Endeavour Silver Announces Q2 2022 Financial Results; Raises 2022 Production Guidance

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VANCOUVER, Aug. 09, 2022 - Endeavour Silver Corp. ("Endeavour" or the "Company") (NYSE: EXK; TSX: EDR) is pleased to announce its financial and operating results for the three and six months ended June 30, 2022. As a result of the Company's strong operating performance, Management has raised its 2022 production guidance. All dollar amounts are in US dollars (US$).

"We have continued to outperform our mine plans, by delivering an exceptional Q2 with production 15% above plan, stated Dan Dickson, CEO of Endeavour Silver. "This has prompted management to raise our production outlook for 2022 to 7.6 – 8.0 million silver equivalent ounces. The additional production has allowed us to maintain our cost guidance on per ounce metrics, but industry-wide inflation continues to be a challenge. We are seeing the largest inflationary impacts on energy costs, plant reagents and steel prices which are affecting both operating and development costs. Cost control will continue to be a key focus as cost pressures are expected to continue for the remainder of the year."

Added Mr. Dickson, "During the 2nd quarter, again we made the decision to withhold from sale a meaningful amount of silver, due to the drop in silver price. We are holding over 1.6 million silver equivalent ounces in finished goods inventory for future sale. Short term, the increased inventory has negatively impacted our quarterly financial metrics such as revenue, earnings, cash flow and our cash balance. Longer term, we anticipate selling the inventory at higher metal prices."

Q2 2022 Highlights

- Higher Production: 1,359,207 ounces (oz) of silver and 9,289 oz of gold for 2.1 million oz silver equivalent (AgEq)(1) reinforces delivery of improved consolidated production for the year.

- Lower Revenue Due to Withholding Metal Sales: Revenue of $30.8 million from the sale of 602,894 oz of silver and 9,792 oz of gold at average realized prices of $22.72 per oz silver and $1,840 per oz gold.

- Negative Earnings and Lower Cash Flow Due to Lower Revenue and Non-Cash Items: Net loss of $11.9 million, or $0.07 per share. Adjusted net loss of $4.3 million(2) after adjusting for a $7.6 million change in the fair value of investments. $3.6 million in operating cash flow before working capital changes(2) and Mine operating cash flow before taxes(2) of $8.8 million.

- Operating Costs per Ounce In-Line with Guidance, Despite Industry-Wide Inflation: Cash costs(2) of $10.08 per oz payable silver and all-in sustaining costs(2) of $19.56 per oz payable silver, net of gold credits.

- Healthy Balance Sheet: Cash position of $116.2 million and working capital(2) of $149.7 million.

- Guanacevi Continued to Outperform: Production exceeded plan driven by higher grades.

- Bolañitos Remained Steady: Strong silver production from higher silver grades and increased throughput were offset by lower gold production and lower gold grades.

- Withheld Significant Metal Inventories: Metal inventory at quarter end totaled 1,399,356 oz silver and 2,580 oz gold of bullion inventory and 12,408 oz silver and 587 oz gold in concentrate inventory. The market value of finished goods at June 30, 2022 was $34.5 million.

- Advancing the Terronera Project: Work continued on the early works program initiated last year including engineering, critical contracts, procurement of long-lead items and extensive due diligence on the project financing. The Company intends to make a formal construction decision subject to completion of a financing package and receipt of additional amended permits in the coming months. $18 million has been spent as of June 30th 2022, with an additional budget of $23 million expected to be spent through to the end of October to continue the advancement of the project.

Subsequent to Quarter End

- Closed the Acquisition of the Pitarrilla Project: The addition of the Pitarrilla project enhances the company's growth profile while maintaining a silver focus.

Revision to Full Year 2022 Guidance

The following table summarizes the updated 2022 Production Guidance for Endeavour Silver:
Guanacevi Bolanitos Consolidated
Tonnes per day tpd 1,100 - 1,200 1,000 - 1,200 2,100 - 2,400
Silver production M oz 4.3 – 4.5 0.6 - 0.6 4.9 – 5.1
Gold production k oz 13.0 - 14.0 21.0 - 22.0 34.0 - 36.0
Silver Eq production1 US$/oz 5.3 – 5.6 2.3 - 2.4 7.6 - 8.0
Cash costs, net of gold by-product credits2 US$/oz $9.00 - $10.00
AISC, net of gold by-product credits2 US$/oz $19.00 - $20.00

- Consolidated Silver Equivalent(1) Production has increased to 7.6 – 8.0 million oz from 6.7 – 7.6 million oz. The increase to consolidated production is primarily driven by higher than planned ore-grades along the El Curso orebody at Guanacevi. Production at Bolanitos has been slightly revised upwards to meet the upper end of its previous guidance.

- Operating Costs Guidance is expected to remain unchanged with cash costs expected to average $9.00 - $10.00 per oz and AISC are expected to average $19.00 - $20.00 per oz. Management notes that the Company is tracking to meet the upper end of the guidance range, given persisting global inflationary pressures. Increases in prices of raw materials such as reagents, explosives, steel, diesel and power are driving continued cost escalation across the industry. The company has identified efficiencies to mitigate pressure on costs and cost metrics in the second half of the year, including enhanced monitoring and tracking at the mines, improved blasting in development, the gradual increase of tonnes milled and reduced waste handling at Guanacevi.

Financial Overview (see appendix for consolidated financial statements)
Three Months Ended June 30 Q2 2022 Highlights

Six Months Ended June 30
2022 2021 % Change 2022 2021 % Change
Production
1,359,207 1,073,724 27% Silver ounces produced 2,674,162 2,121,824 26%
9,289 11,166 (17%) Gold ounces produced 17,984 22,275 (19%)
1,346,276 1,062,267 27% Payable silver ounces produced 2,649,816 2,098,977 26%
9,117 10,955 (17%) Payable gold ounces produced 17,666 21,849 (19%)
2,102,327 1,967,004 7% Silver equivalent ounces produced(1) 4,112,882 3,903,824 5%
10.08 13.03 (23%) Cash costs per silver ounce(2) 10.14 10.48 (3%)
14.26 19.55 (27%) Total production costs per ounce(2) 14.69 17.51 (16%)
19.56 25.39 (23%) All-in sustaining costs per ounce (2) 20.22 22.69 (11%)
201,361 242,018 (17%) Processed tonnes 407,508 451,471 (10%)
132.63 119.94 11% Direct operating costs per tonne(2) 127.69 116.43 10%
148.11 141.61 5% Direct costs per tonne(2) 148.32 134.48 10%
14.12 18.52 (24%) Silver co-product cash costs(2) 14.74 16.89 (13%)
1,144 1,289 (11%) Gold co-product cash costs(2) 1,169 1,116 5%
Financial
30.8 47.7 (35%) Revenue ($ millions) 88.5 82.2 8%
602,894 1,120,266 (46%) Silver ounces sold 2,320,662 1,743,645 33%
9,792 9,810 (0%) Gold ounces sold 18,173 20,473 (11%)
22.72 26.82 (15%) Realized silver price per ounce 23.95 26.95 (11%)
1,840 1,866 (1%) Realized gold price per ounce 1,900 1,781 7%
(11.9) 6.7 (279%) Net earnings (loss) ($ millions) (0.3) 18.9 (101%)
(4.3) 2.4 (280%) Adjusted net earnings (loss) (2) ($ millions) 2.0 (3.7) 155%
4.5 10.2 56% Mine operating earnings ($ millions) 24.7 15.9 56%
8.8 17.2 (49%) Mine operating cash flow before taxes ($ millions)(2) 35.5 30.5 16%
3.6 8.7 (58%) Operating cash flow before working capital changes(2) 24.2 13.9 74%
(4.3) 15.9 (127%) EBITDA(2) ($ millions) 21.3 39.8 (47%)
149.7 146.8 2% Working capital (2) ($ millions) 149.7 146.8 2%
Shareholders
(0.07) 0.04 (275%) Earnings (loss) per share – basic ($) 0.00 0.12 (100%)
0.02 0.05 (61%) Operating cash flow before working capital changes per share(2) 0.14 0.08 62%
180,974,609 168,383,755 7% Weighted average shares outstanding 176,291,929 164,051,368 7%

(1) Silver equivalent (AgEq) is calculated using an 80:1 silver:gold ratio.

(2) These are non-IFRS financial measures and ratios. Further details on these non-IFRS financial measures and ratios are provided at the end of this press release and in the MD&A accompanying the Company's financial statements, which can be viewed on the Company's website, on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

For the three months ended June 30, 2022, net revenue, decreased by 35% to $30.8 million (Q2 2021: $47.7 million).

Gross sales of $31.7 million in Q2 2022 represented a 34% decrease over the $48.3 million in Q2 2021. Silver oz sold decreased by 46%, due to the buildup of the larger finished goods inventory held at June 30, 2022. There was a 15% decrease in the realized silver price, resulting in a 54% decrease in proceeds from silver sales. Gold oz sold were flat with a 1% decrease in the realized gold price, resulting in a 1% decrease in proceeds from gold sales. During the period, the Company sold 602,894 oz silver and 9,792 oz gold for realized prices of $22.72 and $1,840 per oz, respectively, compared to Q2 2021 sales of 1,120,266 oz silver and 9,810 oz gold for realized prices of $26.82 and $1,866 per oz, respectively. In Q2 2022, London spot prices for silver and gold averaged $22.60 and $1,877, respectively.

The Company significantly increased its finished goods silver inventory and slightly decreased its finished goods gold inventory to 1,411,764 oz and 3,167 oz, respectively, at June 30, 2022 compared to 668,382 oz silver and 3,841 oz gold at March 31, 2022. The cost allocated to these finished goods was $20.8 million at June 30, 2022 compared to $13.5 million at March 31, 2022. At June 30, 2022, the finished goods inventory fair market value was $34.5 million, compared to $24.1 million at March 31, 2022. Earnings and other financial metrics, including mine operating cash flow(2), operating cash flow(2) and EBITDA(2) were impacted by the withholding of sales during Q2 2022.

After cost of sales of $26.3 million (Q2 2021 - $37.5 million), a decrease of 30%, mine operating earnings were $4.5 million (Q2 2021 - $10.2 million). The decrease in cost of sales was impacted by the decrease in the quantity of silver ounces sold during the period offset by increased labour, power and consumables costs with lower royalty costs. Royalties decreased 49% to $2.2 million primarily due to the decrease in silver ounces sold during the period.

The Company had an operating loss of $1.3 million (Q2 2021: operating earnings of $0.8 million) after exploration and evaluation costs of $3.8 million (Q2 2021: $5.0 million), general and administrative costs of $1.3 million (Q2 2021: $4.3 million) a write off of exploration properties of $0.5 million (Q2, 2021 - $Nil), and care and maintenance cost of $0.2 million (Q2 2021: $0.1 million).

The loss before income taxes was $8.8 million (Q2 2021: earnings before taxes of $8.9 million) after finance costs of $0.3 million (Q2 2021: $0.2 million), a foreign exchange loss of $0.3 million (Q2 2021: gain of $0.7 million), and investment and other expense of $6.9 million (Q2 2021: investment and other income of $1.8 million). The investment and other expenses during Q2 2022 primarily resulted from an unrealized loss on marketable securities and warrants of $7.6 million (Q2 2021: $1.5 million).

The Company realized a net loss for the period of $11.9 million (Q2 2021: net earnings of $6.7 million) after an income tax expense of $3.1 million (Q2 2021: $2.2 million). Current income tax expense increased to $1.3 million (Q2 2021 - $1.1 million) due to increased profitability impacting the income tax and special mining duty, while deferred income tax expense of $1.8 million is primarily due to the estimated use of loss carryforwards to reduce taxable income generated at both Guanacevi and Bolanitos (Q2 2021 – $1.1 million).

Direct operating costs(2) on a per tonne basis increased to $132.63, up 11% compared with Q2 2021 due to higher operating costs at Guanaceví and Bolañitos. Guanaceví and Bolañitos have seen increased labour, power and consumables costs and at Guanaceví, increased third party ore purchased and operating development have increased compared to the prior year.

Consolidated cash costs per oz(2), net of by-product credits, decreased to $10.08 driven by increased silver grades, reduced royalty costs and increased by-product gold sales, offset by increased direct operating costs per tonne(2) AISC(2) decreased by 23% on a per oz basis compared to Q2 2021 as a result of a 27% increase in ounces produced driven by a 51% increase in silver grade, decreased allocated general and administrative costs and a decrease in mine site exploration offset by increased sustaining capital expenditures.

The complete financial statements and management's discussion & analysis can be viewed on the Company's website, on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. All shareholders can receive a hard copy of the Company's complete audited financial statements free of charge upon request. To receive this material in hard copy, please contact Investor Relations at 604-640-4804, toll free at 1-877-685-9775 or by email at gmeleger@edrsilver.com.

Conference Call

A conference call to discuss the Company's Q2 2022 financial results will be held today at 10:00 a.m. PT / 1:00 p.m. ET. To participate in the conference call, please dial the numbers below.

Date & Time: Tuesday, August 9, 2022 at 10:00 a.m. PT / 1:00 p.m. ET

Telephone: Toll-free in Canada and the US +1-800-319-4610
Local or International +1-604-638-5340
Please allow up to 10 minutes to be connected to the conference call.

Replay: A replay of the conference call will be available by dialing (toll-free) +1-800-319-6413 in Canada and the US (toll-free) or +1-604-638-9010 outside of Canada and the US. The replay passcode is 9151#. The replay will also be available on the Company's website at www.edrsilver.com.

About Endeavour Silver – Endeavour Silver Corp. is a mid-tier precious metals mining company that operates two high-grade underground silver-gold mines in Mexico. Endeavour is currently advancing the Terronera project towards a development decision, pending financing and final permits and exploring its portfolio of exploration and development projects in Mexico, Chile and the United States to facilitate its goal to become a premier senior silver producer. Our philosophy of corporate social integrity creates value for all stakeholders.

SOURCE Endeavour Silver Corp.

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Endnotes
1 Silver equivalent (AgEq)
AgEq is calculated using an 80:1 silver:gold ratio.

2 Non-IFRS and Other Financial Measures and Ratios

Certain non-IFRS and other non-financial measures and ratios are included in this press release, including cash costs per silver ounce, total production costs per ounce, all-in costs per ounce, all-in sustaining cost ("AISC") per ounce, direct operating costs per tonne, direct costs per tonne, silver co-product cash costs, gold co-product cash costs, realized silver price per ounce, realized gold price per ounce, adjusted net earnings (loss) adjusted net earnings (loss) per share, mine operating cash flow before taxes, working capital, operating cash flow before working capital adjustments, operating cash flow before working capital changes per share, earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA per share and sustaining and growth capital.

Please see the June 30, 2022 MD&A for explanations and discussion of these non-IFRS and other non-financial measures and ratios. The Company believes that these measures and ratios, in addition to conventional measures and ratios prepared in accordance with International Financial Reporting Standards ("IFRS"), provide management and investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS and other non-financial measures and ratios are intended to provide additional information and should not be considered in isolation or as a substitute for measures or ratios of performance prepared in accordance with IFRS. These measures and ratios do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers. Certain additional disclosures for these non-IFRS measures have been incorporated by reference and can be found in the *section “Non-IFRS Measures” in the June 30, 2022 MD&A available on SEDAR at www.sedar.com.*

Reconciliation of Working Capital
Expressed in thousands US dollars As at June 30, 2022 As at December 31, 2021

Current assets $ 186,454 $ 161,762
Current liabilities 36,733 40,554
Working capital $ 149,721 $ 121,208

Reconciliation of Adjusted Net Earnings (Loss) and Adjusted Net Earnings (Loss) Per Share

Expressed in thousands US dollars Three Months Ended June 30 Six Months Ended June 30
(except for share numbers and per share amounts) 2022 2021 2022 2021
Net earnings (loss) for the period per financial statements ($ 11,923) $ 6,656 ($ 261) $ 18,905
Impairment (reversal) of non-current assets, net of tax - - - (16,791)
Gain on disposal of El Cubo mine and equipment, net of tax - (5,807) - (5,807)
Change in fair value of investments 7,626 1,539 2,269 9
Adjusted net earnings (loss) ($ 4,297) $ 2,388 $ 2,008 ($ 3,684)
Basic weighted average share outstanding 180,974,609 168,383,755 176,291,929 164,051,368
Adjusted net earnings (loss) per share ($ 0.02) $ 0.01 $ 0.01 ($ 0.02)

Reconciliation of Mine Operating Cash Flow Before Taxes

Expressed in thousands US dollars Three Months Ended June 30 Six Months Ended June 30
2022 2021 2022 2021
Mine operating earnings per financial statements $ 4,472 $ 10,205 $ 24,741 $ 15,869
Share-based compensation 113 111 240 229
Amortization and depletion 4,175 6,624 10,481 14,120
Write down of inventory to net realizable value - 272 - 272
Mine operating cash flow before taxes $ 8,760 $ 17,212 $ 35,462 $ 30,490

Reconciliation of Operating Cash Flow Before Working Capital Changes and Operating Cash Flow Before Working Capital Changes Per Share

Expressed in thousands US dollars Three Months Ended June 30 Six Months Ended June 30
(except for per share amounts) 2022 2021 2022 2021
Cash from (used in) operating activities per financial statements ($ 18,548) $ 9,467 $ 3,185 $ 5,544
Net changes in non-cash working capital per financial statements (22,160) 806 (21,046) (8,360)
Operating cash flow before working capital changes $ 3,612 $ 8,661 $ 24,231 $ 13,904
Basic weighted average shares outstanding 180,974,609 168,383,755 176,291,929 164,051,368
Operating cash flow before working capital changes per share $ 0.02 $ 0.05 $ 0.14 $ 0.08

Reconciliation of EBITDA and Adjusted EBITDA

Expressed in thousands US dollars Three Months Ended June 30 Six Months Ended June 30
2022 2021 2022 2021
Net income for the period per financial statements ($ 11,923) $ 6,656 ($ 261) $ 18,905
Depreciation and depletion – cost of sales 4,175 6,624 10,481 14,120
Depreciation and depletion – exploration 98 72 205 151
Depreciation and depletion – general & administration 51 38 99 72
Depreciation and depletion – care & maintenance 30 (11) 60 4
Depreciation and depletion – inventory write down - 6 - 6
Finance costs 212 216 389 507
Current income tax expense 1,325 1,146 2,340 1,817
Deferred income tax expense 1,752 1,116 7,974 4,243
EBITDA ($ 4,280) $ 15,863 $ 21,287 $ 39,825
Share based compensation 972 1,028 2,499 2,193
Impairment (reversal) of non-current assets, net of tax - - - (16,791)
Gain on disposal of El Cubo mine and equipment, net of tax - (5,807) - (5,807)
Change in fair value of investments 7,626 1,539 2,269 9
Adjusted EBITDA $ 4,318 $ 12,623 $ 26,055 $ 19,429
Basic weighted average shares outstanding 180,974,609 168,383,755 176,291,929 164,051,368
Adjusted EBITDA per share $ 0.02 $ 0.07 $ 0.15 $ 0.12

Reconciliation of Cash Cost Per Silver Ounce, Total Production Costs Per Ounce, Direct Operating Costs

Per Tonne, Direct Costs Per Tonne
Expressed in thousands US dollars
Three Months Ended June 30, 2022 Three Months Ended June 30, 2021
Guanaceví Bolañitos Total Guanaceví Bolañitos El Compas Total
Direct production costs per financial statements $ 7,797 $ 12,031 $ 19,828 $ 15,713 $ 7,770 $ 2,740 $ 26,223
Smelting and refining costs included in net revenue - 937 937 - 514 68 582
Opening finished goods (7,908) (2,995) (10,903) (5,935) (204) (442) (6,581)
Finished goods NRV adjustment - - - - - 266 266
Closing finished goods 16,164 681 16,845 6,985 408 1,145 8,538
Direct operating costs 16,053 10,654 26,707 16,763 8,488 3,777 29,028
Royalties 2,128 66 2,194 4,158 70 112 4,340
Special mining duty (1) 795 127 922 684 257 (38) 903
Direct costs 18,976 10,847 29,823 21,605 8,815 3,851 34,271
By-product gold sales (5,719) (12,302) (18,021) (4,209) (11,909) (2,187) (18,305)
Opening gold inventory fair market value 3,724 3,763 7,487 1,925 309 662 2,896
Closing gold inventory fair market value (4,662) (1,061) (5,723) (3,349) (633) (1,038) (5,020)
Cash costs net of by-product 12,319 1,247 13,566 15,972 (3,418) 1,288 13,842
Amortization and depletion 940 3,235 4,175 2,487 3,800 337 6,624
Share-based compensation 57 56 113 54 51 6 111
Opening finished goods depreciation and depletion (1,689) (897) (2,586) (1,137) (118) (133) (1,388)
NRV depreciation cost adjustment - - - - - 6 -
Closing finished goods depreciation and depletion 3,733 199 3,932 1,333 220 30 1,583
Total production costs $ 15,360 $ 3,840 $ 19,200 $ 18,709 $ 535 $ 1,534 $ 20,772

Three Months Ended June 30, 2022 Three Months Ended June 30, 2021
Guanaceví Bolañitos Total Guanaceví Bolañitos El Compas Total
Throughput tonnes 94,017 107,344 201,361 111,893 107,912 22,213 242,018
Payable silver ounces 1,190,568 155,708 1,346,276 936,424 112,456 13,387 1,062,267

Cash costs per silver ounce $ 10.35 $ 8.01 $ 10.08 $ 17.06 ($ 30.39) $ 96.21 $ 13.03
Total production costs per ounce $ 12.90 $ 24.66 $ 14.26 $ 19.98 $ 4.76 $ 114.59 $ 19.55
Direct operating costs per tonne $ 170.75 $ 99.25 $ 132.63 $ 149.81 $ 78.66 $ 170.04 $ 119.94
Direct costs per tonne $ 201.84 $ 101.05 $ 148.11 $ 193.09 $ 81.69 $ 173.37 $ 141.61

Expressed in thousands US dollars
Six Months Ended June 30, 2022 Six Months Ended June 30, 2021
Guanaceví Bolañitos Total Guanaceví Bolañitos El Compas Total
Direct production costs per financial statements $ 25,681 $ 20,868 $ 46,549 $ 23,773 $ 14,875 $ 6,303 $ 44,951
Smelting and refining costs included in net revenue - 1,591 1,591 - 1,003 206 1,209
Opening finished goods (10,093) (2,857) (12,950) (1,509) (250) (642) (2,401)
Finished goods NRV adjustment - - - - - 266 266
Closing finished goods 16,164 681 16,845 6,985 408 1,145 8,538
Direct operating costs 31,752 20,283 52,035 29,249 16,036 7,278 52,563
Royalties 6,362 149 6,511 6,371 138 291 6,800
Special mining duty (1) 1,526 371 1,897 941 408 - 1,349
Direct costs 39,640 20,803 60,443 36,561 16,582 7,569 60,712
By-product gold sales (10,741) (23,790) (34,531) (7,673) (22,438) (6,352) (36,463)
Opening gold inventory fair market value 1,900 4,784 6,684 735 746 1,283 2,764
Closing gold inventory fair market value (4,662) (1,061) (5,723) (3,349) (633) (1,038) (5,020)
Cash costs net of by-product 26,137 736 26,873 26,274 (5,743) 1,462 21,993
Amortization and depletion 4,850 5,631 10,481 4,080 7,593 2,447 14,120
Share-based compensation 120 120 240 93 91 45 229
Opening finished goods depreciation and depletion (1,965) (635) (2,600) (271) (104) (804) (1,179)
NRV depreciation and depletion cost adjustment - - - - - 6 6
Closing finished goods depreciation and depletion 3,733 199 3,932 1,333 220 30 1,583
Total production costs $ 32,875 $ 6,051 $ 38,926 $ 31,509 $ 2,057 $ 3,186 $ 36,752

Six Months Ended June 30, 2022 Six Months Ended June 30, 2021
Guanaceví Bolañitos Total Guanaceví Bolañitos El Compas Total
Throughput tonnes 195,270 212,238 407,508 200,525 205,604 45,342 451,471
Payable silver ounces 2,321,016 328,800 2,649,816 1,851,886 211,444 35,647 2,098,977

Cash costs per silver ounce $ 11.26 $ 2.24 $ 10.14 $ 14.19 ($ 27.16) $ 41.01 $ 10.48
Total production costs per ounce $ 14.16 $ 18.40 $ 14.69 $ 17.01 $ 9.73 $ 89.38 $ 17.51
Direct operating costs per tonne $ 162.61 $ 95.57 $ 127.69 $ 145.86 $ 77.99 $ 160.51 $ 116.43
Direct costs per tonne $ 203.00 $ 98.02 $ 148.32 $ 182.33 $ 80.65 $ 166.93 $ 134.48

Expressed in thousands US dollars
June 30, 2022 June 30, 2021
Guanaceví Bolañitos Total Guanaceví Bolañitos El Compas Total
Closing finished goods 16,164 681 16,845 6,985 408 1,145 8,538
Closing finished goods depletion 3,733 199 3,932 1,333 220 30 1,583
Finished goods inventory $ 19,897 $ 880 $ 20,777 $ 8,318 $ 628 $ 1,175 $ 10,121

Reconciliation of All-In Costs Per Ounce and AISC per ounce
Expressed in thousands US dollars Three Months Ended June 30, 2022 Three Months Ended June 30, 2021
Guanaceví Bolañitos Total Guanaceví Bolañitos El Compas Total
Cash costs net of by-product $ 12,319 $ 1,247 $ 13,566 $ 15,972 ($ 3,418) $ 1,288 $ 13,842
Operations share-based compensation 57 56 113 39 40 39 118
Corporate general and administrative 401 155 556 2,013 1,093 277 3,383
Corporate share-based compensation 527 214 741 460 250 64 773
Reclamation - amortization/accretion 69 53 122 13 11 3 27
Mine site expensed exploration 360 308 668 538 305 2 845
Intangible payments (0) 0 (0) 80 29 (16) 94
Equipment loan payments 246 488 734 300 524 - 824
Capital expenditures sustaining 7,050 2,788 9,838 3,696 3,366 - 7,062
All-In-Sustaining Costs $ 21,028 $ 5,310 $ 26,338 $ 23,112 $ 2,200 $ 1,656 $ 26,968
Growth exploration and evaluation 2,901 3,963
Growth capital expenditures 5,613 1,102
All-In-Costs $ 34,852 $ 32,033

Three Months Ended June 30, 2022 Three Months Ended June 30, 2021
Guanaceví Bolañitos Total Guanaceví Bolañitos El Compas Total
Throughput tonnes 94,017 107,344 201,361 111,893 107,912 22,213 242,018
Payable silver ounces 1,190,568 155,708 1,346,276 936,424 112,456 13,387 1,062,267
Silver equivalent production (ounces) 1,488,550 613,777 2,102,327 1,185,961 660,284 120,759 1,967,004

Sustaining cost per ounce $ 17.66 $ 34.10 $ 19.56 $ 24.68 $ 19.56 $ 123.73 $ 25.39
All-In-costs per ounce $ 25.89 $ 30.16

Expressed in thousands US dollars Six Months Ended June 30, 2022 Six Months Ended June 30, 2021
Guanaceví Bolañitos Total Guanaceví Bolañitos El Compas Total
Cash costs net of by-product $ 26,137 $ 736 $ 26,873 $ 26,274 ($ 5,743) $ 1,462 $ 21,993
Operations share-based compensation 120 120 240 93 91 45 229
Corporate general and administrative 2,468 1,031 3,499 3,622 1,966 498 6,086
Corporate share-based compensation 1,444 603 2,047 987 536 136 1,658
Reclamation - amortization/accretion 134 106 240 25 22 5 52
Mine site expensed exploration 712 558 1,270 994 539 195 1,728
Intangible payments 29 12 41 111 60 15 187
Equipment loan payments 491 977 1,468 608 1,092 - 1,700
Capital expenditures sustaining 12,696 5,214 17,910 7,900 6,100 - 14,000
All-In-Sustaining Costs $ 44,230 $ 9,358 $ 53,588 $ 40,615 $ 4,663 $ 2,355 $ 47,633
Growth exploration and evaluation 5,314 6,970
Growth capital expenditures 10,538 1,434
All-In-Costs $ 69,440 $ 56,037

Six Months Ended June 30, 2022 Six Months Ended June 30, 2021
Guanaceví Bolañitos Total Guanaceví Bolañitos El Compas Total
Throughput tonnes 195,270 212,238 407,508 200,525 205,604 45,342 451,471
Payable silver ounces 2,321,016 328,800 2,649,816 1,851,886 211,444 35,647 2,098,977
Silver equivalent production (ounces) 2,900,560 1,212,322 4,112,882 2,323,618 1,261,071 319,135
3,903,824

Sustaining cost per ounce $ 19.06 $ 28.46 $ 20.22 $ 21.93 $ 22.05 $ 66.07 $ 22.69
All-In-costs per ounce $ 26.21 $ 26.70

Reconciliation of Sustaining Capital and Growth Capital

Expressed in thousands US dollars
Three Months Ended June 30 Six Months Ended June 30
2022 2021 2022 2021
Capital expenditures sustaining $ 9,838 $ 7,062 $ 17,910 $ 14,000
Growth capital expenditures 5,613 1,102 10,538 1,434
Property, plant and equipment expenditures per Consolidated Statement of Cash Flows $ 15,451 $ 8,164 $ 28,448 $ 15,434

Reconciliation of Silver Co-Product Cash Costs and Gold Co-Product Cash Costs
Expressed in thousands US dollars Three Months Ended June 30, 2022 Three Months Ended June 30, 2021
Guanaceví Bolañitos Total Guanaceví Bolañitos El Compas Total
Direct production costs per financial statements $ 7,797 $ 12,031 $ 19,828 $ 15,713 $ 7,770 $ 2,740 $ 26,223
Smelting and refining costs included in net revenue - 937 937 - 514 68 582
Royalties 2,128 66 2,194 4,158 70 112 4,340
Special mining duty (1) 795 127 922 684 257 (38) 903
Opening finished goods (7,908) (2,995) (10,903) (5,935) (204) (442) (6,581)
Finished goods NRV adjustment - - - - - 266 266
Closing finished goods 16,164 681 16,845 6,985 408 1,145 8,538
Direct costs $ 18,976 $ 10,847 $ 29,823 $ 21,605 $ 8,815 $ 3,851 $ 34,271

Three Months Ended June 30, 2022 Three Months Ended June 30, 2021
Guanaceví Bolañitos Total Guanaceví Bolañitos El Compas Total
Silver production (ounces) 1,194,150 165,057 1,359,207 939,241 120,044 14,439 1,073,724
Average realized silver price ($) 22.72 22.72 22.72 26.82 26.82 26.82 26.82
Silver value ($) 27,131,580 3,750,163 30,881,743 25,186,472 3,219,073 387,193 28,792,738

Gold production (ounces) 3,680 5,609 9,289 3,084 6,753 1,329 11,166
Average realized gold price ($) 1,840 1,840 1,840 1,866 1,866 1,866 1,866
Gold value ($) 6,772,598 10,322,691 17,095,289 5,754,599 12,600,781 2,479,852 20,835,232

Total metal value ($) 33,904,178 14,072,854 47,977,032 30,941,072 15,819,854 2,867,045 49,627,970
Pro-rated silver costs (%) 80 % 27 % 64 % 81 % 20 % 14 % 58 %
Pro-rated gold costs (%) 20 % 73 % 36 % 19 % 80 % 86 % 42 %

Pro-rated silver costs ($) 15,185 2,891 19,196 17,587 1,794 520 19,883
Pro-rated gold costs ($) 3,791 7,956 10,627 4,018 7,021 3,331 14,388

Silver co-product cash costs ($) 12.72 17.51 14.12 18.72 14.94 36.02 18.52
Gold co-product cash costs ($) 1,030 1,419 1,144 1,303 1,040 2,506 1,289

Expressed in thousands US dollars Six Months Ended June 30, 2022 Six Months Ended June 30, 2021
Guanaceví Bolañitos Total Guanaceví Bolañitos El Compas Total
Direct production costs per financial statements $ 25,681 $ 20,868 $ 46,549 $ 23,773 $ 14,875 $ 6,303 $ 44,951
Smelting and refining costs included in net revenue - $ 1,591 $ 1,591 - 1,003 206 1,209
Royalties 6,362 149 6,511 6,371 138 291 6,800
Special mining duty (1) 1,526 371 1,897 941 408 - 1,349
Opening finished goods (10,093) (2,857) (12,950) (1,509) (250) (642) (2,401)
Finished goods NRV adjustment - - - - - 266 266
Closing finished goods 16,164 681 16,845 6,985 408 1,145 8,538
Direct costs 39,640 20,803 60,443 36,561 16,582 7,569 60,712

Six Months Ended June 30, 2022 Six Months Ended June 30, 2021
Guanaceví Bolañitos Total Guanaceví Bolañitos El Compas Total
Silver production (ounces) 2,328,000 346,162 2,674,162 1,857,458 226,271 38,095 2,121,824
Average realized silver price ($) 23.95 23.95 23.95 26.95 26.95 26.95 26.95
Silver value ($) 55,757,752 8,290,900 64,048,652 50,053,984 6,097,454 1,026,568 57,178,006

Gold production (ounces) 7,157 10,827 17,984 5,827 12,935 3,513 22,275
Average realized gold price ($) 1,900 1,900 1,900 1,781 1,781 1,781 1,781
Gold value ($) 13,599,206 20,572,670 34,171,876 10,378,054 23,037,606 6,256,754 39,672,414

Total metal value ($) 69,356,958 28,863,570 98,220,528 60,432,038 29,135,060 7,283,321 96,850,420
Pro-rated silver costs (%) 80 % 29 % 65 % 83 % 21 % 14 % 59 %
Pro-rated gold costs (%) 20 % 71 % 35 % 17 % 79 % 86 % 41 %

Pro-rated silver costs ($) 31,868 5,976 39,414 30,282 3,470 1,067 35,843
Pro-rated gold costs ($) 7,772 14,827 21,029 6,279 13,112 6,502 24,869

Silver co-product cash costs ($) 13.69 17.26 14.74 16.30 15.34 28.00 16.89
Gold co-product cash costs ($) 1,086 1,369 1,169 1,078 1,014 1,851 1,116

Reconciliation of Realized Silver Price Per Ounce and Realized Gold Price Per Ounce
Expressed in thousands US dollars

Three Months Ended June 30 Six Months Ended June 30
2022 2021 2022 2021
Gross silver sales $ 13,698 $ 30,052 $ 55,582 $ 46,987
Silver ounces sold 602,894 1,120,266 2,320,662 1,743,645
Realized silver price per ounces $ 22.72 $ 26.82 $ 23.95 $ 26.95

Expressed in thousands US dollars

Three Months Ended June 30 Six Months Ended June 30
2022 2021 2022 2021
Gross gold sales $ 18,021 $ 18,305 $ 34,531 $ 36,463
Gold ounces sold 9,792 9,810 18,173 20,473
Realized gold price per ounces $ 1,840 $ 1,866 $ 1,900 $ 1,781

Cautionary Note Regarding Forward-Looking Statements

This news release 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 2022 including changes in mining operations and forecasts of production levels, anticipated production costs and all-in sustaining costs, the timing and results of various activities and the impact of the COVID 19 pandemic on operations. 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, production levels, performance or achievements of Endeavour and its operations to be materially different from those expressed or implied by such statements. Such factors include but are not limited to the ultimate impact of the COVID 19 pandemic on operations and results, changes in production and costs guidance, national and local governments, legislation, taxation, controls, regulations and political or economic developments in Canada and Mexico; financial risks due to precious metals prices, operating or technical difficulties in mineral exploration, development and mining activities; risks and hazards of mineral exploration, development and mining; the speculative nature of mineral exploration and development, risks in obtaining necessary licenses and permits, and challenges to the Company’s title to properties; as well as those factors described in the section “risk factors” contained in the Company’s most recent form 40F/Annual Information Form filed with the S.E.C. and Canadian securities regulatory authorities.

Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to: the continued operation of the Company’s mining operations, no material adverse change in the market price of commodities, mining operations will operate and the mining products will be completed in accordance with management’s expectations and achieve their stated production outcomes, and such other assumptions and factors as set out herein. 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.

Appendix

ENDEAVOUR SILVER CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE EARNINGS
(unaudited – prepared by management)
(expressed in thousands of US dollars, except for shares and per share amounts)

Three months ended Six months ended
June 30, June 30, June 30, June 30,
2022 2021 2022 2021

Revenue $ 30,782 $ 47,775 $ 88,522 $ 82,241

Cost of sales:
Direct production costs 19,828 26,223 46,549 44,951
Royalties 2,194 4,340 6,511 6,800
Share-based payments 113 111 240 229
Depreciation, depletion and amortization 4,175 6,624 10,481 14,120
Write down of inventory to net realizable value - 272 - 272
26,310 37,570 63,781 66,372

Mine operating earnings 4,472 10,205 24,741 15,869

Expenses:
Exploration and evaluation 3,784 5,025 7,000 9,155
General and administrative 1,348 4,293 5,645 7,816
Care and maintenance costs 189 55 379 576
Impairment (reversal of impairment) of non-current assets, net - - - (16,791)
Write off of exploration properties 500 - 500 -

5,821 9,373 13,524 756

Operating earnings (loss) (1,349) 832 11,217 15,113

Finance costs 336 216 634 507

Other income (expense):
Foreign exchange (289) 659 522 (35)
Gain on asset disposal - 5,841 - 5,841
Investment and other (6,872) 1,802 (1,052) 4,553
(7,161) 8,302 (530) 10,359

Earnings (loss) before income taxes (8,846) 8,918 10,053 24,965

Income tax expense:
Current income tax expense 1,325 1,146 2,340 1,817
Deferred income tax expense 1,752 1,116 7,974 4,243
3,077 2,262 10,314 6,060

Net earnings (loss) and comprehensive earnings (loss) for the period $ (11,923) $ 6,656 $ (261) $ 18,905

Basic earnings (loss) per share based on net earnings $ (0.07) $ 0.04 $ (0.00) $ 0.12
Diluted earnings (loss) per share based on net earnings $ (0.07) $ 0.04 $ (0.00) $ 0.11

Basic weighted average number of shares outstanding 180,974,609 168,383,755 176,291,929 164,051,368
Diluted weighted average number of shares outstanding 184,569,970 172,195,942 179,018,499 167,743,113

ENDEAVOUR SILVER CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(unaudited – prepared by management)
(expressed in thousands of US dollars)

June 30, December 31,
2022 2021

ASSETS

Current assets
Cash and cash equivalents $ 116,226 $ 103,303
Other investments 8,293 11,200
Accounts and other receivable 13,486 14,462
Income tax receivable 1,219 177
Inventories 35,664 27,485

Prepaid expenses 11,566 5,135
Total current assets 186,454 161,762

Non-current deposits 595 599
Non-current income tax receivable 3,570 3,570
Non-current other investments 2,943 -
Non-current IVA receivable 7,528 4,256
Deferred income tax asset - 936
Intangible assets - 40
Right-of-use leased assets 614 664
Mineral properties, plant and equipment 141,806 122,197
Total assets $ 343,510 $ 294,024

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities
Accounts payable and accrued liabilities $ 26,383 $ 31,991
Income taxes payable 4,995 4,228
Loans payable 5,179 4,128
Lease liabilities 176 207
Total current liabilities 36,733 40,554

Loans payable 7,392 6,366
Lease liabilities 755 794
Provision for reclamation and rehabilitation 7,576 7,397
Deferred income tax liability 8,545 1,506
Total liabilities 61,001 56,617

Shareholders' equity
Common shares, unlimited shares authorized, no par value, issued
and outstanding 181,051,354 shares (Dec 31, 2021 - 170,537,307 shares) 631,751 585,406
Contributed surplus 5,349 6,331
Retained earnings (deficit) (354,591) (354,330)
Total shareholders' equity 282,509 237,407
Total liabilities and shareholders' equity $ 343,510 $ 294,024

ENDEAVOUR SILVER CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(unaudited – prepared by management)
(expressed in thousands of US dollars)

Three months ended Six months ended
June 30, June 30, June 30, June 30,
2022 2021 2022 2021

Operating activities
Net earnings (loss) for the period $ (11,923) $ 6,656 $ (261) $ 18,905

Items not affecting cash:
Share-based compensation 972 1,028 2,499 2,193
Depreciation, depletion and amortization 4,324 6,723 10,786 14,347
Impairment (reversal of impairment) of non-current assets, net - - - (16,791)
Write off of exploration properties 500 - 500 -
Deferred income tax expense 1,752 1,116 7,974 4,243
Unrealized foreign exchange loss (gain) (84) - (143) (220) - (53)
Finance costs 336 216 634 507
Write down of inventory to net realizable value - 272 - 272
Loss (gain) on asset disposal 105 (5,841) 46 (5,807)
Loss (gain) on other investments 7,626 (1,366) 2,269 (3,912)
Net changes in non-cash working capital (22,156) 806 (21,042) (8,360)
Cash from (used in) operating activities (18,548) 9,467 3,185 5,544

Investing activities
Proceeds on disposal of property, plant and equipment 48 6,985 82 7,541
Mineral property, plant and equipment (15,451) (8,164) (28,448) (15,434)

Purchase of investments (748) - (2,119) (832)
Proceeds from disposal of marketable securities - 4,905 - 9,288
Redemption of (investment in) non-current deposits 2 19 4 (1)
Cash from (used) in investing activities (16,149) 3,745 (30,481) 562

Financing activities
Repayment of loans payable (1,214) (918) (2,297) (1,887)
Repayment of lease liabilities (54) (43) (106) (85)
Interest paid (204) (174) (381) (367)
Public equity offerings - 29,034 46,001 59,134
Exercise of options 1,448 785 1,578 4,583
Share issuance costs (15) (664) (2,812) (1,266)
Deferred share unit redemption (6) - (6) -
Performance share unit redemption - (2,174) (1,897) (2,174)
Cash from (used) financing activities (45) 25,846 40,080 57,938

Effect of exchange rate change on cash and cash equivalents (46) 144 139 64

Increase (decrease) in cash and cash equivalents (34,742) 39,058 12,784 64,044
Cash and cash equivalents, beginning of the period 151,014 85,989 103,303 61,083
Cash and cash equivalents, end of the period $ 116,226 $ 125,191 $ 116,226 $ 125,191