

Endeavour Silver Corp. Third Quarter 2017 Earnings Conference Call Transcript

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Speakers: **Bradford Cooke**
Chief Executive Officer

Dan Dickson
Chief Financial Officer

Galina Meleger
Director of Investor Relations

OPERATOR:

Thank you for standing by. This is the Conference Operator. Welcome to the Endeavour Silver Corp. 2017 Third Quarter Earnings 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 of Investor Relations. Please go ahead.

GALINA MELEGER:

Thank you, Operator. Good morning everyone and welcome to the Endeavour Silver Corp. 2017 Third Quarter Earnings Conference Call. On the line today we have the Company's CEO, Brad Cooke, as well as our President and COO, Godfrey Walton, our CFO, Dan Dickson, and our VP of Corporate Development, Dale Mah.

Before we get started, I'm required to remind you that certain statements on this call will contain forward-looking information within the meaning of applicable Securities Laws. These may include statements regarding Endeavour's anticipated performance in 2017 and future years, including revenue and cost forecasts, 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.

With that, I'll turn over our call to our CEO, Brad Cooke.

BRADFORD COOKE:

Thank you very much, Galina, and welcome everyone to this conference call on our third quarter financial results released this morning. Our financial performance in the third quarter was down compared to the third quarter last year, primarily due to lower production, by our operating costs, and increased expenditures on exploration and development. Production was also slightly lower in the third quarter compared to last year's quarter due primarily to some operating issues at our first mine at Guanacevi. Those issues are now partly resolved and the performance of the mine has been improving month-to-month. We did, as a result of the operating issues, revise our annual mine plan, which led to lower throughput for the nine months ended September 30.

However, the production in Q3 was actually higher than Q2 primarily due to the improved performance of all three mines, and as a result, our financial performance in the third quarter was also up significantly compared to the second quarter of this year with higher revenues up 22% and our cash flow up 30%, and higher EBITDA up 65%, as well as positive earnings.

The highlights for the third quarter include net earnings of \$1 million with year-to-date earnings of \$7 million. EBITDA was down a little bit year-on-year but up quarter-on-quarter to \$6.1 million; cash flow was \$5.7 million, year-to-date \$19 million; and revenue was \$40 million, year-to-date \$109 million. Cash costs were up compared to the same quarter last year in the \$8.11 range per ounce of payable silver produced, and all-in sustaining costs were also up around 53% to \$17.53 per ounce—again, per ounce of payable silver.

Cash costs were up primarily because of the operating issues at Guanacevi, which really dragged down our consolidated performance. But obviously with most of those problems now repaired and behind us, we're looking forward to slowly but steadily improving performance at Guanacevi.

The all-in costs, not only reflect the higher operating costs at Guanacevi but also our willingness to invest this year on long-term exploration and development to extend mine lives. That's not a permanent feature. Obviously, we're just playing catch up from a couple of years of low spending and we do expect the all-in cost to decline over time.

Working capital was relatively consistent quarter-on-quarter, only down 6% compared to the second quarter. We finished Q3 with over \$70 million of positive working capital and no long-term debt.

Slower production in the quarter was only slightly down compared to last year, 1.2 million ounces. Our nine month production comes in at 3.5 million ounces of silver. Gold production was only down slightly at 13,500 ounces, year-to-date 38,000 ounces of gold. Silver equivalent production of 2.2 million ounces in the quarter, and about 6.2 million on the year. We're on track to meet the low end of our revised guidance, which was in the order of 8.5 million to 9 million ounces of silver equivalent production in 2017.

Just a brief comment on Guanacevi because it's been the only mine that's behind plan and dragged down our operating performance, we have obviously focused since about this time last year on recovering from an incursion of hot water into the Santa Cruz mine. It caused us to make a significant capital investment to redo the pumping ventilation and electrical systems at Guanacevi. As a result, we now think we can handle whatever Mother Nature wants to throw at us, and the mine is slowly but surely recovering from that event.

We also recovered from the lightning strike in July of this year which fried our electrical system. It caused the pumps to fail. It allowed the lower high grade part of the Santa Cruz mine to flood. So, again, that event is behind us, and given that that was a third quarter event, we're expecting that the fourth quarter—knock on wood—if we don't have lightning strike twice, we should have a better quarter at Guanacevi.

Moving now to exploration and development, we have as of the end of September, invested \$10.5 million on exploration and development. Some of the accomplishments during the quarter include a production decision and the commencement of development of our fourth mine at El Compas in Zacatecas. We have also acquired several other exploration properties in the district of Zacatecas. We released high-grade drill results from the Santa Cruz orebody at Guanacevi and commenced the development of new mine ramp access to develop the Milache orebody, which was discovered a few years ago but is still awaiting development, and we hope to have Milache in production by mid-2018. Development of the mine will commence. So the access ramp gets there about midyear next year and we'll see development muck for at least one quarter and then hopefully into the orebody itself late next year.

We released some high-grade drill results from Terronera, specifically the newly discovered La Luz Zone, which is significantly higher grade than the Terronera vein itself. We also received in August the mine and plant permits to build Terronera.

Last but not least, during the quarter we created a new position of Vice President Engineering and appointed Andrew Sharp to lead our technical services and development projects, so effectively growing our Management Group to handle our future corporate growth.

Touching more along the lines of the development projects and the exploration project, El Compas in particular. We obviously made the production decision. We've commenced the decline of the mine access ramp into the El Compas orebody. We've been refurbishing the plant and while we're still awaiting some clarification on the state of Zacatecas' environmental tax, we believe there is an exemption for small miners, so we don't expect to have to pay that tax. We are advancing the mine ramp using a low-impact gunpowder because we don't yet have our full explosives permit for El Compas, but we are, again, expecting that by year-end.

Moving to Terronera, this was a project that we published the full prefeasibility study on it at the end of the first quarter. It has a very attractive cost profile, less than \$5 estimated all-in sustaining costs per ounce for Terronera, so it not only has the potential to become our biggest mine, it has the potential to become one of our most profitable mines.

While we did receive the mine and plant permits in August, we're still awaiting the tailings and dump permits. We're hopeful we'll receive those over the next three months or so, and once we receive those, we'll be able to break ground with effectively about a 15 month development period to see production at Terronera in late 2019.

Last but not least, we've just released actually here in October the first of what will likely be several news releases on exciting drilling results on our Parral project. Parral, if you'll recall, was purchased barely a year ago for \$6 million in stock. That came with a 32 million ounce historic resource. We're not relying on that resource, by the way, but it's evidence that there's substantial opportunity for Endeavour to develop a mine at Parral, subject to exploration success.

So those are the sum of my comments, Operator, and let's open up the call for Q&A.

OPERATOR:

Certainly. We will 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 using a speakerphone, please pick up your handset before pressing any keys. To withdraw your question, please press star, then two. We will pause for a moment as callers join the queue.

Our first question comes from Heiko Ihle of HCW.

HEIKO IHLE:

Hey, guys. It's Heiko from HCW.

BRADFORD COOKE:

Hello, Heiko. How are you?

HEIKO IHLE:

Excellent. Excellent. Galina, welcome to the Team, and good quarter, guys.

GALINA MELEGER:

Thank you.

BRADFORD COOKE:

Yes. Thanks, Heiko.

HEIKO IHLE:

At Guanacevi you mentioned a need for Milache and Santa Cruz Sur as necessary, obviously. I assume there is no real scientific answer to this, but with Milache coming online in the second half of next year, can you just sort of walk us through what you're budgeting in regards to CapEx spending to get there?

BRAD COOKE:

CapEx is a Dan question.

DAN DICKSON:

Yes. For the Milache, the total development over the Milache coal orebody is \$12 million to get there. We have just over a kilometre—1.8 kilometres. Right now I believe we're about 600 metres into that. So total spend for next year, I would estimate about an additional \$3 million to \$4 million over and above what we've spent this year. We'll come out in January with our 2018 capital expenditure guidance on not only Milache but also hopefully Santa Cruz Sur as well.

HEIKO IHLE:

Got you. I guess it was a more scientific answer than I expected to get, so well done. Thank you. I was playing around with the interim financials on SEDAR earlier a little bit. I realized that accounts receivable has gone up \$10 million since December 31 and another \$5 million since June 30. Walk me through some of the cause. I mean, in the MD&A it mentions the peso exchange fluctuations; it mentions the IVA receivables. Is there anything I'm missing?

DAN DICKSON:

No. There's nothing that you're missing, Heiko. You kind of touched on it right there. It's IVA receivables. For value-added tax there's been significant delays through Mexico, not just with Endeavour and not with just mining companies but across the business world. It's just the slowness of the Mexican Government to recover our VAT. Subsequent since the quarter end, we actually recovered \$4 million. We've been in disputes on certain items that we've won in court and it's just been delays out of Mexico. Like I say, it's not specific to Endeavour and not specific to mining. We've seen this VAT slowness of getting repaid across Mexico.

BRAD COOKE:

I was just going to add some colour in a broader sense on that issue. That's a country issue and the mining industry in Mexico has been particularly good at making noise about getting our refundable sales tax back. As a result, we are actually seen some progress. It's obviously not an ideal system with delays on almost every filing, but as an example, Goldcorp were running almost \$300 million of receivables on their IVA and in October they got \$90 million back—nine-zero million back. There is progress out there, but you have to make a lot of noise and we're making our share of the noise.

HEIKO IHLE:

As you should. I mean, it shouldn't come as a surprise to anybody that they don't feel like paying you money. Yes. That leads to a logical follow-up question, though. Walk me through your hope as to the timing to recover the rest. I mean, you said you got \$4 million. Is it fair to assume \$4 million a quarter until it's done? Is it the easy \$4 million that you got back and the rest may not come anytime soon?

DAN DICKSON:

Yes. Heiko, it's difficult to kind of predict when it's coming back. I mean, it comes down to—we're also coming into an election year in 2018 in Mexico and we see spurts where a lot of it gets paid back relatively quickly. Then we'll see a slowness, so maybe six months nothing gets paid back and sometimes it's the individual that gets assigned to your file and the number of requests they make. Effectively, they audit every submission that we make, so those audits sometimes are quick, and other times they'll ask for documents they've received multiple times just to fill their file.

So it's hard to predict when it's going to come. We've been on top of these guys, really since 2015 some of these items date back to. We expect some more resolution in March. But going into the 2018 election in midyear, right now I would deem it to be a little bit unpredictable.

HEIKO IHLE:

Got you. Good answers. Thanks, guys, and we'll talk soon.

DAN DICKSON:

Thanks, Heiko.

OPERATOR:

Our next question comes from Ryan Thompson of BMO.

RYAN THOMPSON:

Hey, Brad and Team.

BRADFORD COOKE:

Hi, Ryan.



RYAN THOMPSON:

Hey. I just had a quick question about your gold guidance at both Bolanitos and Cubo. It looks like in the MD&A you guys reiterated guidance. If I kind of do the math on Bolanitos, it looks like you're tracking well above guidance on the gold. Should we expect grades to come off there or do you think that you're just going to be guided in sort of the opposite thing, at Guanacevi it looks like you're tracking—or sorry—at Cubo you're tracking a little bit below guidance there on the gold.

BRADFORD COOKE:

Yes. At Bolanitos we have better than planned grades and we're running slightly higher than planned throughput. At Cubo it's kind of the opposite; we're running a little bit lower on grade and throughput.

RYAN THOMPSON:

Okay. I guess it's safe to assume that grades are kind of going to track where they have been in the previous few quarters?

BRADFORD COOKE:

Yes. We're working on recoveries. It's really the only productivity tool left for us at those two operations, but we won't have anything for this calendar year. We hope the studies will be complete and the pilot testing will be complete for some minor plant modifications at both Bolanitos and El Cubo for next year to tweak the recoveries by up to 5% at Bolanitos and up to 3% at Cubo. But we do expect that the current profile of tonnes and grades should continue going forward.

RYAN THOMPSON:

Okay. All right. That's helpful. Then I guess just a follow-up question. You mentioned El Compas' environmental tax. Can you just elaborate on that a little bit?

BRADFORD COOKE:

Well, if you recall, last year the State of Zacatecas brought a new environmental tax. It's not just the mining guys, it's the beer guys and the manufacturers and everybody in the state. It was really a tax grab by a governor who owes the Teacher's Union a bunch of money and it was by many people deemed to be unconstitutional; our lawyer certainly agreed that it was unconstitutional. The lawyers for the Federal Government thought it was unconstitutional and filed what's called an "amparo" to basically block it. Many individual companies have also filed such Amparos to block it. While it was passed into law, if it's an unconstitutional law—and it's obviously subject to appeal right now—then it'll have to be withdrawn and rewritten.

We're not going that route because what we were told by the Secretary of Economy from the State is that they expect to insert a small miners exemption and El Compas would fall under that exemption. Even if it didn't, given that we are basically leasing a Government-owned plant and Government-owned tailings facility, the whole idea of taxing dumps and tailings is kind of a weird one because we don't actually own them. The State would be taxing itself in the case of our plant.

While we're looking for clarity obviously on this law, from a practical point of view, we really don't expect that it'll apply to El Compas.

RYAN THOMPSON:

Okay. All right. Yes. Thanks for elaborating on that. That's all I had today. Thanks.

BRADFORD COOKE:

Thanks, Ryan.

OPERATOR:

Our next question comes from Chris Thompson from Raymond James.

CHRIS THOMPSON:

Good morning, guys. Congratulations on a good quarter. Just wanted to hone in on—we'll start off with Guanacevi. Brad, just trying to understand, I guess, the mine plan that's envisaged when you bring Milache and Santa Cruz Sur on. Are we looking for potential for a higher sort of mining rate, milling rate?

BRADFORD COOKE:

Yes. As you know, Guanacevi's throughput has fallen in the last two years as we've gotten deeper and deeper into the Santa Cruz and Porvenir Norte orebodies, and we found that stope development and production wasn't able to keep up with plant capacity. We also redid the mine plan at the end of June simply because of the water incursions and electrical outages that we've suffered there.

How to get back to plant capacity? Well, clearly developing two new higher grade, and in the case of Santa Cruz Sur, shallower orebodies will do wonders for the economic performance at Guanacevi. It should, according to our plan, take the throughput back up to plant capacity. It'll bump the grade profile. While recoveries—we're not kind of modeling any different recoveries really, we are also actually starting some testing to improve recoveries at Guanacevi. More on that in the new year.

Long answer to a short question, but basically it's critical for the long-term future of Guanacevi for us to develop these two orebodies and get back to the plant capacity.

CHRIS THOMPSON:

Okay. Great answer. Thanks. Just looking, I guess, at the costs, I mean you guys would probably be hopeful for bringing down those costs on a dollar per tonne basis as well?

BRAD:

Clearly. Again, while we're trying to do as much as we can with Santa Cruz and Porvenir Norte, it's really the new orebodies that will drive our cost per tonne down.

CHRIS THOMPSON:

All right. I guess as far as timelines, still quite a bit of work needs to be done. I would imagine positive results potentially by year-end next year?

BRADFORD COOKE:

In general, we're targeting to contact the Milache orebody by midyear, send development muck to the plant in the third quarter, and ore in the plant in the fourth quarter for Milache. We're looking at the same schedule for Santa Cruz Sur. Because it's a lot

shallower, there's a lot shorter timeframe of ramp development to contact ore, so we haven't started Santa Cruz Sur development yet. We'll obviously consider that in our guidance in January.

CHRIS THOMPSON:

All right. Perfect. Thanks. Just moving on I guess to El Cubo, just looking at, I guess, the mining milling rate at the moment, I mean, are you comfortable with that? Do you think that's sustainable potentially through next year?

DAN DICKSON:

Yes, Chris. Dan, here. You've seen our milling rate go up a little bit here in the back half of the year. We've reached as high as 2,200 tonnes per day there back in 2015 and we've dialed it back to about 1,400 to 1,500 tonnes per day. I think that's generally where we're going to sit through 2017 and into 2018.

BRADFORD COOKE:

Really, the constraint on pushing throughput higher is twofold. We did do a tailings expansion in Q3. It was a small one, but it obviously impacted our all-in costs during the quarter. We're still looking at a more longer term tailings development probably starting next year. That's one constraint on pushing the throughput. The other, of course, is reserves and resources and we're very actively drilling to try and improve the mine life at Cubo.

CHRIS THOMPSON:

Okay. Thanks. I guess you did mention something earlier about recoveries slightly lower, I guess, this quarter. I mean, is this a trend, I mean, same as—like, can we expect the same sort of recoveries in Q4? You did mention obviously some modification of supply that you're looking at for next year, so just trying to sort of work my way around a timeline here.

DAN DICKSON:

Yes. Recoveries is an interesting thing for right now. As Brad touched on in the introduction, we had a VP of Engineering and he's built out a technical team to facilitate to market all three operations. One of the programs that they're starting right now is trying to improve recoveries at all operations. We have a new metallurgist in that group and they have some really interesting ideas. As far as getting through, though, the concepts and putting them

into the plant, we're probably still looking out about six months.

The impact to recoveries, obviously we've got pretty good recoveries at each operation, but we'd, hopefully—any incremental gain is positive to the bottom line, so if we can get 10% above what we're at now—so going up 6% to 8%—obviously that has a significant impact on each operation.

As far as recoveries for this quarter versus Q1 and Q2, they did dip a little bit, but I just think that's kind of just normal variations from quarter-to-quarter. I would expect recoveries to be very similar to what they are probably on the average for the nine months or the three quarters.

CHRIS THOMPSON:

Okay. Thanks, Dan. Then a final question, if you would; again, just looking at the costs, I guess, for El Cubo they seem to be tracking, I guess, on the higher-end of the 70s rather than the low-end, such as what we saw in Q1. Again, is this sort of more what we should expect, I guess, moving forward here? I'm talking at dollar per tonne milled.

DAN DICKSON:

Yes. On a per tonne basis, we're pretty much where we're at. I would expect this to continue through Q4 and into 2018.

CHRIS THOMPSON:

Perfect. Thank you, guys. Thanks.

BRADFORD COOKE:

Thanks, Chris.

OPERATOR:

Once again, if you have a question, please press star and one. Our next question comes from Steve Epstein, a Private Investor.

STEVE EPSTEIN:

Good morning. Good afternoon.

BRADFORD COOKE:

Hello, Steve.

STEVE EPSTEIN:

Hi. I just have a kind of bigger picture question, I guess. I've heard a lot of the discussion about the general state of the political environment down there. Kind of putting it all together with the political risk, the currency exchange risk between the peso, the Canadian, and the U.S. dollar, and kind of in the bigger picture, how do you feel the market has treated the share price over the last number of months? I've been with you guys for a long time and I noticed the last couple of years there's been a great range that I'm not sure how much of it is overblown and how much of it is underappreciated, but I'm just curious—I'd be very curious to your thoughts if you're able to speak to that; if the regulators will allow you.

BRADFORD COOKE:

I'll let Dan speak to the currencies and then I'll talk about the market.

DAN DICKSON:

Yes. I mean, the currencies is the big macro question and obviously we've seen a big spike to the U.S. dollars and belief in the U.S. economy and movements from the world and also from gold into the U.S. dollar. However, starting this year, the peso significantly appreciated. We really kind of got back into the norms of what we're seeing. In 2016, the peso basically fell off a cliff and went from MX\$15 all the way up to MX\$22 to USD\$1 in U.S. dollar terms and got back to MX\$17. Quite honestly, since quarter end, it's got back up to MX\$19.50, so the velocity and the volatility inside the peso, and compared to U.S. dollar is big.

Obviously, we benefit from an operating cost standpoint as the peso depreciates against the U.S. dollar, but at the same time, when see the U.S. dollar strengthening, it affects silver and gold prices, which is obviously our main driver. So we have a natural hedge built in on that.

As far as the impact to how we kind of plan, it makes it a little bit more difficult when you see that velocity change in a currency where 66% of our costs are driven by the peso, half that being labor. So, it's something that we monitor quite closely. It's something we obviously have no control over and we just have to kind of guess where we think it's going to go and plan accordingly. One of the things that Endeavour has been great at over

the last 10 years is we've been very flexible in making adjustments when we need to be.

With that, I'll let Brad talk about the stock and kind of the volatility that we've seen in our stock over the last year, year-and-a-half.

BRADFORD COOKE:

Thanks, Dan. Maybe I'll just throw my two bits first on the currency. With the currency of the peso, the trend is your friend. The long-term trend since we went to Mexico in 2003 is almost an 80% decline in the purchasing power of the peso relative to the dollar. The year-to-year variations are basically around a straight line and so we appear to revert to that straight line, which effectively reflects about 5% or 6% annual inflation in Mexico. That's what the peso is reflecting.

Because we obviously spend most of our operating expenditures in pesos—the majority of them—but our earnings are in U.S. dollars, it's good for the Company, it's good for the industry. So that's final comment on the peso.

With regard to the stock market, obviously that's a completely different kettle of fish and has many other drivers, both short- and long-term. Our focus is clearly the long-term value creation and we've had a great run for 13 years. We had a pretty tough five-year bear market that came to a screeching halt last year. Even though this year's gold and silver price action has been almost boring, it's pretty much a consolidation from last year's bounce, and very much a sideways move this year.

This is a classic setup for the next leg of a precious metal cycle, so we are expecting a positive move in the prices starting at year-end, and we'll budget accordingly. Looking at the short-term action in the stock, which obviously is influenced mostly by the metal prices, it's been a tough year for us because overlaid on that kind of sideways gold-silver move was the operating issues at Guanacevi, which really dragged down our consolidated performance and meant that we were a bit of a laggard in the silver group compared to our peers. Obviously we think with getting most of those problems at Guanacevi behind us should allow us to bounce back.

So while we still see some short-term volatility in our shares, I think the medium-term picture of improving operations, plus building new mines—our fourth mine at El

Compas will be up and running with initial production by the end of the first quarter next year and full production mid- to late-year, so we are expecting obviously to get back into our growth cycle here. This is not just one mine, we want to see the Terronera mine developed right after El Compas with production in late 2019, and even the possibility, conceptually, of developing a sixth mine at Parral. It's still early days yet because it's an exploration project, but with the 32 million ounce historic resource, it's clearly an opportunity to fast-track Parral.

That combination of optimizing our mature mines and building some new mines does two wonderful things for our outlook: it grows our production and shrinks our costs. That's my kind of global comment on the market.

STEVE EPSTEIN:

Very good. I do appreciate that. I know you have a very full plate and I applaud you all. You're doing fantastic work. Keep it up. I appreciate the opportunity to ask and hear your thoughts.

BRADFORD COOKE:

Very much, thanks very much, Steve.

OPERATOR:

Our next question comes from Anil Nematadeca, a Private Investor.

ANIL NEMATADeca:

Hi. Hello again. This is Anil and I'm a proud Shareholder of Endeavour Silver. My question is about—I have listened to some of the very informational videos posted on your website, including the interviews of Brad Cooke. In one of the videos you mentioned a very significant point, which is in the United States, if the stock price is less than \$3, then that exposes Endeavour Silver to some very non-fundamental reasons but they start to go down because of margin requirements. I'm going to throw this question out: would you consider a reverse split just to get rid of this purely technical issue? Thank you.

BRADFORD COOKE:

Well, thanks for your question, Anil. I guess the short answer is no; we don't focus on short-term blitz in the market and we certainly wouldn't consider a reverse split just for that. For most of the last 10 years, Endeavour has been a more than \$3 stock and we fully expect to get back there. Obviously that's a forward-looking statement, but if we can deliver the types of results and the operations and the growth that we're forecasting, then truly the stock will respond. So, no, I don't think it would be something that we would consider. Thanks for your question.

ANIL NEMATADCA:

For sure. Thanks a lot.

OPERATOR:

We have no more questions in the queue. This concludes the question-and-answer session. I would like to turn the conference back over to Mr. Brad Cooke for any closing remarks.

BRADFORD COOKE:

Well, thank you very much, Operator. I think maybe I'll just look forward to the next few quarters and say that the main value drivers are to continue our improvement of our operations at Guanacevi and, in fact, all three mines. It's clearly a short-term value driver. Getting El Compas line up and running, another great value creation opportunity for the Company. Finishing off the permitting at Terronera and breaking ground next year on Terronera would be also good news. Lots of drill news coming on Parral, again, to help drive value for the shares.

On the M&A side, Dale Mah who's here with us in the boardroom, has been very active this year on the El Compas area with several packages of historic mines that have never been drilled that are now in our portfolio for future resource expansion. We're doing now the same thing a Parral. We have a core asset at Parral, but there's still lots of parts of that district that we think are interesting and prospectively available to us. So, we're still busy on the M&A front as well.

Those are the value drivers I think short-term, and stay tuned for our year-end call. Thank you very much.

OPERATOR:

This concludes today's conference call. You may disconnect your lines.



Thank you for participating and have a pleasant day.