Endeavour Silver Corp.

2019 Q3 Financial Results Conference Call Transcript

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Speakers:

Bradford Cooke
Chief Executive Officer

Dan Dickson
Chief Financial Officer

Godfrey Walton
President and Chief Operating Officer

Galina Meleger
Director, Investor Relations

OPERATOR:

Welcome to the Endeavour Silver Corp. 2019 Third Quarter Financial Results Conference Call. As a reminder, all participants are in listen-only mode, and the conference is being recorded. After the presentation, there will be an opportunity to ask questions. To join the question queue, you may press star, then one on your telephone keypad. Should you need assistance during the conference call, you may signal an Operator by pressing star and zero.

I would now like to turn the conference over to Galina Meleger, Director Investor Relations. Please go ahead.

GALINA MELEGER:

Thank you, Operator. Good morning, everyone, and welcome to the Endeavour Silver 2019 Third Quarter Financial Results Conference Call.

With me on the line today we have the Company's Chief Executive Officer, Bradford Cooke, our Chief Financial Officer, Dan Dickson, and our Chief Operating Officer, Godfrey Walton.

Before we get started, I'm required to remind you that certain statements on today's call will contain forward-looking information within the meaning of applicable securities laws. These may include statements regarding Endeavour's anticipated performance in 2019 and future years, including revenue and cost figures, silver and gold production, grades and recoveries, and the timing and expenditures required to develop new silver mines in mineralized zones. We do not intend to and do not assume any obligation to update such forward-looking information other than as required by applicable law.

On behalf of the Endeavour Silver, I'd like to thank you again for joining our call today, and I'll now turn it over to our CFO, Dan Dickson.

DAN DICKSON:

Thank you, Galina, and welcome, everybody, to our third quarter conference call. As usual, we'll start off with a high-level overview of our third quarter performance and then we'll open it up for Q&A.

Our financial performance was generally lower year-on-year, largely to our lower production profile operational challenges that we've previously highlighted, leading to our higher unit costs. Our revenue was down 24% to $28.6 million from the sale of 835,000 ounces of silver, and 9,375 ounces of gold, averaging a sale price of $17.52 for silver and $14.89 for gold. On a year-to-date basis, our revenue now totals $87.1 million.

After quarterly cost of sales of $30.3 million, mine operating earnings amounted to negative $1.7 million from our operations in Mexico, which drove our overall net loss to negative $6.8 million or $0.05 a share for the quarter. If we remove the impacts of non-cash items, we declared an EBITDA of $1 million in Q3 and operational cash flow before working capital changes contributed $2.1 million in Q3.

As per our news release this morning, we are now starting to see improvements from the operational challenges we implemented in the second quarter. Following the Company's wide operational review, notwithstanding the recent progress in the operating performance of the mines, we announced in today's news release that Management does not expect to meet its 2019 production and cost guidance, and we will not be providing guidance for the balance of the year, as we evaluate alternative at the El Cubo mine, which includes the possible closure.

We do maintain a strong balance sheet, and we finished the quarter with a strong working capital position of $49.4 million and a cash position of $22 million.

While our cost profile remained high in Q3, we believe we are now trending in the right direction. In comparison to Q2, we are starting to see positive changes in our unit operating costs. Specifically, operating cash cost dropped by 15% since Q2 to $11.51. The consolidated direct production cost per tonne dropped by 7%. Most of these improvements are attributed to Guanacevi, as Guanacevi has now started to respond, and it continues to respond to the development of the two newer high-grade ore bodies of Milache and Santa Cruz Sur.

We're seeing both the tonnes and the grades starting to improve and the unit costs are starting to decrease quarter-over-quarter from a reduction in the workforce and the reduction of overreliance of contractors. As a result, cash costs in Q3 at Guanacevi decreased 26%, all-in sustaining costs in Q3 decreased 15%, and direct production costs per tonne decreased 22%.

Looking forward, we expect to see further improvements at Guanacevi in Q4 as Santa Cruz Sur starts production, and we expect to see almost 200 to 300 tonnes per day in Q4 from that area.

At Bolanitos, Q3 production (audio interference 4:53) due to lower tonnes and grades. The fatality at the start of the quarter significantly impacted production. Higher all-in sustaining costs incurred (phonetic 5:02) Q3 from the purchase of new equipment, equipment availability from the old equipment; we're looking to reduce maintenance costs going forward with this new equipment and, ultimately, improve mine output. We are already averaging over 1,000 tonnes per day in October and expect to get closer to the normalized rate of 1,200 tonnes per day in Q4.

At Bolanitos we made our changes in June and July, so the bulk of the turnaround is expected here in Q4.

At El Cubo, El Cubo has been our top performing mine in 2018, and this year we've been operating in an environment with limited reserves. We announced in Q4 of 2018 that we're reducing the output in 2019 from 1,500 tonnes per day to 750 tonnes per day to focus on exploration and consolidation opportunities, and then also evaluate the possible closure. This quarter the grades were lower than planned due to narrower widths and higher dilution at the V-Ascuncion ore body.

At El Compas we declared commercial production at the end of Q1, and we're seeing continued improvement with grades and recoveries improving in Q3. There's still work to do on the recoveries at Compas, but now we're getting effectively close to plan.

We recognized we had problems in Q2, and we made a number of changes, changes in site leadership and management, reductions in the workforce, new equipment, and more to help turn around our performance, primarily at Guanacevi and secondarily at the other operations. We're now starting to see those improvements.

In terms of growth outlook, our intention has now turned to towards Terronera and Parral. Terronera, as a reminder, is proposed to be our next core asset of the Company. We published a feasibility study last year that is forecasting over 5 million ounces of annual silver equivalent production over 10 years, which secures the future the Company. Since the publication of the 2018 PFS, we've continued to improve the project and we'll be publishing a final updated PFS following the completion of a bulk sample test that's being completed now on-site. The project is development-ready and fully permitted, and we're starting now on the final stages of securing our project financing that will allow us to start construction.

The Parral project is a pass-producing (phonetic 7:17) asset and is our largest exploration (inaudible 7:20) this year. The project continues to deliver encouraging drill results, and we're completing a 2,000 tonne bulk sample which will be processed at a local toll mill to refine metal recoveries this quarter. We're working towards publishing our first PA to evaluate a small scale, 200 tonnes per day mining and $12 million operation to generate early cash flow and pay for (audio interference 7:42) Parral.

Operator, with that I'd like to open it up to Q&A.

OPERATOR:

Certainly, sir. We'll now begin the question-and-answer session. To join the question queue, you may press star then one on your telephone keypad. You will hear a tone acknowledging your request. If you're using a speakerphone, please pick up your handset before pressing any keys. To withdraw your question please press star then two. We'll pause for a moment as callers join the queue.

The first question comes from Heiko Ihle H.C. Wainwright and Co. Please go ahead.

MARCUS GIANNINI:

Hey, this is Marcus Giannini calling in for Heiko. He's on the road and couldn't make the call, but thanks for taking our questions.

First question, we're not looking for an overly detailed answer here, but think it might be worthwhile given the withdrawal of short-term guidance. We went through the longer-term cash costs per tonne figures you have in your MD&As, so thinking longer-term, where are your investment objectives on a mine-by-mine basis relative to where they were at the beginning of the year?

DAN DICKSON:

Hey, Marcus. Where are our investment expectations going forward; is that effectively your question?

MARCUS GIANNINI:

Yes, essentially.

DAN DICKSON:

Yes. Right now, the biggest question mark for us is El Cubo. You can see the grades kind of through the year, we've fallen from effectively 183 grams at the beginning of the year and fell to about 130 (phonetic 9:17) grams silver. Gold was averaging about 1.9 grams at the beginning of the year and in Q3 we did about 1.3 grams. We've continued to see those lower grades here in October and, ultimately, it's a question of meeting a sufficient amount of throughput in 2020 to have economies of scale to make it worthwhile.

Cubo's actually had negative cash flow for the first time in a long time in Q3, so, ultimately, we're currently looking at what we can do for 2020 and, quite frankly, it might also include the possible closure of the El Cubo asset just from a reserves and resource standpoint. So, the investment for El Cubo (inaudible 10:00) could effectively be quite low, which is what we're working through.

From Guanacevi and Bolanitos standpoint where we have long expected mine lives, you'd be seeing something similar. Historically, we've spent about $10 million at Guanacevi for sustaining capital, and I expect that to continue.

Milache and Santa Cruz Sur, new ore bodies for us, we do have development left to go to get to the bottom of those ore bodies.

Then adjacent to a historical ore body of ours called Porvenir Cuatro, we signed a deal with Frisco in the second quarter for adjacent property called El Curso, which we know we have extensions on and we've actually been drilling that extension for the last month-and-a-half, and we expect to have news out on El Curso's drill results in the coming weeks. I except Guanacevi to be similar going forward, about $10 million of mine development. We've replenished the fleet. It's a question of when some of that gets delivered.

Then at Bolanitos, we continue to have some drill success there. We expect to extend, but this year we're spending about $4 million on mine development and I think we'll spend that again. But we come out with all this information typically in January, mid-January to late-January, for guidance for 2020, and we'll be able to give more detail on that at that time.

MARCUS GIANNINI:
Okay. Cool. Then sort of building on that, I guess longer-term, call it three to five years outlook, where do you expect to spend your 2020 focus that may not have been the case, say two to three quarters ago? Again, that might be answered, like you said, in January, but...

DAN DICKSON:
Yes. From a three to five-year standpoint, it's hard to see changes at Guanacevi or Bolanitos. Ultimately, we hope that our focus is actually on Terronera and, ultimately, by that time—three to five years—Parral. We've continued to have exploration success at Parral. We've put out a news release in the third quarter, highlighting that exploration success. So, were very encouraged with where Parral is going. We are putting a PEA together this quarter for Parral and that ultimately—the future the Company is Terronera and Parral, so on a long-term outlook, it's that.

We remain inquisitive in the space. Obviously, prices, we feel, are still depressed and are going to increase, so our VP of Corp Dev and Bradford Cooke are always inquisitive, and we're always looking at things. We still want to grow the Company. We want there to be a long-term future for Endeavour Silver, so we expect to grow.

MARCUS GIANNINI:

Okay. Then lastly on a different note, the payments you make under your royalties are getting quite a bit lower. At what point would it maybe make sense to lock up a seller and make a lowball offer to buy them back? Is that something considered at all?

DAN DICKSON:

Well, I would never the royalty holder that it's a lowball offer, so I don't—we always look at those things and, ultimately, the guys on the other side have to agree to a deal. Typically, holders of royalties are pretty sophisticated, so if we ever have the opportunity to buy back our royalty, it's probably going to be a pretty fair price. We look at those things all the time. It's just a matter of get one of those things done is difficult. You need to remember part of our royalty structure is to Mexican Government of 0.5% on any precious metals that are mined in Mexico, and then, ultimately, it's been the vendors of the properties that hold those other royalties.

MARCUS GIANNINI:

Okay. Cool. That's fair enough. Thanks for taking my questions.

OPERATOR:

The next question comes from Joseph Reagor of ROTH Capital Partners. Please go ahead.

JOSEPH REAGOR:

Good morning. Thanks for taking my questions. A couple of different things that I wanted to touch on. I guess first one, just a point of clarity on the guidance for 2019. There was revised guidance, which is listed in your MD&A. Are you guys saying the revised guidance won't be met, or that you're just confident you won't meet the original guidance?

DAN DICKSON:

No, Joseph. To clarify, we revised guidance in July. We don't think we're going to meet the low-end of that revised guidance. If you take Q3's production, Guanacevi and Bolanitos both were behind plan. We don't expect it to be significantly different, but we do expect it to be better. It's just a question of whether we can get to the bottom end of that guidance, and we think we'll be about 100,000 ounces silver equivalent short.

JOSEPH REAGOR:

Okay. Fair enough. Then another point of clarity, on El Cubo, the review you're doing to determine if you're potentially going to shut the mine down, can you give us a little bit more colour about what the basis of the review is and what the timing of any announcement there might be?

DAN DICKSON:

Yes. I mean, at the end of the day, it's about reserves and resources, and we've seen falling grades for the year. We've already reduced output from 1,500 tonnes down to 750 tonnes per day, and with the falling grades we actually had negative free cash flow. We did have an exploration program this year. We have extended the vein at Asuncion, which is the primary ore body where we are mining. Ultimately, those drill holes where we had intersections were narrow; okay widths but too narrow to get the tonnage output that we need. There is consolidation opportunity within the area.

Fresnillo owns significantly around us. We do know extensions go across onto their land. However, obviously we can't rely on any consolidations because it takes two to tango in that situation. Ultimately, if we're going to stay at these levels of grades, we're not going to be able to make money there. Without reserves and resources or primary expiration targets, we have to consider shutting down the mine. Ultimately, there's a couple of steps that are required to that, and one is negotiations with the union where we have 250 employees, and trying to determine a timeline with that union of when we can shut down and, ultimately, lay everybody off. We are in discussions always with that union, and we're working towards that. We'll have clarity on that, I would say, in the next four to six weeks.

JOSEPH REAGOR:

Okay. Thanks for the detail there. Switching to other mines, at El Compas, it seems like the cost on a per tonne basis are 30%-ish, 35% above what the original plan was. What can you guys do to get those back down towards—I think it was like $100 per tonne was kind of the target and it's been in the $130s.

DAN DICKSON:

Yes, Joseph, the target through the PEA was about $110 per tonne, and we thought we could beat that. You're right; we're sitting at about $130 per tonne. We are looking at that for 2020. One of the things that we're looking at is actually replacing the contractor with our own equipment and our own people, and that will save about 30% off our mining costs, so not a full $130 times 30%, but effectively the mining portion of it.

We did have some severance that went through. We kind of ramped up and increased our workforce. We scaled that back at the end of the quarter. So, as long as we hit our output levels, we think we can get closer and closer to that $110, especially going into 2020.

MARCUS GIANNINI:

Okay. Then one big-picture question; with the Terronera financing kind of on deck, what do you guys have left on your ATM, and what is the current plan there as far as financing and then timeline to production?

DAN DICKSON:

Yes. ATM we used about $10 million of the ATM in the third quarter. There's about $8.6 million remains on that ATM. We haven't had the ATM open for the last two months. Depending on where the market goes, that can open or not open. Obviously, it's helped us protect our balance sheet for 2019. We have that ATM available to us until about the end of March under our base shelf as is.

As far as the financing for Terronera going forward, we are looking at a form of debt anywhere $60 million to $80 million we're trying to get finalized here in the next four to six weeks and then it goes into construction. Construction timeline hasn't significantly changed under the work we've done for the new PFS. Ultimately, we're still looking at about 18 months from when we start, and the first six months of that is just basically earthworks of cutting down a hill so we can start building the plant. We've got all our permits in place, so it's a question of when we have financing in place and being comfortable to say go.

MARCUS GIANNINI:

Okay. Thanks. I'll turn it over.

OPERATOR:

The next question comes from Chris Thompson of PI Financial. Please go ahead.

CHRIS THOMPSON:

Hey, guys. Good morning. A number my questions have been answered, but I just wanted to chime in on a couple of little things here, firstly Guanacevi. I mean, where we right now in that ramp up to 1,200 tonne a day. I mean, obviously sitting in early November—we've seen October. Where are you right now as far as the production rates there?

DAN DICKSON:

Yes. October came in just under 1,100 tonnes per day for mining. We've seen partly—maybe the confidence hopefully in my voice a little bit—is between Q3 to now we've seen October have a good month. The other thing that works out well to us, we think going forward, is the El Curso property, which is right adjacent to Porvenir Cuatro.

We have a ramp that goes through El Curso because we have a right-of-way access with Frisco to get down to Milache. We do have a ramp that effectively crosses the El Curso property and we've got about 10 drill holes into that property that we expect to release later on. We believe El Curso will allow us the flexibility (phonetic 20:38) to make sure we're at 1,200 tonnes per day.

GODFREY WALTON:

Chris, this is Godfrey. If I could just add to that as well, we've actually now built a stockpile at Guanacevi, which we haven't had for many years. We've had a few maintenance issues at the plant which is why we haven't hit 1,200 already. But we're very confident that those will be behind us here in another couple of weeks, and so for the balance of Q4 we should be at capacity.

CHRIS THOMPSON:

Great. Thanks for that, Godfrey. Just, I guess, looking at when you're fully ramped, I guess, as far as Milache and Santa Cruz Sur, what sort of blended grade to the mill are you anticipating?

DAN DICKSON:

The blended grade to the mill would be about 255 grams silver and 0.661 grams gold with SES and Milache blended going through the mill. The big thing that we're going to see when those ramp up is the reduction of the Santa Cruz Sur ore which has been running lower grade closer to the 200 gram per tonne silver and about 0.5 gram gold.

CHRIS THOMPSON:

Great. Thanks for that, Dan. Then just closing the loop, I guess, on Guanacevi, unit costs, what do you see as sort of a nice steady-state figure?

DAN DICKSON:

I've touched on this in the past. If we get to 1,200 tonnes per day, I don't see any reason why we can't get back to the $95 cost per tonne. Obviously, this quarter we're about $118 cost per tonne. We still averaged lower than 1,000 tonnes per day. Having the new equipment arrive and the reduction that we're going to see in maintenance costs will help us there, but I can—provided we hit our targets of $95 to $100 cost per tonne is still our goal.

CHRIS THOMPSON:

Okay. Great. Then just moving on to Bolanitos, have you got this, I guess, how you handle the high arsenic at the moment, or it's just come as a bit of a surprise to you?

GODFREY WALTON:

Hi, Chris. Thanks for the question. This is Godfrey. We've been up and down on the arsenic. One month we figure we've got it handled and the next month we continue to have issues. But it's an area within the different horizons that have all come together, so both in La Luz and in Lucero we're seeing higher arsenic in the actual ore. We do expect to be able to reduce it from where it is now, which is coming at about 1.3% arsenic, back down to the 0.95%, which is what we had anticipated.

But we're changing some of the floatation, the concentration ratios to make those adjustments. We're still working on it, but we do feel optimistic that we can get it resolved.

CHRIS THOMPSON:

Great. Thanks for that.

DAN DICKSON:

Just to add to that, Chris, we are coming out of 2019, so every year we sign agreements with our concentrate buyers where we set kind of the rates and what we are allowed to have effectively from the arsenic level in our concentrates. Once we come out of 2019 and we're in the process now for 2020 of bidding and out signing for concentrate deals next year, which obviously we can build a better range and ourselves going forward.

CHRIS THOMPSON:

Okay. Thanks. Just on the mining rates, I mean, you say you're anticipating them, I guess, to revert to historical levels in the Q4 here. Would that be the 1,200 mark?

DAN DICKSON:

We're shooting for the 1,200 mark here in Q4. Whether we can get there or not, even getting to 1,100 or 1,000 to 1,100, it's obviously advantageous for us, but 1,200 is still the goal.

GODFREY WALTON:

(Cross-talking 24:47). We've actually also got a stockpile for the Bolanitos plant as well. The only issue there is just making adjustments in the flotation circuit for the arsenic, but we're optimistic that we'll be at 1,200 in Q4.

CHRIS THOMPSON:

All right. So, you're expecting obviously a reduction in unit costs as you sort of get to that 1,200 mark from Q3 levels?

DAN DICKSON:

Yes.

CHRIS THOMPSON:

Okay. Perfect. All right. Then the final question, I guess—and this is the thing I really struggle with, I guess, at Bolanitos—is your grades. I mean, I look at your reserves resources from the mine, and they're significantly higher than what you're delivering right now. Can you talk to that please?

GODFREY WALTON:

Chris, this is Godfrey again. Yes, we, in a number of areas where we are mining, are actually down near the bottom of the roots of both Lucero and REITs, both Lucero, Daniela. Those are typically higher gold, but lower silver. We're also seeing that as well in La Luz. It just comes down to the areas that we are mining and not having the silver that we had anticipated. But we're doing better with the gold.

CHRIS THOMPSON:

Right. I mean, I'm looking at my model and it looks—I don't know what to use, to be quite honest with you based on your reserves/resources anymore. I mean, can we anticipate that's going to be sort of the plan moving forward?

GODFREY WALTON:

I think you're going to see more of those kind of numbers going forward, yes; a little lower silver just because of where are in the systems.

CHRIS THOMPSON:

All right. Okay, guys. All right. Thanks a lot.

OPERATOR:

Once again, if you have a question, please press star then one now. The next question comes from Mark Reichman of Noble Capital Markets. Please go ahead.

MARK REICHMAN:

Good afternoon. I just wanted to focus a little bit on the cost, on cash costs and all-in sustaining costs. I know the last quarter you had kind of expected the latter half of the year to be kind of in that $10 to $11 range for the full year and then lower than that in the latter half net of any (phonetic 27:27) by-product (phonetic 27:28) credits. It seems to me that some of these, for some mines the answer is increasing production, in others, I guess in the case of El Cubo, it's not to produce. Just looking out, I mean, what are your—I know you're not giving any guidance, but what are your expectations on getting these costs down, because, I mean, if I look out at 2020, you're going to have additional financing costs related to Terronera, costs associated with shutting down El Cubo potentially, and even with a modest increase in commodity prices, the costs just aren't competitive.

DAN DICKSON:

Yes, Mark. It's a fair question and it's something that, I mean, obviously as a management group we look at all the time. The cost profile in the first half of the year, then ultimately again here in Q4, is not conducive to moving forward at these prices. We manage the Company at these prices, not what we expect silver prices to go.

Obviously, for Guanacevi it has been an output level. I mean, it's a mine that's got capacity at the plant to 1,200 tonnes per day and ultimately has the resources from a labour standpoint for 1,200 tonnes per day, and we have the reserves and resources there to meet that output. The absolute cost that we're spending is in line with what our budgets were, but what we are not hitting is our production targets. Some of that has to do with things that we've changed. I think at the beginning of the year we had—and we've determined this—and overreliance on contractors. If we weren't hitting targets, we hired contractors to try to make it up, and kept those employees that inflated our costs.

We've now significantly reduced our contractor levels at Guanacevi and our employee level at Guanacevi, and we've seen tonnes come up, which is great and which should be reflected in Q4's costs and ultimately in 2020's costs. If we can get back down to that profile of $95 to $100 per tonne, Guanacevi is cash flow positive.

From Bolanitos' standpoint, it has been cash flow positive until Q3 of this year, and we had a small loss from a free cash flow standpoint, but we've been replenishing our mining fleet there to reduce our operating costs. Ultimately, what we're spending in our lease payments is less than what we were spending to repair equipment that we had on-site. I think just over the last three years in depressed metal prices, like any mine, and especially underground vein mine, is you starve the mine a little bit of capital and that's come home to rouse (phonetic 30:15) to this year and, ultimately, we've made those changes to ensure that Bolanitos and Guanacevi, going forward, are cash positive and can contribute to the Company as a whole rather than being a liability to the Company.

I think we'll be able to speak more to that when we come out with the 2020 guidance. We are going through all our budgeting process and cost profile for next year and we present that to the Board in early or mid-December. Like I say, we always come out mid-January to it. I mean, it's about delivering on that output to make sure we can meet that cost profile.

MARK REICHMAN:

So, the emphasis is really kind of on Guanacevi and Bolanitos because you did show improvement from the second quarter into the third quarter on a cash cost basis; I guess Bolanitos went the other way on all-in sustaining costs. El Cubo next year, I guess that would be kind of a one-time item, but what about El Compas, what are your thoughts on El Compas.

DAN DICKSON:

Yes. El Compass, I mean, we touched on a little bit earlier. I think Marcus had a question with regards to costs, and we're about $130 cost per tonne right now and just trying to drive that down to $110. I think the reality for Compas is it's a million silver equivalent ounces a year, so right now it's not an overly significant asset.

We did have positive free cash flow in Q3, about $1.4 million, and in 2020 we expect Compas now to be a cash contributor. I mean, obviously in Q1 we were precommercial production and investing in the final amounts into Compas, but for 2020 it will also be a cash contributor. I think Compas is smaller; it's been easier to manage; and it's effectively a gold mine. Gold prices that we used in the PEA were about $1,375 and obviously, gold is closer to $1,500 right now. But it hasn't been, for lack of better term, a problem child.

Guanacevi has been a problem for about 2.5 years and finally I believe we've cracked that's nut. Bolanitos we came up with this arsenic issue that's required us to recycle the mine and ultimately allowed us to kind of review everything at the mine, and it was determined that our fleet was too old and we needed to replace the fleet. That will allow us to reduce operating costs, and it's managing that stuff and making sure it contributes cash at these prices going forward.

MARK REICHMAN:

Is that $20 delta between the $130 and the $110, is that just purely production?

DAN DICKSON:

No, at Compas it's not production; that's cost savings, reducing the use of contractors and putting our own equipment that we'll have potentially come available.

MARK REICHMAN:

Okay. Great. Thank you very much, Dan.

DAN DICKSON:

Thanks, Mark.

OPERATOR:

This concludes the question-and-answer session. I would now like to turn the conference back over to Mr. Dan Dickson for any closing remarks.

DAN DICKSON:

Well, thank you, everyone, for joining our call. I'm glad we were able to have lots of questions. I think Q4 is going to be a positive quarter for us. We do have some drill results coming in the coming weeks and then look forward to providing guidance for 2020 in the new year.

Thanks for your questions, and if anybody has questions, we are available offline and happy to help any time. Thank you.

OPERATOR:

This concludes today's conference call. You may disconnect your lines. Thank you for participating and have a pleasant day.