

# Why Silver?

The Fundamentals  
are Shining Bright

# Silver Is Not Just Precious, It Also Has Purpose

## Silver was the first metal used as a measure of currency

After the fall of the Roman Empire, the adoption of silver was widespread.



## Silver is playing an increasing important role in the Green Revolution

The Paris Declaration is targeting 100 million EV's by 2030. Solar car ports are one of the most viable options for refueling EV's.



Solar power is expanding rapidly across the whole world due to the need for cleaner air.

## Silver is the best natural conductor of electricity and heat

Over 50% of applications are in practical industrial use.



## Silver is a hedge against monetary inflation

Available exposure through:



# The Future Needs Silver

## Hydrogen Fuel Cells

Catalyst to speed up the chemical reaction that generates electricity

## Solar Panels

Conductor to transmit the electricity that is generated from the sun's energy

## Health Care

Prevents infections, used in medical equipment and in water filters

## Electric Vehicles

Electrical conductor in contact points, wiring and battery cells

## Electronics

Conductor in circuit boards and other electrical components

## Batteries

Conductor and a component of electrodes, which store electrical energy

## Semi-Conductors

Conductor in electrical components to transmit signals within the device

## Silverware

Silverware is made of silver to add a touch of sophistication to fine dining

## Jewelry

Silver is the base metal for rings, necklaces, and other types of jewelry

## Exchange Traded Funds

Investment products that investors use to gain exposure to the silver market

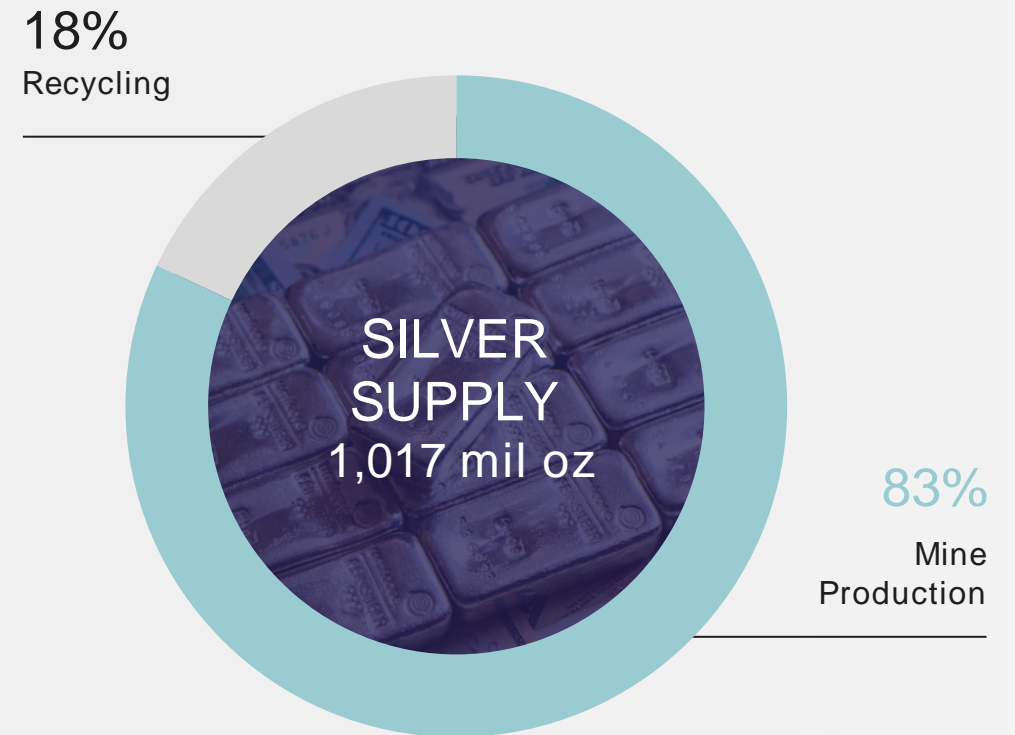
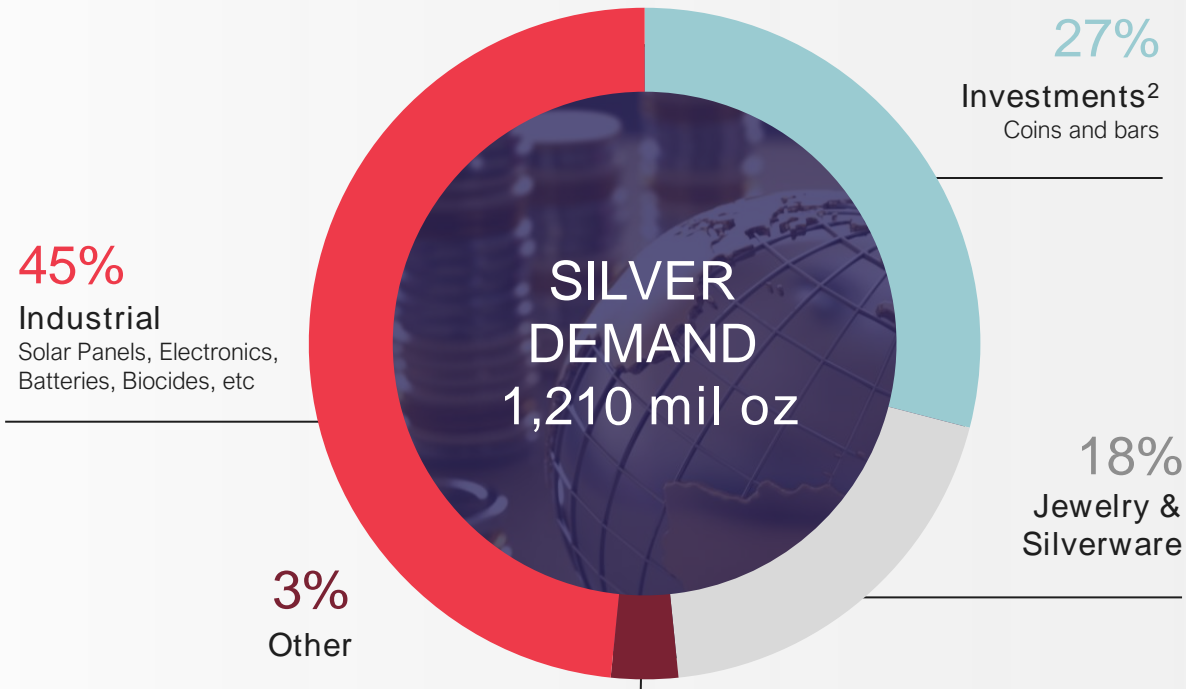
## Bars and Coins

Investors can own the metal and potentially benefit from any price appreciation



# 2022 World Silver Supply & Demand Estimate<sup>1</sup>

~194 Moz Supply Shortfall Estimated for 2022



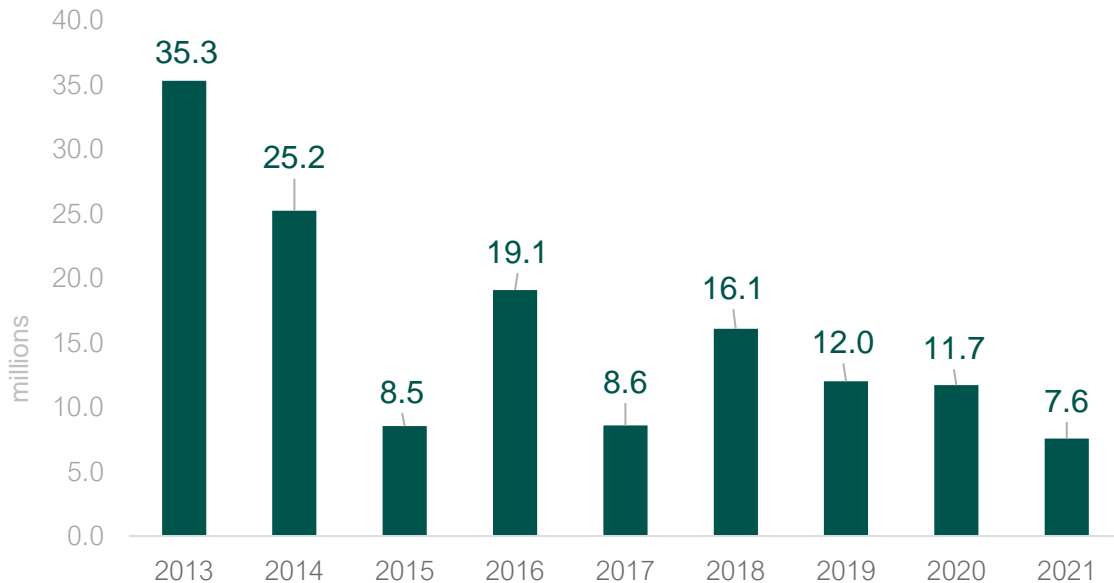
1. Source: Silver Institute, Nov 8, 2022  
2. Net physical investment in coins and bars

# Trouble Ahead for Silver Supply

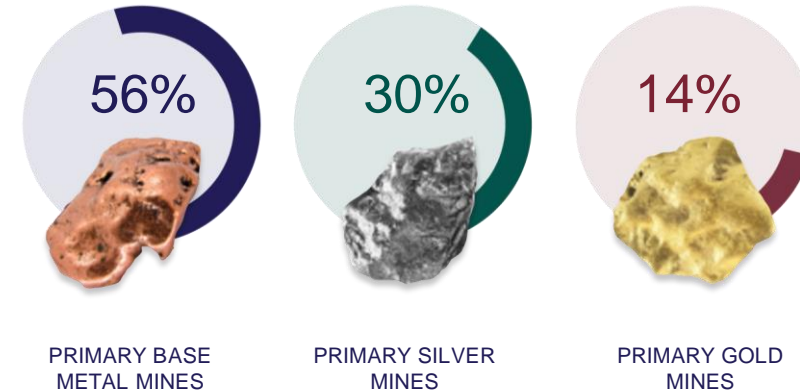
## GLOBAL SILVER MINE RESERVES DROP IN 2021 <sup>(1)</sup>

Primary silver reserves are declining as mining depletion exceeded additions. However, silver is a green metal which supports rising industrial demand, placing upwards pressure on the price of silver.

## SILVER CAPACITY FROM NEAR TERM MINE DEVELOPMENT PROJECTS (million ounces) <sup>(3)</sup>



## Silver Mine Production Source <sup>(2)</sup>



- Silver is produced primarily a by-product of base metals mines
- There has been a global decline in reserves and grades with fewer high grade, world scale deposits, with longer lead times to bring to production
- Annual silver consumption is ~1.0B oz (80% sourced from mining, 20% scrap)
- Silver scrap recycling is at a 25-year low
- Over the past 10 years, the silver industry has been in a 500M oz physical deficit.

# Photovoltaic Demand – Setting New Record Highs

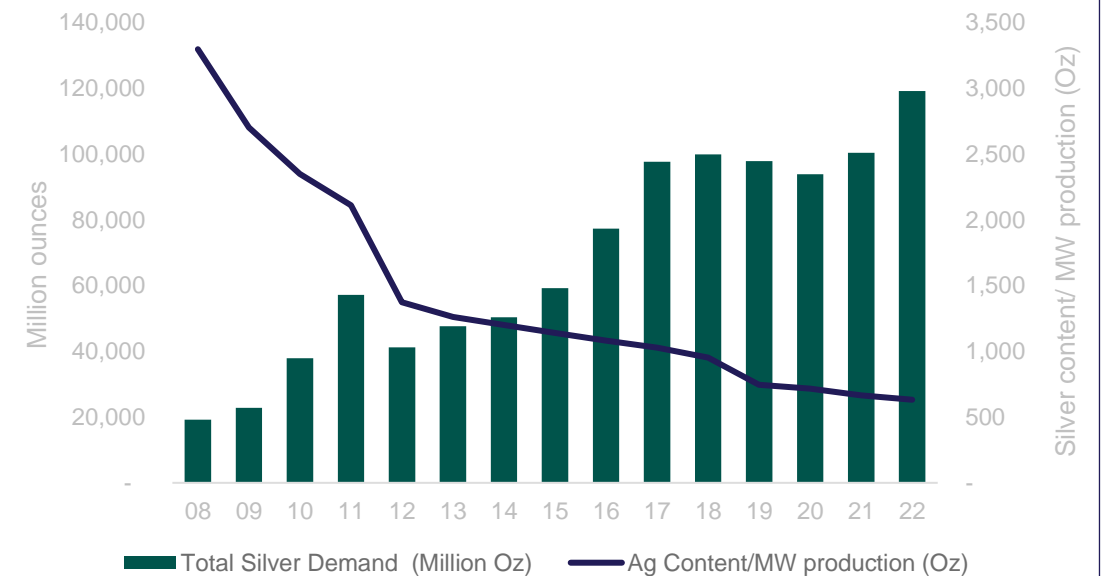


An average solar panel uses about 20 grams of silver.  
Every Gigawatt of solar power needs 2.8 million oz of silver.

## FASTEST GROWING SEGMENT OF INDUSTRIAL DEMAND

- Silver is key in the production of solar cells – specifically silver paste helps conduct the gathered electricity from the sunlight out of the cell so it can be stored or consumed
- Photovoltaic demand represents 1/5 of all industrial off take
- Solar car ports are one of the most viable options for refuelling EV's.

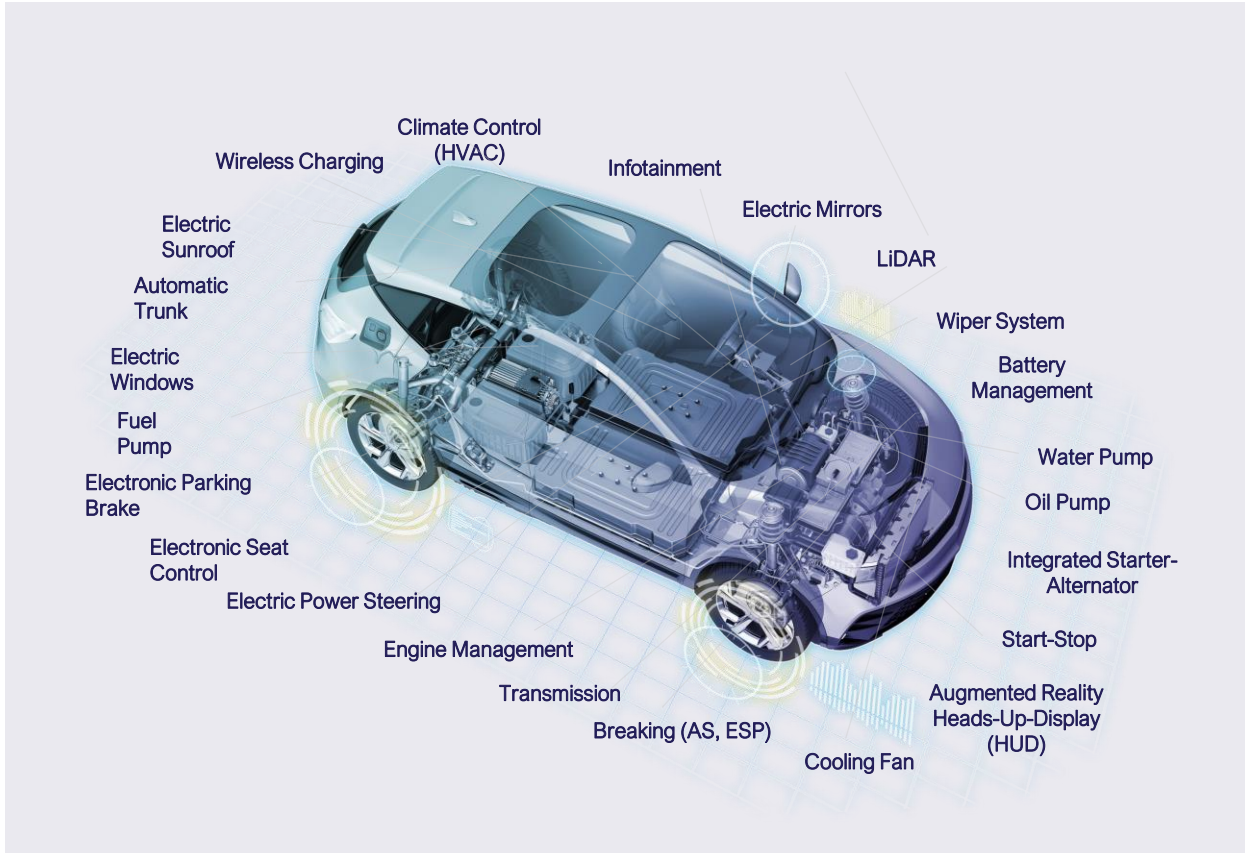
## SILVER DEMAND FROM SOLAR PANELS <sup>(1)</sup>



1. Source: CPM Group. Ag Content is defined as silver needed per MW of solar production

# Demand in Automotive – Next Disruptive Technology for Silver

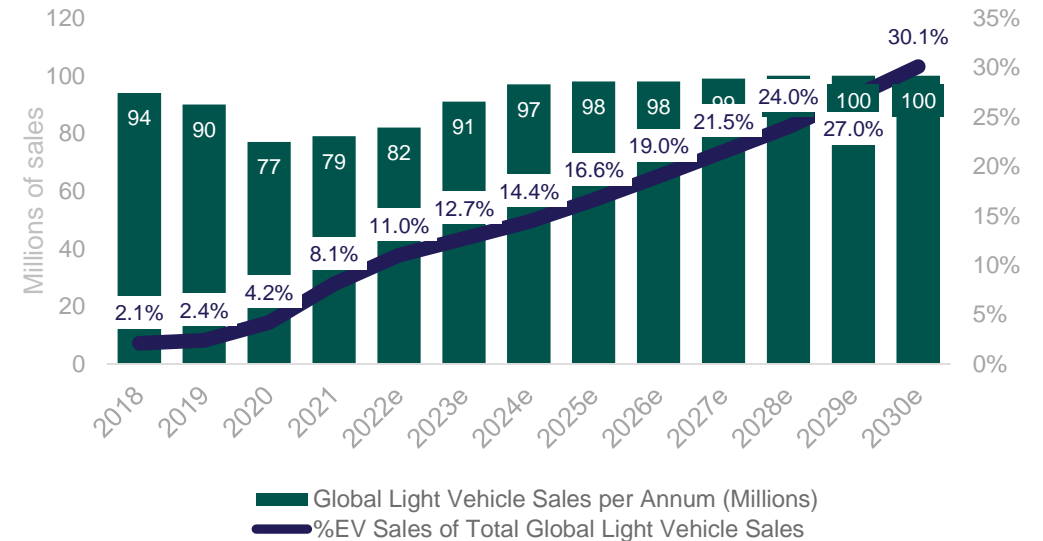
(Demand projected to surpass the volume of silver used in Photovoltaics)



## A SURGE IN ELECTRIC VEHICLES (“EV’S”)

- Silver is a critical component of EV’s, which are seeing strong demand globally
- +40 automakers have invested in electric & hybrid vehicles
- All will require significant silver in the contact points to conduct electricity
- Governments also responding by banning the sale of gasoline & diesel vehicles

## EV SALES ARE SLATED TO REPRESENT >30% OF TOTAL LIGHT WEIGHT VEHICLES BY 2030



Battery powered EV’s have twice as much silver as internal combustion vehicles, between ~25-50 grams of silver per vehicle.

# Silver or Gold?

## WHY SILVER?



- Easier for investors to purchase given lower price
- Silver stands out from gold, with practical industrial applications, which account for more than 50% of consumption
- Silver has earned a place in the portfolios of many investors as a store of value and more recently a critical metal that is needed for a sustainable future

## WHY GOLD?



- Gold is precious, rare, beautiful and malleable
- Throughout history, it has been used as money and jewellery
- Gold is both a store of value and a currency of exchange
- It is the best hedge against monetary inflation and currency debasement

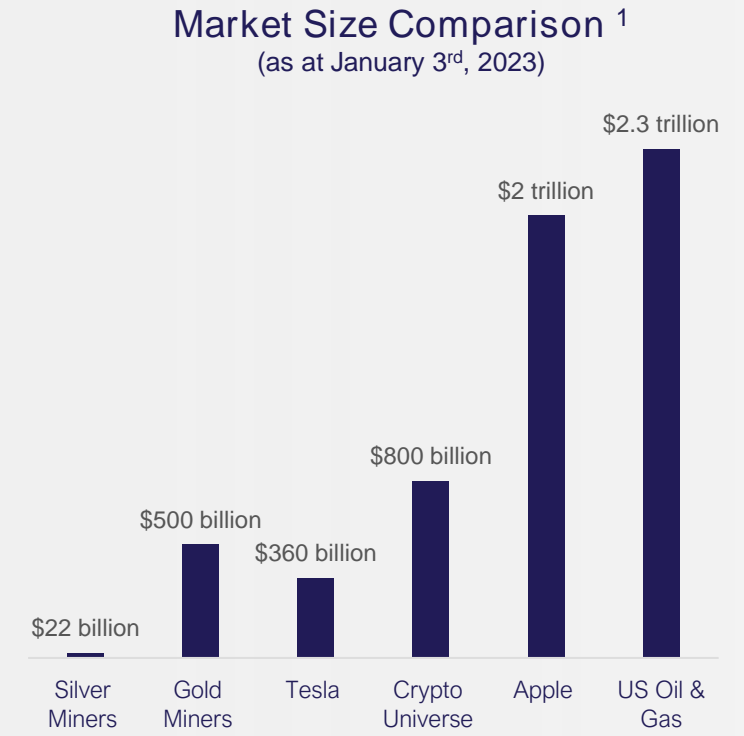
## POST PANDEMIC RETURNS ON GOLD & SILVER



- Wherever gold goes, silver follows
- When gold investment demand rises, silver lags initially, because it is primarily an industrial metal, and then plays catch up
- As silver is a much smaller market by value compared to gold, the price is much more sensitive to investment demand
- Current gold:silver ratio is high at ~80:1; historical average is ~65:1, indicating that silver is undervalued



# Silver Bull Markets have Vengeance Due to Extreme Leverage



*The entire primary silver market is a fraction relative to other sectors. This creates tremendous leverage for silver due to its small scale. Particularly, this is why silver outperforms gold by a wide margin during bull markets.*

1. Source: Bloomberg S&P Market Intelligence – CIQ Platform. Silver miners comprised of 42 companies, gold miners comprised of 750 companies.

# Why Buy Silver Miners Now?

## FEW PURE SILVER PRODUCERS

- Silver mining shares trade at a premium to gold mining shares due to the scarcity of primary silver mining companies. Currently there are less than 10 primary silver miners
- Mid-tier producers offer a combination of liquidity, leverage and growth

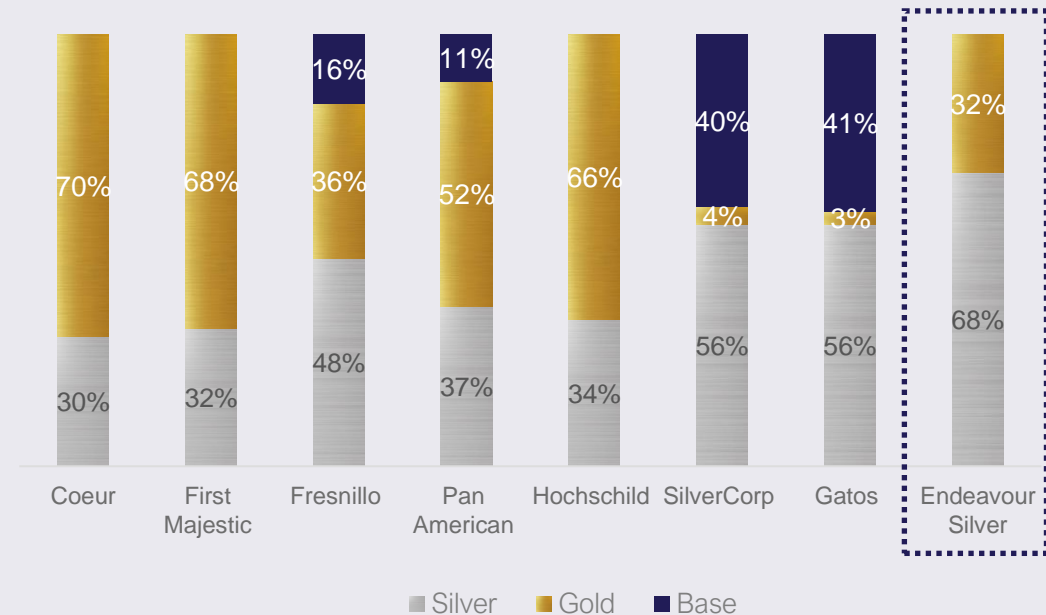
## ENDEAVOUR OFFERS LEADING BETA TO SILVER PRICE

- Historically, Endeavour has delivered industry leading multiples and consistent returns and offers a top beta to silver.
- Endeavour is one of few silver producers with a growth portfolio that is also geared towards silver, enhancing the overall beta to silver

	5 year beta <sup>(1)</sup>
Endeavour Silver	1.49
Gato Silver	1.40
Coeur	1.34
First Majestic	1.31
Hecla	1.26
Avino	1.25
Fortuna Silver	1.20
Pan American	1.15
Americas Silver	1.14

1. Source: 5 year beta as provided by Capital IQ software – as at January 20, 2023  
 2. Source: BMO Silver Pages dated January 20, 2023

## ENDEAVOUR SILVER IS THE LEADING SILVER INVESTMENT VEHICLE IN THE MARKET <sup>(2)</sup>



Large “silver” producers are less than 50% silver in the revenue mix due to scarcity of primary silver deposits as the companies grew through M&A. Endeavour offers the highest % of silver in the revenue mix.

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