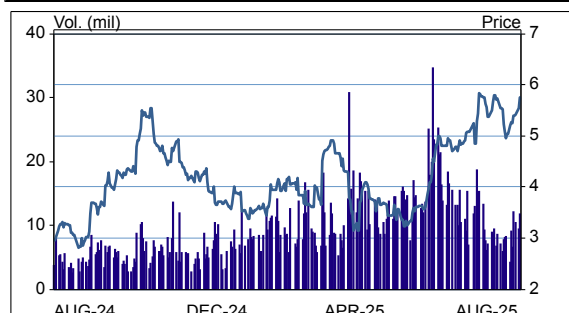


Endeavour Silver Corp. (EXK)
Rating: Buy

Heiko F. Ihle, CFA
212-356-0510
hihle@hcwresearch.com

2Q25 Financial Results Highlight M&A-Driven Revenue Growth; Optimization of Terronera Continues; Reiterate Buy

Stock Data		8/13/2025	
Price		\$5.49	
Price Target		\$8.75	
52-Week High		\$6.04	
52-Week Low		\$2.76	
Enterprise Value (M)		\$1,642.6	
Market Cap (M)		\$1,593	
Shares Outstanding (M)		290.2	
3 Month Avg Volume		13,010,396	
Short Interest (M)		30.70	
Balance Sheet Metrics			
Cash (M)		\$112.2	
Total Debt (M)		\$161.6	
Total Cash/Share		\$0.39	
Cash (M): Includes finished goods inventory.			
EPS (\$) Diluted			
Full Year - Dec	2023A	2024A	2025E
FY	0.03	(0.13)	(0.08)
Revenue (\$M)			
Full Year - Dec	2023A	2024A	2025E
FY	205.5	217.6	396.4



On August 13, Endeavour Silver Corp. (EXK) released its 2Q25 financial results. During the quarter, the company recorded \$88.6M in revenue, which yielded a net loss of \$20.5M, or (\$0.07) per share. This compares to 2Q24 revenue of \$58.3M and a net loss of \$14.0M, or (\$0.06) per share. We emphasize that EXK's increase in revenue is mostly based on the addition of Minera Kolpa amid some preliminary revenue from Terronera. The firm's average realized gold and silver prices increased to \$3,320 per ounce (oz) (+40% YoY) and \$32.95/oz (+14% YoY), respectively. In contrast, however, the higher net loss was mainly due to increased costs, including a larger tax expense of \$9.1M (\$2.9M in 2Q24) and depreciation of \$15.0M (\$8.6M in 2Q24). Despite rising costs during a transitional period, we still anticipate future profitability for the remainder of the year based on strong revenue growth amid future operational improvements. EXK's balance sheet remains strong, with the company holding \$52.5M in cash and cash equivalents, which should allow management to further advance its asset base while sustaining its operations.

Ongoing progress at Terronera. On August 5, 2025, Endeavour provided an update related to the firm's progress made at its Terronera mine. During July, Terronera processed 1,841 tonnes per day (tpd), with current milling rates now ranging between 1,900 – 2,000tpd for a total of 57,080t processed during the month. Since mid-July, silver and gold recoveries at site have averaged 71% and 67%, respectively, with management anticipating a steady milling rate of 2,000tpd as recovery optimization continues. We reiterate our past view that we remain quite pleased with the advancement of Terronera, and stress that the site represents a key asset in the firm's long-term production profile.

We are reiterating our Buy rating on Endeavour and our PT of \$8.75. We adjusted our model with changes that ultimately offset one another. In short, EXK's firm's higher debt balance was offset by an increase in our valuation for Pitarilla (\$100.0M vs \$70.0M). Our valuation for the company remains based on a DCF analysis for Guanaceví, Bolañitos, Terronera, and Minera Kolpa. We continue to utilize unchanged 7.0% discount rates for Guanaceví and Bolañitos and maintain our 9.0% discount rate for Terronera. We apply a 10.0% discount rate for Minera Kolpa. In our view, these discount rates are in line with comparable assets in jurisdictions carrying equal geopolitical risk factors and account for recent strength in peer transactions amid strong spot pricing. We then add the firm's liquid assets of \$112.2M (\$0.39 per share) before subtracting \$161.6M in debt (\$0.56 per share). This yields a NAV of \$1.69B, or \$5.81 per share. Lastly, we apply our 1.5x NAV multiple to achieve our rounded price target of \$8.75.

Near-term catalysts. We remain pleased with Endeavour's revenue growth and stress that the firm's asset base continues to grow. Over the longer-term, we anticipate ongoing profitability for the firm. We also expect additional improvements in Endeavour's production profile following the inclusion of Minera Kolpa and Terronera. In addition, we plan to closely monitor EXK's operating costs as the firm aims to deliver free cash flow and become a senior silver producer. In the intermediate term, we shift our attention to Pitarrilla and anticipate the site to become a meaningful growth driver over the next few years.

Risks. 1) Commodity price risk; 2) financing risk; 3) increase in capital to construct Terronera and 4) operating and technical risk.

<u>Minera Kolpa</u>		<u>2025E</u>	<u>2026E</u>	<u>2027E</u>	<u>2028E</u>	<u>2029E</u>	<u>2030E</u>	<u>2031E</u>
Tonnes Processed (000's)		419	680	700	720	720	720	720
<i>Note: Production extends to 2033 but not shown .</i>								
Silver grade (gpt)		78	90	90	90	90	90	90
Silver Recovery		89.9%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Annual silver production (000's oz)		1,250	1,771	1,823	1,875	1,875	1,875	1,875
% growth			13.0%	4.2%	2.9%	0.0%	0.0%	0.0%
Silver sales price		\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00
Lead grade		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Lead recovery		94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%
Annual lead production		26,043	42,276	43,519	44,763	44,763	44,763	44,763
% growth			62.3%	2.9%	2.9%	0.0%	0.0%	0.0%
Lead sales price		\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85
Silver equivalent ounces		789	1281	1319	1356	1356	1356	1356
Zinc grade		2.25%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Zinc recovery		85.4%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
Annual zinc production		17,745	25,485	26,235	26,985	26,985	26,985	26,985
% growth			43.6%	2.9%	2.9%	0.0%	0.0%	0.0%
Zinc sales price		\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Silver equivalent ounces		538	772	795	818	818	818	818
Copper grade		0.22%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Copper recovery		23.5%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Annual copper production		491	937	965	992	992	992	992
% growth			91.0%	2.9%	2.9%	0.0%	0.0%	0.0%
Copper sales price		\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50
Silver equivalent ounces		15	28	29	30	30	30	30
Total silver equivalent ounces produced		2,592	3,853	3,966	4,079	4,079	4,079	4,079
% growth			48.7%	2.9%	2.9%	0.0%	0.0%	0.0%
Total silver equivalent production		2,592	3,853	3,966	4,079	4,079	4,079	4,079
Total Revenues		\$ 85,526	\$ 127,137	\$ 130,876	\$ 134,615	\$ 134,615	\$ 134,615	\$ 134,615
Cash cost per oz		\$ 14.00	\$ 14.00	\$ 13.75	\$ 13.25	\$ 13.00	\$ 13.00	\$ 13.00
Mining costs		\$ 36,284	\$ 53,937	\$ 54,503	\$ 54,050	\$ 53,030	\$ 53,030	\$ 53,030
Gross profit (in 000's)		\$ 49,243	\$ 73,200	\$ 76,373	\$ 80,565	\$ 81,585	\$ 81,585	\$ 81,585
CapEx (in 000's)		\$ (10,000)	\$ (25,000)	\$ (10,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)
(Tax)	29.5%	\$ (12,558)	\$ (15,424)	\$ (21,239)	\$ (24,181)	\$ (24,507)	\$ (24,507)	\$ (24,507)
Employees' participation	8.0%	\$ (2,135)	\$ (2,622)	\$ (3,611)	\$ (4,111)	\$ (4,166)	\$ (4,166)	\$ (4,166)
Special Mining Tax	1.25%	\$ (334)	\$ (410)	\$ (564)	\$ (642)	\$ (651)	\$ (651)	\$ (651)
Mining royalties	1.25%	\$ (334)	\$ (410)	\$ (564)	\$ (642)	\$ (651)	\$ (651)	\$ (651)
Operating cash flow		\$ 23,883	\$ 29,334	\$ 40,394	\$ 45,989	\$ 46,610	\$ 46,610	\$ 46,610
Cash flow discount rate	10.0%							
PV of operating cash flow		\$ 23,883	\$ 26,668	\$ 33,384	\$ 34,552	\$ 31,835	\$ 28,941	\$ 26,310
Total current cash flow/ Project NAV	\$	251,235						
Common shares		290,171						
Project NAV per share		\$0.87						
<i>Source: H.C. Wainwright & Co. estimates.</i>								

Guanacevi										
Tonnes Processed (000's)			409		420		420		420	
Silver grade (gpt)			266		350		350		350	
Silver Recovery			88.1%		88.2%		88.2%		88.2%	
Annual silver production (000's oz)			4,274		4,166		4,166		4,166	
% growth					3.7%		-2.5%		0.0%	
Silver sales price		\$	33.00	\$	33.00	\$	33.00	\$	33.00	\$
Gold grade (gpt)			1.20		1.10		1.10		1.10	
Gold recovery			91.2%		91.0%		91.0%		91.0%	
Annual gold production (000's oz)			13.2		21.9		22.5		23.2	
% growth					-11.6%		58.4%		70.4%	
Gold sales price		\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$
Total silver equivalent ounces produced			5,475		6,156		6,214		6,273	
% growth					19.0%		13.5%		1.9%	
									0.9%	
									0.0%	
									0.0%	
Total silver equivalent production			5,475		6,156		6,214		6,273	
Total Revenues		\$	180,684	\$	203,135	\$	205,066	\$	206,997	\$
Cash cost per oz		\$	11.50	\$	11.50	\$	11.50	\$	11.50	\$
Mining costs		\$	62,965	\$	70,789	\$	71,462	\$	72,135	\$
Gross profit (in 000's)		\$	117,718	\$	132,345	\$	133,603	\$	134,861	\$
CapEx (in 000's)		\$	(5,000)	\$	(5,000)	\$	(5,000)	\$	(5,000)	\$
(Tax)	32.0%	\$	(36,070)	\$	(40,751)	\$	(41,153)	\$	(41,556)	\$
Operating cash flow		\$	76,648	\$	86,595	\$	87,450	\$	88,306	\$
Cash flow discount rate	7.0%									
PV of operating cash flow		\$	76,648	\$	80,930	\$	76,382	\$	72,084	\$
									67,368	
									62,961	
									58,842	
Total current cash flow/ Project NAV	\$		495,215							
Common shares			290,171							
Project NAV per share			\$1.71							

Source: H.C. Wainwright & Co. estimates.

<u>Bolaniitos</u>		<u>2025E</u>	<u>2026E</u>	<u>2027E</u>	<u>2028E</u>	<u>2029E</u>	<u>2030E</u>	<u>2031E</u>
Tonnes Processed (000's)		395	400	400	400	400	400	400
Silver grade (gpt)		54	52	52	52	52	52	52
Silver Recovery		81.9%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%
Annual silver production (000's oz)		569	539	539	539	539	539	539
% growth		0.3%	19.1%	-5.3%	0.0%	0.0%	0.0%	0.0%
Silver sales price		\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00
Gold grade (gpt)		1.7	1.9	1.9	1.9	1.9	1.9	1.9
Gold recovery		86%	86%	86%	86%	86%	86%	86%
Annual gold production (000's oz)		19.8	21.8	21.8	21.8	21.8	21.8	21.8
% growth		-13.5%	-13.7%	9.9%	0.0%	0.0%	0.0%	0.0%
Gold sales price		\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Total silver equivalent ounces produced		2,370	2,519	2,519	2,519	2,519	2,519	2,519
% growth		2.7%	-1.4%	6.3%	0.0%	0.0%	0.0%	0.0%
Total silver equivalent production		2,370	2,519	2,519	2,519	2,519	2,519	2,519
Total Revenues		\$ 78,221	\$ 83,115	\$ 83,115	\$ 83,115	\$ 83,115	\$ 83,115	\$ 83,115
Cash cost per oz		\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
Mining costs		\$ 29,629	\$ 31,483	\$ 31,483	\$ 31,483	\$ 31,483	\$ 31,483	\$ 31,483
Gross profit (in 000's)		\$ 48,592	\$ 51,632	\$ 51,632	\$ 51,632	\$ 51,632	\$ 51,632	\$ 51,632
CapEx (in 000's)		\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)
(Tax)	32.0%	\$ (13,949)	\$ (14,922)	\$ (14,922)	\$ (14,922)	\$ (14,922)	\$ (14,922)	\$ (14,922)
Operating cash flow		\$ 29,642	\$ 31,710	\$ 31,710	\$ 31,710	\$ 31,710	\$ 31,710	\$ 31,710
Cash flow discount rate	7.0%							
PV of operating cash flow		\$ 29,642	\$ 29,635	\$ 27,697	\$ 25,885	\$ 24,191	\$ 22,609	\$ 21,130
Total current cash flow/Project NAV	\$	180,788						
Common shares		290,171						
Project NAV per share		\$0.62						

Source: H.C. Wainwright & Co. estimates.

Terronera		2025E	2026E	2027E	2028E	2029E	2030E	2031E
Tonnes Processed (000's)		120	680	680	680	680	680	680
		Note: Production extends to 2035 but not shown .						
Silver grade (gpt)		245	267	280	221	173	199	212
Silver Recovery		87%	87%	87%	87%	87%	87%	87%
Annual silver production (000's oz)		873	5,078	5,326	4,204	3,291	3,785	4,032
Silver sales price	\$	33.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00
Gold grade (gpt)		1.90	1.87	1.85	2.00	2.10	2.02	1.68
Gold recovery		75%	75%	75%	75%	75%	75%	75%
Annual gold production (000's oz)		5.5	30.7	30.3	32.8	34.4	33.1	27.5
Gold sales price	\$	3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Gold:Silver ratio		91	91	91	91	91	91	91
Total silver equivalent ounces produced		1,331	7,634	7,854	6,936	6,160	6,545	6,328
Total silver equivalent production		1,331	7,634	7,854	6,936	6,160	6,545	6,328
Total Revenues	\$	43,918	\$ 251,909	\$ 259,167	\$ 228,898	\$ 203,279	\$ 215,991	\$ 208,820
Cost per tonne	\$	85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00
Mining costs	\$	10,200	\$ 57,800	\$ 57,800	\$ 57,800	\$ 57,800	\$ 57,800	\$ 57,800
Gross profit (in 000's)	\$	33,718	\$ 194,109	\$ 201,367	\$ 171,098	\$ 145,479	\$ 158,191	\$ 151,020
CapEx (in 000's)	\$	(45,000)	\$ (13,000)	\$ (13,000)	\$ (13,000)	\$ (13,000)	\$ (13,000)	\$ (13,000)
(Tax)	32.0%			\$ (60,278)	\$ (50,591)	\$ (42,393)	\$ (46,461)	\$ (44,166)
Operating cash flow	\$	(11,282)	\$ 181,109	\$ 128,090	\$ 107,507	\$ 90,086	\$ 98,730	\$ 93,854
Cash flow discount rate	9.0%							
PV of operating cash flow	\$	(11,282)	\$ 166,155	\$ 107,811	\$ 83,015	\$ 63,819	\$ 64,168	\$ 55,962
Total current cash flow	\$	657,147						
Common shares		290,171						
Project NAV per share		\$2.26						
Source: H.C. Wainwright & Co. estimates.								
		2025E	2026E	2027E	2028E	2029E	2030E	2031E
Consolidated silver equivalent production		11,768	20,160	20,552	19,807	19,030	19,416	19,198
Current value of cash flow	Total							
Valuation for Guanaceví	\$	495,215	\$ 1.71	HCW estimate				
Valuation for Bolañitos	\$	180,788	\$ 0.62	HCW estimate				
Valuation for Terronera	\$	657,147	\$ 2.26	HCW estimate				
Valuation for Minera Kolpa	\$	251,235	\$ 0.87	HCW estimate				
Valuation for Bruner at cost	\$	10,000	\$ 0.03	HCW estimate				
Valuation for Pitarrilla	\$	100,000	\$ 0.34	HCW estimate				
Valuation for other exploration properties	\$	35,000	\$ 0.12	HCW estimate				
Market value for shares of Guanajuato Silver (GSVRF; not rated)	\$	5,876	\$ 0.02	Market value as of 08/13/25				
Plus cash & equivalents and finished goods inventory	\$	112,220	\$ 0.39	as of 06/30/25				
Less debt	\$	161,606	\$ 0.56	as of 06/30/25				
Total current value	\$	1,685,875	\$ 5.81					
Common shares	290,171	as of August 12, 2025						
EXK share price	\$	5.49	as of 08/13/25					
EXK NAV	\$	5.81						
NAV Premium for target price		1.5x						
Rounded (\$0.25) price target	\$	8.75						
Source: H.C. Wainwright & Co. estimates.								

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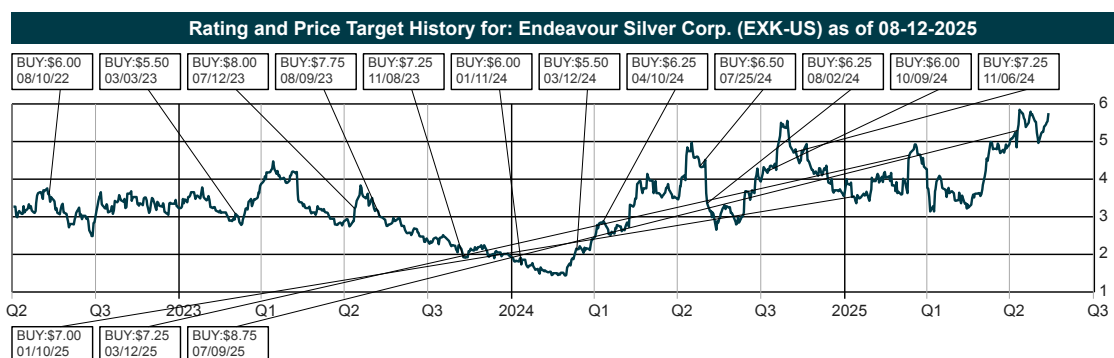
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Distribution of Ratings Table as of August 12, 2025				
Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	542	80.90%	110	20.30%
Neutral	77	11.49%	12	15.58%
Sell	2	0.30%	0	0.00%
Under Review	49	7.31%	14	28.57%

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