



2015 Annual
Review and
Sustainability
Report

Building a
Sustainable
Future



Mission and Vision

Our goal is to become a premier senior producer in the silver mining sector. We find, build, and operate quality silver mines in a sustainable way to create real value for our stakeholders. By continually improving what we do and how we do it, we aim to make a positive difference in people's lives.



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Building a Sustainable Future

Letter from the CEO

Dear Shareholders,

Despite falling commodity prices that continued to weigh down the mining sector in 2015, we made significant strides in *Building a Sustainable Future* for our company and stakeholders. Our main objectives were to maintain production, reduce operating costs, and maximize free cash flow, and we successfully achieved each of these goals. By continually reducing costs and improving productivity at our operations, we have positioned ourselves well to survive the current downturn and prosper from the next cyclical rise in metals prices.

With three producing mines, one of the most exciting new high-grade discoveries in years, and an eye for new acquisitions, we are well positioned to survive and prosper from the next cyclic rise in metals prices.

Operations

For the third year in a row, we met or exceeded our production and cost guidance. Our operations group delivered another solid year of production and we once again reduced our all-in sustaining costs in 2015. Guanaceví and Bolañitos each performed better than planned, and the completion of the phase two mine expansion at El Cubo to 2,200 tonnes per day was a major achievement.

Over the past 11 years, we acquired three old mines in historic mining districts that were struggling to survive, and we transformed each of them into modern, larger, more efficient mining operations. Guanaceví and Bolañitos

have been profitable for many years and they continue to generate free cash flow today, but El Cubo has proven to be a challenge.

When we took over El Cubo, the operation was losing money, and in spite of our success in driving the all-in sustaining costs down from more than \$40 per ounce to less than \$20 per ounce of silver (net of gold credits), El Cubo continued to consume cash at year-end. We therefore made the difficult decision early this year to suspend further investments on exploration and development in 2016, mine the accessible reserves, and reduce production until the mine goes on care and maintenance in late 2016.

Exploration

Our exploration efforts continued to deliver positive results in 2015, notwithstanding a reduced budget. We succeeded in replacing silver reserves and boosting silver resources last year, and we identified new mineralized zones at each mine as well as at the emerging new Terronera project.

We recently made a new greenfield silver discovery at our Terronera property in Jalisco State, Mexico. Terronera is an exciting new, high-grade silver-gold find that has the potential to become our largest and most profitable mine. We initially planned to complete a pre-feasibility study last year, but with the further decline in metal prices, we chose to first publish a preliminary economic assessment, the results of which were very positive.

Late last year, deep drilling at Terronera intersected the highest grades yet found on the

property. The main mineralized zone is still open at depth and along strike and surface sampling of several other veins identified multiple new high-grade drill targets. We intend to continue aggressively exploring and engineering this project in 2016 to significantly expand the resources and enhance the economics at current metal prices, then proceed with the full pre-feasibility study later this year.

Safety

Mining is a business with a wide range of operating risks that must be proactively managed. At Endeavour, workplace safety is our number-one priority. None of our mines had effective safety programs in place when we acquired them, so we are proud of the remarkable safety improvements we have accomplished. At each mine, workplace incidents have declined year on year. In 2015, the El Cubo mine rescue team placed second all round in the XIV Mexico National Mine Rescue Competition, and first in the Benchman competition. All three of our mine rescue teams are highly skilled, training year-round to handle any emergency. We are grateful for their dedication and service.

Community

Despite the challenging economic environment, we made a real effort to maintain our community sustainability programs. All three mining subsidiaries received the Socially Responsible Company distinction awarded by CEMEFI (the

Mexican Center for Philanthropy). Our local managers are very active in their communities, and invest significant amounts of funds, time and effort to support health and education programs, recreation and sports activities, and local festivals and celebrations.

Every mine ultimately has a finite life. We are constantly aware of the need to continually reinvest some of our cash flow to make new discoveries and extend the lives of our mines. In our year-end materiality assessment, we identified safety, compliance and economic performance as our top concerns, while our stakeholders outlined economic, environmental and social performance as their top priorities. Clearly, management aims to improve each of these areas of mutual interest going forward, and we plan to leave a positive legacy that will benefit our local communities after mining has ceased.

Environment

In recent years, the mining industry's reputation has been damaged by a number of highly publicized tailings spills. While each of our tailings facilities fully meet or exceed Mexican and Canadian standards, as an extra precaution, we brought in an outside consultant to review our tailings facilities and practices. We invested in additional engineering and training at each facility to raise the bar further and ensure that our mines and communities are not at risk because of our tailings.

When it comes to reclaiming and enhancing the natural environment, Endeavour is one of the most proactive mining companies in Mexico. Last year we planted more than 31,000 trees and cacti. We always reclaim and replant land that we disturb, often within the same year.

Since its inception, Endeavour has embraced a philosophy of continuous improvement. This attitude allows us to consistently deliver growth and value by investing in exploration and development, minimizing costs and maximizing profits. This year, I expect gold and silver prices to bottom and start their climb into the next precious metals cycle. Notwithstanding, we will continue to focus on operating each mine to generate free cash flow, investing at Terronera to unfold its full mining potential, and seeking strategic merger and acquisition opportunities to support our *Building a Sustainable Future*.

I want to take this opportunity to thank the entire Endeavour team for their commitment to doing the right things. With three producing mines, one of the most exciting new high-grade discoveries in years, and an eye for new acquisitions, we are well positioned to survive and prosper from the next cyclic rise in metals prices.

Bradford Cooke
Chief Executive Officer
May 2016

2015 Highlights

For the third year in a row, we met or exceeded our production and cost guidance.

We further defined an exciting new greenfield silver discovery at our Terronera property.

We succeeded in replacing silver reserves and boosting silver resources.

All three mining subsidiaries received the Socially Responsible Company distinction award.

Corporate Profile

Headquartered in Vancouver, Canada, Endeavour Silver Corp. is a mid-tier silver-gold mining company engaged in the evaluation, acquisition, exploration, development and exploitation of precious metals properties in Latin America. Since 2004 we have grown from a startup with no operations, to a producer with a proven track record of organic growth. We operate three silver-gold mines in Mexico: the Guanaceví mine in the state of Durango, and the Bolañitos and El Cubo mines in the state of Guanajuato.

After 11 consecutive years of growth, our silver production remained flat at 2014's record level, while gold production dropped by 5% year-on-year. In the past, we focused on acquiring distressed mines in historic mining districts that were built, permitted, and operating, but starved for ore and under-performing. In each case, we recognized opportunities to upgrade and expand these mines. With our technical and financial expertise, we engineered remarkable turnarounds, modernized infrastructure, discovered new ore bodies, and developed new mines. All three of our mines have been rebuilt and expanded, and are now revealing their full potential. As we move forward, we expect to broaden our strategies to include exploration and/or acquisition of development properties for building new mines.

Our Board of Directors and management team collectively have more than 400 years of experience in the mining industry. Endeavour's common shares trade on the NYSE (EXK) and the TSX (EDR) with combined daily volume of over one million shares. Our financial base is strong, with cash and equivalents of \$20 million at December 31, 2015.

1,696
Employees

11
Consecutive
years of organic
growth

\$20 Million

Our financial base is strong, with cash and equivalents of \$20 million at December 31, 2015.

EXK NYSE

EDR TSX





4

Exploration projects

3

Operating mines

2015 Highlights

Operations

- Beat guidance in silver production: flat year-on-year at 7,178,666 ounces
- Met guidance with gold production: down 5% to 59,990 ounces
- Produced 11.4 million ounces silver-equivalent (at a 70-to-1 silver-to-gold ratio)
- Completed mine expansion at El Cubo to 2,200 tonnes per day
- Developed ramp access and increased production from the LL-Asunción ore body at Bolañitos
- Developed new southeast extension of the Santa Cruz orebody and explored extensions of silver mineralization at Porvenir Centro and Santa Cruz Sur at Guanaceví
- Published a preliminary economic assessment with positive economics for Terronera
- Received “Socially Responsible Company” award at all three mines

Financials

- Net loss of \$149.9 million (\$1.47 per share) due mainly to \$134.0 million in impairments at the El Cubo and Bolañitos mines
- Adjusted loss of \$11.2 million (\$0.11 per share)
- EBITDA* of \$34.1 million
- Cash flow* from operations of \$35.2 million before working capital changes
- Mine operating cash flow* of \$57.7 million
- Revenue of \$183.6 million
- Realized silver price \$15.79 per ounce (oz) sold
- Realized gold price of \$1,148 per oz sold
- Silver sales: 7,301,698 oz
- Gold sales: 59,450 oz
- Bullion inventory of 121,913 oz silver and 317 oz gold at year-end
- Beat guidance on cash costs: increased 1% to \$8.39 per ounce silver payable (net of gold credits)
- Beat guidance in all-in sustaining costs, down 7% to \$15.62 per ounce silver payable (net of gold credits)
- Direct costs fell by 20% to \$80.18 per tonne
- Concentrate inventory of 72,583 oz silver and 967 oz gold at year-end
- Cash and equivalents of \$20.4 million at year-end
- Reduced line of credit by 24% to \$22-million at year-end, amended line of credit to a \$20-million term loan amortized over two years subsequent to year-end
- Prior to year-end, raised \$1.1-million in equity financing through an ATM facility; subsequent to year-end, raised an additional \$14.9 million in equity financing through the ATM

* Adjusted earnings, mine operating cash flow, EBITDA and cash costs are non-IFRS measures. Please refer to the definitions in our Management Discussion and Analysis.

SILVER
PRODUCTION
7,178,666 oz

GOLD
PRODUCTION
59,990 oz

SILVER EQUIVALENT
PRODUCTION
11.4 million oz

Reserves and Resources

12 million oz silver
Proven and Probable Reserves

110,770 oz gold
Proven and Probable Reserves

19.7 million oz*
silver equivalent
Proven and Probable Reserves

64.6 million oz silver
Measured and Indicated

528,587 oz gold
Measured and Indicated

102.6 million oz*
silver equivalent
Measured and Indicated

45.2 million oz silver
Inferred Reserves

348,071 oz gold
Inferred Reserves

69.6 million oz*
silver equivalent
Inferred Reserves

*Based on 70:1 silver: gold ratio, base metals not included. For details refer to the complete Reserves and Resources table on inside back cover.

2016 Outlook

Exploration

- Drilled 36,385 metres in 151 drill holes for \$7.2 million
- Replaced proven and probable silver reserves despite lower price assumptions
- Increased measured and indicated silver resources by 6%
- Discovered new mineralization at each of the three mines
- Expanded and delineated silver-gold mineralization within the Terronera vein system
- Deep drilling intersected the highest grades yet at Terronera
- Surface sampling of several other veins identified many new targets at Terronera

For 2016, our priorities are to maximize after-tax free cash flow and renew our focus on growth. Accordingly, the emphasis will be on reducing all-in sustaining costs, rather than increasing metal output and advancing Terronera towards pre-feasibility. Our consolidated production forecast is in the range of 4.9 to 5.3 million ounces of silver and 40,000 to 43,000 ounces of gold, for a silver equivalent forecast of 7.9 to 8.5 million ounces.

2016 Production Guidance

MINE	AG (M OZ)	AU (K OZ)	AG EQ. (M OZ)	TONNES/DAY (TPD)
Guanaceví	3.1-3.3	6.0-7.0	3.6-3.8	1,200-1,300
Bolañitos	0.6-0.7	19.0-20.0	2.0-2.2	800-900
El Cubo	1.2-1.3	15.0-16.0	2.3-2.5	500-2,000
Total	4.9-5.3	40.0-43.0	7.9-8.5	2,500 - 4,200

Cash costs are expected to be in the range of \$8 to \$9 per ounce of silver, net of gold credits. All-in sustaining costs (AISC) are estimated to be \$12 to \$13 per ounce of silver, which is significantly lower than 2015 due to lower investments in capital and exploration, and aided by the US dollar to Mexican peso exchange rate. When non-cash items such as stock-based compensation are excluded, AISC net of gold by-product credits is forecast in the \$11.50 to \$12.50 range. On a co-product basis, AISC for silver is expected to be \$13 to \$14 per ounce; for gold, \$950 to \$1,050 per ounce. Direct operating costs are expected to be in the \$77 to \$81 per tonne range.

For 2016, capital investments are expected to drop. At Guanaceví, we plan to invest \$11.3 million in capital projects, primarily on mine development in order to access and replace reserves.

We have a contingent budget to invest \$4.5 million on mine development at Guanaceví, subject to financing. No capital investments are planned at Bolañitos or El Cubo until free cash flows and metal prices increase.

Exploration spending in 2016 is forecast at \$2.5 million on exploration drilling at Guanaceví, including property payments. We have a contingent budget of \$7 million in investment on exploration, engineering and land acquisition, primarily at Terronera, subject to financing. Exploration at Bolañitos and El Cubo is on hold until free cash flows and metal prices increase.



Guanaceví

Mining Operations

Acquired in 2004, Guanaceví is our first and highest-grade silver mine. The property covers approximately 4,100 hectares, in Durango state, 260 km northwest of the city of Durango, in Mexico's fifth-largest silver mining district. Good local infrastructure includes access by a state highway and municipal roads and power from the state power grid. Skilled local labour is readily available in the nearby town of Guanaceví. The mining district is characterized by a swarm of low-sulphidation epithermal veins, typically thousands of metres long, up to 700 metres deep, ranging from one to 10 metres thick.



Since acquiring the property, we have discovered seven high-grade silver-gold ore bodies along a six-km length of the Santa Cruz vein, developed several new mines and modernized and expanded the processing plant. Today, three underground mines feed the central, 1,200 tonne-per-day plant that produces doré bars. Our work force includes approximately 540 employees and 130 contractors.

In 2015, Guanaceví performed better than guidance due to higher-than-expected ore grades, producing 3.4 million ounces of silver and 7,390 ounces of gold, totalling 4.0 million ounces of silver equivalent. Cash costs in 2015 were \$8.66 per ounce of silver, while all-in sustaining costs were \$12.97 per ounce of silver (both net of gold credits). We drilled 9,550 metres in 38 holes to successfully expand the

high-grade silver-gold mineralization at Santa Cruz and Porvenir Centro.

In 2016, production will continue at the plant's capacity of 1,200 tonnes per day, with ore coming primarily from the Porvenir Cuatro, Porvenir Norte, and Santa Cruz deposits. The year's production is forecast at 3.1 to 3.3 million ounces of silver, and 6,000 to 7,000 ounces of gold, for 3.6 to 3.8 million ounces of silver equivalents.

We will continue developing the mine to access and replace reserves, and exploring underground to replace resources. We plan to invest \$11.3 million from cash flow. Additional mine development is scheduled for permitting and development, subject to financing.



Reserves and Resources

Silver

- 6.1 million ounces of proven and probable silver reserves
- 25.8 million ounces of measured and indicated silver resources
- 14.1 million ounces of inferred silver resources

Gold

- 13,530 ounces of proven and probable gold reserves
- 65,705 ounces of measured and indicated gold resources
- 29,771 ounces of inferred gold resources

* For details refer to the complete Reserves and Resources table on the inside back cover

	Plant throughput (tonnes/day)	Grades (grams/tonne)		Production (ounces)		Recoveries (%)		Cash cost (\$/oz Ag)	Direct costs (\$/tonne)
		Silver	Gold	Silver	Gold	Silver	Gold		
2013	1,194	253	0.60	2,772,227	6,784	78.2	80.7	\$14.32	\$110.93
2014	1,160	314	0.65	3,587,639	7,641	84.0	86.3	\$9.73	\$104.06
2015	1,182	295	0.62	3,440,748	7,390	84.1	85.9	\$8.66	\$88.04

Acquired in 2007, Bolañitos is our second and most profitable mine. The property covers approximately 2,500 hectares, located 10 kilometres northwest of the city of Guanajuato, in Guanajuato state, in Mexico’s second-largest historic silver mining district. Good local infrastructure includes access by municipal roads, power from the state power grid and readily available supplies, services, and local labour in the nearby city of Guanajuato. The Bolañitos sub-district is characterized by multiple subparallel low-sulphidation epithermal veins typically thousands of metres long, up to 250 metres deep, and ranging from one to 15 metres thick.

Since acquisition, we have discovered seven high-grade silver-gold ore bodies, opened one new mine and completed three plant expansions. There are now two underground mining operations feeding a central, 1,600 tonne-per-day plant to produce bulk silver-gold concentrates. The mine employs approximately 350 people and 220 contractors.

In 2015, Bolañitos produced 1.5 million ounces of silver—exceeding guidance—and 23,966 ounces of gold, totalling 3.1 million ounces of silver equivalents. Cash costs at Bolañitos in 2015 were \$4.31 per ounce of silver, while all-in sustaining costs were \$11.79 per ounce of silver (both net of gold credits).

Over the year, we developed the new La Luz-Asunción (LL-Asunción) mine, and successfully transitioned our main production to it from the Lucero mine. We further explored and delineated the LL-Asunción ore body, drilling more than 9,500 metres in 39 holes, and developed another 4.1 km of the underground mine.

In 2016, the mine will continue to produce 800 to 900 tonnes of ore per day, primarily from the LL-Asunción deposit. In the first half of the year, the plant will operate near to its 1,600 tonne-per-day capacity, as it processes the 75,000 tonne ore stockpile. Given the current price environment for metals, we have put further exploration and mine development on hold until the market rebounds.

Bolañitos



Reserves and Resources

Silver

- 1.4 million ounces of proven and probable silver reserves
- 5.1 million ounces of measured and indicated silver resources
- 7.1 million ounces of inferred silver resources

Gold

- 32,550 ounces of proven and probable gold reserves
- 65,550 ounces of measured and indicated gold resources
- 113,900 ounces of inferred gold resources

* For details refer to the complete Reserves and Resources table on the inside back cover



	Plant throughput (tonnes/day)	Grades (grams/tonne)		Production (ounces)		Recoveries (%)		Cash cost (\$/oz Ag)	Direct costs (\$/tonne)
		Silver	Gold	Silver	Gold	Silver	Gold		
2013	1,947	149	2.63	2,881,816	51,652	84.6	96.0	(\$2.87)	\$78.47
2014	1,556	148	2.36	2,396,179	37,108	88.7	86.1	\$1.94	\$87.44
2015	1,247	118	1.99	1,449,773	23,966	83.9	82.3	\$4.31	\$71.97

El Cubo



Acquired in 2012, El Cubo is our third and highest cost mining operation. Our property covers approximately 8,150 hectares located in the same district as Bolañitos, six kilometres southeast of the city of Guanajuato. Access is by municipal road and infrastructure includes the state power grid, and local labour, supplies and services in the city of Guanajuato.

Similar to Bolañitos, the El Cubo sub-district is characterized by multiple low-sulphidation epithermal veins typically thousands of metres long, up to 400 metres deep, and ranging up to 15 metres thick. The El Cubo mine is comprised of four underground mining operations feeding a central plant which was expanded to 2,000 tonnes per day in 2015 and produces high-grade silver-gold concentrates. The mine provides employment for approximately 700 employees and 650 contractors.

In 2015, the mine produced 2.3 million ounces of silver, meeting guidance, while gold production of 28,634 ounces, was below guidance, due to lower than planned grades and recoveries. Production totalled 4.3 million ounces of silver equivalent. Cash costs were \$10.56 per ounce of silver, while all-in sustaining costs were \$22.15 per ounce of silver (both net of gold credits). In

2015, we completed a planned second phase of the expansion, from 1,500 to 2,200 tonnes per day, a significant achievement, which added efficiencies and lowered costs.

We completed 11,197 metres of exploration this year, drilling 47 holes. We explored and delineated the Villalpando-Asunción (V-Asunción) ore body, and extended the V-Asunción and Santa Cecilia mines to increase production. However, despite our success in expanding the operation and reducing costs, market prices continue to present a challenge. Until prices rise, El Cubo will not be profitable, and accordingly, we have suspended all new investments in exploration and development until silver market conditions improve.

In 2016 we plan to mine out the accessible reserves, which means the mine's production will steadily decline until the fourth quarter, when production will cease and the mine will temporarily go on care and maintenance until metals prices recover.



Reserves and Resources

Silver

- 4.5 million ounces of proven and probable silver reserves
- 5.0 million ounces of measured and indicated silver resources
- 7.3 million ounces of inferred silver resources

Gold

- 64,690 ounces of proven and probable gold reserves
- 1.2 million ounces of measured and indicated gold resources
- 100,800 ounces of inferred gold resources

* For details refer to the complete Reserves and Resources table on the inside back cover

	Plant throughput (tonnes/day)	Grades (grams/tonne)		Production (ounces)		Recoveries (%)		Cash cost (\$/oz Ag)	Direct costs (\$/tonne)
		Silver	Gold	Silver	Gold	Silver	Gold		
2013	1,089	107	1.57	1,159,026	17,142	86.1	86.8	\$18.77	\$113.31
2014	1,132	105	1.59	1,228,256	18,146	88.0	85.9	\$16.40	\$99.89
2015	1,855	119	1.52	2,288,145	28,634	88.1	86.3	\$10.56	\$80.60

Exploration

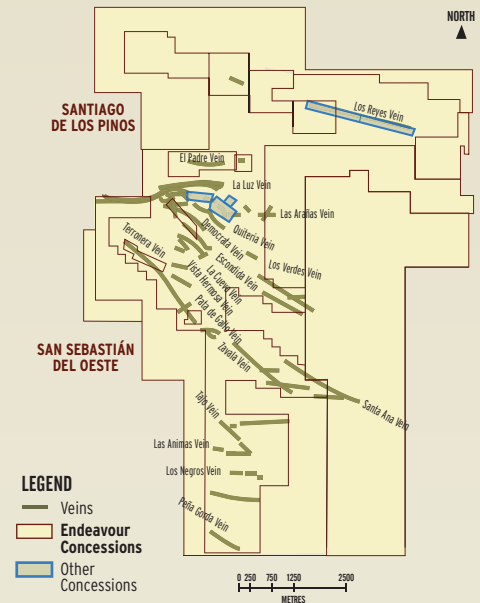
Our next phase of growth will come from the Terronera project, located in Jalisco state, Mexico, about 40 km northeast of Puerto Vallarta in the historic silver mining district of San Sebastián. This is an advanced project with very promising results. Our property covers approximately 6,100 hectares, and is well served by local infrastructure, including a paved highway, state electrical power, local labour, supplies and services, and a company camp.

The Terronera property is characterized by multiple low-sulphidation epithermal veins up to five kilometres long by 300 to 500 metres deep by 1 to 30 metres thick. We optioned a 100% interest in the property in 2010, commenced exploration drilling in 2011, and discovered a new high-grade, silver-gold mineralized zone in 2012. In 2013, we exercised our option to purchase the property for \$2.75 million.

The Mexican government approved our Environmental Impact Assessment in late 2014. Last year, we completed 6,133 metres of exploration infill drilling in 27 holes. Our deep drilling intersected the highest grades yet found on the property. We expanded and delineated the silver-gold mineralization vein system, which is now over 1,400 metres long, 200 metres deep, up to 10 metres thick, and still open along strike to the southeast and down dip. Surface sampling of several other veins identified many new targets.

In January 2015, we released an updated resource estimate, which was followed in May by a preliminary economic assessment (PEA), which used a base case of 1,000 tonnes per day, producing 2.0 million ounces of silver and 15,000 ounces gold annually. We initiated work on a pre-feasibility study, but slowed down when metals prices dropped in the third quarter. Work resumed in 2016, with a goal of completing a pre-feasibility study on a larger, even more economically robust mine project than forecast by the PEA.

Terronera



Resources

Silver

- 19.9 million ounces of measured and indicated silver resources
- 8.5 million ounces of inferred silver resources

Gold

- 156,000 ounces of measured and indicated gold resources
- 54,400 ounces of inferred gold resources

* For details refer to the complete Reserves and Resources table on the inside back cover

Guadalupe y Calvo

This exploration project is located 300 kilometres southwest of the city of Chihuahua and covers 54,856 hectares in the historic Guadalupe y Calvo mining district. It was acquired with El Cubo in 2012 and is characterized by low-sulphidation epithermal veins with potential for bulk-tonnage and high-grade silver and gold deposits. Guadalupe y Calvo hosts an indicated resource of 7.1 million ounces of silver and 142,500 ounces of gold, plus an inferred resource of 0.5 million ounces of silver and 10,600 ounces of gold in a portion of the Rosario vein. Significant exploration potential remains to be tested on this large prospective property.

Parral

This 37-hectare property is located 210 kilometres south of the city of Chihuahua. Parral was optioned in 2006, and purchased outright in 2011. It hosts medium-grade polymetallic epithermal veins with potential for silver and gold with an indicated resource of 2.6 million ounces of silver and 47,200 ounces of gold, plus an inferred resource of 2.7 million ounces of silver and 36,900 ounces of gold. Our future plans are to acquire more resources in the district, to create the critical mass required for an economical new mine.

Lourdes

Optioned in 2012, this project covers 509 hectares in the historic El Tigre district, in the Sierra El Cubo area, 40 kilometres northeast of the city of Guanajuato in the state of Guanajuato, and about an hour's drive from the Bolañitos and El Cubo mines. It is characterized by low-sulphidation epithermal veins with potential for bulk-tonnage and high-grade silver and gold, and shows the potential for bonanza-grade zones at depth.

Corporate Sustainability



Approach

For Endeavour, corporate integrity and sustainability are essential to our business strategy. Corporate integrity means more than just conducting our business in an ethical manner. In the workplace, it means rigorous safety standards, procedures and training to ensure that our people work in a safe

and healthy manner. In the environment, it means taking extra measures to maintain and improve local ecosystems. In the communities that surround our operations, it means supporting local people and governments to build capacity and enhance their standard of living.

In 2014, we conducted a sustainability analysis, which consisted of interviews with senior executives, an employee survey, and a review of our policies and planning documents. The objective was to benchmark our sustainability performance, in its strengths and gaps so that we can build upon that benchmark to demonstrate our commitment to continuous improvement.

Across the company—from corporate head office to all three operations—people became strongly engaged in the planning workshops. This resulted in distinct, staff-driven sustainability priorities and target-setting for 2015, and a series of longer-term goals.

In early 2015, a strategy was finalized that is very closely aligned with the material issues that are covered in our sustainability reporting: issues including governance, economic, health and safety, labour relations, natural resources (land, water, biodiversity), waste, energy, and social (community) metrics. The strategy is being incorporated into our management systems.

Also in early 2015, we incorporated the targets in the strategy into individual performance goals. The new goals will form part of our 2016 individual performance evaluations. In mid-2015, the strategy was reviewed, and in January 2016, we completed a review of 2015's achievements. The leaders of each area will establish goals for 2016 to move the process forward.

This process has helped staff align themselves to the company's priorities, and helped the company evaluate individual performance in a more objective way.

Letter from the Chairman of the Sustainability Committee

To our Stakeholders,

For Endeavour, 2015 was a year of remarkable progress in sustainability. Our safety statistics improved significantly, and productivity increased. The tailings management systems at all three of our mines were tested, evaluated, and upgraded as required. Despite the declining revenues that affected the entire industry, we held to our commitments to continuous improvement in environmental performance and workplace health and safety, and in sharing the benefits of mining with our host communities. Sustainability with integrity: it's the Endeavour way.

This is our fourth Sustainability Report, and the third to follow the reporting guidelines of the Global Reporting Initiative's G4 standard. It covers the period of January 1 through December 31, 2015.

The topics covered are those required by the GRI, including many that are specific to the mining industry. In addition, we followed the guidance of internal and external stakeholders, as determined in materiality surveys conducted in recent years. Their input helped shape this report, specifically in the benchmarks that measure our performance with respect to governance, sustainability practices and culture.

Protecting the Health and Safety of our People

Endeavour is known for acquiring operationally challenged mines and turning them around. When it comes to workplace safety, this has meant a major commitment to developing a safety-first culture where none may have existed previously.

In 2014 we continued with our Five-Point Safety Inspection Program and brought in highly experienced external safety consultants to review and improve our standards and practices.

I must note, with regret, that there was a fatal accident early in the year, and I would like to express our sympathies for the worker's family and friends. As the year progressed, however, our safety statistics steadily improved. Incidents of all descriptions dropped, especially serious "near misses". Most remarkably, these improvements came alongside major gains in productivity, meaning our people are working more efficiently and more safely.

For 2016 and beyond, our objective is to build momentum for this new attitude, so that safety consciousness is part of everyone's workday. We continue to strive to be a zero-fatality organization.

Supporting our Neighbouring Communities

At Endeavour, it is a core policy that we preferentially hire people from local communities, and whenever practical, we use local suppliers and businesses. We understand that a business is not sustainable unless the nearby communities also benefit.

At our Terronera project, for example, we are striving for early engagement with the local labour force. We have recruited a group of 30 local people who will be sent to our Bolañitos mine for training, so they can return home with the employment opportunities and corresponding skill sets to help this early-development project move forward.

We also seek a diversified workforce: approximately 10% of our workforce is female. Our concentrator plants and exploration teams have significant female participation. We are constantly working to raise that number, through recruitment programs and training programs geared toward women.

In the town of La Luz, near the Bolañitos mine, we have helped a successful pastry-making enterprise and a jewellery business get on their feet. The jewellery business has a symbiotic relationship to the mine, as we donate the polishing equipment, along with quartz and amethyst from the mine, which the business owners turn into jewellery that is sold to tourists in nearby Guanajuato. These are only two examples of our ongoing efforts to build a sustainable economic base in our mining communities in preparation for the eventual closure of the mine.

In Mexico, we contribute to education and training through partnerships with colleges that provide education for community members. The courses offered are mostly focused on high school programs, and provide education in-person and online. In Canada, we have sponsored scholarships in earth sciences at two Canadian universities. 2015 was the last year of a five-year sponsorship commitment.

Respecting our Environment

The complete details of our environmental performance can be found elsewhere in this report, but this year, our focus was on tailings management. After tailings-related incidents elsewhere in the industry, we felt it was essential to reassure ourselves, and our stakeholders, of the safety of our tailings management facilities and practices. We engaged international experts for detailed reviews. We re-examined the design and status of our facilities, and upgraded where necessary. I am pleased to be able to reassure our workers and their home communities of the safety of our facilities, and of our diligence in maintaining them to the highest standard.

In Recognition of our Mexican Colleagues

I would like to close this letter with a special note. A celebration, if you will, of the accomplishments of our Mexican workforce. We are a Canadian company, but the great majority of our workforce is Mexican, and over the past year, they have taken on a complete safety retraining and the demand for greater productivity while transitioning through staff reductions. And they rose to the challenges. Our productivity is up, and we are operating more safely than ever. However, our efforts were not enough to maintain a profit margin at such low metal prices, so we plan to put El Cubo on care and maintenance by year-end. We hope it will be short-lived, but realistic economic management is essential to our ability to operate sustainably at today's low metal prices.

Ken Pickering
Chair, Sustainability Committee
May 2016



This year's achievements are a credit to the entire Endeavour team, a real testament to the quality of our Mexican workforce, and I'd like to take this opportunity to say thank you.

About our Company

Headquartered in Vancouver, Canada, Endeavour Silver Corp. is a Canadian mining company engaged in the evaluation, acquisition, exploration and development of precious metals properties in Mexico and Chile.

Our Customers and Markets

Our operations produce silver-gold concentrates and silver-gold doré bars for global markets. Doré from Guanaceví is shipped to a refinery in Torreon and the bullion is then sold to end users through the London Metals Exchange. Concentrates from Bolañitos and El Cubo are transported by truck to a port in Manzanillo and sold to metals traders, who then blend with other ores and resell to international smelters.

Our Supply Chain

Endeavour's operating mines and exploration sites are serviced by a comprehensive network of contractors and suppliers. Our supply chain includes several Mexican companies, and a number of international distributors, which provide a range of mining-related supplies and services. Our contractors and subcontractors provide a variety of services, ranging from underground development and security, to refining, and metals sales, to transportation and trucking, fuel supply, equipment and parts, aviation, food services, and telecommunications. Our agreements with contractors include the expectation of adherence to all of Endeavour's policies and procedures, including our Code of Business Conduct and Ethics.

In 2015

52%
of our silver was
produced in doré.

12%
of our gold was
produced in doré.

48%
of our silver was
in concentrate.

88%
of our gold was
in concentrate.



We find, build, and operate quality silver mines in a sustainable way to create real value for stakeholders.

Commitments to External Initiatives

At Endeavour, we are committed to international best practices and standards, including those required by certain industry certifications. In 2015, Endeavour endorsed or adopted the following voluntary external initiatives and/or achieved the following certifications:

Gender Equity Model Certification	In 2013, all our sites received gender equity certification from the National Institute for Women, in recognition of our adoption and adherence to policies and practices which value and support gender impartiality and fairness in the workplace. The certification is valid for three years.
Global Reporting Initiative (G4) Sustainability Reporting Guidelines	The framework for our sustainability reporting since 2013.
Greenhouse Gas (GHG) Protocol for Calculating Emissions	Protocol adopted, as per the World Business Council for Sustainable Development (WBCSD) and the World Resource Institute (WRI) since 2013.
Healthy Environment (Entorno Saludable) Certificate	Guanaceví's certification, from the Ministry of Health of the State of Durango, was renewed again in 2015.
ISO 9001	Mines with labs are ISO 9001 certified; Guanaceví since 2012, Bolañitos since 2013, with annual certification audits.
Socially Responsible Company (Empresa Socialmente Responsable) Distinction	All operations were awarded this distinction by the Mexican Philanthropy Centre (CEMEFI) and the Alliance for Social Responsibility in Mexico, which recognizes organizations that have committed to implementing a socially responsible management approach with continuous improvement as part of their business culture and strategy. Bolañitos and El Cubo first received this distinction in 2013, Guanaceví in 2014, and all three have had their certifications renewed annually.

Memberships and Associations

Our involvement in industry associations enables our people to build and maintain relationships with key organizations and peers, and helps us to share industry best practices and remain current on issues and trends in public policy and the mining sector.

In 2015, Endeavour was a member or participant in the following industry associations:

- Mexican Mining Chamber (CAMIMEX – Cámara Minera de México)
- Mining Task Force of the Canadian Chamber of Commerce in Mexico
- Several employees, representing all operations, are members of the Mining Engineers Association
- Bolañitos and El Cubo are part of the State Commission for Occupational Health and Safety (COCOESHT - Comisión Consultiva Estatal de Seguridad e Higiene del Trabajo). Their work is mostly focused on identifying and responding to industry needs in health and safety issues
- Confederation of Industry Chambers (CONCAMIN – Confederación de Cámaras Industriales)
- Institute of Corporate Directors (Canada)
- The Silver Institute
- Prospectors and Developers Association of Canada (PDAC)
- Association for Mineral Exploration British Columbia (AMEC BC)

About this Report

Reporting Framework and Cycle

REPORTING PERIOD

Jan. 1, 2015 – Dec. 31, 2015

DATE OF LAST REPORT

Dec. 31, 2014

REPORTING CYCLE

Annually

REPORTING FRAMEWORK

Global Reporting Initiative (G4)

IN ACCORDANCE OPTION

Core

This report provides performance data on the three core aspects of our sustainability strategy: expanding our commercial success, minimizing and mitigating the environmental impacts of our business, and improving the quality of life for our employees and nearby communities.

This report includes sustainability performance data from our three producing silver mines: the Guanaceví mine in the state of Durango, and the Bolañitos and El Cubo mines in the state of Guanajuato; as well as relevant performance data from our exploration group. Our human resources indicators cover all operations and exploration sites, as well as our corporate head office in Vancouver, Canada, and the administrative office in León, Mexico.

This report should be read in conjunction with our Annual Information Form, Management’s Discussion and Analysis, and Financial Statements filed on the System for Electronic Document Analysis and Retrieval (SEDAR) and

on the Electronic Data Gathering Analysis and Retrieval system (EDGAR), for a more comprehensive picture of Endeavour (including consolidated financial statements and technical information containing resources, reserves, and exploration projects). In this reporting period, there have been no significant changes to our size, structure, ownership or supply chain.

This report also includes ten ‘comprehensive’ General Standard Disclosures relating to our governance and sustainability stewardship. General standard disclosures and performance indicators included in this report and their respective locations are included in our Content Index located at the end of this report.

Verification and Assurance

We do not currently have a policy in place regarding sustainability report assurance; however, we place a high priority on accuracy and quality control in our reporting, in order to maintain the trust of our reading audience and key stakeholder groups. For future reporting, we are considering independent assurance and/or verification, as this can increase credibility and lead to process improvements.

At present, our sustainability reports are prepared by management, with the assistance of independent sustainability consultants. Our reports are reviewed by our Board for internal data verification and quality control, and to ensure our material issues are appropriately represented and covered. The Board also ensures the reports’ contents are integrated with those governance protocols, procedures, and practices that guide Endeavour’s sustainability performance. The Board believes these measures provide a suitable level of assurance in the report.



Certain financial figures contained within the report were audited, however it should be noted that non-financial performance figures and certain financial figures (indicated) are unaudited.

Defining Report Content: Sustainability Topics

This report covers the sustainability-related issues that are considered material – those aspects of Endeavour’s economic, environmental, and social impacts that our stakeholders feel are the most important, and which they wish us to report on. For the purposes of this report, we view material issues as those topics that:

- have a direct or indirect impact on our business, including the ability to create and preserve economic, environmental and social value
- have the potential to influence the perception of stakeholders who make decisions or assessments regarding our significant economic, environmental, and social impacts

Materiality, therefore, is the threshold at which these topics or issues become sufficiently important that they should be managed, measured, and reported.

To identify the sustainability topics that are material, we apply industry standards and follow the guidance of the GRI (G4) Reporting Principles. Every two years, we also conduct a materiality assessment, in which we survey key stakeholders. The last assessment was conducted in the fall of 2015.

We strive to be inclusive in our definition of stakeholders, because the materiality process is key to informing us of internal and external risks and priorities, as well as issues of importance in an overall sustainability context. The 2015 materiality assessment process consisted of the identification of material sustainability topics, the prioritization

of these topics, and verification of our analysis. Quantitative and qualitative data was gathered through employee interviews and workshops, and also included the following external stakeholders: community members, government authorities, union leaders, land owners, contractors, suppliers, artisanal miners, lenders, financial analysts, and shareholders. Internal leadership and operational management workshops combined with interviews and ranking exercises formed the basis to guide the consensus on, and prioritization of material issues to be managed, measured, and disclosed through our sustainability reporting process. Other sources included internal corporate standards and governance documentation, industry peer reports, international best practices frameworks and policy developments, and the media.

Aspect Boundaries – Where Impacts Occur

Our material issues may impact or affect stakeholders inside our organization (Endeavour and its subsidiaries, as defined by our financial reporting), outside our organization, or both. For each of our key material aspects listed below, we have described whether the impacts occur within our organization, and/or whether significant impacts are believed to affect or extend to stakeholders outside the organization. Our aspect boundaries are included in both the narrative of the report and are also coded by material aspect in the G4 Content Index at the end of this report.



2015 Sustainability Priorities

ACHIEVED PARTIALLY ACHIEVED NOT ACHIEVED

TARGETS RESULTS

Governance

Update and translate the Corporate Safety Policy and the Corporate Social Responsibility Policy, include in training and integrate throughout the organization	All were updated
Develop and implement a gender diversity policy	Available in English and Spanish

Economic

Improve free cash flow per share	Not Achieved
----------------------------------	--------------

Our People

SAFETY

Zero fatalities	1 fatality
Achieve minimum 18% reduction in the Reportable Injury Frequency Rate	Average was 31% reduction
Establish an operator training program at all mines	A new coordinator was hired, who has been training employees
Re-establish a Women’s Mine Training program at all sites	Re-established at Guanaceví

HEALTH

Standardize health monitoring systems across the operations	Not complete
Improve ventilation (1,000 metres through three new raise-bore holes)	1,335 metres drilled
Achieve zero lost time injuries related to ventilation	Zero lost time injuries related to ventilation

LABOUR

Reduce turnover rate by at least 20%	Rate reduced by 28% overall. Guanaceví and Bolañitos reduced turnover by over 50%.
Provide an average of 30 hours of training per year per employee	Training per employee averaged 56 hours, including induction training for new employees. Excluding induction, training averaged 49 hours, mostly related to safety.

Environment

Standardize waste and water monitoring systems across the operations	Waste management is now standardized across all operations. Water management standardization is in progress: new meters are being installed to allow accurate and consistent tracking, and to provide more data on recycled water.
Zero spills	No Spills
Maintain the recycling water percentage above 80%	Percentage of recycling water was 89%
Reduce energy consumption by at least 4%	In absolute numbers, energy consumption reduced by 5%.

Social

Document complaints/comments/requests received and response/action taken for both operations and exploration activities.	We have implemented a database at all three sites to track complaints, comments, and requests from the community, however for exploration this is pending.
Identify potential economic diversity projects at one of the sites and develop at least one social closure action plan	In development

Priorities and Targets

2016 Sustainability Targets

Governance

Establish a grievance mechanism for Guanaceví
Update the procurement policy to integrate sustainability principles

Economic

All-in sustaining costs (AISC) measure of less than \$12.50/oz
Consolidated direct costs less than or equal to \$80/tonne

Our People

SAFETY

Zero fatalities
Achieve a 10% reduction in the Reportable Injury Frequency Rate

HEALTH

Standardize health monitoring systems across all operations
Achieve zero lost time accidents related to lack of ventilation

LABOUR

Reduce turnover rate by 2%
Provide an average of 30 hours of training per employee

Environment

Standardize water monitoring systems across all operations
Zero spills
Maintain the recycling water percentage above 80%
Reduce 5% of our energy consumption

Social

Identify and implement potential economic diversity projects in Guanajuato
--

Governance

Our Code of Business Conduct and Ethics applies to all of our people, all of the time, wherever Endeavour conducts business.

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Governance – Our Principles

Approach

At Endeavour, our most important shared values are honesty, integrity, and accountability.

We are committed to this corporate culture: we do what we say we are going to do, and we strive to ensure our policies and practices extend beyond regulations and laws.

Business Ethics

Values and Ethics

Ethical conduct is a fundamental value at Endeavour. We have adopted a Code of Business Conduct and Ethics (the Code) to promote honest and ethical conduct, full, fair, accurate, timely and understandable disclosure, and compliance with applicable governmental rules and regulations. To ensure and monitor compliance with the Code and the high standards we expect, the company provides a copy of the Code to each new employee, who is requested to sign, acknowledging they have read and understood its content. We share the Code with our contractors, suppliers, and service providers so they also understand, and can act and

behave in accordance with these standards. It is available on our corporate website in English and Spanish.

The Code was last revised and updated in late 2013. At that time we included specific language relating to payments to domestic and foreign officials, and incorporated the specific expectation that employees and officers of the company must comply with all applicable laws prohibiting improper payments to domestic and foreign officials, in accordance with the Corruption of Foreign Public Officials Act (Canada).



2015 - 2016 Board of Directors
(missing Rex McLennan)



Conflicts of Interest

Embedded within the Code are definitions and expectations relating to the avoidance of conflicts of interest. Employees, officers, and directors are expected to avoid all situations where personal interests or activities interfere, or appear to interfere, with the interests of the company. Activities that could give rise to a conflict of interest, or the appearance of a conflict of interest, are prohibited unless specifically approved in advance by the Board of Directors or, in the case of an employee, a member of senior management. Where a potential conflict involves a Board member (i.e. where a Board member has an interest in a material contract or material transaction involving the company), the Board member involved will be required to disclose his or her interest to the Board and refrain from voting at the Board meeting of the company considering such contract or transaction in accordance with applicable laws.

Whistleblower Policy

Our Whistleblower Policy provides for open communication and the anonymous reporting, without fear of reprisal, of any unethical or illegal activity or behaviour, which violates the Code. The Whistleblower Policy is contained within the Code, and its existence and access is included in the induction training of every new employee and displayed in common areas of all sites. Concerns can be reported, on a confidential and anonymous basis, by mail, email, or by telephone in both English and Spanish. Reports are directed to the Chairman of the Audit Committee. Details are outlined in our Whistleblower Policy.

We foster a work environment free from discrimination against gender, race or ethnicity, and we do not tolerate any form of harassment.

Disclosure Policy

Endeavour has a stand-alone policy reflecting our commitment to timely and accurate disclosure of all material information and providing fair and equal access to material information. The policy provides the understanding of, guidance for, and structure to, the company's disclosure of material information, to ensure compliance with all legal and regulatory requirements.

Anti-Corruption and Anti-Bribery

Endeavour adheres to best practices with respect to anti-corruption behaviour, and has a zero-tolerance policy for bribery and corruption by employees, officers, directors, agents, consultants, and contractors. We conduct risk assessments at the management level, and have thorough internal financial controls in place for oversight with respect to the financial aspects of operations that could be affected by corruption.

All personnel must sign off on the Anti-Bribery and Anti-Corruption Policy, which includes definitions and examples of situations that may

constitute bribery and corruption, as well as internal contact points for reporting any corruption or bribery-related concerns.

Human Rights

We value human rights: the respect for, and support of the protection of human rights are embedded in our Code. We are committed to respecting the human rights of people related to, or affected by, our operations. We foster a work environment free from discrimination against gender, race or ethnicity, and we do not tolerate any form of harassment. Employees are encouraged to speak out if a co-worker's conduct makes them uncomfortable, and to report harassment or discrimination if it occurs. Any harassment issues that arise are addressed through the Human Resources department.

In 2015 there was one reported case of sexual harassment; the harasser was dismissed. There were no issues related to the rights of indigenous peoples, as there are no indigenous communities in the vicinity of any of our mining sites.



Child labour exists as a general country risk within Mexico, but Endeavour has strict proof of age policies and hiring procedures in place at all sites, preventing anyone under the legal working age of 18 from obtaining employment. This proof of age requirement extends to our contractors. Local prevailing attitudes are not supportive of under-aged persons working in industrial positions.

Governance of Sustainability Issues Board of Directors

Endeavour’s Board of Directors oversees the company’s business conduct and strategic planning and ensures that appropriate governance mechanisms are in place, including the integrity of our internal controls and management information systems. The board appoints the CEO and provides direction, support and oversight of senior management, with a focus on enterprise risk management, strategic planning and resource management; providing assurance that the Company has in place effective policies, processes, systems and controls in these key areas.

Our policies and Code guide the Board’s oversight, including accountability to stakeholders through policies and communications with shareholders and others, and the Board’s relationship with management—who are responsible for setting long-term goals and objectives for the company, formulating plans and strategies necessary to achieve those objectives, as well as the day-to-day management of the company.

The Endeavour Board is composed of seven male members; five of whom are independent, non-executive Directors, including the Chairman of the Board. Members of our Board achieve their responsibilities both directly and through Board committees. The Endeavour Board has four committees including the (1) Audit Committee, (2) Compensation Committee, (3) Corporate Governance and Nomination Committee and (4) Sustainability Committee.

The company has a Diversity Policy in place, which recognizes the benefits arising from board, management and employee diversity.

The Board is accountable to, and considers the interests of our wide array of stakeholders, including but not limited to: shareholders,

employees, contractors, community members, government authorities, and customers.

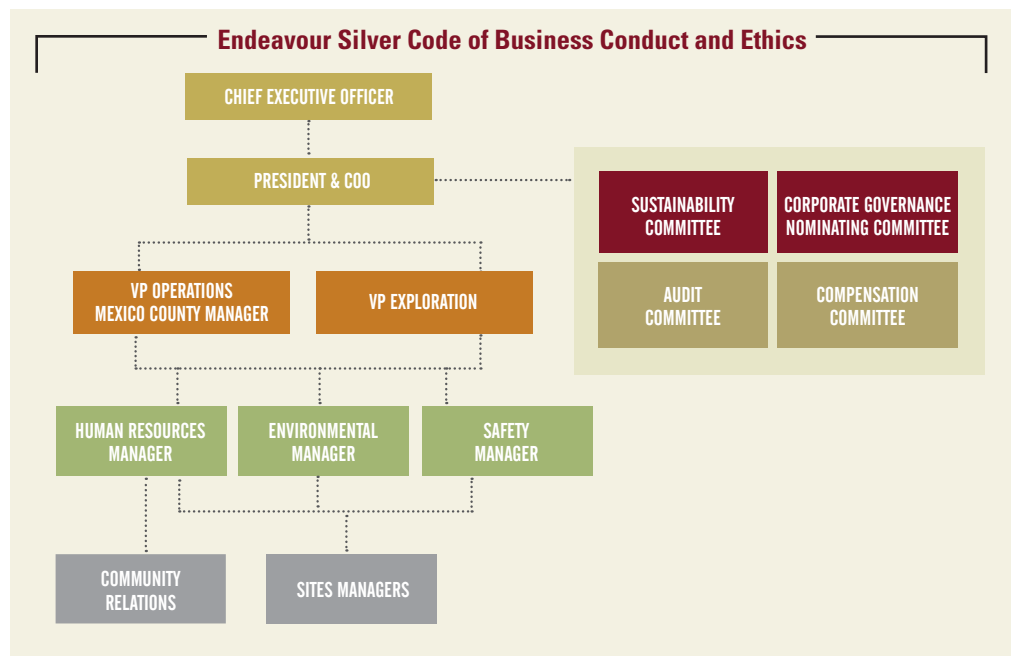
Management of Sustainability Issues

Two Board committees have oversight for our sustainability strategy and decision-making regarding the economic, environmental, and social impacts of our company: the Sustainability Committee and to a lesser extent, the Corporate Governance and Nominating Committee. Guided by our Sustainability Policy, the Sustainability Committee meets at least three times per year and promotes sustainability as a core company value, encourages a corporate culture that takes responsibility for sustainable development, and approves and implements policies, standards, systems, and responsible work practices that guide the performance and expectations of our employees, contractors, and other key stakeholders.

In addition to the Sustainability Committee, the senior executives who formally review and approve the Sustainability Report—who also ensure that all subjects identified as “material aspects” receive coverage—include the Chief Executive Officer, President and Chief Operating Officer, Chief Financial Officer, and Vice President Corporate Development.

Governance Structure

Governance structure and communication flow for the management of sustainability performance



Stakeholder Engagement

Our ongoing objective is to operate with integrity as a responsible mining company; to minimize and mitigate any negative impacts and to provide beneficial impacts to society throughout the entire mining cycle.

We identify our stakeholders as those who may be impacted by our operations. We prioritize the stakeholders—groups and individuals—on the basis of who we believe are most impacted or influenced over time. This is an ongoing process that requires continuous monitoring and updating.

We work with all of our key stakeholders groups to incorporate their feedback and concerns, and to share ideas on how to generate mutual benefit from our operations. This committed, ongoing approach to stakeholder engagement contributes to trust and credibility, and to our ability to communicate effectively with our stakeholders in order to maintain our long-term social license to operate.



We work with all of our key stakeholders groups to incorporate their feedback and concerns, and to share ideas on how to generate mutual benefit from our operations.

Stakeholder Groups

The key stakeholder groups we engaged with in 2015 (in alphabetical order) and some of their topics of shared interest:

Church Leaders

Workplace safety, support of local projects, preservation of religious and traditional activities

Community Members

Employment opportunities, workplace safety, transportation/air quality (dust), shared water sources, waste rock management

Contractors

Working conditions/workplace safety, employment stability, food services

Ejidos (Land Owners)

Land use and fair compensation

Employees

Working conditions and workplace safety, employment stability, the role of the union, access to training and development opportunities, wages, food services

Government Agencies

Water usage, environmental concerns – spills, tailings and waste management and associated compliance

Shareholders

Investment returns (shareholder value), impact of union relationships on operations, open and transparent communication by the company

Small Scale Miners

Continuity of business relationship, commodities pricing

Suppliers

Continuity of business relationship with operations, increased compliance expectations

Media

New mining royalty, illegal mining, labour unions

Union Leaders

Working conditions/workplace safety, wages and benefits

Economic

Our business operations stimulate economic activity and contribute to the national and local economies everywhere we operate. Our ability to sustain and grow our business, and to deliver positive economic performance that benefits all our stakeholders depends on our ability to execute a challenging and rewarding business strategy.

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Local Procurement	27



Economic Impact

Approach

Our economic performance affects all of our stakeholders. We regularly monitor our economic performance goals and objectives, conduct risk assessments, and integrate findings into our economic strategy. We continually revisit or alter our direction in light of changing circumstances affecting the company.

Economic value generated in 2015

APPROX

\$183 M

Economic value distributed in 2015

APPROX

\$161 M

Without compromising safety, our operations strive to remain on budget and on schedule for capital and exploration programs to ensure our capital is efficiently deployed. One of our economic goals is to be a low-cost producer, and to do this we must continually train and challenge ourselves to innovate and improve. In 2016, we will be maximizing cash flows while temporarily cutting back on exploration and development, in order to strengthen our balance sheet while we focus on our medium and long-term goals.

Our consolidated financial statements are prepared by management in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and within the framework of the significant accounting

policies disclosed in the accompanying notes to the consolidated financial statements. We measure and review our internal economic success on a per-share basis, including net earnings, operating cash flow, EBITDA, silver production, and mineral resources.

We strive to create real economic activity and wealth over both the short and long term, at both the local and national levels of our operations. Our business strategy embodies our economic approach: we evaluate historic mining districts and acquire under-performing silver mines in need of capital and expertise; we explore to discover new reserves and resources; we fast-track the development of new mines into production; and we drive organic growth and replenish our operations' reserves and resources by repeating this successful formula.



Our Economic Contributions and Impacts

Our business operations stimulate economic activity beyond wages and salaries. We contribute to the national and local economies of Mexico through business opportunities we create with local suppliers, and through the many infrastructure investments that we make. The taxes and royalties that we pay to the Mexican government further support regional socio-economic development. We also create opportunities for social development through training and community initiatives.

Endeavour receives no government assistance and makes no political contributions. In 2015, the total taxes paid to Mexican governments dropped, due in part to the devaluation of the Mexican peso compared to the US dollar, and because of the drop in company income due to lower metal prices and higher costs. In 2015, we paid a new Mexican tax for silver, gold and platinum producers companies (the tax was introduced in 2014, and the first payments were due in 2015). This is a 7.5% tax on profit and 0.5% on sales. About 70% of the taxes collected go into the Mining Fund (Fondo minero), which goes to the state and municipal authorities in mining regions.

Despite maintaining production levels in 2015, revenue fell by \$13 million to \$183 million as the precious metal prices continued to slide.

During 2015, the average price of silver was \$15.70 per ounce, with silver trading between a range of \$13.71 and \$18.23 per ounce based on the London Fix silver price. This compares to an average of \$19.08 per ounce during 2014, with a low of \$15.28 and a high of \$22.05 per ounce. During 2015, the average price of gold was \$1,160 per ounce, with gold trading between a range of \$1,049 and \$1,296 per ounce based on the London Fix PM gold price. This compares to an average of \$1,266 per ounce during 2014, with a low of \$1,142 and a high of \$1,385 per ounce.

Our total economic value generated was approximately \$183 million and the total economic value distributed was approximately \$161 million (as defined by the Global Reporting Initiative).

Economic Value Generated	2015	2014	2013
Revenue ⁽³⁾	183,556	196,928	276,783
Total economic value generated	183,556	196,928	276,783

Economic Value Distributed	2015	2014	2013
Operating costs (excluding salaries)	92,844	102,991	186,006
Employee wages and benefits	43,702	46,800	58,636
Payments to providers of capital	1,041	1,343	1,474
Payments to governments (Mexico – taxes) ⁽¹⁾	14,401	13,166	15,516
Payments to governments (Canada – taxes) ⁽¹⁾	335	533	nil ⁽²⁾
Payments to governments – (payroll taxes) ⁽¹⁾⁽²⁾	7,838	8,542	8,224
Land use payments	644	585	149
Community investment	457	515	480
Total economic value distributed	161,261	\$174,475	\$270,486
Total economic value retained	22,295	\$22,453	\$6,297

⁽¹⁾ Payments to governments: as a publicly-traded company listed on the New York Stock Exchange, we are compliant with the financial reporting provisions of Section 1504 of the 2010 U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, which prescribes mandatory disclosure of payments to governments. A more comprehensive level of detail regarding payments to governments may be located in our quarterly and annual financial statements.

⁽²⁾ Payments to Governments (payroll taxes) – In 2013 and 2014, the tax retained from employees was included in the calculation, this should not be reflected as it is not a direct expense from the company, and all three years are now reflecting this changed (2014 amended from \$13,404 and 2015 amended from \$13,108).

⁽³⁾ As per audited financial statements



Community Investment

At Endeavour, we aim to make a positive difference in the lives of the people in the communities in which we operate. We make every attempt to align community investments with the needs of our community stakeholders, which include: health, education and employability, community infrastructure, environment, sports, and the preservation of culture and tradition. We prioritize vulnerable groups such as women and children.

In 2015, we invested \$286,447 on community initiatives in Mexico, which does not account for staff time (paid or volunteer), devoted to these activities. Of this amount, we invested \$149,470 in infrastructure, the bulk of which was for a new school bus and an ambulance for the Guanaceví community, renovations at the orphanage in Guanaceví, renovations of the main plaza at El Cubo, and pavement of roads and improvements of schools at El Cubo and Bolañitos.



In 2015, our corporate office contributed \$170,104 in support of education, health, and environment-related charities. We reviewed our community investment strategy and chose to reduce our support for Canadian mining education programs, and to focus our funding on education and capacity-building initiatives in Mexico, where most of our current and future employees live.

We also drafted a Community Investment Policy to ensure consistent application and communication of the selection and support criteria. This policy includes documentation processes for community investment requests, follow-up, and tracking.

Additional details regarding our community investment expenditures are located in the Social section.

Local Procurement

Whenever it is possible and economically practical, we purchase goods and services from nearby sources. Not only does it make good business sense, it is one of the most significant contributions we can make to the national and local economies. In Mexico, the vast majority of our mining-related supplies and equipment can be sourced locally. Only certain specialty heavy equipment and mineral processing chemicals must be obtained from international suppliers.

All purchase decisions must be made in compliance with Endeavour's policy on Contracting Services and Working with Third Parties, a local procurement protocol in place at all of our operations. The policy specifies the process for supplier evaluation and qualification, including the ability of the service providers to meet Endeavour's expectations regarding health, safety, and the environment (for those services which could impact the environment). In 2016, the policy will be amended to include a provision specifying that preference should be given to local suppliers and/or contractors in a competitive bidding process.

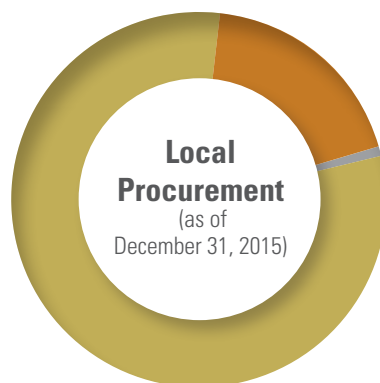
In 2015, we reviewed the local suppliers of goods and services to all three mines, to ensure their compliance with all necessary regulations, and to verify their competitiveness. Several local suppliers were found to have considerably higher prices than national distributors, and as a result our percentage of locally-sourced products and services decreased. Where possible, international suppliers were replaced with national distributors.

In 2015 we procured a total of approximately \$83.6 million in goods and services company-wide. Of this total, nearly \$15 million (18%) was spent within the local districts/states of our mining operations, and nearly \$67 million (81%) was spent in-country.

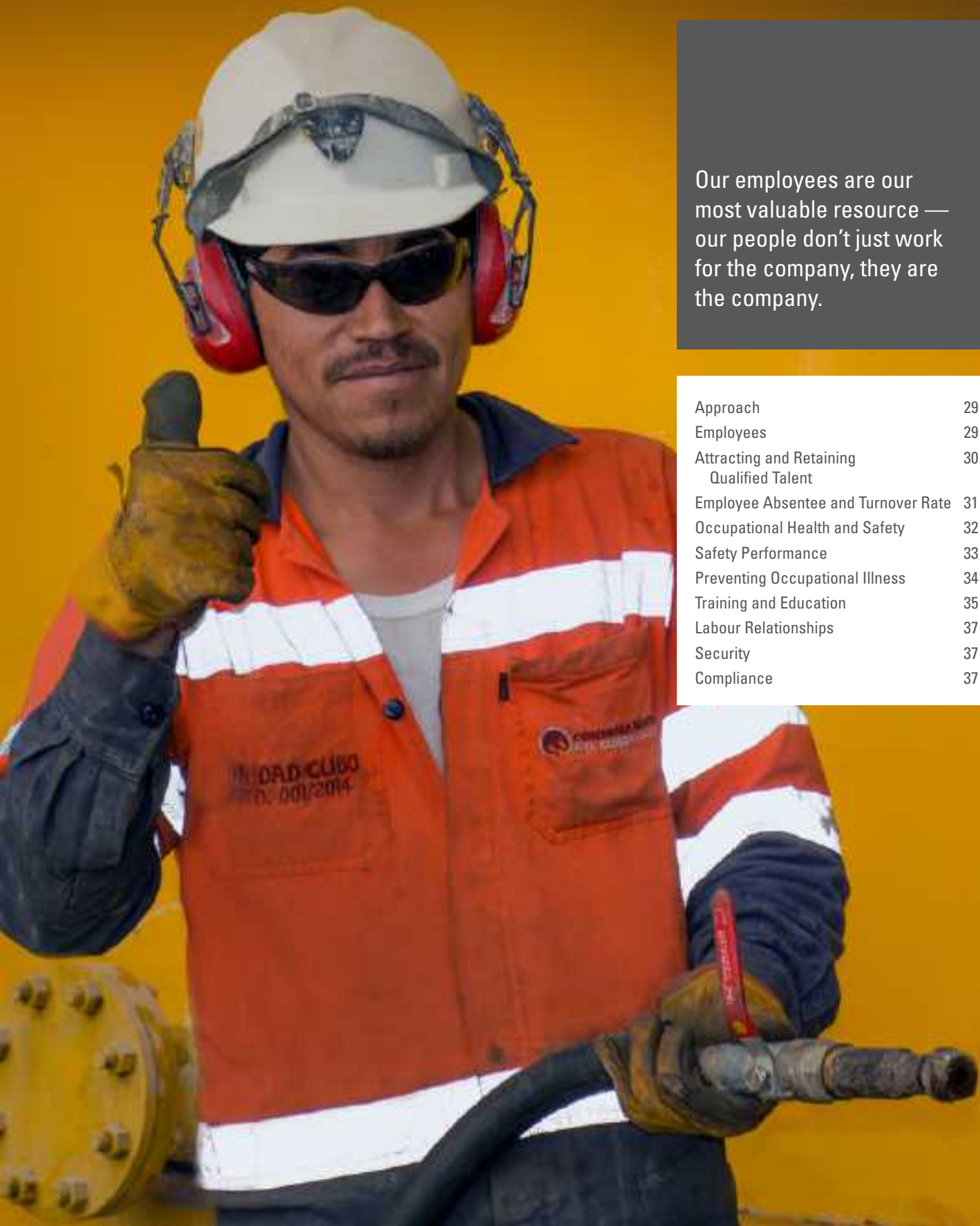
Our total procurement figures were up by 4%, while production increased by 9%, as we have responded to market conditions by reducing our overall operational costs, recycling more, and streamlining our supply chain.

99.2%
of our goods and services were procured within Mexico in 2015.

- **80.5%** within Mexico (other states)
- **18.7%** Local/Regional (within state)
- **<1%** International



Our People



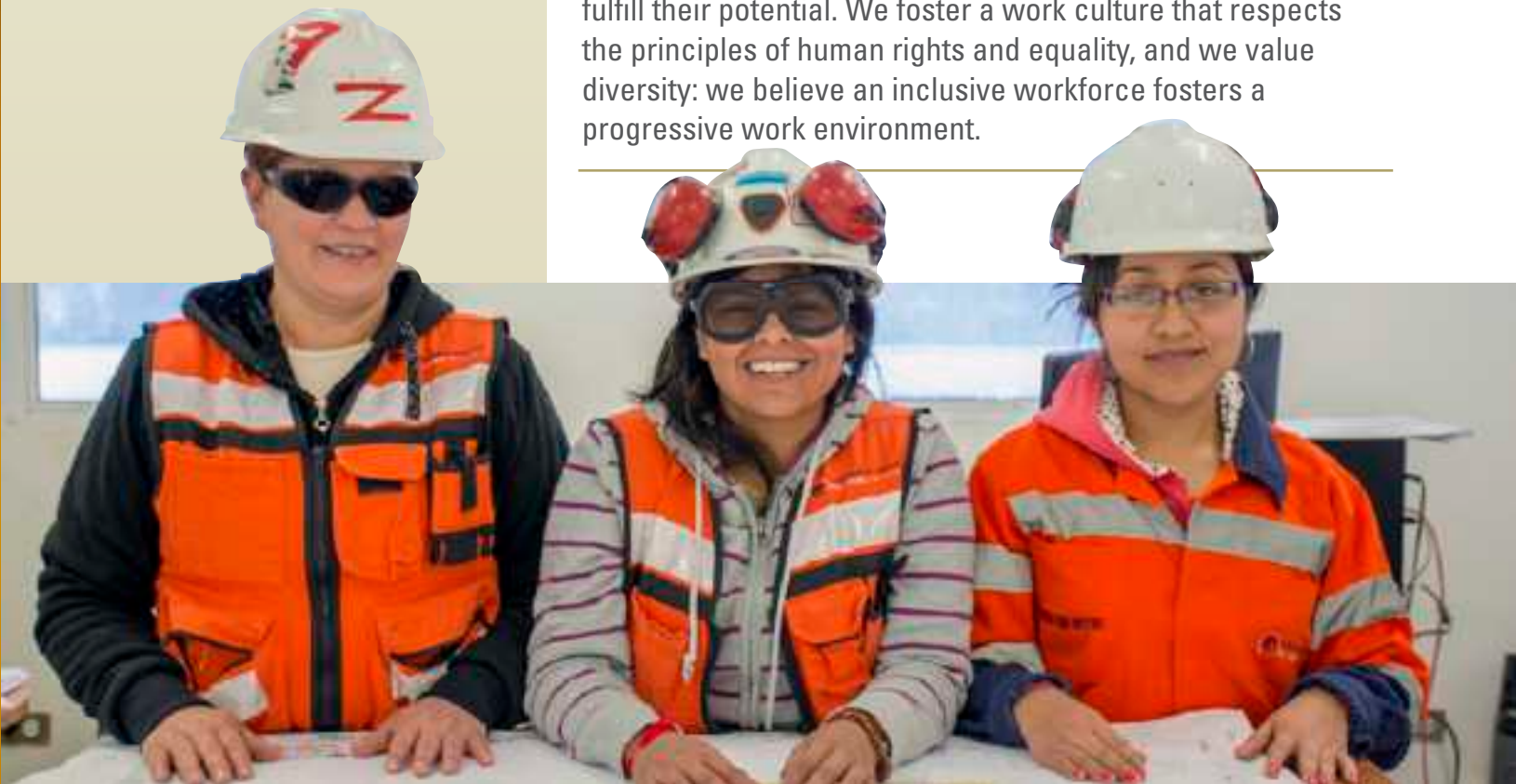
Our employees are our most valuable resource — our people don't just work for the company, they are the company.

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People – Our Most Valuable Resource

Approach

Every business is a people business, and for this reason we consider our employees our most valuable resource. We prioritize and safeguard the health and wellness of our employees, respect them as individuals, and provide opportunities for professional and personal development to fulfill their potential. We foster a work culture that respects the principles of human rights and equality, and we value diversity: we believe an inclusive workforce fosters a progressive work environment.



We place particular emphasis on hiring people from nearby communities, to ensure the community shares in the economic benefits of the operation, and that both company and community enjoy long-term success together.

Our Employees

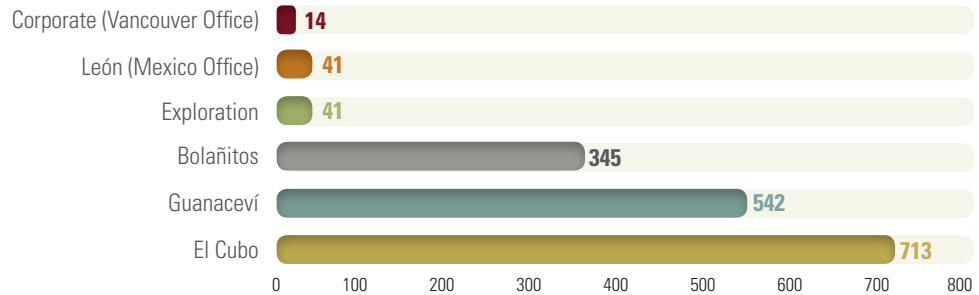
Our business generates full-time and contract employment opportunities, at our exploration and mine sites. We place particular emphasis on hiring people from nearby communities, to ensure the community shares in the economic benefits of the operation, and that both company and community enjoy long-term success together. Our commitment to local hiring contributes to the local and national economies of Mexico, fosters community involvement, and reduces the environmental footprint and impact of a commuter population.

Our human resources policies dictate that we hire from the closest communities first. Only after we have exhausted all possibility of acquiring qualified local and regional candidates—including offering training for suitable candidates—will we seek experienced applicants from outside the country.

As of December 31, 2015, Endeavour employed 1,696 people on a full-time basis (2,688 including contractors) across our three operating mines, our exploration group, the administrative office in León, Mexico, and our corporate head office in Vancouver, Canada.

1,696
Full-time employees

Number of Full-time Employees (as of December 31, 2015)



In 2015, 99% of our on-site personnel in operations, exploration, and administration were from Mexico; 93% from the state where the mine is located and 6% from other parts of Mexico. Only 11% of senior management is international; 89% is from Mexico. When we seek candidates from outside Mexico, it is generally to fill a technical or highly specialized position. We make best efforts to hire qualified expatriates fluent in both English and Spanish to effectively communicate with all employees across the company.

Historically, mining has been a male-dominated industry. We promote equal opportunity and fairness between men and women in the workplace at Endeavour, and we are slowly attracting more women into the industry. However, progress depends on the existence of qualified female candidates, and on interest from potential candidates. Starting salaries for women are the same wages as men for the same job.

Our overall ratio of women to men in the workplace has slightly increased each year, but our ratio remains lower than international averages for mining operations. For underground operations however, this is not unusual. The majority of our female employees work in administrative and surface operations. There are no women in senior management positions at our mining operations, and none in any other

decision-making body. All three Endeavour mines have received Gender Equity Model Certification from the Mexican National Institute for Women, which recognizes organizations that support a culture of equality, are free from discrimination, and enable equitable participation for women.

At Bolañitos total employment was reduced by 39 (35 union, and 4 non-union staff) because of the upcoming closure of the Lucero ramp. There were no major

reductions at the other sites. In the case of upcoming layoffs, we will consider relocation opportunities for willing employees.

Attracting and Retaining Qualified Talent

Attracting and retaining qualified employees is key to the operational stability and the sustainability of our company. We understand both the importance of motivating existing talent as well as attracting new talent.



We offer competitive wages (far higher than the local minimum wage) and benefits, as well as generous safety and production bonuses. We also offer “remote location” salary premiums where applicable. Endeavour participates in the annual salary survey organized by CAMIMEX to ensure (by law) that compensation packages are both competitive and administered according to industry standards. Salaries are reviewed annually as per union collective bargaining agreements.

For full-time and temporary employees, benefits include vacation days, life insurance, private medical insurance, and savings fund contributions. There are some differences, which vary by site, between the benefits offered to union workers and non-union employees.

Both union and non-union employees in Guanaceví receive travel support to and from their hometowns. In 2015, eight female employees took maternity leave, six of whom returned to work.

We also conduct ongoing analyses to ensure employees are being paid according to the job performed and level of responsibility, and that average salary increases are above inflation.

All site workers receive bonuses based on performance in relation to production goals achieved. Approximately 22% of our employees received individual performance reviews in 2015. Most of these people hold supervisory and/or leadership roles, with higher degrees of responsibility.

In each region, we pay attention to recruiting trends and strive to set appropriate strategies to attract new employees. Guanaceví, for example, is the most remote of our sites, and rotating shifts and longer commute times make recruiting and retaining talent a challenge. For several years we have partnered with the *Universidad Autonoma de Chihuahua* to provide a small number of internships for students in mining studies, to assist with a practical component of their education. Depending on availability, some of these students may be offered employment upon completion. We also offer internships to students from other universities as opportunities arise. In 2015, there were 10 students taking internships at Guanaceví.

Employee Absentee and Turnover Rate

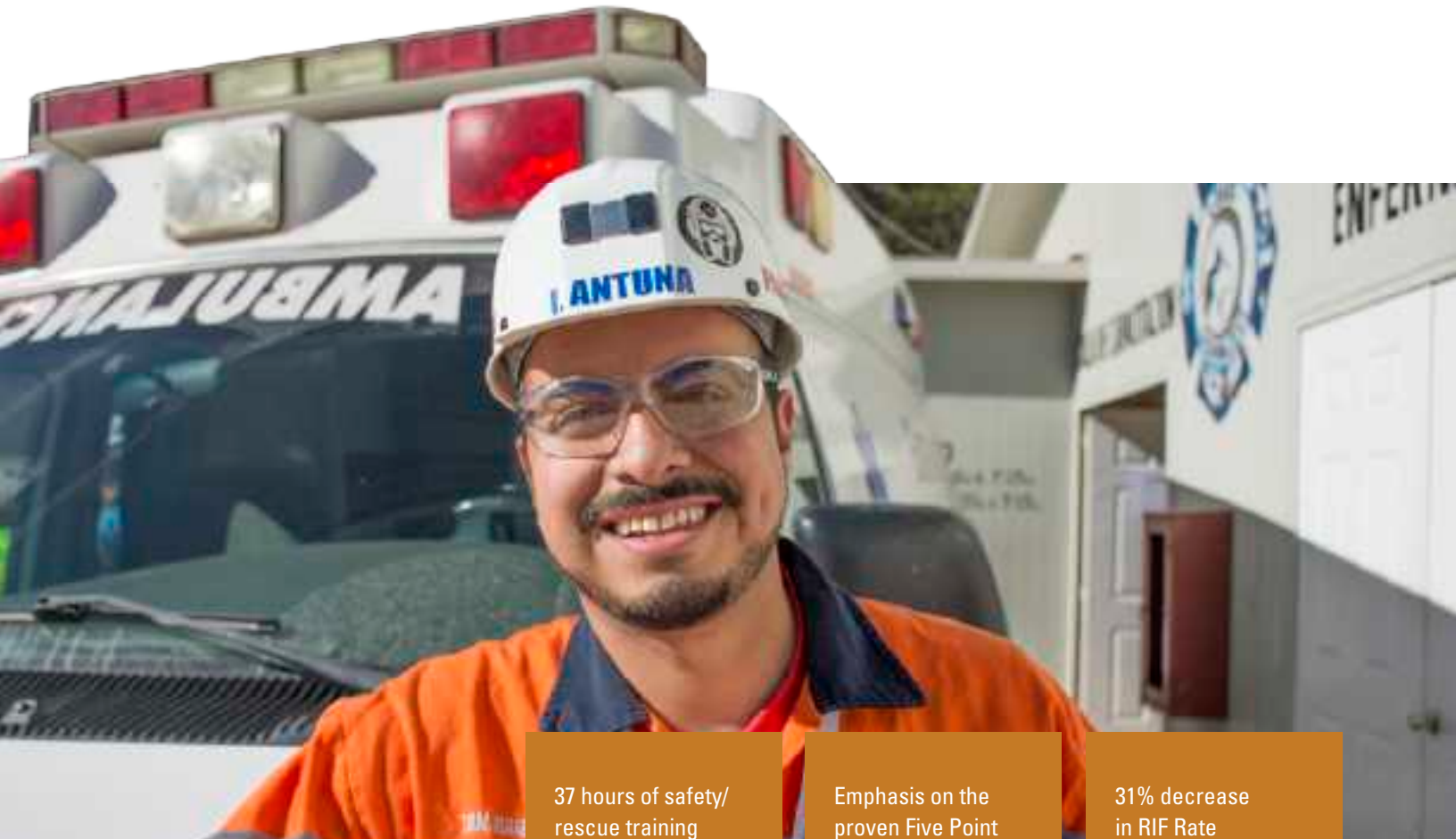
	2015	2014	2013
Cumulative absentee rate	2.25%	3.23%	3.81%
Employee turnover	21%	29%	31%

We offer competitive wages, benefits, generous safety and production bonuses as well as remote location salary premiums.



Health and Safety

We recognize the mining environment can present real hazards. Protecting the health and safety of our workers is our highest priority. Our approach of continuous safety training empowers employees to be responsible custodians of their own health and safety, as well as others. It rewards them for being proactive, and remains a constant component of our health and safety program.



2015 Safety Highlights

37 hours of safety/rescue training per employee, on average

Emphasis on the proven Five Point Safety System

31% decrease in RIF Rate

57% decrease in LTIS rate

Collaborated with the Ministry of Labour in safety training for high-risk topics: hazardous materials, work at height, safe driving, explosives management

El Cubo mine rescue teams won first and second place in mine rescue competitions



All of our mine sites conduct health campaigns for their employees throughout the year.

We set rigorous safety standards. Our safety policies are supported by daily training, pre-shift safety reviews, clear procedures, and regular audits. Every employee is trained in first aid, and participates in a three-day safety training induction program, prior to his or her first shift. Every employee is responsible for maintaining safe conditions and practices in their department.

We provide the latest personal protective and safety equipment and signage; we operate continual safety training programs, provide safety resources and restrictions, and take corrective actions when necessary. Contractors are expected to maintain the same safety standards, and participate in the induction program and relevant safety-related training. Our corporate Industrial Safety Policy summarizes our safety responsibilities and guidelines. It can be found on the Endeavour website.

All of our mine sites conduct health campaigns for their employees throughout the year. These include lung screening, prostate tests, blood tests, cholesterol checks, vaccines, breast cancer screening, and anti-smoking education. Periodic medical exams are provided for employees – both general medical exams and more specific exams based on their type of work.

All sites have been involved with the PREVENIMSS program, a government social security/preventive health program that includes health check-ups and campaigns to prevent common diseases.

Safety Performance

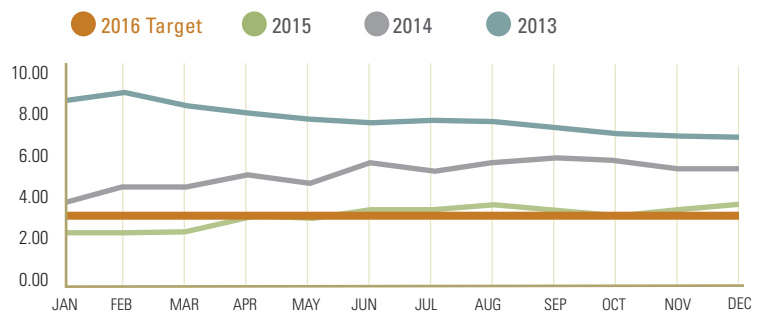
While our overall safety performance showed great improvement in 2015, we regret to report a contractor fatality. In response to this tragic incident, we reviewed and revised our safety policies and procedures, and added more structure to our training programs. We have improved the accident investigation program to better identify and address root causes and provide effective corrective and preventative actions.

There is now a refreshed focus on miner training, and especially supervisor safety training. We encourage increased communication, and a sharing of safety responsibility across departments, to promote the notion that safety is not only the responsibility of safety managers, but of every individual. Everyone—employees and contractors—is encouraged to identify their strengths and weaknesses and apply their ongoing training accordingly. We engage in frequent audits and inspections by safety personnel and safety commissions to identify potential hazards and risks.

Injury Rates 2015

	2015	2014	2013
Reportable Injury Frequency Rate ^[1]	3.76	5.46	7.01
Lost Time Injury Frequency Rate ^[2]	2.19	3.19	4.43
Lost Time Injury Severity Rate ^[3]	247.69	578.14	752.53
Fatalities	1	2	4

Reportable Injury Frequency Rate



^[1] Reportable Injury rate is calculated as (total number of recordable injuries (including fatalities, lost time injury, restricted work and medical treatment injury) x 200,000 hours)/ total worked hours. Safety performance figures are submitted to the Mining Chamber in Mexico using a factor of 1,000,000 hours

^[2] Lost time injury frequency rate is calculated as (total lost time injuries x 200,000 hours)/ total worked hours

^[3] Lost time injury severity rate is calculated as (total lost time days x 200,000 hours)/ total worked hours

Note: Our safety performance figures include both employees and contractors

Our recruitment and staffing policies have emphasized the recruiting and promotion of workers with high potential and a leadership attitude, who will bond effectively into safety teams. Communication and interaction among safety teams has dramatically improved.

Over the year, our Reportable Injury Frequency rate (RIF rate) decreased by 31%, and our Lost Time Injury Severity rate (LTIS rate) decreased by 57%. Nearly one in 10 workers participated in safety committees, such as emergency brigades, mine rescue teams, monitoring groups or evaluation committees—a clear indication of engagement in a growing safety culture.

Every mine has a well-trained, well-equipped mine rescue team. Our first aid and mine rescue teams are highly motivated. At this year's

regional and national mine rescue competitions, the mine rescue team from El Cubo performed at the top of their class, taking first place in the Benchman category and second place in mine rescue. This is a remarkable achievement for the team from our newest mine, with only two years of training.

Bolañitos and Guanaceví have had success with safety incentive programs that reward workers whose work stands as a model of safe work practices.

As the El Cubo mine prepares to wind down operations for its temporary change to care and maintenance status in the latter part of 2016, we expect to face challenges in encouraging staff to maintain their high safety standards. A safety incentive program is planned, in order to promote safety consciousness.



Preventing Occupational Illness

Our occupational health systems are designed to avoid or limit our workers' exposure to harmful substances or situations that could lead to occupational illnesses or disease. We continually strive to improve noise and dust control.

Our procedures comply with local health and safety regulations. However, two cases of occupational health conditions were registered at Bolañitos in 2015: one related to dust-related lung disease, and the other with the same lung disease and hearing loss. Both workers had pre-existing conditions from previous jobs in the mining industry, but were officially registered while employed at Bolañitos.

Our safety targets for 2016 are zero fatalities, a 20% reduction in the Lost Time Injury Severity (LTIS) rate, and a 10% reduction in both the Reportable Injury Frequency (RIF) rate and the Lost Time Injury Frequency rate (LTIF).



We conduct regular risk assessments and implement risk-control programs, and we provide education and prevention training. Our health and safety committees assist with the management and minimization of these potential occupational exposures. We conduct monitoring at each site to prevent exposure to chemical and physical hazards inherent to the work environment. Additionally, we have special procedures for handling hazardous materials such as cyanide.

We monitor relevant workforce bio-markers (lead-in-blood and other blood chemistry) and specific health indicators relating to organ function or other aspects of work-related health, such as lower back testing, as part of the occupational health and safety strategy implemented by each of our sites.

Our health programs also consider risks related to the demographics of our workplace. Support for employees regarding general health awareness and healthier lifestyle choices, inside and outside of the workplace, is also included. In the community around Guanaceví, for

example, the increase in economic prosperity has been accompanied by a reported increase in alcohol consumption. We have zero tolerance for alcohol on the job, and perform random alcohol testing at the beginning of shifts, as a strategy for preventing alcohol-related accidents.

Training and Education

We believe that having skilled, highly-motivated people on staff is fundamental to a successful business. We want people to feel part of the team, to take pride in their work, and have the opportunity to advance through their personal performance.

Every new employee or contractor participates in a three-day induction program where they learn about Endeavour's vision, mission, and values. Key policies and procedures are addressed, including the Code of Business Conduct and Ethics, and specific modules on human resources protocols, union relationships and representation, human rights, and discrimination. We want everyone to feel part of the Endeavour team, and to understand the significance of safety, communication,

and social and environmental responsibility in relation to our business activities.

To ensure that people work safely, we provide a range of procedures, programs, systems and training. We have standardized regular training that employees receive at all of our operating mine sites. In 2015 employees had, on average, 37 hours of safety training, up from 24 hours in 2014. This reflects a major increase in safety training, and also indicates better tracking of training time.

Our training is also focused on developing, improving, and certifying job skills. We have developed partnerships with local technical institutes to provide scholarships for employees to continue their education, focused on basic primary or secondary school level.

In 2015, six workers earned certificates from the *Comite de Certificacion y Normalizacion de capacidades* which identifies workers who have mastered a skill, even though they lack formal education or training in it. This program is a partnership between the mining companies

Health and Safety Committees

In 2015 approximately 10% of our workforce participated on committees that monitor and advise on health and safety conditions, procedures, and programs. All three operations have the following committees or safety groups:

- Mine Rescue Team:** Volunteer employees who receive training on handling emergencies that could occur underground or inside the mine. Training takes place once per week for eight hours and new employees are invited to participate on a quarterly basis.
- Rescue Brigade:** Volunteer employees who receive training once per week, for a full day, on emergencies that could occur anywhere on site. The brigade is also prepared to respond to general emergencies in nearby communities or other mine sites if required.
- Emergency Brigade:** Volunteer employees who receive one to two hours of training, once a week, to respond to above-ground emergencies – predominantly in the plant.
- Safety and Health Commission:** Mandatory by law, this committee meets monthly at El Cubo and Bolañitos, and quarterly at Guanaceví. Employees and union representatives are members, normally with a 50-50 representation. The role of this body is to audit the facilities for safety and health, identify areas of opportunity or concern, and devise a timely and appropriate follow-up plan for any issues to be reviewed at the next meeting.
- Management Audit Committee:** A committee of each unit's managers, who conduct a monthly health and safety audit and review, for their mine and plant facilities. They document their observations and define work plans to address any issues, which are reviewed monthly.
- Safety Monitors:** A mixed group of employees—mostly underground workers—from all departments. Safety monitors receive training once a week, for one hour, and are responsible for identifying and reporting any and all high-risk situations.

Total hours of training in 2015:
95,115



- 58 hours Bolañitos
- 43 hours Guanaceví
- 23 hours El Cubo

of the region (El Cubo, Bolañitos and Great Panther), the Ministry of Economy, the mining department, the University of Guanajuato and IMSS. In 2015 two people from El Cubo and four from Bolañitos received certificates.

Women in the Workforce

Guanaceví and El Cubo both offered training programs for women, to bring more women into the mining workforce. Twenty women were trained in heavy equipment operation and the safety aspects of mining. At the end of the training program, ten of the women were hired. By year-end, four remained in the company doing the work they were trained for.

While we believe there is great potential for women in the underground mining workforce, there are cultural and gender-related issues that negatively affect the acceptance of women in the workplace. We remain dedicated to improving gender balance in the underground workforce.

Training Future Miners for Terronera

For 2016, 30 local people will be trained at the Terronera project—12 women and 18 men—to begin the capacity-building process. They will be given three months of training at the Bolañitos mine, being taught the basics of mining, so that the Terronera project can start up with a core group of trained local staff.

We are dedicated to improving gender balance in our workforce. Guanaceví and El Cubo both offered training programs for women in 2015.



Labour Relationships

We support the right to freedom of association and collective bargaining. All of our mines have union representation, and at December 31, 2015, 77% of our employees were covered under collective bargaining agreements. The collective agreements are reviewed annually for salaries, and every two years for benefits. There were no strikes or lock-outs in 2015.

We engage with union leaders regularly and our approach to labour relations is centered on cooperation, respectful dialogue and constructive, peaceful resolution of concerns. The relationships between the unions, the company, and employees are distinct at each of our sites.

We continue to work on improving the historically challenging relationship with one of the longest-standing unions in the country at El Cubo. To date we have succeeded in transforming a previously confrontational relationship into one based on an open and cooperative relationship. In 2015, we again succeeded in negotiating the renewal of the El Cubo union contract; this agreement allows three shifts and permits contractors into the mine. The union relationship at Bolañitos has



been, and continues to be, strong due to both the general cooperative nature of the workforce at site combined with mutual ongoing cooperation and communication.

Security

Mining operations are associated with certain security risks, such as illegal entry, vandalism, and theft of minerals, supplies, or equipment. There can also be region-specific or country-specific risks, including crime and crime-related violence, which can be a serious problem in some parts of Mexico. For these reasons, the safety, security, and protection of our employees, as well as our company's physical assets, is a top priority.

None of our mines are considered to be in high-risk areas, in terms of security. Nonetheless, in 2015, we responded to theft incidents by adding new, stricter policies in our warehouses.

Guanaceví is an area with a history of drug-related activities, but the company was not aware of, or impacted by, any such activities in 2015.

To be safe, we maintain heightened security awareness in Guanaceví. Neither Bolañitos nor El Cubo have any history of or specific concerns about drug-related security issues.

At every operation, we regularly conduct security risk assessments to identify, assess, and plan for short and longer term potential risks to human life and company assets. We have company-wide, strictly enforced, personal security practices for transportation to and from mine sites on certain routes, depending on prevailing external security conditions. While the state of Durango has been an area of personal security concern in past years, the situation has improved. At present, there are no travel restrictions on routes to the Guanaceví mine.

Compliance

There were no fines levied on the company in 2015 from the Ministries of Labour or Economy. Some payments were made due to charges related to differences in administrative processes.



Environment

We meet and exceed local laws and regulations, and focus on sustainable development and best environmental practices.

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Environmental Protection

Approach

Our Environmental Protection Policy articulates our commitment to the protection of the environment for future generations: to prevent, as much as reasonably possible, the impacts of mining on the natural environment, improve the efficiency of our use of natural resources (e.g. land, water, energy, etc), reduce waste, and increase waste recycling through effective, efficient improvements to our policies and practices.

Our environmental commitments are based on these principles:

We aim to meet—and, where possible, exceed—local environmental laws and regulations, focusing on sustainable development and best environmental practices.

We maintain ongoing communication with our local communities, keeping them informed about the potential impacts of our operations. We support cooperative environmental initiatives, and strive to address local environmental concerns.

We ensure

ongoing compliance with environmental legislation and our corporate commitments, and we apply protection measures when there are none.

We consider

environmental issues in all operational decisions.

We identify

and assess potential environmental impacts at all phases of mineral exploration, development, and production, including mine closure.

We promote

the rational and efficient use of natural resources, including the use and implementation of clean technologies and renewable energies.

We monitor

the generation of solid, liquid and gaseous emissions to the atmosphere, encouraging and promoting the practices of reduction, recovery and reuse.

We identify

situations presenting potential environmental risks and develop response plans to control or mitigate them effectively.

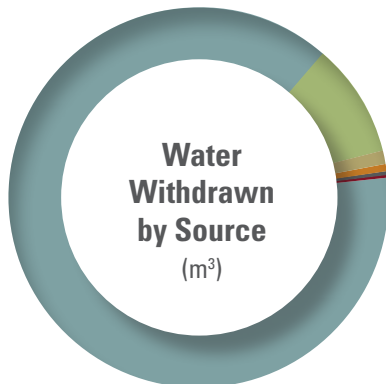




In 2015, approximately \$285,000 was invested in environmental programs, primarily related to tailings (management and maintenance of tailings ponds) and the transportation and final disposition of hazardous waste.

For 2016, one environmental priority at Guanaceví is to apply for the “Clean Industry” certification from PROFEPA, Mexico’s Federal Environmental Protection authority. The Clean Industry Initiative is a voluntary program that assesses regulatory compliance and best practices in environmental performance.

We recycle nearly **90%** of the water we use.



- **88.1%** Recycled water (from tailings)
- **9.7%** Groundwater (egress from mining)
- **1.2%** Recovered water from dry tailings pond
- **0.7%** Rainwater
- **0.3%** Surface water
- **0.1%** Purchased water

Environmental Grievances

El Cubo received two environmental complaints in 2015. The first was a concern that dust from the tailings pond could potentially contaminate a water source. To prevent this, we are planning a reforestation program around the pond to avoid the spread of dust. The second related to waste rock falling into the river, which could raise water levels during the rainy season and create the potential for flooding. In response, we have done a major removal of waste rock to prevent this from happening in the future.

While there are no formal grievance mechanisms specific to environmental issues in place, there are established and well-understood procedures for filing complaints. At each operation, the community relations representative is the primary point of contact. All communications are documented and issues are followed until solved or addressed.

Water

Water is a precious natural resource, and access to clean water is a rising concern in Mexico and globally. We carefully consider local water supply when we plan the water requirements for developing, operating, expanding, and rehabilitating our mines.

The climatic conditions are different at each of our mines. At Guanaceví seasonal rainfall is abundant, whereas Bolañitos and El Cubo are in more arid regions where water is scarcer. A reliable supply of water—in quantity and quality—is essential for local communities and for our operations.

Mining can have adverse effects on the quantity and quality of surface and groundwater unless protective measures are taken. We are constantly seeking opportunities to minimize freshwater use (and prioritize this performance indicator) and we are actively engaged with our local communities regarding the availability and optimal, efficient use of water. We recycle and reuse water to reduce our reliance on fresh water. To monitor and control water flow at our mine sites, we rely on diversion systems,



At all of our operations, we use modern technology and employ innovative solutions to minimize freshwater intake and maximize water recycling.

containment ponds, groundwater pumping systems, subsurface drainage systems, and subsurface barriers.

Water Consumption

As a major consumer of water, we have a responsibility to use and plan our water resources efficiently. We consume water in the mining process, and in facilities such as offices and campsites.

Our water sources include surface water (the Guanaceví River), rainwater collected and stored, water extracted from the mining process and from wet tailings. The Natural Water Commission (CONAGUA) issues water withdrawal permits based, for surface water, on the flow of the Guanaceví River, ensuring it will not be significantly affected.

In 2015 our total water withdrawal was approximately 5.5 million cubic metres, 13% more than in 2014, primarily because of the increase in production at El Cubo. Water intensity (the amount of water consumed per tonne of ore processed) rose slightly, from 3.4 to 3.5 cubic metres per tonne processed. This indicates a slight decrease in efficiency of water use.

At all of our operations, we use modern technology and employ innovative solutions to minimize freshwater intake and maximize water recycling.

At El Cubo in 2015, approximately 90% of water was recycled from tailings. This was a significant increase over the 81.5% recycled in 2014. At Guanaceví, the tailings are dry-stack, which uses far less fresh water than traditional tailings ponds.

We have always complied with regulatory monitoring points at all sites. Since 2013 we have expanded monitoring, and monitor to downstream and upstream of our operations. In early 2016, new water meters will be installed at each water intake point, which will improve the accuracy of our measurement of water consumption.

Water Discharge

Because discharge and runoff from mine sites can affect water bodies, careful monitoring is essential. El Cubo and Bolañitos have zero water discharge into the natural environment. All water used in the mining process at these sites is collected and recycled in the system. Guanaceví operates in a region with abundant water, and excess ground water must be pumped out of the mines. At that mine, we pump inert egress water from the mine, monitor it for quality, and if it meets quality standards, release into the Guanaceví River, where it poses no negative effects, and helps keep natural waterways flowing during the dry season.

A total of 8.2 million cubic metres was released in 2015, down from 10.2 million cubic metres in 2014. The amount discharged depends on rainfall and on mining activity, so increases or decreases are not necessarily a reflection of water management, but prevailing climate conditions.

APPROX

\$285,000
was invested in
environmental
programs in 2015.



Waste Management

Our waste management systems are evaluated on an ongoing basis with the objective of reducing waste to landfill and reducing volumes of waste stockpiled over time. The waste is classified as hazardous, special management, or non-hazardous waste. Hazardous waste disposal follows Mexican environmental regulations. It is either taken to a landfill, sent to final disposition by an approved supplier, or sold for off-site energy recovery. Special management waste is recycled or reused on-site or in the community. Non-hazardous waste such as plastic and cardboard is recycled, and urban waste is taken to the municipal landfill. No waste of any kind is shipped internationally.

In 2015, the Guanaceví mine’s kitchen reduced landfill waste by installing a system to trap grease and oils, and a biodigester (a mechanical system that processes organic material to produce biogas, a type of renewable energy, and other material that is mainly used as fertilizer). At El Cubo there was a significant reduction in the amount of sludges, because of improvements in separating oils in the equipment-washing area.

Tailings Storage Facilities

Mine tailings—and the integrity of tailings storage facilities—is an issue of global environmental concern. The Mexican environmental regulatory authority PROFEPA has reflected the importance of the issue with increased monitoring visits and more rigorous reviews.

At all our operations, we meet local laws and regulations related to tailings management, and we aim to exceed them where possible, focusing on sustainable development and the adoption of best environmental practices. We continuously monitor and evaluate the stability and conditions of our current and out-of-use tailings storage facilities, using water wells, aerial mapping and satellite imagery. When necessary, we engage independent expert consultants to advise on any required improvements.

In recent years, we have implemented several company-wide initiatives to improve tailing storage performance:

- In 2013, the tailings facility at Guanaceví was completely overhauled. The pond was fully lined, and converted to dry-stack tailings technology, which removes up to 85% of moisture from tailings and significantly reduces the risks of catastrophic failure.
- At Bolañitos, the tailings dam was raised to avoid leakage during the rainy season. The work was planned in three phases, over the three years, 2014 to 2016. Tunnels were built to facilitate the dewatering process for water recycling from one tailings pond. In 2016, phase three will be completed.
- El Cubo stopped using cyanide in 2012, and the two active tailings ponds are cyanide free. In the other, inactive, tailing ponds, an aeration system was installed to degrade the cyanide content, and at present, none of the tailing ponds contain cyanide residue.
- At El Cubo, sludge from the washing of equipment at the machine shop is collected on a regular basis by a supplier, and removed from site for safe disposal using a hazardous materials protocol.
- Every year, an external engineering company does an evaluation to provide recommendations for safety and improvement.



Energy and Emissions

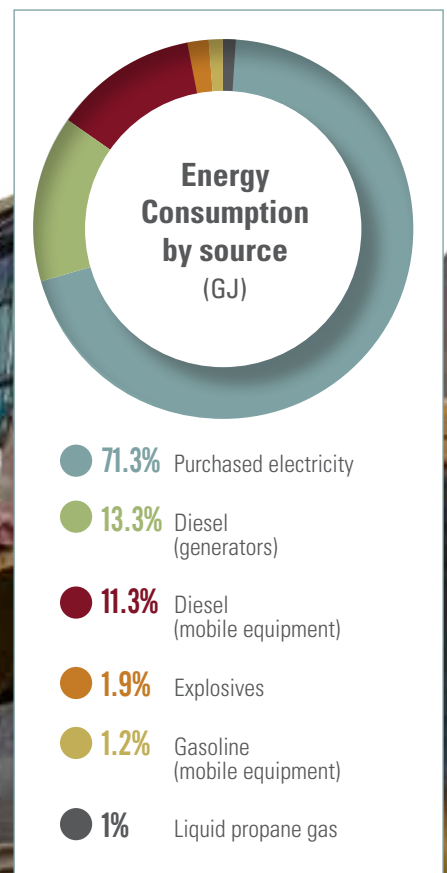
Energy Consumption

Energy is one of our most significant operating costs. It can be divided into fuel for transport, and electrical power. Diesel and gasoline are used in transporting products and people, and stationary energy use is comprised of purchased electricity (all three of our operations draw from State power grids), diesel for generators, and natural gas for the smelting furnaces at Guanaceví.

Energy Intensity

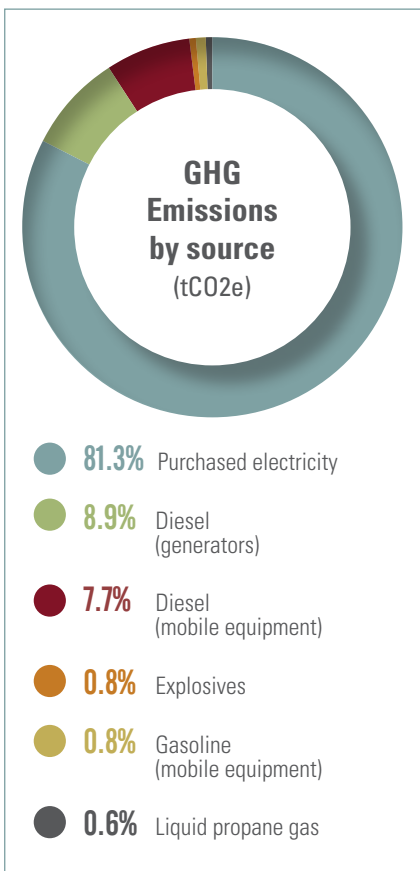
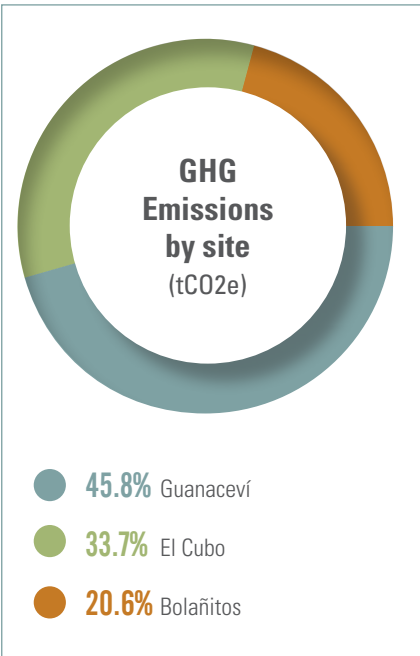
Energy intensity measures the amount of energy required to process each tonne of material. Measuring energy intensity enables us to understand the efficiency of our processes, and to monitor the progress of our energy-reduction efforts.

In 2015, our average energy intensity was 0.46 GJ/tonne of material processed, a reduction from 0.54 GJ/tonne in 2014.





Measuring energy intensity enables us to understand the efficiency of our processes.



Emissions

Purchased electricity remains our biggest source of emissions, followed by diesel used in generators. Diesel used for mobile equipment includes heavy and light vehicles used for the mining process and for the transport of our personnel. Propane and the use of explosives form a minimal source of emissions.

Guanaceví has the highest energy emissions of our mines because it purchases more power and consumes more propane. The higher electrical consumption is from the dry-stack tailings process, the pumping of excess groundwater from underground, and power for the campsite, which is heated in winter and air conditioned in summer. The higher propane consumption comes from the kitchen in the dining facility (other locations have no kitchen) and the hot water heaters for showers.

Our total direct and indirect greenhouse gas emissions in 2015 were 79,481 tonnes of CO2 equivalent (tCO2e), a slight decrease over 81,146 in 2014. Our greenhouse gas emission intensity decreased by 12% in 2015: 0.051 tCO2e per tonne of material processed, compared with 0.058 tCO2e in 2014. This was largely due to the change in the emission factor for electricity issued by the authorities for 2014. In early 2015, an energy consulting company completed an assessment at El Cubo, and provided recommendations on reducing energy consumption. We have implemented some of the recommendations and will keep doing so in 2016.

The Mexican government has now mandated the reporting of greenhouse gas emissions. Two of our mines – Guanaceví and El Cubo – are above the threshold established by the Ministry of Environment. In 2016, a third party will assess our greenhouse gas calculations and will seek opportunities for emissions reduction.

Biodiversity

We are committed to protecting and preserving local ecosystems and any local flora and fauna.

All our sites, including the Terronera exploration project, have conducted environmental impact assessments to identify endangered or at-risk flora or fauna.

None of our mining licenses are located within, or close, to protected areas. However, part of the Terronera project's land is within the buffer zone of a proposed Natural Protected Area. The buffer zone will permit mining and other economic activities.

None of our mining properties contain any species on the IUCN Red List of threatened species. One species of snake - the Cascabel – which has protected status, exists at Guanaceví. Staff have been trained to rescue and relocate Cascabel snakes if found. Three were relocated in 2015. A species of white-tailed deer near Guanaceví, while not endangered, is protected from hunting, and no-hunting signs have been placed around the area. The only site with identified endangered flora and fauna species is Terronera, and an agreement is in place with the Commission for Natural Protected Areas (CONANP) to work together to minimize any potential impact.

Rehabilitation

We are committed to reclaiming any land disturbed during the mining process, and during each mine's planning process we plan for the potential risks and impacts, both inside and outside our concession areas. As most of our operations are active, most rehabilitation takes place outside the areas of operation. Depending on the original conditions of the site, our rehabilitation efforts may include the removal of the entire facilities (offices, warehouses, etc), cleaning up of areas contaminated by hydrocarbons, adding topsoil, and reforestation. The rehabilitation plans and timelines are proposed to, and agreed with, government authorities, either as a result of issued permits or land use changes.

In 2015, 4.7 hectares of land were disturbed during the expansion of the tailings dam at Bolañitos. No land was disturbed at El Cubo or Guanaceví. In total, 27.5 hectares were rehabilitated and 31,000 trees were planted, mostly in the exploration areas, with a survival rate of about 80%.

All three sites operate a nursery to provide seedlings for reforestation; at the end of 2015 the nurseries were growing approximately 12,000 trees. They employ natural worm composting systems to recycle organic waste from the operations as fertilizer.

Environmental Protection Expenditures

Our environmental protection expenditures are classified in four categories:

- Transportation and final disposition for waste (either hazardous, special or non-hazardous)
- Environmental studies, which includes environmental impact assessments and/or change of land use
- Monitoring for water, waste, tailings, noise, gases, and dust
- Projects, which includes reforestation, rehabilitation or remediation works, signage and environmental education campaigns
- Tailings ponds



All three sites operate a nursery to provide seedlings for reforestation.

We spent over \$285,000 on environmental protection in 2015. This is a significant reduction from 2014, when major capital investments were made in the tailings ponds and other areas. These investment were not required in 2015. We made a substantial improvement in recycling and diverting waste, which has reduced the costs of transportation and final disposition of waste (hazardous and non-hazardous).

Environmental Compliance

At Endeavour, we place high priority on the protection of the environment. We meet or exceed national laws and regulations and we strive towards international best practices and standards. All of our sites have stringent, consistent Environmental Monitoring Systems and controls in place. Our Environmental

Manager has oversight for all three mines, and each mine has an Environmental Coordinator.

In 2015, the Bolañitos mine paid two fines to PROFEPA, related to issues in 2010 and 2011, before our updated environmental systems and controls were implemented. A new fine was issued in 2015, following a 2014 inspection, but this fine may be commuted into the installation of energy-saving LED lamps and solar heaters in Guanaceví. There were no reportable spills in 2015.

Mine Closure Planning

Each of our operations has a closure plan, all of which were developed using guidance provided by the British Columbia Ministry of Energy and Mines. All were updated in 2015 to account for changes in the scope and footprint of the operations and to adjust for anticipated costs for remediation or reclamation.

Our environmental standard is to reclaim disturbed land wherever possible while mining operations are underway, and well before closure; essentially, as soon as an area is no longer in use. The major activities surrounding closure are land reclamation and rehabilitation, the decommissioning of buildings and mine facilities, ongoing care and maintenance, and other costs.

Although the ultimate costs of closure cannot be predicted with certainty, Endeavour's estimated closure obligations are approximately \$7.7 million (up slightly from \$7.2 million in 2014): \$2.03 million for Guanaceví, \$1.7 million for Bolañitos and \$3.9 million for El Cubo mine operations.



In 2015
31,000
trees were planted,
with a survival
rate of over 80%.

Community

We believe mining companies cannot succeed unless they fully understand and address local needs and concerns, and we support sustainable development as a means of enhancing the well-being of our neighbouring communities.

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Community

Approach

Growth with integrity includes acting responsibly, being good corporate citizens, and good neighbours. We strive to share the benefits of our activities by building relationships with community leaders, identifying and understanding local needs, and engaging in dialogue to identify the most appropriate method of support to build capacity and enhance social impacts.

We also make every effort to minimize or mitigate any negative impacts our operations may have on the communities in which we operate. Our committed and continuous approach to community engagement facilitates open lines of communication and dialogue, and contributes to the formation of trust and development of our reputation of integrity with our community stakeholders in order to maintain meaningful relationships and preserve our long-term social license.

2015 Highlights

All three sites achieved the Socially Responsible Company (Empresa Socialmente Responsable) distinction from the Mexican Philanthropy Centre (CEMEFI).

All three sites implemented a voluntary nutrition program to tackle obesity in the workforce. Once a month, a nutritionist spends three days at each site reviewing the progress of each participant. Approximately 300 people are participating, 100 at each mine.



Community Engagement

Our community approach prioritizes two-way stakeholder engagement. We engage with the communities near our mines in order to build trust, share and understand perspectives, and ensure that our efforts to create value are in line with the community's expressed needs.

The communities participated in reforestation and recycling campaigns, including a major electronics recycling collection drive that delivered more than 400 pieces of electronic equipment for proper dismantling, copper recovery and disposal.

The environmental team has presented lectures on climate change and environmental regulations in the mining industry at different universities.

At all of our mines, our community relations representatives regularly engage with community members to share information about the operation, assess community needs, listen to feedback and complaints, and support community health and the surrounding environment.

Each site engages with its local community in the manner that it feels is most appropriate. The biggest investments are related to infrastructure. All support sports programs, mostly in elementary and high schools and through summer camps or by providing support for equipment or transportation to competitions. They all support cultural and religious events that are important for the local communities. All run environmental, health, and safety campaigns in the communities.

In 2015, we updated our feedback mechanisms to help us document and address requests, suggestions and complaints in a consistent and transparent manner. If a community group or member has a suggestion or request, they submit it for review by the community relations representative and/or human resources staff. The appropriate department and experts evaluate the request and respond.

Community Engagement

Guanajuato area

- In Guanajuato, where the El Cubo and Bolañitos mines and the León offices are located, Endeavour sits on the *Committee of the Fund for Sustainable Regional Development of Mining States and Municipalities*. This is the governing body that will decide how the recently imposed mining tax will be distributed at the municipal level. Other committee members are government authorities and community representatives. The fund provides support for infrastructure, education, water supply and other projects.
- In 2015 we organized the second annual mining race. This event is a community fundraiser and this year supported the National Network of Shelters for Women. Approximately 220,000 Mexican pesos (\$13,000) in prizes were distributed, and three tonnes of household essentials were collected, including food, cleaning items and clothes. Approximately 2,000 people attended, and 1,500 took part in the race, including children.

- The El Cubo and Bolañitos mines both offered workshops for nearby communities on reusing tires to build swings and enclose playgrounds. A total of 180 people participated.

Guanaceví

- *Healthy Environment* (Entorno Saludable) certification was renewed.
- Safety professionals from the mine ran home-safety seminars in local schools, teaching accident prevention, first aid and burn injury treatment, and the use of fire extinguishers.
- In partnership with a private university, continued to provide elementary and high school education programs.
- In collaboration with local municipalities, funded the renovation of a local orphanage.

Bolañitos

- Awarded the *Healthy Environment* (Entorno Saludable) certification.
- Carried out workshops on gender equality and domestic violence.

- Continued to support the development of independent, sustainable small business in the region by providing space, as well as training and materials, for the creation of stone carving, jewellery, and confection items.

El Cubo

- Supported access to water for public use, with ongoing financial contributions for the pumping of water from a privately-owned dam.
- Worked closely with the Economic Development Department of the Municipality of Guanajuato on small business and self-employment. Provided the training space and materials for workshops on pastry making and sewing. The municipality provided instructors.
- Continued to financially support the Universidad de Guanajuato to provide high school education for the community. In 2015, 28 students participated, including two Endeavour employees.



Managing Impacts – Community Feedback

Our mines have an impact on their local communities; some impacts are positive, and provide opportunities to enhance mutual benefits, while others can be negative and require risk management, mitigation, or remediation.

Grievance Mechanisms for Communities/Impacts on Society

The following table shows the feedback we received from community stakeholders regarding issues or impacts related to our operations, and how we responded.

Issue	Description/Action
Dust	<p>Bolañitos: following a formal complaint about dust from passing trucks, we increased the watering of roads. The situation will be resolved when the Lucero ramp closes.</p> <p>El Cubo: residents expressed concern that dust from a nearby tailings dam could contaminate a local drinking water source. The tailings area is not in use, the dust is inert, and never contained cyanide. Nonetheless, the company will be doing reforestation around the dam during the rainy season in the summer to reduce the amount of dust spread.</p>
Rise in river water table/water damage	<p>El Cubo: in rainy season, rain can dislodge material from a waste rock pile causing flooding. For each of the past two years, Endeavour has cleaned the waste rock. This year the cleanup was a major operation that we expect will be a long-term solution.</p>
Tailings	<p>Bolañitos: in a newspaper article, some community members near the tailings pond expressed concerns about its size and expansion. Endeavour is working with an independent engineering firm (AMEC) to minimize risk during work on the tailings facility.</p>
Employment	<p>At all sites, the mines are one of the main sources of employment for nearby communities. The community relations team at each location are working on promoting small business and self-employment skills for community members.</p>
Property damage	<p>Bolañitos: a legal process is under way following a complaint that some houses have cracks because of blasting operations in the mine. Government authorities have carried out seismic testing and concluded the cracks are unrelated to mining explosions, but the legal process is being followed.</p>



Community Investment

Endeavour voluntarily contributes to many community investment programs and initiatives. Each mine and office has an annual budget for the year's community investment initiatives, which outlines their goals, activities and beneficiaries. Community investment decisions are made in cooperation with the community relations teams, taking into account local needs and requests. All sites have a system in place to track their community investment activities, the needs addressed by each program, and the number of beneficiaries of each activity or initiative.

Community relations are responsible for the documentation of community investment requests and responses back to the community.

In 2015, we spent over \$456,500 on community investment initiatives across our mines, exploration areas, and corporate office in Vancouver. This is divided among initiatives in health, education and training, sports and cultural traditions and local infrastructure. This does not include staff time allocated to manage these activities.

Small-Scale Mining

The Guanaceví mine is our only operation affected by small-scale mining activity. In support of this historical aspect of the local economy, and following a predecessor agreement that has been extended, our operating permit requires us to support local mining, and accept up to 10% of our feed from small-scale local miners. Guanaceví supports 15 officially recognized artisanal miners, who are registered as small businesses with Mexican authorities and are subject to Mexican small business laws. These small-scale local miners hand-sort material from surface dumps within the district. They are permitted to unload small truckloads of ore at our plant's stockpile area, just outside the main gate. Our plant manager supervises the delivery, weighing, and sampling of the material, and arranges for payment.

Where We Invest

Our community investments are directed to initiatives in health, education and employability, sports, environment, infrastructure, and preserving cultural heritage and local traditions.



- **35%** **\$157,523**
Education and employability
- **33%** **\$149,470**
Infrastructure
- **21%** **\$93,654**
Health
- **6%** **\$27,742**
Culture and traditions
- **5%** **\$20,648**
Sports
- **2%** **\$7,512**
Environment

\$456,551

**2015 Total
Community
Investment**



Social Mine Closure Planning

While our environmental mine closure obligations are a top priority, we are also sensitive to the social implications and economic impacts of mine closure. The communities surrounding Guanaceví, Bolañitos and El Cubo have expressed concern regarding their economic dependency on the mines and eventual closure. While Mexico has a strong mining industry and skilled people may be able to find alternative employment, some regions may offer few alternative employment opportunities. We support the acquisition of transferable or transportable skills for both men and women, with the long-term vision of supporting the community in finding other options for work upon mine closure.

All of our operations consider sustainable economic initiatives as a priority for community investment.

Key Performance Data

Economic Performance

[G4-EC1] Direct economic value generated and distributed, including revenues, operating costs, employee wages and benefits, donations and other community investments, retained earnings, and payments to capital providers and payments to governments, by country.

[THOUSANDS USD]

Direct Economic Value:	2015	2014	2013
Revenues	\$ 183,556	\$ 196,928	\$ 276,783
Indirect economic value:	\$ —	\$ —	\$ —
Operating costs	\$ 92,844	\$ 102,991	\$ 186,006
Employee wages and benefits	\$ 43,702	\$ 46,800	\$ 58,636
Payments to providers of capital	\$ 1,041	\$ 1,343	\$ 1,474
Payments to Mexican governments [taxes]	\$ 14,401	\$ 13,166	\$ 15,516
Payments to Canadian governments [taxes]	\$ 335	\$ 533	\$ —
Payments to governments [payroll taxes, employer portion only]	\$ 7,838	\$ 8,542	\$ 8,224
Land use payments	\$ 644	\$ 585	\$ 149
Community investment (including infrastructure)*	\$ 457	\$ 515	\$ 480

* See Breakdown in community investment table

Market Presence

[G4-EC5] Ratios of standard entry level wage by gender compared to local minimum wage

	2015	2014	2013
Local minimum wage in each region (Mexican pesos)	\$ 73.00	\$ 63.77	\$ 61.38
Percentage of employees receiving minimum wage	0%	0%	0%
Entry level wage at each location (Mexican pesos)	\$ 136.42	\$ 114.91	\$ 115.79
Number of people that entered in that level wage at each location	52	23	27
Percentage of employees receiving entry level wage at each location	3.13%	1.38%	1.80%

Indirect Economic Impacts

[G4-EC7] Development and impact of infrastructure investments and services supported

[THOUSANDS USD]

	2015	2014	2013
Total amount spent on infrastructure and services supported	\$ 149.47	\$ 243.13	\$ 172.90

Procurement Practices

[G4-EC9] Proportion of spending on locally-based suppliers at significant locations of operation

[THOUSANDS USD]

	2015	2014	2013
Total procurement	\$ 83,684	\$ 75,661	\$ 135,510
Total procurement spent locally (within state)	\$ 15,471	\$ 30,848	\$ 57,918
Percentage of state wide local procurement	18%	41%	43%
Total procurement spent nationally (within the country)	\$ 67,591	\$ 42,534	\$ 66,973
Percentage of state-wide local procurement	81%	56%	49%
Total procurement spent internationally	\$621	\$2,278	\$10,619
Percentage of international procurement	0.7%	3.0%	7.8%
Percentage spent locally (state and nation wide)	99%	97%	92%

Production

Material processed, gold and silver

	2015	2014	2013
Material processed (tonnes)	1,563,802	1,404,406	1,527,984
Silver (oz)	7,178,666	7,212,074	6,813,152
Gold (oz)	59,990	62,895	75,580

Labour and General Disclosures

[G4-22] [G4-LA12] Total workforce by employment contract and gender

	2015		2014		2013	
	M	F	M	F	M	F
Total number of employees	1,696		1,661		1,501	
Total number of permanent employees*	1,529	167	1,354	145	1,311	137
Total number of temporary employees**	0	0	151	11	50	3
Total number of contractors	992		837		1,050	
Contractors by gender	984	8	N/A	N/A	34	5
Female % for employees	9.8%		9.4%		9.3%	
Total number of contractors and employees	2,688		2,498		2,551	
Total number of foreigners hired	9		22		39	
TOTAL NUMBER OF FOREIGNERS HIRED BY GENDER	M	F	M	F	M	F
	9	0	19	3	34	5

* All permanent employees are full time

** in previous years, we considered employees on a 3-month provisional contract to be "temporary"; in 2015, we have recategorized them as permanent, since most go on to permanent positions

Total management team, includes and equal to: executives (c-suite), officers (vice presidents), and senior managers (directors and some managers)

	2015		2014		2013	
	M	F	M	F	M	F
Permanent employees	28		34		Not Available	
Fixed term or temporary	0		0			
International hires	3		12			
Local hires (within state)	11		22			
Regional hires (within the country)	14		0			
Indigenous hires	0		0			
TOTAL BY GENDER	M	F	M	F		
	25	3	31	3		

Total bi-weekly paid employees

	2015		2014		2013	
	M	F	M	F	M	F
Permanent employees	389		382		Not Available	
Fixed term or temporary	0		0			
Local hires (within state)	314		261			
Regional hires (within Mexico)	66		98			
International hires	9		23			
Indigenous hires	0		0			
TOTAL BY GENDER	M	F	M	F		
	303	86	301	81		

Total weekly paid employees (not including management team and bi-weekly team identified above)

	2015		2014		2013	
	M	F	M	F	M	F
Permanent employees	1,307		1,278		Not Available	
Fixed term or temporary	0		0			
Local hires (within state)	1,271		1,202			
Regional hires (within Mexico)	36		76			
Indigenous hires	0		0			
TOTAL BY GENDER	M	F	M	F		
	1,227	80	1,204	73		

[G4-11] Percentage of total employees covered by collective bargaining agreements

	2015	2014*	2013
Total union employees	1,307	1,279	1,152
Percentage of union employees	77%	77%	77%
Non-union employees	389	382	349
Percentage of non-union employees	23%	23%	23%

*to correct an error, 2014 totals vary slightly from previous report

[G4-LA1] Total number and rate of new employee hires and employee turnover by age group, gender, and region

	2015	2014	2013
Total number of new hires	400	572	404
Total new hires locally (country wide)	399	569	Not Available
Total new hires internationally	1	3	
Total number of employees voluntarily leaving employment or dismissed	355	442	747
Total number of local (Mexican) employees voluntarily leaving employment or dismissed	349	442	809
Total number of international employees voluntarily leaving employment or dismissed	6	0	11
Turnover rate for all employees	20.89%	28.86%	31.36%

[G4-LA9] Average hours of training per year per employee by gender, and by employee category

	2015	2014
Human resources general training	Available in a different classification*	29,595
Safety rescue training (including mine rescue)		19,009
Total number of hours that all employees received	95,115	48,604
Average hours per employee and contractors per year*	37	24

* In 2015, the system used to track training time was changed, and categories are not consistent with previous years. The total hours are comparable to 2014, as reported in 2014. 2013 hours are not reported as tracking varied across sites. For 2016, all sites will report by gender and type of training.

[G4-EC6] Procedures for local hiring and proportion of senior management hired from the local community

	2015		2014		2013	
Total senior management	28		27		29	
	M	F	M	F	M	F
Total senior management by gender	25	3	27	0	28	1
Total senior management hired locally (within state)	11		5		4	
Total senior management hired nationally (within the country)	14		11		12	
Total senior management hired internationally	3		11		13	
Percentage of international senior management	11%		41%		45%	

[G4-LA3] Return to work and retention rates after parental leave, by gender

	2015	2014	2013
Total number of people that left on maternity in 2014	8	9	Not Available
Total number of people that came back to work after maternity	6	8	
Percentage of people that came back to work after maternity	75%	89%	

Safety

Labour Practices and Decent Work

[G4-LA5] Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs

	2015	2014	2013
Total number of employees represented in formal joint management-worker health and safety committees	162	213	93
Percentage of the total workforce	9.6%	12.8%	6.5%

[G4-LA6] Type and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender

	2015	2014	2013
Reportable Injury Frequency Rate ¹¹	3.76	5.46	7.01
Lost Time Injury Frequency Rate ¹²	2.19	3.19	4.43
Lost Time Injury Severity Rate ¹³	247.69	578.14	752.53
Absentee rate - all employees	2.25%	3.23%	3.81%

¹¹ Reportable Injury rate is calculated as (total number of recordable injuries (including fatalities, lost time injury, restricted work and medical treatment injury) x 200,000 hours) / total worked hours. Safety performance figures are submitted to the Mining Chamber in Mexico using a factor of 1,000,000 hours

¹² Lost time injury frequency rate is calculated as (total lost time injuries x 200,000 hours) / total worked hours

¹³ Lost time injury severity rate is calculated as (total lost time days x 200,000 hours) / total worked hours

Note: Our safety performance figures include both employees and contractors

Environment

Water

[G4-EN8] Total water withdrawal by source

Total water withdrawn from (m ³):	2015	2014	2013
Surface water, including water from wetlands, rivers, lakes, and oceans	16,431	14,906	49,405
Ground water (from mining)	533,945	387,507	404,713
Rainwater	39,944	147,186	109,227
Recovered water from dry tailings pond	64,714	32,115	0
Recycled water (from tailings)*	4,868,458	4,186,849	3,078,999
Purchased water (pipes)	4,000	44,261	145,973
TOTAL	5,527,492	4,812,824	3,788,317

* In 2014, recycled water at Guanaceví was calculated differently from other sites. 2014's numbers have been adjusted to allow comparison to 2015.

[G4-EN10] Percentage of total volume of water recycled and reused

	2015	2014	2013
Percentage of water recycled and reused as a percentage of total water withdrawal	89.2%	87.7%	81.3%

Effluents and Waste

[G4-EN22] Total water discharge by quality and destination (not including rainwater and domestic sewage (m³))

	2015	2014	2013
Surface waters	8,203,473	10,196,640	11,048,112

[G4-EN23] Total weight of waste by type and disposal method

Total weight by type:	2015	2014	2013
Hazardous waste			
Hazardous solid waste (kg). Includes contaminated soil, cleaning cloths, filters, containers, lamps, hoses, and batteries	34,733	50,401	28,720
Hazardous liquid waste (L). Includes oils and water contaminated with oil	98,498	101,990	80,690
Hazardous waste intensity (kg per tonne of processed ore)	0.022	0.036	Not available
Special management			
Scrap (kg)	242,855	376,948	594,000
Tires (tons)	69,762	79,000	31,120
Cartridges (pieces)	181	242	Not available
Toners (pieces)	463	278	
Non-hazardous			
Plastics (kg)	2,991	1,040	Not available
Cardboard (kg)	8,118	14,637	
Urban solid waste (kg)	404,875	326,900	
Non-hazardous waste intensity (kg per tonne of processed ore)	0.49	0.57	

[G4-MM3] Total amounts of overburden, rock, tailings, and sludge and their associated risks

	2015	2014	2013
Overburden/waste rock used inside the mine (tonnes)	823,634	303,317	459,628
Overburden/waste rock taken outside the mine (tonnes)	162,917	101,524	290,486
TOTAL OVERBURDEN/WASTE ROCK	986,551	404,841	750,114
Tailings (tonnes)	1,489,168	1,392,163	1,507,124
Sludges (tonnes)	0.676	14	10.74

Energy**[G4-EN3]** Energy consumption within the organization (GJ)

	2015	2014	2013
Non-renewable sources			
Purchased electricity	512,363	425,055	351,604
LPG	7,516	8,424	3,608
Diesel use for mobile equipment	80,922	103,298	99,462
Gasoline use for mobile equipment	8,485	9,747	11,090
Diesel for generators	95,372	194,725	189,763
Explosives	13,505	12,189	12,835
TOTAL ENERGY (GJ)	718,164	753,438	668,362

[G4-EN5] Energy intensity

	2015	2014	2013
Energy used by tons of material processed (GJ/tonne processed)	0.46	0.54	0.43

[G4-EN15] Direct greenhouse gas (GHG) emissions (scope 1) (tCO₂e)

	2015	2014	2013
Non-renewable sources (tCO ₂ e)			
LPG	475	528	225
Diesel for use for mobile equipment	6,089	7,211	7,714
Gasoline use for mobile equipment	614	684	649
Diesel for generators	7,093	13,159	14,376
Explosives	597	540	536
SUBTOTAL DIRECT GHG (tCO₂e)	14,866	22,122	0

[G4-EN16] Energy indirect greenhouse gas (GHG) emissions (scope 2)

	2015	2014	2013
Purchased electricity	64,615	59,024	44,437
SUBTOTAL INDIRECT GHG (tCO₂e)	64,615	59,024	44,437
TOTAL GHG (DIRECT+INDIRECT) (tCO₂e)	79,481	81,146	67,937

[G4-EN18] Greenhouse gas (GHG) emissions intensity

	2015	2014	2013
GHG used per tonne of ore processed (tCO ₂ e/tonne processed)	0.051	0.058	0.044

Biodiversity

[G4-MM1] Amount of land disturbed or rehabilitated (hectares)

	2015		2014		2013	
	within	out	within	out	within	out
Total land disturbed	104.00		96.56		Not available	
Total land rehabilitated	4.40	59.08	2.00	21.79		
TOTAL LAND REHABILITATED IN 2015	2.00	25.56	2.40	33.52		

[G4-EN13] Habitats protected and restored

	2015	2014	2013
Total trees planted	31,318	39,865	Not available
Survival rate of reforestation projects	83%	95%	

Compliance

[G4-EN29] Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

	2015	2014	2013
Total number of fines	2	2	Not available
Monetary sanction (\$)	\$6,974	\$1,871	
Estimated value for non-monetary sanctions (\$)	\$0.00	\$60,141	

Overall

[G4-EN31] Total environmental protection expenditures and investments by type (\$)

	2015	2014	2013
Transportation and final disposition of waste	\$60,066	\$355,136	Not available
Environmental studies	\$44,349	\$32,176	
Monitoring	\$26,550	\$34,626	
Projects (other than tailings ponds)	\$11,754	\$96,695	
Tailings ponds projects	\$142,076	\$723,333	
TOTAL	\$284,795	\$1,241,966	

Society

Local Communities

[G4-S01] Percentage of operations with implemented local community engagement, impact assessments and development programs (\$)

	2015	2014	2013
Number of beneficiaries	17,982	39,154	45,002
Community investment (\$)			
Health, education, employability, sports, traditions, culture (\$)	\$307,081	\$272,286	\$307,548
Local Infrastructure (\$)	\$149,470	\$243,134	\$172,897
TOTAL COMMUNITY INVESTMENT (\$)	\$456,551	\$515,420	\$480,445

* In 2015, the tracking of beneficiaries was standardized across sites; resulting a significant change year to year. 2015 beneficiaries reflect the population of nearby communities and the people who participate in events in the city of Guanajuato.

[G4-MM10] Number and percentage of operations with closure plans

	2015	2014	2013
Number of sites that have closure plans	3	3	3
Financial provision for closure (thousands)	\$7,762	\$6,496	\$7,294

G4 Content Index

General Standard Disclosures

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LOCATION

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Governance of Sustainability Issues

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G4-9	Scale of the reporting organization	Our Employees: Pages 29-30
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Stakeholder Engagement

LOCATION

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G4-25	Basis for identification and selection of stakeholders with whom to engage	Defining Report Content: Sustainability Topics: Page 17 Stakeholder Engagement: Page 23
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication as to whether any of the engagement was undertaken specifically as part of the report preparation process	Defining Report Content: Sustainability Topics: Page 17 Stakeholder Engagement: Page 23 Community Engagement: Pages 46-47
G4-27	Stakeholder groups that have raised key topics and concerns, the key topics and concerns raised through stakeholder engagement, and how the organization has responded, including through its reporting	Defining Report Content: Sustainability Topics: Page 17 Stakeholder Engagement: Page 23

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G4-33	The organization's policy and current practice with regard to seeking external assurance for the report	Verification and Assurance: Page 16
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Governance**Governance Structure and Composition**

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G4-36	Appointment of an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governing body	Governance of Sustainability Issues: Page 22
G4-38	The composition of the highest governance body and its committees	Governance of Sustainability Issues: Page 22
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Governance of Sustainability Issues

G4-42	Highest governance body's and senior executives' roles in the development, approval and updating of the organization's purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social impacts	Governance: Page 22
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Role in Setting Purpose, Values and Strategy

G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures all material Aspects are covered	Governance: Page 22
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Role in Risk Management

G4-45	Report the highest governance body's role in the identification and management of economic, environmental, and social risks, and opportunities. Include the role in the implementation of due diligence processes. Report whether stakeholder consultation is used to support the identification and management of economic, environmental, and social impacts, risks, and opportunities.	Governance: Page 22 Stakeholder Engagement: Page 23
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	Governance of Sustainability Issues: Page 22
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Role in Sustainability Reporting

G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	Governance: Page 19 Management of Sustainability Issues: Page 22
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Ethics and Integrity

G4-56	The organizations values, principles, standards, and norms of behaviour such as codes of conduct and codes of ethics	Vision and Mission: Inside front cover Governance: Page 20-21
G4-58	Internal and external mechanisms for reporting concerns about ethical and lawful behaviour, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Commitment to External Initiatives: Page 15 Governance: Business Ethics: Page 20 Stakeholder Engagement: Page 23 Community Engagement: Page 46

Boundary Aspect Legend

1	Corporate Office
2	Guanaceví Mine
2a	Local/adjacent communities and government agencies
3	Bolañitos Mine
3a	Local/adjacent communities and government agencies
4	El Cubo Mine
4a	Local/adjacent communities and government agencies
5	Terronera
6	Contractors, Subcontractors and Suppliers
7	Shareholders

■ Internal ■ External

Indicators by Issue**Economic**

LOCATION

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Economic Performance | Boundary 1-7

G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee wages and benefits, donations and other community investments, retained earnings, and payments to capital providers and payments to governments, by country	Financial Results: Page 6 Our Economic Contributions and Impacts: Page 26 Key Performance Indicators: Page 50 Community Investment: Page 49
G4-EC4	Financial assistance received from government, by country. Include extent to which government has a shareholding position	Our Economic Contributions and Impacts: Page 26

Market Presence | Boundary 2,2a,3,3a,4,4a,5

G4-EC5	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation	Attracting and Retaining Qualified Talent: Page 30 Key Performance Indicators: Page 50
G4-EC6	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Our Employees: Page 29 Key Performance Indicators: Page 52

Indirect Economic Impacts | Boundary 2,2a,3,3a,4,4a

G4-EC7	Development and impact of infrastructure investments and services supported	Community Investment: Page 27 Key Performance Indicators: Page 50
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Procurement Practices | Boundary 1-7

G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Community Investment: Page 27 Key Performance Indicators: Page 50
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Environment

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Energy | Boundary 1,2,3,4,6,7

G4-EN3	Energy consumption within the organization	Energy and Emissions: Page 42 Key Performance Indicators: Page 54
G4-EN5	Energy intensity	Energy and Emissions: Page 43 Key Performance Indicators: Page 54

Water | Boundary 1-7

G4-EN8	Total water withdrawal by source	Water Consumption: Page 41 Key Performance Indicators: Page 53
G4-EN9	Water sources significantly affected by withdrawal of water	Water Consumption: Page 41
G4-EN10	Percentage and total volume of water recycled and reused	Water Consumption: Page 41 Key Performance Indicators: Page 53

Biodiversity | Boundary 1,2,2a,3,3a,4,4a,6,7

G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity: Page 43
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Biodiversity: Page 43
G4-MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	Rehabilitation: Page 43 Key Performance Indicators: Page 54

		LOCATION
G4-EN13	Habitats protected or restored	Rehabilitation: Page 43 Key Performance Indicators: Page 55
G4-MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	Biodiversity: Page 43
G4-EN14	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Biodiversity: Page 43

Emissions | Boundary 2,2a,3,3a,4,4a

G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Emissions: Page 43 Key Performance Indicators: Page 54
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Emissions: Page 43 Key Performance Indicators: Page 54
G4-EN18	Greenhouse gas (GHG) emissions intensity	Energy Intensity: Page 42 Emissions: Page 43 Key Performance Indicators: Page 54

Effluents and Waste | Boundary 2,2a,3,3a,4,4a,5

G4-EN22	Total water discharge by quality and destination	Water Discharge: Page 41 Key Performance Indicators: Page 53
G4-EN23	Total weight of waste by type and disposal method	Waste Management: Page 42 Key Performance Indicators: Page 53
G4-MM3	Total amounts of overburden, rock, tailings and sludge, and associated risk	Key Performance Indicators: Page 54
G4-EN24	Total number and volume of significant spills	2015 Priorities and Targets: Page 18 Environmental Compliance: Page 44
G4-EN25	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III & IV, and percentage of transported waste shipped internationally	Waste Management: Page 42

Compliance | Boundary 1-7

G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environmental Compliance: Page 44 Key Performance Indicators: Page 55
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Overall | Boundary 2,2a,3,3a,4,4a,5

G4-EN31	Total environmental protection expenditures and investments by type	Environmental Protection Expenditures: Page 44 Key Performance Indicators: Page 55
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Environmental Grievance Mechanisms | Boundary 1,2,3,4,5,

G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Environmental Grievances: Page 40
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Social

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Employment | Boundary 1-7

G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Our Employees: Page 29-31 Key Performance Indicators: Page 52
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Attracting and Retaining Qualified Talent: Page 30
G4-LA3	Return to work and retention rates after parental leave, by gender	Attracting and Retaining Qualified Talent: Page 30 Key Performance Indicators: Page 52

Labour/ Management Relations | Boundary 2,3,4,5

G4-MM4	Number of strikes and lockouts exceeding one week's duration, by country	Labour Relationships: Page 37
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Occupational Health and Safety | Boundary 1-5

G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Health and Safety Committee: Page 35 Key Performance Indicators: Page 52
G4-LA6	Types and rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender	Injury Rates 2015: Page 33 Key Performance Indicators: Page 53
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Preventing Occupational Illness: Page 31

Training and Education Boundary 1-5a		LOCATION
G4-LA9	Average hours of training per year per employee by gender and by employee category	Training and Education: Page 35 Key Performance Indicators: Page 52
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Training and Education: Page 35
G4-LA11	Percentage of employees receiving regular performance and career development reviews by gender and by employee category	Attracting and Retaining Qualified Talent: Page 31
Diversity and Equal Opportunity Boundary 2,3,4,5		
G4-LA12	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity	Governance: Page 22 Key Performance Indicators: Page 51
Equal Remuneration for Women and Men Boundary 2,3,4,5		
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Our employees: Page 30
Grievance Mechanisms Boundary 1-6		
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	Labour Relationships: Page 37
G4-HR12	Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms	Human Rights: Page 21
G4-SO11	Number of grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms	Grievance Mechanisms for Communities/ Impacts on Society: Page 48
Non-Discrimination Boundary 1-5		
G4-HR3	Total number of incidents of discrimination and actions taken	Human Rights: Page 21
Freedom of Association and Collective Bargaining Boundary 2-5		
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk and measures taken to support these rights	Labour Relationships: Page 37
Child Labour Boundary 2,3,4,5		
G4-HR5	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	Human Rights: Page 21
Indigenous Rights Boundary 1-5		
G4-MM5	Total number of operations taking place in or adjacent to indigenous people's territories, and number and percentage of operations or sites where there are formal agreements with indigenous people's communities	Not Applicable
Local Communities Boundary 2-6		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs	Managing Impacts: Page 48 Key Performance Indicators: Page 55
G4-SO2	Operations with significant potential or actual negative impacts on local communities	Managing Impacts: Page 48
G4-MM6	Number and description of significant disputes relating to land use, customary rights of local communities and indigenous people	Not Applicable
G4-MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous people, and the outcomes	Not Applicable
G4-MM8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks	Small-Scale Mining: Page 49
G4-MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	Not Applicable
G4-MM10	Number and percentage of operations with closure plans.	Mine Closure Planning: Page 44 Social Mine Closure Planning: Page 49 Key Performance Indicators: Page 55
Anti-Corruption Boundary 1-7		
G4-SO4	Communication and training on anti-corruption policies and procedures	Anti-Corruption and Anti-Bribery: Page 21
Public Policy Boundary 1-5		
G4-SO6	Total value of political contributions by country and recipient/beneficiary	Our Economic: Contributions and Impacts: Page 26
Compliance Boundary 1-7		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	Compliance: Page 37
G4-PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	Compliance: Page 37

Mineral Reserves and Resource Estimates

at December 31, 2015

	Tonnes	Ag g/t	Au g/t	Ag Eq g/t	Ag oz	Au oz	Ag Eq oz
SILVER-GOLD PROVEN AND PROBABLE RESERVES							
Proven							
Guanaceví	107,500	254	0.52	290	878,000	1,795	1,003,700
Bolañitos	205,700	125	2.60	307	827,700	17,400	2,045,700
El Cubo	195,200	150	3.11	367	940,600	19,585	2,311,600
Total Proven	508,400	162	2.37	328	2,646,300	38,780	5,361,000
Probable							
Guanaceví	798,000	205	0.45	237	5,260,600	11,735	6,082,100
Bolañitos	172,600	101	2.73	292	561,800	15,150	1,622,300
El Cubo	632,100	173	2.23	330	3,521,700	45,105	6,679,100
Total Probable	1,602,700	181	1.40	279	9,344,100	71,990	14,383,500
Total P+P	2,111,100	177	1.63	291	11,990,400	110,770	19,744,500

	Tonnes	Ag g/t	Au g/t	Ag Eq g/t	Ag oz	Au oz	Ag Eq oz
SILVER-GOLD MEASURED AND INDICATED RESOURCES							
Measured							
Guanaceví	175,500	306	0.54	344	1,728,000	3,090	1,944,300
Bolañitos	101,300	140	2.13	289	457,300	6,940	943,100
El Cubo	74,650	279	2.83	477	670,200	7,062	1,164,500
Total Measured	351,450	253	1.51	359	2,855,500	17,092	4,051,900
Indicated							
Guanaceví	2,313,200	277	0.78	332	20,565,600	58,215	24,640,650
Bolañitos	940,700	153	1.94	289	4,639,700	58,610	8,742,400
El Cubo	630,000	215	2.19	368	4,352,400	44,570	7,472,300
Terronera	2,938,000	211	1.65	327	19,912,000	156,000	30,832,000
Guadalupe y Calvo	1,861,000	119	2.38	286	7,147,300	142,500	17,122,300
Total Indicated	8,682,900	203	1.65	318	56,617,000	459,895	88,809,650
Total M+I	9,034,350	205	1.64	320	59,472,500	476,987	92,861,590

	Tonnes	Ag g/t	Au g/t	Ag Eq g/t	Ag oz	Au oz	Ag Eq oz
SILVER-GOLD INFERRED RESOURCES							
Inferred							
Guanaceví	1,150,520	308	0.72	358	11,389,100	26,671	13,256,070
Bolañitos	1,291,700	171	2.74	363	7,104,500	113,900	15,077,500
El Cubo	1,172,500	192	2.68	380	7,247,100	100,800	14,303,100
Terronera	1,213,000	218	1.39	315	8,500,000	54,400	12,308,000
Guadalupe y Calvo	154,000	94	2.14	244	464,600	10,600	1,206,600
Total Inferred	4,981,720	217	1.91	351	34,705,300	306,371	56,151,270

	Tonnes	Ag g/t	Au g/t	Ag Eq g/t	Ag oz	Au oz	Ag Eq oz	Pb %	Zn %
SILVER-GOLD-LEAD-ZINC RESOURCES									
Indicated									
Parral	1,631,000	49	0.90	112	2,589,900	47,200	5,893,500	2.87	2.86
Guanaceví	655,000	166	0.21	181	3,495,700	4,400	3,805,300	0.61	1.02
Total Indicated	2,286,000	83	0.70	132	6,085,600	51,600	9,698,800	2.22	2.33
Inferred									
Parral	1,303,000	63	0.88	125	2,658,900	36,900	5,239,500	2.55	2.28
Arroyo Seco	738,000	220	0.07	225	5,220,000	1,700	5,336,300	0.65	0.18
Guanaceví	646,000	129	0.15	140	2,687,300	3,100	2,904,300	1.12	2.07
Total Inferred	2,687,000	122	0.48	156	10,566,200	41,700	13,476,100	1.68	1.65

- Reserve cut-off grades were 200 g/t silver equivalent at Guanaceví, 192 g/t silver equivalent at Bolañitos, and 184 g/t silver equivalent at El Cubo.
- Measured and indicated resource cut-off grades were 182 g/t silver equivalent at Guanaceví, 175 g/t silver equivalent at Bolañitos, 167 g/t silver equivalent at El Cubo, and 100 g/t silver equivalent at Terronera.
- Inferred resource cut-off grades for Guanaceví, Bolañitos and El Cubo, were the same as the measured and indicated resource cut offs and 100 g/t silver equivalent at Terronera.
- 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 estimated will be converted into mineral reserves.
- Recoveries were 83.5% silver and 86.2% gold at Guanaceví; 75.9% silver and 84.7% gold at Bolañitos; and 87.4% silver and 89.6% gold at El Cubo
- Minimum mining widths were 1.4 metres at Guanaceví, 0.8 metres at Bolañitos, and 0.8 metres at El Cubo.
- Dilution factors were 26.2% at Guanaceví, 24.0% at Bolañitos, and 23.9% at El Cubo. Dilution factors are calculated based on internal stope dilution calculations and external dilution factors of 15% for cut and fill and 30% for long hole
- Silver equivalents are based on a 70:1 silver:gold ratio
- Price assumptions are \$16 per ounce for silver and \$1,150 per ounce for gold at Guanaceví, Bolañitos and El Cubo, and \$18 per ounce for silver and \$1,250 per ounce for gold at Terronera
- Mineral resources are estimated exclusive of and in addition to mineral reserves.
- Proven reserves are defined within 10 metres of underground development while probable reserves extend a further 15 metres from underground development.

Godfrey Walton, M.Sc., P.Geo., President and COO of Endeavour, is the Qualified Person who reviewed and approved the technical information contained in these mineral resource estimates. The Qualified Persons for the mineral resource and reserve estimates were Zachary Black, QP, SME-RM and Jeffery Choquette, P.E., QP, MMSA of Hard Rock Consulting. Technical reports for Guanaceví, Bolañitos, and El Cubo are available on SEDAR.

These reserve and resource statements were classified following the definitions and guidelines of the Canadian Institute of Mining, Metallurgy and Petroleum CIM standards and definitions of mineral resources and reserves and the guidelines contained in National Instrument 43-101.

CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS

This Annual Review and Sustainability Report may contain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation.

Such forward-looking statements include but are not limited to statements regarding Endeavour's anticipated performance in 2015 and are based on assumptions management believes to be reasonable, including but not limited to: the continued operation of the Company's mining operations, no material adverse change in the market price of commodities, mining operations will operate and the mining products will be completed in accordance with management's expectations and achieve their stated production outcomes, etc.

Forward-looking statements or information involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Endeavour and its operations to be materially different from those expressed or implied by such statements.

Such factors include, among others, changes in national and local governments, legislation, taxation, controls, regulations and political or economic developments in Canada and Mexico; operating or technical difficulties in mineral exploration, development and mining activities; risks and hazards of mineral exploration, development and mining; the speculative nature of mineral exploration and development, risks in obtaining necessary licenses and permits, and challenges to the Company's title to properties; as well as those factors described in the section "risk factors" contained in the Company's most recent form 40F/Annual Information Form; available at www.sedar.com.

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. The Company does not intend, and does not assume any obligation, to update such forward-looking statements or information, other than as required by applicable law. Accordingly, readers should not place undue reliance on forward-looking statements or information.



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Annual Review and Sustainability Report Feedback

We welcome feedback from stakeholders regarding our 2015 Annual Review and Sustainability Report.

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Environmental Benefits Statement

By using paper made with 100% post-consumer recycled content, the following resources have been saved.

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fully grown	litres	million BTU	kilograms	kilograms

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