



Endeavour Silver Corp. Fourth Quarter and Year End 2025 Financial Results Conference Call Transcript

Date: February 27th, 2026

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

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

Dan Dickson
Chief Executive Officer

Elizabeth Senez
Chief Financial Officer

Donald Gray
Chief Operating Officer

Operator:

Welcome to the Endeavour Silver Fourth Quarter and Year End 2025 Financial Results Conference Call.

As a reminder, all participants are in a listen-only mode and the conference 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, Vice President, 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.

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 for questions.

And now, over to Dan.

Dan Dickson:

Thank you, Allison, and welcome everyone.

Before reviewing our 2025 results, I'd like to provide a brief update on Terronera.

Operations were temporarily impacted by recent security events in Mexico and Jalisco's Code Red mandate, which requires civilians to shelter in place. To comply with the mandate, the uncertainty surrounding the event and to ensure the safety of our people, we paused Terronera's operations Sunday evening. Operations resumed Wednesday, February 25, once

supply routes were confirmed to be secure. We will continue to monitor developments closely and the safety of our employees and contractors remain our top priority.

With that, I'd like to briefly touch on the current silver and gold market.

Over the past year, we've seen exceptional gains in renewed investor interest in precious metals, driven by inflationary pressures, global economic uncertainty and ongoing political tensions. Silver and gold continue to be viewed as a safe haven assets with silver also benefitting from rising industrial demand especially in the green energy and technology spaces. This momentum has continued into 2026 as gold trades well above \$5,000 and silver is elevated above \$90, reflecting ongoing confidence and reinforcing the importance of our strategic initiatives and our commitment to delivering value for our shareholders. We are extremely well positioned to benefit from the current silver prices and believe there is substantial runway remaining in this cycle.

Moving over to the specifics of the company, 2025 was a transformational year for Endeavour Silver. We took a major step forward with the acquisition of Kolpa in May, Terronera achieving commercial production in October, and agreed to the sale of the Bolañitos Mine, which closed in January.

In December, we raised \$350 million through convertible debt offering, strengthened our balance sheet and positioning ourselves to advance the Pitarrilla development asset. These milestones lay a solid foundation for performance and sustained growth as we look ahead to the future and position ourselves as a stronger company within the industry.

In 2025, Endeavour produced 11 million ounces of silver equivalent metal, including base metal production from Kolpa, making a 48% increase compared to 2024. In Q4, Endeavour produced 2 million ounces of silver and 14,000 ounces of gold, totalling just shy of 4 million silver equivalent ounces. This represents a 146% increase compared to Q4 of 2025 due to the addition of Kolpa, Terronera and the higher grades at Bolañitos. Excluding Kolpa and Terronera, this was a 27% increase compared to the same period last year.

In 2025, the Company reported record revenue of \$468 million, up 115% compared to 2024, with cost of sales of \$385 million, mine operating earnings of \$83 million and mine operating cash flow before taxes of \$156 million.

Mine operating cash flow before working capital changes rose by 116%, while cash costs increased to \$19 per ounce of payable silver, primarily driven by the substantial changes in our production profile.

In Q4, Endeavour recognized adjusted net earnings of \$4.8 million or an adjusted earnings of \$0.02 per share due to realized losses from derivative contracts and higher financing costs in relation to the early repayment of the debt facility. Direct operating costs per tonne increased by 8% this year, primarily driven by elevated costs at Terronera during its initial quarter of production. Looking ahead, we anticipate a substantial reduction in these costs as we transition from diesel to liquefied natural gas in Q2 of 2026, complete the demobilization of our construction team, benefit from workforce and logistics optimization plans implemented in January, and maintain a throughput at 2,000 tonnes per day through 2026. Kolpa will also see an improved cost efficiency as its plant expands 2,500 tonnes per day here in Q1.

For clarity, our direct operating cost per tonne include direct input costs associated with mining, milling and site level G&A. Our definition of direct cost per tonne includes royalties, mining duties and the purchase of third-party material. Changes in the metal prices have a meaningful impact on our direct cost per tonne. For example, for every dollar increase in silver, our cost per tonne rise by about \$0.90 of Terronera, \$0.50 at Kolpa and \$3.80 per tonne at Guanacevi, mainly due to the higher royalties, duties and third-party purchase costs.

All-in sustaining costs net of byproduct credits were elevated this quarter with higher royalties duties, third-party ore purchases, elevated corporate G&A, and the addition of Terronera. Terronera incurred higher costs due to higher sustaining capital expenses during the first quarter of operations. Terronera's all-in sustaining costs includes capital expenditures of \$16.3 million for the quarter, which worked out to approximately \$48 all-in sustaining cost per ounce. This includes one-time investments related to new mining operations. These costs are expected to decrease as we move through 2026.

The elevated corporate G&A was impacted by the divestiture of Bolañitos, the appreciation of deferred share units and the integration of all our new operations.

As of December 31, 2025, the Company's cash position stood at \$215 million, providing us with the financial strength and flexibility to advance our strategic initiatives. This robust foundation allows us to remain nimble and responsive to new opportunities while staying focused on driving progress at Pitarrilla, where we continue to invest in exploration, technical studies and the economic evaluation.

As we move through 2026, our attention remains focused on several operational investment priorities across our main operations and projects, each serving as a catalyst for our continued success and growth in 2026.

At Terronera, our primary focus is disciplined execution as we transition into higher-grade zones in the second half of the year. We are seeing gradual improvements towards designed operating parameters, including nameplate throughput, recoveries and mine output. Grades are aligning with plan and operations are beginning to establish a consistent rhythm rather than the volatility of a typical ramp-up. As we eliminate ramp-up or start-up costs, we expect direct cost per tonne to improve through the year.

Secondly, at Kolpa, we are actively advancing our expansion initiative, increasing capacity from 2,000 tonnes per day to 2,500. We anticipate achieving this milestone in the coming weeks, which will enhance our throughput and support our growth objective. Additionally, we remain focused on delivering a resource estimate later this year.

At Pitarrilla, the Company's next major development project and one of the world's largest undeveloped silver deposits, our commitment remains very strong with a planned \$68 million investment in 2026. This includes the completion of an NI 43-101 feasibility study targeted for completion in Q3 2026, along with early works such as commencement of the construction camp, continued ramp advancement through the manto, and procurement of long-lead equipment to support the basic and detailed engineering. We are positioning the project to have a well-informed construction decision in early 2027, supporting our strategic strategy of significant organic growth.

Twenty twenty-five marked a defining chapter in our story. As we continue on this exciting path, I want to extend our gratitude to our valued shareholders and stakeholders for your confidence and partnership. We remain committed to creating lasting value, driving operational excellence and building a premiere senior silver company.

Thank you for your continued support and engagement. And with that, I'm happy to open this to questions. Operator, please proceed to our Q&A session.

Operator:

Thank you. 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 Wayne Lam with TD Securities. Please go ahead.

Wayne Lam:

Yes, thanks. Morning, guys, or morning, afternoon over here. I'm just wondering, just on the updates to operational at Terronera, can you discuss the mill availability and what happened with the electrical interruptions? If I recall, you guys also had an electrical issue in late September, which kind of resulted in the delay to commercial production. Just wondering exactly what's going on there and have you seen an improvement on those issues? Have those been resolved in the first two months of this year?

Dan Dickson:

Yes, thanks for the question, Wayne. The quick answer is yes, we have seen a lot of improvement in January and February. We've done very well from a throughput standpoint.

As you'll recall, back in September we had resistors that we had to replace early October, and it took six, seven days for those to come in as their one-time items. We had a lot of electrical disruptions. Just because we're on diesel gens that we're kind of—we were at max power and we had to make some adjustments in Q4 to that, and we were getting lots of starts and stops, so losing maybe an hour or two hours on various days. That really impacted, and starting and stopping impacts recoveries, obviously impacts throughput.

We've seen that kind of stabilize late December and obviously through January and February. The most important part to those temporary diesel gen sets is we have received our permits to operate our LNG plant, so we are allowed to vaporize or liquefy natural gas and do natural gas and ultimately electricity. We are completing that connection point here in Q1. The provider of the liquefied natural gas has obtained their permit to transport and they're just waiting on a storage permit onsite that we're going to look at here over the next—or we expect to receive over the next couple of weeks.

Our expectation is that we'll be on our LNG plant in Q2. Obviously, it does a significant thing for our stability of electrical continuity, but also from a cost standpoint. Going from diesel gen sets into the LNG plant takes us from \$0.33 per megawatt hour to \$0.17, almost \$8 a tonne at this point. So, we're excited to get on that for a number of reasons. Obviously, reliability and cost being the main two.

Wayne Lam:

Okay, great. Thanks. Then maybe just on the grade profile at Terronera, you guys had previously guided the 122 grams silver and 2.5 gold through the first six months of operation, but the guidance for this year implies that you'll average 120 grams through the entirety of 2026.

I know you guys had talked about some of the mining of the lower-grade stockworks driving that, but just wondering if you might have any guidance on grades in terms of a split in H1 versus the prior 122, and where we should think about that with the higher grades you're projecting into H2.

Then, are the lower grades entirely being driven by that lowering of the cutoff, or is there some attribution as well to greater dilution or lower reconciliation versus the block model?

Dan Dickson:

Yes, I think the first couple of questions, block model reconciliation has been relatively strong; better as we've moved forward and we've got deeper into the mine plan. We do have lower silver grades and ultimately gold grades because of some of that stockwork, but right now that stockwork isn't a significant amount. As you know, in the back half of the year we get into the

main chute of Terronera, and that's the goal. That's where our highest-grade points are, and that's where our biggest widths are.

As far as the breakdown between H1 and H2, I don't have that right in front of me, but it is a gradual increase. So Q1 to Q2, Q3 to Q4, each quarter gets better as we bring more and more of that chute in.

For those that are listening, we made the decision almost a year ago now, maybe nine months ago, that we would go into a lower-grade part of the ore body as we start with initial production, obviously because we didn't want to end up having ounces of silver and gold into our tailings dam, ultimately, as we go through your regular startup issues and building up our recovery.

So, this was by design, Wayne. Again, it's lining up relatively well to plan. We're slightly lower because we are taking that stockwork. It's very difficult to speak to that stockwork and the impact overall, but as we go through the year we'll bring more and more into the plan and more of the high-grade stuff and hopefully go back to that stockwork later on.

Wayne Lam:

Okay. Maybe just as a follow-up to that, the mine plan in the early years of operation is in the realm of 230 grams to let's call it 280 grams per tonne silver. When would we expect that type of material to be mined and processed through the mill? Is that more of a '27 thing?

Dan Dickson:

Exactly, 2027.

Wayne Lam:

Okay. Okay, clear. Maybe just last one for me, just on the guided capital spend this year. There's been quite a bit of spend budgeted at Terronera, particularly towards additional mine development, which is driving your higher ASIC. Just wondering if that reflects a catch-up on development that was anticipated to have been completed through the initial construction period, and if that drops off substantially as we progress through the year, or would you see your development meter still as relatively behind where you'd like to be through the early stages of the operation?

Dan Dickson:

Yes, we're a little bit behind, but not relatively behind. You'll see that in our guidance that we put out in January we had a \$56 million capital budget for Terronera, and then similarly, I think we spent almost \$17 million in Q4 at Terronera, which we defined as sustaining capital.

Obviously, moving from construction into commercial production, we have had some capital programs slosh into Q4 and ultimately Q1/Q2. As we move forward through Terronera, we expect that to come down.

There are one-time activities that are included in this CapEx. For example, as we already talked about, the LNG plant and completion of that. We're waiting on a CONAGUA permit for Waste Dump 2. That's going to reduce our trucking capacity and we'd have some development around Waste Dump 2. We expect that.

We have a backfill plant that we're currently leasing. We're going to buy that.

So, there's a number of one-time items in our sustaining CapEx that you could argue is related to the actual build of Terronera. Obviously, we're taking that through sustaining CapEx. We don't want to play with numbers and start calling certain things growth or sustaining, so at this point it is what it is, but do expect that to come down as we move through 2026 and ultimately 2027. We expect to be at a regular sustaining CapEx rate.

Wayne Lam:

Okay, perfect. Thanks for taking my questions.

Dan Dickson:

No problem. Thanks a lot, Wayne. Those are very good questions. Thank you.

Operator:

The next question comes from Heiko Ihle with H.C. Wainwright. Please go ahead.

Heiko Ihle:

Hello, Dan and team. Thanks for taking my questions.

Dan Dickson:

Hey, Heiko. Nice to hear from you.

Heiko Ihle:

Hey, so Terronera commercial production obviously was October 1st. We'll be in March 1st here in the very near future, so it's five months later. You want to just maybe provide the audience here with a little bit of colour on how things went since then? Maybe things that went better, things that went worse, any sort of bottlenecks in supply chains or at site? Or just things that came a little bit different from your expectations. Again, not necessarily just worse, but also, I assume some things went substantially better than you thought.

Dan Dickson:

Do you mean over the course of the construction period or just over operations over the last five months, Heiko?

Heiko Ihle:

Operations over the last five months.

Dan Dickson:

To be honest, it's our first time doing an initial build, our first mine that we brought into commercial production. Obviously, there's things that have gone extremely well, things that we wish could be better. I think it's normal through a ramp-up phase, two steps forward, one step back, through all our past experiences and Don's experiences.

There's things that we felt like we could improve on maybe from an initial startup and ramp-up, better knowledge almost of going to the initial plan. Everybody has different ideas and it's sticking to the original plan. Then from that, starting with the variables of trying different reagents at different times, putting various options through it.

Because of the terrain around Terronera, the topography at all—it's very mountainous—we don't have a lot of flexibility with lay-down yards. So, we only have about 80,000 tonnes, even less than that right now, of stockpile that sits near the plant. What comes out of the mine kind of gets fed right into the plant. So, we're continually learning about the ore body, trying to find what's best from a recovery standpoint. But again, January/February, we've seen very good throughput

up until Sunday night. We obviously shut down for a couple of days. But again, going forward, we expect that to be very good.

It's the gradual ramp-up of recoveries. We've been running lower silver grades, as Wayne kind of pointed out and those will improve as we go through the year. We expect recoveries to improve with that.

I think our team has been phenomenal at finding flexible ideas, using Plans B and C to get to where we need to get to. But now we want to get into the rhythm, kind of be steady state, and get into normal course operations. We look forward to that.

Heiko Ihle:

Fair enough. Then just a little bit more touchy-feely, silver is at 94 right now. Assuming silver prices stay here or maybe even go up a little bit more, is there an impact, a quantifiable impact of where you mine across your asset base and what you internally are envisioning on mining costs, like direct costs for labour and longevity across your asset base?

Dan Dickson:

It's a very broad question. With \$94, first off, it's a phenomenal environment and we expect cash flows to be very significant.

There's a big impact to us at Guanacevi because we pay a royalty at Guanacevi – 16% to Minera Frisco that owns the main concessions of that. Further there, with tolled ore, I think in Q4 we did close to 20% of our throughput was tolled ore. That's going to continue. Obviously, there's a lot of family-run operations. The government built in 1981 that Guanacevi plant and we're required to take up to 10%, and quite frankly, it extends the life of our mining. We have good margins on some of that tolled ore. It's just expensive to buy.

Then, flipside of that is special mining duty, which is an MBDA tax and that's included in our cost per tonne and our direct cost per tonne.

So, with higher prices—and we put this in our guidance news release—it's going to drive our direct cost per tonne. Again, for our audience, we have a direct operating cost per tonne, which is mining, milling and our indirect costs. Then our direct costs include royalties, duties and

purchased ore. Those last three items go up with higher prices. It's great. We still have great margins, but it means rising cost per tonne. We get a lot of questions of why are costs rising?

For the cost that we can control, we've been through our negotiations with our unions out of Mexico and our general increase is about 6%, which is a bit higher than our budget number of 5%. That was all included in guidance.

Of course, we're going to start seeing pressure on our inputs. I think that's just natural at these prices. It's our job as management to work through that. That's all included in our guidance numbers.

I think it's imperative at Kolpa and Terronera, we have a lot smaller royalties there, so it's easier to contain those costs. But of course, as we evaluate projects going forward, we're looking at these higher prices and what's the impact long-term on costs.

I don't know if that fully answers your question, Heiko, but again, in our guidance news release, we kind of touch on that in depth a bit.

Heiko Ihle:

Yes, I know you did. You got exactly where I wanted to go with this, so thank you very much. I'll get back in the queue. Have a good weekend.

Dan Dickson:

Thanks, Heiko. Very good question.

Operator:

The next question comes from Soundarya Iyer with B. Riley. Please go ahead.

Soundarya Iyer:

Hi team. Congratulations on the quarter.

My question is more on this derivative hedge. There's a good amount of detail in the MD&A, but could you help me understand the remaining notion of exposure and the cash settlement

cadence over the next 12 months? And what about the risk management strategy in order to manage this strength in precious metals?

Dan Dickson:

I'm happy to talk about that. It's an important part right now on our balance sheet that under the project loan facility that we borrowed to build the Terronera mine, we borrowed \$135 million from two lenders. When we went into that facility agreement back in 2022, we were required to hedge 68,000 ounces of gold and we locked that gold price in in March of 2024 at \$2,325.

Today, or at December 31st, we had about 50,000 ounces of that gold hedge remaining. That gold hedge is going to unwind through 2026 and into 2027. I think we're through it in Q2 of 2027.

Ultimately, on our balance sheet, you can see that we do a mark-to-market adjustment that holds that difference; that liability sits on our balance sheet. We recognize that loss on that derivative liability through the income statement in the year. So, it's a very significant amount and we try to adjust it for adjusted earnings purposes.

Again, we as a company have a policy that we would not like to hedge our silver. We have a small hedge in place from a collar, again from that project loan facility, but we have a policy to try to remain unhedged. And of course, from a silver standpoint, if you're making an investment in a silver company, you believe the silver price is likely going higher. We want to give that upside and we feel like there's a lot of upsides there in silver. So, we hedged the gold, which was a byproduct—and again, we're through that mid-2027.

Soundarya Iyer:

Thank you, Dan, for all that colour.

Just one more on this Mexican peso appreciation, which was again a headwind on the costs this year. Any hedging or risk management strategy to cover that for 2026? Is there any sensitivity at what exchange rate does this currency start to impact meaningfully margins or costs?

Elizabeth Senez:

Hi, Soundarya This is Elizabeth. I'll take that question on the foreign exchange.

As you see, we do have some Mexican peso hedges in place. I believe at the end of 2025, they were around 19 peso to the dollar remaining. We don't have very many left and with lower prices, we haven't put many on recently. It's hard to hedge at 17 peso to the U.S. dollar, but we are taking opportunities to hedge where it is appropriate for the Mexican peso.

One of the advantages with adding Kolpa to our portfolio is that we have reduced our percentage exposure to the peso as well, and the sol, the Peruvian sol is more steady for us, so we do have that diversification as well.

Soundarya Iyer:

Thank you, Allison. I'll get back into the queue.

Dan Dickson:

Thanks for the questions, Soundarya.

Operator:

The next question comes from Cosmos Chiu with CIBC. Please go ahead.

Cosmos Chiu:

Hi. Thanks, Dan and team. Maybe my first question is also on Terronera. I'm trying to quantify it. Terronera costs were fairly high in Q4, \$65.70 an ounce. Dan, you've talk about one-time costs, LNG plants and stuff. In 2026, you're guiding to \$28 to \$29. So, I'm just trying to understand how it can drop in 2026. Is it going to be more back-end weighted? Are you going to have some quarters that might be over \$29, some quarters below \$29 an ounce? If you have another quarter of \$65, it'd be hard to average out to \$28 to \$29 for the full year.

Dan Dickson:

The good news is \$65 was in Q4 of 2025. Our guidance is only for 2026. We don't expect Q1 to be as elevated as it was in Q4. We've got some severance costs rolling moving off from various construction people in January, but we do expect that cost to decrease over the year. So Q1 will be higher than Q2. Q2 will be higher than Q3. Q3 and Q4, we have higher grades coming in, so on a per-ounce basis, that cost per ounce can improve. The cost per tonne won't become as drastic.

I would point out that Q4 has the one-time expenditures of \$16 million. It's not necessarily one-time. CapEx expends \$16 million, \$17 million. In Q4, that includes one-time initial CapEx that flowed into Q4. We have that in Q1. We'll have less of that in Q2. Q3 and Q4, we should get pretty flattened out sustaining CapEx. That is going to be the biggest driver of our cost per ounce increase of all in sustaining costs.

Similarly, our cost per tonne, as we get more rhythm at site, we expect that to come in. We move from the temporary diesel gen sets to the LNG plant, that's cost improvement.

So, there's a number of things that are going to come through, Cos, that are going to come through the year.

We've been saying out to the market and to analysts, "Look, Q1 is our first quarter of production. It's not indicative of what the future is going to hold at Terronera."

And again, we expect Q1 to be better. We expect Q2 to be better than Q1, and I think that's going to come through.

Cosmos Chiu:

Great. Thanks, Dan. Maybe broader scale, can we talk a bit about Mexico, Jalisco? Certainly some volatility in the area. Has it resulted or necessitated any change in security protocols on site at Terronera? Has it necessitated any kind of changes to systems in place to make sure that it's—in response to the situation? On top of that, can you talk about supplies on site, consumables on site? Have you stocked up in light of what's happening in terms of fuel, in terms of consumables, in terms of spare parts? How should we look at it?

Dan Dickson:

Those are very fair questions given what we saw this past week.

Obviously, unexpected. I think that was something we've never experienced in Mexico. Our biggest concern, obviously, first and foremost, is for our people and with Jalisco going to Code Red, shutting down Sunday night. The major thing about coming back from an operation is the supply lines out of Puerto Vallarta up to site. We're about an hour and 15, hour and a half drive from Puerto Vallarta to site. Because of the topography of Terronera, we don't have a lot of storage space. We have about one week's supply of food for the camp, two to three days'

supply of water. We had a delivery of water on Monday that helped. Obviously, we were very concerned about diesel and transporting that.

Going forward, I don't suspect we'll change our security around the Terronera mine. It will continue as in. We have to look at our protocols on shipments. So, shipments coming up, shipments coming out, our concentrate shipments.

We already have security protocols around all the shipments going out. Some of the shipments coming up, I think we'll just have to look at that, maybe beef it up a little bit. But we don't expect a dramatic increase in security costs at this time.

Of course, we have to monitor what this impact will have across the region if there becomes instability with all these groups in Mexico. But as of right now, we don't have a huge change, just an increase of presence around our transportation lines.

Cosmos Chiu:

Great. Then maybe one last question, more of an accounting question here. With Bolañitos, the sale closing in Q1, is there any kind of accounting nuances or impact that we should be aware of for Q1? Is there going to be some type of one-time gain or loss?

Then can you talk about Mexican taxes as well? My understanding is that Mexico cash taxes are higher in the first half or even in Q1. Is that what's happening here? And with the Terronera construction costs, the CapEx, does that help you offset some of those Mexican taxes?

Dan Dickson:

Yes, hold on. Can we just clarify your second question about Bolañitos' taxes? You said something around timing at the end of the year.

Cosmos Chiu:

Yes, overall. It's just more Guanacevi, sorry. So, I guess, number one, Bolañitos, the deal is closing or closed in Q1. Are there any accounting sort of nuances or entries or impact that we should be aware of?

And then the second part, just overall Mexico taxes, how we should look at it in terms of quarterly. Sorry, Elizabeth.

Elizabeth Senez:

Yes, this is Elizabeth, Cosmos. I'll take that question.

Yes, the Bolañitos sale closed January 15 and we will be recognizing that during our Q1 financials, obviously. And we are anticipating—as you saw, we sold it for approximately \$50 million. For accounting there's different adjustments to that, depending on the value of the shares that we acquired as a result, and then we were carrying it for around \$25 million at the end of the year, so we are anticipating an accounting gain on that in Q1 and that math can be done using our year-end financial statement.

Your question about Mexico taxes, Guanacevi is paying Mexico taxes and pays installments regularly on those Mexico income profit taxes there.

Terronera, as you commented, does have construction costs, which are recognized as tax losses and as it starts to make taxable profits, those losses will offset those taxable profits during 2026. And then depending on how the silver price goes drives how quickly those losses will be utilized and then when we will start paying income taxes in cash in Mexico for Terronera.

Cosmos Chiu:

Great. So, there's no big true-up in Mexico, Mexican cash taxes in the first half of 2026 where I see that somewhere else in other companies, but I guess not here.

Dan Dickson:

No, on our sale of Bolañitos, we have historical losses that are designed or we can use, but we won't have to pay a tax on our Bolañitos sale.

Elizabeth Senez:

That's our anticipation, yes.

Cosmos Chiu:

Great. Thanks, Dan, Elizabeth. Those are all the questions I have. Thanks a lot.

Dan Dickson:

Thanks, Cos. Good questions.

Operator:

The next question comes from Alex Terentiew with National Bank. Please go ahead.

Alex Terentiew:

Hey, guys. Thanks for taking my questions. I guess I was a bit slow with my fingers.

A lot of questions already asked. But nonetheless, one question still for me here on Kolpa.

Can you just clarify for me, so as it comes to that mine with permitting and getting 2500, are you waiting for additional permits? Because I thought 2500 is kind of the ultimate expansion rate that you want to get at but based on your commentary guidance it sounds like you're going to get there a lot sooner. So, I just want to make sure I'm clear on the expectations there.

Dan Dickson:

Yes, we are getting there a lot sooner. I think it's a testament to the team that we acquired when we bought Kolpa. They're very confident people. In December, they received the construction permit to build out the Kolpa plant, which is really an expansion of the crushing facility, new crusher, ball mill to go to 2,500. Then there's some additional float cells that need to be done. And of course, expanding the mine underground; they received that construction permit. They're almost through that. We expect to be testing the ball mill relatively shortly. So, let's say March.

In our guidance, we did have 2400 tonnes throughput for the average for the year. We've been running just over 2300 over the last couple weeks. There has been a lot of rain in that area and we've been battling how much rain there's been here in Q, so it's slowed us down a little bit from a production standpoint. But the construction standpoint, I can say we've very impressed with how it's gone.

From the construction standpoint, we can operate it, but we do have to get an operating permit, which generally comes a month to two months, maybe three months after the construction phase is done, but we are allowed to test that circuit and go through that. So, again, hopefully in Q2, we're approaching 2500.

The underground mine will be running around 2300 tonnes per day. And as we've talked about before, with the underground mine it's opening up more phases, more employees, staff. You're not going to get a lot of economies of scale from the underground portion of it.

The additional tonnes for the first half of the year will come from a lower grade pit that's within the area and we'll try to fill that with some contractor ore as well.

So, we are ahead on the above-ground surface. There's still some work to be done underground, but we are in very good shape right now.

Alex Terentiew:

Okay, great to hear. Then just one last question on Pitarrilla. A lot is happening there this year. Can you remind me of permitting timelines or kind of what you're doing to advance that this year and what news we maybe could expect, whether it's later this year or early next year on the permitting for that project?

Dan Dickson:

Yes, I'll give a quick overview, and I might pass it over to don Gray, our COO.

Obviously, we're spending \$68 million Pitarrilla. We really believe in the project. We like everything we've seen thus far. What makes Pitarrilla kind of special is the volumes that you can get out in such a tight space. There's a manto that's got 7 million to 8 million tonnes of what would be ore once that feasibility study is complete, and then three feeder structures that come up and through it. We've been working on a mine plan and that mine plan is going to dictate the scale of the plant.

Now, the plant has already been permitted. Underground mining has already been permitted. We're waiting on a tailing's storage facility permit. It's going to be a dry stack tailings. We've been working on the site. We've been working on the engineering but then going back and forth with the state level SEMARNAT on how to submit this and how to submit it most efficiently.

I think right now, our projection is that we're aiming for a Q1 2027 permit to receive that tailings storage facility permit. But beyond that, there's additional permitting that's required, such as LNG for power, but that's something that we can work through during our construction timeline,

as we did with Terronera. Of course, we'll need temporary power source during the construction. It's a question of when we can bring on power sources at the end of that.

Don, I don't know if we want to get into too much more detail of it, but there's a lot of permits that we've gone after. We've spent the past 12 months working on that permit to make sure we're getting ahead of where we effectively were when we started building Terronera.

Don, do you have any colour you want to add?

Donald Gray:

Just that I think the permitting schedule really lines up well with the project work that we need to do to finish the feasibility, get into the basic engineering. Like we mentioned in the press release, the long-lead items or the major pieces of equipment on order so we can do the detailed engineering and then head into construction.

I think what you'll see is the engineering will be quite advanced by the time we go into construction, and we'll have a good idea on where the costs are and that kind of thing.

Dan Dickson:

I think the main gating item we're going to see at Pitarrilla from a construction standpoint is that last permit. We'll be in very good shape, we feel, when we can get that permit.

Alex Terentiew:

Great. Thanks for your time.

Dan Dickson:

Thanks for the questions, Alex. Much appreciated.

Operator:

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

Dan Dickson:

Well, thank you, Operator, and thanks everyone for attending our Q4 financial earnings call.

Again, 2026 will be a big year for Endeavour. We're excited with what we can do with Terronera and getting that operation into a steady state, full rhythm by mid-year; what Kolpa is going to do for us, and ultimately advancing Pitarrilla to take us to where we need to go, and that's, again, our goal to become a premiere senior silver producer.

Thanks a lot and have a good day.

Operator:

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