



Which Silver Company Is Right for Your Portfolio?

Description

Endeavour Silver ([TSX: EDR](#))([NYSE: EXK](#)) and **First Majestic Silver** ([TSX: FR](#))([NYSE: AG](#)) both operate in Mexico and have market capitalizations of approximately \$655 million and \$1.3 billion, respectively. Furthermore, these two companies have growth projects in place to boost their respective bottom lines. Consider the following as you research these companies as possible portfolio additions.

Producing silver mines

Endeavour Silver owns three producing silver/gold mines in Mexico. These are the Guanaceví mine in the state of Durango, and the Bolanitos and El Cubo mines in the state of Guanajuato.

First Majestic Silver owns five producing silver mines in Mexico: La Encantada, La Parrilla, San Martin, La Guitarra, and Del Toro.

Production

Endeavour Silver has had nine consecutive years of production growth in its silver mining operations, or, that is, growth since 2004. In 2013, it attained production of 6.8 million ounces of silver and 75,578 ounces of gold. This is equal to 11.3 million ounces of silver equivalent.

Last week, the company reported silver and gold production results for Q2 2014. Compared to Q2 2013, Endeavour's silver production increased 9% to 1.67 million ounces. Gold production decreased 24% to 15,136 ounces.

First Majestic Silver has projected 12.7 million to 13.3 million silver ounces for 2014. Its goal is to achieve annual production of approximately 20 million silver ounces. This week, the company announced that total production at its five operating silver mines in Mexico for Q2 2014 reached 3.86 million equivalent ounces of silver. This is a new quarterly record and represents an 18% increase versus Q2 2013.

Growth plans

Endeavour Silver has an emerging new high-grade discovery at San Sebastian, Mexico, and six other exploration projects in Mexico. The historic San Sebastian silver/gold district covers more than 50 small historic mines on more than 20 separate veins. The company's near-term goal is to produce more than 10 million ounces per year of silver via organic growth and strategic acquisitions. It seeks organic growth through performing modern exploration in historic districts. Doing this, it makes new discoveries, which can be accelerated to production.

First Majestic Silver is focusing on the development of its existing mineral property assets and the acquisition of additional mineral assets to contribute to it realizing its growth goals. Since 2011, the company has completed more than 250,000 metres of exploration drilling. This will result in many National Instrument 43-101 updates this year and in 2015.

First Majestic completed 12,508 metres of diamond drilling in Q2 2014 versus 7,190 metres in Q1 2014, a 74% increase. A major part of current drilling is centered at the La Encantada silver mine. This is to support the preparation and release of an updated National Instrument 43-101 technical report. La Encantada is the company's largest operation.

Dividends

Of note to dividend income investors is that neither of these two companies pays a dividend.

Research these two companies operating in Mexico, a country where 100% foreign capital is allowed. These two companies are leveraging the extensive modern communications and transportation infrastructures in Mexico to explore for and develop silver mines on promising properties.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:AG (First Majestic Silver)
2. NYSE:EXK (Endeavour Silver Corp.)
3. TSX:EDR (Endeavour Silver Corp.)
4. TSX:FR (First Majestic Silver)

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