



Sustainability and Growth

2016 ANNUAL REVIEW AND SUSTAINABILITY REPORT

Our Mission

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 value for our stakeholders. By continually improving what we do and how we do it, we aim to make a positive difference in peoples' lives.

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Sustainability and Growth

Dear Stakeholders,

2016 was quite a year of transition from bear market to bull market for the precious metals in general, and Endeavour Silver in particular.

Silver outperformed gold, jumping 48% from its \$13.90 per ounce low in January to a \$20.60 top in July. The gold price rose 29% from its \$1,060 per ounce bottom to a \$1,370 high over the same period. Both metals relinquished much of their gains by year-end but finished up year-on-year, breathing new life into the precious metal mining sector. Endeavour's share price hit a low of \$1 per share in January and ran up to \$5.80 in August before backing down to the \$3 range in December.

At the beginning of the year, our mandate was to protect the company by improving our mine safety performance, making a profit, and once again reduce our cash and all-in sustaining costs, prepare to close the El Cubo mine by year-end, and pay down some of our short-term debt. I am pleased to say that in 2016, we reduced the Reportable Injury Frequency Rate at the mines, made some profits, significantly strengthened the balance sheet by netting \$53 million through two equity offerings, reduced operating costs for the fourth consecutive year, reversed our decision to close El Cubo, and paid down over half our outstanding debt.

Letter from the CEO

All three of our mines once again received the Socially Responsible Company award from CEMEFI (the Mexican Center for Philanthropy) and the Alliance for Social Responsibility in 2016.

Production was down slightly in 2016 compared to 2015 due to our decisions in January to reduce spending on exploration and development, which reduced our mine access and therefore metal production, and due to the Guanaceví mine falling behind plan. We were able to restart our exploration and development programs in July to refocus on expanding resources and access reserves, and we made significant investments in the underground mine at Guanaceví. We also acquired two high grade silver-gold development projects in the historic silver mining districts of Zacatecas and Parral, Mexico, and continued to advance our exciting new discovery on the Terronera property. We are now in a position to potentially build three new mines over the next three years to fuel Endeavour's next phase of organic growth.

Exploration continued to deliver positive results in 2016, notwithstanding the initial reduced budget. Although reserves and resources both fell year-on-year due to mining depletion and reduction in mine exploration and development at the three mines, work on our exciting new Terronera discovery coupled with the newly acquired El Compas project were successful in delivering updated resource estimates and economic studies in March 2017.

People are Endeavour's most important resource. In 2016, we employed 1,650 full-time employees and 900 contractors across our three operating mines, the exploration group based in Durango, administrative office in León, and our corporate head office in Vancouver. Our commitment to hire locally is evidenced by our personnel statistics. In 2016, 99.4% of our on-site personnel in operations, exploration, and administration were from Mexico.

At Endeavour, protecting the health and safety of our workers is our highest priority. In 2016, we hired a new Regional Health and Safety Manager to oversee our health and safety coordinators at each mine. Despite our reduction of Reportable Injury Frequency Rate, Lost Time Accidents were up and we unfortunately experienced a fatality at our Guanaceví mine this past year, where a contractor tragically lost his life as a result of a rock fall incident. Additional procedures, training, and safeguards were put in place and further measures are under way. All three of our mine rescue and first aid teams qualified at regional competitions for entry in Mexico's National Mine Rescue Competition in September 2016. At the regional competitions, Bolañitos placed first in first aid and second in brigade training, El Cubo placed first in benchman and second in mine rescue, and Guanaceví placed fourth overall.

All three of our mines once again received the Socially Responsible Company award from CEMEFI (the Mexican Center for Philanthropy) and the Alliance for Social Responsibility in 2016. Our community relations coordinators proactively engaged with the residents near each of our three mines to build trust and understanding, and to ensure our efforts to create value are aligned with both our objectives and theirs. In 2016, Endeavour continued to sponsor community health programs, environmental remediation campaigns, cultural and religious celebrations, local sports teams, kids' camps, educational scholarships, small business training and mine skills training.

Our Environmental Policy requires that we reclaim and replant land that we disturb, often within the same year. All three Endeavour mines operate nurseries to provide seedlings for reforestation. Approximately 34,500 trees were planted in 2016, close to 25,000 of which were at exploration areas, including Terronera. Surface tailings can represent one of the more significant environmental risks of mining operations, and in keeping with industry best practices, Endeavour completed significant new investments last year to maintain or upgrade each of its three tailings facilities.

2017 will be a transformational year for Endeavour as we turn our attention from improving the performance of our three existing mines to building new mines to fuel our next phase of organic growth. I would like to thank the entire Endeavour team for their commitment to sustainability and growth, and making this company bigger and better each year.

Bradford Cooke

Chief Executive Officer
May 2017

2016 Highlights

OPERATIONS

- Produced in line with guidance: 5,435,407 oz silver and 57,375 oz gold
- Production totalled 9.7 million silver equivalent oz (at a 75:1 silver: gold ratio)
- Acquired the El Compas project in Zacatecas, Mexico for \$6.8 million and advanced a preliminary economic assessment
- Acquired the Parral project in Chihuahua state, Mexico for \$5.3 million and mapped extension of Veta Colorada
- Infill drilled main zone, identified other prospective veins and advanced a pre-feasibility study at Terronera
- Received “Socially Responsible Company” awards for all three mines

FINANCIALS

- Net earnings of \$3.9 million (\$0.03 per share)
- EBITDA⁽¹⁾ of \$27.8 million
- Cash flow from operations before working capital changes of \$24.0 million
- Revenue totalled \$156.8 million
- Cash costs⁽¹⁾ totalled \$6.78 per oz silver payable (net of gold credits), beating guidance
- All-in sustaining costs of \$12.43 per oz silver payable (net of gold credits)
- Bullion inventory at year-end of 311,625 oz silver and 665 oz gold
- Concentrate inventory at year-end of 18,962 oz silver and 218 oz gold
- Cash and equivalents of \$72.3 million at year-end
- Working capital of \$81.6 million at year end
- Strengthened balance sheet through \$53.3 million equity financing
- Reduced debt to \$9.0 million

⁽¹⁾ EBITDA and cash costs are non-IFRS measures. Please refer to the definitions in our Management Discussion & Analysis.

EXPLORATION HIGHLIGHTS

Highlights

- Identified nine new veins on northern half of the Terronera property, many with high-grade silver and gold mineralization on surface near small historic mines
- Discovered new high-grade gold-silver mineralization in the La Luz vein at Terronera
- Discovered new high-grade gold-silver mineralization in the Ana Camila vein at El Compas
- Extended the Santa Cruz and Porvenir Centro orebodies at Guanaceví
- Extended the LL-Asunción and Plateros orebodies at Bolañitos

Reserves and Resources

Proven and probable silver reserves decreased 12% in 2016 compared to 2015, reflecting mining depletion and reduction in mine development capital investments at the three mines in 2016 due to low metal prices early in 2016. Measured and indicated silver resources decreased 2% and inferred silver resources declined 18% due to reduced exploration spending at the operations and releasing the Arroyo Seco project.

- 10.6 million ounces of proven and probable silver reserves
- 91,100 ounces of proven and probable gold reserves
- 17.4 million ounces⁽²⁾ of ounces of proven and probable silver equivalent resources
- 64.2 million ounces of measured and indicated silver resources
- 533,700 ounces of measured and indicated gold resources
- 105.1 million ounces of measured and indicated silver equivalent resources
- 37.2 million ounces of inferred silver resources
- 336,000 ounces of inferred gold resources
- 64.7 million ounces⁽²⁾ of inferred silver equivalent resources

⁽²⁾ Based on 75:1 silver:gold ratio, base metals not included For details and footnotes refer to the complete Reserves and Resources table on inside back cover

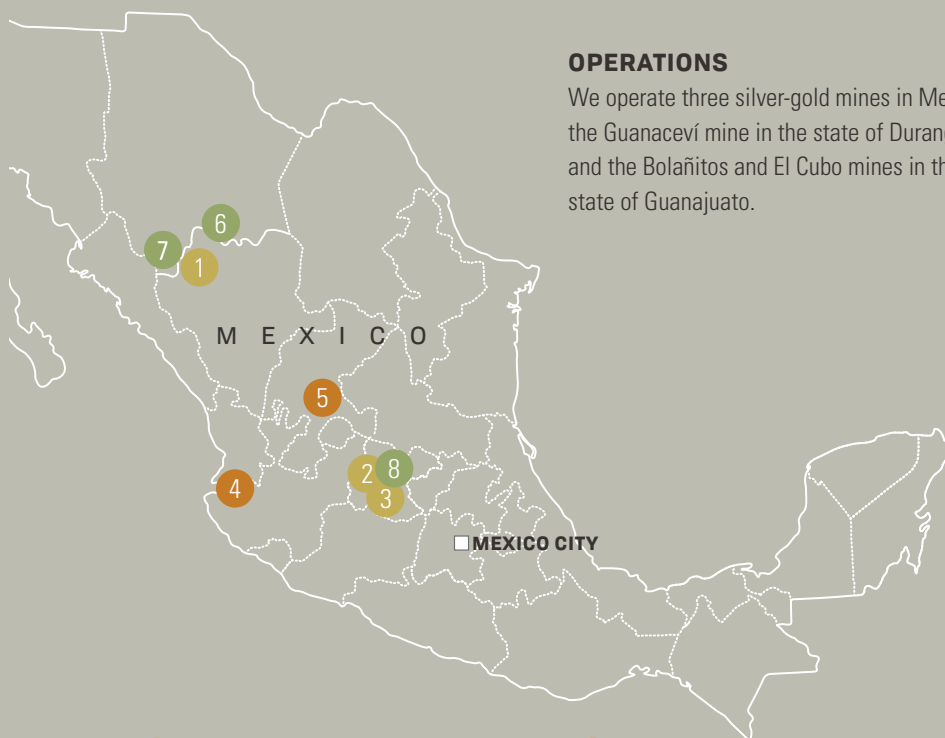
5,435,407 oz
SILVER PRODUCTION

57,375 oz
GOLD PRODUCTION

9.7 million oz
SILVER EQUIVALENT PRODUCTION

About Endeavour Silver

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.



OPERATIONS

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.

DEVELOPMENT AND EXPLORATION

We own two development projects in Mexico: the El Compas project in Zacatecas and the Terronera project in Jalisco. In addition, we hold several exploration properties in Mexico and Chile. In 2016, we spent \$9.9 million on exploration drilling, plus an additional \$1.1 million on holding costs for our properties. In total we drilled 48,834 metres in 183 drill holes across our three mines and at our three exploration and development projects.



PRODUCING



DEVELOPMENT



EXPLORATION

- 1 GUANACEVÍ MINE**
 Acquired: May 2004
 Property: ~ 4,200 ha
 Location: State of Durango
- 2 BOLAÑITOS MINE**
 Acquired: May 2007
 Property: ~ 2,500 ha
 Location: State of Guanajuato
- 3 EL CUBO MINE**
 Acquired: July 2012
 Property: ~ 8,100 ha
 Location: State of Guanajuato

- 4 TERRONERA**
 Acquired: Optioned 2010
 Purchased 2013
 Property: ~ 6,100 ha
 Location: State of Jalisco
- 5 EL COMPAS**
 Acquired: 2016
 Property: ~ 3,990 ha
 Location: State of Zacatecas

- 6 PARRAL**
 Acquired: 2006 and 2016
 100% interest 2011
 Property: ~ 3,450 ha
 Location: State of Chihuahua
- 7 GUADALUPE Y CALVO**
 Acquired: 2012
 Property: ~ 54,856 ha
 Location: State of Chihuahua
- 8 LOURDES**
 Acquired: Optioned 2012
 Property: ~ 509 ha
 Location: State of Guanajuato



Guanaceví is located 260 kilometres northwest of the city of Durango, in Mexico's fifth-largest silver mining district, and covers approximately 4,200 hectares. Guanaceví is accessible by state highway and municipal roads, and features good local infrastructure, including power from the state power grid and skilled local labour readily available in the nearby town of Guanaceví. The mining district is characterized by multiple low-sulphidation epithermal veins, typically thousands of metres long, up to 700 metres deep, ranging from one to 10 metres thick.



OPERATIONS

Guanaceví

Since acquiring the property, we have discovered seven high-grade silver-gold ore bodies along a six kilometre 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 550 employees and 400 contractors.

Silver production at Guanaceví in 2016 was 2,364,045 oz and gold production was 5,328 oz – falling short of guidance due to lower throughput and ore grades, partly offset by higher recoveries. Production totalled 2.8 million ounces of silver equivalents. The operation suffered from inadequate supervision, development, pumping, ventilation and electrical systems last year, and access to certain high grade areas was restricted. Significant investments in the underground mine were made in Q4 to rectify these issues and the mine should bounce back through 2017. Cash costs at Guanaceví in 2016 were \$10.56 per ounce, while all-in sustaining costs (AISC) came to \$19.07 per ounce, net of gold credits. We also spent \$1.2 million on drilling 7,000 metres of various targets within the Guanaceví district.

Sustaining capital at Guanaceví in 2017 is budgeted at \$16.7 million. An additional \$7.1 million of growth capital is planned to access two new ore bodies currently not in production. The development is expected to commence in the second quarter of 2017, depending on permitting. Exploration plans for 2017 include 8,000 metres of drilling for \$1.2 million.

Guanaceví is our highest-grade silver mine.

	Plant throughput (tonnes/day)	Grades (grams/tonne)		Production (ounces)		Recoveries (%)		Cash costs (\$/oz Ag)	AISC (\$/oz Ag)	Direct costs (\$/tonne)
		Silver	Gold	Silver	Gold	Silver	Gold			
2016	1,007	232	0.51	2,364,045	5,328	86.3	88.4	\$10.56	\$19.07	\$84.94
2015	1,182	295	0.62	3,440,748	7,390	84.1	85.9	\$8.66	\$12.97	\$88.04
2014	1,160	314	0.65	3,587,639	7,641	84.0	86.3	\$9.73	\$14.51	\$104.06
2013	1,194	253	0.60	2,772,227	6,784	78.2	80.7	\$14.32	\$22.55	\$110.93

RESERVES AND RESOURCES: SILVER

5.0 M oz
proven and
probable silver
reserves

24.6 M oz
measured and
indicated silver
reserves

9.9 M oz
inferred silver
resources

RESERVES AND RESOURCES: GOLD

11,900 oz
proven and
probable gold
reserves

56,600 oz
measured and
indicated gold
reserves

19,800 oz
inferred gold
resources



Bolañitos is located 10 kilometres northwest of the city of Guanajuato, in Guanajuato state, Mexico's second-largest historic silver mining district, and covers approximately 2,500 hectares. Bolañitos is accessible by municipal roads,

and has good local infrastructure, including 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 190 contractors.

In 2016 Bolañitos produced 1,052,517 million ounces of silver and 30,720 ounces of gold – exceeding guidance due to higher throughput, partially offset by lower recoveries and lower than planned silver grades. Production totalled 3.4 million ounces of silver equivalents. Cash costs at Bolañitos in 2015 were negative \$8.37 per ounce of silver, while all-in sustaining costs were negative \$4.77 per ounce of silver (both net of gold credits).

Production in 2017 is expected to average 1,100 tpd, primarily from the LL-Asunción and Plateros deposits, and historic mine fill. Sustaining capital at Bolañitos in 2017 is budgeted at \$5.7 million. Exploration plans for 2017 include 6,000 metres of drilling for \$0.9 million.

Bolañitos is our most profitable mine.



OPERATIONS

Bolañitos

	Plant throughput (tonnes/day)	Grades (grams/tonne)		Production (ounces)		Recoveries (%)		Cash costs (\$/oz Ag)	AISC (\$/oz Ag)	Direct costs (\$/tonne)
		Silver	Gold	Silver	Gold	Silver	Gold			
2016	1,391	81	2.53	1,052,617	30,720	79.6	81.5	(\$8.37)	(\$4.77)	\$57.05
2015	1,247	118	1.99	1,449,773	23,966	83.9	82.3	\$4.31	\$11.79	\$71.97
2014	1,556	148	2.36	2,396,179	37,108	88.7	86.1	\$1.94	\$8.70	\$87.44
2013	1,947	149	2.63	2,881,816	51,652	84.6	96.0	(\$2.87)	\$7.39	\$78.47

RESERVES AND RESOURCES: SILVER

1.3 M oz
proven and
probable silver
reserves

4.1 M oz
measured and
indicated silver
reserves

5.7 M oz
inferred silver
resources

RESERVES AND RESOURCES: GOLD

28,100 oz
proven and
probable gold
reserves

52,400 oz
measured and
indicated gold
reserves

84,700 oz
inferred gold
resources

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



El Cubo covers approximately 8,150 hectares 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.



OPERATIONS

El Cubo

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, 1,500 tonne-per-day plant, which produces high-grade silver-gold concentrates. The mine provides employment for approximately 600 employees and 300 contractors.

In 2016, El Cubo produced 2,018,745 million ounces of silver and 21,327 ounces of gold – exceeding guidance due to higher throughput, partially offset by lower gold recoveries. Production totalled 3.6 million ounces of silver equivalents. Cash costs were \$10.09 per ounce of silver, while all-in-

sustaining costs were \$13.32 per ounce of silver (both net of gold credits). The 2016 operational plan originally called for throughput to gradually decrease over the year to care and maintenance level by year end, with efforts focused on extracting and processing the accessible ore to maximize cash flow over the year. In July 2016, with improving metal prices, we revised the El Cubo operating plan to ramp throughput back up to 1,500 tpd in the second half of the year.

In 2016 we spent \$1.1 million on drilling 8,000 metres of various targets within the El Cubo district.

Production in 2017 is expected to average 1,400 tpd from the V-Asunción, Dolores, Villalpando, San Nicolas and Santa Cecilia veins. Sustaining capital at El Cubo in 2017 is budgeted at \$13.2 million. Exploration plans for 2017 include 6,000 metres of drilling for \$0.9 million.

El Cubo is our most successful operational turnaround.

	Plant throughput (tonnes/day)	Grades (grams/tonne)		Production (ounces)		Recoveries (%)		Cash costs (\$/oz Ag)	AISC (\$/oz Ag)	Direct costs (\$/tonne)
		Silver	Gold	Silver	Gold	Silver	Gold			
2016	1,599	123	1.41	2,018,745	21,327	87.4	80.6	\$10.09	\$13.32	\$77.88
2015	1,855	119	1.52	2,288,145	28,634	88.1	86.3	\$10.56	\$22.15	\$80.60
2014	1,132	105	1.59	1,228,256	18,146	88.0	85.9	\$16.40	\$39.49	\$99.89
2013	1,089	107	1.57	1,159,026	17,142	86.1	86.8	\$18.77	\$34.84	\$113.31

RESERVES AND RESOURCES: SILVER

4.3 M oz
proven and
probable silver
reserves

5.9 M oz
measured and
indicated silver
resources

10.0 M oz
inferred silver
resources

RESERVES AND RESOURCES: GOLD

51,100 oz
proven and
probable gold
reserves

78,800 oz
measured and
indicated gold
resources

129,900 oz
inferred gold
resources



Terronera has the potential to become Endeavour’s next core asset, located in Jalisco state, Mexico, about 40 km northeast of Puerto Vallarta in the historic silver mining district of San Sebastián. 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.

Subject to receiving the remaining government mine permits, arranging an appropriate debt financing, and completing certain optimization work on the PFS, management intends to seek approval from the Company’s board of directors to commence development of the Terronera mine and related facilities.



DEVELOPMENT

Terronera

The Terronera property is characterized by multiple low-sulphidation epithermal veins up to five kilometres long by 300 to 500 metres deep and up 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.

In April 2017 Endeavour published a pre-feasibility study (PFS) on Terronera which outlines a 1,000 tonne per day operation for two years, expanding to 2,000 tonnes per day in year three. The plant will process 4.1 million tonnes over a seven-year mine life. Life of mine production will average 3.2 million ounces of silver and 26,400 ounces of gold per year, equal to 5.1 million silver equivalent ounces.

ECONOMICS

Initial capital expenditures are estimated to be \$69.2 million. The capital for the expansion from 1,000 tonnes per day to 2,000 tonnes per day is estimated at \$35.5 million. Total life of mine capital requirements are estimated to be \$132.0 million. Management will seek opportunities to optimize the capital requirements going forward.

Life of mine average operating costs are estimated to be \$72 per tonne and cash costs, net of gold credits, are estimated to be \$3.44 per ounce of silver. All-in-sustaining costs – also net of gold credits – are estimated at \$4.76 per silver ounce of silver. Management also recognizes opportunities to optimize the operating costs.

Ag Price	Au Price	IRR	NPV	Payback Period
\$16/oz	\$1,120/oz	14%	\$40.5m	5.1 years
\$18/oz Base Case	\$1,260/oz	21%	\$78.1m	4.3 years
\$20/oz	\$1,400/oz	28%	\$112.4m	3.8 years

MINERAL RESERVE AND RESOURCE ESTIMATES

Classification	Tonnes (000s)	Ag g/t	Au g/t	Ag Eq g/t	Ag oz (000s)	Au oz (000s)	Ag Eq oz (000s)
Probable Reserves	4,061	207	1.95	353	27,027	254.6	46,122
Inferred Resources	618	486	2.82	698	9,656	56.0	13,859

RESERVES AND RESOURCES: SILVER

27.0 M oz
probable silver reserves

9.7 M oz
inferred silver resources

RESERVES AND RESOURCES: GOLD

254,600 oz
probable gold reserves

56,000 oz
inferred gold resources

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



El Compas is located in Zacatecas state, Mexico, about one kilometre south of the city of Zacatecas in the historic silver mining district of the same name. El Compas was acquired in 2016 and has the potential to quickly become our next operating mine. Our property covers approximately 3,990 hectares, and is well served by local infrastructure, including a paved highway, state electrical power, local labour, supplies and services.



DEVELOPMENT

El Compas

El Compas represents a small but scalable, high grade opportunity to achieve near-term production for a small amount of time and capital investment.

El Compas is characterized by two high-grade, low-sulphidation epithermal veins up to several hundred metres long by 200 metres deep and up to 10 metres thick, and multiple vein targets that have never been drilled. The mine is already permitted and a nearby 500 tonne-per-day government plant has been leased for up to 10 years.

In March 2017, Endeavour published a preliminary economic analysis for El Compas which delivered robust economic returns. The mine plan calls for production of 200 tpd and the plant will have an initial capacity of 250 tpd. With the exception of an explosives permit, currently in progress, the mine is fully permitted, and will process 300,000 tonnes over a 4.3 year mine life.

MINERAL RESOURCE ESTIMATES

Classification	Tonnes (000s)	Ag g/t	Au g/t	Ag Eq g/t	Ag oz (000s)	Au oz (000s)	Ag Eq oz (000s)
Indicated Resources	148.4	104	7.31	616	495	34.9	2,939
Inferred Resources	216.8	76	5.38	453	527	37.5	3,158

With the low capital investment of US\$10 million funded by existing cash, and the short timeline of only six months to initial production, the El Compas mine has the near-term potential to become a healthy contributor to our consolidated cash flow.

ECONOMICS

Initial capital expenditures are estimated to be \$10 million. Operating costs are estimated to be \$110 per tonne and cash costs, including royalties and mining duties, are estimated to be \$9.09 per silver equivalent ounce. All-in-sustaining costs are estimated to be \$9.64 per silver equivalent ounce.

Ag Price	Au Price	IRR	NPV	Payback Period
\$16/oz	\$1,120/oz	29%	\$8.0m	2.6 years
\$18/oz Base Case	\$1,260/oz	42%	\$12.6m	2.1 years
\$20/oz	\$1,400/oz	54%	\$17.0m	1.8 years

RESERVES AND RESOURCES: SILVER

495,000M oz
indicated silver resources

527,000M oz
inferred silver resources

RESERVES AND RESOURCES: GOLD

34,900 oz
indicated gold resources

37,500 oz
inferred gold resources



EXPLORATION

Guadalupe y Calvo

The Guadalupe y Calvo 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 high-grade, bulk tonnage 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. In 2016 \$1.1 million was spent on drilling 4,500 metres on one target north of the old Rosario mine. In 2017 we plan to drill 5,000 metres, for a budget of \$0.9 million, to test other mineralized veins on the property.



EXPLORATION

Parral

Parral is an attractive advanced exploration project with near-term resource and production potential, located in Chihuahua state,

Mexico, about five km north of the city of Hidalgo de Parral in the historic silver mining district of the same name. IMMSA mined in the Veta Colorada at Parral until 1990 and estimated a 32 million ounce historic silver resource adjacent to their old mines. Between 2006 and 2008, Endeavour drilled 21,090 metres in 67 holes to define 2.9 million tonnes of polymetallic resources in the Cometa Vein.

In September 2016 we acquired the old IMMSA/Parral property in Chihuahua state, which covers 3,450 hectares. Parral has abundant, high-grade exploration targets and the potential to grow through exploration, consolidation, and development. Parral offers positive synergies with our existing silver-gold-lead-zinc resources on the Cometa property in the area, hosted in medium-grade polymetallic epithermal veins.

In 2017 we plan to verify the historic resources and find new resources by drilling 18,000 metres for a budget of \$3.0 million. Parral is in the final stages of environmental assessment and permitting, and a PEA will get under way by the end of 2017.



EXPLORATION

Lourdes

Optioned in 2012, this silver and gold 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 a one hour drive from the Bolañitos and El Cubo mines. It is characterized by low-sulphidation epithermal veins with potential for high-grade, bulk tonnage silver and gold. The Lourdes project is currently dormant.



2017 Outlook

We expect 2017 to be a transformative year for Endeavour as our attention returns to growth. The emergence of our exciting new Terronera discovery and the acquisition of two attractive development projects last year, El Compas and Parral, have positioned us for significant growth over the next three years. We believe precious metals prices should rise in the coming years so now is the right time to invest for the future.

In 2017, we plan to produce at slightly lower throughput and higher silver grades compared to 2016, resulting in similar silver production and slightly lower gold production estimates. Returning the Guanaceví mine to better safety performance, higher production, throughput and grades and lower operating costs are key operating goals for the year. Development of the new El Compas mine may lead to a production start-up late in the year.

Silver production in 2017 is guided to be in the range of 5.2 to 5.7 million oz with gold production in the 50,000 to 53,000 oz range. Silver equivalent production in 2017 is expected to be 8.9 to 9.7 million oz using a 75:1 ratio, as shown in the table below.

Cash costs, net of gold credits, are forecast to be \$6.50 to \$7.50 per oz of silver produced in 2017, comparable to the first three quarters of 2016. Consolidated cash costs on a co-product basis are anticipated to be \$10.25 to \$11.25 per oz silver and \$775 to \$825 per oz gold. Cost forecasts are based on a \$17 per oz silver price, \$1,190 per oz gold price, and 20:1 Mexican peso per U.S. dollar exchange rate.

All-in sustaining costs, net of gold credits, in accordance with the World Gold Council standard, are guided to be \$14 to \$15 per oz of silver produced in 2017, higher than 2016 due to increased investments in exploration and development programs. When non-cash items such as stock-based compensation are excluded, all-in sustaining costs of production are estimated to be in the \$13.50 to \$14.50 range. On a co-product basis, all-in sustaining costs are anticipated to be \$14.50 to \$15.50 per oz silver and \$1,050 to \$1,150 per oz gold. Direct operating costs are expected to be in the range of \$70 to \$75 per tonne.

We plan to invest significantly in exploration and development programs to extend the existing mine lives and build new mines to fuel future growth. In 2017, Endeavour plans to invest \$43.3-million on capital projects at the three operating mines, including \$7.7-million of growth capital, all primarily for mine development, in order to access reserves and resources for mining. At today's prices, the investments at operations will be covered by operating cash flow, while exploration and growth capital will be financed by the company's treasury.

In exploration, a total of 64,000 metres (m) will be drilled in 2017 as part of a \$15.2 million exploration budget, including brownfields and greenfields exploration, development engineering, and land payments across our portfolio of properties. At the three existing mines, 20,000 m of core drilling is planned at a cost of \$3.0 million. At the exploration and development projects, 44,000 m is planned to be drilled at a cost of \$10.5 million.

Mine	Ag (million oz)	Au (thousand oz)	Ag Eq. (million oz)	Tonnes per day (tpd)
Guanaceví	2.4-2.6	5.3-6.3	2.8-3.1	1,000-1,200
Bolañitos	0.9-1.0	21.5-22.5	2.5-2.7	1,000-1,100
El Cubo	1.9-2.1	23.2-24.2	3.6-3.9	1,300-1,500
Total	5.2-5.7	50.0-53.0	8.9-9.7	3,300-3,800





Letter from the Chairman of the Sustainability Committee

Dear Stakeholders,

We truly believe that a proactive stance on sustainability initiatives and corporate integrity creates value for all our stakeholders in the short, medium, and long term. In this regard, our company has in recent years undergone a considerable internal transformation to view our business through a sustainability lens and make this happen.

Our focus is on people – particularly our employees and local communities – where there is great crossover as we hire locally whenever possible. We listen to community concerns in our quest to be good corporate citizens and we continually seek ways to improve our procedures and performance, and operate our business to have a positive impact on society.

Endeavour's management team is known for its adeptness and agility in their commitment for organic company growth and providing benefits to all of its stakeholders. In 2016, Endeavour made progress in our sustainability priorities in several areas. Two of our key goals were improving the safety of our employees and reducing our energy consumption in a way that does not affect our production goals.

The Endeavour Board of Directors is increasingly aware of sustainability and its growing importance to the company and to our stakeholders. We are regularly updated to stay informed about sustainability issues, oversee the governance of sustainability, and ensure that these topics are integrated into our overall business strategy. As part of these ongoing efforts, in 2016 we developed a formal internal grievance mechanism for both our employees and contractors, and an external mechanism for community members and other stakeholders, which we intend to fully implement at all sites in 2017. We also amended our Community Investment Policy to align more closely with the needs of our communities as we expand in certain areas and plan for eventual mine closure in others. The revised policy will be rolled-out in 2017 with a funding priority focus on funding education and employability.

Protecting the health and safety of our workers is our highest priority, and our approach of continuous safety empowers our employees to be responsible custodians of their own health and safety, as well as the health and safety of their working companions. Over the year, we were able to reduce our Reportable Injury Frequency rate (RIF) by 6.6%, which was a significant improvement over the previous year and continues a four-year trend for this metric. Our Lost Time Injury Severity rate (LTIS) rate increased by 17% and our Lost Time Injury Frequency rate

(LTIF) increased by 37% - both notable set-backs over 2015. We believe this to be the result of a change in health and safety management last year, which affected leadership momentum, however our belief is that with a new regional Health and Safety Manager and the reinforcement of our existing procedures and processes, as well as new initiatives, this should shift back to positive safety performance improvements in 2017.

In 2016, approximately 31% of our employees participated on committees that monitor and advise on Endeavour's occupational health and safety conditions, procedures, and programs. This represents a 21% increase over the previous year – a metric which we feel is a testament to our commitment and growing safety culture.

Also in 2017, we plan to introduce and implement Visible Felt Leadership – a DuPont Sustainable Solutions concept – to the organization; a program aimed at enhancing the safety skills of leaders and safety professionals throughout an organization. Participants will be trained to set challenging safety standards, provide effective safety coaching and guidance, and remain vigilant regarding safe workplace behavior while reinforcing safety as a core value.

We believe in the importance of providing ongoing training and we know from personal experience that having skilled, highly-motivated people on staff is fundamental to our business success. As of 2016, our employee and contractor training is now closely tracked and monitored in the following classifications of training: induction, occupational safety, mine rescue, safety monitor, and technical.

In a unique 2016 training initiative, because Terronera has moved-up in importance to Endeavour, we started training our next phase of miners for that project. A group of 21 local residents from the Terronera project traveled to the Bolañitos Mine where they were given three months of on-the-job training. In this professional development and capacity-building exercise, participants received over 5,000 hours of training to provide Terronera with a core group of trained local staff upon start-up.

From an environmental standpoint, we achieved good progress in 2016 with respect to the standardization of our water usage and recycling (methodology and measurement), we assessed and/or reinforced all of our tailings storage facilities, reduced our total energy consumption, predominantly from the slow-down at El Cubo, however, also

due to Bolañitos moving to the national power grid, and we experienced no environmental incidents at any of our sites.

Environmental permitting for the resource sector is becoming more stringent and somewhat less predictable in terms of timelines. To manage this risk we are adding expertise in this regard to our management team to help facilitate permitting and minimize delays to our development projects.

External feedback is an integral part of how we do business as responsible corporate citizens. In 2016, a formal Community Grievance Mechanism was developed using the standards of the International Finance Corporation (IFC) and the United Nations Guiding Principles on Business and Human Rights, as part of our company-wide commitment to align with our ethic standards and international good practice, and formalize our internal and external grievance methods.

We conducted a social assessment at our operating sites in 2016 to identify the most important needs of the community – and update our Community Investment Policy accordingly – to ensure we are addressing areas in which the company can have the most significant positive social impact. We consulted with our local communities and shifted the community investment model to a more sustainable, capacity-building process to accompany the mine closure process. Every mine ultimately has a finite life, and we plan to leave a positive legacy that will benefit our local communities after mining activities have ceased.

Conducting our business with integrity and in a manner aligned with our commitment to sustainability priorities are both part of our core values. Sustainability, alongside our growth strategy, will be even more important going forward.

Ken Pickering

Chair, Sustainability Committee
May 2017

About our Company

Endeavour Silver Corp. is a mid-tier, silver-gold mining company with corporate headquarters in Vancouver, Canada, and three high-grade, underground silver-gold mines in Mexico. Our mission is to become a premier senior producer in the silver mining sector. We find, develop, build, and operate quality silver mines in a manner that provides shared value to our host communities and leading returns to stakeholders while upholding our commitment to sustainable business practices.

OUR CUSTOMERS AND MARKETS

The principal products and sources of sales of our mining operations are silver-gold concentrates and silver-gold doré bars. Doré from Guanaceví is shipped to a refinery in Torreón and a refinery in Miami where the bullion is then sold to end users through the London Metals Exchange. Concentrates from Bolañitos and El Cubo are transported by truck to the port of Manzanillo and sold to metals traders, who blend the concentrates with other concentrates for resale to international smelters.

OUR SUPPLY CHAIN

Endeavour Silver relies on a comprehensive network of contractors and suppliers to service the business activities of our operating mines and exploration and development sites. Our supply chain includes several Mexican companies, and a number of international distributors, who provide a range of mining-related supplies and services. The largest categories of contractors and subcontractors across our operations in 2016 included: underground mine development, security, refining, metals sales, transportation and trucking, fuel supply, equipment and parts, aviation, food services, and telecommunications.



● 2016 SILVER IN CONCENTRATE	58%
● 2016 SILVER IN DORÉ	42%

● 2016 GOLD IN CONCENTRATE	91%
● 2016 GOLD IN DORÉ	9%



COMMITMENTS TO EXTERNAL INITIATIVES

Aligned with the Government of Canada’s Enhanced Corporate Responsibility (CSR) Strategy, Endeavour Silver has committed to develop and implement management systems and operating practices which take into consideration the following international guidance for extractive companies operating abroad:

- The Organization for Economic Cooperation and Development (OECD) Guidelines for Multi-National Enterprises
- The United Nations (UN) Guiding Principles on Business and Human Rights
- Voluntary Principles on Security and Human Rights
- International Finance Corporation (IFC) Performance Standards on Social and Environmental Sustainability
- Global Reporting Initiative (GRI)
- The Prospectors and Developer’s Association of Canada (PDAC) E3 Plus Framework for Responsible Exploration

At Endeavour, we are committed to international best practices and standards, including those required by certain industry certifications. In 2016, Endeavour endorsed or adopted the following voluntary external initiatives and/or achieved or maintained the following certifications:

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
ISO 9001	Our mines with labs are ISO 9001 certified; Guanaceví since 2012 and Bolañitos since 2013. In 2016, Guanaceví renewed under ISO v2015 guidelines and was the 1 st lab in Mexico to receive this certification
Socially Responsible Company (<i>Empresa Socialmente Responsable</i>) Distinction	This distinction, awarded by the Mexican Philanthropy Centre (CEMEFI) and the Alliance for Social Responsibility in Mexico was renewed for all three operations in 2016

Notes: [1] The Gender Equity Certification, which was awarded to all of our operating mines in 2013 and was valid for three years, has been redesigned with a number of new requirements. These must not only be met, but must be independently verified to recertify, and represents a significant model change which will take time to adjust to for potential re-application. [2] The Healthy Environment (Etorno Saludable) Certificate in Guanaceví was not renewed in 2016 due to a change in government authorities; we intend to renew in 2017.

MEMBERSHIPS AND ASSOCIATIONS

Our corporate memberships and involvement with industry associations facilitate our ability to build and maintain relationships with key organizations and industry peers; enable our people to share and contribute to the development of international best practice; and keep current regarding emerging regulatory and public policy updates in the mining sector.

In 2016, Endeavour was a member of, 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
- Confederation of Industry Chambers (CONCAMIN – *Confederación de Cámaras Industriales*)
- The Silver Institute
- Association for Mineral Exploration British Columbia (AMEC BC)

In addition, some employees and directors belong to the Mexican Mining Engineers Association, the Prospectors and Developers Association of Canada (PDAC), and the Institute of Corporate Directors (ICD).



The principal products and sources of sales of our mining operations are silver-gold concentrates and silver-gold doré bars.

About this Report

2016 marks Endeavour Silver's fourth consecutive year of sustainability reporting using the Global Reporting Initiative as our reporting framework.

Our Sustainability Report provides performance data on the core aspects of our sustainability strategy: expanding our commercial success and creating economic value for our stakeholders, upholding rigorous safety standards, procedures and training to ensure our employees work in a safe and healthy manner, 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 and development sites. Our human resources indicators cover all operations and exploration and development sites, as well as our corporate head office in Vancouver, Canada, and the administrative office in León, Mexico. In this reporting period, there have been no significant changes to our size, structure, ownership, or supply chain.

This report also includes 12 '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.

DEFINING OUR REPORT CONTENT

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 PERIOD	Jan. 1, 2016 – Dec. 31, 2016
DATE OF LAST REPORT	Dec. 31, 2015
REPORTING CYCLE	Annually
REPORTING FRAMEWORK	Global Reporting Initiative (G4)/ Mining & Metals Sector Disclosures
IN ACCORDANCE OPTION	Core

Note: 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).

reporting process. Other sources included internal corporate standards and governance documentation, industry peer reports, international best practices frameworks and policy developments, and the media.

MATERIAL SUSTAINABILITY TOPICS

Our material issues – the areas of greatest interest and impact to our stakeholders – shape the content of the report and include: economic performance, health and safety, compliance, water, waste, energy and emissions, biodiversity, closure planning, and engagement with local communities.

There were certain topics that did not emerge as the highest ranking material issues in the assessment, however they are topics of interest to our internal and external stakeholders as well as our potential reading audience and therefore received a certain proportion of report coverage. These topics include human rights, security, training and development, and environmental impacts from transportation.

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. Embedded within the narrative of each material topic in the report we have described why these issues are important (or of concern), and to whom, and we have also provided boundary coding by material aspect in the G4 Content Index located at the end of this report.

INDEPENDENT ASSURANCE

We place a high priority on the quality control of our management and data collection systems to accurately benchmark and report our sustainability performance, while maintaining the trust of our reading audience and key stakeholder groups.

At present, our sustainability reports are prepared by management, with the assistance of independent sustainability consultants. Our sustainability reports are reviewed by our Board for internal data verification and quality control, and to ensure our material issues are appropriately represented and thoroughly covered. The Board also ensures the reports’ contents are integrated with those governance protocols, procedures, and practices that guide Endeavour’s sustainability performance. We continue to consider independent assurance as an additional layer of verification and to further increase our transparency.

The Company reports non-IFRS measures which include cash costs net of by-products on a payable silver basis, total production costs per ounce, all-in sustaining costs per ounce and direct production costs per tonne, in order to manage and evaluate operating performance at each of the Company’s mines. These measures, some established by industry organizations, are widely used in the silver mining industry as a benchmark for performance, but do not have a standardized meaning. These measures are reported on and reconciled in the Company’s MD&A.

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.



2016 Sustainability Priorities

ACHIEVED
 PARTIALLY ACHIEVED
 NOT ACHIEVED

GOVERNANCE

RESULTS

●	Establish a grievance mechanism for Guanaceví	Exceeded target. A company wide grievance mechanism was developed for both internal (employees and contractors) and external (community and other) stakeholders at all three mines
○	Update the procurement policy to integrate sustainability principles	Deferred to 2017

ECONOMIC

●	All-in sustaining costs (AISC) of less than \$12.50/oz	AISC was \$12.43
●	Consolidated direct costs less than or equal to \$80/tonne	Direct costs per tonne were \$72.42

OUR PEOPLE

SAFETY

○	Zero fatalities	One fatality
◐	Achieve a 10% reduction in the Reportable Injury Frequency Rate	Attained a 6.6% reduction

HEALTH

●	Standardize health monitoring systems across all operations	Standardized across all three operations. More information in the Health and Safety section
●	Achieve zero lost time accidents related to lack of ventilation	Zero accidents related to lack of ventilation

LABOUR

○	Reduce turnover rate by 2%	Attained 27% turnover rate, compared to 21% in 2016. More information can be found in the Our People section of this report
●	Provide an average of 30 hours of training per employee	Achieved 36 hours of training per employee

ENVIRONMENT

●	Standardize water monitoring across all operations	All three operations have now a clear methodology to determine the amount of water used and recycled
●	Zero spills	Zero spills
●	Maintain the recycling water percentage above 80%	Our water recycle rate for 2016 was 91.1%
●	Reduce 5% of our energy consumption	12% reduction, from slow-down at El Cubo and Bolañitos moving to the national power grid. More information can be found in the Environment section of this report

COMMUNITY

◐	Identify and implement potential economic diversity projects in Guanajuato	The identification was completed, implementation will take place in 2017. All three sites were included, not only the ones in Guanajuato. More information can be found in the Community section of this report
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2017 Sustainability Targets



Governance

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Governance

Management Approach

At Endeavour, our most important shared values are ethical conduct, 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. We work to ensure our robust and evolving governance processes support our commitment to high ethical standards alongside our sustainable business development priorities.

BUSINESS ETHICS AND HUMAN RIGHTS

Our Code of Business Conduct and Ethics (the Code) is based upon our commitment to the values of honesty, integrity, and accountability, and promotes honest and ethical conduct, full, fair, accurate, timely and understandable disclosure, and compliance with applicable governmental rules and regulations. Definitions and expectations relating to the avoidance of situations which may constitute a conflict of interest are embedded in the Code. 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.

To ensure compliance with the Code and the high behavioral standards we expect, the Company distributes a copy of the Code to our employees during the induction training process. The Code is posted and readily accessible at key locations at operational sites and is publicly accessible on our corporate website in English and Spanish. We also distribute our Code to our contractors, suppliers, and service providers so they also conduct their activities in accordance with these standards.

The Code was last revised and updated in late 2013 to include 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) and the *United States Foreign Corrupt Practices Act*.

Whistleblower Policy

Our Whistleblower Policy provides a company-wide protocol for the confidential reporting, without fear of reprisal, of any fraudulent, unethical, or illegal activity or behavior. The Whistleblower Policy 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.

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



Anti-Corruption and Anti-Bribery

A proactive approach to anti-corruption and anti-bribery is aligned with evolving international laws as well as our corporate values, which collectively are important to retaining trust amongst our stakeholders. Endeavour has a zero-tolerance policy for bribery and corruption by employees, officers, directors, agents, consultants, and contractors of the company. In 2016, there were no reported incidents of corruption. Corruption-related risks are evaluated at the management level as part of the company risk assessment process, supplemented by our thorough internal financial controls, which are in place with respect to the aspects of operations that could be affected by bribery or corruption. Both are reviewed and evaluated annually by the Board of Directors.

Human Rights

We are committed to respecting the human rights of people related to, or affected by, our operations and we treat everyone we come into contact with - our employees, contractors, local communities and host governments - with dignity and respect. We foster a work environment free from discrimination against gender, race, national origin, marital status, sexual orientation, or political/religious beliefs, 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.


In 2016 there were no reported incidents of discrimination. During the calendar year there was one reported case of sexual harassment by an employee. The incident was investigated by the human resources department and the harasser (also an employee) was dismissed.

Child labour exists as a general country risk within Mexico, however 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 through our Contracting Services and *Working with Third Parties Protocol*, which specifies that no contractor will employ persons under the working age permitted by law. Additionally, local prevailing attitudes are not supportive of under-aged persons working in industrial positions. There were no reported incidents of child labour practices at any of our operations in 2016.

Endeavour fully supports freedom of association and collective bargaining and has no operations in which the right to exercise these labour rights may be at risk.

Endeavour has a zero-tolerance policy for bribery and corruption by employees, officers, directors, agents, consultants, and contractors of the company.



 BOLAÑITOS



 EL COMPAS



SUSTAINABILITY PRIORITIES

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. The Board regularly receives reports concerning the development of the company's business and operations, including its progress and continual improvement efforts with respect to its economic, environmental, and social performance.

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 company has a Diversity Policy in place, which recognizes the benefits arising from board, management and employee diversity, including broadening skill-sets and experience, accessing different outlooks and perspectives, and benefiting from all available talent.

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.

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 standing committees including the (1) Audit Committee, (2) Compensation Committee, (3) Corporate Governance and Nomination Committee and (4) Sustainability Committee. Committee mandates and charters are reviewed and updated regularly to maintain continued relevancy and to provide an effective framework for a high standard of governance.

Two of these 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 and the Sustainability Committee Charter, the Sustainability Committee is comprised of three members and meets at least three times per year – informed by quarterly reports from key departments of our operations. The Committee promotes sustainability as a core company value, encourages a corporate culture that takes responsibility for sustainable development, and approves policies, standards, systems, and responsible work practices that guide the performance and expectations of our employees, contractors, and other key stakeholders.

In addition to a review by the Sustainability Committee, the senior executives who formally review and approve the Sustainability Report and who also ensure that all topics identified by our stakeholders as material aspects receive report coverage include the Chief Executive Officer, President and Chief Operating Officer, Chief Financial Officer, and our Director of Investor Relations.

Management of Sustainability Priorities

Endeavour Silver has adopted the Dow Jones Sustainability Index definition of corporate sustainability which states that “Corporate Sustainability is a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental, and social developments”. Our Sustainability Policy outlines our commitments in each of these categories and also specifies that the company will provide the necessary resources to meet these ongoing commitments.

For Endeavour, corporate sustainability is essential to our business strategy and means more than 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 our local communities to build capacity and enhance their standard of living.

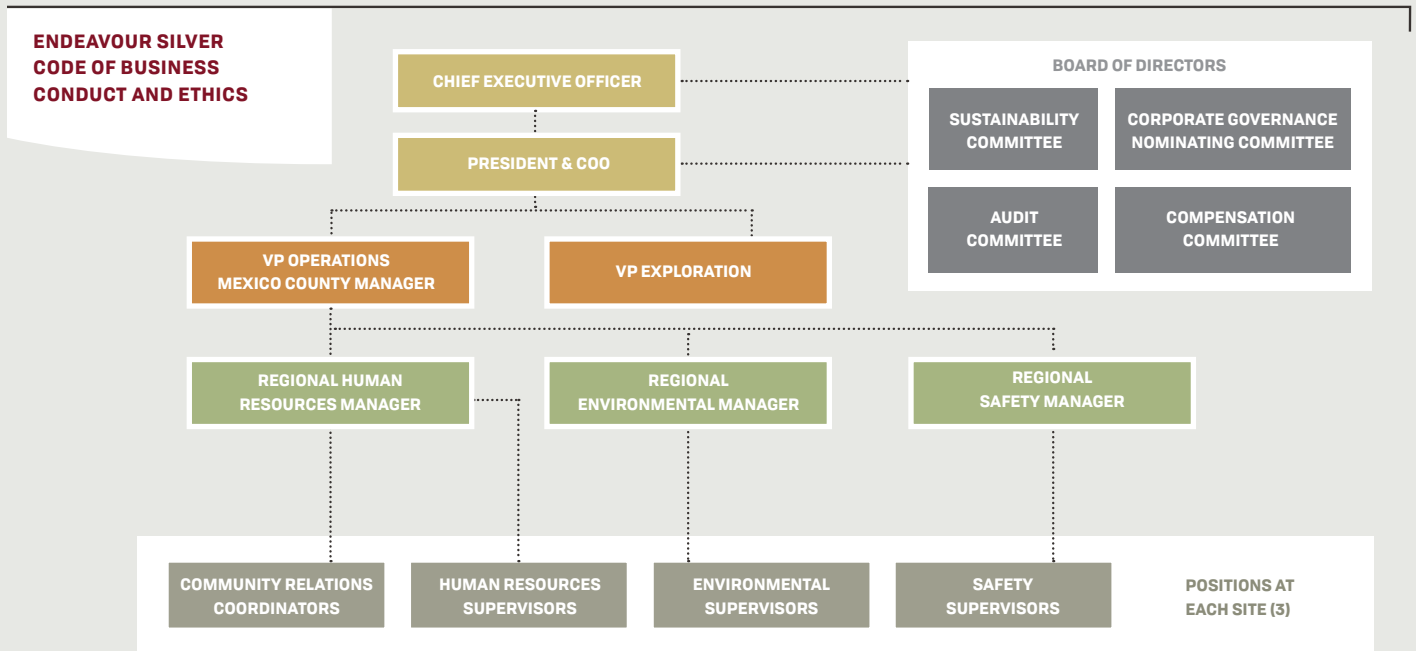
Endeavour meets or exceeds applicable laws and regulations in all of the jurisdictions where we operate, and we seek to continually improve our sustainability performance. We strive to ensure that the company meets its sustainability priorities and targets, management monitors and reviews performance, and we publicly communicate our sustainability performance annually through the reporting process.

Since 2014, Endeavour has been in the process of educating the site-level leadership teams about our sustainability commitment, as well integrating it into our corporate objectives, including topics pertaining to governance, economic, health and safety, labour relations, natural resources (land, water, biodiversity), waste, energy, and social (community) metrics, which track very closely with our material issues for reporting purposes.

This process, which continues to be incorporated into Endeavour’s management systems, has helped employees align themselves with the company’s corporate goals and sustainability priorities, and has helped the company evaluate individual performance in a more objective manner.

Risk Assessment and Management

Endeavour is committed to reducing and managing exposure to certain inherent risks in the achievement of our business objectives and sustainability priorities by adopting an ongoing and systematic approach to identify, analyze, evaluate, and manage material business risks. Our risk management methodology and resulting matrix includes scales of assessing and ranking risk severity and probability. In 2016 there were no topics ranked within the highest level of concern, however the most salient enterprise risks included commodity pricing and volatility and increasing nationalism. Those which are more within the control of the company and require ongoing attention include health and safety (a culture of safety awareness and self-care), permitting, and tailings management.



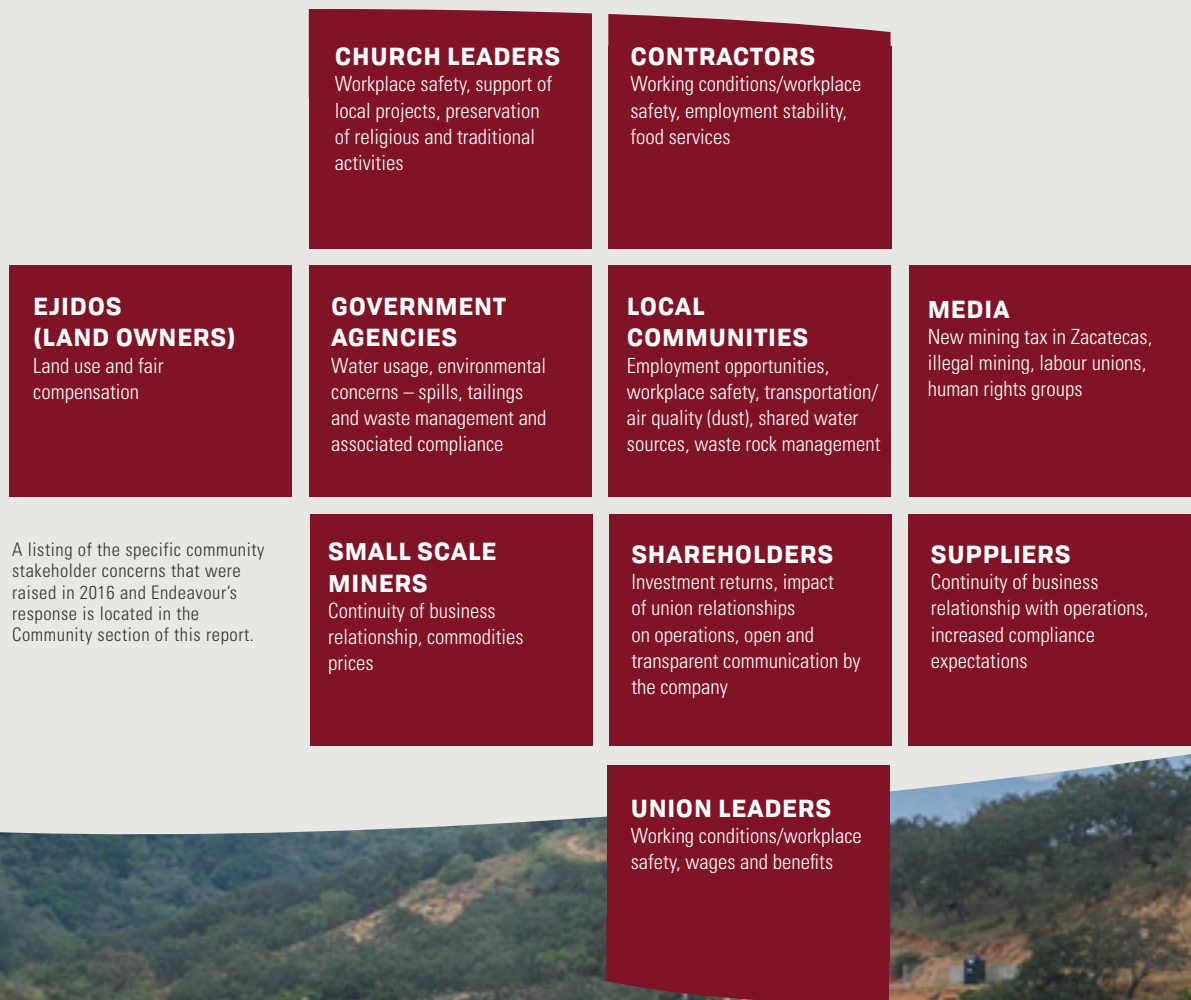
STAKEHOLDER ENGAGEMENT

Endeavour is committed to engaging in open and inclusive dialogue with our stakeholders, who we identify as those groups or individuals who may be impacted or affected by our business activities. We identify, map, and prioritize our stakeholders from our direct and indirect influence areas on the basis of who may be the most impacted or affected over time. This is an ongoing process that we continuously monitor and update.

We believe that effective stakeholder engagement in culturally-appropriate ways can both create value and mitigate risk by fostering mutual respect and trust, while responding to changing social contexts. We work with all of our key stakeholders groups to share ideas on how to generate mutual benefit from our business activities, and we integrate the results of our engagement efforts into continual improvement processes and our operational decision making.

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.

KEY STAKEHOLDER GROUPS (IN ALPHABETICAL ORDER) THAT ENDEAVOUR ENGAGED WITH IN 2016 AND THEIR PRIMARY INTERESTS AND CONCERNS:



Economic

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Economic Performance

Management Approach

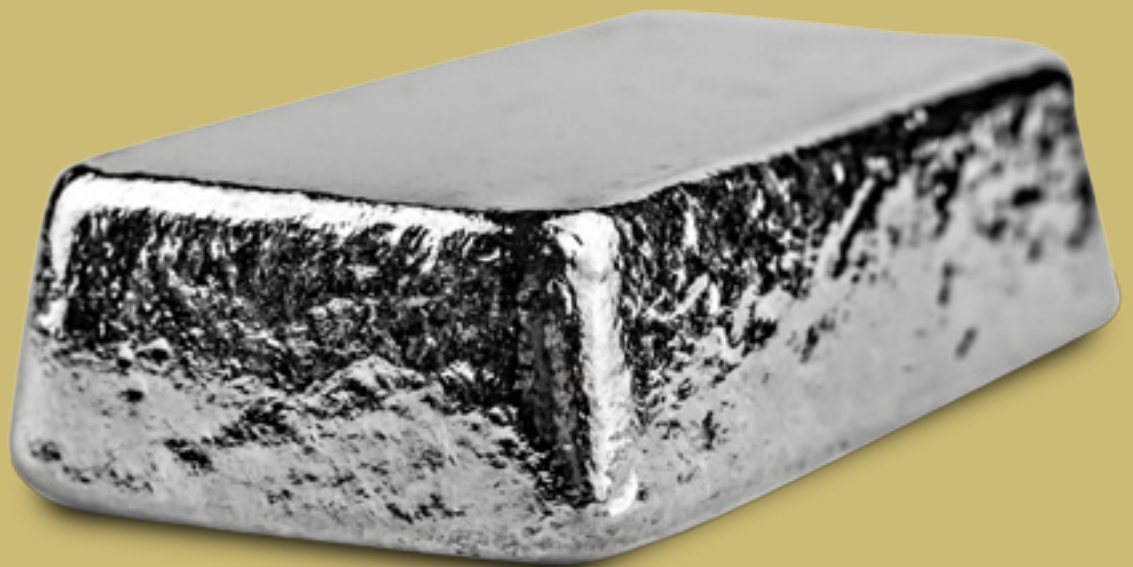
Our business strategy embodies our economic approach: we evaluate historic mining districts and acquire under-performing silver mines in need of capital and expertise; we explore and discover new reserves and resources; we fast-track the development of new mines into production; and we drive organic growth and replenish our operations' reserves and resources by repeating this successful formula.

Our economic performance impacts our entire stakeholder universe, but in particular, our employees (most of whom are community residents in close proximity to our mining operations), our supply and customer chain, and our shareholders. We regularly monitor our economic performance against our targets and objectives, conduct opportunity and risk assessments, and integrate these factors into our ongoing economic strategy - revising our strategy with changing internal or external factors affecting our business and the economic sustainability of the company.

2016 ECONOMIC HIGHLIGHTS

Approximate economic value generated in 2016: **\$156 M**

Approximate economic value distributed in 2016: **\$140 M**



ECONOMIC CONTRIBUTIONS AND IMPACTS

Our business operations stimulate economic activity and contribute to the national and local economies everywhere we operate – going beyond wages and salaries and contributing to the local and national economy of Mexico. This occurs through taxes and royalties that we pay to the Mexican government to further support regional socio-economic development, through business opportunities we create with local suppliers, and through the infrastructure investments we make. We also create opportunities for social development through our Community Investment Program.

Although metal prices were up, the Mexican peso weakened over 2016 and Endeavour was able to strategically and successfully reduce our operating expenses. In 2016, revenue decreased by approximately \$26 million (15%) to \$156 million. This decrease coincided with our decisions in January to significantly reduce spending on exploration and development in 2016 at low metal prices, which reduced our overall metal

production. This strategy also reduced our operating expenses, salaries, and payroll taxes in 2016 over the previous year. These decisions were reversed at the end of the second quarter when we restarted our exploration and development programs to once again expand resources and access reserves. Our community investment expenditures dropped over the previous year in line with our overall reduction in revenue.

During 2016, Endeavour's average realized silver price was \$16.84 per ounce, up from of \$15.70 per ounce during 2015 and approximately 2% below the average London Fix silver price. During 2016, Endeavour's average realized gold price was \$1,253 per ounce, up from of \$1,160 per ounce during 2015 and in line with the average London Fix silver price.

As defined by the Global Reporting Initiative, our total economic value generated in 2016 was approximately \$156.8M and total economic value distributed was approximately \$140.4M; details of which are provided below:

ECONOMIC VALUE GENERATED	2016 (000s)	2015 (000s)	2014 (000s)
Revenue ^[1]	156,767	183,556	196,928
Total economic value generated	156,767	183,556	196,928
ECONOMIC VALUE DISTRIBUTED			
Operating costs (excluding salaries)	81,267	92,844	102,991
Employee wages and benefits	39,667	43,702	46,800
Payments to providers of capital	779	1,041	1,343
Payments to governments ^[2]			
Mexico – income taxes	10,786	14,401	13,166
Canada – income taxes	0	335	533
Payroll taxes Mexico	6,609	7,838	8,542
Payroll taxes Canada	45	41 ^[3]	59 ^[3]
Land use payments	1,013	644	585
Community investment	193	457	515
Total economic value distributed	140,359	161,303^[4]	174,534^[4]
Total economic value retained	16,408	22,253^[4]	22,394^[4]

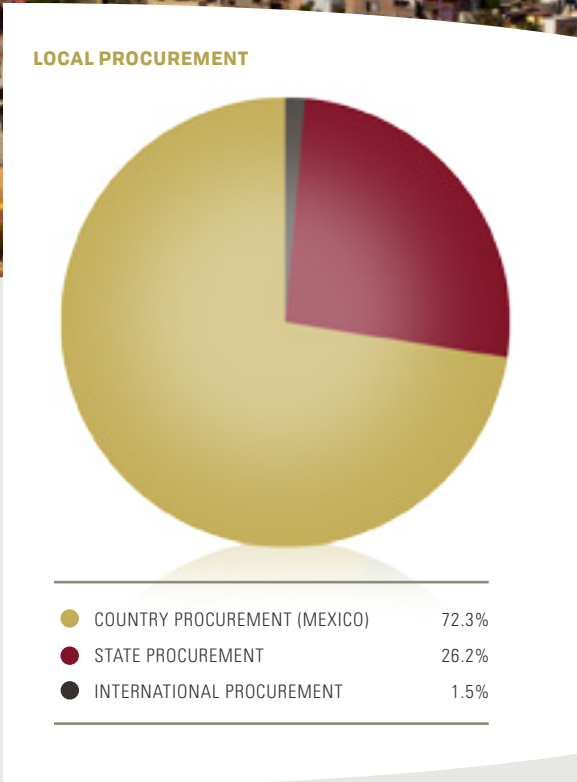
Note: Endeavour receives no financial assistance from any government, nor does any government hold an equity position in the company or its subsidiaries.

^[1] As per audited financial statements.

^[2] Payments to governments: as a Canadian company, we are compliant with the Extractive Sector Transparency Measures Act, which requires Canadian companies to disclose any payments to governments.

^[3] Canadian payroll taxes were not included in the 2015 and 2014 data and are represented for the first time here.

^[4] The following figures are re-calculated and re-stated on the basis of the inclusion of payroll taxes in 2015 and 2014. Total Economic Value restated from 161,261 in 2016 and 174,475 in 2014. Total Economic Value Retained restated from 22,295 in 2015 and 22,453 in 2014.



98.5%

of our goods and services were procured within Mexico in 2016.

In 2017 we will review how we communicate our standards expectations to suppliers and how we enforce methods of compliance with our health, safety, environmental, and labour standards as well as our Code of Conduct and Ethics Policy.

In 2016 we spent approximately \$52.2M (\$83.6M in 2015) on goods and services for use in our business activities. Of that total, approximately \$13.6M (or 26.2%) was procured within state (compared to 18.7% in 2015), \$37.7M (or 72.3%) was acquired within Mexico (compared to 80.5% in 2015), while only a little over \$800,000 (or 1.5%) needed to be sources from international sources (compared to less than 1% in 2015).

The total amount of procurement expenditures fell significantly in 2016 compared to 2015, by design, through the efforts of our operations – as part of the company’s cost-cutting and efficiency measures – but was also the result of the strategic decision to lower production in the first part of the year. Additionally, the Mexican peso significantly depreciated during 2016, reducing costs in US dollar terms compared to the prior year. The shift in regional versus within-country procurement was also intentional and successful, resulting from the work the sites did to promote corporate purchasing (one supplier for all three sites) where possible. The very slight difference in international sourcing was due to falling demand within the industry leading to more competitive pricing by suppliers.

LOCAL PROCUREMENT

Endeavour uses best efforts to procure goods and services from nearby sources whenever possible. This is not only for competitive pricing purposes, but of equal importance, to ensure that local and regional communities receive significant benefit from the economic activity generated by our business activities. In Mexico, the bulk of our supplies and equipment can be acquired locally, and we only need to turn to international suppliers to provide us with certain special heavy equipment and mineral processing chemicals.

We have a company-wide protocol in place regarding local procurement. All purchase decisions must be made in compliance with our policy on Contracting Services and Working with Third Parties, which includes criteria such as location, availability and quality of product, service quality and experience, and cost and specifies that priority will be given to local suppliers should they fulfill these requirements. The company expects suppliers to follow Endeavour’s health, safety, environmental, and labour standards.

COMMUNITY INVESTMENT

At Endeavour, we aim to make a positive and lasting difference in the lives of the people in the communities in which we operate. We make every attempt to align our community investments with the needs of our community stakeholders and support their long-term development.

In 2015, we developed an Endeavour Silver Community Investment Policy which underwent a revision in 2016 to narrow the focus of our funding priorities. We will start implementing the new policy commitment in 2017, when our community investment funding will align with the following strategic priorities:

- Education (scholarships, school facilities, teaching materials etc.)
- Employability (trades workshops, assessments or materials to establish small businesses)
- Health and infrastructure for public services (when done in collaboration with communities or government)

In 2016, we spent \$165,706 on community investment initiatives across our three operations and exploration sites in Mexico. This does not include in-kind donations or staff time (paid or volunteer). Of this amount, \$48,336 was invested in community infrastructure (predominantly at El Cubo), which included road repairs adjacent to the health center and a sidewalk to the center to enhance safety along a busy roadway, as well as roof repairs to the main town plaza - an important community recreational space.

The corporate office contributed \$27,154 in 2016 to support health and environment related charities, for a total company 2016 community investment budget of \$192,860.

Further details about our community investment expenditures and programs are located in the Community section of this report.



We make every attempt to align our community investments with the needs of our community stakeholders and support their long-term development.



EMPLOYEE PROFILE

Raquel Adriana Monarrez: Junior Purchaser, Guanaceví

Raquel has worked with Endeavour for about four years and is currently responsible for the full range of supplies that are housed in the Guanaceví warehouse inventory. The ongoing purchasing challenge is to ensure the warehouse maintains adequate supplies in order to avoid any unnecessary shortages or stoppage in production, while at the same time keeping costs down. In 2015, Raquel participated in an initiative to consolidate single-mine suppliers as corporate suppliers, which resulted in significant site and company savings for certain products.

Raquel also oversees the supplier evaluation process for the mine. The selection of suppliers is made based on the quality of the product (ensuring it meets the company requirements) price, delivery times, the supplier's reputation for service and reliability, and all these being met, prioritizing procurement from local service providers and vendors.

"I enjoy the challenge of constantly looking for products that offer the best quality, service, and price."

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Our People

Management Approach

We consider our employees to be our most valuable resource — our people don't just work for the company, they are the company. We strive to be an employer of choice by prioritizing and safeguarding the health and wellness of our employees and contractors, respecting them as individuals, and providing opportunities for professional and personal development to fulfill their potential. We foster a workplace culture that respects the principles of human rights and equality - free of discrimination and harassment - 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.

2016 EMPLOYEE HIGHLIGHTS

1,641 Full-time employees

99% of our on-site personnel in operations, exploration, and administration are from Mexico

68,079 training hours, plus 39,351 hours of induction training



OUR EMPLOYEES

As of December 31, 2016, Endeavour employed 1,641 people on a full-time basis (2,519 including contractors) across our three operating mines, our exploration group, the administrative office in León, Mexico, and our corporate head office in Vancouver, Canada.

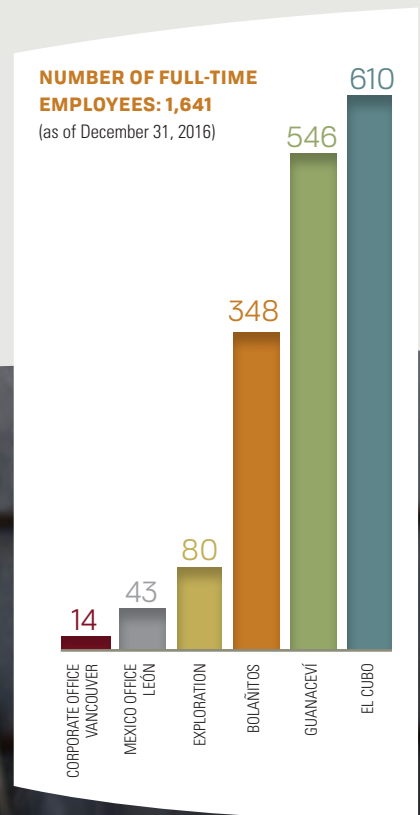
Our business activities generate full-time and contract employment opportunities at our mining operations, and at our pre-development and exploration sites. Our human resources policies dictate that we hire from the closest communities first. Only after we have exhausted all possibility of acquiring qualified local and regional candidates—including offering training for suitable candidates—will we seek experienced applicants from outside the country. 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.

In 2016, 99.4% of our on-site personnel in operations, exploration, and administration were from Mexico; 89.8% from the state where the mine is located and 9.5% from other parts of Mexico, with only 0.5% expatriate employees. Only 10% of senior management is international, with the remaining 90% from Mexico (44% from within the state and 46% from other parts of Mexico). When we seek candidates from outside the country, it is generally to fill a technical or highly specialized position. We make every effort to hire qualified expatriates fluent in both English and Spanish to effectively communicate with all employees across the company.

While we were extremely pleased that the absentee rate at El Cubo decreased by 10% in 2016, the company-wide absentee rate was slightly higher over the previous year due - for the most part - to two Bolañitos employees who were on extended leave; both with back injuries.

While the overall company turnover rate remained relatively static over the previous year, more significant changes occurred at the site level. Turnover was considerably lower at Bolañitos in 2016, dropping from 28.7% to 6.67%. While part of this reduction reflects a balancing-out from significant lay-offs in 2015, it is also believed that the Bolañitos employees who were chosen to remain were already more committed to their jobs and/or are taking a closure bonus into consideration as extra motivation to stay. El Cubo's turnover increased from 14.87% in 2015 to 27.4 % in 2016, largely due to the lay-offs, which accompanied the announcement that the mine would go on care and maintenance. Guanaceví's remote location makes retaining employees an ongoing challenge – their turnover averaging around 30% per year and totaling 34% in 2016.

In 2016, 13 female employees took maternity leave, 11 of whom (85%) returned to work; compared to eight in 2015, with six returning to work.



Attracting and Retaining Qualified Employees

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

We offer competitive wages and benefits, as well as generous safety and production bonuses. We also offer a remote location bonus at our Guanaceví mine - the most remote of our sites - with longer commute times make recruiting and retention an ongoing challenge. Endeavour continues to participate in the annual salary survey organized by CAMIMEX to ensure that compensation packages are competitive. We also conduct ongoing internal analyses to ensure employees are being paid according to the job performed and level of responsibility, and that average salary increases are above inflation. Approximately 24% of our full time, non-union employees received individual performance reviews in 2016 – most of whom hold supervisory or leadership roles, with higher degrees of responsibility.

In Mexico, a certain suite of benefits are mandatory by law, including a retirement savings plan called AFORE, in which employee, company, and government contributions can total up to 11.8% (5.15% company, 1.125% employee and 5.525% government) of an employee's salary per year (up to a maximum of 48,000 pesos). Our full-time employee benefits include vacation days, life insurance (at Bolañitos and Guanaceví), 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. All employees who live more than 30 kilometres from Guanaceví receive travel support to and from their hometowns. At El Cubo, and (new in 2016 for) Guanaceví, our non-union employees also receive a monthly supermarket voucher.

Union collective bargaining agreements are reviewed annually for competitive salaries, and every two years for benefits. All union employees receive bonuses based on performance in relation to production goals achieved.



99.4%

of on-site personnel are from Mexico



89.8%

of on-site personnel reside in-state

EMPLOYEE ABSENTEE AND TURNOVER RATE

	2016	2015	2014
Cumulative absentee rate	2.56%	2.25%	3.23%
Employee turnover	27%	21%	29%



We remain dedicated to improving gender balance in our workforce.

Women in the Workforce

At Endeavour, we promote gender diversity, equal opportunity, and fairness in the workplace. Across our operations, we are slowly attracting more women into this historically, male-dominated industry, and while we believe there is great potential for women in the underground mining workforce, there are local cultural norms and beliefs which continue to impact the participation and acceptance of women in particular industrial roles or in the workplace altogether. We remain dedicated to improving gender balance in our workforce. Men and women receive the same starting remuneration for the same position at all of our operations; any overall differences in pay for the same position would be the result of seniority, where there has been benefit over time from salary increases. Men and women also receive the same bonus for positions that receive one.

Our overall ratio of women to men in the workplace has increased slightly each year, but our ratio remains lower than international averages for mining operations (however this is not unusual for underground operations). The majority of our female employees continue to work in administrative and surface operations. Progress depends on the availability of qualified female candidates, and on interest in available positions from women. There are currently no women in senior management positions at our mining operations, however there are three women in management roles at our corporate head office in Vancouver.



EL CUBO

In 2013, all three Endeavour mines received Gender Equity Model Certification (valid for three years) from the Mexican National Institute for Women. The requirements for the certification changed swiftly and significantly in 2016 (and also must now be independently verified to recertify); something that all organizations will need time to adjust to.

Employee Grievance Mechanism

During the calendar year there was one employee grievance, which was a reported case of sexual harassment. The incident was investigated by the human resources department, resulting in the accused harasser (also an employee) being dismissed.

Endeavour has always promoted an open-door policy and the approachability of its supervisors or managers if there are concerns or complaints on behalf of employees. In 2016, and as part of our company-wide commitment to align with international good practice and formalize our internal and

EMPLOYEE PROFILE

Karina Ortiz: Exploration Geologist, El Cubo

Karina has worked with Endeavour for eight years and as part of the exploration team is responsible for coordinating certain aspects of the programs, including mapping, drilling, and environmental permitting. As part of her role, she regularly engages with local communities, landowners, and contractors. Karina's main objective alongside her co-workers is to continue learning new methods of conducting exploration and contribute to achieving company objectives, while respecting norms and procedures – particularly safety measures.

Karina believes that women have equal opportunities on the job, but notes that there are still certain cultural pressures that women should be at home. However, at Endeavour as long as she is able to deliver results, she is recognized by her supervisors. Similar to women in other countries, Karina does feel that it is often difficult to balance work life with family life, but the need to provide a better quality of life for her children motivates her to keep working and looking to develop herself even more professionally.



“What I enjoy most is the opportunity to be in touch with nature, enjoy a good working day with colleagues and feel that I am a piece in the puzzle that helps to achieve the objectives and plans for the company, and most of all, come home and enjoy my family - a great reward after a hard day of work.”

external grievance methods, an employee grievance mechanism was developed. Once fully implemented in 2017, it will address concerns or complaints of the employees or contractors of the company, and have a defined procedure for managing and responding to these concerns in an organized, respectful, transparent and timely manner.

LABOUR RELATIONSHIPS

Endeavour supports the right to freedom of association and collective bargaining. Mexico has a history of a strong unionized work culture, and all of our mines have union representation. At December 31, 2016, 75% of our employees were covered under collective bargaining agreements. This equates to 1,226 employees. The remaining 25% are administrative or executive staff positions which are outside the union structure. There were no strikes or lock-outs at any of our operations in 2016.

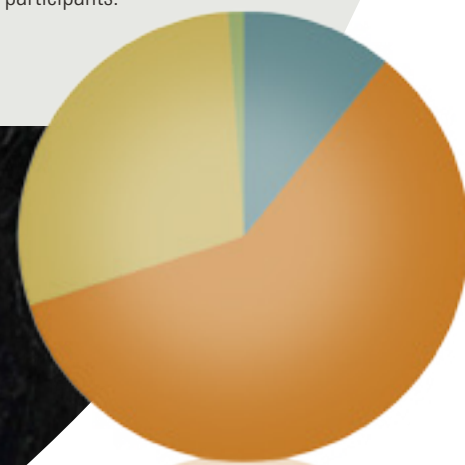
We engage with union leaders regularly and our approach to labour relations is centered on cooperation, respectful dialogue and constructive, peaceful resolution of any concerns. The relationships between the unions, the company, and employees are distinct at each of our sites, however, are generally strong due to both the general cooperative nature of the workforce combined with mutual ongoing cooperation and communication. At El Cubo, union communications and the overall relationship have improved greatly in recent years due to focused efforts by all parties.

TRAINING AND DEVELOPMENT

We believe in the importance of providing ongoing training and, in particular, professional development opportunities to our employees. This is an area of mutual and strategic benefit to both our operations and our workforce (who are predominantly members of local communities) and hence why this is a funding priority for our newly developed community investment program and why we hired a regional training coordinator in 2016.

We know from personal experience that having skilled, highly-motivated people on staff is fundamental to our business success. We want people to feel part of the team, to be challenged to excel and take pride in their work, and have the opportunity to advance through their personal performance.

Every new employee and contractor participates in a three-day induction program where they learn about Endeavour's vision, mission, and values, as well as key policies, including the our Code of Business Conduct and Ethics, which includes Anti-Bribery and Anti-Corruption and Whistleblower Policies. Induction training also includes specific modules on human resources protocols, union relationships and representation, and human rights, including zero tolerance for discrimination or harassment. In the first three days we aim to ensure that everyone understands the significance of safety, communication, and social and environmental responsibility in relation to our business activities. Induction training is also provided to consultants or visitors who enter our mine sites - the length of which depends on how long they will be working in the facilities and what they will be doing. In 2016, we delivered a total of 39,351 hours of induction training to a total of 2,071 participants.

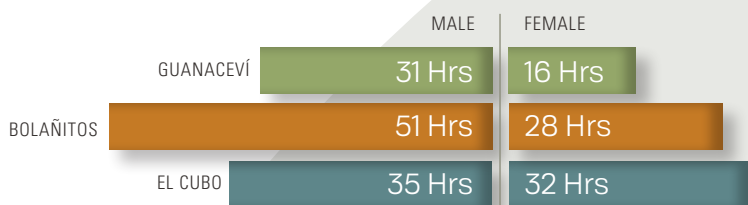


TOTAL TRAINING HOURS

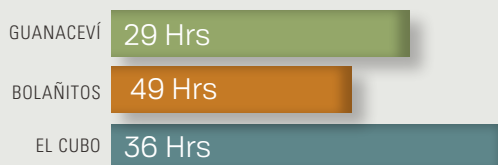
● OCCUPATIONAL SAFETY	59%
● MINE RESCUE	29%
● TECHNICAL TRAINING	11%
● MONITORS	1%



AVERAGE TRAINING HOURS PER PERSON BY SITE AND GENDER



AVERAGE TRAINING HOURS PER PERSON



For our employees and contractors, we provide regular safety training, which covers safety procedures, programs, and systems. For our employees only, we provide technical training that covers various operational aspects that our workers need to better perform on the job.

As of 2016, regular training is now closely tracked and monitored in the following classifications of training:

- Occupational safety training
- Mine rescue training
- Safety monitor training
- Technical training

In 2016, Endeavour delivered a total of 68,079 training hours (95,155 in 2015). Because we improved our tracking and now differentiate between employees and contractors (and also separated-out induction training) to better identify where more training efforts are needed, these numbers are not comparable to 2015, however they represent our new benchmark for training performance in 2016 and beyond.

In 2016, employees received an average of 36 hours of safety and technical training (males received 37 hours and females 24), and contractors received an average of 16 hours of safety training.

In 2016, a Regional Training Coordinator was hired to oversee training for all three sites with a long-term goal of increasing overall skill-sets, certification levels, and lifelong employability. The process started with a gap analysis to detect the training

needs for each department. This exercise has been mostly focused on the management teams but alongside this effort, the technical training for mine employees continues.

As Guanaceví has the longest mine life at present, it was chosen to host a series of leadership workshops; the first of which took place in August 2016 with a second planned for early 2017. The workshops focused on management and supervisory role training to build teamwork, help people relate and understand how to communicate with others to improve results and identify areas of opportunity in their respective teams.

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

In 2016, four employees from Bolañitos earned certificates from the *Comite de Certificacion y Normalizacion de Capacidades*, which recognizes workers who have mastered a specific skill, even though they lack more formal education or academic certifications. This program is a partnership between the mining companies in the region (Endeavour Silver and Great Panther Silver), the Ministry of Economy, the mining department, the University of Guanajuato and IMSS.

We continue to partner with the *Universidad Autonoma de Chihuahua* to provide a small number of internships for students in mining studies. 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 2016, there were 18 internship students in Guanaceví, one of whom stayed-on working full time as a procurement assistant.

Training the Future Miners of Terronera

In 2016, a group of 21 local residents (10 women and 11 men) near the Terronera project were sponsored by the company to travel to the Bolañitos mine where they were given three months of on-the-job training. In this professional development and capacity-building exercise, the participants received a total of 5,630 hours of training and were taught a range of mining operations basics predominantly relating to safety, including (but not limited to): the five-point safety system, personal protective equipment, occupational illnesses, incidents and accidents, the safe transport and storage of explosives and hazardous waste, and safe ventilation practices. The goal is to provide Terronera with a core group of trained local staff upon start-up.



 **TERRONERA**

SECURITY

Mining operations are associated with certain general security risks, such as illegal entry, vandalism, and theft of minerals, supplies, or equipment. The safety, security, and protection of our employees, as well as our company’s physical assets are a top priority. 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. The states of Durango and Chihuahua are considered to be in high-risk areas for violence related to organized crime, although to date there has been no impact on our operations. In previous years there had been personal security concerns, however the situation has improved and at present, there are no travel restrictions on routes to and from the Guanaceví mine.

Endeavour has a Regional Security Manager as well as security leads at each site. In 2016, we employed a total of 147 security personnel across our three mines and at El Compas, 46 were employees and the remainder were under contract with private security companies. The bulk of their roles were in relation to perimeter patrol and safeguarding physical assets.



EMPLOYEE PROFILE

Pedro Luna. Maintenance Manager, Bolañitos

Pedro has close to 30 years of experience in the mining industry and has worked with Endeavour Silver for 10 years. He is responsible for defining and planning the operation’s equipment maintenance in a pro-active and preventive way, while also prioritizing safety and implementing cost saving measures.

Pedro has received plenty of support from his immediate supervisors along the way. He started as a supervisor and has advanced through different positions over the years before becoming the Maintenance Manager today. Pedro actually started the maintenance department at Bolañitos when there was none – which is now a group of 38 people. He is currently finishing his bachelor’s degree in Industrial Engineering, hoping this may one day bring even more opportunities.

“ I like working at Bolañitos because we have formed a very united team; we trust and support each other and communication is very open. I also appreciate the opportunity for professional development; we spend more time at work than at home, so we better enjoy it! ”

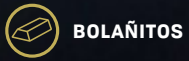
2016 SAFETY HIGHLIGHTS

6.6% decrease
in Reportable Injury
Frequency Rate

31% of our employees
participated on health
and safety committees

All three mines
competed and placed
in regional safety
competitions and
qualified for entry in the
National Mine Safety
Competition in Sept 2017

Health and Safety



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Health and Safety

Management Approach

Protecting the health and safety of our workers is our highest priority, and we set rigorous safety standards at all of our operations, pre-development, and exploration sites. The health and safety of our workforce directly impacts our internal stakeholders (employees and contractors) and less directly our external stakeholders – most notably local communities and suppliers.

Our approach of continuous safety training empowers our employees to be responsible custodians of their own health and safety, as well as the health and safety of others. While dependent upon a company commitment to providing the appropriate resources and strong leadership, we encourage increased communication, and a sharing of safety responsibility across departments, to reinforce the notion that safety is not only the responsibility of safety managers, but of every individual.

The Endeavour Health and Safety Policy includes our health and safety commitment, responsibilities, and guidelines and is publicly accessible on the Endeavour website. The policy is 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 engage in frequent audits and inspections by safety personnel and safety commissions to identify potential hazards and risks. 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. Specific health and safety topics included in formal agreements with unions include standards around safety equipment issued to employees.



2016 SAFETY PERFORMANCE

Our safety performance measurements include both employees and contractors. Over the year, our Reportable Injury Frequency rate (RIF) decreased by 6.6%, which was a significant improvement, however did not meet our 2016 reduction target of 10%. Our Lost Time Injury Severity rate (LTIS) rate increased by 17% and our Lost Time Injury Frequency rate (LTIF) increased by 37% - both notable set-backs over 2015. We believe this to be the result of a lack of focus of staff and coordinators. For 2017, we are implementing changes and have identified the priorities described below to ensure a safer place for all our workers.

Despite our ongoing commitment to continually improving our safety culture and zero workplace fatalities, a contractor at our Guanacavé operation tragically lost his life as a result of a rock fall incident in 2016. This accident was unfortunately the result of a procedural implementation gap combined with signage not being adhered to. Additional procedures, training, and safeguards have been put in place based on the findings and lessons learned from the accident investigation.

In light of the above, Endeavour's Regional Safety Manager has developed the following company-wide priorities for 2017 to increase our commitment to a strong safety culture and safety performance.



2017 COMPANY-WIDE SAFETY PRIORITIES

1. Zero fatalities
2. A 10% reduction in the RIF
3. Expand the Health and Safety Management System
4. Improve and standardize the health and safety module for induction training
5. Introduce and Implement the Visible Felt Leadership Program



VISIBLE FELT LEADERSHIP

Visible felt Leadership is a DuPont Sustainable Solutions concept aimed to enhance the safety skills of leaders and safety professionals throughout an organization. Selected employees will demonstrate an outward passion for safety, be expected to demonstrate a personal commitment to safety, and openly reinforce safety as a core value. Participants will be trained to set challenging safety standards and expectations for their teams, provide effective safety coaching and guidance, and remain vigilant regarding safe workplace behavior.

SAFETY STATS - 2016 INJURY RATES

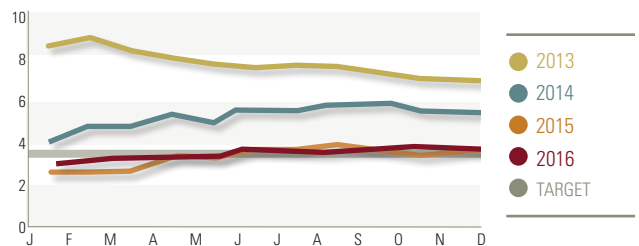
	2016	2015	2014	2013
Reportable Injury Frequency Rate ^[1]	3.51	3.76	5.46	7.01
Lost Time Injury Frequency Rate ^[2]	3.00	2.19	3.19	4.43
Lost Time Injury Severity Rate ^[3]	290.04	247.69	578.14	752.53
Fatalities	1	1	2	4

^[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.

^[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. Safety performance figures are submitted to the Mining Chamber in Mexico using a factor of 1,000,000 hours.

REPORTABLE INJURY FREQUENCY RATE



HEALTH AND SAFETY COMMITTEES

In 2016, approximately 31% of our employees (compared to 10% in 2015), participated on committees that monitor and advise on Endeavour’s occupational health and safety conditions, procedures, and programs. This represents a 21% increase over the previous year – a metric which we feel is a testament to our commitment and growing safety culture.

All three operations have the following committees or safety groups in place:

MINE RESCUE	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 HYGIENE 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 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.
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.
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.
OPERATIONAL DISCIPLINE COMMITTEE	A new group formed in late 2016 comprised of representatives from each department to review all procedures related to safety to ensure availability, content quality, adequate dissemination and understanding, and task execution in strict compliance procedures.

EMERGENCY PREPAREDNESS AND CRISIS RESPONSE

Each of our operations has an emergency response plan in place and maintains emergency response capabilities appropriate for the working environment, as well as associated operating risks. Throughout Endeavour, approximately 315 people are trained in emergency response and mine rescue for our mines and in certain cases, as responders for emergency situations in nearby communities. All of our employees and contractors receive basic first aid training as part of the new hire/induction process.

All of Endeavour’s mines have well-trained, well-equipped mine rescue teams and experienced first aid teams. Our mine rescue and first aid teams regularly compete in regional and national mine rescue competitions. Below are the results leading up to the 2017 National Safety Competition, which is held every two years:

REGIONAL SAFETY COMPETITIONS



Each of our mines regularly conducts health campaigns for their employees to support general health awareness.

PREVENTING OCCUPATIONAL ILLNESS

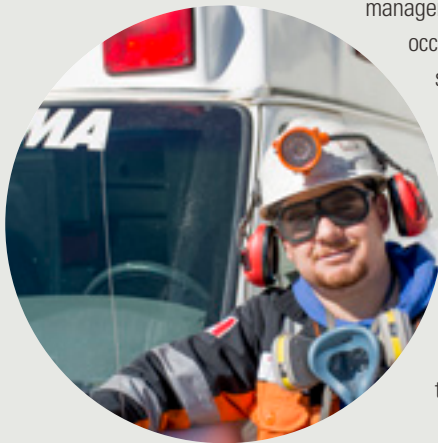
Mining activities have the potential to expose our workforce to a number of occupational health hazards, which could lead to serious illness or injury if not identified, eliminated (where possible), or controlled. Our occupational health systems play a critical role in our health and safety efforts, and are designed to avoid or limit our workers' exposure to harmful substances or situations that could lead to occupational illnesses or disease. No occupational illnesses were presented at any of our sites in 2016.

To prevent occupational illnesses, we conduct regular risk assessments and implement risk-control programs, and we provide education and prevention training at all of our operations. Our health and safety committees assist with the management and minimization of these potential

occupational exposures. We continually strive to improve noise and dust control.

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 perform random testing at the beginning of shifts to enforce our zero-tolerance policy for alcohol-related accidents.



Twice per year we monitor bio-markers (lead-in-blood and other blood chemistry) of our employees who work in labs or the smelting facilities. We also monitor specific health indicators for all employees 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. Because of Guanaceví's remote location, a second doctor was hired in 2016 to ensure there is always a medical practitioner on site.

Each of our mines regularly conducts health campaigns for their employees to support general health awareness and healthy lifestyle options – both inside and outside of the workplace. In addition to regular vaccination campaigns, these include lung screening, prostate tests, blood tests, cholesterol checks, breast cancer screening, anti-smoking education, nutrition and healthy eating choices, how to prevent tetanus, pneumonia, diabetes, and hypertension, and a series of topics specific to women's health. Seasonal health campaigns may focus on flu in the winter and zika or dengue during the rainy season.

Periodic medical exams are provided for employees – both general medical exams and more specific exams based on their type of work. In 2016, the procedures for periodic exams and initial medical exams were standardized across all three operations, along with the indicators used by the medical department to monitor activities and progress. These indicators are now part of our regular health and safety monitoring.

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

EMPLOYEE PROFILE

Juan Pablo Perez: Occupational Health and Safety Superintendent, Bolañitos

Juan Pablo holds a Certificate in Emergency Services. He started with Endeavour as a paramedic and over eight years has been steadily promoted to positions of increasing expertise and responsibility. Juan and his team (and in general all departments) share a common understanding of the importance and responsibility that everyone has in our safety culture, and they are constantly looking for ways in which to improve. Our strong safety record over the past five years is the result of the collaboration between departments and the implementation of safe occupational work practices.

At Endeavour, Juan has found good people to work with, excellent workplace communication, availability of people to support him, and learning opportunities to grow personally and professionally. He is a strong example of an employee who has had the opportunity to grow in his job and constantly learn to better lead the safety team while achieving the goals of the business.



"I feel good knowing that through our consistent efforts we have prevented risks and avoided accidents. I enjoy the open communication I have with my team and it is very rewarding to train others in learning these new skills."

Environment

2016 ENVIRONMENT HIGHLIGHTS

91% of our total water use is recycled

34,500 trees were planted with a collective survival rate of 87%

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Environment

Management Approach

The environment is important to our entire universe of stakeholders and the protection of the environment is a key corporate value at Endeavour. We meet and exceed local laws and regulations, and focus on extra measures to maintain and improve the integrity of local ecosystems using best environmental practices. Our Environmental Policy articulates our commitment to the protection of the environment for future generations: to prevent or mitigate, 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.

We aim to meet—and, where possible, exceed—local environmental laws and regulations, focusing on responsible, sustainable, and best environmental practices. We maintain ongoing communication with our local communities, keeping them informed about the potential environmental impacts of our operations. We design and support cooperative environmental initiatives, and strive to address local environmental concerns.

Endeavour’s environmental suppliers are screened by our environmental department to ensure their procedures and standards comply with government regulations and that they are aware of our environmental commitments and principles.





ENVIRONMENTAL REGULATORY CHANGES

Mexico was one of the first countries in the world to pass a specific law on climate change. In 2012, the Climate Change Law made the reduction of national greenhouse gas emissions by 30% by the year 2020 obligatory (subject to the availability of funding and technology transfer). The updated *Special Programme on Climate Change (2014-2018)* establishes goals, targets, and actions necessary to promote climate change mitigation in the short term, while securing economic competitiveness and allowing time for the development of adaptation strategies.

The first reporting period under this new law was 2015. Any organization with emissions in excess of 25,000 tonnes of CO₂e (which included our Guanaceví and El Cubo mines) was required to include this information in its regular annual environmental reporting (along with hazardous waste, spills, discharges, etc.) to the Ministry of Environment. By 2018, organizations reporting above 25,000 tonnes of CO₂e will be required to have their 2017 emissions independently audited by an authorized third party.

Additionally, some states in Mexico have planned to impose environmental taxes; as is the case in Zacatecas (the home state of our future El Compas mine), which passed its own "Green Tax", which came into effect on January 1, 2017. Taxes will be imposed on greenhouse gas emissions, soil and water contamination, and waste storage. The precise economic impact this may have is somewhat unclear at present due to its controversial nature and Federation challenges in Mexican courts.

WATER MANAGEMENT

Water is a precious natural resource, and access to clean water is vital for all. We carefully consider local water supply when we plan the water requirements for developing, operating, expanding, and rehabilitating our mines, and in our exploration and pre-development work.

A reliable supply of water – in quantity and quality – is essential for local communities and for our operations. 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 more scarce.

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



We are constantly seeking opportunities to minimize fresh water use and we are actively engaged with the local communities regarding the availability and optimal, efficient use of water.

Water Consumption

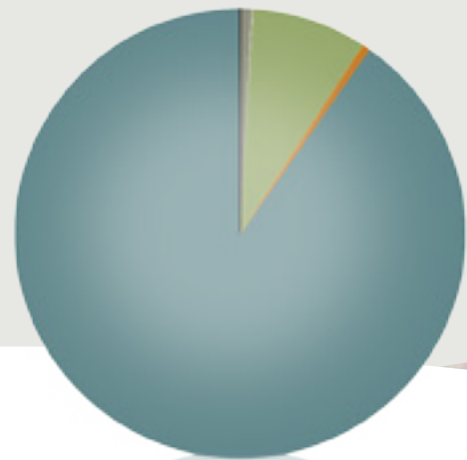
As a consumer of water, we have a responsibility to use and plan our water resources efficiently. We use water in the mining process, and in facilities such as offices and campsites. All of our operations use modern technology and employ innovative solutions to minimize fresh water intake and maximize water recycling.

Water sources for our operations include surface water, rainwater collected and stored, water extracted from the mining process and from wet tailings, and a small amount of purchased water (Bolañitos). At Guanaceví, the Natural Water Commission (CONAGUA) issues water withdrawal permits based on the flow of the river, ensuring it will not be significantly affected.

In 2016, while our total water withdrawal was approximately 5.4 million cubic metres, (very similar to our 2015 consumption levels) a major change at the site level occurred at Guanaceví, where in the first six months of the year almost twice as much water was withdrawn from the river due to a problem with the dry filter system (meaning less water was returning into the system). The issue was resolved in the last six months of the year, when we saw consumption levels similar to 2015. Despite this situation, across our operations we recycled approximately 91% of the water used.

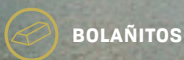
As a method of tracking our water use efficiency, Endeavour measures water withdrawal intensity (measured at cubic metres of water withdrawn per tonne of processed material). In 2016 our water intensity rose slightly, from 3.5 to 3.69 cubic metres per tonne of processed material, representing a slight decrease in the efficiency of our water use.

We have always complied with regulatory monitoring points at all sites. Since 2013 we have expanded monitoring, and monitor both downstream and upstream of our operations. At Guanaceví, new water meters were installed in early 2016 at each water intake point, which improved the accuracy of our measurement and tracking of water consumption.



WATER WITHDRAWN BY SOURCE

● RECYCLED WATER (from tailings)	91.1%
● GROUND WATER (egress from mining)	7.4%
● SURFACE WATER	0.8%
● RECOVERED WATER (from dry tailings pond)	0.4%
● RAINWATER	0.2%
● PURCHASED WATER	0.1%



PRIMARY SOURCE OF WATER BY SITE

GUANACEVÍ
The Guanaceví River, recycled water from tailings, groundwater (egress), and rainwater

BOLAÑITOS
Recycled water from tailings, groundwater (ingress) and purchased water

EL CUBO
Recycled water from tailings and groundwater (ingress)

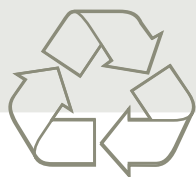
EXPLORATION
Purchased water

Water Discharge

Because discharge and runoff from mine sites can impact water bodies, careful monitoring is essential. Our Bolañitos and El Cubo mines have zero discharge into their surrounding natural environments - all water used in the mining process at these sites is collected and recycled back into the system. Our Guanaceví mine discharges water in accordance with regulatory requirements and corporate standards, which include consideration of aquatic and land-based ecosystem environments, as well as potential downstream community users. Guanaceví operates in a climactic region with abundant water, and excess ground water seeps into the mine. Here, we pump inert water from the mine, monitor it for quality, and once it meets quality standards, release the water into the Guanaceví River, where it poses no threat of negative impact and, in fact, helps keep natural waterways flowing during the dry season. Guanaceví has a water treatment plant for the campsite.

At Guanaceví, a total of 12.6 million cubic metres of water was released in 2016, up from the 8.2 million cubic metres released in 2015. The amount discharged depends on both rainfall and on mining activity. The 2016 increase was not a reflection of water management, but prevailing climate conditions – the region experienced heavy rain during the calendar year.

We carefully consider local water supply when we plan the water requirements for developing, operating, expanding, and rehabilitating our mines.



RECYCLING FOR CHARITY

In 2016, all three sites participated in a national recycling-fundraising campaign in support of the Mexican Association to help Children with Cancer (AMANC). Led by our environmental departments, staff collected the lids from plastic bottles, which were then sold with proceeds donated to this campaign.

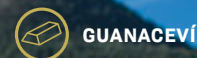
WASTE MANAGEMENT

Each of our operations has developed waste management systems which specify how the different types of waste produced by our activities will be managed. These systems are evaluated on an ongoing basis with the objective of reducing waste to landfill and reducing volumes of waste stockpiled over time.

The non-mineral waste at all of our operations is classified as hazardous, non-hazardous, or special management waste. Hazardous waste disposal follows Mexican environmental regulations and is taken to a landfill, sent to final disposition with authorized suppliers, or sold for off-site energy recovery. All sites have a storage place for hazardous materials and hazardous waste. Non-hazardous waste such as plastic and cardboard is recycled, and urban waste is taken to the municipal landfill. Special management waste is recycled or reused on-site or in the community. No waste of any kind is shipped internationally.

Since 2015, a major effort has been undertaken to recycle as much material as possible and reduce the amount of waste generated. All of our operations now recycle plastic bottles, cardboard, ink cartridges, and toners. Tires are reused at Bolañitos and El Cubo and to some extent at Guanaceví – where its remote location makes final off-site tire disposal an ongoing challenge.

The non-hazardous waste intensity in 2016 dropped from 0.49 kg per tonne of processed material to 0.40 per tonne. One area of major reduction was in the management of urban waste, mainly at El Cubo, where an intense effort has been undertaken to classify and separate materials and recycle where possible. This has been accompanied by employee and community education and awareness campaigns.



Hazardous waste intensity increased from 0.045 kg per tonne of processed material in 2015 to 0.08 kg in 2016. This is mostly due to the expanded development activities in Guanaceví (almost double last year) and the arrival of a new contractor, whose waste is now included in these statistics (the previous contractor took responsibility for their own waste).

One of the main challenges for all three sites is the management of oil waste in the heavy equipment garages. Endeavour is researching a new technology to freeze oil when cleaning equipment, which would considerably reduce the amount of waste (water and dust mixed with the oil) collected.

Mineral Waste

Endeavour's operations all generate mineral waste in the form of waste rock, sludges, and tailings.

The amount of waste rock almost doubled at Guanaceví in 2016 due to increased development from Santa Cruz and North Porvenir. Bolañitos reduced its waste rock in 2016 over 2015 by close to half due to significantly less development, and El Cubo remained relatively static. Our total tonnes of tailings and minimal amount of sludge at each operation also remain similar to the previous year at all three mines.

Tailings Storage Facilities

Mine tailings — and the integrity of tailings storage facilities — is an issue of global environmental concern. Surface tailings can represent one of the most significant environmental risks of mining operations, and in keeping with best industry practice, Endeavour has a stringent Tailings Management Facility (TMF) Protocol. The Mexican environmental regulatory authority PROFEPA has also reflected the importance of the issue with increased monitoring visits and more rigorous reviews.

All three of our mines have surface tailings storage facilities. We meet local laws and regulations related to tailings management, and we aim to exceed them where possible, focusing on 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, drill holes to evaluate the compaction of the tailings, aerial mapping and satellite imagery.

In recent years, we have implemented several company-wide initiatives to improve tailing storage stability so that our facilities meet or are better than Canadian tailings facility standards. Every year, an external engineering company conducts an independent evaluation to audit for safety measures and make recommendations for any improvements. In 2016,

El Cubo identified a potential risk in the stability of one of its tailings ponds, and suspended the use of this tailings area until the necessary upgrades were completed to ensure that the right safety factors were in place. An older tailings pond was rehabilitated to provide room for continued tailings storage while a new tailings facility was evaluated and permitted. Stability metrics are monitored regularly using CPT drill holes, which take measurements in the tailings and provide stability factors for the facilities. This additional work on the tailings facility explains the higher environmental protection expenses at El Cubo in 2016. At Bolañitos, the tailings pond limits were expanded to handle the continued production from the mine and maintain the safety of the pond.

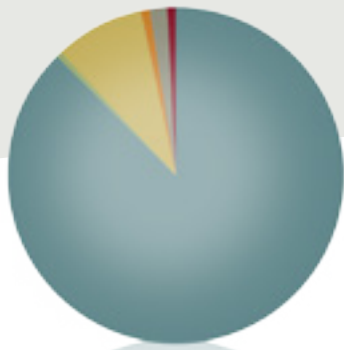
ENERGY AND EMISSIONS

Energy Consumption and Intensity

Energy is one of our most significant operating costs. Its two main uses at our operations are as fuel for transport and electrical power. Diesel and gasoline are used in transporting products and people. Stationary energy 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.

Our total energy consumption in 2016 was approximately 636,000 GJ over 722,378 GJ in 2015, a 12% reduction. 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 monitor the progress of our energy-reduction efforts. In 2016, our average energy intensity was 0.44 GJ/tonne of processed material, a reduction from 0.47 GJ/tonne in 2015.





GHG EMISSIONS BY SOURCE

● PURCHASED ELECTRICITY	87.72%
● DIESEL OR AV GAS used for mobile equipment	8.64%
● DIESEL FOR GENERATORS	1.65%
● LPG	0.56%
● GASOLINE USE for mobile equipment	0.82%
● EXPLOSIVES	0.61%

GHG EMISSIONS BY SITE

● GUANACEVÍ	50%
● EL CUBO	32%
● BOLAÑITOS	18%



The reductions in both energy consumption and intensity were mainly due to the reduction at El Cubo in generator usage due to lower production, and the switch from diesel to the electric grid at Bolañitos.

In 2016 there was one initiative to reduce energy consumption at Guanaceví, where a new camp for security personnel was constructed and solar heaters were installed to heat the showers.

Emissions

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

Our total direct and indirect greenhouse gas emissions in 2016 were 73,407 tonnes of CO2 equivalent (tCO2e), representing a decrease of 8.7% over 79,798 tonnes of CO2 equivalent (tCO2e) in 2015. This was predominantly attributed to the reduction in the use of diesel for generators at both El Cubo and at Bolañitos.

Guanaceví has the highest energy emissions of our mines, as it purchases more power and consumes more propane, for use in the dry-stack tailings process, as well as the pumping of excess groundwater, 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.



We are committed to reclaiming all land disturbed during the mining process.

Our greenhouse gas emissions intensity decreased by 1.4% in 2016 to 0.050 tCO₂e per tonne of processed material, compared with 0.051 tCO₂e in 2015. In addition to energy consumption reduction, total company-wide production was approximately 100,000 tonnes less than in the previous year, making the final emissions intensity calculations similar.

Since 2015, the Mexican government has mandated the reporting of greenhouse gas emissions. In 2016, only one of our mines - Guanaceví - was above the threshold established by the Ministry of Environment. In preparation for the mandatory independent verification, which will begin in 2017, we had an external party (KPMG) conduct an assessment of how we measure, track, and calculate our GHG emissions. There were no major recommendations and their report was used to put a systematic procedure in place to track and calculate GHG emissions at all our operations.

LAND USE AND REHABILITATION

We are committed to reclaiming all 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 upon, with government authorities - either as a result of issued permits or land use changes.

In 2016, 6.86 hectares of land were disturbed during the expansion of the tailings ponds at Bolañitos and El Cubo. In total, 21 hectares were rehabilitated through reforestation projects at all three mine sites and exploration sites. Most of the 2016 rehabilitation and restoration work was done at El Cubo (5.2 ha) in an area that is no longer in use. The only restoration work done outside Endeavour mine facilities in 2016 was at Guanaceví, on a parcel of land previously damaged by a forest fire.

Approximately 34,500 trees were planted in 2016, close to 25,000 of which were in exploration areas, including at Terronera. The planted trees have a collective survival rate of close to 87%.

All three Endeavour mines operate a nursery to provide seedlings for reforestation. El Cubo and Bolañitos both have a consistent growth rate of 3,500 trees per annum which are used for reforestation. At Guanaceví, all the reforestation trees come from a collaborative initiative between SEDENA (the Ministry of National Defense) and CONAFOR (the National Forestry Commission) and their nursery is used to keep rescued flora species until they can be transplanted. The nurseries employ natural worm composting systems to recycle organic waste from the operations as fertilizer.

34,500
trees were planted
with a collective
survival rate of close
to 87%.



BIODIVERSITY

We are committed to protecting and preserving local ecosystems. All of our sites and the Terronera exploration project have conducted environmental impact assessments to identify endangered or at-risk flora or fauna.

None of our mining properties contain any threatened species, according to the world's most comprehensive inventory of threatened plant and animal species, the *International Union for the Conservation of Nature (IUCN) Red List*. One species of snake - the Cascabel – has protected status in the country and can be found at all of our sites. Staff have been trained to rescue and relocate Cascabel snakes if found. In 2016, six snakes were captured and relocated: two at Guanaceví, three at Bolañitos and one at El Cubo. A species of white-tailed deer near Guanaceví, while not endangered, is protected from hunting. No-hunting signage has been posted by the company in the area. The only site with identified endangered flora and fauna species is Terronera, and we continue collaborating with the Commission for Natural Protected Areas to minimize any potential impact.

None of our mining licenses are located within, or close, to protected areas. 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.

ENVIRONMENTAL PROTECTION

Our environmental protection expenditures are classified in six categories:

- Transportation and final disposition for waste (hazardous, non-hazardous, and special)
- 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 works
- Engineering work required for tailings facilities maintenance

In 2016, \$1.5M in environmental expenditures were made. This figure represents a significant increase over 2015 (\$0.3 million), and is comprised mostly of the reinforcement of tailings pond facilities. At El Cubo, \$0.9 million was incurred to add ballast to the dam face when we had a higher than normal rain event. The tailings were deposited in another of our tailings ponds.

For 2017, we will conduct an environmental audit to apply for the Clean Industry Certification from PROFEPA (Mexico's Federal Environmental Protection Agency) at Guanaceví and El Cubo. The Clean Industry Initiative is a voluntary program that assesses regulatory compliance and best practices in environmental performance.

ENVIRONMENTAL GRIEVANCES

While Endeavour has always had a system in place to accept concerns or complaints (including those relating to the environment) from the community, in 2016, and as part of our company-wide commitment to align with international good practice and formalize our internal and external grievance methods, a Community Grievance Mechanism was developed.

In 2016 there were three grievances relating to the environment, the detail of which is included in the community feedback section of the report.

\$1.5M in environmental expenditures were made in 2016.



TERRONERA

ENVIRONMENTAL COMPLIANCE

At Endeavour, the protection of the environment is one of our key environmental values. 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 commitment extends to the personnel resources we allocated to environmental management: our Regional Environmental Manager has oversight for all three mines, and each mine has an Environmental Coordinator.

In 2016, Guanaceví received one administrative fine relating to a gap in environmental policy insurance, which has since been remedied. The local government authority permits companies to invest in renewable energies or environmental initiatives in lieu of paying this type of fine, provided that the monies

were indeed spent on this type of initiative and with proof of value/payment. In exchange for this particular fine (of approximately \$1,400), the company installed solar heaters for showers in the new security guard facilities at Guanaceví.

There were no reportable spills at any of our operations in 2016.



Our environmental standard is to reclaim disturbed land wherever possible while mining operations are under way.

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. Mexican environmental law also requires that tailings ponds be monitored for a certain period of time (to be determined at closure) to ensure there is no risk of spillage. All of our mine closure plans were updated in 2015 to account for changes in the scope and footprint of the operations and adjust for anticipated costs for remediation or reclamation.

Our environmental standard is to reclaim disturbed land wherever possible while mining operations are under way, 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, and ongoing care and maintenance.

Although the ultimate reclamation and rehabilitation costs of mine closure cannot be predicted with certainty, Endeavour's total mine closure obligations for our existing operations are estimated to be \$7.9 million (\$7.7 million in 2015): \$2.2M for Guanaceví, \$1.8M for Bolañitos and \$4.1M for El Cubo.

EMPLOYEE PROFILE

Sebastián Chandía: Environmental Protection Assistant, El Cubo

Sebastian is an engineer in Environmental Technologies and has worked with Endeavour Silver for a year. His responsibilities include environmental compliance, pollution control, monitoring of natural resources, adaptation and implementation of new technologies, engineering projects, and biodiversity conservation.

One of Sebastián's main initiatives in 2016 was to increase recycling efforts at the mine. The pilot program (in one location at the mine) involved a comprehensive material control system for the generation of waste and the classification of materials based on industrial ecology. The first step was to recognize the various generation points and measure the amount of waste generated at each point. This process created a sense of awareness and responsibility in each department. Currently, evaluations are conducted once per week to review whether material was properly classified, enabling a far better understanding of where waste is generated and where continual improvements can be made.

The intention is to expand the program to the rest of the mine and to start working more closely with the community as well with respect to their own waste generation. The materials that are currently being recycled or reused are iron, manganese, copper, bronze, aluminum, plastic, cardboard, paper, wood, toner cartridges, and old electronics.



"What I love about my job is that I know we are doing something good for society and for generations to come. The field of ecology is very wide and there is plenty of room for innovation, especially in the mining industry."

Community

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Community

Management Approach

Endeavour makes every effort to minimize or mitigate any negative impacts our operations may have on the communities in which we operate. We recognize that our business activities can have significant economic and social impacts on local communities if not managed properly throughout the life-cycles of our mines.

Our committed and continuous approach to community engagement facilitates open lines of communication and dialogue, and contributes to the development of our reputation of integrity and the formation of trust with our community stakeholders in order to maintain meaningful relationships and preserve our long-term social license. We strive to share the benefits of our activities with our neighbouring communities by building relationships with a variety of community stakeholders to identify effective and culturally appropriate development goals that respond to their needs and capacity.

2016 COMMUNITY HIGHLIGHTS

A social assessment was conducted by our Community Relations staff to identify the most important needs of the community.

We engaged in several community programs at all three mine sites.



COMMUNITY ENGAGEMENT

Endeavour is committed to engaging in open and inclusive dialogue with our stakeholders – those individuals or groups who are impacted or affected by our operations. 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 aligned with the community's expressed needs.

We have a Community Relations coordinator at each site, who regularly engages with community members to share information about the operation, assess community needs, listen to feedback and complaints, and determine methods of supporting the welfare of the community and their surrounding environment.

Each site engages with its local community in the manner and frequency it feels is most appropriate for the needs and communication styles of the region. At Guanaceví, the Community Relations Coordinator attends the monthly meeting of the ejido, and in 2016 the following major community engagement activities took place:

- A social assessment was conducted by our Community Relations staff to identify the most important needs of the community and where the company can have the most significant positive impact. This included desktop research and surveys among the communities (aiming to survey approximately 1% of the population, which resulted in about 400 surveys for the three sites)
- A workshop took place with participants from Community Relations and Human Resources to analyze the information collected and identify community investment needs, and priorities. The workshop also identified the resources needed to make a positive long term impact on the community, and where the company can contribute to build resilience (as opposed to dependence) in the community

Each site engages with its local community in the manner and frequency it feels is most appropriate for the needs and communication styles of the region.

COMMUNITY INVESTMENT

At Endeavour, we aim to make a positive and lasting difference in the lives of the people in the communities in which we operate. We make every attempt to align our community investments with the needs of our community stakeholders and support their long-term development.

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.

In 2015, we developed an Endeavour Silver Community Investment Policy, which underwent a revision in 2016 to narrow the focus of our funding priorities prior to full implementation at sites. We intend to roll-out the new policy commitment in 2017, when our community investment funding will align with the following strategic priorities:

ENDEAVOUR SILVER COMMUNITY INVESTMENT POLICY

<p>Education</p> <p>Scholarships, school facilities, teaching materials etc.</p>	<p>Employability</p> <p>Trades workshops, assessments or materials to establish small businesses</p>
<p>Health and infrastructure for public services</p> <p>In collaboration with communities or government</p>	

The top two priorities emerging from the social assessment and community engagement were education and employability. The community investment database, which was set-up in 2015 to track support (cash and in-kind), activities and complaints, was updated in early 2017 to reflect the changes in the community investment policy and the recently approved Community Grievance Mechanism.

In 2016, we invested \$165,076 in community programs across our three operations in Mexico. This does not include in-kind donations or staff time (paid or volunteer) devoted to these initiatives. Of this amount, \$48,336 was invested in community infrastructure (predominantly at El Cubo), which included road repairs adjacent the health center and building a sidewalk to the center to enhance safety along a busy roadway, as well as roof repair of the main town plaza - an important community recreational space. In the Exploration Group, the largest expenditure was on the rehabilitation or construction of roads in Guanajuato. Charitable giving at the site included support for local celebrations and festivities as well as support for the health clinic in San Sebastian. All of our mine sites support sports programs — mostly in elementary and high schools and through summer camps — by providing support for equipment or transportation to competitions. We support cultural and religious events that are important for the local communities; and run environmental, health, and safety campaigns in the communities. At Guanaceví and El Cubo the medical department provides consistent support to the community, as the community health services are not optimal.

In 2016, the corporate office in Vancouver made contributions of \$27,154 in 2016 in support of health and environment-related charities. This differs substantially from 2015, when \$170,104 was invested, due to the final installment of a five-year commitment to scholarships at Queen’s University and the University of British Columbia.

Where we Invested in 2016:



2016 COMMUNITY INVESTMENT EXPENDITURES BY TYPE

SPORTS	26%
INFRASTRUCTURE	25%
TRADITIONS AND CULTURE	19%
HEALTH	14%
OTHER	8%
EMPLOYABILITY	3%
ENVIRONMENT	3%
EDUCATION	2%

2016 Community Investment Programming Highlights by Site:

GUANACEVÍ

Support for the Entrepreneur Women workshop. The course started in October and runs once a week until August 2017. Sixteen local women are participating in sessions focused on skills and abilities to be more independent and better manage their homes and prepare them to run their own business. They have sessions on cooking, nutrition, wellness, health, environment, finances and there will be sessions tailored to entrepreneurial ideas for small businesses.

Support for an ecological fashion show at the Guanaceví High School. Students engaged in creating a fashion show using recyclable materials. There was a contest and about 100 people participated in the show. They also had small talks about recycling, re-using these materials and proper disposal of non-recyclables.

Endeavour supplied 60 wood stoves to the communities of Cienega de la Vaca and Agua de Pino – located in one of the coldest and most remote regions. Education was also provided on the proper use of the stoves, and proper ventilation to prevent exposure to carbon monoxide.

The construction of a safe storage area for the town orphanage to house construction or hazardous materials.

Sponsorship for a community festival during Christmas as well as Mother's Day, Children's Day and certain religious celebrations.

EL CUBO

Endeavour conducted and sponsored a virtual diploma program (shown at the local junior high school on television) offering a high school curriculum through the Virtual University of Guanajuato. Thirty two people started the program three years ago and in August 2017, 30 will be graduating. There is no cost to program participants.

Approximately 200 children in grades one and two received a complete check-up in a dental health campaign. The doctors came from The Ministry of Health, and Endeavour provided the Cultural Center as the campaign location.

BOLAÑITOS

Endeavour hosted workshops in conjunction with the State Institute of Training for pastry making, carpentry, and electricity for community members to promote self-employment. Fifteen people per course attended each 30-40 hour course over a six-week to two month period between September and December.

Endeavour hosted environmental workshops in schools and in the community to teach about recycling of newspaper, wasted paper, pencil bags, and PET bottles as well as composting.

Endeavour supported infrastructure projects such as material for two daycares, one in Mineral de La Luz and the other in Santana. Endeavour supported the expansion of the graveyard in Santana and supported the purchase of a new pump to supply water to the community. Also towards the end of 2016, work started to repair streets in the community of La Luz; this will be finalized in 2017.

GUANAJUATO REGION (BOLAÑITOS MINE, EL CUBO MINE AND LEON OFFICE)

Endeavour is the company committee representative for the Mining Fund (Committee of the Fund for Sustainable Regional Development of Mining States and Municipalities) established as a result of the 2015 tax imposed on the mining industry. The first funds were released for public lighting and electrification in surrounding communities.

Endeavour has organized and sponsored a 5k, 10k and children's course regional mining race for three years now. In 2016, there were approximately 1,500 runners and 4,000 people attending the event. All funds raised from registration were donated to Children with Cystic Fibrosis.



COMMUNITY FEEDBACK

While Endeavour has always had a system in place to accept concerns or complaints from our community members, in 2016, and as part of our company-wide commitment to align with international good practice and formalize our internal and external grievance methods, a Community Grievance Mechanism was drafted and presented to management teams.

This Community Grievance Mechanism was developed using the standards of the International Finance Corporation (IFC) and the United Nations Guiding Principles on Business and Human Rights. As such, it was developed to be: legitimate, accessible, equitable, transparent, compatible with human rights, and a source of continuous learning.

Once fully implemented in 2017, the Community Grievance Mechanism will address concerns or complaints from community members or other external stakeholders with a defined procedure for managing and responding to these concerns in an organized, respectful, transparent and timely manner.

The following table outlines the community concerns or grievances which were expressed at our operations in 2016, and the actions we have taken in response to these concerns:

ISSUE OR CONCERN	COMPANY RESPONSE
BOLAÑITOS	
Damage to homes (filed in 2015) claimed to be from mine detonations	This official complaint is in progress with the legal system. The Civil Engineering College of Guanajuato released a report confirming there was no evidence that the damage could be caused by mine detonations. As an additional measure, Endeavour hired an external party to conduct seismic testing and monitor permitted detonation levels on a weekly basis. The results were appealed and are under investigation by the State Attorney.
Road conditions and road safety	The community expressed concern about poor road conditions resulting from company use and its impact on road safety with children using the road to walk to school. This concern is ongoing due to company cost control initiatives in 2016, however is considered for inclusion in the 2017 budget.
EL CUBO	
Water damage to homes from flooding	This ongoing legacy concern relates to the waste rock pile from a previous operator. The waste rock pile is close to the riverbank, which heavy rains can dislodge causing a rise to the water table and, at times, resulting damage. The company does ongoing maintenance to attempt to prevent this from occurring and repairs damage if it does occur.
Dust generation and road damage	All three sites have road watering systems in place to minimize the impact of transport dust. At El Cubo the company is exploring a dispersion system that would use less water and would allow a more constant watering of the road, reducing more dust. There is a maintenance plan for the roads and repairs are done as needed.
Tailings pond	There was an official complaint filed with the relevant government authorities regarding the reopening of a tailings pond at El Cubo. PROFEPA conducted a review and through ongoing dialogue are addressing the community concerns.
Local hiring	In the PROFEPA complaint above, one issue raised was the company was not hiring enough people from El Cubo. To address this, the Community Relations Coordinator worked with the community on a list of qualified community applicants. Some of these applicants were indeed hired or re-hired. Others on the list had been laid off due to excessive absenteeism or failing random alcohol testing.
GUANACEVÍ	
Payment to the ejido relating to rights on their lands	This concern was reviewed with the ejido in respect to an agreement about compensation for damage to trees on their lands. An evaluation was conducted during a site visit late in the year and payment is scheduled for early 2017.
Impacts from water discharge	The color of the municipal water changed, and as a result, two claims were made by concerned community members that water discharge from the mine was impacting the health of children. Endeavour engaged directly with both the municipality and the complainants. Environmental studies show that the water discharge from the mine contains no pollution (and no ability to discolor the water), and that the more likely explanation was municipal sewage.

Our new community grievance mechanism addresses concerns from community members and other external stakeholders.

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, our operating permit requires us to support local mining, and accept up to 10% of our feed from small-scale local miners. Guanaceví supports 13 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 and 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.

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 all expressed concern regarding their economic dependency on the mines and eventual closure. Mexico has a strong mining industry and skilled people may be able to find alternative employment, however for others, the 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.

In 2016 our Community Relations Coordinators at all three mines engaged with employees and community members to identify interests, needs, and potential economic options including the skills required to obtain alternate employment upon mine closure. Based on this work, Education and Employability (the two strategic funding priorities of the newly developed Endeavour Community Investment Policy) were prioritized and integrated into a Community Work Plan for 2017.

Among other activities, some Community Work Plan possibilities include:

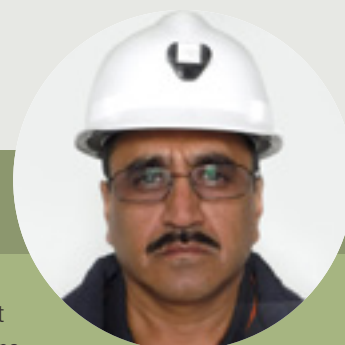
- A pilot project to explore small scale gardening at El Cubo. The produce grown by project participants could be used for self consumption or for sale if they organized as a group
- A series of workshops entitled “The Entrepreneurial Woman” to help women start small businesses at Guanaceví
- At Bolañitos, partnering with different organizations in response to a training need in basic trades – such as electrician, plumber, and carpenter training - that would allow participants to look seek future work in any sector
- The company is also promoting basic education at all levels

EMPLOYEE PROFILE

Jose Santos Rivera Palafox: Planning Superintendent, Guanaceví

Jose is a Mine Engineer with a Masters degree in Administration and has worked with Endeavour Silver for about five years. He is responsible for short, medium, and long-term planning, as well as reviewing the design of the mine works, which allows for continuity in production. One of his main projects in 2016 was the creation of a pumping station that has eliminated several pumps, which resulted in reduced energy consumption, less flooding in the ramps, and better overall water management. In a mine like Guanaceví, where there is excess of water underground, an efficient water management system is one of the most critical components to facilitate efficient production.

What Jose really enjoys about his job is that he feels he and his colleagues can be innovative and present ideas that can become realities. For example, Jose feels an interesting initiative might be to design a station that can capture the water extracted from the mine and be able to distribute it for use in nearby towns.



“ At Endeavour you can share your ideas with your supervisors and their support is generally quite good for innovations or improvements in processes, either operational or administrative. Of course, an important factor is also the perseverance in bringing our ideas to reality!”

Key Performance Data

Economic

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:	2016		2015		2014		2013	
Revenues	\$	156,767	\$	183,556	\$	196,928	\$	276,783
Indirect economic value:								
Operating costs	\$	81,267	\$	92,844	\$	102,991	\$	186,006
Employee wages and benefits	\$	39,667	\$	43,702	\$	46,800	\$	58,636
Payments to providers of capital	\$	779	\$	1,041	\$	1,343	\$	1,474
Payments to Mx governments [taxes]	\$	10,786	\$	14,401	\$	13,166	\$	15,516
Payments to Cdn governments [taxes]	\$	—	\$	335	\$	533	\$	—
Payments to governments [payroll taxes, employer portion only] - Mexico	\$	6,610	\$	7,838	\$	8,542	\$	8,224
Payments to governments [payroll taxes, employer portion only] - Canada	\$	45	\$	41	\$	59	\$	145
Land use payments	\$	1,013	\$	644	\$	585	\$	149
Community investment (including infrastructure) *	\$	193	\$	457	\$	515	\$	480
Total Economic Value Distributed	\$	140,360	\$	161,302	\$	174,534	\$	270,630
Total Economic Value Retained	\$	16,407	\$	22,254	\$	22,394	\$	6,153

* See breakdown in the community section of this report.

MARKET PRESENCE

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

	2016		2015		2014		2013	
Local minimum wage in each region (Mexican pesos)	\$	72.06	\$	73.00	\$	63.77	\$	61.38
Percentage of employees receiving minimum wage		0%		0%		0%		0%
Entry level wage at each location (Mexican pesos)	\$	158.44	\$	136.42	\$	114.91	\$	115.79
	M	F						
Number of people that entered in that level wage at each location	36	26		52		23		27
Percentage of employees receiving entry level wage at each location		3.78%		3.13%		1.38%		1.80%

INDIRECT ECONOMIC IMPACTS

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

[THOUSANDS USD]

	2016		2015		2014		2013	
Total amount spent on infrastructure and services supported	\$	48,336.32	\$	149.47	\$	243.13	\$	172.90

PROCUREMENT PRACTICES

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

[THOUSANDS USD]

	2016		2015		2014		2013	
Total procurement	\$	52,205	\$	83,684	\$	75,661	\$	135,510
Total procurement spent locally (within state)	\$	13,667	\$	15,471	\$	30,848	\$	57,918
Percentage of state wise local procurement		26.2%		18.49%		41%		43%
Total procurement spent nationally (within the country)	\$	37,731	\$	67,591	\$	42,534	\$	66,973
Percentage of country wise local procurement		72.3%		80.77%		56%		49%
Total procurement spent internationally	\$	807	\$	621	\$	2,278	\$	10,619
Percentage of international procurement		1.5%		0.7%		3.0%		7.8%
Percentage spent locally (state and nation wide)		98%		99%		97%		92%

PRODUCTION

Material processed, gold and silver

	2016		2015		2014		2013	
Material processed (tonnes)		1,458,917		1,563,802		1,404,406		1,527,984
Silver (oz)		5,435,407		7,178,666		7,212,074		6,813,152
Gold (oz)		57,375		59,990		62,895		75,580

Labour and General Disclosures

G4-10 | G4-LA12 Total workforce by employment contract and gender

	2016		2015		2014		2013	
	M	F	M	F	M	F	M	F
Total number of employees	1,641		1,696		1,661		1,501	
Total number of permanent employees*	1,456	157	1,529	167	1,354	145	1,311	137
Total number of temporary employees**	11	17	0	0	151	11	50	3
Total number of contractors			992		837		1,050	
Contractors by gender	857	21	984	8	N/A	N/A	34	5
Female % for employees	10.6%		9.8%		9.4%		9.3%	
Total number of contractors and employees	2,519		2,688		2,498		2,551	
Total number of foreigners hired	8		9		22		39	
Total number of foreigners hired by gender	8	0	9	0	19	3	34	5

* All permanent employees are full time.

** Since 2015, we consider temporary employees to be those who are hired for a specified/short period of time. Before 2015, we included those who were still on their 3-month probation period.

Total management team, includes and equal to: executives (c-suite), officers (vp), regional managers and area coordinators at each site

	2016		2015		2014		2013	
	M	F	M	F	M	F	M	F
Permanent employees*	81		28		34		Not Available	
Fixed term or temporary	0		0		0			
International hires	8		3		12			
Local hires (within state)	36		11		22			
Regional hires (within the country)	37		14		0			
Indigenous hires	0				0			
Total by gender	66	15	25	3	31	3		

* In 2016, we added area/department coordinators at each site as these are the people making decisions locally.

Total non-union employees

	2016		2015		2014		2013	
	M	F	M	F	M	F	M	F
Permanent employees	388		389		382		Not Available	
Fixed term or temporary	8		0		0			
Local hires (within state)	269		314		261			
Regional hires (within Mexico)	119		66		98			
International hires	8		9		23			
Indigenous hires	0		0		0			
Total by gender	302	94	303	86	301	81		

Total union employees

	2016		2015		2014		2013	
	M	F	M	F	M	F	M	F
Permanent employees	1,225		1,307		1,278		Not Available	
Fixed term or temporary	20		0		0			
Local hires (within state)	1,206		1,271		1,202			
Regional hires (within Mexico)	39		36		76			
Indigenous hires	0		0		0			
Total by gender	1,165	80	1,227	80	1,204	73		

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

	2016	2015	2014	2013
Total union employees	1,226	1,307	1,279	1,152
Percentage of union employees	75%	77%	77%	77%
Non-union employees	415	389	382	349
Percentage of non-union employees	25%	23%	23%	23%

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

	2016		2015		2014		2013	
Total number of new hires	450		400		572		404	
Total new hires locally (country wide)	448		399		569		Not Available	
Total new hires internationally	2		1		3			
Total number of employees voluntarily leaving employment or dismissed	210		355		442		747	
Total number of local (Mexican) employees voluntarily leaving employment or dismissed	207		349		442		809	
Total number of international employees voluntarily leaving employment or dismissed	3		6		0		11	
Turnover rate for all employees	26.87%		20.89%		28.86%		31.36%	

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

	2016		2015		2014		2013	
INDUCTION TRAINING	M	F	Data not available					
Employees	9,435	1,587						
Contractors	27,639	690						
TOTAL	37,074	2,277						
GRAND TOTAL	39,351							
REGULAR TRAINING BY TOPIC	M	F						
Mine Rescue	18,051	1,599						
Safety Monitor Group	485	41						
Occupational Safety	38,458	2,080						
Technical training	7,093	273						
TOTAL	64,087	3,992						
GRAND TOTAL	68,079							
Average hours per employee	36							
Average hours per contractor	16							
REGULAR TRAINING BY EMPLOYEE CATEGORY	M	F						
Contractors	12,201	788						
Union employees	46,903	2,153						
Non-union employees	4,983	1,051						
TOTAL	64,087	3,992						
GRAND TOTAL	68,079							

* In 2016, we started tracking training by gender, by type of employee and standardize the topics to classify the type of training. Thus this numbers can not be compared to what was published the year before. We will use 2016 numbers as our baseline from now on.

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

	2016		2015		2014		2013	
Total senior management	81		28		27		29	
Total senior management by gender	M	F	M	F	M	F	M	F
Total senior management hired locally (within state)	66	15	25	3	27	0	28	1
Total senior management hired nationally (within the country)	36		11		5		4	
Total senior management hired internationally	37		14		11		12	
Total senior management hired internationally	8		3		11		13	
Percentage of international senior management	10%		11%		41%		45%	

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

	2016		2015		2014		2013	
Total number of people that left on maternity	13		8		9		Not Available	
Total number of people that came back to work after maternity	11		6		8			
Percentage of people that came back to work after maternity	85%		75%		89%			

G4-LA11 Percentage of employees receiving regular performance and career development reviews by gender and by employee category

	2016		2015		2014		2013
	M	F	M	F	M	F	
Number of people that receive performance evaluations	394		378		382		Not Available
Total by gender	293	101	303	86	301	81	
Percentage of employees receiving regular performance	24%		22%		23%		

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

	2016	2015	2014	2013
Total number of employees represented in formal joint management-worker health and safety committees	496	162	213	93
Percentage of the total workforce	30.2%	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

	2016	2015	2014	2013
Reportable Injury Frequency Rate ^[1]	3.51	3.76	5.46	7.01
Lost Time Injury Frequency Rate ^[2]	3.00	2.19	3.19	4.43
Lost Time Injury Severity Rate ^[3]	290.04	247.69	578.14	752.53
Absentee rate - all employees	2.56%	2.25%	3.23%	3.81%

^[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.

^[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.

Our safety performance figures include both employees and contractors. Safety performance figures are submitted to the Mining Chamber in Mexico using a factor of 1,000,000 hours.

Environment

WATER**G4-EN8** Total water withdrawal by source

Total water withdrawn from (m ³):	2016	2015	2014	2013
Surface water, including water from wetlands, rivers, lakes, and oceans	45,277	16,431	14,906	49,405
Ground water (from mining)	399,590	533,945	387,507	404,713
Rainwater	11,742	39,944	147,186	109,227
Recovered water from dry tailings pond	19,679	64,714	32,115	0
Recycled water (from tailings)	4,900,424	4,868,458	4,186,849	3,078,999
Purchased water (pipes)	4,568	4,000	44,261	145,973
TOTAL	5,381,280	5,527,492	4,812,824	3,788,317
Water intensity (water consumed/tons processed)	3.69	3.53	3.43	2.48
Fresh water intensity (Fresh water consumed/tonnes processed)	0.30	0.35	0.29	0.30

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

	2016	2015	2014	2013
Percentage of water recycled and reused as a percentage of total water withdrawal	91.4%	89.2%	87.7%	81.3%

EFFLUENTS AND WASTE**G4-EN22** Total water discharge by quality and destination (not including rainwater and domestic sewage)

Total water discharges to (m ³):	2016	2015	2014	2013
Surface waters	12,618,635	8,203,473	10,196,640	11,048,112

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

Total weight by type:	2016	2015	2014	2013
Hazardous waste				
Hazardous solid waste (kg). Includes contaminated soil, cleaning cloths, filters, containers, lamps, hoses, and batteries	115,883	69,818	50,401	28,720
Hazardous liquid waste (L). Includes oils and water contaminated with oil	109,355	98,498	101,990	80,690
Hazardous waste intensity (kg per tonne of processed ore)	0.079	0.045	0.036	Not available
Special management				
Scrap (kg)	279,650	242,855	376,948	594,000
Tires (tons)	0	69,762	79,000	31,120
Cartridges (pieces)	268	181	242	Not available
Toners (pieces)	339	463	278	Not available
Non-hazardous				
Plastics (kg)	7,690	2,991	1,040	Not available
Cardboard (kg)	28,170	8,118	14,637	Not available
Urban solid waste (kg)	261,400	404,875	326,900	Not available
Non-Hazardous Waste Intensity	0.40	0.49	0.57	

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

	2016	2015	2014	2013
Overburden/ Waste rock TOTAL	1,007,844	986,551	404,841	750,114
Overburden/ Waste rock that is used inside the mine (tonnes)	999,942	823,634	303,317	459,628
Overburden/ Waste rock that is taken outside the mine (tonnes)	7,902	162,917	101,524	290,486
Tailings (tonnes)	1,444,758	1,489,168	1,392,163	1,507,124
Sludges (tonnes)	0.657	0.676	14	10.74

ENERGY
G4-EN3 Energy consumption within the organization (GJ)

	2016	2015	2014	2013
Non-renewable sources				
Purchased electricity	510,591	512,363	425,055	351,604
LPG	6,322	7,516	8,424	3,608
Diesel use for mobile equipment	81,126	85,137*	103,298	99,462
Gasoline use for mobile equipment	10,003	8,485	9,747	11,090
Diesel for generators	18,183	95,372	194,725	189,763
Explosives	10,180	13,505	12,189	12,835
TOTAL ENERGY (GJ)	636,406	722,379*	753,438	668,362

* This value has been restated to correct the calculation of diesel for mobile equipment.

G4-EN5 Energy intensity

	2016	2015	2014	2013
Energy used by tons of material processed (GJ/tonne processed)	0.44	0.46	0.54	0.43

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

	2016	2015	2014	2013
Non-renewable sources (tCO2e)				
LPG	408	475	528	225
Diesel for use for mobile equipment	6,343	6,406*	7,211	7,714
Gasoline use for mobile equipment	602	614	684	649
Diesel for generators	1,213	7,093	13,159	14,376
Explosives	452	597	540	536
SUBTOTAL DIRECT GHG (tCO2e)	9,018	15,184*	22,122	23,500

* This value has been restated to correct the calculation of diesel for mobile equipment.

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

	2016	2015	2014	2013
Purchased electricity	64,391	64,615	59,024	44,437
SUBTOTAL INDIRECT GHG (tCO2e)	64,391	64,615	59,024	44,437
TOTAL GHG (DIRECT+INDIRECT) (tCO2e)	73,409	79,481	81,146	67,937

G4-EN18 Greenhouse gas (GHG) emissions intensity

	2016	2015	2014	2013
GHG used per tonne of ore processed (tCO ₂ e/tonne processed)	0.050	0.051	0.058	0.044

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

	2016		2015		2014		2013	
	within	out	within	out	within	out	within	out
Total land disturbed so far	2.74		104.00		96.56		Not available	
Total land rehabilitated so far	46.40	0.00	4.40	59.08	2.00	21.79		
TOTAL LAND REHABILITATED IN 2016	13.00	0.00	2.00	25.56	2.40	33.52		

G4-EN13 Habitats protected and restored

	2016	2015	2014	2013
Total trees planted	34,560	31,318	39,865	Not available
Survival rate of reforestation projects	87%	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

	2016	2015	2014	2013
Total number of fines	1	2	2	Not available
Monetary sanction (USD)	—	\$6,974	\$1,871	
Estimated value for non-monetary sanctions (USD)	\$1,400	—	\$60,141	

OVERALL
G4-EN31 Total environmental protection expenditures and investments by type (USD)

	2016	2015	2014	2013
Transportation and final disposition of waste	\$61,756	\$60,066	\$355,136	Not available
Environmental Studies	\$8,250	\$44,349	\$32,176	
Monitoring	\$17,641	\$26,550	\$34,626	
Projects (other than tailings ponds)	\$7,569	\$11,754	\$96,695	
Tailings ponds projects	\$914,451	\$142,076	\$723,333	
Engineering work in tailings ponds	\$470,802	Not available	Not available	
TOTAL	\$1,480,469	\$284,795	\$1,241,966	

Society

LOCAL COMMUNITIES
G4-S01 Percentage of operations with implemented local community engagement, impact assessments and development programs

	2016	2015	2014	2013
Number of beneficiaries	17,982	17,982	39,154	45,002
Community investment (USD)				
Health, education, employability, sports, traditions, culture	\$144,524	\$307,081	\$272,286	\$307,548
Local Infrastructure	\$48,336	\$149,470	\$243,134	\$172,897
TOTAL COMMUNITY INVESTMENT	\$192,860	\$456,551	\$515,420	\$480,445

G4-MM10 Number and percentage of operations with closure plans

	2016	2015	2014	2013
Number of sites that have closure plans	3	3	3	3
Financial provision for closure (thousands USD)	\$7,846	\$7,762	\$6,496	\$7,294

G4 Content Index

General Standard Disclosures

Click page numbers to move about the report

INDICATOR	DESCRIPTION	LOCATION
STRATEGY AND ANALYSIS		
G4-1	Statement of the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy for addressing sustainability	Letter from the CEO: Pages 2,3
G4-2	Description of key impacts, risks and opportunities	About Endeavour Silver: Pages 4, 15, 16 Sustainability Priorities and Targets: Pages 19, 20
ORGANIZATIONAL PROFILE		
G4-3	Name of the organization	About Our Company: Page 15
G4-4	Primary brands, products and/or services	About Our Company: Page 15
G4-5	Location of organization's headquarters	About Our Company: Page 15
G4-6	Number of countries where the organization operates and names of countries either with major operations or that are specifically relevant to the sustainability issues covered in the report	About Our Company: Page 15 About Endeavour Silver: Page 4
G4-7	Nature of ownership and legal form	Annual Information Form (AIF) : Pages 4,5
G4-8	Market served (including geographic breakdown, sectors served and types of customers/beneficiaries)	About Our Company: Page 15
G4-9	Scale of the reporting organization	About Endeavour Silver: Page 4
G4-10	Total number of employees by employment contract and gender Number of permanent employees by type and gender Total workforce by employees and supervised workers and by gender Total workforce by region and gender	Our People: Pages 34-36
G4-11	Percentage of total employees covered by collective bargaining agreements	Our People: Page 37 Key Performance Data: Page 63
G4-12	Description of the organization's supply chain	About Our Company: Page 15
G4-13	Significant changes during the reporting period regarding the organizations' size, structure, ownership or supply chain	None
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G4-14	Whether and how the precautionary approach or principle is addressed by the organization	Governance: Page 25 Environment: Page 46
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	About Our Company: Page 17
G4-16	Memberships in associations and national or international advocacy organizations	About Our Company: Page 16
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G4-17	Entities included in the organization's consolidated financial statements and any entity not covered by the report	Annual Information Form (AIF) : Page 8
G4-18	Process for defining report content and Aspect boundaries How the organization implementing the Reporting Principles for Defining Report Content	About this Report: Page 17
G4-19	Material Aspects identified in the process of defining report content	About this Report: Page 18
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G4-34	Governance structure of the organization including committees under the highest governance body. Identify any committees responsible for decision making on economic, environmental and social impacts	Governance: Page 24 Information Circular: Pages
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G4-38	The composition of the highest governance body and its committees	Governance: Page 24
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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 24
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G4-58	The organizations values, principles, standards and norms of behavior such as codes of conduct and codes of ethics Internal and external mechanisms for reporting concerns about ethical and lawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Governance: Page 22 Our People: Page 36 Environment: Page 53 Community: Page 60

Specific Standard Disclosures

Boundary Aspect Legend

Internal External

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	Supply Chain
7	Shareholders

INDICATOR	DESCRIPTION	LOCATION
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G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Our People: Page 36
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G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	Our People: Page 36

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G4-HR3	Total number of incidents of discrimination and actions taken	Governance: Page 23
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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.	Governance: Page 23 Our People: Page 37
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G4-HR5	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Governance: Page 23
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MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities	Omission: Not Applicable
Aspect: Human Rights Grievance Mechanisms Boundary: 1-6		
HR12	Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms	Governance: Pages 14, 36, 37 Environment: Page 53 Community: Page 60

SOCIETY INDICATORS

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MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples	Omission: Not Applicable
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes	Omission: Not Applicable
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	Community: Page 61
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MM10	Number and percentage of operations with closure plans	Environment: Page 54 Community: Page 61 Key Performance Data: Page 67
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G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Governance: Pages 23, 25
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G4-S06	Total value of political contributions by country and recipient/beneficiary	None
Aspect: Compliance Boundary: 1-7		
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	None
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Mineral Reserve and Resource Estimates

at December 31, 2016

SILVER-GOLD PROVEN AND PROBABLE RESERVES

	Tonnes	Ag g/t	Au g/t	Ag Eq g/t	Ag oz (000s)	Au oz (000s)	Ag Eq oz (000s)
PROVEN							
Guanaceví	87	247	0.49	284	691	1.4	794
Bolañitos	157	90	2.84	311	454	14.3	1,570
El Cubo	409	154	1.99	295	2,025	26.2	3,879
Total Proven	653	151	1.99	297	3,170	41.9	6,243
PROBABLE							
Guanaceví	508	262	0.64	311	4,279	10.5	5,079
Bolañitos	238	104	1.81	245	796	13.8	1,875
El Cubo	453	159	1.71	280	2,316	24.9	4,078
Terronera	4,061	207	1.95	353	27,027	254.6	46,122
Total Probable	5,260	204	1.80	338	34,417	303.8	57,154
Total P+P	5,913	198	1.82	333	37,588	345.7	63,397

SILVER-GOLD MEASURED AND INDICATED RESOURCES

	Tonnes	Ag g/t	Au g/t	Ag Eq g/t	Ag oz (000s)	Au oz (000s)	Ag Eq oz (000s)
MEASURED							
Guanaceví	69	248	0.47	284	550	1.0	630
Bolañitos	89	150	2.29	329	429	6.6	941
El Cubo	213	192	3.13	414	1,315	21.4	2,835
Total Measured	371	192	2.43	369	2,294	29.0	4,407
INDICATED							
Guanaceví	2,271	296	0.72	351	21,612	52.6	25,628
Bolañitos	698	162	2.04	325	3,635	45.8	7,293
El Cubo	732	194	2.44	366	4,566	57.4	8,614
Guadalupe y Calvo	1,861	119	2.38	295	7,120	142.4	17,651
El Compas	148	104	7.31	652	496	34.9	3,112
Total Indicated	5,710	204	1.81	339	37,430	333.1	62,298
Total M+I	6,081	203	1.85	341	39,724	362.1	66,704

SILVER-GOLD INFERRED RESOURCES

	Tonnes	Ag g/t	Au g/t	Ag Eq g/t	Ag oz (000s)	Au oz (000s)	Ag Eq oz (000s)
INFERRED							
Guanaceví	638	379	0.82	441	7,774	16.8	9,046
Bolañitos	1,150	153	2.29	330	5,657	84.7	12,201
El Cubo	1,453	214	2.78	411	9,997	129.9	19,200
Guadalupe y Calvo	154	94	2.14	255	465	10.6	1,263
Terronera	618	486	2.82	698	9,656	56.0	13,859
El Compas	217	76	5.38	480	530	37.5	3,342
Total Inferred	4,230	251	2.47	433	34,080	335.5	58,910

SILVER-GOLD-LEAD-ZINC RESOURCES

	Tonnes	Ag g/t	Au g/t	Ag Eq g/t	Ag oz (000s)	Au oz (000s)	Ag Eq oz (000s)	Pb %	Zn %
INDICATED									
Guanaceví	363	208	0.26	302	2,428	3.0	3,525	0.78	1.32
Parral	1,631	49	0.90	117	2,569	47.0	6,135	2.87	2.86
Total Indicated	1,994	78	0.78	151	4,997	50.0	9,660	2.49	2.58
INFERRED									
Guanaceví	488	132	0.16	293	2,071	3.0	4,597	1.36	2.54
Parral	1,303	63	0.88	129	2,639	37.0	5,404	2.55	2.28
Total Inferred	1,791	82	0.68	174	4,710	39.0	10,001	2.23	2.35

- Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that any or all part of the mineral resources will be converted into mineral reserves.
- Mineral resources are exclusive of and in addition to mineral reserves.
- Mineral resource and reserve cut-off grades are based on a 198 g/t silver equivalent for Guanaceví, 162 g/t silver equivalent for Bolañitos, 177 g/t silver equivalent for El Cubo, and 150 g/t silver equivalent for El Compas and Terronera.
- Metallurgical recoveries were 82.5% silver and 85.4% gold for Guanaceví, 79.6% silver and 84.5% gold for Bolañitos, and 87.8% silver and 84.7% gold for El Cubo.
- Mining recoveries of 95% were applied for mineral reserve estimate calculations.
- Minimum mining widths were 0.8 metres for mineral reserve estimate calculations.
- Dilution factors for mineral reserve estimate calculations averaged 29% for Guanaceví, 21% for Bolañitos, and 30% for El Cubo. Dilution factors are calculated based on internal stope dilution calculations and external dilution factors of 15% for cut and fill mining and 30% for long hole mining.
- Silver equivalent grades are based on a 75:1 silver:gold ratio.
- Price assumptions for Guanaceví, Bolañitos and El Cubo are US\$16.29/oz for silver, US\$1,195/oz for gold, US\$0.82/lb for lead and US\$0.90/lb for zinc. Price assumptions for Terronera and El Compas are \$18/oz for silver and \$1,225/oz for gold.
- Figures in the tables are rounded to reflect estimate precision; small differences generated by rounding are not material to the estimates.

The mineral resource estimates for Guanaceví, Bolañitos, and El Cubo were undertaken by Independent Qualified Persons Zachary Black, SME-RM, and Jeffery Choquette, P.E., MMSA, of Hard Rock Consulting. 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 mineral resource estimates for Terronera and El Compas were undertaken by Independent Qualified Persons Eugene Puritch, P.Eng., and Richard Routledge, P.Geo., of P&E Mining Consultants Inc. Mr. Puritch has reviewed and approved the technical content of this information with respect to Terronera and El Compas.

These mineral reserve and mineral resource estimates were classified following the definitions and guidelines of the Canadian Institute of Mining, Metallurgy and Petroleum CIM standards and definitions of mineral resource estimates and mineral reserve estimates as referenced in National Instrument 43-101.

All technical reports are available on SEDAR.

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Annual Review and Sustainability Report Feedback

We welcome feedback from stakeholders regarding our 2016 Annual Review and Sustainability Report.

For further information or comments, please contact:

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CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS

This 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 2017 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.