from the Property site.

The Project and all parts of the deposit area, from the main project facilities, is road accessible and can be accessed by pickup truck, larger supply trucks, truck and low-bed (float) trailer carrying mine equipment and drill equipment, and self-driven mine trucks.

Power for the Project is available from the national power grid at the Subestacion Electrica Canatlán II (substation) located approximately 139 km south of the plant site. The power will be provided by the national power utility, CFE.

Fresh make-up water to the project will be provided from several wells located on the property near the Nazas River, approximately 10 km from the Project site. Water from the wells will be pumped to a booster tank and, from there, be pumped to Project water consumers.

There is a well-established camp for the Project. The camp is in the southern area of the town of Casas Blancas and includes the following facilities: general offices, welding workshop, mechanical workshop, general warehouse, clinic-medical services, as well as six core storage facilities. The camp provides accommodation for a capacity of 101 personnel, as well as dining facilities with a capacity for 110 people.

1.2 History of Exploration, Drilling

Available records of mineral exploration conducted on the Property and immediately adjacent ground date back to 1996. In 2002, Silver Standard contracted F. Hillemeyer and P. Durning of La Cuesta International, Inc. ("LCI") to acquire mineral properties in Mexico which showed good exploration potential for silver. One of the areas LCI recommended for claiming was the ground covered by the Pitarrilla Project claim group. Between November 2002 and March 2003, a total of 12 concessions covering 136,191 hectares were claimed by Explominerals, S.A. de C.V. on behalf of Silver Standard.

Beginning in 2002, several programs of rock-chip sampling were completed over the core of the Property, where multiple zones of silver mineralization eventually came to be outlined. The outlined zones represented exploration targets that were eventually drill-tested, resulting in the discovery of the five zones of oxide silver mineralization that form the upper part of the Pitarrilla Project deposit.

A number of diamond and reverse circulation ("RC") drilling campaigns were undertaken by SSR on the Property between September 2003 and July of 2012. A total of 852 diamond and RC drillholes totaling 258,658 m have been completed on the Property.

Monarch Resources de Mexico, S.A. de C.V. completed a Phase I drilling program on the Fluorite Mine Target in 1996, including 22 RC drillholes totalling 2,842 m. The drilling was on the Property, but not in the area of the current Mineral Resource.

The greatest amount of exploration-related data has come from the several campaigns of reverse circulation and diamond drilling completed by Silver Standard on the Property between September 2003 and July 2012.

From September 2003 until October 2005, 186 reverse circulation holes with a combined length of 20,619 m were drilled on the Property. The RC drillholes targeted oxide mineralization in the Cordon Colorado, Peña Dyke, and Javelina Creek Zones (Figure 10 2 and Figure 10 3).

Between 2005 and July 2012, 428 diamond drillholes were drilled for exploration and resource infill purposes, with a total of 183,358 m being completed (Figure 10 4 and Figure 10 5). The majority of the drillcore was of HQ diameter, though core samples from depths below surface greater than about 450 m were generally of NQ diameter. To provide a sufficient amount of core from different types of mineralization for metallurgical testing, nine drillholes of HQ diameter were cored into the deposit in 2008 for a total of 6,126 m. An additional four holes of PQ diameter were drilled into four of the five zones of oxide silver mineralization to obtain core samples for communition tests. In the area of the deposit, 31 drillholes (including re-drills), totalling 12,834 m, were drilled for mining-related geotechnical information between 2010 and 2012. Condemnation, water well, piezometer, and short geotechnical holes drilled for the investigation of foundations for site facilities were also completed during the history of the project.

Most recently, during May and June of 2012, 33 closely-spaced diamond drillholes totaling 8,914 m were completed as part of a study to investigate the short distance variability of oxide and transitional silver mineralization in the upper 200-250 m of the Pitarrilla deposit. These holes were drilled along three control lines, two oriented ENE-WSW with the third line crossing the other two lines perpendicular to them (Figure 10 4). The orientation of drillholes varied in order to drill perpendicular to the interpreted orientation of the mineralised bodies. The dips of all drillholes were between 45° and 90°. In the Breccia Ridge Zone, drillholes were generally oriented vertically or at azimuths of 240° dipping at an average of 55°. In the South Ridge Zone, the drillholes were oriented at 100° and 274° with dips averaging 60°. In the Peña Dyke Zone, drillholes were drilled at azimuths of 200° and 025° degrees with dips at 60°. In the Cordon Colorado and Javelina Creek Zones, there were no preferred drillhole orientations.

All geological data has been reviewed and verified by the Author as being accurate to the extent possible and to the extent possible all geologic information was reviewed and confirmed. There were no errors or issues identified with the database. The Author is of the opinion that the database is of sufficient quality to be used for the current Indicated and Inferred MRE.

1.3 Geology and Mineralization

The Property is located on the eastern flank of the Sierra Madre Occidental mountain range. This mountain range is the erosional remnant of one of the Earth's most voluminous accumulations of intermediate to felsic volcanic rocks, which formed a calc-alkaline magmatic arc that was built during Eocene to early Miocene time, roughly 52 to 25 million years ago, in response to subduction of the Farallón tectonic plate beneath North America, this mountain building event is known as the Laramide Orogeny. A large number of medium to high-level hydrothermal systems variably enriched in Ag, Au, Pb, and Zn were intermittently generated during this extended period of volcanism, including the epithermal mineral systems that formed the great Mexican silver mining districts at Guanajuato, Real de Angeles in Zacatecas, Fresnillo, and Santa Barbara-San Francisco del Oro. The silver-lead-zinc mineralization found on the Pitarrilla property is situated in Central Mexican Silver Belt, a metallogenic province defined by the four previously noted silver mining districts along with the mining districts of Parral, Santa Maria del Oro, and Sombrerete-Chalchihuites.

The Pitarrilla Project Ag-Zn-Pb deposit is hosted by deformed Cretaceous marine sediments and unconformably overlying Eocene (52 to 40 Ma) and Oligocene (32 to 28 Ma) volcanics volcaniclastics and intrusives. Eocene volcanics and volcaniclastics were derived from arc volcanism and from the erosion of subaerial arc volcanoes and deposited into a back-arc basin. Uplift of the basin was accompanied by extension and voluminous bi-modal volcanism with the emplacement of andesitic and felsic sills and dykes during the early Oligocene. The culmination of the volcanism was the development of a rhyolitic dome which crops out on Cerro La Pitarrilla.

Ag-Zn-Pb mineralization at the Pitarrilla Project occurs as a vertically stacked mineralised system centered on rhyolitic dykes and sills that constitute the feeder system for an early Oligocene volcanic center manifest by the rhyolitic dome. Sulphide-associated mineralization is rooted in the basement Cretaceous sedimentary strata and is represented by an aerially restricted but vertically extensive zone of disseminated and veinlet Ag-Zn-Pb (-Cu-As-Sb) sulphide mineralization and strata-bound massive replacement mineralization within a polymictic conglomerate that occur at the Cretaceous-Eocene unconformity.

The sulphide mineralization extends into the overlying Eocene and Oligocene volcaniclastic rocks and felsic sills, where it grades into mixed sulphide-oxide or transitional mineralization and a more laterally extensive zone of disseminated iron oxide-associated mineralization. The Ag-Zn-Pb mineralization is interpreted to have occurred during or after emplacement of the early Oligocene rhyolitic dome.

The Pitarrilla deposit is centrally located within the Central Mexican Silver Belt, which is defined by numerous Ag-Pb-Zn (±Au ±Cu) deposits and is classified as an intermediate sulphidation epithermal deposit.

1.4 Mineral Processing, Metallurgical Testing and Recovery Methods

In 2004, Silver Standard initiated testwork to provide a better understanding of the Pitarrilla deposit metallurgy and to establish design criteria for the mineral extraction process. The test programs have included initial scoping studies, flotation process development for sulphide ore, cyanide leaching development for oxide ore, and a combination of processes for the transitional (located between sulphide and oxide ore zones) and sulphide ores. Within the testwork, four pilot flotation tests of sulphide ore were completed.

The testwork has covered most of the possible process options, but until now, it was difficult to predict metallurgical performance based on material type and location. The historic representation of a mixed oxide and sulphide ore body has become better defined as, an ore body with oxide ore on surface, an intermediate zone of transition ore comprised of both oxide and sulphide ores below, and sulphide ore at depth.

Laboratory and pilot scale testing on sulphide ore composite samples demonstrated that the sulphide mineralization was readily amenable to flotation process treatment. A conventional lead-zinc sequential flotation separation flow sheet is the basis of the process design. The variability flotation testwork indicated that the sulphide mineralized zones are relatively similar in terms of ore grindability, chemical and mineral compositions, and flotation response. Galena can be recovered into a flotation concentrate that will also contain the majority of the silver in the ore. The tailings from the lead flotation circuit can then be processed by flotation, to recover most of the sphalerite mineral in an acceptable zinc flotation concentrate.

Laboratory testing on oxide ore composite samples demonstrated that the oxide mineralization was amenable to the cyanide leach process for the extraction of silver. A conventional cyanide leach circuit flow sheet is the basis of the process design. The variability leaching testwork indicated that the oxide mineralized zones are relatively similar in terms of ore grindability, chemical and mineral compositions, and cyanide leaching response.

Laboratory testing on transitional ore composite samples demonstrated that the transition mineralization was amenable to flotation process treatment and the flotation tailings were amenable to the cyanide leach process for the extraction of silver. It was determined that the circuit proposed for the sulphide mineral flotation process would perform acceptably for the transition material and that the cyanide leach circuit, proposed for the oxide leaching circuit, would also perform acceptably for the transition material. The variability testwork indicated that the transition mineralized zones are relatively similar in terms of ore grindability, chemical and mineral compositions, and leach response.

Identifying the mineralized material by oxidation code (0 for Sulphide to 5 for Oxide) has allowed the metallurgical test results to be understood. The results were categorized to develop a predictive model of metallurgical performance for each material type. The models for sulphide material treated by the flotation process are conventional metal head grade to recovery relationships. For the transition material that will be processed by flotation and cyanide leaching, the sulphide models can be used. The predicted performance from the sulphide model can be reduced with increasing values of the oxidation code for a particular block of material. The flotation model cannot be used for material with an oxidation code above 3.5 (i.e. more oxidized). The models for cyanide leaching, of the flotation tailings and the oxide material, are based on a grade recovery relationships indicated from the test results.

The overall modeling logic for flotation includes three, separate mathematical units:

- Firstly, for each metal, a basic head grade to rougher recovery relationship;
- Secondly, an adjustment factor to this recovery to account for degree of oxidation
- Thirdly, a cleaning stage recovery applied to the oxidation adjusted rougher recovery.

The flotation tests results were combined into one larger data set for all rock types on the basis that the sulphide mineralogy is consistent across the rock types. The drill hole and sample intervals used to generate each metallurgically tested sample or composite were identified. For each interval, the geological oxidation code was recorded against the sample or composite and therefore each flotation test can be identified by an oxidation code value. All tests with particle sizes significantly finer or coarser than the plant design grind size distribution of 80 percent passing 150 micron have not been included.

The combined data set for oxidation codes 0 to 2 (i.e. sulphide material) contains the results of some 130 individual rougher tests, 113 tests with cleaning stages, plus the four pilot plant campaigns. The raw data was sorted or "binned" into short grade ranges of metal values (i.e. silver, lead, zinc and copper) and then averaged. The binned averages were then analyzed by making scatter plots of comparative data, for example "percent lead head grade" versus "recovery of lead in lead rougher flotation". A "best-fit" three-term polynomial curve was fitted to each scatter plot. The apogee of a curve fitting the "percent lead head grade" and the "recovery of lead in lead rougher flotation" data points defines the value above which recovery is fixed at a maximum value.

1.5 Pitarrilla Deposit Mineral Resource Estimate

Completion of the current MRE for the Property involved the assessment of a drill hole database, which included all data for surface drilling completed through the end of 2012, as well as three-dimensional (3D) mineral resource models (resource domains), 3D geological models, 3D surface models of fault structures, a 3D topographic surface model, and available written reports.

Inverse Distance Squared ("ID2") calculation method restricted to mineralized domains was used to interpolate grades for Ag (g/t), Pb (ppm) and Zn (ppm) into a block model. The current MRE takes into consideration that the Pitarrilla deposit may be mined by open pit and underground mining methods.

In order to complete the MRE for the Pitarrilla deposit, a database comprising a series of comma delimited spreadsheets containing surface RC and diamond drill hole information was provided by Endeavour. The database included hole location information, down-hole survey data, assay data, lithology data and density data. The data in the assay table included assays for Ag (g/t), Pb (ppm) and Zn (ppm), as well as Cu (ppm) As (ppm), S (%), Ca (%) and AgCN (ppm). After review of the database, the data was then imported into GEOVIA GEMS version 6.8.3 software ("GEMS") for statistical analysis, block modeling and resource estimation.

The original database provided by Endeavour included data for 831 surface RC and diamond drill holes, including 804 drill holes completed by Silver Standard between 2003 and 2012. Thus, the database used for the current MRE comprises data for 804 surface RC and diamond drill holes which total 254,386 m. The database totals 134,441 assay intervals for 188,816 m.

The database was checked for typographical errors in drill hole locations, down hole surveys, lithology, assay values and supporting information on source of assay values. Overlaps and gapping in survey, lithology and assay values in intervals were checked. All assays had analytical values for Ag (g/t), Pb (ppm) and Zn (ppm).

The Author was provided with a total of 19 3D Resource models (mineral domains), to be used for the current MRE, as well as 9 lithological 3D solids and a digital elevation surface model. All models were constructed by Silver Standard for the 2012 historical MRE. All mineral domains are clipped to topography.

The Author has reviewed the resource models on section and in the Author's opinion the models provided are very well constructed and fairly accurately represents the distribution of the various styles of mineralization, i.e. high grade vs low grade mineralization; oxide, transition and sulphide mineralization; and, steep breccia/quartz vein and horizontal manto style sulphide mineralization. No re-modeling of the deposits is recommended at this time. Limited sporadic mineralization exists outside of these wireframes, as well as along strike and at depth. With additional drilling, some areas of scattered mineralization may get incorporated into the mineral domains.

The main Pitarrilla deposit generally strikes 330° to 335° and dips/plunges steeply east-northeast (-60° to -65°). Additional oxide mineralization in the Cordon Colorado and Javelina Creek Zones extend for 700 to 900 m southwest and northeast of the main Breccia Ridge Zone.

The assay sample database available for the revised resource modelling totalled 134,441 representing 188,816 m of drilling. Of this, a total of 53,758 assays occur within the Pitarrilla deposit mineral domains. A statistical analysis of the assay data from within the mineralized domains, by state of oxidation, is presented in Table 14 3. Average length of the assay sample intervals is 1.33 to 1.45. Of the total assay population approximately 97% are 1.53 m or less with approximately 64% of the samples between 1.50 and 1.53 m and 92 % between 1.00 m and 1.53 m in length and only 8% greater than 1.53 m. To minimize the dilution and over smoothing due to compositing, a composite length of 1.50 m was chosen as an appropriate composite length for the current MRE.

Composites were constrained to the individual mineral domains. The constrained composites were extracted to point files for statistical analysis and capping studies. The constrained composites were grouped based on the mineral domain (rock code) of the constraining wireframe model. A total of 49,994 composite sample points occur within the resource wire frame models. High grade capping of Ag, Pb and Zn was done on 1.50 m composite data.

The Author was provided with a database of 8,535 dry bulk density ("DBD") measurements for the current MRE. DBD measurements were selected to be spatially and geologically representative (i.e., representative of geology, lithology, structure, mineralization, alteration). The density database was sub-divided by mineralization and waste domain. A total of 5,085 DBD values are from mineralized domains and 3,453 values are from waste domains. Based on a review of the available density data, it was decided that a fixed value be used for each resource model and waste model.

1.5.1 Mineral Resource Statement

The MRE presented in this Technical Report was prepared and disclosed in compliance with all current disclosure requirements for mineral resources set out in the NI 43-101 Standards of Disclosure for Mineral Projects (2016). The classification of the current Mineral Resource Estimate into Indicated and Inferred is consistent with current 2014 CIM Definition Standards - For Mineral Resources and Mineral Reserves, including the critical requirement that all mineral resources "have reasonable prospects for eventual economic extraction".

The general requirement that all Mineral Resources have "reasonable prospects for economic extraction" implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. In order to meet this requirement, the Author considers that the Pitarrilla deposit mineralization is amenable for open pit and underground extraction.

In order to determine the quantities of material offering "reasonable prospects for economic extraction" by an open pit, Whittle™ pit optimization software 4.7.1 and reasonable mining assumptions to evaluate the proportions of the block model (Indicated and Inferred blocks) that could be "reasonably expected" to be mined from an open pit were used. The pit optimization was completed by SGS. The pit optimization parameters used are summarized in Table 1-1. A Whittle pit shell at a revenue factor of 1.0 was selected as the ultimate pit shell for the purposes of this MRE. The optimized pit has been limited to the base of the transition mineralization.

The reader is cautioned that the results from the pit optimization are used solely for the purpose of testing the "reasonable prospects for economic extraction" by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the Property. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade. A selected base case cut-off grade of 50 g/t AgEq is used to determine the in-pit MRE for the Pitarrilla deposit.

In order to determine the quantities of material offering "reasonable prospects for economic extraction" by underground mining methods, reasonable mining assumptions to evaluate the proportions of the block model (Indicated and Inferred blocks) that could be "reasonably expected" to be mined from underground are used. The Pitarrilla sulphide mineralized zones have sufficient widths and continuity suitable for low cost bulk mining methods such as longhole stoping. The average true width of the manto style mineralization is 32 m within a range of 2.4 m and 104 m (90 % of drill intercepts > 10 m true width). The average true width of the breccia style mineralization is 31 m within a range of 1.2 m and 119 m (81 % of drill intercepts > 10 m true width). Based on other Endeavor operations in Mexico, a minimum mining thickness of 0.8 m is required for low cost bulk mining methods such as longhole stoping.

The underground parameters used, based on mining using low cost bulk mining methods, are summarized in Table 1-1. Based on these parameters, underground (below-pit) Mineral Resources are reported at a base case cut-off grade of 150 g/t AgEq. Underground Mineral Resources are estimated from the bottom of the pit (base of transition mineralization). The underground Mineral Resource grade blocks were quantified above the base case cut-off grade of 150 g/t AgEq, below the constraining pit shell and within the 3D constraining mineralized wireframes (the constraining volumes).

The current MRE for the Pitarrilla deposit is presented in Table 1-2 and includes an in-pit (oxide and sulphide transition mineralization) and an underground (below-pit) Mineral Resources (restricted to sulphide mineralization).

Highlights of the Pitarrilla deposit Mineral Resource Estimate are as follows:

- The in-pit Mineral Resource includes, at a base case cut-off grade of 50 g/t AgEq, 133.9 Mt grading 87.1 g/t Ag (375.1 Moz Ag), 0.19% Pb and 0.48% Zn in the Indicated category, and 25.6 Mt grading 76.4 g/t Ag (63.0 Moz Ag), 0.14% Pb and 0.48% Zn in the Inferred category.
- The below-pit Mineral Resource includes, at a base case cut-off grade of 150 g/t AgEq, 24.8 Mt grading 146.1 g/t Ag (116.5 Moz Ag), 1.01% Pb and 2.14% Zn in the Indicated category, and 9.8 Mt grading 115.5 g/t Ag (36.4 Moz Ag), 0.93% Pb and 1.80% Zn in the Inferred category.

There is no other relevant data or information available that is necessary to make the technical report understandable and not misleading. The Author is not aware of any known mining, processing, metallurgical, environmental, infrastructure, economic, permitting, legal, title, taxation, socio-political, or marketing issues, or any other relevant factors not reported in this technical report, that could materially affect the current Mineral Resource Estimate.

Table 1-1 Whittle™ Pit Optimization Parameters and Parameters used for In-pit and Underground Cut-off Grade Calculation

Parameter	Value	Unit
Silver Price	$22.00	US$ per pound
Zinc Price	$1.30	US$ per pound
Lead Price	$1.00	US$ per pound
In-Pit Mining Cost	$2.50	US$ per tonne mined
Underground Mining Cost	$46.50	US$ per tonne mined
Transportation	$3.00	US$ per tonne milled
Processing Cost (incl. crushing)	$17.40	US$ per tonne milled
In-Pit General and Administrative	$2.00	US$ tonne of feed
Underground General and Administrative	$10.50	US$ tonne of feed
Pit Slope - Oxide	42	Degrees
Pit Slope - Transition/Sulphide	48	Degrees
Silver Recovery - Oxide	75.0	Percent (%)
Lead Recovery - Oxide	70.0	Percent (%)
Zinc Recovery - Oxide	65.0	Percent (%)
Silver Recovery - Transition	75.0	Percent (%)
Lead Recovery - Transition	70.0	Percent (%)
Zinc Recovery - Transition	65.0	Percent (%)
Silver Recovery - Sulphide	86.0	Percent (%)
Lead Recovery - Sulphide	91.0	Percent (%)
Zinc Recovery - Sulphide	85.0	Percent (%)
Mining loss / Dilution (open pit)	5/5	Percent (%) / Percent (%)
Mining loss/Dilution (underground)	10/10	Percent (%) / Percent (%)

Table 1-2 Pitarrilla Deposit In-Pit and Underground (below-pit) Mineral Resource Estimate, October 6, 2022

In Pit (Oxide and Transition)									
Cut-off Grade (AgEq g/t)	**Tonnes**	**Ag (g/t)**	**Pb (%)**	**Zn (%)**	**AgEq (g/t)**	**Ag (oz)**	**Pb (Mlbs)**	**Zn (Mlbs)**	**AgEq (oz)**
Indicated									
50	133,864,000	87.1	0.19	0.48	112.3	**375,113,000**	547	1,409	483,234,000
Inferred									
50	25,643,000	76.4	0.14	0.48	100.2	**62,958,000**	80	272	82,650,000
Underground (Sulphide)									
Cut-off Grade (AgEq g/t)	**Tonnes**	**Ag (g/t)**	**Pb (%)**	**Zn (%)**	**AgEq (g/t)**	**Ag (oz)**	**Pb (Mlbs)**	**Zn (Mlbs)**	**AgEq (oz)**
Indicated									
150	24,783,000	146.1	1.01	2.14	264.4	**116,456,000**	551	1,172	210,707,000
Inferred									
150	9,808,000	115.5	0.93	1.80	217.5	**36,424,000**	202	389	68,588,000
Total in-pit and underground (Oxide, Transition and Sulphide)									
Cut-off Grade (AgEq g/t)	**Tonnes**	**Ag (g/t)**	**Pb (%)**	**Zn (%)**	**AgEq (g/t)**	**Ag (oz)**	**Pb (Mlbs)**	**Zn (Mlbs)**	**AgEq (oz)**
Indicated									
50 and 150	158,647,000	96.4	0.31	0.74	136.0	**491,569,000**	1,098	2,580	693,941,000
Inferred									
50 and 150	35,451,000	87.2	0.36	0.85	132.7	**99,382,000**	281	661	151,238,000

(1) The classification of the current Mineral Resource Estimate into Indicated and Inferred is consistent with current 2014 CIM Definition Standards - For Mineral Resources and Mineral Reserves.

(2) All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.

(3) All Resources are constrained by continuous 3D wireframe models (constraining volumes), and are considered to have reasonable prospects for eventual economic extraction.

(4) Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

(5) It is envisioned that parts of the Pitarrilla deposit (oxide and transition mineralization) may be mined using open pit mining methods. In-pit mineral resources are reported at a cut-off grade of 50 g/t AgEq within a conceptual pit shell, which has been limited to the base of the transition mineralization.

(6) The results from the pit optimization are used solely for the purpose of testing the "reasonable prospects for economic extraction" by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the Property. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade.

(7) *It is envisioned that parts of the Pitarrilla deposit (sulphide mineralization) may be mined using underground mining methods. Underground (below-pit) Mineral Resources are estimated from the bottom of the pit (base of transition mineralization) and are reported at a base case cut-off grade of 150 g/t AgEq. The underground Mineral Resource grade blocks were quantified above the base case cut-off grade, below the constraining pit shell and within the constraining mineralized wireframes. At this base case cut-off grade the deposit shows good deposit continuity with limited orphaned blocks. Any orphaned blocks are connected within the models by lower grade blocks and are included in the MRE.*

(8) *Based on the size, shape, location and orientation of the Pitarrilla deposit, it is envisioned that the deposit may be mined using low cost underground bulk mining methods.*

(9) *High grade capping of Ag, Pb and Zn was done on 1.50 m composite data.*

(10) *Bulk density values were determined based on physical test work from each deposit model and waste model.*

(11) *AgEq Cut-off grades consider metal prices of $22.00/oz Ag, $1.00/lb Pb and $1.30/lb Zn and considers variable metal recoveries for Ag, Pb and Zn: oxide and transition mineralization - 75% for silver, 70% for Pb and 65% for Zn; sulphide mineralization - 86% for silver, 91% for Pb and 85% for Zn.*

(12) *The pit optimization and in-pit base case cut-off grade of 50 g/t AgEq considers a mining cost of US$2.50/t rock and processing, treatment and refining, transportation and G&A cost of US$22.40/t mineralized material, an overall pit slope of 42° for oxide and 48° for transition and metal recoveries. The below-pit base case cut-off grade of 150 g/t AgEq considers a mining cost of US$46.50/t rock and processing, treatment and refining, transportation and G&A cost of US$30.90/t mineralized material.*

(13) *The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues..*

1.6 Recommendations

The Pitarrilla deposit contains within-pit and underground Indicated and Inferred Mineral Resources that are associated with well-defined mineralized trends and models. The deposit is open along strike and at depth.

Given the prospective nature of the Deposit, it is the Author's opinion that the Project merits further exploration and that a proposed plan for further work by Endeavour is justified. A proposed work program by Endeavour will help advance the Project and will provide key inputs required to evaluate the economic viability of the Project.

The Author is recommending Endeavour conduct further exploration, subject to funding and any other matters which may cause the proposed exploration program to be altered in the normal course of its business activities or alterations which may affect the program as a result of exploration activities themselves.

The total cost of the recommended work program by Endeavour is estimated at C$2.8 million. The recommended budget should be sufficient to rehabilitate and expand the existing ramp by 500 m, develop cross-cuts and establish underground drill stations. A 5,000 m underground drill program will focus on resource delineation and improve geological interpretation. An updated mineral resource estimate may need to be completed pending results.

Field exploration activities will consist of geological mapping of the Santa Cecilia and El Consuelo areas, while a regional geology program will develop additional exploration targets proximal to the main deposit.

SCHEDULE "E"

Audit Committee Charter

1. Mandate

The Audit Committee (the "Committee") has oversight responsibility for the adequacy and effectiveness of the accounting and financial reporting processes of Endeavour Silver Corp., (the "Company") by providing oversight of senior management and the external auditor relating to:

(a) maintaining necessary books, records and accounts to accurately and fairly reflect the Company's transactions for financial accounting and reporting process to shareholders and regulatory bodies;

(b) maintaining effective internal control over accounting processes and financial reporting, including adequate control environment and processes for assessing the risk of material misstatements in the financial statements and for detecting control weaknesses or fraud; and

(c) financial and controls audit process, review and audit finding reports and other matters that may arise.

The Committee provides assurance to the board of the Company (the " **Board**") that processes, internal controls and procedures are operating effectively, thus enabling the Company to assume the necessary risks to successfully operate the business and meet objectives.

2. Composition

The Committee shall consist of a minimum of three directors of the Company, all of whom are "independent" within the meaning of National Instrument 52-110 - Audit Committees in Canada, subject to any further applicable requirements under United States securities laws and regulations and the policies of the New York Stock Exchange.

The members of the Committee shall be financially literate, meaning that each member must be able to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. One member of the Committee must have accounting and financial expertise, meaning that the member possesses financial or accounting credentials or has experience in finance or accounting.

3. Term of Office

The members of the Committee will be appointed or re-appointed by the Board immediately following the Annual General Meeting of the Company. Each member of the Committee will continue to be a member thereof until such member's successor is appointed, or until such member resigns or is removed by the Board. The Board may remove or replace any member of the Committee at any time with or without cause. However, a member of the Committee will automatically cease to be a member of the Committee upon either ceasing to be a director of the Board or ceasing to meet the requirements of applicable laws governing the Company, stock exchanges on which the Company's securities are listed and applicable securities regulatory authorities. Vacancies on the Committee will be filled by the Board.

4. Committee Chair

The Board or the members of the Committee will elect by majority vote a chair of the Committee (the "Chair") from the members of the Committee. The fundamental responsibility of the Chair is to be responsible for the management and effective performance of the Committee and provide leadership to the Committee in fulfilling its mandate and any other matters delegated to it by the Board. It is the responsibility of the Chair to:

(a) schedule all meetings of the Committee and provide the Committee with a written notice and agenda for all meetings;

(b) lead the Committee in annually reviewing and assessing the adequacy of its mandate and evaluating its effectiveness in fulfilling its mandate;

(c) report to the Board after each Committee meeting, including recommendations on any specific decisions or actions the Board should consider;

(d) work with the Chair of the Board, the Chief Executive Officer, the Corporate Secretary, and Chief Financial Officer if necessary, to establish the frequency of the Committee meetings and the agendas for the meetings;

(e) provide leadership to the Committee and preside over Committee meetings;

(f) facilitate the flow of information to and from the Committee and foster an environment in which Committee members may ask questions and express their viewpoints; and

(g) take such other steps as are reasonably required to ensure that the Committee carries out its mandate.

5. Meetings

The Committee will meet at least quarterly, with additional meetings as deemed necessary by the Committee. If the Committee Chair is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the Committee may choose one of their members to chair the meeting. A quorum for meetings will be a majority of the members of the Committee, present in person or via communication devices that permits all persons participating in the meeting to speak to and hear each other. The Committee will maintain written minutes of its meetings and any other records as it deems appropriate. The minutes and records will be filed with the minutes of the meetings of the Board. The Committee will make regular reports of its meetings to the Board, directly or through its Chair, accompanied by any recommendations to the Board approved by the Committee.

6. Authority

The Committee shall have the authority to:

(a) Pre-approve non-audit services as may be delegated by the Committee to one or more independent members of the Committee, provided that such pre-approval must be presented to the Committee's first scheduled meeting following such pre-approval. Pre- approval of non-audit services is satisfied if:

(i) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Company and subsidiaries to the Company's external auditor during the fiscal year in which the services are provided;

(ii) the Company or a subsidiary did not recognize the services as non-audit services at the time of the engagement; and

(iii) the services are promptly brought to the attention of the Committee and approved, prior to completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee;

(b) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(c) set and pay the compensation for any advisors employed by the Committee;

(d) communicate directly with the internal and external auditors of the Company, or any persons of the Company as needed;

(e) invite external or internal advisor(s), including any member of the management team or other person, to attend part or all of any meetings of the Committee to make presentations, participate in discussions, or provide information and assistance to the Committee as required;

(f) call upon and have access to resources for additional information or advice, including engaging external consultants; and

(g) have unrestricted access to employees and records of the Company to the fullest extent permitted by law and is authorized to take advice from external parties as appropriate at the Company's expense.

The Committee provides assurance to the Board that processes, controls and procedures are operating effectively, thus enabling the Company to assume the necessary risks to successfully operate the business and meet objectives.

7. Committee Responsibilities and Duties

The Committee's duty is to monitor and oversee the operations of management and the external auditor. Management is responsible for establishing and following the Company's internal controls and financial reporting processes and for compliance with applicable laws and policies. The external auditor is responsible for performing an independent audit of the Company's financial statements in accordance with generally accepted auditing standards, and for issuing its report on the statements.

The Committee should review and evaluate this Charter on an annual basis and recommend any proposed changes to the Board for approval in accordance with the requirements of applicable laws governing the Company, stock exchanges on which the Company's securities are listed and applicable securities regulatory authorities.

The specific duties of the Committee are as follows:

(a) **Management Oversight:**

(i) review and evaluate the Company's processes for identifying, analyzing and managing financial risks that may prevent the Company from achieving its objectives;

(ii) review and evaluate the Company's internal controls, as established by management;

(iii) review and evaluate the status and adequacy of internal information systems and security;

(iv) meet with the external auditor at least once a year in the absence of management;

(v) request the external auditor's assessment of the Company's financial and accounting personnel; and

(vi) review and evaluate the adequacy of the Company's procedures and practices relating to currency exchange rates;

(b) **External Auditor Oversight:**

(i) recommend to the Board the selection and, where applicable, the replacement of the external auditor to be appointed or nominated annually for shareholder approval;

(ii) recommend to the Board the compensation to be paid to the external auditor;

(iii) review and evaluate the external auditor's process for identifying and responding to key audit and internal control risks;

(iv) review the scope and approach of the annual audit;

(v) inform the external auditor of the Committee's expectations;

(vi) meet with the external auditor at least once a year in the absence of management; and

(vii) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;

(c) **Review the independence of the external auditor on an annual basis:**

(i) review with the external auditor both the acceptability and the quality of the Company's financial reporting standards;

(ii) resolve any disagreements between management and the external auditor regarding financial reporting;

(iii) review and pre-approve all audit and audit related services and recommend to the Board the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor to the Company and its subsidiaries; and

(iv) confirm with the external auditor that the external auditor is independent and is ultimately accountable to the Board and the Committee as representatives of the shareholders.

(d) **Financial Reporting Oversight:**

(i) review with management and the external auditor the Company's annual and interim financial statements, management's discussion and analysis, any annual and interim profit or loss press releases and any reports or other financial information to be submitted to any governmental and/or regulatory body, or the public, including any certification, report, opinion, or review rendered by the external auditor, for the purpose of approval or recommending their approval to the Board prior to their filing, issue or publication;

(ii) ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements (other than the public disclosure referred to in (i) above), as well as review any financial information and earnings guidance provided to analysts and rating agencies, and periodically assess the adequacy of those procedures; and

(iii) discuss with the external auditor the quality and the acceptability of the International Financial Reporting Standards applied by management.

(e) **"Whistleblower" Procedures:**

(i) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, financial disclosure, or auditing matters;

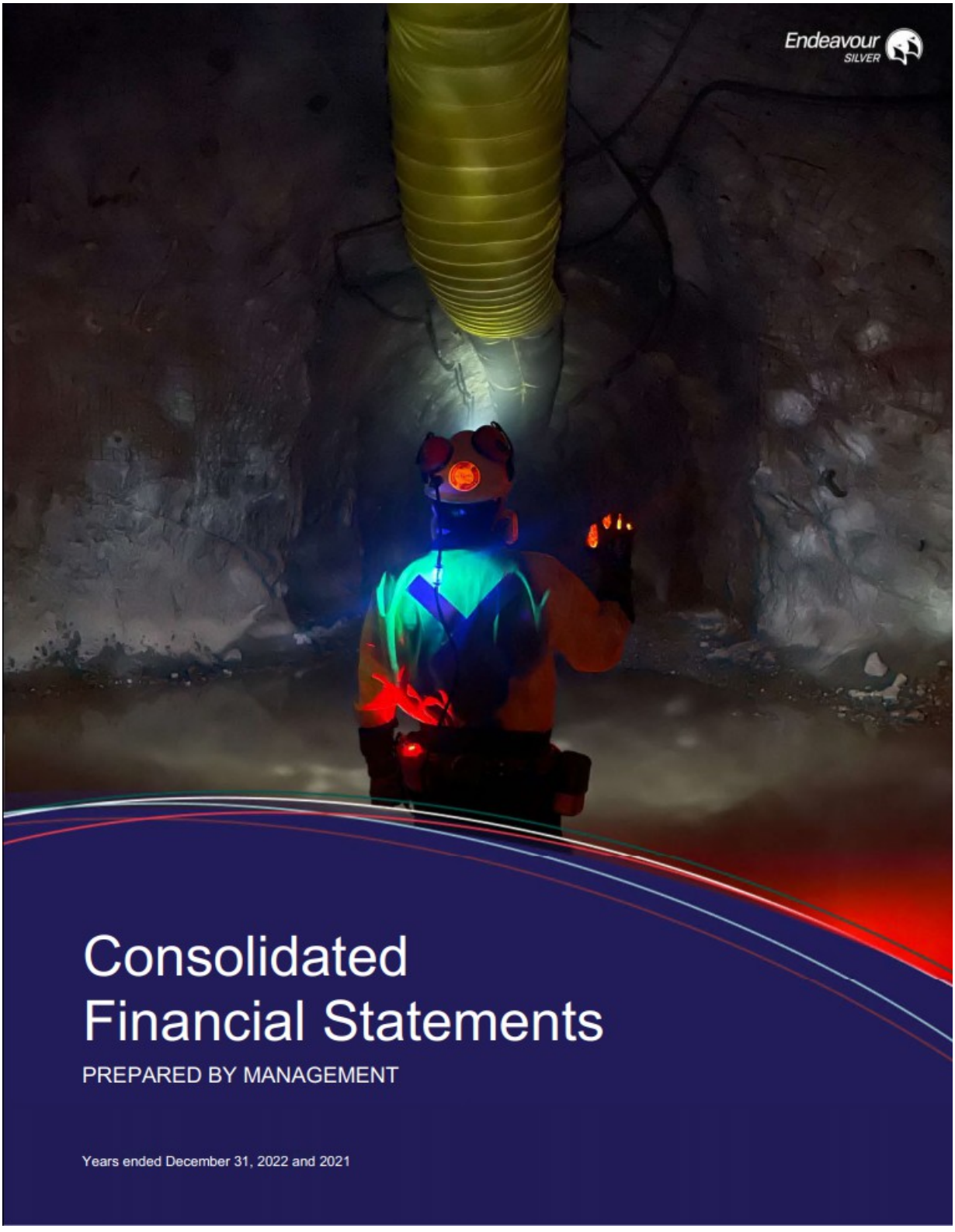
(ii) establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting, auditing or financial reporting and disclosure matters. For more information, see the Company's Whistleblower Policy; and

(iii) investigate concerns, complaints and reports in respect of accounting and auditing matters submitted under the Company's Whistleblower Policy.

In all cases, the Committee will make recommendations, where appropriate, to the management of the Company and/or to the Board. The Board and management of the Company will ensure that the Committee has adequate funding to fulfil its mandate.

8. Revisions

Last updated and approved by the Board on November 5, 2022.



Consolidated Financial Statements

PREPARED BY MANAGEMENT

Years ended December 31, 2022 and 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Endeavour Silver Corp. ("the Company") have been prepared by management in accordance with International Financial Reporting Standards (IFRS), and within the framework of the significant accounting policies disclosed in the notes to these consolidated financial statements.

Management, under the supervision and participation of the Chief Executive Officer and the Chief Financial Officer, have a process in place to evaluate disclosure controls and procedures and internal control over financial reporting as required by Canadian and United States securities regulations. We, as CEO and CFO, will certify our annual filings with Canadian Securities Administrators and the US Securities and Exchange Commission, as required in Canada by Multilateral Instrument 52-109 and in the United States as required by the Securities Exchange Act of 1934, respectively.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out its responsibility principally through its Audit Committee, which is independent from management.

The Audit Committee of the Board of Directors meets with management to review the consolidated financial statements and related financial reporting matters prior to submitting the consolidated financial statements to the Board of Directors for approval. The Audit Committee reviews the consolidated financial statements and management discussion and analysis; considers the report of the external auditor; assesses the adequacy of internal controls, including management's assessment; examines the fees and expenses for audit services; and recommends to the Board the independent auditors for appointment by the shareholders. The independent auditors have full and free access to the Audit Committee and meet with it to discuss the audit work, financial reporting matters and our internal control over financial reporting. The Audit Committee is appointed by the Board of Directors and all of its members are independent directors.

February 28, 2023

/s/ Daniel Dickson
Chief Executive Officer

/s/ Christine West
Chief Financial Officer

KPMG LLP
Chartered Professional Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Endeavour Silver Corp.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Endeavour Silver Corp. (the Company) as of December 31, 2022 and December 31, 2021, the related consolidated statements of comprehensive earnings (loss), cash flows, and changes in shareholders' equity for each of the years in the two-year period ended December 31, 2022, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2022, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 28, 2023 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Endeavour Silver Corp.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Recoverable amount of the Bolanitos cash-generating unit

As discussed in Note 3(h) to the consolidated financial statements, when an indicator of impairment exists, the Company is required to determine the recoverable amount of the Cash Generating Unit ("CGU") to determine whether an impairment should be recognized. If an indicator of impairment or reversal exists, the asset's recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. As discussed in Note 9 to the consolidated financial statements, the Company determined there were indicators of impairment associated with the Bolanitos CGU as of December 31, 2022. To determine the recoverable amount of the CGU, the Company used a discounted cash flow model. Based on its assessment, the Company determined that no impairment loss or reversal of impairment for the Bolanitos CGU was required.

We identified the assessment of the recoverable amount of the Bolanitos CGU to be a critical audit matter. A high degree of auditor judgment was required to evaluate the inputs used to estimate the recoverable amount. Significant assumptions used in the determination of the recoverable amount included future metal prices, future production volumes including the amount of recoverable reserves and resources, future operating costs and capital expenditures, and the salvage value of the plant and equipment. Changes in any of these assumptions could have had a significant effect on the determination of the estimated recoverable amount.

Endeavour Silver Corp.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of an internal control over the Company's process to determine the recoverable amount of the CGU. This control addresses the review of the Company's development of the significant assumptions used to estimate the recoverable amount of the Bolanitos CGU. We evaluated the competence, experience, and objectivity of the qualified persons responsible for the recoverable reserves and resource estimate. We compared the amount of reserves and resources in the valuation model to the mine plan and to the latest mineral reserve and resource estimate. We compared estimated operating and capital costs in the valuation model to the mine plan and to historical expenditures. We involved valuation professionals with specialized skills and knowledge, who assisted in assessing the future metal prices by comparing to third party data. We compared the estimated salvage value of plant and equipment to comparable sales transactions in a similar geographical region to which the Bolanitos mine operates.

//**s**// **KPMG LLP**

Chartered Professional Accountants

We have served as the Company's auditor since 1994.

Vancouver, Canada
February 28, 2023

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Endeavour Silver Corp.

Opinion on Internal Control over Financial Reporting

We have audited Endeavour Silver Corp.'s (the Company) internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of December 31, 2022 and December 31, 2021, the related consolidated statements of comprehensive earnings (loss), cash flows, and changes in shareholders' equity for each of the years in the two-year period ended December 31, 2022, and the related notes (collectively, the consolidated financial statements), and our report dated February 28, 2023 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in "Management's Discussion and Analysis - Internal Controls over Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.



Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

//s// KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
February 28, 2023

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

	Notes	**December 31, 2022**	December 31, 2021
ASSETS			

Current assets					
Cash and cash equivalents		**$**	**83,391**	$	103,303
Other investments	4		**8,647**		11,200
Accounts and other receivables	5		**13,136**		14,462
Income tax receivable			**4,024**		177
Inventories	6		**19,184**		27,485
Prepaid expenses			**16,951**		5,135
Loans receivable	8		**1,000**		-
Total current assets			**146,333**		161,762
Non-current deposits			**565**		599
Non-current income tax receivable	21		**3,570**		3,570
Non-current other investments	4		**1,388**		-
Non-current IVA receivable	5		**10,154**		4,256
Non-current loans receivable	8		**2,729**		-
Deferred income tax asset	21		**-**		936
Intangible assets			**-**		40
Right-of-use leased assets			**806**		664
Mineral properties, plant and equipment	8, 9		**233,892**		122,197
Total assets		**$**	**399,437**	$	294,024
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities		**$**	**39,831**	$	31,991
Income taxes payable			**6,616**		4,228
Loans payable	10		**6,041**		4,128
Lease liabilities	11		**261**		207
Total current liabilities			**52,749**		40,554
Loans payable	10		**8,469**		6,366
Lease liabilities	11		**812**		794
Provision for reclamation and rehabilitation	12		**7,601**		7,397
Deferred income tax liability	21		**12,944**		1,506
Other non-current liabilities			**968**		-
Total liabilities			**83,543**		56,617
Shareholders' equity					
Common shares, unlimited shares authorized, no par value, issued, issuable and outstanding 189,995,563 shares (Dec 31, 2021 - 170,537,307 shares)	13		**657,866**		585,406
Contributed surplus	13		**6,115**		6,331
Retained earnings (deficit)			**(348,087)**		(354,330)
Total shareholders' equity			**315,894**		237,407
Total liabilities and shareholders' equity		**$**	**399,437**	$	294,024

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

Approved on behalf of the Board:

/s/ Margaret Beck — Director

/s/ Daniel Dickson — Director

ENDEAVOUR SILVER CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)
(expressed in thousands of US dollars, except for shares and per share amounts)

		Years ended	
	Notes	**December 31, 2022**	December 31, 2021
Revenue	14	**$ 210,160**	$ 165,320
Cost of sales:			
Direct production costs		**113,880**	89,603
Royalties	8 (a)(b)	**17,811**	13,783
Share-based payments	13 (c)(d)	**442**	421
Depreciation, depletion and amortization		**25,179**	23,977
Write down of inventory to net realizable value	6	**1,323**	1,168
		158,635	128,952
Mine operating earnings		**51,525**	36,368

Expenses:			
Exploration and evaluation	15	**16,186**	17,925
General and administrative	16	**10,613**	10,063
Care and maintenance costs	17	**580**	1,356
Impairment (reversal of impairment) of non-current assets, net	8 (e), 9	**-**	(16,791)
Severance costs		**-**	870
Write off of mineral properties	8 (j)	**682**	715
		28,061	14,138
Operating earnings		**23,464**	22,230
Finance costs	18	**1,300**	985
Other income (expense):			
Foreign exchange gain (loss)		**1,853**	(1,131)
Gain on asset disposal		**2,503**	5,841
Investment and other		**(1,571)**	3,733
		2,785	8,443
Earnings before income taxes		**24,949**	29,688
Income tax expense:			
Current income tax expense	21	**6,376**	3,481
Deferred income tax expense	21	**12,372**	12,252
		18,748	15,733
Net earnings and comprehensive earnings for the year		**$ 6,201**	$ 13,955
Basic earnings per share based on net earnings		**$ 0.03**	$ 0.08
Diluted earnings per share based on net earnings	13 (g)	**$ 0.03**	$ 0.08
Basic weighted average number of shares outstanding		**183,009,339**	167,289,732
Diluted weighted average number of shares outstanding	13 (g)	**185,349,634**	170,663,883

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

ENDEAVOUR SILVER CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(expressed in thousands of US dollars, except share amounts)

	Notes	Number of shares	Share Capital	Contributed Surplus	Retained Earnings (Deficit)	Total Shareholders' Equity
Balance at December 31, 2020		157,924,708	$ 517,711	$ 9,662	$ (368,302)	$ 159,071
Public equity offerings, net of issuance costs	13 (b)	10,060,398	58,389	-	-	58,389
Exercise of options	13 (c)	2,172,861	8,745	(4,026)	-	4,719
Share-based compensation	13 (c) (d)	-	-	3,636	-	3,636
Expiry and forfeiture of options	13 (c)	-	-	(17)	17	-
Settlement of performance share units	13 (d)	379,340	561	(2,924)	-	(2,363)
Earnings for the year		-	-	-	13,955	13,955
Balance at December 31, 2021		170,537,307	$ 585,406	$ 6,331	$ (354,330)	$ 237,407
Public equity offerings, net of issuance costs	13 (b)	9,293,150	43,116	-	-	43,116
Issued on acquisition of mineral properties	8 (l)	8,577,380	25,589	-	-	25,589
Exercise of options	13 (c)	569,200	2,377	(770)	-	1,607
Issued and issuable for performance share units	13 (d)	1,014,999	1,361	(3,259)	-	(1,898)
Issued for deferred share units	13 (c)	3,527	17	(17)	-	-
Share-based compensation	13 (c)(d)	-	-	3,878	-	3,878
Canceled options	13 (c)	-	-	(42)	42	-
Settlement of deferred share units	13 (e)	-	-	(6)	-	(6)
Earnings for the year		-	-	-	6,201	6,201
Balance at December 31, 2022		189,995,563	$ 657,866	$ 6,115	$ (348,087)	$ 315,894

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

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

	Notes	Years ended December 31, 2022	December 31, 2021
Operating activities			
Net earnings (loss) for the year		**$ 6,201**	$ 13,955
Items not affecting cash:			
Share-based compensation	13 (c)(d)	**3,878**	3,636
Depreciation, depletion and amortization	8	**26,088**	24,527
Impairment (reversal of impairment) of non-current assets, net	9	**-**	(16,791)
Deferred income tax expense (recovery)	21	**12,372**	12,252
Unrealized foreign exchange loss (gain)		**344**	(176)
Finance costs	18	**1,300**	985
Accretion of loans receivable	8 (d)	**(97)**	-
Long term employee benefits		**968**	-
Write off of mineral properties	8 (j)	**682**	715
Write down of warehouse inventory	6	**1,323**	894
Write down of inventory to net realizable value	6	**-**	272
Loss (gain) on asset disposal		**(2,503)**	(5,914)
Loss (gain) on other investments	4	**3,470**	(2,117)
Net changes in non-cash working capital	19	**967**	(8,776)
Cash from operating activities		**54,993**	23,462
Investing activities			
Proceeds on disposal of property, plant and equipment		**350**	10,113
Mineral properties, plant and equipment		**(109,715)**	(54,092)
Purchase of other investments		**(2,119)**	(3,307)
Proceeds from disposal of other investments	4	**-**	9,288
Redemption of (investment in) non-current deposits		**34**	(8)
Cash used in investing activities		**(111,450)**	(38,006)
Financing activities			
Repayment of loans payable	10	**(5,054)**	(3,563)
Repayment of lease liabilities	11	**(219)**	(179)
Interest paid	10, 11	**(790)**	(668)
Public equity offerings	13 (b)	**46,001**	59,998
Exercise of options	13 (c)	**1,607**	4,719
Share issuance costs	13 (c)(d)	**(2,885)**	(1,293)
Performance and deferred share unit settlement	13 (d)(e)	**(1,904)**	(2,363)
Cash from financing activities		**36,756**	56,651
Effect of exchange rate change on cash and cash equivalents		**(211)**	113
Increase in cash and cash equivalents		**(19,701)**	42,107
Cash and cash equivalents, beginning of the year		**103,303**	61,083
Cash and cash equivalents, end of the year		**$ 83,391**	$ 103,303

Supplemental cash flow information (Note 19)

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

ENDEAVOUR SILVER CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2022 and 2021
(expressed in thousands of US dollars, unless otherwise stated)

1. CORPORATE INFORMATION

Endeavour Silver Corp. (the "Company" or "Endeavour Silver") is a corporation governed by the Business Corporations Act (British Columbia, Canada). The Company is engaged in silver mining in Mexico and related activities including acquisition, exploration, development, extraction, processing, refining and reclamation. The Company is also engaged in exploration activities in Chile and United States. The address of the registered office is #1130 - 609 Granville Street, Vancouver, B.C., V7Y 1G5.

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's year ended December 31, 2022.

The Board of Directors approved the consolidated financial statements for issue on February 28, 2023.

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates (Note 3b).

These consolidated financial statements are presented in the Company's functional currency of US dollars and include the accounts of the Company and its wholly owned subsidiaries: Endeavour Management Corp., Endeavour Gold Corporation S.A. de C.V., EDR Silver de Mexico S.A. de C.V. SOFOM , Minera Santa Cruz Y Garibaldi S.A de C.V., Metalurgica Guanaceví S.A. de C.V., Minera Plata Adelante S.A. de C.V., Refinadora Plata Guanaceví S.A. de C. V., Minas Bolañitos S. A. de C.V., Guanaceví Mining Services S.A. de C.V., Recursos Humanos Guanaceví S.A. de C.V., Recursos Villalpando S.A. de C.V., Servicios Administrativos Varal S.A. de C.V., Minera Plata Carina SPA, MXRT Holding Ltd., Compania Minera del Cubo S.A. de C.V., Minas Lupycal S.A. de C.V., Metales Interamericanos S.A. de C.V., Oro Silver Resources Ltd., Minera Oro Silver de Mexico S.A. de C.V. disposed of on September 9, 2022 (Note 8 (d)), Terronera Precious Metals S.A. de C.V, Minera Pitarrilla S.A. de C. V. (formerly SSR Durango S.A de C.V.), Endeavour USA Holdings and Endeavour USA Corp. All intercompany transactions and balances have been eliminated upon consolidation of these subsidiaries.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies below have been applied consistently to all years presented and by all subsidiaries in the group and no material accounting standards were adopted during the year.

(a) **Currency Translation**

The functional and reporting currency of the Company and its subsidiaries is the US dollar. Transactions in currencies other than an entity's functional currency are recorded at the rates of exchange prevailing on the transaction dates. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated. Foreign currency translation differences are recognized in comprehensive earnings (loss).

(b) **Use of estimates and judgments**

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

These estimates and judgments are based on management's knowledge of the relevant facts and circumstances at the time, having regard to prior experience, and are continually evaluated. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Actual results could differ materially from those estimates.

Significant areas requiring the use of management judgment relate to the determination of mineralized reserves and resources, plant and equipment useful lives, existence of indication of impairment or impairment reversal of non-current assets, and recognition of deferred tax assets.

Significant areas requiring the use of management estimates relate to the valuation of inventory, mineral properties, plant and equipment, impairment of non-current assets, provision for reclamation and rehabilitation, and income taxes.

Critical judgments and estimates in applying policies that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

Determination of ore reserves and resources

Judgments about the amount of product that can be economically and legally extracted from the Company's properties are made by management using a range of geological, technical and economic factors, history of conversion of mineral deposits to proven and probable reserves as well as data regarding quantities, grades, production techniques, recovery rates, production costs, commodity prices and exchange rates. This process may require complex and difficult geological judgments to interpret the data. The Company uses qualified persons (as defined by the Canadian Securities Administrator's National Instrument 43-101) to compile this data.

Changes in the judgments surrounding reserves and resources may impact the carrying value of mineral properties, plant and equipment (Note 8), reclamation and rehabilitation provisions (Note 12), recognition of deferred income tax amounts (Note 21), and depreciation, depletion and amortization (Note 8).

Estimating the quantity and/or grade of reserves and resources requires the size, shape and depth of ore bodies or fields to be determined by analyzing geological data such as drilling samples. Following this, the quantity of ore that can be extracted in an economical manner is calculated using data regarding the life of mine plans and forecast sales prices (based on current and long-term historical average price

trends). Changes in estimates can be the result of estimated future production differing from previous forecasts of future production, expansion of mineable ore through exploration activities, differences between estimated and actual costs of mining and differences in the commodity price used in the estimation of mineable ore.

Review of asset carrying values and assessment of impairment (accounting policy Note 3 (h) and Note 3 (f))
Management applies significant judgment in assessing each cash-generating unit or assets for the existence of indicators of impairment or impairment reversal at the reporting date. Internal and external factors are considered in assessing whether indicators are present that would necessitate impairment testing. Significant assumptions regarding commodity prices, operating costs, capital expenditures and discount rates are used in determining whether there are any indicators of impairment. These assumptions are reviewed regularly by senior management and compared, when applicable, to relevant market consensus views.

If an indicator of impairment or reversal exists, the asset's recoverable amount is estimated. The recoverable amount is the greater of fair value less costs of disposal and value in use. The determination of fair value less costs of disposal and value in use requires management to make estimates and assumptions about future metal prices, production based on current estimates of capacity, ore grade, recovery rate and recoverable reserves and resources, future operating costs, capital expenditures and assets salvage value The estimates and assumptions are subject to risk and uncertainty, and as such there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in earnings (loss).

Estimation of the amount and timing of reclamation and rehabilitation costs (accounting policy Note 3 (j))
Accounting for restoration requires management to make estimates of the future costs the Company will incur to complete the reclamation and rehabilitation work required to comply with existing laws, regulations and agreements in place at each mining operation and any environmental and social principles the Company is in compliance with. The calculation of the present value of these costs also includes assumptions regarding the timing of reclamation and rehabilitation work, applicable risk-free interest rate for discounting those future cash flows, inflation and foreign exchange rates and assumptions relating to probabilities of alternative estimates of future cash flows. Actual costs incurred may differ from those amounts estimated. Future changes to environmental laws and regulations could increase the extent of reclamation and rehabilitation work required to be performed by the Company. Increase in future costs could materially impact the amounts charged to operations for reclamation and rehabilitation.

Taxes (Note 3 (m))
Judgment is required in determining the recognition and measurement of deferred income tax assets and liabilities on the balance sheet. In the normal course of business, the Company is subject to assessment by taxation authorities in various jurisdictions. These authorities may have different interpretations of tax legislation or tax agreements than those applied by the Company in computing current and deferred income taxes. These different interpretations may alter the timing or amounts of taxable income or deductions.

Final taxes payable and receivable are dependent on many factors, including outcomes of tax litigation and resolution of disputes. The resolution of these uncertainties may result in adjustments to the Company's tax assets and liabilities and value added tax receivable balances.

Management assesses the likelihood and timing of taxable earnings in future periods in recognizing deferred income tax assets. Estimates of future taxable income are based on forecasted cash flows using life of mine projections and the application of existing tax laws in each jurisdiction.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred income tax assets recorded at the balance sheet date could be impacted. In addition, future changes to tax laws could limit the ability of the Company to obtain tax deductions in future periods from deferred income tax assets. Deferred income tax assets are disclosed in Note 21.

Inventory (Note 3(e))
In valuing inventories at the lower of cost and net realizable value, the Company makes estimates in determining the net realizable price and in quantifying the contained metal in finished goods and work in process.

(c) **Cash and cash equivalents**
Cash and cash equivalents consist of deposits in banks and highly liquid investments with an original maturity at the date of the purchase of no more than three months, or that are readily convertible into cash.

(d) **Marketable securities**
Marketable securities include investments in shares of companies and other investments capable of reasonably prompt liquidation. Share investments are measured at fair value through profit and loss and carried at fair value. Unrealized gains and losses are recognized in earnings (loss).

(e) **Inventories**

Work in process inventories, including ore stockpiles, are valued at the lower of production cost and net realizable value, after an allowance for further processing costs. Finished goods inventory, characterized as doré bars or concentrate, is valued at the lower of production cost and net realizable value. Materials and supplies are valued at the lower of cost and replacement cost. Similar inventories within the consolidated group are measured using the same method, and the reversal of previous write-downs to net realizable value is required when there is a subsequent increase in the value of inventories.

(f) **Intangible assets**

Intangible assets are initially recognized at cost if acquired externally, or at fair value if acquired as part of a business combination and have a useful life of greater than one year. Intangible assets which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment. Intangible assets that are assessed as having a finite useful life are amortized over their useful life on a straight-line basis from the date they become available for use and are tested for impairment if indications exist that they may be impaired. The useful life is determined using the period of the underlying contract or the period over which the intangible asset can be expected to be used.

(g) **Mineral properties, plant and equipment**

Mineral properties, plant and equipment are stated at cost less accumulated depreciation, depletion and accumulated impairment losses. The cost of mineral properties, plant and equipment items consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Mineral properties include direct costs of acquiring properties (including option payments) and costs incurred directly in the development of properties once the technical feasibility and commercial viability has been established.

Development costs relating to specific properties are capitalized prospectively upon management's determination that a property will be developed. A development decision is made based upon consideration of project economics, including future metal prices, reserves and resources, and estimated operating and capital costs. Capitalization of costs incurred ceases when the property is capable of operating in the manner intended by management.

Exploration and evaluation costs are those costs required to acquire a mineral property and determine commercial feasibility. These costs include costs to establish an initial mineral resource and determine whether inferred mineral resources can be upgraded to measured and indicated mineral resources and whether measured and indicated mineral resources can be converted to proven and probable reserves. The Company recognizes acquisition costs for exploration and evaluation properties as assets when acquired as part of a business combination or asset purchase. All other exploration and evaluation costs are expensed as incurred until the technical feasibility and commercial viability of the property has been established and a development decision has been made.

Capitalized exploration and evaluation costs for a project are classified as such until the project demonstrates technical feasibility and commercial viability. Upon demonstrating technical feasibility and commercial viability, and subject to an impairment analysis, capitalized exploration and evaluation costs are transferred to mineral property costs within mineral properties, plant and equipment. Ongoing exploration costs as well as evaluation costs that do not meet requirement for capitalizing are expensed in earnings (loss) for the period. Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment and amortized separately over their useful lives.

Plant and equipment are recorded at cost and amortized using either the straight-line method at rates varying from 5% to 30% annually or amortized on a units of production method, based on proven and probable reserves. The accumulated costs of mineral properties are amortized using the units of production method, based on proven and probable reserves (as defined by National Instrument 43-101).

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for mineral properties, plant and equipment and any changes arising from the assessment are applied by the Company prospectively.

(h) **Impairment of non-current assets**

The Company's tangible assets are reviewed for indications of impairment or reversal of a previous impairment at each financial statement date. If an indicator of impairment or reversal exists, the asset's recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets or groups of assets. Impairment losses are recognized in earnings (loss) for the period.

The recoverable amount is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount and the recoverable amount exceeds the carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Management periodically reviews the carrying values of its exploration and evaluation assets with internal and external mining related professionals. A decision to abandon, reduce or expand a specific project is based upon many factors including general and specific assessments of reserves, forecast future metal prices, forecast future costs of exploring, developing and operating a producing mine, expiration term and ongoing expense of maintaining leased mineral properties and the general likelihood that the Company will continue

exploration. The Company does not set a pre-determined holding period for properties with unproven reserves. However, properties which have not demonstrated suitable mineral concentrations at the conclusion of each phase of an exploration program are re-evaluated to determine if future exploration is warranted and their carrying values are recoverable.

If any area of interest is abandoned or it is determined that its carrying value cannot be supported by future production or sale, the related costs are recognized in earnings (loss) in the period of abandonment or determination that the carrying value exceeds its fair value. The amounts recorded as mineral properties represent costs incurred to date and do not necessarily reflect present or future values.

(i) **Leases**

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which is composed of:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date
- Any indirect costs incurred
- An estimate of costs to dismantle and remove the underlying asset or to restore the site on which the asset is located
- Less any incentives received from the lessor

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are composed of:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease payments exclude variable payments which are dependent on external factors other than an index or a rate. These variable payments are recognized directly in earnings (loss). The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimated amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in earnings (loss) if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are expensed on a straight-line basis over the lease term.

(j) **Provision for reclamation and rehabilitation**

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the decommissioning and reclamation of mineral properties, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. A liability is recognized at the time environmental disturbance occurs and the resulting costs are capitalized to the corresponding asset. The provision for reclamation and rehabilitation obligations is estimated using expected cash flows based on engineering and environmental reports prepared by third-party industry specialists and is discounted at a pre-tax rate specific to the liability. The capitalized amount is amortized on the same basis as the related asset.

In subsequent periods, the liability is adjusted for any changes in the amount or timing of the estimated future cash costs, changes in the discount or inflation rates and for the accretion of discounted underlying future cash flows. The unwinding of the effect of discounting the provision is recorded as a finance cost in earnings (loss) for the period.

(k) **Revenue recognition**

Revenue is generated from the sale of refined silver and gold or from the sale of these metals contained in doré or concentrate. Revenue for doré is recorded in the consolidated statement of comprehensive earnings (loss) gross of treatment and refining costs paid to counterparties under the terms of the sales agreements. Revenue for concentrate is recorded in the consolidated statement of comprehensive earnings (loss) net of treatment and refining costs paid to counterparties under the terms of the sales agreements. Revenue is recognized when control of the metal is transferred to the customer in an amount that reflects the consideration the Company expects to receive in exchange for the metals. In determining whether the Company has satisfied its performance obligation, it considers the indicators of the transfer of control, which include but are not limited to, whether: the Company has a present right to payment; the customer has a legal title to the asset; the Company has transferred physical possession of the asset to the customer; and the customer controls the risks and rewards of ownership of the asset.

Revenue from metals in doré

The refiners who receive doré from the Company refine the materials on the Company's behalf. The refiners transfer the refined product to our customers according to the Company's instructions. Refined metals are sold at spot prices with sales proceeds collected upon or within several days of the completion of the sales transaction. Revenue from sale of doré is recognized at the time a metal sale is executed and the Company has irrevocably directed the refiner to deliver the refined metal to the customer.

Revenue from metals in concentrate

Metals in concentrate are sold under pricing arrangements where final prices are determined by market prices subsequent to the date of sale. Revenue from the sale of concentrates is provisionally priced at the date control transfers. On transfer, the Company recognizes revenue on a provisional basis based on current prices and at each period end, re-estimated prices based on period end closing prices for the estimated month of settlement. The final selling price is subject to movements in metal prices up to the final settlement date. Revenue is initially recognized based on the estimated mineral content then adjusted to final settlement adjustments. Final settlement periods range from two to six months after delivery of the product.

Variations between the sales price recorded at the initial recognition date and the actual final sales price at the settlement date, caused by changes in market metal prices, results in an embedded derivative in the related trade accounts receivable. For each reporting period until final settlement, period end closing prices are used to record revenue. The embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as an adjustment to revenue.

(l) **Share-based payments**

The Company has a share option plan and a share unit plan which are described in Note 13 (c) and Note 13 (d) respectively. Equity-settled share-based payment awards to employees are measured by reference to the fair value of the equity instruments granted and are charged over the vesting period using the graded vesting method. The amount recognized as an expense is adjusted to reflect the actual number of share options for which the related service and vesting conditions are met. Equity-settled share-based payment awards to non-employees are measured at the fair value of the goods or services received as the goods or services are received, unless that fair value cannot be measured reliably, in which case they are measured by reference to the fair value of the equity instrument. The offset is credited to contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital. For those options that expire or are forfeited after vesting, the amount previously recorded in contributed surplus is transferred to deficit.

Share-based compensation expense relating to cash-settled awards, including deferred share units and share appreciation rights which are described in Note 13 (e) and Note 13 (f), is recognized over the vesting period of the units based on the fair market value of the units. As these awards will be settled in cash, the expense and liability are adjusted each reporting period for changes in the fair value.

(m) **Income taxes**

Income tax expense (recovery) comprises current and deferred tax. It is recognized in earnings (loss) except to the extent that it relates to a business combination, or items recognized directly in equity or other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

The Company follows the asset and liability method of accounting for deferred income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and tax losses carried forward. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings (loss) in the period that includes the substantive enactment date. Deferred tax assets are recognized to the extent their recovery is considered probable based on their term to expiry and estimates of future taxable income. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable earnings improve.

(n) **Earnings per share**

Basic earnings per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the period. For all periods presented, net earnings available to common shareholders equals the reported net earnings. The Company uses the treasury stock method for calculating diluted earnings per share. Under the treasury stock

method, the weighted average number of common shares outstanding used for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year.

(o) **Business combinations**

On a business combination, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities (identifiable net assets) based on fair value at the date of acquisition. When the cost of acquisition exceeds the fair values attributable to the Company's share of identifiable net assets, the difference is treated as purchased goodwill. If the fair value attributable to the Company's share of the identifiable net assets exceeds the cost of acquisition, the difference is immediately recognized in earnings (loss). Incremental costs related to acquisitions are expensed as incurred.

Determination of the fair value of assets acquired and liabilities assumed and resulting goodwill, if any, requires that management make estimates based on the information provided by the acquiree. Changes to the provisional values of assets acquired and liabilities assumed, deferred income taxes and resulting goodwill, if any, will be adjusted when the final measurements are determined (within one year of the acquisition date).

When purchase consideration is contingent on future events, the initial cost of the acquisition recorded includes an estimate of the fair value of the contingent amounts expected to be payable in the future. Changes to the estimated fair value of contingent consideration subsequent to the acquisition date are recorded in earnings (loss).

(p) **Financial instruments**

The Company recognizes financial assets and financial liabilities on the date the Company becomes party to the contractual provisions of the instruments. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities classified as FVTPL are expensed in the period in which they are incurred. A financial asset is derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial assets or when cash flows expire. A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

On initial recognition, the Company classifies and measures financial assets as either FVTPL, fair value through other comprehensive income ("FVTOCI") or amortized cost. Subsequent measurement of financial assets depends on the classifications of such assets. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset.

Amortized cost

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset provide cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method.

Fair value through other comprehensive income

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Investments in equity instruments at FVTOCI are initially recognized at fair value. Subsequently, they are measured at fair value, with gains and losses arising from changes from initial recognition recognized in comprehensive earnings (loss). Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Fair value through profit and loss

By default, all other financial assets are measured at FVTPL.

The Company, at initial recognition, may also irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or

significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on them on a different basis. Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent that they are not part of a designated hedging relationship. Determination of fair value is further described in Note 22.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are measured at the proceeds received, net of direct issue costs.

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as FVTPL, are measured at amortized cost using the effective interest method.

The Company's financial instruments are recognized as:

Assets	
Cash and cash equivalents	Amortized cost
Trade and other receivables (other than derivatives)	Amortized cost
Trade receivables (derivative component)	FVTPL
Loans receivable	Amortized cost
Other investments	FVTPL
Liabilities	
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost
Share appreciation rights and deferred share units	FVTPL

(q) **Accounting standards adopted during the year**

On May 14, 2020, the International Accounting Standard Board (IASB) published a narrow scope amendment to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use. The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, amounts received will be recognized as sales proceeds and the related costs in earnings (loss). The Company has adopted the narrow scope amendments to IAS 16 in its financial statements for the annual period beginning on January 1, 2022. The adoption did not result in a change in carrying value of property, plant and equipment at December 31, 2022 or December 31, 2021 nor in change in sales proceeds or related cost of sales for the years ended December 31, 2022 or December 31, 2021.

As a result of the adoption of narrow scope amendment to IAS 16, the Company's previous accounting policy for the achievement of the commercial production is no longer relevant, and any amounts received prior to the mine reaching the operating levels will be accounted for as sales proceeds in line with accounting policy Note 3 (k).

4. OTHER INVESTMENTS

	Note	December 31, 2022	December 31, 2021
Balance at beginning of the year		**$ 11,200**	$ 4,767
Investment in marketable securities, at cost		**2,305**	3,753
FMV of investments received on asset disposal	10	**-**	9,851
Disposals		**-**	(9,288)
Gain (loss) on marketable securities		**(3,470)**	2,117
Balance at end of the year		**10,035**	11,200
Less: Current portion		**8,647**	11,200
Non-current marketable securities		**$ 1,388**	$ -

The Company holds $9,774 in marketable securities that are classified as Level 1 and $ 261 in marketable securities that are classified as Level 3 in the fair value hierarchy (Note 22) and are classified as financial assets measured at FVTPL. The fair values of Level 1 marketable securities are determined based on a market approach reflecting the closing price of each particular security at the reporting date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security, being the market with the greatest volume and level of activity for the assets. Marketable securities classified as Level 3 in the fair value hierarchy are share purchase warrants and the fair value of the warrants at each period end has been estimated using the Black-Scholes Option Pricing Model.

During the year ended December 31, 2022, the Company acquired 6,600,000 units of Max Resource Corp ("Max") through a private placement with each unit consisting of one common share and ½ share purchase warrant. At the same time, the Company entered into a collaboration agreement with Max under which acquired shares and warrants of Max have certain transfer restrictions and cannot be liquidated before March 28, 2024. Accordingly, those shares and warrants have been classified as non-current.

5. ACCOUNTS AND OTHER RECEIVABLES

	Note	December 31, 2022	December 31, 2021
Trade receivables [1]		**$ 4,385**	$ 4,751
IVA receivable [2]		**8,062**	8,863
Other receivables		**689**	847
Due from related parties	7	**-**	1
		$ 13,136	$ 14,462

(1) At December 31, 2022 the trade receivables consist of receivables from provisional silver and gold sales from the Bolañitos mine. The fair value of receivables arising from concentrate sales contracts that contain provisional pricing mechanisms is determined using the appropriate period end closing prices on the measurement date from the exchange that is the principal active market for the particular metal. As such, these receivables, which meet the definition of an embedded derivative, are classified within Level 2 of the fair value hierarchy (Note 22).

(2) The Company's Mexican subsidiaries pay value added tax, Impuesto al Valor Agregado ("IVA"), on the purchase and sale of goods and services. The net amount paid is recoverable but is subject to review and assessment by the tax authorities. The Company regularly files the required IVA returns and all supporting documentation with the tax authorities, however, the Company has been advised that certain IVA amounts receivable from the tax authorities are being withheld pending completion of the authorities' audit of certain of the Company's third-party suppliers. Under Mexican law the Company has legal rights to those IVA refunds and the results of the third-party audits should have no impact on refunds. A smaller portion of IVA refund requests are from time to time improperly denied based on the alleged lack of compliance of certain formal requirements and information returns by the Company's third-party suppliers. The Company takes necessary legal action on the delayed refunds as well as any improperly denied refunds.

These delays and denials have occurred in Refinadora Plata Guanaceví S.A. de C.V. ("Guanaceví,"). At December 31, 2022, Guanaceví holds $6,402 in IVA receivables which the Company and its advisors have determined to be recoverable from tax authorities (December 31, 2021 $8,067 respectively). The Company is in regular contact with the tax authorities in respect of its IVA filings and believes the full amount of its IVA receivables will ultimately be received; however, the timing of recovery of these amounts and the nature and extent of any adjustments to the Company's IVA receivables remains uncertain.

As at December 31, 2022, the total IVA receivable of $ 18,216 (December 31, 2021 - $13,119) has been allocated between the current portion of $8,062, which is included in accounts receivable, and a non-current portion of $ 10,154 (December 31, 2021 - $8,863 and $4,256 respectively). The non-current portion is composed of Guanacevi of $ 1,505, which is currently under appeal and are unlikely to be received in 2023. The remaining $8,649 is IVA receivable for Terronera, which may not become recoverable until Terronera recognizes revenue for tax purposes.

6. INVENTORIES

	December 31, 2022	December 31, 2021
Warehouse inventory[1]	**$ 9,682**	$ 8,698
Stockpile inventory	**2,389**	2,335
Finished goods inventory	**6,138**	15,550
Work in process inventory	**975**	902
	$ 19,184	$ 27,485

(1) The warehouse inventory balance at December 31, 2022 is net of a write down to net realizable value of $ 1,179 (December 31, 2021 - $539) at the Guanacevi mine and $ 1,038 (December 31, 2021 - $357) at the Bolañitos mine.

7. RELATED PARTY TRANSACTIONS

The Company previously shared common administrative services and office space with a company related by virtue of a former common director and from time to time incurred third party costs on behalf of related parties on a full cost recovery basis. The agreement for sharing office space and administrative services ended in May 2022. The charges for these costs totaled $9 for the year ended December 31, 2022 (December 31, 2021 - $5). The Company has a $nil net receivable related to these costs as of December 31, 2022 (December 31, 2021 -

$1).

The Company was charged $428 for legal services for the year ended December 31, 2022 by a legal firm in which the Company's corporate secretary is a partner (December 31, 2021 - $276). The Company has $10 payable to the legal firm as at December 31, 2022 (December 31, 2021 - $5).

Key management personnel

The key management of the Company comprises executive and non-executive directors, members of executive management and the Company's corporate secretary. Compensation of key management personnel was as follows:

	December 31, 2022	December 31, 2021
Salaries and short-term employee benefits	**$ 2,957**	$ 3,867
Non-executive directors' fees	**312**	311
Non-executive directors' deferred share units	**(362)**	(707)
Share-based payments	**2,974**	3,408
	$ 5,881	$ 6,879

The existing non-executive directors' deferred share units are comprised of both equity and cash settled deferred share units. The recognized expense or recovery includes the fair value of new issuances of deferred share units during the period and the change in fair value of all outstanding cash-settled deferred share units during the reporting period. During the year ended December 31, 2022, the Company granted 109,634 deferred share units (December 31, 2021 - 82,566) with a fair value of $523 (December 31, 2021 - $449) at the date of grant. At December 31, 2022, there were 1,044,204 cash settled deferred share units and 104,596 equity-settled deferred share units outstanding with a fair value of $3,873 (December 31, 2021 - 1,348,765 outstanding with a fair value of $5,682).

The amount disclosed for share-based payments is the expense for the year calculated in accordance with IFRS 2, Share-based payments for share options, performance share units and deferred share units (Notes 13 (c), (d) and (e)). The fair values of these share-based payments are recognized as an expense over the vesting period of the award. Therefore, the compensation expense in the current year comprises a portion of current year awards and those of preceding years that vested within the current year.

8. MINERAL PROPERTIES, PLANT AND EQUIPMENT

(a) Mineral properties, plant and equipment comprise:

	Mineral properties	Plant	Machinery & equipment	Building	Transport & office equipment	Total
Cost						
Balance at December 31, 2020	**$ 552,878**	**$ 106,445**	**$ 81,003**	**$ 13,314**	**$ 12,777**	**$ 766,417**
Additions	40,261	2,838	15,435	1,623	2,113	62,270
Disposals	(81,740)	(11,098)	(9,298)	(1,492)	(2,845)	(106,473)
Balance at December 31, 2021	**$ 511,399**	**$ 98,185**	**$ 87,140**	**$ 13,445**	**$ 12,045**	**$ 722,214**
Additions	103,635	5,217	19,877	7,573	1,978	138,280
Disposals	(14,966)	(6,542)	(757)	(662)	(746)	(23,673)
Balance at December 31, 2022	**$ 600,068**	**$ 96,860**	**$ 106,260**	**$ 20,356**	**$ 13,277**	**$ 836,821**
Accumulated amortization and impairment						
Balance at December 31, 2020	**$ 510,335**	**$ 94,815**	**$ 53,122**	**$ 10,166**	**$ 10,024**	**$ 678,462**
Amortization	15,614	3,393	4,947	352	1,202	25,508
Disposals	(81,180)	(10,000)	(8,624)	(1,324)	(2,825)	(103,953)
Balance at December 31, 2021	**$ 444,769**	**$ 88,208**	**$ 49,445**	**$ 9,194**	**$ 8,401**	**$ 600,017**
Amortization	14,786	2,268	5,301	346	1,205	23,906
Disposals	(13,574)	(6,442)	(326)	(159)	(493)	(20,994)
Balance at December 31, 2022	**$ 445,981**	**$ 84,034**	**$ 54,420**	**$ 9,381**	**$ 9,113**	**$ 602,929**
Net book value						

At December 31, 2021	**$ 66,630**	**$ 9,977**	**$ 37,695**	**$ 4,251**	**$ 3,644**	**$ 122,197**
At December 31, 2022	**$ 154,087**	**$ 12,826**	**$ 51,840**	**$ 10,975**	**$ 4,164**	**$ 233,892**

Included in Mineral properties is $ 80,155 in acquisition costs for exploration properties and $ 26,669 for acquisition and development costs for development properties (December 31, 2021 - $19,063 and $10,311 respectively).

As of December 31, 2022, the Company has $ 26,576 committed for capital equipment purchases.

(b) Guanaceví, Mexico

In 2005, the Company acquired mining properties and related assets to the Guanaceví silver-gold mines located in the state of Durango, Mexico. Certain concessions in the district retained a 3% net proceeds royalty on future production.

These properties and subsequently acquired property concessions in the Guanaceví district are maintained with nominal property tax payments to the Mexican government.

On July 5, 2019, the Company acquired a 10 year right to explore and exploit the El Porvenir and El Curso properties from Ocampo Mining S.A. de C.V. ("Ocampo"). The Company has agreed to meet certain minimum production targets from the properties, subject to various terms and conditions, and pay Ocampo a $12 dollar fixed per tonne production payment plus a floating net smelter return ("NSR") royalty based on the spot silver price as follows:

- 4% NSR when the silver price obtained is less than or equal to $15 dollars per oz
- 9% NSR when the silver price obtained is greater than $15 dollars and up to $20 dollars per oz
- 13% NSR when the silver price obtained is greater than $20 dollars and up to $25 dollars per oz
- 16% NSR when the silver obtained is greater than $25 dollars per oz

Both properties cover extensions of the Guanaceví ore bodies with the El Porvenir concession adjacent to the Company's operating Porvenir Norte mine and the El Curso concession adjacent to the Company's Porvenir Cuatro mine. On December 12, 2021, the Company executed an amendment to the agreement whereby two additional properties, adjacent to the existing and historic mine workings were included in the existing agreement. In 2022, the Company expensed $16,873 in per tonne production charges and royalties on these properties (2021 - $12,532).

(c) Bolañitos, Mexico

In 2007, the Company acquired the exploitation contracts, mining properties and related assets to the Bolañitos silver-gold mines located in the northern parts of the Guanajuato and La Luz silver districts in the state of Guanajuato, Mexico.

The Company holds various property concessions in the Guanajuato District that it maintains with nominal property tax payments to the Mexican government.

(d) El Compas, Mexico

In August 2021, the Company suspended mining and milling operations at El Compas, and mining equipment and key talent were transferred within the Company to Bolañitos and Terronera. In 2022, the associated suspension costs were $580 (2021 - $1,367, including $870 in severance).

On September 9, 2022, the Company entered into an agreement to sell its 100% interest in Minera Oro Silver de Mexico, S.A. de C.V. ("MOS") to Grupo ROSGO, S.A. de C.V., ("Grupo ROSGO"). Minera Oro Silver holds the El Compas property and the lease on the La Plata processing plant in Zacatecas, Mexico.

Pursuant to the agreement, Grupo ROSGO assumed the Minera Oro Silver loan payable to the Company, in the amount of $ 5,000 payable in cash payments over a five year period with an initial payment of $250. Instalment payments of $500 will be made every six months other than the third payment, which will be $750. The payments are secured by a pledge of the shares of MOS. At the date of the sale, using the effective interest rate method, management has estimated the fair value of the $5,000 loan receivable to be $3,882. As of December 31, 2022, the carrying value of the loan receivable is $3,729, consisting of the current portion of $ 1,000 and non-current portion of $2,729.

The carrying value of the net Minera Oro Silver's net assets at the date of the sale was $ 1,149 resulting in the Company recording a $2,733 gain on sale which is presented in 'investments and other income' in the consolidated statements of comprehensive earnings (loss).

(e) El Cubo, Mexico

On March 17, 2021, the Company signed a definitive agreement to sell its El Cubo mine and related assets to Guanajuato Silver Company Ltd. ("GSilver") (formerly known as VanGold Mining Corp. ("VanGold")) for $15.0 million in consideration composed of cash and share payments plus additional contingency payments. On April 9, 2021, GSilver purchased the El Cubo assets for the following consideration:

Per the terms of the agreement, GSilver agreed to pay $ 15.0 million for the El Cubo assets. The Company has received total gross consideration of $19.7 million as follows:

- $0.5 million cash down-payment
- $7.0 million cash on closing
- $9.8 million paid in shares with 21,331,058 shares of GSilver with fair value of CAN$ 0.58 per share on April 9, 2021. Total fair value of the shares at the time of agreement was $5.0 million priced at CAN$ 0.30

- $2.4 million paid by unsecured promissory note with face value $ 2.5 million due and payable April 9, 2022

GSilver has also agreed to pay the Company up to an additional $ 3.0 million in contingent payments, for which the Company has not recorded any consideration, based on the following events:

- $1.0 million upon GSilver producing 3.0 million silver equivalent ounces from the El Cubo mill
- $1.0 million if the price of gold closes at or above $2,000 dollars per ounce for 20 consecutive days within two years after closing
- $1.0 million if the price of gold closes at or above $2,200 dollars per ounce for 20 consecutive days prior to April 9, 2023

During the period ended March 31, 2021, the El Cubo mine project, consisting of the land rights, plant, buildings and the related reclamation liability were re-classified to current assets and liabilities as "assets held for sale" and "liabilities held for sale". Immediately prior to the classification to assets and liabilities held for sale, the carrying amounts of the land rights, plant and building were remeasured and the historical gross impairments of $216.9 million net of depletion and depreciation of $ 200.1 million, were reversed resulting in a $ 16.8 million impairment reversal. The reclamation provision for the El Cubo mine of $4.6 million was transferred to GSilver upon acquisition of the related mining concessions. The Company has recognized a $5.8 million gain on the disposal of the El Cubo mine and related assets in the year ended December 31, 2021.

On November 16, 2021 the Company arranged for early payment of the $ 2.5 million promissory note. In consideration for the early payment, the Company has agreed to reduce the principal amount of the note by $25 and settle the Mexican value added tax payable on the purchase price for El Cubo represented by the note for 901,224 common shares of GSilver.

(f) Terronera, Mexico

In February 2013, the Company acquired an option to purchase a 100% interest in theTerronera properties located in Jalisco, Mexico, by paying a total of $2,750 over three years. The Company is required to pay a 2% NSR royalty on any production from the Terronera properties.

On September 23, 2020, the Company entered into an option agreement to acquire a 100% interest in the La Sanguijuela property, located adjacent to the existing Terronera properties. The agreement requires payments totaling $550 over a four-year period with the Company required to pay a 2% NSR on any production from the property.

These properties and subsequently acquired property concessions in the Terronera district are maintained with nominal property tax payments to the Mexican government.

During 2021, the Company completed a Feasibility Study on the Terronera Project and based on an assessment of the economic viability of extracting mineral resources at Terronera, it was reclassified from an exploration and evaluation asset to a development asset (See Note 20). During 2022 the Company proceeded with road construction, procurement of long lead items including major equipment, camp construction, site clearing and initial earthworks for plant construction, and construction of initial project infrastructure.

(g) Parral Properties

On September 13, 2016, the Company entered into a definitive agreement with SSR Mining Inc. ("SSR") formerly known as Silver Standard Resources Inc., to acquire a 100% interest in SSR's Parral properties, located in the historic silver mining district of Hidalgo de Parral in southern Chihuahua state, Mexico. On October 31, 2016, Endeavour paid $5,300 through the issuance of 1,198,083 common shares.

In addition, the Company committed to spending $ 2,000 (completed in 2018) in exploration on two of the properties (the San Patricio and La Palmilla properties) over the two-year period following the closing of the transaction. SSR also retained a 1% net smelter returns royalty on production from the San Patricio and La Palmilla properties. On November 18, 2021 the Company and SSR entered into an agreement whereby the Company purchased the royalties from SSR for $530.

(h) Guadalupe Y Calvo, Mexico

In 2012, the Company acquired the Guadalupe Y Calvo exploration project in Chihuahua, Mexico.

In 2014, the Company acquired the La Bufa exploration property, which is adjacent to the Guadalupe y Calvo exploration property in Chihuahua, Mexico. The property is subject to a 2% net smelter return royalty on mineral production.

(i) Calicanto Properties

On July 21, 2016, the Company entered into a definitive agreement with Compania Minera Estrella de Plata S.A. de C.V. ("Compania Minera Estrella") to acquire a 100% interest, subject to a 3% NSR, in Compania Minera Estrella's Calicanto properties, located in the Zacatecas state, Mexico. On February 1, 2017, Endeavour completed the purchase with a payment of $400 and in 2018 exercised an option to purchase the 3% NSR for $45.

On September 8, 2017, the Company entered into a concession division agreement with Capstone Mining Corp. ("Capstone") whereby the Company has the right to explore and mine for precious metals above 2,000 metres above sea level on Capstone's Toro del Cobre concessions, which is adjacent to Calicanto. In return, the Company has granted Capstone the right to explore and mine for base metals below the elevation of 2,000 metres above sea level. Capstone has granted the Company a 1% NSR on all Capstone base metal production on the Endeavour property and the Company has granted Capstone a 1% NSR on all Endeavour precious metal production on Capstone property. During 2022, the Company earned $722 in royalties from Capstone (2021 - $542).

(j) Exploration Projects, Chile

Cerro Marquez - Las Palcas

In October 2016, the Company entered into an option agreement with Minera Cerro Marquez to acquire 100% interest in the Las Palcas project in Santiago, Chile for a total of $2.5 million to be paid over a four year period with the final payment of $2.3 million due in October 2020. In October 2021, the Company elected to not proceed with the final payment and the carrying value of $470 has been written off during the year ended December 31, 2021.

Aida Properties

In July 2018, the Company entered into an option agreement to acquire 100% interest in the Aida properties: Patricia II, Patricia III and SLM Ignacia located in Chile for a total of $3.2 million to be paid over a five-year period. The properties are subject to a 2% NSR with the right to buy the NSR for each of the properties for $2.0 million. Payments totaling $0.4 million for 2018 and 2019 have been made but the 2020 and 2021 payments totaling $0.8 million have been postponed until the Company receives certain environmental permits.

Paloma Properties

In December 2018, the Company signed an option agreement to acquire up to a 70% interest in the Paloma project in Antofagasta Province, Chile. The Company can acquire its initial 51% interest by paying $0.75 million and spending $5.0 million over five years with the final payment due in 2023, followed by a second option to acquire 70% by completing a Preliminary Economic Assessment and a Preliminary Feasibility Study. The property is subject to a 2% NSR.

(k) Acquisition of Bruner Gold Project

On July 14, 2021, the Company entered into a definitive agreement with Canamex Gold Corp. ("Canamex") to acquire a 100% interest in Canamex's Bruner Gold Project, a gold exploration property, located in Nye County, Nevada, approximately 180 kilometers southeast of Reno. The property is subject to pre-existing royalties, some of which can be repurchased. The Company completed the acquisition on August 31, 2021. Under the terms of the agreement, the Company paid $10 million in cash for a 100% interest in the Bruner Gold project which includes mineral claims, mining rights, property assets, water rights and government authorization and permits. Management determined that the acquisition of Bruner Gold Project did not meet the definition of a business in accordance with IFRS 3 Business Combinations, as it did not have the inputs, processes and outputs required to meet the definition of a business. Accordingly, the acquisition has been accounted for as an asset acquisition resulting in the recognition of a mineral property asset with the fair market value of $10.1 million, including $0.1 million of acquisition costs.

(l) Acquisition of the Pitarrilla Project

On January 17, 2022, the Company entered into a definitive agreement to purchase the Pitarrilla project in Durango State, Mexico, by acquiring all of the issued and outstanding shares of SSR Durango, S.A. de C.V. from SSR Mining Inc. ("SSR") for total consideration of $70 million (consisting of $35 million in Company's shares and a further $ 35 million in cash or in the Company's shares at the election of SSR and as agreed to by the Company) and a 1.25% net smelter returns royalty. SSR retains a 1.25% NSR Royalty in Pitarrilla. Endeavour will have matching rights to purchase the NSR Royalty in the event SSR proposes to sell it.

The acquisition was completed on July 6, 2022. Total consideration included 8,577,380 shares of the Company issued on July 6, 2022 and a $35.1 million cash payment. Fair value of the 8,577,380 common shares issued on July 6, 2022 was $ 25,590 at CAN$3.89 per share. The deemed value of the common shares issued, at the time of agreement, was $34.9 million. The shares are subject to a hold period of four months and one day following the date of closing.

The 4,950-hectares Pitarrilla exploration project is located in northern Mexico, consists of five concessions, has ignificant infrastructure in place and has access to utilities.

The acquisition is outside the scope of IFRS 3 Business Combinations, as the Pitarrilla project does not meet the definition of a business, and as such, the transaction was accounted for as an asset acquisition. The purchase price is allocated to the underlying assets acquired and liabilities assumed, based upon their estimated fair values at the date of acquisition.

Pitarilla Project purchase consideration:		
Common shares issued	$	25,590
Consideration paid in cash		35,067
Acquisition costs		880
Total consideration	$	61,537

Fair value summary of assets acquired and liabilities assumed:

Assets:

Current assets	$	288
Buildings and equipment		652
Mineral properties		60,811
Total assets	$	61,751
Liabilities:		
Accounts payable and accrued liabilities		170
Reclamation liability		44
Total liabilities	$	214
Net identifiable assets acquired	$	61,537

9. IMPAIRMENT OF NON-CURRENT ASSETS

The recoverable amounts of the Company's CGUs, which include mining properties, plant and equipment are determined at the end of each reporting period, if impairment indicators are identified.

Management applies significant judgement in assessing whether indicators of impairment or reversal of impairment exist for an asset or a group of assets which could result in a testing for impairment. Internal and external factors such as significant changes in the use of the asset, commodity prices, life of mines, tax laws and regulations and interest rates are some of the indicators used by management in determining whether there are any indicators of impairment or reversal of previous impairments. As of December 31, 2022, the Company determined that indicators of impairment existed at the Bolañitos mine due to a change in the reserves and resources, including a narrowing of the veins in the ore bodies which may result in lower future conversion of inferred resources to economically mineable ore.

The recoverable amount is based on CGU's future cash flows expected to be derived from the Company's mining properties and represent each CGU's fair value less cost of disposal. Expected cash flows were determined based on the life-of-mine after-tax cash flow forecast which incorporates management's best estimates of future metal prices, production based on current estimates of capacity, ore grade, recovery rate and recoverable reserves and resources, future operating costs, capital expenditures and assets salvage value. Expected cash flows are discounted at risk adjusted rate based on the CGU's weighted average cost of capital. The average forecasted price of $21.66 per oz of silver and $1,738 per oz of gold were used in the model. Forecasted prices were estimated using analyst consensus forecasts, over the forecasted life of mine as of December 31, 2022. As a result, management estimated the recoverable amount of the Bolañitos mine as at December 31, 2022, determined on a fair value less cost of disposal basis, and concluded no impairment charge was required. Reasonably possible movements in the assumptions disclosed above could have changed the calculated recoverable amount. A 5% decrease to the average forecasted prices of silver and gold, with all other inputs remaining constant, would reduce the recoverable amount by $4.7 million. A 5% increase to the average forecasted prices of silver and gold, with all other inputs remaining constant, would increase the recoverable amount by $3.9 million.

10. LOANS PAYABLE

		December 31, 2022		December 31, 2021
Balance at the beginning of the year	**$**	**10,494**	$	9,672
Net proceeds from software and equipment financing		**9,070**		4,399
Finance cost		**726**		650
Repayments of principal		**(5,054)**		(3,563)
Repayments of finance costs		**(726)**		(611)
Effects of movements in exchange rates		**-**		(53)
Balance at the end of the year	**$**	**14,510**	$	10,494
Statements of Financial Position presentation				
Current loans payable	**$**	**6,041**	$	4,128
Non-current loans payable		**8,469**		6,366
Total	**$**	**14,510**	$	10,494

The Company currently has financing arrangements for equipment totaling $ 26,612, with terms ranging from one to four years. The agreements require either monthly or quarterly payments of principal and interest with a weighted-average interest rate of 6.6%.

The equipment financing is secured by the underlying equipment purchased and is subject to various non-financial covenants and as at December 31, 2022 the Company was in compliance with these covenants. As at December 31, 2022, the net book value of equipment includes $24,379 (December 31, 2021 - $16,100) of equipment pledged as security for the equipment financing.

11. LEASE LIABILITIES

The Company leases office space, and prior to the sale of the El Compas mine, the Company had been leasing the El Compas plant. These leases are for periods of five to ten years. Certain leases include an option to renew the lease after the end of the contract term and/ or provide for payments that are indexed to local inflation rates.

The following table presents the lease obligations of the Company:

	December 31, 2022	December 31, 2021
Balance at the beginning of the year	**$ 1,001**	$ 1,094
Additions	**344**	89
Interest	**64**	73
Payments	**(282)**	(251)
Effects of movement in exchange rates	**(54)**	(4)
Balance at the end of the year	**1,073**	1,001
Less: Current portion	**261**	207
Non-current lease liabilities	**$ 812**	$ 794

The following table presents lease liability maturity - contractual undiscounted cash flows for the Company:

	December 31, 2022	December 31, 2021
Less than one year	**$ 337**	$ 263
One to five years	**831**	637
More than five years	**97**	262
Total at the end of the year	**$ 1,265**	$ 1,162

The following amounts have been recognized in earnings (loss):

	Years ended	
	December 31, 2022	December 31, 2021
Interest on lease liabilities	**$ 64**	$ 73
Expenses related to short-term leases	**$ 567**	$ 649

As at December 31, 2022, the lease liabilities have a weighted-average interest rate of 8.37%. For the year ended December 31, 2022, the Company recognized $64 in interest expense on the lease liabilities (December 31, 2021 - $ 73) and $567 related to short term rentals, primarily for rented mining equipment and employee housing (December 31, 2021 - $649).

12. PROVISION FOR RECLAMATION AND REHABILITATION

The Company's environmental permit requires that it reclaim certain land it disturbs during mining operations. Significant reclamation and closure activities include land rehabilitation, decommissioning of buildings and mine facilities, ongoing care and maintenance and other costs. Although the ultimate amount of the reclamation and rehabilitation costs to be incurred cannot be predicted with certainty, the total undiscounted amount of probability weighted estimated cash flows required to settle the Company's estimated obligations is $6,156 for the Guanaceví mine, $4,499 for the Bolañitos mine, $814 for the Terronera development project and $ 44 for the Pitarrilla exploration project.

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The timing of cash flows has been estimated based on the estimated mine lives using current reserves and the present value of the probability weighted future cash flows. The model assumes a risk-free rate specific to the liability of 7.37% for Guanaceví, 7.45% for Bolañitos and 7.88% for Terronera, and with an estimated inflation rate of 5.1%, 5.38% and 4.47% respectively.

Changes to the reclamation and rehabilitation provision balance during the year are as follows:

	Terronera	**Guanaceví**	**Bolañitos**	**El Cubo**	**El Compas**	**Pitarrilla**	**Total**
Balance at December 31, 2020	$ -	$ 2,221	$ 1,977	$ 4,545	$ 133	$ -	$ 8,876

Accretion	-	100	83	70	9	-	262
Disposals	-	-	-	(4,615)	-	-	(4,615)
Change in estimates during the year	-	1,676	1,177	-	21	-	2,874
Balance at December 31, 2021	**$ -**	**$ 3,997**	**$ 3,237**	**$ -**	**$ 163**	**$ -**	**$ 7,397**
Acquisitions	-	-	-	-	-	44	44
Accretion	-	268	211	-	-	-	479
Disposals	-	-	-	-	(163)	-	(163)
Effects of movements in exchange rates	-	95	93	-	-	-	188
Change in estimates during the year	251	(257)	(338)	-	-	-	(344)
Balance at December 31, 2022	**$ 251**	**$ 4,103**	**$ 3,203**	**$ -**	**$ -**	**$ 44**	**$ 7,601**

13. SHARE CAPITAL

(a) Management of Capital

The Company considers the items included in the consolidated statement of changes in equity as capital. The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, convertible debentures, asset acquisitions or return capital to shareholders. As at December 31, 2022, the Company is not subject to externally imposed capital requirements.

(b) Public Offerings

In April 2020, the Company filed a short form base shelf prospectus that qualified for the distribution of up to CAN$ 150 million of common shares, debt securities, warrants or units of the Company comprising any combination of common shares and warrants (the "Securities") over a 25 month period. The Company filed a corresponding registration statement in the United States registering the Securities under United States federal securities laws. The distribution of Securities could be effected from time to time in one or more transactions at a fixed price or prices, which could be changed, at market prices prevailing at the time of sale, or at prices related to such prevailing market prices to be negotiated with purchasers and as set forth in an accompanying prospectus supplement, including transactions that are "At-The-Market" ("ATM") distributions.

On October 1, 2020, the Company entered into an ATM equity facility with BMO Capital Markets (the lead agent), CIBC Capital Markets, H.C. Wainwright & Co. LLC, TD Securities Inc., Roth Capital Partners, LLC, B. Riley Securities Inc. and A.G.P./Alliance Global Partners (together, the "Agents"). Under the terms of this ATM facility, the Company could, from time to time, sell common stock having an aggregate offering value of up to $60,000 on the New York Stock Exchange. The Company determined, at its sole discretion, the timing and number of shares sold under the ATM facility.

In the period from January 1, 2021 to July 20, 2021, when this ATM facility was completed, the Company issued 10,060,398 common shares under the ATM facility at an average price of $5.96 per share for gross proceeds of $59,998, less commission of $1,230 and recognized $379 of other transaction costs related to the ATM financing as share issuance costs, which have been presented net within share capital.

On March 22, 2022, the Company completed a prospectus equity financing with the offering co-led by BMO Capital Markets and PI Financial Corp., together with a syndicate of underwriters consisting of CIBC World Markets Inc., B. Riley Securities Inc., and H.C. Wainwright & Co., LLC. The Company issued a total of 9,293,150 common shares at a price of $4.95 per share for aggregate gross proceeds of $46,001, less commission of $2,524 and recognized $361 of other transaction costs related to the financing as share issuance costs, which have been presented net within share capital.

(c) Stock Options

Options to purchase common shares have been granted to directors, officers, employees and consultants pursuant to the Company's current stock option plan, approved by the Company's shareholders in fiscal 2009 and amended and re-ratified in 2021, at exercise prices determined by reference to the market value on the date of grant. The stock option plan allows for, with approval by the Board, granting of options to its directors, officers, employees and consultants to acquire up to 5.0% of the issued and outstanding shares at any time. Prior to the 2021 amendment, the plan allowed for the granting of up to 7.0% of the issued and outstanding shares at any time.

The following table summarizes the status of the Company's stock option plan and changes during the years 2022 and 2021.

Expressed in Canadian dollars	**Years ended**			
	December 31, 2022		December 31, 2021	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding, beginning of the year	**3,848,200**	**$3.68**	5,978,300	$3.29

Granted	**736,986**	**$6.24**	818,500	$6.90
Exercised	**(569,200)**	**$3.57**	(2,801,600)	$3.76
Expired and forfeited	**(116,356)**	**$6.63**	(147,000)	$4.29
Outstanding, end of the year	**3,899,630**	**$4.09**	3,848,200	$3.68
Options exercisable at the end of the year	**3,374,459**	**$3.74**	2,973,100	$3.40

During the year ended December 31, 2022, the weighted-average share price at the date of exercise was CAN$ 6.77 (December 31, 2021 - CAN$7.51)

The following table summarizes the information about stock options outstanding at December 31, 2022:

Expressed in Canadian dollars

	Options Outstanding			**Options Exercisable**	
Price Intervals	Number Outstanding as at December 31, 2022	Weighted Average Remaining Contractual Life (Number of Years)	Weighted Average Exercise Price	Number Exercisable as at December 31, 2022	Weighted Average Exercise Price
$2.00 - $2.99	1,366,600	2.2	$2.14	1,366,600	$2.14
$3.00 - $3.99	1,131,900	0.9	$3.45	1,131,900	$3.45
$5.00 - $5.99	60,000	2.7	$5.60	60,000	$5.60
$6.00 - $6.99	1,341,130	3.7	$6.56	815,959	$6.67
	3,899,630	2.3	$4.09	3,374,459	$3.74

During the year ended December 31, 2022, the Company recognized share-based compensation expense of $ 1,642 (December 31, 2021 - $1,973) based on the fair value of the vested portion of options granted in the current and prior years.

The weighted-average fair values of stock options granted and the assumptions used to calculate the related compensation expense have been estimated using the Black-Scholes Option Pricing Model with the following assumptions:

	Years ended	
	December 31, 2022	December 31, 2021
Weighted-average fair value of options in CAN$	**$3.17**	$3.37
Risk-free interest rate	**2.19%**	0.66%
Expected dividend yield	**0%**	0%
Expected stock price volatility	**67%**	66%
Expected options life in years	**3.80**	3.85

Option pricing models require the input of highly subjective assumptions. The expected life of the options considered such factors as the average length of time similar option grants in the past have remained outstanding prior to exercise, expiry or cancellation and the vesting period of options granted. Volatility was estimated based on average daily volatility based on historical share price observations over the expected term of the option grant. Changes in the subjective input assumptions can materially affect the estimated fair value of the options. The Company amortizes the fair value of stock options on a graded basis over the respective vesting period of each tranche of stock options awarded. As at December 31, 2022, the unvested stock option expense not yet recognized was $442 (December 31, 2021 - $472) which is expected to be recognized over the next 15 months.

(d) Share Units Plan

On March 23, 2021 the Company adopted an equity-based Share Unit Plan ("SUP"), which was approved by the Company's shareholders on May 12, 2021. The SUP allows for, with approval by the Board, granting of Performance Share Units ("PSU"s) and Deferred Share Units ("DSU"s), to its directors, officers, employees to acquire up to 1.5% of the issued and outstanding shares. The SUP incorporates all existing PSUs under the former PSU plan and any new DSUs granted and are to be subject to cash, share settlement or a combination of cash and share procedures at the discretion of the Board of Directors.

Performance Share Units

The PSUs granted are subject to a performance payout multiplier between 0% and 200% based on the Company's total shareholder return at the end of a three-year period, relative to the total shareholder return of the Company's peer group.

	Years ended	
	December 31, 2022	December 31, 2021
	Number of units	Number of units

Outstanding, beginning of year	**1,639,000**	1,805,000
Granted	**316,000**	322,000
Cancelled	**-**	(100,000)
Settled for shares	**(797,000)**	(388,000)
Outstanding, end of year	**1,158,000**	1,639,000

There were 316,000 PSUs granted during the year ended December 31, 2022 (December 31, 2021 - 322,000). The PSUs vest at the end of a three-year period if certain pre-determined performance and vesting criteria are achieved. Performance criteria are based on the Company's share price performance relative to a representative group of other mining companies. 611,000 PSUs vest on March 1, 2023, 231,000 PSUs vest on March 4, 2024, 256,000 PSUs vest on March 24, 2025 and 60,000 PSUs vest on or before June 30, 2024.

On March 3, 2022, PSUs granted in 2019 vested with a payout multiplier of 200% based on the Company's shareholder return, relative to the total shareholder return of the Company's peer group over the three-year period and 535,000 PSUs were settled, on a net of tax basis, through the issuance of 664,170 common shares.

On August 16, 2022, vesting was accelerated on a pro-rata basis for 195,000 PSUs granted in 2020 and 67,000 PSUs granted in 2021. As at December 31, 2022, there are 350,829 issuable shares from the settlement of these PSUs.

During the year ended December 31, 2022, the Company recognized share-based compensation expense of $ 1,713 related to the PSUs (December 31, 2021 - $1,663).

Deferred Share Units

The DSUs granted are vested immediately and are redeemable for shares at the time of a director's retirement.

	Years ended	
	December 31, 2022	December 31, 2021
	Number of units	Number of units
Outstanding, beginning of year	**-**	-
Granted	**109,634**	-
Settled for shares	**(5,038)**	-
Outstanding, end of year	**104,596**	-

There were 109,634 DSUs granted during the year ended December 31, 2022 (December 31, 2021 - Nil) under the SUP. During the year ended December 31, 2022, 5,038 DSUs were settled, on a net of tax basis, through the issuance of 3,527 common shares. During the year ended December 31, 2022, the Company recognized share-based compensation expense of $523 related to the DSUs (December 31, 2021 - $Nil).

(e) Deferred Share Units - Cash Settled

The Company previously had a Deferred Share Unit ("DSU") plan whereby deferred share units were granted to independent directors of the Company in lieu of compensation in cash or share purchase options. These DSUs vested immediately and are redeemable for cash, based on the market value of the units at the time of a director's retirement. Upon adoption of the SUP plan in March 2021, no new DSUs will be granted under this cash settled plan.

Expressed in Canadian dollars	**Years ended**			
	December 31, 2022		December 31, 2021	
	Number of Units	**Weighted Average Grant Price**	Number of Units	Weighted Average Grant Price
Outstanding, beginning of year	**1,348,765**	**$3.24**	1,266,199	$3.00
Granted	**-**	**-**	82,566	$6.90
Redeemed	**(304,561)**	**$3.41**	-	-
Outstanding, end of year	**1,044,204**	**$3.19**	1,348,765	$3.24
Fair value at year end	**1,044,204**	**$4.38**	1,348,765	$5.35

During the year ended December 31, 2022, the Company recognized a recovery on director's compensation related to these DSUs, which is included in general and administrative salaries, wages and benefits, of $885 (December 31, 2021 - a recovery of $ 707) based on the fair value of new grants and the change in the fair value of the DSUs granted in the current and prior years. As of December 31, 2022, there are 1,044,204 deferred share units outstanding (December 31, 2021 - 1,348,765) with a fair market value of $ 3,375 (December 31, 2021 - $5,682) recognized in accounts payable and accrued liabilities. During the year ended December 31, 2022, 304,561 DSUs were redeemed with a fair value of $1,421

(f) Share Appreciation Rights

As part of the Company's bonus program, the Company may grant share appreciation rights ("SARs") to its employees in Mexico and Chile. The SARs are subject to vesting conditions and, when exercised, constitute a cash bonus based on the value of the appreciation of the Company's common shares between the SARs grant date and the exercise date.

	Years ended			
	December 31, 2022		December 31, 2021	
	Number of Units	**Weighted Average Grant Price**	Number of Units	Weighted Average Grant Price
Outstanding, beginning of year	**113,670**	**$5.40**	-	-
Granted	**148,030**	**$4.62**	115,930	$5.40
Exercised	**(5,726)**	**$3.17**	(2,260)	$5.34
Cancelled	**(74,235)**	**$4.72**	-	-
Outstanding, end of period	**181,739**	**$5.12**	113,670	$5.40
Exercisable at the end of the period	**101,066**	**$5.18**	40,912	$5.39

During the year ended December 31, 2022, the Company recognized an expense related to SARs, which is included in operation and exploration salaries, wages and benefits, of $1 (December 31, 2021 - an expense of $113) based on the change in the fair value of the SARs granted in prior years. As of December 31, 2022, there are 181,739 SARs outstanding (December 31, 2021 - 113,670) with a fair market value of $111 (December 31, 2021 - $113) recognized in accounts payable and accrued liabilities.

The SARs were valued using an option pricing model, which requires the input of highly subjective assumptions. The expected life of the SARs considered such factors as the average length of time similar grants in the past have remained outstanding prior to exercise, expiry or cancellation and the vesting period of SARs granted. Volatility was estimated based on average daily volatility based on historical share price observations over the expected term of the SAR grant. Changes in the subjective input assumptions can materially affect the estimated fair value of the SARs. The Company amortized the fair value of SARs on a graded basis over the respective vesting period of each tranche of SARs awarded.

(g) Diluted Earnings per Share

	Years ended	
	December 31, 2022	December 31, 2021
Net earnings	**$ 6,201**	$ 13,955
Basic weighted average number of shares outstanding	**183,009,339**	167,289,732
Effect of dilutive securities:		
Stock options	**1,077,699**	1,735,151
Equity settled deferred share units	**104,596**	-
Performance share units	**1,158,000**	1,639,000
Diluted weighted average number of share outstanding	**185,349,634**	170,663,883
Diluted earnings per share	**$ 0.03**	**$ 0.08**

As of December 31, 2022, there are 2,821,931 anti-dilutive stock options (December 31, 2021 - 2,113,049).

14. REVENUE

	Years ended	
	December 31, 2022	December 31, 2021
Silver sales [1]	**$ 142,688**	$ 97,257
Gold sales [1]	**70,501**	70,022
Less: smelting and refining costs	**(3,029)**	(1,959)
Revenue	**$ 210,160**	$ 165,320

(1) Changes in fair value from provisional pricing in the period are included in silver and gold sales.

	Years ended December 31, 2022	December 31, 2021
Revenue by product		
Concentrate sales	**$ 54,042**	$ 57,011
Provisional pricing adjustments	**(47)**	(183)
Total revenue from concentrate sales	**53,995**	56,828
Refined metal sales	**156,165**	108,492
Total revenue	**$ 210,160**	$ 165,320

Provisional pricing adjustments on sales of concentrate consist of provisional and final pricing adjustments made prior to the finalization of the sales contract. The Company's sales contracts are provisionally priced with provisional pricing periods lasting typically one to three months with provisional pricing adjustments recorded to revenue as market prices vary. As at December 31, 2022, a 10% change to the underlying metals prices would result in a change in revenue and accounts receivable of $663 (December 31, 2021 - $470) based on the total quantities of metals in sales contracts for which the provisional pricing periods were not yet closed.

15. EXPLORATION AND EVALUATION

	Years ended December 31, 2022	December 31, 2021
Depreciation and depletion	**$ 624**	$ 330
Share-based compensation	**427**	293
Exploration salaries, wages and benefits	**1,829**	1,975
Direct exploration expenditures	**6,167**	7,335
Evaluation salaries, wages and benefits	**2,299**	1,677
Direct evaluation expenditures	**4,840**	6,315
	$ 16,186	$ 17,925

16. GENERAL AND ADMINISTRATIVE

	Years ended December 31, 2022	December 31, 2021
Depreciation and depletion	**$ 214**	$ 165
Share-based compensation	**3,009**	2,923
Salaries, wages and benefits	**3,923**	3,923
Directors' DSU expense (recovery)	**(885)**	(707)
Direct general and administrative	**4,352**	3,759
	$ 10,613	$ 10,063

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17. CARE AND MAINTENANCE

	Years ended December 31, 2022	December 31, 2021
Depreciation and depletion	**$ 70**	$ 55
Salaries, wages and benefits	**22**	497
Direct general and administrative	**488**	804
	$ 580	$ 1,356

In November 2019, the Company suspended mining operations at the El Cubo mine and subsequently sold the mine on April 9, 2021. In August 2021, the Company suspended mining operations at the El Compas mine and the mine remained on care and maintenace until it was sold in September 2022. For the year ended December 31, 2022, the Company recognized a care and maintenance expense of $580 inclusive of $nil in severance costs (December 31, 2021 - $1,356 inclusive of $870 in severance costs).

18. FINANCE COSTS

	Notes	Years ended December 31, 2022	December 31, 2021
Accretion on provision for reclamation and rehabilitation	12	**$ 479**	$ 262
Interest on loans	10	**726**	650
Interest on lease liabilities	11	**64**	73
Other financing costs		**31**	-
		$ 1,300	$ 985

19. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Years ended December 31, 2022	December 31, 2021
Net changes in non-cash working capital:		
Accounts and other receivables	**$ (4,385)**	$ 3,919
Income tax receivable	**(3,847)**	(3,695)
Inventories	**5,226**	(11,103)
Prepaid expenses	**(862)**	(2,873)
Accounts payable and accrued liabilities	**2,447**	3,786
Income taxes payable	**2,388**	1,190
	$ 967	$ (8,776)
Non-cash financing and investing activities:		
Reclamation included in mineral properties, plant and equipment	**$ (463)**	$ (1,741)
Fair value of exercised options allocated to share capital	**$ 770**	$ 4,026
Fair value of performance share units allocated to share capital	**$ (1,361)**	$ -
Fair value of capital assets acquired under finance leases	**$ 346**	$ 90
Other cash disbursements:		
Income taxes paid	**$ 6,337**	$ 992
Special mining duty paid	**$ 2,272**	$ 1,331

20. SEGMENT DISCLOSURES

The Company's operating segments are based on internal management reports that are reviewed by the Company's executives (the chief operating decision makers) in assessing performance. The Company has two operating mining segments which are located in Mexico, Guanaceví and Bolañitos, and the El Compas mine which was on care and maintenance until the sale of the mine on September 9, 2022. The Company has one development project in Mexico, Terronera, as well as Exploration and Corporate segments. The Exploration segment consists of projects in the exploration and evaluation phases in Mexico, Chile and the USA. Exploration projects that are in the local district surrounding a mine are included in the mine's segments. Comparative period figures related to Terronera, previously reported as part of the exploration segment have been reclassified to conform with current period's presentation. Comparative period figures related to the El Cubo mine, which was on care and maintenance from November 2019 until the sale of the mine and related assets in April 2021, previously reported as its own segment have been reclassified to the Corporate segment.

	December 31, 2022					
	Corporate	**Exploration**	**Guanaceví**	**Bolanitos**	**Terronera**	**Total**
Cash and cash equivalents	$ 38,466	$ 1,935	$ 32,997	$ 7,371	$ 2,622	$ 83,391
Other investments	10,035	-	-	-	-	10,035
Accounts and other receivables	383	669	5,824	6,246	14	13,136
Loans receivable	3,729	-	-	-	-	3,729
Income tax receivable	17	-	3,934	73	-	4,024
Inventories	120	-	14,094	4,942	28	19,184
Prepaid expenses	1,685	144	1,155	536	13,431	16,951
Non-current deposits	150	2	321	92	-	565
Non-current IVA receivable	-	-	1,505	-	8,649	10,154
Non-current income tax receivable	3,570	-	-	-	-	3,570
Right-of-use leased assets	512	-	-	294	-	806
Mineral properties, plant and equipment	616	81,660	67,261	28,106	56,249	233,892
Total assets	$ 59,283	$ 84,410	$ 127,091	$ 47,660	$ 80,993	$ 399,437
Accounts payable and accrued liabilities	$ 6,837	$ 743	19,875	$ 5,327	$ 7,049	$ 39,831
Income taxes payable	65	282	5,539	730	-	6,616
Loans payable	-	-	1,025	2,092	11,393	14,510

Lease obligations	780	-	293	-	-	1,073
Provision for reclamation and rehabilitation	-	44	4,103	3,203	251	7,601
Deferred income tax liability	-	-	12,647	297	-	12,944
Other non-current liabilities	-	69	443	437	19	968
Total liabilities	$ 7,682	$ 1,138	$ 43,925	$ 12,086	$ 18,712	$ 83,543

	December 31, 2021						
	Corporate	Exploration	Guanaceví	Bolanitos	El Compas	Terronera	Total
Cash and cash equivalents	$ 68,149	$ 144	$ 27,060	$ 4,234	$ 3,349	$ 367	$ 103,303
Other investments	11,200	-	-	-	-	-	11,200
Accounts and other receivables	812	-	6,706	6,633	308	3	14,462
Income tax receivable	169	1	3	2	2	-	177
Inventories	351	-	19,852	7,057	195	30	27,485
Prepaid expenses	1,327	118	844	349	20	2,477	5,135
Non-current deposits	150	-	321	128	-	-	599
Non-current IVA receivable	164	-	1,434	-	-	2,658	4,256
Deferred income tax asset	-	-	-	936	-	-	936
Non-current income tax receivable	3,570	-	-	-	-	-	3,570
Intangible assets	2	1	15	17	2	3	40
Right-of-use leased assets	564	-	100	-	-	-	664
Mineral properties, plant and equipment	373	18,963	54,234	27,371	2,005	19,251	122,197
Total assets	$ 86,831	$ 19,227	$ 110,569	$ 46,727	$ 5,881	$ 24,789	$ 294,024
Accounts payable and accrued liabilities	$ 10,121	$ 238	15,247	$ 4,667	$ 141	$ 1,577	$ 31,991
Income taxes payable	29	-	3,563	636	-	-	4,228
Loans payable	43	-	2,005	4,048	-	4,398	10,494
Lease obligations	896	-		105	-	-	1,001
Provision for reclamation and rehabilitation	-	-	3,997	3,237	163	-	7,397
Deferred income tax liability	-	-	1,271	235	-	-	1,506
Total liabilities	$ 11,089	$ 238	$ 26,083	$ 12,928	$ 304	$ 5,975	$ 56,617

	Year ended December 31, 2022						
	Corporate	Exploration	Guanaceví	Bolanitos	El Compas	Terronera	Total
Silver revenue	$ -	$ -	$ 128,597	$ 14,091	$ -	$ -	$ 142,688
Gold revenue	-	-	27,569	42,932	-	-	70,501
Less: smelting and refining costs	-	-	-	(3,029)	-	-	(3,029)
Total revenue	$ -	$ -	$ 156,166	$ 53,994	$ -	$ -	$ 210,160
Salaries, wages and benefits:							
mining	$ -	$ -	$ 7,578	$ 7,778	$ -	$ -	$ 15,499
processing	-	-	3,444	2,281	-	-	5,813
administrative	-	-	5,959	4,028	-	-	10,096
share-based compensation	-	-	221	221	-	-	442
change in inventory	-	-	1,941	825	-	-	2,426
Total salaries, wages and benefits	-	-	19,143	15,133	-	-	34,276
Direct costs:							
mining	-	-	29,636	12,494	-	-	41,881
processing	-	-	15,594	6,028	-	-	21,622
administrative	-	-	7,096	4,432	-	-	11,495
change in inventory	-	-	3,175	1,591	-	-	5,048

Total direct production costs	-	-	55,501	24,545	-	-	80,046
Depreciation and depletion:							
depreciation and depletion	-	-	12,838	10,589	-	-	23,427
change in inventory	-	-	1,291	461	-	-	1,752
Total depreciation and depletion	-	-	14,129	11,050	-	-	25,179
Royalties	-	-	17,554	257	-	-	17,811
Write down of inventory to NRV	-	-	642	681	-	-	1,323
Total cost of sales	$ -	$ -	$ 106,969	$ 51,666	$ -	$ -	$ 158,635
Care and maintenance costs	-	-	-	-	580	-	580
Write-off of exploration properties	-	-	-	-	-	682	682
Earnings (loss) before taxes	$ (9,128)	$ (9,047)	$ 49,197	$ 2,328	$ (580)	$ (7,821)	$ 24,949
Current income tax expense (recovery)	63	282	5,671	360	-	-	6,376
Deferred income tax expense (recovery)	-	-	11,375	997	-	-	12,372
Total income tax expense (recovery)	63	282	17,046	1,357	-	-	18,748
Net earnings (loss)	$ (9,191)	$ (9,329)	$ 32,151	$ 971	$ (580)	$ (7,821)	$ 6,201

The Exploration segment included $1,899 of costs incurred in Chile for the year ended December 31, 2022 (December 31, 2021 - $ 2,178).

Year ended December 31, 2021							
	Corporate	**Exploration**	**Guanaceví**	**Bolanitos**	**El Compas**	**Terronera**	**Total**
Silver revenue	$ -	$ -	$ 85,854	$ 10,149	$ 1,254	$ -	$ 97,257
Gold revenue	-	-	22,638	38,645	8,739	-	70,022
Less: smelting and refining costs	-	-	-	(1,715)	(244)	-	(1,959)
Total revenue	$ -	$ -	$ 108,492	$ 47,079	$ 9,749	$ -	$ 165,320
Salaries, wages and benefits:							
mining	$ -	$ -	$ 8,352	$ 5,574	$ 1,314	$ -	$ 15,240
processing	-	-	3,303	1,799	614	-	5,716
administrative	-	-	5,406	3,331	823	-	9,560
share-based compensation	-	-	180	180	61	-	421
change in inventory	-	-	(2,946)	(764)	342	-	(3,368)
Total salaries, wages and benefits	-	-	14,295	10,120	3,154	-	27,569
Direct costs:							
mining	-	-	25,253	11,076	2,746	-	39,075
processing	-	-	12,220	5,373	1,205	-	18,798
administrative	-	-	5,981	3,813	1,380	-	11,174
change in inventory	-	-	(5,808)	(1,306)	522	-	(6,592)
Total direct production costs	-	-	37,646	18,956	5,853	-	62,455
Depreciation and depletion:							
depreciation and depletion	-	-	11,842	13,696	1,436	-	26,974
change in inventory	-	-	(3,899)	(205)	1,107	-	(2,997)
Total depreciation and depletion	-	-	7,943	13,491	2,543	-	23,977
Royalties	3	-	13,165	265	350	-	13,783
Write down of inventory to NRV	-	-	539	357	272	-	1,168
Total cost of sales	$ 3	$ -	$ 73,588	$ 43,189	$ 12,172	$ -	$ 128,952

Care and maintenance costs	859	-	-	-	497	-	1,356
Write-off of exploration properties	-	-	-	-	870	-	870
Impairment (impairment reversal)	(16,791)	-	-	-	-	-	(16,791)
Earnings (loss) before taxes	$ 13,324	$ (10,648)	$ 34,904	$ 3,890	$ (3,790)	$ (7,992)	$ 29,688
Current income tax expense (recovery)	-	-	3,206	275	-	-	3,481
Deferred income tax expense (recovery)	-	-	9,924	2,328	-	-	12,252
Total income tax expense (recovery)	-	-	13,130	2,603	-	-	15,733
Net earnings (loss)	$ 13,324	$ (10,648)	$ 21,774	$ 1,287	$ (3,790)	$ (7,992)	$ 13,955

The Exploration segment included $2,178 of costs incurred in Chile for the year ended December 31, 2021 (December 31, 2020 - $ 1,799).

21. INCOME TAXES

(a) Tax Assessments

Minera Santa Cruz y Garibaldi S.A. de C.V. ("MSCG"), a subsidiary of the Company, received a MXN 238 million assessment on October 12, 2010 by Mexican fiscal authorities for failure to provide the appropriate support for certain expense deductions taken in MSCG's 2006 tax return, failure to provide appropriate support for loans made to MSCG from affiliated companies, and deemed an unrecorded distribution of dividends to shareholders, among other individually immaterial items. MSCG immediately initiated a Nullity action and filed an administrative attachment to dispute the assessment.

In June 2015, the Superior Court ruled in favour of MSCG on a number of the matters under appeal; however, the Superior Court ruled against MSCG for failure to provide appropriate support for certain deductions taken in MSCG's 2006 tax return. In June 2016, the Company received an MXN 122.9 million ($6,300) tax assessment based on the June 2015 ruling. The 2016 tax assessment comprised of MXN 41.8 million owed ($2,100) in taxes, MXN 17.7 million ($900) in inflationary charges, MXN 40.4 million ($2,100) in interest and MXN 23.0 million ($1,200) in penalties. The 2016 tax assessment was issued for failure to provide the appropriate support for certain expense deductions taken in MSCG's 2006 tax return and failure to provide appropriate support for loans made to MSCG from affiliated companies. The MXN 122.9 million assessment includes interest and penalties. If MSCG agrees to pay the tax assessment, or a lesser settled amount, it is eligible to apply for forgiveness of 100% of the penalties and 50% of the interest.

The Company filed an appeal against the June 2016 tax assessment on the basis certain items rejected by the courts were included in the new tax assessment, and a number of deficiencies exist within the assessment. Since issuance of the assessment interest charges of MXN 16.9 million ($867) and inflationary charges of MXN 25.3 million ($1,298) have accumulated.

Included in the Company's consolidated financial statements are net assets of $ 964 held by MSCG. Following the Tax Court's rulings, MSCG is in discussions with the tax authorities with regards to the shortfall of assets within MSCG to settle its estimated tax liability. An alternative settlement option would be to transfer the shares and assets of MSCG to the tax authorities. As of December 31, 2022, the Company's income tax payable includes an allowance for transferring the shares and assets of MSCG amounting to $964. The Company is currently assessing MSCG's settlement options based on ongoing court proceedings and discussion with the tax authorities. The Company has been advised that the appeal filed with the Federal Tax Court, against the June 2016 tax assessment has been rejected. The Company continues to assess MSCG's settlement options.

Compania Minera Del Cubo S.A. de C.V. ("Cubo"), a subsidiary of the Company, received a MXN 58.5 million ($2,900) assessment in 2019 by Mexican fiscal authorities for alleged failure to provide the appropriate support for depreciation deductions taken in the Cubo 2016 tax return and denied eligibility of deductions of certain suppliers. The tax assessment consisted of MXN 24.1 million ($1,200) for taxes, MXN 21.0 million ($1,100) for penalties, MXN 10.4 million ($500) for interest and MXN 3.0 million ($100) for inflation. At the time of the tax assessment the Cubo entity had and continues to have sufficient loss carry forwards which would be applied against the assessed difference of taxable income. The Mexican tax authorities did not consider these losses in the assessment.

Due to the denial of certain suppliers for income tax purposes in the Cubo assessment, the invoices from these suppliers have been assessed as ineligible for refunds of IVA paid on the invoices. The assessment includes MXN 14.7 million ($600) for re-payment of IVA (value added taxes) refunded on these supplier payments. In the Company's judgement the suppliers and invoices meet the necessary requirements to be deductible for income tax purposes and the recovery of IVA.

The Company has filed an administrative appeal related to the 2016 Cubo Tax assessment. The Company had previously provided a lien on certain El Cubo mining concessions during the appeal process. To facilitate the sale of the El Cubo mine and related assets, the Company elected to pay the assessed amount of $3,500 during Q1, 2021. During the appeal process the amount paid has been classified as a non-current income tax receivable. Since issuance of the assessment interest charges of MXN 9.9 million ($500) and inflationary charges of MXN 1.6 million ($100) had accumulated. The Company continues to assess that it is probable that its appeal will prevail, and no provision is recognized in respect of the Cubo tax assessment.

The Company's Mexican operations are subject to an Environmental Royalty Tax of 0.5% of gross sales and in 2022 the Company recognized $938 in royalty expense for the Environmental Royalty Tax (2021 - $ 950), included in cost of sales.

Deferred Income Tax Assets and Liabilities

Mexico operations Deferred tax derived from income tax	**December 31, 2022**	December 31, 2021
Deferred income tax assets:		
Tax loss carryforwards	**$ 3,032**	$ 8,893
Working capital	**3,155**	11,287
Deferred income tax liabilities:		
Inventories	**(2,814)**	(7,146)
Mineral properties, plant and equipment	**(13,772)**	(12,177)
Deferred income tax assets (liabilities), net	**$ (10,399)**	$ 857

Mexico operations Deferred tax derived from special mining duty	**December 31, 2022**	December 31, 2021
Deferred income tax liabilities:		
Working capital	**$ (227)**	$ 510
Mineral properties, plant and equipment	**(2,318)**	(1,937)
Deferred income tax assets (liabilities), net	**$ (2,545)**	$ (1,427)

(b) Income Tax Expense

	Years ended	
	December 31, 2022	December 31, 2021
Current income tax expense:		
Current income tax expense in respect of current year	**$ 3,180**	$ 754
Special mining duty	**3,196**	2,726
Deferred income tax expense:		
Deferred tax expense recognized in the current year	**14,762**	19,641
Special mining duty	**1,115**	574
Adjustments recognized in the current year in relation to prior years	**(3,505)**	(7,962)
Total income tax expense	**$ 18,748**	$ 15,733

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The reconciliation of the income tax provision computed at statutory tax rates to the reported income tax provision is as follows:

	December 31, 2022	December 31, 2021
Canadian statutory tax rates	**27.00%**	27.00%
Income tax expense computed at Canadian statutory rates	**$ 5,892**	$ 8,015
Foreign tax rates different from statutory rate	**1,858**	986
Withholding taxes, net of tax credits	**-**	-
Share-based compensation	**667**	545
Foreign exchange	**764**	2,279
Inflationary adjustment	**3,898**	4,836
Other non-deductible items	**2,652**	1,375

Adjustments recognized in the current year in relation to prior years		**1,298**		(468)
Current year losses not recognized		**2,364**		2,456
Special mining duty Mexican tax		**4,158**		3,203
Recognition of previously unrecognized losses		**(4,803)**		(7,494)
Income tax expense	**$**	**18,748**	$	15,733

(c) Unrecognized Deferred Tax Assets

Management believes that sufficient uncertainty exists regarding the realization of certain deferred tax assets such that they have not been fully recognized. The tax benefits not recognized reflect management's assessment regarding the future realization of Canadian, Chilean and certain Mexican tax assets and estimates of future earnings and taxable income in these jurisdictions as of December 31, 2022. When circumstances cause a change in management's judgement about the recoverability of deferred tax assets, the impact of the change will be reflected in current income.

	Loss Carry Forward Expiry		**December 31, 2022**		December 31, 2021
Unrecognized Mexico tax loss carry forward	2023-2032	**$**	**75,540**	$	118,810
Unrecognized Canada tax loss carry forward	2025-2032		**11,005**		7,525
Unrecognized Chile tax loss carry forward	2023-2032		**18,146**		16,403
Capital losses			**21,174**		9,650
Reclamation provision			**7,556**		7,396
Exploration pools			**7,194**		13,569
Other Canada temporary differences			**10,905**		13,069

22. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

(a) Financial assets and liabilities

As at December 31, 2022, the carrying and fair values of the Company's financial instruments by category are as follows:

	Fair value through profit or loss $	Amortized cost $	Carrying value $	Fair value $
Financial assets:				
Cash and cash equivalents	-	83,391	83,391	83,391
Other investments	10,035	-	10,035	10,035
Trade and other receivables	4,385	689	5,074	5,074
Loans receivable	-	3,729	3,729	3,729
Total financial assets	14,420	87,809	102,229	102,229
Financial liabilities:				
Accounts payable and accrued liabilites	3,486	36,345	39,831	39,831
Loans payable	-	14,510	14,510	14,510
Total financial liabilities	3,486	50,855	54,341	54,341

(b) Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Level 1:
Other investments are comprised of marketable securities. When there is an active market are determined based on a market approach reflecting the closing price of each particular security at the reporting date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security. As a result, $9,774 of these financial assets have been included in Level 1 of the fair value hierarchy.

Cash settled deferred share units are determined based on a market approach reflecting the Company's closing share price or share price at redemption date for any pending settlements.

Level 2:
The Company determines the fair value of the embedded derivatives related to its accounts and other receivables based on the quoted closing price obtained from the silver and gold metal exchanges and the fair value of the SARs liability is determined by using an option pricing model.

Level 3:
Included in other investments are share purchase warrants. Fair value of the warrants at each period end has been estimated using the Black-Scholes Option Pricing Model. As a result, $261 of these financial assets have been included in Level 3 of the fair value hierarchy.

Assets and liabilities as at December 31, 2022 measured at fair value on a recurring basis include:

	Total $	Level 1 $	Level 2 $	Level 3 $
Financial assets:				
Accounts and other receivables	5,074	689	4,385	-
Other investments	10,035	9,774	-	261
Total financial assets	15,109	10,463	4,385	261
Financial liabilities:				
Deferred share units	3,375	3,375	-	-
Share appreciation rights	111	-	111	-
Total financial liabilities	3,486	3,375	111	-

(c) Financial instrument risk exposure and risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process. The types of risk exposure and the manner in which such exposures are managed is outlined as follows:

Credit Risk

The Company is exposed to credit risk on its bank accounts, accounts and other receivables and loans receivable. Credit risk exposure on bank accounts is limited through maintaining the Company's balances with high-credit quality financial institutions, maintaining investment policies, assessing institutional exposure and continual discussion with external advisors. Accounts and other receivables are generated on the sale of concentrate inventory to reputable metal traders as well as various other receivables arising from operations. There has been no indication of a change in creditworthiness of the counterparty to the loan receivable since the initial recognition.

The carrying amount of financial assets represents the Company's maximum credit exposure.

Below is an aged analysis of the Company's financial instruments included in accounts and other receivables:

	Carrying amount	Gross impairment	Carrying amount	Gross impairment
	December 31, 2022		December 31, 2021	
Less than 1 month	**$ 3,794**	**$ -**	$ 4,159	$ -
1 to 3 months	**852**	**-**	754	-
4 to 6 months	**251**	**-**	-	-
Over 6 months	**-**	**-**	10	-
Total	**$ 4,897**	**$ -**	$ 4,923	$ -

At December 31, 2022, 99.7% of the receivables that are outstanding greater than one month are trade receivables and pending concentrate sales (December 31, 2021 - 79.0%) and 0.3% of the receivables outstanding greater than one month are comprised of other receivables (December 31, 2021 - 21.0%). Company historical default rate and frequency of losses are low, and the lifetime expected credit loss allowance for receivables is nominal as at December 31, 2022.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. We manage our liquidity risk by continually monitoring forecasted and actual cash flows. We have in place a planning and budgeting process to help determine the funds required to support our normal operating requirement and development plans. We aim to maintain sufficient liquidity to meet our short term business requirements, taking into account our anticipated cash flows from operations, our holdings of cash and cash equivalents, and our committed and anticipated liabilities.

The following table summarizes the remaining contractual maturities of the Company's financial liabilities and operating and capital commitments at December 31, 2022:

	Less than 1 year $	1 to 3 years $	4 to 5 years $	Over 5 years $	Total $
Accounts payable and accrued liabilities	39,831	-	-	-	39,831
Loans payable	6,643	7,783	1,347	-	15,773
Lease liabilities	337	503	328	97	1,265
Provision for reclamation and rehabilitation	-	-	6,991	4,479	11,470
Capital expenditure commitments	26,576	-	-	-	26,576
Operating leases	147	206	206	60	619
Total contractual obligations	73,534	8,492	8,872	4,636	95,534

Market Risk

Significant market related risks to which the Company is exposed consist of foreign currency risk, commodity price risk and equity price risk.

Foreign Currency Risk - The Company's operations in Mexico and Canada make it subject to foreign currency fluctuations. Certain of the Company's operating expenses are incurred in Mexican pesos and Canadian dollars, therefore the fluctuation of the US dollar in relation to these currencies will consequently have an impact on the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

The US dollar equivalents of financial assets and liabilities denominated in currencies other than the US dollar as at December 31, 2022 , are as follows:

	December 31, 2022		December 31, 2021	
	Canadian Dollar	**Mexican Peso**	Canadian Dollar	Mexican Peso
Financial assets	**$ 10,442**	**$ 9,995**	$ 13,338	$ 9,590
Financial liabilities	**(5,758)**	**(17,445)**	(8,846)	(13,910)
Net financial assets (liabilities)	**$ 4,684**	**$ (7,450)**	$ 4,492	$ (4,320)

Of the financial assets listed above, $ 404 (2021 - $2,315) represents cash and cash equivalents held in Canadian dollars and $ 5,612 (2021 - $5,208) represents cash held in Mexican Pesos. The remaining cash balance is held in US dollars.

As at December 31, 2022, with other variables unchanged, a 5% strengthening of the US dollar against the Canadian dollar would reduce net earnings by $220 due to these financial assets and liabilities.

As at December 31, 2022, with other variables unchanged, a 5% strengthening of the US dollar against the Mexican peso would increase net earnings by $340 due to these financial assets and liabilities.

Commodity Price Risk - Gold and silver prices have historically fluctuated significantly and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand due to speculative hedging activities and certain other factors. The Company has not engaged in any hedging activities, other than short-term metal derivative transactions less than 90 days, to reduce its exposure to commodity price risk. Revenue from the sale of concentrates is based on prevailing market prices which is subject to adjustment upon final settlement. For each reporting period until final settlement, estimates of metal prices are used to record sales. At December 31, 2022 there are 75,237 ounces of silver and 2,666 ounces of gold which do not have a final settlement price and the estimated revenues have been recognized at current market prices. As at December 31, 2022, with other variables unchanged, a 10% decrease in the market value of silver and gold would result in a reduction of revenue of $663.

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SHARES LISTED	Toronto Stock Exchange Trading Symbol - EDR New York Stock Exchange Trading Symbol - EXK

Management's Discussion & Analysis

FOR THE YEAR ENDED DECEMBER 31, 2022



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

This Management Discussion and Analysis (“MD&A”) should be read in conjunction with the consolidated financial statements of Endeavour Silver Corp. (“Endeavour” or “the Company”) for the year ended December 31, 2022 and the related notes contained therein, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Company uses certain non-IFRS financial measures in this MD&A as described under “Non-IFRS Measures”. Additional information relating to the Company, including the most recent Annual Information Form (the “Annual Information Form”), is available on SEDAR at www.sedar.com, and the Company’s most recent annual report on Form 40-F has been filed with the U.S. Securities and Exchange Commission (the “SEC”) on EDGAR at www.sec.gov. This MD&A contains “forward-looking statements” that are subject to risk factors set out in a cautionary note contained herein. All dollar ($) amounts are expressed in United States (“$.”) dollars and tabular amounts are expressed in thousands of U.S. dollars unless Canadian dollars (CAN$) or Mexican Pesos (MXN) are otherwise indicated. This MD&A is dated as of February 28, 2023 and all information contained is current as of February 28, 2023 unless otherwise stated.

Cautionary Note to U.S. Investors Regarding Mineral Reserves and Resources

This MD&A has been prepared in accordance with the requirements of Canadian provincial securities laws, which differ from the requirements of U.S. securities laws. As a result, the Company reports the mineral reserves and resources of the projects it has an interest in according to Canadian standards. Canadian reporting requirements for disclosure of mineral properties are governed by National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI-43 101"). NI-43 101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ from the requirements of the SEC that are applicable to domestic United States reporting companies under subpart 1300 of Regulation S-K ("S-K 1300") under the Exchange Act. As an issuer that prepares and files its reports with the SEC pursuant to the MJDS, the Company is not subject to the requirements of S-K 1300. Any mineral reserves and mineral resources reported by the Company in accordance with NI 43-101 may not qualify as such under or differ from those prepared in accordance with S-K 1300. Accordingly, information included or incorporated by reference in this MD&A concerning descriptions of mineralization and estimates of mineral reserves and resources under Canadian standards may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of S-K 130.

Forward-Looking Statements

This MD&A contains "forward-looking statements" within the meaning of the U.S. Securities Litigation Reform Act of 1995, as amended and "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking statements and information include, but are not limited to, statements regarding the development and financing of the Terronera project, including anticipated decisions on construction and financing estimation of mineral resources at Pitarrilla, prospects for Terronera, Pitarrilla and Parral, Endeavour's anticipated performance in 2023, including silver and gold production, financial results, timing and expenditures to develop new silver mines and mineralized zones, silver and gold grades and recoveries, cash costs per ounce (oz), capital expenditures and sustaining capital and the timing and results of various activities.. Forward-looking statements are frequently characterized by words such as "plan", "expect", "forecast", "project", "intend", "believe", "anticipate", "outlook" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward- looking statements are based on the opinions and estimates of management at the dates the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements.

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 and are based on assumptions that may cause the actual results, level of activity, performance or achievements of the Company and its operations to be materially different from those expressed or implied by such statements. Such factors and assumptions include, among others: availability of debt financing for the Terronera project,fluctuations in the prices of silver and gold, fluctuations in the currency markets (particularly the Mexican peso, Chilean peso, Canadian dollar and U.S. dollar); changes in national and local governments, legislation, taxation, controls, regulations and political or economic developments in Canada and Mexico; operating or technical difficulties in mineral exploration, development and mining activities; risks and hazards of mineral exploration, development and mining (including, but not limited to environmental hazards, industrial accidents, unusual or unexpected geological conditions, pressures, cave-ins and flooding); inadequate insurance, or inability to obtain insurance; availability of and costs associated with mining inputs and labour; the speculative nature of mineral exploration and development, diminishing quantities or grades of mineral reserves as properties are mined; the ability to successfully integrate acquisitions; risks in obtaining necessary licenses and permits, and challenges to the Company's title to properties; as well as those factors described under "Risk Factors" in the Company's Annual Information Form. 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.

Qualified Person

The scientific and technical information contained in this MD&A relating to the Company's mines and mineral projects has been reviewed and approved by Dale Mah, B.Sc., P.Geo., Vice President Corporate Development of Endeavour, a Qualified Person within the meaning of NI 43-101.

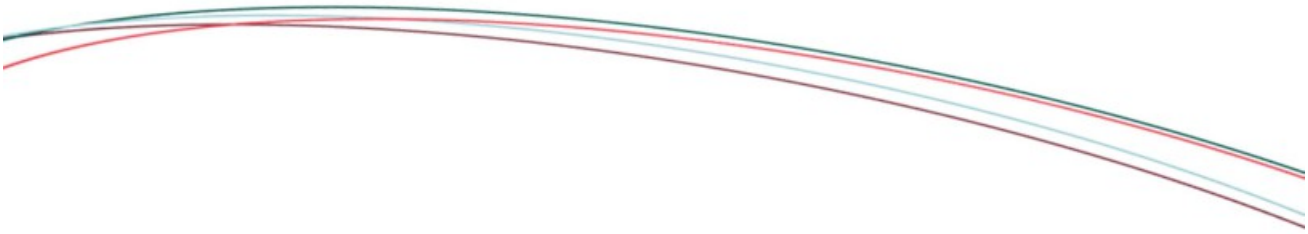


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OPERATING HIGHLIGHTS

Three Months Ended December 31			2022 Highlights	Year Ended December 31		
2022	2021	% Change		2022	2021	% Change
			Production			
1,830,835	1,443,564	27%	Silver ounces produced	5,963,445	4,870,787	22%
10,370	9,446	10%	Gold ounces produced	37,548	42,262	(11%)
1,816,813	1,432,578	27%	Payable silver ounces produced	5,912,509	4,826,681	22%
10,196	9,261	10%	Payable gold ounces produced	36,901	41,438	(11%)
2,660,435	2,199,244	21%	Silver equivalent ounces produced[1]	8,967,285	8,251,747	9%
11.65	8.65	35%	Cash costs per silver ounce[2][3]	10.65	9.31	14%
15.03	11.99	25%	Total production costs per ounce[2][4]	14.70	14.70	0%
19.38	19.48	(1%)	All-in sustaining costs per ounce[2][5]	19.97	20.34	(2%)
224,289	213,492	5%	Processed tonnes	834,542	887,424	(6%)
135.71	112.91	20%	Direct operating costs per tonne[2][6]	130.80	115.36	13%
177.35	136.62	30%	Direct costs per tonne[2][6]	155.63	133.97	16%
14.86	13.41	11%	Silver co-product cash costs[7]	14.35	15.11	(5%)
1,212	1,038	17%	Gold co-product cash costs[7]	1,180	1,072	10%
			Financial			
82.0	48.5	69%	Revenue ($ millions)	210.2	165.3	27%
2,816,882	1,413,699	99%	Silver ounces sold	6,464,869	3,856,883	68%
11,843	8,715	36%	Gold ounces sold	38,868	39,113	(1%)
21.86	23.41	(7%)	Realized silver price per ounce	22.07	25.22	(12%)
1,783	1,811	(2%)	Realized gold price per ounce	1,814	1,790	1%
8.0	(0.5)	1790%	Net earnings (loss) ($ millions)	6.2	14.0	(56%)
8.1	4.6	74%	Adjusted net earnings (loss) [11] ($ millions)	6.9	(6.5)	206%
21.7	12.2	77%	Mine operating earnings ($ millions)	51.5	36.4	42%
30.7	18.2	68%	Mine operating cash flow before taxes ($ millions) [8]	78.5	61.9	27%
22.5	10.7	110%	Operating cash flow before working capital changes [9]	54.0	32.2	68%
22.7	10.7	111%	EBITDA[10] ($ millions)	51.9	54.9	(6%)
93.6	121.2	(23%)	Working capital [12] ($ millions)	93.6	121.2	(23%)
			Shareholders			
0.04	0.00	400%	Earnings (loss) per share – basic ($)	0.03	0.08	(63%)
0.04	0.03	56%	Adjusted earnings (loss) per share – basic ($) [11]	0.04	(0.04)	197%
0.12	0.06	89%	Operating cash flow before working capital changes per share[9]	0.30	0.19	53%
189,993,085	170,518,894	11%	Weighted average shares outstanding	183,009,339	167,289,732	9%

(1) Silver equivalents are calculated using an 80:1 (Ag/Au) ratio.
(2) The Company reports non-IFRS measures and ratios which include cash costs net of by-product revenue on a payable silver basis, total production costs per oz, all-in sustaining costs ("AISC") per oz, direct operating cost per tonne, direct cost per tonne, silver co-product cash costs and gold co-product cash costs in order to manage and evaluate operating performance at each of the Company's mines. These measures, some established by the Silver Institute (Production Cost Standards, June 2011), are widely used in the silver mining industry as a benchmark for performance, but do not have a standardized meaning. These measures are reported on a production basis. See Reconciliations to IFRS beginning on page 19.
(3) Cash costs net of by-product revenue per payable silver oz include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead, net of gold credits. See Reconciliation to IFRS on pages 22 and 23.
(4) Total production costs per oz include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, amortization, depletion and amortization at the operation sites net of by-product revenues. See Reconciliation to IFRS on pages 22 and 23.
(5) AISC per oz include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, corporate general and administration expenses, on-site exploration, share-based compensation, reclamation and sustaining capital net of gold credits. See Reconciliation to IFRS on pages 23 to 25.
(6) Direct operating costs per tonne include mining, processing (including smelting, refining, transportation and selling costs) and direct overhead at the operation sites. Direct cost per tonne include all direct operating costs, royalties and special mining duty. See Reconciliation to IFRS on pages 22 and 23.
(7) Silver co-product cash cost and gold co-product cash cost include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead allocated on pro-rated basis of realized metal value. See Reconciliation to IFRS on pages 25 and 26.
(8) Mine operating cash flow is calculated by adding back amortization, depletion, inventory write-downs and share-based compensation to mine operating earnings. Mine operating earnings and mine operating cash flow are before taxes. See Reconciliation to IFRS on page 20.
(9) See Reconciliation to IFRS on page 20 for the reconciliation of operating cash flow before working capital changes and for the operating cash flow before working capital changes per share.
(10) See Reconciliation of Earnings before interest, taxes, depreciation and amortization on page 21.
(11) Adjusted net earnings include adjustments to net earnings for certain non-cash and unusual items, that in the Company's judgement are subject to volatility as a result of factors that are unrelated to the Company's operation in the period and had a significant effect on reported net earnings. See Reconciliation to IFRS on page 20.
(12) Working capital is calculated by deducting current liabilities from current assets. See Reconciliation to IFRS on page 19.

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.

HISTORY AND STRATEGY

The Company is engaged in silver mining in Mexico and related activities including property acquisition, exploration, development, mineral extraction, processing, refining and reclamation. The Company is also engaged in exploration activities in Chile and Nevada, USA. Since 2002, the Company's business strategy has been to focus on acquiring advanced-stage silver mining properties in Mexico. Mexico, despite its long and prolific history of metal production, appears to be relatively under-explored using modern exploration techniques and offers promising geological potential for precious metals exploration and production.

The Company's Guanaceví and Bolañitos mines acquired in 2004 and 2007, respectively, demonstrate its initial business model of acquiring fully built and permitted silver mines that were about to close for lack of ore. Investing resources expertise needed to discover new silver ore-bodies, the Company successfully re-opened and expanded these mines to realize their full potential. The benefit of acquiring fully built and permitted mining and milling infrastructure is that, if new exploration efforts are successful, the mine development cycle from discovery to production only takes a matter of months instead of the several years normally required in the traditional mining business model.

In 2016, the Company acquired the El Compas silver-gold mine located in Zacatecas, Mexico, which was operated until August 2021. On September 9, 2022, the Company completed the sale of the El Compas mine to Grupo ROSGO, S.A. de C.V., ("Grupo ROSGO") for $5.0 million in cash payments over five years.

In 2012, the Company acquired the El Cubo silver-gold mine located in Guanajuato, Mexico, which was operated until November 2019. On March 17, 2021, the Company signed a definitive agreement to sell the El Cubo mine and related assets to Guanajuato Silver Company Ltd. ("GSilver") (formerly known as VanGold Mining Corp.) for a combination of cash and share payments plus additional contingency payments with completion of the sale on April, 9, 2021.

The Company is advancing the Terronera development project and on September 9, 2021 released a positive feasibility study for the project. The Company continues to advance the project with detailed engineering, assembly of initial project infrastructure earthworks pertaining to site clearing, road upgrades and underground mine access development and intends to make a formal construction decision, subject to completion of a financing package and receipt of amended permits in the coming months.

On August 31, 2021 the Company acquired the Bruner Property, a gold exploration project, located in Nye County, Nevada. The Company paid $10 million in cash for 100% of the Bruner Gold Project which includes mineral claims, mining rights, property assets, water rights, and government authorizations and permits.

On January 17, 2022, the Company entered into a definitive agreement to purchase the Pitarrilla project, a large undeveloped silver, lead, and zinc project, located in Durango State, Mexico, by acquiring all of the issued and outstanding shares of SSR Durango, S.A. de C.V. from SSR Mining Inc. for a total consideration of US$70 million (consisting of $35 million in Company's shares and a further $35 million in cash or in the Company's shares at the election of SSR Mining and as agreed to by the Company) and a 1.25% net smelter returns royalty. SSR Mining retains a 1.25% NSR Royalty in Pitarrilla. Endeavour will have matching rights to purchase the NSR Royalty in the event SSR Mining proposes to sell it. The acquisition was completed on July 6, 2022.

Total consideration paid included 8,577,380 shares of the Company issued on July 6, 2022 and a $35.1 million cash payment. Fair value of the 8,577,380 common shares issued on July 6, 2022 was $25.6 million at CAN$3.89 per share. The deemed value of the common shares issued, at the time of agreement was $34.9 million. The shares are subject to a hold period of four months and one day following the date of closing.

The Company is advancing several other exploration projects in order to achieve its goal to become a premier senior producer in the silver mining sector.

The Company has historically funded its acquisition, exploration and development activities through equity financings, debt facilities and convertible debentures. In recent years, the Company has financed most of its acquisition, exploration, development and operating activities from production cash flows, treasury and equity financings. The Company may choose to undertake equity, debt, convertible debt or other financings, on an as-needed basis, in order to facilitate its growth.

As of December 31, 2022, the Company held $83.4 million in cash and $93.6 million in working capital. Management believes there is sufficient working capital to meet the Company's current obligations.

REVIEW OF OPERATING RESULTS

The Company operates the Guanaceví and Bolañitos mines. The Company suspended mining operations at the El Compas mine in August 2021 due to exhaustion of reserves and it remained on care and maintenance until the mine was sold on September 9, 2022.

Consolidated Production Results for the Three Months and Years Ended December 31, 2022 and 2021

Three Months Ended December 31			CONSOLIDATED	Year Ended December 31		
2022	2021	% Change		2022	2021	% Change
224,289	213,492	5%	Ore tonnes processed	834,542	887,424	(6%)
296	235	26%	Average silver grade (gpt)	256	195	31%
85.8	89.4	(4%)	Silver recovery (%)	86.8	87.6	(1%)
1,830,835	1,443,564	27%	Total silver ounces produced	5,963,445	4,870,787	22%
1,816,813	1,432,578	27%	Payable silver ounces produced	5,912,509	4,826,681	22%
1.57	1.52	3%	Average gold grade (gpt)	1.55	1.65	(6%)
91.5	90.8	1%	Gold recovery (%)	90.1	89.8	0%
10,370	9,446	10%	Total gold ounces produced	37,548	42,262	(11%)
10,196	9,261	10%	Payable gold ounces produced	36,901	41,438	(11%)
2,660,435	2,199,244	21%	Silver equivalent ounces produced(1)	8,967,285	8,251,747	9%
11.65	8.65	35%	Cash costs per silver ounce(2)(3)	10.65	9.31	14%
15.03	11.99	25%	Total production costs per ounce(2)(4)	14.70	14.70	0%
19.38	19.48	(1%)	All in sustaining costs per ounce (2)(5)	19.97	20.34	(2%)
135.71	112.91	20%	Direct operating costs per tonne(2)(6)	130.80	115.36	13%
177.35	136.62	30%	Direct costs per tonne(2)(6)	155.63	133.97	16%
14.86	13.41	11%	Silver co-product cash costs(7)	14.35	15.11	(5%)
1,212	1,038	17%	Gold co-product cash costs(7)	1,180	1,072	10%

(1) Silver equivalents are calculated using an 80:1 (Ag/Au) ratio.

(2) The Company reports non-IFRS measures which include cash costs net of by-product revenue on a payable silver basis, total production costs per oz, AISC per oz, direct operating cost per tonne, direct cost per tonne, silver co-product cash costs and gold co-product cash costs in order to manage and evaluate operating performance at each of the Company's mines. These measures, some established by the Silver Institute (Production Cost Standards, June 2011), are widely used in the silver mining industry as a benchmark for performance, but do not have a standardized meaning. These measures are reported on a production basis. See Reconciliations to IFRS on page 19.

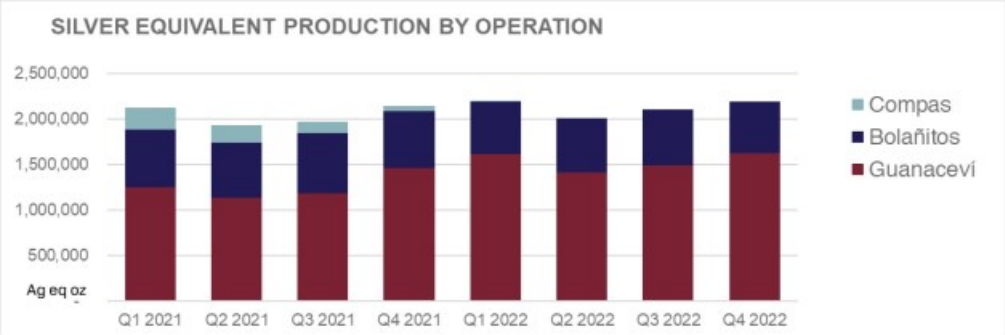
(3) Cash costs net of by-product revenue per payable silver oz include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead, net of gold credits. See Reconciliation to IFRS on pages 22 and 23.

(4) Total production costs per oz include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, amortization, depletion and amortization at the operation sites net of by product revenues. See Reconciliation to IFRS on pages 22 and 23.

(5) AISC per oz include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, corporate general and administration expenses, on-site exploration, share-based compensation, reclamation and sustaining capital net of gold credits. See Reconciliation to IFRS on pages 23 to 25.

(6) Direct operating cost per tonne include mining, processing (including smelting, refining, transportation and selling costs) and direct overhead at the operation sites. Direct cost per tonne include all direct operating costs, royalties and special mining duty. See Reconciliation to IFRS on pages 22 and 23.

(7) Silver co-product cash cost and gold co-product cash cost include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead allocated on pro-rated basis of realized metal value. See Reconciliation to IFRS on pages 25 and 26.



(1) Silver equivalents are calculated using an 80:1 (Ag/Au) ratio.

Consolidated Production

Three months ended December 31, 2022 (compared to the three months ended December 31, 2021)
Consolidated silver production during Q4, 2022 was 1,830,835 oz, an increase of 27% compared to 1,443,564 oz in Q4, 2021, and gold production was 10,370 oz, an increase of 10% compared to 9,446 oz in Q4, 2021. Plant throughput was 224,289 tonnes at average grades of 296 grams per tonne (gpt) silver and 1.57 gpt gold, compared to 213,492 tonnes grading 235 gpt silver and 1.52 gpt gold in Q4, 2021. The 27% increase in consolidated silver production, compared to Q4, 2021, is driven by a 29% increase in silver production at the Guanaceví mine and a 5% increase in silver production at the Bolañitos mine. Consolidated gold production increased by 10% compared to Q4, 2021, due to the 27% increase in gold production at the Guanaceví mine and a 1% decrease in gold production at the Bolañitos mine. The increase in silver and gold production at the Guanaceví mine was due to a 10% increase in throughput, a 23% increase in ore silver grade and a 19% increase in ore gold grade, offset by a 5% decrease in silver recoveries and a 3% decrease in gold recoveries. At the Bolañitos mine the increase in silver production was attributable to a 4% increase in ore silver grade, with similar throughput and a slight increase in recoveries. The 1% decrease in gold production at the Bolañitos mine was attributable to a 6% decrease in ore gold grade offset by a 5% increase in recoveries with similar throughput.

Year ended December 31, 2022 (compared to the year ended December 31, 2021)
Consolidated silver production during the year ended December 31, 2022 was 5,963,445 oz, an increase of 22% compared to 4,870,787 oz in 2021, and gold production was 37,548 oz, a decrease of 11% compared to 42,262 oz in t2021. The Company's 2022 production exceeded the upper range of its guidance of between 7.6 million oz and 8.0 million oz AgEq (revised upwards in August 2022) due to continuing strong performance at Guanaceví driven by higher grades. Annual silver and gold production exceeded the upper range of guidance by 17% and 4% respectively. Plant throughput was 834,542 tonnes at average grades of 256 grams per tonne (gpt) silver and 1.55 gpt gold, compared to 887,424 tonnes grading 195 gpt silver and 1.65 gpt gold in 2021. The 22% increase in consolidated silver production, compared to 2021, is driven by a 23% increase in silver production at the Guanaceví mine and a 27% increase in silver production at the Bolañitos mine. Consolidated gold production decreased by 11% compared to 2021, primarily due to the 12% decrease at the Bolañitos mine, partially offset by a 18% increase in gold production at the Guanaceví mine. The increase in silver and gold production at the Guanaceví mine was driven by a 26% increase in silver grade and a 22% increase in gold grade, with slightly lower throughput and recoveries. At the Bolañitos mine the increase in silver production was attributable to a 24% increase in ore silver grade offset with similar throughput and recoveries. The decrease in gold production was attributable to an 12% decrease in ore gold grade.

Consolidated Operating Costs

Three months ended December 31, 2022 (compared to the three months ended December 31, 2021)
Direct operating costs per tonne in Q4, 2022 increased 20% to $135.71 compared with Q4, 2021 primarily due to higher operating costs at both Guanaceví and Bolañitos, from increased inflationary pressure during 2022. Guanaceví and Bolañitos have seen increased labour, power and consumable costs. At Guanaceví, increased third party ore purchased has increased compared to the prior year and at Bolañitos there has been an increase in smelting and refining costs. Including royalties and special mining duty, direct costs per tonne increased 30% to $177.35. Compared to Q4, 2021, royalties have increased 98% from $4.3 million to $8.5 million with the majority of the increase in Guanaceví. At Guanaceví the increase in royalty expense recognized during Q4, 2022 is due to the significant increase in ounces sold offset by the reduction in the realized prices. Consolidated cash costs per oz, net of by-product credits increased 35% to $11.65 driven by increased direct costs and a reduction the average realized gold price, offset by increased silver production. Consolidated cash costs were also impacted by the recognition of the royalty costs associated with the large finished goods held at Q3, 2022 being sold in Q4. All-In-Sustaining Costs ("AISC") decreased by 1% on a per oz basis compared to Q4, 2021 due to a reduction in sustaining capital and similar allocated corporate costs allocated over higher ounces produced, offset by increased costs.

On a co-product cash costs basis, silver cost per oz increased by 11% and gold cost per oz increased 17% compared to the Q4, 2021. Increased silver production due to improved silver ore grade was offset by the higher operating costs and gold co-product cash costs increased due to the higher operating cost partially offset by a decrease in proportional costs resulting from decrease in proportional gold production.

Year ended December 31, 2022 (compared to the year ended December 31, 2021)
Direct operating costs per tonne during the year ended December 31, 2022 increased 13% to $130.80 compared to 2021 due to the higher operating costs at both Guanaceví and Bolañitos and a 6% reduction in processed tonnes. Guanaceví and Bolañitos have seen increased labour, power and consumable costs primarily driven by inflationary pressure. At Guanaceví, third party ore purchased has increased compared to the prior year and at Bolañitos smelting and processing costs have also increased. There was a 6% reduction in tonnes processed resulting in a higher cost per tonne for fixed costs and overhead. Including royalties and special mining duty, direct costs per tonne increased 16% to $155.63. Compared to the year ended December 31, 2021, royalties have increased 29% to $17.8 million with the change primarily due to the higher production at Guanaceví where an increase in the proportion of ore processed coming from properties with underlying royalty agreements. Special mining duty was $2.9 million for the year ended December 31, 2022 compared to $2.8 million in the same period in 2021.

Consolidated cash costs per oz, net of by-product credits increased 14% to $10.65 and exceeded cash cost guidance of between a $9.00 and $10.00 range, due to higher direct costs per tonne partially offset by increased silver production due to increased silver grades. All-In-Sustaining Costs ("AISC") decreased by 2% to $19.97 on a per oz basis compared to the year ended December 31, 2021 as a result of a 22% increase in ounces produced driven by a 31% increase in silver grade, and a decrease in mine site exploration offset by higher cash costs and increased sustaining capital expenditures. AISC was slightly below guidance of $20.00 to $21.00 per ounce primarily due to the increase in ounces produced.

On a co-product cash costs basis, silver cost per oz decreased 5% and gold cost per oz increased 10% compared to 2021. Increased silver production due to improved silver ore grade was offset by higher operating costs and gold co-product cash costs increased due to higher operating costs and a reduction in gold production.

GUANACEVÍ OPERATIONS

The Guanaceví operation is currently producing from three underground silver-gold mines along a five kilometre ("km") length of the prolific Santa Cruz vein. Guanaceví provides steady employment to over 530 people and engages over 280 contractors.

In July 2019, the Company acquired a 10 year right to explore and exploit the El Porvenir and El Curso concessions from Ocampo Mining SA de CV ("Ocampo"), a subsidiary of Grupo Frisco. The Company agreed to meet certain minimum production targets from the properties, subject to various terms and conditions and pay Ocampo a $12 fixed per tonne production payment plus a floating net smelter return royalty based on the silver spot price. The Company pays a 4% royalty on sales below $15.00 per silver oz, 9% above $15.00 per silver oz, 13% above $20.00 per silver oz, and a maximum of 16% above $25 per silver oz, based on the current realized prices. On December 12, 2021, the Company executed an amendment to the agreement whereby two additional concessions, adjacent to the existing and historic mine workings, were included in the existing agreement.

Production Results for the Three Months and Years Ended December 31, 2022 and 2021

Three Months Ended December 31			GUANACEVÍ	Year Ended December 31		
2022	2021	% Change		2022	2021	% Change
119,305	108,334	10%	Ore tonnes processed	412,303	414,355	(0%)
512	417	23%	Average silver grade (g/t)	465	370	26%
85.6	89.6	(5%)	Silver recovery (%)	86.6	87.9	(1%)
1,680,363	1,301,941	29%	Total silver ounces produced	5,340,553	4,333,567	23%
1,675,322	1,298,036	29%	Payable silver ounces produced	5,324,531	4,320,567	23%
1.44	1.21	19%	Average gold grade (g/t)	1.33	1.09	22%
89.4	92.2	(3%)	Gold recovery (%)	89.2	91.7	(3%)
4,936	3,885	27%	Total gold ounces produced	15,735	13,317	18%
4,922	3,873	27%	Payable gold ounces produced	15,688	13,277	18%
2,075,243	1,612,741	29%	Silver equivalent ounces produced[(1)]	6,599,353	5,398,927	22%
12.40	10.74	15%	Cash costs per silver ounce[(2)(3)]	11.46	12.12	(5%)
14.36	12.49	15%	Total production costs per ounce[(2)(4)]	13.95	14.40	(3%)
18.05	18.74	(4%)	All in sustaining costs per ounce[(2)(5)]	18.43	19.46	(5%)
171.48	146.51	17%	Direct operating costs per tonne[(2)(6)]	168.04	145.64	15%
249.23	193.87	29%	Direct costs per tonne[(2)(6)]	216.95	183.86	18%
14.27	13.11	9%	Silver co-product cash costs[(7)]	13.48	14.43	(7%)
1,165	1,014	15%	Gold co-product cash costs[(7)]	1,108	1,024	8%

(1) Silver equivalents are calculated using an 80:1 (silver/gold) ratio.

(2) The Company reports non-IFRS measures which include cash costs net of by-product revenue on a payable silver basis, total production costs per oz, AISC per oz, direct operating cost per tonne, direct cost per tonne, silver co-product cash costs and gold co-product cash costs in order to manage and evaluate operating performance at each of the Company's mines. These measures, some established by the Silver Institute (Production Cost Standards, June 2011), are widely used in the silver mining industry as a benchmark for performance, but do not have a standardized meaning. These measures are reported on a production basis. See Reconciliations to IFRS on page 19.

(3) Cash costs net of by-product revenue per payable silver oz include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead, net of gold credits. See Reconciliation to IFRS on pages 22 and 23.

(4) Total production costs per oz include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, amortization, depletion and amortization at the operation sites net of by product revenues. See Reconciliation to IFRS on pages 22 and 23.

(5) AISC per oz include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, corporate general and administration expenses, on-site exploration, share-based compensation, reclamation and sustaining capital net of gold credits. See Reconciliation to IFRS on pages 23 to 25.

(6) Direct operating costs per tonne include mining, processing (including smelting, refining, transportation and selling costs) and direct overhead at the operation sites. Direct cost per tonne include all direct operating costs, royalties and special mining duty. See Reconciliation to IFRS on pages 22 and 23.

(7) Silver co-product cash cost and gold co-product cash cost include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead allocated on pro-rated basis of realized metal value. See Reconciliation to IFRS on pages 25 and 26.

Guanaceví Production Results

Three months ended December 31, 2022 (compared to the three months ended December 31, 2021)
Silver production at the Guanaceví mine during Q4, 2022 was 1,680,363 oz, an increase of 29% compared to 1,301,941 oz in Q4, 2021, and gold production was 4,936 oz, an increase of 27% compared to 3,885 oz in Q4, 2021. Plant throughput was 10% higher in Q4, 2022 with 119,305 tonnes at average grades of 512 gpt silver and 1.44 gpt gold, compared to 108,334 tonnes grading 417 gpt silver and 1.21 gpt gold in Q4, 2021. The 29% increase in silver production is due to a 23% increase in silver grades and 10% increase in throughput, offset by a 5% reduction in recoveries. The 27% increase in gold production is due to a 19% increase in gold grades and the increased throughput, offset by a 3% decrease in recoveries.

Year ended December 31, 2022 (compared to the year ended December 31, 2021)
Silver production at the Guanaceví mine for the year ended December 31, 2022 was 5,340,553 oz, an increase of 23% compared to 4,333,567 oz in 2021, and gold production was 15,735 oz, an increase of 18% compared to 13,317 oz for the year ended December 31, 2021. Plant throughput was 412,303 tonnes at average grades of 465 gpt silver and 1.33 gpt gold compared to 414,355 tonnes at average grades of 370 gpt silver and 1.09 gpt gold for 2021. The slight decrease in throughput was a result of reducing throughput during Q2, 2022 for the installation of a new cone crusher and maintenance of leach tanks and a reduction due to heavy rainfall in a short, concentrated period in September. The 23% increase in silver production and 18% increase in gold production compared to 2021 is primarily due to the substantially higher grades with similar throughput offset by slightly lower recoveries.

Guanaceví Operating Costs

Three months ended December 31, 2022 (compared to the three months ended December 31, 2021)
Direct operating costs per tonne for the three months ended December 31, 2022 increased 17% to $171.48 compared with the same period in 2021, resulting from, increased labour, power and consumables costs, and an increase in operating development. The local third-party ore contributed $28.85 per tonne during Q4, 2022 compared to $29.04 per tonne in Q4, 2021 due to lower precious metals prices offset by increased tonnes and grades. Including royalty and special mining duty costs, direct cost per tonne increased 29% to $249.23 compared with $196.87 in the same period in 2021. There was an increase in royalty expense recognized during Q4, 2022 due to an increase in ounces sold offset by a reduction in the realized silver price. Royalty expense increased from $4.2 million to $8.4 million, which are included in cost per tonne and oz metrics.

Cash costs per oz, net of by-product credits, increased 15% to $12.40 compared to $10.74 for the same period in 2021, primarily driven by the higher direct costs per tonne partially offset by increased silver production. AISC per oz decreased 4% to $18.05 per oz for the three months ended December 31, 2022, due to increased silver production and slightly lower sustaining capital expenditures being allocated to increased silver ounces produced offset by increased direct costs.

Year ended December 31, 2022 (compared to the year ended December 31, 2021)
Direct operating costs per tonne for the year ended December 31, 2022 increased 15% to $168.04 compared with $145.64 for 2021, as a result of increased labour, power and consumables costs, an increase in operating development and increased purchase of local third-party ores. The local third-party ore contributed $26.57 per tonne during 2022 compared to $23.46 per tonne in 2021 due to increased tonnes and higher grade ore purchased. Including royalty and special mining duty costs, direct cost per tonne increased 18% to $216.95 compared to 2021. Royalty expense increased to $17.6 million in 2022 from $13.2 million in 2021 as a result of a significant increase in ounces sold offset by decreased realized silver prices. The increased ore grades offset by higher operating costs resulted in the special mining duty payable to the Mexican government being similar to the prior year.

Cash costs per oz, net of by-product credits, decreased 5% to $11.46 compared to $12.12 for the same period in 2021, with the decrease due to increased silver production resulting from increased silver grades and an increase in the gold credit, offset by higher direct costs per tonne. Similarly, AISC per oz decreased 5% to $18.43 per oz for 2022, due to increased silver production and reduced mine site exploration offset by increased allocated general and administrative expenses and an increase in sustaining capital expenditures.

BOLAÑITOS OPERATIONS

The Bolañitos operation encompasses three underground silver-gold mines and a flotation plant. Bolañitos provides steady employment for over 500 people and engages over 135 contractors.

Production Results for the Three Months and Years Ended December 31, 2022 and 2021

Three Months Ended December 31			BOLAÑITOS	Year Ended December 31		
2022	2021	% Change		2022	2021	% Change
104,984	105,158	(0%)	Ore tonnes processed	422,239	418,514	1%
50	48	4%	Average silver grade (g/t)	52	42	24%
89.2	87.0	2%	Silver recovery (%)	88.2	87.0	1%
150,472	141,258	7%	Total silver ounces produced	622,892	491,412	27%
141,491	134,178	5%	Payable silver ounces produced	587,978	462,700	27%
1.72	1.83	(6%)	Average gold grade (g/t)	1.77	2.02	(12%)
93.6	88.9	5%	Gold recovery (%)	90.8	90.7	0%
5,434	5,502	(1%)	Total gold ounces produced	21,813	24,652	(12%)
5,274	5,330	(1%)	Payable gold ounces produced	21,213	23,971	(12%)
585,192	581,418	1%	Silver equivalent ounces produced(1)	2,367,932	2,463,572	(4%)
2.85	(10.69)	127%	Cash costs per silver ounce(2)(3)	3.28	(19.77)	117%
22.98	6.71	(243%)	Total production costs per ounce(2)(4)	21.51	10.93	(97%)
35.06	27.46	28%	All in sustaining costs per ounce(2)(5)	34.00	25.14	35%
95.05	78.38	21%	Direct operating costs per tonne(2)(6)	94.43	79.37	19%
95.67	77.68	23%	Direct costs per tonne(2)(6)	95.76	80.13	20%
16.91	14.41	17%	Silver co-product cash costs(7)	16.74	14.96	12%
1,380	1,115	24%	Gold co-product cash costs(7)	1,376	1,062	30%

(1) Silver equivalents are calculated using an 80:1 (silver/gold) ratio.

(2) The Company reports non-IFRS measures which include cash costs net of by-product revenue on a payable silver basis, total production costs per oz, AISC per oz, direct operating cost per tonne, direct cost per tonne, silver co-product cash costs and gold co-product cash costs in order to manage and evaluate operating performance at each of the Company's mines. These measures, some established by the Silver Institute (Production Cost Standards, June 2011), are widely used in the silver mining industry as a benchmark for performance, but do not have a standardized meaning. These measures are reported on a production basis. See Reconciliations to IFRS on page 19.

(3) Cash costs net of by-product revenue per payable silver oz include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead, net of gold credits. See Reconciliation to IFRS on pages 22 and 23.

(4) Total production costs per oz include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, amortization, depletion and amortization at the operation sites net of by product revenues. See Reconciliation to IFRS on pages 22 and 23.

(5) AISC per oz include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, corporate general and administration expenses, on-site exploration, share-based compensation, reclamation and sustaining capital net of gold credits. See Reconciliation to IFRS on pages 23 to 25.

(6) Direct operating costs per tonne include mining, processing (including smelting, refining, transportation and selling costs) and direct overhead at the operation sites. Direct cost per tonne include all direct operating costs, royalties and special mining duty. See Reconciliation to IFRS on pages 22 and 23.

(7) Silver co-product cash cost and gold co-product cash cost include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead allocated on pro-rated basis of realized metal value. See Reconciliation to IFRS on pages 25 and 26.

Bolañitos Production Results

Three months ended December 31, 2022 (compared to the three months ended December 31, 2021)

Silver production at the Bolañitos mine was 150,472 oz in Q4, 2022, an increase of 7% compared to 141,258 oz in Q4, 2021, and gold production was 5,434 oz in Q4, 2022, a decrease of 1% compared to 5,502 oz in Q4, 2021. Plant throughput in Q4, 2022 was 104,984 tonnes at average grades of 50 gpt silver and 1.72 gpt gold, compared to 105,158 tonnes at average grades of 48 gpt silver and 1.83 gpt gold in Q4, 2021. The 7% increase in silver production and 1% decrease in gold production compared to Q4, 2021 is primarily due to the fluctuations of ore grades from accessing different areas of the mine.

Year ended December 31, 2022 (compared to the year ended December 31, 2021)
Silver production at the Bolañitos mine was 622,892 oz for the year ended December 31, 2022, an increase of 27% compared to 491,412 oz in 2021, and gold production was 21,813 oz for the year ended December 31, 2022, a decrease of 12% compared to 24,652 oz in 2021. Plant throughput for the year ended December 31, 2022 was 422,239 tonnes at average grades of 52 gpt silver and 1.77 gpt gold, compared to 418,514 tonnes at average grades of 42 gpt silver and 2.02 gpt gold. The 27% increase in silver production and 12% decrease in gold production compared to 2021 is primarily due to the fluctuations in ore grades from accessing different areas of the mine. There was a 24% increase in silver grades and a 12% decrease in gold grades with similar throughput and recoveries.

Bolañitos Operating Costs

Three months ended December 31, 2022 (compared to the three months ended December 31, 2021)
Direct costs per tonne in Q4, 2022 increased 23% to $95.67 per tonne, primarily due to increased labour, power and consumables, increased operating development costs compared to the same period in 2021. Cash costs, net of by-product credits, were $2.85 per oz of payable silver in Q4, 2022 compared to negative $10.69 per oz in Q4, 2021 due to the increased costs compared to the same period in the prior year. AISC increased 28% in Q4, 2022 to $35.06 per oz primarily due to an increase in cash costs net of by-product and an increase in allocated general and administrative expenses, partially offset by a decrease in sustaining capital expenditures and mine site expensed exploration.

On a co-product cash costs basis, silver cost per oz increased 17% compared to Q4, 2021 and gold co-product costs increased 24% to $16.91 per silver oz and $1,380 per gold oz, respectively. The increases in the silver cost on a co-product basis were primarily driven by the higher direct costs per tonne offset by higher silver grades and the increase in the gold co-product cost was driven by the higher operating costs and the 6% decrease in gold grade.

Year ended December 31, 2022 (compared to the year ended December 31, 2021)
Direct costs per tonne for the year ended December 31, 2022 increased 20% to $95.76 per tonne, primarily due to increased labour, power and consumables, smelting and refining and operating development costs offset with a slight increase in throughput tonnes compared to the same period in 2021. Cash costs, net of by-product credits, were $3.28 per oz of payable silver compared to negative $19.77 per oz in the same period in 2021 due to the increased costs, a 12% reduction in the gold grade and lower gold prices. AISC increased 35% to $34.00 per oz primarily due to the increase in cash costs net of by-product credit partially offset by a decrease in sustaining capital expenditures. AISC includes an allocation of corporate general and administration and share based compensation, which adds $4.67 to total AISC at Bolañitos for the year ended December 31, 2022.

On a co-product cash costs basis, silver cost per oz increased 12% compared to 2021 and gold co-product costs increased 30% to $16.74 per silver oz and $1,376 per gold oz, respectively. The increase in the silver cost on a co-product basis were primarily driven by the higher direct costs per tonne offset by 24% higher silver grades and the increase in the gold co-product cost was driven by the higher operating costs and the 12% decrease in gold grade.

EL COMPAS OPERATIONS

The El Compas operation is a small but high grade, permitted gold-silver mine with a small leased flotation plant in the historic silver mining district of Zacatecas. The leased floatation plant has a nominal plant capacity of 250 tpd.

El Compas employed close to 200 people and engaged over 55 contractors until the suspension of operations in mid-August 2021 as the mineral reserves were exhausted. The mine, plant and tailings facilities remained on short term care and maintenance until September 9, 2022 when the sale of the mine was completed. The Company continues to hold the regional Calicanto and Veta Grande exploration properties.

Pursuant to the sale agreement, Grupo ROSGO will pay the Company $5 million over five years.

Temporary closure costs were $0.6 million for the year ended December 31, 2022.

DEVELOPMENT ACTIVITIES

Terronera Project

The Terronera project, located 40 km northeast of Puerto Vallarta in the state of Jalisco, Mexico, features a high-grade silver-gold mineral resource in the Terronera vein, which is now over 1,400 metres long, 400 metres deep, 3 to 16 metres thick, and remains open along strike to the southeast and down dip.

Feasibility Study

Wood PLC completed an independent Feasibility Study ("FS") which has an effective date of September 9, 2021 and the full report was filed on SEDAR and EDGAR and posted to the Company's website on October 25, 2021.

The FS base case assumed a silver price of $20 per oz and a gold price of $1,575 per oz with an implied 79:1 silver to gold ratio, and a Mexico peso to U.S. dollar exchange rate of 20:1. At base case prices, the improved economics estimated an after-tax net present value of $174.1 million at a 5% discount rate, internal rate of return of 21.3%, and payback period of 3.6 years. Initial capital expenditures were estimated to be $175 million with capital expenditures during production estimated to be $108.5 million. The 12-year life of mine was estimated to produce an average of 3.3 million silver oz and 32,874 gold oz per year generating $476 million pre-tax, $311 million after-tax, free cash flow.

Preconstruction Activities

The Company has commenced initial earthworks and the procurement of long lead items and intends to make a formal construction decision, subject to completion of a financing package and receipt of additional amended permits, in the coming months. While the Company continues to advance financial due diligence, the Board has approved certain early expenditures to de-risk various aspects of the project in a deliberate and disciplined manner to minimize risk prior to the final construction decision.

The Company re-classified the Terronera Project from an exploration and evaluation project to a development project in September 2021 and has subsequently spent $41.7 million on land acquisition, initial capital development and capital assets to advance development and $7.2 million on development activities ineligible to be capitalized including supervision, evaluation activities, administrative costs, environmental studies and community relations.

An expenditure budget of $41.0 million was approved for 2022 to continue advancing the site clearing, to begin initial earthworks, a temporary and permanent camp, road construction and procuring long lead items. An additional $25.7 million development expenditure budget has been approved for the first quarter of 2023 to continue with pre-construction activities. The approval is based on utilizing existing cash on hand and cash flow from operations, ahead of formalized project financing as the Company continues to advance the project.

During 2022, the company spent $40.9 million at the Terronera Project, including $35.2 on land acquisition, initial capital development and capital assets to advance development and $5.6 million on development activities ineligible to be capitalized including supervision, evaluation activities, administrative costs, environmental studies and community relations.

The Company's progress on predevelopment activities are as follows:

- **On-Site Delivery of Mobile Mining Equipment -** Since Q3 2021, the Company has received 30 Sandvik and Getman mobile mine units including three development jumbos, three bolters, three scoops, three dump trucks, four scissor lifts, three explosive chargers and other support equipment such as pallet handlers and cranes. With these orders complete, equipment required for mine development has been delivered.
- **Major Equipment Purchases -** Major mill equipment has been ordered through 12 equipment procurement contracts. The Company expects delivery in H1 2023 of the SAG mill, primary crusher, pebble crusher, concentrate bagging and weighing system, primary and regrind hydrocyclones, apron feeder, wet vibrating screens, and concentrate and tailings thickeners. The ball mill is already on site.

- **Access Road Construction -** Significant road upgrade work, totalling over seven kilometres, primarily involving slope stabilization and drainage, have been completed for access to the mill site and mine portals. Road improvement work required for the construction phase will be complete in H1 2023.
- **Permanent Camp Construction** - Installation is underway for the permanent camp facility that will accommodate 550 personnel. It is expected the permanent camp will be operational in the first half of 2023. Overall permanent camp progress is 50% with the training room, clinic, dining room, kitchen, gym and laundry facilities in place.
- **Process Plant Construction** - At the mill site, work in ongoing with site clearing and initial earthworks including tree and vegetation removal, excavation and leveling the area prior to beginning plant foundations in H1 2023. As of December 31, 2022, over 126,000 cubic metres had been excavated.
- **Underground Development** - Site preparation for Portal #2 commenced and by year end and the portal brow had been created to advance underground mine access development. Mine support facilities have been mobilized at site as the project prepares to move forward with development.
- **Initial Project Infrastructure -** The temporary mine maintenance shop is operational and field offices have been installed at the mill site along with improved communications.

The Company continues to further evaluate cost benefit initiatives and technologies to further enhance the operating flexibility of the project and economics during the construction preparation phase.

EXPLORATION RESULTS

At Guanaceví, the Company drilled 10,424 metres in 38 holes at a total expense of $1.4 million to delineate extensions of the El Curso ore bodies. Drilling confirmed expectations and intersected significant mineralization with similar ore grades and vein widths to historical results.

At Bolañitos, the Company drilled 8,635 metres in 42 holes at total expense of $0.6 million to target the Tepetateras, La Cuesta, Gina and Maru veins and drilled 3,348 metres in 10 holes at a total expense of $0.3 million to target the Virginia, Karina, Fernanda and Daniela veins, all located in Bolañitos South. The Company intersected significant mineralization with ore grades over mineable widths.

At Terronera, the drill program targeted the regional area acquired in 2020. A total of 8,228 metres were drilled in 29 holes at a total expense of $1.5 million. Surface drilling was conducted on the Coral vein which is located south of the Los Cuates vein, which is approximately 10 km to the northwest of the Terronera Project, and on the Pena Gorda, Los Negros, Tablones and El Tajo veins located in the Real Alto area at the southern end of the project area. Assays returned various amounts of mineralization requiring interpretation and follow up.

At Parral, the Company drilled 49 holes totalling 12,355 metres, with a cost of $2.1 million targeting various areas of the Veta Colorada and San Patricio veins. Drilling confirmed expectations in a number of areas, intersecting significant mineralization with meaningful vein widths. Management will continue the exploration program in 2023 with the intention to expand the resource estimate published in December 2019 and initiate an economic study in 2023.

In Chile, the Company completed initial exploration activities on early stage exploration properties and preparatory work to drill Aida in Q4, 2022. The drilling program for Aida was delayed and is anticipated to resume in 2023.

At Bruner, the Company conducted sampling and geological mapping activities, however did not execute the exploration plan personnel focused on the recently acquired Pitarrilla project.

RESERVES AND RESOURCES

GUANACEVÍ

On January 23, 2023, the Company filed an updated "NI 43-101" Technical Report: Updated Mineral Resource and Reserve Estimates for the Guanaceví Project, Durango State, Mexico with a report date of December 14, 2022 and an effective date of November 5, 2022. The Reserves and Resources in this report are as of May 31, 2022 and management has internally updated the Reserves and Resources effective December 31, 2022.

Proven and probable silver mineral reserves were consistent with the prior year and proven and probable gold mineral reserves increased 5%. Mineral reserves are estimated to be 14.3 million oz silver and 38,814 oz gold. On a silver equivalent basis, mineral reserves increased 2% to 17.4 million oz using a silver to gold ratio of 80:1.

Measured and indicated silver and gold mineral resources increased year on year by 5% and 17% respectively. Measured and indicated resources are estimated to be 7.7 million oz silver and 18,585 oz gold. On a silver equivalent basis, measured and indicated resources increased 8% to 9.2 million oz using a silver to gold ratio of 80:1.

Inferred resources for silver decreased 3% to 10.5 million oz and inferred resources for gold decreased by 10% to 21,665 oz for silver equivalent inferred resources of 12.2 million oz using a silver to gold ratio of 80:1.

BOLAÑITOS

On January 23, 2023, the Company filed an updated "NI 43-101" Technical Report: Updated Mineral Resource and Reserve Estimates for the Bolañitos Project, Guanajuato State, Mexico with a report date of December 14, 2022 and an effective date of November 5, 2022. The Reserves and Resources in this report are as of May 31, 2022 and management has internally updated the Reserves and Resources effective December 31, 2022.

Proven and probable silver and gold mineral reserves increased year on year by 14% and 8% respectively. Mineral reserves are estimated to be 1.1 million oz silver and 39,643 oz gold. On a silver equivalent basis, mineral reserves increased 9% to 4.2 million oz using a silver to gold ratio of 80:1.

Measured and indicated silver and gold mineral resources decreased year on year by 59% and 33% respectively. Measured and indicated resources are estimated to be 1.4 million oz silver and 36,413 oz gold. On a silver equivalent basis, measured and indicated resources decreased 45% to 4.3 million oz using a silver to gold ratio of 80:1.

Estimated inferred resources for silver increased 50% to 5.6 million oz and inferred resources for gold increased by 6% to 83,414 oz for silver equivalent inferred resources of 12.3 million oz using a silver to gold ratio of 80:1.

PITARRILLA

On December 8, 2022, the Company published the "NI 43-101" Technical Report: Mineral Resource Estimate for the Pitarrilla AG-PB-ZN Project, Durango State, Mexico. The report, which is dated November 21, 2022, provides and independent estimate of the Mineral Resources identified at Pitarrilla as of October 6, 2022.

The total Indicated Mineral Resources (open pit and underground) at Pitarrilla totals 158.6 million tonnes containing 491.6 million ounces (oz) silver (Ag) grading 96.4 grams per tonne (gpt), 1.1 billion pounds (lbs) of lead (Pb) grading 0.31%, 2.6 billion pounds of Zinc (Zn) grading 0.74% for a total of 693.9 million ounces of silver equivalent (AgEq) grading 136 gpt.

The Inferred Mineral Resource (open pit and underground) totals 35.4 million tonnes containing 99.4 million oz Ag grading of 87.2 gpt, 281 million lbs Pb grading 0.36%, 661 million lbs Zn grading 0.85% for a total of 151.2 million ounces AgEq grading 132.7 gpt.

Silver equivalent grades are calculated using this formula: Ag (gpt) + [Pb (%) X 2204.6 X Pb Price / Ag Price X 31.1] + [Zn (%) X 2204.6 X Zn Price / Ag Price X 31.1] with price assumptions of Pb $1.00, Zn $1.30 and Ag $22.00.

TERRONERA
There have been no changes to the estimated reserves or resources for the Terronera Project during 2022.

PARRAL
There have been no changes to the estimated reserves for resources for the Parral Project during 2022.

CONSOLIDATED FINANCIAL RESULTS

Three months ended December 31, 2022 (compared to the three months ended December 31, 2021)

In Q4, 2022, the Company's mine operating earnings were $21.7 million (Q4, 2021 - $12.2 million) on net revenue of $82.0 million (Q4, 2021 - $48.5 million) with cost of sales of $60.3 million (Q4, 2021 - $36.2 million).

In Q4, 2022, the Company had operating earnings of $13.5 million (Q4, 2021 -$4.1 million) after exploration and evaluations costs of $5.2 million (Q4, 2021 - $4.1 million), general and administrative expense of $2.8 million (Q4, 2021 -$2.8 million), care and maintenance expense of $Nil (Q4, 2021 - $0.4 million) and a write off of exploration properties of $0.2 million (Q4, 2021 - $0.7 million). In the three months ended December 31, 2021 operating earnings also included $0.2 million in severance costs related to the suspension of the operations at the El Compas mine.

The earnings before taxes for Q4, 2022 was $13.2 million (Q4, 2021 -$5.5 million) after finance costs of $0.4 million (Q4, 2021 - $0.3 million), a foreign exchange gain of $0.6 million (Q4, 2021 - $0.1 million), gain on assets disposal of $0.3 million (Q4, 2021 -$Nil) and investment and other expense of $0.2 million (Q4, 2021 -investment and other income of $1.6 million). The Company realized net earnings for the period of $7.9 million (Q4, 2021 - net loss of $0.5 million) after an income tax expense of $5.3 million (Q4, 2021 - $6.0 million).

Net revenue of $82.0 million in Q4, 2022, net of $0.7 million of smelting and refining costs, increased by 69% compared to $48.5 million, net of $0.4 million of smelting and refining costs, in Q4, 2021. Gross sales of $82.7 million in Q4, 2022 represented a 69% increase over the $48.9 million for the same period in 2021. Silver oz sold increased 99% due to both a 27% increase in silver production and the sales of higher than usual finished goods inventory during Q4, 2022, which was held as of September 30, 2022, compared to Q4, 2021. The 99% increase in ounces sold during the period, combined with a 7% decrease in the realized silver price resulted in an 86% increase to silver sales. Similarly, gold oz sold increased 36% with a 2% decrease in realized gold prices resulting in a 34% increase in gold sales. During the period, the Company sold 2,816,882 oz silver and 11,843 oz gold, for realized prices of $21.86 and $1,783 per oz, respectively, compared to sales of 1,413,699 oz silver and 8,715 oz gold, for realized prices of $23.41 and $1,811 per oz, respectively, in the same period of 2021. For the three months ended December 31, 2022, the realized prices of silver and gold were within 4% of the London spot prices. Silver and gold London spot prices averaged $19.23 and $1,729, respectively, during the three months ended December 31, 2022.

The Company decreased its finished goods silver and finished goods gold inventory to 530,250 oz silver and 1,707 oz gold, at December 31, 2022 compared to 1,530,319 oz silver and 3,353 oz gold at September 30, 2022. The cost allocated to these finished goods was $6.1 million at December 31, 2022, compared to $22.1 million at September 30, 2022 and $15.6 million at December 31, 2021. At December 31, 2022, the finished goods inventory fair market value was $15.8 million, compared to $34.7 million at September 30, 2022.

Cost of sales for Q4, 2022 was $60.3 million, an increase of 67% over the cost of sales of $36.2 million for Q4, 2021. The cost of sales in Q4, 2022 was impacted by increased input costs and by the recognition of the costs associated with the additional quantity of silver ounces in finished goods at the end of Q3, 2022 sold during the fourth quarter. Overall costs for Q4, 2022 were impacted by higher labour, power and consumables costs as the Company, as well as the industry, is experiencing significant inflationary pressures. There was also an increase in the royalty costs recognized during Q4, 2022 upon sale of the aforementioned finished goods. During Q4, 2021, the Company also recorded an allowance on the valuation of warehouse inventory of $0.9 million.

Exploration and evaluation expenses were $5.2 million, increase of 27% compared to $4.1 million incurred in the same period of 2021 primarily due to the timing of exploration activities. General and administrative expenses of $2.8 million in Q4 2022 are on par with $2.8 million for the same period of 2021.

The Company incurred a foreign exchange gain of $0.6 million in Q4, 2022 compared to a foreign exchange gain of $0.1 million in Q4, 2021 due to timing of the settlements of the working capital balances and a slight strengthening of the Mexican peso at the end of the quarter compared to a weakening of the Mexican peso at the end of Q4, 2021. The Company incurred $0.4 million in finance charges primarily related to mobile equipment purchased compared to $0.3 million in the same period in 2021 due to an increase in financed mine equipment. The Company recognized $0.2 million in investment and other expenses compared to $1.6 million in investment and other income in Q4, 2021 primarily resulting from recognizing an unrealized loss on marketable securities and warrants of $0.1 million (Q4, 2021 - gain of $1.1 million), $0.5 million in interest income (Q4, 2021 - $0.2 million), $0.2 million in royalty income (Q4, 2021 - $0.2 million) and $0.8 million in other expense (Q4, 2021 - $0.1 million).

Income tax expense was $5.3 million in Q4, 2022 compared to $6.0 million in Q4, 2021. The $5.3 million tax expense is comprised of $2.9 million in current income tax expense (Q4, 2021 - $1.0 million) and $2.4 million in deferred income tax expense (Q4, 2021 - $5.0 million). The current income tax expense consists of $1.1 million in special mining duty taxes and $1.3 million of income taxes. The deferred income tax expense of $2.4 million is primarily due to the use of loss carry forwards to offset taxable income generated at the Guanaceví operations.

Year ended December 31, 2022 (compared to the year ended December 31, 2021)

For the year ended December 31, 2022, the Company's mine operating earnings was $51.6 million (2022 - $36.4 million) on net revenue of $210.2 million (2021 - $165.3 million) with cost of sales of $158.6 million (2021 - $128.9 million).

The Company had operating earnings of $23.5 million (2021 – $22.3 million) after exploration and evaluation costs of $16.2 million (2021 – $17.9 million), general and administrative costs of $10.6 million (2021 – $10.1 million), a write off of exploration properties of $0.7 million (2021 – $0.7) and care and maintenance expense for the El Compas mine of $0.6 million (2021 – $1.3 million for the Compas and El Cubo mines). For the year ended December 31, 2021 operating earnings included an impairment reversal of $16.8 million based on a valuation assessment done for the El Cubo mine and related assets and liabilities upon being classified as held for sale and $0.9 million in severance costs related to the suspension of the operations at the El Compas mine.

The earnings before taxes were $25.0 million (2021 - $29.7 million) after finance costs of $1.3 million (2021 - $1.0 million), a foreign exchange gain of $1.9 million (2021 - foreign exchange loss of $1.1 million) and investment and other expense of $1.6 million (2021 - investment and other income $3.7 million). In 2022, the Company also recognized a gain on asset disposal of $2.5 million of which $2.7 million was a gain on the sale of the El Compas mine and $0.2 million loss on the disposal of various other assets. For the year ended December 31, 2021 earnings before taxes included a gain on disposal of the El Cubo assets of $5.8 million. The Company realized net earnings for the period of $6.2 million (2021 - $14.0 million) after an income tax expense of $18.8 million (2021 - $15.7 million).

Net revenue of $210.2 million for 2022, net of $3.0 million in smelting and refining costs, increased by 27% compared to $165.3 million, net of $2.0 million of smelting and refining costs in 2021. Gross sales of $213.2 million in 2022 represented an 27% increase over the $167.3 million for 2021. There was a 68% increase in silver ounces sold and a 12% decrease in the realized silver price resulting in a 47% increase to silver sales. There was a 1% decrease in gold ounces sold with a realized gold prices on par with prior period, resulting in a 1% decrease in gold sales. During the period, the Company sold 6,464,869 oz silver and 38,868 oz gold, for realized prices of $22.07 and $1,814 per oz respectively, compared to sales of 3,856,883 oz silver and 39,113 oz gold, for realized prices of $25.22 and $1,790 per oz, respectively, in 2021. For the year ended December 31, 2022, the realized prices of silver and gold were within approximately 2% to London spot prices. During the same period, silver and gold spot prices averaged $21.73 and $1,800, respectively.

The Company decreased its finished goods silver inventory and reduced its finished goods gold inventory to 530,250 oz silver and 1,707 oz, respectively at December 31, 2022 compared to 1,082,610 oz silver and 3,674 oz gold at December 31, 2021. The cost allocated to these finished goods was $6.1 million at December 31, 2022, compared to $15.6 million at December 31, 2021. At December 31, 2022, the finished goods inventory fair market value was $15.8 million, compared to $31.7 million at December 31, 2021.

Cost of sales for 2022 was $158.6 million, an increase of 23% over the cost of sales of $128.9 million for 2021. Overall costs for 2022 were impacted by higher labour, power and consumables costs as the Company is experiencing significant inflationary pressures. There were also increases in smelting and refining costs at Bolañitos and royalties and costs for third-party ore at Guanaceví. Royalties increased by 29% due to the increased sales and increased production tonnes at Guanaceví partially offset by the reduction in the realized silver price. The cost of sales was also impacte4d by the increase in ounces sold during 2022, as the Company held less inventory at the end of 2022 compared to the end of 2021. During 2022, the Company also recorded an allowance on the valuation of warehouse inventory of $1.3 million (2021 – $0.9 million).

Exploration and evaluation expenses decreased in 2022 to $16.2 million from $17.9 million for the same period of 2021 primarily based on timing of exploration programs and prior period additional expenditures to advance the Terronera Feasibility Study. General and administrative expenses increased to $10.6 million in 2022 compared to $10.1 million for the same period of 2021, due to overall increases in direct general and administrative costs of $0.6 million, $0.1 million decrease in share-based compensation.

The Company incurred a foreign exchange gain of $1.9 million in 2022 compared to a foreign exchange loss of $1.1 million in 2021 due to timing of the settlements of the working capital balances and a slight strengthening of the Mexican peso at December 31, 2022 compared to December 31, 2021, which resulted in higher valuations of peso denominated tax receivables and cash balances. The Company incurred $1.3 million in finance charges primarily related to loans for mobile equipment purchases compared to $1.0 million in the same period in 2021, due to changes in the outstanding loan balances. The Company recognized $1.6 million in investment and other expenses compared to $3.7 million in investment and other income in 2021 primarily resulting from a loss on marketable securities and warrants of $3.5 million (2021 - gain of $2.9 million), $1.3 million in interest income (2021 - $0.8 million), $0.7 million in royalty income (2021 - $0.5 million) and $0.1 million in other expenses (2021 -$0.5 million). In 2022, the Company also recognized a gain on asset disposal of $2.5 million of which $2.7 million was a gain on the sale of the El Compas mine and a $0.2 million loss on the disposal of various other assets. In 2021, the Company recognized a gain on the sale of the El Cubo mine of $5.8 million.

Income tax expense was $18.8 million in 2022 compared to an income tax expense of $15.7 million in 2021 due to increased profitability at the Guanaceví mine. The $18.8 million tax expense is comprised of $6.4 million in current income tax expense (2021 – $3.5 million) and $12.4 million in deferred income tax expense (2021 – $12.2 million). The current income tax expense consists of $3.2 million of special mining duty taxes and $3.2 million of income taxes. The deferred income tax expense of $12.4 million is primarily due to the use of loss carry forwards to offset taxable income generated at Guanaceví.

The recoverable amounts were based on each CGUs future cash flows expected to be derived from the Company's mining properties and represent each CGUs value in use. Expected cash flows were determined based on the life-of-mine after-tax cash flow forecast which incorporates management's best estimates of future metal prices, production based on current estimates of capacity, ore grade, recovery rate and recoverable reserves and resources, future operating costs, assets terminal value and non-expansionary capital expenditures. Expected cash flows are discounted at risk adjusted rates based on the CGUs weighted average cost of capital. As a result, management estimated the recoverable amount of the Bolañitos mine as at December 31, 2022, determined on a fair value less cost of disposal basis, and concluded no impairment charge was required. However, adverse changes in any of these assumptions in future periods may result in an impairment.

In previous years, prolonged commodity price declines led the Company to determine there were impairment indicators and assessed the recoverable amounts of its CGUs. The recoverable amounts were based on each CGUs future cash flows expected to be derived from the Company's mining properties and represent each CGU's value in use. The cash flows were determined based on the life-of-mine after-tax cash flow forecast which incorporates management's best estimates of future metal prices, production based on current estimates of recoverable reserves and resources, exploration potential, future operating costs and non-expansionary capital expenditures discounted at risk adjusted rates based on the CGUs weighted average cost of capital.

During Q1, 2021, the El Cubo mine project, consisting of the land rights, plant, buildings and the related reclamation liability were classified as held for sale and immediately prior to the classification to assets and liabilities held for sale, the carrying amounts of the land rights, plant and building were remeasured and the historical gross impairments of $216.9 million net of depletion and depreciation of $200.1 million, were reversed resulting in a $16.8 million impairment reversal. During Q2, 2021 the sale of the El Cubo assets was completed with a gain on disposal of $5.8 million. The reclamation provision for the El Cubo mine of $4.6 million transferred to VanGold upon acquisition of the related mining concessions.

SELECTED ANNUAL INFORMATION

Expressed in thousands US dollars except per share amounts	Year ended December 31 2022	2021	2020
Net revenue	$210,160	$165,320	$138,461
Net earnings (loss)	$6,201	$13,955	$1,159
Basic earnings (loss) per share	$0.03	$0.08	$0.01
Diluted earnings (loss) per share	$0.03	$0.08	$0.01
Dividends per share	-	-	-
Total assets	$399,437	$294,024	$210,592
Total long-term liabilities	$30,794	$17,013	$16,968

NON-IFRS MEASURES

Non-IFRS and Other Financial Measures and Ratios

We have included certain non-IFRS financial measures and ratios in this MD&A, as discussed below. We believe that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures and ratios are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These financial measures and ratios do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Non-IFRS financial measures are defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure ("NI 52-112") as a financial measure disclosed that (a) depicts the historical or expected future financial performance, financial position or cash flow of an entity, (b) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity, (c) is not disclosed in the financial statements of the entity, and (d) is not a ratio, fraction, percentage or similar representation.

A non-IFRS ration is defined by 52-112 as a financial measure disclosed that (a) is in the form of a ratio, fraction, percentage or similar representation, (b) has a non-IFRS financial measure as one or more of its components, and (c) is not disclosed in the financial statements.

Working capital is a non-IFRS measure that is a common measure of liquidity but does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is current assets and current liabilities. Working capital is calculated by deducting current liabilities from current assets. Working capital should not be considered in isolation or as a substitute from measures prepared in accordance with IFRS. The measure is intended to assist readers in evaluating our liquidity.

Expressed in thousands US dollars	As at December 31, 2022	As at December 31, 2021
Current assets	$146,333	$161,762
Current liabilities	52,749	40,554
Working capital	$93,584	$121,208

Adjusted earnings and adjusted earnings per share ("EPS") are non-IFRS measures that supplement information to the Company's consolidated financial statements. The Company believes that, in addition to the conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information to evaluate the Company's underlying core operating performance. The presentation of adjusted earnings and adjusted earnings per share is not meant to be a substitute of net income and net income per share presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures.

The Company defines the adjusted earnings as net income adjusted to include certain non-cash and unusual item, and items that in the Company's judgement are subject to volatility as a result of factors which are unrelated to the Company's operation in the period. Certain items that become applicable in a period may be adjusted for, with the Company retroactively presenting comparable periods with an adjustment for such items and, conversely, items no longer applicable may be removed from the calculation. During the current period, the Company has included changes in the fair value of its investments in marketable securities and made retroactive adjustments to prior periods for the same. The following table provides a detailed reconciliation of net income as reported in the Company's financial statement to adjusted earnings and adjusted earnings per share.

Expressed in thousands US dollars (except for share numbers and per share amounts)	Three Months Ended December 31		Years Ended December 31	
	2022	2021	2022	2021
Net earnings (loss) for the period per financial statements	$7,961	($471)	$6,201	$13,955
Impairment (reversal) of non-current assets, net of tax	-	-	-	(16,791)
Gain on disposal of El Cubo mine and equipment, net of tax	-	-	-	(5,807)
Gain on disposal of El Compas mine and equipment, net of tax	-	-	(2,733)	-
Change in fair value of investments	104	5,103	3,470	2,117
Adjusted net earnings (loss)	$8,065	$4,632	$6,938	($6,526)
Basic weighted average share outstanding	189,993,085	170,518,894	183,009,339	167,289,732
Adjusted net earnings (loss) per share	$0.04	$0.03	$0.04	($0.04)

Mine operating cash flow before taxes is a non-IFRS measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Mine operating cash flow is calculated as revenue minus direct production costs and royalties. Mine operating cash flow is used by management to assess the performance of the mine operations, excluding corporate and exploration activities and is provided to investors as a measure of the Company's operating performance.

Expressed in thousands US dollars	Three Months Ended December 31		Years Ended December 31	
	2022	2021	2022	2021
Mine operating earnings per financial statements	$21,655	$12,222	$51,525	$36,368
Share-based compensation	89	87	442	421
Amortization and depletion	8,945	5,014	25,179	23,977
Write down of inventory to net realizable value	-	896	1,323	1,168
Mine operating cash flow before taxes	$30,689	$18,219	$78,469	$61,934

Operating cash flow before working capital changes per share is a non-IFRS measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Operating cash flow per share is calculated by dividing cash from operating activities by the weighted average shares outstanding. Operating cash flow per share is used by management to assess operating performance on a per share basis, irrespective of working capital changes and is provided to investors as a measure of the Company's operating performance.

Expressed in thousands US dollars (except for per share amounts)	Three Months Ended December 31		Years Ended December 31	
	2022	2021	2022	2021
Cash from (used in) operating activities per financial statements	$44,391	$18,071	$54,993	$23,462
Net changes in non-cash working capital per financial statements	21,924	7,392	967	(8,776)
Operating cash flow before working capital changes	$22,467	$10,679	$54,026	$32,238
Basic weighted average shares outstanding	189,993,085	170,518,894	183,009,339	167,289,732
Operating cash flow before working capital changes per share	$0.12	$0.06	$0.30	$0.19

EBITDA is a non-IFRS financial measure, which excludes the following from net earnings:

- Income tax expense;
- Finance costs;
- Amortization and depletion.

Adjusted EBITDA excludes the following additional items from EBITDA:

- Share based compensation;
- Non-recurring impairments (reversals);
- Significant non-routine items.

Adjusted EBITDA per share is calculated by dividing Adjusted EBITDA by the basic weighted average number of shares outstanding for the period.

Management believes EBITDA is a valuable indicator of the Company's ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures. Management uses EBITDA for this purpose. EBITDA is also frequently used by investors and analysts for valuation purposes whereby EBITDA is multiplied by a factor or "EBITDA multiple" based on an observed or inferred relationship between EBITDA and market values to determine the approximate total enterprise value of a Company.

EBITDA is intended to provide additional information to investors and analysts. It does not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of operating performance prepared in accordance with IFRS. EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore is not necessarily indicative of operating profit or cash flow from operations as determined by IFRS. Other companies may calculate EBITDA and Adjusted EBITDA differently.

Certain items that become applicable in a period may be adjusted for, with the Company retroactively presenting comparable periods with an adjustment for such items and, conversely, items no longer applicable may be removed from the calculation. During the current period, the Company has included changes in the fair value of its investments in marketable securities and made retroactive adjustments to prior periods for the same

Expressed in thousands US dollars	Three Months Ended December 31		Years Ended December 31	
	2022	2021	2022	2021
Net earnings (loss) for the period per financial statements	$7,961	($471)	$6,201	$13,955
Depreciation and depletion - cost of sales	8,945	5,014	25,179	23,977
Depreciation and depletion - exploration	276	92	624	330
Depreciation and depletion - general & administration	58	63	214	165
Depreciation and depletion - care & maintenance	-	30	71	55
Depreciation and depletion - inventory write down	-	-	-	6
Finance costs	233	22	816	724
Current income tax expense	2,850	1,005	6,376	3,481
Deferred income tax expense	2,345	4,992	12,372	12,252
EBITDA	$22,668	$10,747	$51,853	$54,945
Share based compensation	619	718	3,878	3,636
Impairment (reversal) of non-current assets, net of tax	-	-	-	(16,791)
Gain on disposal of El Cubo mine and equipment, net of tax	-	-	-	(5,807)
Gain on disposal of El Compas mine and equipment, net of tax	-	-	(2,733)	-
Change in fair value of investments	104	5,103	3,470	2,117
Adjusted EBITDA	$23,391	$16,568	$56,468	$38,100

Cash costs per silver oz, total production costs per oz, direct operating costs per tonne and direct costs per tonne are measures developed by precious metals companies in an effort to provide a comparable standard; however, there can be no assurance that the Company's reporting of these non-IFRS measures and ratios are similar to those reported by other mining companies. Cash costs per oz, total production costs per oz and direct costs per tonne are measures used by the Company to manage and evaluate operating performance at each of the Company's operating mining units. They are widely reported in the silver mining industry as a benchmark for performance, but do not have a standardized meaning and are disclosed in addition to IFRS measures. Direct operating costs include mining, processing (including smelting, refining, transportation and selling costs) and direct overhead at the operation sites. Direct costs include all direct operating costs plus royalties and special mining duty. Cash costs include all direct costs less by-product gold sales and changes in finished gold inventories. Total production costs include all cash costs plus amortization and depletion, changes in amortization and depletion in finished goods inventory and site share-based compensation. Cash costs per silver ounce and total production costs per ounce are calculated by dividing cash costs and total production costs by the payable silver ounces produced. Direct operating cost per tonne and direct costs per tonne are calculated by dividing direct operating costs and direct costs by the number of processed tonnes. The following tables provide a detailed reconciliation of these measures to the Company's direct production costs, as reported in its consolidated financial statements.

Expressed in thousands US dollars	Three Months Ended December 31, 2022			Three Months Ended December 31, 2021			
	Guanaceví	Bolañitos	Total	Guanaceví	Bolañitos	El Compas	Total
Direct production costs per financial statements	33,586	9,235	42,821	18,689	7,329	(5)	26,013
Smelting and refining costs included in net revenue	-	694	694	-	362	(4)	358
Opening finished goods	(18,080)	(195)	(18,275)	(12,910)	(2,306)	-	(15,216)
Closing finished goods	4,953	245	5,198	10,093	2,857	-	12,950
Direct operating costs	20,459	9,979	30,438	15,872	8,242	(9)	24,105
Royalties	8,430	49	8,479	4,199	79	4	4,282
Special mining duty [(1)]	845	16	861	932	(152)	-	780
Direct costs	29,734	10,044	39,778	21,003	8,169	(5)	29,167
By-product gold sales	(11,591)	(9,527)	(21,118)	(7,293)	(8,380)	(112)	(15,785)
Opening gold inventory fair market value	5,368	240	5,608	2,127	3,560	-	5,687
Closing gold inventory fair market value	(2,740)	(354)	(3,094)	(1,900)	(4,784)	-	(6,684)
Cash costs net of by-product	20,771	403	21,174	13,937	(1,435)	(117)	12,385
Amortization and depletion	6,160	2,785	8,945	2,181	2,827	177	5,185
Share-based compensation	45	44	89	43	44	-	87
Opening finished goods depreciation and depletion	(3,776)	(60)	(3,836)	(1,920)	(1,171)	-	(3,091)
Closing finished goods depreciation and depletion	862	79	941	1,965	635	-	2,600
Total production costs	$24,062	$3,251	$27,313	$16,206	$900	$66	$17,172

	Three Months Ended December 31, 2022			Three Months Ended December 31, 2021			
	Guanaceví	Bolañitos	Total	Guanaceví	Bolañitos	El Compas	Total
Throughput tonnes	119,305	104,984	224,289	108,334	105,158	N/A	213,492
Payable silver ounces	1,675,322	141,491	1,816,813	1,298,036	134,178	364	1,432,578
Cash costs per silver ounce	$12.40	$2.85	$11.65	$10.74	($10.69)	N/A	$8.65
Total production costs per ounce	$14.36	$22.98	$15.03	$12.49	$6.71	N/A	$11.99
Direct operating costs per tonne	$171.48	$95.05	$135.71	$146.51	$78.38	N/A	$112.91
Direct costs per tonne	$249.23	$95.67	$177.35	$193.87	$77.68	N/A	$136.62

Note: Production at El Compas was suspended in August 2021.

Expressed in thousands US dollars	Year Ended December 31, 2022			Year Ended December 31, 2021			
	Guanaceví	Bolañitos	Total	Guanaceví	Bolañitos	El Compas	Total
Direct production costs per financial statements	$74,423	$39,457	$113,880	$51,761	$28,896	$8,946	$89,603
Smelting and refining costs included in net revenue	-	3,029	3,029	-	1,715	244	1,959
Opening finished goods	(10,093)	(2,857)	(12,950)	(1,509)	(250)	(642)	(2,401)
Finished goods NRV adjustment	-	-	-	-	-	266	266
Closing finished goods	4,953	245	5,198	10,093	2,857	-	12,950
Direct operating costs	69,283	39,874	109,157	60,345	33,218	8,814	102,377
Royalties	17,554	257	17,811	13,165	265	350	13,780
Special mining duty (1)	2,612	302	2,914	2,674	53	-	2,727
Direct costs	89,449	40,433	129,882	76,184	33,536	9,164	118,884
By-product gold sales	(27,569)	(42,932)	(70,501)	(22,639)	(38,645)	(8,738)	(70,022)
Opening gold inventory fair market value	1,900	4,784	6,684	735	746	1,283	2,764
Closing gold inventory fair market value	(2,740)	(354)	(3,094)	(1,900)	(4,784)	-	(6,684)
Cash costs net of by-product	61,040	1,931	62,971	52,380	(9,147)	1,709	44,942
Amortization and depletion	14,129	11,050	25,179	7,944	13,491	2,713	24,148
Share-based compensation	221	221	442	180	180	61	421
Opening finished goods depreciation and depletion	(1,965)	(635)	(2,600)	(271)	(104)	(804)	(1,179)
NRV depreciation and depletion cost adjustment	-	-	-	-	-	6	6
Closing finished goods depreciation and depletion	862	79	941	1,965	635	-	2,600
Total production costs	$74,287	$12,646	$86,933	$62,198	$5,055	$3,685	$70,938

	Year Ended December 31, 2022			Year Ended December 31, 2021			
	Guanaceví	Bolañitos	Total	Guanaceví	Bolañitos	El Compas	Total
Throughput tonnes	412,303	422,239	834,542	414,355	418,514	54,555	887,424
Payable silver ounces	5,324,531	587,978	5,912,509	4,320,567	462,700	43,414	4,826,681
Cash costs per silver ounce	$11.46	$3.28	$10.65	$12.12	($19.77)	$39.37	$9.31
Total production costs per ounce	$13.95	$21.51	$14.70	$14.40	$10.93	$84.88	$14.70
Direct operating costs per tonne	$168.04	$94.43	$130.80	$145.64	$79.37	$161.56	$115.36
Direct costs per tonne	$216.95	$95.76	$155.63	$183.86	$80.13	$167.98	$133.97

(1) Special mining duty is an EBITDA royalty tax presented as a current income tax in accordance with IFRS.

Expressed in thousands US dollars	December 31, 2022			December 31, 2021			
	Guanaceví	Bolañitos	Total	Guanaceví	Bolañitos	El Compas	Total
Closing finished goods	4,953	245	5,198	10,093	2,857	-	12,950
Closing finished goods depletion	862	79	941	1,965	635	-	2,600
Finished goods inventory	$5,815	$324	$6,139	$12,058	$3,492	$0	$15,550

AISC per oz and all-in costs per oz are measures developed by the World Gold Council (and used as a standard of the Silver Institute) in an effort to provide a comparable standard within the precious metal industry; however, there can be no assurance that the Company's reporting of these non-IFRS measures are similar to those reported by other mining companies. These measures are used by the Company to manage and evaluate operating performance at each of the Company's operating mining units and consolidated group, and are widely reported in the silver mining industry as a benchmark for performance, but do not have a standardized meaning and are disclosed in addition to IFRS measures. The following tables provide a detailed reconciliation of these measures to the Company's cost of sales, as reported in the Company's consolidated financial statements.

Expressed in thousands US dollars	Three Months Ended December 31, 2022			Three Months Ended December 31, 2021			
	Guanaceví	Bolañitos	Total	Guanaceví	Bolañitos	El Compas	Total
Cash costs net of by-product	$20,771	$403	$21,174	$13,937	($1,435)	($117)	$12,385
Operations share-based compensation	45	44	89	43	44	-	87
Corporate general and administrative	1,771	506	2,277	1,538	578	22	2,138
Corporate share-based compensation	365	67	432	439	141	(11)	569
Reclamation - amortization/accretion	70	53	123	62	50	2	114
Mine site expensed exploration	323	295	618	251	448	-	699
Intangible payments	-	-	-	72	26	-	98
Equipment loan payments	245	489	734	246	489	-	735
Capital expenditures sustaining	6,653	3,103	9,756	7,742	3,344	-	11,086
All-In-Sustaining Costs	$30,243	$4,960	$35,203	$24,330	$3,685	($104)	$27,911
Growth exploration and evaluation			4,170				3,254
Growth capital expenditures			18,672				4,135
All-In-Costs			$58,045				$35,300

	Three Months Ended December 31, 2022			Three Months Ended December 31, 2021			
	Guanaceví	Bolañitos	Total	Guanaceví	Bolañitos	El Compas	Total
Throughput tonnes	119,305	104,984	224,289	108,334	105,158	N/A	213,492
Payable silver ounces	1,675,322	141,491	1,816,813	1,298,036	134,178	364	1,432,578
Silver equivalent production (ounces)	2,075,243	585,192	2,660,435	1,612,741	581,418	5,085	2,199,244
Sustaining cost per ounce	$18.05	$35.06	$19.38	$18.74	$27.46	($285.98)	$19.48
All-In-costs per ounce			$31.95				$24.64

Expressed in thousands US dollars	Year Ended December 31, 2022			Year Ended December 31, 2021			
	Guanaceví	Bolañitos	Total	Guanaceví	Bolañitos	El Compas	Total
Cash costs net of by-product	$61,040	$1,931	$62,971	$52,380	($9,147)	$1,709	$44,942
Operations share-based compensation	221	221	442	180	180	61	421
Corporate general and administrative	5,439	1,951	7,390	4,564	2,082	329	6,975
Corporate share-based compensation	2,214	795	3,009	1,912	873	138	2,923
Reclamation - amortization/accretion	268	211	479	100	83	9	192
Mine site expensed exploration	1,351	1,158	2,509	1,611	1,216	198	3,025
Intangible payments	30	11	41	250	114	18	382
Equipment loan payments	981	1,955	2,936	1,099	2,082	-	3,181
Capital expenditures sustaining	26,561	11,756	38,317	21,964	14,150	-	36,114
All-In-Sustaining Costs	$98,105	$19,989	$118,094	$84,060	$11,633	$2,462	$98,155
Growth exploration and evaluation			12,626				14,277
Growth capital expenditures			35,450				7,872
All-In-Costs			$166,170				$120,304

	Year Ended December 31, 2022			Year Ended December 31, 2021			
	Guanaceví	Bolañitos	Total	Guanaceví	Bolañitos	El Compas	Total
Throughput tonnes	412,303	422,239	834,542	414,355	418,514	54,555	887,424
Payable silver ounces	5,324,531	587,978	5,912,509	4,320,567	462,700	43,414	4,826,681
Silver equivalent production (ounces)	6,599,353	2,367,932	8,967,285	5,398,927	2,463,572	389,248	8,251,747
Sustaining cost per ounce	$18.43	$34.00	$19.97	$19.46	$25.14	$56.71	$20.34
All-In-costs per ounce			$28.10				$24.92

Expressed in thousands US dollars	Three Months Ended December 31		Years Ended December 31	
	2022	2021	2022	2021
Capital expenditures sustaining	$9,756	$11,086	$38,317	$36,114
Growth capital expenditures	18,672	4,135	35,450	7,872
Acquisition capital expenditures	(50)	10,106	35,948	10,106
Property, plant and equipment expenditures per Consolidated Statement of Cash Flows	$28,378	$25,327	$109,715	$54,092

Expressed in thousands US dollars	Three Months Ended December 31		Years Ended December 31	
	2022	2021	2022	2021
Mine site expensed exploration	$618	$699	$2,509	$3,025
Growth exploration and evaluation	4,170	3,254	12,626	14,277
Total exploration and evaluation	4,788	3,953	15,135	17,302
Exploration depreciation and depletion	275	92	623	330
Exploration share-based compensation	99	64	427	293
Exploration and evaluation expense	$5,162	$4,109	$16,185	$17,925

Silver co-product cash costs and gold co-product cash costs are measures used by the Company to manage and evaluate operating performance at each of the Company's operating mining units and consolidated group, but do not have a standardized meaning and are disclosed in addition to IFRS measures. The following tables provide a detailed reconciliation of these measures to the Company's cost of sales, as reported in its consolidated financial statements.

Expressed in thousands US dollars	Three Months Ended December 31, 2022			Three Months Ended December 31, 2021			
	Guanaceví	Bolañitos	Total	Guanaceví	Bolañitos	El Compas	Total
Direct production costs per financial statements	$33,586	$9,235	$42,821	$18,689	$7,329	($5)	$26,013
Smelting and refining costs included in net revenue	-	694	694	-	362	(4)	358
Royalties	8,430	49	8,479	4,199	79	4	4,282
Special mining duty [(1)]	845	16	861	932	(152)	-	780
Opening finished goods	(18,080)	(195)	(18,275)	(12,910)	(2,306)	-	(15,216)
Closing finished goods	4,953	245	5,198	10,093	2,857	-	12,950
Direct costs	$29,734	$10,044	$39,778	$21,003	$8,169	($5)	$29,167

	Three Months Ended December 31, 2022			Three Months Ended December 31, 2021			
	Guanaceví	Bolañitos	Total	Guanaceví	Bolañitos	El Compas	Total
Silver production (ounces)	1,680,363	150,472	1,830,835	1,301,941	141,258	365	1,443,564
Average realized silver price ($)	21.86	21.86	21.86	23.41	23.41	23.41	23.41
Silver value ($)	36,725,566	3,288,676	40,014,242	30,478,439	3,306,850	8,545	33,793,833
Gold production (ounces)	4,936	5,434	10,370	3,885	5,502	59	9,446
Average realized gold price ($)	1,783	1,783	1,783	1,811	1,811	1,811	1,811
Gold value ($)	8,801,693	9,689,708	18,491,401	7,035,735	9,964,122	106,849	17,106,706
Total metal value ($)	45,527,258	12,978,384	58,505,642	37,514,174	13,270,972	115,394	50,900,539
Pro-rated silver costs (%)	81%	25%	68%	81%	25%	7%	66%
Pro-rated gold costs (%)	19%	75%	32%	19%	75%	93%	34%
Pro-rated silver costs ($)	23,986	2,545	27,206	17,064	2,036	-	19,365
Pro-rated gold costs ($)	5,748	7,499	12,572	3,939	6,133	(5)	9,802
Silver co-product cash costs ($)	14.27	16.91	14.86	13.11	14.41	(1.01)	13.41
Gold co-product cash costs ($)	1,165	1,380	1,212	1,014	1,115	(78)	1,038

Expressed in thousands US dollars	Year Ended December 31, 2022			Year Ended December 31, 2021			
	Guanaceví	Bolañitos	Total	Guanaceví	Bolañitos	El Compas	Total
Direct production costs per financial statements	$74,423	$39,457	$113,880	$51,761	$28,896	$8,946	$89,603
Smelting and refining costs included in net revenue	-	$3,029	$3,029	-	1,715	244	1,959
Royalties	17,554	257	17,811	13,165	265	350	13,780
Special mining duty (1)	2,612	302	2,914	2,674	53	-	2,727
Opening finished goods	(10,093)	(2,857)	(12,950)	(1,509)	(250)	(642)	(2,401)
Finished goods NRV adjustment	-	-	-	-	-	266	266
Closing finished goods	4,953	245	5,198	10,093	2,857	-	12,950
Direct costs	89,449	40,433	129,882	76,184	33,536	9,164	118,884

	Year Ended December 31, 2022			Year Ended December 31, 2021			
	Guanaceví	Bolañitos	Total	Guanaceví	Bolañitos	El Compas	Total
Silver production (ounces)	5,340,553	622,892	5,963,445	4,333,567	491,412	45,808	4,870,787
Average realized silver price ($)	22.07	22.07	22.07	25.22	25.22	25.22	25.22
Silver value ($)	117,872,913	13,748,032	131,620,946	109,292,560	12,393,411	1,155,278	122,841,248
Gold production (ounces)	15,735	21,813	37,548	13,317	24,652	4,293	42,262
Average realized gold price ($)	1,814	1,814	1,814	1,790	1,790	1,790	1,790
Gold value ($)	28,541,042	39,565,666	68,106,709	23,837,430	44,127,080	7,684,470	75,648,980
Total metal value ($)	146,413,956	53,313,698	199,727,654	133,129,990	56,520,491	8,839,748	198,490,228
Pro-rated silver costs (%)	81%	26%	66%	82%	22%	13%	62%
Pro-rated gold costs (%)	19%	74%	34%	18%	78%	87%	38%
Pro-rated silver costs ($)	72,012	10,426	85,593	62,543	7,354	1,198	73,575
Pro-rated gold costs ($)	17,437	30,007	44,289	13,641	26,182	7,966	45,309
Silver co-product cash costs ($)	13.48	16.74	14.35	14.43	14.96	26.15	15.11
Gold co-product cash costs ($)	1,108	1,376	1,180	1,024	1,062	1,856	1,072

(1) Special mining duty is an EBITDA royalty tax presented as a current income tax in accordance with IFRS.

QUARTERLY RESULTS AND TRENDS

The following table presents selected financial information for each of the most recent eight quarters:

Table in thousands of U.S. dollars except for share numbers and per share amounts	2022				2021			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Gross Sales	$82,683	$40,393	$31,719	$58,394	$48,875	$34,954	$48,357	$35,093
Smelting and refining costs included in net revenue	694	744	937	654	358	392	582	627
Total Revenue	81,989	39,649	30,782	57,740	48,517	34,562	47,775	34,466
Direct production costs	42,821	24,510	19,828	26,721	26,013	18,639	26,223	18,728
Royalties	8,479	2,821	2,194	4,317	4,285	2,698	4,340	2,460
Mine operating cash flow before taxes	30,689	12,318	8,760	26,702	18,219	13,225	17,212	13,278
Share-based compensation	89	113	113	127	87	105	111	118
Amortization and depletion	8,945	5,753	4,175	6,306	5,014	4,843	6,624	7,496
Write down on inventory	-	1,323	-	-	896	-	272	-
Mine operating earnings (loss)	$21,655	$5,129	$4,472	$20,269	$12,222	$8,277	$10,205	$5,664
Basic earnings (loss) per share	$0.04	($0.01)	($0.07)	$0.07	$0.00	($0.03)	$0.04	$0.08
Diluted earnings (loss) per share	$0.04	($0.01)	($0.07)	$0.07	$0.00	($0.03)	$0.04	$0.07
Weighted shares outstanding	189,993,085	189,241,367	180,974,609	171,557,220	170,518,894	170,432,326	168,383,755	159,670,842
Net earnings (loss)	$7,961	($1,499)	($11,923)	$11,662	($471)	($4,479)	$6,656	$12,249
Amortization and depletion	9,279	5,963	4,354	6,491	5,194	4,986	6,723	7,624
Finance costs	233	194	212	177	22	195	216	291
Current income tax	2,850	1,186	1,325	1,015	1,005	659	1,146	671
Deferred income tax	2,345	2,053	1,752	6,222	4,992	3,017	1,116	3,127
NRV cost adjustment	-	-	-	-	-		6	-
EBITDA	$22,668	$7,897	($4,280)	$25,567	$10,742	$4,378	$15,863	$23,962

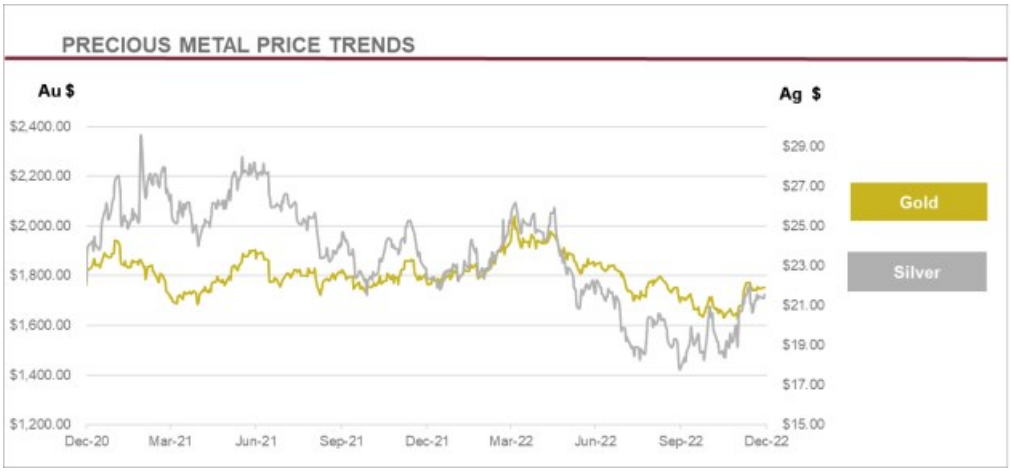
The following table presents selected production information for each of the most recent eight quarters:

Highlights	2022				2021			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Processed tonnes	224,289	202,745	201,361	206,147	213,492	222,461	242,018	209,453
Guanaceví	119,305	97,728	94,017	101,253	108,334	105,496	111,893	88,632
Bolañitos	104,984	105,017	107,344	104,894	105,158	107,752	107,912	97,692
El Compas	-	-	-	-	-	9,213	22,213	23,129
Silver ounces	1,830,835	1,458,448	1,359,207	1,314,955	1,443,199	1,305,399	1,073,724	1,048,100
Guanaceví	1,680,363	1,332,190	1,194,150	1,133,850	1,301,941	1,174,168	939,241	918,217
Bolañitos	150,472	126,258	165,057	181,105	141,258	123,883	120,044	106,227
El Compas	-	-	-	-	365	7,348	14,439	23,656
Silver grade	296	248	246	231	235	204	163	179
Guanaceví	512	468	465	407	417	387	308	369
Bolañitos	50	43	54	61	48	41	39	38
El Compas	-	-	-	-	-	24	30	47
Silver recovery	85.8	90.3	85.4	85.9	89.4	89.3	84.9	86.9
Guanaceví	85.6	90.6	85.0	85.6	89.6	89.5	84.8	87.3
Bolañitos	89.2	87.0	88.6	88.0	87.0	87.2	88.7	89.0
El Compas	-	-	-	-	-	103.4	67.4	67.7
Gold ounces	10,370	9,194	9,289	8,695	9,446	10,541	11,166	11,109
Guanaceví	4,936	3,642	3,680	3,477	3,885	3,605	3,084	2,743
Bolañitos	5,434	5,552	5,609	5,218	5,502	6,215	6,753	6,182
El Compas	-	N/A	-	-	59	721	1,329	2,184
Gold grade	1.57	1.60	1.58	1.46	1.52	1.57	1.63	1.90
Guanaceví	1.44	1.29	1.37	1.19	1.21	1.13	0.98	1.05
Bolañitos	1.72	1.88	1.77	1.73	1.83	1.98	2.14	2.15
El Compas	-	-	-	-	-	1.81	2.45	4.12
Gold recovery	91.5	88.4	90.6	89.6	90.8	93.9	87.9	86.7
Guanaceví	89.4	89.9	88.9	89.8	92.2	94.1	87.5	91.7
Bolañitos	93.6	87.5	91.8	89.4	88.9	90.6	91.0	91.5
El Compas	-	-	-	-	-	134.5	76.0	71.3
Cash costs per oz (1)	$11.65	$10.32	$10.08	$10.21	$8.65	$8.16	$13.03	$7.86
Guanaceví	$12.40	$10.64	$10.35	$12.22	$10.74	$10.40	$17.06	$11.25
Bolañitos	$2.85	$6.73	$8.01	($2.95)	($10.69)	($16.82)	($30.39)	($23.49)
El Compas	-	-	-	-	-	$49.17	$96.21	$7.77
AISC per oz (1)	$19.38	$20.27	$19.56	$20.90	$19.48	$17.46	$25.39	$19.94
Guanaceví	$18.05	$17.79	$17.66	$20.52	$18.74	$16.12	$24.68	$19.07
Bolañitos	$35.06	$48.21	$34.10	$23.39	$27.46	$28.88	$19.56	$24.31
El Compas	-	-	-	-	-	$48.16	$123.73	$36.19
Direct costs per tonne (1)	$177.35	$146.30	$148.11	$148.53	$136.62	$130.38	$141.61	$126.23
Guanaceví	$249.23	$205.42	$201.84	$204.08	$193.87	$176.50	$193.09	$168.74
Bolañitos	$95.67	$91.28	$101.05	$94.91	$77.68	$81.53	$81.69	$79.50
El Compas	-	-	-	-	-	$173.67	$173.37	$160.71

(1) Cash cost per oz, AISC per oz and direct costs per tonne are not-IFRS measures.
(2) El Compas operations were suspended in August 2021.

Key Economic Trends

Precious Metal Price Trends



The prices of silver and gold are the largest single factor in determining profitability and cash flow from operations. The financial performance of the Company has been, and is expected to continue to be, closely linked to the prices of silver and gold.

During the year ended December 31, 2022, the average price of silver was $21.73 per ounce, with silver trading between $17.77 and $26.18 per oz based on the London Fix silver price. This compares to an average of $25.14 per oz for the year ended December 31, 2021, with a low of $21.53 and a high of $29.59 per oz. During 2022, the Company realized an average price of $22.07 per silver oz compared with $25.22 in 2021.

During the year ended December 31, 2022, the average price of gold was $1,800 per oz, with gold trading between $1,629 and $2,039 per oz based on the London Fix PM gold price. This compares to an average of $1,799 per oz during the year ended December 31, 2021, with a low of $1,684 and a high of $1,943 per oz. During 2022, the Company realized an average price of $1,814 per oz compared with $1,800 in 2021.

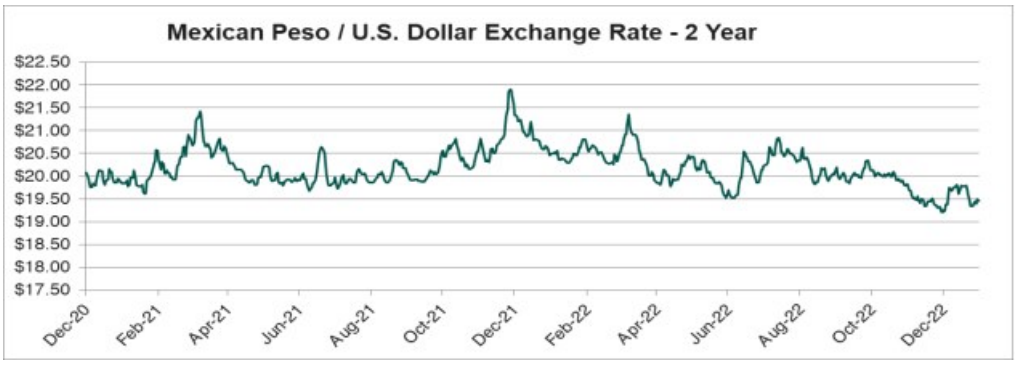
The silver and gold markets have been impacted by changes in investment demand and the silver market is impacted due to the monetary aspects of silver, rising demand as a "green" metal and rising geopolitical tension. Central banks' increase of interest rates utilized as a tool in an attempt to offset inflation concerns, has impacted the price of silver and gold in the second half of 2021 and throughout 2022.

Currency Fluctuations

The Company's operations are located in Mexico and therefore a significant portion of operating costs and capital expenditures are denominated in Mexican pesos. The Company's corporate activities are based in Vancouver, Canada with the significant portion of these expenditures being denominated in Canadian dollars.

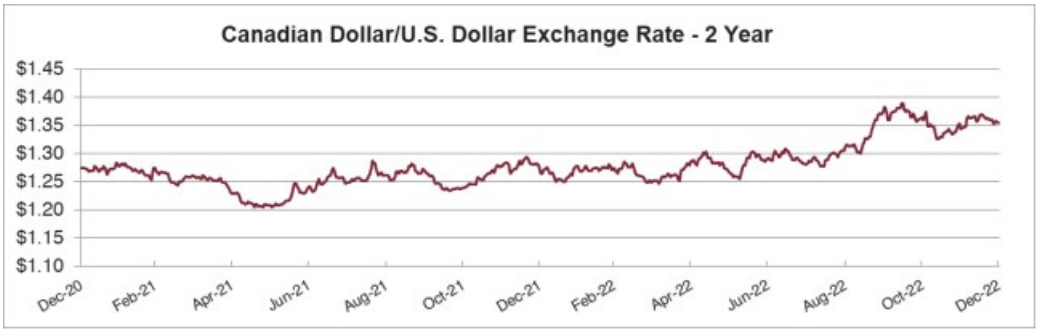
During the year ended December 31, 2022, the Mexican peso was relatively flat and has maintained its strength in comparison with the U.S. dollar. The average foreign exchange rate was $20.15 Mexican pesos per U.S. dollar, with the peso trading within a range of $19.22 to $21.35. This compares to an average of $20.27, with a range of $19.61 to $21.90 Mexican pesos per U.S. dollar in 2021.

During the year ended December 31, 2021, the Mexican peso was relatively flat. The average foreign exchange rate was $20.27 Mexican pesos per U.S. dollar, with the peso trading within a range of $19.61 to $21.90. This compares to an average of $21.48, with a range of $18.53 to $25.00 Mexican pesos per U.S. dollar in 2020.

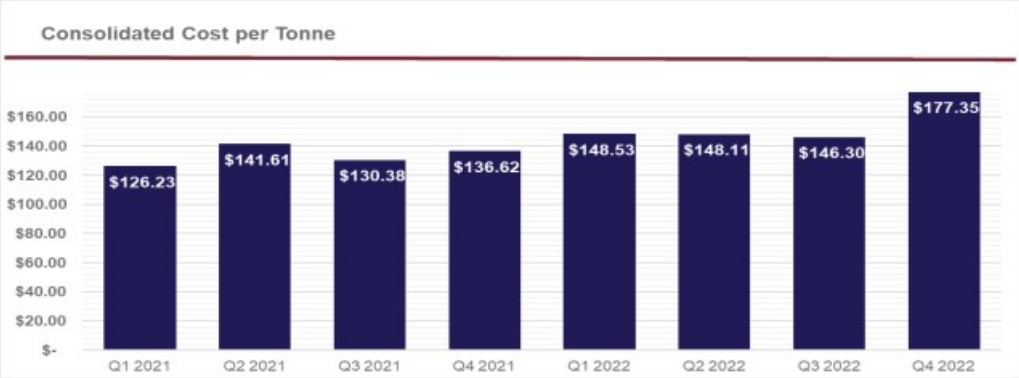


During the year ended December 31, 2022, the Canadian dollar was relatively flat but weakened in Q3 and Q4 of 2022. The average foreign exchange rate was $1.296 Canadian dollars per U.S. dollar, with the Canadian dollar trading within a range of $1.25 to $1.388. This compares to an average of $1.253, with a range of $1.204 to $1.292 Canadian dollars per U.S. dollar in the 2021.

During the year ended December 31, 2021, the Canadian dollar was relatively flat although it initially appreciated compared to the U.S. dollar with the strengthening of oil prices and then weakened again towards the end of the year. During 2021, the average foreign exchange rate was $1.253 Canadian dollars per U.S. dollar, with the Canadian dollar trading within a range of $1.204 to $1.292. This compares to an average of $1.3409, with a range of $1.272 to $1.453 Canadian dollars per U.S. dollar during 2020.



Cost Trends



The Company's profitability is subject to industry wide cost pressures on development and operating costs with respect to labour, energy, consumables and capital expenditures. Underground mining is labour intensive and approximately 33% of the Company's production costs are directly tied to labour. In order to mitigate the impact of higher labour and consumable costs, the Company focuses on continuous improvement by promoting more efficient use of materials and supplies and by pursuing more advantageous pricing while increasing performance and without compromising operational integrity. During 2022, mining, processing and indirect costs all increased due to inflationary and industry cost pressures. During Q4, 2022 the cost per tonne was impacted by royalty costs recognized upon sale of higher than usual finished goods inventory that had been held during Q2 and Q3 of 2022.

ANNUAL OUTLOOK

2023 Production and Cost Guidance

		Guanaceví	Bolañitos	Consolidated
Tonnes per day	TPD	1,150 - 1,250	1,150 - 1,250	2,300 - 2,500
Silver Production	M oz	5.2 - 5.7	0.5 - 0.6	5.7 - 6.3
Gold Production	K oz	15.0 - 17.0	21.0 - 23.0	36.0 - 40.0
Silver Eq Production[(1)]	US$/oz	6.4 - 7.0	2.2 - 2.4	8.6 - 9.5
Cash Costs, net of gold by-product credits [(2)]	US$/oz			$10.00 - $11.00
AISC, net of gold by-product credits [(2)]	US$/oz			$19.00 - $20.00
Sustaining Capital Budget	US$M			$34.7
Development Budget [(3)]	US$M			$25.7
Exploration Budget	US$M			$9.3

(1) 2023 silver equivalent production is calculated using a 80:1 silver:gold ratio
(2) Non-GAAP measures - See Non-IFRS measures beginning on page 19
(3) The development budget for Terronera for Q1, 2023 only with additional budget pending Board approval

Operating mines

In 2023, silver production is expected to range from 5.7 to 6.3 million oz and gold production is expected to range from 36,000 to 40,000 oz. Silver equivalent production is forecasted to range from 8.6 to 9.5 million oz using an 80:1 silver:gold ratio.

Mine	Ag (M oz)	Au (K oz)	Ag Eq (M oz)	Tonnes/ Day (tpd)
Guanaceví	5.2 - 5.7	15.0 - 17.0	6.4 - 7.0	1,150 - 1,250
Bolañitos	0.5 - 0.6	21.0 - 23.0	2.2 - 2.4	1,150 - 1,250
Total	5.7 - 6.3	36.0 - 40.0	8.6 - 9.5	2,300 - 2,500

At Guanaceví, production will range between 1,150 tpd to 1,250 tpd and average 1,200 tpd from the Milache, SCS and El Curso orebodies. A significant portion of production will be mined from the Porvenir Cuatro extension on the El Curso concessions. The El Curso concessions are leased from a third party with no up-front costs but with significant royalty payments on production. Compared to 2022, mine grades are expected to remain elevated and recoveries are anticipated to be similar in 2023. Cash costs per ounce and direct costs on a per tonne basis are expected to be similar to 2022, with an increase in costs offset by both increased processed tonnes and increased production.

In 2023, plant throughput at Bolañitos is expected to range from 1,150 tpd to 1,250 tpd and average 1,200 tpd from the Plateros-La Luz, Lucero-Karina and Bolañitos-San Miguel vein systems. Mine grades and recoveries are expected to be similar to 2022. Direct costs on a per tonne basis are expected to decrease slightly due to both a reduction in indirect costs and an increase in processed tonnes. Cash costs per ounce are expected to be slightly lower than 2022 due to an increase in gold ounces produced.

Consolidated Operating Costs

In 2023, cash costs, net of gold by-product credits, are expected to be $10.00-$11.00 per oz of silver produced. Consolidated cash costs on a co-product basis are anticipated to be $13.00-$14.00 per oz silver and $1,100-$1,200 per oz gold.

AISC, net of gold by-product credits, in accordance with the World Gold Council standard, are estimated to be $19.00-$20.00 per oz of silver produced. When non-cash items such as stock-based compensation and accretion are excluded, AISC is forecasted to be in the $18.00-$19.00 range.

Direct operating costs per tonne were estimated to be $115-$120 with inflationary pressures expected to continue in 2023. Direct costs, which include royalties and special mining duties are estimated to be in the range of $140-$145 per tonne.

Management made the following assumptions in calculating its 2023 cost forecasts: $21 per oz silver price, $1,680 per oz gold price and 20:1 Mexican peso to U.S. dollar exchange rate.

2023 Capital Budget

	Sustaingin Mine Development	Sustaining Other Capital	Total Sustaining Capital	Growth Capital	Total Capital
Guanaceví	$14.0 million	$8.9 million	$22.9 million	-	$22.9 million
Bolañitos	$8.2 million	$3.6 million	$11.8 million	-	$11.8 million
Terronera	-	-	-	$25.7 million	$25.7 million
Corporate	-	-	-	$2.1 million	$2.1 million
Total	$22.2 million	$12.5 million	$34.7 million	$27.8 million	$62.5 million

Sustaining Capital Investments

In 2023, Endeavour plans to invest $34.7 million in sustaining capital at its two operating mines. At current metal prices, the sustaining capital investments are expected to be paid out of operating cash flow.

At Guanaceví, $22.9 million will be invested in capital projects, the largest of which is 4.5 kilometres of mine development at Milache, SCS and El Curso for an estimated $14.0 million. The additional $8.9 million will be used for improving plant infrastructure, upgrading the mine fleet, and supporting surface site infrastructure.

At Bolañitos, $11.8 million will be invested in capital projects, including $8.2 million for 3.8 kilometres of mine development to access resources in the Plateros-La Luz, Lucero-Karina, and Bolañitos -San Miguel areas. The additional $3.6 million will go to upgrade the mining fleet, plant improvements which include an elevation rise to the tailings dam, and to support site infrastructure.

At Terronera, a $25.7 million development budget has been allocated for the first quarter of 2023 to continue with pre-construction activities. The approval is based on utilizing existing cash on hand and cash flow from operations, ahead of finalizing project financing as the Company continues to advance the project. With the procurement phase well underway, the funds will be used for detailed engineering, assembly of initial project infrastructure, further earthworks pertaining to site clearing, road upgrades and underground mine access development. The Company intends to make a formal construction decision, subject to completion of a financing package and receipt of amended permits, in the coming months, at which time the project budget will be determined for the remainder of 2023.

The Company also plans to spend $2.1 million to maintain exploration concessions, acquire mobile equipment for exploration and cover corporate infrastructure.

Exploration Budget

Project	2023 Activity	Drill Metres	Expenditures
Guanaceví	Drilling	6,000	$1.1 million
Bolañitos	Drilling	7,000	$0.9 million
Terronera	Drilling	4,000	$0.7 million
Parral	Drilling/Economic Study	6,000	$1.5 million
Pitarrilla	Drilling/Scope Studies	5,000	$3.1 million
Chile - Aida	Drilling	2,000	$0.8 million
Chile - Other	Evaluation	-	$1.0 million
Bruner	Evaluation	-	$ 0.2 million
Total		30,000	$9.3 million

In 2023, the Company plans to spend $9.3 million drilling 30,000 metres across its properties.

At the Guanaceví and Bolañitos mines, 13,000 metres of drilling are planned at a cost of $2.0 million to replace reserves and expand resources.

At the Terronera development project, 4,000 metres of drilling are planned to test multiple regional targets identified in 2022 to expand resources within the district.

At the Pitarrilla project, management plans to invest $3.1 million on maintenance of the office and camp, underground drilling and evaluation programs, and 500 metres of underground development. The largest portion of the expenditures at Pitarrilla in 2023 relates to development costs to continue advancing the a 1 kilometre long decline and excavate lateral drifts that will be used to drill 5,000 metres to test the resource ("underground manto") at various angles.

At the Parral in Chihuahua state, 6,000 metres of drilling are planned at a cost of $1.5 million to delineate existing resources, expand resources and test new targets. In the second half of 2023, the Company expects to initiate a preliminary economic analysis.

In Chile, management intends to invest $0.8 million to drill 2,000 metres to test a manto target with significant silver-manganese-lead-zinc anomalies at surface. Additionally, the Company plans to conduct mapping, sampling and surface exploration on several other exploration projects, estimated to cost $0.7 million including administration costs in the country.

At the Bruner project in Nevada, USA management plans to invest $0.2 million to map and sample new targets.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents decreased from $103.3 million at December 31, 2021 to $83.4 million at December 31, 2022. The Company had working capital of $93.6 million at December 31, 2022 (December 31, 2021 - $121.2 million). The $27.6 million decrease in working capital is primarily due to the $73.7 million invested in property , plant and equipment, $36.0 million paid for the acquisition of Pitarrilla, $6.1 million in loan and lease payments, $1.9 million for the withholding taxes on the settlement of performance share units and a decrease in non-cash working capital of $7.7 million offset by $55.0 cash generated from operating activities, the net proceeds of an equity offering of $43.1 million and $1.6 million provided from exercise of options.

Operating activities provided $55.0 million during the year ended December 31,2022 compared to providing $23.5 million in same period of 2021. The significant non-cash adjustments to the net earnings of $6.2 million (2021 –$14.0 million) were amortization and depletion of $26.1 million (2021 – $24.5 million), share-based compensation of $3.9 million (2021 – $3.6 million), a deferred income tax expense of $12.4 million (2021 – $12.2 million), finance costs of $1.3 million (2021 – $1.0 million), a loss on other investments of $3.5 million (2021 – gain on other investments of $2.1 million), write off of exploration properties $0.7 million (2021 – $0.7 million), a gain on the disposal of the El Compas mine of $2.8 million offset by loss on disposal of other assets of $0.3 million (2021 - gain on disposal of the El Cubo mine and equipment of $5.8 million and $0.1 million gain on disposal of other assets), a write down of warehouse inventory to net realizable value of $1.3 million (2021 - $0.9 million) and a decrease in non-cash working capital of $1.0 million (2021 – increase of $8.8 million). During 2021 there was also an impairment reversal of non-current assets of $16.8 million of the El Cubo mine and equipment upon reclassification as held for sale. The decrease in non-cash working capital is primarily a result of an increase in prepaid expenses of $11.8 million, an increase in accounts payable and income taxes payable of $10.2 million, an increase in current loans and leases payable of $2.0 million, a decrease in the carrying value of investments of $2.6 million, a decrease in the decrease in the carrying value of inventories of $8.3 million and an increase in accounts receivable and income tax receivable of $2.5 million.

The Company's Mexican subsidiaries pay Impuesto al Valor Agregado ("IVA") on the purchase and sale of goods and services. The net amount paid is recoverable but is subject to review and assessment by the tax authorities. The Company regularly files the required IVA returns and all supporting documentation with the tax authorities, however, the Company has been advised that certain IVA amounts receivable from the tax authorities are being withheld pending completion of the authorities' audit of certain of the Company's third-party suppliers. Under Mexican law, the Company has legal rights to those IVA refunds and the results of the third-party audits should have no impact on refunds. A smaller portion of IVA refund requests are from time to time denied based on the alleged lack of compliance of certain formal requirements and information returns by the Company's third-party suppliers. The Company takes necessary legal action on the delayed refunds as well as any denied refunds. The Company is in regular contact with the tax authorities in respect of its IVA filings and believes that the full amount of its IVA receivables will ultimately be received; however, the timing of recovery of these amounts and the nature and extent of any adjustments to the Company's IVA receivables remains uncertain.

Investing activities during the year ended December 31, 2022 used net cash of $111.5 million compared to using net cash of $38.0 million in the same period in 2021. Capital investments totaled $109.7 million in property, plant and equipment during 2022, including $5.8 million in changes in working capital items used for purchases of equipment for Terronera, compared to $54.1 million in the same period in 2021. The capital investments were for sustaining capital at existing operations, for development capital at the Terronera Project and $36.0 million used for the acquisition of Pitarrilla. The Company used $2.1 million for investments in marketable securities during 2022 compared to generating net $6.0 million on the sale and purchase of marketable securities in the same period in 2021 and received cash of $0.4 million on the sale of the El Compas mine compared to receiving $10.1 million in 2021 on sale of the El Cubo mine.

Total investment in property, plant and equipment for the year totaled $144.4 million including total consideration of $61.6 million for the acquisition of the Pitarrilla project. At Guanaceví, the Company invested $26.6 million, with $16.9 million spent on 4.7 km of mine development and $3.5 million on mobile equipment. The Company continued to invest on upgrades for the plant and surrounding infrastructure, including $1.0 million on building and $4.6 million on plant upgrades, mine site improvements and the tailings facility and $0.6 million on office, building infrastructure and light vehicles.

At Bolañitos, the Company invested $11.8 million, with $8.9 million spent on 5.7 km of mine development and $1.6 million on mobile equipment. The Company continued to invest in upgrades for the plant and surrounding infrastructure, including $0.7 million on plant upgrades, $0.1 million on buildings, and $0.5 million on office, building infrastructure and light vehicles.

At Terronera, the Company incurred $43.4 million, with $16.8 million spent on land payments and preliminary development, $5.8 million on plant equipment deposits, $5.9 million spent on buildings, $14.4 million was invested in mine equipment and $0.5 million on light vehicles, office and IT infrastructure. The investment in mine equipment included a mobile mining fleet was financed through $9.1 million in loans payable over a 4 year period.

Exploration and general and administrative investments were $1.0 million spent on holding costs, mobile equipment, office, building infrastructure and light vehicles.

Financing activities for the year ended December 31, 2022 increased cash by $36.8 million, compared to increasing cash by $56.7 million in the same period in 2021. During the year ended December 31, 2022 the Company received gross proceeds of $46.0 million through a prospectus equity offering, paid $2.9 million in share issuance costs, received $1.6 million on the exercise of employee stock options, paid $6.1 million in interest and principal repayments on loans and leases and paid $1.9 million on redemption of performance share units. By comparison, during the same period in 2021, the Company raised gross proceeds through an ATM financing of $60.0 million, paid $1.3 million in share issue costs, received $4.7 million on the exercise of employee options and paid $4.4 million in interest and principal repayments on loans and leases and paid $2.4 million on redemption of performance share units.

On March 22, 2022, the Company completed a prospectus equity financing with the offering co-led by BMO Capital Markets and PI Financial Corp., together with a syndicate of underwriters consisting of CIBC World Markets Inc., B. Riley Securities Inc., and H.C. Wainwright & Co., LLC. The Company issued a total of 9,293,150 common shares at a price of $4.95 per share for aggregate gross proceeds of $46 million, less commission of $2.5 million and recognized $0.3 million of other transaction costs related to the financing as share issuance costs, which have been presented net within share capital. The Company used the net proceeds of the offering of $43.2 million to pay the $35 million cash consideration payable to SSR on completion of the Company's acquisition of the Pitarrilla project in Durango State, Mexico and the remainder for the Company's general corporate purposes and working capital.

The net proceeds have been used as follows:

Use of proceeds (thousands)	
Net proceeds received	$43,116
Pitarrilla acquisition - cash payment	(35,000)
Allocated to working capital	$8,116

Management of the Company believes that operating cash flow and existing working capital will be sufficient to cover 2023 capital requirements and meet its short-term obligations. The Company is assessing financing alternatives, including equity or debt or a combination of both to fund future growth, including the development of the Terronera project.

Contingencies

Minera Santa Cruz y Garibaldi SA de CV ("MSCG"), a subsidiary of the Company, received a Mexican peso ("MXN") 238 million assessment on October 12, 2010 by Mexican fiscal authorities for failure to provide the appropriate support for certain expense deductions taken in MSCG's 2006 tax return, failure to provide appropriate support for loans made to MSCG from affiliated companies, and deemed an unrecorded distribution of dividends to shareholders, among other individually immaterial items. MSCG immediately initiated a Nullity action and filed an administrative attachment to dispute the assessment.

In June 2015, the Superior Court ruled in favour of MSCG on a number of the matters under appeal; however, the Superior Court ruled against MSCG for failure to provide appropriate support for certain deductions taken in MSCG's 2006 tax return. In June 2016, the Company received a MXN 122.9 million ($6.3 million) tax assessment based on the June 2015 ruling. The 2016 tax assessment comprised of MXN 41.8 million in taxes owed ($2.1 million), MXN 17.7 million ($0.9 million) in inflationary charges, MXN 40.4 million ($2.1 million) in interest and MXN 23.0 million ($1.2 million) in penalties. The 2016 tax assessment was issued for failure to provide the appropriate support for certain expense deductions taken in MSCG's 2006 tax return and failure to provide appropriate support for loans made to MSCG from affiliated companies. If MSCG agrees to pay the tax assessment, or a lesser settled amount, it is eligible to apply for forgiveness of 100% of the penalties and 50% of the interest.

The Company filed an appeal against the June 2016 tax assessment on the basis that certain items rejected by the courts were included in the new tax assessment and a number of deficiencies exist within the assessment. Since issuance of the assessment interest charges of MXN 16.1 million ($0.9 million) and inflationary charges of MXN 24.0 million ($1.3 million) has accumulated.

Included in the Company's consolidated financial statements are net assets of $964,000 held by MSCG. Following the Tax Court's rulings, MSCG has been in discussions with the tax authorities with regards to the shortfall of assets within MSCG to settle its estimated tax liability. An alternative settlement option would be to transfer the shares and assets of MSCG to the tax authorities. The Company recognized an allowance for transferring the shares and assets of MSCG amounting to $964,000 in a prior year. The Company is currently assessing MSCG's settlement options based on ongoing court proceedings and discussion with the tax authorities. The Company has been advised that the appeal filed with the Federal Tax Court and Supreme Court of Justice, against the June 2016 tax assessment has been rejected. The Company continues to assess MSCG's settlement options.

Compania Minera Del Cubo SA de CV (“Cubo”), a subsidiary of the Company, received a MXN 58.5 million ($2.9 million) assessment in 2019 by Mexican fiscal authorities for failure to provide the appropriate support for depreciation deductions taken in the Cubo 2016 tax return and denied deductions of certain suppliers. The tax assessment consists of MXN 24.1 million ($1.2 million) for taxes, MXN 21.0 million ($1.1 million) for penalties, MXN 10.4 million ($0.5 million) for interest and MXN 3.0 million ($0.1 million) for inflation. At the time of the tax assessment the Cubo entity had and continues to have sufficient loss carry forwards which would be applied against the assessed difference of taxable income. The Mexican tax authorities did not consider these losses in the assessment.

Due to the denial of certain suppliers for income tax purposes in the Cubo assessment, the invoices from these suppliers have been assessed as ineligible for refunds of IVA (value-added taxes) paid on the invoices. The assessment includes MXN 14.7 million ($0.7 million) for re-payment of IVA refunded on these supplier payments. In the Company's judgement, the suppliers and invoices meet the necessary requirements to be deductible for income tax purposes and the recovery of IVA.

The Company filed an administrative appeal related to the 2016 Cubo tax assessment. The Company had previously provided a lien on certain El Cubo mining concessions during the appeal process. To facilitate the sale of the El Cubo mine and related assets, the Company elected to pay the assessed amount of $3.5 million during Q1, 2021. During the appeal process the amount paid has been classified as a non-current income tax recoverable. Since issuance of the assessment interest charges of MXN 9.9 million ($0.5 million) and inflationary charges of MXN 1.6 million ($0.1 million) had accumulated. The Company continues to assess that it is probable that its appeal will prevail, and no provision is recognized in respect of the Cubo tax assessment.

The Company is required to use judgement to determine certain tax treatments in calculating income tax expense and IVA recoverable. A number of these judgements are subject to various uncertainties. From time to time, Mexican authorities may apply, re-interpret legislation or disregard precedents and it is possible that of these uncertainties may be resolved unfavorably for the Company.

Capital Requirements

As of December 31, 2022, the Company held $83.4 million in cash and $93.6 million in working capital.

The Company may be required to raise additional funds through future debt or equity financings in order to finance the development of the Terronera Project and may need to raise additional funds to carry out other business plans. The Company will continue to monitor capital markets, economic conditions, the COVID-19 global pandemic and assess its short term and long term capital needs.

See Annual Outlook on page 30 for discussion on planned capital and exploration expenditures.

Contractual Obligations

The Company had the following undiscounted contractual obligations at December 31, 2022:

Payments due by period (in thousands of dollars) Contractual Obligations	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Capital asset purchases	$ 26,576	$ 26,576	$ -	$ -	$ -
Loans payable	15,773	6,643	7,783	1,347	-
Lease liabilities	1,265	337	503	328	97
Other contracts[1]	619	147	206	206	60
Other Long-Term Liabilities [2]	11,470	-	-	6,991	4,479
Total	$ 55,703	$ 33,703	$ 8,492	$ 8,872	$ 4,636

(1) Other contracts consist of office premises operating costs and short-term leases.
(2) The $11,470 of other long-term liabilities is the undiscounted cost estimate to settle the Company's reclamation costs of the Guanaceví and Bolañitos mines, the Terronera development project and the Pitarrilla exploration project in Mexico. These costs include land rehabilitation, decommissioning of buildings and mine facilities, ongoing care and maintenance and other costs.

TRANSACTIONS WITH RELATED PARTIES

The Company previously shared common administrative services and office space with Aztec Metals Corp., which was considered a related party company by virtue of Bradford Cooke, the Company's former Executive Chairman, being a common director. From time to time, the Company incurred third-party costs on behalf of related parties, which are charged on a full cost recovery basis. The agreement for sharing office space and administrative services ended in May 2021. The charges for these costs totaled $Nil and $9,000 for the three months and year ended December 31, 2022 (December 31, 2021 - $2,000 and $5,000 respectively). The Company had no receivable related to administration costs outstanding as at December 31, 2022 (December 31, 2021 - $1,000).

The Company was charged $26,000 and $428,000 for legal services for the three months and year ended December 31, 2022 by a law firm in which the Company's corporate secretary is a partner (December 31, 2021 - $39,000 and $276,000, respectively). The Company has $10,000 payable to the law firm as at December 31, 2022 (December 31, 2021 - $5,000).

FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

As at December 31, 2022, the carrying and fair values of Endeavour's financial instruments by category were as follows:

Expressed in thousands US dollars	Fair Value through profit or loss	Amortized Cost	Carrying Value	Estimated Fair Value
Financial assets:				
Cash and cash equivalents	$ -	$ 83,391	$ 83,391	$ 83,391
Other investments	10,035	-	10,035	10,035
Trade receivables	4,385	-	4,385	4,385
Other receivables	-	689	689	689
Loan receivable	-	3,729	3,729	3,729
Total financial assets	$ 14,420	$ 87,809	$ 102,229	$ 102,229
Financial liabilities:				
Accounts payable and accrued liabiities	$ 3,486	$ 36,345	$ 39,831	$ 39,831
Loans payable	-	14,510	14,510	14,510
Total financial liabilities	$ 3,486	$ 50,855	$ 54,341	$ 54,341

Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by no or little market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Assets and liabilities as at December 31, 2022 that measured at fair value on a recurring basis include:

As at December 31, 2022 Expressed in thousands US dollars	Total	Level 1	Level 2	Level 3
Assets:				
Other investments	$ 10,035	$ 9,774	$ -	$ 261
Trade receivables	4,385	-	4,385	-
Total financial assets	$ 14,420	$ 9,774	$ 4,385	$ 261
Liabilities:				
Deferred share units	$ 3,375	$ 3,375	$ -	$ -
Share appeciation rights	111	-	111	-
Total financial liabilities	$ 3,486	$ 3,375	$ 111	$ -

Other investments
The Company holds marketable securities classified as Level 1 and Level 3 in the fair value hierarchy. The fair values of Level 1 investments are determined based on a market approach reflecting the closing price of each particular security at the reporting date. The closing price is a quoted market price obtained from the stock exchange that is the principal active market for the particular security, being the market with the greatest volume and level of activity for the assets. For Level 3 investments, which consist of share purchase warrants where inputs are not observable, they have an estimated value determined by using an option pricing model. Changes in fair value on available for sale marketable securities are recognized in earnings or loss.

Trade receivables
The trade receivables consist of receivables from provisional silver and gold sales from the Bolañitos mine. The fair value of receivables arising from concentrate sales contracts that contain provisional pricing mechanisms is determined using the appropriate quoted closing price on the measurement date from the exchange that is the principal active market for the particular metal. As such, these receivables, which meet the definition of an embedded derivative, are classified within Level 2 of the fair value hierarchy.

Deferred share units
The Company has a cash settled Deferred Share Unit ("DSU") plan whereby deferred share units may be granted to independent directors of the Company in lieu of compensation in cash or stock options. The DSUs vest immediately and are redeemable for cash based on the market value of the units at the time of a director's retirement. The DSUs are classified as Level 1 in the fair value hierarchy. The liability is determined based on a market approach reflecting the closing price of the Company's common shares at the reporting date. Changes in fair value are recognized in general and administrative expenses.

Share appreciation rights
As part of the Company's bonus program, the Company grants share appreciation rights ("SARs") to its employees in Mexico and Chile. The SARs are subject to vesting conditions and, when exercised, constitute a cash bonus based on the value of the appreciation of the Company's common shares between the SARs grant date and the exercise date.

The SARs are classified as Level 2 in the fair value hierarchy. The liability is valued using a Black-Scholes option pricing model. Changes in fair value are recognized in salaries, wages and benefits.

Financial Instrument Risk Exposure and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process. The types of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk
The Company is exposed to credit risk on its bank accounts, accounts receivable and loan receivable. Credit risk exposure on bank accounts is limited through maintaining the Company's balances with high-credit quality financial institutions, maintaining investment policies, assessing institutional exposure and continual discussion with external advisors. Value-added tax receivables are generated on the purchase of supplies and services to produce silver, which are refundable from the Mexican government. Trade receivables are generated on the sale of concentrate inventory to reputable metal traders. The loan receivable is related to the remaining proceeds for the sale of the El Compas mine to Grupo ROSGO. There has been no indication of a change in the creditworthiness of the counterparty to the loan receivable since the initial recognition.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk by continually monitoring forecasted and actual cash flows. The Company has in place a planning and budgeting process to help determine the funds required to support its normal operating requirement and development plans. The Company aims to maintain sufficient liquidity to meet its short-term business requirements, taking into account its anticipated cash flows from operations, its holdings of cash and cash equivalents, and its committed and anticipated liabilities.

The Company's Mexican subsidiaries pay IVA on the purchase and sale of goods and services. The net amount paid is recoverable but is subject to review and assessment by the tax authorities. The Company regularly files the required IVA returns and all supporting documentation with the tax authorities, however, the Company has been advised that certain IVA amounts receivable from the tax authorities are being withheld pending completion of the authorities' audit of certain of the Company's third-party suppliers. Under Mexican law, the Company has legal rights to those IVA refunds and the results of the third-party audits should have no impact on refunds. A smaller portion of IVA refund requests are from time to time denied based on the alleged lack of compliance of certain formal requirements and information returns by the Company's third-party suppliers. The Company takes necessary legal action on the delayed refunds as well as any denied refunds. The Company is in regular contact with the tax authorities in respect of its IVA filings and believes that the full amount of its IVA receivables will ultimately be received; however, the timing of recovery of these amounts and the nature and extent of any adjustments to the Company's IVA receivables remains uncertain.

Market Risk
The significant market risk exposures to which the Company is exposed are foreign currency risk, interest rate risk, and commodity price risk.

Foreign Currency Risk - The Company's operations in Mexico and Canada make it subject to foreign currency fluctuations. Certain of the Company's operating expenses are incurred in Mexican pesos and Canadian dollars; therefore, the fluctuation of the U.S. dollar in relation to these currencies will consequently have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

Interest Rate Risk - In respect of financial assets, the Company's policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash equivalents in order to maintain liquidity. Fluctuations in interest rates impact the value of cash equivalents. As at December 31, 2022 the Company has $0.8 million in equipment loans with interest rates that are linked to Libor and, with other variables unchanged, a 1% increase in the Libor rate would result in an additional interest expense of $8,000.

Commodity Price Risk - Gold and silver prices have historically fluctuated significantly and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities and certain other factors. The Company has not engaged in any hedging activities, other than short-term metal derivative transactions less than 90 days, to reduce its exposure to commodity price risk. At December 31, 2022, there are 75,237 oz of silver and 2,666 oz of gold, which do not have a final settlement price and the estimated revenues have been recognized at current market prices. As at December 31, 2022, with other variables unchanged, a 10% decrease in the market value of silver and gold would result in a reduction of revenue of $0.7 million.

OUTSTANDING SHARE DATA

As of February 28, 2023, the Company had the following securities issued, issuable and outstanding:

- 189,995,563 common shares;
- 3,899,630 common shares issuable under stock options with a weighted average exercise price of CAD$4.09 per share expiring between May 3, 2023 and March 24, 2027;
- 1,158,000 performance share units with a weighted average grant price of CAD$3.89 vesting between March 1, 2023 and March 23, 2025; and
- 104,596 equity settled deferred share units with a weighted average grant prices of CAD$6.01 which are vested.

As at December 31, 2022, the Company's issued share capital was $657.9 million (December 31, 2021 - $585.4 million), representing 189,995,563 common shares (December 31, 2021 - 170,537,307), and the Company had options outstanding to purchase 3,899,630 common shares (December 31, 2021 - 3,848,200) with a weighted average exercise price of CAD$4.09 (December 31, 2021 - CAD$3.68).

The Company considers the items included in the consolidated statement of shareholders' equity as capital. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, prospectus offerings, convertible debentures, asset acquisitions or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Accounting standards adopted during the period:

The accounting policies applied in the Company's condensed consolidated interim financial statements for the year ended December 31, 2022 are the same as those applied in the Company's annual audited consolidated financial statements as at and for the year ended December 31, 2021 except for the following:

Property, Plant and Equipment: Proceeds before Intended Use

On May 14, 2020, the IASB published a narrow scope amendment to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use. The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, amounts received will be recognized as sales proceeds and the related costs in profit or loss. The effective date was for annual periods beginning on or after January 1, 2022 and the Company adopted the policy effective January 1, 2022. As of December 31, 2022, these amendments did not affect our condensed consolidated interim financial statements as no amounts have been received from selling items produced while preparing assets for their intended use.

Critical Accounting Estimates

The preparation of financial statements requires the Company to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management's judgment relate to the determination of mineralized reserves and resources, plant and equipment lives, estimating the fair values of financial instruments and derivatives, impairment of non-current assets, reclamation and rehabilitation provisions, recognition of deferred tax assets, and assumptions used in determining the fair value of share-based compensation.

Determination of ore reserves and resources
Judgments about the amount of product that can be economically and legally extracted from the Company's properties are made by management using a range of geological, technical and economic factors, history of conversion of mineral deposits to proven and probable reserves as well as data regarding quantities, grades, production techniques, recovery rates, production costs, commodity prices and exchange rates. This process may require complex and difficult geological judgments to interpret the data. The Company uses qualified persons (as defined by NI 43-101) to compile this data.

Estimating the quantity and /or grade of reserves and resources requires the size, shape and depth of ore bodies or fields to be determined by analyzing geological data such as drilling samples. Following this, the quantity of ore that can be extracted in an economical manner is calculated using data regarding the life of mine plans and forecast sales prices (based on current and long-term historical average price trends). Changes in estimates can be the result of estimated future production differing from previous forecasts of future production, expansion of mineable ore through exploration activities, differences between estimated and actual costs of mining and differences in the commodity price used in the estimation of mineable ore.

The economic assumptions used to estimate mineral reserves may change from period to period and additional geological data is generated during the course of operations, which may change management's judgments surrounding reserves and resources. Any changes in management's judgements may impact the carrying value of mineral properties, plant and equipment, reclamation and rehabilitation provisions, recognition of deferred income tax amounts, and depreciation and depletion.

Review of asset carrying values and assessment of impairment
Management applies significant judgment in assessing each CGU and assets for the existence of indicators of impairment or impairment reversal at the reporting date. Internal and external factors are considered in assessing whether indicators are present that would necessitate impairment testing. Significant assumptions regarding commodity prices, operating costs, capital expenditures and discount rates are used in determining whether there are any indicators of impairment. These assumptions are reviewed regularly by senior management and compared, when applicable, to relevant market consensus views.

If an indicator of impairment or reversal exists, the asset's recoverable amount is estimated. The recoverable amount is the greater of fair value less costs of disposal and value in use. The determination of fair value less costs of disposal and value in use requires management to make estimates and assumptions about expected production and sales volumes, metal prices, ore tonnage and grades, recoveries, operating costs, future capital expenditures and appropriate discount rates for future cash flows. The estimates and assumptions are subject to risk and uncertainty, and as such there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in profit or loss.

As of December 31, 2022, the company determined that indicators of impairment existed at the Bolañitos mine due to a change in the reserves and resources, including a narrowing of the veins in the ore bodies which may result in lower future conversion of inferred reserves to economically mineable ore.

The recoverable amounts were based on each CGUs future cash flows expected to be derived from the Company's mining properties and represent each CGUs value in use. Expected cash flows were determined based on the life-of-mine after-tax cash flow forecast which incorporates management's best estimates of future metal prices, production based on current estimates of capacity, ore grade, recovery rate and recoverable reserves and resources, future operating costs, assets terminal value and non-expansionary capital expenditures. Expected cash flows are discounted at risk adjusted rates based on the CGUs weighted average cost of capital. As a result, management estimated the recoverable amount of the Bolañitos mine as at December 31, 2022, determined on a fair value less cost of disposal basis, and concluded no impairment charge was required. However, adverse changes in any of these assumptions in future periods may result in an impairment.

At December 31, 2021, the Company recognized a $16.8 million reversal of a previous impairment of the El Cubo mine. The El Cubo mine project, consisting of the land rights, plant, buildings and the related reclamation liability were re-classified to current assets and liabilities as "assets held for sale" and "liabilities held for sale" upon the signing of a definitive agreement to sell the El Cubo mine and related assets. Immediately prior to the classification to assets and liabilities held for sale, the carrying amounts of the land rights, plant and building were re-measured and the historical gross impairments of $216.9 million net of depletion and depreciation of $200.1 million were reversed resulting in a $16.8 million impairment reversal. Accordingly, the Company reversed the CGU impairment, limited to the carrying amount had no impairment been recognized in prior periods, net of depletion and amortization which would have been recognized in prior periods.

If an area of interest is abandoned or it is determined that its carrying value cannot be supported by future production or sale, the related costs are charged against operations in the period of abandonment or determination that the carrying value exceeds its fair value. The amounts recorded as mineral properties represent costs incurred to date and do not necessarily reflect present or future values.

Achievement of commercial production

Once a mine reaches the operating levels intended by management, deprecation of capitalized costs begins. Significant judgement is required to determine when certain of the Company's assets reach this level. Management considers several factors including: completion of a reasonable period of commissioning; consistent operating results achieved at a pre-determined level of design capacity and indications exist that this level will continue; mineral recoveries at or near expected levels; and the transfer of operations from development personnel to operational personnel has been completed.

Estimation of the amount and timing of reclamation and rehabilitation costs

Accounting for restoration requires management to make estimates of the future costs the Company will incur to complete the reclamation and rehabilitation work required to comply with existing laws, regulations and agreements in place at each mining operation and any environmental and social principles the Company is in compliance with. The calculation of the present value of these costs also includes assumptions regarding the timing of reclamation and rehabilitation work, applicable risk-free interest rates for discounting those future cash flows, inflation and foreign exchange rates and assumptions relating to probabilities of alternative estimates of future cash flows. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and rehabilitation work required to be performed by the Company. Increase in future costs could materially impact the amounts charged to operations for reclamation and rehabilitation.

Deferred Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and losses carried forward. Future tax assets and liabilities are measured using substantively enacted or enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the substantive enactment date. Future tax assets are recognized to the extent that they are considered more likely than not to be realized.

Judgement is required in determining the recognition and measurement of deferred income tax assets and liabilities on the balance sheet. In the normal course of business, the Company is subject to assessment by taxation authorities in various jurisdictions. These authorities may have different interpretations of tax legislation or tax agreements than those applied by the Company in computing current and deferred income taxes. These different interpretations may alter the timing or amounts of taxable income or deductions.

Final taxes payable and receivable are dependent on many factors, including outcomes of tax litigation and resolution of disputes. The resolution of these uncertainties may result in adjustments to the Company's tax assets and liabilities.

Management assesses the likelihood and timing of taxable earnings in future periods in recognizing deferred income tax assets. Estimates of future taxable income is based on forecasted cash flows using life of mine projections and the application of existing tax laws in each jurisdiction.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred income tax assets recorded at the balance sheet date could be impacted. In addition, future changes to tax laws could limit the ability of the Company to obtain tax deductions in future periods from deferred income tax assets.

Inventory

In valuing inventories at the lower of cost and net realizable value, the Company makes estimates in determining the net realizable price and in quantifying the contained metal in finished goods and work in progress.

Share-based Compensation

The Company has a stock option plan and records all share-based compensation for options using the fair value method. The fair value of each option award is estimated on the date of the grant using the Black-Scholes option pricing model, with expected volatility based on historical volatility of the Endeavour common shares. The Company uses historical data to estimate the term of the option and the risk-free rate for the expected term of the option is based on the Government of Canada yield curve in effect at the time of the grant.

As part of the Company's bonus program, the Company may from time to time grant SARs to its employees in Mexico and Chile. The SARs are subject to vesting conditions and, when vested, constitute a cash bonus based on the value of the appreciation of the Company's common shares between the SARs grant date and vesting. The fair value of each SAR award is estimated on the grant date using the Black-Scholes option pricing model, with expected volatility based on historical volatility of the Endeavour common shares. The Company uses historical data to estimate the term of the option and the risk-free rate for the expected term of the option is based on the Government of Canada yield curve in effect at the time of the grant.

On March 23, 2021 the Company adopted an equity-based Share Unit Plan ("SUP"), which was approved by the Company's shareholders on May 12, 2021 The SUP allows for, with approval by the Board, granting of Performance Share Units ("PSU"s) and Deferred Share Units ("DSU"s), to its directors, officers, employees to acquire up to 1.5% of the issued and outstanding shares. The SUP incorporates all existing PSUs under the former PSU plan and any new DSUs granted and are to be subject to cash, share settlement or a combination of cash and share procedures at the discretion of the Board of Directors.

PSUs may be granted to employees of the Company. Under the plan, vested PSUs are redeemable, at the election of the Board of Directors in its discretion, for Common Shares, a cash payment equal to the market value of a Common Share as of the redemption date, or a combination of cash and Common Shares. The PSUs granted are subject to a performance payout multiplier between 0% and 200% based on the Company's total shareholder return at the end of a three-year period, relative to the Company's total shareholder return peer group.

DSU plan will be granted to independent directors of the Company in lieu of compensation in cash or share purchase options and are redeemable at the time of a director's retirement.

Business Combinations

On the acquisition of a business, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities (identifiable net assets) on the basis of fair value at the date of acquisition. When the cost of acquisition exceeds the fair values attributable to the Company's share of identifiable net assets, the difference is treated as purchased goodwill, which is not amortized but is reviewed for impairment annually or more frequently where there is an indication of impairment. If the fair value attributable to the Company's share of the identifiable net assets exceeds the cost of acquisition, the difference is immediately recognized in profit or loss. Incremental costs related to acquisitions are expensed as incurred.

Determination of the fair value of assets acquired and liabilities assumed and the resulting goodwill, if any, requires that management make estimates based on the information provided by the acquiree. Changes to the provisional values of assets acquired and liabilities assumed, deferred income taxes and resulting goodwill, if any, will be adjusted when the final measurements are determined (within one year of acquisition date).

When purchase consideration is contingent on future events, the initial cost of the acquisition recorded includes an estimate of the fair value of the contingent amounts expected to be payable in the future. When the fair value of contingent consideration as at the date of acquisition is finalized, before the end of the 12 month measurement period, the adjustment is allocated to the identifiable assets acquired and liabilities assumed. Changes to the estimated fair value of contingent consideration subsequent to the acquisition date are recorded in profit or loss.

RISKS AND UNCERTAINTIES

Besides the risks discussed elsewhere in this MD&A, the following are risks and uncertainties that have affected the Company's financial statements or future performance or that may affect them in the future. See "Risk Factors" in the Company's Annual Information Form for other risks affecting the Company generally.

Impact of COVID-19 Pandemic

The Company's business could be significantly adversely affected by the effects of a widespread global outbreak of contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on third parties' ability to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of the COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions to planned drill programs, mining and processing operations shutdowns, and other factors that will depend on future developments beyond the Company's control. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries (including those in which the Company operates), resulting in an economic downturn that could negatively impact the Company's operating results and ability to raise capital.

Precious and Base Metal Price Fluctuations
The profitability of the precious metals operations in which the Company has an interest is significantly affected by changes in the market prices of precious metals. Prices for precious metals fluctuate on a daily basis, have historically been subject to wide fluctuations and are affected by numerous factors beyond the control of the Company such as the level of interest rates, the rate of inflation, central bank transactions, world supply of the precious metals, foreign currency exchange rates, international investments, monetary systems, speculative activities, international economic conditions and political developments. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving adequate returns on invested capital or the investments retaining their respective values. Declining market prices for these metals could materially adversely affect the Company's operations and profitability.

Fluctuations in the price of consumed commodities
Prices and availability of commodities consumed or used in connection with exploration, development and mining, such as natural gas, diesel, oil, electricity, cyanide and other reagents fluctuate affecting the costs of production at the Company's operations. These fluctuations can be unpredictable, can occur over short periods of time and may have a materially adverse impact on the Company's operating costs or the timing and costs of various projects. The Company's general policy is not to hedge its exposure to changes in prices of the commodities used in its business.

Foreign Exchange Rate Fluctuations
Operations in Mexico, Chile and Canada are subject to foreign currency exchange fluctuations. The Company raises its funds through equity issuances which are generally priced in Canadian dollars or U.S. dollars, and the majority of the exploration costs of the Company are denominated in U.S. dollars, Chilean pesos and Mexican pesos. The Company may suffer losses due to adverse foreign currency fluctuations.

Calculation of Reserves and Resources and Precious Metal Recoveries
There is a degree of uncertainty attributable to the calculation and estimation of reserves and resources and their corresponding metal grades to be mined and recovered. Until reserves or resources are actually mined and processed, the quantities of mineralization and metal grades must be considered as estimates only. Any material change in the quantity of mineral reserves, mineral resources, grades and recoveries may affect the economic viability of the Company's properties.

Economic Conditions for Mining
Global financial markets are experiencing extreme volatility as a result of the ongoing COVID-19 pandemic. Events in global financial markets, and the volatility of global financial conditions, will continue to have an impact on the global economy. Many industries, including the mining sector, are impacted by market conditions. Some of the key impacts of financial market turmoil include devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. Financial institutions and large corporations may be forced into bankruptcy or need to be rescued by government authorities. Access to financing may also be negatively impacted by future liquidity crises throughout the world. These factors may impact the Company's ability to obtain equity or debt financing and, where available, to obtain such financing on terms favorable to the Company.

Increased levels of volatility and market turmoil could have an adverse impact on the Company's operations and planned growth and the trading price of the securities of the Company may be adversely affected.

The Company assesses on a quarterly basis the carrying values of its mineral properties. Should market conditions and commodity prices worsen and persist in a worsened state for a prolonged period of time, an impairment of the Company's mineral properties may be required.

Mexican Tax Assessments
As disclosed under "Contingencies", one subsidiary of the Company in Mexico has received a tax assessment from Mexican fiscal authorities. The Company filed an appeal against the June 2016 tax assessment on the basis certain items rejected by the courts were included in the new tax assessment, while a number of deficiencies exist within the assessment. If the Company is unsuccessful this could negatively impact the Company's financial position and create difficulties for the Company in dealing with Mexican fiscal authorities in the future.

Included in the Company's consolidated financial statements, are net assets of $964,000, including $42,000 in cash, held by MSCG. Following the Tax Court's rulings, MSCG is in discussions with the tax authorities with regards to the shortfall of assets within MSCG to settle its estimated tax liability. An alternative settlement option would be to transfer the shares and assets of MSCG to the tax authorities. The Company recognized an allowance for transferring the shares and assets of MSCG amounting to $964,000. The Company is assessing MSCG's settlement options based on on-going court proceedings and discussion with the tax authorities and has filed an appeal with the Supreme Court of Justice.

Compania Minera Del Cubo SA de CV ("Cubo"), a subsidiary of the Company, received a MXN 58.5 million ($2.9 million) assessment in 2019 by Mexican fiscal authorities for alleged failure to provide the appropriate support for depreciation deductions taken in the Cubo 2016 tax return and denied eligibility of deductions of certain suppliers. The tax assessment consists of MXN 24.1 million ($1.2 million) for taxes, MXN 21.0 million ($1.1 million) for penalties, MXN 10.4 million ($0.5 million) for interest and MXN 3.0 million ($0.1 million) for inflation. At the time of the tax assessment the Cubo entity had and continues to have sufficient loss carry forwards which would be applied against the assessed difference of taxable income. The Mexican tax authorities did not consider these losses in the assessment.

Due to the denial of certain suppliers for income tax purposes in the Cubo assessment, the invoices from these suppliers have been assessed as ineligible for refunds of IVA paid on the invoices. The assessment includes MXN 14.7 million ($0.7 million) for re-payment of IVA (value added taxes) refunded on these supplier payments. In the Company's judgement the suppliers and invoices meet the necessary requirements to be deductible for income tax purposes and the recovery of IVA.

The Company filed an administrative appeal related to the 2016 Cubo tax assessment. The Company had previously provided a lien on certain El Cubo mining concessions during the appeal process. As a condition of the sale of the El Cubo mine and related assets, the Company elected to pay the assessed amount of $3.5 million during Q1, 2021. During the appeal process the amount paid has been classified as a non-current income tax recoverable. Since issuance of the assessment interest charges of MXN 9.9 million ($500) and inflationary charges of MXN 1.6 million ($100) had accumulated. The Company continues to assess that it is probable that its appeal will prevail, and no provision is recognized in respect of the Cubo tax assessment.

The Company is required to use judgement to determine certain tax treatments in calculating income tax expense and IVA recoverable. A number of these judgements are subject to various uncertainties. From time to time, Mexican authorities may apply, re-interpret legislation or disregard precedents and it is possible that of these uncertainties may be resolved unfavorably for the Company.

Assurance on Financial Statements

The Company prepares the financial reports in accordance with accounting policies and methods prescribed by IFRS. In the preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. Significant accounting policies and practices are described in more detail in the notes to the annual consolidated financial statements for the year ended December 31, 2022. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported, the Company has implemented and continues to analyze the internal control systems for financial reporting.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's officers and management are responsible for establishing and maintaining disclosure controls and procedures for the Company. Disclosure controls and procedures are designed to provide reasonable assurance that material information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods and to ensure that required information is gathered and communicated to the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as is appropriate to permit timely decisions regarding public disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

At the end of the period covered by this MD&A, management, including the CEO and CFO, conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures pursuant to National Instrument 52-109 "Certification of Disclosure in Issuers Annual and Interim Filings" ("NI 52-109") and Rule 13a -15(b) of the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"). Based upon that evaluation, the Company's CEO and CFO have concluded that, as of the end of the period covered by this MD&A, the Company's disclosure controls and procedures were effective to give reasonable assurance that the information required to be disclosed by the Company in reports that it files or submits is (i) recorded, processed, summarized and reported, within the time periods specified under applicable securities legislation in Canada and in the U.S. Securities and Exchange Commission's rules and forms, and (ii) accumulated and communicated to management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in NI 52-109 and in Rules 13a-15(f) of the U.S. Exchange Act). A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable generally accepted accounting principles.

A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable assurance, not absolute assurance, that the objectives of the control system are met. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

Management of the Company, including the CEO and CFO, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2022. In making this assessment, management used the criteria set forth in the Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on its assessment, management has concluded that, as of December 31, 2022, the Company's internal control over financial reporting is effective. Also, management determined that there were no material weaknesses in the Company's internal control over financial reporting as at December 31, 2022.

Changes in Internal Control over Financial Reporting

Management, including the CEO and CFO, has evaluated the Company's internal controls over financial reporting to determine whether any changes occurred during the period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

There have been no changes in internal control over financial reporting that occurred during the fiscal year ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Exhibit 99.4

CERTIFICATION

I, Daniel Dickson, certify that:

1 I have reviewed this annual report on Form 40-F of Endeavour Silver Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-5(f) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 30, 2023

By: /s/ Daniel Dickson
Daniel Dickson
Chief Executive Officer
(Principal Executive Officer)

Exhibit 99.5

CERTIFICATION

I, Christine West, certify that:

1 I have reviewed this annual report on Form 40-F of Endeavour Silver Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-5(f) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 30, 2023

By: /s/ Christine West
Christine West
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 99.6

CERTIFICATION PURSUANT TO

18 U.S.C. §1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Endeavour Silver Corp. (the "Company") on Form 40-F for the period ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel Dickson, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 30, 2023

/s/ Daniel Dickson

Daniel Dickson
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to Endeavour Silver Corp. and will be retained by Endeavour Silver Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.7

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Endeavour Silver Corp. (the "Company") on Form 40-F for the period ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christine West, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 30, 2023

/s/ Christine West

Christine West
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Endeavour Silver Corp. and will be retained by Endeavour Silver Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

KPMG LLP
Chartered Professional Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Fax (604) 691-3031
Internet www.kpmg.ca

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Endeavour Silver Corp.

We consent to the use of:

- our report dated February 28, 2023, on the consolidated financial statements of Endeavour Silver Corp. (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2022 and December 31, 2021, the related consolidated statements of comprehensive earnings (loss), cash flows, and changes in shareholders' equity for each of the years in the two-year period ended December 31, 2022, and the related notes, and

- our report dated February 28, 2023, on the effectiveness of internal control over financial reporting as of December 31, 2022

each of which is included in the Annual Report on Form 40-F of the Company for the fiscal year ended December 31, 2022.

/s/ KPMG LLP
Chartered Professional Accountants

March 30, 2023
Vancouver, Canada

CONSENT OF WOOD CANADA LIMITED

March 30, 2022

United States Securities and Exchange Commission

Re: Annual Report on Form 40-F for fiscal year ended December 31, 2021 (the " **Annual Report**") of Endeavour Silver Corp. (the "**Company**").

Ladies and Gentlemen,

Wood Canada Limited hereby consents to the use of and reference to their name in the Annual Report and the documents incorporated therein by reference.

Wood Canada Limited hereby consents to the use of information derived from sections 1.1, 1.2, 1.7 - 1.16, 1.17.1, 1.17.2, 1.18 - 1.21, 2, 3, 11 - 18, 20 - 22, 24, 25.3 - 25.9, 25.11 - 25.14, 26.1, 26.3 - 26.10, and 27 of their report: "*NI 43-101 Technical Report on the Feasibility Study of the Terronera Project Jalisco State, Mexico*" effective September 9, 2021 with revision date October 21, 2021 (the "Technical Report") , including extracts from or summaries of the Technical Report, in the Annual Report and the documents incorporated by reference filed with the United States Securities and Exchange Commission pursuant to the United States Securities Act of 1933, as amended.

On behalf of Wood Canada Limited,

/s/ *William Bagnell*

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By: William Bagnell

Technical Director, Underground Mining and

Authorized Signor

WOOD CANADA LIMITED.

CONSENT OF DALE MAH

To: **United States Securities and Exchange Commission**

Re: **Endeavour Silver Corp. (the "Company")**
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2022 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") pursuant to the United States Securities Exchange Act of 1934, and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2022 (the "**AIF**"), and the Company's Management Discussion and Analysis for the year ended December 31, 2022 (the "**MD&A**").

I hereby consent to the use of my name and the quotation, summary or incorporation by reference of the portions prepared by me of the following technical reports:

- NI 43-101 Technical Report on the Feasibility Study of the Terronera Project Jalisco State, Mexico, dated October 21, 2021;
- NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Bolañitos Project, Guanajuato State, Mexico, dated December 14, 2022; and
- NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Guanaceví Project, Durango State, Mexico, dated December 14, 2022.

incorporated by reference to the AIF and MD&A in the Annual Report.

Dated the 30th day of March, 2023

/s/ Dale Mah

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Dale Mah, P.Geo,
Endeavour Silver Corp.

CONSENT OF DONALD GRAY

To: **United States Securities and Exchange Commission**

Re: **Endeavour Silver Corp. (the "Company")**
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2022 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") pursuant to the United States Securities Exchange Act of 1934, and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2022 (the "**AIF**"), and the Company's Management Discussion and Analysis for the year ended December 31, 2022 (the "**MD&A**").

I hereby consent to the use of my name and the quotation, summary or incorporation by reference of the portions prepared by me of the following technical reports:

- NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Bolañitos Project, Guanajuato State, Mexico, dated December 14, 2022; and
- NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Guanaceví Project, Durango State, Mexico, dated December 14, 2022.

incorporated by reference to the AIF and MD&A in the Annual Report.

Dated the 30th day of March, 2023

/s/ Donald Gray

Donald Gray, SME-RM
Endeavour Silver Corp.

CONSENT OF RICHARD A. SCHWERING

To: **United States Securities and Exchange Commission**

Re: **Endeavour Silver Corp. (the "Company")**
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2022 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") pursuant to the United States Securities Exchange Act of 1934, and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2022 (the "**AIF**"), and the Company's Management Discussion and Analysis for the year ended December 31, 2022 (the "**MD&A**").

I hereby consent to the use of my name and the quotation, summary or incorporation by reference of the portions prepared by me of the following technical reports:

- NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Bolañitos Project, Guanajuato State, Mexico, dated December 14, 2022;
- NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Guanaceví Project, Durango State, Mexico, dated December 14, 2022;

incorporated by reference to the AIF and MD&A in the Annual Report.

Dated the 30th day of March, 2023

/signed and stamped/ Richard A. Schwering

Richard A. Schwering, P.G., SME-RM

CONSENT OF ALLAN ARMITAGE

To: **United States Securities and Exchange Commission**

Re: **Endeavour Silver Corp. (the "Company")**
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2022 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") pursuant to the United States Securities Exchange Act of 1934, and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2022 (the "**AIF**"), and the Company's Management Discussion and Analysis for the year ended December 31, 2022 (the "**MD&A**").

I hereby consent to the use of my name and the quotation, summary or incorporation by reference of the portions prepared by me of the following amended technical report:

- Mineral Resource Estimate for the Pitarrilla Ag-Pb-Zn Project, Durango State, Mexico, effective October 6, 2022 and dated March 15, 2023

incorporated by reference to the AIF and MD&A in the Annual Report.

Dated the 30th day of March, 2023

/s/ Allan Armitage

_____

Allan Armitage, Ph. D., P. Geo.
Senior Resource Geologist
SGS Canada Inc. - Geological Services