

Q1, 2020 Corporate Update Video Webcast

Tuesday, April 14, 2020

Endeavour
SILVER 

www.edrsilver.com

TSX: EDR | NYSE: EXK

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This presentation 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 the timing of suspension of mining operations, Endeavour’s anticipated performance in 2020, including production forecasts, cost estimates and metal price estimates, and the timing and results of mine expansion and development and receipt of various permits. 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.

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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, the impact of the COVID 19 pandemic on mining operations in Mexico generally, and the Company’s operations specifically, 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, resource and reserve estimates, metal prices, 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.

2020 Value Catalysts

Return the three operating mines to profitability



- ▶ Complete turnaround to increase mine outputs to plant capacities
- ▶ Complete development of new orebodies to increase ore grades
- ▶ Deliver mine operating free cash flow at three mines

Enhance Terronera project economics



- ▶ Complete final optimization of pre-feasibility study to improve economics
- ▶ Consider full feasibility study to de-risk the project and enhance financing alternatives

Acquire brownfields properties to extend mine lives in Mexico



- ▶ Additional nearby properties available at Guanacevi
- ▶ Extensions of old orebodies possible at Bolanitos

Discover a world class deposit in Chile



- ▶ Drill Paloma, high sulfidation epithermal gold project, in 2020
- ▶ Prepare Aida, low sulfidation epithermal silver project, to drill in 2021

Q1, 2020 Operational Update



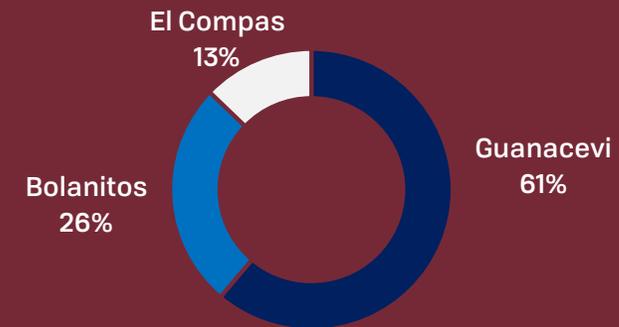
Consolidated – Production In Line

Quick Facts	Q1, 2020	Q1, 2019	Change (%)
Throughput (tonnes)	199,327	246,519	19%
Ag Grade (gpt)	155	154	flat
Au Grade (gpt)	1.57	1.45	8%
AgEq ⁽¹⁾ Production (oz)	1.5 million	1.9 million	21%
AgEq ⁽²⁾ Production (oz)	1.8 million	2.2 million	19%

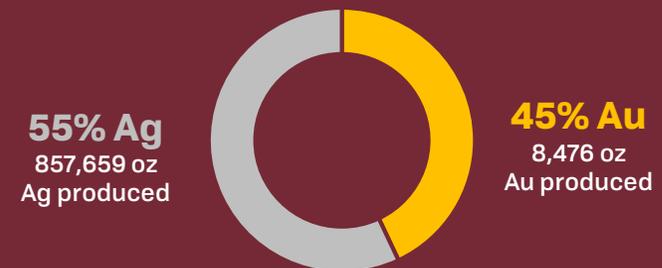
Q1, 2020 Highlights

- ▶ Production tracking in-line with guidance prior to suspension of operations
- ▶ Consolidated production lower than Q1, 2019 due to suspension of mining operations at El Cubo
- ▶ Management withdrew 2020 production and cost guidance due to COVID-19
- ▶ If suspensions extend beyond April, opportunities available to reduce costs

Q1, 2020 Production By Mine



Q1, 2020 Production By Metal



Q1 2020 AgEq ⁽¹⁾ Production 1.5 million oz

1. Silver equivalents are converted using a 80:1 silver: gold ratio (guidance)
 2. Silver equivalents are converted using a 110:1 silver: gold ratio (current)

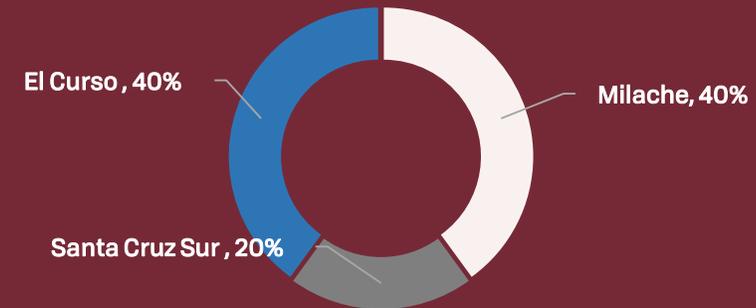
Guanacevi – Production Outperformed Plan

Quick Facts	Q1, 2020	Q1, 2019	Change (%)
Tonnes Produced (tpd)	1,024	851	20%
Ag Grade (gpt)	280	206	36%
Au Grade (gpt)	0.87	0.52	67%
AgEq ⁽¹⁾ Production (oz)	939,274	549,184	71%
AgEq ⁽²⁾ Production (oz)	1,012,084	583,324	74%

Q1, 2020 Highlights

- ▶ Throughput, ore grades and gold recovery higher than Q1, 2019 and well above plan
- ▶ Operational turnaround nearing completion
- ▶ Expanded new mine production and closed old mines
- ▶ New discovery at El Curso continues to grow
- ▶ El Curso costs per tonne higher due to higher royalties

Q1, 2020 Processed Tonnes by Area



2020 Goals

- ▶ Install two refurbished cone crushers
- ▶ Ramp up throughput to 1,200 tpd plant capacity
- ▶ Expand production from SCS orebody to 2-300 tpd
- ▶ Replace of mining contractors with EDR personnel to reduce costs
- ▶ Deliver free cash flow

1. Silver equivalents are converted using a 80:1 silver: gold ratio (guidance)
 2. Silver equivalents are converted using a 110:1 silver: gold ratio (current)

Bolanitos – Underperformed Plan

	Q1, 2020	Q1, 2019	Change (%)
Tonnes Produced (tpd)	905	963	6%
Ag Grade (gpt)	40	86	53%
Au Grade (gpt)	1.71	1.82	6%
AgEq ⁽¹⁾ Production (oz)	399,885	550,410	27%
AgEq ⁽²⁾ Production (oz)	517,545	683,310	24%

Q1, 2020 Highlights

- ▶ Throughput, silver grades and gold recovery lower than Q1, 2019 and well below plan
- ▶ Resolved arsenic issue by changing flotation circuit, gold recoveries improving
- ▶ Operational turnaround half complete
- ▶ Tonnes and grades below plan due to delayed mine development of new higher grade areas
- ▶ New equipment and supervisors having positive impact
- ▶ Tonnes and grades improved in Mar compared to Feb

1. Silver equivalents are converted using a 80:1 silver: gold ratio (guidance)

2. Silver equivalents are converted using a 110:1 silver: gold ratio (current)

Monthly Gold Grades (gpt) Improving



2020 Goals

- ▶ Ramp up throughput to 1,200 tpd plant capacity
- ▶ Expand production from San Miguel to 300 tpd
- ▶ New discovery at Ava Maria, possible extension of Melladito orebody
- ▶ Acquire extensions of known orebodies to increase mine life
- ▶ Deliver free cash flow

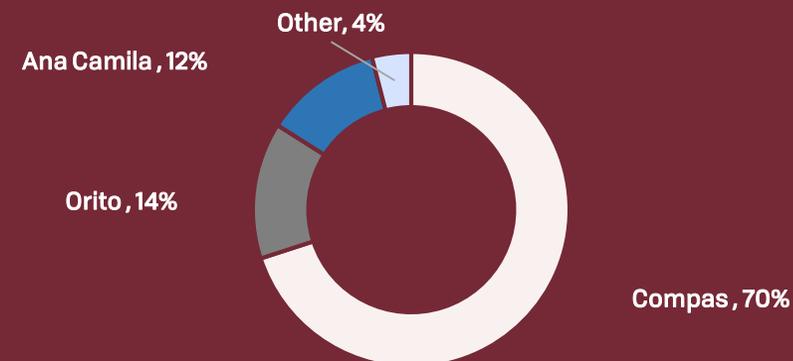
El Compas – Production Close to Plan

	Q1, 2020	Q4, 2019	Change (%)
Tonnes Produced (tpd)	238	248	4%
Ag Grade (gpt)	58	65	10%
Au Grade (gpt)	4.02	4.33	7%
AgEq ⁽¹⁾ Production (oz)	196,580	217,358	10%
AgEq ⁽²⁾ Production (oz)	260,390	286,298	9%

Q1, 2020 Highlights

- ▶ Throughput higher but ore grades lower than plan
- ▶ Operational improvements ongoing
- ▶ Transition from contract miners to employees underway to reduce dilution and costs
- ▶ Processing lower grade stockpile during transition

Q1, 2020 Processed Tonnes by Area



2020 Goals

- ▶ Develop upper El Compas vein to access higher grades
- ▶ Transition from cut + fill to long hole mining to reduce costs
- ▶ Explore Calicanto property to find new orebodies
- ▶ New Capstone discovery in MNFW vein
- ▶ Deliver free cash flow

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 2. Silver equivalents are converted using a 110:1 silver: gold ratio (current)

Terronera – Q1 Progress

Quick Facts

Annual Ag/Au Production (oz)	2.9 million Ag / 28,000 Au
Annual AgEq ⁽¹⁾ Production (oz)	5.1 million
2 Defined Ore Bodies	Terronera and La Luz, 71 m oz Ag Eq in Reserves ⁽²⁾ and 14m oz Ag Eq in Resources, 12 year mine life
AgEq ⁽¹⁾ Grade (gpt) & Vein Widths	Approx. 400 gpt AgEq; 3-16 m thick

Q1, 2020 Highlights

- ▶ Appointed Ernesto Lima, Director, Project Development to oversee Terronera as next core asset
- ▶ Received summary economics from JDS ⁽³⁾ positive but less robust than prior study
- ▶ Currently, reviewing both studies in-house
- ▶ 10-12 items being evaluated to create value

1. Silver equivalents are converted using a 80:1 silver: gold ratio
2. As per the updated 2019 MR&R for December 31, 2019
3. See EDR news release dated March 18, 2020 for additional information



Terronera bulk sample has been mined and currently awaiting treatment in a nearby facility. Results will provide more confidence on the metallurgy

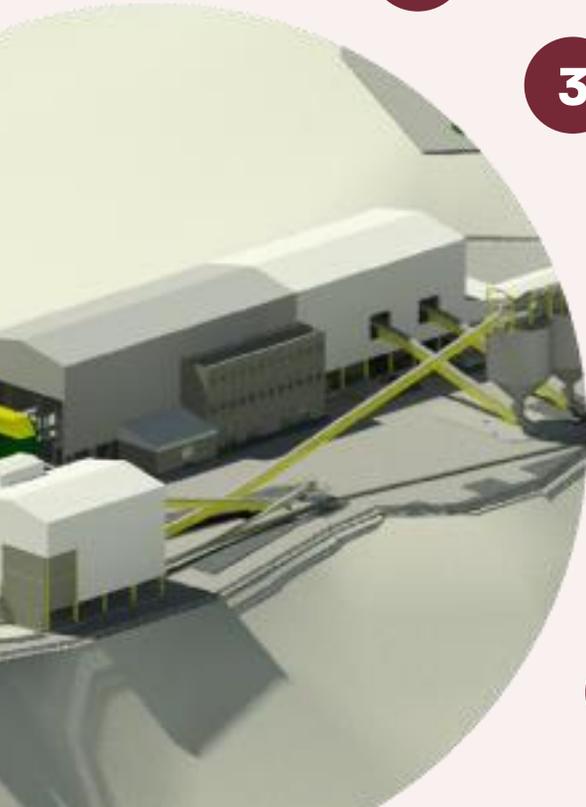
Future Goals

- ▶ Deliver updated PFS with stronger economics
- ▶ New economics will be validated by Ausenco
- ▶ Consider initiating feasibility study to enhance project financing alternatives

Terronera – Opportunity For Further Optimization

Criteria under review in the new PFS to generate more robust economics:

- 1 Confirm Mineral Reserve estimate by re-assessing and validating methodology
- 2 Defer certain initial CAPEX costs by partnering with manufacturers
- 3 Reduce preproduction underground mine development – reduce number and length of access ramps
- 4 Phase in construction and use of tailings facility
- 5 Reduce power cost by analyzing details of power consumption needs, renegotiate rates, consider alternative sources of energy
- 6 Change construction camp to rental vs. purchasing a permanent facility up front
- 7 Consider leasing new mining equipment & relocating certain plant equipment from El Cubo



M&A Opportunities

BROWNFIELD

Consolidating existing districts

GUANACEVI

- ▶ In 2019, we acquired production rights to two properties adjoining our two highest grade historic orebodies at Guanacevi
- ▶ By fast tracking exploration and development, we commenced production quickly
- ▶ Accessing new high grade orebodies were the difference maker - extended mine life, improved throughput, ore grades and profitability

BOLANITOS

- ▶ In 2020, Endeavour is working on similar opportunities adjoining some of our highest grade historic orebodies in Guanajuato

ORGANIC

Building new mines

TERRONERA & PARRAL

- ▶ Expand land position for additional resource potential
- ▶ Adopt new technologies and innovation where possible

TRANSACTIONAL

Maximizing NAVPS

ASSET OR CORPORATE LEVEL

- ▶ **Location:** Americas or within geopolitically stable country
- ▶ **Commodity:** Precious metals
- ▶ **Mine life:** 5+ years & exploration potential
- ▶ **Production:** 2 to 8 Moz AgEq/ yr
- ▶ **Capital Requirement:** Less than \$100 million
- ▶ **Accretive on:**
 - ▶ Reserves/Resources
 - ▶ Operating costs
 - ▶ Production per share
 - ▶ Cash flow per share

SHAREHOLDER VALUE POTENTIAL

Risk Assessment & Value Opportunities



COVID-19 Risks

HEALTH RISK

mainly to elderly, people with health issues and medical personnel

ECONOMIC RISK

due to extreme measures needed to combat pandemic and fiscal stimulus needed to reboot economy

LIQUIDITY RISK

due to suspension of Mining in Mexico; no revenues but significant payroll and C&M costs

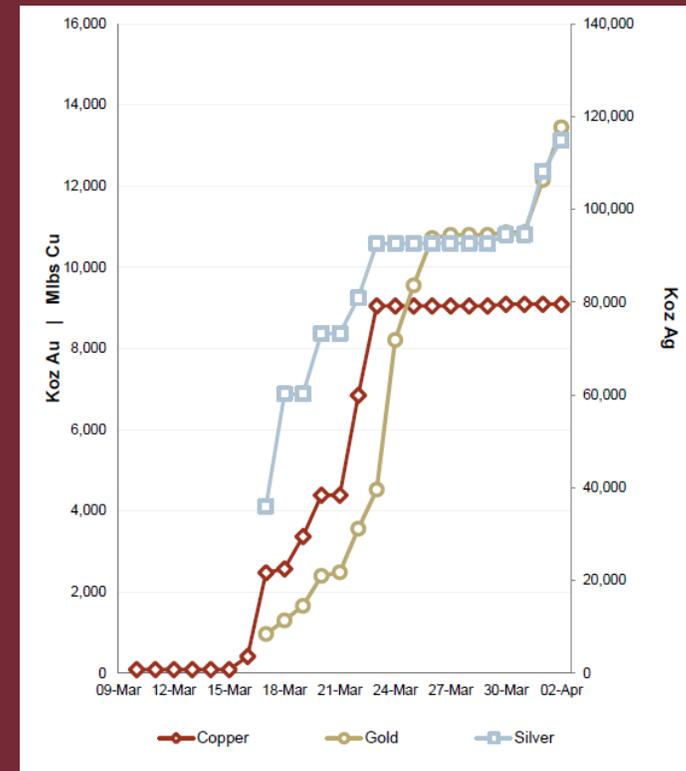
INDUSTRY IMPACT is reduced demand but also reduced supply:

- ▶ RBC estimates 115 million oz of primary silver production currently suspended, around 50% of primary production
- ▶ Majority of silver production is a byproduct of base metal mines: suspension of 25% of byproduct production means 30% of global supply on the sidelines

% of Total Silver Mine Supply



2020E Production Impact by Commodity ⁽¹⁾



1. RBC Report, Dated April 3, 2020- COVID-19 Global Mine Tracker

Endeavour Response- Well Prepared

In early March, Endeavour began implementing plans to **minimize COVID-19 Risks** to:

EMPLOYEES

- ▶ Organized an Executive Health Committee, ahead of curve
- ▶ Arranged doctors on site, daily symptom checks using thermometers upon entry
- ▶ Quarantined 14 expats across the company that commute
- ▶ Conducted two trial runs with employees (false alarms)
- ▶ Paying employees base wage in April while they stay home
- ▶ Corp Office: work from home



THE BUSINESS

- ▶ Temporarily suspended non – essential travel, exploration and hiring to reduce costs
- ▶ Retaining essential personnel during suspension period to maintain safety, enviro, security and equipment maintenance
- ▶ Increased critical supply and spare parts
- ▶ Little social distancing possible in underground mine- shared shift facilities, shared transportation



COMMUNITIES

- ▶ Informing precautions needed to stay safe with education campaigns
- ▶ Providing supplies, masks, cleaners and disinfectants
- ▶ Special supply kits for vulnerable households



Mexico Response - Slow

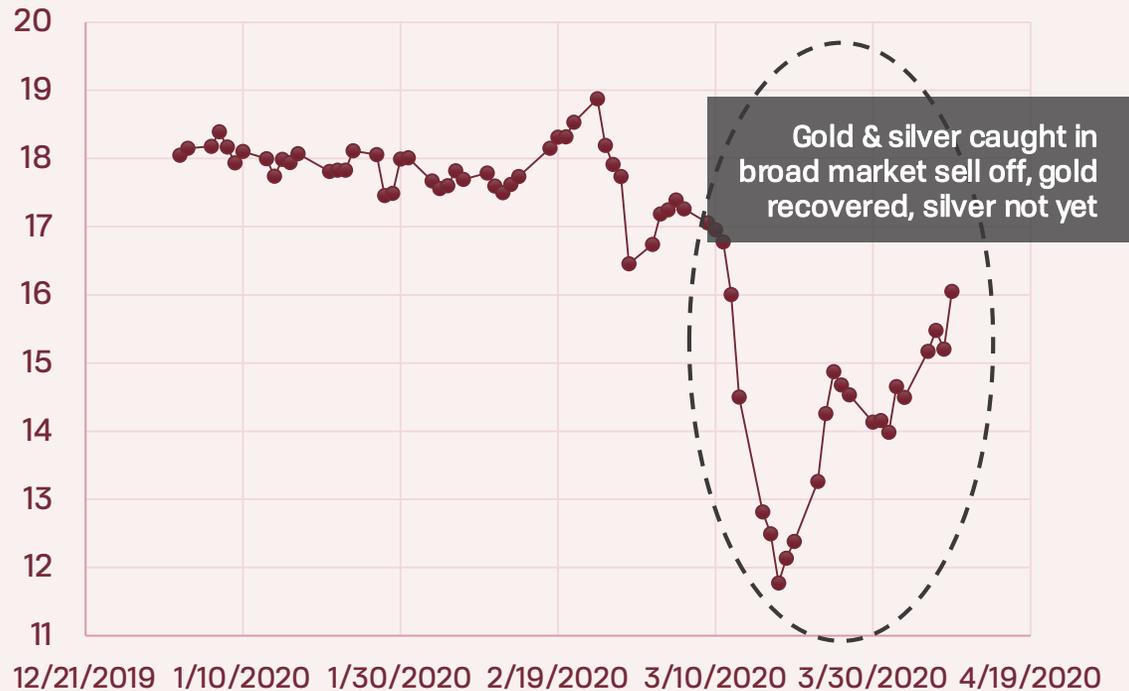
- ▶ **Increase in positive COVID-19** cases and deaths in late March forced government to start taking action
- ▶ **Government response is 3 weeks behind America** in health precautions, social distancing measures and peak virus
 - ▶ **Government Declared National Health Emergency (March 31)**
 - ▶ All non-essential businesses and schools to shut down temporarily
 - ▶ All suspended businesses must still pay full employee wages
 - ▶ Mining not exempt, suspended until earliest April 30
 - ▶ Population encouraged to work from home and self isolate
 - ▶ Strict stay at home measure for +60 and with health issues
 - ▶ National Guard intervened to suspend Mexico's largest mine
- ▶ **Economy could be significantly impacted** as the main GDP contributors are tourism and Oil & Gas, accounting for 15% & 35%
- ▶ **Health care system not prepared** Mexico had 10,000 test kits, 2,000 emergency beds and 4,000 ventilators for the entire population
- ▶ **Fiscal stimulus package virtually non existent** increased resources to the health system for a total of 25 billion pesos
- ▶ **No economic assistance** for small- medium businesses or self employed



Over 25% of world silver production is from Mexico, so suspensions of operations implies a supply squeeze

Silver Price Risk

Q1, 2020 Silver Price Performance



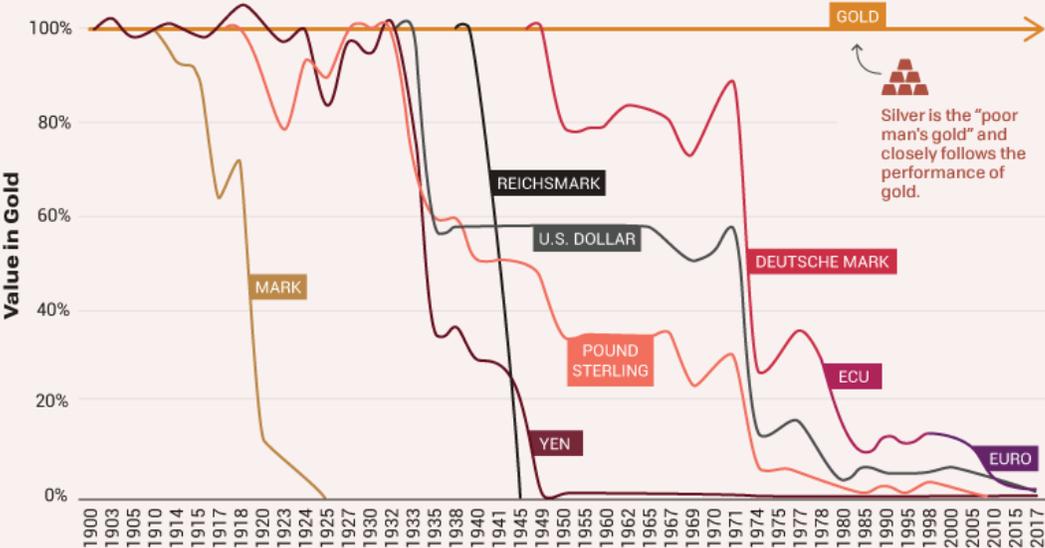
- ▶ The market panic in March, all sectors crashed
- ▶ Silver price fell 35% from \$18.60 to \$12 in 3 weeks
- ▶ Gold recovered for traditional safe haven status, silver impacted by industrial demand during downturn

	Guidance Pricing	Early April Pricing	Change (%)
Silver (\$/oz)	\$17	\$15.50	(10%)
Gold (\$/oz)	\$1,450	\$1,650	+14%
2020 Mine Plan, Metals Mix	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #f0e68c; padding: 5px;">50% Au</div> <div style="background-color: #c0c0c0; padding: 5px;">50% Ag</div> </div>		

- ▶ Peso exchange rate at MXP 24:1 USD has depreciated 26% since January
- ▶ Labour is 30% of our operating costs so 8% cost saving due to depreciation
- ▶ Guanacevi needs to continue outperforming its 2020 plan
- ▶ Bolanitos and El Compas need to improve performance to their 2020 plans

Gold Price Opportunity

Fiat Currencies Historically Depreciate Relative to Gold



Source: Bloomberg, Reuters

S&P 500 Vs Federal Reserve Balance Sheet



Source: Federal Reserve, barchart.com

“
*Gold and silver are money...
 everything else is credit.*
 — J.P. Morgan



Will History Repeat Itself ?

Investing in equities during COVID-19 has some unprecedented risks:

- ▶ Disconnect between physical gold price & equities
- ▶ Mines operated by people, who can be impacted by the virus
- ▶ Production suspensions pose liquidity concerns

However, Macro economic fundamentals are supportive of a precious metal rally

- ▶ Economic uncertainty, declining global interest rates, weakening currencies, massive fiscal stimulus needed

Similar macro drivers between 2008 and now:

- ▶ Looming global recession
- ▶ Central banks cutting rates and promising unprecedented monetary stimulus, just as in 2008
- ▶ Boosts appeal of gold, fiat currencies being devalued
- ▶ Chart shows impact of QE1 & QE2 on gold pricing
- ▶ Similarly on March 23rd, Fed announced that there is no set limit to stimulus, only the starting point

As panic selling subsides, precious metals equities can outperform the broad market over the 12-24 months, if following the road map of the 2008 crash

Gold vs S&P 500 in 2008 Crash (2006 - 2012) (1)



Volatility Index (2008 - 2020) (1)



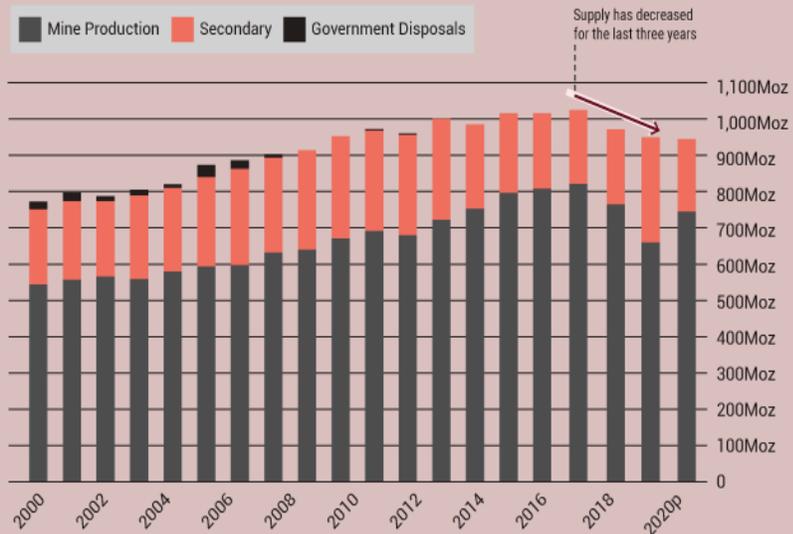
1. source: capital IQ software, expressed as daily closing prices

Silver Supply and Demand

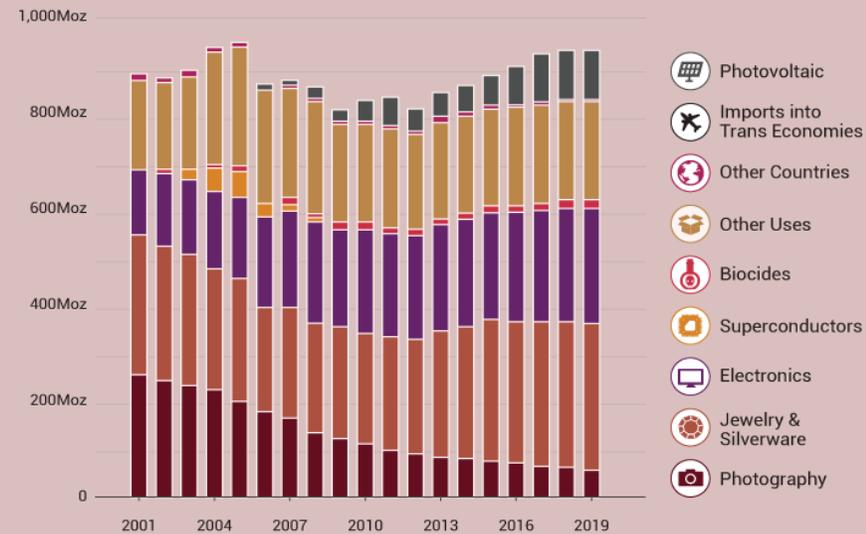
In addition to the investment thesis as a monetary metal, silver is also special for its industrial uses:

1. Silver is produced primarily as a by-product of non-precious metals mining
2. With base metals currently in a bear market, there is a dwindling supply
3. But silver is a green metal which supports rising industrial demand
4. This is placing upward pressure on the price of silver – indicating the start of a new gold-silver cycle

Declining Silver Supply by Source



Rising Annual Fabrication Demand



Gold-to-Silver Ratio Compression

Silver ratio has expanded from 85 in February to almost 125, a record high

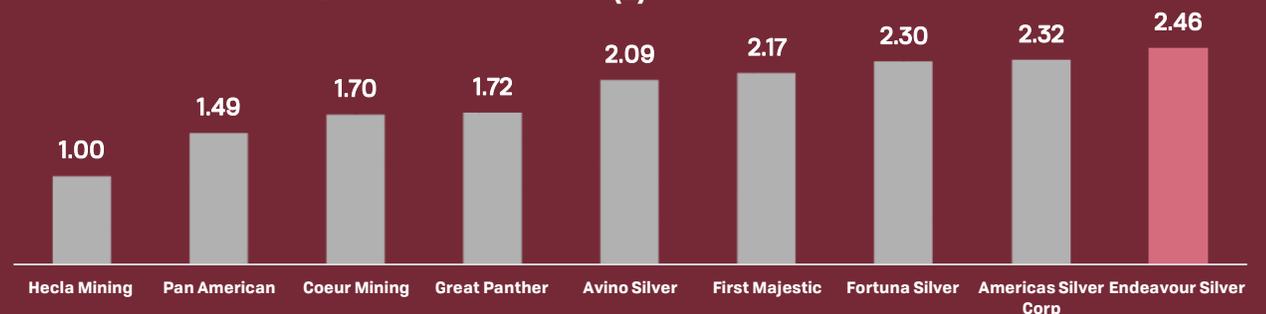


In every financial crash, **silver ALWAYS outperforms in the late phase of the cycle.** Endeavour Silver offers the highest beta, amongst its peers.

GLD vs. SLV (Sept 2008 – Sept 2012) (1)



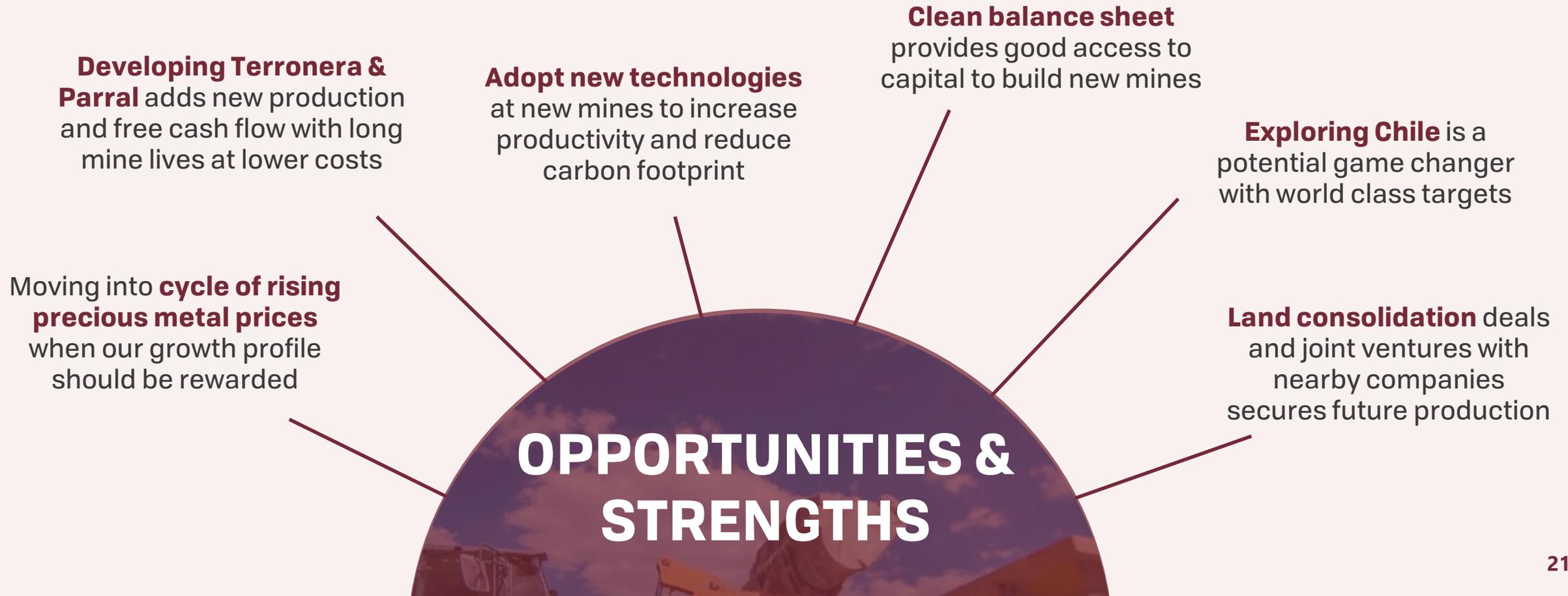
Sector Leading Beta to Silver (2)



1. source: capital IQ software, expressed as a relative percentage of performance 2. Source: 1 year beta as provided by Capital IQ software – as of Feb 19, 2020, Expressed as a weekly frequency as compared to the GSCI Silver index

Long Term Plan - Future Proofing our Business

Status Quo: Endeavour Silver Company in Transition – from mining old orebodies to finding and acquiring new orebodies and developing new mines



Q&A

