Endeavour Silver Corp.

First Quarter 2026 Financial Results

Conference Call Transcript

Date: **May 7th, 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

Luis Castro
Chief Operating Officer

Operator:
Welcome to the Endeavour Silver First Quarter 2026 Financial Results Conference Call.

As a reminder, all participants are in 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 Luis Castro, 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.

Endeavour Silver delivered excellent results in the first quarter of 2026, setting new records in both production and revenue. This strong performance generated significant cash flow, underscoring the Company's remarkable growth trajectory.

With the Kolpa plant expansion substantially complete and Terronera's operations performing near design expectations, we are entering an exciting phase for the Company and we look forward to building on this momentum as we progress throughout the year.

In Q1, Endeavour produced nearly 2 million ounces of silver and 12,000 ounces of gold with base metals, totalling 3 million silver equivalent ounces. This represents a 78% increase compared to Q1 2025 with the additions of Kolpa and Terronera.

We reported revenue of $210 million, an increase of 230% compared to prior year, with cost of sales of $116 million, mine operating earnings of $94 million, and mine operating cash flow of $150 million before taxes, a 400% increase from Q1 2025.

Our all-in sustaining costs net of by-product credits were $37 this quarter. This represents a 51% increase compared to Q1 2025 when Kolpa and Terronera had not yet joined Endeavour's production portfolio. It's also worth noting that these costs were 9% lower than Q4 2025, primarily due to the ramp up of operations at Terronera with gained efficiencies throughout the quarter and we anticipate further reductions in these costs as we continue to optimize operations throughout the year and capital expenditures become normalized.

In Q1, Endeavour recognized adjusted net earnings of $59 million or adjusted earnings per share of $0.21. Both direct operating costs per tonne and direct costs per tonne were elevated this quarter. To clarify how we define these costs, our direct operating costs per tonne include direct input costs associated with mining, milling, and site-level G&A. Our definition of direct costs per tonne includes royalties, mining duties, and purchase of third-party material.

Changes in the metal prices have a meaningful impact on our direct costs per tonne. For example, a $1 increase in silver, costs per tonne rise by about $0.90 at Terronera, Guanaceví is $3.80, and $0.50 at Kolpa, obviously due to the higher royalties, mining duties, third-purchase costs, and federally required profit sharing.

Our direct operating costs per tonne rose by 30% in Q1 compared to Q1 last year as a result of the inclusion of Kolpa and Terronera into our portfolio. Both assets carried higher operating costs in Q1 than what is expected going forward.

During the first quarter, Kolpa installed and commissioned a new three-stage crusher and ball mill, increasing plant capacity to above 2,500 tonnes per day. There remains additional plant expansion expenditures, however, these will dissipate as we move through 2026, and we expect to see benefits on cost metrics starting this quarter.

In Peru, we've experienced pressures on attracting and retaining skilled labour, impacting labour costs, training costs, and overall efficiencies. We expect this to continue but the additional costs will be offset by the efficiencies of an updated and expanded operation.

At Terronera, we're in the infancy of operations. In Q1, we made a significant transition from a construction and start-up team to an operations team, adjusting and reducing personnel. Mine and plant metrics have steadily improved through continuous measurement, review, and adjustments. As the operation settles into consistent day-to-day rhythm, cost efficiencies are expected. As one-time capital investments are completed in the first half of the year, we expect operating cost metrics to decrease, with higher ore grades expected in the second half. We also expect significant improvements on a cost-per-ounce basis.

Exploration drilling has restarted at Terronera, and we expect to provide an update later this quarter.

I should note we have not transitioned our power generation to the LNG plant but expect to before the end of this quarter. We have the necessary authorizations and plan to commission the LNG vaporization plant this month.

At Guanaceví, cash flows were north of $20 million this quarter. The mine incurred higher operating costs per tonne, largely due to lower throughput with minor increases in our absolute costs. As an operation, the royalties, purchased ore, mining duties and profit share is a significant part of that cost structure and thus we saw increases. Step-out drilling has commenced, and also, we expect to provide results later this quarter.

As of March 31, our cash position was over $232 million, working capital was north of $173 million, which gives us a strong and stable foundation to drive our ongoing initiatives. We remain committed to advancing progress at Pitarrilla where steady investment in exploration studies and economic evaluation continues to move forward with the expectation to provide economic evaluation in the third quarter.

In closing, our strong financial footing, the successful expansion of the Kolpa plant, and the steady improvements at Terronera have put Endeavour in an excellent position to meet our production targets this year. These achievements reflect our unwavering focus on operational excellence and our ongoing dedication to delivering long-term value for our shareholders.

I'd like to thank everyone for their continued support and engagement, and with that I'm happy to open up to questions. Operator let's proceed to the 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 Heiko Ihle with H.C. Wainwright. Please go ahead.

Case Bongirne:
Hi, team. This is Case Bongirne filling in for Heiko. He's on a flight right now. Thank you for taking our call.

Dan Dickson:
Happy to take your call. Thank you.

Case Bongirne:
Absolutely. First question, the grade step up at Terronera – next week we'll be halfway through the second quarter. Any views of what you've seen with grades at site during this period so far?

Dan Dickson:
Yes, we have Q1 and Q2 grades are a little bit similar. Q2 we expect to be slightly higher than Q1. Ultimately, the real step up in grades is the back half of Q3 and into Q4.

Case Bongirne:
Okay, great. Thank you.

The second question may be a bit of a philosophical one. As Terronera approaches nameplate capacity, could you maybe talk about what you saw and learned during the ramp-up phase that maybe will be useful as you move other assets into production? And I guess as a sweetener to that, anything you expect to add to the Pitarrilla feasibility study that you may not have expected a year ago?

Dan Dickson:
How much time do you have of things that we learned during the Terronera build-out phase? I mean, I think as an organization, it's our first build from scratch, and there's a lot of learning, and I think we can apply a lot of that. In fact, in Q4 and Q1, we did a post-mortem or post-review of construction of things that we can improve, so we can take that over to Pitarrilla.

Obviously, continuity is a very important part. This year, Don Gray retired, and we replaced Don with Luis Castro, who's been with the company for 21 years, but there are a lot of people that remain in the company that were involved with the construction of Terronera. If we can move Pitarrilla along in accordance with what we think is our timeline sometime in 2027, starting that construction, we can benefit from it. From processes and protocols and procedures that would be put in place at Terronera, I think those will be stronger going forward, and it's just a lot better position as a company to take on a second build, so to speak. So, we're well-positioned.

The biggest part of that is really understanding all the permits and permits that are required. As we went through, we originally got our MIA at Terronera about 2015/2016. Pitarrilla already has its MIA. There are some other permits that are required around that MIA, specifically around the tailing storage facility and we're going through that process to try to obtain that by Q1 of next year. But behind all that, there's about 130-some-odd permits that you learn to go through and how to navigate that through the government. I think we have the ability to do that a lot quicker than what we did at Terronera. We're excited about what we gained from a knowledge standpoint at Terronera, and we think we can apply it at Pitarrilla.

For your second part of that question, at this point, there's nothing new that's surprising at Pitarrilla. There's a lot of work that was done. SSR had invested $145 million. They'd done a pre-feasibility study on underground operation in ‘09. They did a lot of work on an open pit operation in their feasibility study; that was in 2012. We've been looking at this now for three years, so there hasn't been anything in the last 6 months to 8 months that has jumped out that's been surprising to us. We have a good indication of what the plant is going to look like and what the capacity of the mine is. That will come out in due course when we put out effectively the feasibility study or 43-101 feasibility study later this year.

Case Bongirne:
Thank you so much. I'll hop back in the queue.

Dan Dickson:
Thank you for your questions.

Operator:
Once again, if you have a question, please press star, then one.

The next question comes from John Tumazos with John Tumazos Very Independent Research. Please go ahead.

John Tumazos:
Congratulations on all the increased production and raining cash and all those good things.

Dan Dickson:
Thanks, John.

John Tumazos:
Some other companies in Mexico have had bumps in the road. One company had their plane shot down a month ago. Another company had a very tragic incident in January. You've got at least four locations where you're operating. Is there any particular secret to your operational success and good security results? I get confused why some parts of Mexico are so much better than others.

Dan Dickson:
Yes, but I think that's the specifics to it all is there are parts of Mexico that are more secure than others. It's not to say that we haven't had our issues. In February, there was a Code Red in the state of Jalisco when one of the captains of the cartel was killed and that on the Sunday following, they put blockades into 22 different states and Puerto Vallarta or the state of Jalisco and around Puerto Vallarta was significantly impacted with blockades of the highways. Now, I

don’t think there was a lot of—there were some unfortunate incidents with citizens, but generally, citizens weren't targeted. It was just a target to the government to show power to that cartel.

For us, it impacted our supply chains and we shut down operations for three days to make sure that if we had any safety incidents, we could get to a hospital. So, it's not to say that we have not been impacted, but I'd say generally our areas that we operate haven't had significant violence. But we’ve got a team in place, a security team in place that provides us intelligence and we make various decisions based on what's happening in Mexico and what's happening in various states.

Again, we've been in Guanaceví for 20 years and very low impact to all that. We actually sold our Bolañitos operation in January, so we're no longer in Guanajuato. Then in Jalisco, like I say, we’re an hour and a half from Puerto Vallarta, which is considered a very safe area other than that two-day event. There’re about 3 million Americans and Canadians that visit that area on an annualized basis. We’re very happy to operate there but we keep our eyes open and ears to the ground and try and understand what's all happening.

John Tumazos:
Are there any variations in cost between your locations due to logistical costs where you maybe avoid a bad neighbourhood or anything like that?

Dan Dickson:
Nothing that would be significant. I can recall back in ’08 or ‘09 we made sure we didn't drive by a certain town, which added about 35, 45 minutes of driving time up to Guanaceví, which was about four hours away. But ultimately, the cost associated with our security between Terronera and between Guanaceví and ultimately also now at Kolpa are very similar. A lot of the same procedures and protocols are in place. So, from a significant standpoint, I would say no.

John Tumazos:
Thank you. I apologize for even asking these questions, but those are things in investors' minds.

Dan Dickson:

No, that’s a very fair question. We get them often in our meetings with investors, so happy to answer them.

John Tumazos:

Thank you.

Operator:

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

Soundarya Iyer:

Hi, team. Congratulations on the quarter. I was on another call, so I don't know if this question has been answered. On Guanaceví, the grades have come pretty low year-over-year. Third-party material purchases have also increased almost one-third. At what point does this ore economics change and start to dilute margins? Did we stop purchasing third-party ore or we continue doing that?

Dan Dickson:

With the higher prices, it obviously allows us to go after lower-grade material. The great thing is we mined Guanaceví now for 20 years and there are areas of the old parts of the mine, North Porvenir and what we call Santa Cruz South and Central Porvenir that would have material left behind that would have been running 200, 225, maybe even 250 gram silver equivalent material that you can go back in and mine. As prices go up, your cut-off grades come down.

Some of the grades that we're pulling right now, we have 275 grams, more from the depth of El Curso which is on the Frisco ground. We pay significant royalty there too. As we move through the year, we're going to be going into an area called Malache, which is 100% controlled by us. We've got an area near Porvenir Dos, which we mined up in 2015. We've been working in there. Some of that's on Frisco's ground, some of it's on ours.

Obviously as a management team, we continually look at grades and cut-off grades and ultimately margins. As provided, Guanaceví is going to still continue to be profitable and as I say, we did north of $20 million of free cash flow there this quarter, we're going to continue to operate it.

Right now, we don't have a huge reserve base. We know we can get into 2027 and maybe into 2028, probably extend that. We're going through that work. We started some drilling in various areas. We started to go back into other areas and build out our resources. We'll have a plan in place for the end of the year of how much longer we'll be at Guanaceví. I suspect we can get there for quite a while, especially at these prices.

Soundarya Iyer:
Got it. That's very clear. Just one more on Pitarrilla FS. Is it still targeted for 3Q2026? Given that the $1.8 million spend in 1Q was pretty low, how do we think of that?

Dan Dickson:
We've made a lot of commitments. Our spend is a little lower in Q1 than we expected, but we've started to push that work. We would be probably a handful of weeks behind, but not a significant amount. We're still hoping Q3 of 2026. Maybe it ends up being more of the back half of Q3 rather than the front half of Q3, but we'll see how all that progresses over the next couple of months.

Soundarya Iyer:
That's great. Thank you. Thanks for taking my question.

Dan Dickson:
Thank you for the questions.

Operator:
The next question comes from Craig Stanley with Raymond James. Please go ahead.

Craig Stanley:
Thanks. Thank you for taking my call, guys. I think you indicated you expect grades to pick up a bit at Terronera in the second half of this year. Are you going to be mining La Luz?

Dan Dickson:
Yes, Craig. Good questions. We're actually drilling La Luz right now. As you probably know, it's about 150,000 to 250,000 tonnes in our mine plan, in our feasibility mine plan. Right now, we're

actually drilling a little bit to depth so we can come up with a more efficient mine plan just because of the scale and trying to figure that out.

We took the rigs out. We were drilling Terronera this past quarter, and those rigs are going back to La Luz now that we have assays. We'll drill La Luz probably until mid-year and then start building a mine plan for that.

I suspect, because of how things are going in Terronera, that La Luz will get pushed to Q1 or Q2 of next year. But again, we'll have drill results out before this quarter is out at Terronera and maybe some at La Luz as well.

Craig Stanley:
Okay. Were you saying on Pitarrilla you're hoping to get the final permits in the first half of next year and then start construction later in 2027?

Dan Dickson:
Yes. Ultimately, we have a very good idea because of what Pitarrilla is and the resources that are there and the underground sulfide resources that we'd be mining from an underground standpoint. I don't necessarily think the economic evaluation is going to be that far off than what we've historically known. But really, the gating item is the permit to build the tailings storage facility, which is going to be a dry stack facility. We've been going back and forth with the authorities on that, hoping we can get through it relatively quickly.

Now, at the beginning of the year, we thought maybe Q1 2027 we could get that permit. Things have seemed to be still sticky when it comes to permits in Mexico. We've heard a lot of our peers expecting permits in Q1, and that never came to fruition. Then it was going to be early Q2, and we're almost halfway through Q2. So, I'm getting a bit nervous on timelines when it comes to permits, just because we haven't seen the floodgates open, so to speak. But that's what we were targeting and if we could start building next year, that would be great.

Now, we are still continuing forward with our construction camp this year. So we have ultimately a plan of 800 beds. I think we're putting in maybe a little bit less than that to start, like 250 to 300 beds, and we're still making our movements to purchase mobile equipment and plant equipment so we can do the basic and detailed engineering properly when it comes to the plant.

So, we're still pushing ahead, but the real kicker for the construction decision is the tailings dam permit.

Craig Stanley:
Okay. Then just the last thing for me, when you're out talking to institutional investors, does M&A come up more in regard to Endeavor Silver being a potential target? Because when you look at the silver space, you have a lot of these companies with much larger market caps, like Pan American, Coor, Hecla, First Majestic, and then it just sort of drops off and you're sort of in this middle stage before you get down into the real smaller producers. I'm just curious, like, Terronera is now ramped up. Is that something that's in discussion? Again, more with clients.

Dan Dickson:
With the investors, people always ask, how do we want to grow? We say we want to be a senior silver producer, and yes, Terronera is ramped up hitting criteria through the plant. I think once those grades really start coming through and we get our costs down to expectations, I think there's a lot more value in our shares there. We want to build that value in our shares.

Ultimately, we're a pretty young management team. I think we're pretty still hungry to grow and find things. Never say never, but it's such a small space that there's only a handful of people that can actually look at us and there's only a handful of things that we can look at.

We have a pretty good corporate development guy. Some days he works hard. He's sitting right in front of me, so. We are always looking at things and trying to figure out the right combination for Endeavour.

Craig Stanley:
Okay. Thank you.

Dan Dickson:
No problem. Thanks for the questions, Craig.

Operator:
We have a follow-up question from Soundarya Iyer with B. Riley. Please go ahead.

Soundarya Iyer:
Thanks, Dan. Sorry for getting another question.

Dan Dickson:
No problem at all.

Soundarya Iyer:
Just curious, on the capital allocation part. You have $250 million in cash and then this has been a record operating cash flow. How are you thinking about some dividends or buybacks? Not this year, maybe, but in the future?

Dan Dickson:
Yes, that's a fair question. For us, we're still on a growth trajectory. We're really excited about what we have at Pitarrilla. I think the market's going to understand that when a feasibility study comes out in Q3. The expectations, the cost to build it's going to be somewhere between $500 million, $600 million. If we keep generating cash at this rate, we'll have a good chunk of that built into our balance sheet by the end of the year and then obviously cash flows into 2027. Until Pitarrilla is built and operating and providing its cash flow is probably the time we'd start looking at dividends or share buybacks. But at this point in time, we feel like the rate of return that we can get out of Pitarrilla will be very valuable for our shareholders and that's what the cash that we're generating is going to be used for.

Soundarya Iyer:
That's helpful colour. Thank you. Thank you, Dan.

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 for all our listeners today. I think Q1 was a good quarter for Endeavour, but we still have more expectations going back to the year. As we say, Terronera's grades should pick up in the second half of the year. Kolpa will be off-training close to 2,500 tonnes per day. We'll get more rhythm at Guanaceví, Terronera, and Kolpa, but

ultimately, we expect a very strong next three quarters and specifically the second half of the year.

We're excited with what we have. We're excited where we're going and look forward to getting a feasibility study out on Pitarrilla in the second half of the year as well. Thanks for joining today.

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