Resource Company Report: Endeavour Silver Corp.

Report Date	August 11, 2026	**Company Type**	Primary Silver Producer
Company Name	Endeavour Silver Corp.	**Stock Symbol**	EXK (NYSE) / EDR (TSX)
Price (USD)	~$7–10 range	**Market Cap (USD)**	~US$2.0–2.5 billion
Shares Outstanding	~296 million	**CEO**	Daniel Dickson
Primary Metals	Silver, Gold; Pb/Zn/Cu (Kolpa)	**Jurisdiction**	Mexico (Terronera, Guanaceví); Peru (Kolpa)
2026 Ag Guidance	8.3–8.9 Moz Ag	**2026 AISC Guidance**	US$27–28 / oz Ag (net by-product)

1. Company Overview & Investment Thesis

Endeavour Silver Corp. (NYSE: EXK; TSX: EDR) is a primary silver producer with operations in Mexico and Peru. The portfolio comprises the new Terronera mine (Jalisco, Mexico), the long-running Guanaceví mine (Durango, Mexico), and the Kolpa polymetallic mine (Huancavelica, Peru). The Bolañitos mine was sold in January 2026. The company is also advancing the large Pitarrilla silver project in Durango. 2026 consolidated guidance is 8.3–8.9 million ounces of silver and 46,000–48,000 ounces of gold, for 14.6–15.6 million silver-equivalent ounces, at consolidated AISC of US$27–28 per payable silver ounce (net of by-product credits). Market capitalization is approximately US$2.0–2.5 billion.

Investment Thesis: Endeavour has transitioned from a mid-tier Mexican silver producer into a multi-mine, multi-country silver company with a new flagship (Terronera) and a growth pipeline (Pitarrilla). H1 2026 results showed strong revenue and earnings growth on higher metal prices and the contribution from Terronera and Kolpa. Near-term catalysts include Terronera grade improvement as higher-grade zones are accessed in H2 2026, cost stabilisation at Kolpa, and advancement of Pitarrilla. Key risks include operational ramp-up at Terronera, cost inflation, Mexican and Peruvian jurisdictional factors, and commodity-price volatility. Relative to pure explorers, Endeavour has producing cash flow and defined guidance; relative to the largest senior silver producers, scale and balance-sheet capacity remain more moderate.

2. Mining and Development Projects

2.1 Terronera Mine (Jalisco, Mexico)

Location / Jurisdiction	Terronera, Jalisco, Mexico; 100% owned; new flagship underground operation
Metals	Silver, Gold
Status	Producing (ramp-up); higher-grade zones expected H2 2026
Resources / Reserves	Large reserve/resource base supporting multi-year mine life (company technical reports); significant P&P; and M&I; ounces
Grades (numeric)	2026 guidance grades improving as development accesses higher-grade areas; H1 processing included lower-grade stockwork
AISC / Costs (USD)	2026 AISC guidance US$28–29/oz Ag (net by-product); cash costs guided negative to low single-digit $/oz on by-product credits
2026 Production Guidance	2.4–2.6 Moz Ag; 35–36 koz Au; ~5.6–5.8 Moz AgEq; 1,950–2,050 tpd
Outlook	Multi-year LOM; grade and cost improvement expected as mine development progresses; LNG plant ramp supports power costs

2.2 Guanaceví Mine (Durango, Mexico)

Location / Jurisdiction	Guanaceví, Durango, Mexico; long-running underground silver-gold operation
Metals	Silver, Gold
Status	Producing
Resources / Reserves	Established reserve/resource inventory; ongoing replacement drilling
Grades (numeric)	Historical and current grades support guidance; Q2 2026 silver production ~0.70 Moz
AISC / Costs (USD)	2026 AISC guidance US$29–30/oz Ag; cash costs US$21–22/oz
2026 Production Guidance	3.6–3.8 Moz Ag; 11–12 koz Au; ~4.6–4.9 Moz AgEq; 1,000–1,100 tpd
Outlook	Ongoing; sustaining capital ~US$24.5 M guided; focus on cost control and reserve replacement

2.3 Kolpa Mine (Huancavelica, Peru)

Location / Jurisdiction	Kolpa, Huancavelica, Peru; polymetallic underground operation; acquired 2025
Metals	Silver, Lead, Zinc, Copper

Status	Producing; integration and cost stabilisation ongoing
Resources / Reserves	Polymetallic reserve/resource base supporting guided base-metal output
Grades (numeric)	Silver plus significant Pb/Zn/Cu by-products
AISC / Costs (USD)	2026 AISC guidance US$22–23/oz Ag; cash costs US$13–14/oz
2026 Production Guidance	2.3–2.5 Moz Ag; 22–24 kt Pb; 16–18 kt Zn; 650–750 t Cu; ~4.4–4.9 Moz AgEq; 2,300–2,500 tpd
Outlook	Multi-year; cost moderation expected as operations stabilise; key diversifier outside Mexico

2.4 Pitarrilla & Exploration

Pitarrilla (Durango, Mexico) is a large silver development project being advanced with increasing capital allocation in 2026. The company also holds exploration ground in Mexico, Chile and Nevada. Bolañitos was sold in January 2026, simplifying the operating portfolio and providing proceeds. Consolidated 2026 sustaining capital is guided at approximately US$91 million across the three operating mines.

3. Exploration & Development Activity

Near-term focus is operational: completing the Terronera ramp to higher grades and steady-state costs, stabilising Kolpa, and sustaining Guanaceví. Development capital is being directed to Pitarrilla. Exploration continues around the operating mines and on regional targets. Success metrics for 2026 are delivery of full-year production and cost guidance, sequential improvement at Terronera in H2, and tangible progress on Pitarrilla technical work and permitting pathway.

4. Management and Board of Directors

Management

Name	Title	Notes	Experience / Successes
Daniel Dickson	Chief Executive Officer	CEO	Leads strategy, operations and capital allocation through Terronera ramp and Kolpa integration
Luis Castro	Chief Operating Officer	Operations	Oversight of Terronera, Guanaceví and Kolpa production and cost performance
Elizabeth Senez	Chief Financial Officer	Finance	Financial reporting, capital structure and working-capital management
Greg Baylock / Gord Bussieres / others	VP Operations / Projects / Corp Dev	Technical & development	Mine operations, project execution and corporate development

Board of Directors

Name / Group	Role	Key Background
Board (collective)	Governance	Oversight of strategy, capital allocation, Terronera ramp and Pitarrilla advancement
Independent directors	Oversight	Mining, finance and capital-markets experience typical of listed silver producers

5. Financial Information

Endeavour generated strong H1 2026 results: revenue ~US$422 million, net earnings ~US$131 million, and mine operating earnings ~US$168 million, driven by higher silver and gold prices and the contribution of Terronera and Kolpa. Cash at 30 June 2026 was approximately US$237 million with working capital surplus of ~US$214 million. Total debt is in the ~US$245–250 million range (including senior convertible notes and the Terronera facility). The company has capacity under an ATM facility.

Balance Sheet Summary (USD)

Line Item	Amount / Notes
Cash & equivalents (30 Jun 2026)	~US$236.6 million
Working capital surplus	~US$214.4 million
Total debt (approx.)	~US$247 million (convertible notes + Terronera facility + other)
Total assets	~US$1.27 billion
Shareholders' equity	~US$712 million
Market capitalization	~US$2.0–2.5 billion

Income / Production Summary

Line Item	Amount / Notes
H1 2026 revenue	~US$422 million

H1 2026 net earnings	~US$131 million
H1 2026 Ag production	~3.82 Moz Ag; ~22.2 koz Au; ~6.78 Moz AgEq
Q2 2026 AISC (actual)	~US$36.89 / oz Ag (elevated vs full-year guidance during ramp)
2026 full-year AISC guidance	US$27–28 / oz Ag consolidated (net by-product)

Capital Structure Summary

Item	Value
Shares Outstanding	~296.1 million
Fully diluted (approx.)	~327 million (incl. convertibles / options context)
Senior convertible notes	Material component of debt; potential dilution ~28 M shares
Terronera debt facility	Up to US$135 M; fully drawn in 2025 context
Market Capitalization	~US$2.0–2.5 billion

Investment Analysis Ratios

Ratio	Value	Notes
2026 Ag production guidance	8.3–8.9 Moz	Plus 46–48 koz Au; 14.6–15.6 Moz AgEq
2026 AISC guidance	US$27–28 / oz	Net of by-product credits
Cash / working capital	~US$237 M / ~US$214 M	Strong liquidity post-Terronera build
Net debt (approx.)	Low / modest	Cash largely offsets debt

6. Company Valuation

At a market capitalization of approximately US$2.0–2.5 billion, Endeavour trades as a mid-tier primary silver producer with a newly commissioned flagship mine and a multi-asset portfolio. Valuation is commonly framed on EV per ounce of annual production or reserves, AISC margins at prevailing silver prices, and peer multiples versus other silver producers.

Discounted NPV discussion: A practical valuation framework sums the discounted cash flows of Terronera, Guanaceví and Kolpa using 2026 guidance as the near-term anchor, then incorporates longer-term mine plans, Pitarrilla development optionality, and exploration upside, less net debt and corporate costs. Key sensitivities are silver and gold prices, Terronera grade and cost trajectory as the mine matures, Kolpa cost stabilisation, sustaining capital, and Mexican/Peruvian operating conditions. H1 2026 AISC was elevated relative to full-year guidance during the Terronera ramp; delivery of the US$27–28/oz full-year AISC target is a central valuation catalyst. Pitarrilla represents longer-dated NAV that is not yet in production cash flow.

Merger & Acquisition Activity

Endeavour completed the sale of Bolañitos in January 2026 and previously acquired Kolpa. No formal public takeover offer for Endeavour has been announced. As a growing primary silver producer with a new flagship mine and a large development project (Pitarrilla), the company could attract interest from larger silver or precious-metals producers, but near-term focus remains on operational delivery and organic growth rather than corporate M&A.;

7. Risks

- Terronera ramp-up risk (grades, costs, throughput) until steady-state is achieved.
- AISC delivery risk — H1 costs above full-year guidance during ramp.
- Commodity price volatility (silver and gold).
- Mexican and Peruvian jurisdictional, permitting and community risk.
- Kolpa integration and cost stabilisation.
- Debt service and convertible-note dilution risk.
- Pitarrilla development timing and capital requirements.

8. Comparative Risk Analysis

On a relative-risk scale of 1 to 7 (1 = lowest risk, 7 = highest risk) versus other primary silver producers with multi-mine portfolios in the Americas, Endeavour Silver is ranked **4**. The ranking reflects moderate risk: a diversified producing base (Terronera, Guanaceví, Kolpa), clear 2026 production and AISC guidance, strong liquidity (~US$237 M cash), and a development pipeline (Pitarrilla), offset by the still-ramping Terronera operation, elevated H1 AISC versus full-year targets, and jurisdictional exposure in Mexico and Peru. Positive factors include the transition to a larger production profile, strong H1 earnings, and a simplified portfolio after the Bolañitos sale. Offsetting factors are ramp and cost execution risk and leverage from the Terronera build and convertible notes. Relative to single-asset or exploration-stage silver companies, Endeavour ranks lower risk; relative to the largest, lowest-cost senior silver producers, residual operational and balance-sheet risk remains. The net result is a risk ranking of 4.

Sources: Company website (edrsilver.com), Q2 2026 MD&A; and results, 2026 production and cost guidance, corporate presentations (April–July 2026), and market data as of early August 2026.