

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

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**Positive Exploration Results From Parral; Revised  
 Commodity Price Deck; Reiterate Buy; PT Higher**

Stock Data		08/16/2019		
Price				\$2.41
Exchange				NYSE
Price Target				\$4.25
52-Week High				\$2.86
52-Week Low				\$1.68
Enterprise Value (M)				\$(24)
Market Cap (M)				\$0
Public Market Float (M)				127.5
Shares Outstanding (M)				137.5
3 Month Avg Volume				2,237,453
Short Interest (M)				6.60
Balance Sheet Metrics				
Cash (M)				\$27.4
Total Debt (M)				\$2.9
Total Cash/Share				\$0.20
<i>Cash (M): includes cash &amp; equivalents and finished goods inventory</i>				
EPS Diluted				
Full Year - Dec	2018A	2019E	2020E	
FY	(0.10)	0.14	0.17	
Revenue (\$M)				
Full Year - Dec	2018A	2019E	2020E	
FY	150.5	159.1	168.4	



**Positive exploration drill results at Parral.** On August 14, 2019, Endeavour announced the completion of 15 surface and underground drill holes for a total of 3,160 meters (m), in conjunction with 462 underground channel samples. All 15 holes have intersected strong silver mineralization in and around the Sierra Plata mine workings, with hole VCS-02 returning 9.60 m true width of 346 grams per tonne (gpt) silver near surface. Additionally, underground drilling from hole VCU-05 returned 332 gpt silver across 13.1 m true width. With approximately only half of the planned drilling completed, Endeavour remains well positioned to develop previously untouched high-grade tonnage, and ultimately move towards developing another high-grade silver mine.

**Gold and silver prices have increased sharply.** Various U.S. treasury yields have dropped to record lows, while a growing number of Government bonds around the globe have ever-increasing negative yields. Given the ongoing trade and geopolitical tensions with China amid fears of a global slowdown, this trend seems unlikely to change in the short term. Gold has accordingly stepped into its role as a safe haven asset amid fears of an upcoming recession. This overall economic and political uncertainty has caused gold spot prices to increase by roughly \$240 (19%) to about \$1,520 per ounce (oz) since the beginning of the year, while silver has increased by approximately \$1.70 (11%) to \$17.10/oz, over the same period.

**Gold-to-silver ratio reaches quarter-century high.** The gold-to-silver ratio has now grown to 90:1, the highest over the past 25 years. In short, we believe the ratio is likely to tighten and trend more in-line with historical norms. We anticipate this move to happen through continued improvements in silver pricing as opposed to a drop in the price of gold. We note that silver prices surged to an all-time high of nearly \$50/oz during the 2008 financial crisis, thereby cutting the ratio from around 84:1 to 31:1. While this happened during extreme market turmoil, silver has also historically acted as a safe haven commodity. We therefore believe that silver is going to become a benefactor from the longer-term tightening of the current price disparity.

**Increased commodity price deck more in-line with current market conditions and pricing firms may receive from potential hedges.** We feel macroeconomic improvements related to precious metals are increasingly evident in the market. In turn, we have raised our long-term gold price from \$1,300/oz to \$1,500/oz and our silver price from \$15.00/oz to \$17.50/oz. Our revised price deck is mostly in-line with current spot pricing. These prices are also in-line with the values firms are likely to receive if they decided to hedge some of their production. We acknowledge the possibility for short- and mid-term price fluctuations, especially as the Federal Reserve weighs the option of increasingly aggressive interest rate cuts before year-end. Additionally, any significant resolution regarding the ongoing trade issues with China could drive precious metal prices lower given lowered perceived market risks. In conclusion, we have applied our revised precious metal price deck to all relevant companies within our coverage universe.

H.C. Wainwright 1868

**We reiterate our Buy recommendation and increase our PT from \$3.00 per share to \$4.25 per share.** Our increased price target is a direct result of the aforementioned price deck revisions with essentially no other changes to our model. Our valuation remains based on a DCF of the firm's four silver-gold mines in Mexico. We continue to use 8.0% discount rates for Guanaceví and Bolañitos, in addition to 10.0% discount rates for El Cubo and El Compas. These discount rates remain in-line with comparable assets in similar jurisdictions carrying the same geopolitical risks. We add Endeavour's finished goods inventory of \$4.3M and the firm's cash balance of \$23.1M for a total of \$27.4M in liquid assets, or \$0.20 per share, to our value of the firm. We then subtract Endeavour's debt of \$2.8M, or \$0.02 per share, to achieve our NAV of \$3.48. We finally multiply this figure by our 1.2x NAV premium to achieve our rounded price target of \$4.25.

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

	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
<b>Guanacevi</b>													
Tonnes Processed (000's)	380	380	380	380	380	380	380	380	380	380	380	380	380
Silver grade (gpt)	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	89.6%	89.6%	89.6%	89.6%	89.6%	89.6%	89.6%	89.6%	89.6%	89.6%	89.6%	89.6%	89.6%
Annual silver production (000's oz)	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010
% growth	46.6%	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	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50
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
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%
Annual gold production (000's oz)	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
% growth	0.8%	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	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Gold:Silver ratio	86	86	86	86	86	86	86	86	86	86	86	86	86
Total silver equivalent ounces produced	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466
% growth	44.6%	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>3,466</b>	<b>3,466</b>	<b>3,466</b>	<b>3,466</b>	<b>3,466</b>	<b>3,466</b>	<b>3,466</b>	<b>3,466</b>	<b>3,466</b>	<b>3,466</b>	<b>3,466</b>	<b>3,466</b>	<b>3,466</b>
<b>Total Revenues</b>	<b>\$ 60,653</b>	<b>\$ 60,653</b>	<b>\$ 60,653</b>	<b>\$ 60,653</b>	<b>\$ 60,653</b>	<b>\$ 60,653</b>	<b>\$ 60,653</b>	<b>\$ 60,653</b>	<b>\$ 60,653</b>	<b>\$ 60,653</b>	<b>\$ 60,653</b>	<b>\$ 60,653</b>	<b>\$ 60,653</b>
<b>Cash cost per oz</b>	<b>\$ 8.00</b>	<b>\$ 8.00</b>	<b>\$ 8.00</b>	<b>\$ 8.00</b>	<b>\$ 8.00</b>	<b>\$ 8.00</b>	<b>\$ 8.00</b>	<b>\$ 8.00</b>	<b>\$ 8.00</b>	<b>\$ 8.00</b>	<b>\$ 8.00</b>	<b>\$ 8.00</b>	<b>\$ 8.00</b>
<b>Mining costs</b>	<b>\$ 27,727</b>	<b>\$ 27,727</b>	<b>\$ 27,727</b>	<b>\$ 27,727</b>	<b>\$ 27,727</b>	<b>\$ 27,727</b>	<b>\$ 27,727</b>	<b>\$ 27,727</b>	<b>\$ 27,727</b>	<b>\$ 27,727</b>	<b>\$ 27,727</b>	<b>\$ 27,727</b>	<b>\$ 27,727</b>
<b>Gross profit (in 000's)</b>	<b>\$ 32,926</b>	<b>\$ 32,926</b>	<b>\$ 32,926</b>	<b>\$ 32,926</b>	<b>\$ 32,926</b>	<b>\$ 32,926</b>	<b>\$ 32,926</b>	<b>\$ 32,926</b>	<b>\$ 32,926</b>	<b>\$ 32,926</b>	<b>\$ 32,926</b>	<b>\$ 32,926</b>	<b>\$ 32,926</b>
CapEx (in 000's)	\$ (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)	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%
Operating cash flow	\$ 18,990	\$ 18,990	\$ 18,990	\$ 18,990	\$ 18,990	\$ 18,990	\$ 18,990	\$ 18,990	\$ 18,990	\$ 18,990	\$ 18,990	\$ 18,990	\$ 18,990
Cash flow discount rate					8.0%								
PV of operating cash flow	\$ 18,990	\$ 17,583	\$ 16,280	\$ 15,074	\$ 13,958	\$ 13,958	\$ 12,924	\$ 11,967	\$ 11,080	\$ 10,259	\$ 9,499	\$ 8,796	\$ 8,144
<b>Total current cash flow</b>	<b>\$ 168,513</b>												
Common shares	135,396												
<b>Project NAV per share</b>	<b>\$1.24</b>												
<b>Bolañitos</b>													
Tonnes Processed (000's)	340	340	340	340	340	340	340	340	340	340	340	340	340
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
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%
Annual silver production (000's oz)	844	844	844	844	844	844	844	844	844	844	844	844	844
% growth	-15.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Silver sales price	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50
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
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%
Annual gold production (000's oz)	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5
% growth	-8.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gold sales price	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Gold:Silver ratio	86	86	86	86	86	86	86	86	86	86	86	86	86
Total silver equivalent ounces produced	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513
% growth	5.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total silver equivalent production</b>	<b>2,513</b>	<b>2,513</b>	<b>2,513</b>	<b>2,513</b>	<b>2,513</b>	<b>2,513</b>	<b>2,513</b>	<b>2,513</b>	<b>2,513</b>	<b>2,513</b>	<b>2,513</b>	<b>2,513</b>	<b>2,513</b>
<b>Total Revenues</b>	<b>\$ 43,985</b>	<b>\$ 43,985</b>	<b>\$ 43,985</b>	<b>\$ 43,985</b>	<b>\$ 43,985</b>	<b>\$ 43,985</b>	<b>\$ 43,985</b>	<b>\$ 43,985</b>	<b>\$ 43,985</b>	<b>\$ 43,985</b>	<b>\$ 43,985</b>	<b>\$ 43,985</b>	<b>\$ 43,985</b>
<b>Cash cost per oz</b>	<b>\$ 7.75</b>	<b>\$ 7.75</b>	<b>\$ 7.75</b>	<b>\$ 7.75</b>	<b>\$ 7.75</b>	<b>\$ 7.75</b>	<b>\$ 7.75</b>	<b>\$ 7.75</b>	<b>\$ 7.75</b>	<b>\$ 7.75</b>	<b>\$ 7.75</b>	<b>\$ 7.75</b>	<b>\$ 7.75</b>
<b>Mining costs</b>	<b>\$ 19,479</b>	<b>\$ 19,479</b>	<b>\$ 19,479</b>	<b>\$ 19,479</b>	<b>\$ 19,479</b>	<b>\$ 19,479</b>	<b>\$ 19,479</b>	<b>\$ 19,479</b>	<b>\$ 19,479</b>	<b>\$ 19,479</b>	<b>\$ 19,479</b>	<b>\$ 19,479</b>	<b>\$ 19,479</b>
<b>Gross profit (in 000's)</b>	<b>\$ 24,506</b>	<b>\$ 24,506</b>	<b>\$ 24,506</b>	<b>\$ 24,506</b>	<b>\$ 24,506</b>	<b>\$ 24,506</b>	<b>\$ 24,506</b>	<b>\$ 24,506</b>	<b>\$ 24,506</b>	<b>\$ 24,506</b>	<b>\$ 24,506</b>	<b>\$ 24,506</b>	<b>\$ 24,506</b>
CapEx (in 000's)	\$ (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)	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%	\$ 32.0%
Operating cash flow	\$ 14,624	\$ 14,624	\$ 14,624	\$ 14,624	\$ 14,624	\$ 14,624	\$ 14,624	\$ 14,624	\$ 14,624	\$ 14,624	\$ 14,624	\$ 14,624	\$ 14,624
Cash flow discount rate					8.0%								
PV of operating cash flow	\$ 14,624	\$ 13,541	\$ 12,538	\$ 11,609	\$ 10,749	\$ 9,953	\$ 9,216	\$ 8,533	\$ 7,901	\$ 7,316	\$ 6,774	\$ 6,272	\$ 5,807
<b>Total current cash flow</b>	<b>\$ 124,833</b>												
Common shares	135,396												
<b>Project NAV per share</b>	<b>\$0.92</b>												

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

El Cubo	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
<b>Tonnes Processed (000's)</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>255</b>
Silver grade (gpt)	175.0	175.0	175.0	175.0	175.0	175.0	175.0	175.0	175.0	175.0	175.0	175.0	175.0
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%
<b>Annual silver production (000's oz)</b>	<b>1,248</b>	<b>1,248</b>	<b>1,248</b>	<b>1,248</b>	<b>1,248</b>	<b>1,248</b>	<b>1,248</b>	<b>1,248</b>	<b>1,248</b>	<b>1,248</b>	<b>1,248</b>	<b>1,248</b>	<b>1,248</b>
% growth	-51.0%	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	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50
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
Gold 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%
<b>Annual gold production (000's oz)</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>
% growth	-53.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gold sales price	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Gold:Silver ratio	86	86	86	86	86	86	86	86	86	86	86	86	86
<b>Total silver equivalent ounces produced</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>
% growth	-46.0%	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>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>	<b>2,323</b>
<b>Total Revenues</b>	<b>\$ 40,659</b>	<b>\$ 40,659</b>	<b>\$ 40,659</b>	<b>\$ 40,659</b>	<b>\$ 40,659</b>	<b>\$ 40,659</b>	<b>\$ 40,659</b>	<b>\$ 40,659</b>	<b>\$ 40,659</b>	<b>\$ 40,659</b>	<b>\$ 40,659</b>	<b>\$ 40,659</b>	<b>\$ 40,659</b>
<b>Cash cost per oz</b>	<b>\$ 11.50</b>	<b>\$ 11.50</b>	<b>\$ 11.50</b>	<b>\$ 11.50</b>	<b>\$ 11.50</b>	<b>\$ 11.50</b>	<b>\$ 11.50</b>	<b>\$ 11.50</b>	<b>\$ 11.50</b>	<b>\$ 11.50</b>	<b>\$ 11.50</b>	<b>\$ 11.50</b>	<b>\$ 11.50</b>
<b>Mining costs</b>	<b>\$ 26,719</b>	<b>\$ 26,719</b>	<b>\$ 26,719</b>	<b>\$ 26,719</b>	<b>\$ 26,719</b>	<b>\$ 26,719</b>	<b>\$ 26,719</b>	<b>\$ 26,719</b>	<b>\$ 26,719</b>	<b>\$ 26,719</b>	<b>\$ 26,719</b>	<b>\$ 26,719</b>	<b>\$ 26,719</b>
<b>Gross profit (in 000's)</b>	<b>\$ 13,940</b>	<b>\$ 13,940</b>	<b>\$ 13,940</b>	<b>\$ 13,940</b>	<b>\$ 13,940</b>	<b>\$ 13,940</b>	<b>\$ 13,940</b>	<b>\$ 13,940</b>	<b>\$ 13,940</b>	<b>\$ 13,940</b>	<b>\$ 13,940</b>	<b>\$ 13,940</b>	<b>\$ 13,940</b>
CapEx (in 000's)	\$ (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)	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%
	\$ (2,861)	\$ (2,861)	\$ (2,861)	\$ (2,861)	\$ (2,861)	\$ (2,861)	\$ (2,861)	\$ (2,861)	\$ (2,861)	\$ (2,861)	\$ (2,861)	\$ (2,861)	\$ (2,861)
<b>Operating cash flow</b>	<b>\$ 6,079</b>	<b>\$ 6,079</b>	<b>\$ 6,079</b>	<b>\$ 6,079</b>	<b>\$ 6,079</b>	<b>\$ 6,079</b>	<b>\$ 6,079</b>	<b>\$ 6,079</b>	<b>\$ 6,079</b>	<b>\$ 6,079</b>	<b>\$ 6,079</b>	<b>\$ 6,079</b>	<b>\$ 6,079</b>
Cash flow discount rate				10.0%									
<b>PV of operating cash flow</b>	<b>\$ 6,079</b>	<b>\$ 5,527</b>	<b>\$ 5,024</b>	<b>\$ 4,568</b>	<b>\$ 4,152</b>	<b>\$ 3,775</b>	<b>\$ 3,432</b>	<b>\$ 3,120</b>	<b>\$ 2,836</b>	<b>\$ 2,578</b>	<b>\$ 2,344</b>	<b>\$ 2,131</b>	<b>\$ 1,937</b>
<b>Total current cash flow</b>	<b>\$ 47,502</b>												
Common shares	135,396												
<b>Project NAV per share</b>	<b>\$0.35</b>												
<b>El Compas</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>75</b>	<b>75</b>	<b>45</b>									
Silver grade (gpt)	90.8	83.3	79.0	75.0									
Silver Recovery	73.0%	73.0%	73.0%	73.0%									
<b>Annual silver production (000's oz)</b>	<b>117</b>	<b>147</b>	<b>139</b>	<b>79</b>									
% growth	0.0%	25.1%	-5.1%	-43.0%									
Silver sales price	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50									
Gold grade (gpt)	5.3	6.8	7.5	7.1									
Gold recovery	83.5%	83.5%	83.5%	83.5%									
<b>Annual gold production (000's oz)</b>	<b>7.8</b>	<b>13.7</b>	<b>15.0</b>	<b>8.5</b>									
% growth	0.0%	75.4%	9.5%	-43.2%									
Gold sales price	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500									
Gold:Silver ratio	86	86	86	86									
<b>Total silver equivalent ounces produced</b>	<b>787</b>	<b>1,322</b>	<b>1,426</b>	<b>810</b>									
% growth	0.0%	67.9%	7.9%	-43.2%									
<b>Total silver equivalent production</b>	<b>787</b>	<b>1,322</b>	<b>1,426</b>	<b>810</b>									
<b>Total Revenues</b>	<b>\$ 13,777</b>	<b>\$ 23,132</b>	<b>\$ 24,949</b>	<b>\$ 14,171</b>									
<b>Cash cost per oz</b>	<b>\$ 9.25</b>	<b>\$ 9.25</b>	<b>\$ 9.25</b>	<b>\$ 9.25</b>									
<b>Mining costs</b>	<b>\$ 7,282</b>	<b>\$ 12,227</b>	<b>\$ 13,187</b>	<b>\$ 7,490</b>									
<b>Gross profit (in 000's)</b>	<b>\$ 6,495</b>	<b>\$ 10,905</b>	<b>\$ 11,762</b>	<b>\$ 6,680</b>									
CapEx (in 000's)	\$ (300)	\$ (300)	\$ (300)	\$ (300)									
(Tax)	32.0%	32.0%	32.0%	32.0%									
	\$ (1,982)	\$ (3,394)	\$ (3,668)	\$ (2,042)									
<b>Operating cash flow</b>	<b>\$ 4,213</b>	<b>\$ 7,211</b>	<b>\$ 7,794</b>	<b>\$ 4,339</b>									
Cash flow discount rate				10%									
<b>PV of operating cash flow</b>	<b>\$ 4,213</b>	<b>\$ 6,556</b>	<b>\$ 6,441</b>	<b>\$ 3,260</b>									
<b>Total current cash flow</b>	<b>\$ 20,469</b>												
Common shares	135,396												
<b>Project NAV per share</b>	<b>\$0.15</b>												

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

	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
<b>Consolidated silver equivalent production</b>	<b>9,090</b>	<b>9,625</b>	<b>9,728</b>	<b>9,112</b>	<b>8,303</b>	<b>8,303</b>	<b>8,303</b>	<b>8,303</b>	<b>8,303</b>	<b>8,303</b>	<b>8,303</b>	<b>8,303</b>	<b>8,303</b>

*(note: silver equivalent production utilizes HCW price deck and therefore may not exactly match Endeavour outlook or results)*

**Current value of cash flow**

	Total	per share	
Valuation for Guanaceví	\$ 168,513	\$ 1.24	HCW estimate
Valuation for Bolañitos	\$ 124,833	\$ 0.92	HCW estimate
Valuation for El Cubo	\$ 47,502	\$ 0.35	HCW estimate
Valuation for El Compas	\$ 20,469	\$ 0.15	HCW estimate
Valuation for Terronera	\$ 50,000	\$ 0.37	HCW estimate
Valuation for other exploration properties	\$ 35,000	\$ 0.26	HCW estimate
Plus cash & equivalents and finished goods inventory	\$ 27,368	\$ 0.20	As of Jun. 30, 2019
Less debt	\$ 2,819	\$ 0.02	As of Jun. 30, 2019
<b>Total current value</b>	<b>\$ 470,867</b>	<b>\$ 3.48</b>	

**Common shares**

**135,396** As of Jun. 30, 2019

EXK share price	\$ 2.41	As of Aug. 16, 2019
EXK NAV	\$ 3.48	
NAV Premium for target price	1.2x	
<b>Rounded (\$0.25) price target</b>	<b>\$ 4.25</b>	43.3% discount to price target

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

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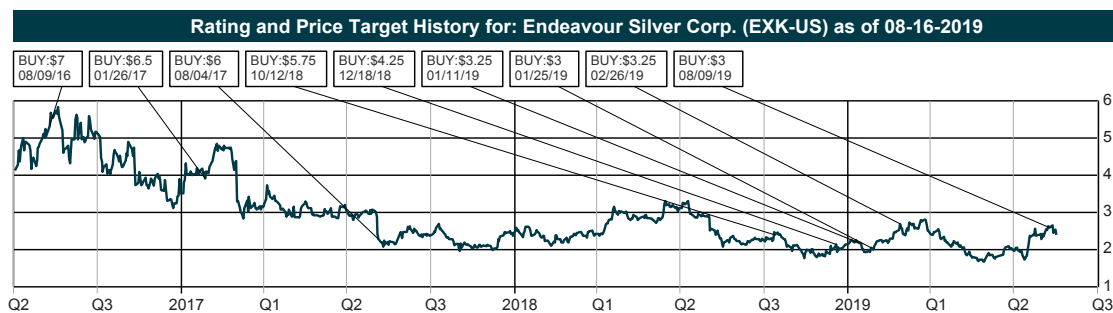
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**Market Perform (Neutral):** The common stock of the company is expected to mimic the performance of a passive index comprised of all the common stock of companies within the same sector.

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Distribution of Ratings Table as of August 16, 2019					
Ratings	Count	Percent	IB Service/Past 12 Months		
			Count	Percent	
Buy	344	91.98%	120	34.88%	
Neutral	28	7.49%	5	17.86%	
Sell	0	0.00%	0	0.00%	
Under Review	2	0.53%	0	0.00%	
<b>Total</b>	<b>374</b>	<b>100%</b>	<b>125</b>	<b>33.42%</b>	

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