



# Versamet Acquires a Copper Stream from Endeavour Silver on its Acquisition of Compañía Minera Kolpa

Versamet Royalties Corporation (“Versamet”) announces that it has entered into an agreement (the “Agreement”) with Endeavour Silver Corp. and certain of its wholly-owned subsidiaries (collectively “Endeavour Silver”), to support the proposed acquisition of Compañía Minera Kolpa, the owner of the polymetallic Huachocolpa Uno mine located in the district of Huachocolpa within the province and department of Huancavelica, Peru (collectively “Kolpa”).

Pursuant to the terms of the Agreement, Versamet will acquire a copper stream on Kolpa for total up-front cash consideration of US\$35 million.

“We are very happy to announce this transaction to support Endeavour Silver’s acquisition of Compañía Minera Kolpa,” said Dan O’Flaherty, CEO of Versamet. “Kolpa has been in continuous production for more than 25 years and we believe that under the ownership of Endeavour Silver, it will continue to produce for many years to come. Adding this copper stream will have a meaningful and immediate positive impact on our already robust free-cash flow generating royalty and streaming business.”

## Transaction Highlights

- **Immediate Cash Flow from a Producing Mine in Peru:** Kolpa has been in continuous operation for more than 25 years and has a long history of reserve replacement and resource expansion.
- **High-Quality Partner:** Endeavour Silver is an emerging senior silver producer that, post-acquisition, will produce nearly 20 million silver equivalent ounces annually. Endeavour Silver has the technical, operational, and financial capability to invest in and deliver on the full potential of Kolpa.
- **Complementary and Timely Exposure to Copper Prices:** Addition of a producing copper stream to our current gold-centric royalty and streaming portfolio diversifies overall business at an opportune time in copper markets.
- **Bolsters Already Strong Cash Flowing Portfolio:** In each of 2023 and 2024, Kolpa produced approximately 1.1Mlbs of copper in concentrate. At a copper price of US\$4.50/lb., under the

terms of the Agreement, Versamet would have generated revenue of US\$5 million per annum, representing an approximate 40% increase over Versamet's actual 2024 revenues.

- **Significant Upside Potential:** Kolpa has successfully undergone numerous expansions to reach its currently installed capacity of 2,000tpd, with permitting in progress for an additional expansion to 2,500tpd, which has the potential to increase production levels and amounts delivered under the stream. Additionally, the overall land package at Kolpa remains significantly underexplored.

## Transaction Key Terms

- Versamet will acquire the right to initially purchase refined copper equal to the greater of i) 95.8% of produced copper (irrespective of the copper payable under the relevant offtake agreement) and ii) 0.03 pounds of copper per pound of produced lead from Kolpa. Once 6,000 tonnes of refined copper have been delivered, Versamet will have the right to purchase 71.85% of produced copper. Once 10,500 tonnes of refined copper have been delivered, Versamet will have the right to purchase 47.9% of produced copper.
- Versamet will make ongoing cash payments of 10% of the spot copper price for each tonne of refined copper delivered.
- Endeavour has provided Versamet with a right of first refusal in respect of the sale or transfer of any royalty, stream or similar interest in respect of Kolpa. In addition, Versamet shall have the right to purchase an additional stream interest equivalent to up to 2.2% of the total revenue in future discoveries of mineral deposits at Kolpa that are processed through a new mineral processing facility with nameplate capacity of not less than 15,000 tonnes per day.
- At closing, Versamet intends to fund the US\$35 million purchase price with its existing revolving credit facility, which is currently undrawn.
- Closing of the transaction is expected within the next 60 days.

## Compañía Minera Kolpa Overview

Kolpa is a silver-focused polymetallic mining company located in the district of Huachocolpa within the province and department of Huancavelica, approximately 490 km southeast of Lima, Peru and holds 143 mining concessions 25,177 hectares and 1 beneficiation concession covering 366 hectares. Mineralization occurs mainly as polymetallic epithermal deposits rich in silver, lead, zinc and copper. Mineralized material is mined using underground mining methods (sublevel stoping and cut and fill), followed by a 2,000 tonnes per day ("tpd") (installed capacity) concentrator plant using a conventional selective flotation process designed to obtain a bulk concentrate with a subsequent separation of lead-silver, copper-silver and zinc concentrates. In 2024, Kolpa produced around 2.0 million ounces ("oz") of silver, 19,820 tonnes of lead, 12,554 tonnes of zinc and 518 tonnes of copper (5.1 million silver equivalent ounces ("AgEq oz")). In 2024, the operating cost was approximately \$133 per tonne, resulting in cash costs on a by-product basis of \$12.58/oz Ag and all-in sustaining costs of \$22.80/oz Ag. The land package remains underexplored with approximately 10% of the claims worked to date with multiple targets identified by the Kolpa exploration geologists.

For additional information on Kolpa, please see Endeavour Silver's press release at <https://edrsilver.com/news-media/news/>

For more information about Versamet Royalties, please visit our website at [www.versamet.com](http://www.versamet.com)  
General inquiries email: [info@versamet.com](mailto:info@versamet.com).

The scientific and technical information contained in this news release has been reviewed and approved by Diego Airo, P.Eng, Vice President of Evaluations for Versamet Royalties and a member of the Association of Professional Engineers and Geoscientists of the Province of British Columbia. Mr. Airo is a Qualified Person as defined in the National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Versamet uses certain performance measures in its analysis. These non-GAAP performance measures are included in this document because these statistics are key performance measures that management uses to monitor performance to assess how Versamet is performing. These performance measures do not have a standard meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other companies.

#### **Cautionary Note Regarding Forward-Looking Information**

This news release contains forward-looking statements regarding: the timing and payments under the Agreement; anticipated timing of closing; the ability of Kolpa to produce for many years; anticipated draw on our existing revolving credit facility; and other statements regarding future plans, expectations, exploration potential, guidance, projections, objectives, estimates and forecasts as well as our expectations with respect to such matters. These forward-looking statements are provided as of the date of this news release, or the effective date of the documents referred to in this news release, as applicable, and reflect predictions, expectations or beliefs regarding future events based on our beliefs at the time the statements were made, as well as various assumptions made by and information currently available to them. In making the forward-looking statements included in this news release, Versamet has applied several material assumptions, including, but not limited to: Versamet's activities will be conducted in accordance with Versamet's public statements and stated goals; there will be no material adverse change affecting Versamet; and Versamet's ability to meet current and future obligations and other assumptions. Although management considers these assumptions to be reasonable based on information available to it, they may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions on which they are based do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the expectations expressed in them. These risk factors may be generally stated as the risk that the assumptions expressed above do not occur, but specifically include, without limitation, risks relating to general market conditions. The foregoing list of factors that may affect future results is not exhaustive. Readers should carefully consider the foregoing factors and other uncertainties and potential events. Versamet does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by Versamet or on behalf of Versamet, except as required by law.