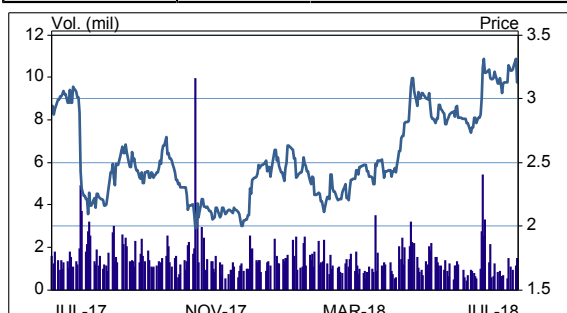


**Endeavour Silver Corp. (EXK)**  
**Rating: Buy**

 Heiko F. Ihle, CFA  
 212-356-0510  
[hihle@hcxresearch.com](mailto:hihle@hcxresearch.com)  
 Matthew Barry  
 212-356-0520  
[mbarry@hcxresearch.com](mailto:mbarry@hcxresearch.com)
**Improvements at El Cubo Contribute to Overall  
 YoY Production Growth in 2Q18; Reiterate Buy**

Stock Data		07/10/2018		
Price		\$3.13		
Exchange		NYSE		
Price Target		\$6.00		
52-Week High		\$3.35		
52-Week Low		\$1.94		
Enterprise Value (M)		\$362.4		
Market Cap (M)		\$399		
Public Market Float (M)		127.5		
Shares Outstanding (M)		127.5		
3 Month Avg Volume		1,349,300		
Short Interest (M)		5.08		
Balance Sheet Metrics				
Cash (M)		\$36.6		
Total Debt (M)		\$0.0		
Total Cash/Share		\$0.29		
EPS Diluted				
Full Year - Dec		2017A	2018E	2019E
FY		0.08	0.14	0.17
Revenue (\$M)				
Full Year - Dec		2017A	2018E	2019E
FY		150.5	202.6	208.9



**Overall YoY production growth in 2Q18.** On July 10, 2018, Endeavour Silver reported 2Q18 production of 1,355,895 ounces of silver, and 13,674 ounces of gold, equating to 2.4M silver equivalent ounces (SEOs) using a 75:1 silver to gold ratio. Silver and gold production increased YoY by 19% and 5%, respectively, while QoQ silver production remained flat and gold production increased by 4%. Higher YoY production was driven by a 3% increase in throughput amid higher silver and gold grades. Higher overall grades were primarily due to improved grades at El Cubo, which continues to substantially outperform our expectations. To this end, annualized year to date silver equivalent production from the mine is on pace to exceed our 2018 production estimate of about 4.4M SEOs based on the 75:1 silver to gold ratio used by the firm versus the 65:1 ratio used in our model. In short, we believe that year to date production and expected 2H18 production from El Compas of about 0.7M SEOs should allow the firm to reach our 2018 production estimate of approximately 10.7M SEOs (based on 75:1 ratio). We also note that El Compas remains on track to achieve commercial production by the end of July.

**YoY improvements at El Cubo and Guanaceví offset lower production from Bolañitos.** The 43% YoY increase in silver equivalent production at El Cubo was driven by improved throughput and overall grades as the firm continues to access higher grades as expected. At Guanaceví, YoY silver equivalent production improved by 4% attributable to higher grades and recoveries, partially offset by lower throughput. While production at the mine improved YoY in 2Q18, annualized year to date production is tracking below our 2018 estimate of 2.8M SEOs (based on 75:1 ratio) due to slightly lower throughput and silver grades than expected. That said, we expect both to improve in 2H18 due to additional mine development completed in 2Q18 that should improve ore access and also initial production of development ore from the Milache orebody in 3Q18. The 15% YoY decline in silver equivalent production at Bolañitos can be attributed to lower throughput, gold grades, and overall recoveries, partially offset by improved silver grades. Although year to date annualized production from the mine is trending slightly below our 2018 estimate of approximately 2.9M SEO's (based on 75:1 ratio), we attribute the decline in gold grades to temporary grade variations at the mine that should improve in 2H18.

**We are reiterating our Buy rating and \$6.00 per share price target.** Our valuation is based on a DCF of the firm's three operating assets in addition to El Compas. We utilize unchanged 8.0% discount rates at Guanaceví and Bolañitos, and unchanged 10% discount rates for El Cubo and El Compas. These figures are in-line with similar assets in similar jurisdictions carrying equal geopolitical risks. We plan to remain on the sidelines with respect to a DCF for Terronera until updated operating and economic parameters are released with an updated PFS, which we expect should be sometime in August.

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



H.C. Wainwright &amp; Co. 1868

	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
<b>Guanaceví</b>														
Tonnes Processed (000's)	350	400	400	400	400	400	400	400	400	400	400	400	400	400
Silver grade (gpt)	250.0	275.0	275.0	275.0	275.0	275.0	275.0	275.0	275.0	275.0	275.0	275.0	275.0	275.0
Silver Recovery	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
Annual silver production (000's oz)	2,391	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006
% growth	16.0%	25.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Silver sales price	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
Gold grade (gpt)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Gold recovery	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%
Annual gold production (000's oz)	5.2	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6
% growth	17.0%	7.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gold sales price	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
Gold:Silver ratio	65	65	65	65	65	65	65	65	65	65	65	65	65	65
Total silver equivalent ounces produced	2,728	3,370	3,370	3,370	3,370	3,370	3,370	3,370	3,370	3,370	3,370	3,370	3,370	3,370
% growth	16.1%	23.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total silver equivalent production</b>	<b>2,728</b>	<b>3,370</b>	<b>3,370</b>	<b>3,370</b>	<b>3,370</b>	<b>3,370</b>	<b>3,370</b>	<b>3,370</b>	<b>3,370</b>	<b>3,370</b>	<b>3,370</b>	<b>3,370</b>	<b>3,370</b>	<b>3,370</b>
Total Revenues	\$ 54,569	\$ 67,394	\$ 67,394	\$ 67,394	\$ 67,394	\$ 67,394	\$ 67,394	\$ 67,394	\$ 67,394	\$ 67,394	\$ 67,394	\$ 67,394	\$ 67,394	\$ 67,394
Cash cost per oz	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00
Mining costs	\$ 24,556	\$ 30,327	\$ 30,327	\$ 30,327	\$ 30,327	\$ 30,327	\$ 30,327	\$ 30,327	\$ 30,327	\$ 30,327	\$ 30,327	\$ 30,327	\$ 30,327	\$ 30,327
Gross profit (in 000's)	\$ 30,013	\$ 37,067	\$ 37,067	\$ 37,067	\$ 37,067	\$ 37,067	\$ 37,067	\$ 37,067	\$ 37,067	\$ 37,067	\$ 37,067	\$ 37,067	\$ 37,067	\$ 37,067
CapEx (in 000's)	\$ (25,600)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)
(Tax)	\$ (1,412)	\$ (10,261)	\$ (10,261)	\$ (10,261)	\$ (10,261)	\$ (10,261)	\$ (10,261)	\$ (10,261)	\$ (10,261)	\$ (10,261)	\$ (10,261)	\$ (10,261)	\$ (10,261)	\$ (10,261)
Operating cash flow	\$ 3,001	\$ 21,806	\$ 21,806	\$ 21,806	\$ 21,806	\$ 21,806	\$ 21,806	\$ 21,806	\$ 21,806	\$ 21,806	\$ 21,806	\$ 21,806	\$ 21,806	\$ 21,806
Cash flow discount rate		8.0%												
PV of operating cash flow	\$ 3,001	\$ 20,190	\$ 18,695	\$ 17,310	\$ 16,028	\$ 14,840	\$ 14,840	\$ 13,741	\$ 12,723	\$ 11,781	\$ 10,908	\$ 10,100	\$ 9,352	\$ 8,659
Total current cash flow	\$ 182,169													
Common shares	127,488													
Project NAV per share	\$1.43													
<b>Bolañitos</b>														
Tonnes Processed (000's)	425	425	425	425	425	425	425	425	425	425	425	425	425	425
Silver grade (gpt)	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0
Silver Recovery	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%
Annual silver production (000's oz)	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055
% growth	12.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Silver sales price	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
Gold grade (gpt)	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Gold recovery	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%
Annual gold production (000's oz)	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3
% growth	8.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gold sales price	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
Gold:Silver ratio	65	65	65	65	65	65	65	65	65	65	65	65	65	65
Total silver equivalent ounces produced	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637
% growth	10.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total silver equivalent production</b>	<b>2,637</b>	<b>2,637</b>	<b>2,637</b>	<b>2,637</b>	<b>2,637</b>	<b>2,637</b>	<b>2,637</b>	<b>2,637</b>	<b>2,637</b>	<b>2,637</b>	<b>2,637</b>	<b>2,637</b>	<b>2,637</b>	<b>2,637</b>
Total Revenues	\$ 52,749	\$ 52,749	\$ 52,749	\$ 52,749	\$ 52,749	\$ 52,749	\$ 52,749	\$ 52,749	\$ 52,749	\$ 52,749	\$ 52,749	\$ 52,749	\$ 52,749	\$ 52,749
Cash cost per oz	\$ 8.25	\$ 8.25	\$ 8.25	\$ 8.25	\$ 8.25	\$ 8.25	\$ 8.25	\$ 8.25	\$ 8.25	\$ 8.25	\$ 8.25	\$ 8.25	\$ 8.25	\$ 8.25
Mining costs	\$ 21,759	\$ 21,759	\$ 21,759	\$ 21,759	\$ 21,759	\$ 21,759	\$ 21,759	\$ 21,759	\$ 21,759	\$ 21,759	\$ 21,759	\$ 21,759	\$ 21,759	\$ 21,759
Gross profit (in 000's)	\$ 30,990	\$ 30,990	\$ 30,990	\$ 30,990	\$ 30,990	\$ 30,990	\$ 30,990	\$ 30,990	\$ 30,990	\$ 30,990	\$ 30,990	\$ 30,990	\$ 30,990	\$ 30,990
CapEx (in 000's)	\$ (2,500)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)
(Tax)	\$ (9,117)	\$ (8,957)	\$ (8,957)	\$ (8,957)	\$ (8,957)	\$ (8,957)	\$ (8,957)	\$ (8,957)	\$ (8,957)	\$ (8,957)	\$ (8,957)	\$ (8,957)	\$ (8,957)	\$ (8,957)
Operating cash flow	\$ 19,373	\$ 19,033	\$ 19,033	\$ 19,033	\$ 19,033	\$ 19,033	\$ 19,033	\$ 19,033	\$ 19,033	\$ 19,033	\$ 19,033	\$ 19,033	\$ 19,033	\$ 19,033
Cash flow discount rate		8.0%												
PV of operating cash flow	\$ 19,373	\$ 17,623	\$ 16,318	\$ 15,109	\$ 13,990	\$ 12,954	\$ 11,994	\$ 11,106	\$ 10,283	\$ 9,521	\$ 8,816	\$ 8,163	\$ 7,558	\$ 6,998
Total current cash flow	\$ 169,807													
Common shares	127,488													
Project NAV per share	\$1.33													

El Cubo	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
<b>Tonnes Processed (000's)</b>	<b>510</b>	<b>510</b>	<b>510</b>	<b>510</b>	<b>510</b>	<b>510</b>	<b>510</b>	<b>510</b>	<b>510</b>	<b>510</b>	<b>510</b>	<b>510</b>	<b>510</b>	<b>510</b>
Silver grade (gpt)	180.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0	145.0
Silver Recovery	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%
<b>Annual silver production (000's oz)</b>	<b>2,568</b>	<b>2,068</b>	<b>2,068</b>	<b>2,068</b>	<b>2,068</b>	<b>2,068</b>	<b>2,068</b>	<b>2,068</b>	<b>2,068</b>	<b>2,068</b>	<b>2,068</b>	<b>2,068</b>	<b>2,068</b>	<b>2,068</b>
% growth	28.6%	-19.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Silver sales price	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
Gold grade (gpt)	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Gold recovery	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%
<b>Annual gold production (000's oz)</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>
% growth	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gold sales price	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
Gold:Silver ratio	65	65	65	65	65	65	65	65	65	65	65	65	65	65
<b>Total silver equivalent ounces produced</b>	<b>4,142</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>
% growth	17.4%	-12.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total silver equivalent production</b>	<b>4,142</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>	<b>3,643</b>
<b>Total Revenues</b>	<b>\$ 82,847</b>	<b>\$ 72,862</b>	<b>\$ 72,862</b>	<b>\$ 72,862</b>	<b>\$ 72,862</b>	<b>\$ 72,862</b>	<b>\$ 72,862</b>	<b>\$ 72,862</b>	<b>\$ 72,862</b>	<b>\$ 72,862</b>	<b>\$ 72,862</b>	<b>\$ 72,862</b>	<b>\$ 72,862</b>	<b>\$ 72,862</b>
<b>Cash cost per oz</b>	<b>\$ 11.75</b>	<b>\$ 12.00</b>	<b>\$ 12.00</b>	<b>\$ 12.00</b>	<b>\$ 12.00</b>	<b>\$ 12.00</b>	<b>\$ 12.00</b>	<b>\$ 12.00</b>	<b>\$ 12.00</b>	<b>\$ 12.00</b>	<b>\$ 12.00</b>	<b>\$ 12.00</b>	<b>\$ 12.00</b>	<b>\$ 12.00</b>
<b>Mining costs</b>	<b>\$ 48,673</b>	<b>\$ 43,717</b>	<b>\$ 43,717</b>	<b>\$ 43,717</b>	<b>\$ 43,717</b>	<b>\$ 43,717</b>	<b>\$ 43,717</b>	<b>\$ 43,717</b>	<b>\$ 43,717</b>	<b>\$ 43,717</b>	<b>\$ 43,717</b>	<b>\$ 43,717</b>	<b>\$ 43,717</b>	<b>\$ 43,717</b>
<b>Gross profit (in 000's)</b>	<b>\$ 34,174</b>	<b>\$ 29,145</b>	<b>\$ 29,145</b>	<b>\$ 29,145</b>	<b>\$ 29,145</b>	<b>\$ 29,145</b>	<b>\$ 29,145</b>	<b>\$ 29,145</b>	<b>\$ 29,145</b>	<b>\$ 29,145</b>	<b>\$ 29,145</b>	<b>\$ 29,145</b>	<b>\$ 29,145</b>	<b>\$ 29,145</b>
CapEx (in 000's)	\$ (12,600)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)
(Tax)	\$ (6,904)	\$ (7,726)	\$ (7,726)	\$ (7,726)	\$ (7,726)	\$ (7,726)	\$ (7,726)	\$ (7,726)	\$ (7,726)	\$ (7,726)	\$ (7,726)	\$ (7,726)	\$ (7,726)	\$ (7,726)
<b>Operating cash flow</b>	<b>\$ 14,671</b>	<b>\$ 16,418</b>	<b>\$ 16,418</b>	<b>\$ 16,418</b>	<b>\$ 16,418</b>	<b>\$ 16,418</b>	<b>\$ 16,418</b>	<b>\$ 16,418</b>	<b>\$ 16,418</b>	<b>\$ 16,418</b>	<b>\$ 16,418</b>	<b>\$ 16,418</b>	<b>\$ 16,418</b>	<b>\$ 16,418</b>
Cash flow discount rate		10.0%												
<b>PV of operating cash flow</b>	<b>\$ 14,671</b>	<b>\$ 14,926</b>	<b>\$ 13,569</b>	<b>\$ 12,335</b>	<b>\$ 11,214</b>	<b>\$ 10,194</b>	<b>\$ 9,268</b>	<b>\$ 8,425</b>	<b>\$ 7,659</b>	<b>\$ 6,963</b>	<b>\$ 6,330</b>	<b>\$ 5,755</b>	<b>\$ 5,231</b>	<b>\$ 4,756</b>
<b>Total current cash flow</b>	<b>\$ 131,296</b>													
Common shares	127,488													
<b>Project NAV per share</b>	<b>\$1.03</b>													
<b>El Compas</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>
<b>Tonnes Processed (000's)</b>	<b>55</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>35</b>									
Silver grade (gpt)	102.0	90.8	83.3	79.0	75.0									
Silver Recovery	73.0%	73.0%	73.0%	73.0%	73.0%									
<b>Annual silver production (000's oz)</b>	<b>132</b>	<b>149</b>	<b>137</b>	<b>130</b>	<b>62</b>									
% growth	0.0%	13.2%	-8.3%	-5.1%	-52.5%									
Silver sales price	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00									
Gold grade (gpt)	5.1	5.3	6.8	7.5	7.1									
Gold recovery	83.5%	83.5%	83.5%	83.5%	83.5%									
<b>Annual gold production (000's oz)</b>	<b>7.5</b>	<b>10.0</b>	<b>12.8</b>	<b>14.0</b>	<b>6.6</b>									
% growth		32.1%	28.6%	9.5%	-52.7%									
Gold sales price	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300									
Gold:Silver ratio	65	65	65	65	65									
<b>Total silver equivalent ounces produced</b>	<b>621</b>	<b>796</b>	<b>969</b>	<b>1,040</b>	<b>492</b>									
% growth		28.1%	21.7%	7.4%	-52.7%									
<b>Total silver equivalent production</b>	<b>621</b>	<b>796</b>	<b>969</b>	<b>1,040</b>	<b>492</b>									
<b>Total Revenues</b>	<b>\$ 12,423</b>	<b>\$ 15,917</b>	<b>\$ 19,372</b>	<b>\$ 20,808</b>	<b>\$ 9,850</b>									
<b>Cash cost per oz</b>	<b>\$ 9.25</b>	<b>\$ 9.25</b>	<b>\$ 9.25</b>	<b>\$ 9.25</b>	<b>\$ 9.25</b>									
<b>Mining costs</b>	<b>\$ 5,745</b>	<b>\$ 7,362</b>	<b>\$ 8,960</b>	<b>\$ 9,624</b>	<b>\$ 4,556</b>									
<b>Gross profit (in 000's)</b>	<b>\$ 6,677</b>	<b>\$ 8,556</b>	<b>\$ 10,412</b>	<b>\$ 11,184</b>	<b>\$ 5,294</b>									
CapEx (in 000's)	\$ (7,200)	\$ (300)	\$ (300)	\$ (300)	\$ (300)									
(Tax)	\$ -	\$ (2,642)	\$ (3,236)	\$ (3,483)	\$ (1,598)									
<b>Operating cash flow</b>	<b>\$ (523)</b>	<b>\$ 5,614</b>	<b>\$ 6,876</b>	<b>\$ 7,401</b>	<b>\$ 3,396</b>									
Cash flow discount rate		10%												
<b>PV of operating cash flow</b>	<b>\$ (523)</b>	<b>\$ 5,103</b>	<b>\$ 5,683</b>	<b>\$ 5,561</b>	<b>\$ 2,320</b>									
<b>Total current cash flow</b>	<b>\$ 18,144</b>													
Common shares	127,488													
<b>Project NAV per share</b>	<b>\$0.14</b>													

	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
<b>Consolidated silver equivalent production</b>	<b>10,129</b>	<b>10,446</b>	<b>10,619</b>	<b>10,691</b>	<b>10,143</b>	<b>9,650</b>	<b>9,650</b>	<b>9,650</b>	<b>9,650</b>	<b>9,650</b>	<b>9,650</b>	<b>9,650</b>	<b>9,650</b>	<b>9,650</b>

**Current value of cash flow**

	Total
Valuation for Guanaceví	\$ 182,169 <i>HCW estimate</i>
Valuation for Bolañitos	\$ 169,807 <i>HCW estimate</i>
Valuation for El Cubo	\$ 131,296 <i>HCW estimate</i>
Valuation for El Compas	\$ 18,144 <i>HCW estimate</i>
Valuation for Terronera	\$ 50,000 <i>HCW estimate</i>
Valuation for other exploration properties	\$ 35,000 <i>HCW estimate</i>
Plus cash & equivalents & FG inventory	\$ 39,919
Less debt	\$ -
<b>Total current value</b>	<b>\$ 626,335</b>
<b>Common shares</b>	<b>127,488</b>
EXK share price	\$ 3.13
EXK NAV	\$ 4.91
NAV Premium for target price	1.2x
<b>Rounded (\$0.25) price target</b>	<b>\$ 6.00</b> <i>discount to price target</i>

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

**Important Disclaimers**

This material is confidential and intended for use by Institutional Accounts as defined in FINRA Rule 4512(c). It may also be privileged or otherwise protected by work product immunity or other legal rules. If you have received it by mistake, please let us know by e-mail reply to unsubscribe@hcwresearch.com and delete it from your system; you may not copy this message or disclose its contents to anyone. The integrity and security of this message cannot be guaranteed on the Internet.

**H.C. WAINWRIGHT & CO, LLC RATING SYSTEM:** H.C. Wainwright employs a three tier rating system for evaluating both the potential return and risk associated with owning common equity shares of rated firms. The expected return of any given equity is measured on a RELATIVE basis of other companies in the same sector. The price objective is calculated to estimate the potential movements in price that a given equity could reach provided certain targets are met over a defined time horizon. Price objectives are subject to external factors including industry events and market volatility.

**RETURN ASSESSMENT**

**Market Outperform (Buy):** The common stock of the company is expected to outperform a passive index comprised of all the common stock of companies within the same sector.

**Market Perform (Neutral):** The common stock of the company is expected to mimic the performance of a passive index comprised of all the common stock of companies within the same sector.

**Market Underperform (Sell):** The common stock of the company is expected to underperform a passive index comprised of all the common stock of companies within the same sector.



Investment Banking Services include, but are not limited to, acting as a manager/co-manager in the underwriting or placement of securities, acting as financial advisor, and/or providing corporate finance or capital markets-related services to a company or one of its affiliates or subsidiaries within the past 12 months.

Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	280	93.33%	112	40.00%
Neutral	16	5.33%	5	31.25%
Sell	0	0.00%	0	0.00%
Under Review	4	1.33%	0	0.00%
<b>Total</b>	<b>300</b>	<b>100%</b>	<b>117</b>	<b>39.00%</b>

H.C. Wainwright & Co, LLC (the "Firm") is a member of FINRA and SIPC and a registered U.S. Broker-Dealer.

I, Heiko F. Ihle, CFA and Matthew Barry, certify that 1) all of the views expressed in this report accurately reflect my personal views about any and all subject securities or issuers discussed; and 2) no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report; and 3) neither myself nor any members of my household is an officer, director or advisory board member of these companies.

None of the research analysts or the research analyst's household has a financial interest in the securities of Endeavour Silver Corp. (including, without limitation, any option, right, warrant, future, long or short position).

As of June 30, 2018 neither the Firm nor its affiliates beneficially own 1% or more of any class of common equity securities of Endeavour Silver Corp..

Neither the research analyst nor the Firm has any material conflict of interest in of which the research analyst knows or has reason to know at the time of publication of this research report.

The research analyst principally responsible for preparation of the report does not receive compensation that is based upon any specific investment banking services or transaction but is compensated based on factors including total revenue and profitability of the Firm, a substantial portion of which is derived from investment banking services.

The Firm or its affiliates did receive compensation from Endeavour Silver Corp. for investment banking services within twelve months before, and will seek compensation from the companies mentioned in this report for investment banking services within three months following publication of the research report.

H.C. Wainwright & Co., LLC managed or co-managed a public offering of securities for Endeavour Silver Corp. during the past 12 months.

The Firm does not make a market in Endeavour Silver Corp. as of the date of this research report.

The securities of the company discussed in this report may be unsuitable for investors depending on their specific investment objectives and financial position. Past performance is no guarantee of future results. This report is offered for informational purposes only, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such would be prohibited. This research report is not intended to provide tax advice or to be used to provide tax advice to any person. Electronic versions of H.C. Wainwright & Co., LLC research reports are made available to all clients simultaneously. No part of this report may be reproduced in any form without the expressed permission of H.C. Wainwright & Co., LLC. Additional information available upon request.

H.C. Wainwright & Co., LLC does not provide individually tailored investment advice in research reports. This research report is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this research report.

H.C. Wainwright & Co., LLC's and its affiliates' salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies that reflect opinions that are contrary to the opinions expressed in this research report.

H.C. Wainwright & Co., LLC and its affiliates, officers, directors, and employees, excluding its analysts, will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives (including options and warrants) thereof of covered companies referred to in this research report.

The information contained herein is based on sources which we believe to be reliable but is not guaranteed by us as being accurate and does not purport to be a complete statement or summary of the available data on the company, industry or security discussed in the report. All opinions and estimates included in this report constitute the analyst's judgment as of the date of this report and are subject to change without notice.

Securities and other financial instruments discussed in this research report: may lose value; are not insured by the Federal Deposit Insurance Corporation; and are subject to investment risks, including possible loss of the principal amount invested.