

ENDEAVOUR SILVER CORP  
Form 6-K  
August 08, 2012

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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## FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE

For the month of August, 2012

Commission File Number 001-33153

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ENDEAVOUR SILVER CORP.

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(Translation of registrant's name into English)

Suite 301 - 700 West Pender Street  
Vancouver, British Columbia, Canada, V6C 1G8

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(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form		Form	
20-F	<input type="radio"/>	40-F	<input checked="" type="radio"/>

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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EXHIBIT INDEX

Exhibit Description

99.1 Endeavour Silver Options El Inca Silver-Gold Properties in Northern Chile

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Endeavour Silver Corp.  
(Registrant)

Date: August 8, 2012

By: /s/ Bradford Cooke

Name: Bradford Cooke  
Title: CEO & Director

Times, Serif">	Matthew M. Peakes	2016	315,474	81,000	396,474	Former	
Chief	2017	44,828	10,688	55,516	Executive Officer (1)		Nabil J.
Lopez	2016	148,291	-	-	148,291	Former Chief	2017 -
(2)						- Financial Officer	
					Steven R. Patterson	2016	180,000
Chief	2017	45,000	45,000	Financial Officer (3)			Former Acting
Loftus	2016	-	-	Chief Executive	2017	-	- Officer (4)
Pedersen	2017	150,000	37,203	187,203	Chief Financial		Officer (5)

Matthew M. Peakes was elected as the Company's Chairman of the Board, Chief Executive Officer and President (1) upon the resignation of James D. Clem on September 15, 2015. Mr. Peakes resigned from his position as Chairman of the Board, Chief Executive Officer and President on December 10, 2016.

Nabil J. Lopez was elected as Chief Financial Officer and member of the Board on November 4, 2015. Prior to (2) this election, Mr. Lopez served as the Company's Senior Vice President and Controller. Mr. Lopez resigned his position as Chief Financial Officer and member of the Board on August 15, 2016.

(3) Steven R. Patterson was elected as Acting Chief Financial Officer on August 15, 2016. Mr. Patterson's election was strictly on a contractual basis and not as an employee. His firm was paid \$9,000 per week.

John R. Loftus was elected as the Company's Chief Executive Officer, Chairman of the Board, and President on (4) December 12, 2016 upon the resignation of Matthew M. Peakes on December 10, 2016. Mr. Loftus has chosen not to receive a salary at this time.

(5) Bret A. Pedersen was elected as the Company's Chief Financial Officer on January 14, 2017 after the resignation of Steven R. Patterson on January 12, 2017.

## **Employment Agreement**

There are no Employment Agreements as of December 31, 2017; however, each of the executive officers are beneficiaries of indemnification agreements.

## **Outstanding Equity Awards at Fiscal Year End**

On April 27, 2016, the Board awarded Matthew Peakes, the Company's former Chief Executive Officer, and Nabil J. Lopez, the Company's former Chief Financial Officer, a total of 75,000 and 50,000 RSUs, respectively, as compensation for their service as executives of the Company. For Mr. Peakes, one-fourth (or 18,750), and for Mr. Lopez, one-fourth (or 12,500) of the RSUs were to vest ratably in equal annual installments over a four year period beginning on April 27, 2017, subject to a continued status as an employee on each such date and other terms and conditions set forth in the RSU Award Agreement, dated April 27, 2016. Each vested RSU is convertible into one share of our Common Stock, par value \$0.01, without additional consideration. Upon termination of service of the employee, other than by death or disability, any RSUs that have not vested will be forfeited and the award of such units shall terminate. As a result of his resignation effective August 15, 2016, all 50,000 RSUs awarded to Mr. Lopez were forfeited. As a result of the continued employment of Matthew Peakes on April 27, 2017, his first annual installment (or 18,750) RSUs became vested. As a result of Matthew Peakes resignation effective June 30, 2017, all further service RSUs awarded to Mr. Peakes were forfeited. In addition to the RSU grant above for Matthew Peakes and Nabil Lopez, the compensation committee granted an additional 75,000 and 50,000, respectively, performance based RSUs to the executives that were to vest ratably over a four year period beginning April 27, 2017 if certain financial performance criteria are achieved. As a result of his resignation effective August 15, 2016, all 50,000 of such RSUs awarded to Mr. Lopez were forfeited. As a result of the financial performance being below the minimum level, no RSUs were vested on the first annual installment. As a result of Matthew Peakes resignation effective June 30, 2017, all 75,000 performance RSUs awarded to Mr. Peakes were forfeited.

As of the end of Fiscal 2017, there were no outstanding RSUs that have not vested for any executive officer.

## **Compensation of Directors**

Beginning in January 2017, the Compensation Committee recommended that independent directors be paid cash compensation of \$10,000 per year, to be paid in \$2,500 quarterly increments due on the day of each quarterly board meeting. The Board subsequently approved these recommendations. No other compensation is paid to directors.

Our non-independent directors receive no separate compensation for their services as directors.

The following table sets forth the total compensation paid to our directors (other than directors who are Named Executive Officers and whose compensation is described above under the heading Summary Compensation Table) for their service on our Board and committees of the Board during Fiscal 2017.

Name	Director Fees Paid in	Stock	All Other	Total
	Cash (\$)	Awards (\$)	Compensation	
Joel S. Friedman (1)	10,000	-	-	10,000
Alexandra C. Griffin (2)	10,000	-	-	10,000
Jim R. Ruth (3)	10,000	-	-	10,000

(1) Joel S. Friedman was elected as independent director on January 18, 2017.

(2) Alexandra C. Griffin was elected as independent director on January 17, 2017.

(3) Jim R. Ruth was elected as independent director on January 17, 2017.

### Equity Compensation Plan Information

On June 21, 2004, our stockholders approved the adoption of the 2004 Stock Option Plan (the “2004 Plan”) which reserved 1,700,000 shares of our Common Stock for issuance upon exercise of options to purchase our Common Stock. We granted options to purchase an aggregate of 1,459,634 shares of our Common Stock under the 2004 Plan to certain of our officers, directors, key employees and certain other individuals who provided us with goods and services. Each option vested on either January 1, 2004 or immediately upon issuance thereafter. The exercise price of each option issued pursuant to the 2004 Plan is equal to the market value of our Common Stock on the date of grant, as determined by the closing bid price for our Common Stock on the Exchange on the date of grant or, if no trading occurred on the date of grant, on the last day prior to the date of grant on which our securities were listed and traded on the Exchange. Of the options issued under the 2004 Plan, as of December 31, 2017, 845,634 have been exercised, 599,000 have expired, and 15,000 remain outstanding. No further issuances can be made pursuant to the 2004 Plan.

On June 27, 2006, our stockholders approved the adoption of the 2006 Equity Incentive Plan (the “2006 Plan”), which reserved 750,000 shares for issuance upon exercise of options to purchase our Common Stock or other stock awards.

We subsequently granted options to purchase 150,000 shares of our Common Stock pursuant to the 2006 Plan, of which 100,000 have been exercised and the remaining 50,000 have expired as of December 31, 2016.

On March 24, 2016, the Board awarded the three independent directors on the Board at that time a total of 122,040 RSUs as compensation for their Board service. One-fourth (or 30,510) of the RSUs vested and were issued on March 31, 2016. The remaining RSUs vested ratably and were exercisable at the end of every quarter (June 30, September 30, and December 31, 2016). Each vested RSU converted into one share of our Common Stock, par value \$0.01, without additional consideration, on the applicable vesting date.



On April 27, 2016, the Board awarded Matthew Peakes, the Company's former Chief Executive Officer, and Nabil J. Lopez, the Company's former Chief Financial Officer, a total of 75,000 and 50,000 RSUs, respectively, as compensation for their service as executives of the Company. For Mr. Peakes, one-fourth (or 18,750), and for Mr. Lopez, one-fourth (or 12,500) of the RSUs were to vest ratably in equal annual installments over a four year period beginning on April 27, 2017, subject to a continued status as an employee on each such date and other terms and conditions set forth in the RSU Award Agreement, dated April 27, 2016. Each vested RSU was convertible into one share of our Common Stock, par value \$0.01, without additional consideration. Upon termination of service of the employee, other than by death or disability, any RSUs that have not vested will be forfeited and the award of such units shall terminate. As a result of his resignation effective August 15, 2016, all 50,000 RSUs awarded to Mr. Lopez were forfeited. As a result of the continued employment of Matthew Peakes on April 27, 2017, his first annual installment (or 18,750) RSUs became vested. As a result of Matthew Peakes resignation effective June 30, 2017, all further service RSUs awarded to Mr. Peakes were forfeited. In addition to the RSU grant above for Matthew Peakes and Nabil Lopez, the compensation committee granted an additional 75,000 and 50,000, respectively, performance based RSUs to the executives that were to vest ratably over a four year period beginning April 27, 2017 if certain financial performance criteria are achieved. As a result of his resignation effective August 15, 2016, all additional 50,000 RSUs awarded to Mr. Lopez were forfeited. As a result of the financial performance being below the minimum level, no RSUs were vested on the first annual installment. As a result of Matthew Peakes resignation effective June 30, 2017, all performance RSUs awarded to Mr. Peakes were forfeited.

Subsequent to such grants, the 2006 Plan expired, as a result, no further issuances can be made pursuant to the 2006 Plan.

On December 7, 2016, our stockholders approved the adoption of the 2016 Equity Incentive Plan (the "2016 Plan"), which reserved 1,100,000 shares for issuance pursuant to awards issued thereunder. As of December 31, 2017, no awards had been made under the 2016 Plan.

The following table summarizes options to purchase shares of Common Stock, and RSUs, outstanding as of December 31, 2017:

Number of	Weighted average	Numbers of securities
securities to be		remaining available for
		future issuance under

Plan Category	issued upon	exercise price of	equity compensation plans (excluding securities reflected in column (a))
	exercise of options	outstanding options	
Equity compensation plans approved by security holders	15,500	2.17	1,100,000
Equity compensation plans not approved by security holders	None 15,500		None 1,100,000

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

From time to time, we engage in business transactions with our stockholders, Elemetal, NTR and other related parties. Set forth below in the section entitled “Related Party Transactions” is a summary of such transactions.

### Related Party Transactions

DGSE has a corporate policy governing the identification, review, consideration and approval or ratification of transactions with related persons, as that term is defined in the Instructions to Item 404(a) of Regulation S-K, promulgated under the Securities Act (“Related Party”). Under this policy, all Related Party transactions are identified and approved prior to consummation of the transaction to ensure they are consistent with DGSE’s best interests and the best interests of its stockholders. Among other factors, DGSE’s Board considers the size and duration of the transaction, the nature and interest of the of the Related Party in the transaction, whether the transaction may involve a conflict of interest and if the transaction is on terms that are at least as favorable to DGSE as would be available in a comparable transaction with an unaffiliated third party. DGSE’s Board reviews all Related Party transactions at least annually to determine if it is in DGSE’s best interests and the best interests of DGSE’s stockholders to continue, modify, or terminate any of the Related Party transactions. DGSE’s Related Person Transaction Policy is available for review in its entirety under the “Investors” menu of the Company’s corporate relations website at [www.DGSECompanies.com](http://www.DGSECompanies.com)

Through a series of transactions beginning in 2010, Elemetal, NTR and Truscott became the largest stockholders of our common stock, par value \$0.01 per share. A certain Related Party has been DGSE's primary refiner and bullion trading partner. In Fiscal 2017, 17% of sales and 11% of purchases were transactions with a certain Related Party, and in the same period of Fiscal 2016, these transactions represented 25% of DGSE's sales and 27% of DGSE's purchases. On December 9, 2016, DGSE and a certain Related Party closed the transactions contemplated by the Debt Exchange Agreement whereby DGSE issued a certain Related Party 8,536,585 shares of its common stock and a warrant to purchase an additional 1,000,000 shares to be exercised within two years after December 9, 2016, in exchange for the cancellation and forgiveness of \$3,500,000 of trade payables owed to a certain Related Party as a result of bullion-related transactions. As of December 31, 2017, the Company was obligated to pay \$3,902,293 to the certain Related Party as a trade payable, and had a \$39,215 receivable from the certain Related Party. As of December 31, 2016, the Company was obligated to pay \$4,107,425 to the certain Related Party as a trade payable, and had a \$40,627 receivable from the certain Related Party. For the years ended December 31, 2017 and 2016, the Company paid the Related Parties \$199,243 and \$240,004, respectively, in interest on the Company's outstanding payable.

On July 19, 2012, the Company entered into the Loan Agreement with a certain Related Party, pursuant to which the Related Party agreed to provide the Company with a guidance line of revolving credit in an amount up to \$7,500,000. The Loan Agreement anticipated termination—at which point all amounts outstanding thereunder would be due and payable—upon the earlier of: (i) August 1, 2014; (ii) the date that is twelve months after DGSE receives notice from the certain Related Party demanding the repayment of the Obligations; (iii) the date the Obligations are accelerated in accordance with the terms of the Loan Agreement; or, (iv) the date on which the commitment terminates under the Loan Agreement. In connection with the Loan Agreement, DGSE granted a security interest in the respective personal property of each of its subsidiaries. The loan carried an interest rate of two percent (2%) per annum for all funds borrowed pursuant to the Loan Agreement. Proceeds received by DGSE pursuant to the terms of the Loan Agreement were used for repayment of all outstanding financial obligations incurred in connection with that certain Loan Agreement, dated as of December 22, 2005, between DGSE and Texas Capital Bank, N.A., and additional proceeds were used as working capital in the ordinary course of business. On February 25, 2014, we entered into a one-year extension of the Loan Agreement with the certain Related Party, extending the termination date to August 1, 2015, and on February 4, 2015, we entered into an additional two-year extension, extending the termination date to August 1, 2017. On December 9, 2016, DGSE and the certain Related Party closed the transactions contemplated by the Debt Exchange Agreement whereby DGSE issued the certain Related Party 5,948,560 shares of common stock in exchange for the cancellation and forgiveness of the loan principal and accrued interest totaling \$2,438,909. As of December 31, 2017 and 2016, the outstanding balance of the certain Related Party loan was \$0 and \$0 respectively. In the years ended December 31, 2017 and 2016, the Company paid the certain Related Party \$0 and \$43,723, respectively, in interest on the Company's line of credit.

## **PROPOSAL TWO**

### **RATIFICATION OF THE APPOINTMENT OF**

### **WHITLEY PENN AS INDEPENDENT AUDITORS OF DGSE**

### **FOR THE FISCAL YEAR ENDING DECEMBER 31, 2017**

The Audit Committee has appointed Whitley Penn as our independent registered accountants to audit our financial statements for the fiscal year ending December 31, 2018, and has further directed that management submit the selection of independent registered accountants for ratification by our stockholders at the annual meeting. Stockholder ratification of the selection of Whitley Penn is not required by our bylaws or otherwise. However, we are submitting the selection of Whitley Penn to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain Whitley Penn. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent accounting firm at any time during the year if it is determined that such a change would be in the best interests of DGSE and our stockholders.

Representatives of the firm of Whitley Penn are expected to be present at our annual meeting and will have an opportunity to make a statement, if they so desire, and will be available to respond to appropriate questions.

In accordance with the requirements of the Sarbanes-Oxley Act of 2002 and the Audit Committee's charter, all audit and audit-related work and all non-audit work performed by our independent accountants, Whitley Penn, is approved in advance by the Audit Committee, including the proposed fees for such work. The Audit Committee is informed of each service actually rendered.

The following table presents fees for the audits of our annual Consolidated Financial Statements for Fiscal 2017 and Fiscal 2016.

Type of Fees	2017	2016
Audit Fees	\$ 190,500	\$ 206,000
Tax Fees	10,700	14,800
Total	201,200	\$ 220,800

The amounts for audit fees include generally the fees charged for: (i) the audit of our annual consolidated financial statements included in the Company's Form 10-K; and, (ii) the reviews of our quarterly consolidated financial

statements included in the Company's Forms 10-Q. The tax fees were primarily for tax return preparation and tax-related services, including the preparation of all applicable state tax returns.

All audit services were pre-approved by the Audit Committee, which concluded that the provision of such services by Whitley Penn LLP was compatible with the maintenance of that firm's independence in the conduct of its auditing functions. The Audit Committee's pre-approval policy: (i) identifies the guiding principles that must be considered by the audit committee in approving services to ensure that Whitley Penn LLP's independence is not impaired; (b) describes the audit, and tax services that may be provided; and (c) sets forth pre-approval requirements for all permitted services. Under the policy, all services to be provided by Whitley Penn LLP must be pre-approved by the Audit Committee.

We originally engaged the firm of Whitley Penn in May 2012, as our principal independent accountant to audit our financial statements. The members of our Board of Directors unanimously approved the engagement of Whitley Penn. Prior to the engagement of Whitley Penn, neither we nor any person on our behalf consulted Whitley Penn regarding either: (i) the application of accounting principles to a specified completed or proposed transaction or the type of audit opinion that might be rendered on our financial statements; or, (ii) any matter that was the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K, promulgated under the Securities Act and the related instructions to such Item) or a reportable event (as defined in Item 304(a)(1)(v) of Regulation S-K, promulgated under the Securities Act).

### **Vote Required**

The affirmative vote of a majority of the votes cast at the Annual Meeting, assuming a quorum is present, is required for the ratification of our independent registered accountants.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF Whitley Penn AS INDEPENDENT AUDITORS OF DGSE FOR THE FISCAL YEAR ENDING December 31, 2018.**

**PROPOSAL THREE:**

**ADJOURNMENT OF THE ANNUAL MEETING TO SOLICIT ADDITIONAL PROXIES IN FAVOR OF PROPOSALS ONE THROUGH TWO**

At the Annual Meeting, we may ask stockholders to vote to adjourn the Special Meeting to solicit additional proxies in favor of the approval of Proposals One through Two if we have not obtained sufficient votes to approve any such proposal. Approval of the Adjournment Proposal requires the affirmative vote of a majority of the votes cast on the matter, assuming a quorum is present at the meeting. As this vote is a non-routine matter under applicable rules, your bank, broker or other nominee cannot vote without instructions from you.

**THE BOARD UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE PROPOSAL TO ADJOURN THE ANNUAL MEETING TO SOLICIT ADDITIONAL PROXIES IN FAVOR OF PROPOSALS ONE THROUGH TWO.**

**SECTION 16(a) BENEFICIAL OWNERSHIP****REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our directors and officers and persons who beneficially own more than ten percent of our common stock to file with the SEC reports of beneficial ownership on Forms 3 and changes in beneficial ownership of our common stock and other equity securities on Forms 4 or Forms 5. SEC regulations require all officers, directors and greater than 10% stockholders to furnish us with copies of all Section 16(a) forms they file.

Based solely upon a review of Forms 3 and 4 and amendments thereto furnished to us during, and Forms 5 and amendments thereto furnished to us with respect to, Fiscal 2017, and any written representations from reporting persons that no Form 5 is required, the following table sets forth information regarding each person who, at any time during Fiscal 2017, was a director, officer or beneficial owner of more than 10% of our common stock who failed to file on a timely basis, as disclosed in the above forms, reports required by Section 16(a) of the Exchange Act during Fiscal 2017 or prior fiscal years:

Name	Number of Late Reports	Number of Transactions Not Reported On a Timely Basis	Known Failures to File a Required Form
John R. Loftus	0	0	0
Joel S. Friedman	1	0	0
Alexandra C. Griffin	1	0	0
Jim R. Ruth	1	0	0
Bret A. Pedersen	0	0	0

**STOCKHOLDER COMMUNICATIONS AND PROPOSALS**

We have adopted a formal process by which stockholders may communicate with our Board of Directors. Our Board recommends that stockholders initiate any communications with the Board in writing and send them in care of the investor relations department by mail to our principal offices at 13022 Preston Road, Dallas, Texas 75240. This centralized process will assist the Board in reviewing and responding to stockholder communications in an appropriate manner. The name of any specific intended Board recipient should be noted in the communication. The Board of Directors has instructed the investor relations department to forward such correspondence only to the intended recipients; however, the Board has also instructed the investor relations department, prior to forwarding any

correspondence, to review such correspondence and, in its discretion, not to forward certain items if they are deemed of a personal, illegal, commercial, offensive or frivolous nature or otherwise inappropriate for the Board's consideration. In such cases, that correspondence will be forwarded to our corporate secretary for review and possible response. This information is also contained on our website at [www.DGSECompanies.com](http://www.DGSECompanies.com).



Stockholder proposals made in compliance with Rule 14(a)-8 of the Exchange Act to be presented at our Annual Meeting of Stockholders to be held in 2018, for inclusion in our proxy statement and form of proxy relating to that meeting, must be received on or before February 15, 2018, unless the Annual Meeting has been changed by more than thirty days from the date of the 2018 Annual Meeting, in which case stockholder proposals must be received by a reasonable time before the Company begins to print and send its proxy materials. Stockholder proposals made outside the process described in Rule 14(a)-8 of the Exchange Act must be received by February 15, 2018. Such stockholder proposals must comply with our bylaws and the requirements of Regulation 14A of the Exchange Act.

Rule 14a-4 of the Exchange Act governs our use of discretionary proxy voting authority with respect to a stockholder proposal that is not addressed in the proxy statement. With respect to our 2018 Annual Meeting of Stockholders, if we are not provided notice of a stockholder proposal by February 15, 2018, we will be permitted to use our discretionary voting authority when the proposal is raised at the meeting, without any discussion of the matter in the proxy statement.

Proposals of stockholders intended to be included in the Company's proxy materials for its 2019 Annual Meeting of stockholders must be received on or before January 15, 2019. Such proposals must also comply with SEC regulations under Rule 14a-8 regarding the inclusion of stockholder proposals in company-sponsored proxy materials. Proposals should be addressed to the attention of Bret A. Pedersen, Chief Financial Officer, 13022 Preston Road, Dallas, TX 75240, or e-mailed to bpedersen@dgse.com.

## **PERSONS MAKING THE SOLICITATION**

The enclosed proxy is solicited on behalf of our Board of Directors. We will pay the cost of soliciting proxies in the accompanying form. Our officers may solicit proxies by mail, telephone, telegraph or fax. Upon request, we will reimburse brokers, dealers, banks and trustees, or their nominees, for reasonable expenses incurred by them in forwarding proxy material to beneficial owners of our shares of Common Stock.

## **OTHER MATTERS**

The Board of Directors is not aware of any matter to be presented for action at the meeting other than the matters set forth herein. Should any other matter requiring a vote of stockholders arise, the proxies in the enclosed form confer upon the person or persons entitled to vote the shares represented by such proxies' discretionary authority to vote the same in accordance with their best judgment in the interest of DGSE.

DGSE has adopted a process for mailing the 2017 Annual Report and the 2018 Proxy Statement called “householding,” which has been approved by the Securities and Exchange Commission. Householding means that stockholders who share the same last name and address will receive only one copy of the 2017 Annual Report and Proxy Statement, unless DGSE receives contrary instructions from any stockholder at that address. DGSE will continue to mail a proxy card to each stockholder of record.

If you prefer to receive multiple copies of the 2017 Annual Report and the 2018 Proxy Statement at the same address, additional copies will be promptly provided to you upon your request. If you are a stockholder of record, you may contact us by writing to Bret Pedersen at 13022 Preston Road, Dallas, TX 75240. Eligible stockholders of record receiving multiple copies of the 2017 Annual Report and the 2018 Proxy Statement can request householding by contacting DGSE in the same manner. DGSE has undertaken householding to reduce printing costs and postage fees, and we encourage you to participate.

If you are a beneficial owner, you may request additional copies of the 2017 Annual Report and Proxy Statement or you may request householding by notifying your broker, bank or nominee.

Current and prospective investors can also access free copies of our 2017 Annual Report, the 2018 Proxy Statement and other financial information on our Investor Relations section of our web site at <http://www.egain.com/company/investors/>.

#### **ANNUAL REPORT ON FORM 10-K**

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, including financial statements, accompanies this proxy statement. The Annual Report is not to be regarded as proxy soliciting material or as a communication by means of which any solicitation is to be made. A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC, is available (excluding exhibits) without cost to stockholders upon written request made to Investor Relations, DGSE Companies, Inc., 13022 Preston Road, Dallas, TX 75240 or online at our website <http://dgsecompanies.com>.

By Order of the Board of Directors,

*/s/ Bret A. Pedersen*  
Bret A. Pedersen  
*Chief Financial Officer*

April 30, 2018









