

Q4 2025 Earnings Call

Company Participants

- Djarja Traore, Executive Vice President Operations and ESG
- Guy Young, Executive Vice President and Chief Financial Officer
- Ian Cockerill, Chief Executive Officer
- Jack Garman, Vice President Investor Relations

Other Participants

- Alain Gabriel, Morgan Stanley
- Alex Bedwany, Stifel
- Daniel Major, UBS
- Fahad Tariq, Jefferies
- Frederic Bolton, BMO Capital Markets
- Marina Calero, RBC Capital Markets
- Mohamed Sidibe, National Bank
- Ovais Habib, Scotiabank

Presentation

Operator

Good day, and thank you for standing by. Welcome to Endeavour's Mining Fourth Quarter and Full Year 2025 Results Webcast. At this time, all participants are in listen-only mode. After management's presentation, there will be the question-and-answer session. (Operator Instructions). Today's conference call is being recorded and a transcript of the call will be available on Endeavour's website tomorrow.

I would now like to hand the call over to Endeavour's Vice President of Investor Relations, Jack Garman. Please go ahead.

Jack Garman [{BIO 20587124 <GO>}](#)

Hello, everyone, and welcome to Endeavour's Q4 and Full Year 2025 results webcast. Before we start, please note our usual disclaimer. On the call today, I'm delighted to be joined by Ian Cockerill, Chief Executive Officer; Guy Young, Chief Financial Officer; and Djarja Traore, Executive Vice President of Operations and ESG. Today's call will follow our usual format. Ian will first go through the highlights of the quarter and the year. Guy will present the financials and Djarja will walk through our operating results by mine before handing back to Ian for his closing remarks. We'll then open the line up for questions.

With that, I'll now hand over to Ian.

Ian Cockerill [{BIO 1926981 <GO>}](#)

Thank you, Jack, and hello to everyone who's joining us on the call today. Now, 2025 was an outstanding year for Endeavour, in which we delivered a strong operational performance and record financial results. Over the course of the year, we produced 1.2 million ounces at an all-in sustaining cost of \$1,433 per ounce. We achieved the top half of our production guidance with costs in line with a guided range on a royalty-adjusted basis, and our safety record remained sector-leading. Our strong operational performance, coupled with higher gold prices, translated

directly into free cash flow. We generated a record \$1.2 billion of free cash flow, and that's equivalent to over \$955 for every ounce of gold that we produced. This cash generation enabled us to quickly deleverage our balance sheet to just 0.07x net debt-to-EBITDA by year-end, which is well below our through-the-cycle target of 0.5x, positioning us to significantly increase shareholder returns and invest in our exciting organic growth pipeline.

For 2025, we returned a record \$435 million to shareholders, and that's equivalent to \$360 for every ounce of gold that we produced, and 93% above our minimum commitment for the year. That's truly a sector-leading return, and looking forward, we are already increasing returns with a commitment to over \$1 billion minimum dividend over the next three years that we expect to supplement, assuming current gold prices, with at least another \$1 billion of additional dividends and share buybacks. Importantly, shareholders are not the only stakeholders benefiting from our strong performance. We also contributed \$2.8 billion to our host countries, and that includes \$919 million of direct contributions to our host governments, and we significantly increased our in-country procurement spend, reiterating our commitment to our in-country partners and strengthening the resilience of our business.

As we transition into a phase of increased focus on organic growth, we continue to advance the ASSAFOU feasibility study towards completion, which is expected in a few weeks, and the key environmental and exploitation permits have already been approved, and that significantly de-risks our timeline to first gold, which is targeted to H2 2028. Our exploration program discovered 1.5 million ounces this year at Assafou, Sabadola, and Ity. And while we didn't fully replenish reserves, we are strengthening our exploration pipeline to ensure that we sustainably replace reserves, resources, and production depletion as part of our five-year exploration program, as well as adding new high-return growth projects into our pipeline. We started 2026 with a strong operating momentum, and we will remain disciplined as we accelerate organic growth and shareholder returns, delivering on our strategic objectives.

On Slide 7, in 2025, we show how we increase production by 10% year-over-year, driven by the full-year contribution from our Sabodala-Massawa BIOX plant and the Lafigue projects. More importantly, at a realized gold price of \$3,244 an ounce, our all-in sustaining margin expanded dramatically to \$1,811 per ounce. That's up 60% from 2024. Our track record of achieving guidance speaks for itself, and we were pleased to extend that track record in 2025. That means we've now achieved or beaten guidance 12x over the last 13 years. That demonstrates our operational excellence and the high quality of our diversified portfolio.

Looking at the year ahead, on Slide 9, group production is forecast to remain relatively stable as increased production at our Sabodala-Massawa mine will be partially offset by a planned lower production at our Hounde and Lafigue mines, which are entering a short phase of lower grades associated with higher stripping activity. All-in sustaining costs are expected to increase, primarily due to the cost impact of this phase at Hounde and Lafigue. We'll also see the impact of the increase in Cote d'Ivoire's sliding scale royalty rates from 6% to 8%, and a weaker dollar-euro forex assumption for the year. Nevertheless, we'll continue to generate exceptional margins, and we expect to see cost improvements from 2027 as Hounde and then Lafigue complete their current phases of stripping and transition back into higher grade material.

As shown on Slide 10, we're firmly on track to achieve our 2030 production target of 1.5 million ounces, representing a 27% organic growth from this year. This growth will be driven by the targeted addition of production from Assafou for the second half of 2028, and the production growth that will be coming from Sabodala-Massawa. At Sabodala-Massawa, we continue to drive improvements in BIOX throughput and recovery rates, and in the second half of the year, we are starting some underground development to support high-grade underground ore through the

CIL plant. Importantly, we expect to achieve this growth while improving all-in sustaining costs, positioning us again in the lower quartile by 2030. Our production growth last year, combined with strong gold prices, supported record operating cash flow and record free cash flow of \$1.2 billion in 2025. So that's equivalent to \$955 of free cash flow for every ounce of gold produced, and we'll continue to maximize cash flow for every ounce of gold we've produced. We're chasing margins and not just chasing ounces.

This strong cash flow helped rapidly deleverage our balance sheet that Guy will walk us through shortly. The free cash flow outlook for 2026 is strong, with us well-positioned relative to our gold peers due to stable production and CapEx year-on-year, the completion of our hedging program, and improved gold prices. Importantly, the gold mining sector is still good value for money relative to other sectors.

On Slide 13, for the year, we returned a record \$435 million to shareholders, \$360 for every ounce that we produced. Now, since we started paying shareholder returns five years ago, we've returned \$1.6 billion, or 83% above our minimum commitment, and we have increased dividends per share and total returns per ounce produced every year, a trend we expect to continue in this higher gold price environment.

As shown on Slide 16, our '25 returns compared very favorably with our peers, both on a per ounce basis as well as in terms of yield. While the gold sector has not historically delivered an attractive yield compared to other sectors, we see that changing, and we want to maintain -- to remain a sector leader so that we're not just attractive for gold investors, but appeal to a wider investment base that seeks reliable yield in a macro landscape of rate declines. In January, we announced our updated shareholder return program for '26 through '28. We will return a minimum of \$1 billion dividend over '26 to '28, and that's based on the assumption of a gold price of \$3,000 per ounce, and similar to our previous program, at high gold prices, we'll supplement that minimum. As I mentioned, we've paid 83% above the minimum over the past five years, and we'll do that, and with gold prices where they currently are, we expect total returns to more than double our minimum commitment over the next three years.

Moving on to growth and our flagship Assafou project on Slide 18, we're progressing very well and the project remains on track with key environmental and exploration permits now approved, and that significantly de-risks the project pipeline. The feasibility study mine plan is expected to be well aligned with the pre-feasibility studied plan. And the feasibility study will incorporate higher CapEx due to optimizations following additional grade controlled drilling results, a more scalable processing plant design that can be expanded in future, and an extended road and power line diversion, which is aligned with both community and government requirements, which will bring slightly higher initial capital costs. More detail on the feasibility study will be released at the end of this quarter as we formally announce the results of our feasibility study in a separate standalone presentation.

On Slide 19, I wanted to highlight some resource expansion and permit consolidation that we have been busy with at Assafou and across the wider belt. We increased measured and indicated resources by 13%, largely thanks to the Maiden Resource at PalaTrend 3, which is the first satellite target that we've defined at Assafou. Now while the resource is initially quite small, it is less than two kilometers away from Assafou. It's over 1.5 grams per ton of oxide material that starts from surface. So it supports significantly increased operating flexibility at Assafou, and we expect it to be the first of many satellite resources that will ultimately support the upside at Assafou. Our strategic partner Koulou Gold has also successfully acquired the permit to the south of Assafou, in addition to their permit to the east, helping to consolidate this highly prospective underexplored belt.

Exploration has been our most significant value creator over the last 10 years. We have now discovered more than 22 million ounces of measured and indicated resource for a discovery cost of less than \$25 per ounce, including discoveries of the cornerstone Lafigue, and Assafou deposits. This year, we discovered 1.5 million ounces at Assafou, Sabadola-Massawa, and Ity, which only partially offset the production depletion and model optimizations that took place across the balance of our portfolio. Over the next five years, we are targeting the discovery of between 12 million to 15 million ounces of measured, indicated, and inferred resource. That target comprises six million to nine million ounces of our existing operations to replace production depletion and up to six million ounces from greenfield resources, including the potential discovery of up to two or three new projects focused on strengthening and diversifying our long-term greenfield pipeline.

As outlined on Slide 22, despite Endeavour's strong performance and strong outlook that is underpinned by substantial organic growth, we still have a compelling value proposition, not only amongst gold peers, but across most other sectors as well. As we continue to deliver consistently, invest in sector-leading organic growth, and deliver sector-leading returns, while retaining our disciplined approach to capital allocation, we expect to unlock even more value. As a long-term partner in West Africa, our resilience is underpinned by our ability to continue to deliver value to all our stakeholders. In 2025 alone, we contributed \$2.8 billion to host economies, including \$919 million in payments to host governments in the form of taxes, royalties, and dividends, and \$270 million in wages, and \$1.6 billion on procurement in-country. We also maintained our strong ESG track record, which is a reflection of our consistent commitment to excellence in ESG, and this is best shown in our impact over the last five years.

Since 2021, we've delivered more than \$11 billion in total economic contribution, including \$3.3 billion to host governments, and \$6.6 billion in local procurement. Beyond this economic contribution, we have made tangible impacts to local livelihoods through our social investments, including providing 55,000 people with access to quality healthcare, 38,000 children with educational support, and nearly 10,000 people with economic development opportunities. Generating shared value that benefits all our stakeholders is key to sustaining our success, and I encourage you to view our sustainability report that we've published today.

And with that introduction, please let me hand you over to Guy, who will take you through the financials in more details. Over to you, Guy.

Guy Young [{BIO 17903323 <GO>}](#)

Thank you, Ian, and hello, everyone. As Ian mentioned, 2025 was an exceptional year financially for Endeavour, with record results across all key metrics. We produced 1.2 million ounces at an all-in sustaining cost of \$1,433 per ounce, or \$1,305 per ounce when adjusted for gold-price-driven royalties. With a realized gold price of \$3,244 per ounce, we generated record-adjusted EBITDA of \$2.3 billion, up 75% year-over-year, and adjusted net earnings of \$782 million, up 244% year-over-year. Free cash flow reached another record \$1.2 billion, up 269% from 2024.

Turning to Slide 25, for the fourth quarter specifically, production increased by 34,000 ounces to 298,000 ounces due to higher grades across the portfolio in line with the mine sequence. Our all-in sustaining margin also increased to \$2,225 per ounce, a \$547 increase compared to the prior quarter due to improved gold prices.

On Slide 26, we can see that the improved gold price translated into a 46% increase in adjusted EBITDA for Q4, as we generated \$681 million, with our adjusted EBITDA margin also increasing quarter-over-quarter. The higher EBITDA naturally drove an improvement in operating cash flow, as shown on Slide 27. Our operating cash flow in Q4 was up 97% from Q3 to \$609 million,

benefiting from the higher Q4 production, higher realized gold prices, and seasonally lower tax, sorry, cash taxes.

The operating cash flow bridge on Slide 28 shows the key drivers of the \$300 million increase from Q3 to Q4. The realized gold price increased by \$626 per ounce, which added \$208 million of operating cash flow. Gold sales increased by 44,000 ounces, contributing a further \$156 million. Cash operating expenses were up \$177 million due to increased production, increased royalties due to gold prices, and increased royalty rates in Cote d'Ivoire. Income taxes paid decreased by \$44 million due to the seasonality of cash tax payments and the typically lower payments in Q4. And working capital improved by \$69 million, as the buildup of inventories and VAT receivables slowed and was offset by a slight increase in payables at the end of the year. I highlighted that we were expecting to see improvements in our working capital last quarter, and pleasingly, Q4 was a significant improvement over Q3. This year, we're expecting this to improve further. We expect to further reduce inventory as we start drawing down on stockpiles at Lafigue and Hounde, as we will be relying on stockpiles to support the mill feed during H1, as we concentrate on stripping at both sites, in line with mining sequence.

And we expect our VAT receivables to also improve as the timing of the VAT recovery cycle normalizes in Cote d'Ivoire and Senegal. And in Burkina Faso, we will continue to convert our VAT receivables into marketable debt instruments and sell them on the open market. Free cash flow in Q4 reached a record \$476 million, up 187% from Q3, driven by the stronger production, higher gold prices, and lower seasonal taxes. For the full year, free cash flow was \$1.156 billion, up 269% from 2024, marking a significant inflection in our cash generation capability following the completion of our last growth phase. It is pleasing to be converting strong operational performance into free cash flow, and we are effectively and efficiently upstreaming that cash to support our increasing shareholder returns. Last year, with great support from our host nations within the West African Economic Union and the Central Bank of West African States, we successfully upstreamed \$1.2 billion, leveraging our annual cash upstreaming model, which serves us and our in-country stakeholders very well, as it provides early visibility on cash movements, foreign exchange requirements, and minority interest dividend withholding tax quantum.

Moving on to Slide 30, the change in net debt bridge on the slide shows how we're able to rapidly deleverage the balance sheet. We started Q3 with net debt of \$453 million and generated operating cash flow of \$609 million. After investing activities of \$133 million and financing activities, including dividends and buybacks of \$181 million, we ended the quarter with net debt of just \$158 million. This represents a comfortable leverage level of only 0.07x, down from 0.21x at the end of Q3, and well below our through-the-cycle target of 0.5x. We reduced our net debt by \$574 million and also reduced our gross debt by \$511 million last year, leaving us with over \$1.1 billion of liquidity available through our cash on hand and our undrawn RTF.

Finally, turning to earnings on Slide 31, I won't go through every line item, but just a few of the highlights. We generated \$665 million of earnings from mine operations for Q4. We recorded \$193 million of impairments, largely across exploration properties, including in particular Bantou, Nabanga, and Kalana, as we don't expect to do any exploration work in the near-term and don't see potential for Endeavour-type assets at any of these properties. Other expenses increased to \$44 million. This does include \$37 million of incremental royalties for 2025 at our Ity and Lafigue mines in Cote d'Ivoire, where the royalty rates for 2025 were retroactively increased from 6% to 8%. The net losses on financial instruments of \$62 million were mainly due to realized losses on gold collars, partially offset by unrealized gains on marketable securities. Last year, the tail end of our hedging program created a significant headwind to our earnings and our free cash flow.

Given the strong gold price environment in particular, pleasingly this year, we are fully unhedged and expect to realize full benefits of this favorable gold price environment. During the quarter, we recognized a \$52 million deferred tax recovery in the quarter as deferred tax liabilities decreased following the impairments of our exploration properties, which I referenced earlier. And adjusted net earnings reached \$293 million, or \$0.93 per share for the quarter.

Thank you. And I'd like to hand you over to Djarja.

Djarja Traore {[BIO 23333772 <GO>](#)}

Thank you, Guy, and hello, everyone. Before discussing our operating results, I want to start with safety, which remains our top priority. I'm pleased to report that we've maintained our industry-leading safety performance in 2025, with a long-term injury frequency rate of just 0.07, which position us as one of the safest graders in the gold mining sector. Before turning to the mine-by-mine review, I wanted to touch on our reserve and resource evolution. During 2025, our P&P reserve decreased by 10%, or 1.8 million ounces, to 16.6 million ounces, driven by 1.4 million ounces of production depletion and the optimizations of several of our reserve models to incorporate updated cost assumptions.

The decrease was partially offset by an increase in reserves gold price from \$1,500 per ounce to \$1,900 per ounce. However, we have not realized the full benefits of this increase, as we have not yet updated the pitch shelves at Sabodala-Massawa and Ity mines, and the full benefits of the higher gold prices is expected to be realized next year, when these pitch shelves are updated. M&I resources also decreased slightly by 4%, or 1.1 million ounces, to 25 million ounces, which is due to 1.6 million ounces of depletion and resource model optimizations, which was partially offset by 1.5 million ounces of discoveries at Assafou, Sabodala-Massawa, and Ity. As part of our new exploration strategy, we are focused on replacing production depletion at our existing assets, while adding up to six million ounces of resources at new greenfield projects to support our long-term growth -- organic growth.

On Slide 35, you can see an overview of our portfolio performance and the 2026 outlook. In 2025, we've achieved a production growth across Sabodala-Massawa, Mana, and Lafigue, while production was lower at Hounde and Ity mines. Looking ahead to 2026, we expect further production growth at Sabodala-Massawa due to continued improvements through the BIOX plant. This increase will be offset by lower production at Hounde and Lafigue, where, as I mentioned earlier, we will be mining and processing lower grades and prioritizing waste stripping. Oil and sustainment costs are expected to increase this year, largely due to an increased focus on waste stripping at Hounde and Lafigue, which will lead to the processing of lower grade ore and a reliance on stockpiles to supplement the feed. In addition to that, the higher royalty rates in Cote d'Ivoire and the lower USD-EUR forex has driven our oil and sustainment cost guidance higher. We expect costs will start to improve next year as this phase of stripping is completed at Hounde and Lafigue.

On a longer-term, we are tracking well towards our 1.5 million ounces target by 2030. And as we incorporate higher grade at Sabadola-Massawa, Hounde, and Assafou in the coming years, we expect to be in the first course quartile when we got to that 1.5 million ounces target.

On Slide 36, with Sabadola-Massawa, we've delivered a strong performance in 2025, achieving the top half of our production guidance range with costs within the guidance range on a royalty-adjusted basis. Production increased 20% year-on-year as the BIOX plant had a full year of production. We expect to see further increases this year as the BIOX throughput continues to increase, targeting 15% above design nameplate, while recoveries continue to improve towards the 85% target. At the same time, we are starting to develop the Golouma underground deposit

to incorporate the high-grade non-refractory underground ore into the mine plan from 2027, and that's supporting a continued production growth and cost improvement

Moving to Hounde on Slide 37, where we've achieved near the top end of our production guidance range last year, with cost-beating guidance on a royalty-adjusted basis. The strong performance was largely due to high grid from the Kari Pump pit. As Ian mentioned earlier, Hounde will focus on weight stripping at the Vindaloo main deposit this year, and as a result, we will be mining lower grid and drawing down on stockpile to supplement the mine ore feed, which results in a slightly lower production and higher cost. As stripping advances, we expect to see rates and cost improve through the year, and notably into next year, 2027. Longer-term, we are excited by the underground potential at Hounde, and we expect to declare a maiden resource for the large high-grid Vindaloo deep deposit during H1 this year.

At Ity on Slide 38, we've achieved the top half of our production guidance, with cost in line with the range, supported by strong mill throughput that has benefited from the use of supplemented mobile crushers. Production is expected to be stable year-on-year, while costs will be higher due to a slight increase in sustained capital related to weight stripping at Ity, Zia, and the Le Plaque pits, but as well as the increase in sliding scale royalty rate in Cote d'Ivoire from 6% to 8%.

At Mana on Slide 39, as expected at Mana, the accelerated development rates improve access to higher-grid underground stops[ph], supporting a stronger production in the later part of last year. As a result, we've achieved the top half of our production guidance, while costs were above the top end of the range, reflecting an increased development and cost, which were associated with a contractual changeover. This year, production at Mana is expected to be stable, as underpinned by improved development rates from our consolidated single contractor underground mining model, coupled with a small volume of open pit feed in the mine plan. These two elements are expected to support an improved throughput year-on-year, which will largely offset the impact of slightly lower grid in the mine sequence. We are continuing to work on improving costs at Mana, prioritizing improvement in grid connection, power stability, as well as underground mining productivity.

Finally, turning to Lafigue on Slide 40, we've achieved our production guidance with above the top end of the range due to higher mining volumes required to support the improved processing throughput rates as the plant continued to deliver well above design template. For 2026, similar to Hounde, Lafigue will be prioritizing stripping activities to improve access to higher-grade ore. The mill feed will be supplemented with lower-grade stockpile material, which combined with the increase in sliding scale rates of royalty in Cote d'Ivoire is expected to result in slightly production and higher cost year-on-year.

Thank you, everyone. I'm now handing back to Ian for the closing remarks.

Ian Cockerill {[BIO 1926981](#) <[GO](#)>}

Thank you, Djaria. Now, as we look ahead, we're extremely well-positioned to continue creating value for all of our stakeholders. Given our strong operational outlook and high gold prices, we expect to generate very strong free cash flow, which given our low leverage, will be used to deliver sector-leading organic growth and sector-leading shareholder returns.

So, thank you for listening. And now, let me hand you back to the operator and let's open up for Q&A. Thank you.

Questions And Answers

Operator

(Question And Answer)

Thank you so much. (Operator Instructions). And now, we're going to take our first question. And it comes from the line of Alain Gabriel from Morgan Stanley. Your line is open. Please ask your question.

Q - Alain Gabriel {BIO 15368001 <GO>}

Yes. Good morning and good afternoon to everyone. Just thank you for taking my questions. Ian, I have a couple of questions. First, can you confirm on your capital allocation that you are thinking about \$1 billion of supplemental buybacks and special dividends above and beyond the minimum \$1 billion that you have set? And if so, what are the next milestones, timelines, and signposts to unlocking these additional returns? Is it the AGM? Is it the Q1 results? How should we be thinking about it? That's my first question. Thanks.

A - Ian Cockerill {BIO 1926981 <GO>}

Okay. Thanks, Alain. Yes, look, just for clarity, we said that the \$1 billion over three years is the minimum that we would be -- that we'll be sort of targeting to hand out to shareholders. That assumes the maintaining a minimum gold price of \$3,000 an ounce. What I was saying is that if you take current spot prices, the very real prospect of an additional \$1 billion, and that will be made up of supplementary cash dividends as well as buybacks. And the buybacks will continue on an opportunistic basis and they will form part of that additional \$1 billion.

Q - Alain Gabriel {BIO 15368001 <GO>}

Thank you. On that question, on the second part of your question of your answer, is it -- should we wait for the AGM for an authorization for the next leg of the buyback or what are the next milestones that we should be waiting for?

A - Ian Cockerill {BIO 1926981 <GO>}

On that note, sorry, I should have been a little bit clearer there. No, look, we've already decided there's not a fixed number in terms of buybacks. It is going to be opportunistic. It will follow what we have done previously. Buybacks form part of the broader capital allocation framework, prioritizing where we get best return on our investment. And as and when we see the opportunity to affect a buyback and get the sort of returns that we're looking for, they will happen automatically. So there's no further sort of approvals needed because in principle, it's already been agreed that we should be doing it.

Q - Alain Gabriel {BIO 15368001 <GO>}

Thank you. That's very clear.

A - Guy Young {BIO 17903323 <GO>}

Sorry, Alain. I was just going to add, I don't think you should expect that at the AGM we'll come out and revise the shareholder returns program per se. Your first clear indication is going to be probably at the time that we're declaring the next dividend. So we're effectively saying we see our way clear at these gold prices, but what we will be waiting for is effectively a period in which, for example, the first half we've earned that cash and therefore we will look to distribute to

shareholders. And that would be the dividend declaration. But we're not looking to revise the shareholder returns program through the period.

Q - Alain Gabriel [{BIO 15368001 <GO>}](#)

Thank you. Thank you very clear. And my second question is on Assafou. I think Ian, in your presentation as well, you touched on the cost being slightly higher than initially anticipated, but also the size of the project resources is also expanding, continues to expand. Can you give us some preliminary hints or indications as to the scale of the increase in CapEx? And given what you've learned in the last few months on production and profile, the production profile and the economics, anything that you can give us in advance of the full feasibility study that you expect to release before the end of the quarter? Thank you.

A - Ian Cockerill [{BIO 1926981 <GO>}](#)

Yes. No, look, I'm not going to be sort of specific. The increases are not out of the ordinary. They are linked as much to changes in scope for the project the project, some subtle design changes. We've picked up on, say for instance, Lafigue, because obviously Assafou is very much, the fundamental design is predicated on what we have at Lafigue. But also on what we've learned at Lafigue, what went well, what didn't go so well, and having looked globally at other projects using sort of HPGRs and making sure that, for instance, our comminution circuits are fit for purpose, robust, and are going to work well. So there is modest increases. I mean, escalation is there. I think everyone is seeing cost creep on these things. So we will be in a position by the end of this month to have finalized the numbers, but it would be premature to give you even an indication at this stage. The number will be going up, but not dramatically.

Q - Alain Gabriel [{BIO 15368001 <GO>}](#)

Thank you. Understood.

Operator

Thank you so much. Now we're going to take our next question. The next question comes from Ovais Habib from Scotiabank. Your line is open. Please ask your question.

Q - Ovais Habib [{BIO 15255902 <GO>}](#)

Thanks, Operator. Hi, Ian and Endeavor team. Congrats on a solid year. Just a couple of quick questions from me. You already answered the question on Assafou CapEx, so that's all good. But just moving on to and keeping on Assafou, maybe talking about PalaTrend 3. It looks like good oxide resource there, good grades there. Will this be included in the DFS, and if not, would it be safe to assume that these ounces will come into the mine plan, the front end of the mine lines?

A - Ian Cockerill [{BIO 1926981 <GO>}](#)

Ovais, look again, just for clarity, no. PalaTrend 3 ounces are not included in the feasibility study. But because it's, as we said, it's very, very close to the actual mine and to the plant, it's oxide material. It's there almost as should you call it, an emergency backup. So it just gives you greater sort of mining optionality and flexibility. But we're seeing even more resource in and around and in close proximity to the plant. So the upside over and above the basic mine plan, it's more than just PalaTrend 3. There are other satellite deposits in close proximity to the plant that will ultimately be included and will form part of the natural, should we call it, evolution and expansion of this plant as we get it up and running, as we de-bottleneck, as we start to probably operate beyond the five million tons. We don't need to include them in the feasibility study, but they will

form, I think, a natural sort of upside to the project and probably will be in the early part of the project, because it's so convenient to get it close by.

Q - Ovais Habib [{BIO 15255902 <GO>}](#)

Thanks a lot, Ian. And just, again, as you were talking about those other satellite targets that you guys are probably targeting, I mean, is Sonia targeting those areas right now in the 2026 drilling program, or is this going to be more once production starts, then you'll continue doing more exploration around the area?

A - Ian Cockerill [{BIO 1926981 <GO>}](#)

No, we haven't really stopped from the time that we started doing all the exploration drilling around there, Ovais. So it's not as if we've got to start doing it. These are projects that have already been identified, some of them that we've done some initial scout drilling, some more advanced than others. I think what I'm really basically trying to say is that this is a permissive area, there's lots of opportunity, and it forms a natural sort of extension to the existing broader regional program in and around Assafou.

Q - Ovais Habib [{BIO 15255902 <GO>}](#)

Perfect. And I don't know if Sonia is online, but just wanted to see where she's more excited about this 2026 exploration program.

A - Ian Cockerill [{BIO 1926981 <GO>}](#)

Look, she's not here at the moment, but what I can tell you is that we've been doing a lot of very interesting work at Sabodala. We've been applying a lot of AI work on that permit. We've identified a significant number of targets, applying this technique over our existing deposits. It identified 99% of the deposits that we already know about. So the fact that we've got a very interesting number of new projects gives me a lot of hope that we'll be finding some more stuff. Effectively, what we've done Ovais, is we've started to join the dots because, as you, we've got lots of deposits in and around, but our knowledge and understanding of how they all interconnect has been somewhat disjointed. We're starting to fill in the gaps in our knowledge, so we're very excited for '26 about what's there and then we're going to take this technique and this technology, we're applying it to Ity South as well as Ity Main and we'll also apply it on our East Star joint venture in Kazakhstan where we've got a massive area.

So, using this technology to help us zero in on target areas as opposed to just trying to cover the whole area makes a huge amount of sense. So, lots of prospect. The other area and more immediately is Vindaloo Deeps at Hounde. Now, we are very, very close to sort of publishing the results of that study. It wasn't quite ready in time for this year's declaration but there's going to be not far short of a million ounces going into resource at Vindaloo Deeps. That's high grade, good quality. I know that Djarra can't wait to get her hands on that.

Q - Ovais Habib [{BIO 15255902 <GO>}](#)

That's good. And my last question just moving on to Sabodala. Djarra mentioned that you're developing Golouma to come into production in 2027. Are there any other satellites that could come into production in the near-term to improve the off-site production?

A - Djarra Traore [{BIO 23333772 <GO>}](#)

Thank you, Ovais. As you mentioned we will be starting. I think we're currently busy finalizing the commercial decisions which contractors select for Sabodala. So, that should be done sometimes by the end of quarter one so that we can start mobilizing equipment into each store this year. We expect that next year we'll be in and around development to start seeing the first ounces sometimes in 2028 which is really that high grade ore that we needed for the CIL plants. We're working very closely with Sonia obviously to see as Ian just mentioned what are the other targets that we can see in and around Sabodala-Massawa. So, I'm sure that the next call we'll be able to start giving you some hints in that as well.

Q - Ovais Habib {[BIO 15255902 <GO>](#)}

Okay. Thanks for that Djaria. And that's it for me. Thanks for taking my questions.

A - Djaria Traore {[BIO 23333772 <GO>](#)}

Thank you.

Operator

Thank you, so much. And now we're going to take our next question. And the question comes from Fahad Tariq from Jefferies. Your line is open. Please ask your question.

Q - Fahad Tariq {[BIO 19821564 <GO>](#)}

Hi. Thanks for taking my question. I apologize if I missed this. Can you walk through the thought process of using \$3,000 an ounce gold to set 2026 guidance? Thanks.

A - Ian Cockerill {[BIO 1926981 <GO>](#)}

It was simply a question of choose a number. The classical approach that we have taken historically is that we give forward guidance on our dividend program. We select a number and then based against our anticipated production and cost profile, we know what our cash generation should be. We're comfortable in guaranteeing that sort of number and then over and above that, that's when we say there will be supplemental returns as well. So \$3,000 was just chosen as a number. We could have taken another number, but we felt comfortable with \$3,000 over the next three years and it's an indication to investors, if you've got that sort of gold price environment, that's what you should anticipate should be coming your way in the form of dividends as they're guaranteed.

Q - Fahad Tariq {[BIO 19821564 <GO>](#)}

Okay. And maybe just -- my question is more on just setting the cost guidance in particular. And maybe -- let me ask in different way. If I think about the year-over-year increase in the Assafou guidance from 2025 to 2026, how much of that would be the higher royalty structure versus the increased waste stripping at Hounde and Lafigue? I'm just trying to get a sense of how Assafou could potentially come down in 2027 once the stripping is complete.

A - Guy Young {[BIO 17903323 <GO>](#)}

Let me try and answer. The \$3,000 is obviously relatively conservative in terms of current spot prices, but we do like to use fairly conservative gold pricing for budget purposes and cost control in the first instance. When it comes to the I think, second part of your question, which was '25 to '26, if you take a look at the overall cost per ounce increase, roughly 15% of that is made up of royalty rate increases and foreign exchange. The remainder is effectively down to the mine

sequencing, which includes a proportion of stripping activities at Hounde and Lafigue, which we mentioned, as well as the cost of stockpile drawdown. And those two factors combined constitute about 85% of that cost increase.

Q - Fahad Tariq {BIO 19821564 <GO>}

Got it. Okay. That's super clear. That's it for me. Thank you so much.

Operator

Thank you. Now we're going to take our next question. The next question comes from Marina Calero Rodenas[ph] from RBC Capital Markets. Your line is open. Please ask your question.

Q - Marina Calero {BIO 23945055 <GO>}

Good afternoon. Thanks for the call. I have a couple of questions. The first one is on your on your reserves. You mentioned that lty and Sabodala are -- don't have the reserves calculated using the \$1,900 per ounce price. I was wondering if you could give us a bit more details about that and how would your group reserves look like if those prices were used across the entire portfolio?

A - Ian Cockerill {BIO 1926981 <GO>}

Sorry, Marina, I didn't get yours. It was a bit garbled. Could you repeat the question again, please?

Q - Marina Calero {BIO 23945055 <GO>}

Is it now better? Can you hear me now?

A - Ian Cockerill {BIO 1926981 <GO>}

Yes, that sounds much better. Thank you.

Q - Marina Calero {BIO 23945055 <GO>}

Okay, sorry about that. I was just asking you about your 2025 reserve statement. I noticed that you are not using the \$1,900 price for Sabodala and lty. So, I was just wondering if you could give us a bit more color about that and how your group reserves will look like if the same prices were used across the entire portfolio?

A - Ian Cockerill {BIO 1926981 <GO>}

Yes, sorry. Now, I understand the question. Look, I think what we have to recognize is that last year, there was massive dislocation on gold prices. For us to produce truly accurate answers about reserves, you actually have to change pitch shelves. The pitch shelves also have to align. It's not just a question of changing the prices. And to be honest, we just -- for the two mines that you mentioned, Sabodala and lty, we just didn't have a chance to do the changes in the pitch shelves. They will take place later on this year. What I -- And from that, we'll see what changes have taken place. What we are seeing though, and this is a very sort of generic statement rather than anything specific about these two operations, is that the intrinsic quality of our reserve base and the relatively flat rate tonnage curves that we've got from our operations means that major changes in the gold price doesn't necessarily have a significant impact on our reserves either going up or going down. But we still need to do the proper engineering with the correct price pit shells. And we simply just didn't have the time to get around to doing it for those two specific mines. But it will be done later this year. And then as we update in the middle of the year, we'll

see those changes coming through as we'll see also the updates coming through from Hounde, which will be able to produce fully QP'd[ph] resource statements from Hounde as well.

Q - Marina Calero {[BIO 23945055](#) <GO>}

Another question on cost. Can you comment on the main stationary pressures that you're saying? And maybe as an extension of that, what is the sensitivity of your own sustaining costs, if any, to the oil price?

A - Guy Young {[BIO 17903323](#) <GO>}

Sure. So, on the first one, in terms of inflationary pressures, we've got somewhere in the region of two-thirds to three-quarters of our costs are effectively local denominated costs in SIFR or ZOF. That local currency is pegged to the euro, and as a result, we see relatively benign inflation for the vast majority of our cost base. If you break down the cost base into its key elements, you'll have labor, which in West Africa, we are very lucky to have a great supply of people, well-experienced people. And as a result, we haven't seen the level of labor inflation that is necessarily being seen in other territories around the world. Local inflation, I think, as a result of the pegging also means that the -- there isn't runaway local inflation that, again, you may see in other territories. So, the fiscal discipline and policy of the regional central bank fundamentally helps us from an inflationary perspective across the majority of our costs.

In addition to that, we've obviously got medium long-term contracts that help us manage over time associated with agreed to contractual rise and fall. So, there again, that's on our side rather than helping it from an inflationary perspective. More importantly to the second part of your question, oil or energy represents a fairly significant proportion of our cost base as well. But it's important to note that the three host nations in which we're operate in all have relatively strict sets of pricing mechanisms, whereby the vast majority of host nations are maintaining a very low level of volatility of fuel prices on the ground to international oil prices. So, we have not seen either the highs or lows in terms of volatility that other countries have seen over the last number of years.

On top of that, the vast majority of fuel that is supplied into West Africa is not coming from the Middle East. So, our actual reliance in terms of security of supply is much more focused to Northwestern Europe and Africa itself. And consequently, when we look at oil shocks, we tend to see it more as a question of pricing rather than security of supply. But even with that pricing, because of the government's pricing mechanisms, volatility is not significant for us from an all-in sustaining cost perspective.

Operator

Excuse me, Marina. Any further questions?

Q - Marina Calero {[BIO 23945055](#) <GO>}

No. That's all I have. Thank you.

Operator

Thank you so much. And now we're going to take our next question. And the next question comes to the line of Alex Bedwany from Stifel. Your line is open. Please ask your question.

Q - Alex Bedwany {[BIO 22933349](#) <GO>}

Yes. Good day, everyone. Thanks for taking my question. Just one simple question for me. So, Guy, I want to pick up on something you alluded to earlier when you said Endeavour-type assets when referring to the exploration impairment. At this point in time now, what constitutes an Endeavour-type asset and has that changed in the last couple of years?

A - Guy Young {[BIO 17903323 <GO>](#)}

Thanks very much. No, it hasn't changed. You're right. It was shorthand, but what we're talking about is the same key elements that we would have always described as an Endeavour-type asset. So, it's life of mine, cost profile, and size, i.e., annual production. They're the same.

Q - Alex Bedwany {[BIO 22933349 <GO>](#)}

And what sort of thresholds are we looking at? Is it minimum 250,000 ounces?

A - Guy Young {[BIO 17903323 <GO>](#)}

Oh, sorry. Exactly. It's 250,000 ounces annual production. It's 10 years plus, and it's first quartile cost producer.

Q - Alex Bedwany {[BIO 22933349 <GO>](#)}

Okay. Thank you very much.

A - Guy Young {[BIO 17903323 <GO>](#)}

Thank you.

Operator

Thank you. Now we're going to take our next question. And the question comes from Frederic Bolton from BMO Capital Markets. Your line is open. Please ask your question.

Q - Frederic Bolton {[BIO 23038194 <GO>](#)}

Hello. Good afternoon, Endeavour team, well done on it. Good year[ph]. So, just two questions for me, as various has already answered them for me. So, first on Koulou, given your 19% position in the company, should we think of that as a stake, think of that stake primarily as an investment today, or is that one that carries a longer-term strategic value in the portfolio? And then second question, given there's been a bit of industry discussion around royalty rates in Cote d'Ivoire, when you think about the costs over the long-term, what are the sort of key operational or financial neighbors you can mitigate or offset against the royalty pressures when you look at project economics? Thank you.

A - Ian Cockerill {[BIO 1926981 <GO>](#)}

Yes. Look. I mean, we've been involved in Koulou Gold for several years now. We think it's a very interesting project. I think everything that we saw right from the get-go, the more that the guys look, the more that we appreciate what's there, that whole Southeastern corner of Cote d'Ivoire is turning into a very interesting, from a geological perspective, because it's not Berymian[ph], it's not Tarquian[ph], it's really the transition between the two. So what you have is you have Berymian-type grades, but you have Tarquian-type, shall we call it, size and scale. So it makes it a very, very interesting part of the world. At a 19% stake, we're comfortable with where we are. We have someone who sits on the Board, and we're watching very closely what is going on there.

And we have good cooperation with Koulou. On the royalty, I'm going to pass you over to Guy. Guy has been very much involved with the discussions with the government on royalty. Guy, over to you.

A - Guy Young {[BIO 17903323 <GO>](#)}

Thanks, Ian. I think your question around the royalty is more where are the opportunities to offset an increasing royalty environment. So is that the question?

Q - Frederic Bolton {[BIO 23038194 <GO>](#)}

Yes. That's the question. Yes.

A - Guy Young {[BIO 17903323 <GO>](#)}

So I'll start off, and I'm sure Djarra may want to add here as well. But if we look at fundamental offsets, I would suggest it's probably in a couple of areas. The first and most obvious one is just day-to-day, month-to-month, year-to-year productivity gains. So we do whatever we can to be mining and processing on a more efficient basis, and we have a productivity program in place across sites that is going to play a partial role of offsetting the royalty cost.

The other piece, and the one that we're trying to talk about in today's slide deck, is also just to maintain a perspective that we will continue to add higher-grade options to our portfolio. And that's through, obviously, exploration in the first instance, but then through, as you mentioned earlier, investments in the likes of Koulou. The ability for us to do that from a diversification perspective and ensure that we're improving grade being fed into the mills is naturally going to be assisting us in terms of cost. And then one thing which I think is longer-term, which I don't want us to lose sight of, is new growth based on that exploration in West Africa comes at a lower capital intensity. So, those three elements for me would be key offsets in West Africa in total, but specifically to your question in Cote d'Ivoire as well.

A - Djarra Traore {[BIO 23333772 <GO>](#)}

If I can, just to add in there, just to reiterate what Guy had mentioned, is really for us in terms of operations to look at way of reducing mining costs. And that really goes through several opportunities, initiatives that we're currently putting in place with the team on site. Obviously, we do know about the Ity Donuts[ph]. We also know about the Ity Grand Pit. What it allows us to do is to be able to look at different type of equipment, either bringing bigger equipment or just a mix of equipments so that we ensure that we optimize those costs. So, that's one of the lever. The other ones in terms of our fixed length is to ensure that we keep our throughput optimal, maximize it. And if we add capacity is just, again, it's really to look at different initiatives to ensure that we are processing those ore -- high-grade ore that we have. And I think it's really, again, with the team to think outside of the box. What are different levers and different initiatives that we can put in place on a daily basis.

Q - Frederic Bolton {[BIO 23038194 <GO>](#)}

Okay. Thank you. That's crystal clear. Thank you for the comprehensive answer. Over to the operator. Thank you.

Operator

Thank you. Now we're going to take our next question. And the question comes from Mohamed Sidibe from National Bank. Your line is open. Please ask your question.

Q - Mohamed Sidibe [{BIO 21316472 <GO>}](#)

Hi, Ian and team. And thanks for taking my question. Maybe if I could just follow-up on the royalty rates and not necessarily in Cote d'Ivoire, but just if you could comment on anything that you may be seeing either in Burkina or in d'Ivoire Coast or Senegal, as you relate to that pressure for potential higher royalty rates. We know that Cote d'Ivoire just went through, but any comments would be appreciated on the remainder of your portfolio. Thank you.

A - Ian Cockerill [{BIO 1926981 <GO>}](#)

Look, I mean, as far as Burkina's concerned, I mean, the royalty rates in Burkina are well-established. We know there's a sliding scale. They're getting towards the top end, but they are well-known. As far as Senegal is concerned, Senegal has not changed its mining code for quite some time. And there's been a sort of some indication that they want to sort of change the mining code. We do, though, have a sort of a grandfathered project at Sabodala and that, Sabodala-Massawa, that basically we're grandfathered to file until 2040, so a mining convention. But if they want to change the sort of royalty rates or what have you, that is usually outside of any sort of mining convention that we've got. At the moment Senegal is lower in terms of the overall rates, much more favorable sort of overall taxation and royalty schemes than the other countries. There's been some suggestion ventilated about them wanting to change that. I would argue that it's likely that the trajectory overall would likely increase, because that seems to be the move everywhere. It's not just here in West Africa, but even in other places around the world. So whilst we're not seeing or hearing anything definitive as yet, if it happened, it probably would not be a huge surprise. But as to quantum, size, change, or when, at this stage, totally unknown.

Q - Mohamed Sidibe [{BIO 21316472 <GO>}](#)

Thanks a lot for that, Ian. And then just my final question on your target for 2030 for 1.5 million ounce of production. I know that Assafou will be a big contributor to that, but could you maybe help us reconcile the potential contribution from Sabodala and Lafigue? Any color on those two would be appreciated. Thank you.

A - Ian Cockerill [{BIO 1926981 <GO>}](#)

Yes. Look, I mean, if you take the existing sort of five assets you could probably sort of look at a relatively steady performance coming from Mana. Hounde would be sort of the mid 200s, maybe slightly higher than the mid 200s. It would be at its steady level, plus minus 300. We'll likely look at a higher output coming from Sabodala as part of the overall program. We were certainly targeting by sort of '28, '29 to be somewhere into the low to mid 300s. I think as an indicative number that is sort of target that we will be looking for. Lafigue anywhere sort of guiding between sort of 180 and 200. And then you're coming in with Assafou, which in '28 and then '29, '29 will be the first targeted first full year of production, but not at full rate. But it will be in 2030 that we'll be getting the full rate at Assafou, which would be sort of in the low 300s.

Q - Mohamed Sidibe [{BIO 21316472 <GO>}](#)

Thank you. That was very clear. Thanks for taking my questions.

Operator

Thank you so much. And now we're going to take our last question for today. And it comes to the line of Daniel Major from UBS. Your line is open. Please ask your question.

Q - Daniel Major {[BIO 17993795 <GO>](#)}

Hi there, thanks. Can you hear me, okay?

A - Ian Cockerill {[BIO 1926981 <GO>](#)}

Yes, Daniel. Good afternoon.

Q - Daniel Major {[BIO 17993795 <GO>](#)}

Hi there. Yes, first question is a follow-up on the first question, actually, around capital returns. Yes, encouraging to see the commitment to lifting cash returns. But if we looked at free cash flow from the business anywhere near two spot prices, you would significantly exceed \$2 billion of free cash over the next three years. I guess the question is, is there a net debt target or net debt level at which you would make a commitment to shareholders to return 100% of free cash to in the form of dividends and buybacks?

A - Ian Cockerill {[BIO 1926981 <GO>](#)}

Yes, I think we said all along that through the cycle, we wanted a net debt target of 0.5x. Clearly, when we're not in the build program, that net debt would virtually go down to zero, maybe even occasionally just flick over a little bit during the build program. We'll be bumping up against the upper limit, closer to 1x debt-to-EBITDA. When the time comes and assuming that we're in the fortunate position that we're generating huge amounts of cash, the way we structured our program gives us absolutely the flexibility to return as much as we can. If there's no other sensible use of our free cash flow, then of course, it's going to go back to shareholders because it's shareholders' money after all.

But, what we've tried to do with our programs is give a base outline at the, what we, as Guy called them, sort of conservative yet rational levels. And then beyond that, as and when we generate the money, it will get dished out to shareholders. So, I don't think there's any need for us to say, well, it's going to be 100% or even less than that. As the time comes, we'll see what we need to do with this. Because one of the last things we want, we don't want to do is we don't want to come through a period of, really good gold prices, just handing back all the money to shareholders and then making sure that our -- the business is not robust and resilient. As we come out the other side of this strong gold price, we want to make sure that we have a business, we have an asset base which is in sound shape, and that may well require some additional capital injections in there. But again, everything will be done assuming our normal sort of capital allocation program and making sure that we get the sort of returns that we're looking for as well.

Q - Daniel Major {[BIO 17993795 <GO>](#)}

Okay. Thanks. Second one just on the portfolio. Mana is the lowest quality of your assets. Would you consider disposing it if a good offer came in is the first question. And the second question, some assets in the region from one of the larger peers in Tanzania DRC may come to the market. Would you be interested in looking at any acquisitions in the region if they were to become available?

A - Ian Cockerill {[BIO 1926981 <GO>](#)}

On Mana, first of all, we're always asked the question about it's our poorest asset. I would advise people just look at the cash generation of Mana. It's generating a lot of cash. It's more than adequately washing its face. If somebody wants to come along and compensate us for that, yes,

as I said all along, all assets ultimately are up for sale. It is simply a question of is someone prepared to pay for it. But bluntly, Daniel, we haven't had people banging the door down, saying we'd like to make an offer for Mana or for any other asset. And that's fine. I'm very happy to continue running those assets as long as they are contributing to the bottom line. As far as -- and if I understand the thrust of your second question, in terms of potential inorganic opportunities, over the last two to three years, we have looked at a variety of assets, all of which we have walked away from because they don't satisfy our return criteria.

Does it mean that we are not going to do inorganic growth opportunities? Of course not. We are in the fortunate position that we have got a very strong organic growth pipeline. And that is where our focus would be. But it is also appropriate for us to look outside of that. As and when opportunities arise, we can look at stuff. And if it makes sense, obviously, we would do it. But again, it has to be, it has to measure up, and to be able to satisfy the sort of returns that we will be looking at as a group, as a whole.

Operator

Excuse me, Daniel, any further questions?

Q - Daniel Major {BIO 17993795 <GO>}

No, that's it. Thank you.

Operator

Thank you, Daniel. Dear speakers, there are no further questions for today. I would now like to hand the conference over to the management team for any closing remarks.

A - Ian Cockerill {BIO 1926981 <GO>}

Thank you, operator, and thanks everyone for listening, and we look forward to reporting back when we do our Q1 results for 2026. Look forward to it then. Thanks very much indeed, cheerio, bye-bye.

Operator

This concludes today's conference call. Thank you for participating. You may now all disconnect. Have a nice day.

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