MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED MARCH 31, 2015

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed consolidated interim financial statements of Endeavour Silver Corp. ("Endeavour" or "the Company") for the three months ended March 31, 2015 and 2014 and the related notes contained therein, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). In addition, the following should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014 and the related MD&A. We use certain non-IFRS financial measures in this MD&A. For a description of each of the non-IFRS measures used in this MD&A, please see the discussion under "Non-IFRS Measures". Additional information relating to the Company, including the most recent Annual Information Form, is available on SEDAR at www.sedar.com, and the Company's most recent annual report on Form 40-F has been filed with the US Securities and Exchange Commission (the "SEC"). This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. All dollar amounts are expressed in United States ("US") dollars and tabular amounts are expressed in thousands of US dollars unless otherwise indicated. This MD&A is dated as of May 5, 2015 and all information contained is current as of May 5, 2015 unless otherwise stated.

Cautionary Note to US Investors concerning Estimates of Reserves and Measured, Indicated and Inferred Resources:

This MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of US securities laws. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") - CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. These definitions differ from the definitions in SEC Industry Guide 7 under the US Securities Act of 1933, as amended (the "Securities Act").

Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC Industry Guide 7 standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this MD&A contains descriptions of Endeavour's mineral deposits that may not be comparable to similar information made public by US companies subject to the reporting and disclosure requirements under the US federal securities laws and the rules and regulations thereunder.

Forward-Looking Statements

This MD&A contains "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking statements and information herein include, but are not limited to, statements regarding Endeavour's anticipated performance in 2015, including silver and gold production, timing and expenditures to develop new silver mines and mineralized zones, silver and gold grades and recoveries, cash costs per ounce, capital expenditures and sustaining capital. Forward-looking statements are frequently characterized by words such as "plan", "expect", "forecast", "project", "intend", "believe", "anticipate", "outlook" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward- looking statements are based on the opinions and estimates of management at the dates the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements.

The Company does not intend to, and does not assume any obligation to update such forward-looking statements or information, other than as required by applicable law. Forward-looking statements or information involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company and its operations to be materially different from those expressed or implied by such statements. Such factors include, among others: fluctuations in the prices of silver and gold, fluctuations in the currency markets (particularly the Mexican peso, Canadian dollar and U.S. dollar); changes in national and local governments, legislation, taxation, controls, regulations and political or economic developments in Canada and Mexico; operating or technical difficulties in mineral exploration, development and mining activities; risks and hazards of mineral exploration, development and mining (including, but not limited to environmental hazards, industrial accidents, unusual or unexpected geological conditions, pressures, cave-ins and flooding); inadequate insurance, or inability to obtain insurance; availability of and costs associated with mining inputs and labour; the speculative nature of mineral exploration and development, diminishing quantities or grades of mineral reserves as properties are mined; the ability to successfully integrate acquisitions; risks in obtaining necessary licenses and permits, and challenges to the Company's title to properties; as well as those factors described in the section "risk factors" contained in the Company's Annual Information Form filed with the Canadian securities regulatory authorities and as filed with the SEC in our Annual Report on Form 40-F. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or information, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed or intended. There can be no assurance that any forward-looking statements or information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information.

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Q1 2015 Highlights	Three Months Ended March 31		
	2015	2014	% Change
Production			
Silver ounces produced	1,820,050	1,898,999	(4%)
Gold ounces produced	15,808	18,519	(15%)
Payable silver ounces produced	1,769,924	1,844,165	(4%)
Payable gold ounces produced	15,429	17,796	(13%)
Silver equivalent ounces produced (1)	2,926,610	3,195,329	(8%)
Cash costs per silver ounce (2)(3)	7.17	4.87	47%
Total production costs per ounce (2)(4)	12.97	13.07	(1%)
All-in sustaining costs per ounce (2)(5)	13.32	12.15	10%
Processed tonnes	380,792	346,525	10%
Direct production costs per tonne (2)(6)	82.67	92.93	(11%)
Silver co-product cash costs (7)	10.68	10.46	2%
Gold co-product cash costs (7)	762	666	14%
Financial			
Revenue ($ millions)	51.1	53.0	(4%)
Silver ounces sold	1,861,975	1,537,665	21%
Gold ounces sold	15,799	16,445	(4%)
Realized silver price per ounce	17.11	20.50	(17%)
Realized gold price per ounce	1,221	1,306	(7%)
Net earnings (loss) ($ millions)	1.4	4.0	(66%)
Adjusted net earnings (8) ($ millions)	1.4	5.5	(75%)
Mine operating earnings ($ millions)	9.1	11.3	(20%)
Mine operating cash flow (9) ($ millions)	19.6	25.4	(23%)
Operating cash flow before working capital changes (10)	13.8	18.3	(25%)
Earnings before ITDA (11)	16.4	19.3	(15%)
Working capital ($ millions)	25.8	46.4	(44%)
Shareholders			
Earnings per share – basic	0.01	0.04	(75%)
Adjusted earnings per share – basic (8)	0.01	0.05	(76%)
Operating cash flow before working capital changes per share (10)	0.14	0.18	(26%)
Weighted average shares outstanding	101,976,901	100,494,157	1%

(1) Silver equivalents are calculated using a 70:1 ratio.

(2) 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 the Silver Institute (Production Cost Standards, June 2011), are widely used in the silver mining industry as a benchmark for performance, but do not have a standardized meaning. These measures are reported on a production basis. See Reconciliation to IFRS on page 12.

(3) Cash costs net of by-products per payable silver ounce include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead, net of gold credits. See Reconciliation to IFRS on page 15.

(4) Total production costs per ounce include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, amortization, depletion and amortization at the operation sites. See Reconciliation to IFRS on page 15.

(5) All-in sustaining cost per ounce include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, corporate general and administration, on-site exploration, share-based compensation, reclamation and sustaining capital net of gold credits. See Reconciliation to IFRS on page 16.

(6) Direct production costs per tonne include mining, processing (including smelting, refining, transportation and selling costs) and direct overhead at the operation sites. See Reconciliation to IFRS on page 15.

(7) Silver co-product cash cost and gold co-product cash cost include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead allocated on pro-rated basis of realized metal value. See Reconciliation to IFRS on page 16
(8) Adjusted earnings are calculated by adding back the mark-to-market impact of derivative equities held as a liability on the Company's balance sheet and impairment charges net of tax. See Reconciliation to IFRS on page 13.
(9) Mine operating cash flow is calculated by adding back amortization, depletion, inventory write downs and share-based compensation to mine operating earnings. Mine operating earnings and mine operating cash flow are before taxes. See Reconciliation to IFRS on page 13.
(10) See Reconciliation to IFRS on page 13 for the reconciliation of operating cash flow before working capital changes and page 14 for the operating cash flow before working capital changes per share.
(11) See Reconciliation of Earnings before interest, taxes, depreciation and amortization on page 14.

The above highlights are key measures used by management, however they should not be the sole measures used in determining the performance of the Company's operations.

HISTORY AND STRATEGY

The Company is engaged in silver mining in Mexico and related activities including property acquisition, exploration, development, mineral extraction, processing, refining and reclamation. The Company is also engaged in exploration activities in Chile.

Historically, the business philosophy was to acquire and explore early-stage mineral prospects in Canada and the US. In 2002 the Company was re-organized, a new management team was appointed, and the business strategy was revised to focus on acquiring advanced-stage silver mining properties in Mexico. Mexico, despite its long and prolific history of metal production, appeared to be relatively under-explored using modern exploration techniques and offered promising geological potential for precious metals exploration and production.

After evaluating several mineral properties in Mexico in 2003, the Company negotiated an option to purchase the Guanaceví silver mines and process plant located in Durango, Mexico in May 2004. Management recognized that even though the mines had run out of ore, little modern exploration had been carried out to discover new silver ore-bodies. Exploration drilling commenced in June 2004 and was quickly met with encouraging results. By September 2004, sufficient high-grade silver mineralization had been outlined to justify the development of an access ramp into the newly discovered North Porvenir ore-body. In December 2004, the Company commenced the mining and processing of ore from the new North Porvenir mine to produce silver doré bars.

In 2007, the Company replicated the success of Guanaceví with the acquisition of the Bolañitos (formerly described as "Guanajuato") mines project in Guanajuato State. Bolañitos was very similar in that there was a fully built and permitted processing plant, and the mines were running out of ore, so the operation was for sale. The acquisition was finalized in May 2007 and as a result of the successful mine rehabilitation and subsequent exploration work, silver production, reserves and resources are growing rapidly and Bolañitos is now an integral part of the Company's asset base.

Both Guanaceví and Bolañitos are good examples of Endeavour's business model of acquiring fully built and permitted silver mines that were about to close for lack of ore. By bringing the money and expertise needed to find new silver ore-bodies, Endeavour has successfully re-opened and expanded these mines to develop their full potential. The benefit of acquiring fully built and permitted mining and milling infrastructure is that if new exploration efforts are successful, the mine development cycle from discovery to production only takes a matter of months instead of the several years normally required in the traditional mining business model.

In 2012, the Company acquired the El Cubo silver-gold mine located in Guanajuato, Mexico. El Cubo had similar challenges to Endeavour's past acquisitions, but with two significant exceptions; the property came with substantial reserves and resources, and the mine was already operating at 1,100 tonnes per day (tpd). After acquisition, Endeavour initiated a two year operational turn-around program aimed at increasing throughput, grade and productivity in order to reduce operating costs and return the operation to profitability. Endeavour also completed a capital reconstruction program of the plant and surface infrastructure, and invested in accelerated mine exploration and development to unfold the full potential of El Cubo.

The Company has historically funded its exploration and development activities through equity financings and convertible debentures. Equity financings also facilitated the acquisition and development of the Guanaceví and Bolañitos mines projects. However, since 2004, the Company has been able to finance more and more of its acquisition, exploration, development and operating activities from production cash flows. In 2012 the Company obtained a credit facility to help support its acquisition, exploration and capital investment programs. The Company may choose to engage in equity, debt, convertible debt or other financings, on an as-needed basis, in order to facilitate its growth.

REVIEW OF OPERATING RESULTS

Consolidated Production Results for the Three Months Ended March 31, 2015 and 2014

CONSOLIDATED	Three Months Ended March 31		
	2015	2014	% Change
Ore tonnes processed	380,792	346,525	10%
Average silver grade (gpt)	174	198	(12%)
Silver recovery (%)	85.2	86.1	(1%)
Total silver ounces produced	1,820,050	1,898,999	(4%)
Payable silver ounces produced	1,769,924	1,844,165	(4%)
Average gold grade (gpt)	1.53	1.92	(20%)
Gold recovery (%)	84.5	86.6	(2%)
Total gold ounces produced	15,808	18,519	(15%)
Payable gold ounces produced	15,429	17,796	(13%)
Silver equivalent ounces produced(1)	2,926,610	3,195,329	(8%)
Cash costs per silver ounce(2)(3)	7.17	4.87	47%
Total production costs per ounce(2)(4)	12.97	13.07	(1%)
All in sustaining cost per ounce (2)(5)	13.32	12.15	10%
Direct production costs per tonne(2)(6)	82.67	92.93	(11%)
Silver co-product cash costs(7)	10.68	10.46	2%
Gold co-product cash costs(7)	761.97	666.31	14%

(1) Silver equivalents are calculated using a 70:1 ratio.

(2) The Company reports non-IFRS measures which include cash costs net of by-product 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 the Silver Institute (Production Cost Standards, June 2011), are widely used in the silver mining industry as a benchmark for performance, but do not have a standardized meaning. These measures are reported on a production basis. See Reconciliation to IFRS on page 12.

(3) Cash costs net of by-products per payable silver ounce include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead, net of gold credits. See Reconciliation to IFRS on page 15.

(4) Total production costs per ounce include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, amortization, depletion and amortization at the operation sites. See Reconciliation to IFRS on page 15.

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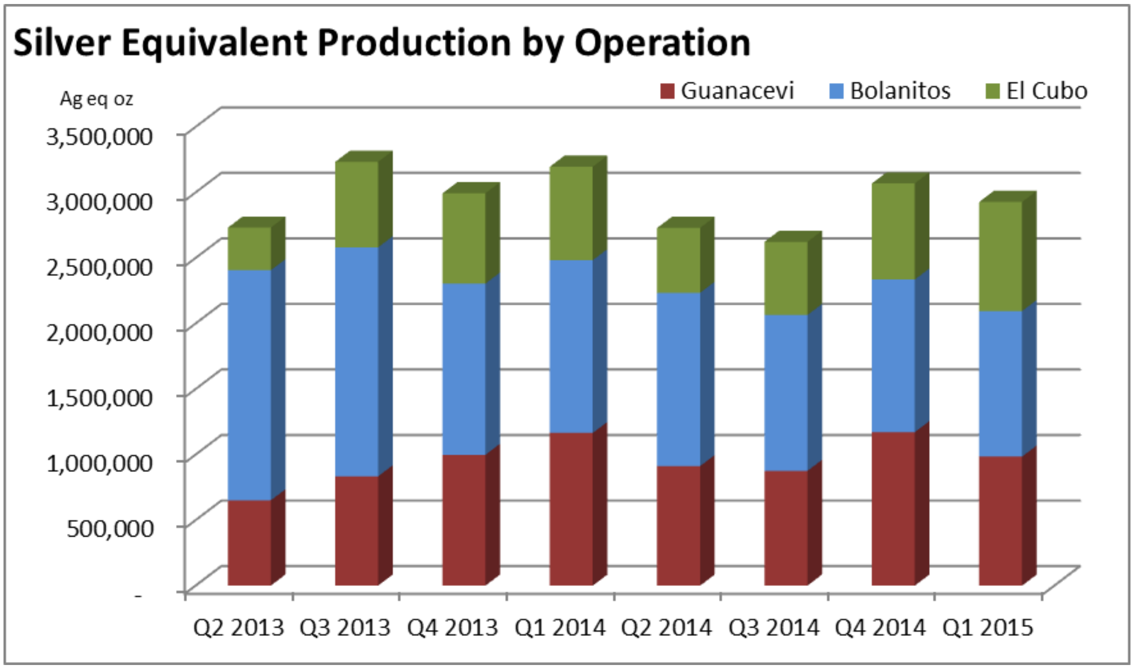
(7) Silver co-product cash cost and gold co-product cash cost include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead allocated on pro-rated basis of realized metal value. See Reconciliation to IFRS on page 16.

Consolidated Production



Three months ended March 31, 2015 (compared to the three months ended March 31, 2014)
Consolidated silver production during Q1, 2015 was 1,820,050 ounces, a decrease of 4% compared to 1,898,999 oz in Q1, 2014, and gold production was 15,808 oz, a decrease of 15% compared to 18,519 oz in Q1, 2014. Plant throughput was 380,792 tonnes at average grades of 174 grams per tonne (gpt) silver and 1.53 gpt gold compared to 346,525 tonnes grading 198 gpt silver and 1.92 gpt gold in Q1, 2014. Metal production fell due to lower grades, offset by the higher throughput. The increased throughput of the El Cubo operation, which has lower grades than the other operations, is the primary driver of this variation from 2014.

Consolidated Operating Costs

Three months ended March 31, 2015 (compared to the three months ended March 31, 2014)
The falling Mexican peso and continued focus on cost reductions resulted in lower consolidated costs per tonne, which fell 11% to $82.67 in Q1, 2015. Lower gold grades resulted in rising cash costs, net of by-product credits (a non-IFRS measure and a standard of the Silver Institute), which increased 47% to $7.17 per oz of payable silver compared to $4.87 per oz in Q1, 2014. Similarly the lower gold grades offset by lower exploration and development expenditures resulted in all-in-sustaining costs (also a non-IFRS measure) increasing 10% to $13.32 per oz compared to Q1, 2014.

Guanaceví Operations

Production Results for the Three Months Ended March 31, 2015 and 2014

GUANACEVÍ	Three Months Ended March 31		
	2015	2014	% Change
Ore tonnes processed	106,106	106,813	(1%)
Average silver grade (g/t)	300	350	(14%)
Silver recovery (%)	83.4	83.7	(0%)
Total silver ounces produced	853,106	1,005,781	(15%)
Payable silver ounces produced	844,575	995,723	(15%)
Average gold grade (g/t)	0.63	0.77	(18%)
Gold recovery (%)	87.3	86.0	2%
Total gold ounces produced	1,877	2,273	(17%)
Payable gold ounces produced	1,858	2,250	(17%)
Silver equivalent ounces produced(1)	984,496	1,164,891	(15%)
Cash costs per silver ounce(2)(3)	8.23	8.30	(1%)
Total production costs per ounce(2)(4)	11.16	10.72	4%
All in sustaining cost per ounce (2)(5)	11.16	11.94	(7%)
Direct production costs per tonne(2)(6)	87.34	103.90	(16%)
Silver co-product cash costs(7)	9.36	9.65	(3%)
Gold co-product cash costs(7)	682	614	11%

(1) Silver equivalents are calculated using a 70:1 ratio.

(2) The Company reports non-IFRS measures which include cash costs net of by-product 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 the Silver Institute (Production Cost Standards, June 2011), are widely used in the silver mining industry as a benchmark for performance, but do not have a standardized meaning. These measures are reported on a production basis. See Reconciliation to IFRS on page 12.

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(4) Total production costs per ounce include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, amortization, depletion and amortization at the operation sites. See Reconciliation to IFRS on page 15.

(5) All-in sustaining cost per ounce include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, corporate general and administration, on-site exploration, share-based compensation, reclamation and sustaining capital net of gold credits. See Reconciliation to IFRS on page 16.

(6) Direct production costs per tonne include mining, processing (including smelting, refining, transportation and selling costs) and direct overhead at the operation sites. See Reconciliation to IFRS on page 15.

(7) Silver co-product cash cost and gold co-product cash cost include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead allocated on pro-rated basis of realized metal value. See Reconciliation to IFRS on page 16.

Guanaceví has produced more than 22 million ounces of silver and 52,000 ounces of gold since Endeavour acquired it in 2004. Although the historic mine was closed and the plant was struggling to process 100 tpd of old tailings in 2004, Guanaceví is now producing 1,200 tpd of high-grade ore. The Company has discovered five high-grade silver-gold ore bodies along a five kilometre length of the prolific Santa Cruz vein and developed four new mines, one of which is now mined out. The Guanaceví operation currently includes three underground silver-gold mines, a cyanidation leach plant, mining camp, and administration and housing facilities. Guanaceví provides steady employment for 540 people and engages 100 contractors.

Guanaceví Production Results

Three months ended March 31, 2015 (compared to the three months ended March 31, 2014)
Silver production at the Guanaceví mine during Q1, 2015 was 853,106 oz, a decrease of 15% compared to 1,005,781 oz in Q1, 2014, and gold production was 1,877 oz, a decrease of 17% compared to 2,273 oz in Q1, 2014. Plant throughput was 106,106 tonnes at average grades of 300 gpt silver and 0.63 gpt gold compared to 106,813 tonnes grading 350 gpt silver and 0.70 gpt gold in Q1, 2014. The lower ore grades were due to variations within and between the different ore bodies resulting in lower silver and gold production compared to Q1, 2014. The ore grades exceeded plan grades for Q1, 2015 due to variations within and between the different ore bodies and the processing of stockpiled higher grade ore.

Guanaceví Operating Costs

Three months ended March 31, 2015 (compared to the three months ended March 31, 2014)
Per-tonne costs fell 16% to $87.34 in Q1, 2015 compared to Q1, 2014 due to the falling peso and the Company's focus on reducing costs. The lower costs per tonne were offset by lower grades resulting flat cash costs per ounce, net of by-product credits (a non-IFRS measure and a standard of the Silver Institute), which decreased 1% to $8.23 per oz of payable silver compared to $8.30 per oz in Q1, 2014. All-in-sustaining costs (also a non-IFRS measure) fell 7% to $11.16 per oz compared to Q1, 2014 due to lower mine development and exploration expenditures. Exploration and mine development is a function of the maturity of the individual mines at the Guanaceví operation and can fluctuate quarter to quarter, declining in the mature mines but increasing when new mines are developed.

Bolañitos Operations

Production Results for the Three Months Ended March 31, 2015 and 2014

BOLAÑITOS	Three Months Ended March 31		
	2015	2014	% Change
Ore tonnes processed	136,076	142,412	(4%)
Average silver grade (g/t)	139	144	(3%)
Silver recovery (%)	85.7	87.1	(2%)
Total silver ounces produced	521,117	572,851	(9%)
Payable silver ounces produced	498,393	544,029	(8%)
Average gold grade (g/t)	2.30	2.72	(15%)
Gold recovery (%)	83.7	85.4	(2%)
Total gold ounces produced	8,421	10,640	(21%)
Payable gold ounces produced	8,215	10,170	(19%)
Silver equivalent ounces produced(1)	1,110,587	1,317,651	(16%)
Cash costs per silver ounce(2)(3)	0.17	(2.21)	108%
Total production costs per ounce(2)(4)	5.81	9.39	(38%)
All in sustaining cost per ounce (2)(5)	5.74	3.85	49%
Direct production costs per tonne(2)(6)	74.00	85.27	(13%)
Silver co-product cash costs(7)	8.87	9.71	(9%)
Gold co-product cash costs(7)	647	619	5%

(1) Silver equivalents are calculated using a 70:1 ratio.
(2) 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 the Silver Institute (Production Cost Standards, June 2011), are widely used in the silver mining industry as a benchmark for performance, but do not have a standardized meaning. These measures are reported on a production basis. See Reconciliation to IFRS on page 12.

(3) Cash costs net of by-product per payable silver ounce include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead, net of gold credits. See Reconciliation to IFRS on page 15.

(4) Total production costs per ounce include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, amortization, depletion and amortization at the operation sites. See Reconciliation to IFRS on page 15.

(5) All-in sustaining cost per ounce include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, corporate general and administration, on-site exploration, share-based compensation, reclamation and sustaining capital net of gold credits. See Reconciliation to IFRS on page 16.

(6) Direct production costs per tonne include mining, processing (including smelting, refining, transportation and selling costs) and direct overhead at the operation sites. See Reconciliation to IFRS on page 15.

(7) Silver co-product cash cost and gold co-product cash cost include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead allocated on pro-rated basis of realized metal value. See Reconciliation to IFRS on page 16.

The Bolañitos mine encompasses three operating silver-gold mines and a floatation plant and is located 10 kilometres from the city of Guanajuato in the state of Guanajuato. Following Endeavour's acquisition in 2007, cash costs of production were as high as $32 per oz and the operation was struggling to produce 300,000 ounces of silver per year. Following the execution of management's business strategy, cash costs of production became negative due to economies of scale and the rising gold credits as production grew. Bolañitos' processing plant was expanded in phases from 500 tpd in 2007 to 1,600 tpd in 2012. In 2013 additional mine output was processed at the El Cubo facilities allowing production to exceed plant capacity, whereas in 2014, production reverted to the 1,600 tpd Bolañitos plant capacity. Since acquisition, the Bolañitos operation has produced over 10 million ounces of silver and over 93,000 ounces of gold.

Bolañitos Production Results

Three months ended March 31, 2015 (compared to the three months ended March 31, 2014)

Silver production at the Bolañitos mine was 521,117 oz during Q1, 2015, a decrease of 9% compared to 572,851 oz in Q1, 2014, and gold production was 8,421 oz, a decrease of 21% compared to 10,640 oz in Q1, 2014. Plant throughput in Q1, 2015 was 136,076 tonnes at average grades of 139 gpt silver and 2.30 gpt gold, compared to 142,412 tonnes grading 144 gpt silver and 2.72 gpt gold in Q1, 2014. Metal production was down due to lower throughput and lower grades.

Going forward, Bolañitos production will contract as operations focus on developing the LL-Asunción ore body. Bolañitos operated at its existing capacity of 1,600 tpd in the first quarter, but will expected to gradually drop to 1,000 tpd until the LL- Asunción deposit is sufficiently developed.

Bolañitos Operating Costs

Three months ended March 31, 2015 (compared to the three months ended March 31, 2014)

In Q1, 2015, per tonne costs fell due to the falling Mexican peso and management's focus on reducing costs. The lower costs per tonne were offset by lower grade material, increasing cash costs per oz, net of by-product credits (which is a non-IFRS measure and a standard of the Silver Institute), to $0.17 per oz of payable silver compared to negative $2.21 per oz in the same period in 2014. Similarly all-in sustaining costs (also a non-IFRS measure) rose for the same reasons, and were offset by decreased mine development and exploration expenditures in Q1, 2015 compared to Q1, 2014.

El Cubo Operations

Production Results for the Three Months Ended March 31, 2015 and 2014

EL CUBO	Three Months Ended March 31		
	2015	2014	% Change
Ore tonnes processed	138,610	97,300	42%
Average silver grade (g/t)	113	110	3%
Silver recovery (%)	88.5	92.7	(4%)
Total silver ounces produced	445,827	320,367	39%
Payable silver ounces produced	426,956	304,413	40%
Average gold grade (g/t)	1.46	2.01	(27%)
Gold recovery (%)	84.7	89.0	(5%)
Total gold ounces produced	5,510	5,606	(2%)
Payable gold ounces produced	5,356	5,376	(0%)
Silver equivalent ounces produced(1)	831,527	712,787	17%
Cash costs per silver ounce(2)(3)	13.24	6.27	111%
Total production costs per ounce(2)(4)	24.92	27.30	(9%)
All in sustaining cost per ounce (2)(5)	26.44	27.66	(4%)
Direct production costs per tonne(2)(6)	87.61	92.08	(5%)
Silver co-product cash costs (7)	14.33	13.22	8%
Gold co-product cash costs (7)	1,044	842	24%

(1) Silver equivalents are calculated using a 70:1 ratio.

(2) 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 the Silver Institute (Production Cost Standards, June 2011), are widely used in the silver mining industry as a benchmark for performance, but do not have a standardized meaning. These measures are reported on a production basis. See Reconciliation to IFRS on page 12.

(3) Cash costs net of by-products per payable silver ounce include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead, net of gold credits. See Reconciliation to IFRS on page 15.

(4) Total production costs per ounce include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, amortization, depletion and amortization at the operation sites. See Reconciliation to IFRS on page 15.

(5) All-in sustaining cost per ounce include mining, processing (including smelting, refining, transportation and selling costs), direct overhead, corporate general and administration, on-site exploration, share-based compensation, reclamation and sustaining capital net of gold credits. See Reconciliation to IFRS on page 16.

(6) Direct production costs per tonne include mining, processing (including smelting, refining, transportation and selling costs) and direct overhead at the operation sites. See Reconciliation to IFRS on page 15.

(7) Silver co-product cash cost and gold co-product cash cost include mining, processing (including smelting, refining, transportation and selling costs), and direct overhead allocated on pro-rated basis of realized metal value. See Reconciliation to IFRS on page 16.

Endeavour's third mine, El Cubo, was acquired in July 2012. El Cubo was a good fit with Endeavour's business strategy of buying and rejuvenating struggling old mines in historic mining districts. However, unlike Guanaceví and Bolañitos, which had low throughputs and no reserves, El Cubo offered the potential to quickly become a core asset for Endeavour, by already having throughput of 1,100 tpd output and a reasonable reserve/resource mine life. Located in the southeastern part of the historic Guanajuato mining district, the producing El Cubo silver and gold mine is only 15 kilometres from Endeavour's Bolañitos project, and included many mine adits, ramps, and shafts, as well as a 400 tpd leach plant. It also held a lease (until July 2013) on the adjacent Las Torres mine and 1,800 tpd flotation plant owned by Fresnillo PLC. Subsequent to the acquisition in Q3, 2012, Endeavour launched a $67-million, 18-month capital investment program at El Cubo to explore and develop the mine and to rebuild and expand the plant, tailings facility, water supply, electrical supply, surface buildings, and surface infrastructure. The plant and surface infrastructure program was completed in Q2 2013 on time and within budget.

El Cubo Production Results

Endeavour's 2014 mine plan focused on increasing throughput at El Cubo to 1,500 tpd by year end and increasing production grades by opening up new higher grade areas and reducing ore dilution. The Company reorganized the mine operations team, improved supervision and operating efficiencies, improved safety policies, programs and training and created a mine rescue team for a safer environment. The Company also acquired new mining equipment**,** accelerated mine development and commenced underground drilling. In Q2, 2015, the Company plans to ramp up mine output from 1,550 tonnes per day – the current El Cubo plant capacity – to 2,200 tpd. The additional 650 tpd of mine production at El Cubo will come primarily from the V-Asunción mine area, which has thicker mineralized zones amenable to long hole mining, and the Santa Cecilia mine area, which has narrower but higher grade veins, and will be processed at Endeavour's Bolañitos plant, located 18 kilometres away, which has available capacity and comparable circuits to El Cubo.

Three months ended March 31, 2015 (compared to the three months ended March 31, 2014)
Silver production at the El Cubo mine was 445,827 ounce in Q1, 2015, an increase of 39% compared to 372,124 oz in Q1, 2014 and gold production was 5,510 oz in Q1, 2015, a decrease of 2% compared to 5,606 oz in Q1, 2014. Plant throughput in Q1, 2015 was 138,610 tonnes at average grades of 113 gpt silver and 1.46 gpt gold, compared to 97,300 tonnes grading 110 gpt silver and 2.01 gpt gold in Q1, 2014.

El Cubo Operating Costs

Three months ended March 31, 2015 (compared to the three months ended March 31, 2014)
In Q1, 2015, cash costs net of by-product credits, (a non-IFRS measure and a standard of the Silver Institute), rose to $13.24 per oz of payable silver compared to $6.27 per oz in the same period in 2014 as lower gold grade material was mined. Cost per tonne fell 5% primarily due to the falling Mexican peso. All-in sustaining costs decreased by 4% to $26.44 per oz compared to Q1, 2014 due to lower mine development and exploration expenditures. During Q1, 2015, El Cubo spent $4.6 million on three kilometres of mine development and improved ventilation systems as the V-Asunción discovery continues to be developed.

Exploration Results

In 2015, Endeavour plans to spend $6.9 million on exploration, including $0.9 million required for property payments. A total of 26,000 metres of drilling in approximately 150 holes are budgeted to test multiple exploration targets in addition to the underground mine exploration drilling.

For the three months ended March 31, 2015, the Company primarily focused on mapping and sampling in preparation of the 2015 drill programs. The Company mobilized drills at the end of the quarter to focus on brownfields exploration around the three operating mines in order to replenish resources as well as infill and condemnation drilling needed for engineering the emerging new high grade silver-gold discovery at Terronera (formerly known as San Sebastián) in Jalisco State. The Company plans to release a preliminary economic assessment for a small, high grade mine at the Terronera project in Q2, 2015 while continuing to explore and prepare a pre-feasibility study for release later in 2015.

Consolidated Financial Results

Three months ended March 31, 2015 (compared to the three months ended March 31, 2014)

For the three-month period ended March 31, 2015, the Company's mine operating earnings were $9.1 million (Q1, 2014: $11.3 million) on sales of $51.1 million (Q1, 2014: $53.0 million) with cost of sales of $42.0 million (Q1, 2014: $41.7 million).

Operating earnings were $6.2 million (Q1, 2014: $6.7 million) after exploration costs of $1.1 million (Q1, 2014: $2.2 million) and general and administrative costs of $1.8 million (Q1, 2014: $2.4 million).

Earnings before taxes in Q1, 2015 were $5.5 million (Q1, 2014: $4.7 million) after finance costs of $0.3 million (Q1, 20143: $0.2 million), a foreign exchange loss of $0.7 million (Q1, 2014: $0.3 million) and investment and other income of $0.3 million (Q1, 2014: $0.2 million). In Q1 2014 the company also recognized a mark-to-market loss on derivative liabilities of $1.4 million and a mark-to-market loss on contingent liabilities of $0.1 million, which do not have comparatives in the current year as the Company no longer has any derivative or significant contingent liabilities.

Sales of $51.1 million in Q1, 2015 represented a 4% decrease over the $53.0 million for the same period in 2014. There was a 21% increase in silver ounces sold and a 17% decrease in the realized silver price resulting in a 1% increase in silver sales, and there was a 4% decrease in gold ounces sold and a 7% decrease in realized gold prices resulting in a 10% decrease in gold sales. During the period, the Company sold 1,861,975 oz silver and 15,779 oz gold, for realized prices of $17.11 and $1,221 per oz respectively, compared to sales of 1,537,665 oz silver and 16,445 oz gold, for realized prices of $20.50 and $1,306 per oz respectively, in the same period of 2014. The realized prices of silver and gold during the period were within 2% of the average silver and gold spot prices during the period of $16.71 per ounce and $1,218 per ounce, respectively, with differences due to the timing of sales and the mark-to-market adjustments for the concentrate sales that are pending finalization.

The Company decreased its finished goods silver inventory to 414,955 oz and decreased its finished goods gold inventory to 2,006 oz at March 31, 2015 compared to 507,081 oz silver and 2,378 oz gold at December 31, 2014. The cost allocated to these finished goods was $5.9 million, compared to $7.0 million at December 31, 2014. As of March 31, 2015, the finished goods inventory fair market value was $9.3 million compared to the fair value of $11.0 million at December 31, 2014.

Cost of sales for Q1, 2015 was $42.0 million, an increase of 1% over the cost of sales of $41.70 million for the same period of 2014. The 1% increase in cost of sales was primarily due to the increase in throughput ounces, specifically at Cubo, offset the weakening of the Mexican peso against the US dollar.

Exploration expenses decreased in Q1, 2015 to $1.1 million from $2.2 million in the same period of 2014 based on the timing of the exploration activities and the prioritization of focusing on brownfields exploration to increase mine lives at all three operations. General and administrative expenses decreased to $1.8 million for the period compared to $2.4 million in the same period of 2014 primarily due to decreased corporate development costs and to increased strength of the US dollar against the Canadian dollar as a significant portion of the general and administrative expenses are in Canadian dollars.

The Company experienced a foreign exchange loss of $0.7 million during the period compared to a loss of $0.3 million for the same period of 2014. The $0.7 million loss was primarily due to the strengthening of the US dollar against the Canadian dollar and Mexican peso during the period, which resulted in lower valuations on the Canadian dollar and Mexican peso cash and receivable amounts.

There was an income tax expense of $4.1 million during the period compared to $0.7 million for the same period of 2014. The $4.1 million tax expense is comprised of $3.1 million in current income tax expense (Q1, 2014: $2.9 million) and $1.0 million in deferred income tax expense (Q1, 2014: $2.2 million deferred income tax recovery). The increase in the income tax expense was primarily due to the impact of the depreciating Mexican peso on the Company's deferred income tax liability. The Company recognized a $1.0 million deferred income tax expense as a result of the falling Mexican peso, where as in 2014 a deferred income tax recovery was recognized.

Non-IFRS Measures

Adjusted earnings and adjusted earnings per share ("EPS") are non-IFRS measures that do not have standardized meanings prescribed by IFRS and therefore, may not be comparable to similar measures presented by other issuers. The Company previously issued share purchase warrants that had an exercise price denominated in a currency (Canadian dollar) different from the functional currency of the Company (US dollar). Under IFRS, the warrants are classified and accounted for as a financial liability at fair value with adjustments recognized through net earnings. These adjustments fluctuate significantly quarter to quarter primarily based on the change in the Company's quoted share price and have a significant effect on reported earnings, while the dilutive impact remains unchanged.

The Company incurred impairments on non-current assets that have a significant one time effect on reported earnings. Adjusted earnings and adjusted EPS are measures used by management to assess the performance of the operations prior to the impact of the mark-to-market changes and impairment amounts to appropriately compare to past performance and are provided to investors as a measure of the Company's operating performance.

Expressed in thousands US dollars	Three Months Ended March 31	
	2015	2014
Net earnings (loss) for the period	$1,357	$4,037
Mark-to-market loss/(gain) on derivative liabilities	-	1,434
Adjusted net earnings (loss)	$1,357	$5,471
Basic weighted average share outstanding	101,976,901	100,494,157
Adjusted net earnings (loss) per share	$0.01	$0.05

Mine operating cash flow is a non-IFRS measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Mine operating cash flow is calculated as revenues minus direct production costs and royalties. Mine operating cash flow is used by management to assess the performance of the mine operations, excluding corporate and exploration activities and is provided to investors as a measure of the Company's operating performance.

Expressed in thousands US dollars	Three Months Ended March 31	
	2015	2014
Mine operating earnings (loss)	$9,065	$11,305
Share-based compensation	73	68
Amortization and depletion	10,454	14,073
Mine operating cash flow before taxes	$19,592	$25,446

Operating cash flow before working capital adjustment is a non-IFRS measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Operating cash flow before working capital ("WC") adjustments is calculated as operating cash flow minus working capital adjustment. Operating cash flow before working capital adjustments is used by management to assess operating performance irrespective of working capital changes and is provided to investors as a measure of the Company's operating performance.

Expressed in thousands US dollars	Three Months Ended March 31	
	2015	2014
Cash from operating activities	$4,285	$17,107
Net changes in non-cash working capital	(9,519)	(1,178)
Operating cash flow before working capital adjustments	$13,804	$18,285

Operating cash flow per share is a non-IFRS measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Operating cash flow per share is calculated by dividing cash from operating activities by the weighted average shares outstanding. Operating cash flow per share is used by management to assess operating performance irrespective of working capital changes and is provided to investors as a measure of the Company's operating performance.

Expressed in thousands US dollars	Three Months Ended March 31	
	2015	2014
Operating cash flow before working capital adjustments	$13,664	$18,285
Weighted average shares outstanding	101,976,901	100,494,157
Operating cash flow before WC changes per share	$0.13	$0.18

EBITDA is a non-IFRS financial measure, which excludes the following from net earnings:

- Income tax expense;
- Finance costs;
- Amortization and depletion

Management believes EBITDA is a valuable indicator of the Company's ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures. Management uses EBITDA for this purpose. EBITDA is also frequently used by investors and analysts for valuation purposes whereby EBITDA is multiplied by a factor or "EBITDA multiple" based on an observed or inferred relationship between EBITDA and market values to determine the approximate total enterprise value of a Company.

EBITDA is intended to provide additional information to investors and analysts and does not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of operating performance prepared in accordance with IFRS. EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore is not necessarily indicative of operating profit or cash flow from operations as determined by IFRS. Other companies may calculate EBITDA differently.

Expressed in thousands US dollars	Three Months Ended March 31	
	2015	2014
Net earnings (loss) for the period	$1,357	$4,037
Amortization and depletion – cost of sales	10,454	14,073
Amortization and depletion – exploration	25	35
Amortization and depletion – general & admin	39	38
Finance costs	313	446
Current income tax expense	3,176	2,942
Deferred income tax expense (recovery)	1,003	(2,274)
Earnings before interest, taxes, depletion and amortization	$16,367	$19,297

Cash costs per ounce, total production costs per ounce and direct production costs per tonne are measures developed by precious metals companies in an effort to provide a comparable standard; however, there can be no assurance that Endeavour's reporting of these non-IFRS measures are similar to those reported by other mining companies. Cash costs per ounce, production costs per ounce and direct production costs per tonne are measures used by the Company to manage and evaluate operating performance at each of the Company's operating mining units, and are widely reported in the silver mining industry as a benchmark for performance, but do not have a standardized meaning and are disclosed in addition to IFRS measures. The following tables provide a detailed reconciliation of these measures to Endeavour's cost of sales, as reported in the Company's consolidated financial statements.

Expressed in thousands US dollars	Three Months Ended March 31, 2015				Three Months Ended March 31, 2014			
	Guanacevi	Bolanitos	El Cubo	Total	Guanacevi	Bolanitos	El Cubo	Total
Direct production costs	$9,509	$9,361	$12,398	$31,268	$8,474	$11,344	$7,402	$27,220
Royalties	102	79	67	248	146	120	68	334
Special mining duty [(1)]	394	515	-	909	344	680	57	1,081
Opening finished goods	(4,033)	(441)	(1,042)	(5,516)	(650)	0	(60)	(710)
NRV cost adjustment	-	-	0	0	-	-	0	0
Closing finished goods	3,295	555	720	4,570	2,784	-	1,492	4,276
Direct production costs	9,267	10,069	12,143	31,479	11,098	12,144	8,959	32,201
By-product gold sales	(2,302)	(10,105)	(6,856)	(19,263)	(2,380)	(13,344)	(5,755)	(21,479)
Opening gold inventory fair market value	1,262	726	865	2,853	94	-	144	238
Closing gold inventory fair market value	(1,273)	(606)	(501)	(2,380)	(544)	-	(1,438)	(1,982)
Cash costs net of by-product	6,954	84	5,651	12,689	8,268	(1,200)	1,910	8,978
Amortization and depletion	2,213	2,718	5,423	10,354	2,340	6,287	5,446	14,073
Stock-based compensation	25	24	25	74	23	23	22	68
Opening finished goods depletion	(635)	(115)	(698)	(1,448)	(220)	0	(92)	(312)
NRV cost adjustment	-	-	-	-	-	-	-	-
Closing finished goods depletion	868	187	238	1,293	265	-	1,024	1,289
Total production costs	$9,425	$2,898	$10,639	$22,962	$10,676	$5,110	$8,310	$24,096
Throughput tonnes	106,106	136,076	138,610	380,792	106,813	142,412	97,300	346,525
Payable silver ounces	844,575	498,393	426,956	1,769,924	995,723	544,029	304,413	1,844,165
Cash costs per ounce	$8.23	$0.17	$13.24	$7.17	$8.30	($2.21)	$6.27	$4.87
Total production costs per oz	$11.16	$5.81	$24.92	$12.97	$10.72	$9.39	$27.30	$13.07
Direct production costs per tonne	$87.34	$74.00	$87.61	$82.67	$103.90	$85.27	$92.08	$92.93

[(1)] Special mining duty is an EBITDA royalty tax presented as a current income tax in accordance with IFRS. The Company incurred $1.6 million expense related to deferred revenues for tax purposes from prior year's production which was excluded from 2014 production costs.

All-in sustaining costs per ounce and all-in costs per ounce are measures developed by the World Gold Council (and used as a standard of the Silver Institute) in an effort to provide a comparable standard within the precious metal industry; however, there can be no assurance that Endeavour's reporting of these non-IFRS measures are similar to those reported by other mining companies. These measures are used by the Company to manage and evaluate operating performance at each of the Company's operating mining units and consolidated group, and are widely reported in the silver mining industry as a benchmark for performance, but do not have a standardized meaning and are disclosed in addition to IFRS measures. The following tables provide a detailed reconciliation of these measures to Endeavour's cost of sales, as reported in the Company's consolidated financial statements.

Expressed in thousands US dollars	Three Months Ended March 31, 2015				Three Months Ended March 31, 2014			
	Guanacevi	Bolanitos	El Cubo	Total	Guanacevi	Bolanitos	El Cubo	Total
Cash costs net of by-product	$6,954	$84	$5,651	$12,689	$8,268	($1,200)	$1,910	$8,978
Operations stock based compensation	25	24	25	74	23	23	22	68
Corporate general and administrative	678	400	343	1,420	1,119	611	342	2,072
Corporate stock based compensation	177	104	89	370	198	108	60	366
Reclamation - amortization/accretion	5	3	18	26	4	1	5	10
Mine site expensed exploration	170	241	195	606	79	708	948	1,735
Capital expenditures sustaining	1,420	2,007	4,967	8,394	2,199	1,842	5,132	9,173
All In Sustaining Costs	$9,428	$2,863	$11,288	$23,579	$11,889	$2,093	$8,419	$22,402
Growth exploration				443				433
Growth capital expenditures				192				142
All In Costs				$24,214				$22,977
Throughput tonnes	106,106	136,076	138,610	380,792	106,813	142,412	97,300	346,525
Payable silver ounces	844,575	498,393	426,956	1,769,924	995,723	544,029	304,413	1,844,165
Sustaining cost per ounce	$11.16	$5.74	$26.44	$13.32	$11.94	$3.85	$27.66	$12.15
All In costs per ounce				$13.68				$12.46

Silver co-product cash costs and gold co-product cash costs are measures used by the Company to manage and evaluate operating performance at each of the Company's operating mining units and consolidated group, but do not have a standardized meaning and are disclosed in addition to IFRS measures. The following tables provide a detailed reconciliation of these measures to Endeavour's cost of sales, as reported in the Company's consolidated financial statements.

Expressed in thousands US dollars	Three Months Ended March 31, 2015				Three Months Ended March 31, 2014			
	Guanacevi	Bolanitos	El Cubo	Total	Guanacevi	Bolanitos	El Cubo	Total
Direct production costs	$9,509	$9,361	$12,398	$31,268	$8,474	$11,344	$7,402	$27,220
Royalties	102	79	67	248	146	120	68	334
Special mining duty (1)	394	515	-	909	344	680	57	1,081
Opening finished goods	(4,033)	(441)	(1,042)	(5,516)	(650)	-	(60)	(710)
NRV cost adjustment	-	-	0	0	-	-	0	0
Closing finished goods	3,295	555	720	4,570	2,784	-	1,492	4,276
Direct production costs	9,267	10,069	12,143	31,479	11,098	12,144	8,959	32,201
Silver production	853,106	521,117	445,827	1,820,050	1,005,781	572,851	320,367	1,898,999
Average realized silver price	16.71	16.71	16.71	16.71	20.50	20.50	20.50	20.50
Silver value	14,255,401	8,707,865	7,449,769	30,413,036	20,618,511	11,743,446	6,567,524	38,929,480
Gold production	1,877	8,421	5,510	15,808	2,273	10,640	5,606	18,519
Average realized gold price	1,218	1,218	1,218	1,218	1,306	1,306	1,306	1,306
Gold value	2,286,186	10,256,778	6,711,180	19,254,144	2,968,538	13,895,840	7,321,436	24,185,814
Total metal value	16,541,587	18,964,643	14,160,949	49,667,180	23,587,049	25,639,286	13,888,960	63,115,294
Pro-rated silver costs	86%	46%	53%	61%	87%	46%	47%	62%
Pro-rated gold costs	14%	54%	47%	39%	13%	54%	53%	38%
Silver co-product cash costs	$9.36	$8.87	$14.33	$10.59	$9.65	$9.71	$13.22	$10.46
Gold co-product cash costs	$682	$647	$1,044	$772	$614	$619	$842	$666

(1) Special mining duty is an EBITDA royalty tax presented as a current income tax in accordance with IFRS.

Quarterly Results and Trends

The following table presents selected financial information for each of the most recent eight quarters:

(tables in thousands of US dollars except per share amounts)

	2015	2014				2013		
Quarterly Results	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Revenue	$51,109	$48,677	$40,477	$54,774	$53,000	$67,857	$67,803	$71,250
Direct cost	31,269	34,400	28,840	34,849	27,220	41,210	35,739	44,746
Royalties	248	359	175	278	334	235	287	356
Mine operating cash flow	19,592	13,918	11,462	19,647	25,446	26,412	31,777	26,148
Share-based compensation	73	110	140	219	68	107	131	202
Amortization and depletion	10,454	11,144	14,386	14,709	14,073	15,780	12,566	13,149
Write down on inventory	-	363	527	365	-	664	(2,668)	6,383
Mine operating earnings	$9,065	$2,301	($3,591)	$4,354	$11,305	$9,861	$21,748	$6,414
Net earnings (loss)	$1,357	($66,895)	($11,386)	($289)	$4,037	($115,758)	$12,297	($361)
Impairment charge, net of tax	-	55,858	-	-	-	104,283	-	-
(Gain) Loss on derivative liability	-	-	-	-	1,434	(591)	679	(2,386)
Adjusted earnings (loss)	$1,357	($11,037)	($11,386)	($289)	$5,471	($12,066)	$12,976	($2,747)
Basic earnings (loss) per share	$0.01	($0.67)	($0.11)	$0.00	$0.04	($1.16)	$0.12	$0.00
Diluted earnings (loss) per share	$0.01	($0.67)	($0.11)	$0.00	$0.04	($1.17)	$0.12	$0.00
Adjusted earnings (loss) per share	$0.01	($0.11)	($0.11)	$0.00	$0.05	($0.35)	$0.13	($0.03)
Weighted shares outstanding	101,976,801	101,881,133	101,527,951	101,336,743	100,494,157	99,720,704	99,741,010	99,710,933
Net earnings (loss)	$1,357	($66,895)	($11,386)	($289)	$4,037	($115,758)	$12,297	($361)
Amortization and depletion	10,518	11,257	14,471	14,785	14,146	15,874	12,648	13,228
Finance costs	313	321	359	256	446	422	313	531
Current income tax	3,176	14,865	(171)	3,250	2,942	5,042	2,729	4,363
Deferred income tax	1,003	(34,870)	(1,039)	(4,644)	(2,274)	(23,100)	1,341	(1,158)
Impairment charges	-	83,000	-	-	-	135,060	-	-
EBITDA	$16,367	$7,678	$2,234	$13,358	$19,297	$17,540	$29,328	$16,603

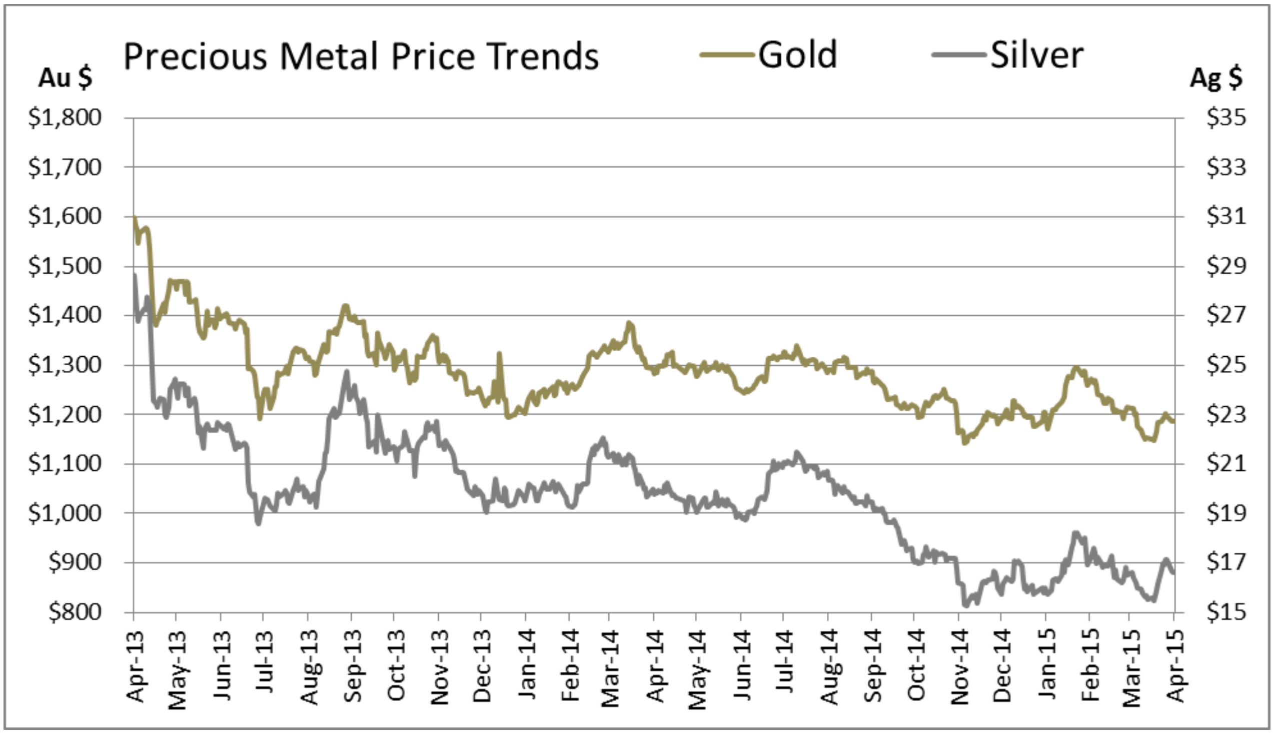
The following table presents selected production information for each of the most recent eight quarters:

Highlights	2015	2014				2013		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Processed tonnes	380,792	374,212	344,393	339,276	346,255	379,480	389,090	393,070
Guanaceví	106,106	102,375	105,241	108,822	106,813	121,008	107,480	100,781
Bolañitos	136,076	145,408	137,683	142,370	142,142	159,294	181,442	202,472
El Cubo	138,610	126,429	101,469	88,084	97,300	99,178	100,168	89,817
Silver ounces	1,820,050	2,009,172	1,634,294	1,669,609	1,898,999	1,931,717	1,855,846	1,535,873
Guanaceví	853,106	1,024,762	761,272	795,824	1,005,781	861,495	715,080	555,036
Bolañitos	521,117	611,271	588,159	623,898	572,851	698,098	794,734	810,414
El Cubo	445,827	373,139	284,863	249,887	320,367	372,124	346,032	170,423
Silver grade	174	191	175	178	198	181	171	165
Guanaceví	300	358	278	272	350	272	265	240
Bolañitos	139	148	149	152	144	152	147	160
El Cubo	113	106	102	103	110	118	112	93
Silver recovery	85.2	87.3	84.5	86.1	86.1	87.3	86.7	73.6
Guanaceví	83.4	87.0	81.0	83.6	83.7	81.5	78.0	71.3
Bolañitos	85.7	88.3	89.2	83.1	87.1	89.5	92.5	77.8
El Cubo	88.5	86.6	85.6	85.7	92.7	99.1	95.6	63.5
Gold ounces	15,808	15,127	14,118	15,131	18,519	17,686	22,947	19,914
Guanaceví	1,877	2,085	1,627	1,656	2,273	2,275	1,977	1,590
Bolañitos	8,421	7,900	8,588	9,980	10,640	10,142	15,869	15,751
El Cubo	5,510	5,142	3,903	3,495	5,606	5,269	5,101	2,574
Gold grade	1.53	1.49	1.48	1.59	1.92	1.78	1.89	1.96
Guanaceví	0.63	0.70	0.59	0.55	0.77	0.69	0.70	0.68
Bolañitos	2.30	2.03	2.20	2.47	2.72	2.61	2.75	2.84
El Cubo	1.46	1.51	1.42	1.44	2.01	1.77	1.62	1.41
Gold recovery	84.5	84.4	86.3	87.4	86.6	82.1	96.9	80.4
Guanaceví	87.3	90.1	82.1	86.1	86.0	85.2	82.1	72.6
Bolañitos	83.7	83.2	88.2	82.5	85.4	75.8	98.9	85.2
El Cubo	84.7	83.8	84.3	85.7	89.0	93.2	97.8	63.2
Cash costs per oz	$7.17	$8.33	$10.70	$9.87	$4.87	$7.46	$5.14	$10.53
Guanaceví	$8.23	$7.28	$11.99	$12.51	$8.30	$13.09	$12.98	$16.59
Bolañitos	$0.17	$5.64	$2.93	$1.20	($2.21)	$0.60	($8.10)	($2.74)
El Cubo	$13.24	$15.73	$23.10	$22.71	$6.27	$6.65	$18.61	$52.41
Total cost per oz(1)	$12.97	$14.36	$19.86	$19.19	$13.07	$14.59	$13.17	$18.18
Guanaceví	$11.16	$8.77	$13.22	$13.95	$10.72	$18.51	$18.76	$23.34
Bolañitos	$5.81	$12.74	$18.36	$16.57	$9.39	$4.35	($3.66)	$1.28
El Cubo	$24.92	$33.02	$41.38	$43.00	$27.30	$24.58	$39.54	$80.16
Costs per tonne	$82.67	$89.63	$99.02	$103.58	$92.93	$90.72	$104.06	$96.45
Guanaceví	$87.34	$96.91	$105.23	$109.83	$103.90	$114.55	$111.06	$111.21
Bolañitos	$74.00	$83.58	$87.98	$93.04	$85.27	$72.78	$84.57	$75.50
El Cubo	$87.61	$90.70	$107.56	$112.88	$92.08	$90.44	$131.83	$127.11

(1) Total Production Cost per ounce

Key Economic Trends

Precious Metal Price Trends



The prices of silver and gold are the largest single factor in determining profitability and cash flow from operations, therefore, the financial performance of the Company has been, and is expected to continue to be, closely linked to the prices of silver and gold. During Q1, 2015, the average price of silver was $16.71 per ounce, with silver trading between a range of $15.47 and $18.23 per ounce based on the London Fix silver price. This compares to an average of $20.48 per ounce during Q1, 2014, with a low of $19.27 and a high of $22.05 per ounce. During Q1, 2015, the Company realized an average price of $16.71 per silver ounce compared with $20.50 for the corresponding period in 2014.

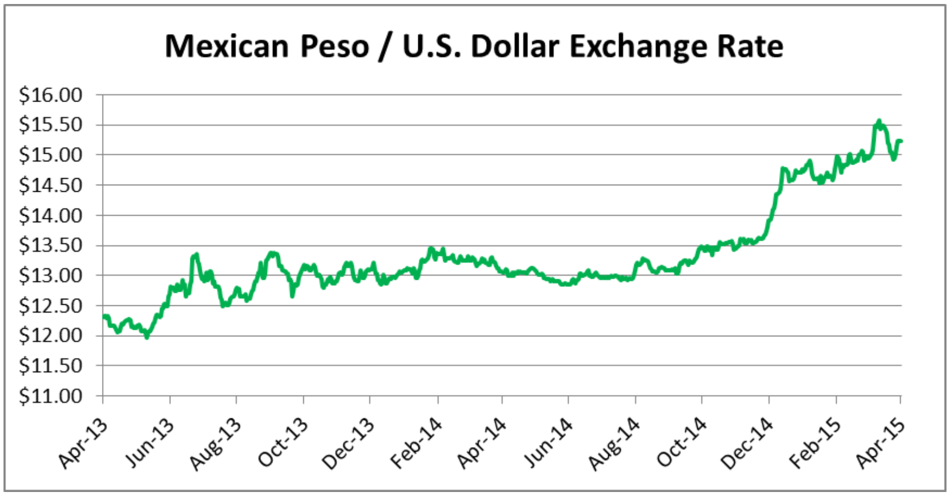
During Q1, 2015, the average price of gold was $1,218 per ounce, with gold trading between a range of $1,147 and $1,295 per ounce based on the London Fix PM gold price. This compares to an average of $1,293 per ounce during Q1, 2014, with a low of $1,221 and a high of $1,385 per ounce. During Q1, 2015, the Company realized an average price of $1,218 per ounce compared with $1,306 for the corresponding period in 2014.

The major influences on precious metals prices in the past eight quarters included weaker investment demand, selling from precious metal exchange traded funds, as well as strong US equity and bond markets that pulled investments from other asset classes, including precious metals. In addition, precious metal prices were also affected by an expectation of improving economic conditions, which led to the reduction of the US Federal Reserve's quantitative easing program in 2014.

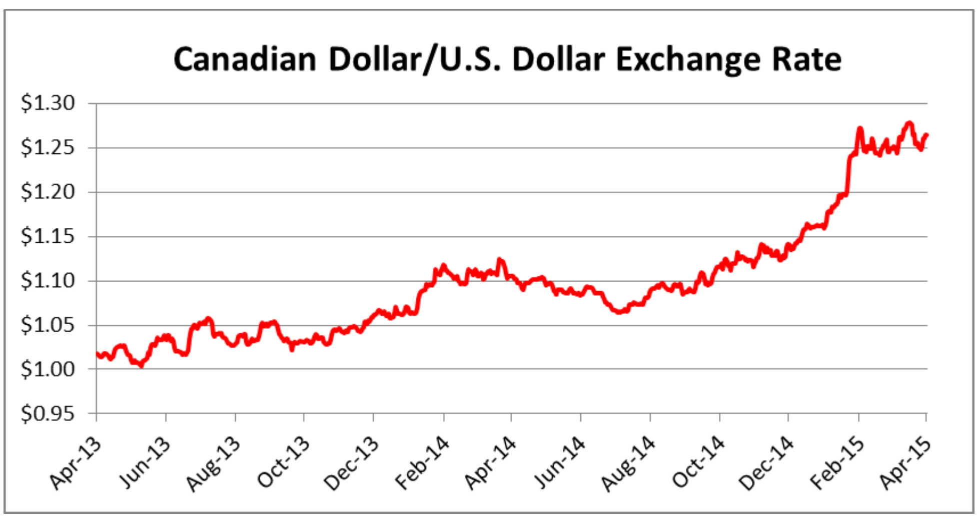
Currency Fluctuations

The Company's operations are located in Mexico and therefore a significant portion of operating costs and capital expenditures are denominated in Mexican pesos. The corporate activities are based in Vancouver, Canada with the significant portion of these expenditures being denominated in Canadian dollars. Generally, as the US dollar strengthens, these currencies weaken, and as the US dollar weakens, these foreign currencies strengthen.

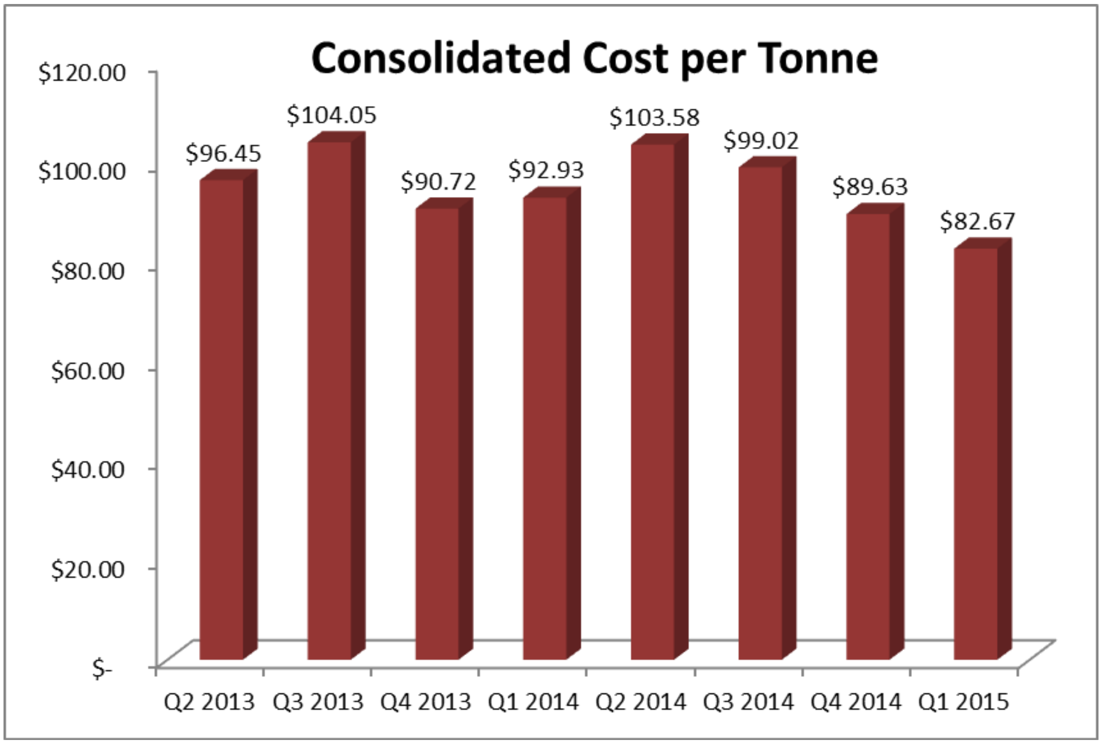
During Q1, 2015 the Mexican peso depreciated against the US dollar with volatility increasing at the end of the quarter. During Q1, 2015, the average foreign exchange rate was $14.94 Mexican pesos per US dollar, with the peso trading within a range of $14.52 and $15.58. This compares to an average of $13.23 during Q1, 2014, with a range of $12.96 and $13.45 Mexican pesos per U.S. dollar.



During Q1, 2015, the Canadian dollar continued to depreciate relative to the US dollar. During Q1, 2015, the average foreign exchange rate was $1.238 Canadian dollar per US dollar, with the Canadian dollar trading within a range of $1.160 and $1.278. This compares to an average of $1.102 during Q1, 2014, within a range of $1.063 and $1.125 Canadian dollar per U.S. dollar.



Cost Trends



The Company's profitability is subject to industry wide cost pressures on development and operating costs with respect to labour, energy, consumables and capital expenditures. Underground mining is labour intensive and 33% of Endeavour's production costs are directly tied to labour. In order to mitigate the impact of higher labour and consumable costs, the Company focuses on continuous improvement, both by promoting more efficient use of materials and supplies, and by pursuing more advantageous pricing, while increasing performance and without compromising operational integrity.

2015 Outlook

Production

Endeavour estimates annual silver production of 6.3-7.0 million oz in fiscal 2015 compared to the 7.2 million oz silver it produced in 2014. Gold production is expected to be in the 60,000-66,000 oz range and silver equivalent production is anticipated to be 10.4-11.6 million oz (at a silver:gold ratio of 70:1). The decrease compared to 2014 is due to lower throughput at Bolañitos as new ore bodies are developed partially offset by increased El Cubo production.

Mine	Ag (M oz)	Au (K oz)	Ag Eq (M oz)	Tonnes/Day (tpd)
Guanacevi	3.1-3.3	6.0-7.0	3.5-3.8	1,200-1,300
Bolanitos	1.1-1.3	22.0-24.0	2.6-3.0	1,100-1,200
El Cubo	2.1-2.4	32.0-35.0	4.3-4.8	1,350-2,200
Total	6.3-7.0	60.0-66.0	10.4-11.6	3,650-4,700

At Guanaceví, production will continue primarily from the Porvenir Norte, Porvenir Cuatro and Santa Cruz veins. Underground development of the new Milache and Santa Cruz Sur discoveries are awaiting permitting, while economic assessments are refined with a likely decision to develop access in 2015 to begin development and production to start in 2016.

Bolañitos production will contract as operations focus on developing in the LL-Asunción ore body. Bolañitos operated at its existing capacity of 1,600 tpd in Q1, 2015, but will now gradually drop to 1,000 tpd until the La Luz- Asunción deposit is sufficiently developed.

At El Cubo production continues to be sourced primarily from the Dolores, Villalpando, San Nicolas and Santa Cecilia veins. The Company plans to ramp up mine output in Q2, 2015 from 1,550 tpd – the current El Cubo plant capacity – to 2,200 tpd. The additional 650 tpd of mine production at El Cubo will come primarily from the V-Asunción mine area, which has thicker mineralized zones amenable to long hole mining, and the Santa Cecilia mine area, which has narrower but higher grade veins, and will be processed at Endeavour's Bolañitos plant, located 18 kilometres away in the same district, which has available capacity and comparable circuits to El Cubo. Management continues to focus on accelerated mine development and operational training needed to make improvements sustainable over the longer term.

Operating Costs

Annual direct operating costs are estimated to be in the $87-$90 per tonne range with the annual consolidated cash costs of production, net of gold by-product credits, expected to be in the range of $9-10 per oz of silver in 2015. The increase is largely due to the rising contribution of the higher cost El Cubo mine and reduced gold production at the Bolañitos mine. Consolidated cash costs for silver and gold on a co-product basis are anticipated to be around $13-$14 per oz and $900-$975 per oz respectively.

The annual all-in sustaining costs (AISC), net of gold by-product credits, in accordance with the World Gold Council standard, are estimated to be $16.00-$17.50 per oz of silver. When non-cash items such as stock based compensation are excluded, AISC, net of gold by-product credits, is estimated to be in the $15.50-$17.00 per oz range.

Capital Investments

Endeavour plans to invest $36.5 million on capital projects in 2015, including $30.0 million on mine development, infrastructure and exploration, $4.3 million on plant infrastructure, equipment and tailings and $2.2 million on miscellaneous items. The mine development capital is for accessing reserves for mining and replacing reserves by converting measured and indicated resources. Endeavour does not estimate reserves based on drill holes, only based on underground workings.

The Company has budgeted US$18.7 million at El Cubo, $4.9 million at Bolañitos, $12.5 million at Guanaceví and $0.4 million for corporate items, all of which will be covered by the Company's anticipated 2015 cash flow and cash on hand.

Exploration Expenditures

In 2015, Endeavour plans to spend $6.9 million on exploration, including $0.9 million required for property payments. A total of 26,000 metres of drilling in approximately 150 holes is planned to test multiple exploration targets at the three mines plus the Terronera project in addition to the underground mine exploration drilling.

The Company will continue to focus on brownfields exploration around the three operating mines in order to replenish resources as well as infill and condemnation drilling needed for engineering the emerging new high grade silver-gold discovery at Terronera in Jalisco State.

Liquidity and Capital Resources

Cash and cash equivalents decreased from $31.0 million at December 31, 2014 to $26.3 million at March 31, 2015, while the draw on the revolving credit facility was unchanged at $29.0 million. The Company had working capital of $25.8 million at March 31, 2015 (December 31, 2014 - $21.2 million). The $4.6 million increase in working capital was primarily generated from operating activities.

Operating activities provided cash of $4.3 million during Q1, 2015 compared to $17.1 million during the same period in 2014. The significant non-cash adjustments to the net income of $1.4 million were amortization and depletion of $10.5 million, share-based compensation of $0.5 million, a deferred income tax expense of $1.05 million, finance costs of $0.3 million and a change in non-cash working capital of $9.5 million. The change in non-cash working capital was primarily due to payment of income taxes and special mining duty during the quarter, while value added tax receivable from the Mexican government continue to accumulate. The Company has been in discussions with the government to expedite the process to collect the outstanding value added tax.

Investing activities during the period used $8.6 million compared to $9.2 million in the same period of 2014. The investments in 2015 primarily relate to significant mine development at each operation. In 2014, the Company invested similarly at each operation.

Capital spending totalled $8.6 million in property, plant and equipment during Q1, 2015. $1.4 million was invested at Guanaceví, with $1.3 million spent on 0.9 kilometres of mine development and $0.1 million spent on the tailings dam and various equipment. At Bolañitos, the Company invested $1.6 million on underground development, development of 1.3 kilometres to access the LL-Ascunción ore body, $0.3 million on tailings expansion and $0.1 million on various mine equipment. At El Cubo, the Company invested $5.0 million, with $4.5 million on development of 3.3 kilometres underground and improving the ventilation system. $0.5 million was spent on various equipment as the mine prepares to increase output to 2,200 tpd. The Company spent $0.2 million on corporate equipment.

As at March 31, 2015, the Company held $1.1 million in available for sale investments consisting of marketable securities (December 31, 2014 - $0.8 million).

Financing activities during Q1, 2015 reduced cash by $0.2 million, compared to generating cash of $1.4 million during Q1, 2014. During Q1, 2015 the Company paid $0.2 million in interest, by comparison, during Q1, 2014, the Company drew $1.0 million from its credit facility, incurred $0.3 million of interest, and realized $2.7 million from the exercise of stock options and warrants.

As at March 31, 2015 and December 31, 2014, the Company's issued share capital was $367.9 million, representing 101,976,901 common shares.

As at March 31, 2015, the Company had options outstanding to purchase 4,830,950 common shares with a weighted average exercise price of CAN $4.38.

On July 24, 2012, the Company entered into a $75 million revolving credit facility ("the Facility") that was reduced to $50 million in July 2013 and will reduce to $25 million in July 2015. The purpose of the Facility is for general corporate purposes and is principally secured by a pledge of the Company's equity interests in its material operating subsidiaries, including Refinadora Plata Guanaceví S.A de C.V., Minas Bolañitos S.A. de C.V. and Compania Minera del Cubo S.A. de C.V. The interest rate margin on the Facility ranges from 2.75% to 4.25% over LIBOR based on the Company's net debt to EBITDA ratio, where EBITDA is adjusted for gains or losses on derivative liabilities and any extraordinary items. The Company agreed to pay a commitment fee of between 0.69% and 1.05% on undrawn amounts under the facility based on the Company's net debt to EBITDA ratio. The Facility is subject to various qualitative and quantitative covenants, including EBITDA leverage ratio, interest service coverage ratio and tangible net worth calculation. At March 31, 2015, the Company had drawn $29.0 million on this Facility. The Company expects to reduce the outstanding balance dependent on the metal price environment to $25 million by July 2015. The Company was in compliance with all financial covenants under the Facility as at March 31, 2015.

Facility Financial Covenants	Facility Financial Requirements	2015	2014
Leverage ratio	$\leq$ 3.00:1	0.71	0.64
Interest service coverage ratio	$\geq$ 4.00:1	42	40
Tangible net worth (000's)	>168,155	198,367	197,031

Contingencies

Minera Santa Cruz y Garibaldi SA de CV, a subsidiary of the Company, received a $238 million Mexican pesos (US$16.1 million) assessment on October 12, 2010 by Mexican fiscal authorities for failure to provide the appropriate support for certain expense deductions taken in the entity's 2006 tax return. During the audit process, the Company retained an international accounting firm and external counsel to expedite the audit process and to ensure the delivery of the appropriate documentation. Based on the advice of tax advisors and legal counsel, it is the Company's view that it had provided the appropriate documentation and support for the expenses and that the tax assessment has no legal merit; however, as a result of a detailed review by the Company of its accounting records and available information to support the deductions taken, the Company has estimated a potential tax exposure of $40,000, plus additional interest and penalties of $40,000, for which the Company has made a provision in the consolidated financial statements. The Company has appealed the assessment and anticipates a favorable resolution. Resolution of this process is expected in 2015.

Capital Requirements

Endeavour plans to invest $36.5 million on capital projects in 2015, including $30.0 million on mine development, infrastructure and exploration, $4.3 million on plant infrastructure, equipment and tailings and $2.2 million on miscellaneous items. The mine development capital is for accessing reserves for mining and replacing reserves by converting measured and indicated resources. Endeavour does not estimate reserves based on drill holes, only based on underground workings.

For 2015, the Company budgeted US$18.7 million at El Cubo, $4.9 million at Bolañitos, $12.5 million at Guanaceví and $0.4 million for corporate items, all of which will be covered by the Company's anticipated 2015 cash flow.

Capital spending totalled $8.6 million in property, plant and equipment during Q1, 2015. $1.4 million was invested at Guanaceví, with $1.3 million spent on 0.9 kilometres of mine development and $0.1 million on the tailings dam and various equipment. At Bolañitos, the Company invested $1.6 million on underground development, development of 1.3 kilometres to access the LL-Ascunción ore body, $0.3 million on tailings expansion and $0.1 million on various mine equipment. At El Cubo, the Company invested $5.0 million, with $4.5 million incurred developing 3.3 kilometres underground and improving the ventilation system. $0.5 million was spent on various equipment as the mine prepares to increase output to 2,200 tpd.   The Company spent $0.2 million on corporate equipment.

C***ontractual Obligations***

The Company had the following contractual obligations at March 31, 2015:

Payments due by period (in thousands of dollars) Contractual Obligations	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Capital Assets purchases	$ -	$ -	$ -	$ -	$ -
Operating lease	532	228	304	-	-
Revolving credit facility	29,000	29,000	-		
Other Long-Term Liabilities	6,522	-	-	2,855	3,667
Total	$ 36,054	$ 29,228	$ 304	$ 2,855	$ 3,667

Transactions with Related Parties

The Company shares common administrative services and office space with Canarc Resource Corp. and Aztec Metals Corp., which are related party companies by virtue of having Bradford Cooke as a common director. From time to time, Endeavour incurs third-party costs on behalf of the related parties which are charged on a full cost recovery basis. The Company had a $155,000 net receivable related to administration costs outstanding as at March 31, 2015 (December 31, 2014 – $188,000).

During 2015, the Company was charged $52,000 (March 31, 2014 - $28,000) for legal services by Koffman Kalef LLP, a firm in which the Company's Corporate Secretary is a partner. As of March 31, 2015, the Company had a payable outstanding of $20,000 relating to these legal services (December 31, 2014 - $3,000).

Financial Assets and Liabilities

As at March 31, 2015, the carrying and fair values of Endeavour's financial instruments by category were as follows:

	As at March 31, 2015		As at December 31, 2014	
Expressed in thousands US dollars	**Carrying value**	**Estimated Fair value**	**Carrying value**	**Estimated Fair value**
Financial assets:				
Cash and cash equivalents	$ 26,300	$ 26,300	$ 31,045	$ 31,045
Available for sale securities	1,190	1,190	786	786
Trade receivables	8,077	8,077	7,394	7,394
Other receivables	14,985	14,985	12,321	12,321
Total financial assets	$ 50,552	$ 50,552	$ 51,546	$ 51,546
Financial liabilities:				
Accounts payable and accrued liabiities	$ 15,658	$ 15,658	$ 17,408	$ 17,408
Revolving credit facility	29,000	29,000	29,000	29,000
Contingent liabiities	-	-	-	-
Total financial liabilities	$ 44,658	$ 44,658	$ 46,408	$ 46,408

Fair value hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by no or little market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Financial assets and liabilities measured at fair value on a recurring basis include:

As at March 31, 2015				
Expressed in thousands US dollars	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets:				
Available for sale securities	$ 1,190	$ 1,190	$ -	$ -
Trade receivables	8,077	8,077	-	-
Total financial assets	$ 9,267	$ 9,267	$ -	$ -
Financial liabilities:				
Contingent liabilities	$ -	$ -	$ -	$ -
Total financial liabilities	$ -	$ -	$ -	$ -

Available for sale securities

The Company holds marketable securities classified as Level 1 in the fair value hierarchy and as available for sale financial assets. The fair values of available for sale investments are determined based on a market approach reflecting the closing price of each particular security at the reporting date. The closing price is a quoted market price obtained from the stock exchange that is the principal active market for the particular security, being the market with the greatest volume and level of activity for the assets.

Trade receivables

The trade receivables consist of receivables from provisional silver and gold sales from the Bolañitos and El Cubo mine. The fair value of receivables arising from concentrate sales contracts that contain provisional pricing mechanisms is determined using the appropriate quoted closing price on the measurement date from the exchange that is the principal active market for the particular metal. As such, these receivables, which meet the definition of an embedded derivative, are classified within Level 1 of the fair value hierarchy.

Contingent liability

On July 13, 2012, the Company completed the acquisition of 100% of the issued and outstanding shares of Mexgold Resources Inc. ("Mexgold") and its three wholly owned subsidiaries: Compania Minera del Cubo, S.A. de C.V., AuRico Gold GYC, S.A. de C.V. and Metales Interamericanos, S.A. de C.V. from AuRico Gold Inc. ("AuRico").

As a result of the acquisition, the Company owns the El Cubo silver-gold mine located in Guanajuato, Mexico and the Guadalupe y Calvo silver-gold exploration project located in Chihuahua, Mexico. The total estimated consideration of $203,487 included a contingent consideration based on the gold price.

AuRico will be entitled to receive up to an additional $30 million in cash payments from the Company upon the occurrence of certain events as follows:

a) $10 million upon the simple average of the daily London Metals Exchange closing prices for gold exceeding $1,900.00 per ounce for a period of twelve consecutive months at any time until July 13, 2015;

b) $10 million upon the simple average of the daily London Metals Exchange closing prices for gold exceeding $2,000.00 per ounce for a period of twelve consecutive months at any time until July 13, 2015; and

c) $10 million upon the simple average of the daily London Metals Exchange closing prices for gold exceeding $2,100.00 per ounce for a period of twelve consecutive months at any time until July 13, 2015.

The contingent consideration based on the performance of gold prices was valued using a Monte Carlo simulation resulting in a valuation of $7.9 million at the acquisition date. Monte Carlo simulation approaches are a class of computational algorithms that rely on repeated random sampling to compute their results. Gold price paths were developed using a mathematical formula based on a stochastic process with mean reversion to a long term trend line.

The fair value of the contingent consideration as at March 31, 2015 was determined to be $nil (December 31, 2014 - $nil).

Under the terms of the acquired Las Torres lease, the Company was required to provide financial guarantees to the owner of the Las Torres Facility as security against any environmental damages. As at March 31, 2015, there was a $1.0 million letter of credit provided by the Company as security to the owner of the Las Torres facility.

Financial Instrument Risk Exposure and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process. The types of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

The Company is exposed to credit risk on its bank accounts, investments and accounts receivable. Credit risk exposure on bank accounts and short term investments is limited through maintaining the Company's balances with high-credit quality financial institutions, maintaining investment policies, assessing institutional exposure and continual discussion with external advisors. Value added tax ("IVA") receivables are generated on the purchase of supplies and services to produce silver which are refundable from the Mexican government. Trade receivables are generated on the sale of concentrate inventory to reputable metal traders.

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet short term business requirements. The Company's policy is to invest cash at floating rates of interest, while cash reserves are to be maintained in cash equivalents in order to maintain liquidity after taking into account the Company's holdings of cash equivalents, money market investments, marketable securities, receivables and available cash under the revolving credit facility. The Company believes that these sources, operating cash flow and its policies will be sufficient to cover the likely short term cash requirements and commitments.

Market Risk

The significant market risk exposures to which the Company is exposed are foreign currency risk, interest rate risk, and commodity price risk.

Foreign Currency Risk – The Company's operations in Mexico and Canada make it subject to foreign currency fluctuations. Certain of the Company's operating expenses are incurred in Mexican pesos and Canadian dollars; therefore the fluctuation of the US dollar in relation to these currencies will consequently have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

Interest Rate Risk – In respect of financial assets, the Company's policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash equivalents in order to maintain liquidity. Fluctuations in interest rates impact the value of cash equivalents. The Facility is subject to interest rate risk as amounts outstanding are subject to charges at a LIBOR-based rate (plus 2.75% to 4.25% depending on financial and operating measures) payable according to the quoted rate term. The interest rate charge for the year was approximately 3.2%. As at December 31, 2014, with other variables unchanged, a 10% increase in the LIBOR rate would be result in additional interest expense of $290,000.

Commodity Price Risk – Gold and silver prices have historically fluctuated significantly and are affected by numerous factors outside of the Company's control, including, but not limited to , industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities and certain other factors. The Company has not engaged in any hedging activities, other than short term metal derivative transactions less than 90 days, to reduce its exposure to commodity price risk. At December 31, 2014 there are 355,880 ounces of silver and 4,900 ounces of gold which do not have a final settlement price and the estimated revenues have been recognized at current market prices. As at March 31, 2015, with other variables unchanged, a 10% decrease in the market value of silver and gold would result in a reduction of revenue of $1.2 million.

Outstanding Share Data
As of May 5, 2015, the Company had the following securities issued and outstanding:

- 101,976,901 common shares
- 4,830,950 common shares issuable under stock options with a weighted average exercise price of CAN$4.38 per share expiring between May 26, 2015 and May 13, 2019.

The Company considers the items included in the consolidated statement of shareholders' equity as capital. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, prospectus offerings, convertible debentures, asset acquisitions or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

Changes in Accounting Policies and Critical Accounting Estimates

Changes in Accounting Policies

The Company has not adopted any new standards or consequential amendments during the period.

New standards and amendments have been proposed; however, they do not impact the condensed consolidated interim financial statements and are not anticipated to impact the Company's annual consolidated financial statements. The nature and impact of each new standard and amendment applicable to the Company are described below:

IFRS 9, Financial Instruments
In November 2009, the IASB issued IFRS 9, *Financial Instruments,* as the first step in its project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. On July 24, 2014 the IASB issued the complete IFRS 9. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7, *Financial Instruments: Disclosures*, including added disclosures about investments in equity instruments measured at fair value in OCI, and guidance on the measurement of financial liabilities and derecognition of financial instruments. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company is currently assessing the impact of adopting IFRS 9 on its consolidated financial statements, including the applicability of early adoption.

IFRS 15, *Revenue from Contracts with Customers*
On May 28, 2014, the IASB issued IFRS 15. The new standard is effective for annual periods beginning on or after January 1, 2017 with early adoption permitted. IFRS 15 will replace IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC 31 *Revenue – Barter Transactions Involving Advertising Services*.

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have also been introduced, which may affect the amount and/or timing of revenue recognized.

The Company intends to adopt IFRS 15 in its consolidated financial statements for the annual period beginning on January 1, 2017. The extent of the impact of adoption of the standard has not yet been determined.

Amendments to IAS 1, *Presentation of Financial Statements*
On December 18, 2014, the IASB issued amendments to IAS 1 as part of its major initiative to improve presentation and disclosure in financial reports. The amendments are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted. The Company intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2016. The extent of the impact of adoption of the amendments has not yet been determined.

The Company has not early adopted any other standard, interpretation or amendment in the condensed consolidated interim financial statements that have been issued, but not yet effective.

Critical Accounting Estimates
The preparation of financial statements requires the Company to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management judgement relate to the determination of mineralized reserves, plant and equipment lives, estimating the fair values of financial instruments and derivatives, estimating the fair value of convertible debenture components, impairment of long-lived assets, reclamation and rehabilitation provisions, recognition of deferred tax assets, and assumptions used in determining the fair value of non-cash share-based compensation.

See *"Critical Accounting Estimates"* in the Company's annual MD&A for a detailed discussion of the areas in which critical accounting estimates are made.

CONTROLS AND PROCEDURES

Endeavour's management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the Company's internal controls over financial reporting to determine whether any changes occurred during the period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. During quarter, the Company enhanced its internal control system by implementing a policy to consult with a professional valuation company with experience and knowledge assessing the financial impact of any future impairments of long-lived assets. Other than the change described, there have been no other changes that occurred during the three month period ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, Endeavour's internal controls over financial reporting.