

ENDEAVOUR SILVER CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS****(Unaudited – Prepared by Management)**

(expressed in thousands of U.S. dollars, except share amounts)

	Three Months Ended	
	March 31,	March 31,
	2012	2011
Operating activities		
Net earnings for the period	\$ 19,775	\$ 485
Items not affecting cash:		
Stock-based compensation	778	343
Depreciation and depletion	8,541	3,981
Deferred income tax provision	623	1,322
Unrealized foreign exchange loss (gain)	(2,730)	(1,120)
Mark to market loss (gain) on derivative liability	(143)	13,965
Finance costs	5	8
Gain on marketable securities	(483)	-
Net changes in non-cash working capital	2,394	(4,344)
Cash from operating activities	28,760	14,640
Investing activities		
Property, plant and equipment expenditures	(9,349)	(7,364)
Investment in short term investments	(27,242)	(17,222)
Proceeds from sale of short term investments	31,912	3,593
Investment in long term deposits	(184)	-
Cash used in investing activities	(4,863)	(20,993)
Financing activities		
Common shares issued on exercise of options and warrants	610	4,644
Share issuance costs	-	(9)
Cash from financing activities	610	4,635
Effect of exchange rate change on cash and cash equivalents	1,443	1,554
Increase (decrease) in cash and cash equivalents	24,507	(1,718)
Cash and cash equivalents, beginning of period	75,434	68,037
Cash and cash equivalents, end of period	\$ 101,384	\$ 67,873