



Silver Report 2018

Everything you need to know about silver!



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Editor
Swiss Resource Capital AG
Poststr. 1
9100 Herisau, Schweiz
Tel : +41 71 354 8501
Fax : +41 71 560 4271
info@resource-capital.ch
www.resource-capital.ch

Editorial staff
Jochen Staiger
Tim Rödel

Layout/Design
Frauke Deutsch

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eliorahenzler@gmail.com

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Preface

Dear reader,

On the following pages we present to you with great pleasure our special report on the topic "Silver", which follows our successful Battery Metals and Uranium Reports. Swiss Resource Capital AG has made it its business to topically and comprehensively inform commodity investors, interested parties and the individual who wants to become an investor in various commodities and mining companies. On our website www.resource-capital.ch you will find approximately 20 companies and information as well as articles related to commodities. We see silver as an industrial metal on one side and as indispensable for the solar industry as well as a high-tech metal on the other side. Silver reached a supply deficit in 2016 and will continue to do so which allows for space and opportunities for future price development. Silver is becoming more and more important for antibacterial applications, allergy sufferers, textiles, cosmetics, high-tech industry, energy transmission, solar industry and for electric vehicles as well. The demand is rising whereby the supply cannot keep up due to the fact that silver is in large part a by-product of the base metal production. Within its latest 5-year-program, China has launched a solar panel program comprising around US\$100 million, which will need a lot of silver, as each panel includes between 10 and 14 grams of silver. One should also keep in mind the value of silver as a store of purchasing power and pecuniary substitute as well as a hedge against extremely bad times. If the global financial systems can't withstand the money printing orgies of the central banks and financial collapse occurs, then the owner of silver ounces has a clear advantage to provide himself and his family with the most necessary food. We don't want to conjecture the worst case but physical silver and also gold as well as my wine cellar ease off my fear of the potential coming distortions. It is more important to have a positive view of the future and that nice returns can be achieved with silver companies. Once silver turns north the silver producers have a tremendous

leverage on the silver price and are well suited as an investment. In this silver report some interesting companies are presented which are suited for speculation on rising silver prices. Via the general overview we also want to provide you with the necessary basic knowledge so that you can make your own decisions.

With our special reports we would like to give you the necessary insights and inform you comprehensively. In addition, our two Commodity IP-TV channels www.Rohstoff-TV.net & www.Commodity-TV.net are always available to you free of charge. For the go we recommend our new Commodity-TV App for iPhone and Android which also provides real-time charts, share prices and the latest videos.

My team and I hope you will enjoy reading the special report on silver and hope that we can provide you with new information, impressions and ideas. Only the one who gets broadly informed and takes matters relating to investments in his own hand will be amongst the winners and preserve his wealth during these difficult times. Silver like gold withstood over millennia and will continue to withstand in the future.

Yours Jochen Staiger



Jochen Staiger is founder and CEO of Swiss Resource Capital AG, located in Herisau, Switzerland. As chief-editor and founder of the first two resource IPTV-channels Commodity-TV and its German counterpart Rohstoff-TV, he reports about companies, experts, fund managers and various themes around the international mining business and the correspondent metals.



Tim Roedel is chief-editorial- and -communications-manager at SRC AG. He has been active in the commodity sector since 2007 and held several editor- and chief-editor-positions, e.g. at the publications Rohstoff-Spiegel, Rohstoff-Woche, Rohstoffraketen, Wahrer Wohlstand and First Mover. He owns an enormous commodity expertise and a wide-spread network within the whole resource sector.

Silver – striking undervaluation compared to gold will get dissolved!

What is better than gold? – Correct: Silver! At least if we look at some fundamental data such as the ratio of gold production to silver production together with the ratio of the gold price to silver price or the grade of industrial use of both metals. Then, one quickly finds out that compared to gold, silver has a tremendous catch-up potential.

In regard to gold silver has a multiple catch-up potential

The reason that silver has additional catch-up potential with respect to gold is on the one hand the historic gold/silver ratio and on the other the ratio of produced ounces of gold/produced ounces of silver.

The ratio between the gold price and the silver price was – as long as both metals were a currency in the USA and Europe (gold and silver backed currencies were amongst others the US\$, the Goldmark or the Pound Sterling (Silver)) – always at 16:1. At the moment the price difference between gold and silver is approximately at 80:1!

The number of ounces of silver to the number of ounces of gold in the earth's crust is approximately 16:1 (other sources mention 20:1, which is not such a big difference). The same ratio is found for the annual silver and gold production, 16:1. That is the way it has always been and this is the reason for the historic price ratio between gold and silver of 16:1.

Gold = Silver times 16 – but not for the price

A summary of these findings provides the insight that something is not right. The ratio of existing and annually produced ounces of silver to gold is approximately 16:1. Concurrently the price

difference of an ounce of gold to an ounce of silver is 80:1. If this doesn't sound right and should shift in favor of silver towards 16:1 one is really amazed about the aforementioned ratio of investments in physical silver to investments in physical gold which according to leading national Mints is between 1 and 2.5.

How is this possible that (almost) as much capital flows in to physical silver than in physical gold while the ratio of physical silver to physical gold is around 16:1 and the price of an ounce of gold to an ounce of silver is 80:1?

The paper silver determines the price

This is prevented by the “paper exchange” Comex. On Comex, contracts for all sorts of metals and other commodities are traded since ever. In theory there is the obligation for a physical delivery which is never called for. Thereby it is possible to trade more than a billion ounces silver daily (2016 the global silver production amounted to “only” 886 million ounces silver per year), even if this incredible amount of silver is not owned by anyone. With actions like this the silver price can be artificially depressed.

Gold and silver have already become a substitute currency

On the other side the by debt crisis and geopolitical distortion shaken markets have already made gold a kind of substitute currency. That this is so shows gold's rise by 700 % during the first decade of the 21st century and the big gold outflow from Europe to China that increased during recent years. If gold would be made to a currency the same would be happening to silver and the amount of gold and silver necessary to build such a gold and silver backed currency system would be several times

higher than the dwindling industrial demand caused by possible crises.

Silver has to detach itself from gold in the long-term!

As an interim conclusion it can be said that the old price ratio of 16 ounces of silver to one ounce of gold could be a suitable basis. Based on current facts silver must return to its old strength and thereby also to the old price ratio of 1:16! It can be noted that for the last 3, 5 and 10 years the price development of silver and gold was parallel to 80%. This doesn't say anything about the volatility: The beta of silver to gold was between 1.2 and 1.4 during this time. This means that at an increase in price of gold by 10% an increase in price of silver by 12-14% is very likely. As can be seen, silver is a riskier but also potentially a more promising investment.

What is silver?

Top characteristics make silver an indispensable industrial metal!

Let us come to the element silver itself and the actual market activities. Silver is a chemical element with the element symbol Ag and the atomic number 47. It ranks among the so-called transition metals. Silver is a soft, ductile heavy metal with the highest electrical conductivity of all elements and the highest thermal conductivity of all metals. These characteristics make silver an indispensable metal for industrial applications.

But silver is much more: Unlike gold, it is used in numerous applications that are steadily increasing with technical progress. Besides its use as industrial me-

tal, silver is also a precious metal. Like gold, silver is in principle money and is used for value preservation. It can also be viewed as a hedge against a progressing inflation.

Supply Situation

Mexico, Peru and China are the leading producers

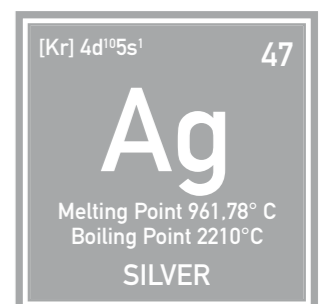
In 2015 the global silver production reached its previous peak with a total of 891 million mined ounces. In 2016, approximately 886 million ounces (close to 27,580 tons) were extracted from the earth's crust, minus 0.6% combined with 2015. With an annual production of 180 million ounces (approximately 20% of the total global production) Mexico ranks first among the silver producing nations followed by Peru and China. These three countries are accountable for about half of the global silver production.

Silver is above all one thing: a by-product!

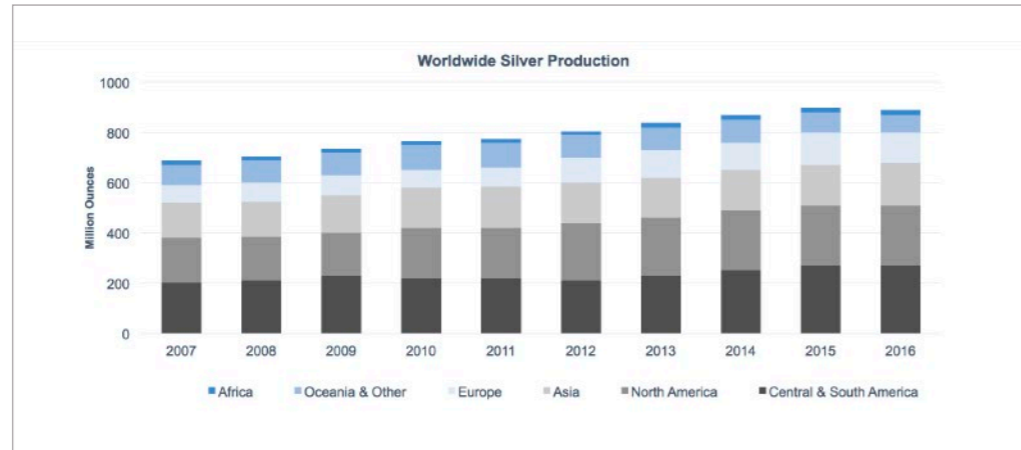
Only 30% of the annual production is mined in pure silver mines respectively in mines where silver is the primary resource. The predominant part (70%) originates from mines where silver is only a by-product thus mainly from zinc-lead mines and also from copper mines as well as gold mines.

Weak base metal prices lead to stagnant silver production and to a falling supply overall

This great dependency on base metals like lead, zinc and copper is a factor that the weak base metal prices and related mine closures or at least the decrease of



Worldwide Silver Production
(Source: own diagram)



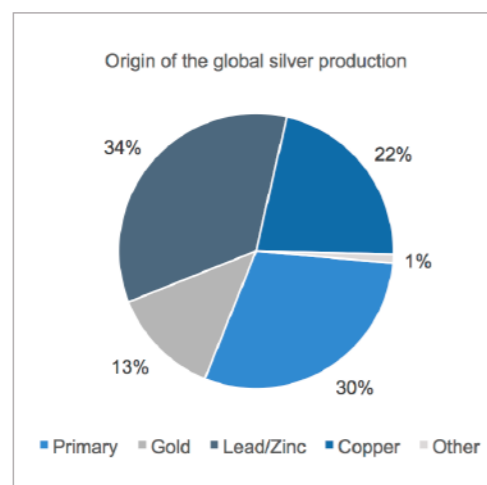
the respective base metal production adversely affects the production of the by-product silver. That the price declined in the past years – above all of copper and lead too – is a reason that the silver production increased only marginally. From 2014 to 2015 the silver production increased by 2% only! The decline in silver recycling by 13% to 22.2 million ounces was responsible for the slight decline in total supply between 2014 and 2015. A continuation of the stagnant silver production during the coming years is predicted because the output of the new mines can barely compensate the shortfall of the zinc/lead mines. From today's view a declining silver production as well as a decline of the overall silver supply is

expected as of 2019. The main reason is the expected closure of several medium to large size zinc/lead mines and as well as the tremendous investment backlog which has built up due to the weak silver price during recent years. Respective silver projects were shelved and inadequately developed. As a consequence, these projects will be brought to production with a big delay.

Silver companies prioritize(d) cost savings

The development of the mine pipeline came to a halt in the past years with weak silver prices because the silver companies primarily had to deal with controlling their cost structure. The high silver prices between 2010 and 2012 led to the commissioning of mines with all-in costs of over US\$ 20 per ounce. These mines quickly became uneconomical after 2012. Instead of closing these mines the companies tried and are still trying to reduce costs. So, there is not much time and a lot less money for extensive exploration and development programs. In the meantime, most of the companies have reduced their costs to an acceptable and largely profitable level.

Origin of the global silver production
(Source: own diagram)



Recycling and central bank sales may not increase the supply

A further decline in supply is still expected for the silver recycling sector. Sales from the central banks are no issue since 2011 and may not contribute to a significant rise of the silver supply in coming years.

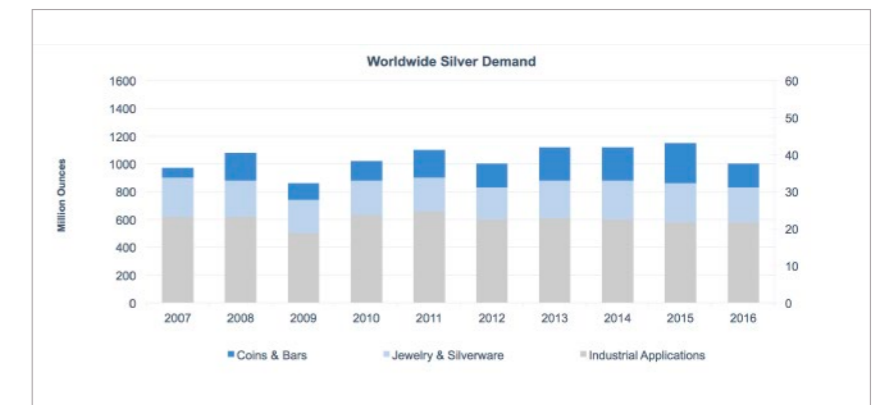
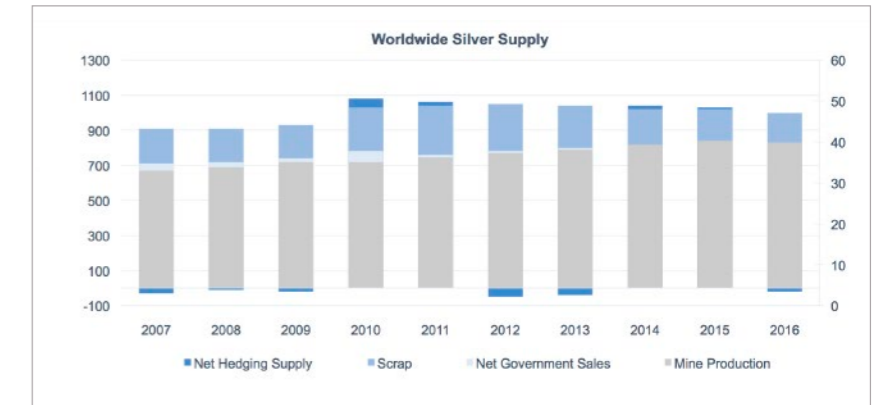
Demand situation

Silver in a dual role

Whereas gold is used as an investment to preserve value in form of jewelry (only 9% of the annual demand comes from industry), silver has a dual role. Approximately 60% of the total silver demand comes from the industry. The rest is in demand by investors in form of bullion and coins as well as the jewelry industry.

Main areas of application: Electronic, Alloys, Photography, Photovoltaic

The maximum values of the important properties (highest electrical conductivity of all metals, high thermal conductivity and distinct optical reflecting capacity) make silver indispensable in the areas of electrics, electronics and optic as well as photography. About half of the total industrial demand of around 600 million ounces comes from these areas. Other applications are in silver alloys (with copper, zinc, tin, nickel, indium) which are used in the electro-technics and soldering technique as solder alloys (so-called brazing), in contact materials (primarily in relays) and conductive materials (as capacitor coatings). Since 2011 the photovoltaic sector is a significant part of the silver demand. Especially China wants to expand its photovoltaic capaci-



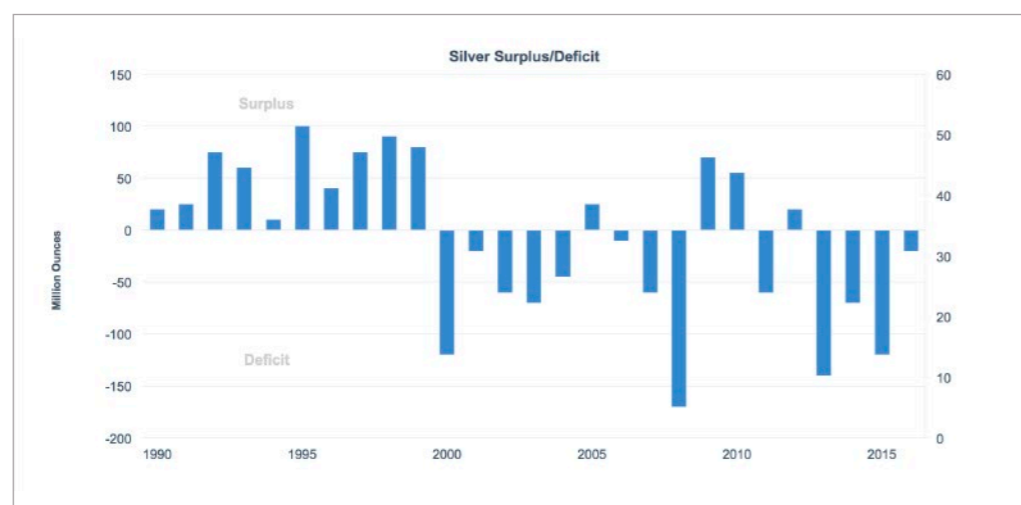
above: Worldwide Silver Supply
below: Worldwide Silver Demand
(Source: own diagram)

ty to around 110 gigawatts by 2020. This would fix a lot more silver for at least 20 years!

Physical demand reaches record high and is driven primarily by the investment sector

The physical silver demand reached a record high of around 1.17 billion ounces (36,400 tons) in 2015 and fell from a very high level to 1.03 billion ounces in 2016. The main reason for this was a decreasing demand from the investment sector. The demand for coins and bullion decreased by 29% after it have increased by 24% one year before.

Silver Surplus/Deficit
(Source: own diagram)



Silver ETFs record cash inflow again

The worldwide ETF inventories climbed, since the beginning of 2016 intermittently by 13% to an all-time high of around 676 million ounces but were a little bit decelerated in the 4th quarter of 2017. The main reason for this continuous increase is certainly the expansive politics of the FED and other Central Banks that not only pump unsecured billion-dollar assets in the markets but are also responsible for the sliding of interest rates into negative territory. While it costs interests in certain investment categories to invest money, no penalty interest has to be paid for physical silver. That special characteristic of silver (and gold) as a hard-financial asset should continue so that the physical demand from the investment sector should continue to remain on a stable high level.

Most recently it is noticeable on the investment side that the same amounts of money are spent to buy silver than for the acquisition of gold. A simple example: The US mint sold for every dollar spent on gold, a dollar of silver. The Australian Mint sold for every dollar spent on gold 0.75 dollar of silver. At the Austrian Mint the ratio was around 2.5:1, at which

silver (primarily in form of the one-ounce Philharmonic Coin) could catch up formidably. While the big gold ETFs had a high outflow the respective silver ETFs could in part increase their assets. It seems that silver investors had more confidence in their investment than gold investors in recent years although in the meantime the silver price dropped more from its highest level than the gold price.

Demand continues to increase

All in all, the global silver demand should continue to increase in the coming years. Besides the increasing ETF inflows and additional physical demand, an in part drastic demand increase is expected from the jewelry industry in Asia as well from several industry sectors such as photovoltaic, touch screens and displays. In addition, India is heading for another record year of silver imports.

Conclusion

The silver market is heading towards an ever-increasing supply deficit!

Since several years a proper supply deficit is prevailing in the silver sector which has reached its previous peak of more than 100 million ounces in 2015. Since 2000, there were only four years when the global silver producers generated a surplus. During the past years the demand was 350 million ounces higher than the production. The main reason for the drastic increase of the silver supply deficit is the conservative development activity of many precious metals companies in the past years. During the past three years no bonanza discovery was made and the exploration activities of most of the companies were completely stopped due to the low silver prices.

Financial analysts forecast a silver price of up to US\$ 30 per ounce in 2018

The median forecast of 30 financial analysts predicts a silver price of almost US\$20 between 2018 and 2020 which is not far from the current silver price. Alone for 2018 the estimates range from bearish US\$15 to bullish US\$30. Should the expansionary monetary policy of the global central banks continue and more money without significant counter value is pumped into the dilapidated global financial system, the precious metals could also be among the winners in the coming years. That the silver price has a significant catch-up potential in comparison with gold, which is the result of the historic price development and the physical occurrence in the earth's crust, was plausibly explained.

Price control on the supply side and a rising dependency on new technologies will be the key to the next silver boom!

The primary objective for all who want to make money with silver - regardless if they are producers or investors - has to be the breakup of the current market power of the silver-paper-trade. If the silver producers and the leading commodity experts have their say, the physical silver market must and will dominate the paper-silver-market in the future. An increasing demand from the investor sector as well as from emerging nations like China, India and Brazil could contribute to that. A certain price control on the supply side would be more important. The formation of a silver cartel could be an important step toward a permanent silver price stabilization and following that toward a reasonable price ratio of 1:16 to gold. Should this be successful we could be at the beginning of a boom decade for silver. Fact is: the more humanity becomes dependent on the new technologies the more we become dependent on silver. And that will benefit the price of silver.

Interview with Dr. Torsten Dennin – Founder and CEO of Lynkeus Capital LLC



Dr. Torsten Dennin is the founder and CEO of Lynkeus Capital LLC, an investment boutique specialized on the topic area commodities, seated in Switzerland. Since 2003 Dr. Dennin is analyzing the international commodity markets with a focus on energy and the global equity sectors oil & gas and metals & mining. Until the middle of 2017 Dr. Dennin managed the division Strategy and Research of Tiberius Asset Management AG. Previously Dr. Dennin worked as Co-Head Natural Resources for VCH Vermögensverwaltung (asset management) (2010-2013) and from 2003 to 2010 as Portfolio Manager for Deutsche Bank AG in Frankfurt am Main. During this time, he was responsible for the investment decisions of several commodity funds. Dr. Dennin studied economics at the University in Cologne, Germany and at Pennsylvania State University, USA. He wrote his doctorate on the topic Commodity Markets at the Schumpeter School of Business and Economics. In addition to this, Dr. Dennin is professor of macroeconomics at the EBC Hochschule, Düsseldorf. He is a full member of the Berlin Institute of Finance, Investigation and Digitalization. Dr. Dennin is the author of the books "Besicherte Rohstofferminkontrakte im Asset Management", "Lukrative Rohstoffmärkte – Ein Blick hinter die Kulissen" and "Afrika – Kontinent der Chancen" as well as numerous publications in journals.

Dr. Dennin you are the founder and CEO of Lynkeus Capital LLC, an investment boutique, specialized in the topic commodity markets – measured against Bloomberg Commodity Index – have gained only 0.7% you were able to achieve an increase of value of 40.7% with the Lynkeus Commodity Strategy in 2017. What are you doing differently from the competition? Which strategy or which investment goal are you pursuing specifically?

The Lynkeus Commodity Strategy is the product of my professional experience accumulated in the commodity markets during the past 15 years. Two features of the investment strategy stand out especially: first the Absolute Return Approach which allows long as well as short positions and second the Cross Asset Class Approach. This allows displaying an investment thesis in the commodity sector about the commodity as well as the stocks or bonds of commodity producers. Depending on what pays off more for the investors.

For example: in a positive market environment for gold and silver the shares of gold and silver mines often show a clearly more positive investment result because increasing prices are often reflected as a "multiplier" in the earnings and value of the company. So, for example, in the portfolio many stocks and debentures of gold and silver mines are found in addition to direct investments in gold and silver. For the selection the strategy relies on a stringent quantitative investment process and the qualitative fundamental market analysis for the suitable commodities.

Granted: an impressive investment result against the background of a weak development of the commodity market. But, what are the risks?

The Lynkeus Commodity Strategy is invested in the commodity markets since March 2016 but exists on paper since June 2013. During that period of more than 4 years an average growth of more than 28% per year was achieved (CAGR). Such a result can't be achieved with a "savings mentality" – that goes without saying, and investors have to take setbacks into the account. The specifications for the risk management provide for a strict control of the risk in proportion to the expected return. This means that the known risk measures like Sharpe Ratio, Sortino Ratio and Calmar Ratio should have a value >1.

The bottom line of the past months is: it is possible to make money in the commodity markets!

What were the big value drivers in the commodity market during the past 12 months and how was the start into 2018?

Quite clear: 2017 was a year for metals and mines! And in 2018 the metals markets are also moderately in the plus zone. After a hesitant recovery from the lows in January 2016 (+18%) the resource markets made notable gains before the turn of the year 2017/2018 in particular. Over the 12-month period the prices of industrial raw materials like aluminum, copper and zinc (+19.3% on average) increased while the precious metals like gold and silver (+1.3% on average) had only moderate price increases. Despite the approximately US\$65 for the barrel of oil WTI at the moment the price increase in the energy sector keeps within limits (6.9%). Even the agricultural goods (-8.5%) unpopular with investors didn't bring any joy.

This is especially annoying for the investor because due to the relaxed central bank policy and a long-term low interest rate level, even an anemic economic

growth and the absence of the collapse of the Euro Zone is sufficient to drive the level of the stock markets to record heights. Even the short correction at the beginning of February 2018 did not change that. Only a rapid increase of the interest rates could weigh on the stocks and bonds.

After top performer status in 2017, silver and silver mines had major losses, especially in September 2017. What about 2018?

Gold at almost US\$ 1,350 and silver below US\$ 17 per ounce doesn't sound interesting for the investors but is a very profitable level for gold and silver mines. During the past 12 months, the price of silver decreased by 9.3% and the shares of gold and silver mines – measured against the Philadelphia Gold & Silver Index – were traded 4.7% lower than a year ago.

At the beginning of 2018 the increasing interest rates weighed on the precious metals while a weak US dollar and inflation data were neglected. Interest rates over 10 years in the USA increased to almost 3% and to +0.8% in Germany. With a view at the level of the international debt – in particular the national debt – we see limits for a further increase. Concurrently the inflation is noticeably increasing for the first time so that the real interest rate – the nominal interest rate less inflation – is even decreasing! Thereby, the fundamental picture for precious metals remains still attractive. Looking back on the past 5 years gold and silver mines as well as the commodity sector in general have just begun to catch up in comparison with the stock market.

There is a supply deficit for silver since several years. Meaning, less silver is produced per year than demanded.

How do you explain the negative price development within the last 12 months?

A serious stress factor for both gold and silver was the sudden increase of the interest rates during the last months. Against the background of an also increasing inflation this factor is overstretched. But this is leading to the weakness in the investment demand: A slightly declining mine production also faced a declining investment demand since 2013/2014. In February 2016, the known silver ETF inventory declined to below 600 million ounces for the first time since 2012. Since then the ETF inventory was constantly rebuild, but has been decelerated in the 4th quarter of 2017. The reason for that was the happy-go-lucky atmosphere at the stock markets. Also, silver was trapped in its "dual role" as a precious metal necessary for the industry. Around 60% of the silver demand is from the industry followed by coins, bullion and jewelry. This suggests a positive silver demand for 2018 to 2020.

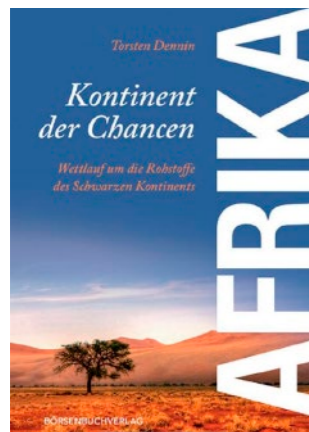
In terms of price silver is roughly in accord with the development of the price of its "big brother" gold. It seems that silver is always a bit more volatile than gold, which in a figurative sense can be compared with a master walking his dog. While the master (gold) stays on the sidewalk the dog (silver) pulls in all directions. Why is silver far more volatile than gold?

The physical silver market is considerably smaller and thereby more susceptible to fluctuations. In a figurative sense, we compare the DAX with the SDAX. It can be noted that for the last 3, 5 and 10 years the price development of silver and gold was parallel to 80%. This doesn't mention anything about the volatility: The beta of silver to gold was between 1.2 and 1.4 during this time. This means that

Founded at the beginning of 2016 Lynkeus Capital LLC has specialized in investments reaching across asset classes in the topic area of international commodity markets focusing on energy and metals. The focus is on the identification of extraordinary investment opportunities in commodities and commodity producers (shares and bonds) as well as achieving of a convincing, positive capital growth in any market phase ("Absolute Return"). Lynkeus is a member of the association for quality assurance of financial services (Verein zur Qualitätssicherung von Finanzdienstleistungen, VQF), a self-regulatory organization and industry organization for portfolio manager domiciled in Zug, Switzerland, recognized by FINMA (Swiss Financial Market Supervisory Authority).



Torsten Dennin
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Torsten Dennin
 Afrika – Kontinent der Chancen:
 Wettlauf um die Rohstoffe des
 schwarzen Kontinents
 Börsenbuchverlag,
 April 2013
 ISBN 3864701007

at an increase in price of gold by 10% an increase in price of silver by 12-14% is very likely. As can be seen, silver is a riskier but also a potentially more promising investment.

What is important for you in your assessment of a silver or precious metal company?

The location, quality, and the potential of an asset as well as the competence and reliability of the management are the decisive factors for our qualitative fundamental analysis. That applies for precious metals as well as for the mining and energy sector. Prior to analysis all companies are subject to a quantitative screening. Diversification is another important aspect the investors should not neglect.

Besides your main activity at Lynkeus Capital LLC you are also an author of books. To date you have published the two books "Afrika – Kontinent der Chancen" and "Lukrative Rohstoffmärkte – Ein Blick hinter die Kulissen". What are the reasons for writing the two books and what are your favorites on the African Continent?

Both books are clearly focused on the commodity markets and are recommended to interested investors. My first book gives background information on the big speculative bubbles at the commodity markets from the tulip craze in Holland during the 17th century over the silver speculation of the Hunt Brothers until the ruin of the Amaranth Advisors 10 years ago. In "Afrika – Kontinent der Chancen" I show the attractive development opportunities of commodity projects, among other things, gold, silver and gem stones.

The main silver mining countries are Mexico, Peru and, since a few years, China. Are there some true exotic places, meaning some regions in the world where silver is produced since recently or the commodity silver had only a niche role, but bigger amounts can be expected in the future?

With a production of 180 million ounces Mexico (20%) is the biggest producer followed by Peru and China. Around half of the global silver production comes from these countries combined. The biggest mine with an annual production of 20-22 million ounces is Penasquito in Mexico. Currently the focus of the markets is not the production increase but the production reduction by base metal mine closures. In addition, many companies are faced with their own problems. An example is the temporary suspension of the mining license for the Escobal Mine in Guatemala which has hit hard Tahoe Resources.

How do you see the future development of the silver price? Geopolitical uncertainties or currency crises have an effect on the price development of gold. Is this the case for silver too?

The Trump rally and the euphoria of cheap money sidelined gold and silver in the second half of 2017 and at the beginning of 2018. In other words: the asset protection with precious metals was not such a bargain since a long time – many risks are ignored by the capital market. Due to the attractive fundamental data and the low price I expect – in despite of a rising interest level – gold and silver to begin to catch up during the second half of 2018, when inflation data will outreach interest worries.

Furthermore, what makes silver interesting is: Only 30% of the annual production comes from primary silver mines. Silver is predominantly a by-product in especially zinc/lead mines followed by copper and gold mines. The demand development is slightly positive in total while the future silver production is stagnant. Even towards gold, silver is currently "cheap". A gold/silver ratio of around 80 is evidence of the activity of the white metal towards its big brother. A "normalization" of the price ratio of gold and silver to a ratio of 60-65 implies an outperformance of silver to gold of almost 25%. This can be described as "brilliant" prospects!



Endeavour Silver

20% production expansion in 2018 + Three new mines until the end of 2020!



Endeavour Silver is one of the biggest silver producers from North America with listings in New York, Toronto and Frankfurt. During 2017, the company produced a total of 4.9 million ounces of silver and 53,007 ounces of gold in its three Mexican mines and expanded its revenue by 148% to US\$9.7 million. Endeavour Silver is in the middle of a profound transformation by bringing three new mines to production until the end of 2020.

Guanacevi Silver Mine

Endeavour Silver's first mine, acquired in 2004, is comprised of the three operations Porvenir Norte, Porvenir Cuatro and Santa Cruz. Guanacevi has a processing capacity of 1,200 tons ore per day (tpd) which was only partly (880 tpd) utilized during 2017. At Guanacevi Endeavour Silver produced 2.066 million ounces of silver and 4,740 ounces of gold during 2017. As of the end of 2017 Guanacevi contained reserves of 2.81 million ounces of silver equivalent and resources of 33.84 million ounces of silver equivalent. The company could prove grades of up to 5,120 grams per ton silver equivalent in the area of the Santa Cruz Vein.

(Source: Endeavour Silver)



In August 2017 the company reported several high-grade sections of 1,000 grams of silver equivalent per ton of rock including a section with 2,824 grams!

Bolañitos Silver Mine

In 2007 Endeavour Silver put Bolañitos into operation. Bolañitos is comprised of six mines: Lucero, Bolañitos, Karina, Fernanda, Daniela and Lana. Bolañitos has a processing capacity of 1,600 tpd which was utilized by 75% (1,224 tpd) during 2017. At Bolañitos Endeavour Silver produced 934,238 ounces of silver and 26,910 ounces of gold during 2017. As of the end of 2017 Bolañitos contained reserves of 3.23 million ounces of silver equivalent and resources of 16.40 million ounces of silver equivalent. The company is working to increase the reserves and resources and was successful with the new discoveries LL-Asuncion and La Joya.

El Cubo Silver Mine

El Cubo was acquired in 2012 and is comprised of the four producing mines San Nicholas, Dolores, Villalpando and Peregrina. El Cubo has a processing capacity of 1,500 tpd which was utilized well (1,402 tpd) during 2017. At El Cubo Endeavour Silver produced 1.92 million ounces of silver and 21,357 ounces of gold during 2017. As of the end of 2017 El Cubo contained reserves of 4.93 million ounces of silver equivalent and resources of 17.29 million ounces of silver equivalent. At El Cubo Endeavour Silver reported a new discovery, V-Asuncion. In 2015 the mining capacity was increased to 2,200 tpd.

El Compas Mining Project

In May 2016 Endeavour Silver acquired the El Compas mining project for only

US\$ 6.7 million in shares. Besides the acquisition of the gold-silver mining operation El Compas the company leased the nearby 500 tpd ore processing plant La Plata. The gold-silver mining project has good exploration potential to expand the resources and good acquisition potential to consolidate stranded resources and exploration targets within the Zacatecas mining district to extend mine life. El Compas is comprised of the El Compas and El Orito veins that can be mined quickly. In addition, the project area hosts 10 exploration targets. Previous drilling discovered, among other things, 239.55 gpt gold and 1,333 gpt silver over 4.7 m.

At the end of 2017, El Compas owned 6.45 million ounces of silver equivalent. Endeavour plans to bring the mine to production in April 2018, with a commercial production from the third quarter of 2018 on. A Preliminary Economic Assessment (PEA) published in March 2017 estimated a very strong IRR (Internal Rate of Return) of 42% and a payback period of 2.1 years at the price of silver of US\$18 and the price of gold of US\$1,260. The All-in-sustaining costs are estimated to be US\$9.64 per Ag Eq oz.

To extend the mine life Endeavour Silver acquired two additional projects totaling 227 hectares in the vicinity of the planned El Compas mine in June 2017. These projects host several veins with proven grades of up to 1,300 g/t silver.

Terronera mega development project

At the San Sebastian project which was acquired in 2010, Endeavour Silver discovered a new high-grade silver-gold mineralization named Terronera which gave the project its name. The project hosts at least four large gold vein systems that in each case have a length of over 3 km. In total Terronera contained more than 46.15 million ounces of silver equivalent

as reserves and 14.12 million ounces of silver equivalent as resources at the end of 2017. Follow-up infill drilling identified up to 18,000 gpt silver equivalent. In the first half of 2016 alone Endeavour Silver discovered nine new veins. Terronera seems predestined to become Endeavour Silver's fifth producing mine (besides the three existing mines plus El Compas). First the project has the largest resources of all (mining) projects and second a less costly open pit mining operation would be theoretically possible due to its location. But such an operation would involve a lengthy approval phase and due to the high grades, an underground operation seems to be more reasonable. Endeavour Silver already has a mining permit for Terronera.

In April 2017 Endeavour Silver published a Pre-Feasibility Study ("PFS") for its Terronera mine project. The study is based on an initial production rate of 1,000 tpd during the first two years of operations and expanding to 2,000 tpd in the third year. Initial capital expenditures are estimated to be US\$69.2 million. The planned expansion is an additional estimated US\$ 35.5 million. It is expected that the mine will produce on average 5.1 million ounces of silver equivalents per year during the initial seven years of operation. An IRR of solid 21% was calculated based on the price of silver of US\$18 and the price of gold of US\$1,260. The construction time for the mine would be 12 to 16 months.

The quick mine construction within 12 to 16 months can be realized because Endeavour Silver has its own construction and planning team so that a production of up to 1,000 tpd can be realized fast. The team is comprised of the same project manager, same Canadian engineering consultants and the same Mexican construction company that has been used since 2010 for the expansion of Bolañitos and the commissioning of El Cubo.

In August 2017 Endeavour Silver reported additional results from its recent drill

program in the La Luz Vein area. The company discovered sensational high-grade areas like 1,180 grams of silver equivalent per ton of rock over 1.7m, 1,485 grams of silver equivalent per ton of rock over 1.3m and 3,335 grams of silver equivalent per ton of rock over 0,2m. The highest concentration assayed incredible 11,245 grams of silver equivalent per ton of rock!

Parral development project

In September 2016 Endeavour Silver acquired the Parral project for only US\$6 million in Endeavour shares. In February 2017, Endeavour Silver announced a resource estimate for Parral. According to this, the project hosts 32.37 million ounces of silver equivalent. In addition, there is an excellent potential to discover new high-grade resources in under-explored areas along strike of Veta Colorada, San Patricio, Palmilla and numerous other veins on the properties. Drill hole SPD-03 at San Patricio intersected 638 gpt silver over one meter. In October 2017, the company was able to announce several high-grade drill results. One of it was a 0.6-meter-long intercept with sensational 13,117g/t silver! The company is working to lease a nearby 500 tpd processing plant. The company continues to work

on the acquisition of additional nearby licenses to consolidate the existing resources.

Expansion of the exploration activities in the Province of Zacatecas

In September 2017, Endeavour Silver announced that it had secured the right to explore and mine for precious metals above the elevation of 2,000 meters above sea level on the 181-hectare Toro del Cobre concessions owned by Capstone Mining. Capstone's concessions are adjacent to the 75-hectare Calicanto concessions held by Endeavour Silver in Zacatecas, Mexico. Thereby the company tries to consolidate another project and to prepare it for a future production. Nice to know: In December 2017, the company intersected 16,350g/t silver over 0.5 meters!

Catalysts for the coming months

Investors of Endeavour Silver can look forward to several important advancements during the coming months. The company plans a production decision for Terronera. Furthermore, the company plans to further lower the all-in sustaining

costs. Endeavour Silver also plans the acquisition of additional projects that fit the production profile as well as additional licenses in the area of the current projects. The company will explore and expand these projects by means of an aggressive exploration program to extend the corresponding life of mines. In addition to that, the company plans to expand its production by 20% in 2018.

Summary

Currently Endeavour Silver is setting a tremendous pace. Beginning 2018 the company could put into operation one mine per year including a corresponding

production increase. In the middle of 2015 the company had the plan to increase the silver production by 60% during the next three years. From the beginning of 2016 Endeavour Silver wanted to gradually increase the production to at least 16 million ounces of silver equivalent which would have catapulted the company into the field of the Senior Producers including all associated amenities like a higher valuation of every single ounce of silver and a possible twice as high valuation of the annual cash flows. Now it seems that this plan is postponed by one year. But at the end of the day the company may record an even higher production.

Exclusive interview with Bradford Cooke, CEO of Endeavour Silver



Bradford Cooke, CEO

What did you and your company achieve within the last 12 months?

In 2017, Endeavour delivered solid financial and operating performance on behalf of shareholders, in spite of experiencing some operating issues at our Guanacevi mine. We reported strong growth in net earnings in 2017, up 149% to \$9.7 million, and our financial performance in the 4th quarter last year was sharply higher across all metrics.

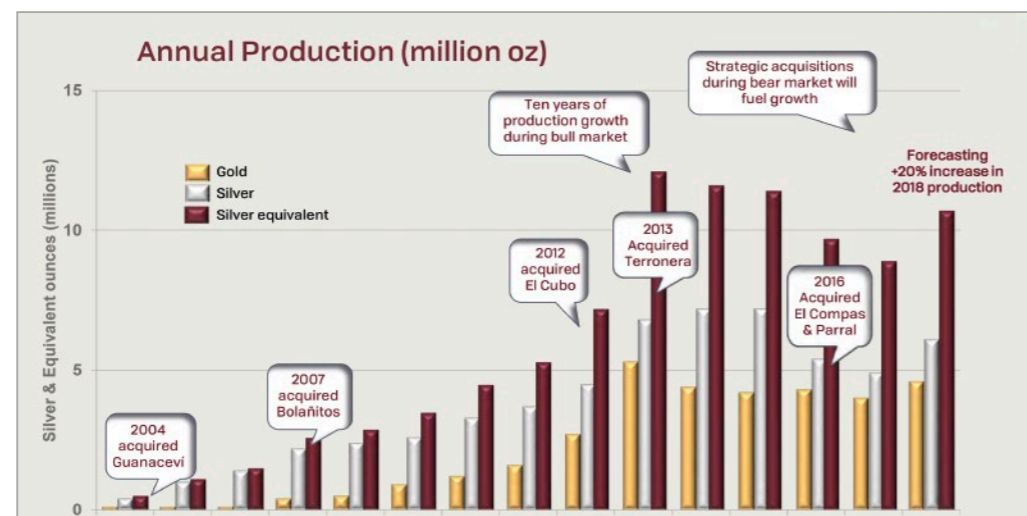
After a tough start to the year for our mining operations, Endeavour posted three consecutive quarters of improved production, making the fourth quarter our best of the year. Ore grades and throughput both improved in the second half. In 2017, silver equivalent production of 8.9 million oz met the low end of our original guidance and the high end of our revised guidance. We are forecasting a 20% jump in production to 10.2-11.2 million oz silver equivalent production in 2018, while continuing to reduce our operating costs.

Endeavour was also very successful in advancing our pipeline of exploration and development project to fuel our next phase of organic growth. We completed an Initial Resource Estimate and Preliminary Economic Assessment on the El Compas project, made a production decision and commenced development, with commercial production expected in the 3rd quarter 2018.

We completed a Pre-feasibility Study on the Terronera project and subsequent engineering studies, and received government permits to build the mine and plant, but we are still awaiting the dumps and tailings permits. We hope to make a production decision, raise debt financing and commence development at Terronera in 2018.

Endeavour also explored the prospective Parral Project in the historic silver mining district of Hidalgo de Parral in southern Chihuahua state, Mexico and published an Initial Resource Estimate. The Veta Colorada mine on our Parral property

In 2018, Endeavour Silver could reach the 2015 production level again. (Source: Endeavour Silver)



was producing 4 million oz per year silver mine until 1991 so Parral clearly has potential to become a future core asset. All in all, Endeavour worked hard in 2017 to turn a year of challenges into a year of opportunities. As we advance our pipeline of development projects, we look forward to delivering one of the best growth profiles in the silver mining sector.

What are the main catalysts for your company within the next 6 months?

Endeavour has several catalysts to drive shareholder value in the short term, as follows:

- ▶ Complete new productivity optimization program to normalize operations at Guanacevi
- ▶ Update the El Compas mine plan and enhanced economics
- ▶ Commence initial production at El Compas in the 2nd quarter
- ▶ Achieve commercial production at El Compas in the 3rd quarter

- ▶ Update the Terronera pre-feasibility study and enhanced economics
- ▶ Receive the final environmental permits for Terronera
- ▶ Raise debt financing for Terronera and commence development in 2018
- ▶ Drill to expand resources at exploration, development and mining properties

What is your opinion about the current conditions of the silver market?

We saw a classic double bottom to the 5-year bear market for silver in late 2015-early 2016, followed by a prolonged bounce and correction in 2016-2017. Now silver has entered into the early stages of a new, multi-year bull market. With mine supply falling and industrial demand rising, we should see a 3 steps forward, 2 steps backward in 2018 until investment demand returns, at which time the silver price should become quite volatile to the upside.

Endeavour Silver Corp.

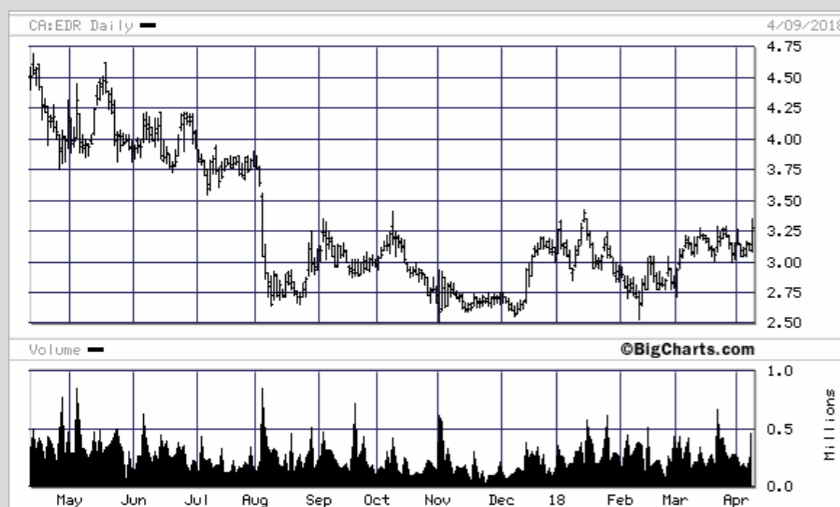
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WKN: A0DJON
FRA: EJD
TSX: EDR
NYSE: EXK

Shares issued: 127.5 million
 Options: 6.0 million
 Warrants: -
 Fully diluted: 133.5 million

Contact:
 Endeavour Silver Corp.
 Suite 301-700 West Pender Street
 Vancouver, BC, V6C 1G8, Canada

phone: +1-604-685-9775
 fax: +1-604-685-9744

gmeleger@edrsilver.com
 www.edrsilver.com



(Source: BigCharts)

Excellon Resources Doubling of production achieved within a year – additional doubling in focus by 2020

Excellon Resources is a Canadian silver producer operating the La Platosa silver-lead-zinc mine in northeastern Mexico. La Platosa is one of the highest-grade silver mines in Mexico which makes Excellon Resources the highest-grade silver producer in the country. The company is currently undergoing a transformation process to achieve a doubling of production at the end this process.

La Platosa silver-lead-zinc mine – location and infrastructure

The La Platosa silver-lead-zinc mine is located in the Mexican State of Durango not far from the town of Bermejillo with 9,000 inhabitants. The infrastructure connections are excellent; the city of Torreon with 600,000 inhabitants is only 50 kilometers southeast of the mine. The mine has direct connection to highways 30, 49 and 490 and the national high-voltage grid. An international airport is at a distance of 50 kilometers.

La Platosa silver-lead-zinc mine – acquisition and resource

La Platosa was acquired in 1996 and has been in continuous operation since 2005. During that time 500,000 tons of rock were mined. The whole license area consists of 20,950 hectares and the majority is flat land. La Platosa is a conventional underground mine which was developed via a ramp. The production is derived from relatively near-surface layers. The mined rock is crushed on site and transported with trucks to the Miguel Auza Mill 200 kilometers to the south in the Mexican State of Zacatecas. There the crushed material is processed into a concentrate. The last resource estimate was completed in 2014 and stated measured and indicated resources for La Platosa of 428,000 tons of ore averaging 760 grams per ton (gpt) silver, 8.28%

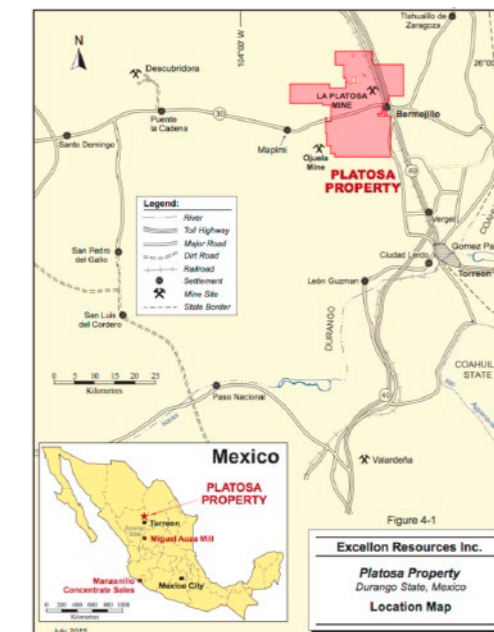
lead and 9.88% zinc. These are in total 17.333 million ounces of silver equivalent averaging 1,252 gpt silver. In addition, there are 320,000 ounces of silver equivalent in the category inferred averaging 2,492 gpt silver.

La Platosa silver-lead-zinc mine – production

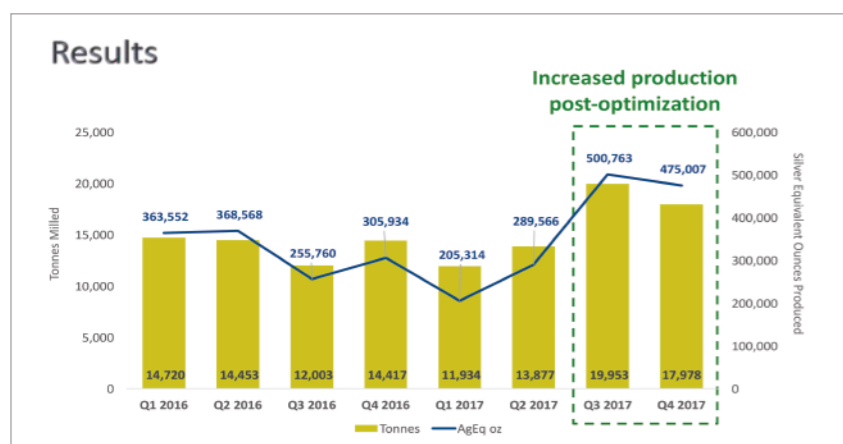
In 2017 the mine produced in total 1.47 million ounces silver equivalent (718,416 ounces silver, 4.24 million pounds of lead, 6.06 million pounds of zinc) compared to 2016 an increase by 13.7%. In the fourth quarter of 2017 alone 475,007 ounces of silver equivalent were mined representing an increase of 55% compared to the fourth quarter of 2016.

La Platosa silver-lead-zinc mine – production improvements

This strong production increase indicates the future path of the company that wants via optimization programs to more than double the production to 4 million



The La Platosa silver-lead-zinc mine is located in northeastern Mexico not far from the city of Torreon.
 (Source: Excellon Resources)



In 2017, the production has been drastically increased.
(Source: Excellon Resources)

ounces silver equivalent by 2020. Concurrently the all-in sustaining costs should be cut in half to US\$9 per ounce of silver equivalent. An important point for the already visible production improvement is the topic water. Before 2017 La Platosa always had problems with invasive groundwater that severely limited the production. Since the middle of 2017 large sections of the mine could be dried out. Together with the special partners Hydro Resources and Technosub high-performance pumps were and are installed that are pumping the invasive groundwater directly from the source i.e. from the aquiferous fault lines. This results in a 5 times faster development of the underground infrastructure by simultaneous reduction of the necessary

equipment by half. In addition, the number of pumps can be reduced from 60 to 20 and the electrical efficiency can be increased from 30% to 75%. With the appropriate measures the production was increased to 256,000 ounces of silver equivalent in the third quarter of 2016 and was doubled to 501,000 ounces of silver equivalent in the third quarter of 2017. To achieve this present interim goal Excellon Resources had to cope with high all-in sustaining costs of in part over US\$40 per ounce of silver equivalent especially in the second half of 2016. That the effort was worthwhile is demonstrated by the all-in costs of only US\$11.62 in the third quarter of 2017.

La Platosa silver-lead-zinc mine – production of 4 million ounces silver equivalent clearly in focus

Besides the improvement of the production conditions, the dewatering of the mine has an additional benefit in deeper layers. Now deeper manto deposits can be mined and they are full of surprises; the deposit “623” is averaging silver equivalent grades of 1,766 g/t! In comparison: in 2017 the average silver equivalent grade of the processed ore was around 718 g/t!

Additional upside potential provides the processing plant Miguel Auza with a capacity of 350 tons per day. According to estimates of Excellon’s management the capacity of the plant can be increased to 650 tons per day at relatively low cost. A new tailings storage facility can accommodate material over the coming 20 years.

La Platosa silver-lead-zinc mine – exploration potential

La Platosa is located in the middle of the Mexican CRD Belt (CRD stands for Carbonate Replacement Deposit) which hosts some of the very large precious metal deposits like Cerro San Pedro, Santa Eulalia or Penasquito. They are characterized mostly by gigantic tonnages (averaging 10 to 15 million tons), high grades (up to 600 gpt silver, 6 gpt gold, 12% lead, 18% zinc and 2% copper) and resources which can be mined relatively simply. The mined or currently known tonnage is around 1 million tons with in part completely unexplored areas within the license area. The potential of La Platosa is indicated by spectacular drill results of up to 5,727 gpt silver equivalent in 2016 and 2017.

The best results were 5.727 gpt silver equivalent over 1.27 meters, 3,857 gpt silver equivalent over 5.2 meters, 3,702 gpt silver equivalent over 1.45 meters, 3,570 gpt silver equivalent over 3.6 meters and 2,780 gpt silver equivalent over 5.05 meters. In February 2018 additional spectacular results were reported: 2,648 gpt silver equivalent over 9.1 meters including 6.2 meters with 3,355 gpt silver equivalent.

deposits at depth and also in trend direction. The La Platosa Mine stretches currently over only 56 of the almost 21,000 hectares of the total license area. The concession has a strike length of at least 23 kilometers. In previous exploration campaigns Excellon Resources identified several top-class deposits like Rincon Del Caido with, among other things, 55 meters with 0,08 gpt gold, 132 gpt silver, 3.13% lead and 1.74% zinc as well as 43 meters with 0.22 gpt gold, 146 gpt silver, 2.76% lead and 1.85% zinc. In addition, a high-grade mineralization was identified of 13 meters with 13.07 gpt gold, 21.1 gpt silver and 3.57% zinc. Further to the southwest the Saltillera deposit was identified by drilling activities in the past which returned mineralized intersections of up to 50 meters length. The most impressive result was 0.8 meters with 660 gpt silver, 19.4% lead and 6.23% zinc. Additional potential deposits are Jaboncillo in the northwest of the concession, Saltillera North in the west, La Platosa South near the mine and Refugio and San Gilberto in the south.

Miguel Auza – processing plant and more

The Miguel Auza Project is located 200 kilometers south of the La Platosa Mine and hosts a 800 tpd processing plant where the ore from the mine is processed. In addition, Miguel Auza has also a relatively large resource of 22.8 million ounces of silver equivalent in the category indicated and 11.8 million ounces of silver equivalent in the category inferred. Miguel Auza covers 14,000 hectares and is located about 35 kilometers southeast of Hec-la’s high-grade San Sebastian Mine and 135 kilometers northwest of Fresnillo’s and MAG Silver’s top mines. The Miguel Auza Mine was in operation until 2008. This and other deposits in the close surroundings could provide much more feedstock for the plant as in the past.

Licence area offers countless additional exploration targets

A comparison of La Platosa with the Santa Eulalia Mine shows that La Platosa has an enormous potential for additional



The cash-costs and AISC have been drastically reduced.
(Source: Excellon Resources)



Miguel Auza Plant
(Source: Excellon Resources)

this 400 tpd capacity and can drastically improve their all-in sustaining costs with this additional utilization.

Summary

Excellon Resources showed courage during the past two years and invested a lot of money to prepare their La Platosa Mine for the future. The reward: A doubling of the production by concurrent reduction of the production costs. Nevertheless, the company is topping it and wants to double again the silver equivalent production to 1 million ounces per quarter by 2020. According to the resource experts like Eric Sprott, who has a large share package in Excellon, the company will achieve its goals. After a financing of CA\$14.8 million in November 2017 the company is excellent financed to explore the La Platosa concession and also Miguel Auza for additional high-grade silver deposits. Investors will see an eventful and exciting year.

Appropriate silver veins are reaching the surface. Historic drill holes intersected in part enormous grades of up to 7,600 gpt silver plus lead and zinc. In February 2018 Excellon Resources closed a processing agreement with Hecla to process 400 tons of ore per day from Hecla's San Sebastian mine in the operating Miguel Auza processing facility starting in 2019. Excellon does not need

San Sebastian Mine at our nearby processing facility in Miguel Auza, Zacatecas. Given Miguel Auza's exceptional scalability, we still have ample capacity remaining to process increased Platosa production and potential new discoveries at either Platosa or Miguel Auza.

What are the main catalysts for your company within the next 6 months?

In the next 6 months, we intend to release an updated resource estimate for La Platosa, which will include high grade underground drilling completed up to December 2017. We will also advance priority surface exploration targets surrounding the Platosa mine and begin an initial exploration program at Miguel Auza.

The Miguel Auza project is located on the unexplored northern extension of the Fresnillo silver trend, with over 4 billion silver ounces produced historically. Our initial exploration on our 14,000-hectare

land package will include testing previously discovered veins at depth for the first time.

What is your opinion about the current conditions of the silver market?

Silver is waiting for gold to make its next move. With the silver-gold ratio at historical highs, above 80-1, we expect silver is poised for a bit rebound as gold's new bull market strengthens. In the meantime, we have the benefit of high grade lead and zinc production to supplement our revenue – both of which are looking very strong for years to come.



Brendan Cahill, CEO

Exclusive interview with Brendan Cahill, CEO of Excellon Resources

What did you and your company achieve within the last 12 months?

The last 12 months have been transformational for our operations. We completed mine optimizations to increase production, decrease costs and generate significant cash flows at our primary operation, the La Platosa Mine. Platosa is the highest-grade silver mine in Mexico, with grades over 1,000 g/t silver equivalent.

We also commenced a surface exploration program to uncover the regional potential surrounding Platosa. The mine sits on 56 hectares of a 21,000-hectare land package. Our drilling program encompasses 30,000 meters of both underground and surface drilling. We recently secured further operating cash flow and material reductions in our costs as we entered an agreement with Hecla Mining to process ore from the

ISIN: CA30069C2076
WKN: A1XDB7
FRA: E4X1
TSX: EXN

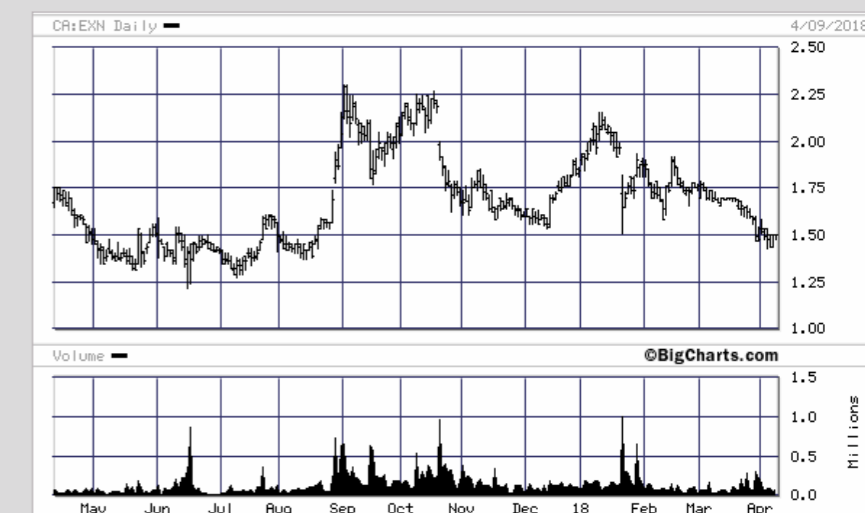
Shares issued: 94.8 million
Options/DSU/RSU: 5.6 million
Warrants: 15.5 million
Fully diluted: 115.9 million

Contact:
Excellon Resources Inc.
20 Victoria Street, Suite 900
Toronto, ON M5C 2N8, Canada

phone: +1-416-364-1130
fax: +1-416-364-6745

info@excellonresources.com
www.excellonresources.com

Excellon Resources Inc.



(Source: BigCharts)

First Majestic Silver

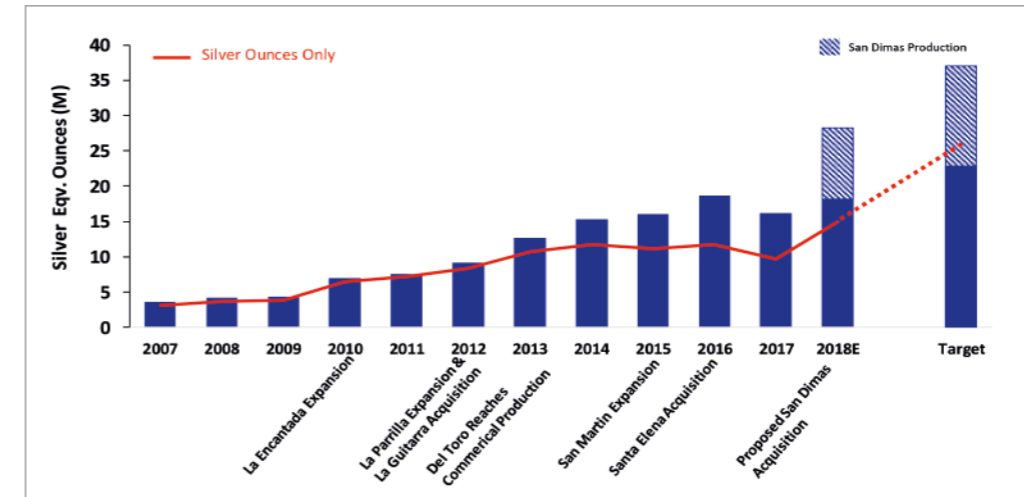
Seven highly profitable mines and 30 million ounces of production p.a. focusing on after acquisition of Primero Mining!



First Majestic Silver is a Canadian mining company which focuses on silver. The motto of the company is “One Metal, One Country”. This shows that the company is aiming for silver from Mexican mines. Accordingly, First Majestic Silver is advancing the development of its six current mines and exploration projects. In 2017 the company produced 9.75 million ounces of silver or 16.2 million ounces of silver equivalent (including all by-products) in the mines La Parrilla, San Martin, La Encantada, La Guitarra, Del Toro and Santa Elena.

In January 2018, First Majestic Silver announced the friendly acquisition of Primero Mining, which gives the company control over the gold-silver mine San Dimas, First Majestic Silver’s then seventh mine.

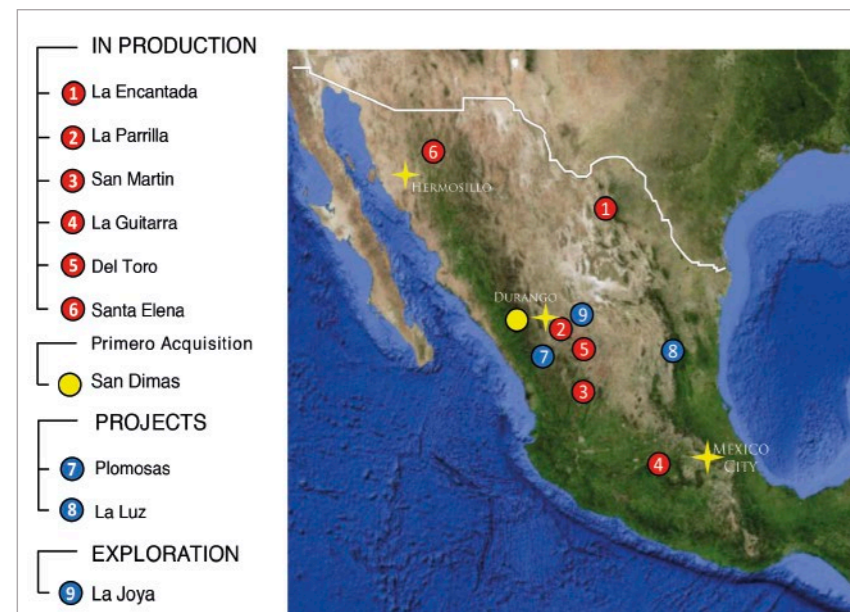
at a production of 4.9 to 5.5 million ounces of silver equivalent at all-in costs of less than US\$ 7.66 per ounce. As of the end of 2016 Santa Elena contained measured and indicated resources of 26.1 million ounces of silver equivalent (including reserves of 22.2 million ounces of silver equivalent) as well as inferred resources of 4.4 million ounces of silver equivalent. At Santa Elena, First Majestic Silver is currently in the initial planning phase to replace the diesel generators with natural gas-powered generators. This could be a cost saving of 20%. In addition, the company completed the construction of the new San Salvador ramp in Q2 2017. This will ensure a production increase as well as a better access to the Tortuga Vein for exploration purposes.



Together with the recently acquired San Dimas Mine, First Majestic could reach a silver-equivalent production of more than 30 million ounces p.a. (Source: First Majestic Silver)

the company will start to mine the new Javier Breccia in 2018.

mine produced around 2.2 million ounces of silver equivalent. For the full year 2018 the company is aiming at a production of 2.2 to 2.4 million ounces of silver equivalent at all-in costs of less than US\$ 15.54 per ounce. As of the end of 2017 Del Toro contained measured and indicated resources of 16.0 million ounces of silver equivalent (including reserves of 13.5 million ounces of silver equivalent) as well as inferred resources of 16.9 million ounces of silver equivalent. Currently Del Toro is producing a silver-lead concentrate with increasing recovery rates for both metals.



First Majestic Silver now owns seven producing mines and three well-developed exploration projects. (Source: First Majestic Silver)

La Encantada Silver Mine

La Encantada, an almost 100% silver mine, has a processing capacity of 3,000 tons per day. In 2017 the mine produced around 2.2 million ounces of silver equivalent. For the full year 2018 the company is aiming at a production of 3.0 to 3.3 million ounces of silver equivalent at all-in costs of less than US\$ 15.98 per ounce. As of the end of 2016 La Encantada contained measured and indicated resources of 33.7 million ounces of silver equivalent (including reserves of 32.3 million ounces of silver equivalent) as well as inferred resources of 5.8 million ounces of silver equivalent. Like Santa Elena, First Majestic Silver plans the use of natural gas-powered generators instead of diesel generators to save costs. In addition, the construction of a roasting plant started in 2017. The company wants to reprocess old stockpile material with the help of the roaster which could lead to an additional production of up to 1.5 million ounces of silver equivalent per year starting in 2018. In addition to this,

Santa Elena Silver-/Gold-Mine

The Santa Elena Silver Mine has a processing capacity of 2,750 tons per day. In 2017 the mine produced around 5.9 million ounces of silver equivalent. For the full year 2018 the company is aiming

La Parrilla Silver Mine

La Parrilla Silver Mine has a processing capacity of 1,500 tons per day. In 2017 the mine produced around 2.5 million ounces of silver equivalent. For the full year 2018 the company is aiming at a production of 2.3 to 2.6 million ounces of silver equivalent at all-in costs of less than US\$ 16.01 per ounce. As of the end of 2017 La Parrilla contained measured and indicated resources of 15.2 million ounces of silver equivalent (including reserves of 11.4 million ounces of silver equivalent) as well as inferred resources of 32.4 million ounces of silver equivalent. The company expects a decrease of the cash costs during the coming months and is discussing expansion possibilities. The concession area with 69,440 hectares hosts several historic mines which offer many expansion opportunities.

Del Toro Silver Mine

Del Toro Silver Mine has a processing capacity of 1,000 tons per day. In 2017 the

San Martin Silver Mine

San Martin Silver Mine has a processing capacity of 1,000 tons per day. In 2017 the mine produced around 2.3 million ounces of silver equivalent. For the full year 2018 the company is aiming at a production of 2.2 to 2.5 million ounces of silver equivalent at all-in costs of less than US\$ 11.92 per ounce. As of the end of 2017 San Martin contained measured and indicated resources of 20.1 million ounces of silver equivalent (including reserves of 15.0 million ounces of silver equivalent) as well as inferred resources

of 22.6 million ounces of silver equivalent. San Martin has an area of 37,500 hectares and hence additional exploration potential.

La Guitarra Silver Mine

La Guitarra Silver Mine has a processing capacity of 400 tons per day. In 2017 the mine produced around 1.0 million ounces of silver equivalent. For the full year 2018 the company is aiming at a production of 1.1 to 1.2 million ounces of silver equivalent at all-in costs of less than US\$ 19.52 per ounce. As of the end of 2016 La Guitarra contained measured and indicated resources of 13.1 million ounces of silver equivalent (including reserves of 12.2 million ounces of silver equivalent) as well as inferred resources of 8.3 million ounces of silver equivalent. The La Guitarra claims extend over more than 39,000 hectares. First Majestic Silver plans an increase of the processing capacity to 1,000 tpd.

Acquisition of Primero Mining

In January 2018 First Majestic announced the acquisition of Primero Mining. The total acquisition costs (including share exchange, debt repayment, etc.) were around 320 million dollars. In exchange the company receives the opera-

ting San Dimas Mine that had more than 1.6 million ounces of gold and around 135 million ounces of silver in reserves and resources at the end of 2016. San Dimas has a 2,750 tpd processing plant and produced around 4.2 million ounces of silver and 65,000 ounces of gold in 2017.

Well advanced development projects

Besides the profitable mines First Majestic also owns several development projects. Two of them are especially well advanced.

The La Luz project is located in the State of San Luis Potosí, Mexico and covers 5,000 hectares. The project hosts resources (as of 2008) of 46.8 million ounces of silver.

The Plomosas project is located in the State of Sinaloa, Mexico and covers 7,000 hectares. The project hosts historical resources of 11 million silver equivalent ounces. First Majestic Silver is currently working on an improvement of the infrastructure and on an upgrade of the historical resources to NI 43-101 resources.

Mastermind Keith Neumeyer

Behind the fast development of First Majestic Silver is its CEO, Keith Neumeyer. Neumeyer's achievements are legendary. He advanced First Quantum Minerals from the ground up to a market cap of several billion US\$. First Quantum Minerals' share price peaked at almost US\$ 30. Considering an initial quotation of US\$ 0.50 this is a huge price gain. The issue price of First Majestic Silver's shares was CA\$ 0.16 and not long ago the share price peaked at CA\$ 24. You can calculate the profit the investors of the first hour could have made. Neumeyer's

third creation is First Mining Finance, a holding company specializing in commodity projects by acquiring high-value assets in North America. This company was launched two years ago and already profits peaked at 200%.

Summary: Target of 30 million silver ounces clear in sight

First Majestic Silver has a clear objective of reaching an annual production of 30 million ounces of silver as soon as possible. With the acquisition of Primero and its San Dimas Mine, which will be First Majestic's biggest mine, the company made a big step toward that goal. The increase of the processing capacity to 1,000 tpd at La Guitarra, the installation of a roasting unit at La Encantada with the possibility of additional production of 1.5 million ounces of silver per year starting in 2018 and the possible cost reduction at that mine by replacing the previous diesel generators with natural gas-powered generators are considered as short and mid-term catalysts. Furthermore, the possible installation of a LNG

plant is planned at Santa Elena. In addition, the Plomosas project has tremendous exploration potential.

Overall, First Majestic Silver wants to increase the pure silver production of the previous mines (without San Dimas) by 15% to 10.6 – 11.8 million ounces during the year 2018. The total production of the previous 6 mines will reach 15.7 to 17.5 million ounces of silver equivalent including all by-products.

All in all, First Majestic Silver is excellently positioned. As of the end of 2017 the company had US\$ 118.1 million in cash or cash equivalents. In addition, First Majestic raised additional US\$150 million issuing senior convertible bonds. This will be enough to settle the debt from the Primero takeover and to expand the previous mines and mining projects as well as to make some additional lucrative acquisitions. The company would be able to expand its mines and mining projects without problems and acquire additional lucrative assets. First Majestic remains number 1 of the mid-tier silver producers in Mexico and was able to consolidate their position with the takeover of San Dimas.

Exclusive interview with Keith Neumeyer, CEO of First Majestic Silver

What did you and your company achieve within the last 12 months?

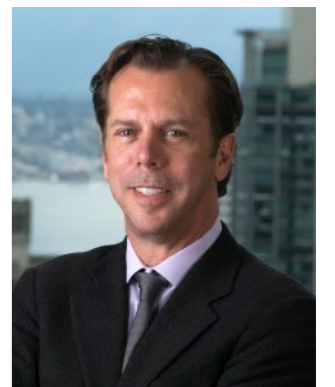
In mid-January 2018, First Majestic announced the acquisition of Primero Mines and their San Dimas Silver/Gold mine in the state of Durango, Mexico. San Dimas is a world-class asset and one of the largest underground silver/gold mines in the entire country. The operation produces between 10 to 13

million silver equivalent ounces annually with reserve grades of 322 g/t silver plus 4.0 g/t gold – some of the highest grades in Mexico. San Dimas will become the Company's largest operation increasing total production to an estimated 30 million ounces per year.

What are the main catalysts for your company within the next 6 months?

*First Majestic Silver's target figures for 2018.
(Source: First Majestic Silver)*

Mine	Silver Oz (M)	Silver Eqv Oz (M)	Cash Costs (\$)	AISC (\$)
Santa Elena	2.2 – 2.4	4.9 – 5.5	2.08 – 2.96	6.58 – 7.66
La Encantada	3.0 – 3.3	3.0 – 3.3	11.58 – 12.39	14.89 – 15.98
La Parrilla	1.5 – 1.7	2.3 – 2.6	9.78 – 10.40	15.02 – 16.01
Del Toro	1.1 – 1.3	2.2 – 2.4	7.11 – 8.04	14.31 – 15.54
San Martin	2.0 – 2.2	2.2 – 2.5	8.52 – 9.14	11.08 – 11.92
La Guitarra	0.8 – 0.9	1.1 – 1.2	11.86 – 12.81	18.30 – 19.52
Totals:	10.6 – 11.8	15.7 – 17.5	\$8.30 – \$9.09	\$15.21 – \$16.56



Keith Neumeyer, CEO

We expect the Primero acquisition to close by late April. Post-closing, we will provide production, cost and capex guidance to the market taking into account the revised streaming arrangement with Wheaton Precious Metals for 25% of the gold equivalent production. Under the new stream, the mine is expected to be profitable from day 1 allowing for the development of a new mine plan. Furthermore, many of our senior management have had extensive work experience at San Dimas when it was owned and operated by Luismin - which was bought by Goldcorp and who then sold San Dimas to Primero in 2010- therefore we are in a great position to hit the ground running. Another major catalyst in 2018 is the startup of the new roaster at our La Encantada mine which will increase silver production from 2.5M oz to over 4.0M oz of silver per year. Equipment is currently being delivered and assembled on site. Initial silver production from the roaster is

expected to commence in the second quarter of 2018.

What is your opinion about the current conditions of the silver market?

Supply remains very tight. Silver production worldwide has been dropping while consumption continues to rise. Electronics, consumer goods, electric cars and the list is virtually endless what silver is being used in. The ratio of worldwide mine supply is for every one ounce of gold mined globally, only 9 ounces of silver are mined. Yet, we are currently trading at over 80:1 silver/gold, which cannot last. Silver remains a must metal for investors' portfolios and there are very few silver miners left to invest in. Remember: You can't mine a bitcoin without silver and your electric vehicle won't work without silver.

Levon Resources Mega silver deposit guarantees high leverage!

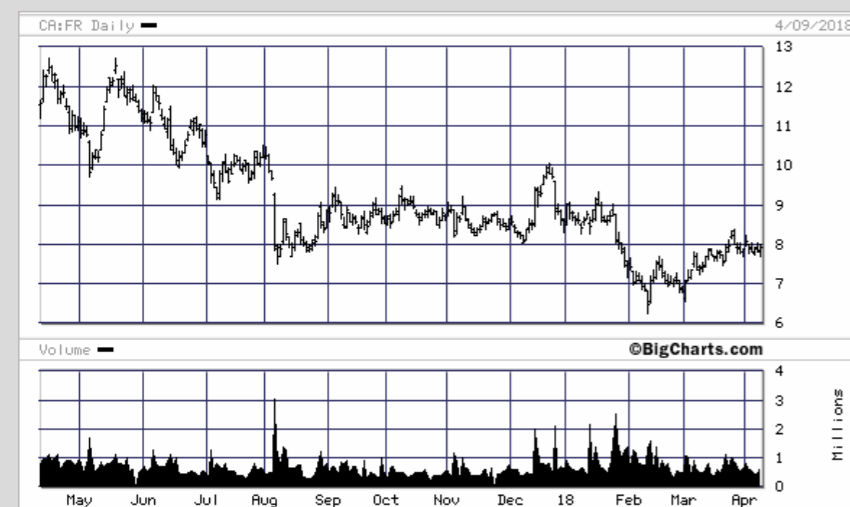
Levon Resources is a Canadian silver-gold-zinc-lead development company holding one of the largest unexploited silver deposits of the planet. Within only a few years the company could identify a silver resource of 595 million ounces plus significant gold, zinc and lead resources as by-products. In total Levon Resources has over 1.5 billion ounces of silver equivalent!

Norte Belt, 10 km further to the north are running through the license area. The project also includes the Perla Volcanic Dome to the south covering an area of 430 hectares. The project is part of the Chihuahua-Uacatecas silver-gold belt which hosts many more significant deposits like Penasquito (Goldcorp), Pitarilla (Silver Standard), Camino Rojo (Goldcorp) and San Agustin (Silver Standard). These deposits have similar geological and geochemical characteristics. Since the beginning of the exploration work in 2009 the company completed 126,000 m of drilling which provided Levon Resources with some impressive results. According to the current NI 43-101 resource estimate the deposit contains an indicated resource of 407.8 million ounces of silver, 1.27 million ounces of gold, 3.77 million pounds of lead and 8.03 million

Cordero Flagship Project – Resource

The Cordero project is located in the State of Chihuahua, Mexico, covers 37,000 hectares and Levon Resources owns a 100% interest in the project. Two northeast trending porphyry belts, the Cordero Porphyry and the parallel Perida

First Majestic Silver Corp.



(Source: BigCharts)

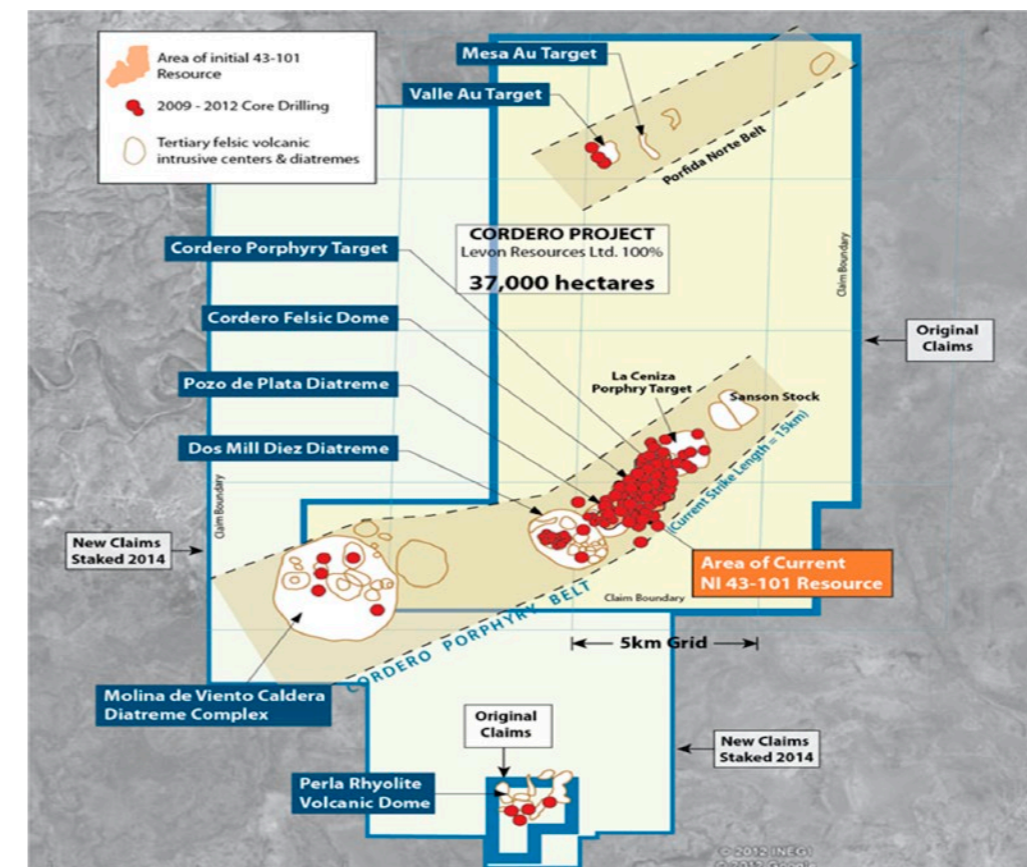
ISIN: CA32076V1031
WKN: AOLHKJ
FRA: FMV
TSX: FR
NYSE: AG

Shares issued: 165.7 million
Options: 10.4 million
Warrants: -
Fully diluted: 176.1 million

Contact:
First Majestic Silver Corp.
1805 - 925 West Georgia Street
Vancouver, BC, V6C3L2 Canada

phone: +1-604-688-3033
fax: +1-604-639-8873

info@firstmajestic.com
www.firstmajestic.com



The Cordero project covers 37,000 hectares and Levon Resources owns a 100% interest in it. (Source: Levon Resources)

pounds of zinc as well as an inferred resource of 187.5 million ounces of silver, 363,000 ounces of gold, 1.86 billion pounds of lead and 4.66 billion pounds of zinc. To date the project hosts in total more than 1.5 billion ounces of silver equivalent. And the resource isn't completely defined. It extends from the surface – visible in outcrops – down to a depth of several hundred meters. The current resource is still open to depth and in several directions, which provides additional exploration potential.

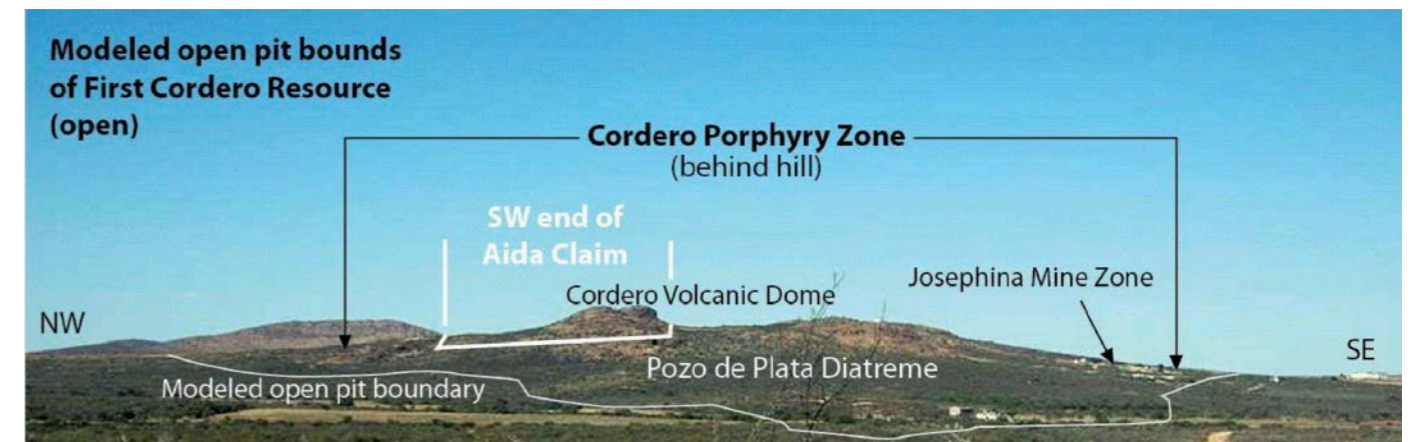
Cordero Flagship Project – Positive Economic Assessment

In March of 2018 Levon Resources announced a positive Preliminary Economic Assessment (PEA) based on an open pit production of 40,000 tons daily. Based on the price of US\$ 20 per ounce of silver, US\$ 1,300 per ounce of gold, US\$ 1.00 per pound of lead and US\$ 1.30 per pound of zinc an internal rate of return of 15.7 % after tax was calculated. Using a 7.5% discount rate the net present value (NPV) is US\$387 million. The payback

period will be 4.84 years. A silver price of US\$25/oz would yield NPV of US\$683 million and a rate of return of 21.5% after tax. The payback period will be reduced to 3.9 years. The initial capital costs are estimated at US\$575 million and the additional costs over the mine life are estimated US\$295. Considering an average annual production of 8 million ounces of silver, 99 million pounds of zinc, 69 million pounds of lead and 11,900 ounces of gold these capital costs seem to be justified. The big advantage for the production would be the very favorable strip ratio of 0.98:1. The life of the mine would be an initial 29 years which could be expanded. Levon Resources would also set new standards with the size of the pits, 2,000m long, 1,300m wide and 380m deep!

Acquisition of AIDA Claim makes efficient mine design possible

Another milestone in the company's history was the acquisition of the AIDA Claim in July 2013. It might be small with only 15.8 hectares but plays an important strategic role in the development of the Cordero Project because it is located in the center of the main resource. In 2013 Levon Resources had started a drilling program at the Aida claim and several other targets that delivered some very good results including 28 m with 275.1 gpt of silver equivalent, 24 m with 106.9 gpt of silver equivalent and 98 m with 95.1 gpt of silver equivalent. One of the drill holes had a continuous silver mineralization over 438 m starting at the surface! Additional drill holes in other areas of the project provided long low-grade intersections such as 152 m with 80.6 gpt silver, 1.41% zinc, 2.27% lead and 0.61 gpt gold as well as shorter high-grade intersections such as 26 m with 410.1 gpt silver, 2.92% zinc, 7.06% lead and



1.057 gpt gold in the Pozo de Plata Diatreme. The latter resource is analogous to the underground resource at Penasquito.

ted in the acquisition of the AIDA Claim. Levon has no intentions to bring Cordero to production but is pursuing a partnership with a major mining company.

Location of several silver deposits and the proposed pits (Source: Levon Resources)

Future Catalysts

In the summer of 2017 Levon Resources completed an 18-hole drill program with a total length of 5,655m which was focused at infill drilling in the central area of the 2014 Cordero Resource. The focus was especially at the higher-grade gold-bearing sections that would be perfectly suitable for a starter pit. In addition, the company studied the most optimal extension of the starter pit towards the southeast. Furthermore, a previously little tested gap within the Cordero Felsic Dome was closed. Currently engineering and metallurgy studies are ongoing to optimize the mine model on the one hand and to increase the recovery rate on the other hand.

Levon Resources pursues a partnership with a major mining company

Levon has already signed confidentiality agreements and standstill agreements regarding Cordero with several major mining companies, which were very interes-

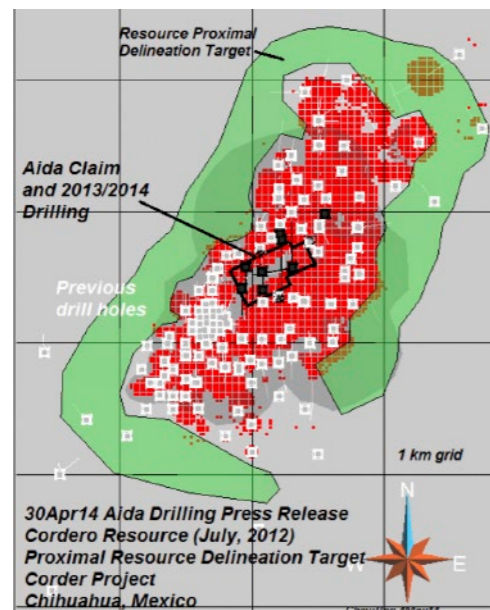
Additional developed mining projects targeted

Besides Cordero Levon Resources has interests in or owns completely several projects in the Canadian province of British Columbia. These are at an early stage and are not a priority for the company. Due to the enormous experience of the management, the company can bring projects from discovery to production whereby all steps are carried out highly professionally and according to the highest standards. Currently Levon Resources is evaluating numerous projects in Latin America which could generate a positive cash flow and high returns very quickly by contribution of the management capacities and with relative low financial expenditure.

Very experienced management team

Levon Resources has a very experienced management team, which has brought to production several mining projects.

The AIDA Claim is located in the center of the main resource. (Source: Levon Resources)



Ron Tremblay, President and CEO, brings over 25 years of experience in the mine finance sector to Levon. In October 2006 he was appointed President of the company. He was substantially involved in revitalizing Levon Resources as well as the acquisition and development of the Cordero Project.

Vic Chevillon is Vice President Exploration and a member of the Board of Directors. The geologist has over 36 years of exploration experience working with major mining companies like Noranda, Homestake, Placer Dome and Barrick Gold.

Summary

Levon Resources has one of the world-wide largest silver deposits. This stock seems to be especially interesting for investors expecting higher silver prices because an increase of the silver price by US\$ 1 would increase the value of Levon's silver resource by US\$ 600 million.

Levon's leverage is enormous and the project offers many more opportunities and potential for a resource expansion. One should expect that during the coming months the silver companies will be separated into winners and losers. Then the market will realize that given the enormous resource basis Levon Resources is currently undervalued. The large zinc deposits could especially tip the scale for a production decision because it can be assumed that there will be a huge supply deficit for zinc during the coming years. The shares of Levon Resources offer investors who expect in the medium-term a significant higher silver price a very good chance to risk ratio. In addition, there is always the chance of the participation of a major mining company or a takeover offer. In January 2018, the company was able to finalize a financing of CA\$ 800,000, which will finance Levon's programs throughout the next months.

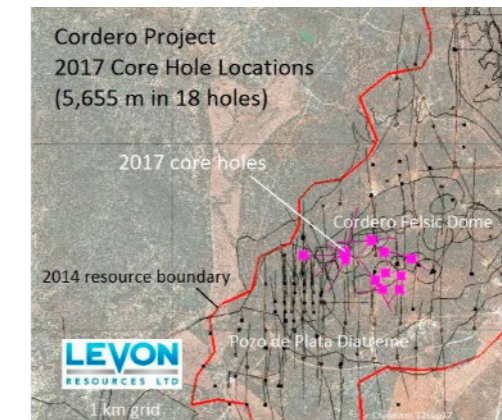
What are the main catalysts for your company within the next 6 months?

Q1 2018 release of the 2018 Resource update and the updated PEA provided what we need to pursue a strategic partner to advance the project into prefeasibility drilling. The improved grade of 2017 infill resource grid drilling we believe can open the door for improving the global resource grade with closer spaced drilling during prefeasibility.

What is your opinion about the current conditions of the silver market?

A silver market break-out is long overdue. With the improving global economy, led by the US, with more on the way, I believe an economic renaissance is starting and silver, zinc, lead and gold will be in high demand with increasing prices. This favors the prospects for major silver,

zinc, lead and gold production from a start-up Cordero mine and reinforces the need for prefeasibility work.



Cordero is located in the south of Chihuahua. (Source: Levon Resources)



Ron Tremblay, CEO

Exclusive interview with Ron Tremblay, CEO of Levon Resources

What did you and your company achieve within the last 12 months?

Our Cordero Project in southern Chihuahua State in Mexico is our flagship asset. It is a world class, district discovery at the advanced exploration stage (132,000 m of drilling on the 37,000-hectare consolidated) 100% owned land position. Since the metals melt down beginning in 2012, we have persisted in consolidating our 100% ownership in all the mineral rights and claims in the district, including our 2013 cash, outright purchase of a 16-hectare Aida claim (no retained interest) in the center of our mi-

neral resource. We also doubled the property size to 37,000 hectares by staking in 2014. We grid drilled the Aida claim in 2014 and updated the resource in 2014 from the better than expected results. The consolidate project was put on care and maintenance until our 2017 resource infill drilling to test our projections that closer spaced drilling would improve the resource grade within the area drilled. We have used the degraded market to notably advance the project as a prime candidate for a pre-feasibility drilling program now.

ISIN: CA52749A1049
WKN: A14WRT
FRA: 26V
TSX-V: LVN

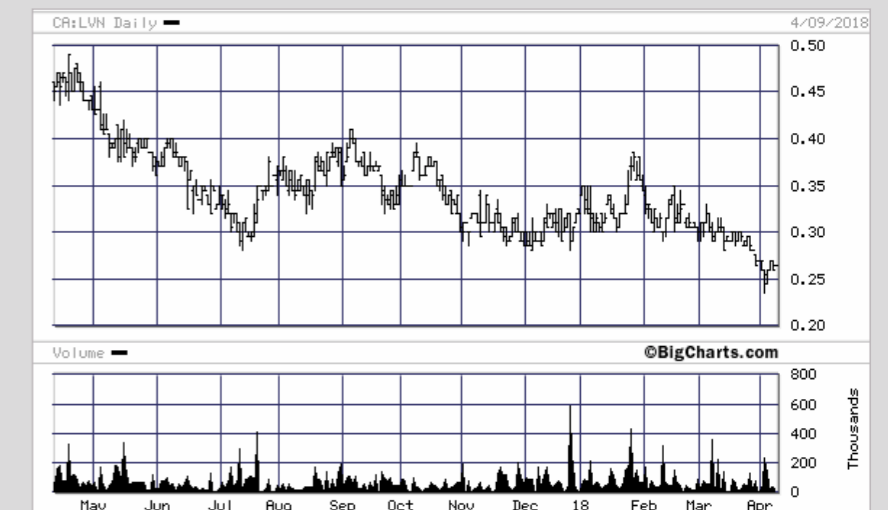
Shares issued: 121.5 million
Options: 10.3 million
Warrants: -
Fully diluted: 131.9 million

Contact:
Levon Resources Ltd.
Suite 500, 666 Burrard Street
Vancouver, BC V6C 2X8, Canada

phone: +1-778-379-0040

ir@levon.com
www.levon.com

Levon Resources Ltd.



(Source: BigCharts)

MAG Silver

Sensational silver project with mega partner and mega potential!



MAG Silver is a Canadian development company and, in view of the enormous size and advanced development stage of their main project one of the best silver stocks on the planet. The company together with the mega partner Fresnillo is preparing to quickly bring to production its Juanicipio Project (current plan is 1st half-year of 2020). Some important infrastructural necessities are already in place.

Juanicipio Joint Venture Silver Project

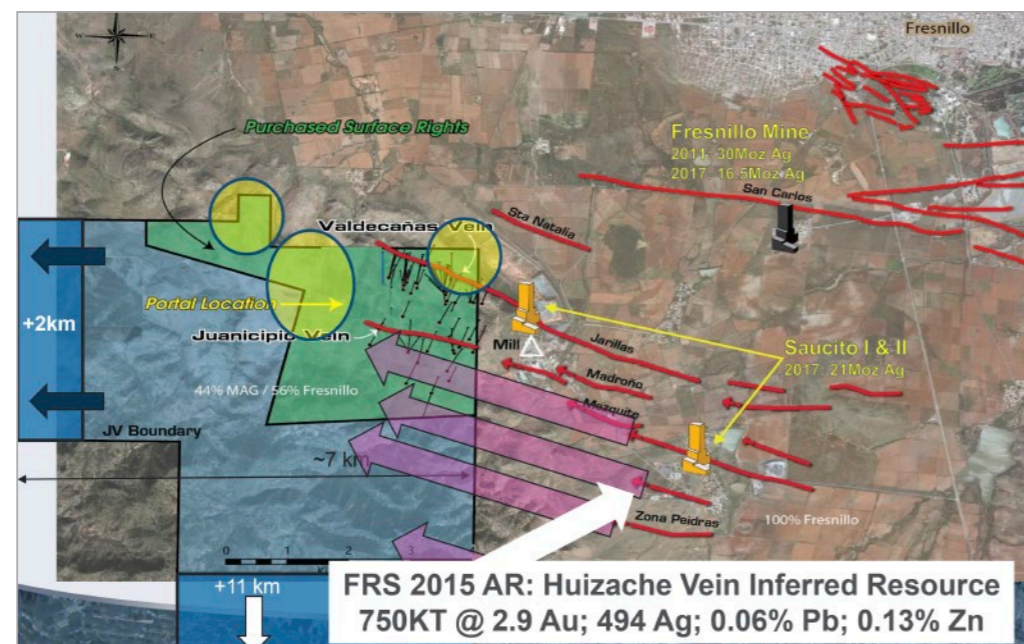
A portal and a state-of-the-art developed decline leading to the center of the future mine. MAG Silver owns 44% of the Project and Fresnillo 56% which is one of the largest silver producers and operates several mega projects besides Juanicipio. Juanicipio is surrounded by high-quality mining projects within the Fresnillo Silver Trend which have produced over four billion ounces of silver or more than 10% of the global silver production to date. Due to the proximity to

the city of Fresnillo, Juanicipio is connected to the very well-developed infrastructure. The project hosts current resources of 8.17 million tons of ore with 550 gpt silver for 145 million ounces of silver in the category indicated and 1.98 million tons of ore with 648 gpt silver for 41 million ounces of silver in the category inferred. In addition, there are 848 million pounds of zinc and lead in the category indicated. The deep Zone hosts 4.66 million tons of ore with 209 gpt silver for 31 million ounces silver in the category indicated and 10.14 million tons of ore with 151 gpt silver for 49 million ounces of silver in the category inferred. In addition, the Deep Zone contains 790 million pounds of zinc and lead in the category indicated and 1.73 billion pounds of zinc and lead in the category indicated. Juanicipio also contains more than 1.5 million of ounces gold which is homogeneously distributed in the mineralized system. A true monster resource, nevertheless the known resource is still open in several directions therefore not completely defined.

Economic assessment indicates low cost production

The very high grades are the main reason that Juanicipio will be a low-cost mining operation. According to the most recent preliminary economic assessment (PEA) from November 2017 the all-in sustaining cash costs will be US\$ 5.02 per ounce of silver equivalent based on a silver price of US\$ 17.90 per ounce and a gold price of US\$ 1,250 per ounce, a zinc price of US\$ 1.00 per pound and a lead price of US\$ 0.95 per pound as well as a daily production of 4,000 tons and a life of mine of 19 years. The payback period will be 1.8 years with this scenario. The after-tax Net Present Value (NPV) will be US\$ 1.138 billion and the after-tax Internal Rate of Return (IRR) solid 44%. Even based on lower prices of US\$ 14.50 per ounce of silver and US\$ 1,000 per ounce of gold as well as US\$0.74 per pound of zinc and lead Juanicipio still shows very good economic figures. For this scenario the payback period will be 2.6 years. The after-tax NPV will be US\$ 635 million and the after-tax IRR 30%. The initial capital expenditure is only US\$ 158.4 million for MAG Silver and was already raised. At higher prices of US\$ 23 per ounce of silver and US\$ 1,450 per ounce of gold, US\$ 1.15 per pound of lead and US\$ 1.20 per pound of zinc the payback period will be 1.2 years. The after-tax NPV will be US\$ 1.729 billion and the after-tax IRR 61%.

shaft or a decline is necessary which is advanced into the ground down to the mineralization. MAG Silver and its joint venture partner Fresnillo, which is active in this area since over 100 years, are opting for the decline solution. The advantage is that a decline can be used by heavy mining machinery (haul trucks) while the ore and rock transport is much more difficult by means of a shaft. Another advantage is: Fresnillo, the operator of the future Juanicipio mine, is constructing this decline with a concrete surface which ensures a stable pavement for the mining vehicles as well as drainage for the water. The important fact is: While the construction of declines of that size (5x5 meter) normally costs US\$ 4,000 per meter without concrete surface Fresnillo is building the decline for US\$ 1,500 inclusive concrete surface!



MAG Silver's project area hosts the potential for several additional veins, south of Juanicipio. (Source: MAG Silver)



The already built ramp comes up to the upper silver-leading veins. (Source: MAG Silver)

Capital costs reduced to a minimum

But all this doesn't seem to be the end of the story! One glance at MAG Silver's company presentation is enough to see the mega potential that lies dormant in the company and also in the stock. The Juanicipio mine is an underground operation and for that reason either a

Maximum exploration potential

It seems that in addition MAG Silver has a so far unforeseen exploration potential. Fresnillo has discovered several additional veins in the immediate surroundings of the joint venture area. These veins trend parallel to the Valdecañas and Juanicipio mineralization and could extend into the joint venture area. Does MAG Sil-



ver have much more than “only” 266 million ounces of silver plus gold, lead and zinc?

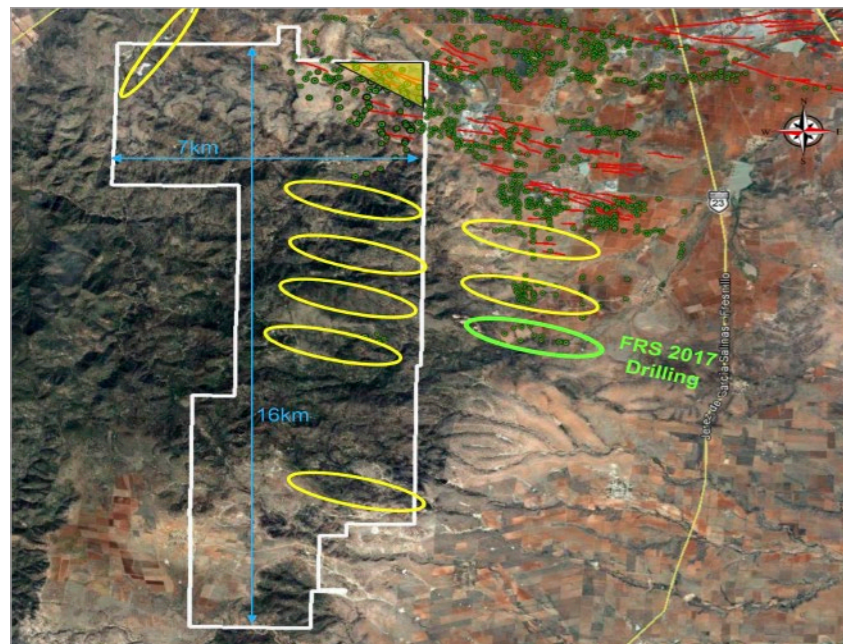
Juanicipio: two projects in one!

In February 2017, the company reported that drill holes designed to extend Valdecanas Deep Zone West intersected a significant silver-/gold mineralization.

The best results are:

- ▶ DEEP ZONE WEST: 0.70m @ 120g/t silver, 2.46g/t gold, 5.55% lead, 5.08% zinc, 0.21% copper.
- ▶ DEEP ZONE EAST: 5.20m @ 333g/t silver, 16.87g/t gold, 4.47% lead, 3.77% zinc, 1.04% copper including 1.44m @ 854g/t silver, 54.67g/t gold, 3.21% lead, 2.72% zinc, 2.28% copper.
- ▶ ANTICIPADA VEIN: 5.60m @ 177g/t silver, 7.36g/t gold, 2.39% lead, 6.31% zinc, 0.12% copper, including 3.15m @ 283g/t silver, 12.62g/t gold, 3.62% lead, 8.42% zinc, 0.17% copper.

The Juanicipio license area hosts several additional drill targets.
(Source: MAG Silver)



In particular MAG Silver could prove higher gold grades as well as a change from high silver areas to areas with high grade copper, lead and zinc.

In addition, the company recently identified a parallel mineralization named Anticipada. Now it looks like MAG Silver not only has one project, but rather two mining projects in one.

Therewith it seems relatively certain already: The company has discovered an additional silver zone beneath the known high-grade silver zone. Furthermore, MAG Silver is anticipating finding the source of the Bonanza Zone at depth which could possibly have even higher grades.

More than sufficient financial resources, mining start planned for 2020

In November 2017 MAG Silver announced a financing over US\$ 48 million. The company eliminated all financial risks with this deal especially regarding the complete financing of the Juanicipio silver mine. In addition, with the release of a short form base shelf prospectus MAG Silver laid the foundation for various financings to raise US\$ 200 million within 25 months. If the construction work continues as fast as previous the start of the mine can be expected in the first half of 2020.

Solid shareholder structure, low free float!

In order to do so, the very strong and committed shareholders will be supportive. More than 84% of all MAG Silver shares are in the hand of institutions or institutional investors. The 15 major individual investors own 64% of all sha-

res. Less than 16% of all issued shares are in the hands of private investors. This strengthened the stock considerable during the past five years which is observed only at very few precious metals stocks. The major institutions especially should continue to provide MAG Silver with sufficient fresh capital.

Experienced and successful management

MAG Silver has a very successful management team.

President and CEO George Paspalas was, among other things, CEO and President of Placer Dome and other companies where he developed complex open pit and underground mines on four continents.

Chief Exploration Officer Dr. Peter Megaw has been instrumental in a number of new discoveries in Mexico. He is also called the silver pope of Mexico.

Among other things CFO Larry Taddei was guiding West Timmins Mining Inc. through a \$ 420 million takeover by Lake Shore Gold Corp.

Summary

MAG Silver owns one of the highest-grade silver deposits worldwide. The mine construction is well advanced and is on track so that the silver production can begin as planned in 2020. The partner Fresnillo operates an adjacent mega project and can contribute to a fast commissioning of the Juanicipio Project regarding the infrastructure as well as with its mining expertise. In the meantime, MAG silver has eliminated almost all project risks. High grades, complete financing, minimal political and development risks, a very favorable metallurgy and access to sufficient power and water as well as the connection to the existing infrastructure near Fresnillo leave almost no margin for downside potential. However, the upside potential with the possibility for additional parallel trending mineralized trends and expansion possibilities at depth is so much higher. Another advantage that could lead to additional price peaks is the relative low free float with only 16% of all issued shares.

Exclusive interview with George Paspalas, CEO of MAG Silver

What did you and your company achieve within the last 12 months?

A major milestone was achieved in late 2017 with the completion of an updated resource estimate for the Juanicipio project and new Preliminary Economic Assessment. The resource update returned an increase confidence in the bonanza

zone resource, with more than 80% of these resources now in the indicated category. The bonanza zone contains 8.17Mt @550g Ag/t in indicated, and 1.98Mt @648g Ag/t in inferred. A significant increase in the deep zone resource was reported, due to the consistent successful drilling of this area during 2015 and 2016. We now report 4.66Mt @209g



George Paspalas, CEO



Ag/t in indicated and 10.14Mt @151g Ag/t in inferred, with very good lead, zinc and copper grades. The Juanicipio resource contains over 1.5M ounces of gold, which is distributed homogenously through the mineralized system.

What are the main catalysts for your company within the next 6 months?

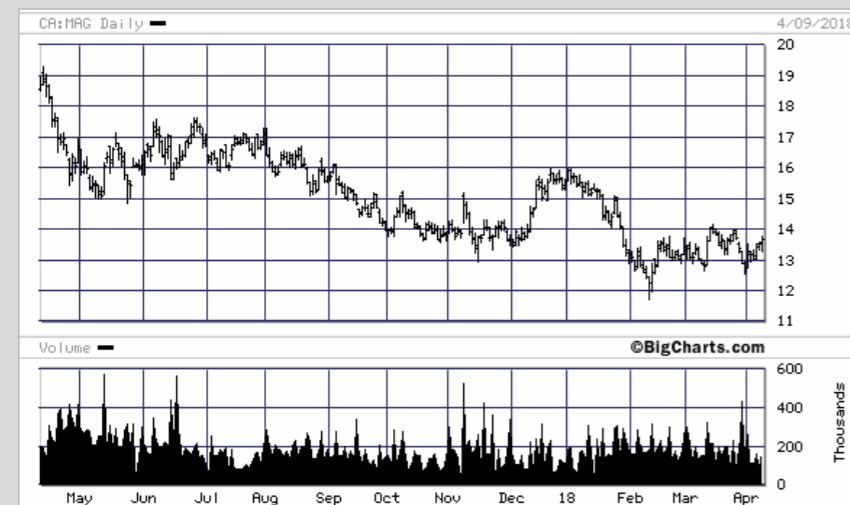
The operator of the Juanicipio Joint Venture, Fresnillo PLC, the World's largest silver producer, has indicated approval to commence construction of the surface facilities in Q2 2018, with the operation starting up in H1 2020. This approval is a significant event for MAG Silver, as the construction start will commence a runway whereby MAG Silver will progressively re-rate from a development company into a silver producer category, which should realize a significant increase in the P/NAV for the company to align MAG

with the other silver producers in the industry.

What is your opinion about the current conditions of the silver market?

Silver has underperformed gold significantly, however with increased demand for silver use in the technology, medical and renewable energy sectors, coupled with a reduction in primary silver mine production due to mine closures, the fundamentals for silver look strong for the foreseeable future.

MAG Silver Corp.



(Source: BigCharts)

ISIN: CA55903Q1046
 WKN: 460241
 FRA: MQ8
 TSX: MAG
 NYSE: MKT: MAG

Shares issued: 85.4 million
 Options: 2.7 million
 Warrants: -
 Fully diluted: 88.1 million

Contact:
 MAG Silver Corp
 Suite 770, 800 West Pender
 Vancouver, BC, V6C 2V6, Canada

phone +1 604-630-1399
 fax: +1 604-681-0894

info@magsilver.com
 www.magsilver.com

SilverCrest Metals
 Well on its way to hit the next jackpot!

SilverCrest is a Canadian mining and development company with the goal to advance high-grade silver projects in Mexico to the production phase. The current management of SilverCrest has proven in the past that it can bring a top-class silver project to production. They discovered, among other things, the Santa Elena Deposit in 2006 which was brought to production quickly. The predecessor company, SilverCrest Mines, was acquired by First Majestic Silver in 2015 and Santa Elena is now First Majestic Silver's biggest mine.

about 170 kilometers northwest of Hermosillo. First Majestic Silver's Santa Elena Mine and Premier Gold Mines' Mercedes Mine are within 25-kilometer radius thus in a trucking distance. Las Chispas consists of 21 concessions totaling 1377.50 hectares. Geologically, Las Chispas is similar to Santa Elena. To date 19 different mineralized veins were identified. Many of them contain bonanza grades i.e. they are very high-grade with relatively low tonnage. In addition, there are 150,000 tons of historic waste material on the former mine site which could be part of a planned 100,000 tons bulk sample. The majority of mining activities took place at the beginning of the 20th century with an average production of 35 grams per ton (gpt) gold and 4,500 gpt silver. The majority of the existing underground mine infrastructure with a total length of 11.5 kilometers dates back to this time. Large portions of the infrastructure were made accessible again by SilverCrest Metals.

Las Chispas silver gold district – location, geology, size and history

During the takeover a series of potentially top-class Mexican projects were transferred into the present SilverCrest Metals. The Las Chispas silver-gold district soon became the flagship project. It is located in the Mexican State of Sonora



Las Chispas is located in the Mexican State of Sonora about 170 kilometers northwest of Hermosillo.
 (Source: Silvercrest Metals)

Las Chispas silver gold district – exploration success and resource estimate

SilverCrest Metals is the first mining company to explore Las Chispas with modern exploration methods. To date the company has identified more than 290 drill intercepts with over 150 gpt silver equivalent over 0.5 to 6.2 meters. 54 drill intercepts contained silver equivalents with more than 1,000 gpt over 0.5 to 3.2 meters.

Although tunnels and adits exist with access to the bonanza-grade areas and a total length of over 11.5 kilometers, 80% of the known high-grade areas to date are located in undeveloped sections of the mine.

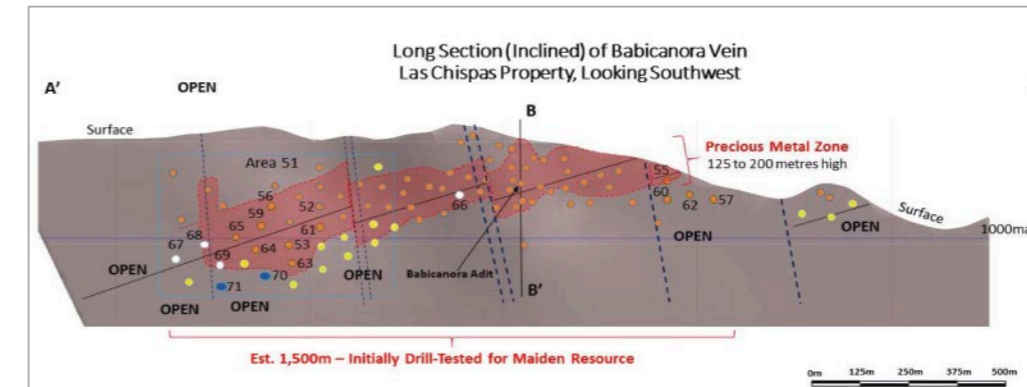
In February 2018 SilverCrest Metals released its recent NI 43-101 resource estimate for Las Chispas. According to the estimate the project comprises more than 3.415 million tons ore grading 3.66 gpt gold and 297 gpt silver, or 572 gpt silver equivalent (based on 75 (Ag):1 (Au)) representing an inferred resource of 62.8 million ounces of silver equivalent. For this estimate only 5 of the 19 known occurrences were taken into consideration. Just the Area 51 of the Babicanora Vein, averaging 1,026 gpt silver equivalent, hosts around 32.2 million ounces of silver equivalent.

Las Chispas silver gold district – Babicanora Area

Two of the 19 known silver veins stand out clearly: the Babicanora Vein and the Las Chispas Vein.

The Babicanora Vein can be traced over 3.2 kilometers at the surface. To date 1.3 kilometers have been explored following the vein to a depth of 200 meters. The vein has an average thickness of 3 meters. The mineralization is still open at depth and in strike direction promising additional exploration potential. Currently an additional 500 meters are being tested and the results will be incorporated in the planned resource estimate. In January 2018 SilverCrest Metals released the last drill results to date. Step-out drill holes in the area of the southeast extension of the Babicanora Vein intersected, among other things, 0.9 meters with 4,798 gpt silver equivalent and 2.5 meters with 7,238 gpt silver equivalent. Before that the company reported its absolute peak result of 8,409 gpt silver equivalent over 3.1 meters.

Due to these results, the high-grade area of the Babicanora Vein was expanded to 1,300 by 160 meters. In close proximity to the Babicanora Vein runs the subparallel Babicanora Footwall Vein, where successful drill holes were drilled. Additional extensive exploration activities including



The Babicanora Vein can be traced over 3.2 kilometers at the surface. To date 1.3 kilometers have been explored following the vein to a depth of 200 meters. (Source: Silvercrest Metals)

drilling are planned in 2018. The goal is to test, besides Babicanora and Babicanora Footwall, additional known veins in the Babicanora region (among others La Victoria, Amethyst and Granaditas) with a cumulative strike length of over 7 kilometers. The drilling is facilitated by the existing underground infrastructure which allows underground drilling.

Las Chispas silver gold district – Las Chispas Area

The Las Chispas Area is located north of Babicanora and essentially consists of 10 veins. In the past the majority of the mining activities were carried out at Las Chispas where 80% of the historic workings are accessible. Currently SilverCrest Metals is focusing on three of the ten silver veins that are all accessible and were partially stabilized by modern infrastructure methods. In the area of the Las Chispas Vein and the historic rock pillars several high-grade areas were identified which might be suitable for SilverCrest Metals' approved 100,000 tons bulk sample.

The Giovanni Vein, discovered in 2016, was followed over a distance of 250 meters but is still open at depth and in strike. The drill results from the La Blanquita mineralization 500 meters to the south indicate that there might be a connection to the Giovanni Vein.

The recently discovered William Tell Vein was followed over a distance of 300 meters and is also open at depth and in strike. The total strike length of all known veins in the Las Chispas area is around 5 kilometers with the potential of expansion in several directions and at depth. Appropriate drill campaigns are planned for 2018 and 2019.

The best drill result from the Las Chispas Area to date is 8,803 gpt silver equivalent over 2.3 meters.

Future catalysts

In the current year 2018 drill campaigns are planned with a total length of at least 10,000 to 15,000 meters. The results of these campaigns will be incorporated in an additional resource update in the second half of the year. The release of a Preliminary Economic Assessment is also planned in the second half of the year 2018.

Very successful management knows how to establish a mine

SilverCrest Metals has an unparalleled top-class management team. Prior to SilverCrest Metals CEO Eric Fier was at SilverCrest Mines, Newmont Mining, Eldorado Gold and Pegasus Gold Corp. and there, among other things, responsible

SilverCrest's Las Chispas Resource Summary – February 2018								
Resource Category ⁽¹⁾	Tonnes	Au gpt	Ag gpt	AgEq gpt	Contained Gold Ounces	Contained Silver Ounces	Contained AgEq ⁽²⁾ Ounces	
Inferred	3,415,000	3.66	297	572	402,000	32,650,000	62,800,000	
Inferred Resource Summary By Vein								
Vein	Average True Width	Tonnes	Au gpt	Ag gpt	AgEq gpt	Contained Gold Ounces	Contained Silver Ounces	Contained AgEq ⁽²⁾ Ounces
Babicanora	3.2	1,894,000	5.41	361	766	329,000	21,952,000	46,641,000
Includes Area 51	2.7	967,000	7.43	469	1,026	231,000	14,581,000	32,247,000
Las Chispas	3.0	171,000	2.39	340	520	13,000	1,874,000	2,861,000
Giovanni	2.0	607,000	1.37	237	340	27,000	4,633,000	6,641,000
William Tell	1.5	595,000	1.32	185	284	25,000	3,543,000	5,438,000
Historic Dumps	n/a	148,000	1.60	136	256	7,000	648,000	1,219,000

Las Chispas hosts more than 62 million ounces of silver equivalent. (Source: Silvercrest Metals)

for the exploration, development, financing, construction and the operation of several successful mines – notably SilverCrest Mines’s Santa Elena silver-gold mine before the acquisition by First Majestic Silver.

President Chris Ritchie is a successful banker at, among other things, Canaccord and National Bank therefore an indispensable expert in the sectors financing, marketing, corporate strategy and risk management. He was also on board of SilverCrest Mines as well as current CFO, Anne Yong and the VP Corporate Communications, Michael Rapsch of SilverCrest Metals.

Summary

A project with such an exploration potential like Las Chispas is very rare. 19 known silver-gold veins plus a variety of

additional unnamed mineralization host an unparalleled exploration upside. Concurrently the investors can expect a rework of potentially top-class drill results in the coming months because the company is planning a drill program totaling at least 10,000 to 15,000 meters in support of a possible second resource estimate in the second half of the year 2018. As well a PEA which could be a positive surprise due to the relative near-surface and high-grade mineralization. The possibility of using the existing processing capacities in the nearby mines of First Majestic Silver and Premier Gold Mines could reduce possible capital costs to a minimum. With CA\$9 million cash in hand SilverCrest is in a top financial position which will give leeway to the management for exploration successes at one of the highest-grade and most interesting projects in Mexico.



Eric Fier, CEO

Exclusive interview with Eric Fier, CEO of SilverCrest Metals

What did you and your company achieve within the last 12 months?

SilverCrest had a very successful last 12 months developing our key asset, the Las Chispas project in Sonora, Mexico. Those who are familiar with our story know that we are the first company to drill-test on trend the Las Chispas project located in an historic mining district. To give readers an idea, to date, we have drilled over 41,000 meters in 190 holes with results showing 293 drill hole intercepts above our cut-off grade of 150 gpt silver equivalent (75:1 Ag:Au ratio), including over 54 drill intercepts grading

higher than 1,000 gpt silver equivalent. Those kinds of consistently high grades haven’t been seen in the sector for a long time. Our exploration program has defined 19 epithermal veins on the project of which 9 have been partially drilled and all showing high grade intercepts.

We have also successfully re-opened and rehabilitated over 10 kilometers of an existing 11.5 kilometers of historic underground workings. To build this kind of infrastructure in today’s day could cost a company tens of millions in capital expenditures.

What are the main catalysts for your company within the next 6 months?

Post resource estimate, and I encourage readers to familiarize themselves with that report, we will continue providing good news-flow through another extensive exploration program which includes further expansion and in-fill drilling on numerous veins. The objective is to announce a Preliminary Economic Assessment (PEA) and a revised resource number by the end of 2018. It is our intention to “do it again” and build another producing silver and gold mine in this region of Sonora.

What is your opinion about the current conditions of the silver market?

The Silver market (and gold market) has entered 2018 with some momentum after other sectors such as cryptocurrencies, lithium and cobalt saw quite a bit of

money inflows in 2017. We could see new fiat stimulus hitting the US economy and inflation could uptick which usually bodes well for silver and gold prices. Mining output has also been on a decline and fewer new silver mines going into production, resulting in a shift in demand and supply. We see silver prices to trade in the range of \$17/oz to \$20/oz this year.

ISIN: CA8283631015
WKN: A141Q2
FRA: S0C
TSX-V: SIL

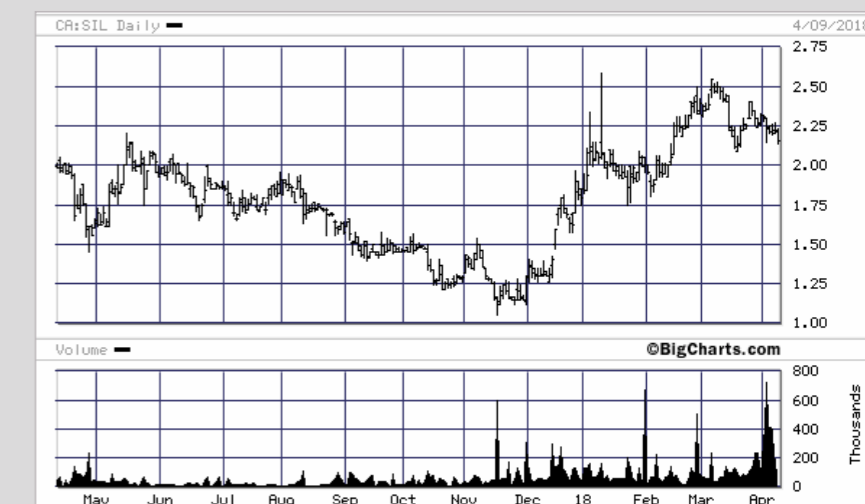
Shares issued: 64.0 million
Options: 6.3 million
Warrants: 7.6 million
Fully diluted: 77.9 million

Contact:
570 Granville Street, Suite 501
Vancouver, BC V6C 3P1, Canada

phone: +1-604-694-1730
fax: +1-604-357-1313

info@silvercrestmetals.com
www.silvercrestmetals.com

SilverCrest Metals Inc.



(Source: BigCharts)



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