

**Sierra Metals, Inc. (SMTS)**  
**Rating: Buy**

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**Continuing Optimization of Operations in Mexico Should Start to Bear Fruit; Maintain Buy**

Stock Data		10/24/2017		
Price				\$2.51
Exchange				NYSE
Price Target				\$3.50
52-Week High				\$2.95
52-Week Low				\$1.22
Enterprise Value (M)				\$441.1
Market Cap (M)				\$406
Public Market Float (M)				162.2
Shares Outstanding (M)				162.7
3 Month Avg Volume				25,274
Short Interest (M)				0.01
Balance Sheet Metrics				
Cash (M)				\$31.12
Total Debt (M)				\$65.76
Total Cash/Share				\$0.19
EPS Diluted				
Full Year - Dec	2016A	2017E	2018E	
FY	(0.08)	0.00	0.09	
Revenue (M)				
Full Year - Dec	2016A	2017E	2018E	
FY	143.20	186.90	228.20	



**Continuing coverage under the name H.C. Wainwright & Co. with a Buy rating.** Effective September 8, 2017, research in the above titled name will now be published under H.C. Wainwright & Co. and no longer distributed in conjunction with 'Rodman & Renshaw, a unit of H.C. Wainwright'.

**Yesterday's update on the Mexican asset operational improvement program.** The program has concentrated on strengthening the corporate team by adding expertise, while raising production by improving recoveries and throughput. We highlight the similarities between the current program in Mexico with a prior program that was successful at Yauricocha in late 2015. Progress to date includes improvements in recoveries at Bolívar and Cusi, the commissioning of additional equipment at Bolívar, and further development of the Santa Rosa de Lima zone at Cusi. We believe that incremental improvements from these efforts should begin to take hold as early as 4Q17.

**We expect higher throughput and recoveries for Bolívar.** Copper recoveries at Bolívar have improved from around 73% in July to about 82% at present. This was largely achieved by reducing the grind size of processed ore to a particle size distribution level of P80. Management expects recoveries to be maintained at current levels through 2018. Throughput at the mine should be supported by the commissioning of 13 new pieces of equipment, concurrent with maximization of the existing infrastructure. This should allow for processed tonnage to reach about 3,000 tpd in 1Q18. We highlight the potential for higher grades at the mine, in part due to further definition of higher grade ore from Bolívar West and Bolívar Northwest. That said, positive impacts from these areas may not be seen until 2H19.

**Santa Rosa de Lima zone should impact production profile at Cusi.** Drift development at the Santa Rosa de Lima structure continues to progress on four sub-levels located within the planned pilot sub level longhole stoping area. We note that initial development ore from the structure has already contributed to improved head grades at the mill. Tonnage from the Santa Rosa de Lima zone is expected to trend higher until the mill reaches 650 tpd solely from the high-grade zone. We expect a majority of Cusi throughput to be sourced from Santa Rosa de Lima by the beginning of 2Q18. We also note that recoveries at Cusi have increased from 60% in July to 83% at present through individualized treatment of each ore type, coupled with the addition of lime.

**We maintain our Buy rating and \$3.50 per share PT.** We have not yet adjusted our model for potential impacts from the operational improvements program, but plan to do so once additional information is available regarding progress at both assets. Our valuation remains based on an equally weighted composite NAV and CFPS methodology. We apply a 12x multiple to our 2017E CFPS estimate, while our NAV analysis utilizes 9.0% discount rates at Yauricocha and Bolívar and 10.0% at Cusi. We highlight continued success and resource growth at Yauricocha, and expect 2H17 improvements at Bolívar and Cusi.

**Risks.** 1) Gold and silver price risk; 2) operating and technical risk; 3) political risk; and 4) financing risk.



## Exhibit 1: Yauricocha NAV

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Yauricocha Mine</b>										
<b>Tonnes ('000s)</b>	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Silver grade (g/t)	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
Silver recovery	64%	64%	64%	64%	64%	64%	64%	64%	64%	64%
<b>Silver production (oz)</b>	<b>1,852</b>	<b>1,852</b>	<b>1,852</b>	<b>1,852</b>	<b>1,852</b>	<b>1,852</b>	<b>1,852</b>	<b>1,852</b>	<b>1,852</b>	<b>1,852</b>
Silver price	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Copper grade (%)	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%
Copper recovery (%)	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
<b>Copper production ('000s lbs)</b>	<b>8,598</b>	<b>8,598</b>	<b>8,598</b>	<b>8,598</b>	<b>8,598</b>	<b>8,598</b>	<b>8,598</b>	<b>8,598</b>	<b>8,598</b>	<b>8,598</b>
Copper price	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25
Silver Equivalent	967	967	967	967	967	967	967	967	967	967
Lead	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Lead recovery (%)	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%
<b>Lead production ('000s lbs)</b>	<b>38,096</b>	<b>38,096</b>	<b>38,096</b>	<b>38,096</b>	<b>38,096</b>	<b>38,096</b>	<b>38,096</b>	<b>38,096</b>	<b>38,096</b>	<b>38,096</b>
Lead price	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80
Silver Equivalent	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524
Gold grade (g/t)	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Gold recovery	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
<b>Gold production (oz)</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>
Gold price	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300
Silver Equivalent	313	313	313	313	313	313	313	313	313	313
Zinc grade (%)	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%
Zinc recovery (%)	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
<b>Zinc production ('000s lbs)</b>	<b>80,392</b>	<b>80,392</b>	<b>80,392</b>	<b>80,392</b>	<b>80,392</b>	<b>80,392</b>	<b>80,392</b>	<b>80,392</b>	<b>80,392</b>	<b>80,392</b>
Zinc price	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Silver Equivalent	4,020	4,020	4,020	4,020	4,020	4,020	4,020	4,020	4,020	4,020
<b>Total Silver Equivalent (000s oz)</b>	<b>8,676</b>	<b>8,676</b>	<b>8,676</b>	<b>8,676</b>	<b>8,676</b>	<b>8,676</b>	<b>8,676</b>	<b>8,676</b>	<b>8,676</b>	<b>8,676</b>
<b>Revenue in '000s \$</b>										
Revenue from Silver	\$ 37,038	\$ 37,038	\$ 37,038	\$ 37,038	\$ 37,038	\$ 37,038	\$ 37,038	\$ 37,038	\$ 37,038	\$ 37,038
Revenue from Copper	\$ 19,346	\$ 19,346	\$ 19,346	\$ 19,346	\$ 19,346	\$ 19,346	\$ 19,346	\$ 19,346	\$ 19,346	\$ 19,346
Revenue from Lead	\$ 30,477	\$ 30,477	\$ 30,477	\$ 30,477	\$ 30,477	\$ 30,477	\$ 30,477	\$ 30,477	\$ 30,477	\$ 30,477
Revenue from Gold	\$ 6,269	\$ 6,269	\$ 6,269	\$ 6,269	\$ 6,269	\$ 6,269	\$ 6,269	\$ 6,269	\$ 6,269	\$ 6,269
Revenue from Zinc	\$ 80,392	\$ 80,392	\$ 80,392	\$ 80,392	\$ 80,392	\$ 80,392	\$ 80,392	\$ 80,392	\$ 80,392	\$ 80,392
Gross Revenue	\$ 173,521	\$ 173,521	\$ 173,521	\$ 173,521	\$ 173,521	\$ 173,521	\$ 173,521	\$ 173,521	\$ 173,521	\$ 173,521
Smelting, Refining etc Charges	@ 20.0%	\$ (34,704)	\$ (34,704)	\$ (34,704)	\$ (34,704)	\$ (34,704)	\$ (34,704)	\$ (34,704)	\$ (34,704)	\$ (34,704)
<b>Net Revenue</b>	<b>\$ 138,817</b>	<b>\$ 138,817</b>	<b>\$ 138,817</b>	<b>\$ 138,817</b>	<b>\$ 138,817</b>	<b>\$ 138,817</b>	<b>\$ 138,817</b>	<b>\$ 138,817</b>	<b>\$ 138,817</b>	<b>\$ 138,817</b>
Cash cost per AgEq oz	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50
Total Operating Cash Cost	\$ 73,746	\$ 73,746	\$ 73,746	\$ 73,746	\$ 73,746	\$ 73,746	\$ 73,746	\$ 73,746	\$ 73,746	\$ 73,746
<b>Operating cash flow</b>	<b>\$ 65,070</b>	<b>\$ 65,070</b>	<b>\$ 65,070</b>	<b>\$ 65,070</b>	<b>\$ 65,070</b>	<b>\$ 65,070</b>	<b>\$ 65,070</b>	<b>\$ 65,070</b>	<b>\$ 65,070</b>	<b>\$ 65,070</b>
CapEx ('000s)	\$ (17,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)
Tax / Tax Rate (in '000's)	@ 30.0%	\$ (14,421)	\$ (15,021)	\$ (15,021)	\$ (15,021)	\$ (15,021)	\$ (15,021)	\$ (15,021)	\$ (15,021)	\$ (15,021)
<b>Free Cash Flow from Yauricocha</b>	<b>\$ 33,649</b>	<b>\$ 35,049</b>	<b>\$ 35,049</b>	<b>\$ 35,049</b>	<b>\$ 35,049</b>	<b>\$ 35,049</b>	<b>\$ 35,049</b>	<b>\$ 35,049</b>	<b>\$ 35,049</b>	<b>\$ 35,049</b>
Cash flow discount rate	9.0%	-	1	2	3	4	5	6	7	8
<b>PV of cash flow</b>	<b>\$ 33,649</b>	<b>\$ 32,155</b>	<b>\$ 29,500</b>	<b>\$ 27,064</b>	<b>\$ 24,830</b>	<b>\$ 22,780</b>	<b>\$ 20,899</b>	<b>\$ 19,173</b>	<b>\$ 17,590</b>	<b>\$ 16,138</b>
<b>Total current cash flow</b>	<b>\$ 243,778</b>	<b>\$ 199,898</b>	<b>\$ 164,200</b>	<b>\$ 122,000</b>	<b>\$ 82,000</b>	<b>\$ 45,000</b>	<b>\$ 25,000</b>	<b>\$ 13,000</b>	<b>\$ 7,000</b>	<b>\$ 4,000</b>
Attributable to SMT shareholders	82%	\$ 199,898	\$ 164,200	\$ 122,000	\$ 82,000	\$ 45,000	\$ 25,000	\$ 13,000	\$ 7,000	\$ 4,000
Fully Diluted Shares outstanding		164,200	164,200	164,200	164,200	164,200	164,200	164,200	164,200	164,200
<b>NAVPS</b>	<b>\$ 1.22</b>	<b>\$ 1.22</b>	<b>\$ 1.22</b>	<b>\$ 1.22</b>	<b>\$ 1.22</b>	<b>\$ 1.22</b>	<b>\$ 1.22</b>	<b>\$ 1.22</b>	<b>\$ 1.22</b>	<b>\$ 1.22</b>

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

## Exhibit 2: Bolívar NAV

	2017	2018	2019	2020	2021	2022	2023	2024
<b>Bolivar Mine</b>								
Tonnes ('000s)	925	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Silver grade (g/t)	16.0	18.5	18.5	18.5	18.5	18.5	18.5	18.5
Silver recovery	75%	75%	75%	75%	75%	75%	75%	75%
Silver production (oz)	357	625	625	625	625	625	625	625
Silver price	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Copper grade (%)	1.00%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%
Copper recovery (%)	80%	80%	80%	80%	80%	80%	80%	80%
Copper production ('000s lbs)	16,314	27,161	27,161	27,161	27,161	27,161	27,161	27,161
Copper price	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25
Silver Equivalent	1,835	3,056	3,056	3,056	3,056	3,056	3,056	3,056
Gold grade (g/t)	0.20	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Gold recovery	45%	45%	45%	45%	45%	45%	45%	45%
Gold production (oz)	2.7	5.1	5.1	5.1	5.1	5.1	5.1	5.1
Gold price	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300
Silver Equivalent	174	329	329	329	329	329	329	329
<b>Total Silver Equivalent (000s oz)</b>	<b>2,366</b>	<b>4,009</b>	<b>4,009</b>	<b>4,009</b>	<b>4,009</b>	<b>4,009</b>	<b>4,009</b>	<b>4,009</b>
<b>Revenue in '000s \$</b>								
Revenue from Silver	\$ 7,137	\$ 12,491	\$ 12,491	\$ 12,491	\$ 12,491	\$ 12,491	\$ 12,491	\$ 12,491
Revenue from Copper	\$ 36,707	\$ 61,112	\$ 61,112	\$ 61,112	\$ 61,112	\$ 61,112	\$ 61,112	\$ 61,112
Revenue from Gold	\$ 3,480	\$ 6,583	\$ 6,583	\$ 6,583	\$ 6,583	\$ 6,583	\$ 6,583	\$ 6,583
Gross Revenue	\$ 47,324	\$ 80,186	\$ 80,186	\$ 80,186	\$ 80,186	\$ 80,186	\$ 80,186	\$ 80,186
Smelting, Refining etc charges @ 15.0%	\$ (7,099)	\$ (12,028)	\$ (12,028)	\$ (12,028)	\$ (12,028)	\$ (12,028)	\$ (12,028)	\$ (12,028)
Net Revenue	\$ 40,225	\$ 68,158	\$ 68,158	\$ 68,158	\$ 68,158	\$ 68,158	\$ 68,158	\$ 68,158
Cash cost per AgEq oz	\$ 9.50	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25
Total operating costs	\$ 22,479	\$ 37,086	\$ 37,086	\$ 37,086	\$ 37,086	\$ 37,086	\$ 37,086	\$ 37,086
Operating cash flow	\$ 17,746	\$ 31,072	\$ 31,072	\$ 31,072	\$ 31,072	\$ 31,072	\$ 31,072	\$ 31,072
CapEx (000s)	\$ (15,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)
Tax / tax rate (in 000's) @ 30.0%	\$ -	\$ -	\$ (6,322)	\$ (6,322)	\$ (6,322)	\$ (6,322)	\$ (6,322)	\$ (6,322)
Free cash flow	\$ 2,746	\$ 21,072	\$ 14,750	\$ 14,750	\$ 14,750	\$ 14,750	\$ 14,750	\$ 14,750
Cash flow discount rate		9.0%						
PV of cash flow	\$ 2,746	\$ 19,332	\$ 12,415	\$ 11,390	\$ 10,450	\$ 9,587	\$ 8,795	\$ 8,069
<b>Total current cash flow</b>	<b>\$ 82,784</b>	<b>\$ 0.50 per share</b>						
Fully Diluted Shares outstanding	164,200							
<b>NAVPS</b>	<b>\$ 0.50</b>							

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

## Exhibit 3: Cusi NAV

	2017	2018	2019	2020	2021	2022	2023	2024
<b>Cusi Mine</b>								
Tonnes ('000s)	85	216	216	216	216	216	216	216
Silver grade (g/t)	165.0	175.0	175.0	175.0	175.0	175.0	175.0	175.0
Silver recovery	72%	72%	72%	72%	72%	72%	72%	72%
<b>Silver production (oz)</b>	<b>325</b>	<b>875</b>	<b>875</b>	<b>875</b>	<b>875</b>	<b>875</b>	<b>875</b>	<b>875</b>
Silver price	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Lead	1.2%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Lead recovery (%)	84%	84%	84%	84%	84%	84%	84%	84%
<b>Lead production ('000s lbs)</b>	<b>1,889</b>	<b>5,600</b>	<b>5,600</b>	<b>5,600</b>	<b>5,600</b>	<b>5,600</b>	<b>5,600</b>	<b>5,600</b>
Lead price	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80
Silver Equivalent	76	224	224	224	224	224	224	224
Gold grade (g/t)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Gold recovery	65%	65%	65%	65%	65%	65%	65%	65%
<b>Gold production (oz)</b>	<b>0.4</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>
Gold price	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300
Silver Equivalent	29	73	73	73	73	73	73	73
Zinc grade (%)	1.20%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Zinc recovery (%)	42%	42%	42%	42%	42%	42%	42%	42%
<b>Zinc production ('000s lbs)</b>	<b>944</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
Zinc price	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Silver Equivalent	47	125	125	125	125	125	125	125
<b>Total Silver Equivalent (000s oz)</b>	<b>476</b>	<b>1,297</b>	<b>1,297</b>	<b>1,297</b>	<b>1,297</b>	<b>1,297</b>	<b>1,297</b>	<b>1,297</b>
<b>Revenue in '000s \$</b>								
Revenue from Silver	\$ 6,493	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500
Revenue from Lead	\$ 1,511	\$ 4,480	\$ 4,480	\$ 4,480	\$ 4,480	\$ 4,480	\$ 4,480	\$ 4,480
Revenue from Gold	\$ 577	\$ 1,467	\$ 1,467	\$ 1,467	\$ 1,467	\$ 1,467	\$ 1,467	\$ 1,467
Revenue from Zinc	\$ 944	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
<b>Gross Revenue</b>	<b>\$ 9,526</b>	<b>\$ 25,947</b>	<b>\$ 25,947</b>	<b>\$ 25,947</b>	<b>\$ 25,947</b>	<b>\$ 25,947</b>	<b>\$ 25,947</b>	<b>\$ 25,947</b>
Smelting, Refining etc Charges	@ 18.0%	\$ (1,715)	\$ (4,671)	\$ (4,671)	\$ (4,671)	\$ (4,671)	\$ (4,671)	\$ (4,671)
<b>Net Revenue</b>	<b>\$ 7,811</b>	<b>\$ 21,277</b>	<b>\$ 21,277</b>	<b>\$ 21,277</b>	<b>\$ 21,277</b>	<b>\$ 21,277</b>	<b>\$ 21,277</b>	<b>\$ 21,277</b>
Cash cost per AgEq oz	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Total Operating Cash Cost	\$ 4,763	\$ 12,974	\$ 12,974	\$ 12,974	\$ 12,974	\$ 12,974	\$ 12,974	\$ 12,974
<b>Operating cash flow</b>	<b>\$ 3,048</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>
CapEx ('000s)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)
Tax / tax rate (in '000's)	@ 35.0%	3 years of tax loss carryforwards in Mexico	\$ (1,156)	\$ (1,156)	\$ (1,156)	\$ (1,156)	\$ (1,156)	\$ (1,156)
<b>Operating cash flow</b>	<b>\$ (1,952)</b>	<b>\$ 3,303</b>	<b>\$ 2,147</b>	<b>\$ 2,147</b>	<b>\$ 2,147</b>	<b>\$ 2,147</b>	<b>\$ 2,147</b>	<b>\$ 2,147</b>
Cash flow discount rate	10.0%	-	1	2	3	4	5	6
<b>PV of cash flow</b>	<b>\$ (1,952)</b>	<b>\$ 3,003</b>	<b>\$ 1,774</b>	<b>\$ 1,613</b>	<b>\$ 1,466</b>	<b>\$ 1,333</b>	<b>\$ 1,212</b>	<b>\$ 1,102</b>
<b>Total current cash flow</b>	<b>\$ 9,552</b>	<b>\$ 0.06 per share</b>						
Fully Diluted Shares outstanding	164,200							
<b>NAVPS</b>	<b>\$ 0.06</b>							

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

**Exhibit 4: NAV Calculation**

<b>Asset</b>	<b>Value per share</b>
Yauricocha US\$	\$1.22
Bolívar US\$	\$0.50
Cusi US\$	\$0.06
Cash in US\$	\$0.19
Debt in US\$	-\$0.40
<b>Total NAVPS in US\$</b>	<b>\$1.57</b>
2017E CFPS US\$	\$0.44
Multiple	12.0
CFPS valuation US\$	\$5.22
<b>Blended valuation</b>	<b>\$3.40</b>
<b>Rounded (\$0.25)</b>	<b>\$3.50</b>

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

## Important Disclaimers

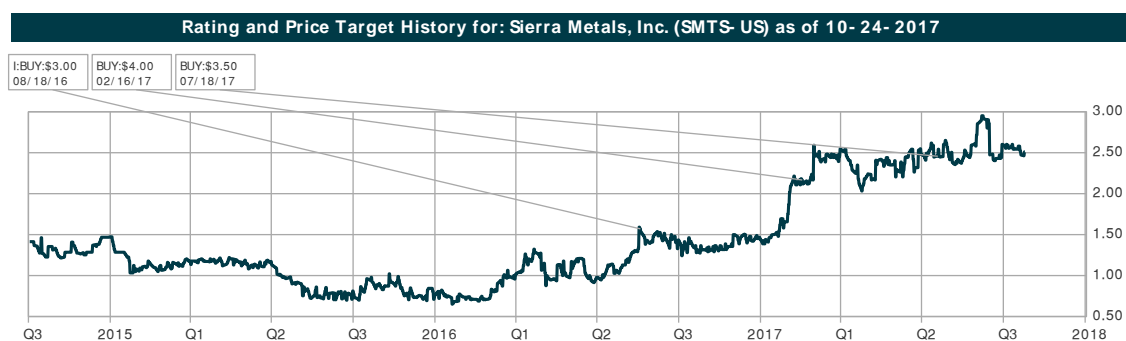
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## RETURN ASSESSMENT

**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.



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Distribution of Ratings Table as of October 24, 2017				
Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	229	90.16%	82	35.81%
Neutral	10	3.94%	0	0.00%
Sell	0	0.00%	0	0.00%
Under Review	15	5.91%	3	20.00%
<b>Total</b>	<b>254</b>	<b>100%</b>	<b>85</b>	<b>33.46%</b>

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