



# **Endeavour Silver Corp.**

## **First Quarter 2025 Financial Results**

### **Conference Call Transcript**

**Date:**               **May 13, 2025**

**Time:**               **10:00 AM PT / 1:00 PM ET**

**Speakers:**       **Allison Pettit**  
Director, Investor Relations

**Dan Dickson**  
Chief Executive Officer

**Don Gray**  
Chief Operating Officer

**Elizabeth (Libby) Senez**  
Chief Financial Officer

**Operator:**

Welcome to the Endeavour Silver First Quarter 2025 Financial Results Conference Call.

As a reminder, all participants are in listen-only mode and the conference call is being recorded.

After the presentation, there will be an opportunity to ask questions. To join the question queue, you may press star, then one on your telephone keypad. Should you need assistance during the conference call, you may signal an Operator by pressing star, then zero.

I would now like to turn the conference over to Allison Pettit, Director of Investor Relations. Please go ahead.

**Allison Pettit:**

Thank you, Operator, and good morning, everyone.

Before we get started, I ask that you view our MD&A for cautionary language regarding forward-looking statements and the risk factors pertaining to these statements. Our MD&A and financial statements are available on our website at [edrsilver.com](https://edrsilver.com).

On today's call, we have Dan Dickson, Endeavour Silver's CEO, Elizabeth Senez, our CFO, and Don Gray, Endeavour's COO. Following Dan's formal remarks, we will open the call to questions.

Now, over to Dan.

**Dan Dickson:**

Thank you, Allison, and welcome, everyone. Q1 marked a strong start to the year for Endeavour Silver, with solid production figures and continued progress on key developments. With Guanaceví and Bolañitos performing in line with plan, and Terronera now producing concentrate as it approaches the final stages of construction, we're quickly approaching a major milestone. The addition of this transformational asset will soon become a key contributor to our production profile, marking a significant step forward in our growth strategy.

In Q1, Endeavour produced 1.2 million ounces of silver and 8,300 ounces of gold, totalling 1.9 million silver equivalent ounces. We reported revenue of \$64 million, in line with the prior year, benefiting from the higher precious metal prices. Direct operating costs per tonne increased by 6% compared to Q1 2024, caused by 6% lower throughput, while total direct operating costs remained relatively flat.

The Company reported a net loss of \$32.9 million for the period, primarily due to the unrealized noncash impact of gold hedging and forward swap contracts entered into March 2024. These contracts, which relate to the portion of the forecasts of gold production from the Terronera project, were implemented as part of the senior debt facility used to finance its construction. As gold rose from \$2,600 to \$3,100 in the quarter, the loss reflects a mark-to-market accounting adjustment and does not represent cash outflow. Excluding mark-to-market adjustments, the Company reported a small adjusted loss of \$200,000 compared to income of \$300,000 in Q1 2024.

Cash costs were \$15.89 per ounce of silver, and all-in sustaining costs were \$24.48 net of gold credits, both slightly below annual guidance, primarily driven by the higher by-product gold credits.

As of March 31, 2025, the Company's cash position was \$65 million and working capital was \$15 million. Cash and working capital decreased from December 31, 2024 as the Company continued investing in development activities at Terronera. Terronera is in its final stages of construction, and started producing its first batch of concentrate at the end of Q1. As of our latest news release on May 5, commissioning is currently underway.

Terronera represents a game-changing opportunity for Endeavour Silver and is poised to redefine the trajectory of our company. As we move closer to commercial production, we remain excited about the transformational impact this asset will have on our business. With a projected mine life spanning well over a decade, Terronera will serve as a long-term cornerstone asset in our portfolio, underpinning our growth strategy and reinforcing our position as a leading mid-tier silver producer. As the commissioning phase progresses, attention will be given to increasing feed and run times, and ramping up to full throughput. The Company will provide operational guidance as ramp-up advances.

On April 1, we announced the acquisition of the Kolpa mine in Peru, and on May 1, we closed that transaction. We're excited about the addition of Kolpa to Endeavour's operating and growth pipeline, as it significantly enhances our current production profile with significant exploration upside and existing infrastructure to support a long mine life. Kolpa represents a compelling opportunity where we can leverage our proven technical expertise and development capabilities. The project aligns with our existing operations and supports our strategy of building a scalable silver-dominant asset base.

The Company is working towards validating and updating the historical resource estimate prepared by the previous owners. In the meantime, using Kolpa's 2024 annual production of five million silver equivalent ounces as a guide, and with Terronera expected to come online in the near-term, we are well-positioned for a significant step change in production. When combined with our two producing assets, Guanaceví and Bolañitos, Endeavour is on track to achieve annualized production of approaching 20 million silver equivalent ounces.

With that, I'm happy to open up to questions. Operator, please proceed to our Q&A session.

**Operator:**

We will now begin the question-and-answer session. To join the question queue, you may press star, then one on your telephone keypad. You will hear a tone acknowledging your request. If you're using a speakerphone, please pick up your handset before pressing any keys. To withdraw your question, please press star, then two.

The first question comes from Nick Giles with B. Riley Securities. Please go ahead.

**Nick Giles:**

Thank you, Operator, and good afternoon, everyone. Dan and team, congrats on all the progress this quarter, really good to see. My first one is just on Terronera. I think you said you'll provide guidance as the ramp-up advances. My question is, what do you ultimately need to see in the ramp to have the confidence to come out with something more formal, specifically on the cost side?

**Dan Dickson:**

Yes. First and foremost, it's going to come down to production and throughput, and we want to see that we have maintained consistent throughput through the mill and all the way to the filter press. That way, we have confidence our timelines with that ramp-up.

Ultimately, we have a very short planned ramp-up of about 90 days, and that obviously could be plus or minus the 90 days. Because of that uncertainty, we don't want to give production guidance until we know, at a higher probability, of how many months we'll be operating at Terronera. It doesn't make a lot of sense to give the market six months if we're only going to be operating for five months, or six months and we're going to be seven months. That's first and foremost is the production guidance.

Then, behind that comes the cost and the impact of the cost. Obviously, in the first three months to six months of commercial production, we'll be running lower grade ore than what would be contained in our long-term mine plan, just to make sure we're getting through all the bugs. We just want to go through that; when we understand grades, and ultimately the timeline that we'll be operating for 2025, and then provide guidance around costs with that. Obviously, for 2026, we'll come out with operational guidance and costs with the other mines.

**Nick Giles:**

Yes, that all makes sense. I appreciate those comments. Maybe just as a follow-up, it seems like wet commissioning has gone well to-date, but what are the most near-term priorities, and just ensuring that the ramp kind of stays on path, specifically at the plant?

**Dan Dickson:**

Yes, I'm going to defer that to Don. But before I give it to Don, ultimately I'd say, wet commissioning, it's hard to say how well it's going to-date, because it's a start and stop process. Ultimately, some days you feel like you're making steps forward, other days you take a break, and I think that's just part of the nature of commissioning. You've got punch list items that you need to do. But as far as particulars of what's required, I'll defer to Don on that.

**Don Gray:**

Yes. Nick, thanks for your question. To stay on path, our team there has really focused on going

system-by-system. You start at the upper end of the plant and work through to the lower end of the plant, and that's what we've been doing now. We've been running the mills and checking systems out, making sure bearings and clearances and things like that are running well. Then, we've just started to feed water, and shortly the tailing down into the tailing filter area, and that'll really get things rolling. It's just a process of working down through the system.

**Nick Giles:**

Got it, Don. That's all very helpful. Guys, one more if I could; Dan, can you remind you, what's ultimately the capital intensity? This is at Kolpa. What's the capital intensity of the throughput expansion from 1,800 tonnes per day to the 2,500 level?

**Dan Dickson:**

Yes, at this point in time, just early estimates work that was previously done by the predecessors. It's anywhere from \$12 million to \$16 million to go from 2,000 to 2,500 tonnes per day capacity.

**Nick Giles:**

Got it, okay. Very clear. Well, guys, again, congrats on the progress and keep up the good work.

**Dan Dickson:**

Thanks for the questions, Nick.

**Operator:**

The next question comes from Wayne Lamb with TD Securities. Please go ahead.

**Wayne Lamb:**

Yes, thanks, guys. Sorry, maybe just one follow-up on the previous ramp-up period; can you just clarify on that 90-day ramp-up, is that 90 days from when you've started wet commissioning, or if you can just clarify what specific timeline period you're referring to?

**Dan Dickson:**

Yes, it'd be from May 1. May 6 we put that out, just to keep it easy, May 1.

**Wayne Lamb:**

Okay, great. Then, just curious, on the cost of completion, on the 332 at Terronera, it looks like you guys have about \$7 million remaining guide spend. Is that inclusive of all the costs through the commissioning and the ramp-up phase? Just wondering if perhaps we should be baking in a modest increase in the funding requirement as you guys continue to ramp-up?

**Elizabeth (Libby) Senez:**

Hi, Wayne, this is Libby Senez. To answer your question on how much to complete, the build costs, yes, you're right, were about \$10 million off from the guided total. We're not anticipating many more costs to go into that build cost during the ramp-up phase. All of those costs are operating costs and go into the cost of the inventory, not into the build cost of the project.

**Wayne Lamb:**

Okay, great, thanks. Then, maybe just last one on the balance sheet; how comfortable are you guys in terms of the cash balance and working capital requirements needed to fund Terronera through the ramp-up? Just curious how you're thinking about the flexibility here on the balance sheet, and if there's potential to quickly refinance once you've declared commercial production?

**Dan Dickson:**

Yes, there's a handful in there. Anytime with ramp-up and going through commissioning, there's a lot of uncertainty. Obviously, our cash balance being at \$65 million at March 31 feels healthy; at the end of the day, working capital is about \$15 million.

We're at that phase of the project where it's high stress, high anxiety, and pushing to get it there to make sure we don't run too low in cash, and it's something that we're going to be monitoring very closely over the next two months, three months to see how ramp-up's going, to see where cash balances are. As far as when we get into commercial production and what we do with the project loan facility, and again, that's at the overnight rate plus 4.25% right now, and it falls to 3.75%. Always looking to lower our cost of capital; obviously, it completely changes the project because it's now de-risked and in operations.

As the Management team, it's our job to find the best cost to capital, and also, with that, to make sure that we have sufficient liquidity to get through what we need to get through. Obviously,

Guanaceví and Bolañitos right now are creating cash flow for us, but like I say, we're at the stress point of the build and we're coming down to the end, and the sooner we can get into commercial production, obviously, the better for Terronera, and ultimately the Company.

**Wayne Lamb:**

Okay, perfect. Thanks for taking my questions, and best of luck with the ramp-up in the months ahead.

**Dan Dickson:**

Thanks, Wayne. Appreciate the questions.

**Operator:**

Again, if you have a question, please press star, then one. The next question comes from Heiko Ihle with H.C. Wainwright. Please go ahead.

**Heiko Ihle:**

Hey there, Dan and team. Thanks for taking my questions. Just building on your prepared remarks from earlier and the first question that was asked in the Q&A portion earlier. Are there still meaningful cash flows going into Terronera in Q2, and if so, do you want to give us a best guess estimate of how much is getting shipped here in Q2, and what it's being spent on?

**Dan Dickson:**

Yes, we are still sending money in April; we were sending money down there to get everything completed, get into the commissioning process. Libby touched on it a little bit too. What's changed in the accounting world is, ultimately, revenues are recognized in the income statement and cost of sales are recognized in the income statement, and obviously, going from zero tonnes hopefully up to 2,000 tonnes, they'll be making a loss here in Q2 as we're commissioning. But we don't capitalize that anymore, and there is cash outflow. Unfortunately, we don't have April data ready and complete, so I don't want to comment exactly how much cash we sent down in April, But we did continue to fund in April.

But now, with kind of the full plant being done, tailings press in there, it's about instrumentation and going through commissioning, and there's still costs incurred with that. Obviously, there's



going to be costs incurred with finishing up various little things, but the big spend has been done, that hopefully have slowed down, and now it's just about commissioning, going into operations.

**Heiko Ihle:**

That's a good answer, and obviously, I wrote these questions before I joined the question queue so I had to adjust a little bit. Shifting gears completely, on Kolpa, and purely out of curiosity, it's obviously a huge operation on 25,000 hectares of claims. In your press release announcing the deal, there was a little note in there that only 10% of the claims have seen work thus far. Can you walk us through some of the higher priority targets that you have for this year, and even beyond that, now that the deal is formally closed?

**Dan Dickson:**

Yes. We actually have a significant budget at Kolpa. Again, it was from predecessors and what they have worked on. From October to December, they had made a new discovery on a vein they called Poderosa. That wasn't in their historical resource estimate. We have just got our boots on the ground with regards to our Exploration team and trying to help the Kolpa team out with their exploration plans; I think they've done a phenomenal job mining the Kolpa asset, they've done a phenomenal job growing that asset.

We think where we can help them out is the exploration and the work that we can do on it. There is a main structure that supports about half the production at Kolpa. We think there's opportunities for additional structures like that, and perhaps Poderosa is one of those. We have, effectively, a \$12 million exploration program for the next 24 months, or from when we acquired it, in 24 months. Then, there's also tension veins coming off the main structure that were recently discovered, again by the predecessors, and we're working on that.

Right now, on near-term, we're going to continue to focus on some of these veins that they were previously working on. We're going to take a step back with our Exploration team, look at some brownfield opportunities, and look for markers on-surface through geochem work, trenching work, geophysics, to try to identify some of the more significant structures. There's a lot of veins; there's a lot of workings over the history, so it's very similar to almost Bolañitos and Guanaceví that we went through 20 years ago where we can bring in exploration techniques and expertise,

and hopefully uncover more resources.

I would point that there is a historical resource of about 118 million ounces. We are working to validate that, and ultimately, eventually, grow from there. We have some time; they have a mine plan in place. Before we give too much comment, we just want to get more into the data and validate a lot of the historical work they've done, just to our standards, so we're more comfortable talking about it, Heiko.

**Heiko Ihle:**

That's extremely helpful. I'm going to get back in queue, and thanks again for the answer. Good quarter.

**Dan Dickson:**

Thank you, Heiko.

**Operator:**

This concludes the question-and-answer session. I would like to turn the conference back over to Dan Dickson for any closing remarks.

**Dan Dickson:**

Thank you, Operator, and thanks for everybody attending our Q1 session.

As everyone likely knows, Q2 is going to be a very important quarter for us. Obviously, we're really focused to get Terronera ramped up and into commercial production as soon as possible and look forward to our Q2 Earnings Call in August. Thank you.

**Operator:**

This brings to an end today's conference call. You may disconnect your lines. Thank you for participating, and have a pleasant day.