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Presentation

Operator

Good day, and thank you for standing by. Welcome to Endeavour Mining's Second Quarter and Half Year 2026 Results Webcast. [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.

Jack Garman
Vice President of Investor Relations

Hello, everyone, and welcome to Endeavour's Q2 and H1 2026 Results Webcast. Before we start, please note our usual disclaimer. On the call today, I'm joined by Ian Cockerill, Chief Executive Officer; Guy Young, Chief Financial Officer; Djaria Traore, Executive Vice President of Operations and ESG; and Sonia Scarselli, Executive Vice President of Exploration and Growth.

Today's call will follow our usual format. Ian will first go through the highlights of the first half of the year. Guy will present the financials. Djaria will walk you through our operating results by mine, and Sonia will provide an update on our exploration program before handing back to Ian for his closing remarks. We'll then open the line up for questions.

I'll now hand over to Ian.

Ian David Cockerill
CEO & Executive Director

Thank you, Jack, and hello to everyone joining us on the call today. Now H1 '26 was a record half year for Endeavour. Our strong operating performance has led to record free cash flow generation. And together with our healthy balance sheet, we're well positioned to meet our strategic objectives, which prioritize organic growth and shareholder returns. Production of 564,000 ounces at an AISC of $1,871 per ounce for H1 certainly positions us firmly on track to meet our 2026 guidance with a stronger Q4.

Our operational performance drove record free cash flow generation of $761 million. That's up 19% against H2 of last year despite the significant but expected seasonal tax payments. This cash flow generation supports our balance sheet, which sits in a healthy net cash position of $254 million and underpins our ability to grow the business organically and return capital to shareholders.

On shareholder returns, today, we've announced a record $301 million of returns for H1. That's made up of another record $230 million of dividends and an additional $71 million of buybacks. That's more than double our minimum commitment as we further strengthen our track record of paying significant supplemental returns. On organic growth, we remain on track for FID before the end of the year at the Assafou project. At the same time, we're working towards our Sabodala-Massawa underground expansion with the first phase of development getting underway in H2 and targeting first ore by year-end.

And on exploration, we're working towards significant resource updates at our Vindaloo Deep and Kawsara discoveries that we expect to publish later this year. In short, we have built a high-quality, resilient business through our disciplined approach to capital allocation that ensures we target only the highest return opportunities, preserving our high margins over the longer term. Now this approach also underpins our ability to reinvest in organic growth to sustain this portfolio quality while offering exposure to sector-leading shareholder returns.

I'll now walk you through each of those areas in a bit more detail. Starting on Slide 7. As I said, we produced 564,000 ounces in H1, which was stable when compared to the prior period, while our all-in sustaining margin increased by 37%, largely thanks to the increased gold prices half-on-half. Importantly, our margins have continued to increase with the gold price over the last 2 years.

On Slide 8, given this H1 performance, we remain on track to deliver both group production and all-in sustaining cost within the full year guidance. H1 production of 564,000 ounces represents approximately 52% of the low end of guidance, and we expect a stronger production profile later in the year as we move past the wet season and the elevated stripping activity in Q3 and then moving into Q4 when higher grades are expected at most of our mines.

On costs, our H1 all-in sustaining costs were $1,871 per ounce or $1,687 per ounce when adjusted for the impact of higher gold prices above the guidance price we use, principally due to the higher royalty rates at the higher price. And that positions us comfortably in the lower half of the guidance range for H1.

On capital, we've increased our sustaining CapEx guidance from $230 million to $280 million, driven largely by increased ore mining and capitalized waste stripping at Hounde and Lafigue. Non-sustaining and growth capital remain on track with increased stripping activity. The start of the Sabodala-Massawa underground expansion and the ramp-up of early works at Assafou expected in H2.

On Slide 9, you can see we've generated a record $1.6 billion of adjusted EBITDA in H1, up 41% from the prior period, a very healthy 63% EBITDA margin. That's been driven not only by a stronger gold price environment, but also a solid operational performance throughout the half.

Moving to free cash flow on Slide 10. We delivered another record $761 million in H1, up 19% from the prior period, and that's equivalent to $1,350 for every ounce -- per ounce of free cash flow generation. And this is despite the seasonal tax payments that Guy will walk you through later in this presentation. Since we completed our last growth phase in 2024, we have certainly grown free cash flow in each period, thanks to strong gold prices and our consistent operational performance.

On Slide 11, the strong cash flow profile has been mirrored in our balance sheet improvement, which now stands at a healthy $254 million of net cash. This gives us capital allocation flexibility to deliver sector-leading shareholder returns ahead of, and throughout our next growth phase. And that's exactly what we've done for H1. We've returned a record $301 million to shareholders, consisting of a record $230 million of dividends and $71 million in buyback. And that's double our minimum commitment and nearly 40% higher than our H2 '25 returns and equivalent to 40% of our free cash flow generation.

With H1, we've extended our track record of delivering sector-leading shareholder returns. Since 2021, we've returned just under $2 billion, which is about 85% above our minimum commitment. And this reiterates our sustained commitment to sector-leading returns through both phases of growth as well as cash harvesting. Now we're on track to return at least $1.1 billion over the '26 to '28 period, and we expect to achieve this down to -- even down to a conservative gold price of $3,000 per ounce. At higher gold prices, obviously, we're well positioned to continue supplementing this return.

On Slide 14 and our other key strategic objective, and that is organic growth. At Assafou, since publishing the DFS in late April, we've launched early works and are advancing on a critical path to unlock FID by year-end. We've completed front-end engineering and design work and long lead time item procurement for the crushers, mills, HPGR and apron feeders is now well advanced. Mining convention negotiations are on track for late Q3, and these negotiations are under the terms of the current 2014 mining code. The relocation action plan is progressing well following successful engagement with local community leaders with the assistance of government. Overall activities are ramping up in line with the plan, and we expect to declare FID and launch construction by the year-end.

On Slide 15, growth isn't just about greenfields. There's plenty to be done at our existing assets. The underground expansion at Sabodala-Massawa is targeting more than 0.5 million ounces of high-grade ore for the CIL processing plant, and that's to drive higher production over the coming years. The first phase is starting, and that's focused on development and construction of an exploration decline, giving us a platform for more detailed closer spaced underground drilling. Dewatering, earthworks and power establishment is underway with the initial fleet expected to arrive on site in Q3. We're targeting development to reach first oil by year-end with the second phase of the expansion expected to launch later this year, subject to approval.

On Slide 16, the combined Assafou and Sabodala-Massawa support our growth ambitions to 1.5 million ounces by 2030. But we are not growing for the sake of growth, and we are focused on preserving and improving our margins through optimization at our existing mines. At Mana, for example, we're investing in the power network to ensure stability whilst also automating our underground operations in the power sense. At Lafigue, we recently completed crusher upgrades and feed optimizations, which are already improving throughput and reagent consumption rates.

At Ity, we're optimizing our resigned circuit to improve our carbon and cyanide management to improve consumables, efficiency and costs. And these initiatives are focused on maximizing the value of every ounce that we produce as we grow the business. Over and above this growth, our exploration program has this year already spent $44 million, advancing our recent discoveries, Vindaloo Deep and Kawsara deposits. These deposits could support further growth beyond the 1.5 million ounces and help improve our asset quality certainly well into the next decade. We expect to announce exciting resource updates later this year, and Sonia is going to talk through this later on in the presentation today.

Before handing over to Guy, I'd just like to touch on ESG. When we launched the first phase of our ESG strategy 5 years ago, we were determined to deliver tangible impact, ensuring the value we create serves all of our stakeholders. That phase culminated last month with our inaugural 5-year impact report. Between 2021 and 2025, we generated over $11.5 billion in economic value for our host countries. That headline figure only tells part of the story. Beyond the numbers is where our true impact lies.

Just to give you a few examples. On health, our targeted programs have successfully driven a 77% reduction in malaria across our workforce since 2021 as well as the communities from which that workforce comes from. On education, we created more than 1,800 internships, helping young people develop skills to launch their careers. On economic empowerment, through more than 215 agricultural initiatives, we supported more than 5,000 direct beneficiaries and their families in building sustainable livelihoods. And so as we look forward towards 2030, our conviction remains unchanged. Creating shared value that benefits all of our stakeholders is certainly key to sustaining our success.

And with that introduction, let me hand you over to Guy to take you through detailed financials. Guy, over to you.

Guy F. Young
Executive VP & CFO

Thanks, Ian, and hello, everyone. I'll now walk through our financial results for the second quarter. Production and unit costs were broadly stable quarter-on-quarter, but EBITDA and earnings were lower, primarily due to a 10% decline in realized gold prices. The seasonal impact of higher tax payments accounts for the lower cash flow as previously guided.

On Slide 21, in Q2, we produced 283,000 ounces, in line with Q1 levels as higher production at Ity and Hounde was offset by lower production at Mana, Lafigue and Sabodala-Massawa. All-in sustaining cost of $1,907 per ounce was a slight increase over Q1 due to lower gold production and sales at Sabodala-Massawa and Mana, increased sustaining capital at Hounde related to the ramp-up of stripping activity at the Vindaloo Main Phase 3 cutback and higher processing costs at Sabodala-Massawa, driven by scheduled maintenance.

Despite slightly lower gold prices quarter-on-quarter, we still generated a healthy all-in sustaining margin of 56% or $2,441 per ounce. We are firmly on track to achieve our full year guidance. In Q3, we will see some higher stripping and lower grade, coupled with the wet season impact that will translate to increased AISC, but we expect to see a material uplift in grades following the wet season and the completion of our stripping programs in Q4, which will strongly reverse this.

On to Slide 22. Despite the gold price-driven step down in EBITDA, our EBITDA margins remained resilient at 60%, reflecting the high quality of our operations.

On Slide 23, our underlying operating cash flow remained robust during the quarter, absorbing our typical seasonal cash tax payments comprising provisional income tax payments for the prior year as well as withholding tax payments relating to the cash that we will upstream from our operating entities this year. This expected impact is compounded by the lower realized gold prices and the higher operating costs, as mentioned earlier. Given our expected H2 weighted operating performance with production expected to peak in Q4 and with the majority of the year's cash taxes behind us, we are well positioned to continue generating strong cash flow in H2.

Looking at the significant quarter-on-quarter operating cash flow movements in more detail on Slide 24. Firstly, the decline in realized gold prices reduced cash flows by $129 million, while stable quarterly operational performance translated into a marginal decrease of $17 million due to slightly higher operating expenses. Then as mentioned earlier, income taxes paid increased by $419 million, in line with the annual timing of our cash tax payments.

Finally, working capital was an inflow of $52 million this quarter and an increase of $144 million compared to last quarter's outflow. This was mainly driven by an increase in supply payables and timing of gold sales and VAT refunds in Cote d'Ivoire and Senegal. This inflow was partially offset by a buildup of consumables at Sabodala-Massawa and Hounde and a buildup of stockpiles at Hounde, Ity, Mana and Sabodala-Massawa.

Moving on to Slide 25. Our free cash flow of $149 million was lower during Q2 as expected due to the higher seasonal taxes, lower realized gold prices, the ramp-up in stripping activities and the strategic investments in our new venture exploration partners, Altair Minerals and Koulou Gold. That said, for the first half of the year, we're pleased to have delivered another record free cash flow performance of $761 million. And looking forward, we remain focused on maximizing free cash flow by maintaining our capital allocation and cost discipline.

At the end of Q2, we remained in a strong net cash position of $254 million. During Q2, we generated $317 million from our operations. Investing activities of $169 million included sustaining capital of $75 million, $53 million of nonsustaining capital and $9 million of growth capital. In addition, we invested approximately $25 million through our new ventures program. Financing activities included a net $315 million drawdown of the group's RCF, offsetting dividends paid to shareholders of $200 million, share buybacks of $44 million, payment of financing fees of $22 million and payments to minority shareholders of $14 million.

This strong balance sheet position provides significant financial flexibility to continue to allocate capital towards both organic growth and our shareholder returns.

Finally, on Slide 27, I'll walk through some of the net earnings highlights focusing just on the key line items. In Q2, earnings from mining operations was $613 million. We recorded a loss on financial instruments of $28 million, comprised mainly of foreign exchange losses driven by the strengthening USD on our net asset balance sheet position, along with a fair value adjustment on marketable securities.

Current income tax expenses increased as expected, driven by significantly higher recognized withholding tax expenses following local Board approvals for our cash upstreaming. Deferred tax recovery increased by $234 million compared to an expense in the prior year -- in the prior quarter, reflecting the reversal of deferred tax liabilities after local board approval and payment of withholding taxes associated with cash upstreaming in Q2.

Lastly, add-back adjustments included the loss in financial instruments, other expenses of $21 million and a noncash tax adjustment of $10 million related to foreign exchange on deferred tax amounting to $57 million in Q2. As a result, our adjusted net earnings were $392 million for the quarter or $1.25 per share.

Thank you for your attention, and I'll now hand over to Djaria to walk you through our operating performance.

Djaria Traore
Executive VP, Operations & ESG

Thank you, Guy, and hello, everyone. I will begin by discussing safety. Unfortunately, this quarter, we've reported a fatality when one of our colleagues, Sam Dauda, who was a team leader with one of our contractors, tragically lost his life during water drainage activities on the 29th May at our Lafigue mine. Any loss of life at our operations is unacceptable. Following the incident, we've completed a comprehensive investigation, which identified several key recommendations.

These are currently being implemented, particularly in relation to ways of working with and appropriately supervising contractors, reinforcing safety training, including immediate changes around contractors onboarding, but as well as mandatory refresher courses for all frontline supervisors and a supervisor capability program.

To reinforce the obligations to our contractors to be 100% aligned with Endeavor health safety and environment standards, we will also be holding an annual CEO HSE workshop. This workshop will convene the CEOs of our key contractors in practical engagement focused on HSE performance, governance and culture across all our mining operations. Despite this tragic incidents, our trailing 12-month total recordable injury frequency rate of 0.72 remains low, but we will continuously work towards achieving a 0 incident work environment.

On Slide 13, our first half performance has positioned us firmly on track to achieve our full year guidance. H1 production was approximately 52% of the low end of the production guidance with a stronger second half expected, which is driven by a particularly strong quarter 4 from Hounde, Ity and Sabodala-Massawa due to higher grades in the mining sequence. While on all-in sustaining costs, our H1 performance position us in the lower half of the cost guidance range on a royalty adjusted basis with cost improvement expected in quarter 4, particularly due to the expected higher grade production and gold sales.

It's important to highlight the productivity initiatives we are driving throughout the portfolio to reaffirm our operational excellence. Our focus remains on controlling our costs with proactive business initiatives across the value chain from blast optimization to short distance haulage. On guidance, at Lafigue, the better-than-expected throughput in H1 has positioned the mine to achieve production in the top end of the guidance range with costs in the lower half.

At Mana, lower grades following the completion of the Siou underground deposit, the deferral of the Bana Camp open pit and also the pause in mining at the Aviera, part of Wona underground mean we are expecting production below the low end of the range with costs above the top end. At the group level, we are firmly on track to deliver our full year guidance.

On Slide 31, I'll start with Hounde. We increased production during the quarter as we accelerated ore mining in the Kari West pit, which has provided good grade, soft oxide ore, which has supported a higher levels of throughput. Costs have increased slightly as stripping activity at Vindaloo Main 3 accelerated. Similar to all our assets, at Hounde, we have been looking at several optimization initiatives. We've been improving blast fragmentation and reducing truck cycle times and haulage distance through more efficient waste dumping to increase productivity and then offset external cost pressures.

Hounde is well on track for guidance with lower grade expected in quarter 3 and a significant improvement in grade in quarter 4, following the completion of waste stripping at the Vindaloo Main 3 pit. We've increased our sustaining capital guidance as we have accelerated waste stripping at Vindaloo Main and ore mining at Kari West, and we preorder some long lead mining equipment required for next year.

Turning now to Ity Mine on Slide 32. Production increased this quarter as we source higher grade from the Le Plaque and Bakatouo pits, coupled with lower planned maintenance compared to prior quarter, which results in overall good plant performance. The higher production and sales also supported a slight improvement in our all-in sustaining costs. It is on track to achieve its production and cost guidance. Higher grades are expected in quarter 4 at Le Plaque, while at Walter mining activity are advancing into higher grade area of the pit, which is anticipated to positively impact production.

Mana on Slide 33. At Mana, production decreased to 29,000 ounces due to lower grade as we finished mining the Siou deposits in quarter 1. The lower production resulted in higher all-in sustaining costs, which were compounded by an increase in sustaining capital development in the Wona deposit. During H1, Mana has produced less than expected due to the quicker-than-expected depletions of Siou, but also the deferral of the start-up of mining at the Bana Camp open pit to later in the year.

As a result, Mana's production is expected to be below the end -- the low end of the guidance range with costs above the top end of the range. During H2, mining will focus on the Wona deposit with lower tonnes in quarter 3, while higher tonnes and grade are expected in quarter 4. Unfortunately, during the month of July, as a precaution, we paused mining activities in the Aviera portion of the Wona underground mine as a fracture appeared on the surface in the depleted Wona open pit above the Aviera deposit. But we also expect to resume mining activities in the majority of the Aviera deposits in mid-quarter 3, subject, of course, to our ongoing monitoring.

We will be pushing production while we also explore opportunities to get as close as possible to the guided range. Given the strong performance from the rest of the portfolio, we do not see any impact on group level guidance with Lafigue expected to more than compensate any shortfall at Mana, one of the many benefits of operating such a high-quality portfolio.

Moving to Sabodala on Slide 34. The production at Sabodala-Massawa decreased due to lower throughput in the CIL, but also lower recovery rates at both plants. The throughput was lower due to maintenance in the plant. The recoveries through the CIL were impacted by semi-refractory ore from the Delya main pit, but also the Niakafiri East pit, while the BIOX recoveries were lower due to maintenance activities planned. The all-in sustaining costs increased as we invested in additional mining fleet and increased our waste stripping at the Delya but also Massawa Central Zone pit.

Looking forward, we expect a stronger second half of the year, particularly in quarter 4 when higher grades from the Niakafiri West but also Delya South pit will increase production in the CIL plant, while the throughput is expected to continue improving through the BIOX plant. But as Ian mentioned earlier, we are also starting the first phase of the development of the high-grade Golouma underground deposit with a target to hit first ore towards the end of this year. This underground expansion is an important stepping stone towards higher levels of production at Sabodala-Massawa, bringing in significantly higher grades into the CIL processing plant.

At Lafigue on Slide 35, in quarter 2 production decreased slightly as we mine and process lower grades from the main pit. The all-in sustaining cost has improved as the sustaining waste stripping activity was largely completed during the quarter. We've had a very strong first half of the year at Lafigue, producing nearly 60% of the guidance midpoint already, thanks to the throughput in H1 outperforming design nameplate by nearly 10% consistently.

Lafigue is on track to achieve the top half of its production guidance with costs in the lower half of the range. Unlike the rest of the portfolio, the performance at Lafigue is expected to be weighted towards H1 with slightly lower grades and slightly lower throughput expected in H2 due to lower grade from the Main pit and the wet season impact in quarter 3, respectively.

Thank you, everyone, and I will now hand to Sonia to walk you through the exploration highlights.

Sonia Scarselli
Executive VP, Exploration and Growth

Thank you, Djaria, and hello, everyone. I wanted to briefly provide an update on exploration at 3 of our exciting projects. At our Hounde mine, we have discovered an expansion to our Vindaloo Main deposit called Vindaloo Deep. Vindaloo Deep is located immediately adjacent to the processing plant and can be accessed with limited development from the bottom of the Vindaloo Main pit.

The resource is expected to be a large high-grade underground resource, and we have already completed the drilling program with a maiden resource expected later in H2. Given the size, grade and proximity to the plant, it could offer significant production and life of mine upside in the near term at Hounde. And importantly, this is not included in our 1.5 million growth outlook. We have also stepped out from the Vindaloo Deep deposit towards the south and identified another deposit called Vindaloo Deep Southeast, which appears to be a fault offset continuation of Vindaloo Deep.

We are currently drilling Vindaloo Deep Southeast and expect to define a maiden resource there next year. At Sabodala-Massawa, our exploration program is advancing the Kawsara discovery very quickly. We currently have 7 drill rigs working on defining updated M&I resources by year-end. Kawsara is a target that is located approximately 35 kilometers south of the Sabodala-Massawa processing plant. It has a 10-kilometer long mineralized trend that we are drilling in phases, starting with the Kawsara in the north. We believe Kawsara is nonrefractory and should be amenable for processing through our Sabodala CIL plant, potentially supporting higher production for longer at Sabodala-Massawa.

On Slide 39, at Assafou, we already have 5 million ounces of high-grade resources defined, supporting a 16-year mine life. We have already defined 0.2 million ounces at the Pala Trend 3 deposit located 1 kilometer west of Assafou, and we have set out again to the Pala Trend 2 target located 4 kilometers west of Assafou. Mineralization at Pala 2 is hosted in the Birimian rocks and the Tarkwaian sands. So we are targeting both type of mineralization and hope to add incremental resources into the overall endowment at Assafou next year.

Thank you, everyone. I will hand back to Ian for his closing remarks.

Ian David Cockerill
CEO & Executive Director

Thanks very much, Sonia. Before we open up for Q&A, I just wanted to briefly reiterate our approach to value creation. Here at Endeavour, we view exploration and project development as 2 of our most important value creation levers. We have consistently discovered more than we have produced, and we have done this at a sector-leading discovery cost, adding top-tier projects like Assafou into our pipeline.

We have a strong track record in building these projects efficiently and on budget, successfully expanding the portfolio organically. And we have built a high-quality cash-generative portfolio that has a lot of opportunity for further expansion and optimization within it. And it's this cash flow generation, coupled with our healthy balance sheet that puts us in a strong position to continue delivering not only sector-leading shareholder returns, but also sector-leading organic growth.
And with that, let me hand over to the operator, and we'll start taking Q&A. Thank you.

Question and Answer

Operator

[Operator Instructions] We will now take our first question. This is from the line of Ovais Habib from Scotiabank.

Ovais Habib
Scotiabank Global Banking and Markets, Research Division

Ian and the team, congrats on a good quarter and a good beat to our estimates, so looking good in Q2. A couple of questions from me. Number one, starting off at Sabodala. It looks like you're moving in the right direction with the new oxide discoveries at Kawsara. You're looking at going underground at Golouma and Kerekounda.

Ian, internally, is there a target in mind as to what this operation can do once you bring all these targets in? Can we expect to get back to that 375,000 to 400,000 ounce level at this operation?

Ian David Cockerill
CEO & Executive Director

Look, I think the honest answer to that question, Ovais, is that is not impossible. But -- the question is what would be a higher yet sustainable level of production. And personally, I would feel much more comfortable that when all these things come to fruition, somewhere in the mid-300s as a more sustainable level of production. I think for modeling purposes and for aspiration purposes, I think that's more appropriate.

Clearly, if we can beat that, we will do. But let's build up from where we are now, but importantly, get ourselves into a steady-state condition and move away from this boom and bust, which is sadly characterized Sabodala and let's get into a more steady state, consistent, predictable level of performance. That would be my preference.

Ovais Habib
Scotiabank Global Banking and Markets, Research Division

I think that would be the preference of the market as well. So I think that's the right way to think about it. So thanks for that. Next question, I may say, might be for Sonia. Looks like, Sonia, you're very excited on the potential of Vindaloo Deep, Kawsara as well. I mean you've got 7 drill rigs at Kawsara and looks like that could kind of move towards coming into the production profile at Sabodala, and that's become a focus very quickly. Are there any other targets we should be keeping an eye on around Ity or Lafigue or any of those other assets that could kind of move the needle?

Sonia Scarselli
Executive VP, Exploration and Growth

Thanks a lot, Ovais, for the question. Look, in Sabodala-Massawa, we are talking at length of Kawsara, but I assure you it's not the only target. We actually have identified through a complete new look at the entire area, multiple targets. We leveraged the -- our understanding of the mineral system, applied AI tools, and we have identified over 23 targets. So there will be plenty more beyond Kawsara. Now in the other region, we're really excited from the results that we have been having, and what we call the Ity Eastern corridor. This is located southeast of our current operation if you think where Le Plaque open pit is continuing to La Plaque from La Plaque to the south and 10-kilometer corridor where we have identified a continuous structural setting that is mineralized north, south and up and down.

We have tested in the past that Ity Eastern pits, but now we are connecting all that portion together. This is definitely a big excitement for Ity, and we will be busy between this year and next year to upgrade the resources and -- are more to come towards the end of the year. In Lafigue, we're actually progressing the inferred resources around the Lafigue Main pit that will be move into indicated by the end of this year as well as 2 more target 1 and 11, where we initially drilled a couple of expansion at the beginning of the year, and we are now putting together the next drilling campaign that we will start in the next couple of months following the rain season. So Lafigue as well more to come within a similar trend of the main Lafigue ore body.

Then from that, Assafou. Assafou is proving to be a very exciting area. Of course, everybody knows about Assafou, but what we are starting to see is a set of other prospects both in the Tarkwaian sand, similar to Assafou system. But also in the Birimian, especially on what we call the Pala trend 2. Now we have just started with a couple of diamond drilling holes to prove the concept and existing of the mineralization, and we have very great results. And now we are planning for the next phase of drilling campaign that we started this year and will continue in the next -- progress in the next year.

And then of course, we also start new jurisdiction in Kazakhstan, where a little bit more down the line and long term, but we have positioned ourselves on over 720 square kilometer of permit. So our joint venture partner has just put in application for several permits. We completed our first reconnaissance field work during the summer, and we are continuing with sampling. So that's something, as I said, is long term, but it is moving in the right direction. And then in Guyana with the placement with our Altair investment, we're starting now to put our boots on the ground and starting to see the potential in the area as well. So there is definitely different activities that are happening beyond Kawsara and Vindaloo Deep for south extension.

Ovais Habib
Scotiabank Global Banking and Markets, Research Division

Okay. So that's a lot in terms of exploration excitement there.

Operator

We will now take the next question. This is from Alain Gabriel from Morgan Stanley.

Alain Gabriel
Morgan Stanley, Research Division

A couple of questions from my side. First is on the Kawsara. I would like to follow up. Is the prospect covered and governed by the same mining permit at Sabodala-Massawa? Or would you need to kick off a new permitting process should this prospect be pursued further? That's my first question. I'll take the second for later.

Sonia Scarselli
Executive VP, Exploration and Growth

Thank you very much. So actually, the prospect fit into the exploration permit as we are progressing our drilling campaign to move it to indicated resources. We are also working in parallel to complete the environmental work that is required to move the portion into the exploitation permit and it will feed into the current mine permit for Kawsara -- for Sabodala-Massawa. So that is really the trend. Now the timeline, we're looking at 2 to 3 years between completing the environmental work and all the necessary piece of work to move this into the mine permit.

Alain Gabriel
Morgan Stanley, Research Division

That's very clear. And another question, I guess, this one is for Guy. Guy, a lot has happened to supply chain since you've guided for the Assafou CapEx, and you have probably done quite a bit of procurement during the first half of this year at the time of big supply chain dislocations. How confident are you in the initial budget that you have provided for Assafou?

Guy F. Young
Executive VP & CFO

Alain, thank you. So as Ian mentioned, we have started procuring some of the longer lead items. So far for the tenders that have come in and the orders being placed, they are completely in line with the costing that we have in the original budget. So that is not an area that we are seeing any potential inflationary or overrun potential at this stage.

Operator

We'll now move to our next question. This is from Amos Fletcher from Barclays.

Amos Charles Fletcher
Barclays Bank PLC, Research Division

A couple of questions. First one to Guy, just on working capital. Congrats on releasing a decent amount in Q2. I was just wondering if you can give us a steer on where you expect things to shake out during the second half in terms of -- whether we could see some more releases coming through?

Guy F. Young
Executive VP & CFO

Certainly. So apologies upfront for what might be a slightly detailed and protracted answer. But our Q2 inflow agreed, very welcome. The key driver of that, though, was an extension to our trade payables. And this is more a question of timing than anything fundamental or structural that we can necessarily expect to see in coming quarters. We did see some receivable inflows. Now that's partially down to some gold receipts and timing thereof. Again, nothing structural, but some good news as we've seen on the VAT.

So in Senegal and Cote d'Ivoire, we've managed to tighten the turnaround time between submission and receipt of VAT reimbursements. We're certainly looking to hold that line and potentially improve it slightly into the second half. The question really then becomes Burkina VAT. And whilst we have seen some very welcome reimbursements, cash -- direct cash reimbursements from the state, I don't think we should be counting on any further reimbursements to be able to completely offset the accruals we're making. So I think inevitably, we're going to see some extension or increase in Burkina Faso VAT overall balances into the second half.

A big swing factor is stockpiles. I think we've spoken already quite a bit about some of the stripping that we've got planned, particularly in Q3, but then also some residual in Q4. When we are doing our stripping, particularly at Lafigue, we tend to draw down on our stockpiles. There will be, therefore, some incremental drawdowns going into the second half of those stockpiles. But as we see the Q4 production ramp up, there probably will counteracting that be some increase in stockpiles, particularly at Hounde and Sabodala. So I think overall stockpile broadly slightly up in the second half.

Where I think we're unlikely to see that much material movement is in consumables. We built out consumables in H1, particularly at Sabodala and Hounde. But that was effectively for planning in and around our maintenance programs and catering for some logistics difficulties that we were facing in Burkina. I would expect the consumables, therefore, at a group level to be relatively flat.

So the short summary of that protracted answer is I think the Q2 inflow whilst welcome, is not necessarily going to be repeated in Q3 and Q4, but I do think that our working capital outflows for H2 are going to be relatively well managed and should be a smaller swing than we've seen in historical quarters.

Amos Charles Fletcher
Barclays Bank PLC, Research Division

Okay. That's great. And then can I ask a follow-up question just on Assafou. Just wanted to ask how the negotiations on the mining extension are going? Has there been any material changes as a result of those negotiations since we last discussed this in Q2?

Ian David Cockerill
CEO & Executive Director

Yes. Amos, look, the negotiations on the mining convention are going extremely well. We've indicated to government that a mining convention that very closely mirrors that which we already have at Lafigue would work for us. There will be 1 or 2 minor things that we might want to discuss further, but we wouldn't want to delay the signing of that mining convention. What I can say is that the Minister of Mines has given us the undertaking that the convention will be signed under the 2014 mining convention. So it will be a 10% free carry by the state.

So the concerns that maybe it will be a 15% free carry don't appear to be valid. And we are looking -- we said that we want to get this done within Q3. That is by mutual agreement. If we can do it a little bit quicker than that, clearly, we will. And it will obviously be a key factor in us moving rapidly to FID. But as things stand at the moment, I'm not seeing anything that we can't live with, minor tweaks here and there, but they will be subject to sort of ongoing negotiations. And -- and what would those be really more a question of making sure that allowances and sort of agreements are valid not only for external suppliers, but also for local suppliers.

So there is a consistency in application of this mining convention to all people. But nothing at the moment that's stopping us from moving ahead. And we've seen sort of a final sort of draft, and we are relatively comfortable with it.

Operator

Next question today is from Richard Hatch from Berenberg.

Richard James Hatch
Joh. Berenberg, Gossler & Co. KG, Research Division

Two questions. The first one is just on Mana. I mean, I appreciate your kind of discussions and color around like what's going on with the asset. But I mean, how should we think about this mine sort of into the medium to longer term? Because I guess we've been talking about it for a good sort of couple of years about how it's been operationally challenging and it doesn't seem to be improving. So how -- what is your kind of medium-term sketch for this thing in terms of volume and cost?

And then the second question is just around capital returns. So lovely additional dividend today. I guess as we move into Q3, Q4, you're going to throw off a bit more cash with less tax being paid. So how should we think about that dividend come the Q4? Should it be higher than this one on the assumption that the gold price remains flat in the second half?

Ian David Cockerill
CEO & Executive Director

Yes. Look, Richard, I'll talk to Mana, and Guy will talk to the capital returns. I think the most important thing to think of when it comes to Mana is it's really -- it's only been fairly recently that we've effectively completed the move to a complete underground operation and not a mixture of underground and some surface material. And we've also done a lot of work on optimizing those costs that we are capable of controlling, looking at productivity improvements and what have you. We've now moved from multiple underground contractors to one.

And that has been very successful in helping us avoid sort of underground conflicts, the logistical conflicts and what have you, and it certainly helped us improve. The short-term issues that we've got there at the moment are what they are. They're short term. I mean these things happen in mines. If one looks at the costs, clearly, costs are driven as much by your ability to produce the ounces divided by your costs. And one of the -- there are 2 key factors driving higher costs on the -- well, 3 factors, high cost. One, slightly lower production this quarter. Secondly, we've had to do a lot more self-generation of power because the state have been unable to supply us with what was previously guided by them that they could supply.

That's had a fairly material impact on our costs. So those, I think, are sort of key issues. And obviously, the other one -- the other key factor influencing the cost there is the big step-up in royalties that we've seen in Burkina Faso, not helping us. So when one looks at the controllable costs, those that we can control, actually, the guys are not doing too bad a job. It's the noncontrollable administered costs that are starting to weigh down on the operation. On the sort of the longer term, Mana being an underground mine, it looks like it's got a short reserve life, but actually has got a fairly large resource. And it constantly rolls over and replenishes itself.

We do need to drill that out. What we're seeing, we've done some deeper drilling. We do see at deeper levels. the extension of the existing ore bodies, similar grades. It is simply a question of us getting into it. There's no doubt that it's higher cost than we like. But I've said previously that there is a utility value to Mana in terms of how it helps us enhance our underground mining skills, and that's going to be helpful when it comes to places like Sabodala, Golouma and then ultimately, even a little bit further south of Mana at the Hounde mine.

But we're not asset huggers. We have built a high-quality portfolio through portfolio management. This is part of a broader portfolio. We do believe it has potential. And importantly, at these prices, it still makes money. It still throws off cash. So bluntly, unless we could realize more value through a divestment, we're going to continue to operate it, mine it for cash and use that for reinvestment in growth and shareholder returns across the broader group.

Guy F. Young
Executive VP & CFO

Richard, if I can take shareholder returns, piece. So I think the short-ish answer is we don't envisage any change to our existing and well-publicized returns policy. So we maintain that at $3,000 gold and below 0.5x leverage, we've got our minimum commitment of $1 billion. The first half of this year, we had a realized gold price of above $4,500. And we had clearly stated at the time of the release of the policy at that kind of level, we would be doubling our shareholder returns, which we've importantly done.

So I think the kind of message is we do what we say. But what we've said isn't going to change. And therefore, at current gold prices of whatever, $4,100, then we would still look to supplement significantly in both dividends and share buyback, but probably not to the extent of doubling, which we would have at around $4,500. So whilst not necessarily a straight line, I think that indicatively is what one can expect in the second half.

Operator

And the next question today is from the line of Alex Bedwany, Stifel.

Alexander George Bedwany
Stifel, Nicolaus & Company, Incorporated, Research Division

Just a simple question following on from the Mana discussion. Can you just elaborate a little bit about the fracture that was identified at surface? What caused it and what turned up through the monitoring? Should we be concerned at all through the rest of the year about disrupting any other areas that might be active?

Djaria Traore
Executive VP, Operations & ESG

Thank you, Alex, for the question. What we've noticed is indeed a small fracture at the surface, which obviously we've been monitoring. So definitely, the production is expected to be impacted by that event. And temporarily, what we've decided is really to pause mining activities and purely as a precautionary measure. The affected area remains under close monitoring with a partial reentry expected shortly. We will not reenter that area until we have a full validation from our geotech. So are we seeing an impact? Yes. But what we are currently doing as well is to really push on productivity initiatives. The expected impact that we're seeing will be completely offset by the other asset, mainly Lafigue.

We are also, as I mentioned earlier in my section, we've delayed the Bana Camp, which is the open pit from quarter 1 to now quarter 4. So that definitely will bring in additional higher-grade and additional ounces that we expected as well. But on top of that, as I mentioned, we are doing some productivity initiatives. And the major one that we've been focusing on with the team is really how to reduce our reentry time. And where we are, we're seeing year-to-date, Mana has actually increased their mine tonnes productivity by almost 19%. So going into H2, I'm expecting the team to continue with the productivity initiatives and also try to accelerate the start-up of Bana Camp by the quarter 4.

Alexander George Bedwany
Stifel, Nicolaus & Company, Incorporated, Research Division

Just a follow-up to that. So based on the commentary, it's not over active ore zones, right? So the zones that the fracture was identified, when were they planned to come into the mine plan?

Djaria Traore
Executive VP, Operations & ESG

So that area, we still currently maintain it closed. does not affect the entire Aviera. It's only the northern part. The southern, the central are still active. Danguna and Wona are still active. So we are really talking of very limited area of the Aviera underground.

Operator

We'll now take the next question. This is from Anita Soni from CIBC.

Anita Soni
CIBC Capital Markets, Research Division

I think all the Mana questions have been asked, which was my concern as well. So thanks for that discussion. Secondly, I guess I wanted to ask on Sabodala-Massawa. Just moving into the back half of the year, what kind of, I guess, rebound in grades and recovery rates are you expecting right now? It looks like it's lagging a little and needs a little bit of an uptick to achieve the guidance. So if you could provide some color on that? And apologies if you've already addressed it.

Djaria Traore
Executive VP, Operations & ESG

Thank you, Anita. So what we're expecting at Sabodala for quarter 3, the production will be fairly stable. We expect as well a small decline in grades, especially for the CIL plant, but it will be offset by the expected better grade from Massawa North Zone stockpile that we plan to start feeding towards the end of this quarter. But when you look at the entire H2, we're expecting a much stronger H2 with much better grade, especially from Niakafiri West as well as the Delya South pit to feed into the CIL plant, which again will increase the production.

We also expected a much better recovery in both the plants and definitely of throughput as well. I think in previous discussions, you were -- you did ask about throughput. We are seeing a consistent minimum of 10% above the nameplate. We're also trying to reach that 15%, which we discussed. We're not there yet. I think what is important for me is that we completely reach that 10%, and that's where we currently have.

When you look at the recovery, I think it's improving. We've reached about 84% in the month of June, and that is the type of level of recovery that I want to see consistently in the CIL plant. It's not yet there. We still range between 78%, 80%, 81%, but I know that at peak, we have been reaching 84% as well to continue working with the team to ensure that, that 84% or so remains consistent.

Anita Soni
CIBC Capital Markets, Research Division

Okay. And then in order to achieve those higher grades, I'm sorry, I did not hear which pits that you were talking about. But is there stripping involved? Or like I'm just trying to understand what you have to get through by the end of this quarter in order to be able to access those things? What are the key deliverables road blocks?

Djaria Traore
Executive VP, Operations & ESG

I think what I said is that for quarter 3, the production will remain stable. I'm expecting a small decline in grade, especially from Niakafiri East, which is for the CIL plant. The grade at Massawa Central is more or less stable. We will start feeding the Massawa North Zone stockpile, which is transition because we still need to feed it. So we expect from that stockpile a much higher grade than what we have at Massawa Central. But again, it's a stockpile. The remainder of the quarter 4, we will be feeding the CIL plant from Niakafiri West as well as the Delya, which both of them bring in a much higher grade through the CIL plant that we're currently seeing.

Ian David Cockerill
CEO & Executive Director

I think I think you need to just give a bit more color on this. There's not anything sort of specifically there has to be a big stripping campaign. It is more -- this is the continuous process that we're working through. And as we naturally migrate into better quality material, that will give us the better grades that Djaria has been referring to. So there's not a major campaign that we have to prepare ourselves for like we're seeing perhaps, say, at Hounde, where big stripping at Hounde in Q3 that will definitely open up higher-grade material from mining in Q4. It's not as heavy as that.

Operator

We'll now take the next question. This is from Marina Calero from RBC Capital Markets.

Marina Calero Ródenas
RBC Capital Markets, Research Division

Most of the key questions related to the quarter have been asked. So I just have a couple of high-level questions. The first one is on West Africa. We have seen the regional security picture deteriorated in recent months. Are you experiencing any disruptions or increased lead times on fuel or consumable deliveries to your sites, particularly in Burkina?

Ian David Cockerill
CEO & Executive Director

Marina, I would perhaps question, the -- your comment about the deterioration in the security situation in the areas that we operate in, I think it's fair to say we're not seeing a deterioration in the security situation. It's actually been specifically with respect to Burkina Faso because my sense is that's where your question is focused. Burkina Faso has been actually, I would say, quite stable over the past 6 to 9 months. Certainly, government seems to be much more in control of the area and the situation on the ground is actually quite stable.

With regards to supplies and what have you, at the beginning of this year, the government insisted on bringing in a national logistics company, which meant that our existing logistics teams or contractors that we use were sort of pushed on side in favor of this effectively state-owned enterprise. And that certainly did impact supplies of things like explosives and what have you, not so much fuel, funnily enough. But that was really a question of intergovernment departmental permitting that should have taken place between the new logistics provider and the providers of permits for that provider to actually bring our stuff to mines.

That initial sort of administrative, should we call it, confusion has died down, and we're now seeing better performance. It's still not, in my view, ideal. I would still prefer that we could run things with our own contractors. But that's the rules of the game. That's what we have to work with. But it has certainly improved from the very beginning of the year. January and February was really tough. but it seems to have settled down and we've got more into the rhythm. And we are -- in terms of material on site that we require consumables, we're in much better shape than we were at the beginning of H1.

Marina Calero Ródenas
RBC Capital Markets, Research Division

That's great to hear. My second question is more on M&A. At your recent Exploration Day, you clearly defined the geological areas where you see the best opportunities. Some of your peers might be divesting assets in other African countries such as Tanzania, DRC, Serbia. Do you see yourselves operating in these countries if the asset meets your quality standards?

Ian David Cockerill
CEO & Executive Director

Look, I mean, we've identified, as you quite rightly say, we've identified where we would prefer to operate. Obviously, as or when things come along, you always look at them. But whether you actually go ahead and do anything, honestly, I couldn't give you a general answer to such a broad question because every single opportunity you look at on a case-by-case basis.

But our main focus is continuing where we are as well as the other areas that we have identified. But if there's a compelling opportunity that we believe we have the ability to genuinely add value and it's cost effective and it meets our return criteria, obviously, we will look at it. But there's nothing in the pipeline that we're actively involved with at the moment.

Operator

We'll now take the next question. This is from Mohamed Sidibe from National Bank of Canada.

Mohamed Sidibe
National Bank Financial, Inc., Research Division

Congrats on a strong quarter. So I think most of my questions were answered and specifically around, I guess, your capital allocation priorities around the capital return and I guess, any sort of inorganic growth priorities. I think you have a growing cash balance there. But maybe on the good cost performance in the quarter, I think could you provide us maybe with a high-level commentary around inflationary pressures you're seeing at your operations? Of course, your delivery on the operating front is definitely helping manage that. But what else have you been doing to kind of mitigate the cost and specifically at [indiscernible] and Lafigue, pretty good unit cost performance on the process cost front? So yes, any color on inflation that you're seeing at the assets and how you've been able to offset it would be great.

Guy F. Young
Executive VP & CFO

Sure. Thanks, Mohamed. I think just briefly on the kind of quarter-on-quarter, we did see a slight uptick in our AISC in Q2, primarily driven by mining volumes. That was both at Mana and at Sabodala. The Mana increase in tonnage was, however, at a lower grade as we depleted Siou, which Djaria touched on earlier as well as some development at Wona. Sabodala was an increase in tonnage again associated with waste for Delya and in Massawa Central Zone, again, which Djaria touched on, with some maintenance, both equipment and processing plant maintenance at Sabodala.

Those items gave rise to that small increase in Q2. When we look forward into the rest of H2, there are elements on cost. So we are going to see another increase, albeit relatively marginal in our mining costs. And that is fundamentally, again, driven by volume and our waste stripping, which I think we've spoken on quite a bit on the call already. When it comes to inflationary elements, and here, we're looking predominantly at fuel and explosives. We are not seeing anything at this stage that would make us change what we've already said in terms of broad guidelines, and that is that we've got around $1 increase in AISC for every dollar increase in oil.

So the guidance itself remains, as previously mentioned. But from our perspective, at this point, that's not going to be and shouldn't be regarded as a significant inflationary pressure into the second half. All of those are being offset by a variety of productivity measures, which Djaria did go through on a site-by-site basis.

I think the key thing just to remind everyone on the cost subject is the likely impact that the production profile is going to have on our costs. So I don't think you should be looking into H2 with very significant inflationary measures on the cost line. It's more a question of understanding the production profile, which being lower in Q3 is inevitably going to see a spike in AISC in Q3. But then as I referenced in my section, we expect that to fully reverse with the higher production in Q4.

Operator

We'll now take the next question. This is from Daniel Major from UBS.

Daniel Edward Major
UBS Investment Bank, Research Division

So the first one is maybe revisiting some of the commentary on the capital returns, et cetera. So if I look at -- you're exceeding your minimum commitment, but even at $4,000, the free cash flow would by far exceed your sort of capital return. So if we look at consensus, there's something like a $3 billion net cash position at the end of next year.

What do we need to see to factor in that you don't need any more cash and you're going to pay 100% commitment to the market of all of that cash out? That's the first sort of part. What is the level of cash on the balance sheet gives you all the optionality you need? And then the second point, just on the M&A front, any comment on the Barrick reports earlier in the quarter?

Guy F. Young
Executive VP & CFO

Dan, I'll probably take the first piece and then I imagine Ian will take the second. But -- so just in terms of the overall shareholder returns piece, I just -- it's difficult to say anything other than to reiterate. But if the concern is more in and around building cash balances on the balance sheet, no, that's not our intention. We've stated it before and I'll state it again. Your question on what is it going to take for us to fundamentally shift in terms of that supplemental. My answer to that is just to have the cash on the balance sheet.

So the things that we're obviously looking forward and trying to predict and just make sure that we have in hand is our organic growth pipeline. So we've got $50 million to $100 million coming through this year on growth CapEx. We want to make sure that we are going to be able to fully fund Assafou off our balance sheet. In order to do that and look forward a couple of years, we are having to take a decision today based on today's spots and today's cash balance as to what we feel comfortable in being able to distribute.

So within our overall framework of capital allocation and the $1 billion to potential doubling that depending on gold price, we stand by that. If there is excess cash at any point that doesn't require spending in our organic growth pipeline, then we will look to supplemental shareholder returns. So the policy remains we are doing what we said we'd do thus far, and there is no stated ambition to grow excess cash balances in the near or medium term.

Daniel Edward Major
UBS Investment Bank, Research Division

Sorry, just before you answer the M&A question, just to follow up on that, Guy. So -- and I guess you've got to factor in your gold price and we're trying to factor in your CapEx assumptions. But if you were on our side, would you be putting in 100% free cash flow distributions in 2027, 2028 to prevent Endeavour building a growing cash position?

Guy F. Young
Executive VP & CFO

Okay. Nice, pointed question. Thanks, Dan. So Guy Young personally speaking here, if I were in your shoes, no, I would have thought that would be excessive to look at 100% free cash flow distribution. So if you look at our H1, I think we're at about 41% free cash flow distribution, somewhere in that kind of region until such time as we've got a cash balance that then cannot be used by an organic growth pipeline. So the closer we get to Assafou completion, and we're still building cash, then I would expect us to move up in terms of percentage free cash flow. But until that started and we're through some of that project, I think it will be rash for us to be distributing 100%.

Daniel Edward Major
UBS Investment Bank, Research Division

Okay. So you continue to build cash on the balance sheet until you finish the Assafou. That's the right message?

Guy F. Young
Executive VP & CFO

I think at least until we've got a high degree of certainty with regards to the total build, yes.

Daniel Edward Major
UBS Investment Bank, Research Division

Okay. Yes. Sorry, maybe the Barrick question?

Ian David Cockerill
CEO & Executive Director

Yes. Look, Daniel, I have to say when I saw that comment, bluntly, I was quite surprised. I'm not sure where it came from. And as you know, I mean, we really don't sort of comment on market speculation. And that's why we were silent. What I would say is if you're looking at M&A from a growth and a value creation perspective, our approach to that is absolutely unchanged. We have said all along that our growth is going to be more biased towards organic opportunities. That's why we've focused on these exploration programs that we've got in Kazakhstan as well as in Guyana. You've heard today from Sonia there's some very significant opportunities in terms of our brownfield opportunities that can feed into the pipeline.

I mean, we've consistently produced more ounces than we've depleted. And that's where -- that really will be where our focus is. We're comfortable with where we are at the moment. We can operate in these areas. And going forward, certainly, it would make a lot of sense for us to go and look at perhaps what will be a perception of lower risk areas if we were to do any M&A. So we're selling -- we're moving out of assets in Mali. So it hardly makes sense for us to think about going back into a place like Mali. So let me leave it at that.

Operator

And we'll now take the next question. This is from Felicity Robson, Bank of America.

Felicity Robson
BofA Securities, Research Division

Just one on Lafigue, which is performing well and exceeding nameplate design. Is there any further operational upside we can expect from the asset in the short term?

Djaria Traore
Executive VP, Operations & ESG

Thank you, Felicity. I'll take that one. Yes, I think we've been very pleased about the performance of Lafigue. And really thanks to the team on the ground. I think there's a few initiatives were in place, especially in and around the plant, and that's really what led to now this really good results. I think going forward, we have also pushing through some of the other productivity initiatives. One of them is really around reagent usage as well as how can we -- what can we do to really reduce our operating costs? One of the initiatives that we have is really how can we increase the recycled water and also the reagent usage and shortage.

And we're testing some alternative flocculant. And what we've seen as a result so far is that we've seen a reduction in our consumption by about 30%. So those are the sorts and the type of initiatives that we want to really bring around while we're continuously, again, upgrading in and around the plant. That 10% above the nameplate that I mentioned to you earlier is really a result, again, of upgrades that have been done initiatives on the ground, and that's really where we want to continue pushing.

Lafigue is not different for many of our sites. We push our plant. We make sure that each one of them sweats. We look at opportunities. We want to be able to mine best margin ounces and make sure that when we fit them and we process them, we get the best recovery. Every ounce counts, every percentage point on recovery count. So with the team, that's what we're focusing on really make sure that we stabilize. We've seen that 10% and how far can we take it.

Operator

Thank you. And there are no further questions. I'd like to thank you for joining the Endeavour Mining Q2 and Half Year Webcast.